UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

F O R M 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2017**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____to_____

Commission file number: **001-35081**

KINDER MORGAN, INC.

(Exact name of registrant as specified in its charter)

Delaware	**80-0682103**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1001 Louisiana Street, Suite 1000, Houston, Texas 77002
(Address of principal executive offices)(zip code)
Registrant's telephone number, including area code: **713-369-9000**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 19, 2017, the registrant had 2,233,239,574 Class P shares outstanding.

KINDER MORGAN, INC. AND SUBSIDIARIES
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KINDER MORGAN, INC. AND SUBSIDIARIES
GLOSSARY
Company Abbreviations

CIG	=	Colorado Interstate Gas Company, L.L.C.
Copano	=	Copano Energy, L.L.C.
Elba Express	=	Elba Express Company, L.L.C.
EPB	=	El Paso Pipeline Partners, L.P. and its majority-owned and/or controlled subsidiaries
EPNG	=	El Paso Natural Gas Company, L.L.C.
Hiland	=	Hiland Partners, LP
KMBT	=	Kinder Morgan Bulk Terminals, Inc.
KMEP	=	Kinder Morgan Energy Partners, L.P.
KMGP	=	Kinder Morgan G.P., Inc.
KMI	=	Kinder Morgan, Inc. and its majority-owned and/or controlled subsidiaries
KML	=	Kinder Morgan Canada Limited and its majority-owned and/or controlled subsidiaries
KMLT	=	Kinder Morgan Liquid Terminals, LLC
KMP	=	Kinder Morgan Energy Partners, L.P. and its majority-owned and/or controlled subsidiaries
KMR	=	Kinder Morgan Management, LLC
SFPP	=	SFPP, L.P.
SLNG	=	Southern LNG Company, L.L.C.
SNG	=	Southern Natural Gas Company, L.L.C.
TGP	=	Tennessee Gas Pipeline Company, L.L.C.

Unless the context otherwise requires, references to “we,” “us,” “our,” or “the company” are intended to mean Kinder Morgan, Inc. and its majority-owned and/or controlled subsidiaries.

Common Industry and Other Terms

/d	=	per day
BBtu	=	billion British Thermal Units
Bcf	=	billion cubic feet
CERCLA	=	Comprehensive Environmental Response, Compensation and Liability Act
C$	=	Canadian dollars
CO_2	=	carbon dioxide or our CO_2 business segment
DCF	=	distributable cash flow
DD&A	=	depreciation, depletion and amortization
EBDA	=	earnings before depreciation, depletion and amortization expenses, including amortization of excess cost of equity investments
EPA	=	United States Environmental Protection Agency
FASB	=	Financial Accounting Standards Board
FERC	=	Federal Energy Regulatory Commission
GAAP	=	United States Generally Accepted Accounting Principles
IPO	=	Initial Public Offering
LLC	=	limited liability company
MBbl	=	thousand barrels
MMBbl	=	million barrels
NGL	=	natural gas liquids
OTC	=	over-the-counter

When we refer to cubic feet measurements, all measurements are at a pressure of 14.73 pounds per square inch.

Information Regarding Forward-Looking Statements

This report includes forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "position," "continue," "estimate," "expect," "may," or the negative of those terms or other variations of them or comparable terminology. In particular, expressed or implied statements concerning future actions, conditions or events, future operating results or the ability to generate sales, income or cash flow or to 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 may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond our ability to control or predict.

See "Information Regarding Forward-Looking Statements" and Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016 (2016 Form 10-K) for a more detailed description of factors that may affect the forward-looking statements. You should keep these risk factors in mind when considering forward-looking statements. These risk factors could cause our actual results to differ materially from those contained in any forward-looking statement. Because of these risks and uncertainties, you should not place undue reliance on any forward-looking statement. We plan to provide updates to projections included in this report when we believe previously disclosed projections no longer have a reasonable basis.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues				
Natural gas sales	$ 714	$ 719	$ 2,281	$ 1,740
Services	1,938	2,006	5,855	6,154
Product sales and other	629	605	1,937	1,775
Total Revenues	3,281	3,330	10,073	9,669
Operating Costs, Expenses and Other				
Costs of sales	1,029	971	3,200	2,454
Operations and maintenance	587	576	1,636	1,744
Depreciation, depletion and amortization	562	549	1,697	1,652
General and administrative	164	171	498	550
Taxes, other than income taxes	102	106	297	324
Loss on impairments and divestitures, net	7	76	13	307
Other income, net	—	(1)	—	—
Total Operating Costs, Expenses and Other	2,451	2,448	7,341	7,031
Operating Income	830	882	2,732	2,638
Other Income (Expense)				
Earnings from equity investments	167	137	477	343
Loss on impairments and divestitures of equity investments, net	—	(350)	—	(344)
Amortization of excess cost of equity investments	(15)	(15)	(45)	(45)
Interest, net	(459)	(472)	(1,387)	(1,384)
Other, net	24	12	60	42
Total Other Expense	(283)	(688)	(895)	(1,388)
Income Before Income Taxes	547	194	1,837	1,250
Income Tax Expense	(160)	(377)	(622)	(744)
Net Income (Loss)	387	(183)	1,215	506
Net Income Attributable to Noncontrolling Interests	(14)	(5)	(26)	(7)
Net Income (Loss) Attributable to Kinder Morgan, Inc.	373	(188)	1,189	499
Preferred Stock Dividends	(39)	(39)	(117)	(117)
Net Income (Loss) Available to Common Stockholders	$ 334	$ (227)	$ 1,072	$ 382
Class P Shares				
Basic Earnings (Loss) Per Common Share	$ 0.15	$ (0.10)	$ 0.48	$ 0.17
Basic Weighted Average Common Shares Outstanding	2,231	2,230	2,230	2,229
Diluted Earnings (Loss) Per Common Share	$ 0.15	$ (0.10)	$ 0.48	$ 0.17
Diluted Weighted Average Common Shares Outstanding	2,231	2,230	2,230	2,229
Dividends Per Common Share Declared for the Period	$ 0.125	$ 0.125	$ 0.375	$ 0.375

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net income (loss)	$ 387	$ (183)	$ 1,215	$ 506
Other comprehensive income (loss), net of tax				
Change in fair value of hedge derivatives (net of tax (expense) benefit of $(3), $(29), $(105) and $11, respectively)	7	50	185	(19)
Reclassification of change in fair value of derivatives to net income (net of tax benefit of $27, $23, $82 and $92, respectively)	(48)	(39)	(144)	(158)
Foreign currency translation adjustments (net of tax (expense) benefit of $(28), $11, $(45) and $(38), respectively)	78	(20)	129	65
Benefit plan adjustments (net of tax expense of $(8), $(3), $(17) and $(9), respectively)	7	6	20	16
Total other comprehensive income (loss)	44	(3)	190	(96)
Comprehensive income (loss)	431	(186)	1,405	410
Comprehensive income attributable to noncontrolling interests	(44)	(5)	(75)	(7)
Comprehensive income (loss) attributable to Kinder Morgan, Inc.	$ 387	$ (191)	$ 1,330	$ 403

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share and Per Share Amounts)

	September 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	$ 539	$ 684
Restricted deposits	81	103
Accounts receivable, net	1,194	1,370
Fair value of derivative contracts	175	198
Inventories	428	357
Income tax receivable	20	180
Other current assets	176	337
Total current assets	2,613	3,229
Property, plant and equipment, net	39,867	38,705
Investments	7,484	7,027
Goodwill	22,164	22,152
Other intangibles, net	3,153	3,318
Deferred income taxes	3,432	4,352
Deferred charges and other assets	1,638	1,522
Total Assets	$ 80,351	$ 80,305
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of debt	$ 3,156	$ 2,696
Accounts payable	1,358	1,257
Accrued interest	442	625
Accrued contingencies	277	261
Other current liabilities	941	1,085
Total current liabilities	6,174	5,924
Long-term liabilities and deferred credits		
Long-term debt		
Outstanding	33,969	36,105
Preferred interest in general partner of KMP	100	100
Debt fair value adjustments	1,047	1,149
Total long-term debt	35,116	37,354
Other long-term liabilities and deferred credits	2,537	2,225
Total long-term liabilities and deferred credits	37,653	39,579
Total Liabilities	43,827	45,503
Commitments and contingencies (Notes 3 and 9)		
Stockholders' Equity		
Class P shares, $0.01 par value, 4,000,000,000 shares authorized, 2,231,147,804 and 2,230,102,384 shares, respectively, issued and outstanding	22	22
Preferred stock, $0.01 par value, 10,000,000 shares authorized, 9.75% Series A Mandatory Convertible, $1,000 per share liquidation preference, 1,600,000 shares issued and outstanding	—	—
Additional paid-in capital	42,101	41,739
Retained deficit	(6,429)	(6,669)
Accumulated other comprehensive loss	(469)	(661)
Total Kinder Morgan, Inc.'s stockholders' equity	35,225	34,431
Noncontrolling interests	1,299	371
Total Stockholders' Equity	36,524	34,802
Total Liabilities and Stockholders' Equity	$ 80,351	$ 80,305

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

	Nine Months Ended September 30,	
	2017	**2016**
Cash Flows From Operating Activities		
Net income	$ 1,215	$ 506
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	1,697	1,652
Deferred income taxes	624	767
Amortization of excess cost of equity investments	45	45
Change in fair market value of derivative contracts	28	15
Loss on impairments and divestitures, net	13	307
Loss on impairments and divestitures of equity investments, net	—	344
Earnings from equity investments	(477)	(343)
Distributions from equity investment earnings	370	321
Changes in components of working capital, net of the effects of acquisitions and dispositions		
Accounts receivable, net	174	26
Income tax receivable	144	—
Inventories	(86)	68
Other current assets	(2)	(20)
Accounts payable	(62)	(46)
Accrued interest, net of interest rate swaps	(158)	(158)
Accrued contingencies and other current liabilities	(23)	148
Rate reparations, refunds and other litigation reserve adjustments	(100)	31
Other, net	(95)	(160)
Net Cash Provided by Operating Activities	3,307	3,503
Cash Flows From Investing Activities		
Acquisitions of assets and investments, net of cash acquired	(4)	(333)
Capital expenditures	(2,231)	(2,109)
Proceeds from sale of equity interests in subsidiaries, net	—	1,402
Sales of property, plant and equipment, and other net assets, net of removal costs	118	250
Contributions to investments	(631)	(389)
Distributions from equity investments in excess of cumulative earnings	252	158
Other, net	10	(26)
Net Cash Used in Investing Activities	(2,486)	(1,047)
Cash Flows From Financing Activities		
Issuances of debt	7,790	8,485
Payments of debt	(9,654)	(9,135)
Restricted cash held in escrow for debt repayment	—	(776)
Debt issue costs	(69)	(15)
Cash dividends - common shares	(840)	(839)
Cash dividends - preferred shares	(117)	(115)
Contributions from investment partner	444	—
Contributions from noncontrolling interests - net proceeds from KML IPO	1,245	—
Contributions from noncontrolling interests - net proceeds from KML preferred share issuance	230	—
Contributions from noncontrolling interests - other	12	88
Distributions to noncontrolling interests	(26)	(17)
Other, net	(9)	(8)
Net Cash Used in Financing Activities	(994)	(2,332)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	28	4
Net (decrease) increase in Cash and Cash Equivalents	(145)	128
Cash and Cash Equivalents, beginning of period	684	229
Cash and Cash Equivalents, end of period	$ 539	$ 357
Non-cash Investing and Financing Activities		
Increase in property, plant and equipment from both accruals and contractor retainage	$ 167	
Assets acquired by the assumption or incurrence of liabilities	—	$ 43
Net assets contributed to equity investments	—	37
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	$ 1,566	$ 1,598
Cash (refund) paid during the period for income taxes, net	(144)	4

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In Millions)
(Unaudited)

	Common stock		Preferred stock							
	Issued shares	Par value	Issued shares	Par value	Additional paid-in capital	Retained deficit	Accumulated other comprehensive loss	Stockholders' equity attributable to KMI	Non-controlling interests	Total
Balance at December 31, 2016	2,230	$ 22	2	$ —	$ 41,739	$ (6,669)	$ (661)	$ 34,431	$ 371	$34,802
Restricted shares	1				46			46		46
Net income						1,189		1,189	26	1,215
KML IPO					314		51	365	684	1,049
KML preferred share issuance								—	230	230
Distributions								—	(27)	(27)
Contributions								—	13	13
Preferred stock dividends						(117)		(117)		(117)
Common stock dividends						(840)		(840)		(840)
Impact of adoption of ASU 2016-09 (See Note 8)						8		8		8
Sale and deconsolidation of interest in Deeprock Development, LLC								—	(30)	(30)
Other					2			2	(17)	(15)
Other comprehensive income							141	141	49	190
Balance at September 30, 2017	2,231	$ 22	2	$ —	$ 42,101	$ (6,429)	$ (469)	$ 35,225	$ 1,299	$36,524

	Common stock		Preferred stock							
	Issued shares	Par value	Issued shares	Par value	Additional paid-in capital	Retained deficit	Accumulated other comprehensive loss	Stockholders' equity attributable to KMI	Non-controlling interests	Total
Balance at December 31, 2015	2,229	$ 22	2	$ —	$ 41,661	$ (6,103)	$ (461)	$ 35,119	$ 284	$35,403
Restricted shares	1				47			47		47
Net income						499		499	7	506
Distributions								—	(17)	(17)
Contributions								—	88	88
Preferred stock dividends						(117)		(117)		(117)
Common stock dividends						(839)		(839)		(839)
Other					(7)			(7)		(7)
Other comprehensive loss							(96)	(96)		(96)
Balance at September 30, 2016	2,230	$ 22	2	$ —	$ 41,701	$ (6,560)	$ (557)	$ 34,606	$ 362	$34,968

The accompanying notes are an integral part of these consolidated financial statements.

1. General

Organization

We are one of the largest energy infrastructure companies in North America. We own an interest in or operate approximately 84,000 miles of pipelines and 155 terminals. Our pipelines transport natural gas, refined petroleum products, crude oil, condensate, CO_2 and other products, and our terminals transload and store petroleum products, ethanol and chemicals, and handle products, including petroleum coke and steel. We are also a leading producer of CO_2, which we and others utilize for enhanced oil recovery projects primarily in the Permian basin.

Basis of Presentation

General

Our reporting currency is U.S. dollars, and all references to dollars are U.S. dollars, unless stated otherwise. Our accompanying unaudited consolidated financial statements have been prepared under the rules and regulations of the United States Securities and Exchange Commission (SEC). These rules and regulations conform to the accounting principles contained in the FASB's Accounting Standards Codification, the single source of GAAP. Under such rules and regulations, all significant intercompany items have been eliminated in consolidation.

In our opinion, all adjustments, which are of a normal and recurring nature, considered necessary for a fair statement of our financial position and operating results for the interim periods have been included in the accompanying consolidated financial statements, and certain amounts from prior periods have been reclassified to conform to the current presentation. Interim results are not necessarily indicative of results for a full year; accordingly, you should read these consolidated financial statements in conjunction with our consolidated financial statements and related notes included in our 2016 Form 10-K.

The accompanying unaudited consolidated financial statements include our accounts and the accounts of our subsidiaries over which we have control or are the primary beneficiary. We evaluate our financial interests in business enterprises to determine if they represent variable interest entities where we are the primary beneficiary. If such criteria are met, we consolidate the financial statements of such businesses with those of our own.

Impairments and Losses on Divestitures, net

During the three and nine months ended September 30, 2017, we recorded non-cash pre-tax losses on impairments and divestitures netting to $7 million and $13 million, respectively. The three and nine months ended September 30, 2017 included (i) a $30 million non-cash impairment loss for both periods associated with the Colden storage facility within our Natural Gas Pipelines business segment, of which $3 million is included in "Costs of Sales" on the accompanying consolidated statement of income; (ii) a $23 million gain for both periods primarily related to the sale of a 40% membership interest in the Deeprock Development joint venture within our Terminals business segment; and (iii) losses of $3 million and $9 million, respectively, related to miscellaneous asset disposals. During the three and nine months ended September 30, 2016, we recorded non-cash pre-tax losses on impairments and divestitures netting to $426 million and $683 million, respectively. The three and nine months ended September 30, 2016 included (i) losses of $350 million and $356 million, respectively, related to equity investments within our Natural Gas Pipelines business segment, related primarily to our equity investment in MEP; (ii) an $84 million loss for both periods on the sale of a 50% interest in our SNG natural gas pipeline system; (iii) losses of $1 million and $9 million, respectively, related to the sale of a Transmix facility in our Products Pipelines business segment; and (iv) a $9 million net gain and a $3 million net loss, respectively, on other asset disposals. The nine months ended September 30, 2016 also included (i) $211 million of project write-offs across our Natural Gas Pipelines, CO_2, and Products Pipelines business segments, of which $20 million was related to our share of impairments recorded by our equity investees; and (ii) $20 million of impairments related to certain coal facilities in our Terminals business segment.

In addition, during the nine months ended September 30, 2016 we recognized a $12 million gain on the sale of an equity investment, which is included in "Loss on impairments and divestitures of equity investments, net" on the accompanying consolidated statements of income.

These impairments were driven by market conditions that then existed and required management to estimate the fair value of these assets. The impairments resulting from decisions to classify assets as held-for-sale are based on the value expected to be realized in the transaction which is generally known at the time. The estimates of fair value are based on Level 3 valuation estimates using industry standard income approach valuation methodologies which include assumptions primarily involving management's significant judgments and estimates with respect to general economic conditions and the related demand for products handled or transported by our assets as well as assumptions regarding commodity prices, future cash flows based on rate and volume assumptions, terminal values and discount rates. In certain cases, management's decisions to dispose of certain assets may trigger impairments. We typically use discounted cash flow analyses to determine the fair value of our assets. We may probability weight various forecasted cash flow scenarios utilized in the analysis as we consider the possible outcomes. We use discount rates representing our estimate of the risk-adjusted discount rates that would be used by market participants specific to the particular asset.

We may identify additional triggering events requiring future evaluations of the recoverability of the carrying value of our long-lived assets, investments and goodwill. Because certain assets, including some equity investments and oil and gas producing properties, have been written down to fair value, any deterioration in fair value relative to our carrying value increases the likelihood of further impairments. Such non-cash impairments could have a significant effect on our results of operations, which would be recognized in the period in which the carrying value is determined to be not fully recoverable.

Goodwill

We evaluate goodwill for impairment on May 31 of each year. For this purpose, we have seven reporting units as follows: (i) Products Pipelines (excluding associated terminals); (ii) Products Pipelines Terminals (evaluated separately from Products Pipelines for goodwill purposes); (iii) Natural Gas Pipelines Regulated; (iv) Natural Gas Pipelines - Non-Regulated; (v) CO_2; (vi) Terminals; and (vii) Kinder Morgan Canada. The evaluation of goodwill for impairment involves a two-step test.

Step 1 involves comparing the estimated fair value of each respective reporting unit to its carrying value, including goodwill. If the estimated fair value exceeds the carrying value, the reporting unit's goodwill is not considered impaired. If the carrying value exceeds the estimated fair value, step 2 must be performed to determine whether goodwill is impaired and, if so, the amount of the impairment.

The results of our May 31, 2017 annual impairment test indicated that for each of our reporting units, the reporting unit fair value exceeded the carrying value and step 2 was not required. For our Natural Gas Pipelines - Non-Regulated, the reporting unit fair value exceeded the carrying value (including approximately $4 billion of allocated goodwill) by 3%.

The fair value estimates used in the step 1 goodwill test are based on Level 3 inputs of the fair value hierarchy. The Level 3 inputs include valuation estimates using industry standard market and income approach valuation methodologies which include assumptions primarily involving management's significant judgments and estimates with respect to market multiples, comparable sales transactions prices, weighted average costs of capital, general economic conditions and the related demand for products handled or transported by our assets as well as assumptions regarding commodity prices, future cash flows based on rate and volume assumptions, terminal values and discount rates. We use primarily a market approach and, in some instances where deemed necessary, also use discounted cash flow analyses to determine the fair value of our assets. We use discount rates representing our estimate of the risk-adjusted discount rates that would be used by market participants specific to the particular asset.

We expect that the fair value of our Natural Gas Pipelines - Non-Regulated reporting unit will continue to exceed carrying value so long as our estimate of future cash flows and the market valuation remain consistent with current levels. A continued period of volatile commodity prices could result in further deterioration of market multiples, comparable sales transactions prices, weighted average costs of capital, and our cash flow estimates. Changes to any one or combination of these factors, would result in changes to the reporting unit fair values discussed above which could lead to future impairment charges. Such potential impairment could have a material effect on our results of operations.

Earnings per Share

We calculate earnings per share using the two-class method. Earnings were allocated to Class P shares of common stock and participating securities based on the amount of dividends paid in the current period plus an allocation of the undistributed earnings or excess distributions over earnings to the extent that each security participates in earnings or excess distributions over earnings. Our unvested restricted stock awards, which may be stock or stock units issued to management employees and include dividend equivalent payments, do not participate in excess distributions over earnings.

The following table sets forth the allocation of net income available to shareholders of Class P shares and participating securities (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Class P shares	$ 332	$ (228)	$ 1,068	$ 379
Participating securities:				
Restricted stock awards(a)	2	1	4	3
Net Income (Loss) Available to Common Stockholders	$ 334	$ (227)	$ 1,072	$ 382

(a) As of September 30, 2017, there were approximately 11 million restricted stock awards.

On May 25, 2017, approximately 293 million of unexercised warrants expired without the issuance of Class P common stock. In addition, the following maximum number of potential common stock equivalents are antidilutive and, accordingly, are excluded from the determination of diluted earnings per share (in millions on a weighted-average basis):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Unvested restricted stock awards	10	9	9	8
Convertible trust preferred securities	3	8	3	8
Mandatory convertible preferred stock(a)	58	58	58	58

(a) Until our mandatory convertible preferred shares are converted to common shares, on or before the expected mandatory conversion date of October 26, 2018, the holder of each preferred share participates in our earnings by receiving preferred stock dividends.

2. Divestitures

Sale of Approximate 30% Interest in Canadian Business

On May 30, 2017, our indirectly owned subsidiary, KML, completed an IPO of 102,942,000 restricted voting shares listed on the Toronto Stock Exchange at a price to the public of C$17.00 per restricted voting share for total gross proceeds of approximately C$1,750 million (USD $1,299 million). The net proceeds from the IPO were used by KML to indirectly acquire from us an approximate 30% interest in a limited partnership that holds our Canadian business with KMI retaining the remaining 70% interest. We used the proceeds from KML to pay down debt.

Subsequent to the IPO, we retained control of KML and the limited partnership, and as a result, they remain consolidated in our consolidated financial statements. The public ownership of the KML restricted voting shares is reflected within "Noncontrolling interests" in our consolidated statements of stockholders' equity and consolidated balance sheets. Earnings attributable to the public ownership of KML are presented in "Net income attributable to noncontrolling interests" in our consolidated statements of income for the periods presented after May 30, 2017.

The net proceeds received of $1,245 million are presented as "Contributions from noncontrolling interests - net proceeds from KML IPO" on our consolidated statement of cash flows for the nine months ended September 30, 2017. Because we retained control of KML subsequent to the IPO, the $314 million adjustment made to "Additional paid-in capital" on our consolidated statement of stockholders equity for the nine months ended September 30, 2017 represents the difference between our book value prior to the sale and our share of book value in KML's net assets after the sale. The impact of the IPO resulted in a $166 million deferred income tax adjustment. At the date of the IPO, $765 million was attributed to the KML public shareholders to reflect their proportionate ownership percentage in the net assets of KML acquired from us and is included in "Noncontrolling interests" on our consolidated statement of stockholders equity. The above amounts recorded to "Additional paid-in capital" and "Noncontrolling interests" are net of IPO fees.

The above amount recorded to "Noncontrolling interests" at the date of the IPO was reduced by $81 million primarily associated with the allocation of currency translation adjustments from "Accumulated other comprehensive loss" to "Noncontrolling interests."

The portion of the Canadian business operations that we sold to the public on May 30, 2017 represented Canadian assets that are included in our Kinder Morgan Canada, Terminals and Product Pipelines business segments and include (i) the Trans

Mountain pipeline system; (ii) the Canadian Cochin pipeline system; (iii) the Puget Sound pipeline system; (iv) the Jet Fuel pipeline system; and (v) terminal facilities located in Western Canada.

In conjunction with the IPO, Kinder Morgan Canada Limited Partnership (KMC LP) and Kinder Morgan Canada GP Inc. (KMC GP) were formed to hold our Canadian business. We have determined that KMC LP is a variable interest entity because a simple majority or lower threshold of the limited partnership interests do not possess substantive "kick-out rights" (i.e., the right to remove the general partner or to dissolve (liquidate) the entity without cause) or substantive participation rights. We have also determined KMC GP is the primary beneficiary because it has the power to direct the activities that most significantly impact KMC LP's performance, the right to receive benefits and the obligation to absorb losses, that could be significant to KMC LP. As a result, KMC GP consolidates KMC LP. KMC GP is a wholly-owned subsidiary of KML, which is indirectly controlled by us through our 100% interest in KML's special voting shares that represent approximately 70% of KML's total voting shares (comprised of restricted voting shares and special voting shares). Consequently, we consolidate KML and the variable interest entity, KMC LP, in our consolidated financial statements.

The following table shows the carrying amount and classification of KMC LP's assets and liabilities in our consolidated balance sheet (in millions):

	September 30, 2017
Assets	
Total current assets	$ 340
Property, plant and equipment, net	2,837
Total goodwill, deferred charges and other assets	314
Total assets	$ 3,491
Liabilities	
Current portion of debt	$ 132
Total other current liabilities	242
Long-term debt, excluding current maturities	—
Total other long-term liabilities and deferred credits	397
Total liabilities	$ 771

We receive distributions from KMC LP through our indirectly owned limited partnership interests in KMC LP, but otherwise the assets of KMC LP cannot be used to settle our obligations. Our subsidiaries that are the direct owners of our limited partnership interests in KMC LP have guaranteed the obligations of KMC LP's wholly owned subsidiaries, Kinder Morgan Cochin ULC and Trans Mountain Pipeline ULC, under the Credit Facility (see Note 3), but recourse in respect of such guarantee is limited solely to the limited partnership interests of KMC LP held by such subsidiaries and any proceeds thereof. Additionally, in connection with the Credit Facility, we entered into an Equity Nomination and Support Agreement whereby, among other things, we commit to contribute or cause to be contributed at the time of each drawdown on the construction credit facility or the contingent credit facility either equity or subordinated debt to Kinder Morgan Cochin ULC in an amount sufficient to cause the outstanding indebtedness under the credit facilities and any other funded debt for the Trans Mountain expansion project not to exceed 60% of the total project costs for the project as projected over the six month period following the date of such drawdown. Other than such guarantees and the Equity Nomination and Support Agreement, we do not guarantee the debt, commercial paper or other similar commitments of KMC LP or any of its subsidiaries, and the obligations of KMC LP may only be settled using the assets of KMC LP. KMC LP does not guarantee the debt or other similar commitments of KMI.

Sale of Interest in Elba Liquefaction Company L.L.C. (ELC)

Effective February 28, 2017, we sold a 49% partnership interest in ELC to investment funds managed by EIG Global Energy Partners (EIG). We continue to own a 51% controlling interest in and operate ELC. Under the terms of ELC's limited liability company agreement, we are responsible for placing in service and operating certain supply pipelines and terminal facilities that support the operations of ELC and which are wholly owned by us. In certain limited circumstances which are not expected to occur, EIG has the right to relinquish its interest in ELC and redeem its capital account.

As a result of these contingencies, the sale proceeds of $386 million, and subsequent EIG contributions, have been recorded as a deferred credit within "Other long-term liabilities and deferred credits" on our consolidated balance sheet as of September 30, 2017. EIG is not entitled to any specified return on its capital. Once these contingencies expire, EIG's capital account will be reflected as noncontrolling interest on our consolidated balance sheet.

Sale of Equity Interest in SNG

On September 1, 2016, we completed the sale of a 50% interest in our SNG natural gas pipeline system to The Southern Company (Southern Company), receiving proceeds of $1.4 billion, and the formation of a joint venture, which includes our remaining 50% interest in SNG. We used the proceeds from the sale to reduce outstanding debt. We recognized a pre-tax loss of $84 million on the sale of our interest in SNG which is included within "Loss on impairments and divestitures, net" on the accompanying consolidated statements of income for the three and nine months ended September 30, 2016. As a result of this transaction, we no longer hold a controlling interest in SNG or Bear Creek Storage Company, LLC (Bear Creek) (50% of which is owned by SNG) and, as such, we now account for our remaining equity interests in SNG and Bear Creek as equity investments.

3. Debt

We classify our debt based on the contractual maturity dates of the underlying debt instruments. We defer costs associated with debt issuance over the applicable term. These costs are then amortized as interest expense in our accompanying consolidated statements of income.

The following table provides detail on the principal amount of our outstanding debt balances. The table amounts exclude all debt fair value adjustments, including debt discounts, premiums and issuance costs (in millions):

	September 30, 2017	December 31, 2016
Unsecured term loan facility, variable rate, due January 26, 2019(a)	$ —	$ 1,000
Senior notes, floating rate, due January 15, 2023(a)	250	—
Senior notes, 1.50% through 8.05%, due 2017 through 2098(a)(b)	13,612	13,236
Credit facility due November 26, 2019	—	—
Commercial paper borrowings	60	—
KML Credit Facility(c)	132	—
KMP senior notes, 2.65% through 9.00%, due 2017 through 2044(d)	18,885	19,485
TGP senior notes, 7.00% through 8.375%, due 2017 through 2037(e)	1,240	1,540
EPNG senior notes, 5.95% through 8.625%, due 2017 through 2032(f)	760	1,115
CIG senior notes, 4.15% and 6.85%, due 2026 and 2037	475	475
Kinder Morgan Finance Company, LLC, senior notes, 6.00% and 6.40%, due 2018 and 2036	786	786
Hiland Partners Holdings LLC, senior note, 5.50%, due 2022(a)(g)	—	225
EPC Building, LLC, promissory note, 3.967%, due 2017 through 2035	424	433
Trust I preferred securities, 4.75%, due March 31, 2028(h)	221	221
KMGP, $1,000 Liquidation Value Series A Fixed-to-Floating Rate Term Cumulative Preferred Stock	100	100
Other miscellaneous debt	280	285
Total debt – KMI and Subsidiaries	37,225	38,901
Less: Current portion of debt(i)	3,156	2,696
Total long-term debt – KMI and Subsidiaries(j)	$ 34,069	$ 36,205

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(a) On August 10, 2017, we entered into a $1 billion unsecured senior note with a fixed rate of 3.15% and a $250 million, unsecured senior note with a floating rate, both due January 2023. The net proceeds from the notes were primarily used to repay the principal amount of Hiland's 5.50% senior notes due 2022, plus accrued interest, and to repay the $1 billion term loan facility due 2019. Interest on the 3.15% senior notes due 2023 is payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2018, and the notes will mature on January 15, 2023. Interest on the floating rate senior notes due 2023 is payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, beginning on October 15, 2017, and such notes will mature on January 15, 2023. We may redeem all or a part of the fixed rate notes at any time at the redemption prices. The floating rate notes will not be redeemable at our option. See (b) and (g) below.

(b) Amounts include senior notes that are denominated in Euros and have been converted to U.S. dollars and are respectively reported above at the September 30, 2017 exchange rate of 1.1814 U.S. dollars per Euro and the December 31, 2016 exchange rate of 1.0517 U.S. dollars per Euro. For the nine months ended September 30, 2017, our debt balance increased by $162 million as a result of the change in the exchange rate of U.S. dollars per Euro. The increase in debt due to the changes in exchange rates is offset by a corresponding change in the value of cross-currency swaps reflected in "Deferred charges and other assets" and "Other long-term liabilities and deferred credits" on our consolidated balance sheets. At the time of issuance, we entered into cross-currency swap agreements associated with these senior notes, effectively converting these Euro-denominated senior notes to U.S. dollars (see Note 5 "Risk Management—*Foreign Currency Risk Management*"). In June 2017, we repaid $786 million of maturing 7.00% senior notes. The September 30, 2017 balance includes the $1 billion unsecured term note with a fixed rate of 3.15% due January 15, 2023 discussed in (a) above.

(c) The KML credit facility is denominated in C$ and has been converted to U.S. dollars and reported above at the September 30, 2017 exchange rate of 0.8013 U.S. dollars per C$. See *"—Credit Facilities"* below.

(d) In February 2017, we repaid $600 million of maturing 6.00% senior notes.

(e) In April 2017, we repaid $300 million of maturing 7.50% senior notes.

(f) In April 2017, we repaid $355 million of maturing 5.95% senior notes.

(g) In August 2017, we repaid $225 million of the outstanding principal amount of 5.50% senior notes with a maturity date of May 15, 2022 using net proceeds from the sale of the January 2023 notes (see (a) above). We recognized a $3.8 million loss from the early extinguishment of debt, included within "Interest, net" on the accompanying consolidated statements of income for the three and nine months ended September 30, 2017 consisting of a $9.3 million premium on the debt repaid and a $5.5 million gain from the write-off of unamortized purchase accounting associated with the early extinguishment of debt.

(h) The Trust I Preferred Securities are convertible at any time prior to the close of business on March 31, 2028, at the option of the holder. Prior to May 25, 2017, conversions of these securities were converted into the following mixed consideration: (i) 0.7197 of a share of our Class P common stock; (ii) $25.18 in cash without interest; and (iii) 1.100 warrants to purchase a share of our Class P common stock. Our warrants expired on May 25, 2017, along with conversion of 1.100 warrants to purchase a share of our Class P common mixed consideration.

(i) Amounts include KMI and KML outstanding credit facility borrowings, commercial paper borrowings and other debt maturing within 12 months (see "—*Current Portion of Debt*" below).

(j) Excludes our "Debt fair value adjustments" which, as of September 30, 2017 and December 31, 2016, increased our combined debt balances by $1,047 million and $1,149 million, respectively. In addition to all unamortized debt discount/premium amounts, debt issuance costs and purchase accounting on our debt balances, our debt fair value adjustments also include amounts associated with the offsetting entry for hedged debt and any unamortized portion of proceeds received from the early termination of interest rate swap agreements.

We and substantially all of our wholly owned domestic subsidiaries are a party to a cross guarantee agreement whereby each party to the agreement unconditionally guarantees, jointly and severally, the payment of specified indebtedness of each other party to the agreement. Also, see Note 11.

Credit Facilities

As of September 30, 2017, we and KML were in compliance with all required covenants. As of September 30, 2017, KML had $132 million outstanding on its construction facility and no amount outstanding on its working capital facility, both included in "Current portion of debt" on our consolidated balance sheet.

KMI

As of September 30, 2017, we had $4,830 million available under our $5.0 billion revolving credit agreement, which is net of $110 million in letters of credit and $60 million of outstanding commercial paper borrowings. Borrowings under our revolving credit facility can be used for working capital and other general corporate purposes and as a backup to our commercial paper program. Borrowings under our commercial paper program reduce the borrowings allowed under our credit facility.

KML

On June 16, 2017, Kinder Morgan Cochin ULC and Trans Mountain Pipeline ULC, our indirect subsidiaries of KML, entered into a definitive credit agreement establishing (i) a C$4.0 billion revolving construction facility for the purposes of funding the development, construction and completion of the Trans Mountain expansion project, (ii) a C$1.0 billion revolving contingent credit facility for the purpose of funding, if necessary, additional Trans Mountain expansion project costs (and, subject to the need to fund such additional costs, meeting the Canadian National Energy Board-mandated liquidity requirements) and (iii) a C$500 million revolving working capital facility to be used for working capital and other general corporate purposes (collectively, the "Credit Facility"). The Credit Facility has a five year term and is with a syndicate of financial institutions with Royal Bank of Canada as the administrative agent. Any undrawn commitments under the Credit Facility will incur a standby fee of 0.30% to 0.625%, with the range dependent on the credit ratings of Kinder Morgan Cochin

ULC or KML. The Credit Facility is guaranteed by KML and all of the non-borrower subsidiaries of KML and are secured by a first lien security interest on all of the assets of KML and the equity and assets of the other guarantors.

Draw downs of funds on the KML Credit Facility bear interest dependent on the type of loans requested and are as follows:

- bankers' acceptances or London Interbank Offered Rate loans are at an annual rate of approximately CDOR or the London Interbank Offered Rate, as the case may be, plus a fixed spread ranging from 1.50% to 2.50%;
- loans in Canadian dollars or U.S. dollars are at an annual rate of approximately the Canadian prime rate or the U.S. dollar base rate, as the case may be, plus a fixed spread ranging from 0.50% to 1.50%, in each case, with the range dependent on the credit ratings of the Company;
- letters of credit (under working capital facility only) will have issuance fees based on an annual rate of approximately CDOR plus a fixed spread ranging from 1.50% to 2.50%, with the range dependent on the credit ratings of the Company.

The foregoing rates and fees will increase by 0.25% upon the fourth anniversary of the KML Credit Facility.

Our KML Credit Facility includes various financial and other covenants including:

- a maximum ratio of consolidated total funded debt to consolidated capitalization of 70%;
- restrictions on ability to incur debt;
- restrictions on ability to make dispositions, restricted payments and investments;
- restrictions on granting liens and on sale-leaseback transactions;
- restrictions on ability to engage in transactions with affiliates; and
- restrictions on ability to amend organizational documents and engage in corporate reorganization transactions.

Current Portion of Debt

Our current portion of debt as of September 30, 2017, primarily includes the following significant series of long-term notes maturing within the next 12 months:

Senior notes - $500 million 2.00% notes due December 2017
Kinder Morgan Finance Company, LLC, senior notes - $750 million 6.00% notes due January 2018
Senior notes - $82 million 7.00% notes due February 2018
KMP senior notes - $975 million 5.95% notes due February 2018
Senior notes - $477 million 7.25% notes due June 2018

4. Stockholders' Equity

Common Equity

As of September 30, 2017, our common equity consisted of our Class P common stock. For additional information regarding our Class P common stock, see Note 11 to our consolidated financial statements included in our 2016 Form 10-K.

KMI Common Stock Dividends

Holders of our common stock participate in any dividend declared by our board of directors, subject to the rights of the holders of any outstanding preferred stock. Our per share dividends declared for and paid in the nine month periods ended September 30, 2017 and 2016 were $0.375 per share. On October 18, 2017, our board of directors declared a cash dividend of $0.125 per common share for the quarterly period ended September 30, 2017, which is payable on November 15, 2017 to common shareholders of record as of the close of business on October 31, 2017.

Warrants

On May 25, 2017, 293 million of unexercised warrants to buy KMI common stock expired without the issuance of Class P common stock. Prior to expiration, each of the warrants entitled the holder to purchase one share of our common stock for an exercise price of $40 per share, payable in cash or by cashless exercise.

Mandatory Convertible Preferred Stock

We have issued and outstanding 1,600,000 shares of 9.750% Series A mandatory convertible preferred stock, with a liquidating preference of $1,000 per share. For additional information regarding our mandatory convertible preferred stock, see Note 11 to our consolidated financial statements included in our 2016 Form 10-K.

Preferred Stock Dividends

On July 19, 2017, our board of directors declared a cash dividend of $24.375 per share of our mandatory convertible preferred stock (equivalent of $1.21875 per depositary share) for the period from and including July 26, 2017 through and including October 25, 2017, which is payable on October 26, 2017 to mandatory convertible preferred shareholders of record as of the close of business on October 11, 2017.

Noncontrolling Interests

KML Restricted Voting Shares

As discussed in Note 2, on May 30, 2017 our indirect subsidiary, KML, issued 102,942,000 restricted voting shares in a public offering. The public ownership of the KML restricted voting shares represents an approximate 30% interest in our Canadian operations and is reflected within "Noncontrolling interests" in our consolidated financial statements as of and for the periods presented after May 30, 2017.

KML Distributions

On August 15, 2017, KML paid a dividend of C$0.0571 per restricted voting share to restricted voting shareholders of record as of the close of business on July 31, 2017 for the quarterly period ended June 30, 2017. This initial dividend was prorated from May 30, 2017, the day KML closed on its IPO, to June 30, 2017 and amounted to approximately C$6 million. KML paid approximately C$4 million of this dividend to restricted voting shareholders in cash, and, under KML's Dividend Reinvestment Plan (DRIP), 94,003 restricted voting shares were issued in lieu of cash dividends. KML's DRIP allows holders (excluding holders not resident in Canada) of restricted voting shares to elect to have any or all cash dividends payable to such shareholder automatically reinvested in additional restricted voting shares at a price per share calculated by reference to the volume-weighted average of the closing price of the restricted voting shares on the stock exchange on which the restricted voting shares are then listed for the five trading days immediately preceding the relevant dividend payment date, less a discount of between 0% and 5% (as determined from time to time by KML's board of directors, in its sole discretion). The market discount for the dividend paid on August 15, 2017 was 3%.

On October 17, 2017, KML's board of directors declared a dividend for the quarterly period ended September 30, 2017 of C$0.1625 per restricted voting share, payable on November 15, 2017, to restricted voting shareholders of record as of the close of business on October 31, 2017.

KML Preferred Share Offering

On August 15, 2017, KML completed an offering of 12,000,000 cumulative redeemable minimum rate reset preferred shares, Series 1 (Series 1 Preferred Shares) on the Toronto Stock Exchange at a price to the public of C$25.00 per Series 1 Preferred Share for total gross proceeds of C$300 million (USD $235 million). The net proceeds of C$293 million from the offering were used by KML to indirectly subscribe for preferred units in KMC LP, which in turn were used by KMC LP to repay the KML Credit Facility indebtedness recently incurred to, directly or indirectly, finance the development, construction and completion of the Trans Mountain Expansion project and Base Line Terminal project, and for its general corporate purposes.

Dividends on the Series 1 Preferred Shares are fixed, cumulative, preferential and C$1.3125 per share annually, payable quarterly on the 15th day of February, May, August and November, as and when declared by the KML's board of directors, for the initial fixed rate period to but excluding November 15, 2022.

On October 17, 2017, KML's board of directors declared a cash dividend of C$0.3308 per share of its Series 1 Preferred Shares for the period from and including August 15, 2017 through and including November 14, 2017, which is payable on November 15, 2017 to Series 1 Preferred Shareholders of record as of the close of business on October 31, 2017.

5. Risk Management

Certain of our business activities expose us to risks associated with unfavorable changes in the market price of natural gas, NGL and crude oil. We also have exposure to interest rate and foreign currency risk as a result of the issuance of our debt obligations. Pursuant to our management's approved risk management policy, we use derivative contracts to hedge or reduce our exposure to some of these risks. In addition, prior to May 2016, we had legacy power forward and swap contracts related to operations of acquired businesses.

Energy Commodity Price Risk Management

As of September 30, 2017, we had the following outstanding commodity forward contracts to hedge our forecasted energy commodity purchases and sales:

	Net open position long/(short)	
Derivatives designated as hedging contracts		
Crude oil fixed price	(18.9)	MMBbl
Crude oil basis	(5.6)	MMBbl
Natural gas fixed price	(47.0)	Bcf
Natural gas basis	(7.1)	Bcf
Derivatives not designated as hedging contracts		
Crude oil fixed price	(0.9)	MMBbl
Crude oil basis	(0.2)	MMBbl
Natural gas fixed price	(2.9)	Bcf
Natural gas basis	(33.3)	Bcf
NGL and other fixed price	(6.7)	MMBbl

As of September 30, 2017, the maximum length of time over which we have hedged, for accounting purposes, our exposure to the variability in future cash flows associated with energy commodity price risk is through December 2021.

Interest Rate Risk Management

As of September 30, 2017 and December 31, 2016, we had a combined notional principal amount of $9,575 million and $9,775 million, respectively, of fixed-to-variable interest rate swap agreements, all of which were designated as fair value hedges. All of our swap agreements effectively convert the interest expense associated with certain series of senior notes from fixed rates to variable rates based on an interest rate of London Interbank Offered Rate plus a spread and have termination dates that correspond to the maturity dates of the related series of senior notes. As of September 30, 2017, the maximum length of time over which we have hedged a portion of our exposure to the variability in the value of this debt due to interest rate risk is through March 15, 2035.

Foreign Currency Risk Management

As of September 30, 2017, we had a notional principal amount of $1,358 million of cross-currency swap agreements to manage the foreign currency risk related to our Euro denominated senior notes by effectively converting all of the fixed-rate Euro denominated debt, including annual interest payments and the payment of principal at maturity, to U.S. dollar denominated debt at fixed rates equivalent to approximately 3.79% and 4.67% for the 7-year and 12-year senior notes, respectively. These cross-currency swaps are accounted for as cash flow hedges. The terms of the cross-currency swap agreements correspond to the related hedged senior notes, and such agreements have the same maturities as the hedged senior notes.

Fair Value of Derivative Contracts

The following table summarizes the fair values of our derivative contracts included in our accompanying consolidated balance sheets (in millions):

Fair Value of Derivative Contracts

		Asset derivatives		Liability derivatives	
		September 30, 2017	**December 31, 2016**	**September 30, 2017**	**December 31, 2016**
	Location	**Fair value**		**Fair value**	
Derivatives designated as hedging contracts					
Natural gas and crude derivative contracts	Fair value of derivative contracts/ (Other current liabilities)	$ 98	$ 101	$ (11)	$ (57)
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	50	70	(4)	(24)
Subtotal		148	171	(15)	(81)
Interest rate swap agreements	Fair value of derivative contracts/ (Other current liabilities)	71	94	—	—
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	191	206	(31)	(57)
Subtotal		262	300	(31)	(57)
Cross-currency swap agreements	Fair value of derivative contracts/ (Other current liabilities)	—	—	(13)	(7)
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	135	—	—	(24)
Subtotal		135	—	(13)	(31)
Total		545	471	(59)	(169)
Derivatives not designated as hedging contracts					
Natural gas, crude, NGL and other derivative contracts	Fair value of derivative contracts/ (Other current liabilities)	6	3	(17)	(29)
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	1	—	(1)	(1)
Subtotal		7	3	(18)	(30)
Total		7	3	(18)	(30)
Total derivatives		$ 552	$ 474	$ (77)	$ (199)

Effect of Derivative Contracts on the Income Statement

The following tables summarize the impact of our derivative contracts in our accompanying consolidated statements of income (in millions):

Derivatives in fair value hedging relationships	Location	Gain/(loss) recognized in income on derivatives and related hedged item			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
Interest rate swap agreements	Interest, net	$ (19)	$ (84)	$ (12)	$ 315
Hedged fixed rate debt	Interest, net	$ 17	$ 81	$ 6	$ (323)

Derivatives in cash flow hedging relationships	Gain/(loss) recognized in OCI on derivative (effective portion)(a)		Location	Gain/(loss) reclassified from Accumulated OCI into income (effective portion)(b)		Location	Gain/(loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	
	Three Months Ended September 30,			Three Months Ended September 30,			Three Months Ended September 30,	
	2017	2016		2017	2016		2017	2016
Energy commodity derivative contracts	$ (32)	$ 20	Revenues—Natural gas sales	$ 4	$ (3)	Revenues—Natural gas sales	$ —	$ —
			Revenues—Product sales and other	13	34	Revenues—Product sales and other	4	(2)
			Costs of sales	1	(1)	Costs of sales	—	—
Interest rate swap agreements(c)	—	—	Interest, net	(1)	(1)	Interest, net	—	—
Cross-currency swap	39	30	Other, net	31	10	Other, net	—	—
Total	$ 7	$ 50	Total	$ 48	$ 39	Total	$ 4	$ (2)

Derivatives in cash flow hedging relationships	Gain/(loss) recognized in OCI on derivative (effective portion)(a)		Location	Gain/(loss) reclassified from Accumulated OCI into income (effective portion)(b)		Location	Gain/(loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	
	Nine Months Ended September 30,			Nine Months Ended September 30,			Nine Months Ended September 30,	
	2017	2016		2017	2016		2017	2016
Energy commodity derivative contracts	$ 88	$ (64)	Revenues—Natural gas sales	$ 5	$ 20	Revenues—Natural gas sales	$ —	$ —
			Revenues—Product sales and other	33	124	Revenues—Product sales and other	12	(7)
			Costs of sales	5	(13)	Costs of sales	—	—
Interest rate swap agreements(c)	(1)	(5)	Interest, net	(2)	(2)	Interest, net	—	—
Cross-currency swap	98	50	Other, net	103	29	Other, net	—	—
Total	$ 185	$ (19)	Total	$ 144	$ 158	Total	$ 12	$ (7)

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(a) We expect to reclassify an approximate $32 million gain associated with cash flow hedge price risk management activities included in our accumulated other comprehensive loss balances as of September 30, 2017 into earnings during the next twelve months (when the associated forecasted transactions are also expected to occur), however, actual amounts reclassified into earnings could vary materially as a result of changes in market prices.

(b) Amounts reclassified were the result of the hedged forecasted transactions actually affecting earnings (i.e., when the forecasted sales and purchases actually occurred).

(c) Amounts represent our share of an equity investee's accumulated other comprehensive loss.

Derivatives not designated as accounting hedges	Location	Gain/(loss) recognized in income on derivatives			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
Energy commodity derivative contracts	Revenues—Natural gas sales	$ 2	$ 1	$ 13	$ (4)
	Revenues—Product sales and other	(18)	7	1	(7)
	Costs of sales	—	1	—	(1)
Interest rate swap agreements	Interest, net	—	(14)	—	63
Total(a)		$ (16)	$ (5)	$ 14	$ 51

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(a) Three and nine months ended September 30, 2017 includes approximate gains of $18 million and $47 million, respectively, associated with natural gas, crude and NGL derivative contract settlements. Three and nine months ended September 30, 2016 includes approximate gains of $20 million and $59 million, respectively, associated with natural gas, crude and NGL derivative contract settlements.

Credit Risks

In conjunction with certain derivative contracts, we are required to provide collateral to our counterparties, which may include posting letters of credit or placing cash in margin accounts. As of September 30, 2017 and December 31, 2016, we had no outstanding letters of credit supporting our commodity price risk management program. As of September 30, 2017 and December 31, 2016, we had cash margins of $13 million and $37 million, respectively, posted by us with our counterparties as collateral and reported within “Restricted deposits” on our accompanying consolidated balance sheets. The balance at September 30, 2017, consisted of initial margin requirements of $18 million, offset by variation margin requirements of $5 million. We also use industry standard commercial agreements which allow for the netting of exposures associated with transactions executed under a single commercial agreement. Additionally, we generally utilize master netting agreements to offset credit exposure across multiple commercial agreements with a single counterparty.

We also have agreements with certain counterparties to our derivative contracts that contain provisions requiring the posting of additional collateral upon a decrease in our credit rating. As of September 30, 2017, based on our current mark to market positions and posted collateral, we estimate that if our credit rating were downgraded one notch we would be required to post $4 million of additional collateral and no additional collateral beyond this $4 million if we were downgraded two notches.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Loss

Cumulative revenues, expenses, gains and losses that under GAAP are included within our comprehensive income but excluded from our earnings are reported as "Accumulated other comprehensive loss" within "Stockholders' Equity" in our consolidated balance sheets. Changes in the components of our "Accumulated other comprehensive loss" not including non-controlling interests are summarized as follows (in millions):

	Net unrealized gains/(losses) on cash flow hedge derivatives	Foreign currency translation adjustments	Pension and other postretirement liability adjustments	Total accumulated other comprehensive loss
Balance as of December 31, 2016	$ (1)	$ (288)	$ (372)	$ (661)
Other comprehensive gain before reclassifications	185	80	20	285
Gains reclassified from accumulated other comprehensive loss	(144)	—	—	(144)
KML IPO	—	44	7	51
Net current-period other comprehensive income	41	124	27	192
Balance as of September 30, 2017	$ 40	$ (164)	$ (345)	$ (469)

	Net unrealized gains/(losses) on cash flow hedge derivatives	Foreign currency translation adjustments	Pension and other postretirement liability adjustments	Total accumulated other comprehensive loss
Balance as of December 31, 2015	$ 219	$ (322)	$ (358)	$ (461)
Other comprehensive (loss) gain before reclassifications	(19)	65	16	62
Gains reclassified from accumulated other comprehensive loss	(158)	—	—	(158)
Net current-period other comprehensive (loss) income	(177)	65	16	(96)
Balance as of September 30, 2016	$ 42	$ (257)	$ (342)	$ (557)

6. Fair Value

The fair values of our financial instruments are separated into three broad levels (Levels 1, 2 and 3) based on our assessment of the availability of observable market data and the significance of non-observable data used to determine fair value. Each fair value measurement must be assigned to a level corresponding to the lowest level input that is significant to the fair value measurement in its entirety.

The three broad levels of inputs defined by the fair value hierarchy are as follows:

- Level 1 Inputs—quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2 Inputs—inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability; and
- Level 3 Inputs—unobservable inputs for the asset or liability. These unobservable inputs reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the reporting entity's own data).

Fair Value of Derivative Contracts

The following two tables summarize the fair value measurements of our (i) energy commodity derivative contracts; (ii) interest rate swap agreements; and (iii) cross-currency swap agreements, based on the three levels established by the Codification (in millions). The tables also identify the impact of derivative contracts which we have elected to present on our accompanying consolidated balance sheets on a gross basis that are eligible for netting under master netting agreements.

	Balance sheet asset fair value measurements by level						
	Level 1	Level 2	Level 3	Gross amount	Contracts available for netting	Cash collateral held(b)	Net amount
As of September 30, 2017							
Energy commodity derivative contracts(a)	$ 9	$ 146	$ —	$ 155	$ (18)	$ (5)	$ 132
Interest rate swap agreements	—	262	—	262	(11)	—	251
Cross-currency swap agreements	—	135	—	135	(13)	—	122
As of December 31, 2016							
Energy commodity derivative contracts(a)	$ 6	$ 168	$ —	$ 174	$ (43)	$ —	$ 131
Interest rate swap agreements	—	300	—	300	(18)	—	282

	Balance sheet liability fair value measurements by level						
	Level 1	Level 2	Level 3	Gross amount	Contracts available for netting	Collateral posted(b)	Net amount
As of September 30, 2017							
Energy commodity derivative contracts(a)	$ (2)	$ (31)	$ —	$ (33)	$ 18	$ —	$ (15)
Interest rate swap agreements	—	(31)	—	(31)	11	—	(20)
Cross-currency swap agreements	—	(13)	—	(13)	13	—	—
As of December 31, 2016							
Energy commodity derivative contracts(a)	$ (29)	$ (82)	$ —	$ (111)	$ 43	$ 37	$ (31)
Interest rate swap agreements	—	(57)	—	(57)	18	—	(39)
Cross-currency swap agreements	—	(31)	—	(31)	—	—	(31)

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(a) Level 1 consists primarily of New York Mercantile Exchange natural gas futures. Level 2 consists primarily of OTC West Texas Intermediate swaps and options and NGL swaps.

(b) Any cash collateral paid or received is reflected in this table, but only to the extent that it represents variation margins. Any amount associated with derivative prepayments or initial margins that are not influenced by the derivative asset or liability amounts or those that are determined solely on their volumetric notional amounts are excluded from this table.

The table below provides a summary of changes in the fair value of our Level 3 energy commodity derivative contracts (in millions):

Significant unobservable inputs (Level 3)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Derivatives-net asset (liability)				
Beginning of Period	$ —	$ —	$ —	$ (15)
Total gains or (losses) included in earnings	—	—	—	(9)
Settlements	—	—	—	24
End of Period	$ —	$ —	$ —	$ —
The amount of total gains or (losses) for the period included in earnings attributable to the change in unrealized gains or (losses) relating to assets held at the reporting date	$ —	$ —	$ —	$ —

As of September 30, 2016, our Level 3 derivative asset and liability activity consisted primarily of power derivative contracts (which expired in April 2016), where a significant portion of fair value is calculated from underlying market data that is not readily observable. The derived values use industry standard methodologies that may consider the historical relationships among various commodities, modeled market prices, time value, volatility factors and other relevant economic measures. The use of these inputs results in management's best estimate of fair value, and management would not expect materially different valuation results were we to use different input amounts within reasonable ranges.

Fair Value of Financial Instruments

The carrying value and estimated fair value of our outstanding debt balances are disclosed below (in millions):

	September 30, 2017		December 31, 2016	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Total debt	$ 38,272	$ 40,267	$ 40,050	$ 41,015

We used Level 2 input values to measure the estimated fair value of our outstanding debt balances as of both September 30, 2017 and December 31, 2016.

7. Reportable Segments

Segment results for the three and nine months ended September 30, 2016 have been retrospectively adjusted to reflect the elimination of the Other segment as a reportable segment. The activities that previously comprised the Other segment are now presented within the Corporate non-segment activities in reconciling to the consolidated totals in the respective segment reporting tables. The Other segment had historically been comprised primarily of legacy operations of acquired businesses not associated with our ongoing operations. These business activities have since been sold or have otherwise ceased. In addition, the Other segment included certain company owned real estate assets which are primarily leased to our operating subsidiaries as well as third party tenants. This activity is now reflected within Corporate activity. In addition, the portions of interest income and income tax expense previously allocated to our business segments are now included in "Interest expense, net" and "Income tax expense" for all periods presented in the following tables.

Financial information by segment follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues				
Natural Gas Pipelines				
Revenues from external customers	$ 2,022	$ 2,048	$ 6,283	$ 5,900
Intersegment revenues	2	2	7	4
CO_2	289	310	899	916
Terminals				
Revenues from external customers	485	484	1,458	1,436
Intersegment revenues	—	—	1	1
Products Pipelines				
Revenues from external customers	411	415	1,222	1,204
Intersegment revenues	1	4	10	12
Kinder Morgan Canada	66	66	185	188
Corporate and intersegment eliminations(a)	5	1	8	8
Total consolidated revenues	$ 3,281	$ 3,330	$ 10,073	$ 9,669

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Segment EBDA(b)				
Natural Gas Pipelines	$ 884	$ 542	$ 2,846	$ 2,503
CO_2	197	217	636	608
Terminals	314	294	925	856
Products Pipelines	302	292	913	761
Kinder Morgan Canada	50	48	136	140
Total Segment EBDA	1,747	1,393	5,456	4,868
DD&A	(562)	(549)	(1,697)	(1,652)
Amortization of excess cost of equity investments	(15)	(15)	(45)	(45)
General and administrative and corporate charges	(164)	(163)	(490)	(537)
Interest, net	(459)	(472)	(1,387)	(1,384)
Income tax expense	(160)	(377)	(622)	(744)
Total consolidated net income (loss)	$ 387	$ (183)	$ 1,215	$ 506

	September 30, 2017	December 31, 2016
Assets		
Natural Gas Pipelines	$ 51,021	$ 50,428
CO_2	4,016	4,065
Terminals	9,918	9,725
Products Pipelines	8,505	8,329
Kinder Morgan Canada	1,950	1,572
Corporate assets(c)	4,941	6,108
Assets held for sale	—	78
Total consolidated assets	$ 80,351	$ 80,305

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(a) Includes a management fee for services we perform as operator of an equity investee.

(b) Includes revenues, earnings from equity investments, other, net, less operating expenses, and other (income) expense, net, loss on impairments and divestitures, net and loss on impairments and divestitures of equity investments, net.

(c) Includes cash and cash equivalents, margin and restricted deposits, certain prepaid assets and deferred charges, including income tax related assets, risk management assets related to debt fair value adjustments, corporate headquarters in Houston, Texas and miscellaneous corporate assets (such as information technology, telecommunications equipment and legacy operations) not allocated to the reportable segments.

8. Income Taxes

Income tax expense included in our accompanying consolidated statements of income were as follows (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Income tax expense	$ 160	$ 377	$ 622	$ 744
Effective tax rate	29.3%	194.3%	33.9%	59.5%

The effective tax rate for the three months ended September 30, 2017 is lower than the statutory federal rate of 35% primarily due to (i) dividend-received deductions from our investment in Florida Gas Transmission Company (Citrus) and Plantation Pipe Line; (ii) adjustments to our income tax reserve for uncertain tax positions; and (iii) the recognition of an enhanced oil recovery credit as a result of our federal return-to-provision. These decreases are partially offset by (i) state and foreign income taxes; (ii) a change in our state effective tax rate; and (iii) tax deductions related to equity compensation.

The effective tax rate for the three months ended September 30, 2016 is higher than the statutory federal rate of 35% primarily due to (i) the impact of our Regulated Natural Gas Pipeline segment's $817 million non-tax-deductible goodwill as a result of the sale of a 50% interest in SNG; and (ii) state and foreign income taxes, partially offset by (i) dividend-received deductions from our investment in Citrus and Plantation Pipe Line. The SNG partial sale transaction generated a taxable gain resulting from non-deductible goodwill attributable to the transaction which generated a deferred tax provision of $269 million.

The effective tax rate for the nine months ended September 30, 2017 is lower than the statutory federal rate of 35% primarily due to (i) dividend-received deductions from our investment in Citrus and Plantation Pipe Line; and (ii) the recognition of an enhanced oil recovery credit as a result of our federal return-to-provision; partially offset by state and foreign income taxes.

The effective tax rate for the nine months ended September 30, 2016 is higher than the statutory federal rate of 35% primarily due to (i) state and foreign income taxes; and (ii) the impact of our Regulated Natural Gas Pipeline segment's $817 million non-tax-deductible goodwill as a result of the sale of a 50% interest in SNG; partially offset by (i) dividend-received deductions from our investment in Citrus and Plantation Pipe Line; and (ii) adjustments to our income tax reserve for uncertain tax positions.

Adoption of ASU 2016-09 "Compensation - Stock Compensation (Topic 718)"

The tax impact of ASU 2016-09, which was adopted and effective January 1, 2017, resulted in $8 million of deferred tax assets being recorded through a cumulative-effect adjustment to our retained deficit. The previously unrecorded deferred tax asset is related to net operating loss carryovers as a result of the delayed recognition of a windfall tax benefit related to share-based compensation. Post-adoption the excess tax benefits or deficiencies are recognized for income tax purposes in the period in which they occur through the income statement.

9. Litigation, Environmental and Other Contingencies

We and our subsidiaries are parties to various legal, regulatory and other matters arising from the day-to-day operations of our businesses or certain predecessor operations that may result in claims against the Company. Although no assurance can be given, we believe, based on our experiences to date and taking into account established reserves and insurance, that the ultimate resolution of such items will not have a material adverse impact on our business, financial position, results of operations or dividends to our shareholders. We believe we have meritorious defenses to the matters to which we are a party and intend to vigorously defend the Company. When we determine a loss is probable of occurring and is reasonably estimable, we accrue an undiscounted liability for such contingencies based on our best estimate using information available at that time. If the estimated loss is a range of potential outcomes and there is no better estimate within the range, we accrue the amount at the low end of the range. We disclose contingencies where an adverse outcome may be material, or in the judgment of management, we conclude the matter should otherwise be disclosed.

Federal Energy Regulatory Commission Proceedings

SFPP

The tariffs and rates charged by SFPP are subject to a number of ongoing proceedings at the FERC, including the complaints and protests of various shippers the most recent of which was filed in late 2015 with the FERC (docketed at OR16-6) challenging SFPP's filed East Line rates. In general, these complaints and protests allege the rates and tariffs charged by SFPP are not just and reasonable under the Interstate Commerce Act (ICA). In some of these proceedings shippers have challenged the overall rate being charged by SFPP, and in others the shippers have challenged SFPP's index-based rate increases. If the shippers prevail on their arguments or claims, they are entitled to seek reparations (which may reach back up to two years prior to the filing date of their complaints) or refunds of any excess rates paid, and SFPP may be required to reduce its rates going forward. These proceedings tend to be protracted, with decisions of the FERC often appealed to the federal courts. The issues involved in these proceedings include, among others, whether indexed rate increases are justified, and the appropriate level of return and income tax allowance SFPP may include in its rates. On March 22, 2016, the D.C. Circuit issued a decision in *United Airlines, Inc. v. FERC* remanding to FERC for further consideration of two issues: (1) the appropriate data to be used to determine the return on equity for SFPP in the underlying docket, and (2) the just and reasonable return to be provided to a tax pass-through entity that includes an income tax allowance in its underlying cost of service. On July 21, 2017, an initial decision by the Administrative Law Judge (ALJ) in OR16-6 concluded that the Complainants are due reparations, with appropriate interest, equal to the difference between what SFPP collected from the Complainants for service on the East Line and the amounts SFPP would have collected had it charged just and reasonable rates for that line. The ALJ ruled that an income tax allowance should be included in the cost of service both to determine reparations and to set going forward rates, and found that the new just and reasonable rates are not knowable until the FERC reviews the initial decision and orders a compliance filing. The FERC will determine which portions of the initial decision to affirm, reject or amend. With respect to the various SFPP related complaints and protest proceedings at the FERC, we estimate that the shippers are seeking approximately $40 million in annual rate reductions and approximately $220 million in refunds. Management believes SFPP has meritorious arguments supporting SFPP's rates and intends to vigorously defend SFPP against these complaints and protests. However, to the extent the shippers are successful in one or more of the complaints or protest proceedings, SFPP estimates that applying the principles of FERC precedent, as applicable, to pending SFPP cases would result in rate reductions and refunds substantially lower than those sought by the shippers.

EPNG

The tariffs and rates charged by EPNG are subject to two ongoing FERC proceedings (the "2008 rate case" and the "2010 rate case"). With respect to the 2008 rate case, the FERC issued its decision (Opinion 517-A) in July 2015. The FERC generally upheld its prior determinations, ordered refunds to be paid within 60 days, and stated that it will apply its findings in Opinion 517-A to the same issues in the 2010 rate case. EPNG sought federal appellate review of Opinion 517-A and oral arguments were held on February 15, 2017. On February 21, 2017, the reviewing court delayed the case until the FERC rules on the rehearing requests pending in the 2010 Rate Case. With respect to the 2010 rate case, the FERC issued its decision (Opinion 528-A) on February 18, 2016. The FERC generally upheld its prior determinations, affirmed prior findings of an Administrative Law Judge that certain shippers qualify for lower rates, and required EPNG to file revised pro forma recalculated rates consistent with the terms of Opinions 517-A and 528-A. EPNG and two intervenors sought rehearing of certain aspects of the decision, and the judicial review sought by certain intervenors has been delayed until the FERC issues an order on rehearing. All refund obligations related to the 2008 rate case were satisfied during calendar year 2015. With respect to the 2010 rate case, EPNG believes it has an appropriate reserve related to the findings in Opinions 517-A and 528-A.

NGPL and WIC

On January 19, 2017, NGPL and WIC were separately notified by the FERC of rate proceedings against them pursuant to section 5 of the Natural Gas Act. The matters were set for hearings to determine whether NGPL's and WIC's current rates remain just and reasonable. A proceeding under section 5 of the Natural Gas Act is prospective in nature such that a change in rates charged to customers, if any, would likely only occur after the FERC has issued a final order. NGPL and WIC each submitted to the FERC an Offer of Settlement in their respective proceedings. The presiding ALJ in both proceedings certificated the settlements as uncontested, and the companies expect FERC approval by the end of the year.   As currently negotiated, the settlements would not have a material adverse impact on KMI's results of operations or cash flows from operations.

Trans Mountain Expansion Project Litigation

There are numerous legal challenges pending before the Federal Court of Appeal which have been filed by various governmental and non-governmental organizations, Aboriginal groups or other parties that seek judicial review of the recommendation of the National Energy Board (NEB) and subsequent decision by the Federal Governor in Council to conditionally approve the Trans Mountain Pipeline Expansion Project (the ''Project''). The petitions allege, among other things, that additional consultation, engagement or accommodation is required and that various non-economic impacts of the Project were not adequately considered. The remedies sought include requests that the NEB recommendation be quashed, that additional consultations be undertaken, and that the order of the Governor in Council approving the Project be quashed. After provincial elections in British Columbia on May 9, 2017, the New Democratic Party and Green Party formed a majority government. The new British Columbia government sought and was granted limited intervenor status in the Federal Court of Appeal proceedings to argue against the government's approval of the Project. A hearing was conducted by the Federal Court of Appeal from October 2 through October 13, 2017. A decision is expected in the coming months, and is subject to potential further appeal to the Supreme Court of Canada. Although we believe that each of the foregoing appeals lacks merit, in the event an applicant is successful at the Supreme Court of Canada, among other potential impacts, the NEB recommendation or Governor in Council's approval may be quashed, permits may be revoked, the Project may be subject to additional significant regulatory reviews, there may be significant changes to the Project plans, further obligations or restrictions may be implemented, or the Project may be stopped altogether, which could materially impact the overall feasibility or economic benefits of the Project, which in turn would have a material adverse effect on the Project and, consequently, our investment in KML.

In addition to the judicial reviews of the NEB recommendation report and Governor in Council's order, two judicial review proceedings have been commenced at the Supreme Court of British Columbia (Squamish Nation; and the City of Vancouver). The petitions allege a duty and failure to consult or accommodate First Nations, and generally, among other claims, that the Province ought not to have approved the Project. Each Applicant seeks to quash the Environmental Assessment Certificate (EAC) that was issued by the British Columbia Environmental Assessment Office. On September 29, 2017, the British Columbia government filed evidence in support of the EAC approval in the judicial review proceeding involving the Squamish

Nation. Hearings are scheduled for October and November 2017, respectively, for the City of Vancouver and the Squamish Nation judicial review proceedings. Although we believe that each of the foregoing appeals lacks merit, in the event that an applicant for judicial review is successful, among other potential impacts, the EAC may be quashed, provincial permits may be revoked, the Project may be subject to additional significant regulatory reviews, there may be significant changes to the Project plans, further obligations or restrictions may be imposed or the Project may be stopped altogether. In the event that an applicant is unsuccessful at the Supreme Court of British Columbia, they may further seek to appeal the decision to the British Columbia Court of Appeal. Any decision of the British Columbia Court of Appeal may be appealed to the Supreme Court of Canada. A successful appeal at either of these levels could result in the same types of consequences described above.

Other Commercial Matters

Union Pacific Railroad Company Easements & Related Litigation

SFPP and Union Pacific Railroad Company (UPRR) engaged in a proceeding to determine the extent, if any, to which rent payable by SFPP for the use of pipeline easements on rights-of-way held by UPRR should be adjusted pursuant to existing contractual arrangements for the ten-year period beginning January 1, 2004 (*Union Pacific Railroad Company v. Santa Fe Pacific Pipelines, Inc., et al.,* Superior Court of the State of California, County of Los Angeles, Case No. BC319170). In September 2011, the trial judge determined that the annual rent payable as of January 1, 2004 was $14 million, subject to annual consumer price index increases. SFPP appealed the judgment.

In addition, as part of the second ten-year rent setting period, in 2013 UPRR demanded the payment of $22.3 million in rent for the first year of the next ten-year period beginning January 1, 2014, which SFPP rejected. On November 5, 2014, the Court of Appeals issued an opinion which reversed the judgment, including the award of prejudgment interest, and remanded the matter to the trial court for a determination of UPRR's property interest in its right-of-way, including whether UPRR has sufficient interest to grant SFPP's easements. UPRR filed a petition for review to the California Supreme Court which was denied. In July 2017, UPRR and SFPP reached a settlement of the rental disputes on terms that are confidential and within the right-of-way liability previously recorded for back rent.

After the above-referenced decision by the California Court of Appeals which held that UPRR does not own the subsurface rights to grant certain easements and may not be able to collect rent from those easements, a purported class action lawsuit was filed in 2015 in a U.S. District Court in California by private landowners in California who claim to be the lawful owners of subsurface real property allegedly used or occupied by UPRR or SFPP. Substantially similar follow-on lawsuits were filed and are pending in federal courts by landowners in Nevada, Arizona and New Mexico. These suits, which are brought purportedly as class actions on behalf of all landowners who own land in fee adjacent to and underlying the railroad easement under which the SFPP pipeline is located in those respective states, assert claims against UPRR, SFPP, KMGP, and Kinder Morgan Operating L.P. "D" for declaratory judgment, trespass, ejectment, quiet title, unjust enrichment, inverse condemnation and accounting arising from defendants' alleged improper use or occupation of subsurface real property. Plaintiffs' motions for class certification were denied by the federal courts in Arizona and California. The Ninth Circuit Court of Appeals denied Plaintiffs' request for interlocutory review of the decisions on class certification. The New Mexico and Nevada lawsuits have been stayed. SFPP views these cases as primarily a dispute between UPRR and the plaintiffs. UPRR purported to grant SFPP a network of subsurface pipeline easements along UPRR's railroad right-of-way. SFPP relied on the validity of those easements and paid rent to UPRR for the value of those easements.

SFPP and UPRR also engaged in multiple disputes since 2000 over the circumstances and conditions under which SFPP must pay to relocate its pipeline within the UPRR right-of-way. In July 2017, UPRR and SFPP reached a settlement of the relocation disputes on terms that are confidential but which generally require the parties to share and allocate the cost of future relocations. Although the cost sharing mechanism in the settlement is expected to reduce the cost of future relocations, SFPP does not know UPRR's plans for projects or other activities that would cause pipeline relocations such that it is difficult to quantify the cost of future potential relocations. Such costs could have an adverse effect on our financial position, results of operations, cash flows, and dividends to our shareholders.

Gulf LNG Facility Arbitration

On March 1, 2016, Gulf LNG Energy, LLC and Gulf LNG Pipeline, LLC (GLNG) received a Notice of Disagreement and Disputed Statements and a Notice of Arbitration from Eni USA Gas Marketing LLC (Eni USA), one of two companies that entered into a terminal use agreement for capacity of the Gulf LNG Facility in Mississippi for an initial term that is not scheduled to expire until the year 2031. Eni USA is an indirect subsidiary of Eni S.p.A., a multi-national integrated energy company headquartered in Milan, Italy. Pursuant to its Notice of Arbitration, Eni USA seeks declaratory and monetary relief based upon its assertion that (i) the terminal use agreement should be terminated because changes in the U.S. natural gas market since the execution of the agreement in December 2007 have "frustrated the essential purpose" of the agreement and (ii) activities allegedly undertaken by affiliates of Gulf LNG Holdings Group LLC "in connection with a plan to convert the LNG Facility into a liquefaction/export facility have given rise to a contractual right on the part of Eni USA to terminate" the agreement. As set forth in the terminal use agreement, disputes are meant to be resolved by final and binding arbitration. A three-member arbitration panel conducted an arbitration hearing in January 2017. We expect the arbitration panel will issue its decision before the end of fourth quarter 2017. Eni USA has indicated that it will continue to pay the amounts claimed to be due pending resolution of the dispute. The successful assertion by Eni USA of its claim to terminate or amend its payment obligations under the agreement prior to the expiration of its initial term could have an adverse effect on the business, financial position, results of operations, or cash flows of GLNG and distributions to KMI, a 50% shareholder of GLNG. We view the demand for arbitration to be without merit, and we will continue to contest it vigorously.

Brinckerhoff Merger Litigation

In April 2017, a purported class action suit was filed in the Delaware Court of Chancery by a former EPB unitholder on behalf of a class of former unaffiliated unitholders of EPB, seeking to challenge the $9.2 billion merger of EPB into a subsidiary of KMI as part of a series of transactions in November 2014 whereby KMI acquired all of the outstanding equity interests in KMP, KMR, and EPB that KMI and its subsidiaries did not already own. The suit alleges that the merger consideration did not sufficiently compensate EPB unitholders for the value of three derivative suits concerning drop down transactions which the derivative plaintiff lost standing to pursue after the merger and which the present suit now alleges were collectively worth as much as $700 million. The suit claims that the alleged failure to obtain sufficient merger consideration for the drop down lawsuits constitutes a breach of the EPB limited partnership agreement and the implied covenant of good faith and fair dealing. The suit also asserts claims against KMI and certain individual defendants for allegedly tortiously interfering with and/or aiding and abetting the alleged breach of the limited partnership agreement. Defendants have moved to dismiss the suit. We continue to believe that both the merger and the drop down transactions were appropriate and in the best interests of EPB, and we intend to continue to defend this lawsuit vigorously.

Price Reporting Litigation

Beginning in 2003, several lawsuits were filed by purchasers of natural gas against El Paso Corporation, El Paso Marketing L.P. and numerous other energy companies based on a claim under state antitrust law that such defendants conspired to manipulate the price of natural gas by providing false price information to industry trade publications that published gas indices. Several of the cases have been settled or dismissed. The remaining cases, which are pending in a U.S. District Court in Nevada, were dismissed, but the dismissal was reversed by the Ninth Circuit Court of Appeals. The U.S. Supreme Court affirmed the Ninth Circuit Court of Appeals in a decision dated April 21, 2015, and the cases were then remanded to the District Court for further consideration and trial, if necessary, of numerous remaining issues. On May 24, 2016, the District Court granted a motion for summary judgment dismissing a lawsuit brought by an industrial consumer in Kansas in which approximately $500 million in damages has been alleged. That ruling has been appealed to the Ninth Circuit Court of Appeals. Settlements have been reached in class actions originally filed in Kansas and Missouri, which settlements received final court approval and have been paid. In the remaining case, a Wisconsin class action in which approximately $300 million in damages has been alleged against all defendants, the District Court denied plaintiff's motion for class certification. The Ninth Circuit Court of Appeals granted plaintiff's request for an interlocutory appeal of this ruling. There remains significant uncertainty regarding the validity of the causes of action, the damages asserted and the level of damages, if any, which may be allocated to us in the remaining lawsuits and therefore, our legal exposure, if any, and costs are not currently determinable.

Pipeline Integrity and Releases

From time to time, despite our best efforts, our pipelines experience leaks and ruptures. These leaks and ruptures may cause explosions, fire, and damage to the environment, damage to property and/or personal injury or death. In connection with these incidents, we may be sued for damages caused by an alleged failure to properly mark the locations of our pipelines and/or to properly maintain our pipelines. Depending upon the facts and circumstances of a particular incident, state and federal regulatory authorities may seek civil and/or criminal fines and penalties.

General

As of September 30, 2017 and December 31, 2016, our total reserve for legal matters was $330 million and $407 million, respectively. The reserve primarily relates to various claims from regulatory proceedings arising in our products and natural gas pipeline segments.

Environmental Matters

We and our subsidiaries are subject to environmental cleanup and enforcement actions from time to time. In particular, CERCLA generally imposes joint and several liability for cleanup and enforcement costs on current and predecessor owners and operators of a site, among others, without regard to fault or the legality of the original conduct, subject to the right of a liable party to establish a "reasonable basis" for apportionment of costs. Our operations are also subject to federal, state and local laws and regulations relating to protection of the environment. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in pipeline, terminal and CO_2 field and oil field operations, and there can be no assurance that we will not incur significant costs and liabilities. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies under the terms of authority of those laws, and claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities to us.

We are currently involved in several governmental proceedings involving alleged violations of environmental and safety regulations, including alleged violations of the Risk Management Program and leak detection and repair requirements of the Clean Air Act. As we receive notices of non-compliance, we attempt to negotiate and settle such matters where appropriate. These alleged violations may result in fines and penalties, but we do not believe any such fines and penalties, individually or in the aggregate, will be material. We are also currently involved in several governmental proceedings involving groundwater and soil remediation efforts under administrative orders or related state remediation programs. We have established a reserve to address the costs associated with the cleanup.

In addition, we are involved with and have been identified as a potentially responsible party in several federal and state superfund sites. Environmental reserves have been established for those sites where our contribution is probable and reasonably estimable. In addition, we are from time to time involved in civil proceedings relating to damages alleged to have occurred as a result of accidental leaks or spills of refined petroleum products, NGL, natural gas and CO_2.

Portland Harbor Superfund Site, Willamette River, Portland, Oregon

In December 2000, the EPA issued General Notice letters to potentially responsible parties including GATX Terminals Corporation (n/k/a KMLT). At that time, GATX owned two liquids terminals along the lower reach of the Willamette River, an industrialized area known as Portland Harbor. Portland Harbor is listed on the National Priorities List and is designated as a Superfund Site under CERCLA. A group of potentially responsible parties formed what is known as the Lower Willamette Group (LWG), of which KMLT is a non-voting member and pays a minimal fee to be part of the group. The LWG agreed to conduct the remedial investigation and feasibility study (RI/FS) leading to the proposed remedy for cleanup of the Portland Harbor site. The EPA issued the FS and the Proposed Plan on June 8, 2016 which included a proposed combination of dredging, capping, and enhanced natural recovery. On January 6, 2017, the EPA issued its Record of Decision (ROD) for the final cleanup plan. The final remedy is more stringent than the remedy proposed in the EPA's Proposed Plan. The estimated cost increased from approximately $750 million to approximately $1.1 billion and active cleanup is now expected to take as long as 13 years to complete. KMLT and 90 other parties are involved in a non-judicial allocation process to determine each party's respective share of the cleanup costs. We are participating in the allocation process on behalf of KMLT and KMBT in connection with their current or former ownership or operation of four facilities located in Portland Harbor. Our share of responsibility for Portland Harbor Superfund Site costs will not be determined until the ongoing non-judicial allocation process is concluded in several years or a lawsuit is filed that results in a judicial decision allocating responsibility. Until the allocation process is completed, we are unable to reasonably estimate the extent of our liability for the costs related to the design of the proposed remedy and cleanup of the site. In addition to CERCLA cleanup costs, we are reviewing and will attempt to settle, if possible, natural resource damage (NRD) claims asserted by state and federal trustees following their natural resource assessment of the site. At this time, we are unable to reasonably estimate the extent of our potential NRD liability.

Roosevelt Irrigation District v. Kinder Morgan G.P., Inc., Kinder Morgan Energy Partners, L.P. , U.S. District Court, Arizona

The Roosevelt Irrigation District sued KMGP, KMEP and others under CERCLA for alleged contamination of the water purveyor's wells. The First Amended Complaint sought $175 million in damages from approximately 70 defendants. On August 6, 2013 plaintiffs filed their Second Amended Complaint seeking monetary damages in unspecified amounts and reducing the number of defendants to 26 including KMEP and SFPP. The claims now presented against KMEP and SFPP are related to alleged releases from a specific parcel within the SFPP Phoenix Terminal and the alleged impact of such releases on water wells owned by the plaintiffs and located in the vicinity of the Terminal. We have filed an answer, general denial, and affirmative defenses in response to the Second Amended Complaint and fact discovery is proceeding.

Uranium Mines in Vicinity of Cameron, Arizona

In the 1950s and 1960s, Rare Metals Inc., a historical subsidiary of EPNG, mined approximately twenty uranium mines in the vicinity of Cameron, Arizona, many of which are located on the Navajo Indian Reservation. The mining activities were in response to numerous incentives provided to industry by the U.S. to locate and produce domestic sources of uranium to support the Cold War-era nuclear weapons program. In May 2012, EPNG received a general notice letter from the EPA notifying EPNG of the EPA's investigation of certain sites and its determination that the EPA considers EPNG to be a potentially responsible party within the meaning of CERCLA. In August 2013, EPNG and the EPA entered into an Administrative Order on Consent and Scope of Work pursuant to which EPNG is conducting a radiological assessment of the surface of the mines. On September 3, 2014, EPNG filed a complaint in the U.S. District Court for the District of Arizona (Case No. 3:14-08165-DGC) seeking cost recovery and contribution from the applicable federal government agencies toward the cost of environmental activities associated with the mines, given the position of the United States as owner of the Navajo Reservation and the pervasive control of such federal agencies over all aspects of the nuclear weapons program. Defendants filed an answer and counterclaims seeking contribution and recovery of response costs allegedly incurred by the federal agencies in investigating uranium impacts on the Navajo Reservation. The counterclaim of defendant EPA has been settled, and no viable claims for reimbursement by the other defendants are known to exist. In August 2017, the District Court found the United States liable under CERCLA as owner of the Navajo Reservation. The matter seeking cost recovery and contribution from federal government agencies is set for trial in February 2018. We intend to continue to prosecute and defend this case vigorously.

Lower Passaic River Study Area of the Diamond Alkali Superfund Site, Essex, Hudson, Bergen and Passaic Counties, New Jersey

EPEC Polymers, Inc. (EPEC Polymers) and EPEC Oil Company Liquidating Trust (EPEC Oil Trust), former El Paso Corporation entities now owned by KMI, are involved in an administrative action under CERCLA known as the Lower Passaic River Study Area Superfund Site (Site) concerning the lower 17-mile stretch of the Passaic River. It has been alleged that EPEC Polymers and EPEC Oil Trust may be potentially responsible parties (PRPs) under CERCLA based on prior ownership and/or operation of properties located along the relevant section of the Passaic River. EPEC Polymers and EPEC Oil Trust entered into two Administrative Orders on Consent (AOCs) which obligate them to investigate and characterize contamination at the Site. They are also part of a joint defense group of approximately 70 cooperating parties, referred to as the Cooperating Parties Group (CPG), which has entered into AOCs and is directing and funding the work required by the EPA. Under the first AOC, draft remedial investigation and feasibility studies (RI/FS) of the Site were submitted to the EPA in 2015, and comments from the EPA remain pending. Under the second AOC, the CPG members conducted a CERCLA removal action at the Passaic River Mile 10.9, and the group is currently conducting EPA-directed post-remedy monitoring in the removal area. We have established a reserve for the anticipated cost of compliance with the AOCs.

On April 11, 2014, the EPA announced the issuance of its Focused Feasibility Study (FFS) for the lower eight miles of the Passaic River Study Area, and its proposed plan for remedial alternatives to address the dioxin sediment contamination from the mouth of Newark Bay to River Mile 8.3. The EPA estimates the cost for the alternatives will range from $365 million to $3.2 billion. The EPA's preferred alternative would involve dredging the river bank-to-bank and installing an engineered cap at an estimated cost of $1.7 billion. On March 4, 2016, the EPA issued its ROD for the lower 8.3 miles of the Passaic River Study area. The final cleanup plan in the ROD is substantially similar to the EPA's preferred alternative announced on April 11, 2014. On October 5, 2016, the EPA entered into an AOC with one member of the PRP group requiring such member to spend $165 million to perform engineering and design work necessary to begin the cleanup of the lower 8.3 miles of the Passaic River. The design work is expected to take four years to complete and the cleanup is expected to take six years to complete.

In addition, the EPA has notified other PRPs, including EPEC Polymers and EPEC Oil Trust, that the EPA intends to pursue agreements with other "major PRPs" and initiate negotiations over cash buyouts with parties whom the EPA does not consider "major PRPs." The EPA also notified the parties of an allocation process that could result in cash-out settlements with a number of them. The notices create significant uncertainty as to the implementation and associated costs of the remedy set forth in the FFS and ROD, and provide no guidance as to the EPA's definition of a "major PRP", the allocation process including how it will impact the PRPs, or the potential amount or range of cash buyouts. There is also uncertainty as to the impact of the RI/FS that the CPG is currently preparing for portions of the Site. The draft RI/FS was submitted by the CPG earlier in 2015 and proposes a different remedy than the FFS announced by the EPA. Therefore, the scope of potential EPA claims for the lower eight miles of the Passaic River is not reasonably estimable at this time.

Southeast Louisiana Flood Protection Litigation

On July 24, 2013, the Board of Commissioners of the Southeast Louisiana Flood Protection Authority - East (SLFPA) filed a petition for damages and injunctive relief in a state district court for Orleans Parish, Louisiana (Case No. 13-6911) against TGP, SNG and approximately 100 other energy companies, alleging that defendants' drilling, dredging, pipeline and industrial operations since the 1930's have caused direct land loss and increased erosion and submergence resulting in alleged increased storm surge risk, increased flood protection costs and unspecified damages to the plaintiff. The SLFPA asserts claims for negligence, strict liability, public nuisance, private nuisance, and breach of contract. Among other relief, the petition seeks unspecified monetary damages, attorney fees, interest, and injunctive relief in the form of abatement and restoration of the alleged coastal land loss including but not limited to backfilling and re-vegetation of canals, wetlands and reef creation, land bridge construction, hydrologic restoration, shoreline protection, structural protection, and bank stabilization. On August 13, 2013, the suit was removed to the U.S. District Court for the Eastern District of Louisiana. On February 13, 2015, the Court granted defendants' motion to dismiss the suit for failure to state a claim, and issued an order dismissing the SLFPA's claims with prejudice. On March 3, 2017, the Fifth Circuit Court of Appeals affirmed the U.S. District Court's decision. On March 17, 2017, the SLFPA filed a petition seeking *en banc* review and reconsideration of the decision by the Fifth Circuit Court of Appeals, and such petition was denied. On July 11, 2017, the SLFPA filed a petition for a writ of certiorari to the U.S. Supreme Court.

Plaquemines Parish Louisiana Coastal Zone Litigation

On November 8, 2013, the Parish of Plaquemines, Louisiana filed a petition for damages in the State District Court for Plaquemines Parish, Louisiana (Docket No. 60-999) against TGP and 17 other energy companies, alleging that defendants' oil and gas exploration, production and transportation operations in the Bastian Bay, Buras, Empire and Fort Jackson oil and gas fields of Plaquemines Parish caused substantial damage to the coastal waters and nearby lands (Coastal Zone) within the Parish, including the erosion of marshes and the discharge of oil waste and other pollutants which detrimentally affected the quality of state waters and plant and animal life, in violation of the State and Local Coastal Resources Management Act of 1978 (Coastal Zone Management Act). As a result of such alleged violations of the Coastal Zone Management Act, Plaquemines Parish seeks, among other relief, unspecified monetary relief, attorney fees, interest, and payment of costs necessary to restore the allegedly affected Coastal Zone to its original condition, including costs to clear, vegetate and detoxify the Coastal Zone. In connection with this suit, TGP has made two tenders for defense and indemnity: (1) to Anadarko, as successor to the entity that purchased TGP's oil and gas assets in Bastian Bay, and (2) to Kinetica, which purchased TGP's pipeline assets in Bastian Bay in 2013. Anadarko has accepted TGP's tender (limited to oil and gas assets), and Kinetica rejected TGP's tender. TGP responded to Kinetica by reasserting TGP's demand for defense and indemnity and reserving its rights. On November 12, 2015, the Plaquemines Parish Council adopted a resolution directing its legal counsel in all its Coastal Zone cases to take all actions necessary to cause the dismissal of all such cases. On April 14, 2016, following interventions in the suit by the Louisiana Department of Natural Resources and Attorney General, the Parish Council passed a resolution rescinding its November 12, 2015 resolution that had directed its counsel to dismiss the suit. We intend to continue to vigorously defend the suit.

Vermilion Parish Louisiana Coastal Zone Litigation

On July 28, 2016, the District Attorney for the Fifteenth Judicial District of Louisiana, purporting to act on behalf of Vermilion Parish and the State of Louisiana, filed suit in the State District Court for Vermilion Parish, Louisiana against TGP and 52 other energy companies, alleging that the defendants' oil and gas and transportation operations associated with the development of several fields in Vermilion Parish (Operational Areas) were conducted in violation of the Coastal Zone Management Act. The suit alleges such operations caused substantial damage to the coastal waters and nearby lands (Coastal Zone) of Vermilion Parish, resulting in the release of pollutants and contaminants into the environment, improper discharge of oil field wastes, the improper use of waste pits and failure to close such pits, and the dredging of canals, which resulted in degradation of the Operational Areas, including erosion of marshes and degradation of terrestrial and aquatic life therein. As a result of such alleged violations of the Coastal Zone Management Act, the suit seeks a judgment against the defendants awarding all appropriate damages, the payment of costs to clear, revegetate, detoxify and otherwise restore the Vermilion Parish Coastal Zone, actual restoration of the affected Coastal Zone to its original condition, and reasonable costs and attorney fees. On September 2, 2016, the case was removed to the U.S. District Court for the Western District of Louisiana. Plaintiffs filed a motion to remand the case to the state district court. On September 26, 2017, the U.S. District Court remanded the case to the State District Court for Vermillion Parish. We intend to vigorously defend the suit.

Vintage Assets, Inc. Coastal Erosion Litigation

On December 18, 2015, Vintage Assets, Inc. and several individual landowners filed a petition in the State District Court for Plaquemines Parish, Louisiana alleging that its 5,000 acre property is composed of coastal wetlands, and that SNG and TGP failed to maintain pipeline canals and banks, causing widening of the canals, land loss, and damage to the ecology and hydrology of the marsh, in breach of right of way agreements, prudent operating practices, and Louisiana law. The suit also claims that defendants' alleged failure to maintain pipeline canals and banks constitutes negligence and has resulted in encroachment of the canals, constituting trespass. The suit seeks in excess of $80 million in money damages, including recovery of litigation costs, damages for trespass, and money damages associated with an alleged loss of natural resources and projected reconstruction cost of replacing or restoring wetlands. The suit was removed to the U.S. District Court for the Eastern District of Louisiana. The SNG assets at issue were sold to Highpoint Gas Transmission, LLC in 2011, which was subsequently purchased by American Midstream Partners, LP. In response to SNG's demand for defense and indemnity, American Midstream Partners agreed to pay 50% of joint defense costs and expenses, with a percentage of indemnity to be determined upon final resolution of the suit. On October 20, 2016, plaintiffs filed an amended complaint naming Highpoint Gas Transmission, LLC as an additional defendant. A non-jury trial was held during September 2017. The District Court ordered the parties to submit post-trial briefing. We anticipate a ruling in the fourth quarter 2017 or first quarter 2018. We will continue to vigorously defend the suit, and intend to appeal any adverse ruling that may result from the trial.

General

Although it is not possible to predict the ultimate outcomes, we believe that the resolution of the environmental matters set forth in this note, and other matters to which we and our subsidiaries are a party, will not have a material adverse effect on our business, financial position, results of operations or cash flows. As of September 30, 2017 and December 31, 2016, we have accrued a total reserve for environmental liabilities in the amount of $290 million and $302 million, respectively. In addition, as of both September 30, 2017 and December 31, 2016, we have recorded a receivable of $13 million, for expected cost recoveries that have been deemed probable.

10. Recent Accounting Pronouncements

Topic 606

On May 28, 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*" followed by a series of related accounting standard updates (collectively referred to as "Topic 606"). Topic 606 is designed to create greater revenue recognition and disclosure comparability in financial statements. The provisions of Topic 606 include a five-step process by which an entity will determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which an entity expects to be entitled in exchange for those goods or services. Topic 606 requires certain disclosures about contracts with customers and provides more comprehensive guidance for transactions such as service revenue, contract modifications, and multiple-element arrangements.

We are in the process of comparing our current revenue recognition policies to the requirements of Topic 606 for each of our revenue categories. While we have not identified any material differences in the amount and timing of revenue recognition for the categories we have reviewed to date, our evaluation is not complete, and we have not concluded on the overall impacts of adopting Topic 606. Topic 606 will require that our revenue recognition policy disclosure include further detail regarding our performance obligations as to the nature, amount, timing, and estimates of revenue and cash flows generated from our contracts with customers. Topic 606 will also require disclosure of significant changes in contract asset and contract liability balances period to period and the amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period, as applicable. We anticipate utilizing the modified retrospective method to adopt the provisions of this standard effective January 1, 2018, which requires us to apply the new revenue standard to (i) all new revenue contracts entered into after January 1, 2018 and (ii) all existing revenue contracts as of January 1, 2018 through a cumulative adjustment to equity. In accordance with this approach, our consolidated revenues for periods prior to January 1, 2018 will not be revised.

ASU No. 2015-11

On July 22, 2015, the FASB issued ASU No. 2015-11, "*Inventory (Topic 330): Simplifying the Measurement of Inventory*." This ASU requires entities to subsequently measure inventory at the lower of cost and net realizable value, and defines net realizable value as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. ASU No. 2015-11 was effective January 1, 2017. We adopted ASU No. 2015-11 with no material impact to our financial statements.

ASU No. 2016-02

On February 25, 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842)*." This ASU requires that lessees will be required to recognize assets and liabilities on the balance sheet for the present value of the rights and obligations created by all leases with terms of more than 12 months. The ASU also will require disclosures designed to give financial statement users information on the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 will be effective for us as of January 1, 2019. We are currently reviewing the effect of ASU No. 2016-02.

ASU No. 2016-09

On March 30, 2016, the FASB issued ASU No. 2016-09, *"Compensation - Stock Compensation (Topic 718)."* This ASU was issued as part of the FASB's simplification initiative and affects all entities that issue share-based payment awards to their employees. This ASU covers accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. ASU No. 2016-09 was effective January 1, 2017. We adopted ASU No. 2016-09 with no material impact to our financial statements. See Note 8.

ASU No. 2016-13

On June 16, 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*." This ASU modifies the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in the more timely recognition of losses. ASU No. 2016-13 will be effective for us as of January 1, 2020. We are currently reviewing the effect of ASU No. 2016-13.

ASU No. 2016-18

On November 17, 2016, the FASB issued ASU No. 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force).*" This ASU requires the statement of cash flows to explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents are to be included with cash and cash equivalents when reconciling the beginning of period and end of period amounts shown on the statement of cash flows. ASU No. 2016-18 will be effective for us as of January 1, 2018. We are currently reviewing the effect of this ASU to our financial statements.

ASU No. 2017-04

On January 26, 2017, the FASB issued ASU No. 2017-04, "*Simplifying the Test for Goodwill Impairment (Topic 350)*" to simplify the accounting for goodwill impairment. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU No. 2017-04 will be effective for us as of January 1, 2020. We are currently reviewing the effect of this ASU to our financial statements.

ASU No. 2017-05

On February 22, 2017, the FASB issued ASU No. 2017-05, "*Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*." This ASU clarifies the scope and accounting of a financial asset that meets the definition of an "in-substance nonfinancial asset" and defines the term "in-substance nonfinancial asset." This ASU also adds guidance for partial sales of nonfinancial assets. ASU No. 2017-05 will be effective at the same time Topic 606, *Revenue from Contracts with Customers*, is effective. We are currently reviewing the effect of this ASU to our financial statements.

ASU No. 2017-07

On March 10, 2017, the FASB issued ASU No. 2017-07, "*Compensation - Retirement Benefits (Topic 715)*." This ASU requires an employer to disaggregate the service cost component from the other components of net benefit cost, allow only the service cost component of net benefit cost to be eligible for capitalization, and how to present the service cost component and the other components of net benefit cost in the income statement. ASU No. 2017-07 will be effective for us as of January 1, 2018. We are currently reviewing the effect of this ASU to our financial statements.

ASU No. 2017-12

On August 28, 2017, the FASB issued ASU No. 2017-12, "*Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*." This ASU amends and simplifies existing guidance in order to allow companies to more accurately present the economic effects of risk management activities in the financial statements. ASU No. 2017-12 will be effective for us as of January 1, 2019, and earlier adoption is permitted. We are currently reviewing the effect of this ASU to our financial statements.

11. Guarantee of Securities of Subsidiaries

KMI, along with its direct subsidiary KMP, are issuers of certain public debt securities. KMI, KMP and substantially all of KMI's wholly owned domestic subsidiaries are parties to a cross guarantee agreement whereby each party to the agreement unconditionally guarantees, jointly and severally, the payment of specified indebtedness of each other party to the agreement. Accordingly, with the exception of certain subsidiaries identified as Subsidiary Non-Guarantors, the parent issuer, subsidiary issuer and other subsidiaries are all guarantors of each series of public debt. As a result of the cross guarantee agreement, a holder of any of the guaranteed public debt securities issued by KMI or KMP is in the same position with respect to the net assets, income and cash flows of KMI and the Subsidiary Issuer and Guarantors. The only amounts that are not available to the holders of each of the guaranteed public debt securities to satisfy the repayment of such securities are the net assets, income and cash flows of the Subsidiary Non-Guarantors.

In lieu of providing separate financial statements for subsidiary issuer and guarantor, we have included the accompanying condensed consolidating financial statements based on Rule 3-10 of the SEC's Regulation S-X. We have presented each of the parent and subsidiary issuer in separate columns in this single set of condensed consolidating financial statements.

On September 1, 2016, we sold a 50% equity interest in SNG. Subsequent to the transaction, we deconsolidated SNG and now account for our equity interest in SNG as an equity investment. Our wholly owned subsidiary which holds our interest in SNG is reflected within the Subsidiary Guarantors column of these condensed consolidating financial statements.

Excluding fair value adjustments, as of September 30, 2017, Parent Issuer and Guarantor, Subsidiary Issuer and Guarantor-KMP, and Subsidiary Guarantors had $13,921 million, $18,885 million, and $3,310 million, respectively, of Guaranteed Notes outstanding. Included in the Subsidiary Guarantors debt balance as presented in the accompanying September 30, 2017 condensed consolidating balance sheet is approximately $164 million of capital lease obligations that are not subject to the cross guarantee agreement.

The accounts within the Parent Issuer and Guarantor, Subsidiary Issuer and Guarantor-KMP, Subsidiary Guarantors and Subsidiary Non-Guarantors are presented using the equity method of accounting for investments in subsidiaries, including subsidiaries that are guarantors and non-guarantors, for purposes of these condensed consolidating financial statements only. These intercompany investments and related activities eliminate in consolidation and are presented separately in the accompanying condensed consolidating balance sheets and statements of income and cash flows.

A significant amount of each Issuers' income and cash flow is generated by its respective subsidiaries. As a result, the funds necessary to meet its debt service and/or guarantee obligations are provided in large part by distributions or advances it receives from its respective subsidiaries. We utilize a centralized cash pooling program among our majority-owned and consolidated subsidiaries, including the Subsidiary Issuers and Guarantors and Subsidiary Non-Guarantors. The following Condensed Consolidating Statements of Cash Flows present the intercompany loan and distribution activity, as well as cash collection and payments made on behalf of our subsidiaries, as cash activities.

Condensed Consolidating Statements of Income and Comprehensive Income
for the Three Months Ended September 30, 2017
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
Total Revenues	$ 8	$ —	$ 2,899	$ 413	$ (39)	$ 3,281
Operating Costs, Expenses and Other						
Costs of sales	—	—	975	81	(27)	1,029
Depreciation, depletion and amortization	4	—	487	71	—	562
Other operating expenses	12	1	711	148	(12)	860
Total Operating Costs, Expenses and Other	16	1	2,173	300	(39)	2,451
Operating (loss) income	(8)	(1)	726	113	—	830
Other Income (Expense)						
Earnings from consolidated subsidiaries	690	688	111	15	(1,504)	—
Earnings from equity investments	—	—	167	—	—	167
Interest, net	(174)	(1)	(277)	(7)	—	(459)
Amortization of excess cost of equity investments and other, net	—	—	3	6	—	9
Income Before Income Taxes	508	686	730	127	(1,504)	547
Income Tax Expense	(135)	(1)	(18)	(6)	—	(160)
Net Income	373	685	712	121	(1,504)	387
Net Income Attributable to Noncontrolling Interests	—	—	—	—	(14)	(14)
Net Income Attributable to Controlling Interests	373	685	712	121	(1,518)	373
Preferred Stock Dividends	(39)	—	—	—	—	(39)
Net Income Available to Common Stockholders	$ 334	$ 685	$ 712	$ 121	$ (1,518)	$ 334
Net Income	$ 373	$ 685	$ 712	$ 121	$ (1,504)	$ 387
Total other comprehensive income (loss)	14	(1)	(3)	105	(71)	44
Comprehensive income	387	684	709	226	(1,575)	431
Comprehensive income attributable to noncontrolling interests	—	—	—	—	(44)	(44)
Comprehensive income attributable to controlling interests	$ 387	$ 684	$ 709	$ 226	$ (1,619)	$ 387

Condensed Consolidating Statements of Income and Comprehensive Income
for the Three Months Ended September 30, 2016
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
Total Revenues	$ 9	$ —	$ 2,953	$ 386	$ (18)	$ 3,330
Operating Costs, Expenses and Other						
Costs of sales	—	—	916	61	(6)	971
Depreciation, depletion and amortization	4	—	466	79	—	549
Other operating expenses	663	—	145	132	(12)	928
Total Operating Costs, Expenses and Other	667	—	1,527	272	(18)	2,448
Operating (loss) income	(658)	—	1,426	114	—	882
Other Income (Expense)						
Earnings from consolidated subsidiaries	963	1,004	99	14	(2,080)	—
Losses from equity investments	—	—	(213)	—	—	(213)
Interest, net	(173)	(6)	(281)	(12)	—	(472)
Amortization of excess cost of equity investments and other, net	(1)	—	(6)	4	—	(3)
Income Before Income Taxes	131	998	1,025	120	(2,080)	194
Income Tax Expense	(319)	(2)	(22)	(34)	—	(377)
Net (Loss) Income	(188)	996	1,003	86	(2,080)	(183)
Net Income Attributable to Noncontrolling Interests	—	—	—	—	(5)	(5)
Net (Loss) Income Attributable to Controlling Interests	(188)	996	1,003	86	(2,085)	(188)
Preferred Stock Dividends	(39)	—	—	—	—	(39)
Net (Loss) Income Available to Common Stockholders	(227)	996	1,003	86	(2,085)	(227)
Net (Loss) Income	$ (188)	$ 996	$ 1,003	$ 86	$ (2,080)	$ (183)
Total other comprehensive loss	(3)	(47)	(32)	(31)	110	(3)
Comprehensive (loss) income	(191)	949	971	55	(1,970)	(186)
Comprehensive income attributable to noncontrolling interests	—	—	—	—	(5)	(5)
Comprehensive (loss) income attributable to controlling interests	$ (191)	$ 949	$ 971	$ 55	$ (1,975)	$ (191)

Condensed Consolidating Statements of Income and Comprehensive Income
for the Nine Months Ended September 30, 2017
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
Total Revenues	$ 26	$ —	$ 8,959	$ 1,190	$ (102)	$ 10,073
Operating Costs, Expenses and Other						
Costs of sales	—	—	3,033	235	(68)	3,200
Depreciation, depletion and amortization	12	—	1,451	234	—	1,697
Other operating expenses	37	1	2,065	375	(34)	2,444
Total Operating Costs, Expenses and Other	49	1	6,549	844	(102)	7,341
Operating (loss) income	(23)	(1)	2,410	346	—	2,732
Other Income (Expense)						
Earnings from consolidated subsidiaries	2,283	2,258	323	50	(4,914)	—
Earnings from equity investments	—	—	477	—	—	477
Interest, net	(528)	9	(832)	(36)	—	(1,387)
Amortization of excess cost of equity investments and other, net	—	—	1	14	—	15
Income Before Income Taxes	1,732	2,266	2,379	374	(4,914)	1,837
Income Tax Expense	(543)	(4)	(53)	(22)	—	(622)
Net Income	1,189	2,262	2,326	352	(4,914)	1,215
Net Income Attributable to Noncontrolling Interests	—	—	—	—	(26)	(26)
Net Income Attributable to Controlling Interests	1,189	2,262	2,326	352	(4,940)	1,189
Preferred Stock Dividends	(117)	—	—	—	—	(117)
Net Income Available to Common Stockholders	$ 1,072	$ 2,262	$ 2,326	$ 352	$ (4,940)	$ 1,072
Net Income	$ 1,189	$ 2,262	$ 2,326	$ 352	$ (4,914)	$ 1,215
Total other comprehensive income	141	273	290	178	(692)	190
Comprehensive income	1,330	2,535	2,616	530	(5,606)	1,405
Comprehensive income attributable to noncontrolling interests	—	—	—	—	(75)	(75)
Comprehensive income attributable to controlling interests	$ 1,330	$ 2,535	$ 2,616	$ 530	$ (5,681)	$ 1,330

Condensed Consolidating Statements of Income and Comprehensive Income
for the Nine Months Ended September 30, 2016
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
Total Revenues	$ 26	$ —	$ 8,555	$ 1,127	$ (39)	$ 9,669
Operating Costs, Expenses and Other						
Costs of sales	—	—	2,261	197	(4)	2,454
Depreciation, depletion and amortization	13	—	1,400	239	—	1,652
Other operating expenses	712	4	1,644	600	(35)	2,925
Total Operating Costs, Expenses and Other	725	4	5,305	1,036	(39)	7,031
Operating (loss) income	(699)	(4)	3,250	91	—	2,638
Other Income (Expense)						
Earnings from consolidated subsidiaries	2,373	2,335	174	45	(4,927)	—
Losses from equity investments	—	—	(1)	—	—	(1)
Interest, net	(519)	91	(918)	(38)	—	(1,384)
Amortization of excess cost of equity investments and other, net	—	—	(17)	14	—	(3)
Income Before Income Taxes	1,155	2,422	2,488	112	(4,927)	1,250
Income Tax Expense	(656)	(5)	(32)	(51)	—	(744)
Net Income	499	2,417	2,456	61	(4,927)	506
Net Income Attributable to Noncontrolling Interests	—	—	—	—	(7)	(7)
Net Income Attributable to Controlling Interests	499	2,417	2,456	61	(4,934)	499
Preferred Stock Dividends	(117)	—	—	—	—	(117)
Net Income Available to Common Stockholders	382	2,417	2,456	61	(4,934)	382
Net Income	$ 499	$ 2,417	$ 2,456	$ 61	$ (4,927)	$ 506
Total other comprehensive (loss) income	(96)	(208)	(261)	101	368	(96)
Comprehensive income	403	2,209	2,195	162	(4,559)	410
Comprehensive income attributable to noncontrolling interests	—	—	—	—	(7)	(7)
Comprehensive income attributable to controlling interests	$ 403	$ 2,209	$ 2,195	$ 162	$ (4,566)	$ 403

Condensed Consolidating Balance Sheets as of September 30, 2017
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
ASSETS						
Cash and cash equivalents	$ 11	$ —	$ —	$ 534	$ (6)	$ 539
Other current assets - affiliates	11,645	6,008	16,883	800	(35,336)	—
All other current assets	107	78	1,680	213	(4)	2,074
Property, plant and equipment, net	243	—	30,976	8,648	—	39,867
Investments	665	—	6,688	131	—	7,484
Investments in subsidiaries	26,686	28,372	5,304	4,012	(64,374)	—
Goodwill	13,789	22	5,167	3,186	—	22,164
Notes receivable from affiliates	1,043	20,776	1,362	493	(23,674)	—
Deferred income taxes	5,802	—	—	—	(2,370)	3,432
Other non-current assets	217	184	4,208	182	—	4,791
Total assets	$ 60,208	$ 55,440	$ 72,268	$ 18,199	$ (125,764)	$ 80,351
LIABILITIES AND STOCKHOLDERS' EQUITY						
Liabilities						
Current portion of debt	$ 1,119	$ 975	$ 806	$ 256	$ —	$ 3,156
Other current liabilities - affiliates	7,808	16,531	10,313	684	(35,336)	—
All other current liabilities	400	158	1,966	504	(10)	3,018
Long-term debt	13,121	18,270	3,059	666	—	35,116
Notes payable to affiliates	1,856	448	21,015	355	(23,674)	—
Deferred income taxes	—	—	727	1,643	(2,370)	—
All other long-term liabilities and deferred credits	679	102	1,291	465	—	2,537
Total liabilities	24,983	36,484	39,177	4,573	(61,390)	43,827
Stockholders' equity						
Total KMI equity	35,225	18,956	33,091	13,626	(65,673)	35,225
Noncontrolling interests	—	—	—	—	1,299	1,299
Total stockholders' Equity	35,225	18,956	33,091	13,626	(64,374)	36,524
Total Liabilities and Stockholders' Equity	$ 60,208	$ 55,440	$ 72,268	$ 18,199	$ (125,764)	$ 80,351

Condensed Consolidating Balance Sheets as of December 31, 2016
(In Millions)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
ASSETS						
Cash and cash equivalents	$ 471	$ —	$ 9	$ 205	$ (1)	$ 684
Other current assets - affiliates	5,739	1,999	13,207	655	(21,600)	—
All other current assets	269	139	1,935	205	(3)	2,545
Property, plant and equipment, net	242	—	30,795	7,668	—	38,705
Investments	665	2	6,236	124	—	7,027
Investments in subsidiaries	26,907	29,421	4,307	4,028	(64,663)	—
Goodwill	13,789	22	5,167	3,174	—	22,152
Notes receivable from affiliates	516	21,608	1,132	412	(23,668)	—
Deferred income taxes	6,647	—	—	—	(2,295)	4,352
Other non-current assets	72	206	4,455	107	—	4,840
Total assets	$ 55,317	$ 53,397	$ 67,243	$ 16,578	$ (112,230)	$ 80,305
LIABILITIES AND STOCKHOLDERS' EQUITY						
Liabilities						
Current portion of debt	$ 1,286	$ 600	$ 687	$ 123	$ —	$ 2,696
Other current liabilities - affiliates	3,551	13,299	4,197	553	(21,600)	—
All other current liabilities	432	362	2,016	422	(4)	3,228
Long-term debt	13,308	19,277	4,095	674	—	37,354
Notes payable to affiliates	1,533	448	20,520	1,167	(23,668)	—
Deferred income taxes	—	—	681	1,614	(2,295)	—
Other long-term liabilities and deferred credits	776	111	821	517	—	2,225
Total liabilities	20,886	34,097	33,017	5,070	(47,567)	45,503
Stockholders' equity						
Total KMI equity	34,431	19,300	34,226	11,508	(65,034)	34,431
Noncontrolling interests	—	—	—	—	371	371
Total stockholders' Equity	34,431	19,300	34,226	11,508	(64,663)	34,802
Total Liabilities and Stockholders' Equity	$ 55,317	$ 53,397	$ 67,243	$ 16,578	$ (112,230)	$ 80,305

Condensed Consolidating Statements of Cash Flows for the Nine Months Ended September 30, 2017
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
Net cash (used in) provided by operating activities	$ (2,191)	$ 2,925	$ 8,718	$ 657	$ (6,802)	$ 3,307
Cash flows from investing activities						
Acquisitions of assets and investments, net of cash acquired	—	—	(4)	—	—	(4)
Capital expenditures	(18)	—	(1,699)	(514)	—	(2,231)
Sales of property, plant and equipment, and other net assets, net of removal costs	7	—	98	13	—	118
Contributions to investments	(215)	—	(408)	(8)	—	(631)
Distributions from equity investments in excess of cumulative earnings	1,525	—	223	—	(1,496)	252
Funding (to) from affiliates	(3,658)	639	(5,533)	(567)	9,119	—
Other, net	(16)	24	4	(2)	—	10
Net cash (used in) provided by investing activities	(2,375)	663	(7,319)	(1,078)	7,623	(2,486)
Cash flows from financing activities						
Issuances of debt	7,570	—	—	220	—	7,790
Payments of debt	(8,053)	(600)	(895)	(106)	—	(9,654)
Debt issue costs	(12)	—	—	(57)	—	(69)
Cash dividends - common shares	(840)	—	—	—	—	(840)
Cash dividends - preferred shares	(117)	—	—	—	—	(117)
Funding from (to) affiliates	5,563	749	3,197	(390)	(9,119)	—
Contributions from investment partner	—	—	444	—	—	444
Contributions from parents, including net proceeds from KML IPO and preferred share issuance	—	—	—	1,483	(1,483)	—
Contributions from noncontrolling interests - net proceeds from KML IPO	4	—	—	—	1,241	1,245
Contributions from noncontrolling interests - net proceeds from KML preferred share issuance	—	—	—	—	230	230
Contributions from noncontrolling interests - other	—	—	—	—	12	12
Distributions to parents	—	(3,737)	(4,154)	(428)	8,319	—
Distributions to noncontrolling interests	—	—	—	—	(26)	(26)
Other, net	(9)	—	—	—	—	(9)
Net cash provided by (used in) financing activities	4,106	(3,588)	(1,408)	722	(826)	(994)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	28	—	28
Net (decrease) increase in cash and cash equivalents	(460)	—	(9)	329	(5)	(145)
Cash and cash equivalents, beginning of period	471	—	9	205	(1)	684
Cash and cash equivalents, end of period	$ 11	$ —	$ —	$ 534	$ (6)	$ 539

Condensed Consolidating Statements of Cash Flows for the Nine Months Ended September 30, 2016
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated KMI
Net cash (used in) provided by operating activities	$ (3,015)	$ 3,903	$ 8,778	$ 681	$ (6,844)	$ 3,503
Cash flows from investing activities						
Acquisitions of assets and investments, net of cash acquired	(2)	—	(331)	—	—	(333)
Capital expenditures	(39)	—	(1,550)	(520)	—	(2,109)
Proceeds from sale of equity interests in subsidiaries, net	—	—	1,402	—	—	1,402
Sales of property, plant and equipment, and other net assets, net of removal costs	—	—	250	—	—	250
Contributions to investments	(343)	—	(36)	(10)	—	(389)
Distributions from equity investments in excess of cumulative earnings	1,773	298	127	—	(2,040)	158
Funding to affiliates	(2,354)	(495)	(3,650)	(529)	7,028	—
Other, net	—	(52)	37	(11)	—	(26)
Net cash used in investing activities	(965)	(249)	(3,751)	(1,070)	4,988	(1,047)
Cash flows from financing activities						
Issuances of debt	8,111	—	374	—	—	8,485
Payments of debt	(7,178)	(500)	(1,449)	(8)	—	(9,135)
Restricted cash held in escrow for debt repayment	—	—	(776)	—	—	(776)
Debt issue costs	(13)	—	(1)	(1)	—	(15)
Cash dividends - common shares	(839)	—	—	—	—	(839)
Cash dividends - preferred shares	(115)	—	—	—	—	(115)
Funding from affiliates	4,070	973	1,539	446	(7,028)	—
Contributions from parents	—	—	88	—	(88)	—
Contributions from noncontrolling interests	—	—	—	—	88	88
Distributions to parents	—	(4,127)	(4,801)	(14)	8,942	—
Distributions to noncontrolling interests	—	—	—	—	(17)	(17)
Other, net	(8)	—	—	—	—	(8)
Net cash provided by (used in) financing activities	4,028	(3,654)	(5,026)	423	1,897	(2,332)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	4	—	4
Net increase in cash and cash equivalents	48	—	1	38	41	128
Cash and cash equivalents, beginning of period	123	—	12	142	(48)	229
Cash and cash equivalents, end of period	$ 171	$ —	$ 13	$ 180	$ (7)	$ 357

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General and Basis of Presentation

The following discussion and analysis should be read in conjunction with our accompanying interim consolidated financial statements and related notes included elsewhere in this report, and in conjunction with (i) our consolidated financial statements and related notes and (ii) our management's discussion and analysis of financial condition and results of operations included in our 2016 Form 10-K.

Sale of Approximate 30% Interest in our Canadian Business

On May 30, 2017, our indirectly owned subsidiary, KML, completed an IPO of 102,942,000 restricted voting shares at a price to the public of C$17.00 per restricted voting share for total gross proceeds of approximately C$1,750 million. The net proceeds of C$1,677 million (USD $1,245 million) from the IPO were used by KML to indirectly acquire from us an approximate 30% interest in a limited partnership that holds our Canadian business with us retaining the remaining 70% interest. We used the proceeds from KML to pay down debt.

Subsequent to the IPO, we retained control of KML and the limited partnership, and as a result, they remain consolidated in our consolidated financial statements. The public ownership of the KML restricted voting shares is reflected within "Noncontrolling interests" in our consolidated statements of stockholders' equity and consolidated balance sheets. Earnings attributable to the public ownership of KML are presented in "Net income attributable to noncontrolling interests" in our consolidated statements of income for the periods presented after May 30, 2017.

The portion of the Canadian business operations that we sold to the public on May 30, 2017 represented Canadian assets that are included in our Kinder Morgan Canada, Terminals and Products Pipelines business segments and included the Trans Mountain Pipeline system (including related terminals assets), Trans Mountain Expansion Project, the Puget Sound and Jet Fuel Pipeline systems, the Canadian portion of the Cochin Pipeline system, the Vancouver Wharves Terminal and the North 40 Terminal; as well as three jointly controlled investments: the Edmonton Rail Terminal, the Alberta Crude Terminal and the Base Line Terminal.

In addition, upon completion of the IPO, we announced our final investment decision for the Trans Mountain Expansion Project. Construction on the Trans Mountain Expansion Project, a C$7.4 billion project, began in September 2017 with completion expected in December 2019.

Sale of Equity Interest in SNG

On September 1, 2016, we completed the sale of a 50% interest in our SNG natural gas pipeline system to The Southern Company (Southern Company), receiving proceeds of $1.4 billion, and the formation of a joint venture, which includes our remaining 50% interest in SNG. We used the proceeds from the sale to reduce outstanding debt. We recognized a pre-tax loss of $84 million on the sale of our interest in SNG which is included within "Loss on impairments and divestitures, net" on the accompanying consolidated statements of income for the three and nine months ended September 30, 2016. As a result of this transaction, we no longer hold a controlling interest in SNG or Bear Creek Storage Company, LLC (Bear Creek) (50% of which is owned by SNG) and, as such, we now account for our remaining equity interests in SNG and Bear Creek as equity investments.

Results of Operations

Overview

Our management evaluates our performance primarily using the measures of Segment EBDA and, as discussed below under "—Non-GAAP Measures," distributable cash flow, or DCF, and Segment EBDA before certain items. Segment EBDA is a useful measure of our operating performance because it measures the operating results of our segments before DD&A and certain expenses that are generally not controllable by our business segment operating managers, such as general and administrative expenses, interest expense, net, and income taxes. Our general and administrative expenses include such items as employee benefits, insurance, rentals, unallocated litigation and environmental expenses, and shared corporate services including accounting, information technology, human resources and legal services.

Segment results for the three and nine months ended September 30, 2016 have been retrospectively adjusted to reflect the elimination of the Other segment as a reportable segment. The activities that previously comprised the Other segment are now presented within Corporate non-segment activities in reconciling to the consolidated totals in the respective segment reporting tables. The Other segment had historically been comprised primarily of legacy operations of acquired businesses not associated with our ongoing operations. These business activities have since been sold or have otherwise ceased. In addition, the Other segment included certain company owned real estate assets which are primarily leased to our operating subsidiaries as well as third party tenants. This activity is now reflected within Corporate activity. In addition, the portions of interest income and income tax expense previously allocated to our business segments are now included in “Interest expense, net” and “Income tax expense” for all periods presented in the following tables.

Consolidated Earnings Results

	Three Months Ended September 30,			
	2017	2016	Earnings increase/(decrease)	
	(In millions, except percentages)			
Segment EBDA(a)				
Natural Gas Pipelines	$ 884	$ 542	$ 342	63 %
CO_2	197	217	(20)	(9)%
Terminals	314	294	20	7 %
Products Pipelines	302	292	10	3 %
Kinder Morgan Canada	50	48	2	4 %
Total Segment EBDA(b)	1,747	1,393	354	25 %
DD&A	(562)	(549)	(13)	(2)%
Amortization of excess cost of equity investments	(15)	(15)	—	— %
General and administrative and corporate charges(c)	(164)	(163)	(1)	(1)%
Interest, net(d)	(459)	(472)	13	3 %
Income before income taxes	547	194	353	182 %
Income tax expense	(160)	(377)	217	58 %
Net income (loss)	387	(183)	570	311 %
Net income attributable to noncontrolling interests	(14)	(5)	(9)	(180)%
Net income (loss) attributable to Kinder Morgan, Inc.	373	(188)	561	298 %
Preferred Stock Dividends	(39)	(39)	—	— %
Net income (loss) available to common stockholders	$ 334	$ (227)	$ 561	247 %

	Nine Months Ended September 30,			
	2017	2016	Earnings increase/(decrease)	
	(In millions, except percentages)			
Segment EBDA(a)				
Natural Gas Pipelines	$ 2,846	$ 2,503	$ 343	14 %
CO_2	636	608	28	5 %
Terminals	925	856	69	8 %
Products Pipelines	913	761	152	20 %
Kinder Morgan Canada	136	140	(4)	(3)%
Total Segment EBDA(b)	5,456	4,868	588	12 %
DD&A	(1,697)	(1,652)	(45)	(3)%
Amortization of excess cost of equity investments	(45)	(45)	—	— %
General and administrative and corporate charges(c)	(490)	(537)	47	9 %
Interest, net(d)	(1,387)	(1,384)	(3)	— %
Income before income taxes	1,837	1,250	587	47 %
Income tax expense	(622)	(744)	122	16 %
Net income	1,215	506	709	140 %
Net income attributable to noncontrolling interests	(26)	(7)	(19)	(271)%
Net income attributable to Kinder Morgan, Inc.	1,189	499	690	138 %
Preferred Stock Dividends	(117)	(117)	—	— %
Net income available to common stockholders	$ 1,072	$ 382	$ 690	181 %

(a) Includes revenues, earnings from equity investments, and other, net, less operating expenses, other expense (income), net, losses on impairments and divestitures, net and losses on impairments and divestitures of equity investments, net. Operating expenses include costs of sales, operations and maintenance expenses, and taxes, other than income taxes.

Certain items affecting Total Segment EBDA (see "—Non-GAAP Measures" below)

(b) Three and nine month 2017 amounts include a net decrease in earnings of $46 million and increase in earnings of $33 million, respectively, and three and nine month 2016 amounts include net decreases in earnings of $429 million and $740 million, respectively, related to the combined effect of the certain items impacting Total Segment EBDA. The extent to which these items affect each of our business segments is discussed below in the footnotes to the tables within "—Segment Earnings Results."

(c) Three and nine month 2017 amounts include increases in expense of $5 million and $8 million, respectively, and nine month 2016 amount includes net increases in expense of $24 million related to the combined effect of the certain items related to general and administrative expense and corporate charges disclosed below in "—General and Administrative and Corporate Charges, Interest, net and Noncontrolling Interests."

(d) Three and nine month 2017 amounts include net decreases in expense of $4 million and $21 million, respectively, and three and nine month 2016 amounts include net decreases in expense of $31 million and $140 million, respectively, related to the combined effect of the certain items related to interest expense, net of interest income disclosed below in "—General and Administrative and Corporate Charges, Interest, net and Noncontrolling Interests."

The certain item totals reflected in footnotes (b), (c), and (d) to the table above accounted for $351 million of the increase in income before income taxes for the third quarter of 2017, as compared to the same prior year period (representing the difference between the decreases of $47 million and $398 million, respectively, in income before income taxes for the third quarters of 2017 and 2016, respectively) and an increase of $670 million in income before income taxes for the nine months ended September 30, 2017, when compared to the same prior year period (representing the difference between an increase of $46 million and a decrease of $624 million in income before income taxes for the nine months ended September 30, 2017 and 2016, respectively). After giving effect to these certain items, the remaining increase in income before income taxes from the prior year quarter was $2 million (0%) and the remaining decrease in income before income taxes year-to-date was $83 million (4%). The quarter-to-date increase from 2016 is primarily attributable to decreased interest expense partially offset by decreased performance from our Natural Gas Pipelines business segment, largely associated with our sale of a 50% interest in SNG to The Southern Company on September 1, 2016, and increased DD&A expense. The year-to-date decrease from 2016 is primarily attributable to decreased performance from our Natural Gas Pipelines business segment, largely associated with our sale of a 50% interest in SNG to The Southern Company on September 1, 2016, and increased DD&A expense partially offset by decreased general and administrative expense and by decreased interest expense.

Non-GAAP Financial Measures

Our non-GAAP performance measures are DCF, both in the aggregate and per share, and Segment EBDA before certain items. Certain items are items that are required by GAAP to be reflected in net income, but typically either (i) do not have a cash impact (for example, asset impairments), or (ii) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically (for example certain legal settlements, hurricane impacts and casualty losses).

Our non-GAAP performance measures described below should not be considered alternatives to GAAP net income or other GAAP measures and have important limitations as analytical tools. Our computations of DCF and Segment EBDA before certain items may differ from similarly titled measures used by others. You should not consider these non-GAAP performance measures in isolation or as substitutes for an analysis of our results as reported under GAAP. DCF should not be used as an alternative to net cash provided by operating activities computed under GAAP. Management compensates for the limitations of these non-GAAP performance 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.

Distributable Cash Flow

DCF is a significant performance measure used by us and by external users of our financial statements to evaluate our performance and to measure and estimate the ability of our assets to generate cash earnings after servicing our debt and preferred stock dividends, paying cash taxes and expending sustaining capital, that could be used for discretionary purposes such as common stock dividends, stock repurchases, retirement of debt, or expansion capital expenditures. Management uses this performance measure and believes it provides users of our financial statements a useful performance measure reflective of our business's ability to generate cash earnings to supplement the comparable GAAP measure. We believe the GAAP measure most directly comparable to DCF is net income available to common stockholders. A reconciliation of DCF to net income available to common stockholders is provided in the table below. DCF per share is DCF divided by average outstanding shares, including restricted stock awards that participate in dividends.

Segment EBDA Before Certain Items

Segment EBDA before certain items is used by management in its analysis of segment performance and management of our business. General and administrative expenses are generally not under the control of our segment operating managers, and therefore, are not included when we measure business segment operating performance. We believe Segment EBDA before certain items is a significant performance metric because it provides us and external users of our financial statements additional insight into the ability of our segments to generate segment cash earnings on an ongoing basis. We believe it is useful to investors because it is a performance measure that management uses to allocate resources to our segments and assess each segment's performance. We believe the GAAP measure most directly comparable to Segment EBDA before certain items is segment earnings before DD&A and amortization of excess cost of equity investments (Segment EBDA).

In the tables for each of our business segments under "— Segment Earnings Results" below, Segment EBDA before certain items is calculated by adjusting the Segment EBDA for the applicable certain item amounts, which are totaled in the tables and described in the footnotes to those tables.

Reconciliation of Net Income Available to Common Stockholders to DCF

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In millions, except per share amounts)			
Net Income (Loss) Available to Common Stockholders	$ 334	$ (227)	$ 1,072	$ 382
Add/(Subtract):				
Certain items before book tax(a)	47	398	(46)	624
Book tax certain items(b)	(53)	172	(24)	70
Certain items after book tax	(6)	570	(70)	694
Noncontrolling interest certain items(c)	—	—	1	(9)
Net income available to common stockholders before certain items	328	343	1,003	1,067
Add/(Subtract):				
DD&A expense(d)	661	653	2,018	1,961
Total book taxes(e)	244	230	730	745
Cash taxes(f)	(9)	(22)	(54)	(61)
Other items(g)	(13)	11	11	31
Sustaining capital expenditures(h)	(156)	(134)	(416)	(379)
DCF	$ 1,055	$ 1,081	$ 3,292	$ 3,364
Weighted average common shares outstanding for dividends(i)	2,241	2,239	2,240	2,237
DCF per common share	$ 0.47	$ 0.48	$ 1.47	$ 1.50
Declared dividend per common share	$ 0.125	$ 0.125	$ 0.375	$ 0.375

(a) Consists of certain items summarized in footnotes (b) through (d) to the "—Results of Operations—Consolidated Earnings Results" tables included above, and described in more detail below in the footnotes to tables included in both our management's discussion and analysis of segment results and "—General and Administrative and Corporate Charges, Interest, net and Noncontrolling Interests."

(b) Represents income tax provision on certain items, plus discrete income tax certain items. For the three and nine months ended September 30, 2017, discrete income tax items included a $36 million federal return-to-provision tax benefit as a result of the recognition of an enhanced oil recovery credit instead of deduction. For the three and nine months ended September 30, 2016, discrete income tax items included a $276 million increase in tax expense primarily due to the impact of the sale of a 50% interest in SNG discussed in Note 8 "Income Taxes" to our consolidated financial statements.

(c) Represents noncontrolling interests share of certain items.

(d) Includes DD&A and amortization of excess cost of equity investments. Three and nine month 2017 amounts also include $84 million and $276 million, respectively, and three and nine month 2016 amounts also include $89 million and $264 million, respectively, of our share of certain equity investees' DD&A, net of the DD&A associated with noncontrolling interests in KML and consolidating joint venture partners' share of DD&A.

(e) Excludes book tax certain items. Three and nine month 2017 amounts also include $31 million and $84 million, respectively, and three and nine month 2016 amounts also include $25 million and $71 million, respectively, of our share of taxable equity investees' book tax expense.

(f) Three and nine month 2017 amounts also include $(9) million and $(54) million, respectively, and three and nine month 2016 amounts include $(25) million and $(59) million, respectively, of our share of taxable equity investees' cash taxes.

(g) Amounts include non-cash compensation associated with our restricted stock program. Three and nine months ended September 30, 2017 also include a pension contribution and the noncontrolling interest portion of KML's book taxes.
(h) Three and nine month 2017 amounts include $(29) million and $(74) million, respectively, and three and nine month 2016 amounts include $(24) million and $(66) million, respectively, of our share of equity investees' sustaining capital expenditures.
(i) Includes restricted stock awards that participate in common share dividends.

Segment Earnings Results

Natural Gas Pipelines

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In millions, except operating statistics)			
Revenues(a)	$ 2,024	$ 2,050	$ 6,290	$ 5,904
Operating expenses	(1,262)	(1,199)	(3,846)	(3,142)
Loss on impairments and divestitures, net(b)	(27)	(78)	(27)	(199)
Earnings from equity investments(b)	134	111	389	273
Loss on impairments of equity investments(b)	—	(350)	—	(356)
Other, net	15	8	40	23
Segment EBDA(b)	884	542	2,846	2,503
Certain items(b)	44	417	6	547
Segment EBDA before certain items	$ 928	$ 959	$ 2,852	$ 3,050

Change from prior period	Increase/(Decrease)			
Revenues before certain items	$ (16)	(1)%	$ 381	6 %
Segment EBDA before certain items	$ (31)	(3)%	$ (198)	(6)%

Natural gas transport volumes (BBtu/d)(c)	28,879	28,144	28,796	28,162
Natural gas sales volumes (BBtu/d)(c)	2,181	2,438	2,329	2,350
Natural gas gathering volumes (BBtu/d)(c)	2,523	2,935	2,635	3,044
Crude/condensate gathering volumes (MBbl/d)(c)	271	270	268	300

Certain items affecting Segment EBDA
(a) Three and nine month 2017 amounts include decreases in revenue of $12 million and increases in revenue of $10 million, respectively, and three and nine month 2016 amounts include decreases in revenue of $2 million and $34 million, respectively, related to non-cash mark-to-market derivative contracts used to hedge forecasted natural gas, NGL and crude oil sales. Nine month 2016 amount also includes an increase in revenue of $39 million associated with revenue collected on a customer's early buyout of a long-term natural gas storage contract.
(b) In addition to the revenue certain items described in footnote (a) above: three and nine month 2017 amounts also include (i) decreases in earnings of $30 million for both periods related to a non-cash impairment loss associated with the Colden storage field; (ii) increases in earnings from our equity investment in EagleHawk of $12 million for both periods related to a customer contract settlement; (iii) decreases in earnings of $7 million and $12 million, respectively, related to early termination of debt at an equity investee; and (iv) decreases in earnings of $7 million and $8 million, respectively, from other certain items. Also, nine month 2017 amount includes an increase in earnings from equity investments of $22 million on the sale of a claim related to the early termination of a long-term natural gas transportation contract of an equity investee as a result of a customer bankruptcy proceeding, and three and nine month 2016 amounts also include (i) a $350 million impairment of our equity investment in MEP; (ii) an $84 million pre-tax loss on the sale of a 50% interest in our SNG natural gas pipeline system; (iii) an increase in earnings of $18 million related to the early termination of a customer contract at an equity investee; and (iv) an increase in earnings of $1 million and a decrease in earnings $17 million, respectively, from other certain items. Nine month 2016 amount also includes decreases in earnings of (i) $106 million of project write-offs; and (ii) $13 million related to an equity investment impairment.
Other
(c) Joint venture throughput is reported at our ownership share. Volumes for acquired pipelines are included at our ownership share for the entire period, however, EBDA contributions from acquisitions are included only for the periods subsequent to their acquisition.

Below are the changes in both Segment EBDA before certain items and revenues before certain items, in the comparable three and nine month periods ended September 30, 2017 and 2016:

Three months ended September 30, 2017 versus Three months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
SNG	$ (49)	(62)%	$ (85)	(91)%
South Texas Midstream	(18)	(26)%	(21)	(8)%
CIG	(12)	(20)%	(11)	(14)%
Hiland Midstream	(5)	(10)%	29	21 %
TGP	23	9 %	29	8 %
Elba Express	11	50 %	13	59 %
EPNG	11	10 %	6	4 %
Texas Intrastate Natural Gas Pipeline Operations	—	— %	12	2 %
All others (including eliminations)	8	4 %	12	6 %
Total Natural Gas Pipelines	$ (31)	(3)%	$ (16)	(1)%

Nine months ended September 30, 2017 versus Nine months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
SNG	$ (206)	(70)%	$ (350)	(94)%
South Texas Midstream	(42)	(20)%	(29)	(4)%
CIG	(41)	(20)%	(38)	(14)%
Hiland Midstream	(17)	(11)%	119	31 %
TGP	59	7 %	67	6 %
Elba Express	31	46 %	35	52 %
EPNG	16	5 %	15	3 %
Texas Intrastate Natural Gas Pipeline Operations	9	3 %	554	29 %
All others (including eliminations)	(7)	(1)%	8	1 %
Total Natural Gas Pipelines	$ (198)	(6)%	$ 381	6 %

The changes in Segment EBDA for our Natural Gas Pipelines business segment are further explained by the following discussion of the significant factors driving Segment EBDA before certain items in the comparable three and nine month periods ended September 30, 2017 and 2016:

- decreases of $49 million (62%) and $206 million (70%), respectively, from SNG due to our sale of a 50% interest in SNG to The Southern Company on September 1, 2016;
- decreases of $18 million (26%) and $42 million (20%), respectively, from South Texas Midstream primarily due to lower volumes on commodity based service revenues and residue gas sales, partially offset by higher revenues due to NGL prices, and for the nine month period, higher costs due to index prices;
- decreases of $12 million (20%) and $41 million (20%), respectively, from CIG primarily due to a decrease in tariff rates effective January 1, 2017 as a result of a rate case settlement entered into in 2016;
- decreases of $5 million (10%) and $17 million (11%), respectively, from Hiland Midstream primarily due to lower crude oil margins driven by lower crude oil gathering and delivery volumes and higher operating expenses partially offset by higher natural gas margins primarily due to higher NGL prices and renegotiated contracts. The increases in revenues of $29 million and $119 million, respectively, resulted primarily from an increase in natural gas revenue due to higher commodity prices which was largely offset by a corresponding increase in costs of sales;

- increases of $23 million (9%) and $59 million (7%), respectively, from TGP primarily due to higher firm transportation revenues driven by incremental capacity sales and an expansion project placed in service fourth quarter 2016;
- increases of $11 million (50%) and $31 million (46%), respectively, from Elba Express primarily due to an expansion project placed in service in December 2016;
- increases of $11 million (10%) and $16 million (5%), respectively, from EPNG primarily due to higher transportation revenues driven by incremental Permian capacity sales and an increase in volumes due to the ramp up of existing customer volumes associated with an expansion project; and
- flat and increase of $9 million (3%), respectively, from our Texas intrastate natural gas pipeline operations (including the operations of its Kinder Morgan Tejas, Border, Kinder Morgan Texas, North Texas and Mier-Monterrey Mexico pipeline systems). The quarter-to-date results were primarily affected by higher park and loan revenues and transportation margins offset by lower storage and sales margins. The year-to-date increase was primarily due to higher transportation margins as a result of higher volumes and higher park and loan revenues partially offset by lower storage and sales margins. The increases in revenues of $12 million and $554 million, respectively, resulted primarily from an increase in sales revenue due to higher commodity prices which was largely offset by a corresponding increase in costs of sales.

CO_2

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
	(In millions, except operating statistics)			
Revenues(a)	$ 289	$ 310	$ 899	$ 916
Operating expenses	(102)	(102)	(294)	(302)
Gain (loss) on impairments and divestitures, net(b)	—	—	1	(20)
Earnings from equity investments(b)	10	9	30	14
Segment EBDA(b)	197	217	636	608
Certain items(b)	20	12	23	73
Segment EBDA before certain items	$ 217	$ 229	$ 659	$ 681

Change from prior period	Increase/(Decrease)			
Revenues before certain items	$ (13)	(4)%	$ (33)	(3)%
Segment EBDA before certain items	$ (12)	(5)%	$ (22)	(3)%

	2017	2016	2017	2016
Southwest Colorado CO_2 production (gross)(Bcf/d)(c)	1.2	1.2	1.3	1.2
Southwest Colorado CO_2 production (net)(Bcf/d)(c)	0.6	0.6	0.6	0.6
SACROC oil production (gross)(MBbl/d)(d)	27.5	28.9	27.7	29.7
SACROC oil production (net)(MBbl/d)(e)	22.9	24.1	23.1	24.8
Yates oil production (gross)(MBbl/d)(d)	17.1	17.9	17.5	18.5
Yates oil production (net)(MBbl/d)(e)	7.6	7.9	7.8	8.2
Katz, Goldsmith and Tall Cotton oil production (gross)(MBbl/d)(d)	8.4	6.9	7.9	6.9
Katz, Goldsmith and Tall Cotton oil production (net)(MBbl/d)(e)	7.1	5.8	6.7	5.8
NGL sales volumes (net)(MBbl/d)(e)	9.6	10.6	9.9	10.3
Realized weighted-average oil price per Bbl(f)	$ 58.29	$ 62.12	$ 58.08	$ 61.27
Realized weighted-average NGL price per Bbl(g)	$ 24.79	$ 18.03	$ 23.92	$ 16.42

Certain items affecting Segment EBDA

(a) Three and nine month 2017 amounts include unrealized losses of $20 million and $33 million, respectively, and three and nine month 2016 amounts include unrealized losses of $12 million and $40 million, respectively, related to non-cash mark to market derivative contracts used to hedge forecasted commodity sales. Nine month 2017 amount also includes an increase in revenues of $9 million related to the settlement of a CO_2 customer sales contract.

(b) In addition to the revenue certain items described in footnote (a) above: nine month 2017 amount also includes a $1 million decrease in expense related to source and transportation project write-offs, and nine month 2016 amount also includes a decrease of $12 million in equity earnings for our share of a project write-off recorded by an equity investee and a $21 million increase in expense related to source and transportation project write-offs.

Other

(c) Includes McElmo Dome and Doe Canyon sales volumes.

(d) Represents 100% of the production from the field. We own approximately 97% working interest in the SACROC unit, an approximately 50% working interest in the Yates unit, an approximately 99% working interest in the Katz unit and a 99% working interest in the Goldsmith Landreth unit and a 100% working interest in the Tall Cotton field.

(e) Net after royalties and outside working interests.

(f) Includes all crude oil production properties.

(g) Includes production attributable to leasehold ownership and production attributable to our ownership in processing plants and third party processing agreements.

Below are the changes in both Segment EBDA before certain items and revenues before certain items, in the comparable three and nine month periods ended September 30, 2017 and 2016.

Three months ended September 30, 2017 versus Three months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
Source and Transportation Activities	$ —	— %	$ (4)	(5)%
Oil and Gas Producing Activities	(12)	(8)%	(11)	(4)%
Intrasegment eliminations	—	— %	2	20 %
Total CO_2	$ (12)	(5)%	$ (13)	(4)%

Nine months ended September 30, 2017 versus Nine months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
Source and Transportation Activities	$ 11	5 %	$ 4	2 %
Oil and Gas Producing Activities	(33)	(7)%	(35)	(5)%
Intrasegment eliminations	—	— %	(2)	(7)%
Total CO_2	$ (22)	(3)%	$ (33)	(3)%

The changes in Segment EBDA for our CO_2 business segment are further explained by the following discussion of the significant factors driving Segment EBDA before certain items in the comparable three and nine month periods ended September 30, 2017 and 2016:

- flat and increase of $11 million (5%), respectively, from our Source and Transportation activities. Quarter-to-date results were impacted by lower revenues of $4 million driven by lower volumes of $6 million partially offset by higher contract sales prices of $2 million which were offset by lower operating expenses of $3 million and increased earnings from an equity investee of $1 million. The year-to-date increase was primarily due to higher revenues of $4 million driven by increased volumes of $9 million partially offset by lower contract sales prices of $5 million, $4 million related to increased earnings from an equity investee and lower operating expenses of $3 million; and
- decreases of $12 million (8%) and $33 million (7%), respectively, from our Oil and Gas Producing activities primarily due to decreased revenues of $11 million and $35 million, respectively, driven by lower volumes of $5 million and $26 million, respectively, and lower commodity prices of $6 million and $9 million, respectively. These decreases were also impacted by an increase of $1 million and a decrease of $2 million, respectively, in operating expenses.

Terminals

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In millions, except operating statistics)			
Revenues(a)	$ 485	$ 484	$ 1,459	$ 1,437
Operating expenses	(202)	(194)	(575)	(580)
Gain (loss) on impairments and divestitures, net(b)	22	(4)	16	(21)
Earnings from equity investments	6	6	18	17
Other, net	3	2	7	3
Segment EBDA(b)	314	294	925	856
Certain items(b)	(18)	(1)	(28)	8
Segment EBDA before certain items	$ 296	$ 293	$ 897	$ 864
Change from prior period	Increase/(Decrease)			
Revenues before certain items	$ 5	1%	$ 37	3%
Segment EBDA before certain items	$ 3	1%	$ 33	4%
Bulk transload tonnage (MMtons)	15.5	15.0	44.4	41.1
Ethanol (MMBbl)	17.8	17.3	51.3	48.9
Liquids leasable capacity (MMBbl)	85.8	84.7	85.8	84.7
Liquids utilization %(c)	93.9%	96.1%	93.9%	96.1%

Certain items affecting Segment EBDA

(a) Three and nine month 2017 amounts include increases in revenue of $2 million and $7 million, respectively, and three and nine month 2016 amounts include increases in revenue of $6 million and $22 million, respectively, from the amortization of a fair value adjustment (associated with the below market contracts assumed upon acquisition) from our Jones Act tankers.

(b) In addition to the revenue certain items described in footnote (a) above: three and nine month 2017 amounts also include an increase in earnings of $23 million for both periods primarily related to the sale of a 40% membership interest in the Deeprock Development joint venture in July 2017; partially offset by decreases in earnings of $7 million for both periods related to hurricane repairs, and nine month 2017 amount also includes (i) decreases in expense of $10 million related to a true-up of accrued dredging costs; (ii) losses of $8 million related to impairments and divestitures, net; and (iii) an increase in earnings of $3 million related to other certain items; and three and nine month 2016 amounts also include increases in expense of $5 million and $10 million, respectively, related to other certain items, and nine month 2016 amount also includes $20 million related to losses on impairments and divestitures, net.

Other

(c) The ratio of our actual leased capacity to our estimated potential capacity.

Below are the changes in both Segment EBDA before certain items and revenues before certain items, in the comparable three and nine month periods ended September 30, 2017 and 2016.

Three months ended September 30, 2017 versus Three months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
Marine Operations	$ 13	33 %	$ 21	36 %
Gulf Liquids	2	3 %	7	8 %
Gulf Central	(5)	(20)%	(5)	(14)%
Held for sale operations	(5)	(100)%	(16)	(100)%
All others (including intrasegment eliminations)	(2)	(1)%	(2)	(1)%
Total Terminals	$ 3	1 %	$ 5	1 %

Nine months ended September 30, 2017 versus Nine months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
Marine Operations	$ 34	32 %	$ 55	34 %
Gulf Liquids	15	8 %	28	11 %
Gulf Central	(9)	(11)%	(5)	(5)%
Held for sale operations	(13)	(100)%	(41)	(87)%
All others (including intrasegment eliminations)	6	1 %	—	— %
Total Terminals	$ 33	4 %	$ 37	3 %

The changes in Segment EBDA for our Terminals business segment are further explained by the following discussion of the significant factors driving Segment EBDA before certain items in the comparable three and nine month periods ended September 30, 2017 and 2016:

- increases of $13 million (33%) and $34 million (32%), respectively, from our Marine Operations related to the incremental earnings from the May 2016, July 2016, September 2016, December 2016, March 2017, June 2017 and July 2017 deliveries of the Jones Act tankers, the *Magnolia State, Garden State, Bay State, American Endurance, American Freedom*, *Palmetto State and American Liberty,* respectively, partially offset by decreased charter rates on the *Golden State*, *Pelican State, Sunshine State and Empire State* Jones Act tankers;
- increases of $2 million (3%) and $15 million (8%), respectively, from our Gulf Liquids terminals, primarily related to higher volumes as a result of various expansion projects, including the recently commissioned Kinder Morgan Export Terminal and North Docks terminal, partially offset by lost revenue associated with Hurricane Harvey-related operational disruptions;
- decreases of $5 million (20%) and $9 million (11%), respectively, from our Gulf Central terminals, primarily related to the sale of a 40% membership interest in the Deeprock Development joint venture in July 2017 and the subsequent change in accounting treatment of our retained 11% membership interest as well as lost revenue associated with Hurricane Harvey-related operational disruptions; and
- decreases of $5 million (100%) and $13 million (100%), respectively, from our sale of certain bulk terminal facilities to an affiliate of Watco Companies, LLC in December 2016 and early 2017.

Products Pipelines

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In millions, except operating statistics)			
Revenues	$ 412	$ 419	$ 1,232	$ 1,216
Operating expenses(a)	(124)	(138)	(353)	(432)
Loss on impairments and divestitures, net(b)	—	(1)	(1)	(74)
Earnings from equity investments	17	12	40	40
Gain on divestiture of equity investment(c)	—	—	—	12
Other, net	(3)	—	(5)	(1)
Segment EBDA(a)(b)(c)	302	292	913	761
Certain items(a)(b)(c)	—	1	(34)	112
Segment EBDA before certain items	$ 302	$ 293	$ 879	$ 873
Change from prior period	Increase/(Decrease)			
Revenues before certain items	$ (7)	(2)%	$ 16	1%
Segment EBDA before certain items	$ 9	3 %	$ 6	1%
Gasoline (MMBbl)(d)	98.6	97.4	284.3	280.9
Diesel fuel (MMBbl)	33.4	32.9	94.8	94.7
Jet fuel (MMBbl)	27.5	27.9	81.2	79.0
Total refined product volumes (MMBbl)(e)	159.5	158.2	460.3	454.6
NGL (MMBbl)(e)	10.0	9.9	30.5	28.9
Crude and condensate (MMBbl)(e)	26.6	28.8	88.1	87.6
Total delivery volumes (MMBbl)	196.1	196.9	578.9	571.1
Ethanol (MMBbl)(f)	11.1	10.9	31.7	31.7

Certain items affecting Segment EBDA

(a) Nine month 2017 amounts include a decrease in expense of $34 million related to a right-of-way settlement, and nine month 2016 amount includes increases in expense of $31 million of rate case liability estimate adjustments associated with prior periods and $20 million related to a legal settlement.

(b) Three and nine month 2016 amounts include increases in expense of $1 million and $9 million, respectively, of non-cash impairment charges related to the sale of a Transmix facility; and nine month 2016 amount also includes an increase in expense of $64 million related to the Palmetto project write-off.

(c) Nine month 2016 amount includes $12 million of gains related to the sale of an equity investment.

Other

(d) Volumes include ethanol pipeline volumes.

(e) Joint venture throughput is reported at our ownership share.

(f) Represents total ethanol volumes, including ethanol pipeline volumes included in gasoline volumes above.

Below are the changes in both Segment EBDA before certain items and revenues before certain items, in the comparable three and nine month periods ended September 30, 2017 and 2016.

Three months ended September 30, 2017 versus Three months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
Plantation Pipe Line	$ 5	36 %	$ —	— %
Pacific operations	4	5 %	4	3 %
South East Terminals	4	22 %	2	7 %
Crude & Condensate Pipeline	(2)	(4)%	(3)	(5)%
Double H pipeline	—	— %	(2)	(11)%
Parkway pipeline	—	— %	(1)	(100)%
All others (including eliminations)	(2)	(2)%	(7)	(4)%
Total Products Pipelines	$ 9	3 %	$ (7)	(2)%

Nine months ended September 30, 2017 versus Nine months ended September 30, 2016

	Segment EBDA before certain items increase/(decrease)		Revenues before certain items increase/(decrease)	
	(In millions, except percentages)			
Plantation Pipe Line	$ 2	4 %	$ —	— %
Pacific operations	3	1 %	6	2 %
South East Terminals	2	4 %	3	3 %
Crude & Condensate Pipeline	1	1 %	5	3 %
Double H pipeline	4	10 %	2	4 %
Parkway pipeline	(3)	(100)%	(1)	(100)%
All others (including eliminations)	(3)	(1)%	1	— %
Total Products Pipelines	$ 6	1 %	$ 16	1 %

The changes in Segment EBDA for our Products Pipelines business segment are further explained by the following discussion of the significant factors driving Segment EBDA before certain items in the comparable three and nine month periods ended September 30, 2017 and 2016:

- increases of $5 million (36%) and $2 million (4%), respectively, from our equity investment in Plantation Pipe Line primarily due to a favorable adjustment made in the third quarter of 2017 to depreciation expense related to a change in depreciation rate partially offset by higher operating costs attributable to a project write-off and higher pipeline environmental costs;
- increases of $4 million (5%) and $3 million (1%), respectively, from Pacific operations primarily due to higher service revenues driven by an increase in volumes;
- increases of $4 million (22%) and $2 million (4%), respectively, from South East Terminals primarily due to higher revenues driven by higher volumes and favorable property taxes;
- decrease of $2 million (4%) and increase of $1 million (1%), respectively, from Kinder Morgan Crude & Condensate Pipeline. The quarter-to-date decrease was primarily due to lower services revenues driven by a decrease in pipeline throughput volumes as a result of lower volumes during Hurricane Harvey. The year-to-date increase was primarily due to favorable product sales impacting margins:
- flat and increase of $4 million (10%), respectively, from Double H pipeline. The quarter-to-date results were affected by lower service revenues driven by lower volumes offset by a favorable change in physical product gain/loss affecting operating costs. The year-to-date increase was primarily due to higher service revenues driven by higher volumes and a favorable change in physical product gain/loss affecting operating costs; and
- flat and decrease of $3 million (100%), respectively, from Parkway pipeline due to our sale of our 50% interest in Parkway pipeline to Valero Energy Corp. on July 1, 2016.

Kinder Morgan Canada

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In millions, except operating statistics)			
Revenues	$ 66	$ 66	$ 185	$ 188
Operating expenses	(24)	(21)	(67)	(60)
Other, net	8	3	18	12
Segment EBDA	$ 50	$ 48	$ 136	$ 140
Change from prior period	Increase/(Decrease)			
Revenues	$ —	—%	$ (3)	(2)%
Segment EBDA	$ 2	4%	$ (4)	(3)%
Transport volumes (MMBbl)(a)	29.3	30.7	84.4	88.1

(a) Represents Trans Mountain pipeline system volumes.

For the comparable three and nine month periods of 2017 and 2016, the Kinder Morgan Canada business segment had an increase in Segment EBDA of $2 million (4%) and a decrease in Segment EBDA of $4 million (3%), respectively. The quarter-to-date increase was largely due to currency translation gains due to the strengthening of the Canadian dollar and higher capitalized equity financing costs due to spending on the Trans Mountain expansion project partially offset by timing of operating costs. The year-to-date decrease was primarily due to operating expense timing changes and lower Washington state revenues partially offset by currency translation gains due to the strengthening of the Canadian dollar and higher capitalized equity financing costs due to spending on the Trans Mountain expansion project.

General and Administrative and Corporate Charges, Interest, net and Noncontrolling Interests

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Increase/(decrease)	
	(In millions, except percentages)			
General and administrative and corporate charges(a)	$ 164	$ 163	$ 1	1 %
Certain items(a)	(5)	—	(5)	n/a
General and administrative and corporate charges before certain items(a)	$ 159	$ 163	$ (4)	(2)%
Interest, net(b)	$ 459	$ 472	$ (13)	(3)%
Certain items(b)	4	31	(27)	(87)%
Interest, net, before certain items	$ 463	$ 503	$ (40)	(8)%
Net income attributable to noncontrolling interests	$ 14	$ 5	$ 9	180 %
Noncontrolling interests associated with certain items(c)	—	—	—	n/a
Net income attributable to noncontrolling interests before certain items	$ 14	$ 5	$ 9	180 %

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Increase/(decrease)	
	(In millions, except percentages)			
General and administrative and corporate charges(a)	$ 490	$ 537	$ (47)	(9)%
Certain items(a)	(8)	(24)	16	67 %
General and administrative and corporate charges before certain items(a)	$ 482	$ 513	$ (31)	(6)%
Interest, net(b)	$ 1,387	$ 1,384	$ 3	— %
Certain items(b)	21	140	(119)	(85)%
Interest, net, before certain items	$ 1,408	$ 1,524	$ (116)	(8)%
Net income attributable to noncontrolling interests	$ 26	$ 7	$ 19	271 %
Noncontrolling interests associated with certain items(c)	(1)	9	(10)	(111)%
Net income attributable to noncontrolling interests before certain items	$ 25	$ 16	$ 9	56 %

n/a - not applicable

Certain items

(a) Three and nine month 2017 amounts include (i) increases in expense of $1 million and $3 million, respectively, related to certain corporate litigation matters; and (ii) an increase in expense of $4 million and a decrease in expense of $2 million, respectively, related to other certain items. Nine month 2017 amount also includes an increase in expense of $7 million for acquisition and divestiture related costs. Three and nine month 2016 amounts include (i) a decrease in expense of $1 million and an increase in expense of $7 million, respectively, related to certain corporate legal matters; (ii) increases in expense of $1 million and $13 million, respectively, related to severance costs; (iii) increases in expense of $4 million and $12 million, respectively, related to acquisition and divestiture related costs; and (iv) decreases in expense of $4 million and $8 million, respectively, related to other certain items.

(b) Three and nine month 2017 amounts include (i) decreases in interest expense of $6 million and $35 million, respectively, related to debt fair value adjustments associated with acquisitions; and (ii) increases in interest expense of $2 million and $6 million, respectively, related to non-cash true-ups of our estimates of swap ineffectiveness. Also, nine month 2017 amounts include increases in interest expense of $8 million related to other certain items. Three and nine month 2016 amounts include (i) decreases in interest expense of $47 million and $84 million, respectively, related to debt fair value adjustments associated with acquisitions; and (ii) an increase in interest expense of $16 million and a decrease in interest expense of $56 million, respectively, related to non-cash true-ups of our estimates of swap ineffectiveness.

(c) Nine month 2017 amount includes a gain of $1 million associated with Terminals segment certain items and disclosed above in "—Terminals." Nine month 2016 amount includes a loss of $9 million associated with Natural Gas Pipelines segment certain items and disclosed above in "—Natural Gas Pipelines."

The decreases in general and administrative expenses and corporate charges before certain items of $4 million and $31 million, respectively, for the three and nine months ended September 30, 2017 when compared with the respective prior periods was primarily driven by the sale of a 50% interest in our SNG natural gas pipeline system (effective September 1, 2016) and higher capitalized costs partially offset by higher pension costs. The year-to-date decrease was also impacted by lower state franchise taxes, legal and insurance costs.

In the table above, we report our interest expense as "net," meaning that we have subtracted interest income and capitalized interest from our total interest expense to arrive at one interest amount. Our consolidated interest expense net of interest income before certain items for the three and nine months ended September 30, 2017 when compared with the respective prior periods decreased $40 million and $116 million, respectively. The decreases in interest expense were primarily due to lower weighted average debt balances as proceeds from our May 2017 KML IPO and September 2016 sale of a 50% interest in SNG were used to pay down debt, partially offset by a slightly higher overall weighted average interest rate on our outstanding debt**.**

We use interest rate swap agreements to convert a portion of the underlying cash flows related to our long-term fixed rate debt securities (senior notes) into variable rate debt in order to achieve our desired mix of fixed and variable rate debt. As of September 30, 2017 and December 31, 2016, approximately 27% and 28%, respectively, of our debt balances (excluding debt fair value adjustments) were subject to variable interest rates—either as short-term or long-term variable rate debt obligations or as fixed-rate debt converted to variable rates through the use of interest rate swaps. For more information on our interest rate swaps, see Note 5 "Risk Management—*Interest Rate Risk Management*" to our consolidated financial statements.

Net income attributable to noncontrolling interests, represents the allocation of our consolidated net income attributable to all outstanding ownership interests in our consolidated subsidiaries that are not owned by us. Net income attributable to noncontrolling interests before certain items for the three and nine months ended September 30, 2017 when compared with the respective prior periods increase by $9 million due to the inclusion of earnings attributable to the public ownership of KML.

Income Taxes

Our tax expense for the three months ended September 30, 2017 was approximately $160 million as compared with $377 million for the same period of 2016. The $217 million decrease in tax expense was primarily due to (i) the 2016 impact of our Regulated Natural Gas Pipeline segment's $817 million non-tax-deductible goodwill as a result of the sale of a 50% interest in SNG as discussed in Note 8 "Income Taxes" to our consolidated financial statements; (ii) the recognition of an enhanced oil recovery credit as a result of our federal return-to-provision; and (iii) adjustments to our income tax reserve for uncertain tax positions. These decreases were partially offset by (i) an increase in quarter-over-quarter earnings as a result of no asset impairments or project write-offs in 2017; and (ii) tax deductions related to equity compensation.

Our tax expense for the nine months ended September 30, 2017 was approximately $622 million as compared with $744 million for the same period of 2016. The $122 million decrease in tax expense is primarily due to (i) the 2016 impact of our Regulated Natural Gas Pipeline segment's $817 million non-tax-deductible goodwill as a result of the sale of a 50% interest in SNG; and (ii) the recognition of an enhanced oil recovery credit as a result of our federal return-to-provision; partially offset by an increase in year-over-year earnings as a result of no asset impairments or project write-offs in 2017.

Liquidity and Capital Resources

General

As of September 30, 2017, we had $539 million of "Cash and cash equivalents," a decrease of $145 million (21%) from December 31, 2016. We believe our cash position, remaining borrowing capacity on our credit facility (discussed below in "—Short-term Liquidity"), and cash flows from operating activities are adequate to allow us to manage our day-to-day cash requirements and anticipated obligations as discussed further below.

We have consistently generated substantial cash flow from operations, providing a source of funds of $3,307 million and $3,503 million in the first nine months of 2017 and 2016, respectively. The period-to-period decrease is discussed below in "Cash Flows—Operating Activities." We have primarily relied on cash provided from operations to fund our operations as well as our debt service, capital expenditures and dividend payments.

On June 16, 2017, KML entered into a definitive credit agreement establishing (i) a C$4.0 billion revolving construction facility for the purposes of funding the development, construction and completion of the Trans Mountain expansion project; (ii) a C$1.0 billion revolving contingent credit facility for the purpose of funding, if necessary, additional Trans Mountain expansion project costs (and, subject to the need to fund such additional costs and regulatory approval, meeting the Canadian National Energy Board-mandated liquidity requirements); and (iii) a C$500 million revolving working capital facility, to be used for working capital and other general corporate purposes (collectively, the "Credit Facility"). The KML Credit Facility has a five year term and is with a syndicate of financial institutions with Royal Bank of Canada as the administrative agent. As of September 30, 2017, KML had a combined C$165 million (USD$132 million) outstanding under its Credit Facility which is included in "Current portion of debt" on our consolidated balance sheet and C$47 million (USD$38 million) in letters of credit. In addition, KML received C$293 million (USD$230 million) of net proceeds from the issuance of preferred shares, Series 1 in August 2017.

We expect to fund KML's Trans Mountain expansion project capital expenditures through (i) additional borrowings on KML's Credit Facility; (ii) the additional issuance of KML preferred shares; (iii) the issuance of additional KML restricted voting stock; (iv) the issuance of KML long-term notes payable; and (v) KML's retained cash flow from operations or a combination of the above. KML established a dividend policy on its restricted voting shares pursuant to which it will pay its quarterly dividend in an amount based on a portion of its distributable cash flow discussed below in "—Noncontrolling interests —KML Restricted Voting Share Dividends below.

Generally, we expect that our short-term liquidity needs will be met primarily through retained cash from operations, short-term borrowings or by issuing new long-term debt to refinance certain of our maturing long-term debt obligations. We also expect that KMI's current common stock dividend level will allow it to use retained cash to fund our other growth projects in 2017. Moreover, as a result of KMI's current common stock dividend policy and by continuing to focus on high-grading our other growth project backlog to allocate capital to the highest return opportunities, we do not expect the need to access the equity capital markets to fund our other growth projects for the foreseeable future.

Short-term Liquidity

As of September 30, 2017, our principal sources of short-term liquidity are (i) our $5.0 billion revolving credit facility and associated $4.0 billion commercial paper program; (ii) the KML Credit Facility (for the purposes described above) and (iii) cash from operations. The loan commitments under our revolving credit facility can be used for working capital and other general corporate purposes and as a backup to our commercial paper program. Borrowings under our commercial paper program and letters of credit reduce borrowings allowed under ours and the KML respective credit facilities. We provide for liquidity by maintaining a sizable amount of excess borrowing capacity under our credit facility and, as previously discussed, have consistently generated strong cash flows from operations.

As of September 30, 2017, our $3,156 million of short-term debt consisted primarily of (i) $132 million outstanding borrowings under the KML C$4.0 billion revolving construction facility; (ii) $60 million outstanding under our $4.0 billion commercial paper program; and (iii) $2,784 million of senior notes that mature in the next year. We intend to refinance our short-term debt through credit facility borrowings, commercial paper borrowings, or by issuing new long-term debt or paying down short-term debt using cash retained from operations. Our short-term debt balance as of December 31, 2016 was $2,696 million.

We had working capital (defined as current assets less current liabilities) deficits of $3,561 million and $2,695 million as of September 30, 2017 and December 31, 2016, respectively. Our current liabilities may include short-term borrowings used to finance our expansion capital expenditures, which we may periodically replace with long-term financing and/or partially pay down using retained cash from operations. The overall $866 million (32%) unfavorable change from year-end 2016 was primarily due to a net increase in our current portion of long-term debt and decreases in cash and accounts receivable, net. Generally, our working capital balance varies due to factors such as the timing of scheduled debt payments, timing differences in the collection and payment of receivables and payables, the change in fair value of our derivative contracts, and changes in our cash and cash equivalent balances as a result of excess cash from operations after payments for investing and financing activities.

Capital Expenditures

We account for our capital expenditures in accordance with GAAP. We also distinguish between capital expenditures that are maintenance/sustaining capital expenditures and those that are expansion capital expenditures (which we also refer to as discretionary capital expenditures). Expansion capital expenditures are those expenditures which increase throughput or capacity from that which existed immediately prior to the addition or improvement, and are not deducted in calculating DCF (see "Results of Operations—Distributable Cash Flow"). With respect to our oil and gas producing activities, we classify a capital expenditure as an expansion capital expenditure if it is expected to increase capacity or throughput (i.e., production capacity) from the capacity or throughput immediately prior to the making or acquisition of such additions or improvements. Maintenance capital expenditures are those which maintain throughput or capacity. The distinction between maintenance and expansion capital expenditures is a physical determination rather than an economic one, irrespective of the amount by which the throughput or capacity is increased.

Budgeting of maintenance capital expenditures is done annually on a bottom-up basis. For each of our assets, we budget for and make those maintenance capital expenditures that are necessary to maintain safe and efficient operations, meet customer needs and comply with our operating policies and applicable law. We may budget for and make additional maintenance capital expenditures that we expect to produce economic benefits such as increasing efficiency and/or lowering future expenses. Budgeting and approval of expansion capital expenditures are generally made periodically throughout the year on a project-by-project basis in response to specific investment opportunities identified by our business segments from which we generally expect to receive sufficient returns to justify the expenditures. Generally, the determination of whether a capital expenditure is classified as maintenance/sustaining or as expansion capital expenditures is made on a project level. The classification of our capital expenditures as expansion capital expenditures or as maintenance capital expenditures is made consistent with our accounting policies and is generally a straightforward process, but in certain circumstances can be a matter of management judgment and discretion. The classification has an impact on DCF because capital expenditures that are classified as expansion capital expenditures are not deducted from DCF, while those classified as maintenance capital expenditures are.

Our capital expenditures for the nine months ended September 30, 2017, and the amount we expect to spend for the remainder of 2017 to sustain and grow our businesses are as follows:

	Nine Months Ended September 30, 2017	2017 Remaining	Total
		(In millions)	
Sustaining capital expenditures(a)(c)	$ 416	$ 177	$ 593
KMI Discretionary capital investments(b)(c)(d)(e)	$ 2,289	$ 770	$ 3,059
KML Discretionary capital investments post IPO(c)	$ 240	$ 205	$ 445

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(a) Nine months ended September 30, 2017, 2017 Remaining, and Total 2017 amounts include $74 million, $34 million, and $108 million, respectively, for our proportionate share of sustaining capital expenditures of unconsolidated joint ventures.
(b) Nine months ended September 30, 2017 is net of $216 million of contributions from certain partners for capital investments at non-wholly owned consolidated subsidiaries offset by $570 million of our contributions to certain unconsolidated joint ventures for capital investments.
(c) Nine months ended September 30, 2017 includes $286 million of net changes from accrued capital expenditures, contractor retainage, and other.
(d) Nine months ended September 30, 2017 includes $107 million of capital spent on Canadian projects prior to KML's May 25, 2017 IPO and excludes KML capital expenditures thereafter as it has the capacity to draw on its construction credit facility to fund its capital expenditures.
(e) 2017 Remaining amount includes our estimated contributions to certain unconsolidated joint ventures, net of contributions estimated from certain partners in non-wholly owned consolidated subsidiaries for capital investments.

Off Balance Sheet Arrangements

Other than commitments for the purchase of property, plant and equipment discussed below, there have been no material changes in our obligations with respect to other entities that are not consolidated in our financial statements that would affect the disclosures presented as of December 31, 2016 in our 2016 Form 10-K.

Commitments for the purchase of property, plant and equipment as of September 30, 2017 and December 31, 2016 were $857 million and $1,112 million, respectively. The $255 million decrease is primarily related to a reduction in various capital commitments associated with our tankers and our natural gas business segment, partially offset by an increase in capital commitments associated with our Trans Mountain pipeline project.

Cash Flows

Operating Activities

The net decrease of $196 million in cash provided by operating activities for the first nine months of 2017 compared to the respective 2016 period was primarily attributable to:

- a $148 million decrease in operating cash flow resulting from the combined effects of adjusting the $709 million increase in net income for the period-to-period net decrease in non-cash items including the following: (i) net losses on impairments and divestitures of assets and equity investments (see discussion above in "—Results of Operations"); (ii) change in fair market value of derivative contracts; (iii) DD&A expenses (including amortization of excess cost of equity investments); (iv) deferred income taxes; and (v) earnings from equity investments; and

- a $48 million decrease associated with net changes in working capital items and non-current assets and liabilities, primarily driven, among other things, by a decrease in cash related to gas in underground storage inventory resulting from an increase in storage injections and price increases, and payments related to certain litigation matters. These decreases were partially offset by an increase in cash due to a $144 million income tax refund received in 2017.

Investing Activities

The $1,439 million net increase in cash used in investing activities for the first nine months of 2017 compared to the respective 2016 period was primarily attributable to:

- a $1,402 million increase in cash used due to proceeds received in the 2016 period from the sale of a 50% equity interest in SNG;
- a $242 million increase in cash used for contributions to equity investments primarily due to the contributions we made in 2017 to Utopia Holding LLC, Fayetteville Express Pipeline LLC and SNG;
- $132 million lower cash proceeds from sales of property, plant and equipment and other net assets, primarily driven by the higher proceeds we received in 2016 from sales of other long-lived assets; and
- a $122 million increase in capital expenditures primarily due to higher expenditures related to natural gas and Trans Mountain expansion projects, offset in part by lower expenditures in the Terminals segment; partially offset by
- a $329 million decrease in expenditures for acquisitions of assets and investments, primarily driven by the $324 million portion of the purchase price we paid in the 2016 period for the BP terminals acquisition; and
- a $94 million increase in cash for distributions received from equity investments in excess of cumulative earnings, primarily driven by the higher distributions from Midcontinent Express Pipeline LLC and Ruby Pipeline Holding Company, L.L.C.

Financing Activities

The net decrease of $1,338 million in cash used in financing activities for the first nine months of 2017 compared to the respective 2016 period was primarily attributable to:

- a $1,399 million increase in cash due to contributions from noncontrolling interests, primarily reflecting $1,245 million in net proceeds received from the May 2017 KML IPO and $230 million net proceeds received from the KML preferred share issuance in the third quarter of 2017, compared with $84 million of contributions received from BP for its 25% share of a newly formed joint venture in the 2016 period;
- a $776 million increase in cash resulting from cash held in "Restricted deposits" at September 30, 2016 for an October, 2016 debt repayment; and
- a $444 million increase in cash resulting from contributions received in the 2017 period from EIG, consisting of $386 million for the sale of a 49% partnership interest in ELC and $58 million as additional contributions for 2017 capital expenditures; partially offset by
- a $1,268 million net increase in cash used related to debt activity as a result of higher net debt payments in the 2017 period compared to the 2016 period. See Note 3 "Debt" for further information regarding our debt activity.

Dividends and Stock Buyback Program

KMI Common Stock Dividends

We expect to declare common stock dividends of $0.50 per share on our common stock for 2017 ($0.125/quarter).

Three months ended	Total quarterly dividend per share for the period		Date of declaration	Date of record	Date of dividend
December 31, 2016	$	0.125	January 18, 2017	February 1, 2017	February 15, 2017
March 31, 2017	$	0.125	April 19, 2017	May 1, 2017	May 15, 2017
June 30, 2017	$	0.125	July 19, 2017	July 31, 2017	August 15, 2017
September 30, 2017	$	0.125	October 18, 2017	October 31, 2017	November 15, 2017

As a result of substantial balance sheet improvement achieved since the end of 2015, we announced multiple steps to return significant value to shareholders. First, we announced our expectation to declare an annual dividend of $0.80 per share for 2018, a 60% increase from the expected 2017 dividend. The first 2018 increase is expected to be the dividend declared for the first quarter of 2018. Additionally, we plan to increase our dividend to $1.00 per share in 2019 and $1.25 per share in 2020, a growth rate of 25% annually.

The actual amount of common stock dividends to be paid on our capital stock will depend on many factors, including our financial condition and results of operations, liquidity requirements, business prospects, capital requirements, legal, regulatory and contractual constraints, tax laws, Delaware laws and other factors. See Item 1A. "Risk Factors—*The guidance we provide for our anticipated dividends is based on estimates. Circumstances may arise that lead to conflicts between using funds to pay anticipated dividends or to invest in our business."* of our 2016 Form 10-K. All of these matters will be taken into consideration by our board of directors in declaring dividends.

Our common stock dividends are not cumulative. Consequently, if dividends on our common stock are not paid at the intended levels, our common stockholders are not entitled to receive those payments in the future. Our common stock dividends generally are expected to be paid on or about the 15th day of each February, May, August and November.

KMI Preferred Stock Dividends

Dividends on our mandatory convertible preferred stock are payable on a cumulative basis when, as and if declared by our board of directors (or an authorized committee thereof) at an annual rate of 9.750% of the liquidation preference of $1,000 per share on January 26, April 26, July 26 and October 26 of each year, commencing on January 26, 2016 to, and including, October 26, 2018. We may pay dividends in cash or, subject to certain limitations, in shares of common stock or any combination of cash and shares of common stock. The terms of the mandatory convertible preferred stock provide that, unless full cumulative dividends have been paid or set aside for payment on all outstanding mandatory convertible preferred stock for all prior dividend periods, no dividends may be declared or paid on common stock.

Period	Total dividend per share for the period	Date of declaration	Date of record	Date of dividend
October 26, 2016 through January 25, 2017	$ 24.375	October 19, 2016	January 11, 2017	January 26, 2017
January 26, 2017 through April 25, 2017	$ 24.375	January 18, 2017	April 11, 2017	April 26, 2017
April 26, 2017 through July 25, 2017	$ 24.375	April 19, 2017	July 11, 2017	July 26, 2017
July 26, 2017 through October 25, 2017	$ 24.375	July 19, 2017	October 11, 2017	October 26, 2017

The cash dividend of $24.375 per share of our mandatory convertible preferred stock is equivalent to $1.21875 per depository share.

Stock Buyback Program

On July 19, 2017, our board of directors approved a $2 billion share buyback program expected to begin in 2018.

Noncontrolling Interests

KML Restricted Voting Share Dividends

KML established a dividend policy pursuant to which it may pay a quarterly dividend on its restricted voting shares in an amount based on a portion of its distributable cash flow. The payment of dividends is not guaranteed and the amount and timing of any dividends payable will be at the discretion of KML's board of directors. The actual amount of cash dividends paid to KML's shareholders, if any, will depend on numerous factors including: (i) KML's results of operations; (ii) KML's financial requirements, including the funding of its current and future growth projects; (iii) the amount of distributions paid indirectly by KMC LP to KML through KMC GP, including any contributions from the completion of its growth projects; (iv) the satisfaction by KML and KMC GP of certain liquidity and solvency tests; (v) any agreements relating to KML's indebtedness or the limited partnership; and (vi) the cost and timely completion of current and future growth projects. KML intends to pay quarterly dividends, if any, on or about the 45th day (or next business day) following the end of each calendar quarter to holders of its restricted voting shares of record as of the close of business on or about the last business day of the month following the end of each calendar quarter.

On August 15, 2017, KML paid a dividend of C$0.0571 per restricted voting share to restricted voting shareholders of record as of the close of business on July 31, 2017 for the quarterly period ended June 30, 2017. This initial dividend was prorated from May 30, 2017, the day KML closed on its IPO, to June 30, 2017 and amounted to approximately C$6 million. Based on a full quarter, the dividend amounted to C$0.1625 per restricted voting share (C$0.65 annualized). KML paid approximately C$4 million of this dividend to restricted voting shareholders in cash, and, under KML's Dividend Reinvestment Plan (DRIP), 94,003 restricted voting shares were issued in lieu of cash dividends. KML's DRIP allows holders (excluding holders not resident in Canada) of restricted voting shares to elect to have any or all cash dividends payable to such shareholder automatically reinvested in additional restricted voting shares at a price per share calculated by reference to the volume-weighted average of the closing price of the restricted voting shares on the stock exchange on which the restricted voting shares are then listed for the five trading days immediately preceding the relevant dividend payment date, less a discount of between 0% and 5% (as determined from time to time by KML's board of directors, in its sole discretion). The market discount for the dividend paid on August 15, 2017 was 3%.

For 2017, KML expects to pay a prorated dividend of C$0.3821 per restricted voting share (or C$0.65 per restricted voting share on an annualized basis).

On October 17, 2017, KML's board of directors declared a dividend for the quarterly period ended September 30, 2017 of C$0.1625 per restricted voting share, payable on November 15, 2017, to restricted voting shareholders of record as of the close of business on October 31, 2017.

KML Preferred Share Offering

On August 15, 2017, KML completed an offering of 12,000,000 cumulative redeemable minimum rate reset preferred shares, Series 1 (Series 1 Preferred Shares) on the Toronto Stock Exchange at a price to the public of C$25.00 per Series 1 Preferred Share for total gross proceeds of C$300 million (USD $235 million). The net proceeds of C$293 million from the offering were used by KML to indirectly subscribe for preferred units in KMCLP, which in turn were used by KMC LP to repay Credit Facility indebtedness recently incurred to, directly or indirectly, finance the development, construction and completion of the Trans Mountain Expansion project and Base Line Terminal project, and for general corporate purposes.

Dividends on the Series 1 Preferred Shares are fixed, cumulative, preferential and C$1.3125 per share annually, payable quarterly on the 15th day of February, May, August and November, as and when declared by the KML's board of directors, for the initial fixed rate period to but excluding November 15, 2022.

On October 17, 2017, KML's board of directors declared a cash dividend of C$0.3308 per share of its Series 1 Preferred Shares for the period from and including August 15, 2017 through and including November 14, 2017, which is payable on November 15, 2017 to Series 1 Preferred Shareholders of record as of the close of business on October 31, 2017.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in market risk exposures that would affect the quantitative and qualitative disclosures presented as of December 31, 2016, in Item 7A in our 2016 Form 10-K. For more information on our risk management activities, see Item 1, Note 5 "Risk Management" to our consolidated financial statements.

Item 4. Controls and Procedures.

As of September 30, 2017, our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon and as of the date of the evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported as and when required, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. There has been no change in our internal control over financial reporting during the quarter ended September 30, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Part I, Item 1, Note 9 to our consolidated financial statements entitled "Litigation, Environmental and Other Contingencies" which is incorporated in this item by reference.

Item 1A. Risk Factors.

There have been no material changes in the risk factors disclosed in Part I, Item 1A in our 2016 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On July 19, 2017, our board of directors approved a $2 billion common share buyback program expected to begin in 2018.

The warrant repurchase program, dated June 12, 2015, which authorized us to repurchase up to $100 million of warrants, expired along with the warrants on May 25, 2017.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

The Company no longer owns or operates mines for which reporting requirements apply under the mine safety disclosure requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), except for one terminal that is in temporary idle status with the Mine Safety and Health Administration. The Company has not received any specified health and safety violations, orders or citations, related assessments or legal actions, mining-related fatalities, or similar events requiring disclosure pursuant to the mine safety disclosure requirements of Dodd-Frank for the quarter ended September 30, 2017.

Item 5. Other Information.

None.

Item 6. Exhibits.

3.1	*	Amended and Restated Certificate of Incorporation of KMI (filed as Exhibit 3.1 to KMI's Quarterly Report on Form 10-Q for the three months ended June 30, 2015 (file No. 001-35081)).
3.2	*	Amended and Restated Bylaws of KMI (filed as Exhibit 3.1 to KMI's Current Report on Form 8-K, filed October 20, 2017 (File No. 001-35081)).
4.1		Certificate of the Vice President and Treasurer and the Vice President and Chief Financial Officer of KMI establishing the terms of the 3.150% Senior Notes due January 15, 2023.
4.2		Certificate of the Vice President and Treasurer and the Vice President and Chief Financial Officer of KMI establishing the terms of the Floating Rate Senior Notes due January 15, 2023.
10.1		Cross Guarantee Agreement, dated as of November 26, 2014, among Kinder Morgan, Inc. and certain of its subsidiaries, with schedules updated as of September 30, 2017.
10.2	*	Credit Agreement, dated June 16, 2017, among Kinder Morgan Cochin ULC and Trans Mountain Pipeline ULC and the lenders party thereto (filed as Exhibit 10.1 to KMI's Current Report on Form 8-K/A filed August 25, 2017 (File No. 001-35081)) (portions of the exhibit have been omitted pursuant to 17 CFR 240.24b-2 and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application).
31.1		Certification by Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2		Certification by Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1		Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2		Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101		Interactive data files pursuant to Rule 405 of Regulation S-T: (i) our Consolidated Statements of Income for the three and nine months ended September 30, 2017 and 2016; (ii) our Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2017 and 2016; (iii) our Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016; (iv) our Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 and 2016; (v) our Consolidated Statements of Stockholders' Equity for the nine months ended September 30, 2017 and 2016; and (vi) the notes to our Consolidated Financial Statements.

* Asterisk indicates exhibit incorporated by reference as indicated; all other exhibits are filed herewith, except as noted otherwise.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KINDER MORGAN, INC.
Registrant

Date: October 20, 2017	By:	/s/ Kimberly A. Dang
		Kimberly A. Dang Vice President and Chief Financial Officer (principal financial and accounting officer)

KINDER MORGAN, INC.

OFFICERS' CERTIFICATE
PURSUANT TO SECTION 301 OF INDENTURE

Each of the undersigned, Anthony Ashley and Kimberly Dang, the Vice President and Treasurer and the Vice President and Chief Financial Officer, respectively, of Kinder Morgan, Inc., a Delaware corporation (the "Corporation"), does hereby establish the terms of a series of senior debt Securities of the Corporation under the Indenture relating to senior debt Securities, dated as of March 1, 2012 (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to resolutions adopted by the Board of Directors of the Corporation, or a committee thereof, on July 19, 2017 and August 3, 2017 and in accordance with Section 301 of the Indenture, as follows:

1. The title of the Securities shall be "3.150% Senior Notes due 2023" (the "Notes");

2. The aggregate principal amount of the Notes that initially may be authenticated and delivered under the Indenture shall be limited to a maximum of $1,000,000,000, except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to the terms of the Indenture, and except that any additional principal amount of the Notes may be issued in the future without the consent of Holders of the Notes so long as such additional principal amount of Notes are authenticated as required by the Indenture;

3. The Notes shall be issued on August 10, 2017; the principal of the Notes shall be payable on January 15, 2023; and the Notes will not be entitled to the benefit of a sinking fund;

4. The Notes shall bear interest at the rate of 3.150% per annum, which interest shall accrue from August 10, 2017, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, which dates shall be January 15 and July 15 of each year, and such interest shall be payable semiannually in arrears on January 15 and July 15 of each year, commencing January 15, 2018, to holders of record at the close of business on the January 1 or July 1, respectively, preceding each such Interest Payment Date;

5. The principal of, and premium, if any, and interest on, the Notes shall be payable at the office or agency of the Corporation maintained for that purpose in the Borough of Manhattan, New York, New York; provided, however, that at the option of the Corporation, payment of interest may be made from such office in the Borough of Manhattan, New York, New York by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. If at any time there shall be no such office or agency in the Borough of Manhattan, New York, New York, where the Notes may be presented or surrendered for payment, the Corporation shall forthwith designate and maintain such an office or agency in the Borough of Manhattan, New York, New York, in order that the Notes shall at all times be payable in the Borough of Manhattan, New York, New York. The Corporation hereby initially designates the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York, New York, as one such office or agency;

6. U.S. Bank National Association is appointed as the Trustee for the Notes, and U.S. Bank National Association, and any other banking institution hereafter selected by the officers of the Corporation, are appointed agents of the Corporation (a) where the Notes may be presented for registration of transfer or exchange, (b) where notices and demands to or upon the Corporation in respect of the Notes or the Indenture may be made or served and (c) where the Notes may be presented for payment of principal and interest;

7. At any time prior to December 15, 2022 (the "Early Call Date"), the Notes will be redeemable, at the Corporation's option, at any time in whole or from time to time in part, at a redemption price, as determined by the Corporation, equal to (a) the greater of: (1) 100% of the principal amount of the Notes to be redeemed; or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed that would be due if such Notes matured on the Early Call Date but for the redemption (exclusive of any portion of the payments of interest accrued to the date of redemption), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined below) plus 25 basis points, plus (b) accrued and unpaid interest thereon to, but not including, the redemption date.

At any time on or after the Early Call Date, the Notes will be redeemable in whole or in part, at the Corporation's option, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest thereon, but not including, the redemption date.

"Treasury Yield" means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes (assuming for this purpose, that the Notes mature on the Early Call Date).

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers that the Corporation appoints to act as the Independent Investment Banker from time to time.

"Reference Treasury Dealer" means (1) each of Barclays Capital Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), in which case the Corporation will substitute another Primary Treasury Dealer and (2) any other Primary Treasury Dealer the Corporation selects.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Notice of redemption will be mailed or electronically delivered at least 30 but not more than 60 days before the redemption date to each holder of record of the Notes to be redeemed at its registered address. The notice of redemption for the Notes will state, among other things, the amount of the Notes to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places that payment will be made upon presentation and surrender of the Notes to be redeemed. Unless the Corporation defaults in the payment of the redemption price, interest will cease to accrue on any of the Notes that have been called for redemption on the redemption date. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected according to the procedures of The Depository Trust Company, in the case of Notes represented by a global note, or by lot, in the case of Notes that are not represented by a global note.

8. Payment of principal of, and interest on, the Notes shall be without deduction for taxes, assessments or governmental charges paid by Holders of the Notes;

9. The Notes are approved in the form attached hereto as Exhibit A and shall be issued upon original issuance in whole in the form of one or more book-entry Global Securities, and the Depositary shall be The Depository Trust Company; and

10. The Notes shall be entitled to the benefits of the Indenture, including the covenants and agreements of the Corporation set forth therein, except to the extent expressly otherwise provided herein or in the Notes.

Any initially capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

IN WITNESS WHEREOF, each of the undersigned has hereunto signed his or her name this 10th day of August, 2017.

/s/ Anthony Ashley

Anthony Ashley
Vice President and Treasurer

/s/ Kimberly Dang

Kimberly Dang
Vice President and Chief Financial Officer

EXHIBIT A

[FORM OF GLOBAL NOTE]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED FOR SECURITIES REGISTERED IN THE NAME OF, ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY SECURITY AUTHENTICATED AND DELIVERED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR OR IN LIEU OF, THIS SECURITY SHALL BE A GLOBAL SECURITY SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

KINDER MORGAN, INC.

NO. [__]		3.150% NOTE DUE 2023		U.S.$[________]

CUSIP No. 49456BAM3

KINDER MORGAN, INC., a Delaware corporation (herein called the "Corporation," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of [________] United States Dollars (U.S.$ [________]) on January 15, 2023, and to pay interest thereon from August 10, 2017, or from the most recent Interest Payment Date to which interest has been paid, semi-annually in arrears on January 15 and July 15 in each year, commencing January 15, 2018 at the rate of 3.150% per annum, until the principal hereof is paid. The amount of interest payable for any period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in any partial month. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. A "Business Day" shall mean, when used with respect to any Place of Payment, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law, executive order or regulation to close. The interest so payable, and punctually paid, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 1 or July 1 (regardless of whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice of which shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities of this series may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in such Indenture.

The principal of (and premium, if any) and interest on, this Security shall be payable at the office or agency of the Corporation maintained for that purpose in the Borough of Manhattan, New York, New York; provided, however, that at the option of the Corporation, payment of interest may be made from such office in the Borough of Manhattan, New York, New York by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. If at any time there shall be no such office or agency in the Borough of Manhattan, New York, New York where this Security may be presented or surrendered for payment, the Corporation shall forthwith designate and maintain such an office or agency in the Borough of Manhattan, New York, New York, in order that this Security shall at all times be payable in the Borough of Manhattan, New York, New York. The Corporation hereby initially designates the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York, New York, as one such office or agency.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made by transfer of immediately available funds to a bank account designated by the Holder in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed.

Dated: [________] [__], [____]

KINDER MORGAN, INC.,

By: ______________________________
Anthony Ashley
Vice President and Treasurer

This is one of the Securities designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
As Trustee

By: ______________________________
Authorized Signatory

This Security is one of a duly authorized issue of securities of the Corporation (the "Securities"), issued and to be issued in one or more series under an Indenture dated as of March 1, 2012 relating to senior debt Securities (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture, all indentures supplemental thereto and the Officers' Certificate pursuant to Section 301 of the Indenture, dated August 10, 2017, relating to the Securities reference is hereby made for a statement of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This Security is one of the series designated on the face hereof, originally issued in book-entry only form in the aggregate principal amount of $[________]. This series of Securities may be reopened for issuances of additional Securities without the consent of Holders.

At any time prior to December 15, 2022 (the "Early Call Date"), the Securities will be redeemable, at the Corporation's option, at any time in whole or from time to time in part, at a redemption price, as determined by the Corporation, equal to (a) the greater of: (1) 100% of the principal amount of the Securities to be redeemed; or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Securities being redeemed that would be due if such Securities matured on the Early Call Date but for the redemption (exclusive of any portion of the payments of interest accrued to the date of redemption), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined below) plus 25 basis points, plus (b) accrued and unpaid interest thereon to, but not including, the redemption date.

At any time on or after the Early Call Date, the Securities will be redeemable in whole or in part, at the Corporation's option, at a redemption price equal to 100% of the principal amount of the Securities to be redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date.

"Treasury Yield" means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities (assuming for this purpose, that the Securities mature on the Early Call Date).

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers that the Corporation appoints to act as the Independent Investment Banker from time to time.

"Reference Treasury Dealer" means (1) each of Barclays Capital Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), in which case the Corporation will substitute another Primary Treasury Dealer and (2) any other Primary Treasury Dealer the Corporation selects.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Notice of redemption will be mailed or electronically delivered at least 30 but not more than 60 days before the redemption date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of the Securities to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places that payment will be made upon presentation and surrender of the Securities to be redeemed. Unless the Corporation defaults in the payment of the redemption price, interest will cease to accrue on any of the Securities that have been called for redemption on the redemption date. If less than all of the Securities are to be redeemed, the Securities to be redeemed shall be selected according to the procedures of The Depository Trust Company, in the case of Securities represented by a global note, or by lot, in the case of Securities that are not represented by a global note.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of, and any premium and accrued but unpaid interest on, the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Corporation and the Trustee with the consent of not less than the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series to be affected (voting as one class). The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Outstanding Securities of all affected series (voting as one class), on behalf of the Holders of all Securities of such series, to waive compliance by the Corporation with certain provisions of the Indenture. The Indenture permits, with certain exceptions as therein provided, the Holders of a majority in principal amount of Securities of any series then Outstanding to waive past defaults under the Indenture with respect to such series and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 90 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall, without the consent of the Holder, alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place(s) and rate, and in the coin or currency, herein prescribed.

This Security shall be entitled to the benefits of the Indenture, including the covenants and agreements of the Corporation set forth therein, except to the extent expressly otherwise set forth herein.

This Global Security or portion hereof may not be exchanged for Definitive Securities of this series except in the limited circumstances provided in the Indenture.

The Holders of beneficial interests in this Global Security will not be entitled to receive physical delivery of Definitive Securities except as described in the Indenture and will not be considered the Holders thereof for any purpose under the Indenture.

The Securities of this series are issuable only in registered form without coupons in denominations of U.S. $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

Obligations of the Corporation under the Indenture and the Securities thereunder, including this Security, are non-recourse to the Corporation's Affiliates, and payable only out of cash flow and assets of the Corporation. The Trustee, and each Holder of a Security by its acceptance hereof, will be deemed to have agreed in the Indenture that (1) none of the Corporation's Affiliates, nor their respective assets, shall be liable for any of the obligations of the Corporation under the Indenture or such Securities, including this Security, and (2) no director, officer, employee, agent or shareholder, as such, of the Corporation, the Trustee or any of their respective Affiliates shall have any personal liability in respect of the obligations of the Corporation under the Indenture or such Securities by reason of his, her or its status.

The Indenture contains provisions that relieve the Corporation from the obligation to comply with certain restrictive covenants in the Indenture and for satisfaction and discharge at any time of the entire indebtedness upon compliance by the Corporation with certain conditions set forth in the Indenture.

This Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

KINDER MORGAN, INC.

OFFICERS' CERTIFICATE
PURSUANT TO SECTION 301 OF INDENTURE

Each of the undersigned, Anthony Ashley and Kimberly Dang, the Vice President and Treasurer and the Vice President and Chief Financial Officer, respectively, of Kinder Morgan, Inc., a Delaware corporation (the "Corporation"), does hereby establish the terms of a series of senior debt Securities of the Corporation under the Indenture relating to senior debt Securities, dated as of March 1, 2012 (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to resolutions adopted by the Board of Directors of the Corporation, or a committee thereof, on July 19, 2017 and August 3, 2017 and in accordance with Section 301 of the Indenture, as follows:

1. The title of the Securities shall be "Floating Rate Senior Notes due 2023" (the "Notes");

2. The aggregate principal amount of the Notes that initially may be authenticated and delivered under the Indenture shall be limited to a maximum of $250,000,000, except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to the terms of the Indenture, and except that any additional principal amount of the Notes may be issued in the future without the consent of Holders of the Notes so long as such additional principal amount of Notes are authenticated as required by the Indenture;

3. The Notes shall be issued on August 10, 2017; the principal of the Notes shall be payable on January 15, 2023; and the Notes will not be entitled to the benefit of a sinking fund;

4. The Notes shall bear interest for each Interest Period at a rate per annum calculated by the trustee, as calculation agent (the "Calculation Agent"), subject to the maximum interest rate permitted by New York or other applicable state law (as such law may be modified by United States law of general application). The per annum rate at which interest on the Notes shall accrue and be payable during a particular Interest Period shall be equal to three-month LIBOR for U.S. dollars, determined on the Interest Determination Date for such Interest Period, plus 1.28%, which interest shall accrue from August 10, 2017, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, which dates shall be January 15, April 15, July 15 and October 15 of each year, and such interest shall be payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing October 15, 2017, to holders of record at the close of business on the immediately preceding January 1, April 1, July 1 or October 1, respectively (regardless of whether such date is a Business Day). Interest payable on the Notes shall be calculated on the actual number of calendar days in the calculation period divided by 360.

"Interest Determination Date" means, with respect to any Interest Period, the second London Business Day immediately preceding such Interest Period.

"Interest Period" means the period beginning on, and including, an Interest Payment Date for the Notes (or, with respect to the initial Interest Period only, beginning on the Issue Date for the

Notes) and ending on, but excluding, the following Interest Payment Date or the Stated Maturity, as the case may be, for the Notes.

"London Business Day" means a day on which commercial banks are open for general business (including dealings in U.S. dollars) in London.

"three-month LIBOR", for any Interest Determination Date and with respect to any Interest Period, will be the offered rate (expressed as a percentage per annum) for deposits in the London interbank market in U.S. dollars having an index maturity of three months, as such rate appears on the Reuters Page LIBOR01 as of approximately 11:00 a.m., London time, on such Interest Determination Date. If, on an Interest Determination Date, such rate does not appear on Reuters Page LIBOR01 as of 11:00 a.m., London time, or if Reuters Page LIBOR01 is not available on such date, the Calculation Agent will obtain such rate from Bloomberg L.P.'s page "BBAM" (or such other page as may replace the BBAM page on that service (or any successor service)). With respect to an Interest Determination Date on which no rate appears on either the Reuters Page LIBOR01 or Bloomberg L.P. page BBAM as of approximately 11:00 a.m., London time, the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Corporation, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for the period of three months, commencing on the first day of the applicable Interest Period to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date, and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, then three-month LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then three-month LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York, on the Interest Determination Date by up to three major banks in The City of New York, as selected by the Corporation, for loans in U.S. dollars to leading European banks having an index maturity of three months and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time; provided that if fewer than two quotations are so provided, then three-month LIBOR on the Interest Determination Date will be equal to the three-month LIBOR in effect with respect to the immediately preceding Interest Period.

"Reuters Page LIBOR01" means the display designated on page LIBOR01 by Reuters Group plc (or such other page as may replace the LIBOR01 page on that service (or any successor service) or such other service as may be nominated by the ICE Benchmark Administration Ltd. (or such other entity assuming the responsibility from it for calculating London interbank offered rates for U.S. dollar deposits) for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

The amount of interest for each day that the Notes are outstanding (the "daily interest amount") will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of the Notes. The amount of interest to be paid on the Notes for any Interest Period will be calculated by adding the daily interest amounts for each day in such Interest Period.

The interest rate and amount of interest to be paid on the Notes for each Interest Period shall be calculated by the Calculation Agent. All calculations made by the Calculation Agent shall, in the absence of manifest error, be conclusive for all purposes and binding on the Corporation and the Holders of the Notes. So long as three-month LIBOR is required to be determined with respect to the Notes, there will at all times be a Calculation Agent. In the event that any then acting Calculation Agent shall be unable or unwilling to act, or that such Calculation Agent shall fail duly to establish three-month LIBOR for any Interest Period, or that the Corporation proposes to remove such Calculation Agent, the Corporation shall appoint itself or another person that is a bank, trust company, investment banking firm or other financial institution to act as the Calculation Agent.

All percentages resulting from any calculation of the interest rate on the Notes shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation on the Notes will be rounded to the nearest cent (with one-half cent being rounded upward);

5. The principal of, and premium, if any, and interest on, the Notes shall be payable at the office or agency of the Corporation maintained for that purpose in the Borough of Manhattan, New York, New York; provided, however, that at the option of the Corporation, payment of interest may be made from such office in the Borough of Manhattan, New York, New York by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. If at any time there shall be no such office or agency in the Borough of Manhattan, New York, New York, where the Notes may be presented or surrendered for payment, the Corporation shall forthwith designate and maintain such an office or agency in the Borough of Manhattan, New York, New York, in order that the Notes shall at all times be payable in the Borough of Manhattan, New York, New York. The Corporation hereby initially designates the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York, New York, as one such office or agency;

6. U.S. Bank National Association is appointed as the Trustee for the Notes, and U.S. Bank National Association, and any other banking institution hereafter selected by the officers of the Corporation, are appointed agents of the Corporation (a) where the Notes may be presented for registration of transfer or exchange, (b) where notices and demands to or upon the Corporation in respect of the Notes or the Indenture may be made or served and (c) where the Notes may be presented for payment of principal and interest;

7. The Notes shall not be redeemable at the Corporation's option.

8. Payment of principal of, and interest on, the Notes shall be without deduction for taxes, assessments or governmental charges paid by Holders of the Notes;

9. The Notes are approved in the form attached hereto as <u>Exhibit A</u> and shall be issued upon original issuance in whole in the form of one or more book-entry Global Securities, and the Depositary shall be The Depository Trust Company; and

10. The Notes shall be entitled to the benefits of the Indenture, including the covenants and agreements of the Corporation set forth therein, except to the extent expressly otherwise provided herein or in the Notes.

Any initially capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

IN WITNESS WHEREOF, each of the undersigned has hereunto signed his or her name this 10th day of August, 2017.

/s/ Anthony Ashley

Anthony Ashley
Vice President and Treasurer

/s/ Kimberly Dang

Kimberly Dang
Vice President and Chief Financial Officer

EXHIBIT A

[FORM OF GLOBAL NOTE]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED FOR SECURITIES REGISTERED IN THE NAME OF, ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY SECURITY AUTHENTICATED AND DELIVERED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR OR IN LIEU OF, THIS SECURITY SHALL BE A GLOBAL SECURITY SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

KINDER MORGAN, INC.

NO. [__]	FLOATING RATE SENIOR NOTE DUE 2023	U.S.$[________]
CUSIP No. 49456BAN1		

KINDER MORGAN, INC., a Delaware corporation (herein called the “Corporation,” which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of [________] United States Dollars (U.S.$ [________]) on January 15, 2023, and to pay interest thereon from August 10, 2017, or from the most recent Interest Payment Date to which interest has been paid, quarterly in arrears on January 15, April 15, July 15 and October 15 in each year, commencing October 15, 2017 at the rate per annum calculated by the trustee, as calculation agent (the “Calculation Agent”), subject to the maximum interest rate permitted by New York or other applicable state law (as such law may be modified by United States law of general application). The per annum rate at which interest on the Securities shall accrue and be payable during a particular Interest Period shall be equal to three-month LIBOR for U.S. dollars, determined on the Interest Determination Date for such Interest Period, plus 1.28% (or 128 basis points).

"Interest Determination Date" means, with respect to any Interest Period, the second London Business Day immediately preceding such Interest Period.

"Interest Period" means the period beginning on, and including, an Interest Payment Date for the Securities (or, with respect to the initial Interest Period only, beginning on the Issue Date for the Securities) and ending on, but excluding, the following Interest Payment Date or the Stated Maturity, as the case may be, for the Securities.

"London Business Day" means a day on which commercial banks are open for general business (including dealings in U.S. dollars) in London.

"three-month LIBOR", for any Interest Determination Date and with respect to any Interest Period, will be the offered rate (expressed as a percentage per annum) for deposits in the London interbank market in U.S. dollars having an index maturity of three months, as such rate appears on the Reuters Page LIBOR01 as of approximately 11:00 a.m., London time, on such Interest Determination Date. If, on an Interest Determination Date, such rate does not appear on Reuters Page LIBOR01 as of 11:00 a.m., London time, or if Reuters Page LIBOR01 is not available on such date, the Calculation Agent will obtain such rate from Bloomberg L.P.'s page "BBAM" (or such other page as may replace the BBAM page on that service (or any successor service)). With respect to an Interest Determination Date on which no rate appears on either the Reuters Page LIBOR01 or Bloomberg L.P. page BBAM as of approximately 11:00 a.m., London time, the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Corporation, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for the period of three months, commencing on the first day of the applicable Interest Period to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date, and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, then three-month LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then three-month LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York, on the Interest Determination Date by up to three major banks in The City of New York, as selected by the Corporation, for loans in U.S. dollars to leading European banks having an index maturity of three months and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time; provided that if fewer than two quotations are so provided, then three-month LIBOR on the Interest Determination Date will be equal to the three-month LIBOR in effect with respect to the immediately preceding Interest Period.

"Reuters Page LIBOR01" means the display designated on page LIBOR01 by Reuters Group plc (or such other page as may replace the LIBOR01 page on that service (or any successor service) or such other service as may be nominated by the ICE Benchmark Administration Ltd. (or such other entity assuming the responsibility from it for calculating London interbank offered rates for U.S. dollar deposits) for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

The amount of interest for each day that the Securities are outstanding (the "daily interest amount") will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of the Securities. The amount of interest to be paid on the Securities for any Interest Period will be calculated by adding the daily interest amounts for each day in such Interest Period.

The interest rate and amount of interest to be paid on the Securities for each Interest Period shall be calculated by the Calculation Agent. All calculations made by the Calculation Agent shall, in the absence of manifest error, be conclusive for all purposes and binding on the Corporation and the Holders of the Securities. So long as three-month LIBOR is required to be determined with respect to the Securities, there will at all times be a Calculation Agent. In the event that any then acting Calculation Agent shall be unable or unwilling to act, or that such Calculation Agent shall fail duly to establish three-month LIBOR for any Interest Period, or that the Corporation proposes to remove such Calculation Agent, the Corporation shall appoint itself or another person that is a bank, trust company, investment banking firm or other financial institution to act as the Calculation Agent.

All percentages resulting from any calculation of the interest rate on the Securities shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation on the Securities will be rounded to the nearest cent (with one-half cent being rounded upward)

Interest payable on the Securities shall be calculated on the actual number of calendar days in the calculation period divided by 360. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. A "Business Day" shall mean, when used with respect to any Place of Payment, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law, executive order or regulation to close. The interest so payable, and punctually paid, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 1, April 1, July 1 or October 1 (regardless of whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date. Any such interest not so punctually paid shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice of which shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities of this series may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in such Indenture.

The principal of (and premium, if any) and interest on, this Security shall be payable at the office or agency of the Corporation maintained for that purpose in the Borough of Manhattan, New York, New York; provided, however, that at the option of the Corporation, payment of interest may be made from such office in the Borough of Manhattan, New York, New York by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. If at any time there shall be no such office or agency in the Borough of Manhattan, New York, New York where this Security may be presented or surrendered for payment, the Corporation shall forthwith designate and maintain such an office or agency in the Borough of Manhattan, New York, New York, in order that this Security shall at all times be payable in the Borough of Manhattan, New York, New York. The Corporation hereby initially designates the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York, New York, as one such office or agency.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made by transfer of immediately available funds to a bank account designated by the Holder in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed.

Dated: [________][__], [___]

KINDER MORGAN, INC.,

By: ______________________________

Anthony Ashley

Vice President and Treasurer

This is one of the Securities designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,

As Trustee

By: ______________________________

Authorized Signatory

This Security is one of a duly authorized issue of securities of the Corporation (the "Securities"), issued and to be issued in one or more series under an Indenture dated as of March 1, 2012 relating to senior debt Securities (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture, all indentures supplemental thereto and the Officers' Certificate pursuant to Section 301 of the Indenture, dated August 10, 2017, relating to the Securities reference is hereby made for a statement of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This Security is one of the series designated on the face hereof, originally issued in book-entry only form in the aggregate principal amount of $[________]. This series of Securities may be reopened for issuances of additional Securities without the consent of Holders.

This Security is not redeemable at the Corporation's option.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of, and any premium and accrued but unpaid interest on, the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Corporation and the Trustee with the consent of not less than the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series to be affected (voting as one class). The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Outstanding Securities of all affected series (voting as one class), on behalf of the Holders of all Securities of such series, to waive compliance by the Corporation with certain provisions of the Indenture. The Indenture permits, with certain exceptions as therein provided, the Holders of a majority in principal amount of Securities of any series then Outstanding to waive past defaults under the Indenture with respect to such series and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 90 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall, without the consent of the Holder, alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place(s) and rate, and in the coin or currency, herein prescribed.

This Security shall be entitled to the benefits of the Indenture, including the covenants and agreements of the Corporation set forth therein, except to the extent expressly otherwise set forth herein.

This Global Security or portion hereof may not be exchanged for Definitive Securities of this series except in the limited circumstances provided in the Indenture.

The Holders of beneficial interests in this Global Security will not be entitled to receive physical delivery of Definitive Securities except as described in the Indenture and will not be considered the Holders thereof for any purpose under the Indenture.

The Securities of this series are issuable only in registered form without coupons in denominations of U.S. $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

Obligations of the Corporation under the Indenture and the Securities thereunder, including this Security, are non-recourse to the Corporation's Affiliates, and payable only out of cash flow and assets of the Corporation. The Trustee, and each Holder of a Security by its acceptance hereof, will be deemed to have agreed in the Indenture that (1) none of the Corporation's Affiliates, nor their respective assets, shall be liable for any of the obligations of the Corporation under the Indenture or such Securities, including this Security, and (2) no director, officer, employee, agent or shareholder, as such, of the Corporation, the Trustee or any of their respective Affiliates shall have any personal liability in respect of the obligations of the Corporation under the Indenture or such Securities by reason of his, her or its status.

The Indenture contains provisions that relieve the Corporation from the obligation to comply with certain restrictive covenants in the Indenture and for satisfaction and discharge at any time of the entire indebtedness upon compliance by the Corporation with certain conditions set forth in the Indenture.

This Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Exhibit 10.1

CROSS GUARANTEE AGREEMENT

This CROSS GUARANTEE AGREEMENT is dated as of November 26, 2014 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), by each of the signatories listed on the signature pages hereto and each of the other entities that becomes a party hereto pursuant to Section 19 (the "Guarantors" and individually, a "Guarantor"), for the benefit of the Guaranteed Parties (as defined below).

W I T N E S S E T H:

WHEREAS, Kinder Morgan, Inc., a Delaware corporation ("KMI"), and certain of its direct and indirect Subsidiaries have outstanding senior, unsecured Indebtedness and may from time to time issue additional senior, unsecured Indebtedness;

WHEREAS, each Guarantor, other than KMI, is a direct or indirect Subsidiary of KMI;

WHEREAS, each Guarantor desires to provide the guarantee set forth herein with respect to the Indebtedness of such Guarantors that constitutes the Guaranteed Obligations; and

WHEREAS, each Guarantor acknowledges that it will derive substantial direct and indirect benefit from the making of the guarantees hereby;

NOW, THEREFORE, in consideration of the premises, the Guarantors hereby agree with each other for the benefit of the Guaranteed Parties as follows:

1. Defined Terms.

(a) As used in this Agreement, the following terms have the meanings specified below:

"Agreement" has the meaning provided in the preamble hereto.

"Bankruptcy Code" means Title 11 of the United States Code, as now or hereafter in effect, or any successor thereto.

"Capital Stock" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents (however designated) of such Person's equity, including (i) all common stock and preferred stock, any limited or general partnership interest and any limited liability company member interest, (ii) beneficial interests in trusts, and (iii) any other interest or participation that confers upon a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person.

"CFC" means a Person that is a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Consolidated Assets" means, at the date of any determination thereof, the total assets of KMI and its Subsidiaries as set forth on a consolidated balance sheet of KMI and its Subsidiaries for their most recently completed fiscal quarter, prepared in accordance with GAAP.

"Consolidated Tangible Assets" means, at the date of any determination thereof, Consolidated Assets after deducting therefrom the value, net of any applicable reserves and accumulated amortization, of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth, or on a pro forma basis would be set forth, on a consolidated balance sheet of KMI and its Subsidiaries for their most recently completed fiscal quarter, prepared in accordance with GAAP.

"Domestic Subsidiary" means any Subsidiary of KMI organized under the laws of any jurisdiction within the United States.

"Excluded Subsidiary" means (i) any Subsidiary that is not a Wholly-owned Domestic Operating Subsidiary, (ii) any Domestic Subsidiary that is a Subsidiary of a CFC or any Domestic Subsidiary (including a disregarded entity for U.S. federal income tax purposes) substantially all of whose assets (held directly or through Subsidiaries) consist of Capital Stock of one or more CFCs or Indebtedness of such CFCs, (iii) any Immaterial Subsidiary, (iv) any Subsidiary listed on Schedule III, (v) each of Calnev Pipe Line LLC, SFPP, L.P., Kinder Morgan G.P., Inc. and EPEC Realty, Inc. and each of its Subsidiaries, (vi) any other Subsidiary that is not a Guarantor under the Revolving Credit Agreement Guarantee, (vii) any not-for-profit Subsidiary, (viii) any Subsidiary that is prohibited by a Requirement of Law from guaranteeing the Guaranteed Obligations, and (ix) any Subsidiary acquired by KMI or its Subsidiaries after the date of this Agreement to the extent, and so long as, the financing documentation governing any existing Indebtedness of such Subsidiary that survives such acquisition prohibits such Subsidiary from guaranteeing the Guaranteed Obligations; *provided*, that notwithstanding the foregoing, any Subsidiary that is party to the Revolving Credit Agreement Guarantee or that Guarantees any senior notes or senior debt securities issued by KMI (other than pursuant to this Agreement) shall not constitute an Excluded Subsidiary for so long as such Guarantee is in effect.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee is or becomes illegal.

"GAAP" means generally accepted accounting principles in the United States of America from time to time, including as set forth in the opinions, statements and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Financial Accounting Standards Board.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee Termination Date" has the meaning set forth in Section 2(d).

"Guaranteed Obligations" means the Indebtedness set forth on Schedule I hereto, as such schedule may be amended from time to time in accordance with the terms of this Agreement; *provided* that the term "Guaranteed Obligations" shall exclude any Excluded Swap Obligations.

"Guaranteed Parties" means, collectively, (i) in the case of Guaranteed Obligations that are governed by trust indentures, the holders (as that term is defined in the applicable trust indenture) of such Guaranteed Obligations, (ii) in the case of Guaranteed Obligations that are governed by loan agreements, credit agreements, or similar agreements, the lenders providing such loans or credit, and (iii) in the case of Guaranteed Obligations with respect to Hedging Agreements, the counterparties under such agreements.

"Guarantor" has the meaning provided in the preamble hereto. Schedule II hereto, as such schedule may be amended from time to time in accordance with the terms of this Agreement, sets forth the name of each Guarantor.

"Hedging Agreement" means a financial instrument, agreement or security which hedges or is used to hedge or manage the risk associated with a change in interest rates, foreign currency exchange rates or commodity prices (but excluding any purchase, swap, derivative contract or similar agreement relating to power, electricity or any related commodity product).

"Immaterial Subsidiary" means any Subsidiary that is not a Material Subsidiary.

"Indebtedness" means, collectively, (i) any senior, unsecured obligation created or assumed by any Person for borrowed money, including all obligations of such Person evidenced by bonds, debentures, notes or similar instruments (other than surety, performance and guaranty bonds), and (ii) all payment obligations of any Person with respect to obligations under Hedging Agreements.

"Investment Grade Rating" means a rating equal to or higher than Baa3 by Moody's and BBB- by S&P; *provided, however,* that if (i) either of Moody's or S&P changes its rating system, such ratings shall be the equivalent ratings after such changes or (ii) Moody's or S&P shall not make a rating of a Guaranteed Obligation publicly available, the references above to Moody's or S&P or both of them, as the case may be, shall be to a nationally recognized U.S. rating agency or agencies, as the case may be, selected by KMI and the references to the ratings categories above shall be to the corresponding rating categories of such rating agency or rating agencies, as the case may be.

"Issuer" means the issuer, borrower, or other applicable primary obligor of a Guaranteed Obligation.

"KMI" has the meaning provided in the recitals hereto.

"Lien" means, with respect to any asset (i) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, and (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Material Subsidiary" means, as at any date of determination, any Subsidiary of KMI whose total tangible assets (for purposes of the below, when combined with the tangible assets of such Subsidiary's Subsidiaries, after eliminating intercompany obligations) as at such date of determination are greater than or equal to 5% of Consolidated Tangible Assets as of the last day of the fiscal quarter most recently ended for which financial statements of KMI have been filed with the SEC.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Operating Subsidiary" means any operating company that is a Subsidiary of KMI.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guarantee becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Rating Agencies" means Moody's and S&P; *provided* that, if at the relevant time neither Moody's nor S&P shall be rating the relevant Guaranteed Obligation, then "Rating Agencies" shall mean another nationally recognized rating service that rates such Guaranteed Obligation.

"Rating Date" means the date immediately prior to the earlier of (i) the occurrence of a Release Event and (ii) public notice of the intention to effect a Release Event.

"Rating Decline" means, with respect to a Guaranteed Obligation, the occurrence of the following on, or within 90 days after, the date of the occurrence of a Release Event or of public notice of the intention to effect a Release Event (which period may be extended so long as the rating of such Guaranteed Obligation is under publicly announced consideration for possible downgrade by either of the Rating Agencies): (i) in the event such Guaranteed Obligation is assigned an Investment Grade Rating by both Rating Agencies on the Rating Date, the rating of such Guaranteed Obligation by one or both of the Rating Agencies shall be below an Investment Grade Rating; or (ii) in the event such Guaranteed Obligation is rated below an Investment Grade Rating by either of the Rating Agencies on the Rating Date, any such below-Investment Grade Rating of such Guaranteed Obligation shall be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).

"Release Event" has the meaning set forth in Section 6(b).

"Requirement of Law" means any law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization or other directive or requirement (whether or not having the force of law), including environmental laws, energy regulations and occupational, safety and health standards or controls, of any Governmental Authority.

"Revolving Credit Agreement" means the Revolving Credit Agreement, dated as of September 19, 2014, among KMI, the lenders party thereto and Barclays Bank PLC, as administrative agent, as such credit agreement may be amended, modified, supplemented or restated from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid or extended from time to time (whether with the original agents and lenders or other agents or lenders or trustee or otherwise, and whether provided under the original credit agreement or other credit agreements or note indentures or otherwise), including, without limitation, increasing the amount of available borrowings or other Indebtedness thereunder.

"Revolving Credit Agreement Guarantee" means the Guarantee Agreement, dated as of November 26, 2014, made by the Subsidiaries of KMI party thereto in favor of Barclays Bank PLC, as administrative agent, for the benefit of the lenders and the issuing banks under the Revolving Credit Agreement, as such guarantee agreement may be amended, modified, supplemented or restated from time to time, and as it may be replaced or renewed from time to time in connection with any amendment, modification, supplement, restatement, refunding, refinancing, restructuring, replacement, renewal, repayment, or extension of any Revolving Credit Agreement from time to time.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"SEC" means the United States Securities and Exchange Commission.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partner interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent. Unless the context otherwise clearly requires, references in this Agreement to a "Subsidiary" or the "Subsidiaries" refer to a Subsidiary or the Subsidiaries of KMI. Notwithstanding the foregoing, Plantation Pipe Line Company, a Delaware and Virginia corporation, shall not be a Subsidiary of KMI until such time as its assets and liabilities, profit or loss and cash flow are required under GAAP to be consolidated with those of KMI.

"Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Wholly-owned Domestic Operating Subsidiary" means any Wholly-owned Subsidiary that constitutes (i) a Domestic Subsidiary and (ii) an Operating Subsidiary.

"Wholly-owned Subsidiary" means a Subsidiary of which all issued and outstanding Capital Stock (excluding in the case of a corporation, directors' qualifying shares) is directly or indirectly owned by KMI.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this

Agreement, and Section references are to Sections of this Agreement unless otherwise specified. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) Subject to the provisions of Section 2(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees, as primary obligor and not merely as surety, for the benefit of the Guaranteed Parties, the prompt and complete payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligations; *provided* that each Guarantor shall be released from its respective guarantee obligations under this Agreement as provided in Section 6(b). Upon the failure of an Issuer to punctually pay any Guaranteed Obligation, each Guarantor shall, upon written demand by the applicable Guaranteed Party to such Guarantor, pay or cause to be paid such amounts.

(b) Anything herein to the contrary notwithstanding, the maximum liability of each Guarantor hereunder shall in no event exceed the amount that can be guaranteed by such Guarantor under the Bankruptcy Code or any applicable laws relating to fraudulent conveyances, fraudulent transfers or the insolvency of debtors after giving full effect to the liability under this Agreement and its related contribution rights set forth in this Section 2, but before taking into account any liabilities under any other Guarantees.

(c) Each Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder (as a result of the limitations set forth in Section 2(b) or elsewhere in this Agreement) without impairing this Agreement or affecting the rights and remedies of any Guaranteed Party hereunder.

(d) No payment or payments made by any Issuer, any of the Guarantors, any other guarantor or any other Person or received or collected by any Guaranteed Party from any Issuer, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of any Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, which shall, notwithstanding any such payment or payments, other than payments made by such Guarantor in respect of such Guaranteed Obligation or payments received or collected from such Guarantor in respect of such Guaranteed Obligation, remain liable for the Guaranteed Obligations up to the maximum liability of such Guarantor hereunder until all Guaranteed Obligations (other than any contingent indemnity obligations not then due and any letters of credit that remain outstanding which have been fully cash collateralized or otherwise back-stopped to the reasonable satisfaction of the applicable issuing bank) shall have been discharged by payment in full or shall have been deemed paid and discharged by defeasance pursuant to the terms of the instruments governing such Guaranteed Obligations (the "Guarantee Termination Date").

(e) If and to the extent required in order for the obligations of any Guarantor hereunder to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount which can lawfully be guaranteed by such Guarantor under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising hereunder. Each Guarantor acknowledges and agrees that, to the extent not prohibited by applicable law, (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2(e) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2(e) may be enforced only to the extent required under such laws in order for the obligations of such Guarantor under this Agreement to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other Person entitled, under such laws, to enforce the provisions hereof.

3. Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder (including by way of set-off rights being exercised against it), such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment as set forth in this Section 3. To the extent that any Guarantor shall be required hereunder to pay any portion of any Guaranteed Obligation guaranteed hereunder exceeding the greater of (a) the amount of the value actually received by such Guarantor and its Subsidiaries from such Guaranteed Obligation and (b) the amount such Guarantor would otherwise have paid if such Guarantor had paid the aggregate amount of such Guaranteed Obligation guaranteed hereunder (excluding the amount thereof repaid by the Issuer of such Guaranteed Obligation) in the same proportion as such Guarantor's net worth on the date enforcement is sought hereunder bears to the aggregate net worth of all the Guarantors on such date, then such Guarantor shall be reimbursed by such other Guarantors for the amount of such excess, pro rata, based on the respective net worth of such other Guarantors on such date; *provided* that any Guarantor's right of reimbursement shall be subject to the terms and conditions of Section 5 hereof. For purposes of determining the net worth of any Guarantor in connection with the foregoing, all Guarantees of such Guarantor other than pursuant to this Agreement will be deemed to be enforceable and payable after its obligations pursuant to this Agreement. The provisions of this Section 3 shall in no respect limit the obligations and liabilities of any Guarantor to the Guaranteed Parties, and each Guarantor shall remain liable to the Guaranteed Parties for the full amount guaranteed by such Guarantor hereunder.

4. No Right of Set-off. No Guaranteed Party shall have, as a result of this Agreement, any right of set-off against any amount owing by such Guaranteed Party to or for the credit or the account of a Guarantor.

5. No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder, no Guarantor shall be entitled to be subrogated to any of the rights (or if subrogated by operation of law, such Guarantor hereby waives such rights to the extent permitted by applicable law) of any Guaranteed Party against any Issuer or any other Guarantor or any collateral security or guarantee or right of offset held by any Guaranteed Party for the payment of any Guaranteed Obligation, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Issuer or any other Guarantor in respect of payments made by such Guarantor hereunder, until the Guarantee Termination Date. If any amount shall be paid to any Guarantor on account of such subrogation, contribution or reimbursement rights at any time prior to the Guarantee Termination Date, such amount shall be held by such Guarantor in trust for the applicable Guaranteed Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the applicable Guaranteed Parties in the exact form received by such Guarantor (duly indorsed by such

Guarantor to the applicable Guaranteed Parties if required), to be applied against the applicable Guaranteed Obligation, whether due or to become due.

6. Amendments, etc. with Respect to the Guaranteed Obligations; Waiver of Rights; Release.

(a) Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, (i) any demand for payment of any Guaranteed Obligation made by any Guaranteed Party may be rescinded by such party and any Guaranteed Obligation continued, (ii) a Guaranteed Obligation, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, allowed to lapse, surrendered or released by any Guaranteed Party, (iii) the instruments governing any Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, and (iv) any collateral security, guarantee or right of offset at any time held by any Guaranteed Party for the payment of any Guaranteed Obligation may be sold, exchanged, waived, allowed to lapse, surrendered or released. No Guaranteed Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Guaranteed Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against any Guarantor, a Guaranteed Party may, but shall be under no obligation to, make a similar demand on the Issuer of the applicable Guaranteed Obligation or any other Guarantor or any other person, and any failure by a Guaranteed Party to make any such demand or to collect any payments from such Issuer or any other Guarantor or any other person or any release of such Issuer or any other Guarantor or any other person shall not relieve any Guarantor in respect of which a demand or collection is not made or any Guarantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of any Guaranteed Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

(b) A Guarantor shall be automatically released from its guarantee hereunder upon release of such Guarantor from the Revolving Credit Agreement Guarantee, including upon consummation of any transaction resulting in such Guarantor ceasing to constitute a Subsidiary or upon any Guarantor becoming an Excluded Subsidiary (such transaction or event, a "Release Event").

(c) Upon the occurrence of a Release Event, each Guaranteed Obligation for which such released Guarantor was the Issuer shall be automatically released from the provisions of this Agreement and shall cease to constitute a Guaranteed Obligation hereunder; *provided* that in the case of any Guaranteed Obligation that has been assigned an Investment Grade Rating by the Rating Agencies, such Guaranteed Obligation shall be so released, effective as of the 91st day after the occurrence of the Release Event, if and only if a Rating Decline with respect to such Guaranteed Obligation does not occur.

7. Guarantee Absolute and Unconditional.

(a) Each Guarantor waives any and all notice of the creation, contraction, incurrence, renewal, extension, amendment, waiver or accrual of any of the Guaranteed Obligations, and notice of or proof of reliance by any Guaranteed Party upon this Agreement or acceptance of this Agreement. To the fullest extent permitted by applicable law, each Guarantor waives diligence, promptness, presentment, protest and notice of protest, demand for payment or performance, notice of default or nonpayment, notice of acceptance and any other notice in respect of the Guaranteed Obligations or any part of them, and any defense arising by reason of any disability or other defense of any Issuer or any of the Guarantors with respect to the Guaranteed Obligations. Each Guarantor understands and agrees that this Agreement shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity, regularity or enforceability of any of the Guaranteed Obligations, the indenture, loan agreement, note or other instrument evidencing or governing any of the Guaranteed Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Guaranteed Party, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to or be asserted by any Issuer against any Guaranteed Party or (iii) any other circumstance whatsoever (with or without notice to or knowledge of any Issuer or such Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of any Issuer for any of the Guaranteed Obligations, or of such Guarantor under this Agreement, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against any Guarantor, any Guaranteed Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Issuer or any other Person or against any collateral security or guarantee for the Guaranteed Obligations or any right of offset with respect thereto, and any failure by any Guaranteed Party to pursue such other rights or remedies or to collect any payments from the Issuer or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Issuer or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the other Guaranteed Parties against such Guarantor.

(b) This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof and shall inure to the benefit of the Guaranteed Parties and their respective successors, indorsees, transferees and assigns until the Guarantee Termination Date.

8. Reinstatement. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by any Guaranteed Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Issuer or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Issuer or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the applicable Guaranteed Parties without set-off or counterclaim in dollars.

10. Representations and Warranties. Each Guarantor hereby represents and warrants to each Guaranteed Party that the following representations and warranties are true and correct in all material respects as of the date of this Agreement or as of the date such Guarantor became a party to this Agreement, as applicable:

(a) such Guarantor (i) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the laws of the state of its incorporation, organization or formation, (ii) has all requisite corporate, partnership, limited liability company or other power and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and (iii) is duly qualified to do business and is in good standing in every jurisdiction in which the failure to be so qualified would have a material adverse effect on its ability to perform its obligations under this Agreement;

(b) such Guarantor has all requisite corporate (or other organizational) power and authority to execute and deliver and to perform its obligations under this Agreement, and all such actions have been duly authorized by all necessary proceedings on its behalf;

(c) this Agreement has been duly and validly executed and delivered by or on behalf of such Guarantor and constitutes the valid and legally binding agreement of such Guarantor, enforceable against such Guarantor in accordance with its terms, except (i) as may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, fraudulent conveyance or other similar laws relating to or affecting the enforcement of creditors' rights generally, and by general principles of equity (including principles of good faith, reasonableness, materiality and fair dealing) which may, among other things, limit the right to obtain equitable remedies (regardless of whether considered in a proceeding in equity or at law) and (ii) as to the enforceability of provisions for indemnification for violation of applicable securities laws, limitations thereon arising as a matter of law or public policy;

(d) no authorization, consent, approval, license or exemption of or registration, declaration or filing with any Governmental Authority is necessary for the valid execution and delivery of, or the performance by such Guarantor of its obligations hereunder, except those that have been obtained and such matters relating to performance as would ordinarily be done in the ordinary course of business after the date of this Agreement or as of the date such Guarantor became a party to this Agreement, as applicable; and

(e) neither the execution and delivery of, nor the performance by such Guarantor of its obligations under, this Agreement will (i) breach or violate any applicable Requirement of Law, (ii) result in any breach or violation of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of its property or assets (other than Liens created or contemplated by this Agreement) pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which it or any of its Subsidiaries is party or by which any of its properties or assets, or those of any of its Subsidiaries is bound or to which it is subject, except for breaches, violations and defaults under clauses (i) and (ii) that neither individually nor in the aggregate could reasonably be expected to result in a material adverse effect on its ability to perform its obligations under this Agreement, or (iii) violate any provision of the organizational documents of such Guarantor.

11. Rights of Guaranteed Parties. Each Guarantor acknowledges and agrees that any changes in the identity of the Persons from time to time comprising the Guaranteed Parties gives rise to an equivalent change in the Guaranteed Parties, without any further act. Upon such an occurrence, the persons then comprising the Guaranteed Parties are vested with the rights, remedies and discretions of the Guaranteed Parties under this Agreement.

12. Notices.

(a) All notices, requests, demands and other communications to any Guarantor pursuant hereto shall be in writing and mailed, telecopied or delivered to such Guarantor in care of KMI, 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, Attention: Treasurer, Telecopy: (713) 445-8302.

(b) KMI will provide a copy of this Agreement, including the most recently amended schedules and supplements hereto, to any Guaranteed Party upon written request to the address set forth in Section 12(a); *provided, however*, that KMI's obligations under this Section 12(b) shall be deemed satisfied if KMI has filed a copy of this Agreement, including the most recently amended schedules and supplements hereto, with the SEC within three months preceding the date on which KMI receives such written request.

13. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with KMI.

14. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

15. Integration. This Agreement represents the agreement of each Guarantor with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any Guaranteed Party relative to the subject matter hereof not expressly set forth or referred to herein.

16. Amendments; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Guarantors and KMI.

(b) The Guarantors may amend or supplement this Agreement by a written instrument executed by all Guarantors:

(i) to cure any ambiguity, defect or inconsistency;

(ii) to reflect a change in the Guarantors or the Guaranteed Obligations made in accordance with this Agreement;

(iii) to make any change that would provide any additional rights or benefits to the Guaranteed Parties or that would not adversely affect the legal rights hereunder of any Guaranteed Party in any material respect; or

(iv) to conform this Agreement to any change made to the Revolving Credit Agreement or to the Revolving Credit Agreement Guarantee.

Except as set forth in this clause (b) or otherwise provided herein, the Guarantors may not amend, supplement or otherwise modify this Agreement prior to the Guarantee Termination Date without the prior written consent of the holders of the majority of the outstanding principal amount of the Guaranteed Obligations (excluding obligations with respect to Hedging Agreements). Notwithstanding the foregoing, in the case of an amendment that would reasonably be expected to adversely, materially and disproportionately affect Guaranteed Parties with Guaranteed Obligations existing under Hedging Agreements relative to the other Guaranteed Parties, the foregoing exclusion of obligations with respect to Hedging Agreements shall not apply, and the outstanding principal amount attributable to each such Guaranteed Party's Guaranteed Obligations shall be deemed to be equal to the termination payment that would be due to such Guaranteed Party as if the valuation date were an "Early Termination Date" under and calculated in accordance with each applicable Hedging Agreement.

(c) No Guaranteed Party shall by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of any Guaranteed Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by a Guaranteed Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that such Guaranteed Party would otherwise have on any future occasion.

(d) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

17. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

18. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Guaranteed Parties and their respective successors and permitted assigns, except that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Agreement except pursuant to a transaction permitted by the Revolving Credit Agreement and in connection with a corresponding assignment under the Revolving Credit Agreement Guarantee.

19. Additional Guarantors.

(a) KMI shall cause each Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the date of this Agreement (including each Subsidiary that ceases to constitute an Excluded Subsidiary after the date of this Agreement) to execute a supplement to this Agreement and become a Guarantor within 45 days of the occurrence of the applicable event specified in this Section 19(a).

(b) Each Subsidiary of KMI that becomes, at the request of KMI, or that is required pursuant to Section 19(a) to become, a party to this Agreement shall become a Guarantor, with the same force and effect as if originally named as a Guarantor herein, for all purposes of this Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto. The execution and delivery of any instrument adding an additional Guarantor as a party to this Agreement shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Agreement.

20. Additional Guaranteed Obligations. Any Indebtedness issued by a Guarantor or for which a Guarantor otherwise becomes obligated after the date of this Agreement shall become a Guaranteed Obligation upon the execution by all Guarantors of a notation of guarantee substantially in the form of Annex B hereto, which shall be affixed to the instrument or instruments evidencing such Indebtedness. Each such notation of guarantee shall be signed on behalf of each Guarantor by a duly authorized officer prior to the authentication or issuance of such Indebtedness.

21. GOVERNING LAW. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

22. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 22 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 22, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Guarantee Termination Date. Each Qualified ECP Guarantor intends that this Section 22 constitute, and this Section 22 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered by its duly authorized officer or other representative as of the day and year first above written.

KINDER MORGAN, INC.

By: /s/ Anthony B. Ashley
Name: Anthony B. Ashley
Title: Treasurer

AGNES B CRANE, LLC
AMERICAN PETROLEUM TANKERS II LLC
AMERICAN PETROLEUM TANKERS III LLC
AMERICAN PETROLEUM TANKERS IV LLC
AMERICAN PETROLEUM TANKERS LLC
AMERICAN PETROLEUM TANKERS PARENT LLC
AMERICAN PETROLEUM TANKERS V LLC
AMERICAN PETROLEUM TANKERS VI LLC
AMERICAN PETROLEUM TANKERS VII LLC
APT FLORIDA LLC
APT INTERMEDIATE HOLDCO LLC
APT NEW INTERMEDIATE HOLDCO LLC
APT PENNSYLVANIA LLC
APT SUNSHINE STATE LLC
AUDREY TUG LLC
BEAR CREEK STORAGE COMPANY, L.L.C.
BETTY LOU LLC
CAMINO REAL GATHERING COMPANY, L.L.C.
CANTERA GAS COMPANY LLC
CDE PIPELINE LLC
CENTRAL FLORIDA PIPELINE LLC
CHEYENNE PLAINS GAS PIPELINE COMPANY, L.L.C.
CIG GAS STORAGE COMPANY LLC
CIG PIPELINE SERVICES COMPANY, L.L.C.
CIMMARRON GATHERING LLC
COLORADO INTERSTATE GAS COMPANY, L.L.C.
COLORADO INTERSTATE ISSUING CORPORATION
COPANO DOUBLE EAGLE LLC
COPANO ENERGY FINANCE CORPORATION
COPANO ENERGY, L.L.C.
COPANO ENERGY SERVICES/UPPER GULF COAST LLC
COPANO FIELD SERVICES GP, L.L.C.
COPANO FIELD SERVICES/NORTH TEXAS, L.L.C.
COPANO FIELD SERVICES/SOUTH TEXAS LLC
COPANO FIELD SERVICES/UPPER GULF COAST LLC
COPANO LIBERTY, LLC
COPANO NGL SERVICES (MARKHAM), L.L.C.
COPANO NGL SERVICES LLC
COPANO PIPELINES GROUP, L.L.C.

COPANO PIPELINES/NORTH TEXAS, L.L.C.
COPANO PIPELINES/ROCKY MOUNTAINS, LLC
COPANO PIPELINES/SOUTH TEXAS LLC
COPANO PIPELINES/UPPER GULF COAST LLC
COPANO PROCESSING LLC
COPANO RISK MANAGEMENT LLC
COPANO/WEBB-DUVAL PIPELINE LLC
CPNO SERVICES LLC
DAKOTA BULK TERMINAL, INC.
DELTA TERMINAL SERVICES LLC
EAGLE FORD GATHERING LLC
EL PASO CHEYENNE HOLDINGS, L.L.C.
EL PASO CITRUS HOLDINGS, INC.
EL PASO CNG COMPANY, L.L.C.
EL PASO ENERGY SERVICE COMPANY, L.L.C.
EL PASO LLC
EL PASO MIDSTREAM GROUP LLC
EL PASO NATURAL GAS COMPANY, L.L.C.
EL PASO NORIC INVESTMENTS III, L.L.C.
EL PASO PIPELINE CORPORATION
EL PASO PIPELINE GP COMPANY, L.L.C.
EL PASO PIPELINE HOLDING COMPANY, L.L.C.
EL PASO PIPELINE LP HOLDINGS, L.L.C.
EL PASO PIPELINE PARTNERS, L.P.
By El Paso Pipeline GP Company, L.L.C., its general partner
EL PASO PIPELINE PARTNERS OPERATING COMPANY, L.L.C.
EL PASO RUBY HOLDING COMPANY, L.L.C.
EL PASO TENNESSEE PIPELINE CO., L.L.C.
ELBA EXPRESS COMPANY, L.L.C.
ELIZABETH RIVER TERMINALS LLC
EMORY B CRANE, LLC
EPBGP CONTRACTING SERVICES LLC
EP ENERGY HOLDING COMPANY
EP RUBY LLC
EPTP ISSUING CORPORATION
FERNANDINA MARINE CONSTRUCTION MANAGEMENT LLC
FRANK L. CRANE, LLC
GENERAL STEVEDORES GP, LLC
GENERAL STEVEDORES HOLDINGS LLC
GLOBAL AMERICAN TERMINALS LLC
HAMPSHIRE LLC
HARRAH MIDSTREAM LLC
HBM ENVIRONMENTAL, INC.
ICPT, L.L.C
J.R. NICHOLLS LLC
JAVELINA TUG LLC
JEANNIE BREWER LLC
JV TANKER CHARTERER LLC
KINDER MORGAN (DELAWARE), INC.
KINDER MORGAN 2-MILE LLC
KINDER MORGAN ADMINISTRATIVE SERVICES TAMPA LLC
KINDER MORGAN ALTAMONT LLC

KINDER MORGAN AMORY LLC
KINDER MORGAN ARROW TERMINALS HOLDINGS, INC.
KINDER MORGAN ARROW TERMINALS, L.P.
By Kinder Morgan River Terminals, LLC, its general partner
KINDER MORGAN BALTIMORE TRANSLOAD TERMINAL LLC
KINDER MORGAN BATTLEGROUND OIL LLC
KINDER MORGAN BORDER PIPELINE LLC
KINDER MORGAN BULK TERMINALS, INC.
KINDER MORGAN CARBON DIOXIDE TRANSPORTATION COMPANY
KINDER MORGAN CO2 COMPANY, L.P.
By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN COCHIN LLC
KINDER MORGAN COLUMBUS LLC
KINDER MORGAN COMMERCIAL SERVICES LLC
KINDER MORGAN CRUDE & CONDENSATE LLC
KINDER MORGAN CRUDE OIL PIPELINES LLC
KINDER MORGAN CRUDE TO RAIL LLC
KINDER MORGAN CUSHING LLC
KINDER MORGAN DALLAS FORT WORTH RAIL TERMINAL LLC
KINDER MORGAN ENDEAVOR LLC
KINDER MORGAN ENERGY PARTNERS, L.P.
By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN EP MIDSTREAM LLC
KINDER MORGAN FINANCE COMPANY LLC
KINDER MORGAN FLEETING LLC
KINDER MORGAN FREEDOM PIPELINE LLC
KINDER MORGAN KEYSTONE GAS STORAGE LLC
KINDER MORGAN KMAP LLC
KINDER MORGAN LAS VEGAS LLC
KINDER MORGAN LINDEN TRANSLOAD TERMINAL LLC
KINDER MORGAN LIQUIDS TERMINALS LLC
KINDER MORGAN LIQUIDS TERMINALS ST. GABRIEL LLC
KINDER MORGAN MARINE SERVICES LLC
KINDER MORGAN MATERIALS SERVICES, LLC
KINDER MORGAN MID ATLANTIC MARINE SERVICES LLC
KINDER MORGAN NATGAS O&M LLC
KINDER MORGAN NORTH TEXAS PIPELINE LLC
KINDER MORGAN OPERATING L.P. “A”
By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN OPERATING L.P. “B”
By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN OPERATING L.P. “C”
By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN OPERATING L.P. “D”
By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN PECOS LLC
KINDER MORGAN PECOS VALLEY LLC
KINDER MORGAN PETCOKE GP LLC

KINDER MORGAN PETCOKE, L.P.
By Kinder Morgan Petcoke GP LLC, its general partner
KINDER MORGAN PETCOKE LP LLC
KINDER MORGAN PETROLEUM TANKERS LLC
KINDER MORGAN PIPELINE LLC
KINDER MORGAN PIPELINES (USA) INC.
KINDER MORGAN PORT MANATEE TERMINAL LLC
KINDER MORGAN PORT SUTTON TERMINAL LLC
KINDER MORGAN PORT TERMINALS USA LLC
KINDER MORGAN PRODUCTION COMPANY LLC
KINDER MORGAN RAIL SERVICES LLC
KINDER MORGAN RESOURCES II LLC
KINDER MORGAN RESOURCES III LLC
KINDER MORGAN RESOURCES LLC
KINDER MORGAN RIVER TERMINALS LLC
KINDER MORGAN SERVICES LLC
KINDER MORGAN SEVEN OAKS LLC
KINDER MORGAN SOUTHEAST TERMINALS LLC
KINDER MORGAN TANK STORAGE TERMINALS LLC
KINDER MORGAN TEJAS PIPELINE LLC
KINDER MORGAN TERMINALS, INC.
KINDER MORGAN TEXAS PIPELINE LLC
KINDER MORGAN TEXAS TERMINALS, L.P.
By General Stevedores GP, LLC, its general partner
KINDER MORGAN TRANSMIX COMPANY, LLC
KINDER MORGAN TREATING LP
By KM Treating GP LLC, its general partner
KINDER MORGAN URBAN RENEWAL, L.L.C.
KINDER MORGAN UTICA LLC
KINDER MORGAN VIRGINIA LIQUIDS TERMINALS LLC
KINDER MORGAN WINK PIPELINE LLC
KINDERHAWK FIELD SERVICES LLC
KM CRANE LLC
KM DECATUR, INC.
KM EAGLE GATHERING LLC
KM GATHERING LLC
KM KASKASKIA DOCK LLC
KM LIQUIDS TERMINALS LLC
KM NORTH CAHOKIA LAND LLC
KM NORTH CAHOKIA SPECIAL PROJECT LLC
KM NORTH CAHOKIA TERMINAL PROJECT LLC
KM SHIP CHANNEL SERVICES LLC
KM TREATING GP LLC
KM TREATING PRODUCTION LLC
KMBT LLC
KMGP CONTRACTING SERVICES LLC
KMGP SERVICES COMPANY, INC.
KN TELECOMMUNICATIONS, INC.
KNIGHT POWER COMPANY LLC
LOMITA RAIL TERMINAL LLC
MILWAUKEE BULK TERMINALS LLC
MJR OPERATING LLC
MOJAVE PIPELINE COMPANY, L.L.C.
MOJAVE PIPELINE OPERATING COMPANY, L.L.C.
MR. BENNETT LLC

[Signature Page to Cross Guarantee]

MR. VANCE LLC
NASSAU TERMINALS LLC
NGPL HOLDCO INC.
NS 307 HOLDINGS INC.
PADDY RYAN CRANE, LLC
PALMETTO PRODUCTS PIPE LINE LLC
PI 2 PELICAN STATE LLC
PINNEY DOCK & TRANSPORT LLC
QUEEN CITY TERMINALS LLC
RAHWAY RIVER LAND LLC
RAZORBACK TUG LLC
RCI HOLDINGS, INC.
RIVER TERMINALS PROPERTIES GP LLC
RIVER TERMINAL PROPERTIES, L.P.
By River Terminals Properties GP LLC, its general partner
SCISSORTAIL ENERGY, LLC
SNG PIPELINE SERVICES COMPANY, L.L.C.
SOUTHERN GULF LNG COMPANY, L.L.C.
SOUTHERN LIQUEFACTION COMPANY LLC
SOUTHERN LNG COMPANY, L.L.C.
SOUTHERN NATURAL GAS COMPANY, L.L.C.
SOUTHERN NATURAL ISSUING CORPORATION
SOUTHTEX TREATERS LLC
SOUTHWEST FLORIDA PIPELINE LLC
SRT VESSELS LLC
STEVEDORE HOLDINGS, L.P.
By Kinder Morgan Petcoke GP LLC, its general partner
TAJON HOLDINGS, INC.
TEJAS GAS, LLC
TEJAS NATURAL GAS, LLC
TENNESSEE GAS PIPELINE COMPANY, L.L.C.
TENNESSEE GAS PIPELINE ISSUING CORPORATION
TEXAN TUG LLC
TGP PIPELINE SERVICES COMPANY, L.L.C.
TRANS MOUNTAIN PIPELINE (PUGET SOUND) LLC
TRANSCOLORADO GAS TRANSMISSION COMPANY LLC
TRANSLOAD SERVICES, LLC
UTICA MARCELLUS TEXAS PIPELINE LLC
WESTERN PLANT SERVICES, INC.
WYOMING INTERSTATE COMPANY, L.L.C.

By: /s/ Anthony B. Ashley
Anthony Ashley
Vice President

Exhibit 10.1

ANNEX A TO
THE CROSS GUARANTEE AGREEMENT

SUPPLEMENT NO. [ ] dated as of [ ] to the CROSS GUARANTEE AGREEMENT dated as of [ ] (the "Agreement"), among each of the Guarantors listed on the signature pages thereto and each of the other entities that becomes a party thereto pursuant to Section 19 of the Agreement (each such entity individually, a "Guarantor" and, collectively, the "Guarantors"). Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

A. The Guarantors consist of Kinder Morgan, Inc., a Delaware corporation ("KMI"), and certain of its direct and indirect Subsidiaries, and the Guarantors have entered into the Agreement in order to provide guarantees of certain of the Guarantors' senior, unsecured Indebtedness outstanding from time to time.

B. Section 19 of the Agreement provides that additional Subsidiaries may become Guarantors under the Agreement by execution and delivery of an instrument in the form of this Supplement. Each undersigned Subsidiary (each a "New Guarantor") is executing this Supplement at the request of KMI or in accordance with the requirements of the Agreement to become a Guarantor under the Agreement.

Accordingly, each New Guarantor agrees as follows:

SECTION 1. In accordance with Section 19 of the Agreement, each New Guarantor by its signature below becomes a Guarantor under the Agreement with the same force and effect as if originally named therein as a Guarantor and each New Guarantor hereby (a) agrees to all the terms and provisions of the Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct on and as of the date hereof. Each reference to a Guarantor in the Agreement shall be deemed to include each New Guarantor. The Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Guarantor represents and warrants to the Guaranteed Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with KMI. This Supplement shall become effective as to each New Guarantor when KMI shall have received a counterpart of this Supplement that bears the signature of such New Guarantor.

SECTION 4. Except as expressly supplemented hereby, the Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 12 of the Agreement. All communications and notices hereunder to each New Guarantor shall be given to it in care of KMI at the address set forth in Section 12 of the Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Guarantor has duly executed this Supplement to the Agreement as of the day and year first above written.

____
as Guarantor

By:______________________________
Name:
Title:

Exhibit 10.1

ANNEX B TO
THE CROSS GUARANTEE AGREEMENT

FORM OF NOTATION OF GUARANTEE

Subject to the limitations set forth in the Cross Guarantee Agreement, dated as of [•] (the "Guarantee Agreement"), the undersigned Guarantors hereby certify that this [Indebtedness] constitutes a Guaranteed Obligation, entitled to all the rights as such set forth in the Guarantee Agreement. The Guarantors may be released from their guarantees upon the terms and subject to the conditions provided in the Guarantee Agreement. Capitalized terms used but not defined in this notation of guarantee have the meanings assigned such terms in the Guarantee Agreement, a copy of which will be provided to [a holder of this instrument] upon request to [Issuer].

Schedule I of the Guarantee Agreement is hereby deemed to be automatically updated to include this [Indebtedness] thereon as a Guaranteed Obligation.

[GUARANTORS],
as Guarantor

By: ______________________________
Name:
Title:

Exhibit 10.1

SCHEDULE I

Guaranteed Obligations
Current as of: September 30, 2017

Issuer	Indebtedness	Maturity
Kinder Morgan, Inc.	2.00% notes	December 1, 2017
Kinder Morgan, Inc.	6.00% notes	January 15, 2018
Kinder Morgan, Inc.	7.00% bonds (Sonat)	February 1, 2018
Kinder Morgan, Inc.	7.25% bonds	June 1, 2018
Kinder Morgan, Inc.	3.05% notes	December 1, 2019
Kinder Morgan, Inc.	6.50% bonds	September 15, 2020
Kinder Morgan, Inc.	5.00% notes	February 15, 2021
Kinder Morgan, Inc.	1.500% notes	March 16, 2022
Kinder Morgan, Inc.	3.150% bonds	January 15, 2023
Kinder Morgan, Inc.	Floating rate bonds	January 15, 2023
Kinder Morgan, Inc.	5.625% notes	November 15, 2023
Kinder Morgan, Inc.	4.30% notes	June 1, 2025
Kinder Morgan, Inc.	6.70% bonds (Coastal)	February 15, 2027
Kinder Morgan, Inc.	2.250% notes	March 16, 2027
Kinder Morgan, Inc.	6.67% debentures	November 1, 2027
Kinder Morgan, Inc.	7.25% debentures	March 1, 2028
Kinder Morgan, Inc.	6.95% bonds (Coastal)	June 1, 2028
Kinder Morgan, Inc.	8.05% bonds	October 15, 2030
Kinder Morgan, Inc.	7.80% bonds	August 1, 2031
Kinder Morgan, Inc.	7.75% bonds	January 15, 2032
Kinder Morgan, Inc.	5.30% notes	December 1, 2034
Kinder Morgan, Inc.	7.75% bonds (Coastal)	October 15, 2035
Kinder Morgan, Inc.	6.40% notes	January 5, 2036
Kinder Morgan, Inc.	7.42% bonds (Coastal)	February 15, 2037
Kinder Morgan, Inc.	5.55% notes	June 1, 2045
Kinder Morgan, Inc.	5.050% notes	February 15, 2046
Kinder Morgan, Inc.	7.45% debentures	March 1, 2098
Kinder Morgan Energy Partners, L.P.	5.95% bonds	February 15, 2018
Kinder Morgan Energy Partners, L.P.	9.00% bonds	February 1, 2019
Kinder Morgan Energy Partners, L.P.	2.65% bonds	February 1, 2019
Kinder Morgan Energy Partners, L.P.	6.85% bonds	February 15, 2020
Kinder Morgan Energy Partners, L.P.	5.30% bonds	September 15, 2020
Kinder Morgan Energy Partners, L.P.	5.80% bonds	March 1, 2021
Kinder Morgan Energy Partners, L.P.	3.50% bonds	March 1, 2021
Kinder Morgan Energy Partners, L.P.	4.15% bonds	March 1, 2022
Kinder Morgan Energy Partners, L.P.	3.95% bonds	September 1, 2022
Kinder Morgan Energy Partners, L.P.	3.45% bonds	February 15, 2023
Kinder Morgan Energy Partners, L.P.	3.50% bonds	September 1, 2023
Kinder Morgan Energy Partners, L.P.	4.15% bonds	February 1, 2024
Kinder Morgan Energy Partners, L.P.	4.25% bonds	September 1, 2024
Kinder Morgan Energy Partners, L.P.	7.40% bonds	March 15, 2031
Kinder Morgan Energy Partners, L.P.	7.75% bonds	March 15, 2032
Kinder Morgan Energy Partners, L.P.	7.30% bonds	August 15, 2033
Kinder Morgan Energy Partners, L.P.	5.80% bonds	March 15, 2035
Kinder Morgan Energy Partners, L.P.	6.50% bonds	February 1, 2037
Kinder Morgan Energy Partners, L.P.	6.95% bonds	January 15, 2038

Exhibit 10.1

Schedule I
(Guaranteed Obligations)
Current as of: September 30, 2017

Issuer	Indebtedness	Maturity
Kinder Morgan Energy Partners, L.P.	6.50% bonds	September 1, 2039
Kinder Morgan Energy Partners, L.P.	6.55% bonds	September 15, 2040
Kinder Morgan Energy Partners, L.P.	6.375% bonds	March 1, 2041
Kinder Morgan Energy Partners, L.P.	5.625% bonds	September 1, 2041
Kinder Morgan Energy Partners, L.P.	5.00% bonds	August 15, 2042
Kinder Morgan Energy Partners, L.P.	5.00% bonds	March 1, 2043
Kinder Morgan Energy Partners, L.P.	5.50% bonds	March 1, 2044
Kinder Morgan Energy Partners, L.P.	5.40% bonds	September 1, 2044
Kinder Morgan Energy Partners, L.P.(1)	6.50% bonds	April 1, 2020
Kinder Morgan Energy Partners, L.P.(1)	5.00% bonds	October 1, 2021
Kinder Morgan Energy Partners, L.P.(1)	4.30% bonds	May 1, 2024
Kinder Morgan Energy Partners, L.P.(1)	7.50% bonds	November 15, 2040
Kinder Morgan Energy Partners, L.P.(1)	4.70% bonds	November 1, 2042
Tennessee Gas Pipeline Company, L.L.C.	7.00% bonds	March 15, 2027
Tennessee Gas Pipeline Company, L.L.C.	7.00% bonds	October 15, 2028
Tennessee Gas Pipeline Company, L.L.C.	8.375% bonds	June 15, 2032
Tennessee Gas Pipeline Company, L.L.C.	7.625% bonds	April 1, 2037
El Paso Natural Gas Company, L.L.C.	8.625% bonds	January 15, 2022
El Paso Natural Gas Company, L.L.C.	7.50% bonds	November 15, 2026
El Paso Natural Gas Company, L.L.C.	8.375% bonds	June 15, 2032
Colorado Interstate Gas Company, L.L.C.	4.15% notes	August 15, 2026
Colorado Interstate Gas Company, L.L.C.	6.85% bonds	June 15, 2037
El Paso Tennessee Pipeline Co. L.L.C.	7.25% bonds	December 15, 2025
Other	KM LQT IRBs-Stolt floating rate bonds	January 15, 2018
Other	Cora industrial revenue bonds	April 1, 2024

(1) The original issuer, El Paso Pipeline Partners, L.P. merged with and into Kinder Morgan Energy Partners, L.P. effective January 1, 2015.

Schedule I
(Guaranteed Obligations)
Current as of: September 30, 2017

Hedging Agreements[1]

Issuer	Guaranteed Party	Date
Kinder Morgan, Inc.	Bank of America, N.A.	August 29, 2001
Kinder Morgan, Inc.	BNP Paribas	September 15, 2016
Kinder Morgan, Inc.	Citibank, N.A.	March 16, 2017
Kinder Morgan, Inc.	J. Aron & Company	December 23, 2011
Kinder Morgan, Inc.	SunTrust Bank	August 29, 2001
Kinder Morgan, Inc.	Barclays Bank PLC	November 26, 2014
Kinder Morgan, Inc.	Bank of Tokyo-Mitsubishi, Ltd., New York Branch	November 26, 2014
Kinder Morgan, Inc.	Canadian Imperial Bank of Commerce	November 26, 2014
Kinder Morgan, Inc.	Compass Bank	March 24, 2015
Kinder Morgan, Inc.	Credit Agricole Corporate and Investment Bank	November 26, 2014
Kinder Morgan, Inc.	Credit Suisse International	November 26, 2014
Kinder Morgan, Inc.	Deutsche Bank AG	November 26, 2014
Kinder Morgan, Inc.	ING Capital Markets LLC	November 26, 2014
Kinder Morgan, Inc.	JPMorgan Chase Bank, N.A.	February 19, 2015
Kinder Morgan, Inc.	Mizuho Capital Markets Corporation	November 26, 2014
Kinder Morgan, Inc.	Royal Bank of Canada	November 26, 2014
Kinder Morgan, Inc.	SMBC Capital Markets, Inc.	April 26, 2017
Kinder Morgan, Inc.	The Bank of Nova Scotia	November 26, 2014
Kinder Morgan, Inc.	The Royal Bank of Scotland PLC	November 26, 2014
Kinder Morgan, Inc.	Societe Generale	November 26, 2014
Kinder Morgan, Inc.	UBS AG	November 26, 2014
Kinder Morgan, Inc.	Wells Fargo Bank, N.A.	November 26, 2014
Kinder Morgan Energy Partners, L.P.	Bank of America, N.A.	April 14, 1999
Kinder Morgan Energy Partners, L.P.	Bank of Tokyo-Mitsubishi, Ltd., New York Branch	November 23, 2004
Kinder Morgan Energy Partners, L.P.	Barclays Bank PLC	November 18, 2003
Kinder Morgan Energy Partners, L.P.	Canadian Imperial Bank of Commerce	August 4, 2011
Kinder Morgan Energy Partners, L.P.	Citibank, N.A.	March 14, 2002
Kinder Morgan Energy Partners, L.P.	Credit Agricole Corporate and Investment Bank	June 20, 2014
Kinder Morgan Energy Partners, L.P.	Credit Suisse International	May 14, 2010
Kinder Morgan Energy Partners, L.P.	Deutsche Bank AG	April 2, 2009
Kinder Morgan Energy Partners, L.P.	ING Capital Markets LLC	September 21, 2011

[1] Guaranteed Obligations with respect to Hedging Agreements include International Swaps and Derivatives Association Master Agreements ("ISDAs") and all transactions entered into pursuant to any ISDA listed on this Schedule I.

Exhibit 10.1

Schedule I
(Guaranteed Obligations)
Current as of: September 30, 2017

Hedging Agreements[1]

Issuer	**Guaranteed Party**	**Date**
Kinder Morgan Energy Partners, L.P.	J. Aron & Company	November 11, 2004
Kinder Morgan Energy Partners, L.P.	JPMorgan Chase Bank	August 29, 2001
Kinder Morgan Energy Partners, L.P.	Mizuho Capital Markets Corporation	July 11, 2014
Kinder Morgan Energy Partners, L.P.	Morgan Stanley Capital Services Inc.	March 10, 2010
Kinder Morgan Energy Partners, L.P.	Royal Bank of Canada	March 12, 2009
Kinder Morgan Energy Partners, L.P.	The Royal Bank of Scotland PLC	March 20, 2009
Kinder Morgan Energy Partners, L.P.	The Bank of Nova Scotia	August 14, 2003
Kinder Morgan Energy Partners, L.P.	Societe Generale	July 18, 2014
Kinder Morgan Energy Partners, L.P.	SunTrust Bank	March 14, 2002
Kinder Morgan Energy Partners, L.P.	UBS AG	February 23, 2011
Kinder Morgan Energy Partners, L.P.	Wells Fargo Bank, N.A.	July 31, 2007
Kinder Morgan Texas Pipeline LLC	Barclays Bank PLC	January 10, 2003
Kinder Morgan Texas Pipeline LLC	BNP Paribas	March 2, 2005
Kinder Morgan Texas Pipeline LLC	Canadian Imperial Bank of Commerce	December 18, 2006
Kinder Morgan Texas Pipeline LLC	Citibank, N.A.	February 22, 2005
Kinder Morgan Texas Pipeline LLC	Credit Suisse International	August 31, 2012
Kinder Morgan Texas Pipeline LLC	Deutsche Bank AG	June 13, 2007
Kinder Morgan Texas Pipeline LLC	ING Capital Markets LLC	April 17, 2014
Kinder Morgan Production LLC	J. Aron & Company	June 12, 2006
Kinder Morgan Texas Pipeline LLC	J. Aron & Company	June 8, 2000
Kinder Morgan Texas Pipeline LLC	JPMorgan Chase Bank, N.A.	September 7, 2006
Kinder Morgan Texas Pipeline LLC	Macquarie Bank Limited	September 20, 2010
Kinder Morgan Texas Pipeline LLC	Merrill Lynch Commodities, Inc.	October 24, 2001
Kinder Morgan Texas Pipeline LLC	Morgan Stanley Capital Group Inc.	January 15, 2004
Kinder Morgan Texas Pipeline LLC	Natixis	June 13, 2011
Kinder Morgan Texas Pipeline LLC	Phillips 66 Company	March 30, 2015
Kinder Morgan Texas Pipeline LLC	Royal Bank of Canada	May 6, 2009
Kinder Morgan Texas Pipeline LLC	The Bank of Nova Scotia	May 8, 2014
Kinder Morgan Texas Pipeline LLC	Shell Trading (US) Company	November 14, 2011
Kinder Morgan Texas Pipeline LLC	Societe Generale	January 14, 2003
Kinder Morgan Texas Pipeline LLC	Wells Fargo Bank, N.A.	June 1, 2013
Copano Risk Management, LLC	Citibank, N.A.	July 21, 2008
Copano Risk Management, LLC	J. Aron & Company	December 12, 2005
Copano Risk Management, LLC	Morgan Stanley Capital Group Inc.	May 4, 2007
Copano Risk Management, LLC	Wells Fargo Bank, N.A.	October 19, 2007

[1] Guaranteed Obligations with respect to Hedging Agreements include International Swaps and Derivatives Association Master Agreements (“ISDAs”) and all transactions entered into pursuant to any ISDA listed on this Schedule I.

SCHEDULE II

Guarantors
Current as of: September 30, 2017

Agnes B Crane, LLC
American Petroleum Tankers II LLC
American Petroleum Tankers III LLC
American Petroleum Tankers IV LLC
American Petroleum Tankers LLC
American Petroleum Tankers Parent LLC
American Petroleum Tankers V LLC
American Petroleum Tankers VI LLC
American Petroleum Tankers VII LLC
American Petroleum Tankers VIII LLC
American Petroleum Tankers IX LLC
American Petroleum Tankers X LLC
American Petroleum Tankers XI LLC
APT Florida LLC
APT Intermediate Holdco LLC
APT New Intermediate Holdco LLC
APT Pennsylvania LLC
APT Sunshine State LLC
Audrey Tug LLC
Betty Lou LLC
Camino Real Gathering Company, L.L.C.
Cantera Gas Company LLC
CDE Pipeline LLC
Central Florida Pipeline LLC
Cheyenne Plains Gas Pipeline Company, L.L.C.
CIG Gas Storage Company LLC
CIG Pipeline Services Company, L.L.C.
Colorado Interstate Gas Company, L.L.C.
Colorado Interstate Issuing Corporation
Copano Double Eagle LLC
Copano Energy Finance Corporation
Copano Energy Services/Upper Gulf Coast LLC
Copano Energy, L.L.C.
Copano Field Services GP, L.L.C.
Copano Field Services/North Texas, L.L.C.
Copano Field Services/South Texas LLC
Copano Field Services/Upper Gulf Coast LLC
Copano Liberty, LLC
Copano Liquids Marketing LLC
Copano NGL Services (Markham), L.L.C.
Copano NGL Services LLC
Copano Pipelines Group, L.L.C.
Copano Pipelines/North Texas, L.L.C.
Copano Pipelines/Rocky Mountains, LLC
Copano Pipelines/South Texas LLC
Copano Pipelines/Upper Gulf Coast LLC
Copano Processing LLC
Copano Risk Management LLC
Copano/Webb-Duval Pipeline LLC
CPNO Services LLC
Dakota Bulk Terminal, Inc.
Delta Terminal Services LLC
Eagle Ford Gathering LLC
El Paso Cheyenne Holdings, L.L.C.
El Paso Citrus Holdings, Inc.
El Paso CNG Company, L.L.C.
El Paso Energy Service Company, L.L.C.
El Paso LLC
El Paso Midstream Group LLC
El Paso Natural Gas Company, L.L.C.
El Paso Noric Investments III, L.L.C.
El Paso Ruby Holding Company, L.L.C.
El Paso Tennessee Pipeline Co., L.L.C.
Elba Express Company, L.L.C.
Elizabeth River Terminals LLC
Emory B Crane, LLC
EP Ruby LLC
EPBGP Contracting Services LLC
EPTP Issuing Corporation
Fernandina Marine Construction Management LLC
Frank L. Crane, LLC
General Stevedores GP, LLC
General Stevedores Holdings LLC
Glenpool West Gathering LLC
Global American Terminals LLC
Hampshire LLC
Harrah Midstream LLC
HBM Environmental, Inc.
Hiland Crude, LLC
Hiland Partners Finance Corp.
Hiland Partners Holdings LLC
ICPT, L.L.C
Independent Trading & Transportation Company I, L.L.C.
J.R. Nicholls LLC
Javelina Tug LLC
Jeannie Brewer LLC
JV Tanker Charterer LLC
Kinder Morgan 2-Mile LLC
Kinder Morgan Administrative Services Tampa LLC
Kinder Morgan Altamont LLC

Exhibit 10.1

Schedule II
(Guarantors)
Current as of: September 30, 2017

Kinder Morgan Amory LLC
Kinder Morgan Arrow Terminals Holdings, Inc.
Kinder Morgan Arrow Terminals, L.P.
Kinder Morgan Baltimore Transload Terminal LLC
Kinder Morgan Battleground Oil LLC
Kinder Morgan Border Pipeline LLC
Kinder Morgan Bulk Terminals LLC
Kinder Morgan Carbon Dioxide Transportation Company
Kinder Morgan CO2 Company, L.P.
Kinder Morgan Cochin LLC
Kinder Morgan Columbus LLC
Kinder Morgan Commercial Services LLC
Kinder Morgan Contracting Services LLC
Kinder Morgan Crude & Condensate LLC
Kinder Morgan Crude Marketing LLC
Kinder Morgan Crude Oil Pipelines LLC
Kinder Morgan Crude to Rail LLC
Kinder Morgan Cushing LLC
Kinder Morgan Dallas Fort Worth Rail Terminal LLC
Kinder Morgan Endeavor LLC
Kinder Morgan Energy Partners, L.P.
Kinder Morgan EP Midstream LLC
Kinder Morgan Finance Company LLC
Kinder Morgan Fleeting LLC
Kinder Morgan Freedom Pipeline LLC
Kinder Morgan Galena Park West LLC
Kinder Morgan IMT Holdco LLC
Kinder Morgan, Inc.
Kinder Morgan Keystone Gas Storage LLC
Kinder Morgan KMAP LLC
Kinder Morgan Las Vegas LLC
Kinder Morgan Linden Transload Terminal LLC
Kinder Morgan Liquids Terminals LLC
Kinder Morgan Liquids Terminals St. Gabriel LLC
Kinder Morgan Louisiana Pipeline Holding LLC
Kinder Morgan Louisiana Pipeline LLC
Kinder Morgan Marine Services LLC
Kinder Morgan Materials Services, LLC
Kinder Morgan Mid Atlantic Marine Services LLC
Kinder Morgan NatGas O&M LLC
Kinder Morgan NGPL Holdings LLC
Kinder Morgan North Texas Pipeline LLC
Kinder Morgan Operating L.P. "A"
Kinder Morgan Operating L.P. "B"
Kinder Morgan Operating L.P. "C"
Kinder Morgan Operating L.P. "D"
Kinder Morgan Pecos LLC
Kinder Morgan Pecos Valley LLC
Kinder Morgan Petcoke GP LLC
Kinder Morgan Petcoke LP LLC
Kinder Morgan Petcoke, L.P.
Kinder Morgan Petroleum Tankers LLC
Kinder Morgan Pipeline LLC
Kinder Morgan Port Manatee Terminal LLC
Kinder Morgan Port Sutton Terminal LLC
Kinder Morgan Port Terminals USA LLC
Kinder Morgan Production Company LLC
Kinder Morgan Products Terminals LLC
Kinder Morgan Rail Services LLC
Kinder Morgan Resources II LLC
Kinder Morgan Resources III LLC
Kinder Morgan Resources LLC
Kinder Morgan River Terminals LLC
Kinder Morgan Seven Oaks LLC
Kinder Morgan SNG Operator LLC
Kinder Morgan Southeast Terminals LLC
Kinder Morgan Scurry Connector LLC
Kinder Morgan Tank Storage Terminals LLC
Kinder Morgan Tejas Pipeline LLC
Kinder Morgan Terminals, Inc.
Kinder Morgan Terminals Wilmington LLC
Kinder Morgan Texas Pipeline LLC
Kinder Morgan Texas Terminals, L.P.
Kinder Morgan Transmix Company, LLC
Kinder Morgan Treating LP
Kinder Morgan Urban Renewal, L.L.C.
Kinder Morgan Utica LLC
Kinder Morgan Vehicle Services LLC
Kinder Morgan Virginia Liquids Terminals LLC
Kinder Morgan Wink Pipeline LLC
KinderHawk Field Services LLC
KM Crane LLC
KM Decatur, Inc.
KM Eagle Gathering LLC
KM Gathering LLC
KM Kaskaskia Dock LLC
KM Liquids Terminals LLC
KM North Cahokia Land LLC
KM North Cahokia Special Project LLC
KM North Cahokia Terminal Project LLC
KM Ship Channel Services LLC
KM Treating GP LLC
KM Treating Production LLC
KMBT LLC
KMGP Services Company, Inc.
KN Telecommunications, Inc.
Knight Power Company LLC

Schedule II
(Guarantors)
Current as of: September 30, 2017

Lomita Rail Terminal LLC
Milwaukee Bulk Terminals LLC
MJR Operating LLC
Mojave Pipeline Company, L.L.C.
Mojave Pipeline Operating Company, L.L.C.
Mr. Bennett LLC
Mr. Vance LLC
Nassau Terminals LLC
Paddy Ryan Crane, LLC
Palmetto Products Pipe Line LLC
PI 2 Pelican State LLC
Pinney Dock & Transport LLC
Queen City Terminals LLC
Rahway River Land LLC
Razorback Tug LLC
RCI Holdings, Inc.
River Terminals Properties GP LLC
River Terminal Properties, L.P.
ScissorTail Energy, LLC
SNG Pipeline Services Company, L.L.C.
Southern Gulf LNG Company, L.L.C.
Southern Liquefaction Company LLC
Southern LNG Company, L.L.C.
Southern Oklahoma Gathering LLC
SouthTex Treaters LLC
Southwest Florida Pipeline LLC
SRT Vessels LLC
Stevedore Holdings, L.P.
Tajon Holdings, Inc.
Tejas Gas, LLC
Tejas Natural Gas, LLC
Tennessee Gas Pipeline Company, L.L.C.
Tennessee Gas Pipeline Issuing Corporation
Texan Tug LLC
TGP Pipeline Services Company, L.L.C.
TransColorado Gas Transmission Company LLC
Transload Services, LLC
Utica Marcellus Texas Pipeline LLC
Western Plant Services, Inc.
Wyoming Interstate Company, L.L.C.

SCHEDULE III

Excluded Subsidiaries

ANR Real Estate Corporation
Coastal Eagle Point Oil Company
Coastal Oil New England, Inc.
Colton Processing Facility
Coscol Petroleum Corporation
El Paso CGP Company, L.L.C.
El Paso Energy Capital Trust I
El Paso Energy E.S.T. Company
El Paso Energy International Company
El Paso Marketing Company, L.L.C.
El Paso Merchant Energy North America Company, L.L.C.
El Paso Merchant Energy-Petroleum Company
El Paso Reata Energy Company, L.L.C.
El Paso Remediation Company
El Paso Services Holding Company
EPEC Corporation
EPEC Oil Company Liquidating Trust
EPEC Polymers, Inc.
EPED Holding Company
KN Capital Trust I
KN Capital Trust III
Mesquite Investors, L.L.C.

Note: The Excluded Subsidiaries listed on this Schedule III may also be Excluded Subsidiaries pursuant to other exceptions set forth in the definition of “Excluded Subsidiary”.

Exhibit 31.1

KINDER MORGAN, INC. AND SUBSIDIARIES
CERTIFICATION PURSUANT TO RULE 13A-14(A) OR 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven J. Kean, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kinder Morgan, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 20, 2017

/s/ Steven J. Kean
Steven J. Kean
President and Chief Executive Officer

Exhibit 31.2

KINDER MORGAN, INC. AND SUBSIDIARIES
CERTIFICATION PURSUANT TO RULE 13A-14(A) OR 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Dang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kinder Morgan, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 20, 2017

/s/ Kimberly A. Dang
Kimberly A. Dang
Vice President and Chief Financial Officer

Exhibit 32.1

KINDER MORGAN, INC. AND SUBSIDIARIES
Exhibit 32.1 - CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Kinder Morgan, Inc. (the "Company") for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Kinder Morgan, Inc. and will be retained by Kinder Morgan, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Date: October 20, 2017

/s/ Steven J. Kean
Steven J. Kean
President and Chief Executive Officer

Exhibit 32.2

KINDER MORGAN, INC. AND SUBSIDIARIES
Exhibit 32.2 - CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Kinder Morgan, Inc. (the “Company”) for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Kinder Morgan, Inc. and will be retained by Kinder Morgan, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Date: October 20, 2017

/s/ Kimberly A. Dang
Kimberly A. Dang
Vice President and Chief Financial Officer