KINDER MORGAN INC.

MUFG Oil & Gas Conference

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May 7, 2015

Forward-Looking Statements / Non-GAAP Financial Measures

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

We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to our Analyst Day presentation, dated 1/28/2015, on our website at www.kindermorgan.com. These non-GAAP measures should not be considered an alternative to GAAP financial measures.

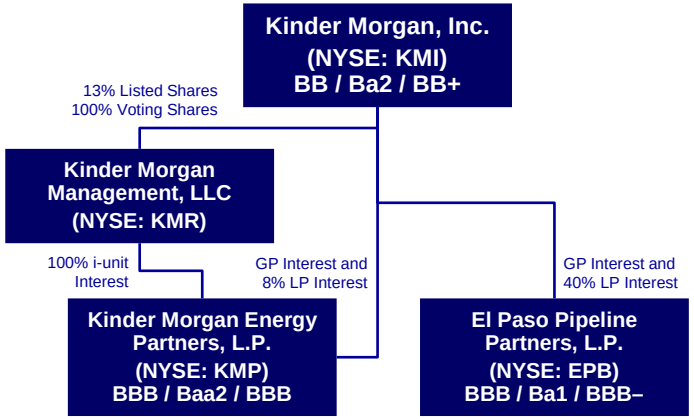
KMI Acquisition of KMP, KMR & EPB

Simplicity is Bliss

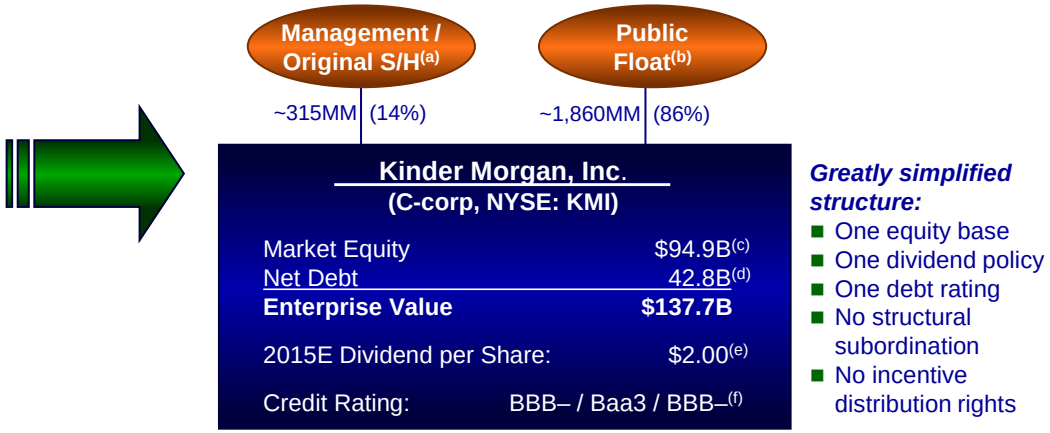
Value enhancing combination paves way for significant growth, simplifies structure

- **$77 billion transaction closed 11/26/2014**
- **Greater dividend growth and visibility**
  - 2015 budgeted dividend of $2.00 (15% growth over 2014)
  - 10% annual growth expected through 2020
  - Expect substantial dividend coverage, even in lower commodity price environment
- **Significantly lower cost of capital to pursue expansion and acquisition opportunities**
- **New, simplified, investment grade public c-corp structure**

Prior Public Structure



Simplified Public Structure



Greatly simplified structure:

- One equity base
- One dividend policy
- One debt rating
- No structural subordination
- No incentive distribution rights

(a) Includes Form-4 filers and unvested restricted shares.
(b) Includes ~69MM share stake held by sponsor Highstar Capital.
(c) Market prices as of 4/30/2015; KMI market equity based on ~2,175 million shares outstanding (including restricted shares) at a price of $42.95 and ~299 million warrants at a price of $4.88.
(d) Debt of KMI and its consolidated subsidiaries as of 3/31/2015, net of cash, and excluding fair value adjustments and Kinder Morgan G.P., Inc.'s $100 million preferred stock due 2057.
(e) Declared dividend per share per 2015 budget.
(f) KMI corporate credit ratings with Stable outlook from S&P, Moody's and Fitch, respectively.

Weathering the Storm

Well-positioned Assets, Stable Cash Flow

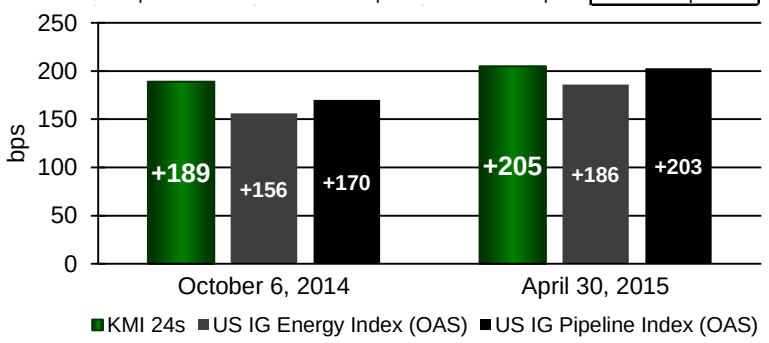
- **Low commodity price sensitivity**
  - 2015 budgeted EBDA is ~85% fee-based, ~94% fee-based or hedged
  - $1/Bbl change in oil price = $10 million DCF impact; 10¢/MMBtu change in natural gas price = $3 million DCF impact
- **Existing backlog largely insulated from oil price fluctuation due to long-term customer contracts and association with high-demand, multi-year projects**
  - In sustained low price environment, the rate at which we add to our backlog may slow
  - Capital cost savings are possible
- **Significant demand creation expected with lower-priced petroleum feedstocks**
- **Acquisition opportunities**

Weathering the High Seas[a]

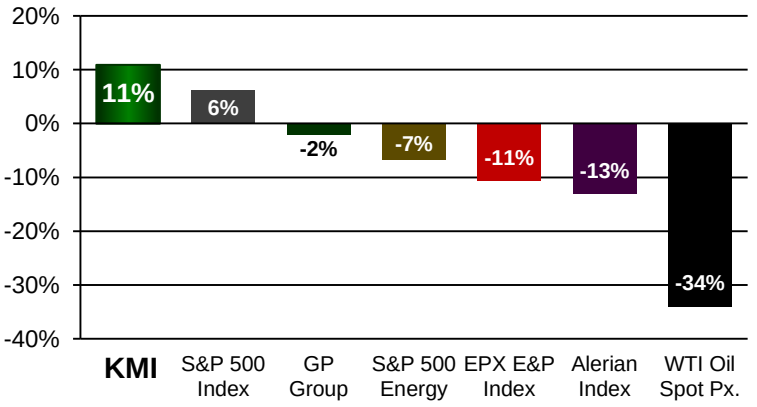
- **Oil last closed above $90/Bbl on 10/6/2014**
- **Though recently improved, oil prices still significantly lower today, down 34%**
- **Safe harbor: KMI has demonstrated strong relative stock and bond performance since 10/6/2014**

KMI Bond Trading Since Oil was last $90[b]

	October 6, 2014	April 30, 2015	Change
KMI 24s	UST+189 bps	UST+205 bps	+16 bps
IG Energy Index	UST+156 bps	UST+186 bps	+30 bps
IG Pipelines Index	UST+170 bps	UST+203 bps	+33 bps



KMI Stock Performance Since Oil was Last $90[a,c]



(a) Source: Bloomberg. Prices as of 4/30/2015; price performance from 10/6/2014 through 4/30/2015.
(b) Sources: KMI 4.25% 2024 trading data per TRACE (incl. all trades >$1mm); Index data per Yieldbook.
(c) GP Group comprised of: Energy Transfer Equity, L.P., Enlink Midstream, LLC, ONEOK, Inc., Plains GP Holdings, L.P., Spectra Energy Corp., Targa Resources Corp., Williams Companies, Inc.

Credit Strengths

Industry-leading Footprint, Business Diversification and Liquidity

- **Best-in-class scale and diversified cash flow**
  - Largest energy infrastructure company in North America
  - Significant positions across multiple energy infrastructure industries with diverse market dynamics
  - Industry-leading position in every business segment
  - Limited commodity price exposure with emphasis on fee-based cash flows
- **Investment grade rating and significant liquidity**
  - Our investing entity has been investment grade since inception in 1997
    - Enables ready access to capital markets
    - Provides flexibility to pursue growth opportunities in good times and bad
  - Committed to investment grade rating
    - Issued ~$23.4 billion[(a)] in equity at MLPs, from inception through 2014
    - Issued ~$1.7 billion in equity at KMI in 1Q 2015
  - $4 billion corporate revolver with ~$3 billion of liquidity[(b)]
- **Diversified customer base with minimal concentration**
  - Average customer represents less than 0.05% of annual revenue
    - Handful of customers represent >1% of annual revenue individually, but tend to be highly credit-worthy, super-major corporations
    - We require adequate collateral from our non-investment grade customers

(a) From 1997 inception through 2014; represents capital raised at KMP (1997-2014) and EPB (2013-2014), where applicable. Equity includes KMR share dividends.
(b) As of 3/31/2015.

Our Strategy

Stay the Course

Same Strategy Since Inception

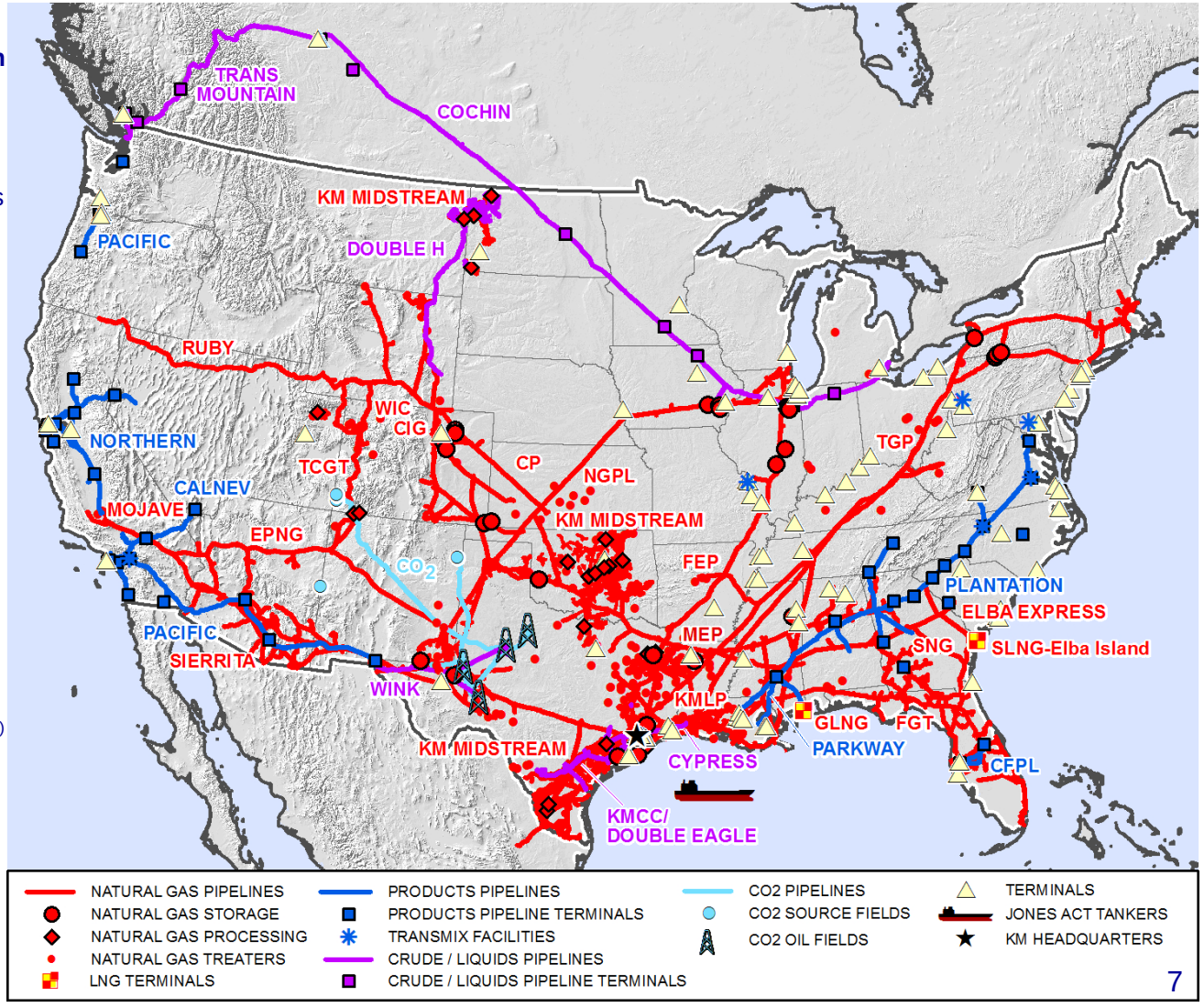
- **Focus on stable fee-based assets that are core to North American energy infrastructure**
  - Market leader in each of our business segments
- **Maintaining strong balance sheet is paramount**
  - Accessed capital markets for approximately $46 billion since inception[(a)]
  - Investing entity investment grade since inception
- **Control costs**
  - It's investors' money, not management's – treat it that way
- **Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition**
  - Since 1997, Kinder Morgan has completed approximately $26 billion in acquisitions and invested approximately $22 billion in greenfield / expansion projects[(b)]
  - We believe our new lower cost of capital at investing entity will increase our investment opportunity set
- **Transparency to investors**
- **Keep it simple**
  - Now one publicly traded company instead of four

(a) From 1997 inception through 2014; represents combined gross capital raised of KMP (1997-2014) and EPB (2013-2014). Net of refinancing, approximately $42 billion of capital raised.
(b) From 1997 inception through 2014; represents combined investment of KMP (1997-2014) and EPB (2013-2014).

Unparalleled Asset Footprint

Largest Energy Infrastructure Company in North America

- **3rd largest energy company in N. America with an enterprise value of over $135 billion**
- **Over $18 billion of currently identified organic growth projects**
- **Largest natural gas network in N. America**
  - Own an interest in / operate ~69,000 miles of natural gas pipeline
  - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Bakken, Uinta, Haynesville, Fayetteville and Barnett
- **Largest independent transporter of petroleum products in N. America**
  - Transport ~2.4 MMBbl/d[(a)]
- **Largest transporter of CO_2 in N. America**
  - Transport ~1.4 Bcf/d of CO_2[(a)]
- **Largest independent terminal operator in N. America[(b)]**
  - Own an interest in or operate 165 liquids / dry bulk terminals
  - ~142 MMBbls domestic liquids capacity
  - Handle ~83 MMtons of dry bulk products[(a)]
  - Strong Jones Act shipping position
- **Only Oilsands pipe serving West Coast**
  - Transports ~300 MBbl/d to Vancouver / Washington State; proposed expansion takes capacity to 890 MBbl/d

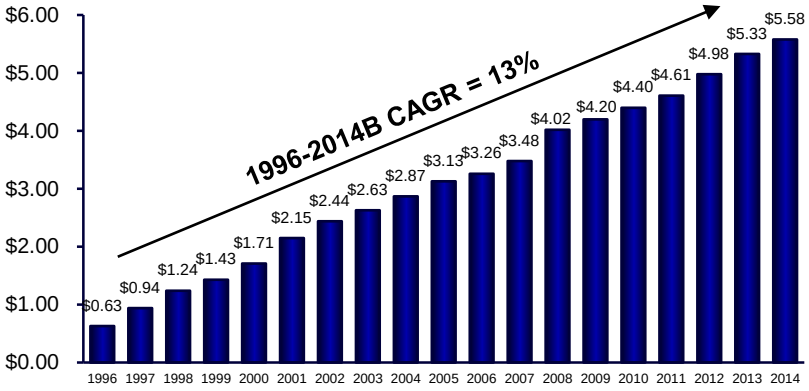


(a) 2015 budgeted volumes.
(b) Excludes terminals contributed to Watco.

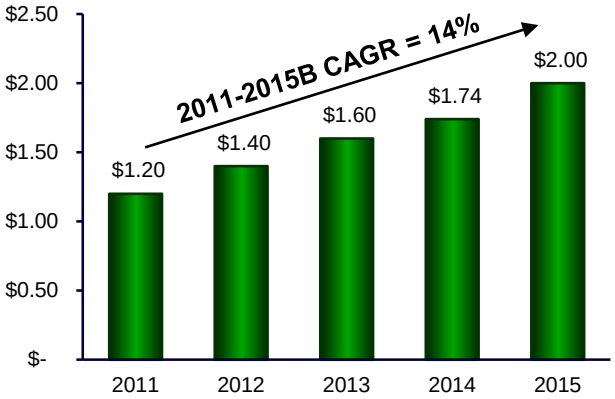
18 Years of Stable Growth

Strategy Has Led to Consistent, Growing Results

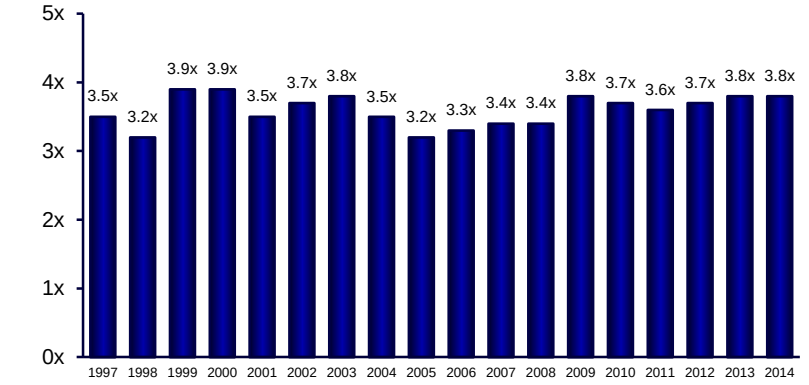
KMP Annual LP Distribution per Unit[(a)]



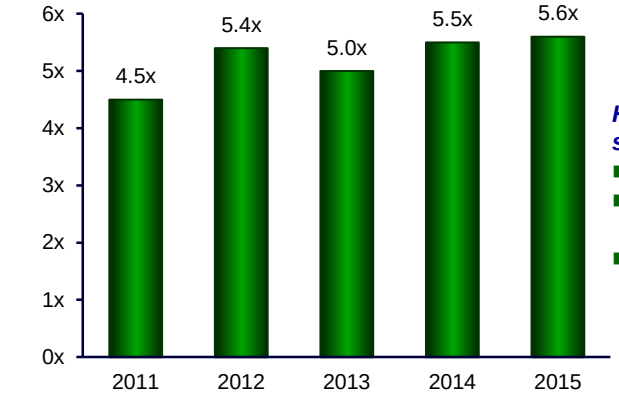
KMI Annual Dividend per Share[(c)]



KMP Net Debt to EBITDA[(b)]



KMI Net Debt to EBITDA[(b)]



Higher leverage supported by:

- Greater scale
- Greater business diversification
- No structural subordination

Note: KMP was Kinder Morgan's primary investment vehicle and held the majority of operating assets from 1996 to 2014.

(a) KMP annual LP declared distributions, rounded to 2 decimals where applicable. 2014 data per budget as KMP was acquired by KMI prior to declaring a 4Q 2014 distribution.

(b) Debt is net of cash and excludes fair value adjustments. KMP 2014 as of 9/30/2014. KMI 2015 per budget.

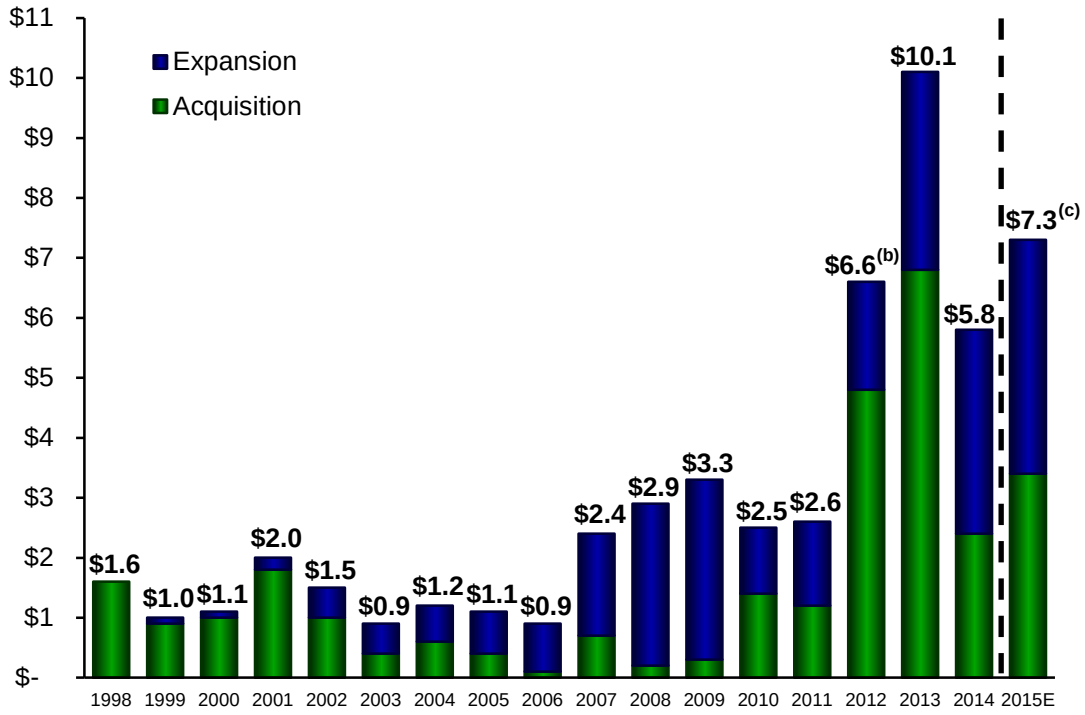
(c) KMI annual declared dividend. 2015 per budget.

Capital Invested

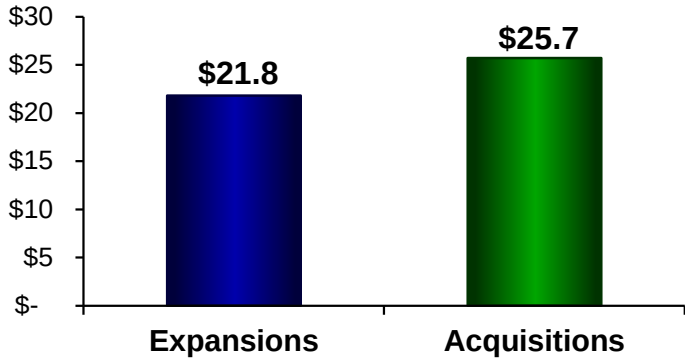
~$48 Billion of Asset Investment & Acquisitions Since Inception[a,b]

($ in billions)

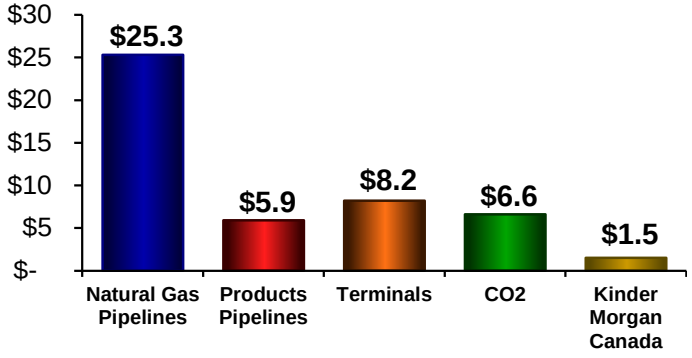
Total Invested by Year



Total Invested by Type



Total Invested by Segment



Note: includes equity contributions to joint ventures.

(a) From 1997 inception through 2014; represents combined investment of KMP (1997-2014) and EPB (2013-2014).

(b) 2012 net of proceeds from FTC Rockies divestiture.

(c) 2015 forecast.

Returns on Invested Capital

Consistent Returns Demonstrate Asset Performance, Management Discipline

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Segment ROI[a]:															
Natural Gas Pipes–KMP	13.3%	15.5%	12.9%	13.5%	14.0%	15.5%	16.7%	17.5%	16.9%	14.0%	11.9%	11.9%	11.9%	11.6%[b]	11.5%[b]
Natural Gas Pipes–EPB														9.5	9.7
Products Pipelines	11.9	11.8	12.8	12.9	12.4	11.6	11.8	13.2	12.5	13.4	13.7	12.9	12.1	12.4	12.3
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8	15.5	15.1	14.6	14.3	13.5	12.1	11.2
CO_2	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8	25.9	23.5	25.7	26.2	28.7	26.6	23.3
KM Canada	--	--	--	--	--	--	--	11.0	12.1	12.8	13.7	14.1	16.3	14.8	11.5
Return on Investment	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%	13.5%	13.5%	13.6%	11.9%[c]	11.5%[c]
Return on Equity	17.2%	19.4%	20.9%	21.7%	23.4%	23.9%	22.6%	22.9%	25.2%	25.2%	24.3%	24.0%	24.0%	21.7%[c]	20.2%[c]

Notes: A definition of these measures may be found in the Appendix to our Analyst Day presentation, dated 1/28/2015, on our website at www.kindermorgan.com.
Analysis excludes NGPL and Citrus.

(a) G&A is deducted to calculate the combined ROI, but is not allocated to the segments and therefore not deducted to calculate the individual Segment ROI.

(b) The denominator includes approximately $1.1 billion in REX capital not recovered in Nov-2013 sale price (i.e., leave behind). Excluding the leave behind increases the Natural Gas Pipes-KMP ROI to 12.3% and 12.0% in 2013 and 2014, respectively.

(c) Includes EPB in 2013 and 2014. ROI without EPB was 12.6% and 11.9% in 2013 and 2014, respectively, and KMP ROE without EPB was 21.7% and 19.8% in 2013 and 2014, respectively.

Financial Rigor

Promises Made, Promises Kept

Promises Made	Promises Kept
KMI Budgeted Dividend:	**KMI Actual Dividend:**
2011: $1.16[(a)]	2011: $1.20[(a)]
2012: $1.35	2012: $1.40
2013: $1.57	2013: $1.60
2014: $1.72	2014: $1.74
KMP Budgeted LP Distribution:	**KMP Actual LP Distribution:**
2000: $1.60	2000: $1.71
2001: $1.95	2001: $2.15
2002: $2.40	2002: $2.435
2003: $2.63	2003: $2.63
2004: $2.84	2004: $2.87
2005: $3.13	2005: $3.13
2006: $3.28	2006: $3.26
2007: $3.44	2007: $3.48
2008: $4.02	2008: $4.02
2009: $4.20	2009: $4.20
2010: $4.40	2010: $4.40
2011: $4.60	2011: $4.61
2012: $4.98	2012: $4.98
2013: $5.28	2013: $5.33
2014: $4.17[(b)]	2014: $4.17[(b)]

KMI has exceeded its dividend target in each of past 4 yrs.

KMP achieved or exceeded LP distribution target in 14 out of 15 years

(a) Presented as if KMI were publicly traded for all of 2011.
(b) First three quarters only as KMP was acquired prior to declaring 4Q 2014 distribution.

2015 Budget Guidance

Supported by Diversified, Fee-based Cash Flow

2015 Budget

- **KMI 2015 budgeted dividend of $2.00 per share**
  - 15% growth over 2014
  - Excess coverage of ~$654 million
- **Growth capex of ~$4.4 billion in expansions (including JV contributions) and small acquisitions**
- **Year-end 2015 debt to EBITDA ratio of 5.6x**
- **2015 budget assumes WTI oil price of $70/Bbl and natural gas price of $3.80/MMBtu**
  - $1/Bbl change in oil price = $10 million DCF impact
  - 10¢/MMBtu change in natural gas price = $3 million DCF impact
- **Segment EBDA[(a)] of ~$8.2 billion**

Commodity Price Sensitivity

- 2015 budgeted coverage over declared dividend of $654 million (assumes $70/Bbl oil price and $3.80/MMBtu natural gas price)
- Expected 2015 coverage under various commodity price scenarios:

Natural Gas Price ($/MMBtu)	WTI Oil Price ($/Bbl) $ 80	**$ 70**	$ 60	$ 50	$ 40
$ 4.50	$ 775	$ 675	$ 575	$ 475	$ 375
$ 4.00	$ 760	$ 660	$ 560	$ 460	$ 360
$ 3.80	$ 754	**$ 654**	$ 554	$ 454	$ 354
$ 3.50	$ 745	$ 645	$ 545	$ 445	$ 345
$ 3.00	$ 730	$ 630	$ 530	$ 430	$ 330
$ 2.50	$ 715	$ 615	$ 515	$ 415	$ 315

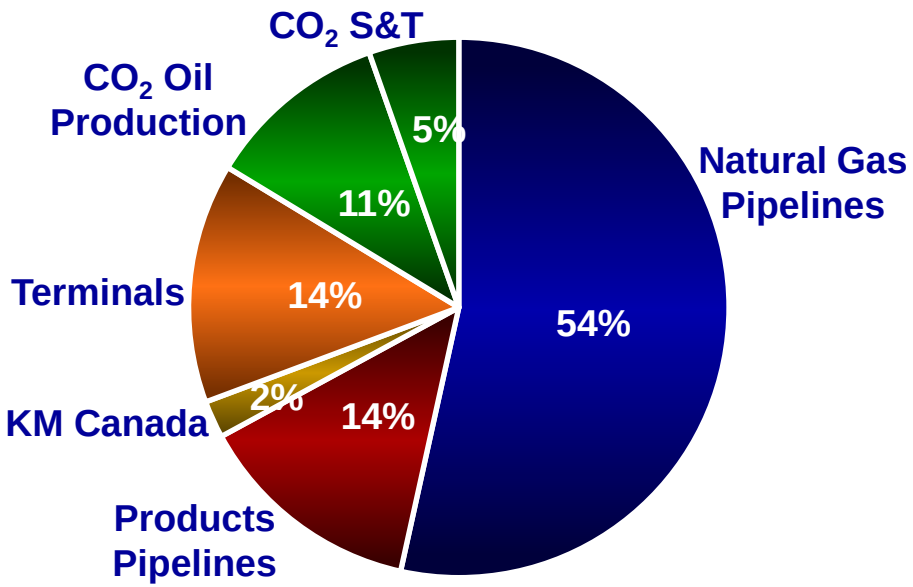
- Sensitivities based on **full-year** average price changes from budget
- Sensitivities intended to be an approximation only and assume no additional hedges are added throughout the year
- Does not take into account potential cost savings in lower price environment

(a) Segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.

2015 Budgeted Segment Earnings Profile

Driven by Natural Gas

2015 Budgeted Segment EBDA = $8.2 billion[a]



~85% of cash flows fee-based for 2015; ~94% fee-based or hedged

Natural Gas Pipelines

- 71% interstate pipelines
- 21% gathering, processing & treating
- 8% intrastate pipelines & storage

Products Pipelines

- 66% refined products
- 34% crude / liquids

Terminals

- 66% liquids
- 34% bulk

CO_2

- 33% CO_2 transport and sales
- 67% oil production-related
  - Production hedged[b]:
    2015=81% ($79)
    2016=57% ($76)
    2017=37% ($76)
    2018=27% ($77)
    2019=6% ($66)

Kinder Morgan Canada

- 100% petroleum pipelines

(a) 2015 budgeted segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.
(b) Percent of estimated Apr-Dec 2015 net crude oil and heavy natural gas liquids (C4+) production.

2015 Growth Capital Expenditure Forecast

($ in millions)

	2015 Forecast	2015 Budget
Growth capital		
Natural Gas	$ 1,922	$ 2,002
CO_2 - S&T	310	713
CO_2 - EOR	452	524
Products	541	327
Terminals	876	731
Kinder Morgan Canada	99	84
Subtotal, excl. large acquisitions[(a)]	4,198	4,381
Hiland acquisition	3,058	-
Total growth capital	**$ 7,256**	**$ 4,381**

(a) Includes $259 and $251 million of contributions to JVs and $283 and $340 million of small acquisitions for 2015F and 2015B, respectively.

5-year Project Backlog[(a)]

Over $18 Billion of Currently Identified Organic Growth Projects

Tremendous footprint provides $18.3B of currently identified growth projects over next 5 years

5-year Growth Capex Backlog ($B)

	2015	2016	2017	2018+	Total
Natural Gas Pipelines	$0.7	$0.7	$2.0	$1.9	$5.3
Products Pipelines	0.5	0.1	0.8	0.5	1.9
Terminals	0.5	0.3	1.3	0.2	2.3
CO_2 – S&T[(b)]	0.4	0.2	0.4	0.4	1.4
CO_2 – EOR[(b)] Oil Production	0.4	0.5	0.3	0.8	2.0
Kinder Morgan Canada				5.4	5.4
Total	$2.5	$1.8	$4.8	$9.2	$18.3

~90% of backlog is for fee-based pipelines, terminals and associated facilities

Not included in backlog:

- **Large TGP Northeast expansion (NED)**
- **Marcellus / Utica liquids pipeline solution (UMTP)**
- **Further LNG export opportunities**
- **Potential acquisitions**

(a) Highly-visible backlog consists of current projects for which commercial contracts have been either secured, or are at an advanced stage of negotiation. Total capital expenditures for each project, shown in year of expected in-service; projects in-service prior to 3/31/2015 excluded. Includes KM's proportionate share of non-wholly owned projects. Includes estimated capitalized corporate overhead of $842 million.

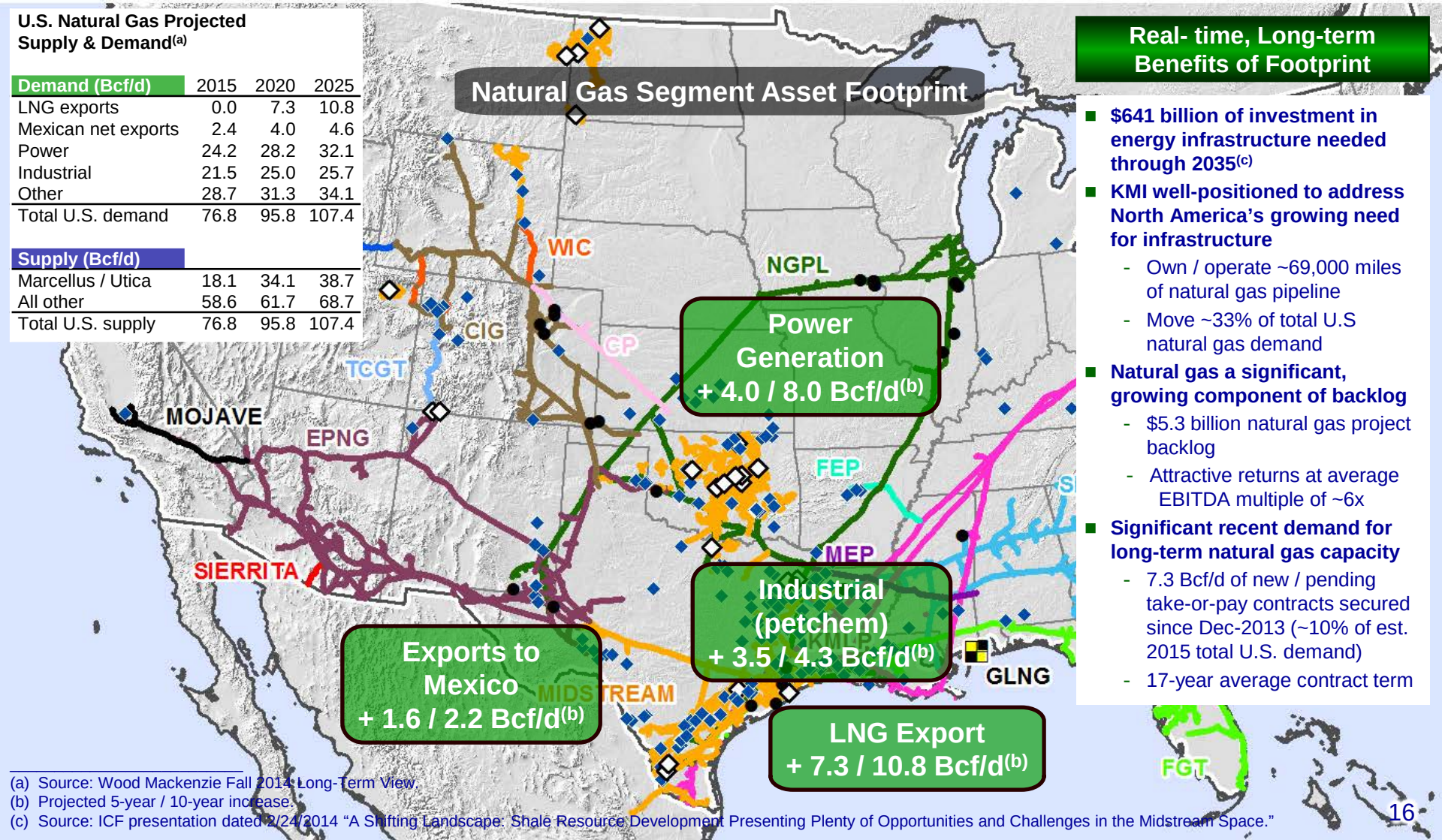
(b) S&T = CO_2 Sales & Transportation. EOR = Enhanced Oil Recovery.

Natural Gas Megatrend

Strong Natural Gas Footprint & Market Opportunity Set

U.S. Natural Gas Projected Supply & Demand[a]

Demand (Bcf/d)	2015	2020	2025
LNG exports	0.0	7.3	10.8
Mexican net exports	2.4	4.0	4.6
Power	24.2	28.2	32.1
Industrial	21.5	25.0	25.7
Other	28.7	31.3	34.1
Total U.S. demand	76.8	95.8	107.4
Supply (Bcf/d)			
Marcellus / Utica	18.1	34.1	38.7
All other	58.6	61.7	68.7
Total U.S. supply	76.8	95.8	107.4



Real- time, Long-term Benefits of Footprint

- **$641 billion of investment in energy infrastructure needed through 2035[c]**
- **KMI well-positioned to address North America's growing need for infrastructure**
  - Own / operate ~69,000 miles of natural gas pipeline
  - Move ~33% of total U.S natural gas demand
- **Natural gas a significant, growing component of backlog**
  - $5.3 billion natural gas project backlog
  - Attractive returns at average EBITDA multiple of ~6x
- **Significant recent demand for long-term natural gas capacity**
  - 7.3 Bcf/d of new / pending take-or-pay contracts secured since Dec-2013 (~10% of est. 2015 total U.S. demand)
  - 17-year average contract term

(a) Source: Wood Mackenzie Fall 2014 Long-Term View.
(b) Projected 5-year / 10-year increase.
(c) Source: ICF presentation dated 2/24/2014 "A Shifting Landscape: Shale Resource Development Presenting Plenty of Opportunities and Challenges in the Midstream Space."

Business Risks

- **Regulatory**
  - Products Pipeline FERC rate cases
  - Natural Gas FERC rate cases
  - Legislative and regulatory changes
- **Crude oil production volumes**
- **Commodity prices**
  - CO_2 oil production
    - 2015 budget assumes $70/Bbl realized price on unhedged barrels
    - Crude 2015 commodity price sensitivity: ~$7 million DCF per $1/Bbl change in crude price
  - Natural Gas Midstream
    - Processing 2015 commodity price sensitivity: ~$2 million DCF per $1/Bbl change in crude price, and ~$1.5 million per 1% change in NGL-crude ratio
    - Natural gas 2015 commodity price sensitivity: ~$2.4 million DCF per $0.10/Dth change in natural gas price
- **Project cost overruns / in-service delays**
- **Economically sensitive businesses (e.g., steel terminals)**
- **Environmental (e.g., pipeline / asset failures)**
- **Terrorism**
- **Interest rates**
  - FULL-YEAR impact of 100-bp increase in floating rates equates to a pre-tax ~$108 million increase in interest expense[(b)]

(a) As of 3/31/2015 approximately $10.8 billion of KMI's total $42.8 billion in debt was floating rate (net of cash).

Summary

- Unparalleled asset footprint
- Diversified energy infrastructure platform with stable, fee-based cash flow
- Industry leader in all business segments
- Highly visible, attractive growth project backlog
- Continued focus on strong balance sheet
- Established track record
- Experienced management team
- Transparency to investors
- Investor-friendly, simple corporate structure

KMI: ~4.5% current yield and ~10% expected annual dividend growth from 2015 to 2020

Appendix

Energy Toll Road

Diversified, Fee-based Business Model

	Natural Gas Pipelines	Products Pipelines	Terminals	CO_2	Kinder Morgan Canada
Volume Security	– **Interstate & LNG:** take or pay – **Intrastate:** ~75% take or pay[a] – **G&P:** ~77% fee-based with minimum volume requirements / acreage dedications	– **Refined products:** primarily volume-based – **Crude / liquids:** primarily take or pay	– **Liquids & Jones Act:** primarily take or pay – **Bulk:** primarily minimum volume guarantee, or requirements	– **S&T:** primarily minimum volume guarantee – **O&G:** volume-based	– Essentially no volume risk
Avg. Remaining Contract Life	– **Interstate:** 6.7 yrs. – **LNG:** 17.4 yrs. – **Intrastate:** 5.4 yrs.[a] – **G&P:** 6.3 yrs.	– **Refined products:** generally not applicable – **Crude / liquids:** ~7 yrs.	– **Liquids:** 4.0 yrs. – **Jones Act:** 3.6 yrs.[b] – **Bulk:** 3.9 yrs.	– **S&T:** 9.0 yrs.	– 1.0 yr.
Pricing Security	– **Interstate:** primarily fixed based on contract – **Intrastate:** primarily fixed margin – **G&P:** primarily fixed price	– **Refined products:** annual FERC tariff escalator (PPI + 2.65%) – **Crude / liquids:** primarily fixed based on contract	– Based on contract; typically fixed or tied to PPI	– **S&T:** 86% of revenue protected by floors – **O&G:** volumes 81% hedged[c]	– Fixed based on toll settlement
Regulatory Security	– **Interstate:** regulated return – **Intrastate:** essentially market-based – **G&P:** market-based	– **Pipelines:** regulated return – **Terminals & transmix:** not price regulated[d]	– Not price regulated[d]	– Primarily unregulated	– Regulated return
Commodity Price Exposure	– **Interstate:** no direct exposure – **Intrastate:** limited exposure – **G&P:** limited exposure	– Minimal - limited to transmix business	– No direct exposure	– Full-yr impact ~$7MM in DCF per $1/Bbl change in oil price	– No direct exposure

All figures as of 1/1/2015 except where noted, and exclude any potential changes from the Hiland Partners acquisition which closed on 2/13/2015.

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

(b) Jones Act vessels: average remaining contract term for operating tankers (7) and tankers under construction (5) is 3.6 years, or 5.8 years including options to extend. Average remaining contract term for operating tankers-only is 2.6 years, or 4.3 years including options to extend.

(c) Percent of estimated Apr-Dec 2015 net crude oil and heavy natural gas liquids (C4+) production.

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

Natural Gas Pipelines

Segment Outlook

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

Project Backlog:

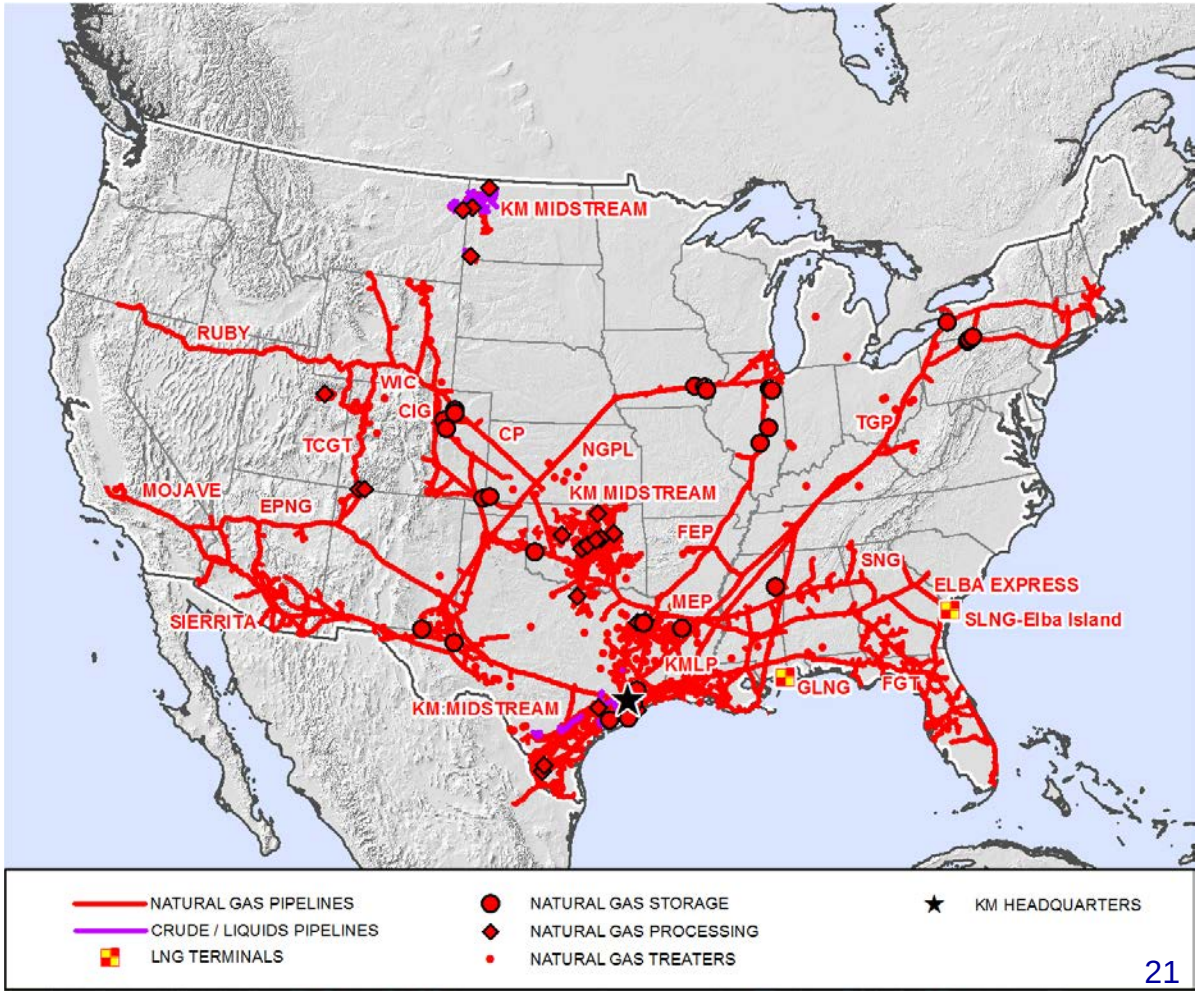
- $5.3 billion of identified growth projects over next six years[(a)], including:
  - LNG liquefaction (Elba Island)
  - Pipe projects supporting LNG liquefaction projects
  - TGP north-to-south projects
  - SNG / Elba Express expansions
  - Expansion to Mexico border
  - Hiland gathering further buildout

Long-term Growth Drivers:

- Shale-driven expansions / extensions
- LNG exports
  - Liquefaction facilities
  - Pipeline infrastructure
- Gas demand for power generation
  - Coal plant retirements
  - Regional demand growth
- Industrial demand growth
- Exports to Mexico
- Repurposing opportunities
- Acquisitions

Operations:

- Very good project development performance: on a net basis within 1% of approved costs on major projects
- Better than industry average performance on all release and safety measures
- On-time compliance with EHS requirements: 99.8%



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

Products Pipelines

Segment Outlook

Opportunities for growth from increased liquids production

Project Backlog:

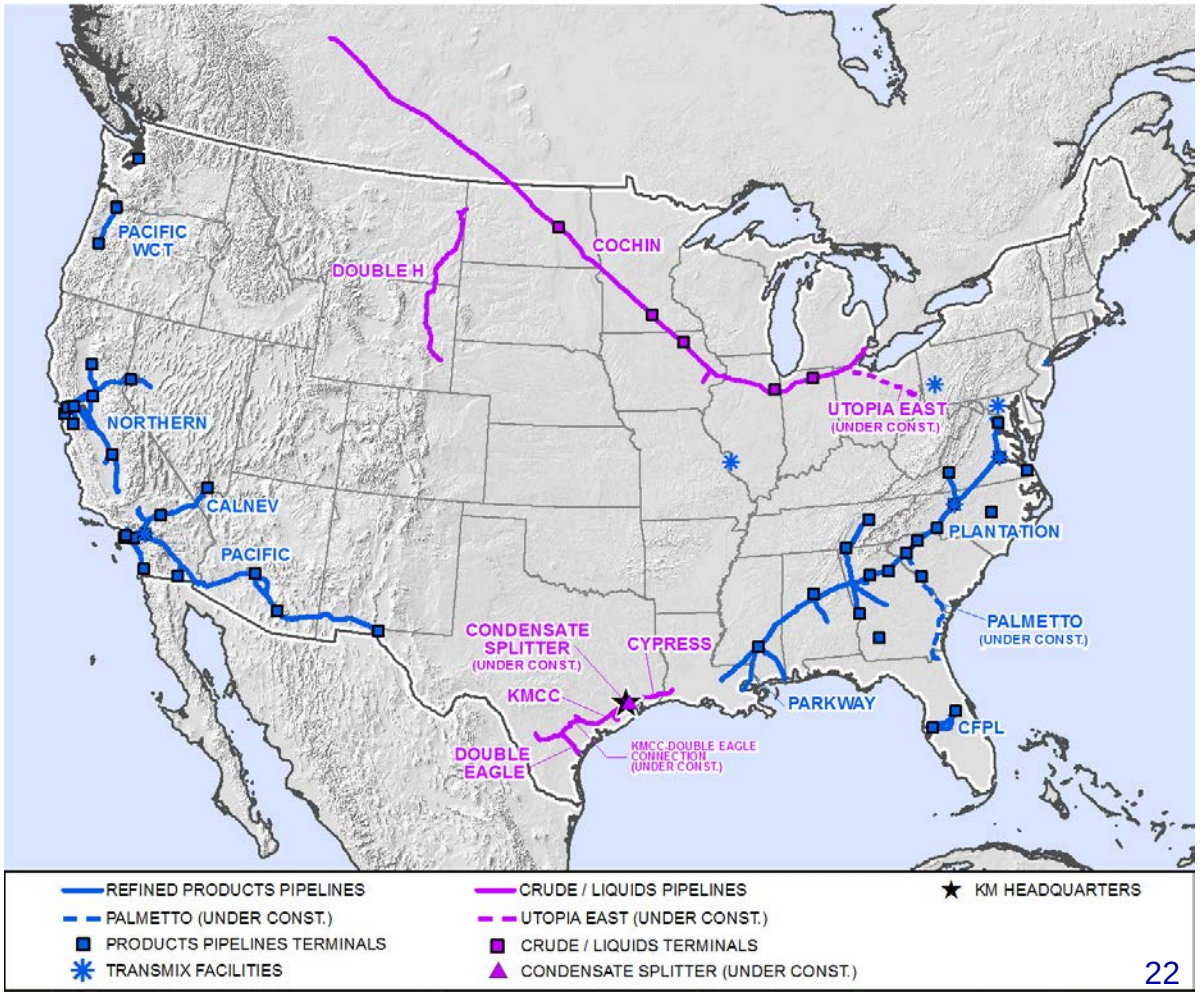
- $1.9 billion of identified growth projects over next four years[(a)], including:
  - UTOPIA
  - Eagle Ford condensate processing (phase 2)
  - KMCC extensions
  - KMCC-Double Eagle interconnect
  - Palmetto
  - Double H expansion

Long-term Growth Drivers:

- Extension of refined products pipeline system into Southeast U.S. (e.g. Palmetto Pipeline)
- Development of shale play liquids transportation and processing (e.g. UTOPIA and KMCC / splitter)
- Repurposing portions of existing footprint in different product uses (e.g. UMTP)
- Tariff index adjustments
- Tuck-in acquisitions
- Increased demand for refined product volumes

Operations:

- Very good project development performance: on a net basis within 0.5% of approved costs on major projects
- Better than industry average performance on most safety and release measures
- On-time compliance with EHS requirements: 99.9%



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

Terminals

Segment Outlook

Well-located in refinery / port hubs and inland waterways

Project Backlog:

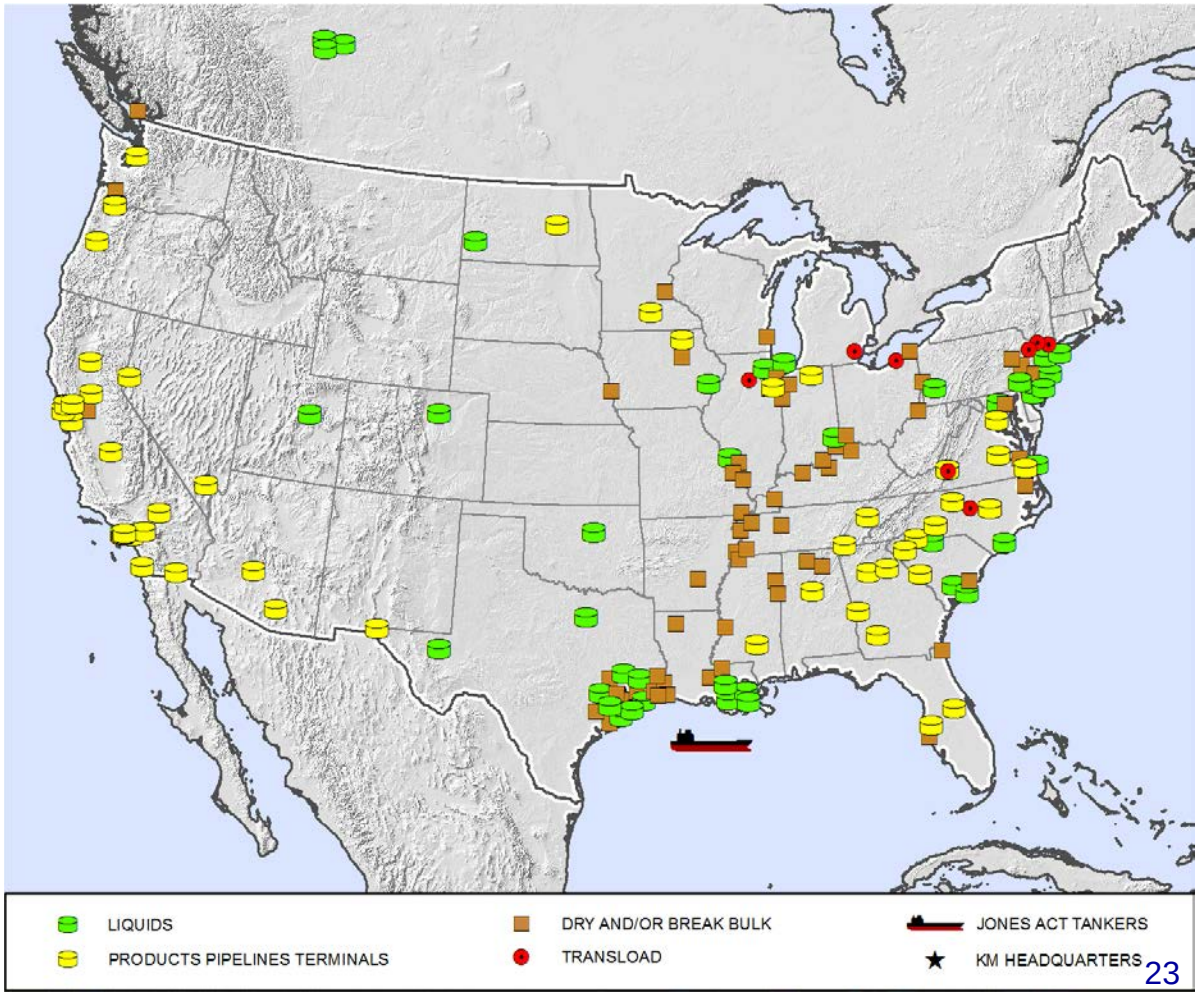
- $2.3 billion of identified growth projects over next four years[(a)], including:
  - BOSTCO Phase 3
  - Alberta crude by rail projects
  - Chemical terminal development
  - Jones Act tanker builds
  - Houston terminals network expansion
  - Fairless Hills LPG

Long-term Growth Drivers:

- Gulf Coast liquids exports
- Crude oil merchant tankage (e.g. Edmonton)
- Crude by rail
- Chemical infrastructure and base business growth built on production increases
- Increased Jones Act tanker fleet
- Tuck-in acquisitions
- Potential investment in coal reserves and other natural resources

Operations:

- Project development performance: 6.8% overrun on a net basis across major projects
- Better than industry average performance on all safety measures – continuous improvement over several years
- On-time compliance with EHS requirements: 99.5%



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

CO_2
Segment Outlook

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

Project Backlog:

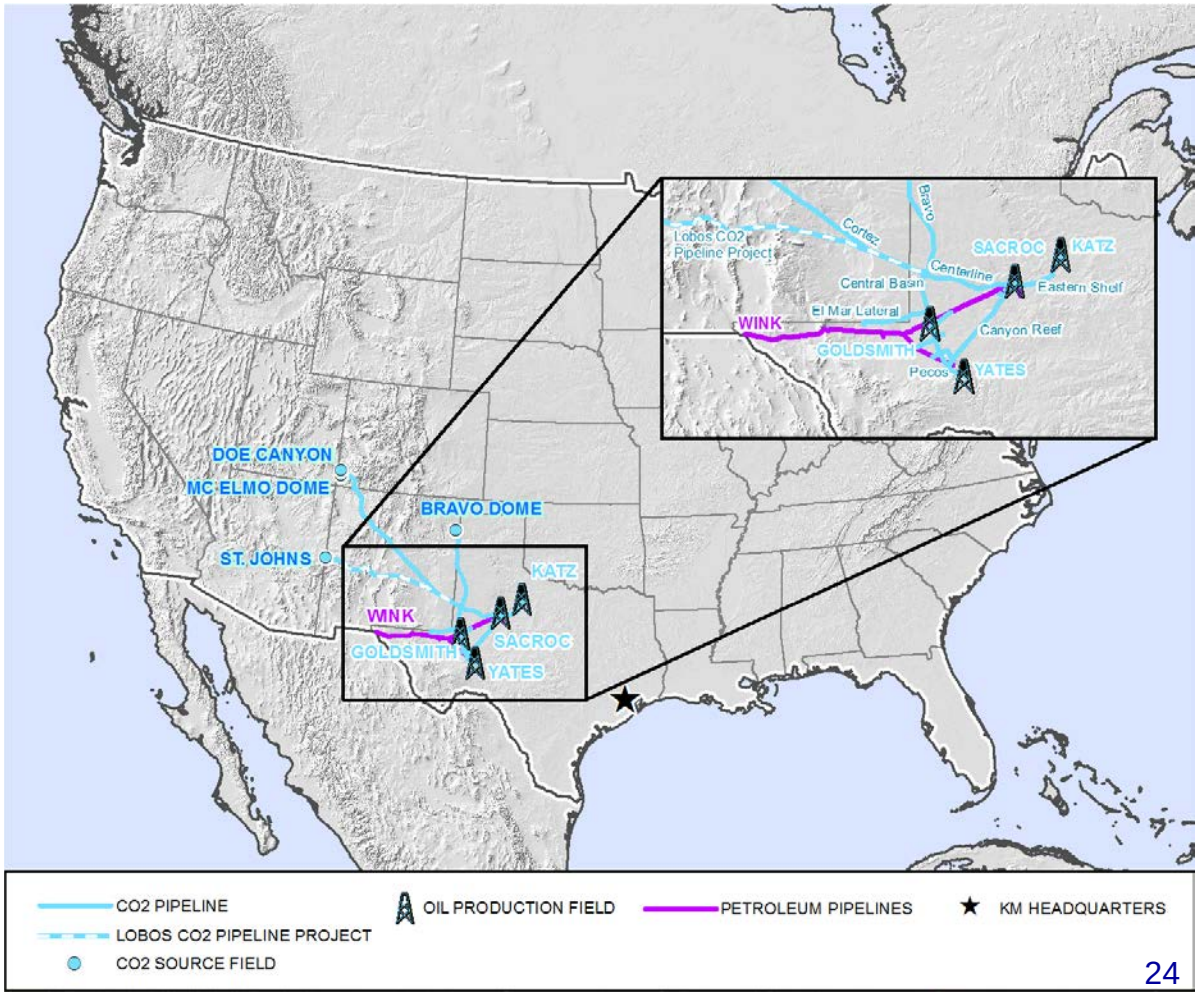
- Identified growth projects totaling $1.4 billion and $2.0 billion in S&T and EOR, respectively, over next five years[(b)], including:
  - S&T
    - Southwest Colorado CO_2 production
    - Cortez pipelines
  - EOR
    - SACROC / Yates / Katz / Goldsmith / Residual Oil Zone (ROZ)

Long-term Growth Drivers:

- Demand for and scarce supply of CO_2 drives volume and price
- Billions of barrels of domestic oil still in place to be recovered at SACROC, Yates, Katz and Goldsmith, as well as ROZ opportunities

Operations:

- Project development performance: within 2% on a net basis across major projects (overrun)
- Better than industry average on all safety measures
- On-time compliance with EHS requirements: 99.95%



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

Kinder Morgan Canada

Segment Outlook

Sole oil pipeline from Oilsands to West Coast / export markets

Project Backlog:

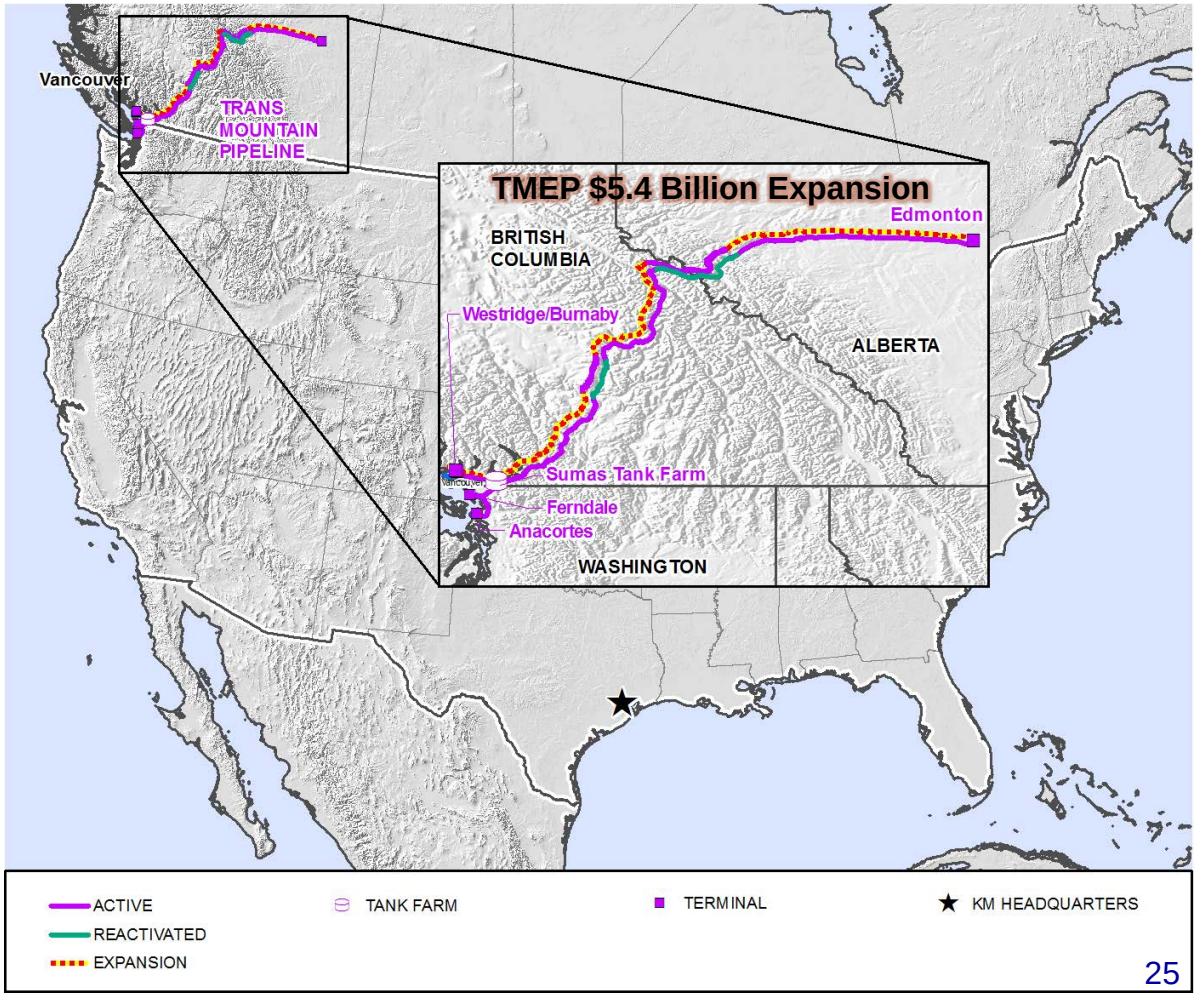
- $5.4 billion expansion of Trans Mountain Pipeline (TMEP)

Long-term Growth Drivers:

- Expand Oilsands export capacity to West Coast and Asia
  - Following successful open season, major expansion plans under way
  - TMEP more than doubles pipeline capacity, from 300 MBbl/d currently to approximately 890 MBbl/d
  - Strong commercial support from shippers with binding long-term contracts (~93% 20-yr, ~7% 15-yr) for 708 MBbl/d of firm transport capacity
  - Expected in-service end of 3Q 2018
  - Expanded dock capabilities (Vancouver)
    - Dock capacity increased to over 600 MBbl/d with TMEP expansion
    - Access to global markets

Operations:

- Project development performance: in early stages on TMEP, but commercial terms include good cost protection on development costs and "uncontrollable" costs
- Better than industry average on all safety measures
- On-time compliance with EHS requirements: 99.6%



Credit Ratios and Liquidity[a]

($ in millions)

Credit Ratios

	2011	2012	2013	2014	2015 Budget
Net debt[b] to EBITDA	4.5x	5.4x	5.0x	5.5x	5.6x
EBITDA to interest	5.0x	4.0x	3.9x	4.1x	3.6x

Revolver Capacity[c,d]

Committed revolving credit facility	$ 4,000
Less:	
CP / Revolver borrowing	(896)
Letters of credit	(128)
Excess capacity	$ 2,976

Long-term Debt Maturities[c,e]

2015[f]	$ 715
2016	$ 1,667
2017	$ 3,041
2018	$ 2,310
2019	$ 2,800

Note: Excludes certain items.

(a) Debt of KMI and its consolidated subsidiaries excluding fair value adjustments.

(b) Debt as defined in footnote above, net of cash and excluding Kinder Morgan G.P. Inc.'s $100 million preferred stock due 2057.

(c) As of 3/31/2015.

(d) KMI corporate revolver (maturity in November 2019).

(e) 5-year maturity schedule of annual aggregate long-term debt principal. Excludes corporate revolver.

(f) Remaining 2015 maturities as of 3/31/2015.

Cost of Capital

A whole new ballgame

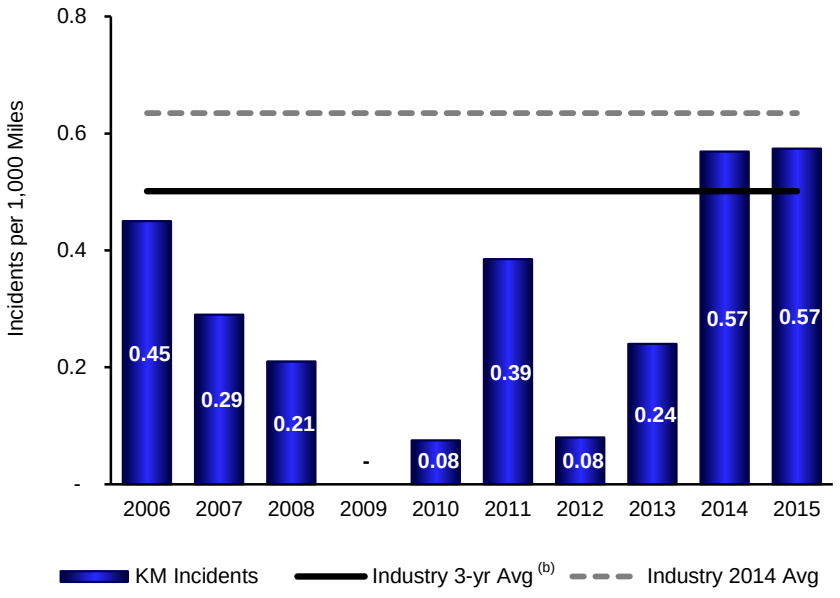
- **No more incentive distribution rights**
- **Prior long-term hurdle rate for accretion (at KMP) = ~9% pre-tax**
- **New long-term hurdle rate for accretion = ~4% after-tax**
  - Analyst Day Hurdle Rate: 50% equity[(a)] x 4.1% yield[(b)]
    + 50% debt[(a)] x 2.4%[(c)] cost of debt
    = 3.3% hurdle rate
- **Target minimum after-tax, unlevered project returns of 8-12% for pipelines and terminals (higher for CO_2)**
  - Well in excess of long-term hurdle rate
  - Will continue to seek highest available return

(a) Actual debt / equity funding mix will be determined by targeting 5.0-5.5x debt / EBITDA ratio.
(b) Yield as of 12/31/2014 based on KMI annualized dividend declared for 4Q 2014.
(c) Assumes 5% interest rate for long-term, fixed-rate debt and 2.5% interest rate on floating-rate debt. Assumes new debt is funded with 50% fixed, 50% floating debt. Tax shield of 36.5% also applied.

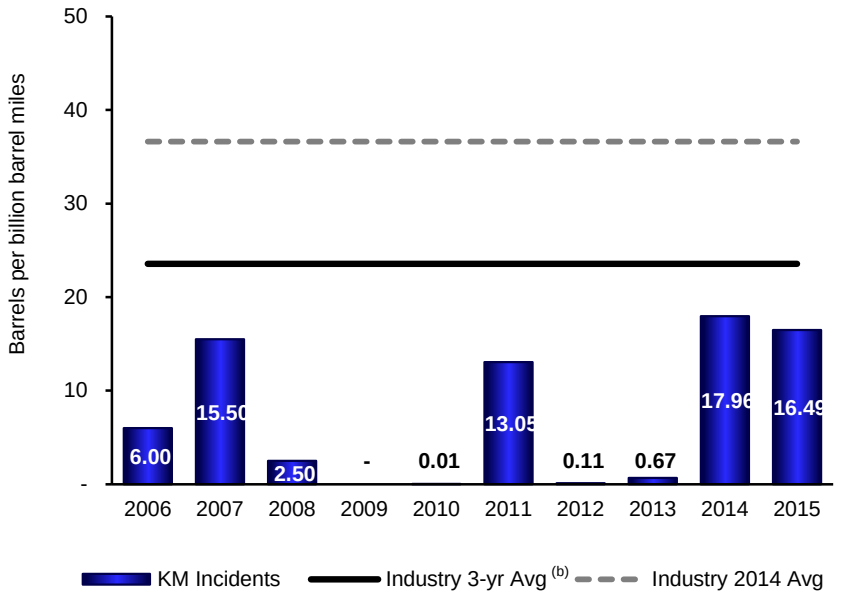
Incidents & Releases

Liquids Pipeline Right-of-way

Liquids Pipeline Incidents per 1,000 Miles[(a)]



Liquids Pipeline Release Rate[(a)]



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

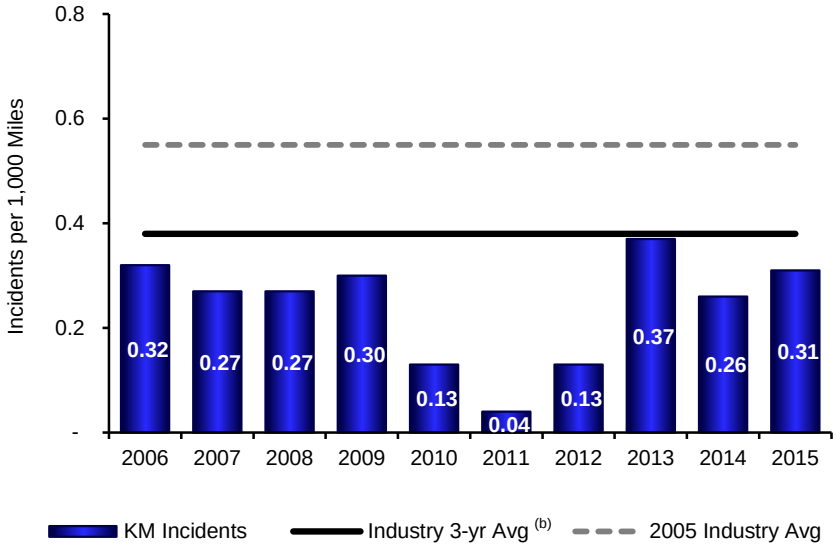
(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:
- (1) Explosion or fire not intentionally set by the operator.
- (2) Release 5 barrels or greater. (NOTE: PHMSA does not record system location for releases less than 5 barrels)
- (3) Death of any person.
- (4) Personal injury necessitating hospitalization.
- (5) Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding $50,000; not included: natural gas transportation assets.

(b) 2012–2014 most recent PHMSA 3-yr average available.

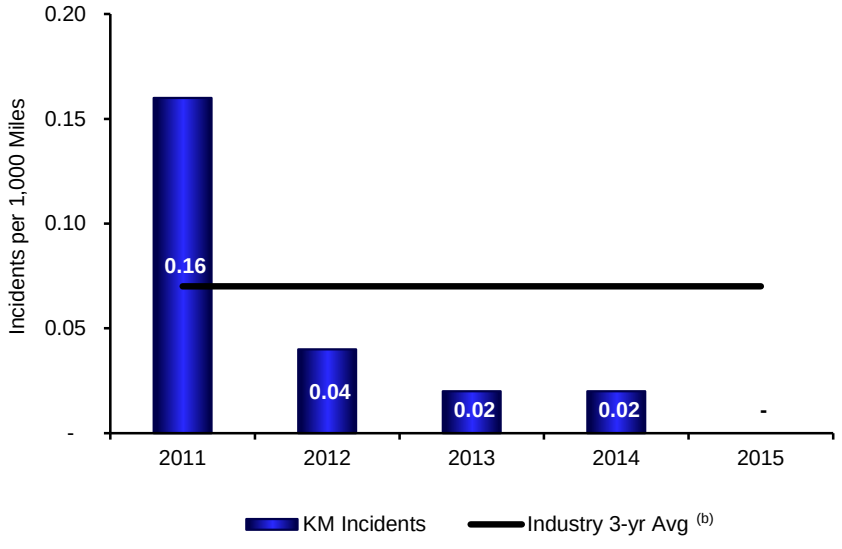
Incidents & Releases

Natural Gas Pipeline Right-of-way

Natural Gas Pipeline Incidents Rate
All Reportable Incidents[a]



Natural Gas Pipeline Incidents Rate
Onshore Ruptures-only[c]



(a) Excludes El Paso and Copano assets in periods prior to acquisition (El Paso 5/25/2012, Copano 5/1/2013). An Incident means any of the following events:
- (1) An event that involves a release of gas from a pipeline, or of liquefied natural gas or gas from an LNG Facility and
  - i. A death, or personal injury necessitating in-patient hospitalization; or
  - ii. Estimated property damage, including cost of gas lost, of the operator or others, or both, of $50,000 or more; or
  - iii. Unintentional estimated gas loss of 3,000 Mcf or more.
- (2) An event that results in an emergency shutdown of an LNG facility.
- (3) An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2) above.

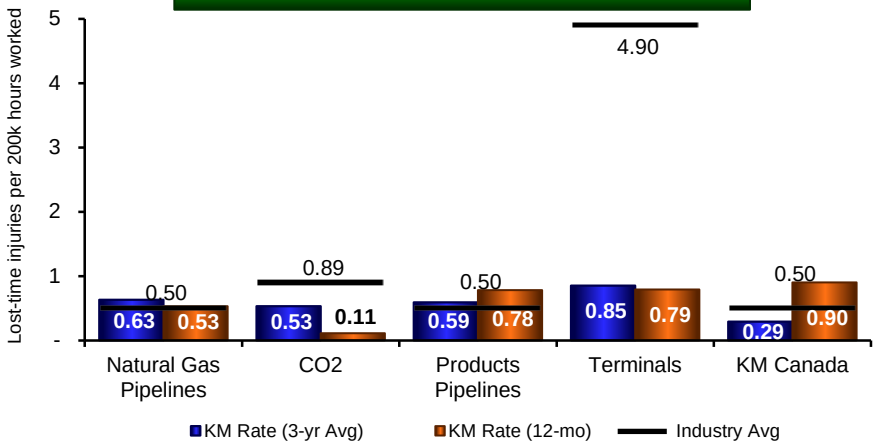
(b) 2012–2014 most recent PHMSA 3-yr average available.

(c) Rupture defined as a break, burst, or failure that exposes a visible pipeline fracture surface.
- (1) Kinder Morgan rupture rates calculated using 2014 pipeline mileage.
- (2) Industry rate excludes Kinder Morgan data.

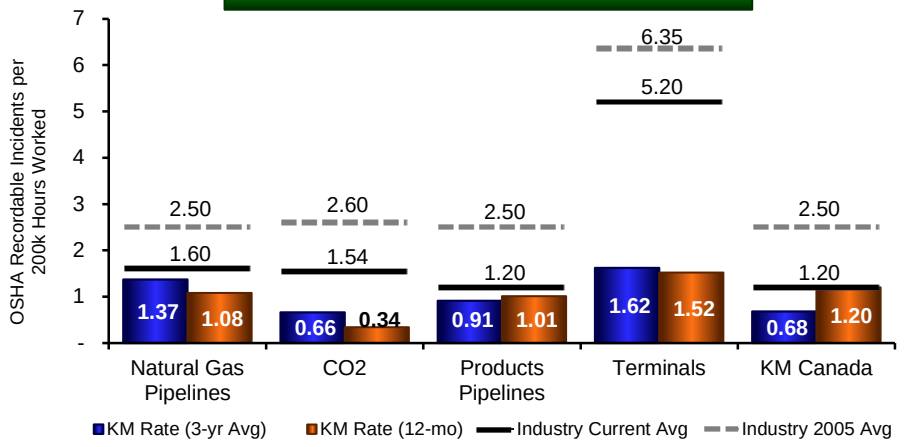
(d) All Kinder Morgan ruptures occurred on legacy El Paso facilities prior to the Kinder Morgan acquisition.

Employee Safety Statistics[a]

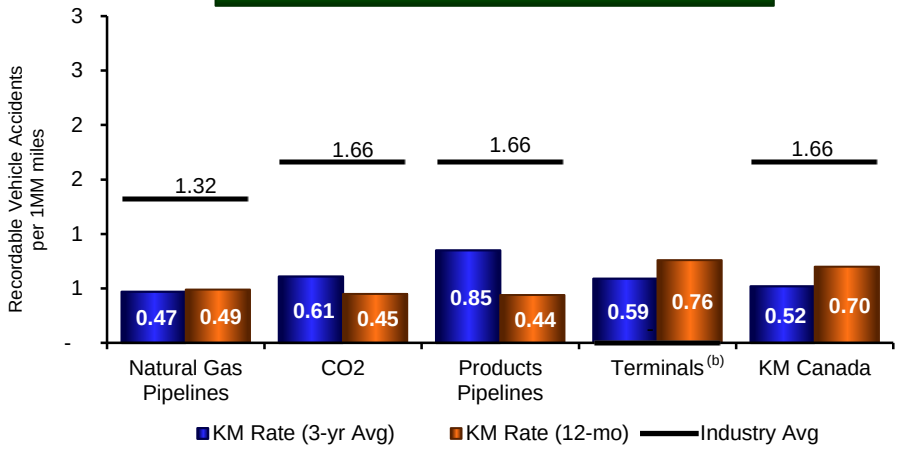
KM Lost-time Incident Rate (DART)



OSHA Recordable Incident Rate



Vehicle Incident Rate



(a) 12-month safety performance summary as of 3/31/2015.
(b) Industry average not available for Terminals.


KINDER MORGAN
INC.