Poised for Success

Same Reliable Assets; Improved Financial Profile

January 24, 2018
2018 Analyst Day

KINDER MORGAN

Disclosure

Forward Looking Statements / Non-GAAP Financial Measures

General – The information contained in this presentation does not purport to be all-inclusive or to contain all information that prospective investors may require. Prospective investors are encouraged to conduct their own analysis and review of information contained in this presentation as well as important additional information through the SEC's EDGAR system at www.sec.gov (for both Kinder Morgan Inc. (KMI) and Kinder Morgan Canada Limited (KML)), the SEDAR system at www.sedar.com (for KML) and on our websites at www.kindermorgan.com (for KMI) and www.kindermorgancanadalimited.com (for KML).

GAAP – Unless otherwise stated, all historical and estimated future financial and other information and the financial statements included in this presentation have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The reporting currencies for KMI and KML are U.S. dollars and Canadian dollars, respectively. As GAAP differs in certain material respects from International Financial Reporting Standards ("IFRS"), such information and financial statements may not be directly comparable to the financial information or financial statements of entities prepared in accordance with IFRS.

Non-GAAP – In addition to using financial measures prescribed by GAAP, 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 Section M. of this presentation. These non-GAAP measures do not have any standardized meaning under GAAP and therefore may not be comparable to similarly titled measures presented by other issuers. As such, they should not be considered as alternatives to GAAP financial measures.

Forward-Looking Statements (FLS) – This presentation includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include any statement that does not relate strictly to historical or current facts and include statements accompanied by or using words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "outlook," "continue," "estimate," "expect," "may," or "long-term". 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. 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 refer to "KMI FLS" and "KML FLS" below.

KMI FLS – Future actions, conditions or events and future results of operations of KMI may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond KMI'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 timing and extent of changes in the supply of and demand for the products we transport and handle; national, international, regional and local economic, competitive, political and regulatory conditions and developments; the timing and success of business development efforts; the timing, cost, and success of expansion projects; technological developments; condition of capital and credit markets; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets; income tax legislation; weather conditions; environmental conditions; business, regulatory and legal decisions; terrorism, including cyber-attacks; and other uncertainties. Please refer to the slide in this presentation titled "KMI Business Risks" and please read "Risk Factors" and "Information Regarding Forward-Looking Statements" in KMI's most recent Annual Report on Form 10-K and 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.

Disclosure

Forward Looking Statements / Non-GAAP Financial Measures

KML FLS – Forward-looking statements in this presentation include statements, express or implied, concerning: (i) the Trans Mountain Expansion Project ("TMEP") and Base Line Terminal project, including completion of such projects, construction plans, anticipated funding and costs, anticipated capital expenditures, community and Aboriginal engagement, scheduling and in-service dates, the possibility of mitigation to address project delays, future benefits and utilization, anticipated project contributions to Adjusted EBITDA and DCF; (ii) the anticipated dividends and the intended payment thereof; (iii) anticipated growth and the potential growth opportunities of KML's business; (iv) expected demand and market conditions and the anticipated competitive position of KML's business; (v) and anticipated tolls. Many of the factors that will determine these results are beyond the ability of KML to control or predict. KML's business and financial condition are substantially dependent on the successful development of the TMEP. As a result, factors or events that impact the costs associated with and the time required to complete (if completed) the TMEP, are likely to have a commensurate impact on KML, the market price and value of its restricted voting shares and KML's ability to pay dividends. Similarly, given the nature of the relationships between KML and KMI, factors or events that impact KMI may have consequences for KML.

Among other things, specific factors that could cause actual results to differ from those indicated in the forward-looking statements include, without limitation: issues, delays or stoppages associated with major expansion projects, including the TMEP; changes in public opinion, public opposition, the concerns and the resolution of issues relating to the concerns of individuals, special interest or Aboriginal groups, governmental organizations, non-governmental organizations and other third parties that may result in higher project or operating costs, project delays or even project cancellations; an increase in the indebtedness of KML and/or significant unanticipated cost overruns or required capital expenditures; the breakdown or failure of equipment, pipelines and facilities, releases or spills, operational disruptions or service interruptions; the ability of KML to access sufficient external sources of financing; and changes in governmental support and the regulatory environment. In addition to the foregoing, please read important additional information respecting the assumptions, expectations and risks applicable to the forward-looking statements in this presentation (A) on the slides in this presentation titled "KML Business Risks and Key Assumptions", (B) in the sections of KML's final initial public offering prospectus dated May 25, 2017 (the "IPO Prospectus") titled "Notice to Investors – Forward-Looking Statements", "Notice to Investors – Growth Estimates" and "Risk Factors" and KML's press release issued on December 4, 2017 regarding KML's 2018 Financial Expectations, each as filed on SEDAR, (C) the sections titled "Special Note Regarding Forward Looking Statements" and "Risk Factors" in KML's Registration Statement on Form 10 as filed on EDGAR, and (D) as described from time to time in KML'S other periodic filings on SEDAR and EDGAR.

KML United States Matters – KML's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the U.S. Securities Act), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any of KML's securities in the United States.

Kinder Morgan 2018 Analyst Day

Management and Agenda

Time	Discussion	Presenter	
8:00 – 8:20	Vision	**Rich Kinder** *Executive Chairman*	
8:20 – 9:30	Operational Excellence	**Steve Kean** *President & CEO*	
9:30 – 9:45	**Break**		
9:45 – 10:30	KMI: Financial Excellence	**Kim Dang** *Vice President & CFO*	
10:30 – 10:45	KML: Financial Excellence	**Dax Sanders** *KML CFO,* *Vice President of KMI* *Corporate Development*	
10:45 – 11:30	**Q&A**		

A. Vision

Rich Kinder

Executive Chairman

The Need for Hydrocarbons

Hydrocarbons Are Essential To Our Way Of Life

- **Hydrocarbon fuels are affordable, dependable, and plentiful**
  - And given advancements in technology, hydrocarbon fuels are becoming even more affordable, plentiful, and environmentally sustainable
  - Hydrocarbons are supported by an enormous, sophisticated, worldwide infrastructure network
  - It would take decades and substantial cost for another technology to overtake this infrastructure network

- **Worldwide, society heavily depends on hydrocarbon fuels to support our way of life, global growth, and increased access to basic energy services**
  - Global energy needs are expected to expand 30% between 2016 and 2040
  - Population to grow from 7.4 billion today to more than 9 billion in 2040; worldwide urbanization adds a city the size of Shanghai to global population every 4 months
  - Over 100 million people gain access to electricity each year, but 1.1 billion still remain without access to electricity today
  - 2.8 billion rely on biomass, coal, or kerosene for cooking

- **Increased natural gas use has been, and will continue to be, critical to meeting climate goals**
  - Replacing coal-fired power generation as coal plants are retired
  - Backstopping intermittent energy sources like solar and wind generation
  - The International Energy Agency forecasts that natural gas demand will grow 45%+ through 2040, even with the implementation of many new energy conservation policies

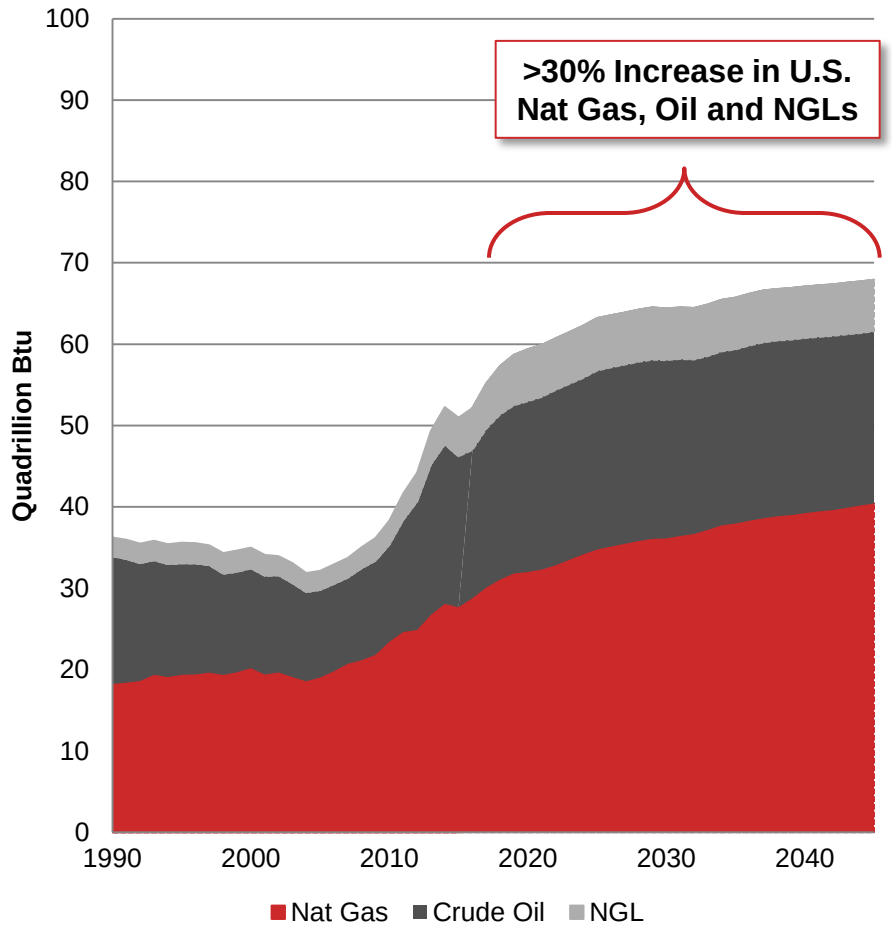
Note: statistics are from IEA, 2017 World Energy Outlook - New Policies Scenario with 2016E base year, November 2017.

Hydrocarbon Fuels Remain Resilient

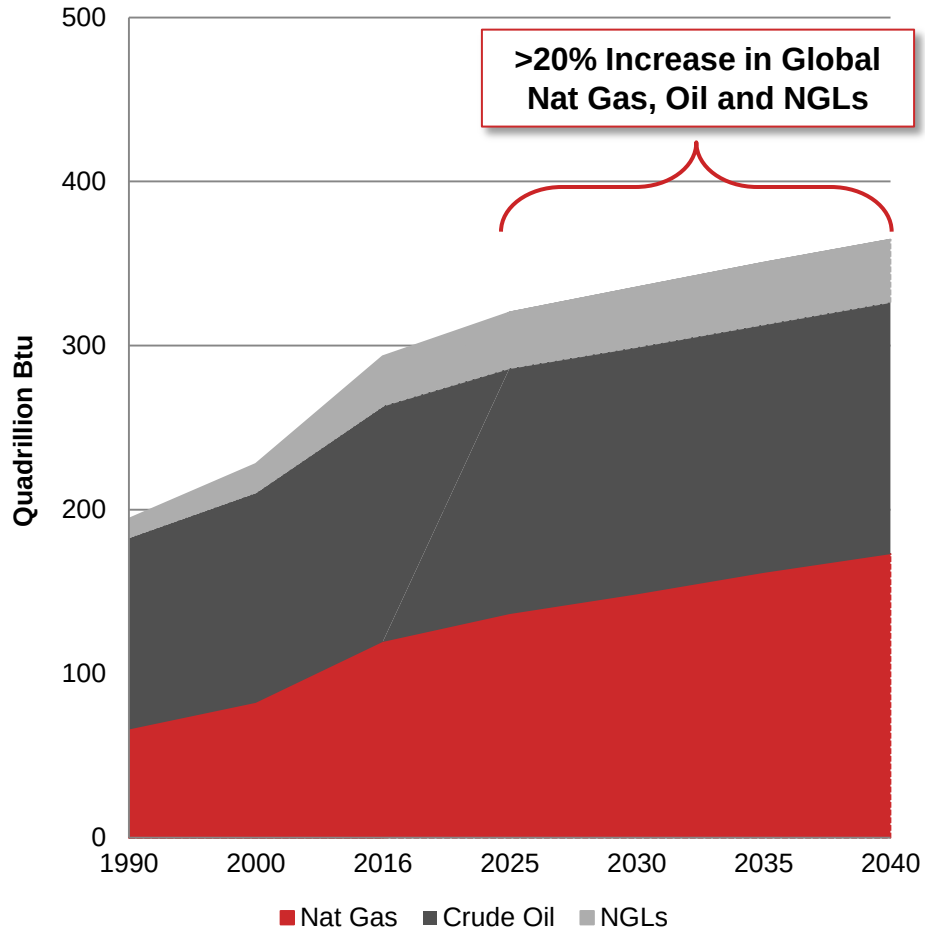
Reports of the Hydrocarbon Industry Death Have Been Greatly Exaggerated

- These charts exclude coal, which is only a small portion of Kinder Morgan's business
- Both domestic and global projections illustrate consistent growth of natural gas, crude oil, and NGLs for several decades

U.S. Production, 1990-2046[(a)]



Global Demand, 1990-2040[(b)]



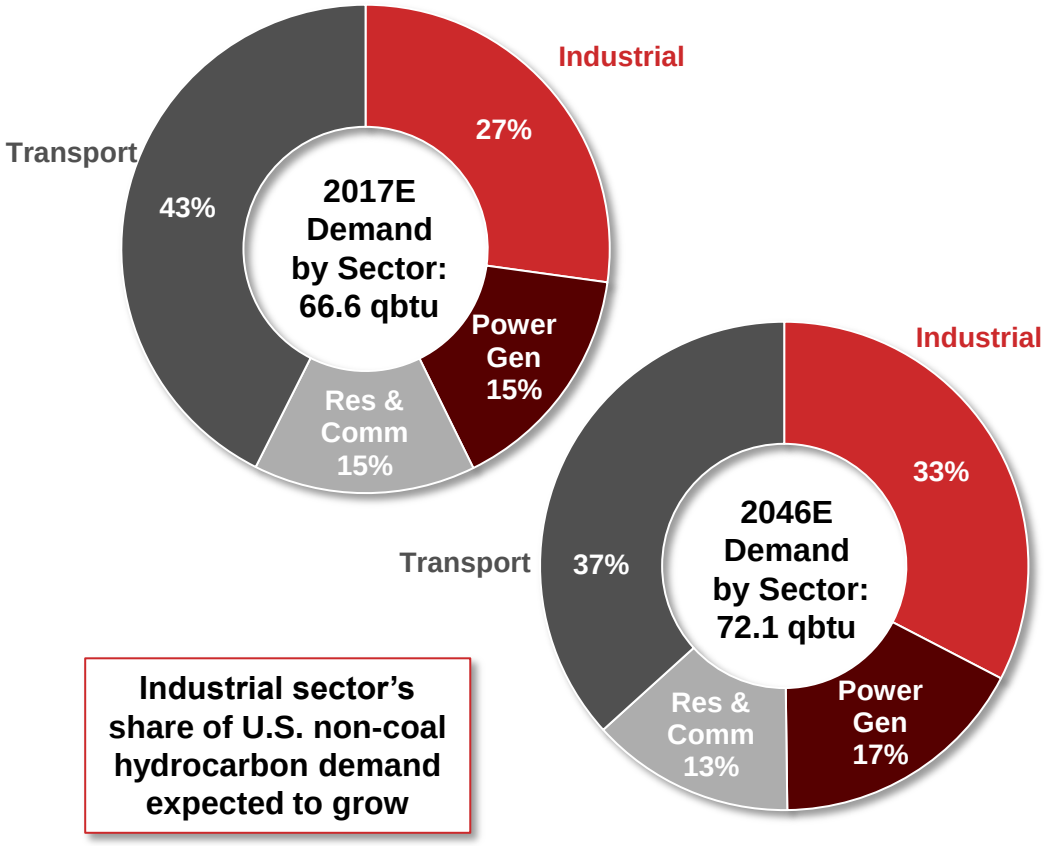
(a) EIA, Annual Energy Outlook 2017, January 2017. This chart excludes coal.
(b) IEA World Energy Outlook 2017, New Policies Scenario, November 2017. This chart excludes coal.

Hydrocarbons Are Critical To Daily Life

Multiple Domestic Uses and Growing Exports

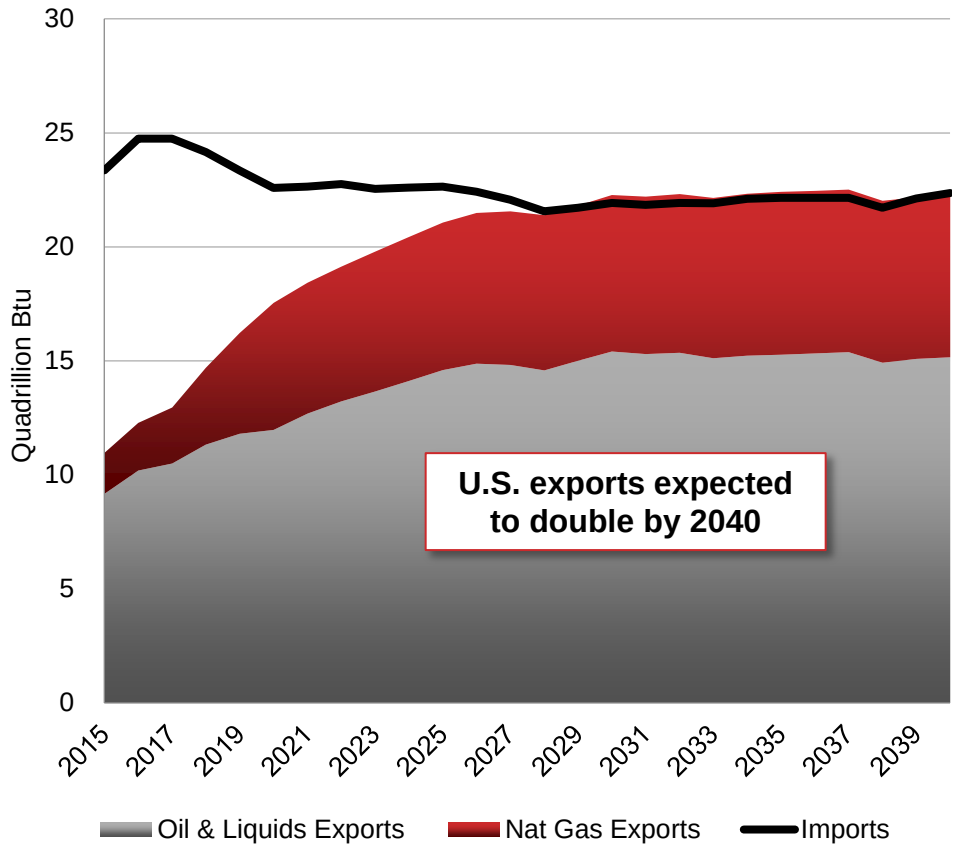
- U.S. demand is varied and growing
- Exports are expanding

U.S. Demand by Sector, 2017 and 2046[(a)]



Industrial sector's share of U.S. non-coal hydrocarbon demand expected to grow

U.S. Import / Export of Oil, Liquids and Nat. Gas[(a)]



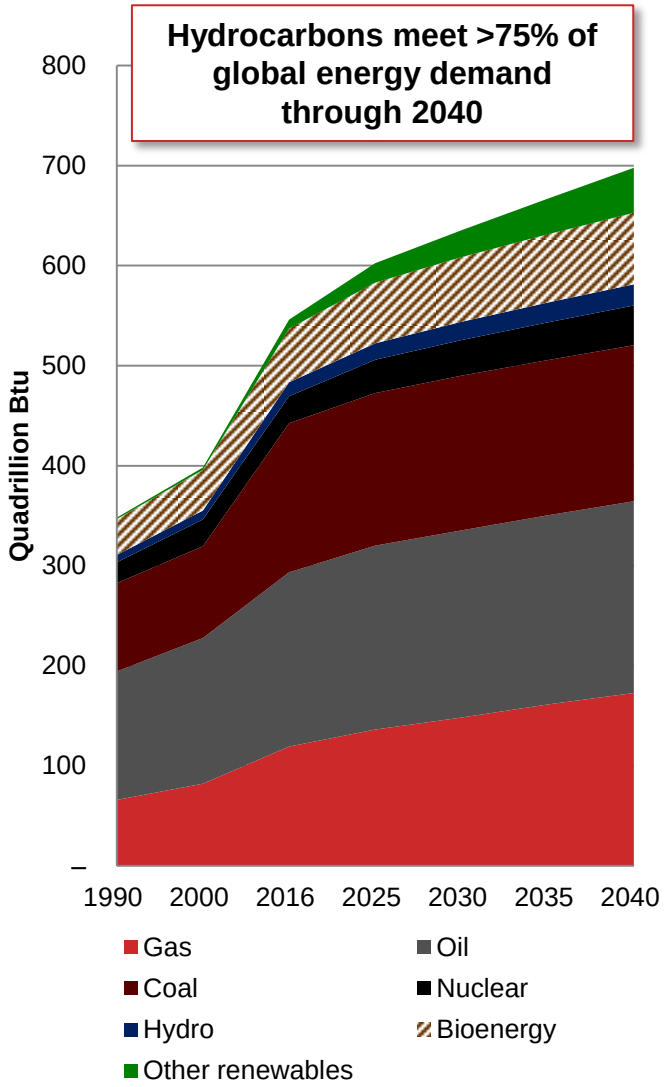
Note: qbtu = quadrillion Btu.

(a) EIA, Annual Energy Outlook 2017, January 5, 2017. Includes natural gas, crude oil, petroleum products, and excludes coal.

Why Do Hydrocarbon Fuels Remain Resilient?

Substantial Embedded Global Infrastructure and Boundaries of Physics

Global Energy Demand[(a)]



Hydrocarbon Fuel Resiliency[(b)]

- The world's transition from basic fuels (like wood) to hydrocarbons has enabled the advancement of civilization; Future transition to other energy sources is limited by:
- **Economic / Practical Realities**
  - Substantial Embedded Global Infrastructure – practical limitations to rapid substitution in energy production and delivery due to enormous installed hydrocarbon infrastructure network worldwide
  - Misapplication of Moore's Law to Energy – technology supporting energy needed to transport people, grow food, and provide heat is very different from computer chips, which simply transmit electrons
- **Boundaries of Physics**
  - We are approaching certain limits of physics which will diminish incremental efficiency gains for renewable energy sources

Kinder Morgan's Response

- Energy demand, including hydrocarbon demand, is growing globally; KM's network of assets will be in demand and grow for decades to come
- As the energy mix changes, KM is expanding its offerings to reflect those changes – e.g. more focus on marketing the deliverability & reliability of our natural gas transportation and storage network
- We continue to closely monitor these trends and evaluate potential opportunities for, as well as threats to, our businesses

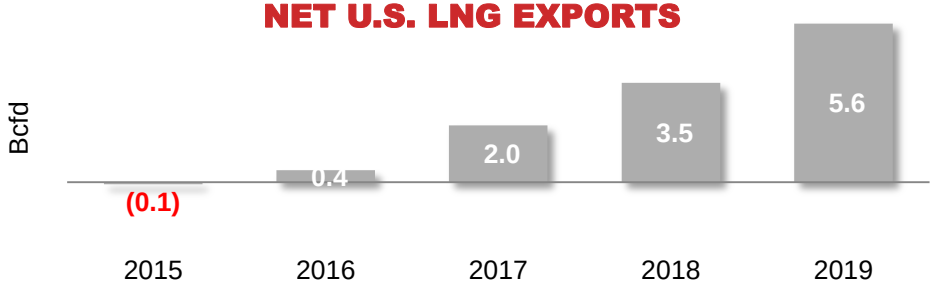
(a) IEA World Energy Outlook 2017, New Policies Scenario, November 2017.
(b) Mills, Mark (physicist and senior fellow at the Manhattan Institute). Making Technological Miracles. The New Atlantis, Spring 2017.

Recent Market Trends

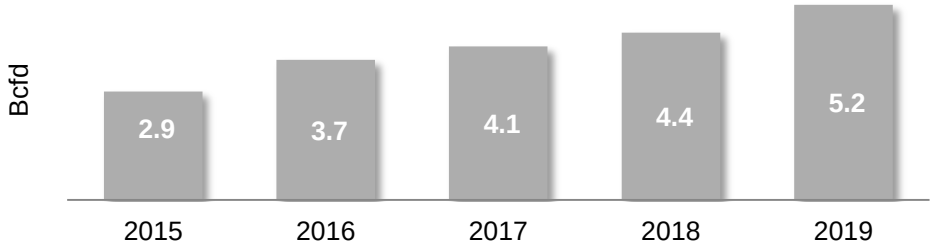
Hydrocarbon Fuel Demand Remains Strong

U.S. Natural Gas Demand, 2015-2019[a]

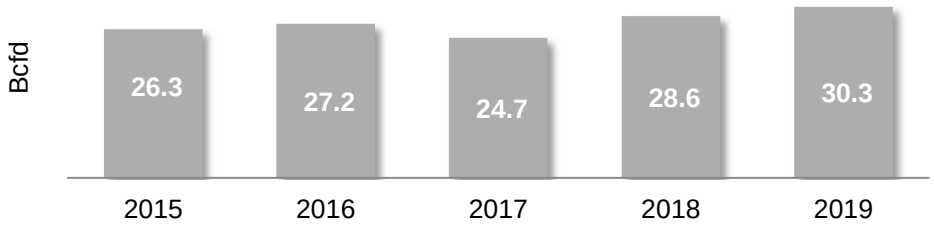
NET U.S. LNG EXPORTS



NET U.S. EXPORTS TO MEXICO

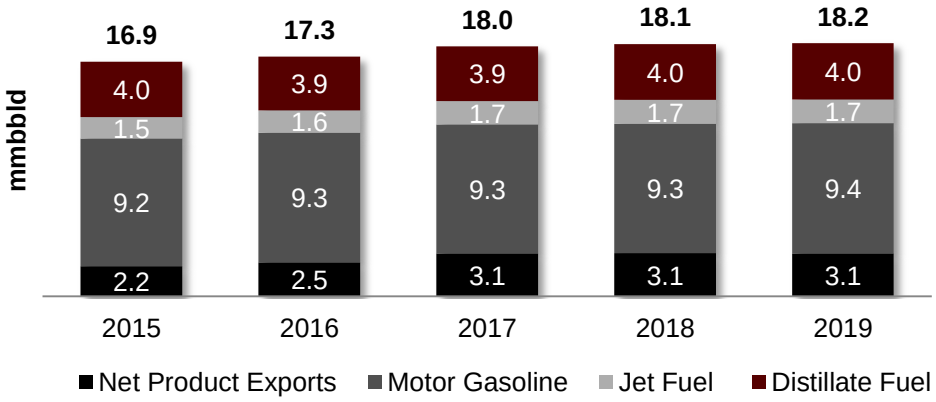


NATURAL GAS USED FOR POWER GENERATION

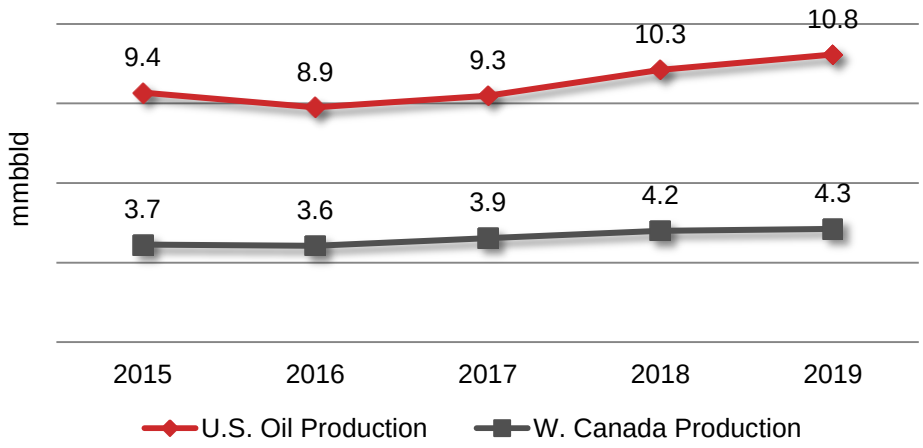


U.S. Refined Product Demand, 2015-2019[b]

- Continued steady, modest volume growth



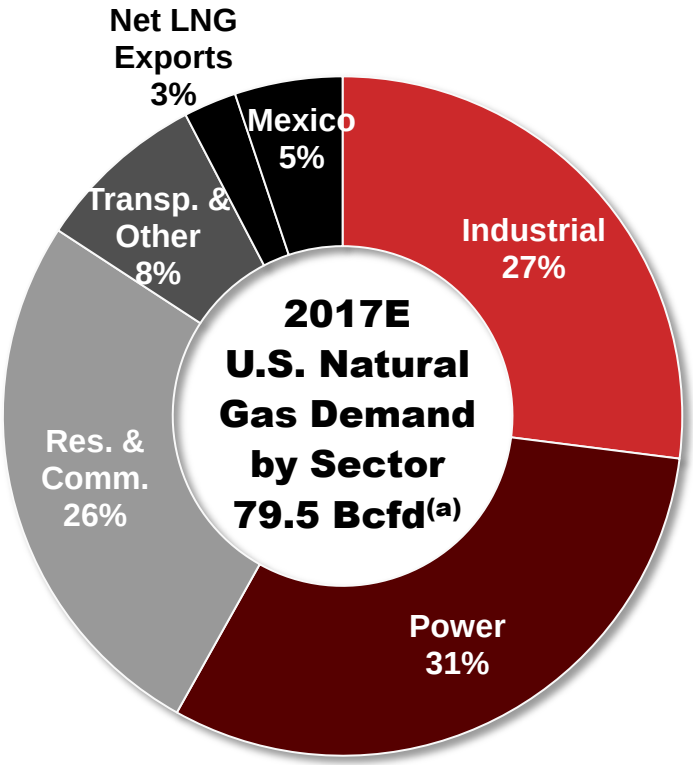
Crude Oil Production, 2015-2019[b,c]



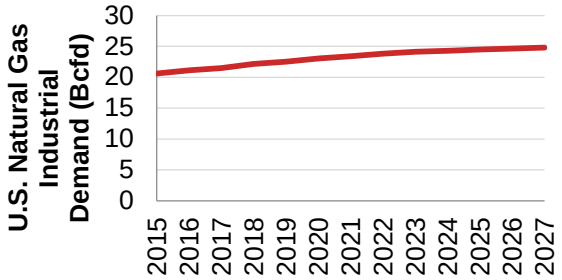
(a) WoodMackenzie, North America Gas Markets Long-Term Outlook, Fall 2017.
(b) EIA, Short-Term Energy Outlook, January 2018.
(c) CAPP Canadian Crude Oil Forecast, June 2017.

Natural Gas is Positioned for Continued Growth

Critical to Supporting Climate Goals and Meeting Demand

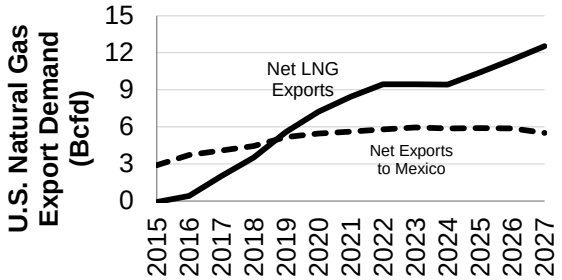


Industrial(a)



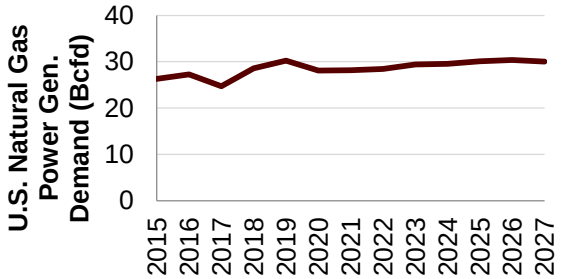
- Natural gas and its derivatives are used for clothing, plastics, agriculture, medicine, petrochemicals, and more
- $185 billion of new U.S. natural gas-related petrochemical expansion projects(b)

Exports(a)



- Increasingly, the U.S. is becoming a part of the global marketplace
- LNG exports to the world
- Exports to Mexico

Power(a)

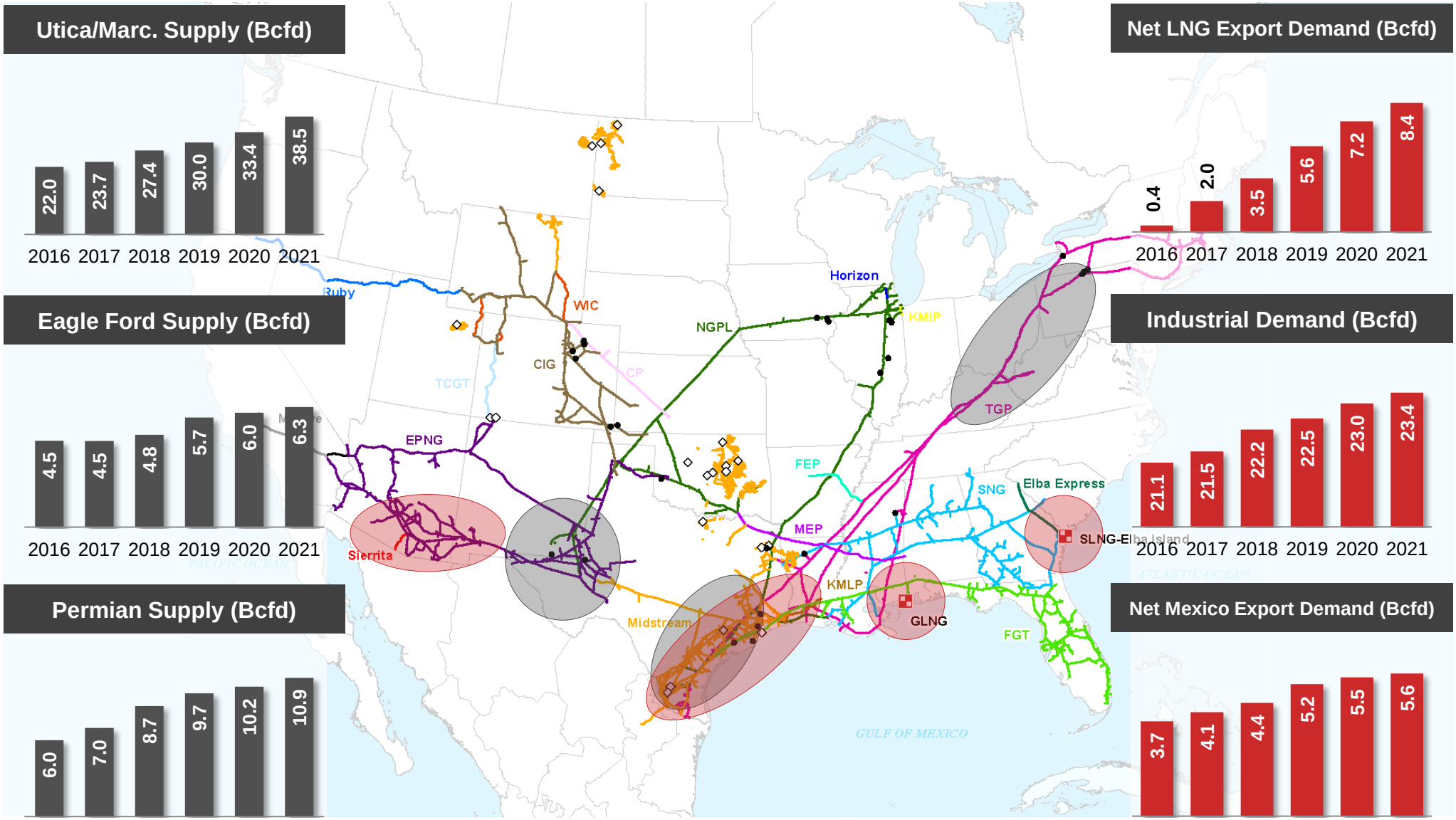


- Natural gas is the cleanest burning hydrocarbon fuel
- Reduction in nation's power sector CO_2 emissions driven by coal switching to natural gas
- Natural gas is also seen as key backstop to renewable power

(a) WoodMackenzie, North America Gas Markets Long-Term Outlook, Fall 2017.
(b) American Chemistry Council, January 9, 2018.

KMI Positioned to Support Future of Natural Gas

Kinder Morgan Transports ~40% of all Natural Gas Consumed in the U.S.



INCREASED U.S. VOLUMES = INCREASED NEED FOR KINDER MORGAN INFRASTRUCTURE

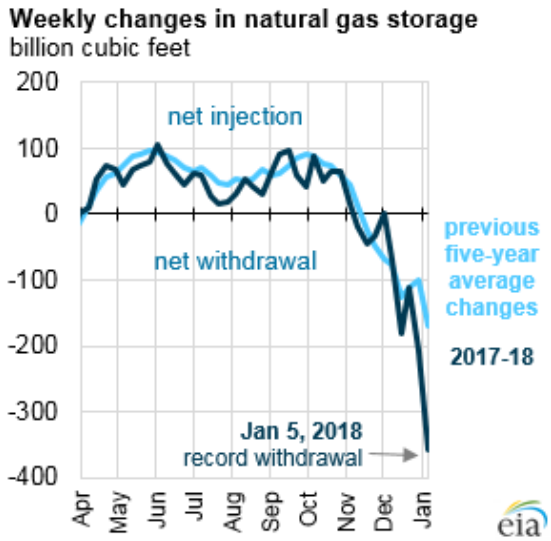
Note: WoodMackenzie, North America Gas Markets Long-Term Outlook, Fall 2017.

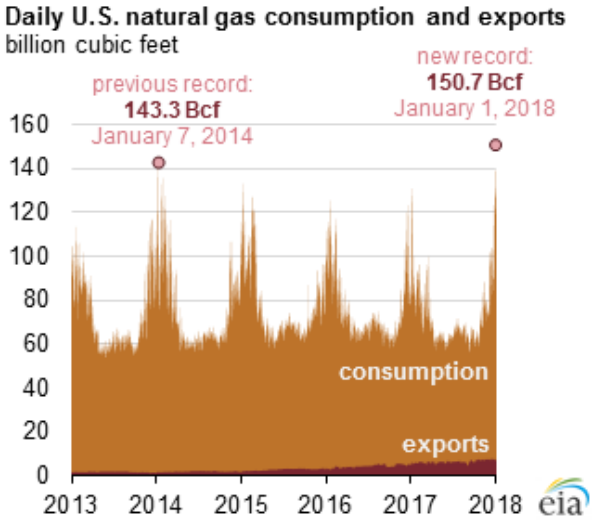
KMI Natural Gas Assets Are Critical to Many Needs

Kinder Morgan Transports ~40% of all Natural Gas Consumed in the U.S.

KM's Natural Gas Assets Provide:

- **Building blocks for critical, every-day products**
- **Backstop to enable renewable power generation**
- **Reliable energy source to supply growing electric vehicle power demand**
- **And, of course, fuel that heats and lights our homes; Natural gas infrastructure is especially critical in times of peak demand**
  - Cold weather this winter drove record natural gas demand across the country and demonstrated the resiliency of our transportation and storage network
  - Record U.S. natural gas demand of 150.7 billion cubic feet (Bcf) on Jan. 1, 2018, surpassing the previous single-day record set in 2014[(a)]
  - Record U.S. storage withdrawal of 359 Bcf for the week ending Jan. 5, 2018 exceeded the previous record of 288 Bcf set four years ago[(b)]
  - TGP – System delivery record of ~12.0 Bcfd set on Jan. 2, 2018 (4 other days this winter also beat the previous record of 11.3 Bcfd set on 12/15/16)
  - NGPL – System delivery record of ~7.6 Bcfd set on Dec. 27, 2017 (5 other days this winter also beat the previous record of 7.0 set on 1/6/17)
  - TX Intrastates – System delivery record of ~7.0 Bcfd set on Jan. 2, 2018 (previous record of ~6.7 Bcfd set on 2/23/15)
  - **During this record demand for deliverability, Kinder Morgan successfully met its customers' needs**





(a) EIA, Today in Energy, January 5, 2018, based on PointLogic.
(b) EIA, Weekly Natural Gas Storage Report, January 12, 2018.

Financial Philosophy

Enormous Cash Flow Provides Substantial Strength and Flexibility

- **Generate and grow cash flow**
  - 2017 results and projected budget for 2018 illustrate KMI's enormous and growing cash flow
- **Live within that cash flow**
  - Substantial cash flow provides strength and flexibility
  - No requirement to access capital markets for the foreseeable future
  - Funding growth capex without issuing incremental debt results in improved balance sheet and excellent coverage of dividend
- **Create value for shareholders**
  - Dividends
  - Stock buybacks

B. KMI: Operational Excellence

Steve Kean

President & CEO

Kinder Morgan's 2018 Goals

Operational and Financial Excellence

Operational Excellence

- Continue to maintain and operate our assets safely, reliably, and efficiently

Cash Flow Growth

- Grow 2018 DCF to $2.05 per share
- Grow 2018 EBITDA to $7.5 billion

Dividend Increase

- Increase dividends declared by 60% to $0.80 per share
- Maintain best-in-class coverage of 2.6x

Project Execution

- Place $3.2 billion of growth projects in commercial service during 2018
  - $2.9 billion of these are fee-based with ~16yr average contract terms and generate ~$410mm annualized EBITDA (~7.0x investment multiple)
- Continue execution on remaining $8.6 billion of growth project backlog
- Continue to originate and develop additional projects

Internal Funding

- Fund all KMI investment needs (other than debt maturities) with internal cash flow
- Exit 2018 with Net Debt to Adjusted EBITDA of 5.1x

Questions You've Asked:

Answers to Frequently Asked Questions

Q1. What is management's capital allocation philosophy?	— Our first priority is a healthy balance sheet: Long-term target for Debt / EBITDA is 5.0x or below; Year-end 2018 budget is 5.1x — We believe in investing in projects with positive NPV; Once project needs are met, excess cash flow should be used for dividends, share buybacks and/or to further de-lever — Dividends return value to shareholders and help instill management discipline; Our 3-year dividend growth outlook maintains best-in-class dividend coverage
Q2. Is KMI going to continue to grow?	EBITDA is budgeted to grow 4% in 2018; $11.8 billion 5-year backlog is expected to generate ~$1.6 billion of cumulative EBITDA (excluding CO_2)
Q3. Will KMI be able to replenish its growth backlog?	Our significant asset footprint is well-positioned to secure North American growth prospects (GCX is a recent example), and is a critical network needed to meet increasing U.S. and global hydrocarbon demand, particularly for natural gas where we transport ~40% of U.S. gas and are a key supplier to the increasing LNG and Mexico markets
Q4. Are there recontracting risks on KMI's assets?	Substantial KM contracts expire annually, but our risk is limited as our assets are well-positioned with end-users; We estimate net recontracting exposure for our natural gas segment to be ~(0.5%) and ~(1.2%) in 2019 and 2020, respectively, relative to 2018 Segment EBDA budget of ~$8.1 billion
Q5. What is the status of TMEP?	Good progress made in 2017, though at a slower pace than expected; To prudently manage shareholder capital, current spending is primarily for permitting, rather than full construction, until we have greater clarity on key permits, approvals and judicial reviews; Refer to KML overview pages for additional updates
Q6. Is CO_2 a strategic asset for KMI?	CO_2 has been the segment with our highest ROIC and generates significant free cash flow; We have a long history of successfully optimizing and believe we are one of the most effective operators of EOR assets; However, as a shareholder-driven firm, we continuously evaluate all options to enhance shareholder value
Q7. What is KMI's expected impact from tax reform?	KMI is modestly better off from a cash tax standpoint under the new bill; Refer to the Tax Reform slide in the Financial Excellence section of this presentation for additional information

Unparalleled Asset Footprint

One of the Largest Energy Infrastructure Companies in North America

Natural Gas Pipelines

- Largest natural gas transmission network in North America
- Own or operate ~70,000 miles of natural gas pipeline
- Connected to every important U.S. natural gas resource play

Products Pipelines

- Largest independent transporter of petroleum products in North America (~2.1 mmbbld)

CO_2

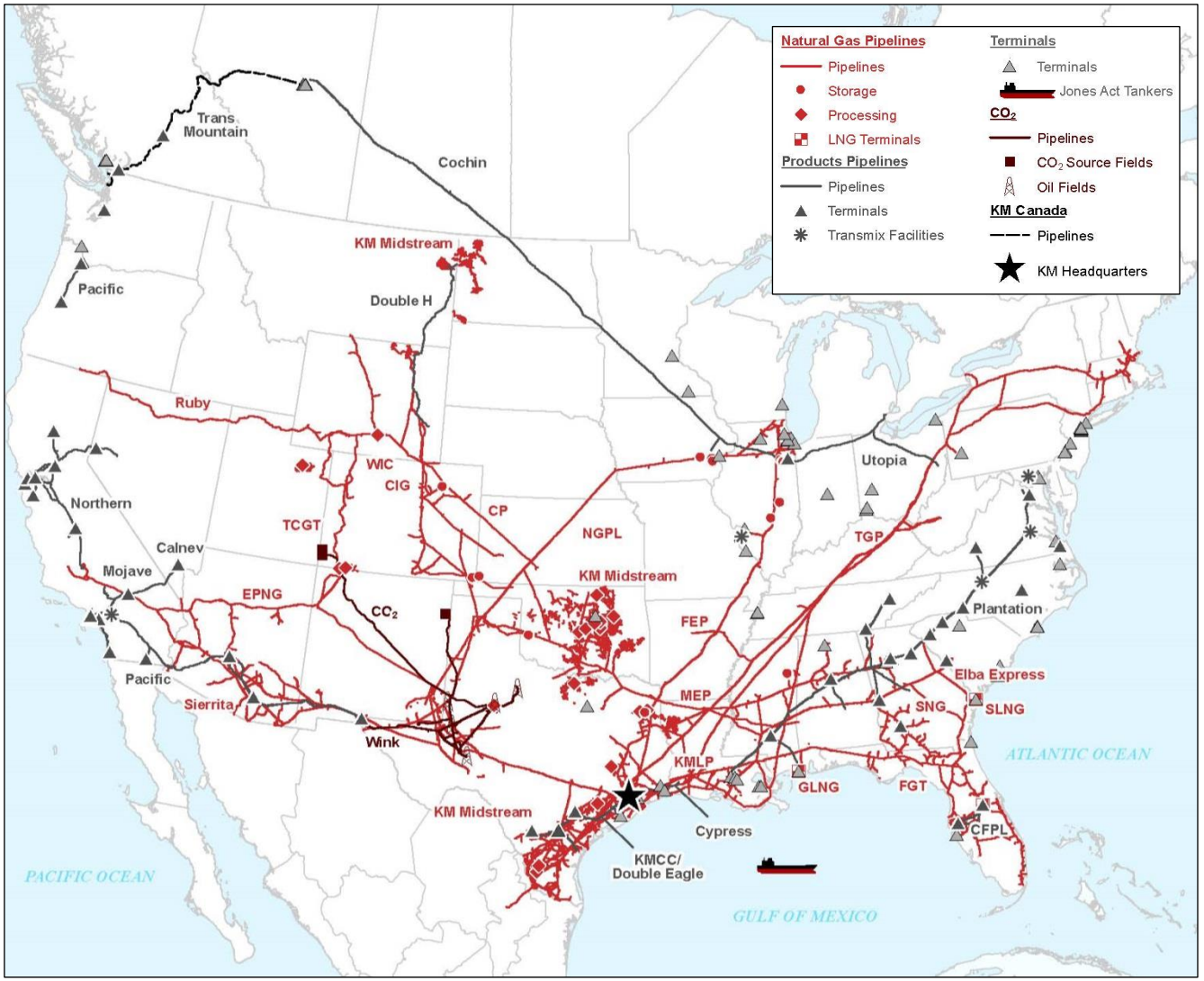
- Largest transporter of CO_2 in North America (~1.2 Bcfd[(a)])

Terminals

- Largest independent operator in North America
- Own or operate 152 terminals
- ~151 mmbbls of liquids capacity
- Handle ~59 mmtpa of dry bulk products[(a)]
- Own 16 Jones Act vessels

KM Canada

- Only Oilsands pipeline serving West Coast
- Transports ~300 mbbld to Vancouver / WA; planned expansion would increase capacity to 890 mbbld

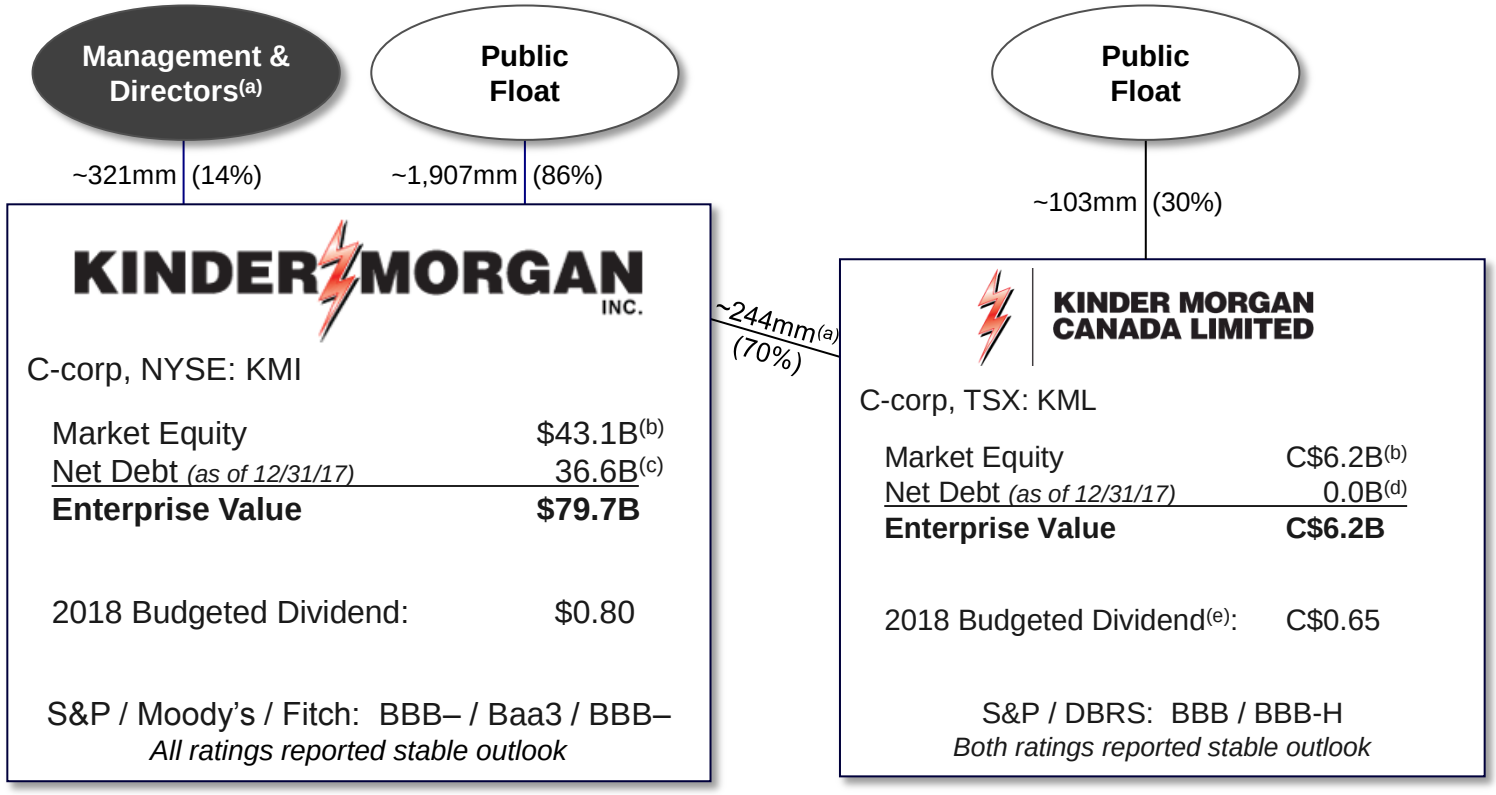


(a) 2018 budget.

KMI & KML Overview

Management is Aligned with Investors

14% MANAGEMENT STAKE IN KMI
MANAGEMENT IS ALIGNED WITH INVESTOR INTERESTS



(a) KMI includes Form-4 filers and management unvested restricted shares. KML includes LTIP shares issued to management.
(b) Market prices as of 12/29/2017.
– KMI based on ~2,228mm shares, including unvested restricted stock, at $18.07 and 32mm mandatorily convertible depositary shares at $37.96, ~104mm KML restricted shares (including LTIP shares issued to management) at a price of C$17.01, 50% of KML's 12mm series 1 preferred shares at C$25.75, and 50% of KML's 10mm series 3 preferred shares at C$25.10.
– KML based on ~347mm restricted and voting shares (including LTIP shares issued to management) at C$17.01, 50% of KML's 12mm series 1 preferred shares at C$25.75, and 50% of KML's 10mm series 3 preferred shares at C$25.10.
(c) Debt of KMI and its consolidated subsidiaries, net of cash, excluding fair value adjustments, and Kinder Morgan G.P., Inc.'s $100 million preferred stock due 2057, and including 50% of KML's Series 1 and Series 3 preferred shares.
(d) Debt of KML and its consolidated subsidiaries, net of cash.
(e) Dividend for KML's restricted voting shares.

Kinder Morgan's Strategy

KINDER MORGAN

Core Fee-Based Assets

- Focus on stable, fee-based assets that are core to North American energy infrastructure
- Market leader in each of our business segments
- Fees largely independent of commodity prices and substantially secured by take-or-pay contracts

Maintain Strong Balance Sheet

- Our primary investing entity has been investment grade since inception
- Net debt reduced by close to $6 billion since the end of 3Q 2015
- Funding all investment needs at KMI out of internally generated cash flow

Operate Safely & Efficiently

- Control costs; it's investors' money, not management's – treat it that way
- Consistently performing better than industry averages; target zero incidents

Seek Attractive Investments

- Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition
- Since 1997, Kinder Morgan has completed ~$31 billion in acquisitions and invested ~$30 billion in projects[(a)]

Transparency

- Provide highest level of transparency with investors
- Publish our annual budget at the beginning of each year; compare actual results against budget throughout the year

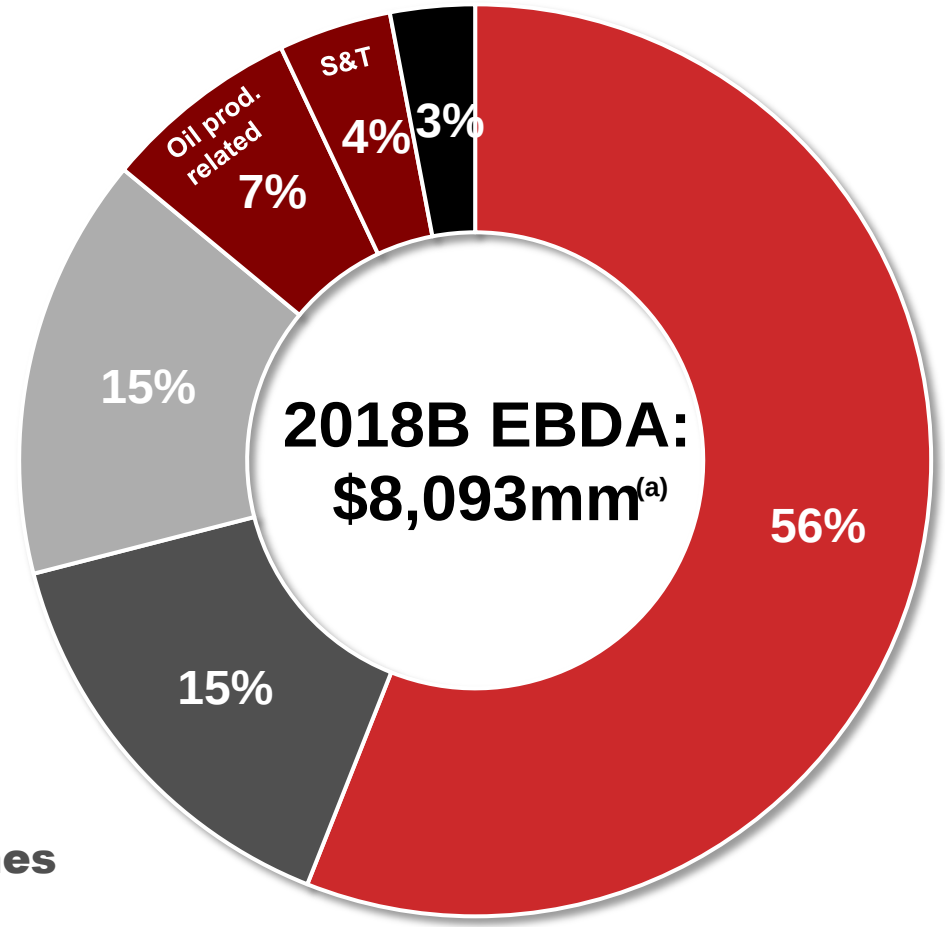
(a) From 1997 inception through 2017; represents combined investment of KMP (1997-2014), EPB (2013-2014), and KMI (2015-2017).

2018 Budgeted EBDA by Business Segment

93% of 2018B EBDA is Generated from Pipelines and Terminals

Kinder Morgan Canada
100% petroleum pipelines

CO_2
66% oil production related
34% source & transportation



Terminals
80% liquids
- 64% terminals
- 16% Jones Act tankers

20% bulk

Natural Gas Pipelines
73% interstate pipelines
9% intrastate pipelines & storage
18% gathering, processing, & treating

Products Pipelines
61% refined products
39% crude / NGLs

(a) 2018 budgeted Segment EBDA before Certain Items and including KM-share of Certain Equity Investee DD&A (non-GAAP measure).

Contracts & Asset Footprint Protect KM Cash Flow

96% of 2018B Cash Flow is Independent of Commodity Price

2018B Segment EBDA of $8.1 Billion[(a)]

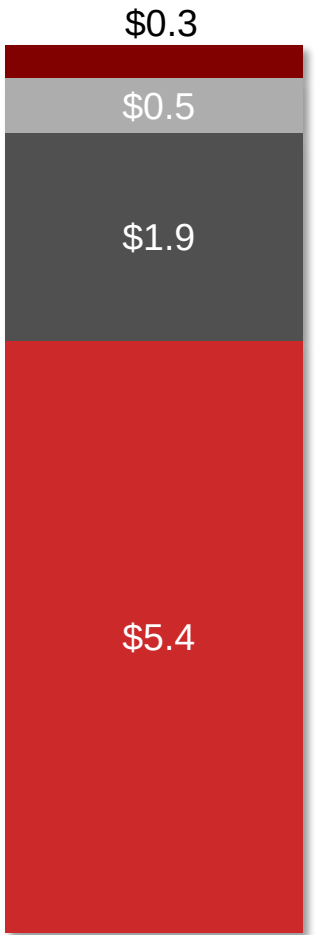
4% Commodity Based Cash Flow

6% Hedged Cash Flow

24% Other Fee-Based Cash Flow

Comprised of 10% natural gas pipelines, 9% products pipelines, 4% terminals, and 1% CO_2 & KMC

66% Fee-Based Take-or-Pay Cash Flow



Stability of Cash Flows

Hedged (6%): disciplined approach to managing price volatility

- CO_2 actual oil volumes produced have been within 1.5% of budget over the past 10 years
- CO_2 oil production hedge schedule[(b)]:

Year	Hedged Vol.	% Hedged	Avg. Px.
2018	33,483	70%	$58
2019	17,401	47%	$55
2020	9,300	35%	$53
2021	4,300	24%	$52
2022	–	–	–

Other Fee-Based (24%): dependable cash flow, independent from commodity price

- Supported by stable volumes, critical infrastructure between major supply hubs and stable end-user demand
- Natural Gas Pipelines (10%): G&P cash flow protected by dedications of economically viable acreage
- Products Pipelines (9%): competitively advantaged connection between refineries and end markets results in refined products piped volumes being within 1.2% of budget over the past 8 years
- Terminals (4%): 88% of fee-based associated with high-utilization liquids assets and requirements contracts for petcoke and steel

Fee-Based Take-or-Pay (66%): highly dependable cash flow

- Entitled to payment regardless of throughput

(a) Based on 2018 budgeted Segment EBDA before Certain Items and including KM-share of Certain Equity Investee DD&A (non-GAAP measure).
(b) Percentages based on currently hedged crude oil and propane volumes as of 12/31/2017 relative to crude oil, propane and heavy NGL (C4+) net equity production projected for 2018, and the Ryder Scott reserve report for 2019-2022 (historically below management expectations).

KMI's Evolution

Adjusted Course in Early Response to Industry Catalysts

KINDER MORGAN

Industry Catalysts

- Oil prices declined from over $100/bbl in 2014 to below $30/bbl in 2016
- Volatile capital markets
- More value / focus on balance sheet and dividend coverage
- Less investor willingness to accept IDR burden
- Less value placed on dividend payout
- Less investor willingness to accept continual equity issuances
- Sector trend toward self-funding goes in to full swing



KMI Actions and Achievements

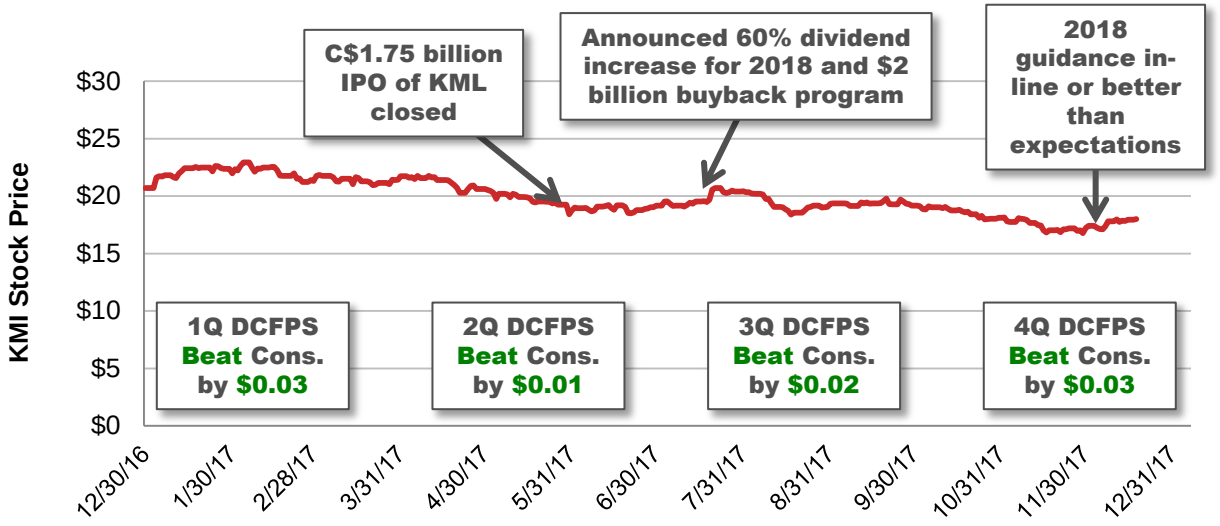
- KMI became a pure C-corp and eliminated IDRs in acquisition of its MLPs
- Reduced dividend in 2015; started funding expansions with cash flow; removed requirement to access capital markets for funding growth
- High-graded project backlog
- Increased minimum project return threshold for new project commitments
- Achieved multiple JVs on projects under construction (reduced KM capital burden and enhanced returns on project capital)
- Completed IPO of Canadian assets for net proceeds of $1.2 billion
- Announced dividend growth guidance with substantial DCF coverage
- Implemented $2.0bn share buyback program (unique for our sector)
- Net debt close to $6 billion lower since 3Q15
- Reduced leverage from 5.6x Net Debt / Adjusted EBITDA in 2015, to 5.1x in 2018

***HOW KMI HAS NOT CHANGED*: SAME DISCIPLINE IN OPERATING OUR ASSETS SAFELY & RELIABLY; SAME DISCIPLINED CAPITAL ALLOCATION; SAME MANAGEMENT FOCUS ON DETAILS; SAME FOCUS ON STABLE, FEE-BASED ENERGY INFRASTRUCTURE**

KMI's Evolution Was Ahead of the Curve

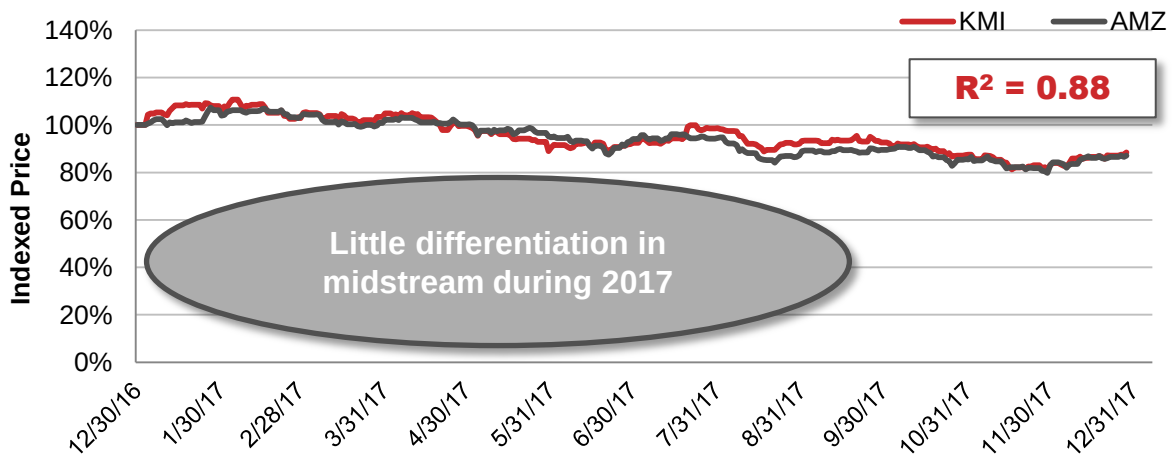
But Stock Has Been Impacted as Sector Continues to Adjust

Stock Price Dislocation from Business Performance



- KMI achieved consistent, positive performance and significant milestones throughout the year
- However, KMI's stock price has not reacted as expected
- **KMI was caught up in the 2017 investor rotation out of the midstream sector**

Some Perspective: KMI vs. AMZ



KMI's Differentiation

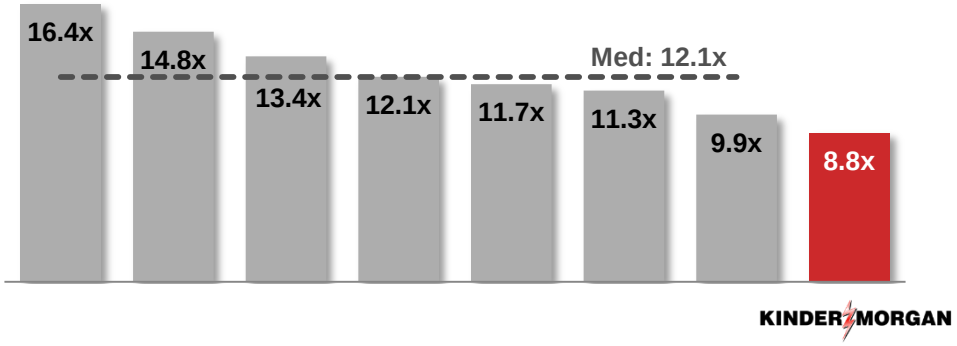
- Best-in-class dividend coverage
- Self-funded since 2016, and for foreseeable future
- Best-in-class dividend growth
- $2 billion share buyback program
- Management's interests aligned with shareholders

KMI's Compelling Investment Thesis

Attractive Relative Value, Best-in-Class Dividend Growth and Coverage

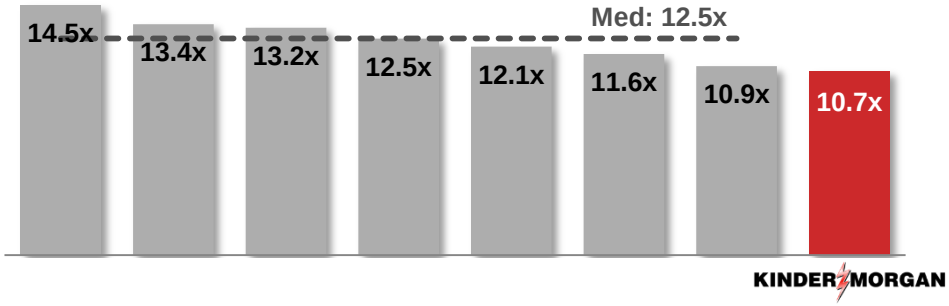
Price / 2018E DCFPS[(a)]

ATTRACTIVE RELATIVE VALUE



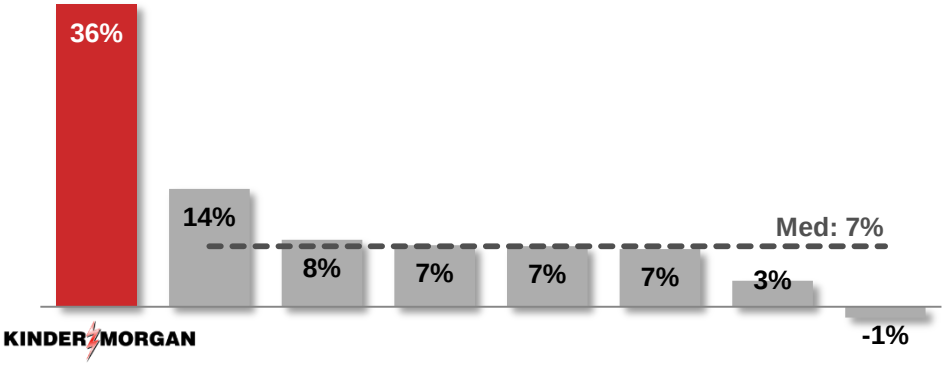
EV / 2018E EBITDA[(b)]

UNDERVALUED RELATIVE TO PEERS



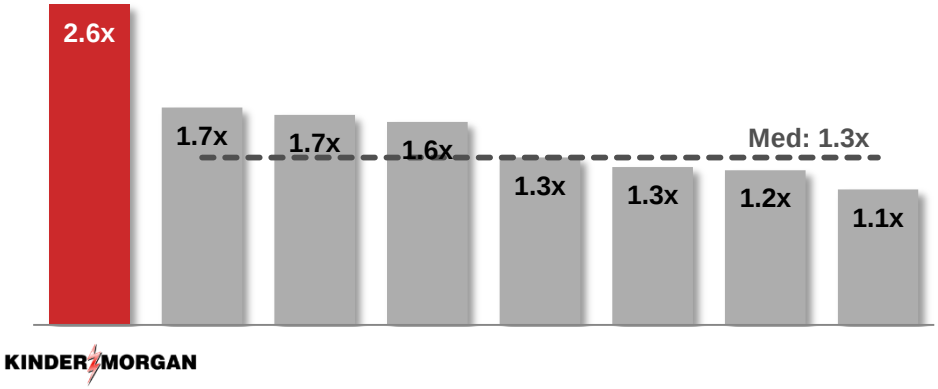
2017-2020E Dividend Growth CAGR[(c)]

BEST-IN-CLASS DIVIDEND GROWTH



2018E Dividend Coverage[(d)]

BEST-IN-CLASS COVERAGE



Notes: KMI financial measures before Certain Items. See Appendix for defined terms and reconciliations to GAAP measures.
Peer group: ENB, EPD, ETE, MMP, PAA, TRP, and WMB. Bloomberg consensus data.

(a) 12/29/2017 share price divided by 2018E DCF per share. Peer estimates per Bloomberg consensus and budget for KMI.
(b) 12/29/2017 enterprise value divided by 2018E EBITDA. Peer estimates and enterprise values per Bloomberg consensus and budget for KMI.
(c) Dividend per share CAGR per Bloomberg consensus estimates for peers and public guidance for KMI.
(d) 2018E DCF per share divided by 2018E dividend per share. Peer estimates per Bloomberg consensus and budget for KMI.

KMI's Compelling Investment Thesis (Cont'd)

Returning Significant Value to Shareholders

KINDER MORGAN

60% dividend increase

for 2018 to $0.80 per share from $0.50 per share in 2017

25% dividend growth

annually for 2019 and 2020: $1.00 in 2019 and $1.25 in 2020

$2 billion share buyback

~5% of KMI's current market cap; Program started in December 2017; Purchased ~14 million shares in December 2017 for ~$250 million

KMI Business Risks

Summary Business Risks

- **Regulatory**
  - FERC rate cases (Products Pipelines and Natural Gas Pipelines)
  - Provincial, state, and local permitting issues
- **CO_2 crude oil production volumes**
- **Throughput on our volume-based assets**
- **Commodity prices**
  - 2018 budget average strip price assumptions: $56.50/bbl for crude and $3.00/mmbtu for natural gas
  - Price sensitivities (full-year):

Price Δ	Commodity	DCF Impact
$1/bbl	Oil	~$7mm
$0.10/mmbtu	Natural Gas	~$1mm
1%	NGL / crude ratio	~$2mm

- **Project cost overruns / in-service delays**
- **Economically sensitive business**
- **Foreign exchange rates**
  - 2018 budget rate assumption of 0.79 USD / CAD
  - Sensitivity (full-year): 0.01 ratio change = ~$2 million DCF impact
- **Environmental (e.g. pipeline / asset failures)**
- **Terrorism**
- **Interest rates**
  - Sensitivity (full-year): 100-bp change in floating rates = ~$104 million interest expense impact[(b)]

Note: For a summary of KML business risks, please see the slides in the appendix of this presentation titled: "KML Business Risks and Key Assumptions."

(a) Natural Gas Midstream sensitivity incorporates current hedges, and assumes ethane recovery for majority of year, constant ethane frac spread, and assumes other NGL prices maintain same relationship with oil prices.

(b) As of 12/31/2017, approximately $10.4 billion of KMI's net debt was floating rate (~28% floating).

Well Positioned for Long-Term Success

Disciplined Capital Allocation and Operational Excellence

KINDER MORGAN

Poised for Success

- **World class midstream assets**
- **Fee-based cash flows**
  - Secure and growing
- **Disciplined capital allocator**
  - High bar for new investment opportunities
- **Attractive project execution**
  - Capex multiple of 6.0x on projects placed in service in past 3 years
- **Strong financial position**
  - Investment grade balance sheet
  - Substantial liquidity
  - Ahead of the curve in sector's shift toward self-funding, lower leverage, and greater coverage
- **Experienced management team**
  - Aligned with investors
- **Transparent with investors**

Best is Yet to Come

- Cornerstone of management philosophy since inception: deliver value to shareholders
- Excess cash flow will be used to enhance shareholder value:

Invest

IN HIGH-RETURN **ACQUISITIONS** AND/OR **EXPANSIONS**

De-Lever

THE BALANCE SHEET **FURTHER**

Return

CASH TO SHAREHOLDERS VIA **INCREASED DIVIDENDS** AND/OR **SHARE BUYBACKS**

BOUGHT ~14 MILLION SHARES DURING DECEMBER 2017 FOR ~$250 MILLION

C. KMI: Overview of Business Segments

Steve Kean

President & CEO

Segment Outlook and Asset Overview

Well-Positioned: Connecting Key Natural Gas Resources with Major Demand Centers

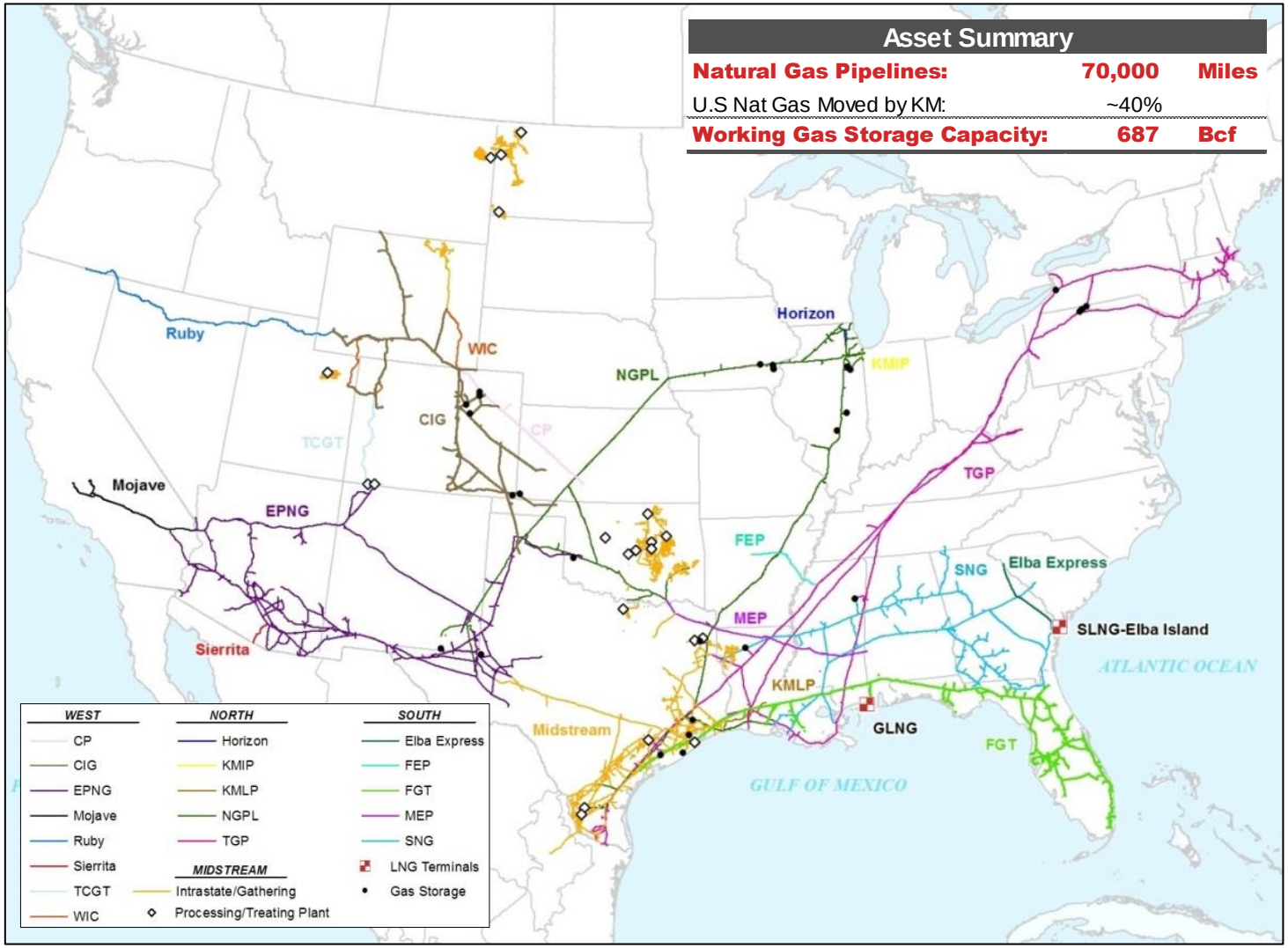
Long-Term Growth Drivers

- **Shale-driven expansions / extensions**
  - Greenfield projects
  - Expansions / extensions off existing footprint
- **Exports**
  - LNG exports: liquefaction facilities and pipeline infrastructure
  - Exports to Mexico
- **End-user / LDC demand growth**
  - Gulf Coast industrial growth
  - Regional power gen. opportunities
  - Enhanced access to LDC markets
- **Pipeline Conversions**
  - Repurpose assets to achieve greater value
- **Storage**
  - Support LNG Liquefaction
  - Backstop variable renewable generation
- **Acquisitions**

Project Backlog

$3.8 billion of identified growth projects over 2018-2021 time period[(a)]

- Gulf Coast Express Pipeline
- LNG liquefaction (Elba Island)
- Transport projects supporting LNG liquefaction
- Expansions to Mexico border
- TGP North-South projects



(a) Includes KM share of non-wholly owned projects. Includes projects currently under construction. Project backlog detail available in Section G. of this presentation: Natural Gas Pipelines segment presentation.

Project Highlight: Gulf Coast Express (GCX)

Joint Venture Project Satisfying Multiple Growth Drivers

KINDER MORGAN

Project Overview

Project Scope

- Mainline: 82 miles of 36” pipeline and 365 miles of 42” pipeline originating at the Waha Hub and terminating near Agua Dulce, Texas
- Midland lateral: 50 miles of 36” pipeline
- 198,150 HP of installed compression
- KMTP operator and constructor
- KM 50%, DCP 25%, and Targa 25% ownership interest

Project Statistics

- Initial Capacity: 1.92 Bcfd
- Capital (100%): $1.7 billion
- In-Service: October 2019
- Minimum contract term: 10 years

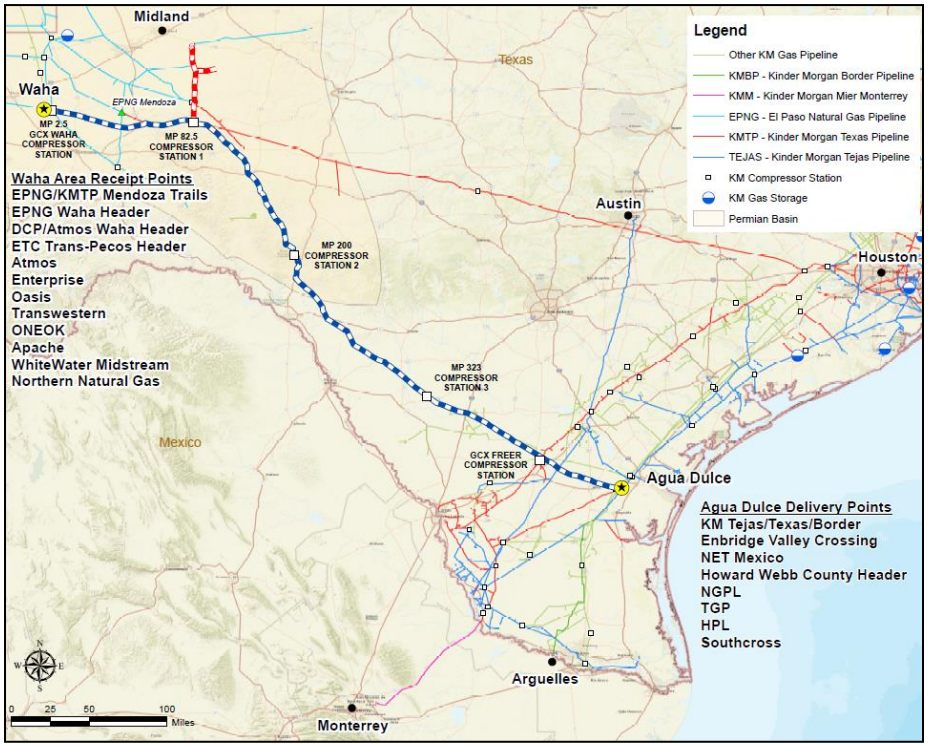
Current Status

- Final investment decision to proceed made December 2017
- Approximately 85% of project capacity sold under long-term contracts
- Remaining project capacity expected to be sold in 1Q18
- Shipper Apache Corp. has option to purchase 15% equity stake in the project from KM
- Received binding bids for 68% of project cost (construction, surveying, pipe and compression)

Project Drivers / Asset Overview

Project Drivers

- Producer push project to transport prolific growing supply from the Permian Basin to Agua Dulce
- Provides access to growing markets:
  - Exports to Mexico and Gulf Coast LNG liquefaction terminals
  - Growing Industrial demand
  - Multiple pipeline interconnects at Agua Dulce, incl. KMI Intrastate capacities of over 7 Bcfd (pipeline) and 132 Bcf (storage)

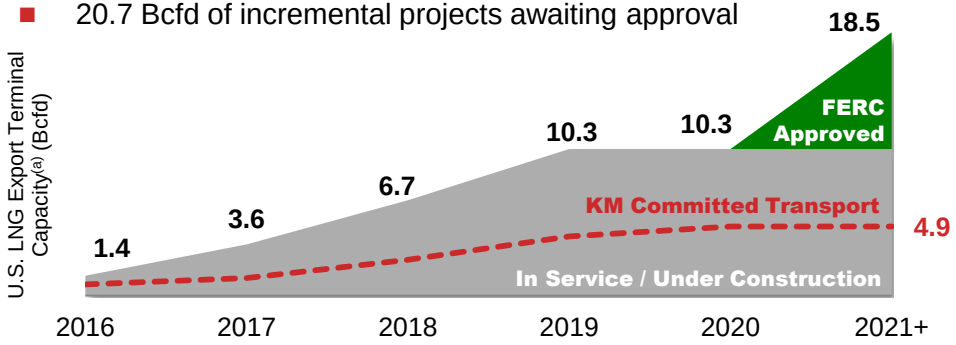


Growth Driver: Exports – Liquefied Natural Gas

Kinder Morgan Leverages Asset Footprint to Facilitate Booming U.S. LNG Exports

Global Demand Drives Opportunity for U.S. to Export

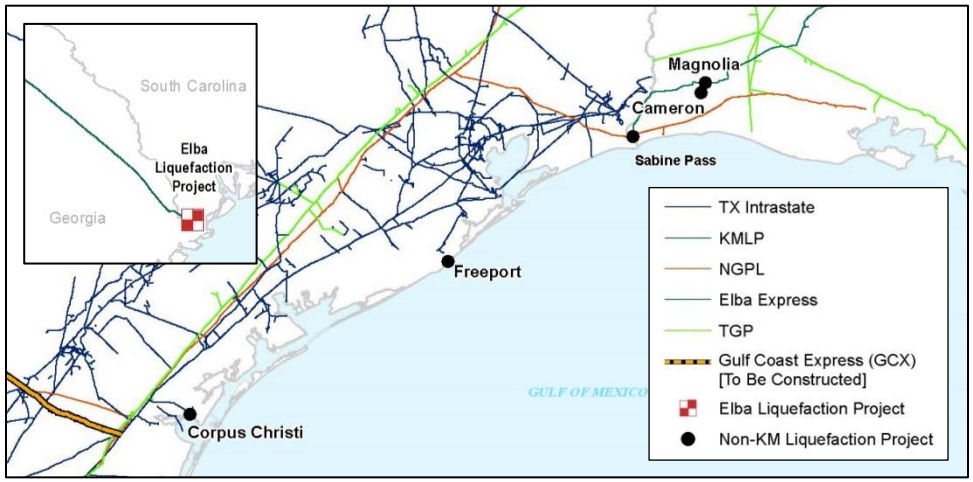
- 18.5 Bcfd of FERC-approved projects for U.S. LNG export terminals
  - 10.3 Bcfd already in service/under construction
- 20.7 Bcfd of incremental projects awaiting approval



KM Plans to Participate

- Eight active transportation projects on five Kinder Morgan pipelines
  - 18 years – average contract term
  - ~ $1 billion – capital investment
  - 4.9 Bcfd – contracted transport capacity
- Kinder Morgan network is well-positioned for additional growth
  - Transport opportunities to future facilities
  - Upstream capacity sales to 3rd party pipelines
- GCX will provide significant additional supply access to LNG export facilities
- Liquefaction at Elba Island LNG Terminal

KM Network positioned for Additional Growth



KM Projects / Long-Term Commitments(b)

KM Asset	Contracted Capacity (mDthd)	KM Capital ($mm)
TGP	1,200	$328
KMLP	1,300	$249
NGPL	1,335	$137
Intrastate	590	$134
EEC	436	$101
Subtotal:	**4,861**	**$949**
Elba Liquefaction	357	$1,176
Total:	**5,218**	**$2,125**

(a) Source: FERC data.
(b) Includes firm transport to the following terminals: Sabine Pass, Corpus Christi, Elba Island, Cameron, Freeport, and Magnolia. KM Projects / Long-Term Commitments to LNG detail available in Section G. of this presentation: Natural Gas Pipelines segment presentation.

Growth Driver: Exports – Mexico

Kinder Morgan Delivers ~71% of U.S. Exports to Mexico (2017 YTD through October)

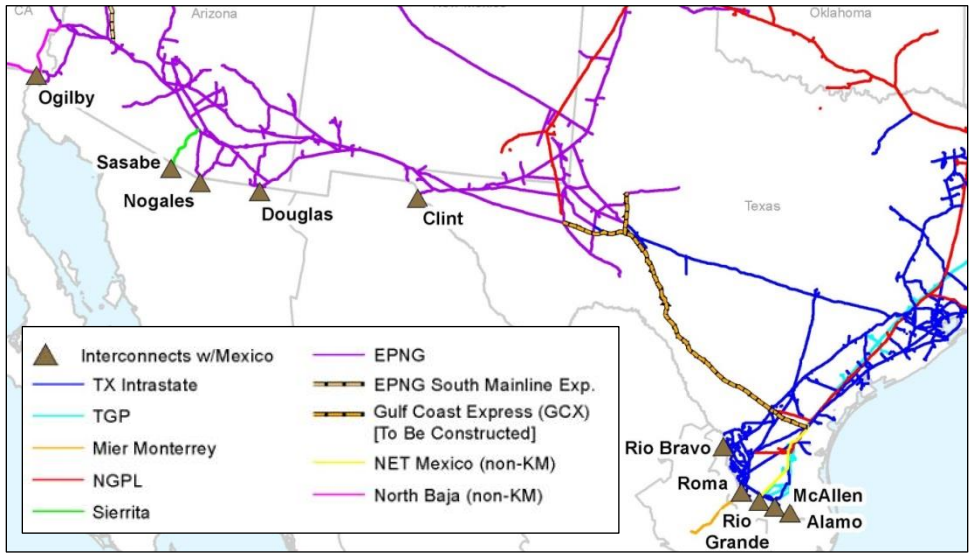
Mexico Natural Gas Market

- U.S. Exports to Mexico are expected to grow by ~2 Bcfd to 6.1 Bcfd by 2022[(a)]
  - Current exports ~4.2 Bcfd (2017 YTD through October)
- KM is well positioned to serve incremental demand through its extensive network
  - KM delivers ~2.9 Bcfd[(b)] (up 7% from 2016)
  - 16 interconnects (12 direct and 4 indirect)
- SENER and CENAGAS supporting storage development
- Mexico natural gas market deregulation is progressing

KM Plans to Participate

- KM's extensive footprint with access to numerous supply basins, hubs and Mexico interconnections provide a strong position to serve growing Mexican demand
  - Expansions of existing KM infrastructure
  - Construction of new infrastructure (including GCX)
  - Development of new hubs
- Increased storage opportunities near U.S. / Mexico border
  - Services for daily and seasonal demand variability from existing facilities
  - Expand existing and develop new storage facilities
- Deregulation provides KM additional marketing opportunities

KM Network Positioned for Additional Growth



KM Projects / Long-Term Commitments[(c)]

KM Asset	Contracted Capacity (mDthd)	KM Capital ($mm)
TGP	600	$230
TX Intrastate	752	$219
EPNG	585	$135
Sierrita	430	$81
Border Pipeline	100	$17
Total:	**2,467**	**$682**

(a) Wood Mackenzie, Fall 2017 North American Natural Gas Long-Term Outlook, December 2017, Mexico Energy Secretariat (SENER) Long-Term Forecast.
(b) 2017 calendar year average.
(c) KM Projects / Long-Term Commitments to Mexico detail available in Section G. of this presentation: Natural Gas Pipelines segment presentation.

Segment Outlook and Asset Overview

Products Pipelines: Stable, Strategic Assets

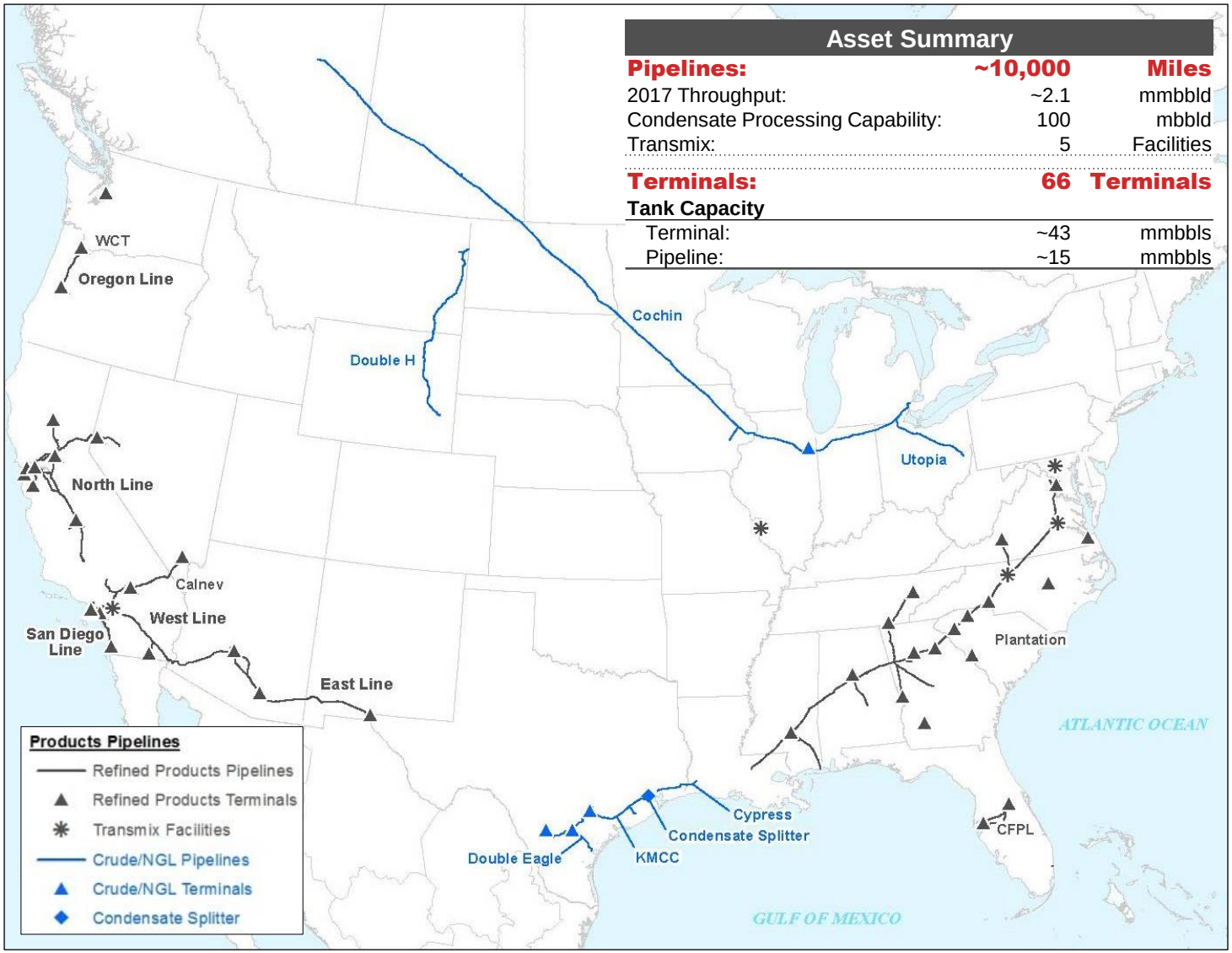
Long-Term Stability

- **Steady demand** for refined products volumes on strategically located assets
- **Annual** FERC index rate adjustments
- **Expansion** of refined products pipeline systems and terminals networks
- **Repurposing** portions of existing footprint in different product uses

Project Backlog

$372 million of identified growth projects over 2018-2019 time period[(a)]

- Utopia Pipeline
- Multiple refined products and NGL Terminaling projects
- Additional condensate splitter processing capabilities for existing throughput



(a) Includes KM share of non-wholly owned projects. Includes projects currently under construction. Includes Utopia at 51% KM share.

Project Highlight: Utopia Pipeline Project

Supported by Long-Term, Volume Commitment Transportation Agreement

Project Overview

Project Scope

- 50/50 JV with Riverstone Holdings
- 267-mile12” pipeline
- Will transport ethane from points in Harrison County, Ohio to Windsor, Ontario, Canada
- Initial pipeline capacity of 50 mbbld; expandable to 75 mbbld
- Approximate $550 million investment (100% project cost, excluding AFUDC)
- Expected to be in commercial service during January 2018

Market Drivers

- Utopia will provide a new feedstock source for petrochemical companies in Ontario, and a new market outlet for Utica NGL producers
- Common carrier pipeline system is supported by a long-term (20+ years), volume commitment

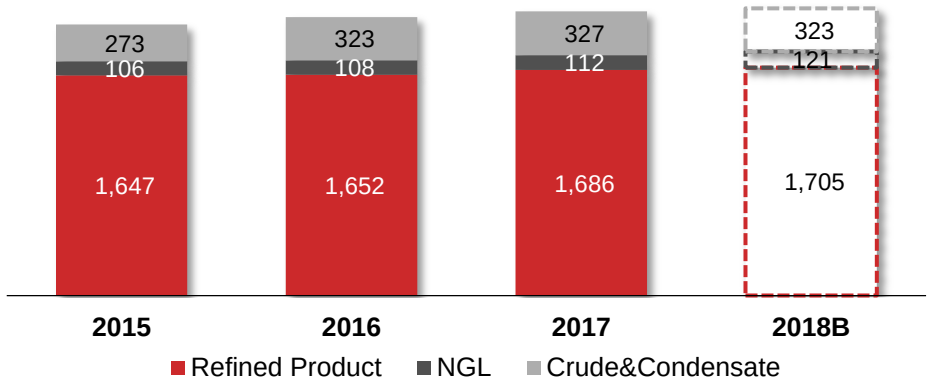
Asset Overview



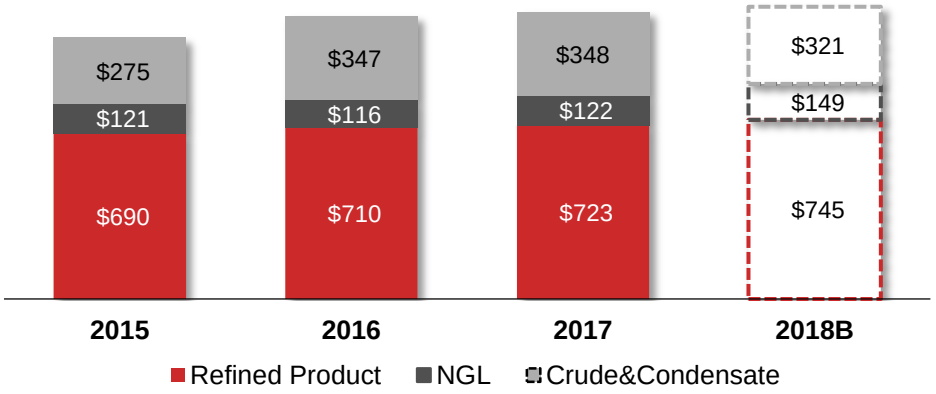
Stability and Growth

Stable Underlying Demand, Growing Footprint

Volumes Handled (mbbld)[(a)]



EBDA by Product ($mm)[(b)]



Market Trends

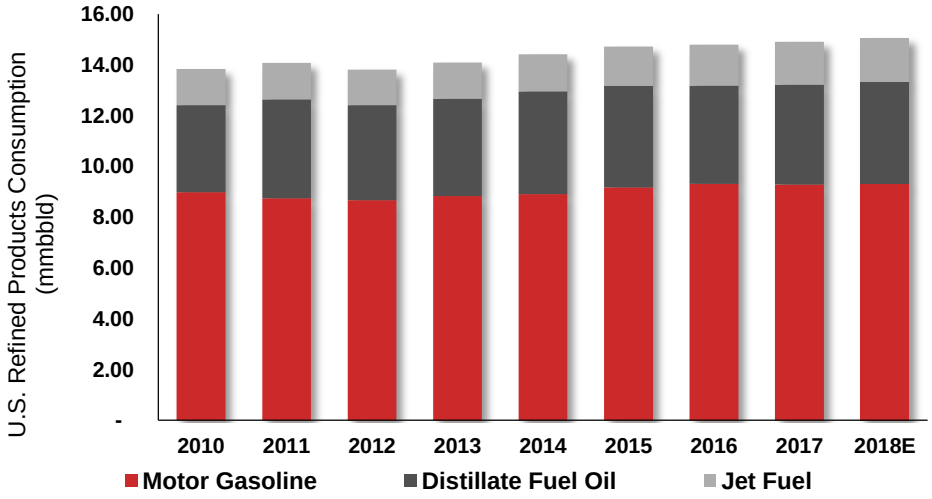
- **Refined Products**
  - Products Pipelines volume CAGR is 1.2% 2015-2018
  - Growth exceeds historical domestic refined products demand growth per EIA (average 0.8% CAGR from 2015-2018)
- **Crude / Condensate**
  - Eagle Ford Crude & Condensate[(c)] volumes transported grew 1.6% in 2017 despite production decline of 3.7%[(d)] in the region
- **NGLs**
  - Cochin supports growing Canadian oil sands diluent demand
  - Utopia supplying petrochemical companies in Windsor, Ontario

(a) Pipeline throughput volumes only (not including terminal volumes; KM share JVs).
(b) Includes Pipeline and Terminal EBDA (KM Share JVs).
  (1) NGL: Cochin, Utopia, Cypress
  (2) Crude & Condensate: Pipeline - KMCC, Double Eagle, Double H; Terminal - Splitter
  (3) Refined Product: Pipeline - SFPP, CALNEV, Central Florida, Plantation; Terminal - West coast Terminal, SE terminal, Transmix
(c) KMCC and Double Eagle.
(d) Source: EIA drilling report, December 2017.

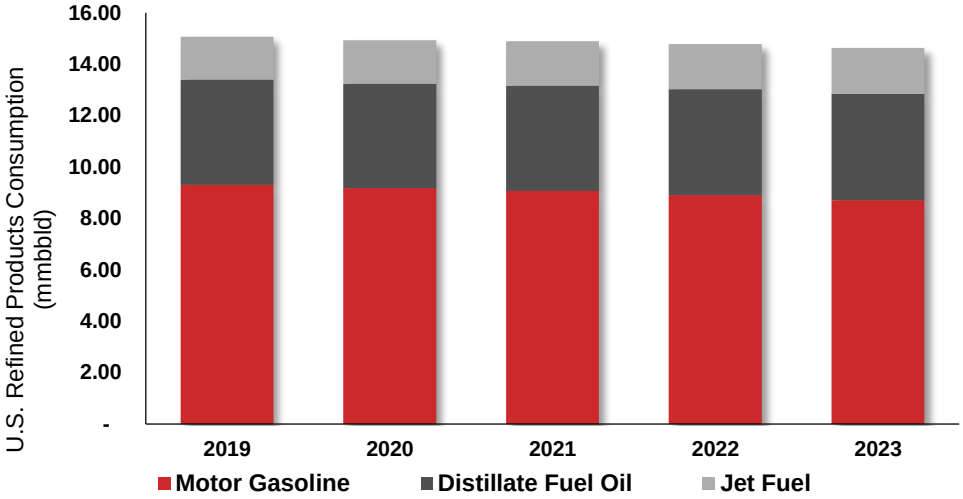
Stability: U.S. Refined Product Demand[(a)]

KM's Refined Products Business Continues to Enjoy Stable Conditions

Stable U.S. Refined Products Consumption[(a)]



Stable Conditions Expected in Medium Term[(b)]



Annual FERC Tariff Adjustments[(c)]

	Jul'16-Jun'17	Jul'17-Jun'18	Jul'18-Jun'19
PPI% change	-3.24%	-1.03%	3.19%
FERC Index adjustment	1.23%	1.23%	1.23%
FERC Index	**-2.01%**	**0.20%**	**4.42%**

Market Trend Commentary

- Steady demand for total refined product (average 1.1% year over year growth from 2010 - 2018)
- Projected less than 1% annual decrease for total refined product demand from 2019 - 2023
- FERC indexing enables predictable margin growth

(a) Source: EIA, Table 4a. U.S. Crude Oil and Liquid Fuel Supply, Consumption, and Inventories and Figure 15 U.S. Liquids Fuel Consumption Growth, January 2018.
(b) Source: EIA, Annual Energy Outlook 2017, Table 2. Energy Consumption by Sector and Source.
(c) Source: BLS, Dec 2017 release; expected rate increase based on current regulatory information, based on PPI FG +1.23%.

Segment Outlook and Asset Overview

A Diversified System Across Liquid and Bulk Hubs and Services

Long-Term Growth Drivers

- **North American Logistics Solutions**
  - Crude and NGL growth
  - Refining and petrochemical growth
- **Refined Products**
  - Shifts in supply / demand patterns
  - Export demand growth
  - Increasing renewables
- **Petrochemicals**
  - Industry production increases
  - Logistics solutions
- **Core Hub Terminal Focus**
  - Increased connectivity
  - New market access & optionality
  - Further value-added services
  - Complementary acquisitions

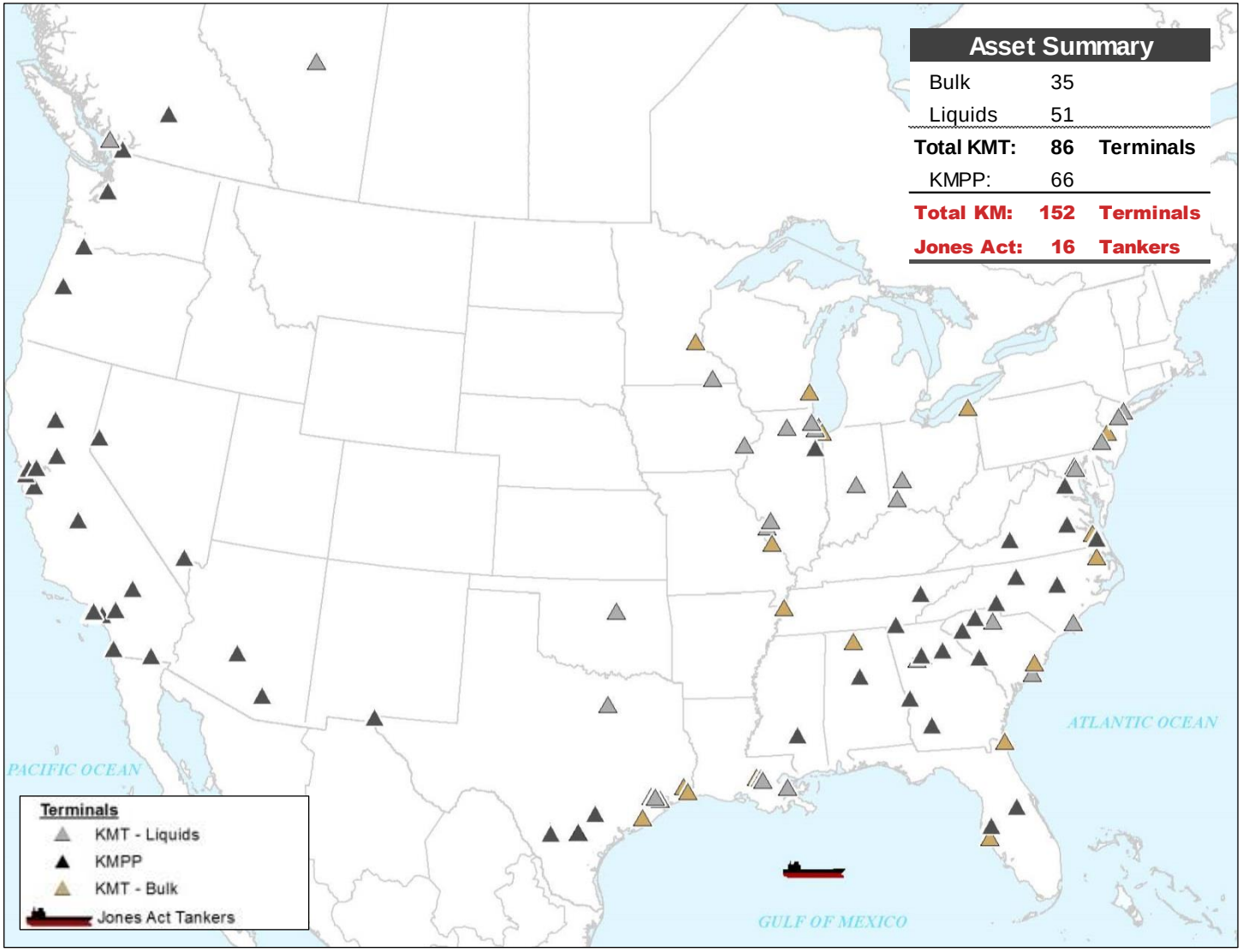
Project Backlog[(a)]

$1.1 billion placed into service in 2017

- Houston Ship Channel
- Jones Act Tankers

$0.3 billion to be completed in 2018

- Edmonton

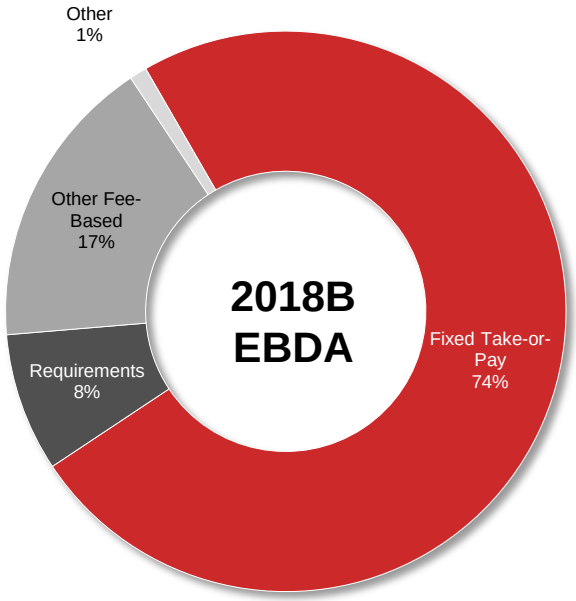


UNPARALLELED FOOTPRINT ACROSS NORTH AMERICA
152 COMBINED SEGMENT TERMINALS AND 16 JONES ACT TANKERS

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

Terminals' Fee-Based Business

Earnings Predicated on Stable, Fee-Based Business



Terminals with a secured earnings profile

Limited variability and independent of inventories

Infrastructure and services required to meet customer, market and industry needs

Take-or-Pay 74%

- Term leased tank capacity (monthly)
- Term tanker charters (monthly)
- Term volumes (per bbl or ton)

Requirements[(a)] 8%

- Ratable – tied to customer production levels
- Refineries – petroleum coke production
- Steelmaking – Nucor plant services

Other Fee-Based 17%

- Based on customer use (per bbl or ton)
- Secured by customer and market needs
- Ancillary services (e.g., vessel loading and blending)

Other 1%

- Other ancillary services
- No KM marketing or equity bbls at our facilities
- Not competing with our customers

EARNINGS STABILITY THROUGH FEE-BASED BUSINESSES
RATABLE CUSTOMER AND MARKET DEMAND-DRIVEN CONTRACTED SERVICES

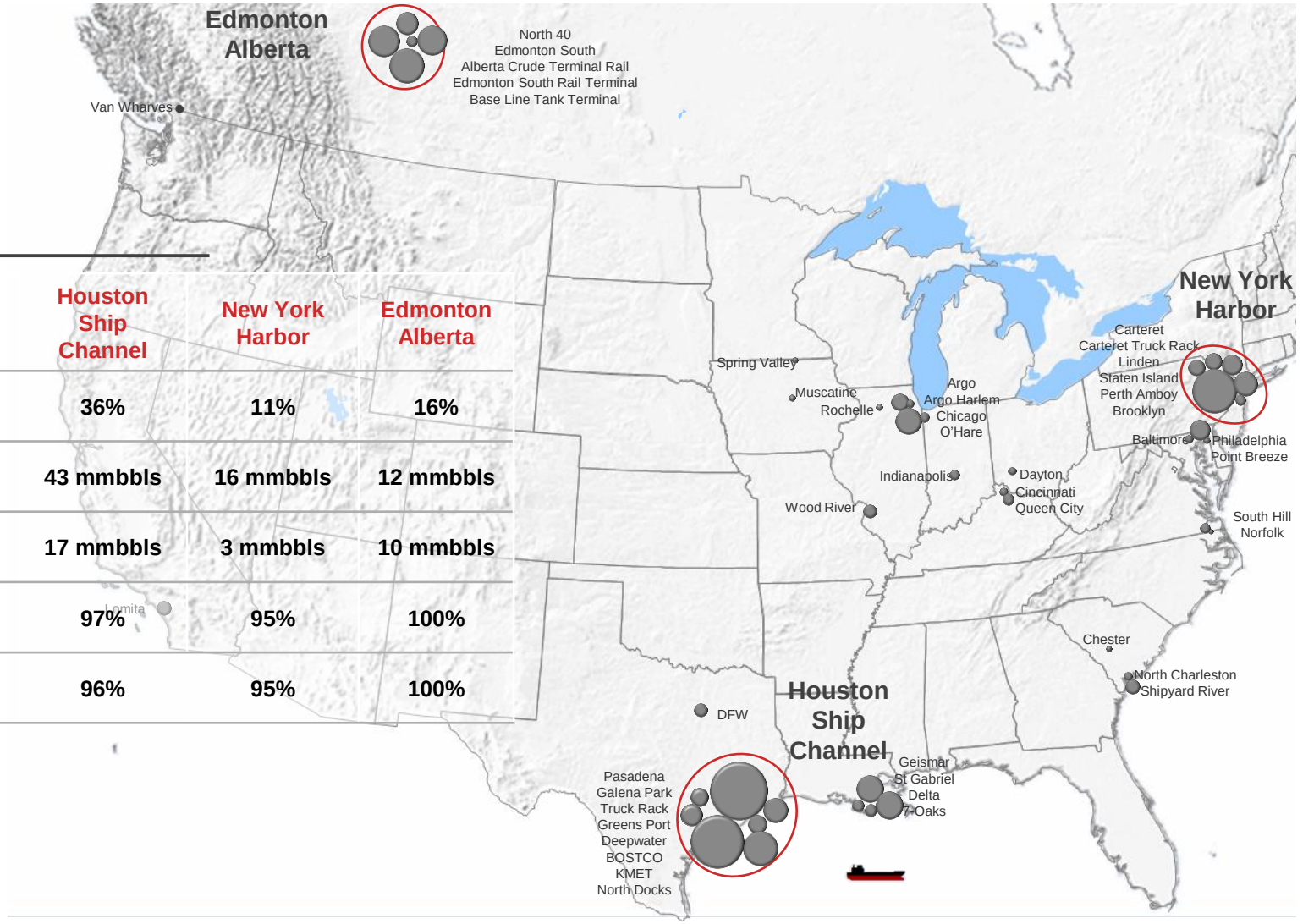
(a) Customer has a physical requirement and, in almost all cases, contractual obligation to exclusively use our facility or services.

Liquids Terminals

~$5.8 Billion Invested Capital since 2010 – Houston, Edmonton & Jones Act Tankers

Hub Terminals

	Houston Ship Channel	New York Harbor	Edmonton Alberta
% of 2018B Liquids EBDA	36%	11%	16%
Total Terminal Capacity	43 mmbbls	16 mmbbls	12 mmbbls
New Capacity since 2010	17 mmbbls	3 mmbbls	10 mmbbls
Utilization 5-year Average	97%	95%	100%
Utilization, 2018 Budget	96%	95%	100%

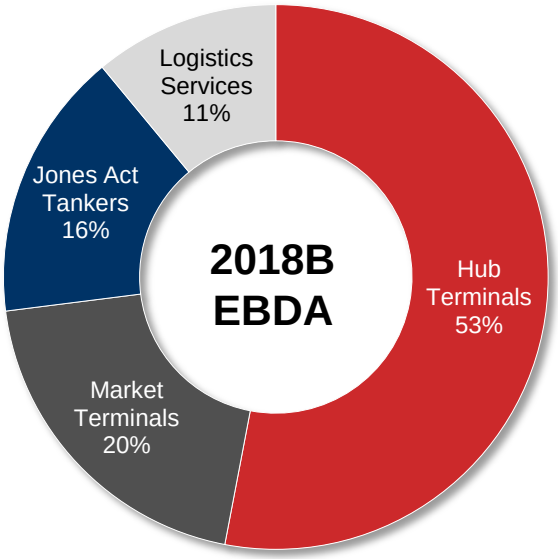


LIQUIDS TERMINALS: ~80% TERMINALS' EBDA

Notes: Liquids EBDA includes Jones Act Tankers.
Total terminaling capacity reflects projects which will be completed in 2018.
Terminal utilizations reflect tankage unavailable for lease due to API inspections and routine maintenance.
Size indicative of relative liquids revenue contribution.

Terminals' Core Business Values

Infrastructure and Service Solutions – "Much More than Storage"



Not all terminals are created equal.

Our value derives from providing markets, industry, and customers with value-added supply-chain infrastructure solutions.

KM terminals are much more than storage.

Hub Terminals 53%

- Market clearing point between global buyers and sellers
- Multimodal connectivity and value added services
- Critical to our customers and their business
- KM liquids hubs: Houston, Edmonton and NY Harbor

Market Terminals 20%

- Geographic: market specific regional product demand
- Commodity: product specific supply chain solutions
- Trade: multi-commodity import/export infrastructure
- KM businesses: truck racks, renewables and bulk export terminals

Jones Act Tankers 16%

- 16 modern and efficient tankers
- Multi-commodity and multi-market
- Only solution for growing U.S. maritime trade
- KM's APT subsidiary: Largest Jones Act tanker fleet

Logistics Services 11%

- Customer in-plant logistics solutions
- Leveraged competencies in bulk and liquids
- Tankage, transloading and other services
- Nucor, Methanex and petroleum coke services

TERMINALS OFFERS WHAT OUR CUSTOMERS AND MARKETS NEED:
INDUSTRY CRITICAL ASSETS AND SERVICES

Segment Outlook and Asset Overview

Own and Operate CO_2 for Enhanced Oil Recovery (EOR)

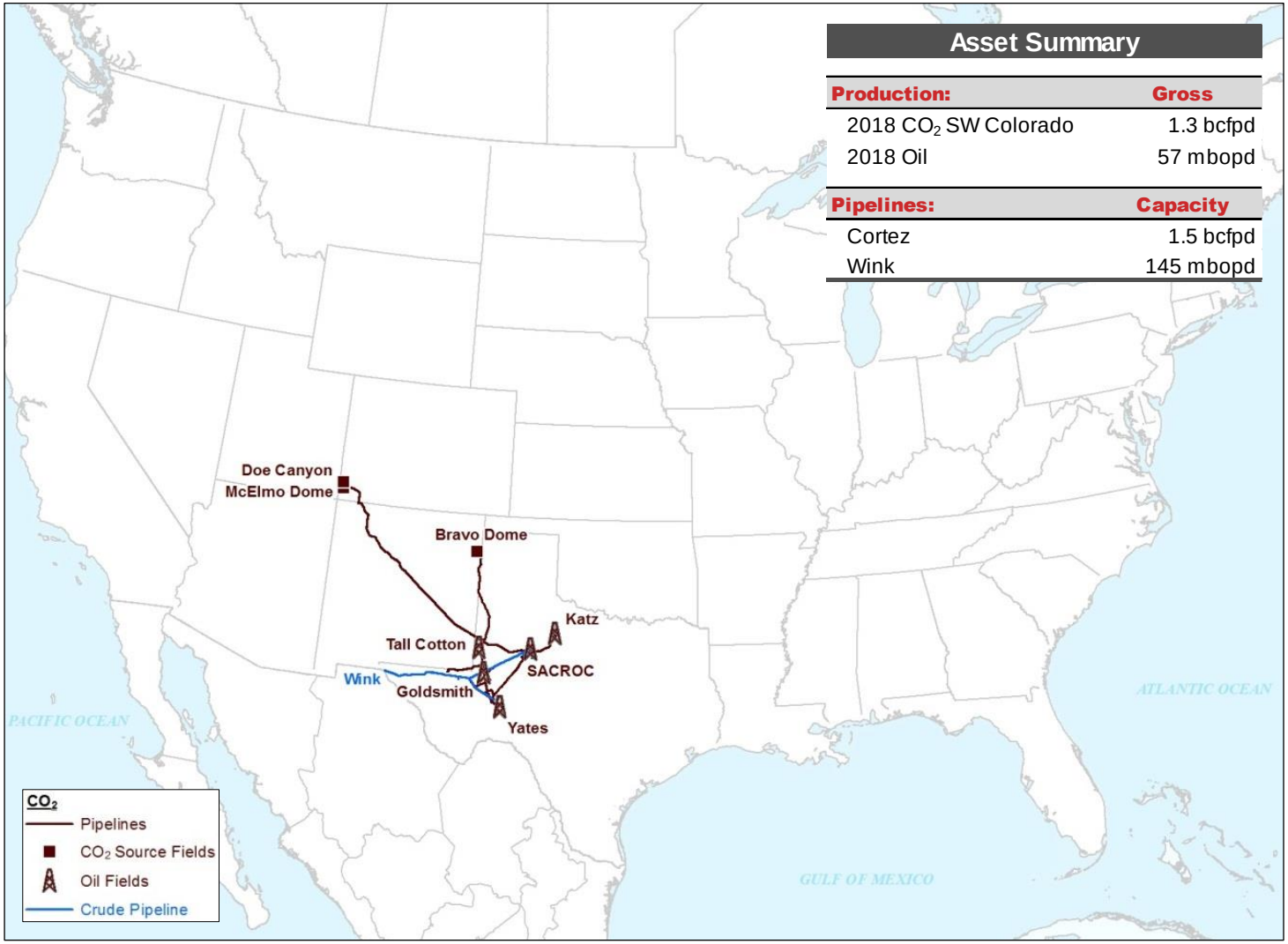
Long-Term Growth Drivers

- Demand for scarce supply of CO_2 drives volume and price
- Trillions of cubic feet of recoverable CO_2 in KM operated fields
- Billions of barrels of oil still in place to be recovered in the Permian Basin
- ~9 billion barrels Original Oil in Place in KM operated fields

Project Backlog

$1.6 billion of identified growth projects over 2018-2022 time period[(a)]

- $1.3 billion related to Oil & Gas Production and $0.3 billion related to S&T
- Oil & Gas Production: SACROC / Yates / Goldsmith / Tall Cotton oil production
- S&T: Southwest Colorado CO_2 production



Asset Summary

Production:	Gross
2018 CO_2 SW Colorado	1.3 bcfpd
2018 Oil	57 mbopd

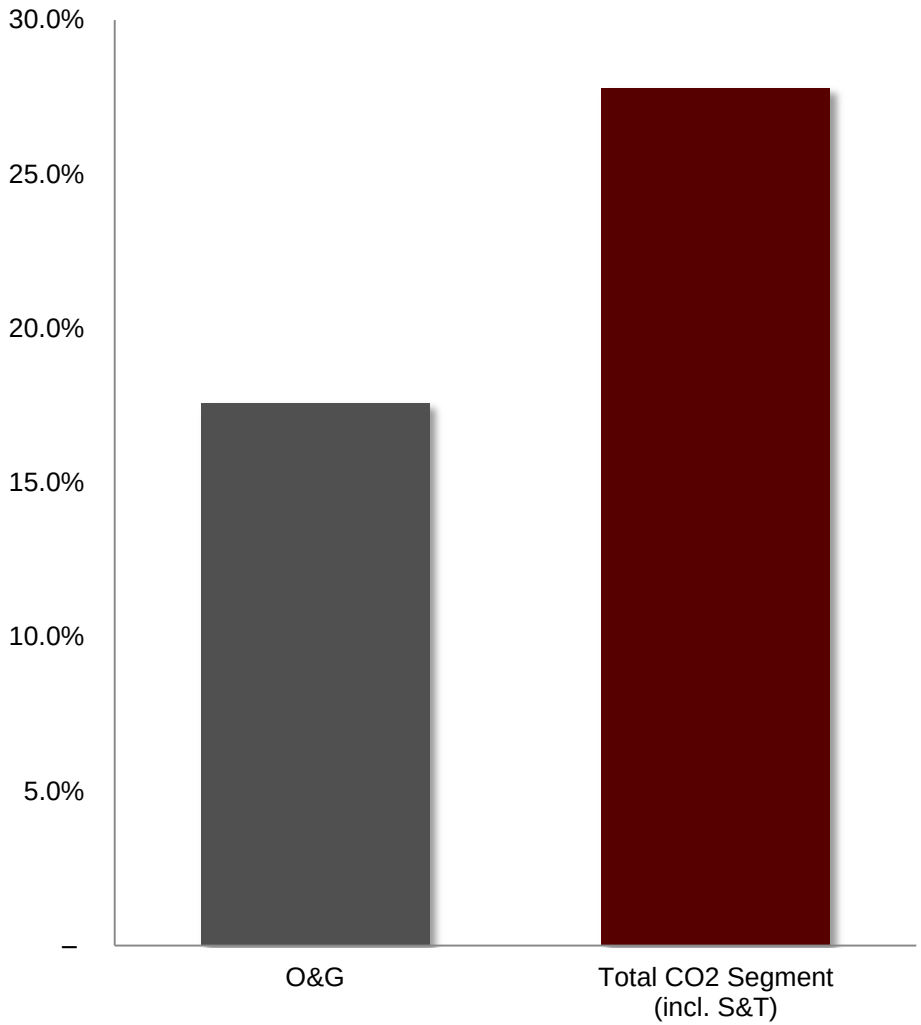
Pipelines:	Capacity
Cortez	1.5 bcfpd
Wink	145 mbopd

Note: S&T = Source and Transportation.
(a) Includes KM share of non-wholly owned projects. Includes projects currently under construction.

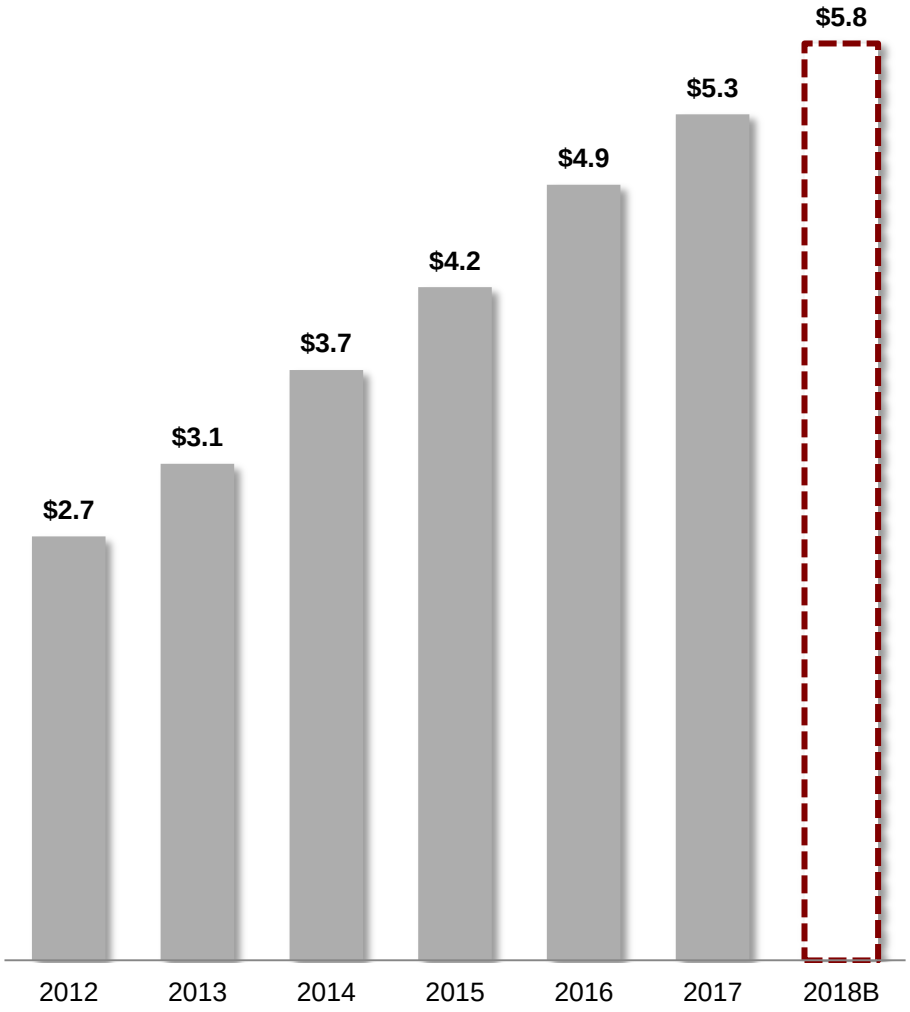
CO_2 Segment Significant Returns and FCF

Generating High Returns and ~$6 Billion in Cumulative Free Cash Flow

IRR% 2000-2017



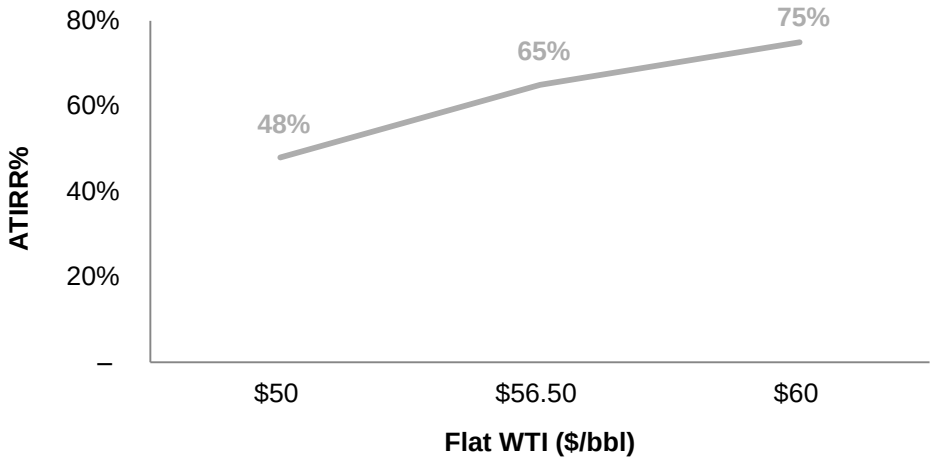
Cumulative FCF Generation $bn



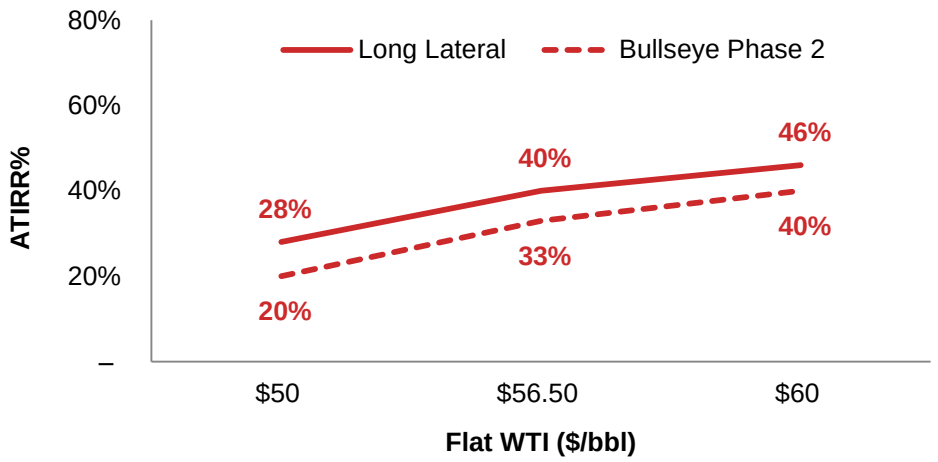
Continued Focus on High-Return Projects

2018 Project Returns at Various Flat Pricing Levels

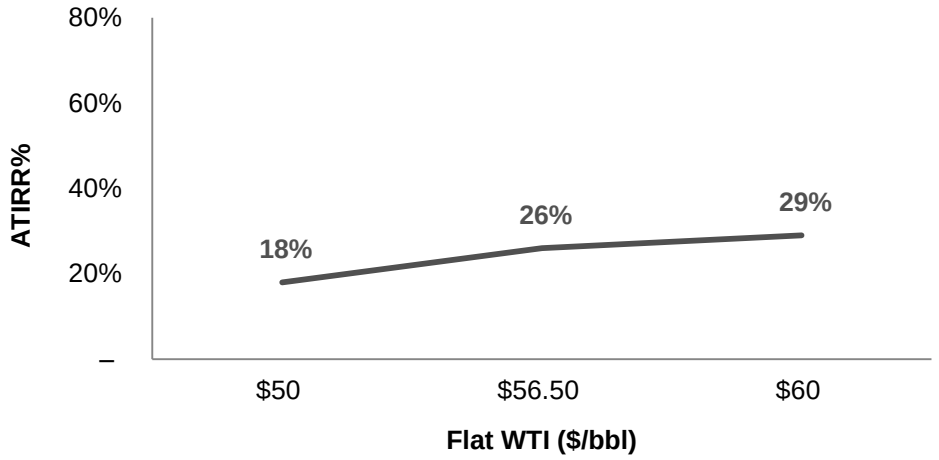
Yates HZ Drain Hole Program



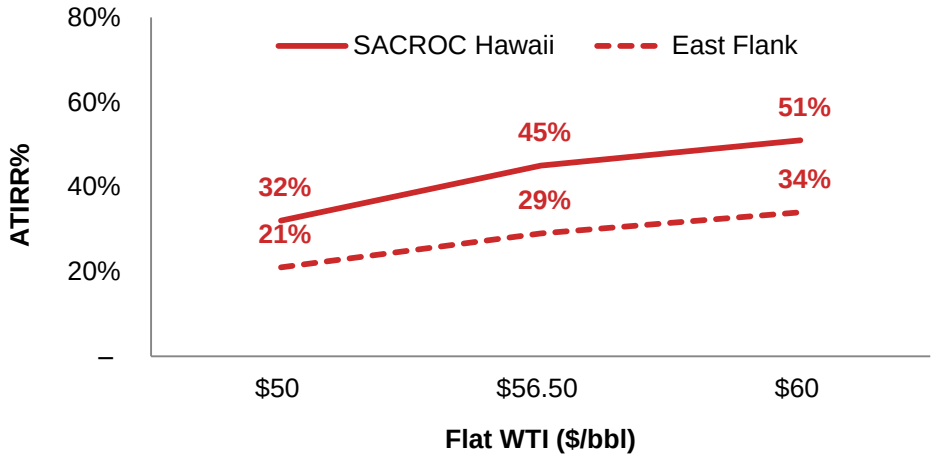
SACROC Conventional



Tall Cotton Phase 3



SACROC Transition Zone



Big Fields Get Bigger

Successful Track Record of Extending SACROC Production Life

KINDER MORGAN

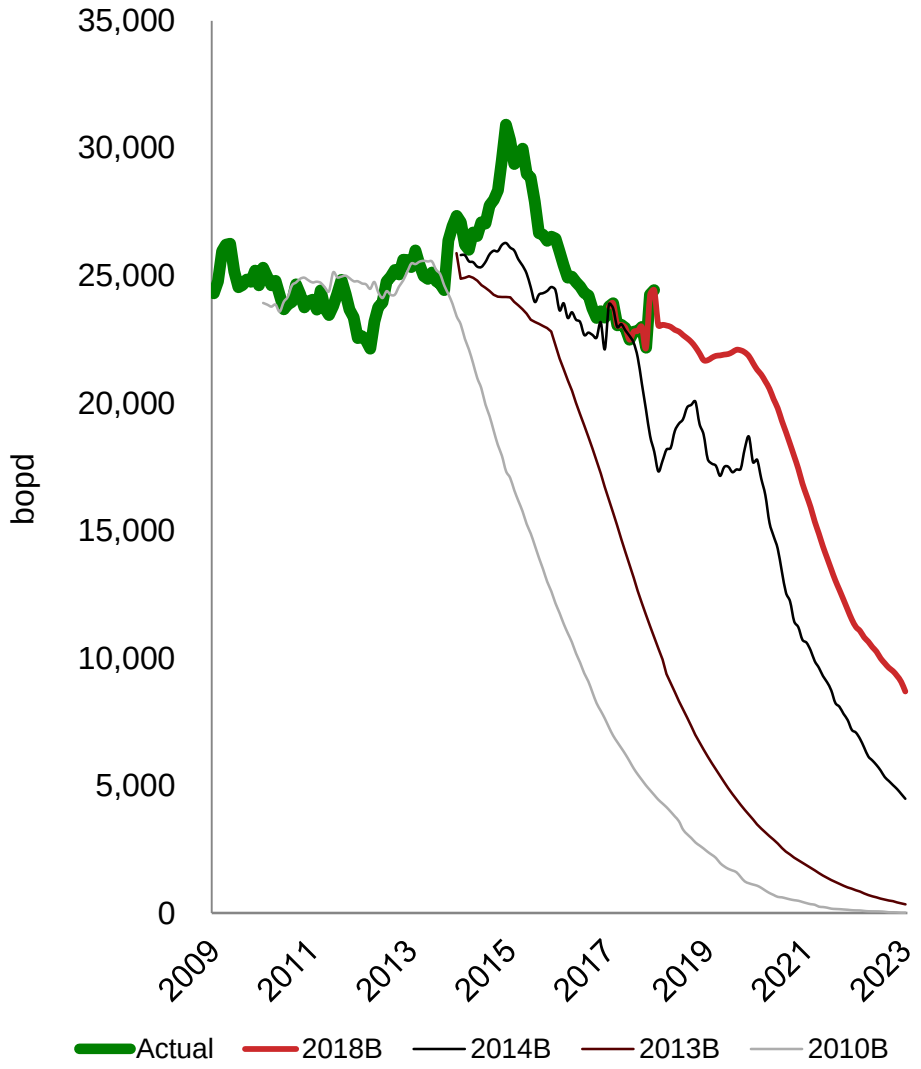
Big Fields

- **SACROC – 2.8 billion barrels of original oil in place**
- **Yates – 5.0 billion barrels of original oil in place**

SACROC Strategy

- **Long track record of expanding the field through advanced technology and new exploitation techniques**
  - Advanced Seismic technology used to identify:
    - Infill prospects
    - Bypass pay projects
    - Transition zone
  - Horizontal drilling technology
  - Conformance technologies and techniques:
    - Polymers – gels, foams
    - Mechanical
- **Transition Zone is the next opportunity to expand SACROC**
  - 700mm OOIP target
  - Delineation efforts ongoing
  - Executed five projects to date
  - Executing two projects in 2018

SACROC Net Oil Production Forecasts



Segment Outlook and Asset Overview

Sole Oil Pipeline Providing Oilsands Production Access to West Coast / Export Markets

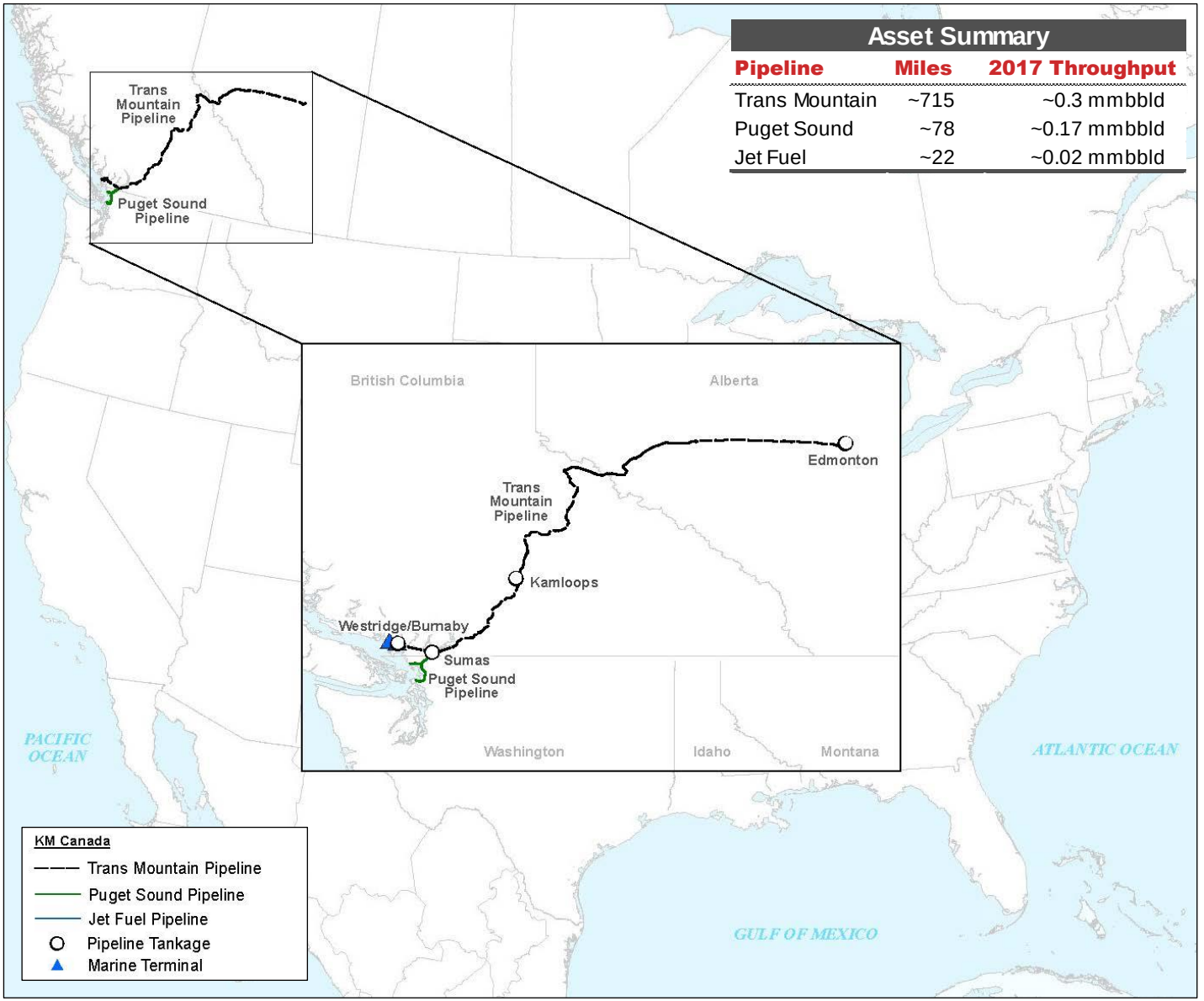
Long-Term Growth Drivers

- **Constrained pipeline capacity**
  - Trans Mountain only pipeline to the West Coast
  - Continued proration
  - Crude by rail growth to NA markets until pipeline expansion
- **Access to new markets**
  - Growing Asia-Pacific demand
  - World pricing for Canadian crude
- **Growing Production**
  - 1.5 mmbbld by 2030[(a)]

Project Backlog

U.S.$5.7 billion

- Trans Mountain Expansion Project



(a) 2017 CAPP Crude Oil Forecast, Markets and Transportation report.

D. KML: Operational Excellence

Steve Kean

Chairman & CEO of KML

KML Overview

Integrated Network of Strategically Located Assets

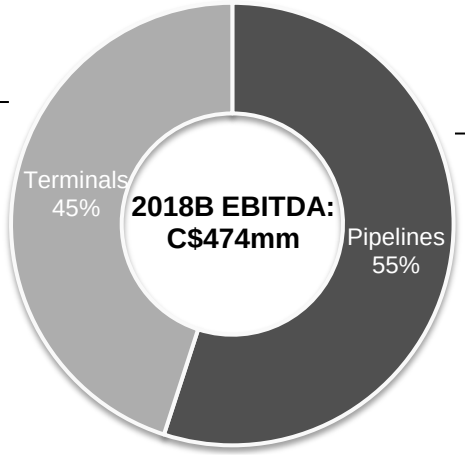
KML Summary

- A premier integrated network of pipeline systems and terminal facilities serving Western Canada
- Initial Public Offering on TSX in May 2017
- KMI owns ~70% interest, public owns ~30% interest
- Two business segments: Pipelines and Terminals

KML Segment Detail[a]

Terminals

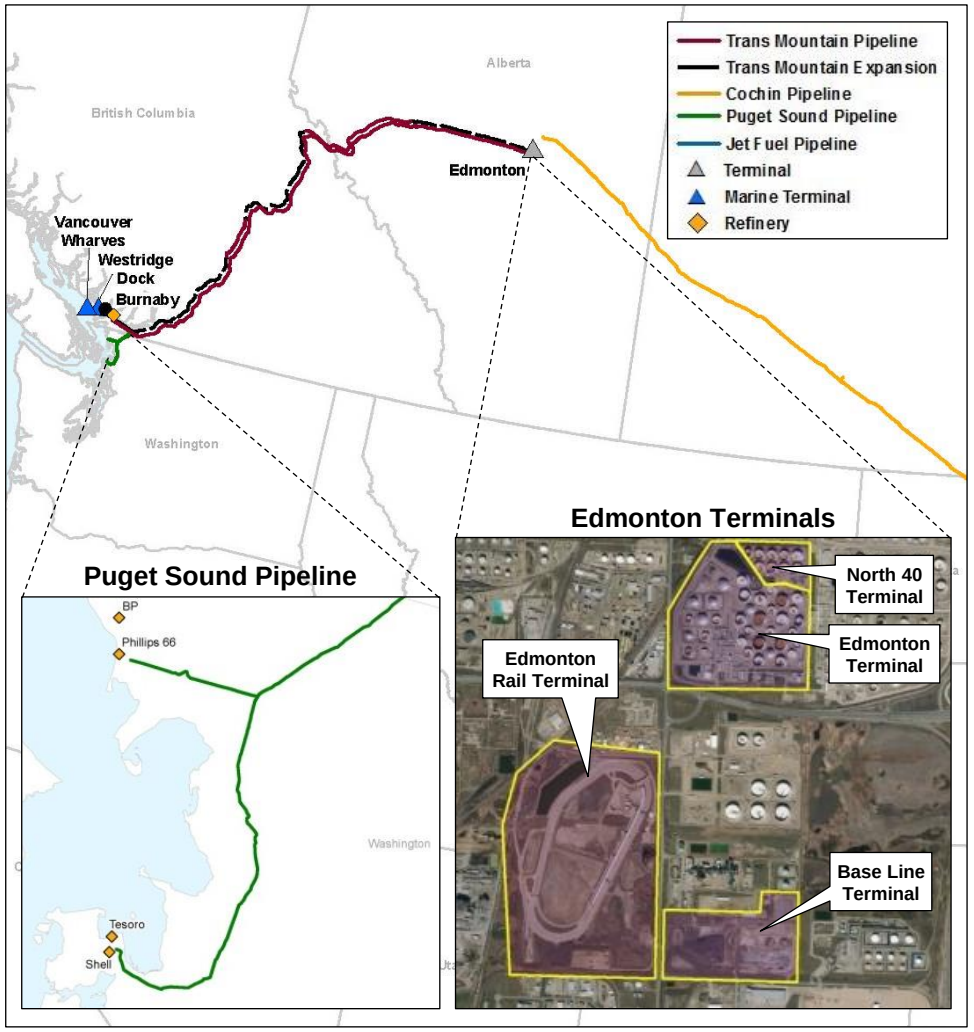
- Edmonton South Terminal
- North 40 Terminal
- Base Line Terminal
- Edmonton and Alberta Rail Terminals
- Vancouver Wharves



Pipelines

- Trans Mountain Pipeline
- Puget Sound System
- Canadian portion of Cochin Pipeline
- Jet Fuel pipeline

KML Assets[b]



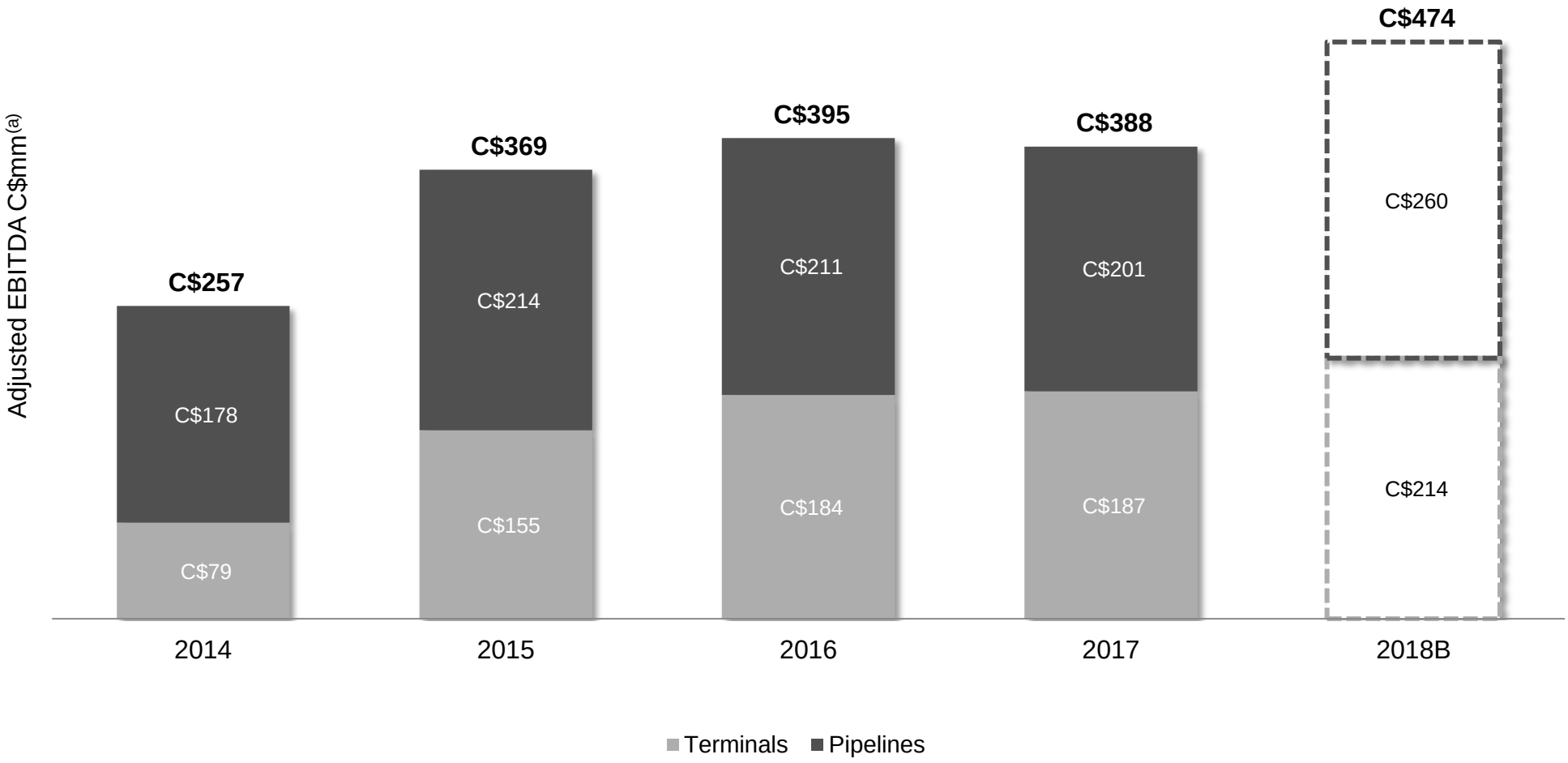
(a) Segment split based on segment EBDA % split.
(b) Terminals statistics exclude terminals related to the regulated Trans Mountain system.

KML Overview (Continued)

Significant Canadian Midstream Entity; Unparalleled Growth Potential

TRANS MOUNTAIN EXPANSION PROJECT COULD GROW ADJUSTED EBITDA BY

C$1.1 BILLION(b)



(a) Capitalized equity financing costs of C$18mm, C$29mm, and C$71mm are included in 2016, 2017, and 2018, respectively. Percentage split between Pipelines and Terminals segments based on segment EBDA.

(b) Represents full contribution over the project's first 12 months of operations and includes ~C$900mm for contracted capacity and ~C$200mm for full spot capacity utilization.

Project Highlight: Trans Mountain Expansion

Only Crude Oil Pipeline Serving Canadian West Coast

KINDER MORGAN

Trans Mountain Expansion Project (TMEP)

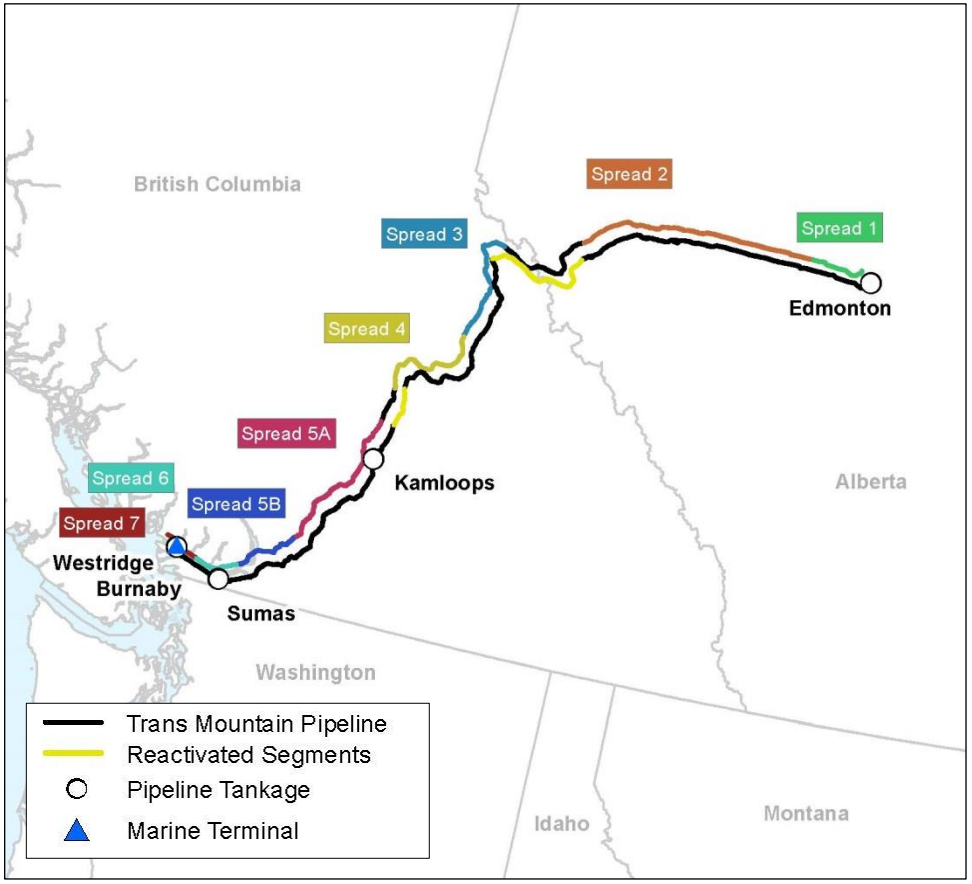
Project Scope

- Expansion to 890 mbbld from 300 mbbld today
- 615 miles new pipe; 12 new pump stations
- 630 mbbld tanker export capacity; 3 new berths
- 18 new tanks, 2 existing tanks

Project Statistics

- 13 shippers contracted for 708 mbbld
  - 15 and 20-year take-or-pay contracts
  - Commercial terms approved by NEB May 2013
- Final cost estimate of C$7.4 billion[(a)]
- Cost protection on ~24% of construction spend:
  - Price of steel for pipe
  - Pipeline spreads 5B, 7 and Burnaby tunnel
  - Land acquisition costs between Langley and Burnaby
  - Consultation and accommodation costs for indigenous and non-indigenous communities

TMEP Overview



(a) Including capitalized finance charges.

Trans Mountain Expansion Project Status

Actively Evaluating Mitigation Efforts

Current TMEP Status

- **Original estimated in-service date of December 2019**
- **Slower than expected permitting process thus far could result in a delay estimated at up to 12 months (to Dec. 2020)**
  - We continue to evaluate mitigation efforts
- **Additionally, to prudently manage shareholder capital, spending on TMEP is budgeted to be "primarily permitting", rather than full construction, until we have greater clarity on key permits, approvals and judicial reviews**
  - If uncertainty around permitting and judicial processes extends further into 2018, TMEP would expect to reduce 2018 spend and the previously announced unmitigated delay could extend beyond December 2020
- **We have spent a total of ~C$930mm through 2017 with ~C$6.5bn remaining (~C$5.9bn excluding capitalized financing) based on our initial total cost estimate**
  - We are budgeting to spend C$1.7 billion in 2018, subject to continued evaluation of legal, regulatory and permitting processes
  - Construction delays entail increased costs due to a variety of factors; however, as the extent of a delay is currently unknown, we are not updating cost estimate at this time

Trans Mountain Expansion Project Status (Cont'd)

Milestones Along the Way to Clarity That We Can "Finish What We Start"

- Favorable outcome on NEB motion for an efficient, fair and timely process for resolving provincial and local permits and approvals – **received January 18, 2018**
- Experience with Provincial and Local authorities evidencing that most are timely and fairly processing permits and authorizations (i.e. that the need to use an NEB backstop would be exceptional)
- Timely resolution of NEB Routing hearings
- Timely confirmation of satisfaction of NEB and British Columbia's Environmental Assessment Office (EAO) conditions
- Successful outcome of Judicial Reviews – especially the appeal of the Federal Government's Order in Council
- Experience showing that Federal paramountcy will be exercised to ensure the timely completion of this national priority project

E. KMI: Financial Excellence

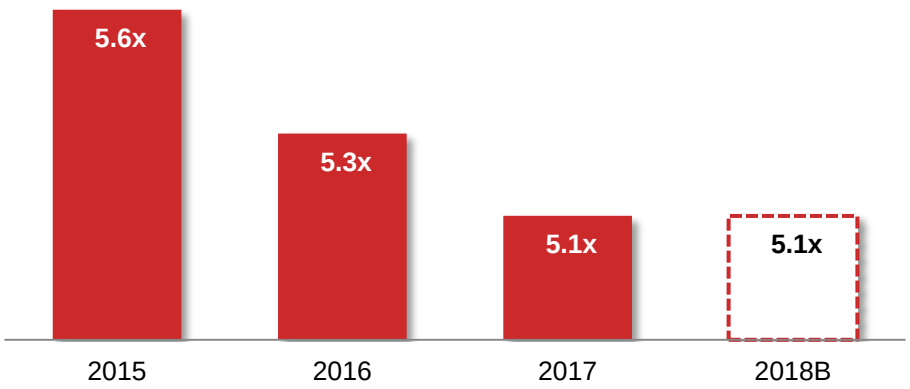
Kim Dang

Vice President & CFO

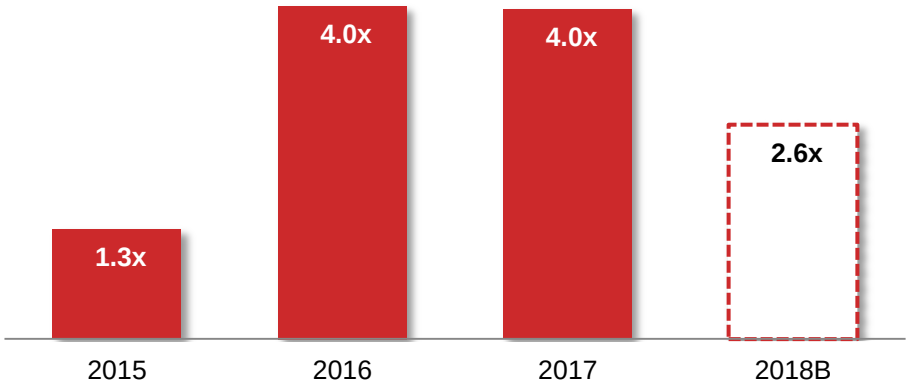
KMI's Recent Evolution: Corner Has Been Turned

Results in Strong Financial Profile that Matches Portfolio of Stable Assets

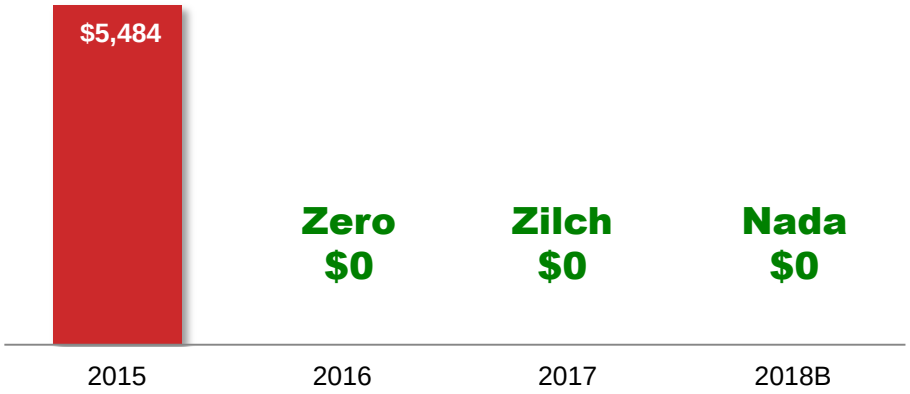
Year-End Net Debt / Adjusted EBITDA



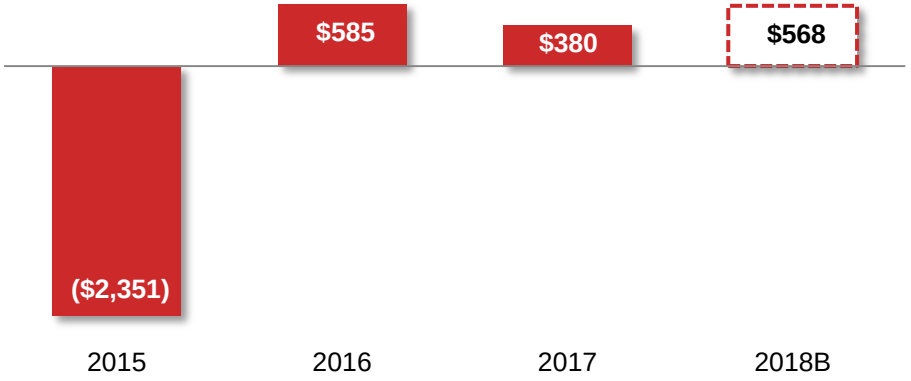
Dividend Coverage



Equity Issuance ($mm)



DCF Less Dividend Less Growth Capex ($mm)



KMI: Self-Reliant Funding

No Need to Access Capital Markets During 2018

KINDER MORGAN

Disciplined Capital Allocation

2018 STRATEGY:

- **DCF fully funds dividends and growth capital needs in 2018**
  - No need to access equity market in 2018
- **$4.5+ billion of liquidity**
  - No need to access debt market in 2018
  - Plan to issue $2.0 billion of bonds in 2018 to refinance maturities
- **~$568mm of budgeted free cash flow in 2018**
  - Can be used for share repurchase, additional projects that meet return criteria, and/or debt pay down

LONGER-TERM STRATEGY:

- **Continue living within cash flow**
- **Longer-term leverage target at, or below, 5.0x Net Debt / Adjusted EBITDA**
- **Allocate discretionary free cash flow to highest risk-adjusted return opportunities and share repurchases**

Discretionary Free Cash Flow[(a)] ($ millions)

	2018 Budget	2017 Actual	Change $	Change %
Distributable cash flow available to common stockholders (DCF)	$ 4,567	$ 4,482	$ 85	2%
Dividends declared	(1,784)	(1,120)	(664)	59%
Growth capital	(2,215)	(2,982)	767	-26%
Discretionary free cash flow	**$ 568**	**$ 380**	**$ 188**	**49%**

(a) Dividends declared are equal to average shares outstanding for 2018 times expected declared dividends of $0.80 per share.

Tax Reform

Not Expected to Pay Significant Cash Taxes Until After 2024

- **Primary provisions that impact KMI:**
  - Lower corporate tax rate (21% vs. 35%)
  - Interest limitation equal to 30% of EBITDA for four years, 2018-2021 (no expected impact to KMI) and then 30% of EBIT thereafter (limitation may impact KMI interest deduction in some years)
  - Immediate expensing of capex, except regulated utilities which are not subject to the interest limitation

- **Direct Implications:**
  - Cash Tax Impact:
    - Over a 10-year period, we expect to be better off (NPV positive) due to full expensing of capex for qualifying assets and the lower corporate tax rate, partially offset by the limitation of interest expense deductions
    - The net impact results in KMI beginning to pay material federal income cash taxes about 1 year later than before tax reform occurred; therefore after 2024
  - GAAP Impact:
    - A one-time, non-cash approximate $1.4 billion negative impact to GAAP earnings
    - Negative impact driven by revaluing deferred tax asset at 21% vs. 35%
    - However, no impact to the related deductions which can continue to be used to offset future taxable income

- **Other Potential Implications:**
  - FERC-Regulated Pipelines:
    - FERC or shippers may seek rate reductions on certain regulated assets that have a tax allowance component in their tariff rates
    - The impact of such rate reductions would generally be limited to max rate contracts (would generally not apply to negotiated and/or discounted rate tariffs) and in order to impact KMI DCF, would have to be granted on assets which do not have a current cash tax obligation
    - Potential impact and its timing are highly uncertain, but are not expected to be material to DCF

5-Year Growth Project Backlog

~$12 Billion of Attractive, Substantially Fee-Based Projects

KINDER MORGAN

High-Quality Growth Projects Driving Value

- World-class asset footprint has driven attractive growth opportunities, secured by long-term, fee-based contracts with creditworthy counterparties
- ~85% of backlog is for fee-based pipelines, terminals, and associated facilities
- ~$1.6 billion of Adjusted EBITDA expected to be generated from fee-based growth backlog projects[(b)], resulting in ~6.5x investment multiple[(c)]
- Target >15% unlevered after-tax return to fund CO_2 production projects

Cumulative Adjusted EBITDA

$1.6 billion

of Cumulative Adjusted EBITDA expected from fee-based growth projects

Growth Capital by Segment ($bn)[(a)]

Natural Gas Pipelines	$3.8
Products Pipelines	0.4
Terminals	0.3
KM Canada	5.7
Fee-Based Growth Capital Subtotal	***$10.2***
CO_2 – Source & Transportation	0.3
CO_2 – Oil & Gas Production	1.3
Total	**$11.8**

(a) 5-year growth project backlog primarily consists of projects in progress for which commercial contracts have been secured. Includes KM's proportionate share of non-wholly owned projects. Includes estimated capitalized corporate overhead of $0.5 billion. Projects in service prior to 1/1/2018 excluded.

(b) Estimated first full-year Adjusted EBITDA generated from fee-based pipelines, terminals and associated facilities. Excludes Adjusted EBITDA from CO_2 projects and includes 100% of TMEP. Includes roughly $310 million of Adjusted EBITDA contribution in the 2018 budget.

(c) Investment multiple calculated as total project cost divided by first full-year expected Adjusted EBITDA.

KMI's Limited Counterparty Exposure

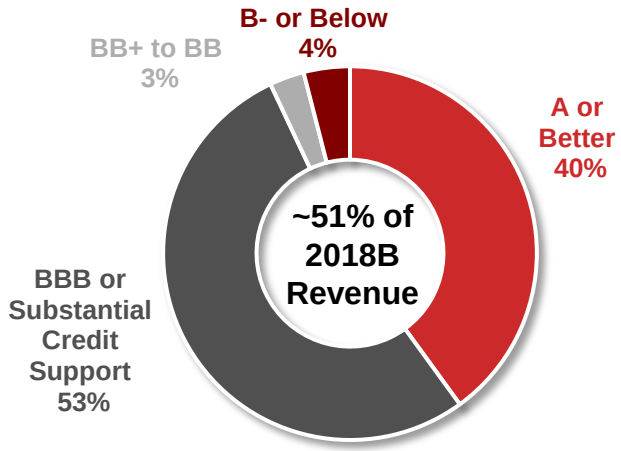
Strong Customer Credit, Valuable Services Limit KMI's Risk

KINDER MORGAN

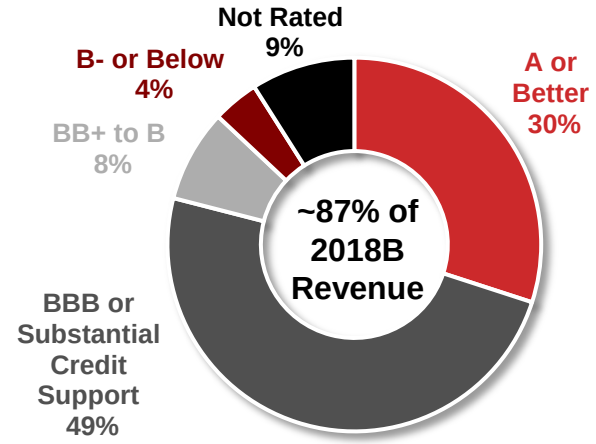
High-Quality, Diversified Customer Base

- **In 2017, KMI's budgeted DCF had $0 impact due to bankruptcies**
  - Also, KMI's budgeted 2016 DCF impact from oil and gas bankruptcies was <$10 million, despite a significant spike in bankruptcies during the year
- **~68% of 2018 budgeted net revenue[(a)] generated by end-users such as utilities, LDCs, refineries, chemical companies, large integrated companies, etc.**
- **Limited counterparty risk:**
  - Kinder Morgan's average customer represents less than 0.1% of 2018 budgeted net revenue[(a)]
  - 25 customers generate ~51% of KMI's 2018 budgeted net revenue[(a)]
  - 216 customers individually contribute at least $5mm in revenue; together they generate ~87% of KMI's 2018 budgeted net revenue[(a)]
    - ~4% of these revenues are from customers with B- or lower rating

Top 25 Customers[(a)]



Top 216 Customers[(a)]

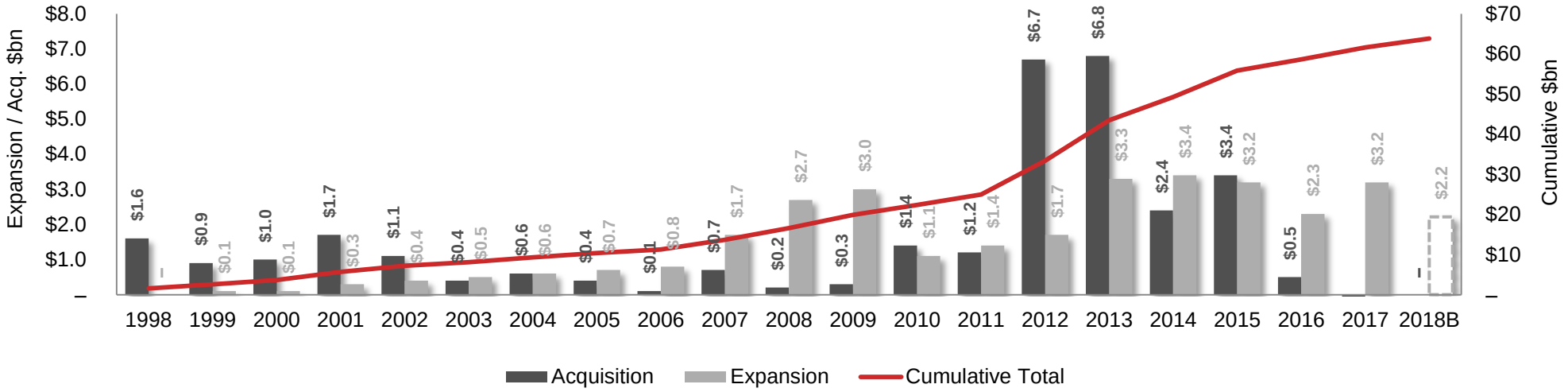


Note: Company credit ratings as of 1/9/18 per S&P and Moody's. The charts to the right use S&P's equivalent rating symbols utilizing a blended rate for split-rated companies.
(a) Net revenues include our share of unconsolidated joint ventures, net margin for our Texas Intrastate customers, and net of dock premiums for our Canadian customers.

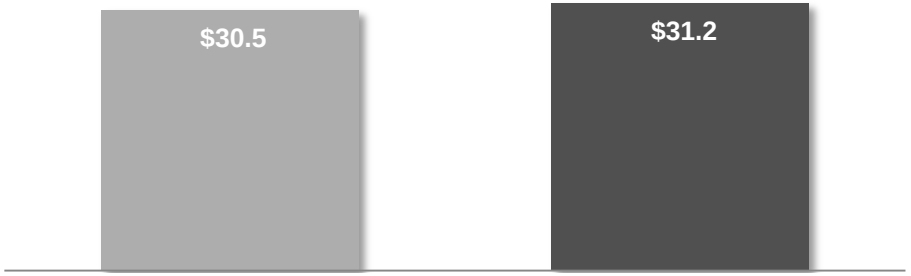
Deployed Over $60 Billion of Capital

Asset Investment & Acquisitions Since Inception

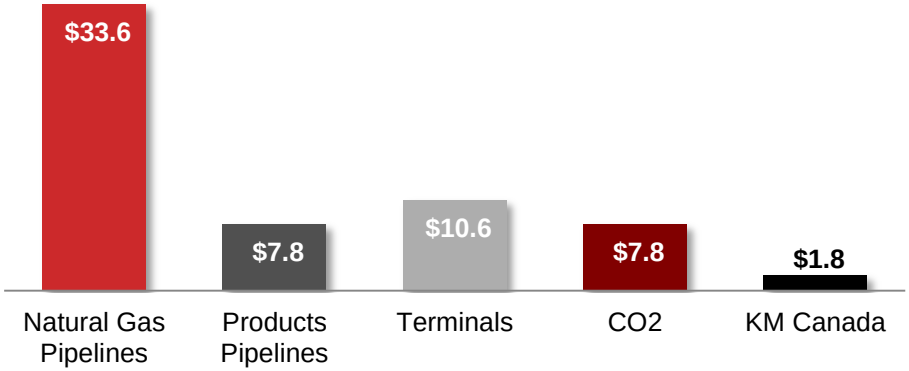
Total Invested by Year(b,c,d)



Total Invested by Type: 1998-2017(a,c,d)



Total Invested by Segment: (a,c,d)



Note: Includes equity contributions to joint ventures.

(a) 1997-2016; includes investment of KMP (1997-2014), EPB (2013-2014), and KMI (2015-2017).

(b) 1997-2017B; includes investment of KMP (1997-2014), EPB (2013-2014), and KMI (2015-2018B).

(c) Natural Gas Pipelines segment: Excludes $2.6 billion and $1.8 billion for 2016 50% SNG divestiture and 2012 FTC Rockies divestiture, respectively. Excludes $11.3 billion in EPB asset acquisitions from El Paso prior to KMI's acquisition of El Paso and $2.0 billion for Citrus acquisition at KMI.
Kinder Morgan Canada segment: Excludes $0.3 billion for 2013 divestiture of Express-Platte pipeline system.
Products Pipelines segment: Excludes $0.9 billion of legal and other settlements incurred over the past decade. However, we do include these impacts in the denominator of our ROI calculation.

(d) Excludes capital expenditures of our Canadian assets from KML IPO (May 2017) forward.

Returns on Invested Capital

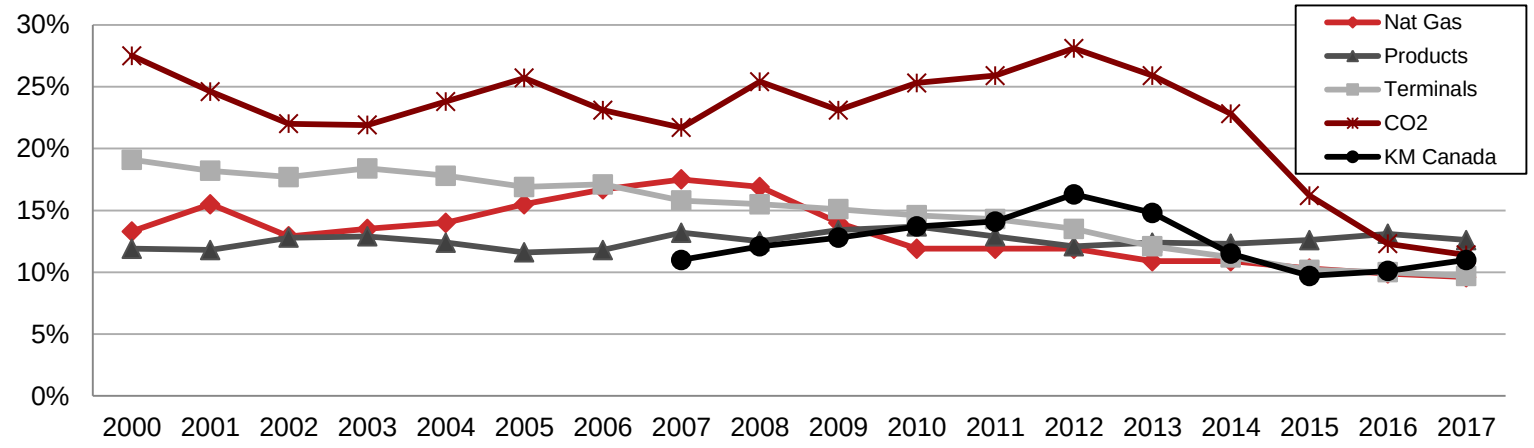
Targeted Returns for New Capital Investment Are Substantially Above Cost of Capital

Commentary

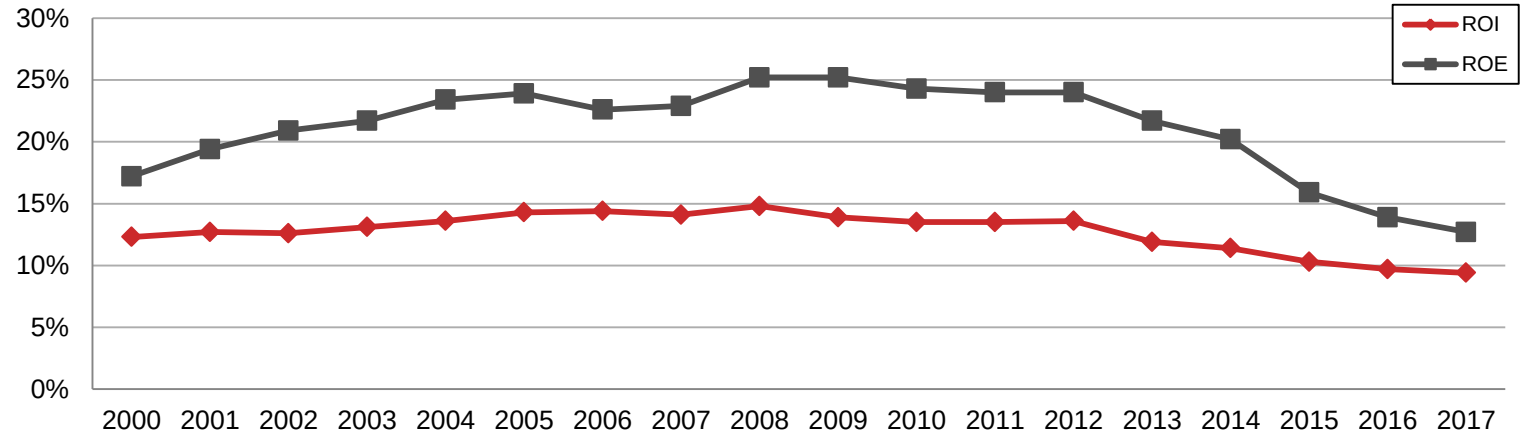
Items leading to decline in returns since 2012:

- **Natural Gas Segment** – EPB included since 2013 (primarily a drop-down MLP), $1.1bn in REX leave-behind costs since 2013 (invested capital in excess of proceeds received); lower volumes on G&P assets since 2015; contract buy-outs on KMLP in 2014 and 2015, unfavorable re-contracted rates on certain Rockies pipelines since 2013
- **Terminals Segment** – Coal bankruptcies in 2015
- **CO_2 Segment** – Oil price decline
- **KM Canada Segment** – DCF adjusted for current FX, but invested capital is not; led to lower returns as CAD/USD ratio declined since 2013
- **Return on Equity** – since 3Q15, KMI has been funding growth capital with DCF, which is treated as equity funding

Segment ROI[(a,b)]



Kinder Morgan Returns

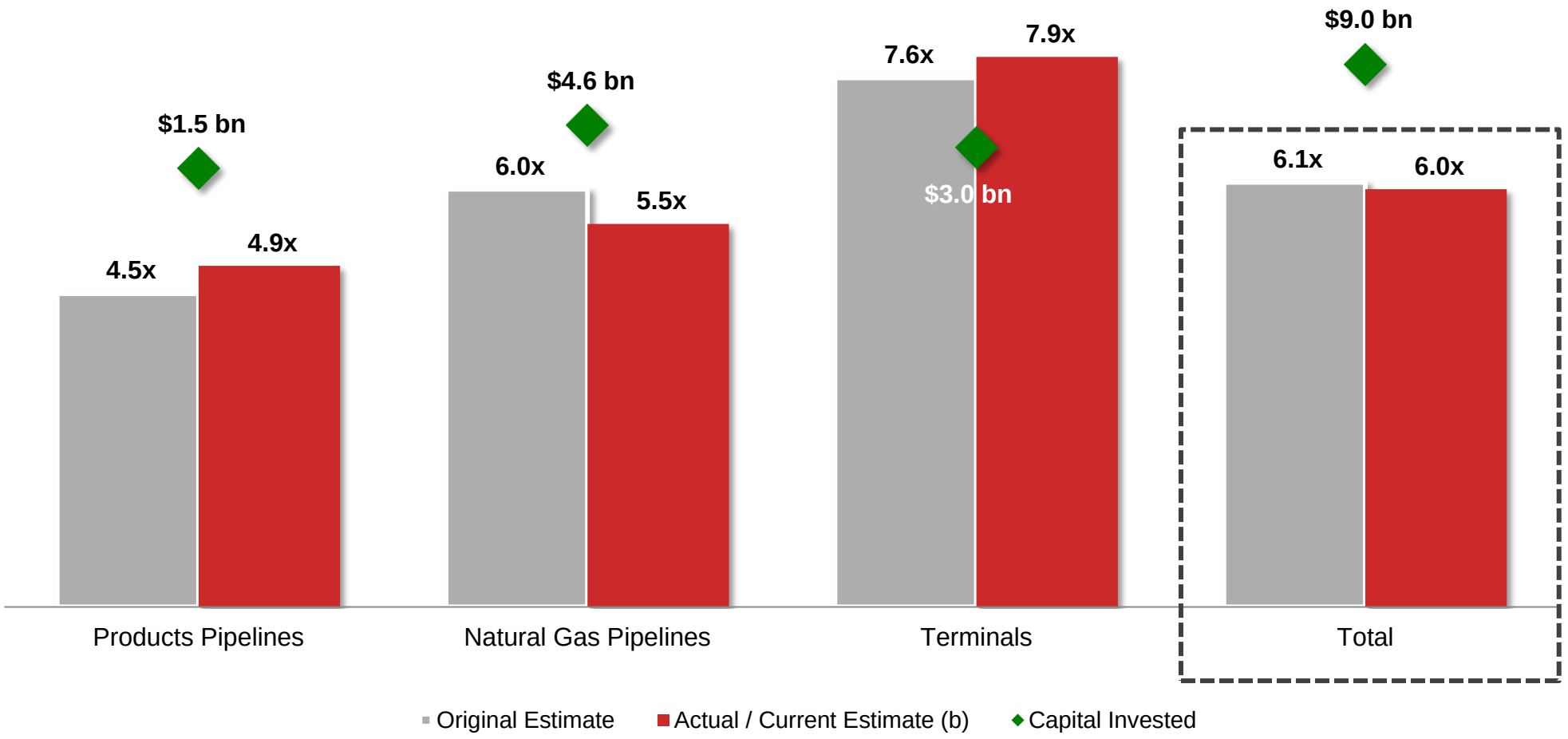


Notes: Reflects KMP (2000-2012), KMP and EPB (2013-2014) and KMI (2015-2017).
A definition of these measures may be found in the Appendix to this presentation.
(a) G&A is deducted to calculate the combined Return on Investment, but is not allocated to the segments and therefore not deducted to calculate the individual Segment ROI.
(b) Natural Gas segment ROI includes NGPL and Citrus investments since 2015.

Attractive Results on Recent Expansion Projects

Capital Invested / Year-2 EBITDA[(a)]

THE CAPEX MULTIPLE FOR PROJECTS COMPLETED DURING 2015 – 2017 HAS SLIGHTLY EXCEEDED OUR EXPECTATIONS



Note: Includes certain projects placed in service prior to 2015, but continued to incur project-related costs. Project completion is generally determined when project-related costs are no longer being incurred.

(a) Multiple reflects KM share of invested capital divided by project EBITDA generated in its second full year of operations. Excludes CO_2 segment projects.

(b) Capital invested is actual, except for 2 projects ($585mm of capex, 6% of total capex), which are partially in service. EBITDA is actual or current estimate.

Capital Allocation Philosophy

Disciplined Approach

GENERALLY, DCF AVAILABLE IN EXCESS OF OUR DIVIDEND AND DISCRETIONARY CAPEX WILL BE ALLOCATED FIRST TO NEW PROJECTS THAT MEET OUR CURRENT RETURN HURDLES, WITH ANY REMAINING CAPITAL ALLOCATED TO SHARE REPURCHASE AND/OR DEBT REDUCTION.

New Projects

- Continue to have a return hurdle of around 15% unlevered after-tax, which is above our cost of capital given:
  - Capital continues to be finite as we are living within our cash flow
  - New projects may compete with share repurchase
- Return hurdle is adjusted up or down to some extent depending on risk of project cash flows
  - Expect to earn greater than 15% for investments in CO_2 and G&P
  - Willing to accept slightly less than 15% for investments in pipelines and terminals that are underpinned by long-term take or pay contracts with credit-worthy counterparties
  - Conservative approach to estimated cash flow after contract expiration and therefore, terminal value

Share Repurchase

- Returns can range from 14-20% levered, primarily depending on exit multiple (constant or expanded assumption)
  - Assumes repurchase of shares around current market prices
  - Share repurchases represent an investment in a diversified set of assets vs. a single project; Results in somewhat lower relative acceptable minimum return

Debt Pay-down

- Returns are equal to the after-tax cost of debt being repaid or issuance forgone, but reduces perceived risk and increases balance sheet capacity
- At 5.1x Net Debt to Adjusted EBITDA, comfortably situated in our current rating
- Debt metrics will continue to improve over time given our funding policy as EBITDA from projects come on-line
- Continue to target longer-term leverage at, or below, 5.0x

KMI 2018 Guidance: Published Budget

Supported by Diversified, Fee-Based Cash Flow

KINDER MORGAN

KMI 2018 Budget

	2018 Budget	Δ from 2017
Adjusted EBITDA	$7,485 million	4%
Distributable Cash Flow	$4,567 million	2%
DCF per Share	$2.05	3%
Dividend per Share	$0.80	60%
Growth Capex[(a)]	$2,215 million	(26%)
Year-end Net Debt / Adj. EBITDA	5.1x	-

Commentary

- **After dividend and Capex, excess cash flow will be invested in:**
  - Additional high-return projects
  - Additional share repurchases
  - Debt pay-down
- **$2bn share repurchase program initiated early**
  - Initiated the buyback in December 2017, one month ahead of the original target
  - ~14 million shares repurchased for ~$250mm in December 2017

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.
(a) Excludes capital spending by KML, which is a self-funding entity.

KMI: 2018B Distributable Cash Flow (DCF)

$ Millions, Except Per Share

Distributable Cash Flow	2018 Budget	2017 Actual	Change $	Change %
Net Income available to common stockholders before Certain Items	$ 1,853	$ 1,472	$ 381	26%
DD&A and amortization of excess investments[(a)]	2,759	2,684	75	3%
Book taxes[(b)]	720	957	(237)	-25%
Cash taxes[(c)]	(114)	(72)	(42)	58%
Sustaining capital expenditures[(d)]	(664)	(588)	(76)	13%
Other[(e)]	13	29	(16)	-55%
Distributable Cash Flow available to common stockholders (DCF)	**$ 4,567**	**$ 4,482**	**$ 85**	**2%**
Average adjusted common shares outstanding[(f)]	2,230	2,240	(10)	0%
DCF per common share	$ 2.05	$ 2.00	$ 0.05	3%
Expected/Declared dividend per share	$ 0.80	$ 0.50	$ 0.30	60%
Excess coverage	**$ 2,783**	**$ 3,362**	**$ (579)**	**-17%**

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Includes KMI share of certain equity investees' DD&A, net of the noncontrolling interests' portion of KML DD&A and consolidating joint venture partners' share of DD&A, of $349 and $362 million in 2018 and 2017, respectively.

(b) Includes KMI share of taxable equity investees' book taxes, net of the noncontrolling interests' portion of KML book taxes of $57 and $104 million in 2018 and 2017, respectively.

(c) Includes KMI's share of taxable equity investees' cash taxes of $80 and $69 million in 2018 and 2017, respectively.

(d) Includes KMI share of certain equity investees' sustaining capital expenditures, $112 and $107 million in 2018 and 2017, respectively. Excludes the noncontrolling interests' portion of KML sustaining capital expenditures.

(e) Primarily non-cash compensation associated with our restricted stock program partially offset by pension and retiree medical contributions.

(f) Includes 12 million and 10 million average unvested restricted shares that contain rights to dividends in 2018 and 2017, respectively. In addition, 2018 includes mandatory conversion of preferred shares to common shares, net of share repurchases.

KMI: 2018B Segment EBDA before Certain Items

$ Millions, Except Per Share

	2018 Budget	2017 Actual	Change $	Change %
Natural Gas Pipelines	$ 4,117	$ 3,879	$ 238	6%
CO_2	915	887	28	3%
Terminals	1,249	1,214	35	3%
Products Pipelines	1,216	1,193	23	2%
Kinder Morgan Canada[(a)]	210	186	24	13%
Segment EBDA before Certain Items	7,707	7,359	348	5%
JV DD&A[(b)]	386	382	4	1%
Segment EBDA before Certain Items plus JV DD&A	8,093	7,741	352	5%
General and administrative and corporate charges[(c)]	(647)	(645)	(2)	0%
Interest, net[(c)]	(1,886)	(1,871)	(15)	1%
DD&A and amortization of excess investments[(d)]	(2,796)	(2,704)	(92)	3%
Pre-tax income before Certain Items	2,764	2,521	243	10%
Book taxes[(c)]	(663)	(853)	190	-22%
Net Income before Certain Items	2,101	1,668	433	26%
Noncontrolling interests[(c)]	(120)	(40)	(80)	200%
Preferred stock dividends[(e)]	(128)	(156)	28	-18%
Adjusted Earnings[(f)]	**$ 1,853**	**$ 1,472**	**$ 381**	**26%**
Adjusted Earnings per share				
Average adjusted common shares outstanding[(g)]	2,230	2,240	(10)	0%
Adjusted EPS	$ 0.83	$ 0.66	$ 0.17	26%

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Represents the ownership and operation of the Trans Mountain pipeline system plus the Jet Fuel aviation turbine fuel pipeline.

(b) Represents KMI share of certain equity investees' DD&A net of consolidating joint venture partners' share of DD&A. JV DD&A is not reduced by the noncontrolling interests' portion of KML DD&A of ($37) and ($20) million in 2018 and 2017, respectively.

(c) Before Certain Items.

(d) Includes KMI share of certain equity investees' DD&A net of consolidating joint venture partners' share of DD&A of $386 and $382 million in 2018 and 2017, respectively.

(e) Represents the dividends associated with the mandatory convertible preferred stock, which is due to convert to common shares on or before October 26, 2018.

(f) Adjusted Earnings is net income attributable to common shareholders before Certain Items.

(g) Includes 12 million and 10 million average unvested restricted shares that contain rights to dividends in 2018 and 2017, respectively. In addition, 2018 includes mandatory conversion of preferred shares to common shares, net of share repurchases.

KMI: 2018B Adjusted EBITDA

$ Millions

Adjusted EBITDA	2018 Budget	2017 Actual	Change $	Change %
Segment EBDA before Certain Items	$ 7,707	$ 7,359	$ 348	5%
Natural Gas Pipelines JV DD&A[(a)]	375	378	(3)	-1%
CO2 JV DD&A	8	8	0	0%
Products Pipelines JV DD&A[(a)]	8	2	6	300%
Terminals JV DD&A[(a)]	(5)	(6)	1	-17%
Segment EBDA before Certain Items plus JV DD&A	**8,093**	**7,741**	**353**	**5%**
JV book taxes[(b)]	78	114	(36)	-32%
Noncontrolling interests[(c,d)]	(39)	(12)	(27)	225%
General and administrative and corporate charges[(c)]	(647)	(645)	(2)	0%
Adjusted EBITDA	**$ 7,485**	**$ 7,198**	**$ 287**	**4%**

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Includes deduction for 3rd party share of certain consolidated joint ventures. JV DD&A is not reduced by the noncontrolling interests' portion of KML DD&A of ($37) and ($20) million in 2018 and 2017, respectively.

(b) KMI's share of taxable equity investees' book taxes.

(c) Before Certain Items.

(d) Represents 3rd party share of certain consolidated joint ventures excluding KML noncontrolling interests of ($80) and ($27) million in 2018 and 2017, respectively.

KMI: 2018B Sources and Uses

$ Millions

Sources	2018 Budget
DCF	$ 4,567
LT Debt Issuance	2,000
ST Borrowing (net of cash)[(a)]	322
Total Sources	**$ 6,889**

Uses	2018 Budget
Dividends declared	$ 1,784
Growth capital	2,215
Debt maturities	2,322
Discretionary free cash flow[(b)]	568
Total Uses	**$ 6,889**

Uses exclude funding needs for KML as we expect KML will be a self-funding entity

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Excludes changes in working capital, potential rate case refunds, and KML's short-term borrowing, and will vary depending on use of discretionary free cash flow.

(b) Available for share repurchase, additional growth capital expenditures, and/or debt reduction.

KMI: 2018B Quarterly Profile

$ Millions, Except Per Share

KINDER MORGAN

Segment EBDA before Certain Items plus JV DD&A	Q1	Q2	Q3	Q4	Total
2018 Budget	25%	24%	24%	27%	$ 8,093
2017 Actual	26%	24%	24%	26%	$ 7,741

Adjusted EBITDA					
2018 Budget	25%	24%	24%	27%	$ 7,485
2017 Actual	25%	24%	25%	26%	$ 7,198

Distributable Cash Flow (DCF)					
2018 Budget	26%	23%	22%	29%	$ 4,567
2017 Actual	27%	23%	23%	27%	$ 4,482

Adjusted EPS[(a)]					
2018 Budget	24%	21%	24%	31%	$ 0.83
2017 Actual	26%	21%	23%	32%	$ 0.66

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) 2018 Budget represents Adjusted Earnings per share which does not include projections for certain amounts required by GAAP such as ineffectiveness on commodity, interest rate and foreign currency hedges, unrealized gains and losses on derivatives marked to market, and contingent liabilities.

KMI: 2018B Assumptions and Highlights

Our Budget Estimates EBDA Growth Across Business Segments

	YoY Δ in EBDA[(a)]	Business Segment Commentary
Natural Gas Pipelines	**+6%**	■ Contributions from Elba Liquefaction expansion project ■ Increased Haynesville volumes on KinderHawk system ■ Increased Bakken volumes on Hiland system
Products Pipelines	**+2%**	■ Refined products: pipeline volumes = +1.1%, FERC escalator = +4.2%, Southeast terminal expansions ■ NGLs: volumes = +7.9% driven by UTOPIA expansion, completion of Cochin's 5-year in-line assessment cycle ■ Crude and condensate: volumes = (1.3%), lower rates certain contract renewals
Terminals	**+3%**	■ Growth driven by (i) expansions in the Gulf, Edmonton and Jones Act Fleet and (ii) contract rate escalations ■ Partially offset by sale of multiple bulk terminals, coal contract expiration and lower rates on Jones Act renewals
CO_2	**+3%**	■ Oil & Gas: — Oil: increase in oil volumes (~1,400 bbld driven by Tall Cotton) largely offset by ~$(1.70)/Bbl reduction in average price; unhedged oil price assumption = $56.50/Bbl; — NGLs:~$4/Bbl increase NGL price, net volumes essentially flat ■ S&T: Volumes down slightly offset by increased price
KM Canada	**+13%**	■ Capitalized financing costs ■ CAD/USD 2018 average exchange rate = 0.79x

- **Interest expense –** 3-mo LIBOR averages ~1.77% for the year, based on approx. forward curve at time of budget
- **Cash taxes –** not expected to incur U.S. federal cash taxes in 2018

(a) Business segment percentage increase / (decrease) is 2017A to 2018B change in Segment EBDA before Certain Items.

KMI: 2018B Cash Tax Calculation Detail

$ Millions

	2018 Budget
Segment EBDA before Certain Items	$ 7,707
Noncontrolling interests	(120)
JV earnings from c-corps	(214)
JV distributions from c-corps (net of 65% DRD)	67
JV book DD&A (pass-thru entities)	256
General and administrative and corporate charges	(647)
Interest, net	(1,886)
Tax depreciation from YE 2014 basis	(4,228)
Tax depreciation for Post-2014 assets	(2,938)
Other items	(127)
Taxable income (loss)	**$ (2,130)**

KMI U.S. federal cash taxes	$ -
Other cash taxes[(a)]	114
Total cash taxes	**$ 114**

Note: All items shown before certain items. See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Includes cash taxes for (i) our share of Plantation, Citrus, and KML, and (ii) Texas margin tax and other state income taxes.

KMI: 2018B Sustaining Capital

$ Millions

Sustaining Capital Expenditures[(a)]	2018 Budget	2017 Actual	Change
Natural Gas Pipelines	$ 316	$ 269	$ 47
CO_2	17	13	4
Products Pipelines[(b)]	74	76	(2)
Terminals[(b)]	211	194	17
Kinder Morgan Canada[(b)]	23	15	8
Corporate / other	23	21	2
Total sustaining capital expenditures	**$ 664**	**$ 588**	**$ 76**

Note: Before Certain Items.

(a) Includes KMI share of certain equity investees' sustaining capital expenditures, $112 and $107 million in 2018 and 2017, respectively.

(b) Includes KMI share of KML sustaining capital expenditures.

KMI: 2018B Growth Capital

$ Millions

Growth capital	2018 Budget[(a)]	2017 Actual
Natural Gas Pipelines	$ 1,633	$ 1,602
CO_2 - S&T	32	19
CO_2 - EOR	420	410
Products Pipelines	86	267
Terminals	44	629
Kinder Morgan Canada	-	55
Total growth capital	**$ 2,215**	**$ 2,982**

FULLY FUNDED BY INTERNALLY GENERATED CASH FLOW.
NO NEED FOR CAPITAL MARKETS.
EXCLUDES GROWTH CAPITAL FOR KML AS WE EXPECT KML WILL BE A SELF-FUNDING ENTITY.

(a) 2018 includes JV contributions of $225 million to equity investments and is net of $285 million partner contributions for consolidated JVs.

KMI: Credit Ratios and Liquidity[a]

$ Millions

Consolidated leverage metrics	2014	2015	2016	2017	2018 Budget
Net debt[b] to Adjusted EBITDA	**5.5x**	**5.6x**	**5.3x**	**5.1x**	**5.1x**

KMI revolver capacity[c]	
Committed revolving credit facility	$ 5,000
Less:	
CP / Revolver borrowing	(365)
Letters of credit	(107)
Excess capacity	**$ 4,528**

KMI long-term debt maturities[d]	
2018	$ 2,322
2019	2,813
2020	2,198
2021	2,416
2022	2,466

Note: As of 12/31/2017. See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(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 and foreign exchange impact on Euro denominated debt. 2017 and after include 50% of KML preferred stock.

(c) KMI corporate revolver has a November 2019 maturity.

(d) 5-year maturity schedule of KMI's debt and its consolidated subsidiaries, excluding fair value adjustments, $111 million preferred securities, $86 million non-cash foreign exchange impact on Euro denominated debt, and immaterial capital lease obligations.

Well Positioned for Long-Term Success

Demonstrating Financial Excellence

- **Improved Financial Profile**
- **Self-Funding**
- **Disciplined Capital Allocation**
- **Attractive Return on Investments**
- **Hedge Direct Commodity Exposure**
- **Maintain Strong Balance Sheet**
  - Committed to achieving or beating long-term Debt/EBITDA target of 5.0x
- **Transparent with Investors**

F. KML: Financial Excellence

Dax Sanders

KML CFO and VP of KMI Corporate Development

KML: 2018 Published Budget

Supported by Fee-Based Cash Flow

KINDER MORGAN

KML 2018 Budget (C$)

	2018 Budget	Δ from 2017
Adjusted EBITDA[(a)]	C$474 million	22%
Distributable Cash Flow[(a)]	C$349 million	8%
DCF per Share[(a,b)]	C$0.96	5%
Dividend per Share[(b)]	C$0.65	-
Growth Capex	C$1.9 billion	200%
Year-end Net Debt[(c)] / Adj. EBITDA	2.7x	NM

2018 Budget Highlights

	YoY Δ in EBDA	Business Segment Commentary
Pipelines	**+27%**	■ Additional capitalized equity financing costs due to continued spread on TMEP
Terminals	**+13%**	■ Contribution from Base Line Terminal expansion, which is expected to be placed in service throughout 2018

2018 Budget Assumptions

- In order to prudently manage shareholder capital, spending on TMEP in 1H 2018 is for “primarily permitting”, rather than full construction
- Provides financial flexibility while KML continues to gain clarity around key permits, approvals and judicial reviews
- To the extent TMEP spending varies from our budget, the amount of capitalized equity financing costs (which are booked to other income) could be impacted
- Foreign exchange rates: 2018 budget rate assumption of 1.27 CAD / USD
  - Sensitivity (full-year): 0.01 ratio change = ~$1 million DCF impact

Note: See Appendix for additional key assumptions for the 2018 budget, as well as defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Our non-GAAP measures of DCF and Adjusted EBITDA are before Certain Items. DCF per Share for KML represents DCF available to restricted voting shareholders divided by total restricted voting shares.

(b) For comparability, 2017 per share metrics presented as if KML IPO occurred at the beginning of 2017.

(c) Includes 50% of our outstanding preferred stock.

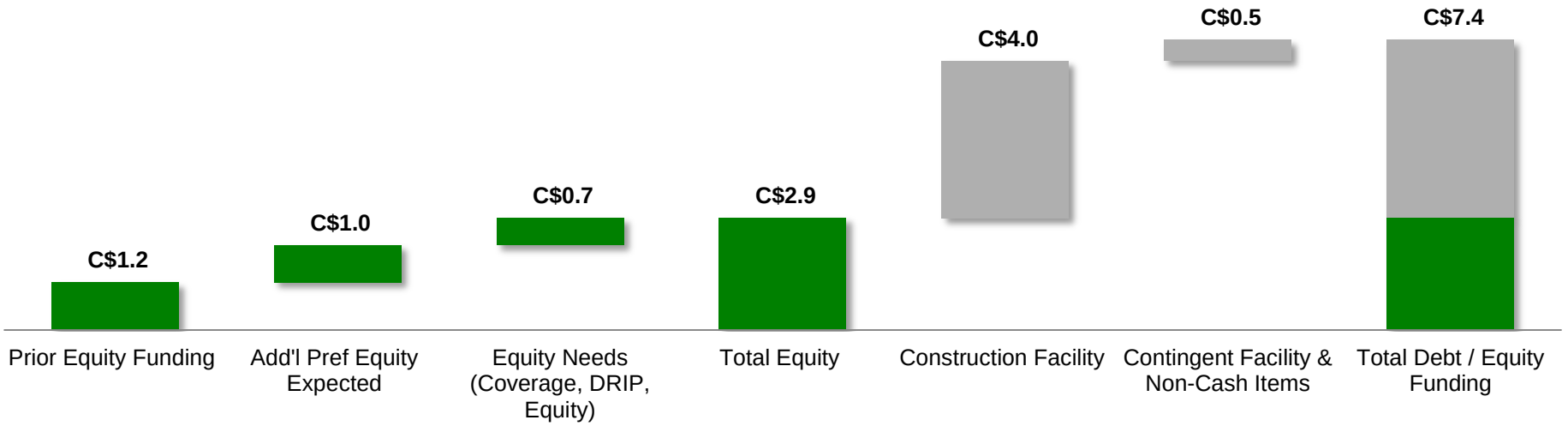
KML: TMEP Funding

Visibility Toward Meeting TMEP Capital Needs

TMEP Summary Funding Expectations

- We previously announced a potential unmitigated project delay to Dec. 2020
- Construction delays typically entail increased costs, but those are highly uncertain at this stage of the project
- Therefore, we have not updated our project estimate of C$7.4 billion (C$6.7 billion excluding capitalized financing costs)
  - Approximately C$5.9 billion of cash construction costs remain as of year-end 2017
  - Cost protection on ~24% of construction spend, including price of steel for pipe, spreads 5B & 7, land acquisition costs between Langley and Burnaby, consultation and accommodation costs for indigenous and non-indigenous communities, and Burnaby Tunnel
- Equity funding: 40% equity funding requirement for TMEP under construction agreement
  - We believe KML can raise ~C$1,500 million of preferred equity during TMEP construction; C$550 million was raised during 2017
  - ~C$650 million of prior KMI funding and shipper reimbursement payments
- Debt funding: C$4.0bn construction facility and ~C$300 million of the C$1.0bn contingent facility can be used towards TMEP base funding (remaining contingent facility and $500 million working capital facility available if TMEP cost estimate increases); KML reported $0 debt outstanding for year-end 2017
- Remaining funding needs expected to be met through some combination of dividend reinvestment, DCF coverage, common (restricted voting) equity and additional preferred equity

TMEP Funding Bridge (C$ Billions)



KML: 2018B Sources and Uses

$ in Millions of CAD

Sources	2018 Budget
DCF	$ 349
KML equity issuances / preferred equity issuances	750
ST borrowing (net of cash)[(a)]	970
Total Sources	**$ 2,069**

Uses	2018 Budget
Dividends declared, net of DRIP	$ 170
Growth capital	1,899
Total Uses	**$ 2,069**

2018 equity issuances could be entirely preferred, or a combination of preferred and common

Given prior equity raised, nearly all of the C$1.7bn 2018 TMEP capex could be funded with additional debt borrowing

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Excludes changes in working capital.

KML: 2018B Distributable Cash Flow (DCF)

$ in Millions of CAD, Except Per Share

Distributable Cash Flow	2018 Budget	2017 Actual	Change $	Change %
Net Income after tax before Certain Items[(a)]	$ 242	$ 164	$ 78	48%
DD&A	154	142	12	8%
Book taxes	88	66	22	33%
Cash taxes	(32)	(0)	(32)	n/a
Preferred dividends	(39)	(6)	(33)	550%
Sustaining capex	(64)	(43)	(21)	49%
Distributable Cash Flow	**$ 349**	**$ 323**	**$ 26**	**8%**
DCF attributable to KMI interest	(242)	(267)	25	-9%
U.S. taxes attributable to restricted voting stockholders	(2)	(1)	(1)	100%
Distributable Cash Flow available to restricted voting stockholders (DCF)	**$ 105**	**$ 55**	**$ 50**	**91%**
Average restricted voting shares outstanding[(b)]	109	104	5	5%
DCF per restricted share[(c)]	$ 0.96	$ 0.92	$ 0.04	4%
Expected/Declared dividend per share[(c)]	0.65	0.65	-	0%
Excess coverage[(c)]	**$ 34**	**$ 28**	**$ 6**	**21%**

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Net Income after tax before Certain Items contains capitalized equity financing costs of $71 and $29 million for 2018 and 2017, respectively.

(b) The weighted average restricted voting shares outstanding for dividends calculation for 2017 is based on the actual days in which the shares were outstanding for the period from May 30, 2017 to December 31, 2017, and also includes stock awards of restricted voting shares that participate in dividends. Therefore, the amounts differ from the GAAP weighted average restricted voting shares outstanding from the date of our formation.

(c) 2017 presented as if KML IPO occurred at beginning of 2017. DCF per restricted share for 2017 reflecting the period from the May 30, 2017 initial public offering through December 31, 2017 would be $0.53. Expected/Declared dividend per share for 2017 reflecting the period from the May 30, 2017 initial public offering through December 31, 2017 would be $0.38. Excess coverage for 2017 reflecting the period from the May 30, 2017 initial public offering through December 31, 2017 would be $15 million.

KML: 2018B Segment EBDA before Certain Items

$ in Millions of CAD, Except Per Share

	2018 Budget	2017 Actual	Change $	Change %
Pipelines	$ 299	$ 235	$ 64	27%
Terminals	246	219	27	12%
Total Segment EBDA before Certain Items	545	454	91	20%
General and administrative and corporate charges[(a)]	(71)	(66)	(5)	8%
Adjusted EBITDA	474	388	86	22%
Interest, net	10	(16)	26	-163%
DD&A	(154)	(142)	(12)	8%
Pre-tax income before Certain Items	330	230	100	43%
Book taxes[(a)]	(88)	(66)	(22)	33%
Net Income after tax before Certain Items	242	164	78	48%
Preferred dividends	(39)	(6)	(33)	550%
Net Income attributable to KMI interest[(a)]	(140)	(126)	(14)	11%
Adjusted Earnings[(c)]	**$ 63**	**$ 32**	**$ 31**	**97%**
Adjusted Earnings per share				
Average restricted voting shares outstanding[(b)]	109	83	26	31%
Adjusted Earnings[(c)]	$ 0.58	$ 0.39	$ 0.19	49%

Note: See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Before Certain Items.

(b) The weighted average restricted voting shares outstanding for dividends calculation for 2017 is based on the GAAP weighted average restricted voting shares outstanding from the date of our formation. Therefore, the amounts differ from the actual days in which the shares were outstanding for the period from May 30, 2017 to December 31, 2017, and also includes stock awards of restricted voting shares that participate in dividends.

(c) Adjusted Earnings is net income before Certain Items available to restricted voting stockholders.

KML: 2018B Capital

$ in Millions of CAD

2018B KML Sustaining Capital[(a)] (C$ Millions)

Sustaining Capital Expenditures	2018 Budget	2017 Actual	Change
Pipelines	$ 45	$ 26	$ 19
Terminals	19	17	2
Total Sustaining Capital Expenditures	**$ 64**	**$ 43**	**$ 21**

2018B KML Growth Capital (C$ Millions)

Growth Capital	2018 Budget	2017 Actual[(b)]
Pipelines	$ 1,752	$ 468
Terminals	147	165
Total Growth Capital	**$ 1,899**	**$ 633**

(a) Before Certain Items.
(b) 2017 represents full-year capital for all KML assets. The Growth Capital reflecting the period from the May 30, 2017 initial public offering through December 31, 2017 would be $390 million and $97 million for Pipelines and Terminals, respectively.

KML: Credit Ratios and Liquidity[(a)]

$ in Millions of CAD

Leverage Metrics	2017 Actual	2018 Budget
Net debt[(b)] to Adjusted EBITDA	**0.1x**	**2.7x**

Revolver Capacity[(c)]		
Committed revolving credit facility	$	5,500
Less:		
CP / revolver borrowing		-
Letters of credit		(53)
Excess capacity	**$**	**5,447**

Long-term Debt Maturities[(d)]		
2018	$	-
2019		-
2020		-
2021		-
2022		-

Note: As of 12/31/2017. See Appendix for defined terms and reconciliations of non-GAAP measures for the historical period.

(a) Debt of KML and its consolidated subsidiaries.

(b) Debt as defined in footnote above, net of cash, and including 50% of our outstanding preferred stock.

(c) KML working capital, construction, and contingent facilities have a June 2022 maturity.

(d) 5-year maturity schedule of annual aggregate long-term debt principal.

G. Natural Gas Pipelines

Segment Presentation

Segment Outlook and Asset Overview

Well-Positioned: Connecting Key Natural Gas Resources with Major Demand Centers

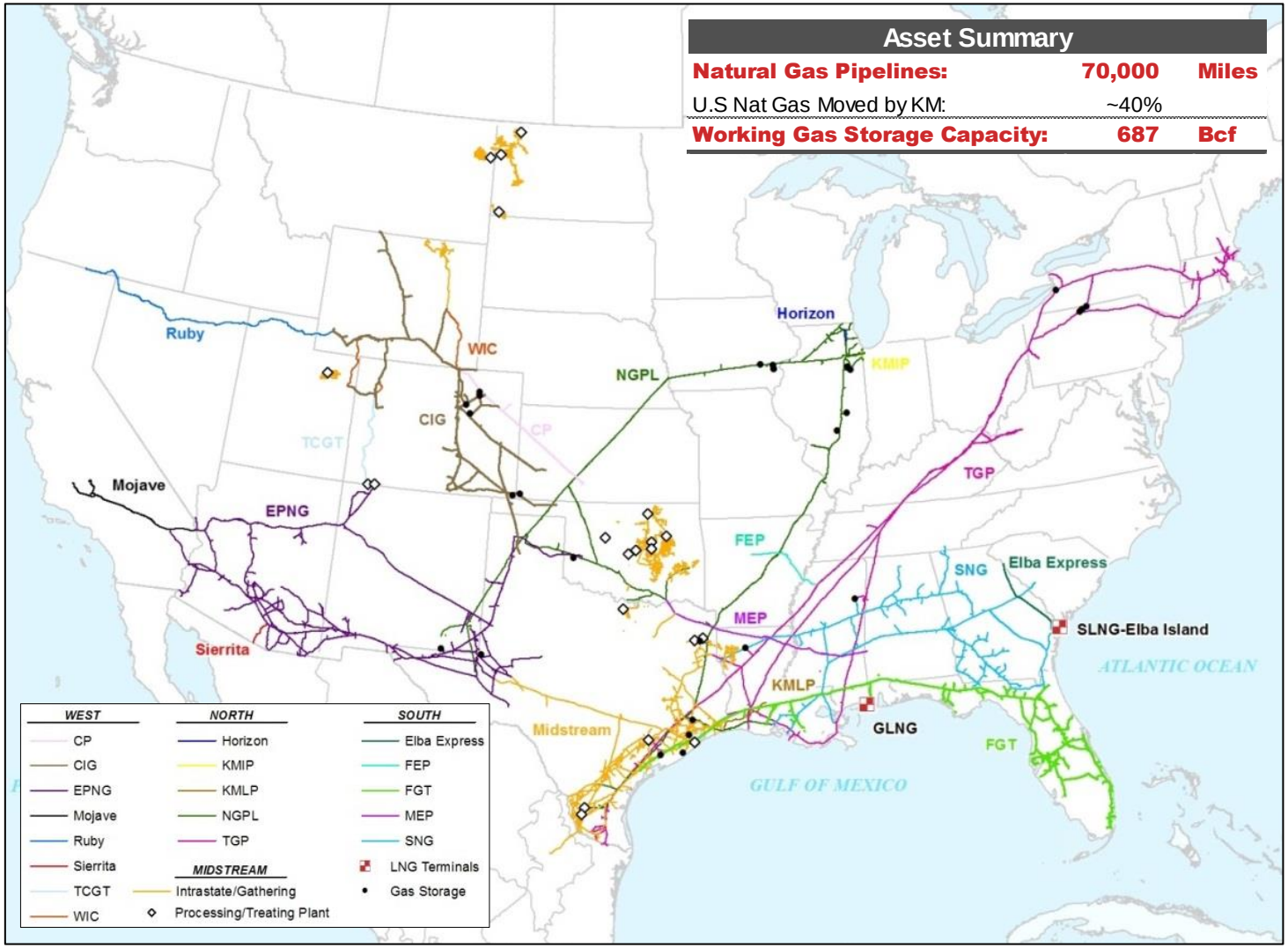
Long-Term Growth Drivers

- **Shale-driven expansions / extensions**
  - Greenfield projects
  - Expansions / extensions off existing footprint
- **Exports**
  - LNG exports: liquefaction facilities and pipeline infrastructure
  - Exports to Mexico
- **End-user / LDC demand growth**
  - Gulf Coast industrial growth
  - Regional power gen. opportunities
  - Enhanced access to LDC markets
- **Pipeline Conversions**
  - Repurpose assets to achieve greater value
- **Storage**
  - Support LNG Liquefaction
  - Backstop variable renewable generation
- **Acquisitions**

Project Backlog

$3.8 billion of identified growth projects over 2018-2021 time period[(a)]

- Gulf Coast Express Pipeline
- LNG liquefaction (Elba Island)
- Transport projects supporting LNG liquefaction
- Expansions to Mexico border
- TGP North-South projects



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

Long-Term Growth Drivers: Natural Gas Pipelines

Kinder Morgan Capitalizes on Industry Trends

Shale-Driven Expansions/ Extensions

- Greenfield projects providing outlets for increasing supply to growing markets
- Debottlenecking, expansions and extensions off our existing footprint to broader markets

Exports

- Liquefaction facilities to serve growing export markets
- Infrastructure to serve LNG liquefaction terminals and exports for growing demand in Mexico
- Storage and ancillary services in support of LNG liquefaction and exports to Mexico

End-user / LDC Demand Growth

- Industrial: well positioned to serve 317 U.S chemical industry projects ($185 billon of capital investment), resulting from U.S. shale gas, completed, started or announced as of Dec. 2017[(a)]
- Power Gen: new infrastructure for growing gas-fired generation, economic/environmental replacement of coal/nuclear/ oil generation; backstop for variable renewable generation
- LDCs: small to moderate expansions and extensions off our existing footprint to support market access

Pipeline Conversions

- Evaluating repurposing certain assets to achieve greater overall value

Storage

- Increasing need for storage to backstop variable renewable generation
- Emerging need for storage to support substantial LNG operations
- Continued trend of generators procuring firm transportation and storage services to ensure their performance in ISO capacity reliability programs

Acquisitions

- Midstream industry is highly competitive
- Market consolidation expected in the near-term

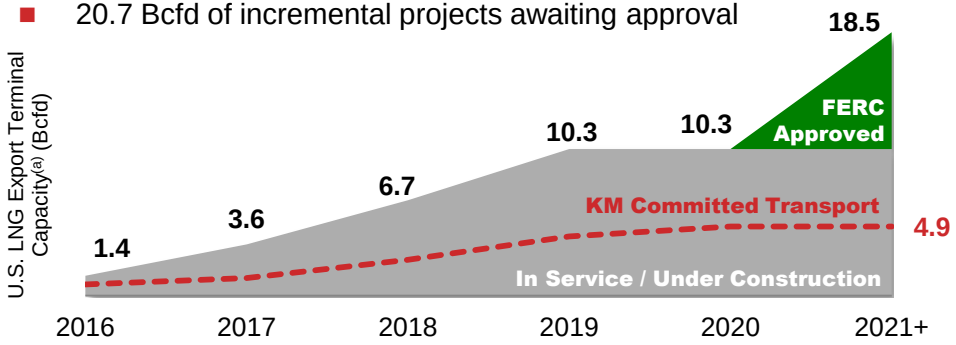
(a) American Chemistry Council, “New Manufacturing Projects are Growing Our Economy & Creating Jobs,” January 8, 2018.

Growth Driver: Exports – Liquefied Natural Gas

Kinder Morgan Leverages Asset Footprint to Facilitate Booming U.S. LNG Exports

Global Demand Drives Opportunity for U.S. to Export

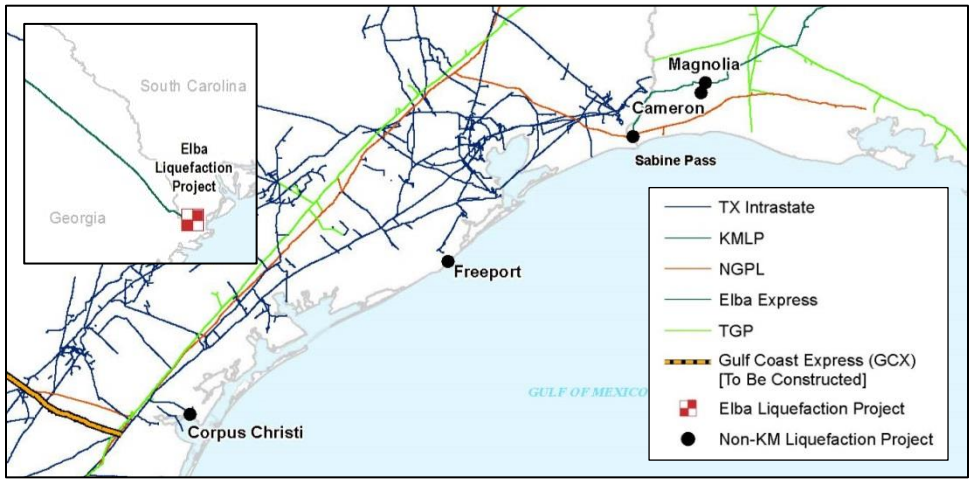
- 18.5 Bcfd of FERC-approved projects for U.S. LNG export terminals
  - 10.3 Bcfd already in service/under construction
- 20.7 Bcfd of incremental projects awaiting approval



KM Plans to Participate

- Eight active transportation projects on five Kinder Morgan pipelines
  - 18 years – average contract term
  - ~ $1 billion – capital investment
  - 4.9 Bcfd – contracted transport capacity
- Kinder Morgan network is well-positioned for additional growth
  - Transport opportunities to future facilities
  - Upstream capacity sales to 3rd party pipelines
- GCX will provide significant additional supply access to LNG export facilities
- Liquefaction at Elba Island LNG Terminal

KM Network positioned for Additional Growth



KM Projects / Long-Term Commitments(b)

KM Asset	Contracted Capacity (mDthd)	KM Capital ($mm)
TGP	1,200	$328
KMLP	1,300	$249
NGPL	1,335	$137
Intrastate	590	$134
EEC	436	$101
Subtotal:	**4,861**	**$949**
Elba Liquefaction	357	$1,176
Total:	**5,218**	**$2,125**

(a) Source: FERC data.
(b) Includes firm transport to the following terminals: Sabine Pass, Corpus Christi, Elba Island, Cameron, Freeport, and Magnolia. KM Projects / Long-Term Commitments to LNG detail available in Section G. of this presentation: Natural Gas Pipelines segment presentation.

Project Highlight: Liquefaction at Elba Island

Elba Liquefaction Company (ELC)[(a)] / SLNG

Project Overview

Project Scope

- Facilities for liquefaction (10 modular units)
- Ship loading facilities; boil-off gas compression

Project Statistics

- LNG output capacity equivalent to 350 mmcfd
- Capital (100%):
  - ELC: $1,390 million[(b)]
  - SLNG: $431 million
- Phased in-service mid 2018 through mid 2019
- Contract term: 20 years

Current Status

- FERC certificate issued June 2016
- DOE FTA and non-FTA authorizations received
- Shell has committed to entire capacity of facility, as well as Elba Express expansion
- Construction ongoing

Asset Overview



(a) ELC is a 51/49 joint venture of Kinder Morgan and investment funds managed by EIG Global Energy Partners (EIG).
(b) As of November 2017; excludes non-KM capitalized interest cost.

Growth Driver: Exports – Mexico

Kinder Morgan Delivers ~71% of U.S. Exports to Mexico (2017 YTD through October)

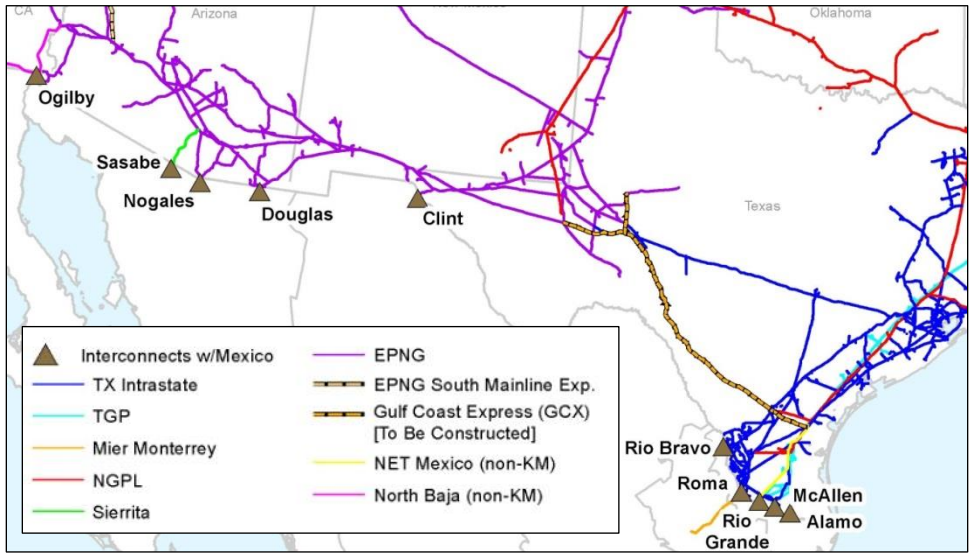
Mexico Natural Gas Market

- U.S. Exports to Mexico are expected to grow by ~2 Bcfd to 6.1 Bcfd by 2022[(a)]
  - Current exports ~4.2 Bcfd (2017 YTD through October)
- KM is well positioned to serve incremental demand through its extensive network
  - KM delivers ~2.9 Bcfd[(b)] (up 7% from 2016)
  - 16 interconnects (12 direct and 4 indirect)
- SENER and CENAGAS supporting storage development
- Mexico natural gas market deregulation is progressing

KM Plans to Participate

- KM's extensive footprint with access to numerous supply basins, hubs and Mexico interconnections provide a strong position to serve growing Mexican demand
  - Expansions of existing KM infrastructure
  - Construction of new infrastructure (including GCX)
  - Development of new hubs
- Increased storage opportunities near U.S. / Mexico border
  - Services for daily and seasonal demand variability from existing facilities
  - Expand existing and develop new storage facilities
- Deregulation provides KM additional marketing opportunities

KM Network Positioned for Additional Growth



KM Projects / Long-Term Commitments[(c)]

KM Asset	Contracted Capacity (mDthd)	KM Capital ($mm)
TGP	600	$230
TX Intrastate	752	$219
EPNG	585	$135
Sierrita	430	$81
Border Pipeline	100	$17
Total:	**2,467**	**$682**

(a) Wood Mackenzie, Fall 2017 North American Natural Gas Long-Term Outlook, December 2017, Mexico Energy Secretariat (SENER) Long-Term Forecast.
(b) 2017 calendar year average.
(c) KM Projects / Long-Term Commitments to Mexico detail available in Section G. of this presentation: Natural Gas Pipelines segment presentation.

Project Highlight: Gulf Coast Express (GCX)

Joint Venture Project Satisfying Multiple Growth Drivers

KINDER MORGAN

Project Overview

Project Scope

- Mainline: 82 miles of 36” pipeline and 365 miles of 42” pipeline originating at the Waha Hub and terminating near Agua Dulce, Texas
- Midland lateral: 50 miles of 36” pipeline
- 198,150 HP of installed compression
- KMTP operator and constructor
- KM 50%, DCP 25%, and Targa 25% ownership interest

Project Statistics

- Initial Capacity: 1.92 Bcfd
- Capital (100%): $1.7 billion
- In-Service: October 2019
- Minimum contract term: 10 years

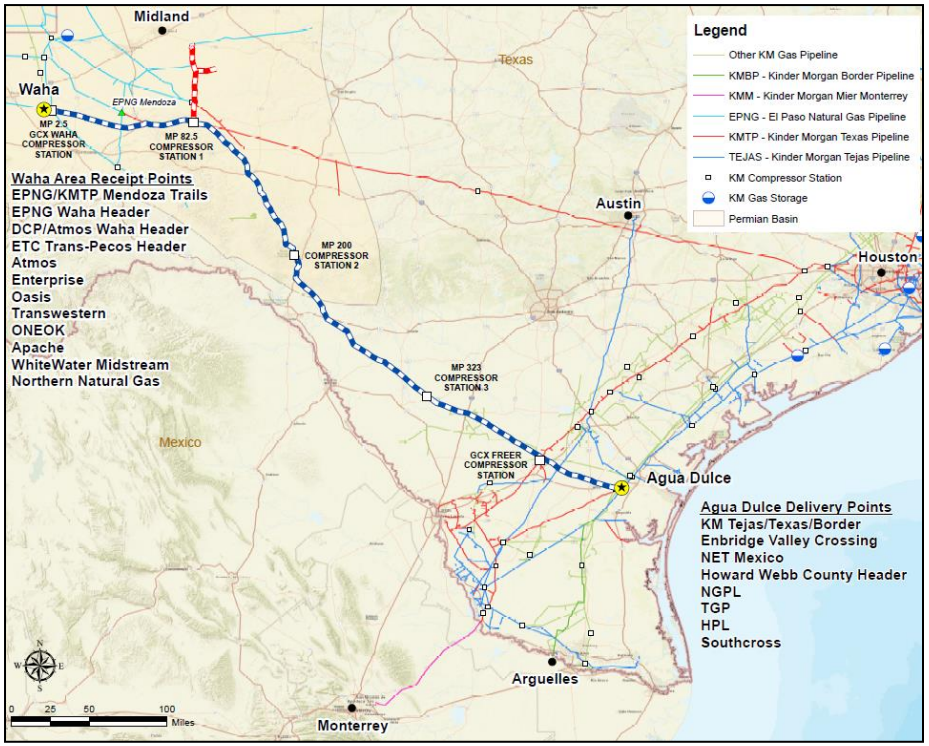
Current Status

- Final investment decision to proceed made December 2017
- Approximately 85% of project capacity sold under long-term contracts
- Remaining project capacity expected to be sold in 1Q18
- Shipper Apache Corp. has option to purchase 15% equity stake in the project from KM
- Received binding bids for 68% of project cost (construction, surveying, pipe and compression)

Project Drivers / Asset Overview

Project Drivers

- Producer push project to transport prolific growing supply from the Permian Basin to Agua Dulce
- Provides access to growing markets:
  - Exports to Mexico and Gulf Coast LNG liquefaction terminals
  - Growing Industrial demand
  - Multiple pipeline interconnects at Agua Dulce, incl. KMI Intrastate capacities of over 7 Bcfd (pipeline) and 132 Bcf (storage)

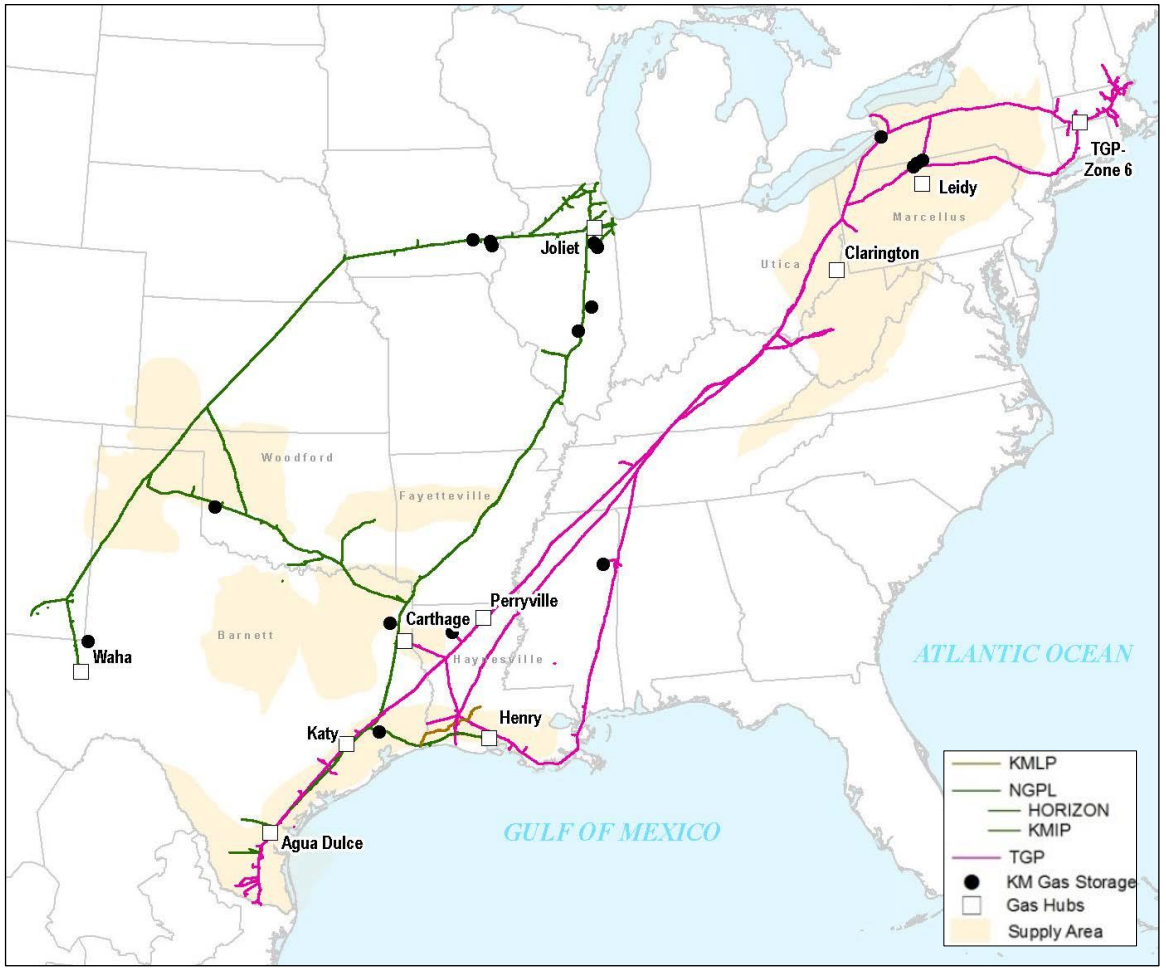


North Region Assets

Extensive Footprint Serving Major Domestic Markets and Gulf Coast Exports

Relevant Growth Drivers

LNG Exports	■ New infrastructure to support existing and future LNG plants ■ 8 Bcfd[(a)] of additional demand accessible from 6 approved LNG facilities near TGP, NGPL and KMLP ■ Additional demand accessible via upstream connections to 3rd party pipes
Mexico Exports	■ Continued demand for TGP and NGPL to deliver incremental volumes to Mexico ■ Opportunities to provide upstream transportation to existing pipelines
Shale-Driven Exp.	■ TGP provides Gulf Coast and Northeast markets for Marcellus and Utica shale — Marcellus and Utica forecasted to grow ~17 Bcfd by 2022[(d)] ■ NGPL provides Gulf Coast and Midwest markets for Permian, SCOOP/STACK and Canadian shales
Power Gen.	■ New infrastructure required for growing gas-fired power demand in the Northeast and Midwest ■ Economic / environmental replacement of coal, nuclear and oil generation ■ Supports renewable energy growth via backstop for inherent variability
Storage Demand	■ Significant storage capacity supports Power, Mexico and LNG demands
LDC / Industrial Demand	■ TGP developing facilities to meet specific LDC needs ■ TGP and NGPL positioned to supply new industrial plants



Asset Statistics @ 100%		Ownership	Miles	Capacity (bcfd)	Storage (bcf)	Avg. Remaining Contract Term (yrs)	Effective Date of Next Rate Case
Tennessee Gas Pipeline	**TGP**	100%	11,750	12.0	106	7.3 / 3.6[(b)]	NA
Natural Gas Pipeline Co. of America	**NGPL**	50%	9,100	7.6	288	4.6 / 2.8[(b)]	NA
Kinder Morgan Louisiana Pipeline	**KMLP**	100%	135	2.2	–	0[(c)]	NA

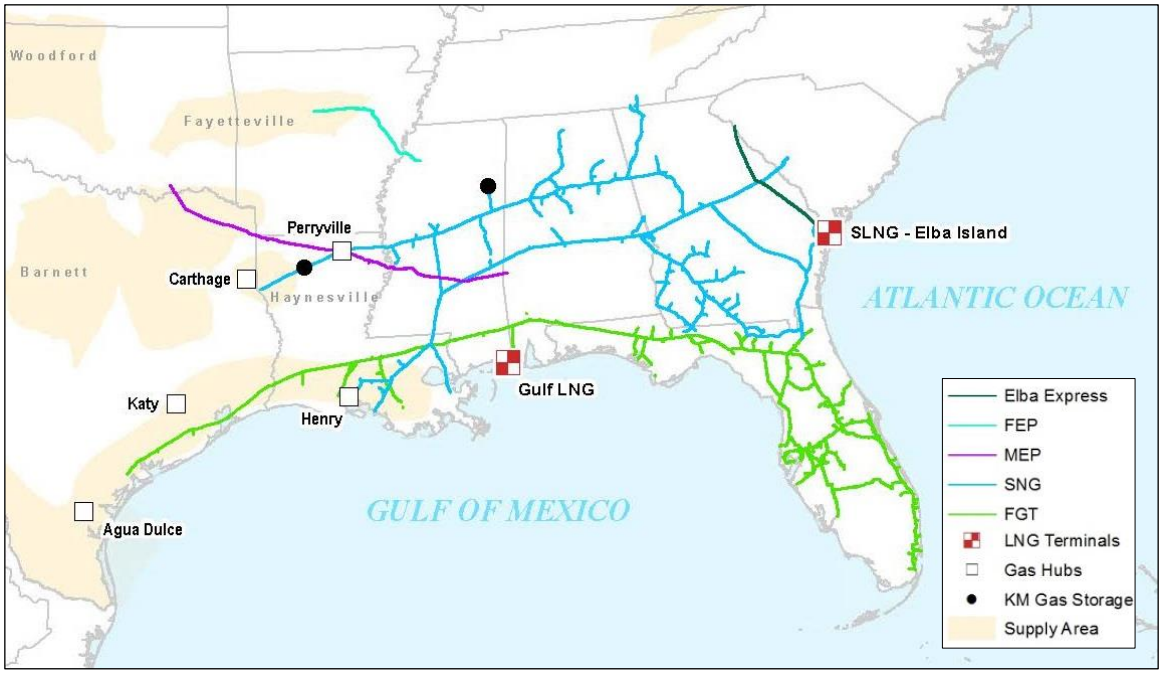
(a) KM analysis.
(b) Transport / Storage.
(c) Anchor shippers exercised buyout option in 2015.
(d) Wood Mackenzie, Fall 2017 North America Natural Gas Long-Term Outlook, December 2017.

South Region Assets

Transporter to Growing Southeast Markets; Elba LNG Liquefaction Begins Service in 2018

Relevant Growth Drivers

LNG Exports	■ KM participation in LNG liquefaction infrastructure ■ Elba Island terminal liquefaction facilities under construction
Power Gen.	■ New infrastructure required for growing gas-fired power demand at new and existing facilities in the Southeast ■ Economic / environmental replacement of coal / oil generation
Industrial Demand	■ SNG positioned to supply new industrial plants
Shale-Driven Exp.	■ SNG provides access for Marcellus and Utica shale plays to Southeast and Gulf Coast markets
Storage Demand	■ Significant storage capacity for new power demand and LNG variability
Acq. / Other	■ Additional SNG expansion opportunities to support growth in service territory of JV partner – Southern Company



Asset Statistics @ 100%		Ownership	Miles	Capacity (bcfd)	Storage (bcf)	Avg. Remaining Contract Term (yrs)	Effective Date of Next Rate Case
Southern Natural Gas	**SNG**	50%	6,900	4.2	68	5.3 / 1.7[(a)]	9/1/2018
Elba Express	**EEC**	100%	200	1.0	–	19.5	NA
Midcontinent Express	**MEP**	50%	510	1.8	–	1.3	NA
Florida Gas Transmission	**FGT**	50%	5,300	3.6	–	9.3	2/1/2021
Fayetteville Express	**FEP**	50%	185	2.0	–	3.2	NA
Elba Island LNG	**SLNG**	100%	–	1.7	12	14.8	NA
Gulf LNG	**GLNG**	50%	5	1.5	7	13.8	NA

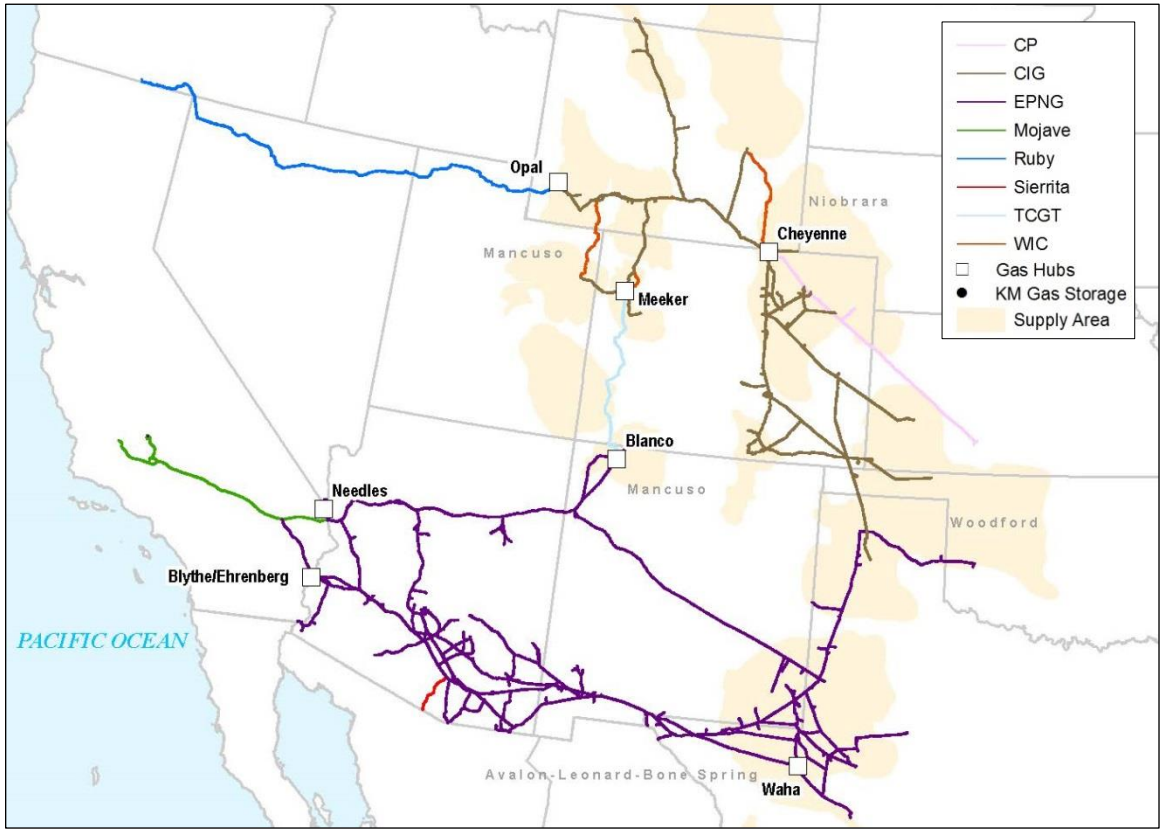
(a) Transport / Storage.

West Region Assets

Transporter from Rockies and Permian Basins to Western Markets and Mexico

Relevant Growth Drivers

Mexico Exports	■ Significant connectivity for incremental supply to Mexico ■ 6.1 Bcfd of exports to Mexico forecast by 2022[a] ■ 2017 deliveries to Mexico: West Region of 0.9 mmDthd and KM total of 2.9 mmDthd ■ ~1.6 Bcfd of export authorization
Power Gen.	■ Renewable energy growth promotes gas-fired power backstop ■ Economic / environmental replacement of coal / oil generation
Shale-Driven Exp.	■ Access to all Rockies basins and Permian basin with diverse geology and hydrocarbon mix; opportunities for new builds and conversions — Forecasted growth by 2022[a] — Permian: ~4.6 Bcfd — DJ: ~1.0 Bcfd
Storage Demand	■ Significant storage capacity with superior connectivity
LNG Exports	■ Potential for 1 Bcfd of demand from West Coast projects near Ruby



Asset Statistics @ 100%		Ownership	Miles	Capacity (bcfd)	Storage (bcf)	Avg. Remaining Contract Term (yrs)	Effective Date of Next Rate Case
Ruby		50%[c]	680	1.5	–	5.1	NA
El Paso Natural Gas + Mojave	**EPNG**	100%	10,600	5.6	44	6.0	NA
Colorado Interstate Gas + Young Gas Storage	**CIG/ YGS**	100%/ 47.5%	4,350	5.2	43	5.8 / 7.3[b]	4/1/2022
TransColorado	**TCGT**	100%	310	1.0	–	1.4	NA
Wyoming Interstate	**WIC**	100%	850	3.9	–	3.4	4/1/2022
Cheyenne Plains	**CP**	100%	410	1.2	–	2.1	NA
Sierrita		35%	60	0.2	–	21.8	NA
Keystone Gas Storage		100%	15	0.4	6	3.1	NA

(a) Wood Mackenzie, Fall 2017 North America Gas Long-Term Outlook, December 2017.
(b) Transport / Storage.
(c) Reflects third party ownership of a 50% preferred interest.

Midstream Assets

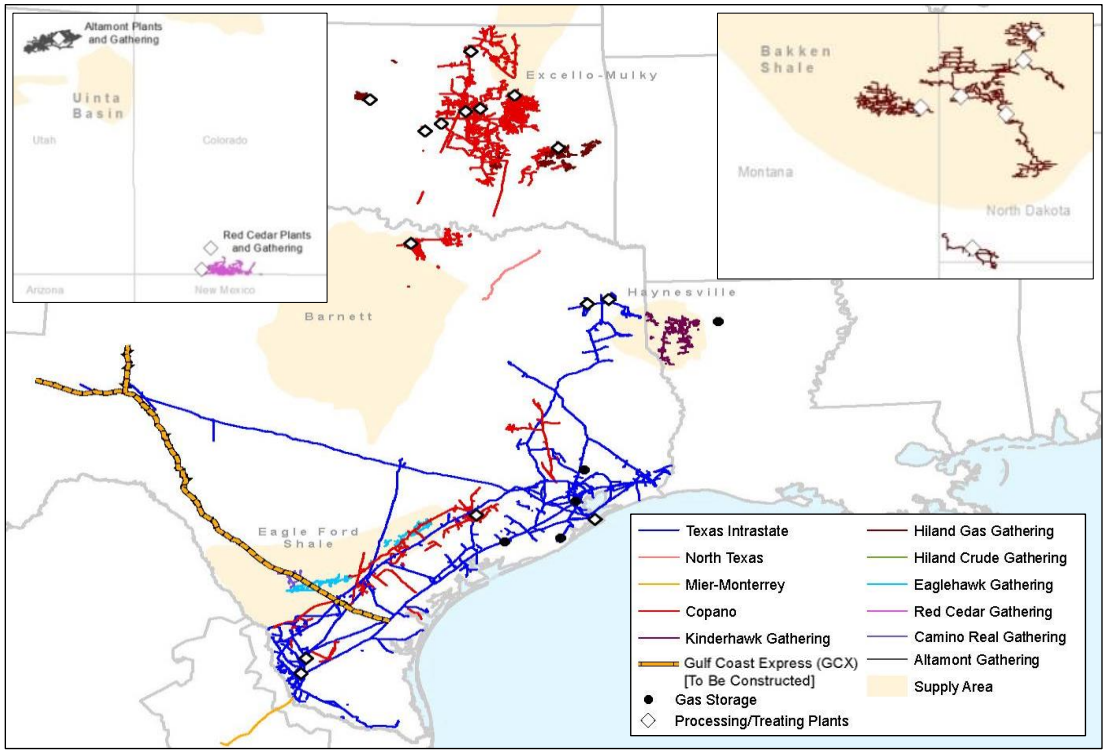
TX Intrastate Systems Serving Growing Demand; G&P in Growing Basins

Relevant Growth Drivers

Shale-Driven Exp.	■ KM participating in new infrastructure for growing Permian basin supply to reach growing demand markets
LNG Exports	■ Approximately 3.0 Bcfd of additional demand from 2 approved LNG projects along the Gulf Coast near Texas Intrastates
Mexico Exports	■ Leading connectivity for increased deliveries into Mexico (Texas Intrastate)
Industrial Demand	■ Well positioned to serve U.S. chemical industry growth projects along the Texas Gulf Coast (TX Intrastates)
Storage Demand	■ Significant storage capacity and connectivity enable premium services, including load balancing to power and end use markets (Texas Intrastate)
Pipeline Conv.	■ Evaluating repurposing of certain assets to achieve greater overall value
Acq. / Other	■ Expansions / acquisitions around extensive gathering and processing footprint

2018 Commodity Price Exposure

Price Δ and Commodity	DCF impact Unhedged / Hedged ($mm)
$1/bbl WTI	$2.1 / $0.7
1% NGL[(a)] / crude ratio	$1.0 / $0.3
1¢/gal ethane frac spread[(b)]	$1.1 / $0.2
$0.10/Dth gas[(c)]	$1.9 / $0.7



Asset Statistics @ 100%	Ownership	Miles	Capacity (bcfd)	Capacity (mbbld)	Capacity Storage	Capacity Treating (GPM)	Capacity Processing (bcfd)	Avg. Rem. Trans. Contract Term (yrs)
KMTP / Tejas	100%	5,660	7.0		132 bcf	1,680	0.54	5.8
North Texas Pipeline	100%	80	0.33					15.6
Mier-Monterrey	100%	90	0.65					10.2
Endeavor	40%	100	0.15					1.8
KinderHawk Gathering	100%	510	2.0			2,600		Life of Lease
Eagle Hawk Gathering	25%	gas: 530 condensate: 400	1.2	220	60 mbbl			Life of Lease
Red Cedar Gathering	49%	900	0.7			4,600		5.6
Camino Real Gathering	100%	gas: 70 oil: 70	0.15	110	20 mbbl			4.8 5.2
Altamont Gathering	100%	1,380	0.08				0.08	4.3
Copano	100%	gas: 6,780 liquid: 430	4.5	115		4,100	1.3	4.1 6.3
Hiland (Williston Basin)	100%	gas: 2,030 oil: 1,500	0.316	282		80	0.2	12.9 7.0
Treating - Leased Units	100%	Plants in service: 51 Amine / 73 MRU / 13 Dew Point						

(a) Excluding ethane.
(b) An unfavorable impact can be limited by reducing ethane equity volumes through operational changes and contractual elections.
(c) Assumes constant ethane frac spread vs. natural gas prices.

Contracted Capacity and Term by Region

Region		Contracted Capacity	Average Term Remaining
NORTH	Storage	326 Bcf	2 yr, 11 mo
	Transport	19.3 Bcfd	6 yr, 3 mo
SOUTH	Storage	52 Bcf	1 yr, 8 mo
	Transport	13.2 Bcfd	7 yr, 2 mo
	LNG	18 Bcf	14 yr, 5 mo
WEST	Storage	45 Bcf	6 yr, 8 mo
	Transport	17.2 Bcfd	5 yr, 3 mo
MIDSTREAM	Purchases	2.7 Bcfd	2 yr, 0 mo
	Sales	2.7 Bcfd	2 yr, 2 mo
	Storage	74.3 Bcf	2 yr, 5 mo
	Transport [(a)]	5.6 Bcfd	5 yr, 9 mo
	Processing	1.9 Bcfd	5 yr, 6 mo

Interstate Transport Contracts Avg. = 6 yr, 1 mo

Net Annual Incremental Re-Contracting Exposure (KM Share): % of $8.1bn Total KMI Segment EBDA

Region	2019	2020
NORTH	0.1%	(0.1%)
SOUTH	(0.3%)	(0.9%)
WEST	(0.1%)	0.0%
MIDSTREAM	(0.2%)	(0.2%)
Total Natural Gas Pipeline Segment	**(0.5%)**	**(1.2%)**

- **Negative figures represent unfavorable re-contracting exposure based on Nov. 2017 market assumptions**
- **Excludes projects currently in the project backlog**

(a) Gathering contracts not included.

New Firm Transport Capacity

Tracking FT Capacity Commitments Since 2013

KINDER MORGAN

FT Capacity Commitments by Capacity Type

Dec. 1, 2013 to Present	Existing Capacity (mDthd)	New Committed Capacity (mDthd)	Total Capacity (mDthd)	Capital, KM Share[(a)] ($mm)	Wtd Avg. Contract Term (Yrs)
NORTH	1,942	4,442	6,384	$2,020	15.3
SOUTH	4	427	431	$128	14.4
WEST	1,255	1,208	2,464	$182	12.8
MIDSTREAM	70	2,610	2,680	$858	11.8
Total Natural Gas Pipeline Segment	**3,271**	**8,688**	**11,959**	**$3,187**	**14.0**
Secured in 2017:	**1,169**	**2,779**	**3,948**	**$743**	**9.9**

FT Capacity Commitments by Customer Type / End-Use Market

Dec. 1, 2013 to Present	LDC / End-user (mDthd)	Producer (mDthd)	Mexico (mDthd)	LNG (mDthd)	Total Capacity (mDthd)
NORTH	1,276	2,673	700	1,735	6,384
SOUTH	431	0	0	0	431
WEST	296	1,353	815	0	2,464
MIDSTREAM	180	1,810	100	590	2,680
Total Natural Gas Pipeline Segment	**2,184**	**5,836**	**1,615**	**2,325**	**11,959**
Secured in 2017:	**656**	**2,642**	**200**	**450**	**3,948**

(a) Includes AFUDC and overhead.

Projects Placed Into Service During 2017

New Projects Expected to Generate $88 Million of EBITDA Annually

Region	Asset	Project	In-service Date	Capacity (mDthd)	Capital, KM Share ($mm)	EBITDA ($mm)
North	TGP	Susquehanna West	Sept 2017	145	$115	
		Connecticut Expansion	Nov 2017	72	$104	
		Orion	Nov 2017	135	$104	
	NGPL	Tenaska Kiamichi	Oct 2017	120	$3	
South	SNG/EEC	EEC Expansion for Elba Liquefaction	Feb 2017	191	$17	
West	EPNG	Enviro Water	Jan 2017	5	$2	
	CIG	DJ Basin Expansions	June / Aug 2017	340	$2	
Midstream	Texas Intrastate	Well / Market Connects	Throughout 2017	Various	$12	
		Texas Intrastate Crossover Project (Partial)	Oct 2017	Various	$17	
	Gathering/ Other	Hiland Oil Expansions / Well Connects	Throughout 2017	Various	$43	
		Hiland Gas Expansions / Well Connects	Throughout 2017	Various	$35	
		Altamont Expansions / Well Connects	Throughout 2017	Various	$21	
		Other System Expansions / Well Connects	Throughout 2017	Various	$36	
Total Natural Gas Pipeline Segment:					**$511**	**$88**

Project Backlog: Natural Gas Segment

North and South Regions

Asset	Project	Capital, KM Share ($mm)	Capacity (mDthd)	In-service Date	Project Status
TGP	Triad	$57	180	6/2018	Project facilities placed in service (Nov 2017). Customer contracts to begin 6/1/2018, as planned.
	Broad Run Expansion	$453	200	6/2018	Construction underway.
	Southwest Louisiana Supply (Cameron LNG)	$178	900	3/2018	Construction nearing completion.
	Lone Star (Cheniere Corpus Christi LNG)	$150	300	7/2019	FERC Certificate received 12/15/2017. Construction to begin Q1 2018.
	Line 261 Upgrade	$51	101	11/2019 11/2021	Pre-work for FERC application underway.
KMLP	Sabine Pass Expansion	$122	600	4Q 2019	FERC Certificate received 11/20/2017. Construction to begin Q1 2018.
NGPL	LDC Interconnect Project	$6	75	11/2018	Interconnect Agreement executed.
	Gulf Coast Southbound Expansion	$106	385	4Q 2018	Construction underway.
	LNG Expansion	$31	400	2Q 2020	FERC Section 7(c) Certificate application to be filed 2Q2018.
Total North Region		**$1,154**	**EBITDA = $182 mm**		
SNG	Fairburn Expansion Project	$119	347	10/2018	Open season completed. FERC filing Feb 2017. FERC issued EA Aug 2017. Expect certificate Jan 2018.
EEC	EEC Expansion for Elba Liquefaction	$85	245	9/2018, 11/2018	Non-Shell placed in service 12/2016, 6/2017. Shell placed in service 2/2017. Construction underway for remaining Shell capacity.
ELC / SLNG	Elba Liquefaction	$745	357	7/2018 - 7/2019	FERC Certificate issued June 2016. DOE FTA and non-FTA authorizations received. Construction ongoing.
	SLNG Terminal for Elba Liquefaction	$431		7/2018	
Total South Region		**$1,379**	**EBITDA = $190 mm**		

Note: All projects have KMI Board approval and executed customer contracts, except where noted (*).

Project Backlog: Natural Gas Segment

West and Midstream Regions

Asset	Project	Capital, KM Share ($mm)	Capacity (mDthd)	In-service Date	Project Status
EPNG	Wink Station Expansion	$3	71	2/2018	Modifications commissioned Nov 2017.
	South Mainline Expansion (formerly Upstream Sierrita)	$132	271	7/2020	FERC filing expected 1Q 2018. Project provides 9.3 mDthd of new capacity and shift of 261.7 mDthd from TX to AZ and CA.
Sierrita	Sierrita Gas Pipeline Expansion	$20	323	4/2020	FERC 7(c) Application / Pres. Permit filed 12/21/17.
CIG	DJ Basin Expansions	$20	452	10/2018	Survey work for Prior Notice filing early 2018.
Total West Region		**$175**	**EBITDA = $47 mm**		
Texas Intrastate	TX Intrastate Combined Crossover Project	$134	883	3Q 2019	Construction ongoing.
	Gulf Coast Express	$622	1,960	4Q 2019	FID to proceed made Dec 2017, 85% of capacity sold. Remaining capacity expected to be sold 1Q2018. Capital at KM share (35%).
	Border Expansion	$17	100	7/2018	Expansion with KM affiliate to provide greater deliverability to Mexico on Border Pipeline.
	Market / Supply Connects*	$7	Varies	2018	Expansion capex for market / supply connects.
Gathering / Other	Williston Basin Oil (Hiland)*	$62	Varies	1Q 2018-2Q2019	Crude oil well connections and system expansions.
	Williston Basin Gas (Hiland)*	$55	Varies	1Q 2018-2Q 2019	Gas well connections and system expansions.
	North Indian Hills (Oasis)	$46	Varies	3/2018	Compression and gathering system for Oasis production in Williston Basin.
	Other System Expansions and Well Connects*	$99	Varies	2018	Expansions / extensions of existing gathering systems.
Total Midstream		**$1,042**	**EBITDA = $197 mm**		
Total Natural Gas Pipeline Segment		**$3,751**	**EBITDA = $615 mm**		

Note: All projects have KMI Board approval and executed customer contracts, except where noted (*).

KM Projects / Long-Term Commitments to LNG

Kinder Morgan Leverages Asset Footprint to Facilitate Booming U.S. LNG Exports

In-Service Date	KM Asset	Project / Transportation	Terminal	Contracted Capacity (mDthd)	KM Capital ($mm)
In Service	**NGPL**	Firm Transport	Sabine Pass	550	NA
Mar-18	**TGP**	SW Louisiana Supply	Cameron	900	$178
In Service / 4Q18	**EEC**	EEC for Shell	Elba Island	436	$101
4Q18	**NGPL**	Gulf Coast Southbound	Corpus Christi	385	$106
1Q19 to 3Q19	**Intrastate**	TX Intrastate Crossover	Corpus Christi / Freeport	590	$134
Jul-19	**TGP**	Lone Star	Corpus Christi	300	$150
4Q19	**KMLP**	Sabine Pass Expansion	Sabine Pass	600	$122
2Q20	**NGPL**	LNG Expansion		400	$31
2022>	**KMLP**	Magnolia LNG Expansion		700	$127
				4,861	**$949**

KM Projects & Long-Term Commitments for Exports to Mexico (Since 2013)

KINDER MORGAN

In-Service Date	KM Asset	Project / Transportation	Shipper	Contracted Capacity (mDthd)	KM Capital ($mm)
Oct-14	**Sierrita**	Sierrita Gas PL	CFE	200	$61
Oct-14 to Jul-20	**EPNG**	S. Mainline Exp.	CFE	471	$135
Dec-14	**TX Intra**	Mier Monterrey	MexGas / Others	225	$94
2014 to 2017	**EPNG**	Transport	CFE	85	NA
Jan-15 to Oct-16	**TGP**	S. System Flex	MexGas	500	$230
1Q16	**TGP**	Transport	MexGas	100	NA
Sep-16	**TX Intra**	Crossover Project	CFE	527	$125
4Q16	**EPNG**	Transport	GIGO	20	NA
4Q16	**EPNG**	Transport	Mexicana de Cobre	9	NA
Jul-18	**Border PL**	Border Expansion	TGP on behalf of Mex. Cust.	100	$17
Apr-20	**Sierrita**	Sierrita Gas PL Expansion	CFE	230	$20
				2,467	**$682**

H. Products Pipelines

Segment Presentation

Segment Outlook and Asset Overview

Products Pipelines: Stable, Strategic Assets

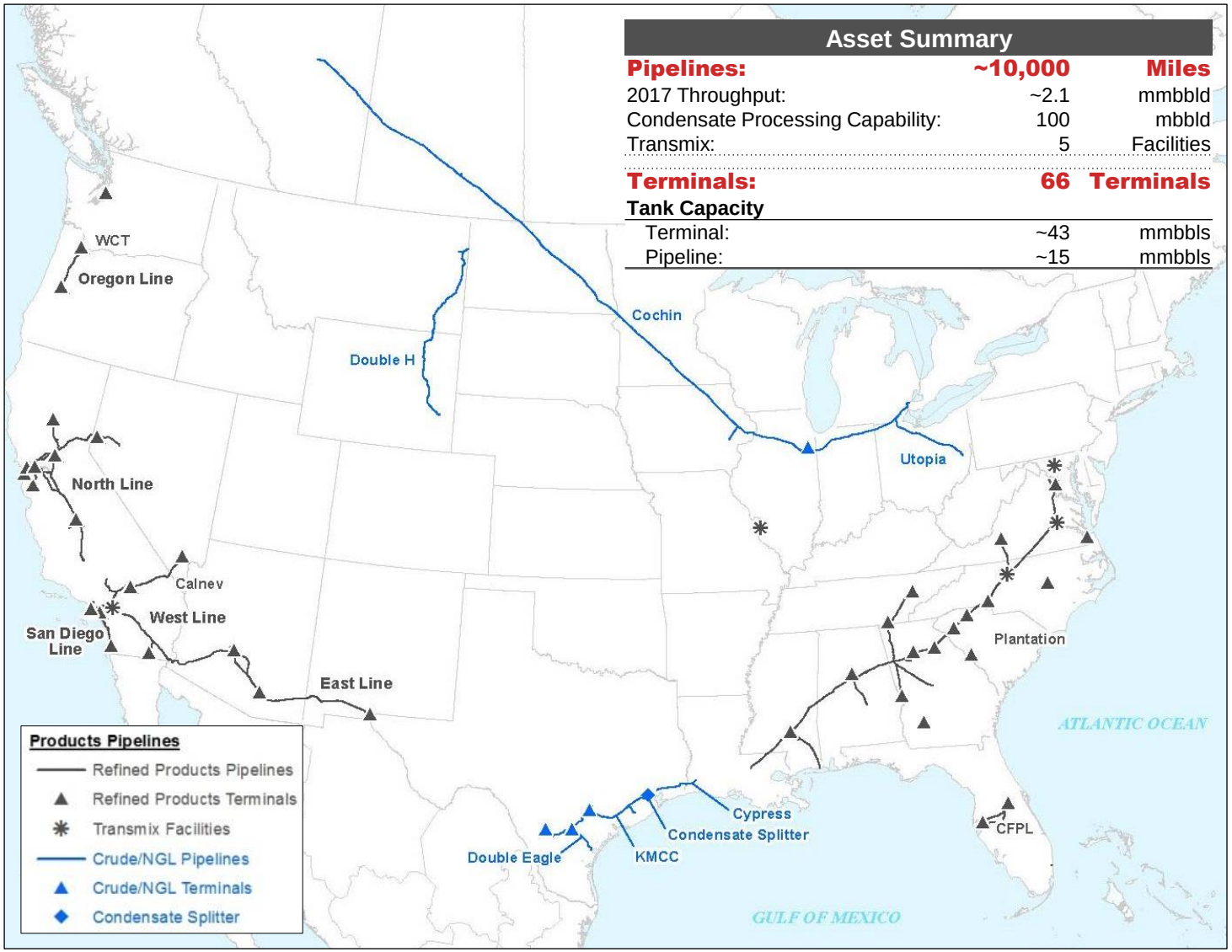
Long-Term Stability

- **Steady demand** for refined products volumes on strategically located assets
- **Annual** FERC index rate adjustments
- **Expansion** of refined products pipeline systems and terminals networks
- **Repurposing** portions of existing footprint in different product uses

Project Backlog

$372 million of identified growth projects over 2018-2019 time period[(a)]

- Utopia Pipeline
- Multiple refined products and NGL Terminaling projects
- Additional condensate splitter processing capabilities for existing throughput

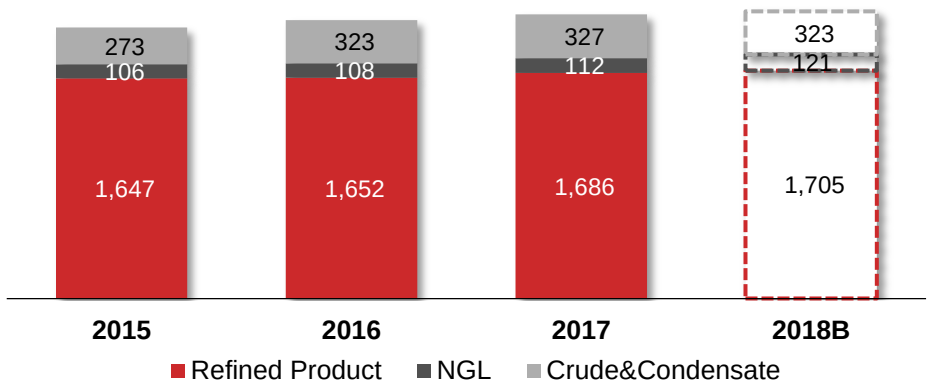


(a) Includes KM share of non-wholly owned projects. Includes projects currently under construction. Includes Utopia at 51% KM share.

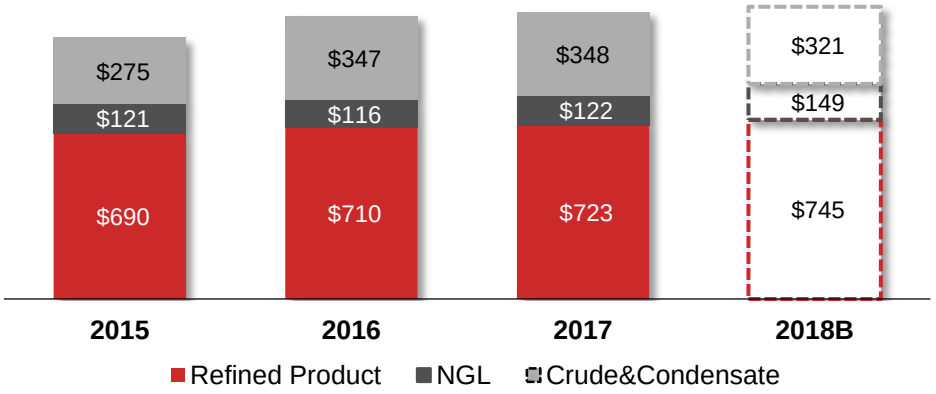
Stability and Growth

Stable Underlying Demand, Growing Footprint

Volumes Handled (mbbld)[(a)]



EBDA by Product ($mm)[(b)]



Market Trends

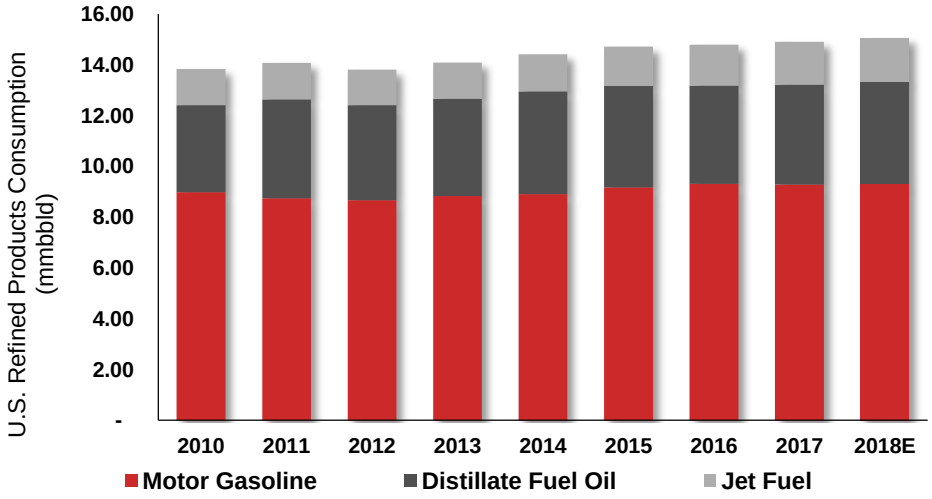
- **Refined Products**
  - Products Pipelines volume CAGR is 1.2% 2015-2018
  - Growth exceeds historical domestic refined products demand growth per EIA (average 0.8% CAGR from 2015-2018)
- **Crude / Condensate**
  - Eagle Ford Crude & Condensate[(c)] volumes transported grew 1.6% in 2017 despite production decline of 3.7%[(d)] in the region
- **NGLs**
  - Cochin supports growing Canadian oil sands diluent demand
  - Utopia supplying petrochemical companies in Windsor, Ontario

(a) Pipeline throughput volumes only (not including terminal volumes; KM share JVs).
(b) Includes Pipeline and Terminal EBDA (KM Share JVs).
  (1) NGL: Cochin, Utopia, Cypress
  (2) Crude & Condensate: Pipeline - KMCC, Double Eagle, Double H; Terminal - Splitter
  (3) Refined Product: Pipeline - SFPP, CALNEV, Central Florida, Plantation; Terminal - West coast Terminal, SE terminal, Transmix
(c) KMCC and Double Eagle.
(d) Source: EIA drilling report, December 2017.

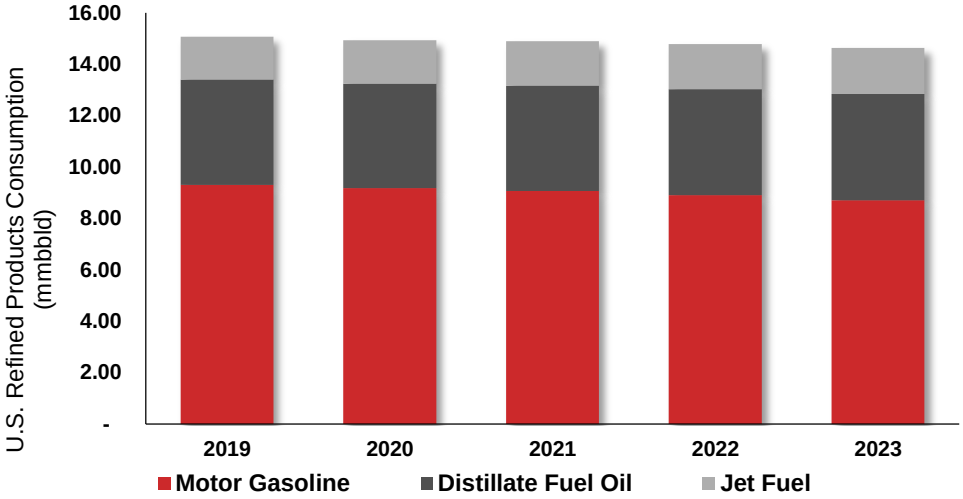
Stability: U.S. Refined Product Demand[(a)]

KM's Refined Products Business Continues to Enjoy Stable Conditions

Stable U.S. Refined Products Consumption[(a)]



Stable Conditions Expected in Medium Term[(b)]



Annual FERC Tariff Adjustments[(c)]

	Jul'16-Jun'17	Jul'17-Jun'18	Jul'18-Jun'19
PPI% change	-3.24%	-1.03%	3.19%
FERC Index adjustment	1.23%	1.23%	1.23%
FERC Index	**-2.01%**	**0.20%**	**4.42%**

Market Trend Commentary

- Steady demand for total refined product (average 1.1% year over year growth from 2010 - 2018)
- Projected less than 1% annual decrease for total refined product demand from 2019 - 2023
- FERC indexing enables predictable margin growth

(a) EIA, Table 4a. U.S. Crude Oil and Liquid Fuel Supply, Consumption, and Inventories and Figure 15 U.S. Liquids Fuel Consumption Growth, January 2018.
(b) EIA, Annual Energy Outlook 2017, Table 2. Energy Consumption by Sector and Source.
(c) BLS, Dec 2017 release; expected rate increase based on current regulatory information, based on PPI FG +1.23%.

Project Highlight: Utopia Pipeline Project

Supported by Long-Term, Volume Commitment Transportation Agreement

Project Overview

Project Scope

- 50/50 JV with Riverstone Holdings
- 267-mile12” pipeline
- Will transport ethane from points in Harrison County, Ohio to Windsor, Ontario, Canada
- Initial pipeline capacity of 50 mbbld; expandable to 75 mbbld
- Approximate $550 million investment (100% project cost, excluding AFUDC)
- Expected to be in commercial service during January 2018

Market Drivers

- Utopia will provide a new feedstock source for petrochemical companies in Ontario, and a new market outlet for Utica NGL producers
- Common carrier pipeline system is supported by a long-term (20+ years), volume commitment

Asset Overview



West Coast Region Assets: Refined Products

Pacific Operation: KM Operates ~3,449 Miles of Refined Products Pipe Serving 7 States

Asset Detail & Plan Discussion

	Statistics	Origin	Destination
SFPP Pipeline System:	2,845 miles		
North Line		San Fran Bay area refineries	Northern CA and NV
Oregon Line		Portland Marine terminals	Eugene, OR
West Line		Los Angeles Basin	Arizona
East Line		El Paso, TX	Arizona
San Diego Line		Serving Major Population area in Orange County and San Diego	
CALNEV Pipeline System:	566 miles	Colton, CA	Las Vegas, NV
West Coast Terminals:	38 miles	Seattle, Portland, San Francisco and Los Angeles Area	

- **This region also includes:**
  - 15 truck-loading terminals connected to SFPP and CALNEV
  - West Coast Terminals – 7 locations with total of 10.3 mmbbls storage capacity

- **2018 Plan includes:**
  - 0.5% volume increase over 2017
  - 0.9% EBDA increase over 2017
  - 100% fee-based EBDA



Central Region Assets: Crude, Condensate & NGLs

Focused on Appalachia, Gulf Coast, and Bakken

Asset Detail & Plan Discussion

	Statistics	Origin	Destination
NGL Pipelines:			
Cochin	1,810 miles	Kankakee, IL	Fort Saskatchewan, Alberta
Utopia	267 miles	Harrison County, OH	Fulton County, OH / Windsor, Ontario
Cypress	104 miles	Mont Belvieu, TX	Lake Charles, LA
Crude & Condensate:			
KM Crude & Cond. Pipe. (KMCC)	264 miles	Eagle Ford Shale Field in South TX(Dewitt, Karnes, Gonzales Counties)	Houston Ship Channel Refining Complex
Double Eagle (50/50 JV Magellan)	204 miles	Eagle Ford	Corpus Christi and KMCC
Double H	511 miles	Bakken shale in Montana and North Dakota	Guernsey, WY
Condensate Splitter:	Two 50 mmbbld units which split condensate into its various components; supported by long-term, fee based agreement with BP North America		

- **2018 Plan includes:**
  - 1.1% volume increase over 2017
  - 0.1% EBDA increase over 2017
  - 97% fee-based EBDA



(a) Products Pipelines.

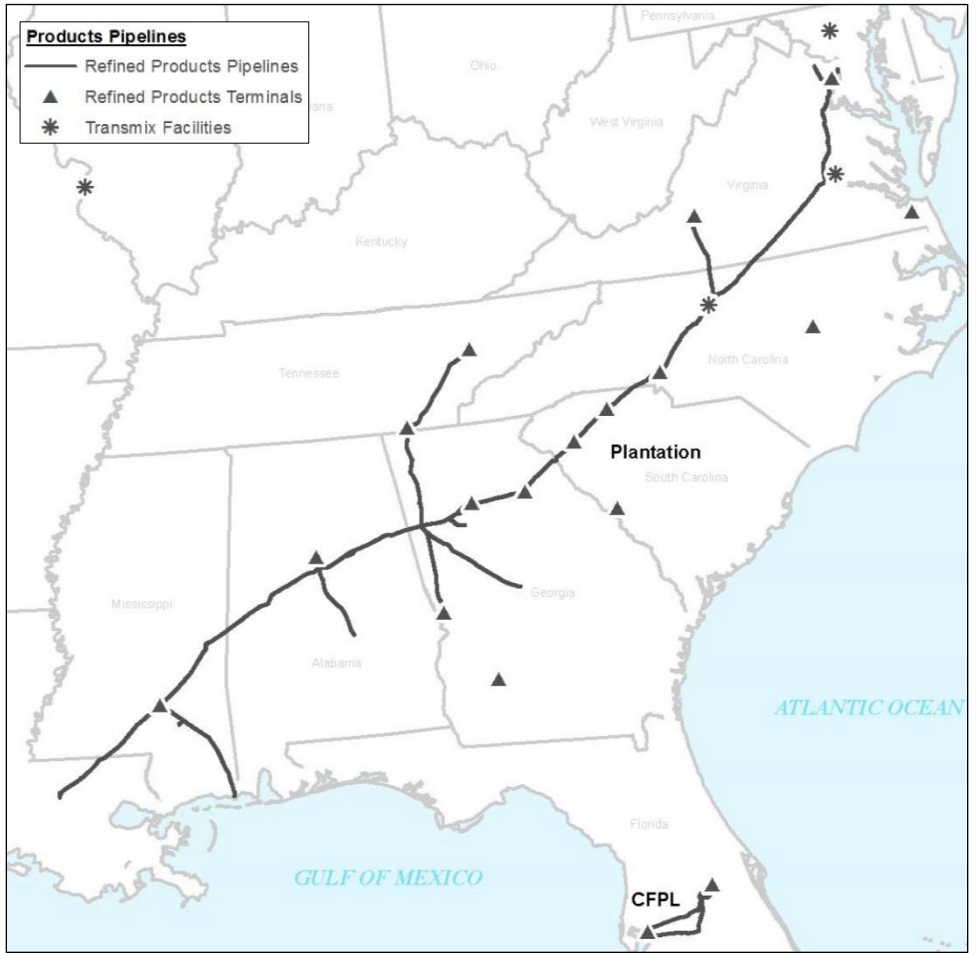
East Coast Region Assets: Refined Products

Southeast Operations Providing Services Beyond Transportation

Asset Detail & Plan Discussion

	Statistics	Origin	Destination
Plantation Pipeline Company:	3,182 miles	Louisiana & Mississippi	from Mississippi through Virginia including Tennessee
Central Florida Pipeline (CFPL):	206 miles	Tampa, FL	Orlando, FL
Southeast Terminals:	32 locations & ~10.7 mmbbls capacity	from Mississippi through Virginia including Tennessee	
Transmix Facilities:	~0.6 mmbbls tankage capacity	Colton, CA; St Louis, MO; Greensboro, NC; Woodbine, MD; Richmond, VA	

- **2018 Plan includes:**
  - 2.8% volume increase over 2017
  - 7.6% EBDA increase over 2017
  - 87% fee-based EBDA



(a) Products Pipelines.

I. Terminals

Segment Presentation

Segment Outlook and Asset Overview

A Diversified System Across Liquid and Bulk Hubs and Services

Long-Term Growth Drivers

- **North American Logistics Solutions**
  - Crude and NGL growth
  - Refining and petrochemical growth
- **Refined Products**
  - Shifts in supply / demand patterns
  - Export demand growth
  - Increasing renewables
- **Petrochemicals**
  - Industry production increases
  - Logistics solutions
- **Core Hub Terminal Focus**
  - Increased connectivity
  - New market access & optionality
  - Further value-added services
  - Complementary acquisitions

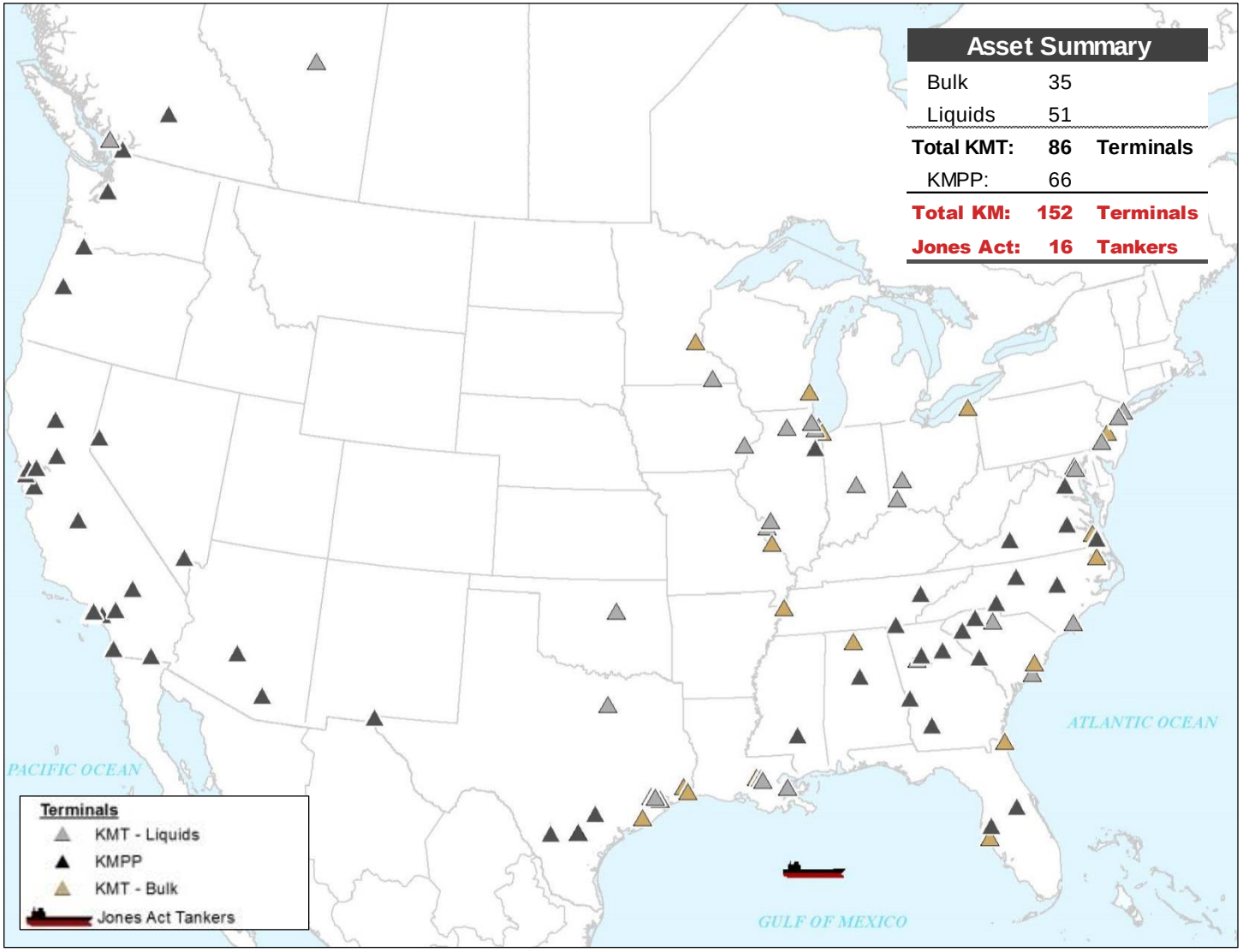
Project Backlog[(a)]

$1.1 billion placed into service in 2017

- Houston Ship Channel
- Jones Act Tankers

$0.3 billion to be completed in 2018

- Edmonton



UNPARALLELED FOOTPRINT ACROSS NORTH AMERICA
152 COMBINED SEGMENT TERMINALS AND 16 JONES ACT TANKERS

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

Transformative Growth

Strategic Growth Creating a More Efficient and Advantaged Terminals Business

Evolution of Kinder Morgan Terminals (KMT)

	2010	2018B	Variance Actual	Variance %	CAGR
Revenues	$1.2 bn	$2.0 bn	$0.8 bn	66%	6.52%
EBDA	$647 mm	$1,244 mm	$597 mm	92%	8.52%
Margin	53.6%	62.2%	8.6%		--
Terminal Count	157	86	(71)	(45%)	--
Employee Count	3,910	3,214	(696)	(18%)	--
Jones Act Tankers	0	16	16	100%	--
Terminal Capacity	58.2 mmbbls	87.9 mmbbls	29.7 mmbbls	51%	--
Liquids Throughput	620 mmbbls	954 mmbbls	334 mmbbls	54%	--
Bulk Tonnage	92 mm tons	59 mm tons	(33) mm tons	(36%)	--
U.S. Real GDP, $2009	$14.8 tn	$17.5 tn			2.11%
U.S. Petroleum Demand	19.2 mmbbld	19.9 mmbbld			0.42%

Executed Growth:

- Liquids focused capital expansions and strategic acquisitions
- Improving operating margins

Operating Efficiency:

- Doing more with less
- Divestiture of lower-margin, labor-intensive, non-strategic sites and services

Advantaged Platform:

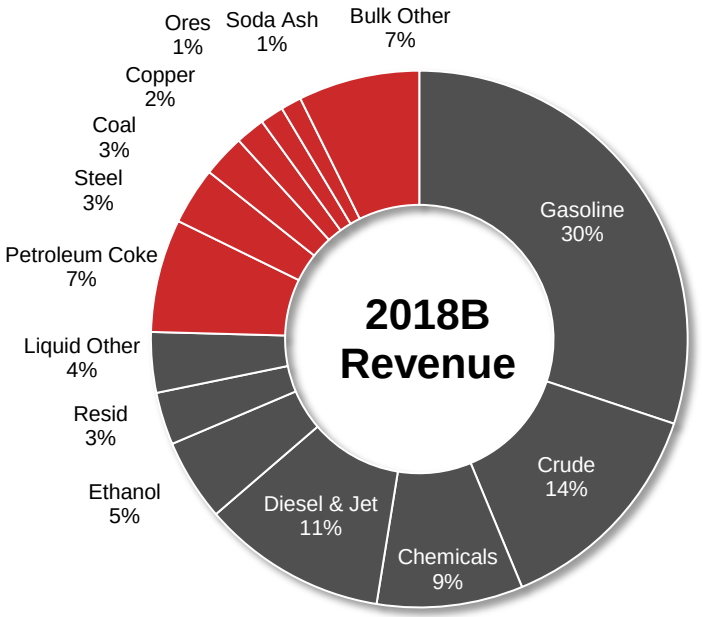
- Leading both U.S. and industry fundamentals
- Supply chain solutions in targeted, high-growth markets
- Leveraged across core, market-driven, demand-pull hubs & services

AN ADVANTAGED TERMINALS' BUSINESS PLATFORM
CONTINOUS PERFORMANCE IMPROVEMENT FOR CONTINUED GROWTH

Note: Terminal count includes transload facilities. Employee count solely reflects Kinder Morgan Terminals' employees.

Long-Term Growth Drivers

We Serve the World's Most Advantaged Upstream / Downstream Industries



Refined Products / Renewables 49%

- KM's Houston Ship Channel position is the largest single refined products and renewable terminaling system worldwide
- Houston's refinery and petrochemical complex is a global leader: natural gas and crude oil supply cost advantage
- Continued growth in refined product exports to meet increasing global demand

Crude Oil 14%

- Western Canada's Oilsands production expected to increase by ~430 mbbld by 2020 representing ~16% growth
- KM's Edmonton crude terminaling system allows multimodal access to local, Canadian, and U.S. refining markets
- TMPL's expansion will allow for extended customer access to international tidewater markets

Chemicals 9%

- $185 billion in U.S. petrochemical announced projects as a result of upstream production increases and cost advantages
- 48% has been completed or is currently under construction
- Need for chemical supply chain solutions and export access to meet increasing global demand

Petroleum Coke 7%

- One of the nation's largest handlers of Petroleum Coke
- In-plant bulk logistics services and export dock infrastructure to meet continued, steady refinery co-product supply
- Leveraged use of KM's bulk coal export infrastructure

VALUE DRIVEN BY THE NEEDS OF OUR CUSTOMERS AND THEIR INDUSTRY – ATTRACTIVE FUNDAMENTALS

Notes: Western Canadian growth based on CAPP.
U.S. Chemical industry expansion metrics based on American Chemistry Council.

Project Highlights: Placed into Service

Near-Term Growth: ~$1.1 Billion in Capital Projects Completed in 2017

KMET

- **Greenfield, 1.5 mmbbls Houston Export Terminal**
  - Pipeline connections to Pasadena and Galena Park terminals
  - 1 new ship dock
  - 1 new barge dock
- **Addresses Houston Ship Channel customer demands**
  - Connected tankage
  - Export dock access
- **$249 million Capex**

Pit 11 / Other HSC

- **2.0 mmbbls of tankage added at Pasadena, TX**
  - 12 x 165 mbbls tanks
  - Blending manifolds & connectivity to Houston system
  - 3 cross-channel pipelines and 2 new ship docks
- **Addresses Houston Ship Channel customer demands**
  - Connected tankage
  - Export dock access
- **$219 million Capex**

American Petroleum Tankers

- **4 New Jones Act Vessels delivered in 2017**
  - American Freedom
  - Palmetto State
  - American Liberty
  - American Pride
- **Completes APT's Jones Act Fleet**
  - Nation's largest tanker fleet
  - Fully chartered modern vessels
- **$608 million Capex**







TERMINALS' MARKET RESPONSE: DEVELOPING CUSTOMER VALUE-ADDED INFRASTRUCTURE SERVICES & SOLUTIONS

Historical Growth: Strategic Development

~$5.8 Billion Invested Capital since 2010 – Houston, Edmonton & Jones Act Tankers

Houston Ship Channel

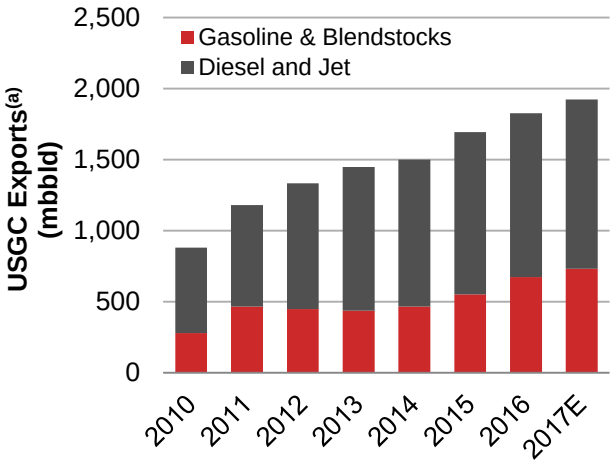
- **Irreplicable refined product terminaling system**
  - ~43 mmbbls of integrated terminaling
  - Completed investment that ~doubles our dock capacity
  - Continued growth in new services, markets and commodities
  - Fully contracted
- **$1.8bn Capex invested since 2010**

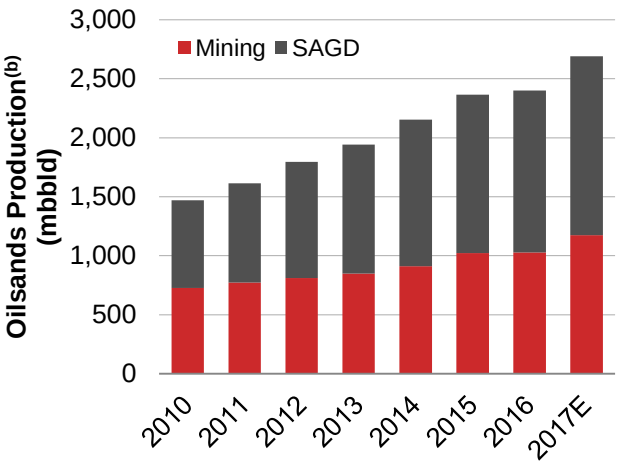
Edmonton Merchant Terminal

- **Canada's premier merchant Oilsands market hub**
  - ~12 mmbbls of Oilsands crude terminaling
  - Includes 4.8 mmbbl (Base Line Terminal) expansion to be completed in 2018
  - Continued growth alongside Canada's petroleum industry
  - Fully contracted
- **$1.7bn Capex invested since 2010**

American Petroleum Tankers

- **Largest and most modern fleet of Jones Act tankers**
  - 16 Jones Act crude oil and refined product tankers
  - APT tankers serve as an extension of our key customer logistics services
  - Renewed growth in Jones Act crude oil and refined product trade
  - Fully contracted
- **$2.3bn Capex invested since 2010**





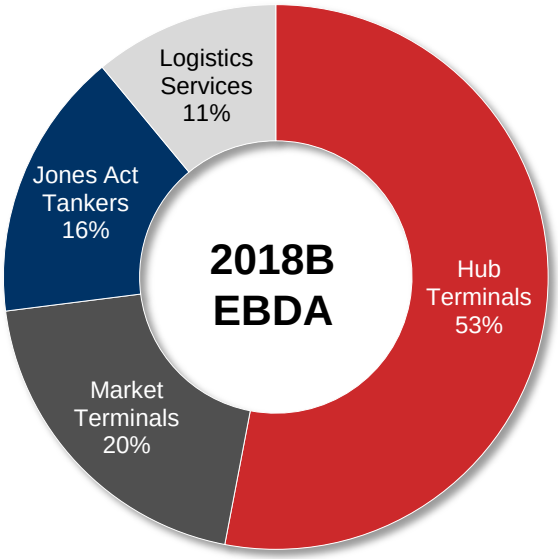


TERMINALS' STRATEGIC DEVELOPMENT OF IRREPLICABLE, INDUSTRY-CRITICAL, INFRASTRUCTURE & SERVICES

Notes: Reflects total invested capital and includes certain partnership interests.
Houston Ship Channel solely reflects investment in liquids projects.
(a) Source: EIA.
(b) Source: CAPP.

Terminals' Core Business Values

Infrastructure and Service Solutions – "Much More than Storage"



Not all terminals are created equal.

Our value derives from providing markets, industry, and customers with value-added supply-chain infrastructure solutions.

KM terminals are much more than storage.

Hub Terminals 53%

- Market clearing point between global buyers and sellers
- Multimodal connectivity and value added services
- Critical to our customers and their business
- KM liquids hubs: Houston, Edmonton and NY Harbor

Market Terminals 20%

- Geographic: market specific regional product demand
- Commodity: product specific supply chain solutions
- Trade: multi-commodity import/export infrastructure
- KM businesses: truck racks, renewables and bulk export terminals

Jones Act Tankers 16%

- 16 modern and efficient tankers
- Multi-commodity and multi-market
- Only solution for growing U.S. maritime trade
- KM's APT subsidiary: Largest Jones Act tanker fleet

Logistics Services 11%

- Customer in-plant logistics solutions
- Leveraged competencies in bulk and liquids
- Tankage, transloading and other services
- Nucor, Methanex and petroleum coke services

TERMINALS OFFERS WHAT OUR CUSTOMERS AND MARKETS NEED:
INDUSTRY CRITICAL ASSETS AND SERVICES

Hub Terminals – Houston Ship Channel

Premier Refined Product Aggregation and Market-Clearing Hub

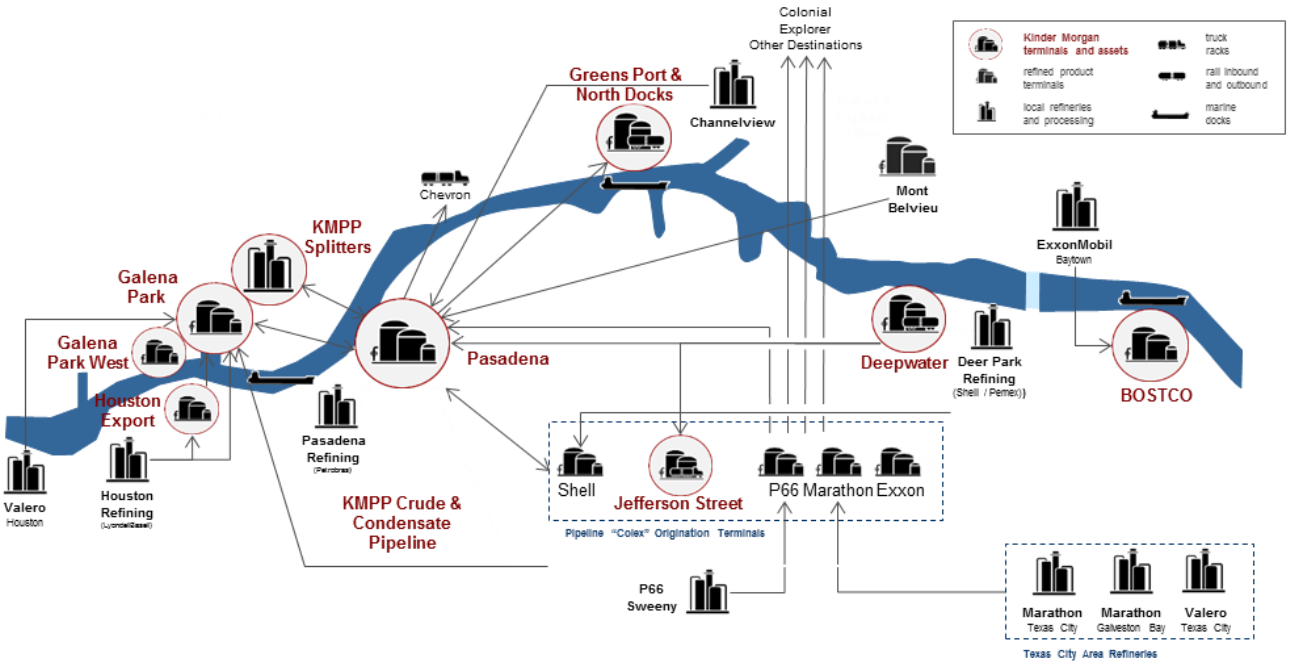
HSC Overview

- **Largest independent refined product terminaling system**
  - Matches market supply and demand
  - Intermodal inbound/outbound
  - Pipeline, rail, barge, ship and truck
- **Serves world's most competitive refining and petrochemical industry**
  - Refined product core focus
  - Complementary chemicals and renewables
  - Value in market connectivity
- **Clearing point for domestic and international markets**
  - Domestic pipeline connections to East and Midcontinent domestic markets
  - Marine connections to global markets

HSC Growth

- **Alongside our industry and our customers**
  - Export demand
  - New commodities
  - New expansions
  - Petrochemical / chemicals
  - New modal markets

Houston Ship Channel Asset Overview



#	Asset	Connectivity
20	**Inbound Pipelines**	10 Houston area refineries and local chemical plants
15	**Outbound Pipelines**	Texas, mid-continent and east coast markets
14	**Cross-Channel Pipelines**	interconnecting the system
12	**Barge Docks**	receipt and delivery of products and blendstocks
11	**Ship Docks**	serving export and Jones Act markets
9	**Bay Truck Rack**	averaging ~90 mbbl/d of local Houston market deliveries
3	**Unit Train Facilities**	crude oil, condensate, and ethanol

HOUSTON SHIP CHANNEL: ~43 MMBBLS TERMINALING CAPACITY

Hub Terminals – Edmonton

Increasingly Advantaged Canadian Crude Market-Clearing Hub

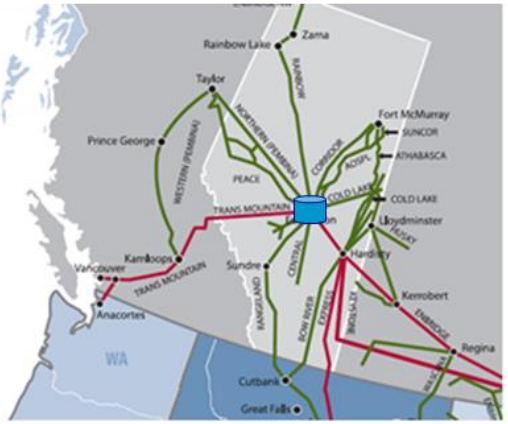
Edmonton Overview

- **Industry's preferred Canadian crude oil terminal solution**
  - Matches Oilsands production with Canadian, U.S. and worldwide markets
  - Inbound connections to a vast majority of Canadian Oilsands production
  - Trans Mountain Pipeline allows Edmonton access to international tidewater markets
  - North America's largest crude-by-rail loading facility
- **Long-term secured fundamentals**
  - SAGD and/or mining Canadian Oilsands resources
  - Improving economics with industry consolidation
  - Long-term global demand

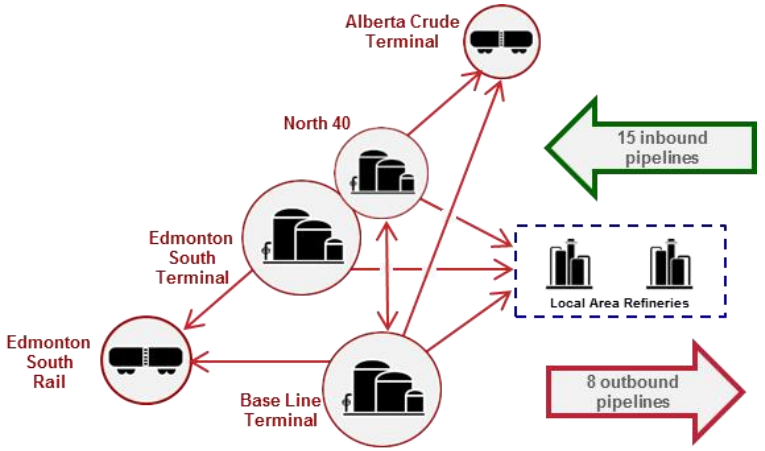
Edmonton Growth

- **Base Line Terminal: JV with Keyera**
  - 4.8 mmbbls crude terminal
  - 12 x 400,000 Bbl tanks
  - 2018 phased in-service completion
  - ~$C 415mm capital (net to KM)

Edmonton Asset Overview







Edmonton, AB merchant terminals and crude-by-rail businesses are held by KML, Kinder Morgan Canada Ltd

KML also holds Terminals' Vancouver Wharves terminal

#	Asset	Connectivity
15	**Inbound Crude Pipelines**	total pipeline connections vary by individual facility
8	**Outbound Connections**	including Trans Mountain and Trans Mountain Expansion
2	**JV Crude-by-Rail Facilities**	key crude takeaway capacity alongside Imperial & Keyera
2	**Refinery Connections**	local refinery demand

EDMONTON ALBERTA: ~12 MMBBLS TERMINALING CAPACITY

Hub Terminals – New York Harbor

Refined Product Terminals Serving a Globally-Supplied NYH Market

NYH Overview

- **Multi-product terminaling system and preferred gasoline market clearing hub**
  - Refined product supply through U.S. domestic refiners and international imports
  - Multimodal receipts of domestic and international gasoline blendstocks
  - Pipeline, marine and rail
  - Premier East Coast gasoline blending system in world's most liquid gasoline market
- **Enables access to most world liquid refined product markets**

New York Harbor Asset Overview



NYH Growth

- **Alongside our industry and our customers**
  - Complementary services for chemicals and renewables
  - Gasoline import growth
  - Increasing gasoline blendstocks, connectivity and customer blending value

#	Asset	Connectivity
5	**Ship Docks**	imports, exports, and Jones Act improvements
11	**Barge Berths**	local receipts and deliveries
11	**Pipeline Connections**	inbound and outbound connections including Colonial, Buckeye, and Sunoco systems
2	**Truck Racks**	KM/BP JV facilities in Carteret Truck Rack, NJ and Brooklyn, NY
1	**Unit Train Facility**	ethanol receipts with pipeline connections to Carteret

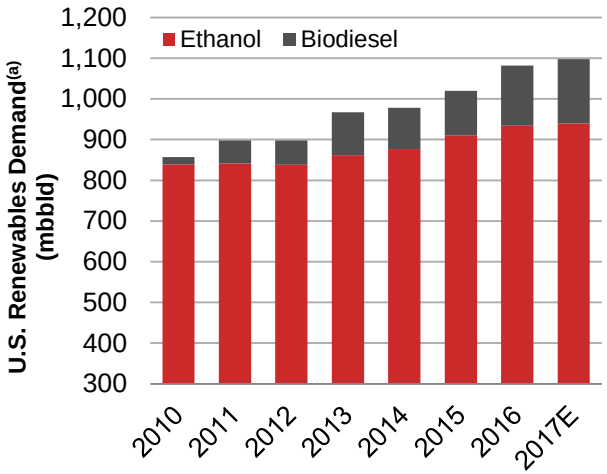
NEW YORK HARBOR: ~16 MMBBLS TERMINALING CAPACITY

Market Terminals

Targeted Toward Long-Term Product Demand Markets

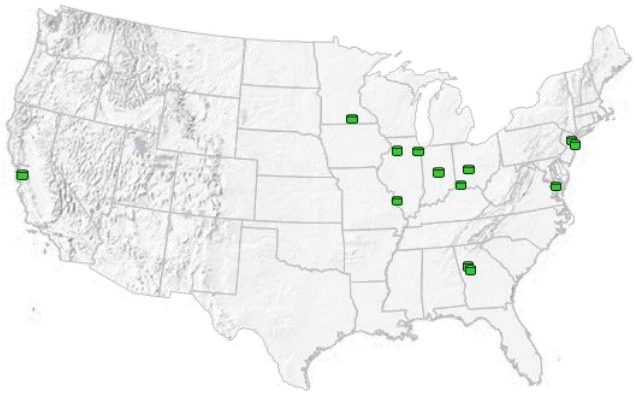
Renewable Fuels

- **KM handles ~30% of U.S. renewable fuels**
  - Argo, IL terminal is the physical basis for CME Chicago (Platts) ethanol futures contracts
  - Ethanol unit train receipt terminals in key refined product markets
  - Renewable fuels blending at truck racks across KMT and KMPP
  - Growing mandate and customer-driven demand and near-term need for export/import solutions



KM Phoenix

- **75:25 KM BP Joint Venture in product distribution terminals**
  - Largely tied to BP retail and refined product markets
  - KM operations allowing for cost savings and 3rd party marketing
  - BP retains access to strategic terminaling assets
  - Enables KM growth alongside a critical and core customer
  - Leveraged across other KM and BP businesses



Vancouver Wharves

- **An export point for multiple Canadian commodities**
  - Canadian world market interface for multiple commodities
  - Minerals, sulfur, grain and distillates
  - Six million tons of export capacity
  - Key exports of zinc, copper concentrate, and canola
  - Significant and continued KM investment in expanding services and capabilities



MARKET TERMINALS: BULK AND LIQUIDS INFRASTRUCTURE SOLUTIONS

(a) Source: EIA.

Logistics Services

Leveraging Multiple Competencies to Solve Customer Needs

Petroleum Coke

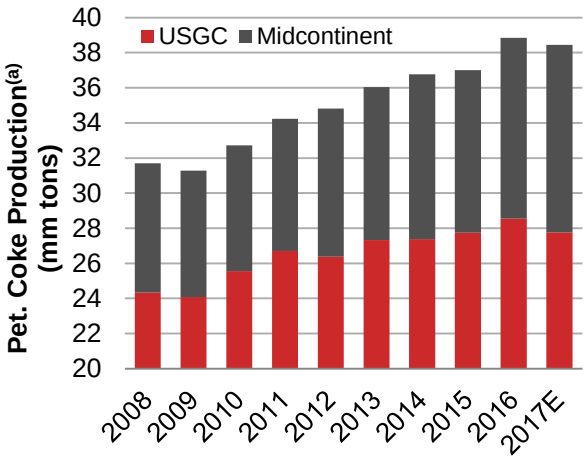
- **One of the nation's largest handlers of petroleum coke**
  - ~40% of Midcontinent and Gulf Coast Production
  - In-plant refinery bulk-handling services
  - Advantaged export infrastructure
  - East Coast, New Orleans and primarily Houston
  - Leveraged bulk services to key refining customers

Nucor

- **In-plant bulk handling and logistics services**
  - Services at key Nucor steel-making foundries
  - Scrap and DRI feedstocks and finished steel products
  - Hickman & Yamato, AR
  - Trinity, AL
  - Berkeley, SC
  - Hertford, NC

Methanex

- **In-plant methanol logistics services**
  - Supporting Geismar, LA methanol production
  - Methanex relocated two manufacturing plants from Chile
  - KM provides tankage, marine dock and rail loading facilities
  - Partnership allowed for rapid response to market opportunity







(a) Source: EIA.

Jones Act Tankers

Largest, Most modern and Efficient Fleet in the United States

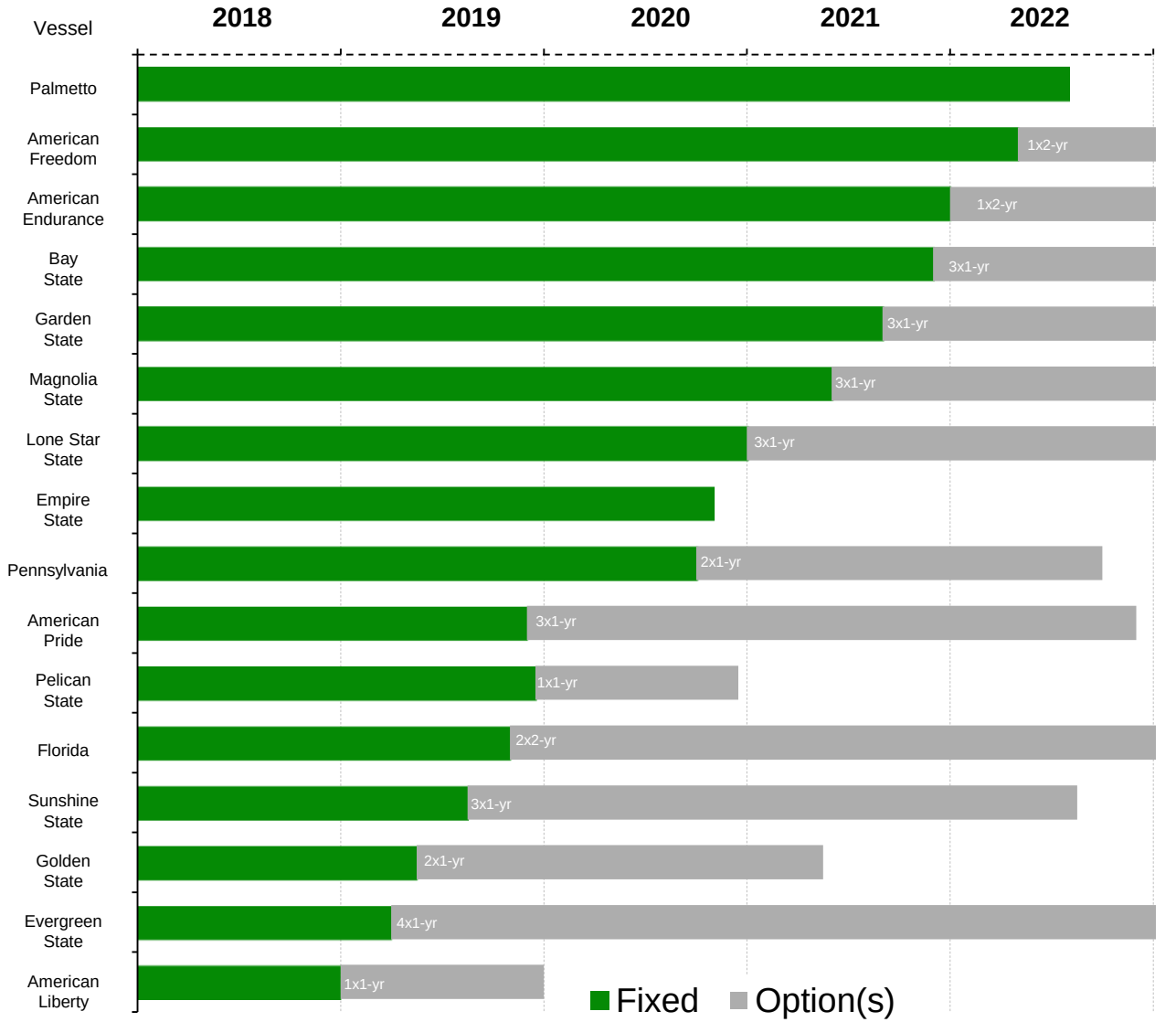
APT Overview

- **American Petroleum Tankers (APT)**
  - Final 4 vessels delivered in 2017
  - Largest Jones Act tanker fleet
  - Modern, average age of 3.8 years
  - Fuel-efficient
- **Current Charters**
  - No risk in 2018, limited risk until 2020
  - 2.8 years average remaining fixed term
  - 5.0 years with customer renewal options
- **No exposure to IMO 2020**
  - 0.5% sulfur limits on heavy international-water bunker fuels beginning in 2020
  - APT's tankers currently fueled by 0.1% sulfur marine distillate as required in coastal waters
  - 9 of APT's vessels are designed to facilitate conversion to LNG fuel if warranted

APT Growth

- **Growing Jones Act Markets**
  - Gulf Coast gasoline & distillate trade
  - Gulf Coast crude trade
  - Increasing U.S. crude oil shale production
- **Markets are returning to balance**
  - Expected retirements of aged vessels
  - No new tankers under construction or planned
- **Leverage KMT customer base**

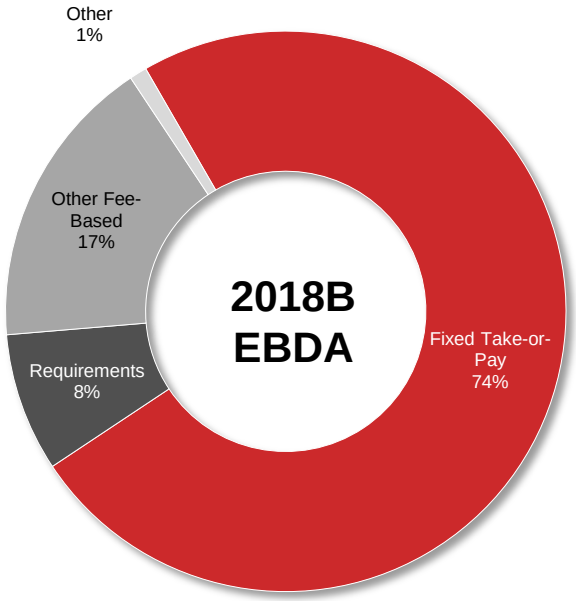
Jones Act Tankers: Contract Schedule



AMERICAN PETROLEUM TANKERS: 16 X 330 MBBLS JONES ACT TANKERS

Terminals' Fee-Based Business

Earnings Predicated on Stable, Fee-Based Business



Terminals with a secured earnings profile

Limited variability and independent of inventories

Infrastructure and services required to meet customer, market and industry needs

Take-or-Pay 74%

- Term leased tank capacity (monthly)
- Term tanker charters (monthly)
- Term volumes (per bbl or ton)

Requirements[(a)] 8%

- Ratable – tied to customer production levels
- Refineries – petroleum coke production
- Steelmaking – Nucor plant services

Other Fee-Based 17%

- Based on customer use (per bbl or ton)
- Secured by customer and market needs
- Ancillary services (e.g., vessel loading and blending)

Other 1%

- Other ancillary services
- No KM marketing or equity bbls at our facilities
- Not competing with our customers

EARNINGS STABILITY THROUGH FEE-BASED BUSINESSES
RATABLE CUSTOMER AND MARKET DEMAND-DRIVEN CONTRACTED SERVICES

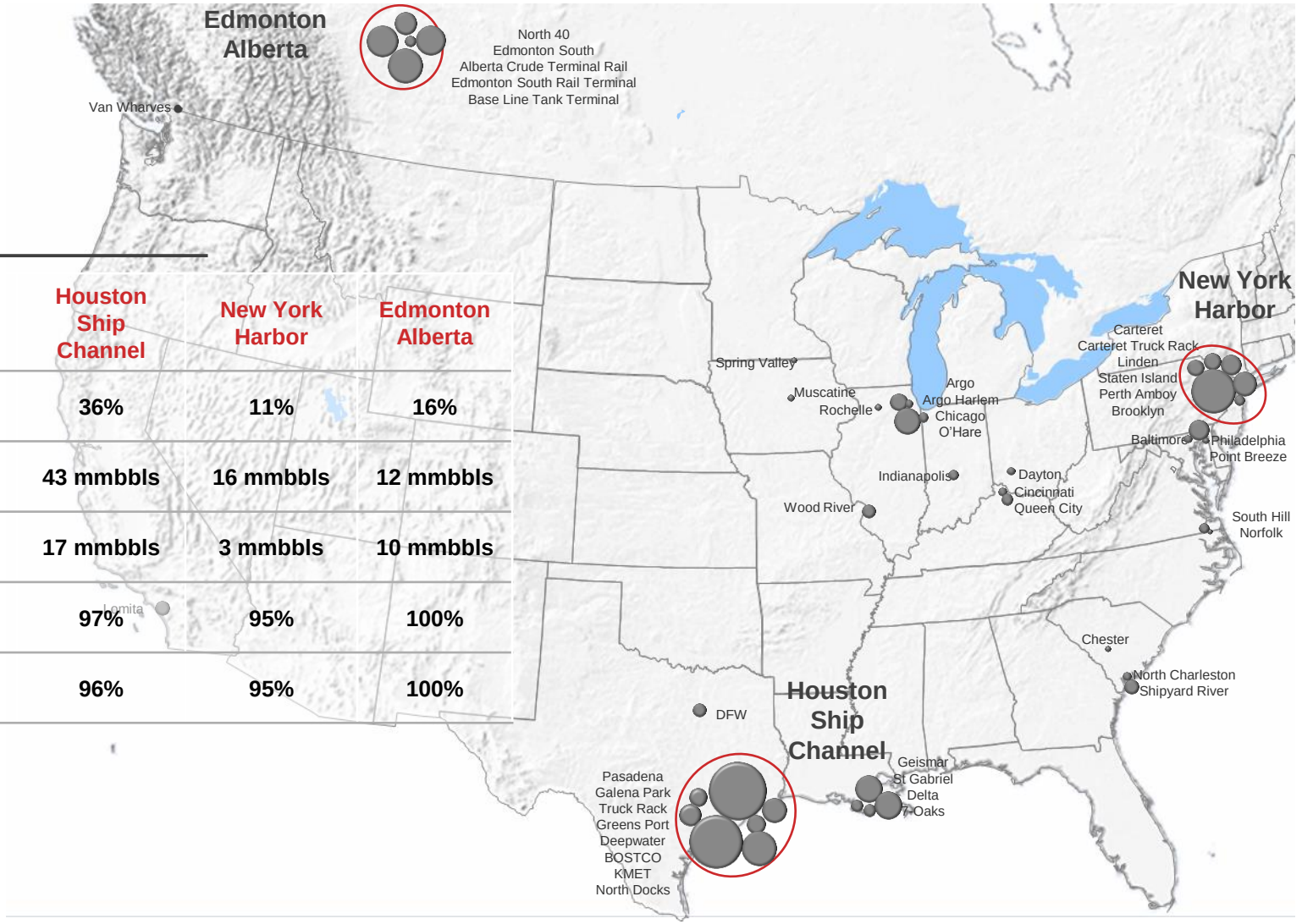
(a) Customer has a physical requirement and, in almost all cases, contractual obligation to exclusively use our facility or services.

Liquids Terminals

High Demand Assets Based on Key Industry and Market Hubs

Hub Terminals

	Houston Ship Channel	New York Harbor	Edmonton Alberta
% of 2018B Liquids EBDA	36%	11%	16%
Total Terminal Capacity	43 mmbbls	16 mmbbls	12 mmbbls
New Capacity since 2010	17 mmbbls	3 mmbbls	10 mmbbls
Utilization 5-year Average	97%	95%	100%
Utilization, 2018 Budget	96%	95%	100%



LIQUIDS TERMINALS: ~80% TERMINALS' EBDA

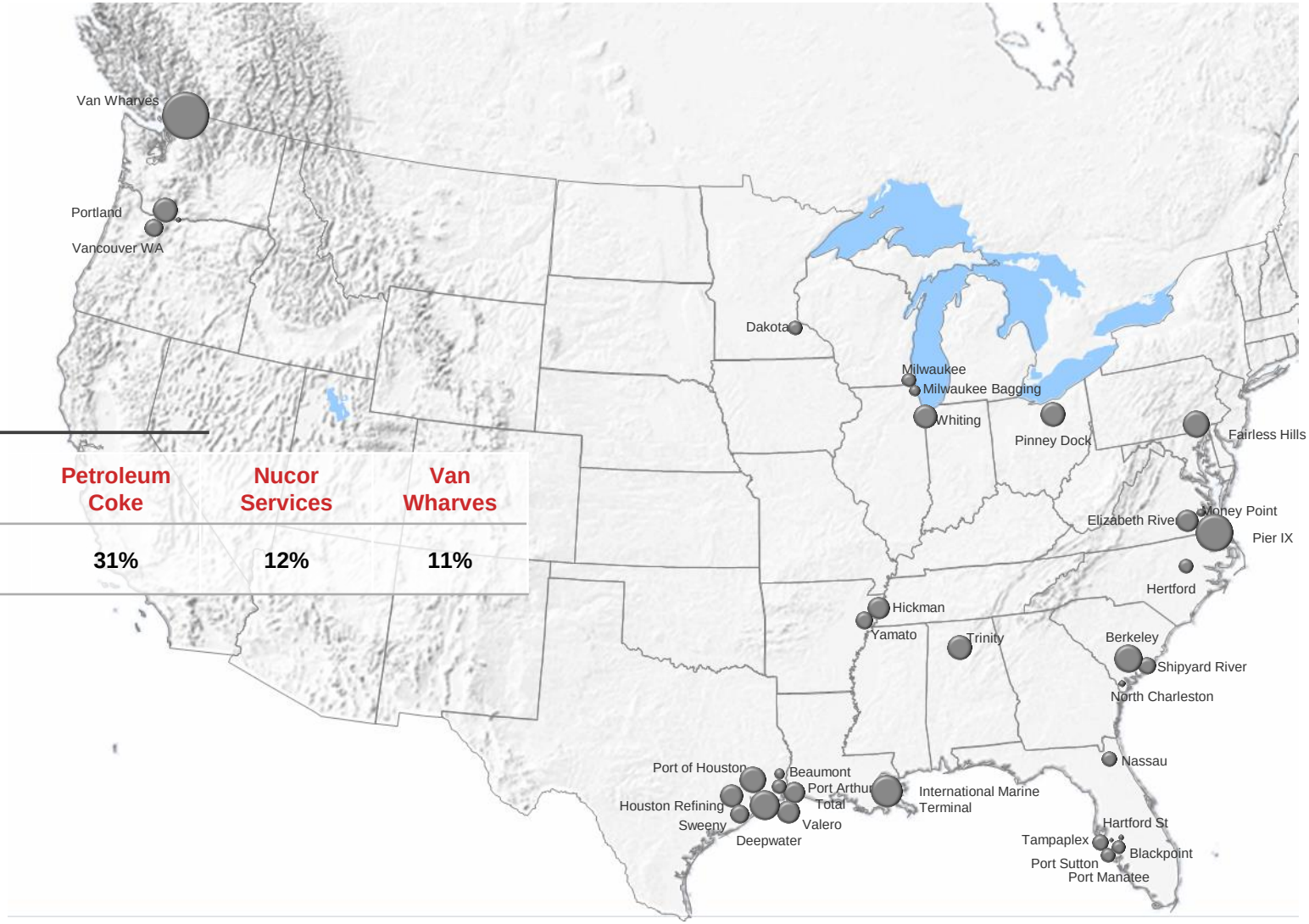
Notes: Liquids EBDA includes Jones Act Tankers.
Total terminaling capacity reflects projects which will be completed in 2018.
Terminal utilizations reflect tankage unavailable for lease due to API inspections and routine maintenance.
Size indicative of relative liquids revenue contribution.

Bulk Terminals

Providing Import/Export Logistics and Value-Added Services

Key Businesses

	Petroleum Coke	Nucor Services	Van Wharves
% of 2018B Bulk EBDA	31%	12%	11%



BULK TERMINALS: ~20% TERMINALS' EBDA

Notes: Coal EBDA is 11% of bulk EBDA (2% of total Terminals' EBDA).
Petroleum Coke: refinery operations at Houston Refining, Sweeny, Valero, Total, Whiting; export terminal operations at Deepwater, IMT, Pier IX.
Nucor: Berkeley, Trinity, Hickman, Yamato, Hertford.
Size indicative of relative bulk revenue contribution.

Throughput and Tonnage Statistics

2017A vs. 2018B

Liquids Throughput

- Refined product growth from export-oriented Houston Ship Channel expansions
- Growth across renewables, chemicals and vegetable oils

	Throughput		Variance	
mmbbls	2017	2018B	mmbbls	%
Gasoline	438.8	483.0	44.2	10%
Distillate (incl. jet fuel)	145.3	172.9	27.6	19%
Petroleum	144.1	169.2	25.1	17%
Ethanol	68.1	71.4	3.3	5%
Chemicals	44.7	45.7	1.0	2%
Vegetable Oil	5.7	6.2	0.5	9%
Liquids Other	4.6	5.9	1.3	28%
	851.3	**954.3**	**103.0**	**12.1%**

Bulk Tonnage

- Petroleum coke demand is up with expected refinery utilization and turnaround schedules
- Expiration of a long-term coal import contract accounts from most of the decline in coal volumes
- Coal export markets remain challenged

	Tonnage		Variance	
tons (millions)	2017	2018B	mm tons	%
Petroleum Coke	14.2	15.3	1.1	8%
Coal	10.0	7.5	(2.5)	(25%)
Ores/Metals (Bulk)	16.6	17.3	0.7	4%
Ores/Metals (Break-Bulk)	2.0	2.3	0.3	15%
Soda Ash	4.9	4.4	(0.5)	(10%)
Aggregate	3.4	3.7	0.3	9%
Road Salt	2.2	2.4	0.2	9%
Fertilizers	2.4	2.5	0.1	4%
Cement (including Clinker)	0.7	0.9	0.2	29%
Bulk Other	3.1	3.1	–	–
	59.5	**59.4**	**(0.1)**	**(0.2%)**

Notes: Does not reflect refined product or crude oil volumes through Jones Act tankers.
Petroleum includes crude oil and black oil (e.g. residual fuel oils).
Does not include assets held for sale.

J. CO_2

Segment Presentation

Segment Outlook and Asset Overview

Own and Operate CO_2 for Enhanced Oil Recovery (EOR)

KINDER MORGAN

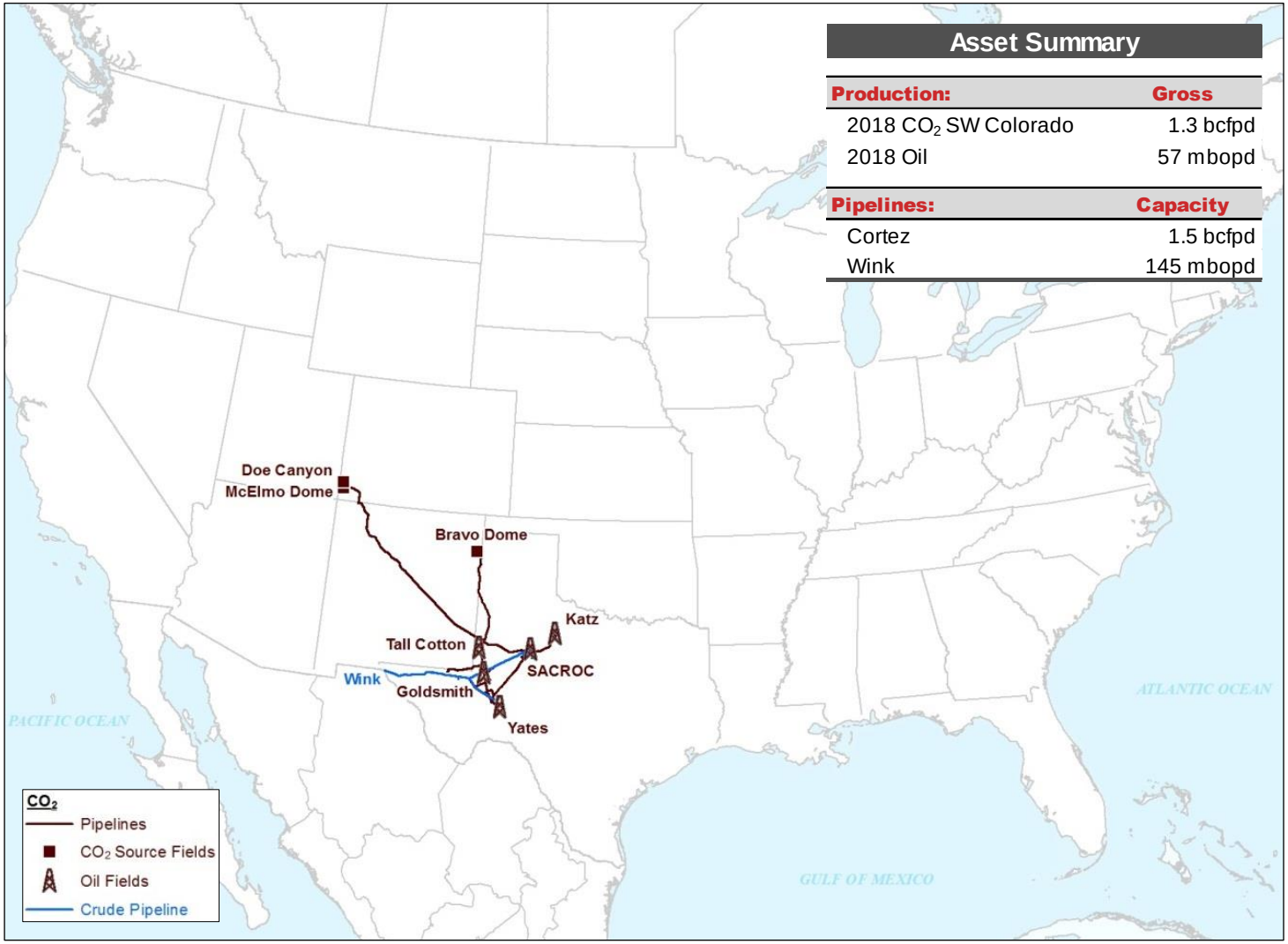
Long-Term Growth Drivers

- Demand for scarce supply of CO_2 drives volume and price
- Trillions of cubic feet of recoverable CO_2 in KM operated fields
- Billions of barrels of oil still in place to be recovered in the Permian Basin
- ~9 billion barrels Original Oil in Place in KM operated fields

Project Backlog

$1.6 billion of identified growth projects over 2018-2022 time period[(a)]

- $1.3 billion related to Oil & Gas Production and $0.3 billion related to S&T
- Oil & Gas Production: SACROC / Yates / Goldsmith / Tall Cotton oil production
- S&T: Southwest Colorado CO_2 production



Asset Summary

Production:	Gross
2018 CO_2 SW Colorado	1.3 bcfpd
2018 Oil	57 mbopd

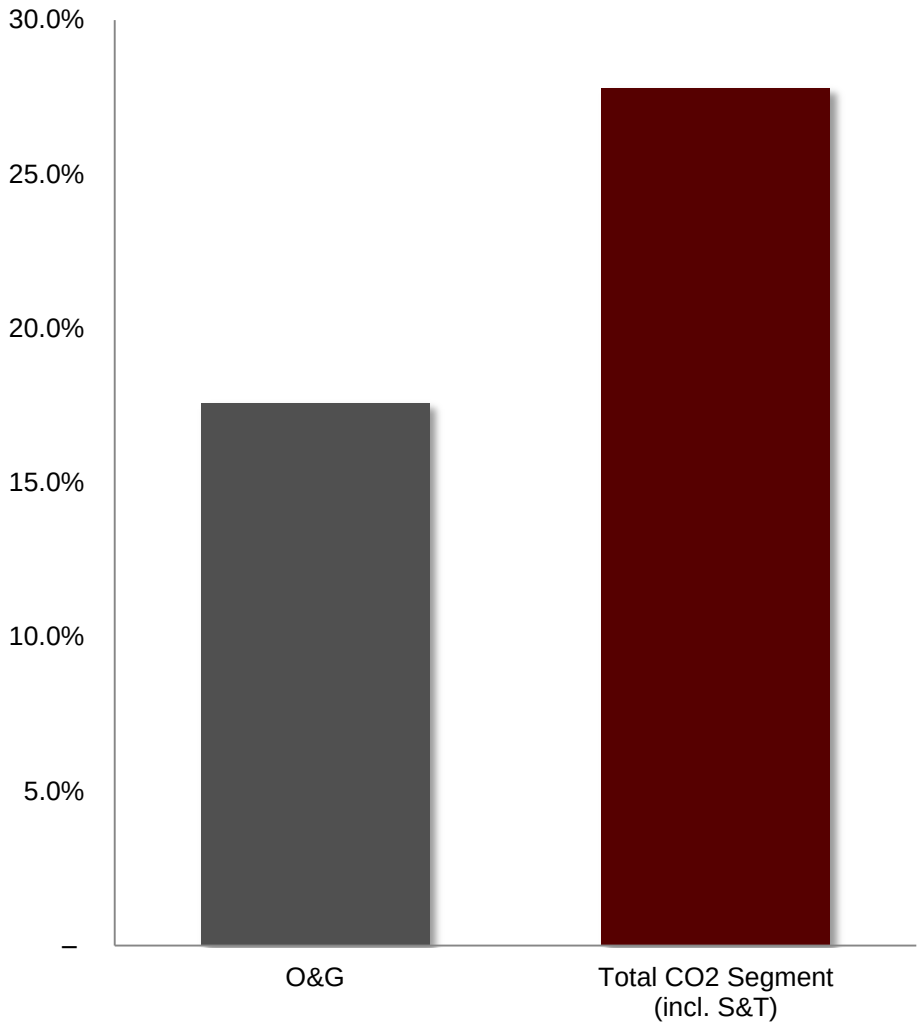
Pipelines:	Capacity
Cortez	1.5 bcfpd
Wink	145 mbopd

Note: S&T = Source and Transportation.
(a) Includes KM share of non-wholly owned projects. Includes projects currently under construction.

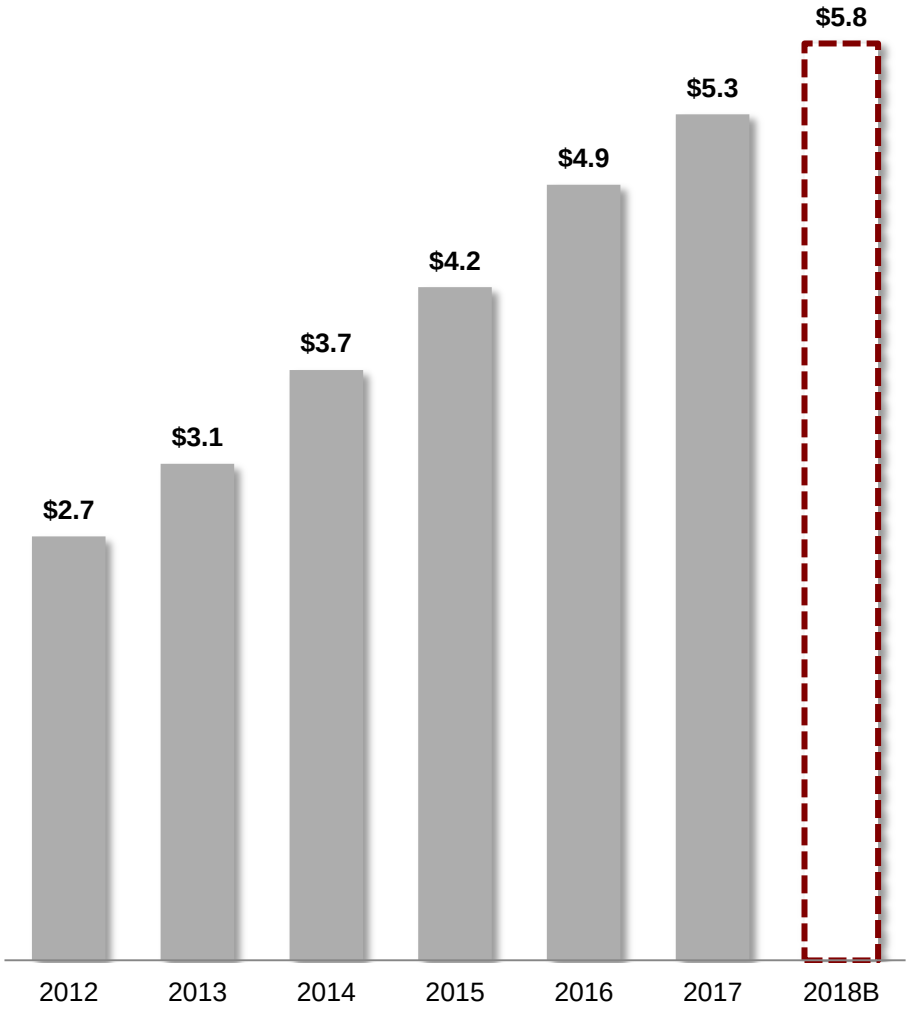
CO_2 Segment Significant Returns and FCF

Generating High Returns and ~$6 Billion in Cumulative Free Cash Flow

IRR% 2000–2017



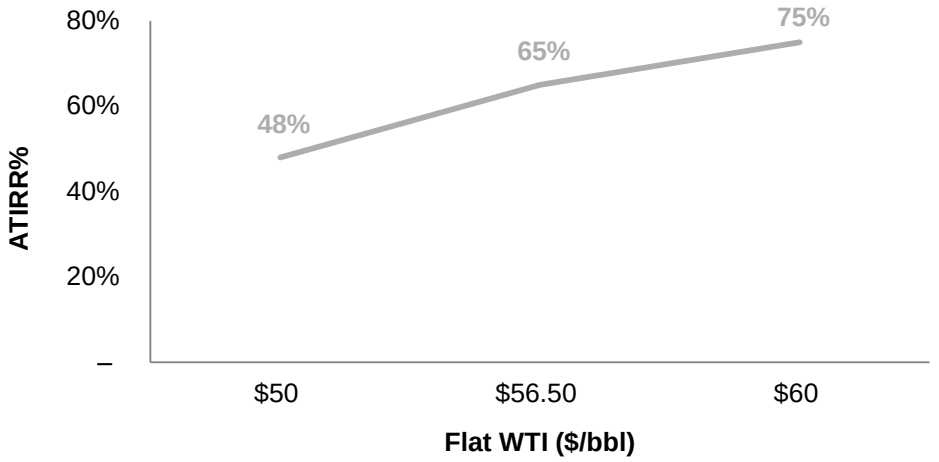
Cumulative FCF Generation ($bn)



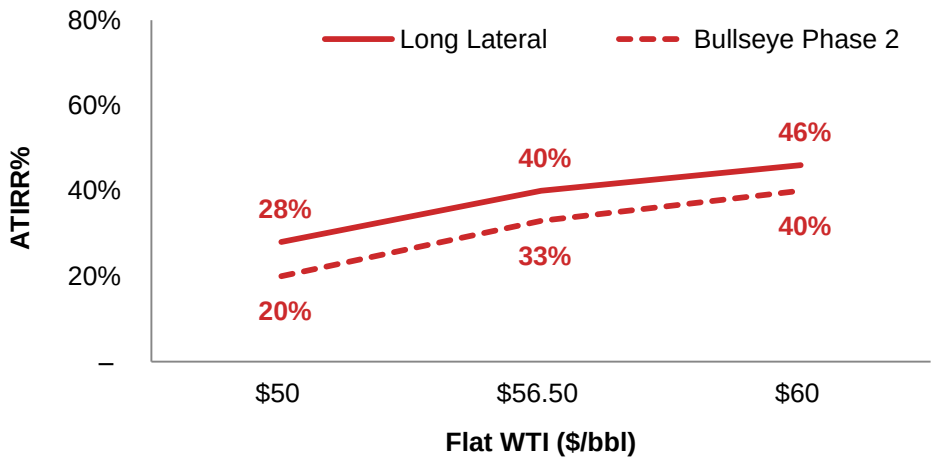
Continued Focus on High-Return Projects

2018 Project Returns at Various Flat Pricing Levels

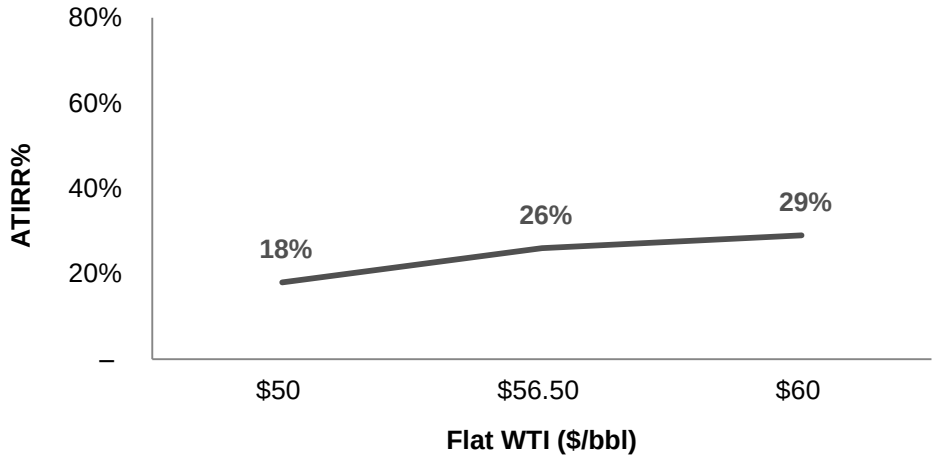
Yates HZ Drain Hole Program



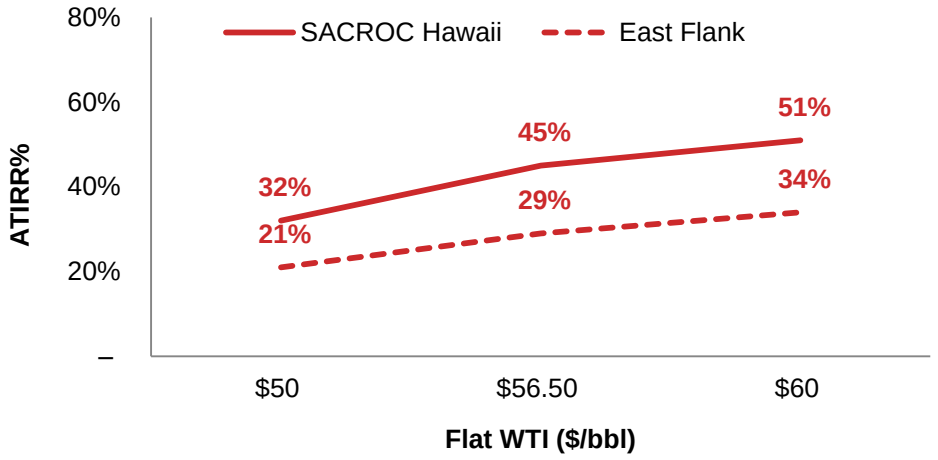
SACROC Conventional



Tall Cotton Phase 3



SACROC Transition Zone



CO_2 Segment Outlook

Tall Cotton and SACROC Development Will Drive Growth

KINDER MORGAN

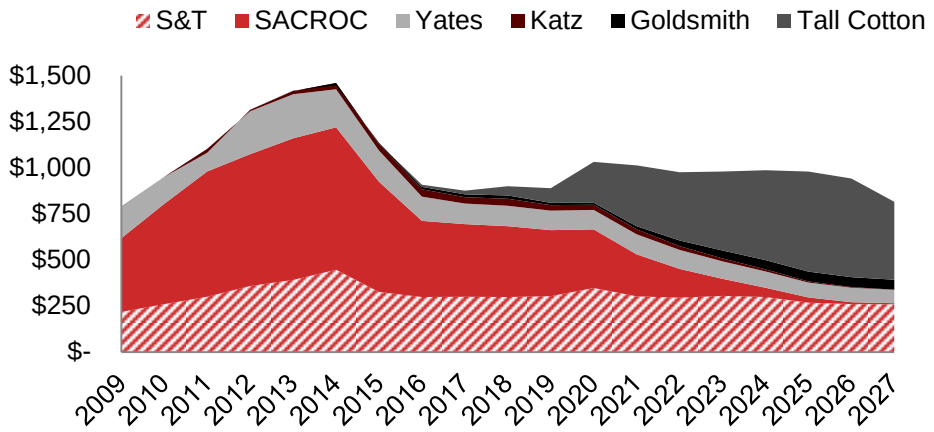
Development Plans: 2018-2027

Asset	Net mmboe[a]	KM Share CAPEX[b] ($mm)	Development Plans
Tall Cotton	74	$1,449	■ Commence Phase 3 expansion ■ Develop additional project prospects
SACROC	59	694	■ Continue Hawaii Development ■ Develop East Flank ■ Expand Bypass Pay ■ Exploit transition zone opportunity
GLSAU	11	382	■ Optimize flood performance ■ Evaluate expansion opportunities
Yates	24	139	■ Continue HDH programs and gravity drainage depletion plan ■ Initiate additional Waterflood phases ■ Evaluate HCM pilot
Katz	7	56	■ Continue conformance program ■ Optimize flood performance ■ Evaluate additional booster potential for 1st and 3d sands
CO2 S&T		480	■ Maintain capacity in existing source fields (McElmo & Doe Canyon) ■ Optimize prod. and increase efficiency ■ Manage source portfolio to be prepared for increase in demand
Total:	**175**	**$3,200**	

Key Takeaways

- S&T delivers steady DCF with modest capital expenditures
- Transition Zone partially offsets production declines
- Residual Oil Zone (ROZ) will provide additional growth opportunities
- Alternative EOR technology and techniques will provide upside to recoverable reserve base

Distributable Cash Flow ($mm)[c]

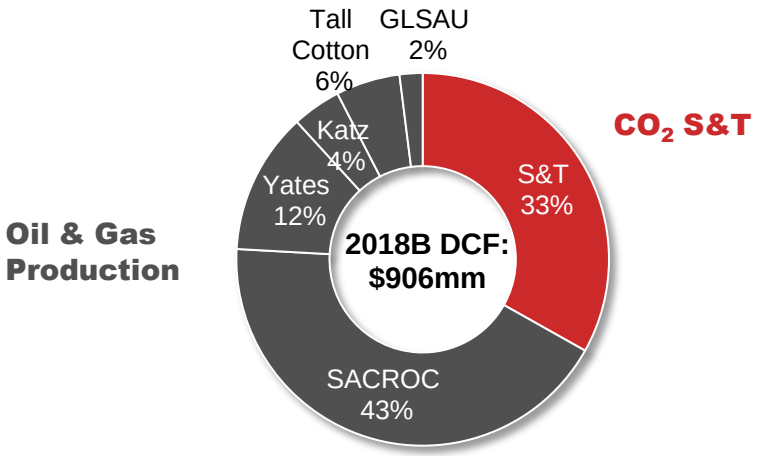


(a) Net BOE = Net Crude plus Net NGLs plus Net Residue Gas divided by 6.
(b) KM Share Capex is inclusive of Capitalized CO_2 and Capitalized OH.
(c) 2018 = Budget, 2018 at $56.50/bbl, 2019 at $58/bbl, 2020 at $60/bbl, 2021+ at $65/bbl; cost metrics based on 2017 run rate; development plans may change in different price scenarios.
(d) CO_2 profits not eliminated from S&T.

CO_2 Segment Overview

Kinder Morgan is the Largest Supplier of CO_2 for Permian EOR

2018B DCF of $906 million



Source & Transportation

- KM share of EOR demand consumes ~40% of our entitled production in 2018
- 100% of CO_2 production is contracted in 2018, of which 78% is at Minimum Volume Commitments
- Weighted average contract life with third parties is ~9 years
- Kinder Morgan provides ~80% of CO_2 delivered to the Permian

Impact of Oil Price / Volume on 2018B DCF

Δ	DCF impact
$1/bbl WTI	NGL: $1.6mm CO_2: $1.5mm Crude: $3.0mm **Total: $5.8mm**
1% NGL / crude ratio	$1.9mm
$0.01/bbl Mid / Cush Diff	$0.2mm
1,000 bopd in SACROC, Katz, GLSAU, or Tall Cotton	$16.3mm
1,000 bopd in Yates	$8.7mm
50 mmcfd in CO_2	$5.7mm

Oil & Gas Production Group

	Net Prod. (mbopd)		DCF ($mm)	
	2017	2018B	2017	2018B
SACROC	23.2	22.6	$394	$384
SGP NGLs	10.6	10.8		
Yates	7.7	7.6	$112	$111
Katz	3.4	3.5	$34	$38
GLSAU	1.7	1.7	$15	$18
Tall Cotton	1.8	3.7	$20	$50

(a) Note: we view our S&T and O&G businesses without elimination, though consolidation results in eliminating profit on sales of CO_2 to KM.
(b) Segments shown without elimination.

2018 Expansion Program Summary

$452 Million Capex Program

	Capex ($mm)	% of Total Capex	Commentary	CO_2 Purchased (mmcfd)	Net Oil Produced (mbopd)
SACROC	$233	52%	■ $233mm Capex includes $79mm Cap OH and Cap CO_2 ■ Activate 11 conventional patterns in Hawaii/project area ■ Continue BE Redevelopment Phases 1 and 2 ■ Activate 5 Bypassed Pay Laterals – 17 pattern equivalent ■ Activate 11 of 32 East Flank patterns	129	22.8 oil[(a)] 10.8 NGL
Tall Cotton	133	29%	■ $133mm Capex includes $29mm Cap OH and Cap CO_2 ■ Complete Phase 2 expansion ■ Commence Phase 3 expansion and construction of central compression & production facilities ■ Activate 10 of 50 patterns in Phase 3 expansion project area ■ Complete tie in to new oil sales pipeline	59	3.7
Yates	27	6%	■ $27mm Capex includes $10mm Cap OH and Cap CO_2 ■ Drill 40 HDH wells ■ Continue HCM Pilot ■ HCM Demonstration Area expansion ■ Continue Waterflood expansion	75	7.6
Katz	20	4%	■ $20mm Capex includes $19mm Cap OH and Cap CO_2 ■ Continue conformance activity and optimize flood performance	36	3.5
GLSAU	7	2%	■ $7mm Capex includes $7mm Cap OH and Cap CO_2 ■ Continue optimizing active flood area	24	1.7
O&G Prod. Total:	**$420**	**93%**			
S&T	$32	7%	■ $32mm Capex includes $4mm Cap OH ■ Continue Cow Canyon development ■ CO_2 net production of 614 mmcfd		
Total Segment:	**$452**	**100%**			

(a) Net oil for SACROC Group which includes SACROC unit, Kelly Snyder Strawn (26 bopd), Cisco Sands (6 bopd) and Sharon Ridge (186 bopd).

CO_2 Segment's Asset Summary

Fully Integrated Asset Base in the Permian

KINDER MORGAN

S&T Asset Summary

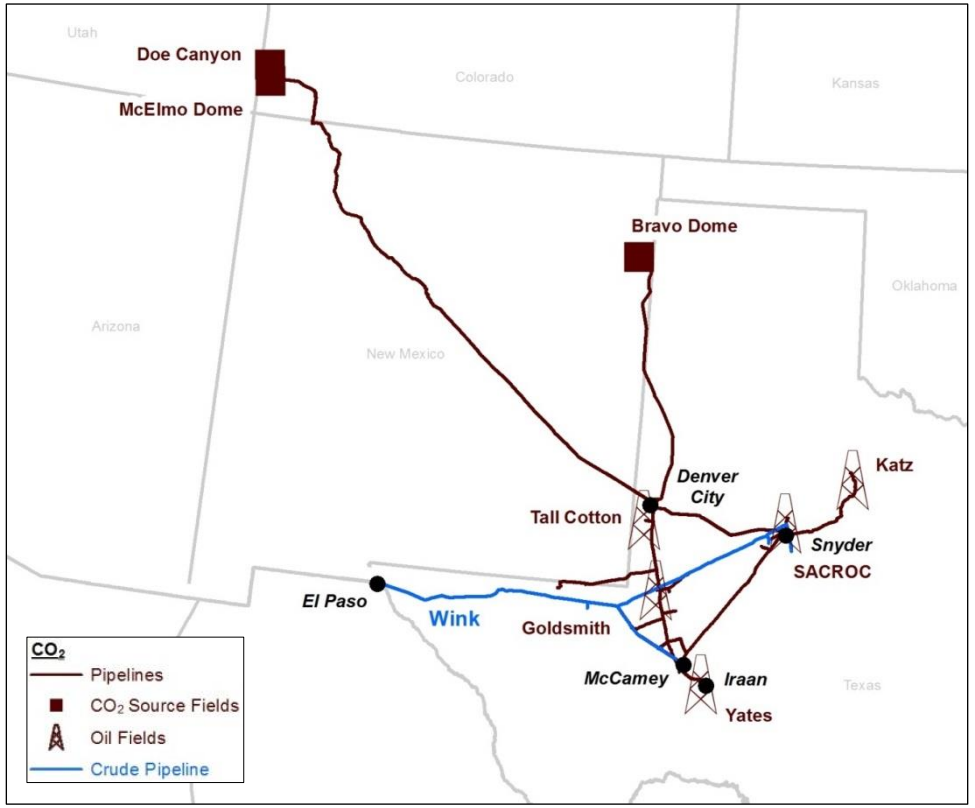
CO2 Reserves	KMI Interest	NRI	Location	Remaining Deliverability	OGIP (tcf)
McElmo Dome	45%	37%	SW Colorado	20+ years	22.0
Doe Canyon	87%	68%	SW Colorado	10+ years	3.0
Bravo Dome[(b)]	11%	8%	NE New Mexico	10+ years	12.0

Pipelines	KMI Interest	Location	Capacity (mmcfpd)
Cortez	53%	McElmo Dome to Denver City	1,500
Bravo[(b)]	13%	Bravo Dome to Denver City	375
Central Basin (CB)	100%	Denver City to McCamey	700
Canyon Reef	98%	McCamey to Snyder	290
Centerline	100%	Denver City to Snyder	300
Pecos	95%	McCamey to Iraan	125
Eastern Shelf	100%	Snyder to Katz	110
Wink (crude)	100%	McCamey to Snyder to El Paso	145 mbbld

Oil & Gas Production Asset Summary

Crude Reserves[(a)]	KMI Interest	NRI	Location	OOIP (billion bbls)
SACROC	97%	83%	West Texas	2.8
Yates	50%	44%	West Texas	5.0
Katz	99%	83%	West Texas	0.2
Goldsmith	99%	86%	West Texas	0.5
Tall Cotton	100%	88%	West Texas	0.7

Supplying CO_2 to the Permian, Permian EOR Prod.



Note: In addition to KMI's interests above, KMI has a 22%, 51%, and 100% working interest in the Synder gasoline plant, Diamond M gas plant and North Synder plant, respectively.
(a) Reserve life ~4 years based on current independent consultant reserve report.
(b) Not KM-operated.

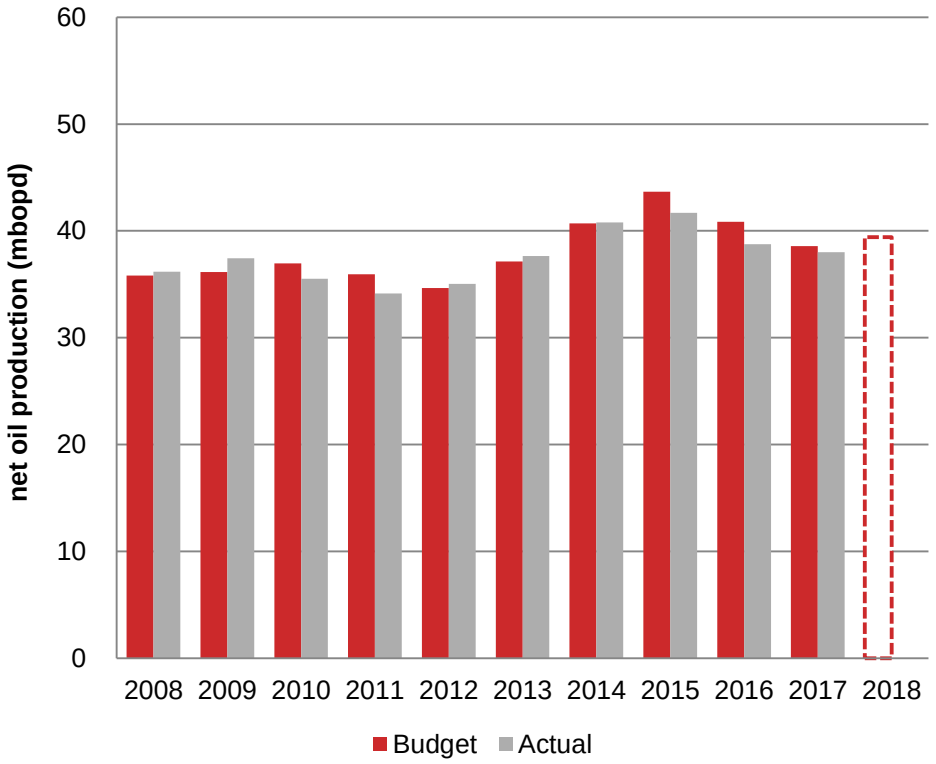
CO_2 Oil Production and Hedge Profiles

Disciplined Approach to Managing Capital and Price Volatility

KINDER MORGAN

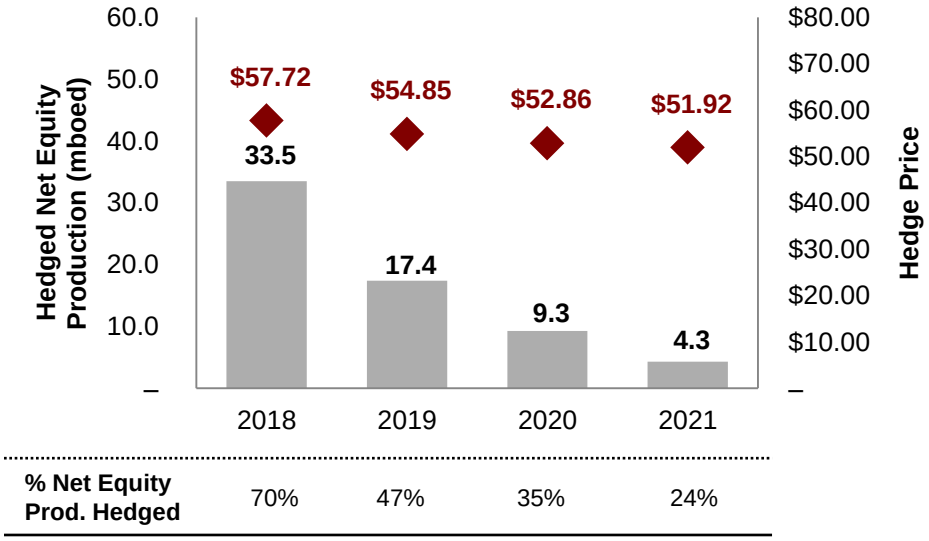
Limited Volume Risk: Actuals vs. Plan

- Actual oil production within 1.4% of Plan over past 10 years
- Over same timeframe, capex was within 1.6% of plan



Limited Near-Term Price Risk: Hedge Profile

- Targeted net equity production minimum hedge percentages[(a)]:
  - Next 12 months: 70%
  - Year 2: 50%
  - Year 3: 30%
  - Year 4: 10%



Note: Where collars are used, pricing incorporated into average hedge price is the collar floor; for swaps and puts, strike price net of premium is used.

(a) Net equity production: 2018 Based on 2018 Budget, 2019-2021 based on Independent Reservoir Engineer reserve report (historically below management expectations). Includes heavier NGL components (C4+).

Big Fields Get Bigger

Successful Track Record of Extending SACROC Production Life

KINDER MORGAN

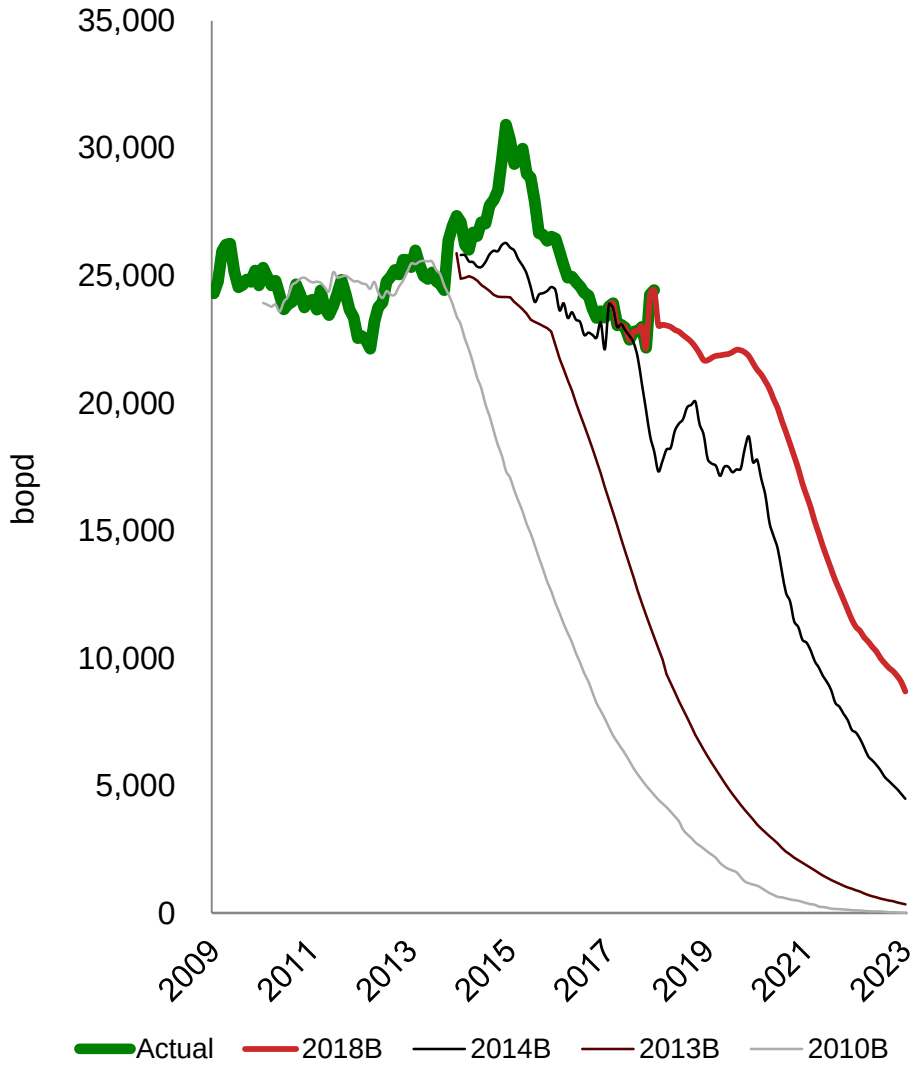
Big Fields

- **SACROC – 2.8 billion barrels of original oil in place**
- **Yates – 5.0 billion barrels of original oil in place**

SACROC Strategy

- **Long track record of expanding the field through advanced technology and new exploitation techniques**
  - Advanced Seismic technology used to identify:
    - Infill prospects
    - Bypass pay projects
    - Transition zone
  - Horizontal drilling technology
  - Conformance technologies and techniques:
    - Polymers – gels, foams
    - Mechanical
- **Transition Zone is the next opportunity to expand SACROC**
  - 700mm OOIP target
  - Delineation efforts ongoing
  - Executed five projects to date
  - Executing two projects in 2018

SACROC Net Oil Production Forecasts



Outlook – Tall Cotton

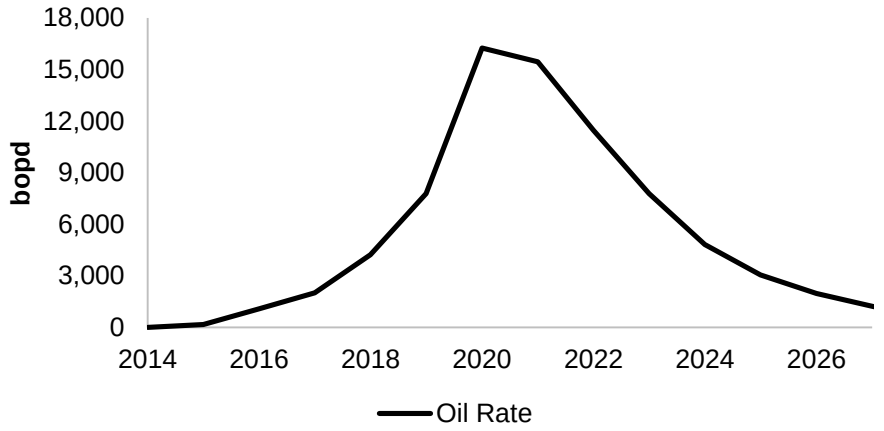
Tall Cotton Development

KINDER MORGAN

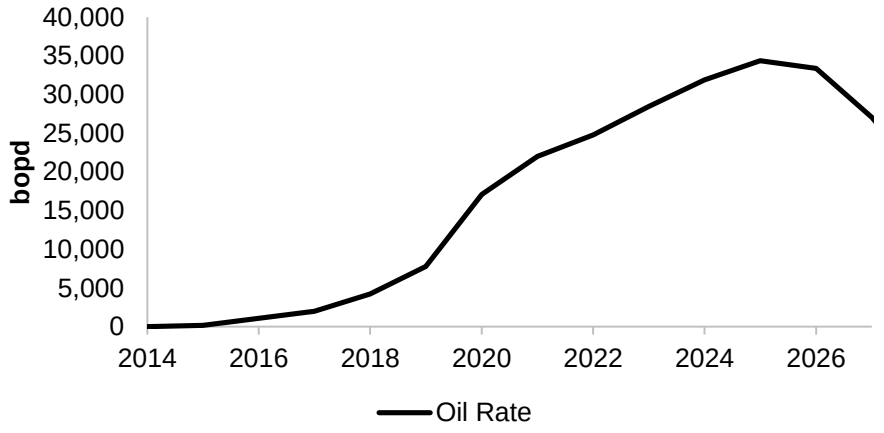
Project Update

- **San Andres Residual Oil Zone (ROZ) oil saturation similar to water-flooded main pay San Andres**
- **Several significant San Andres ROZ projects underway in the Permian Basin**
- **Tall Cotton Full Field Development**
  - 280 Patterns
  - 280 WAG Injectors
  - 329 Producers
  - Peak Oil Rate: 34,352 Gross bopd (2025)
  - 100.5 MMBO EUR
  - 14% Recovery Factor
  - 577 BCF CO_2 Purchases

Project Totals through Phase 3



Tall Cotton Full Field Development



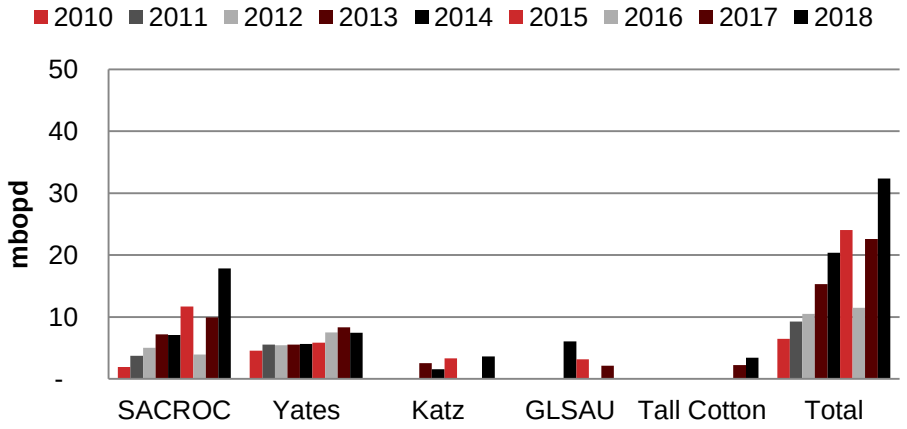
Oil & Gas Production Group's Forecasts

Production Continues to Exceed Reserve Report

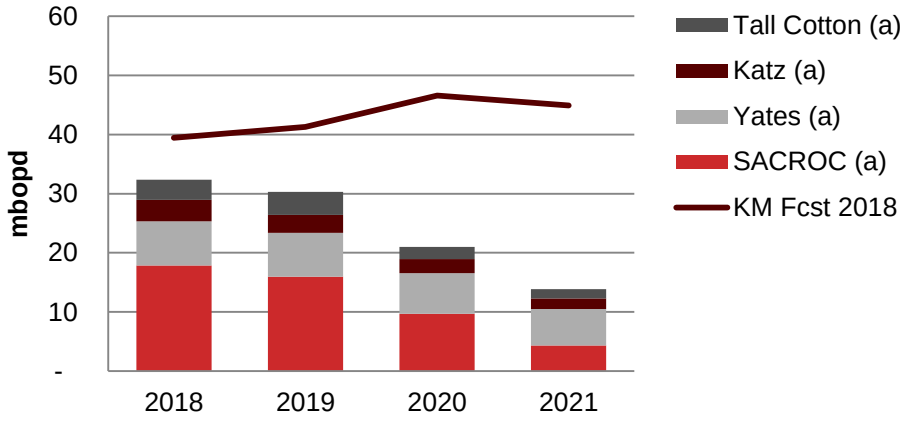
Commentary

- The top right chart demonstrates how the production forecast for 2018 has generally increased over the past 8 years of reserve reports
- The bottom right chart demonstrates the conservatism of the SEC reserve report versus Kinder Morgan's forecast
- Higher recoveries and additional targets added to the inventory
- New technologies

Evolution of Forecasted 2017 Net Production[(a)]



KM Forecast versus Reserve Report

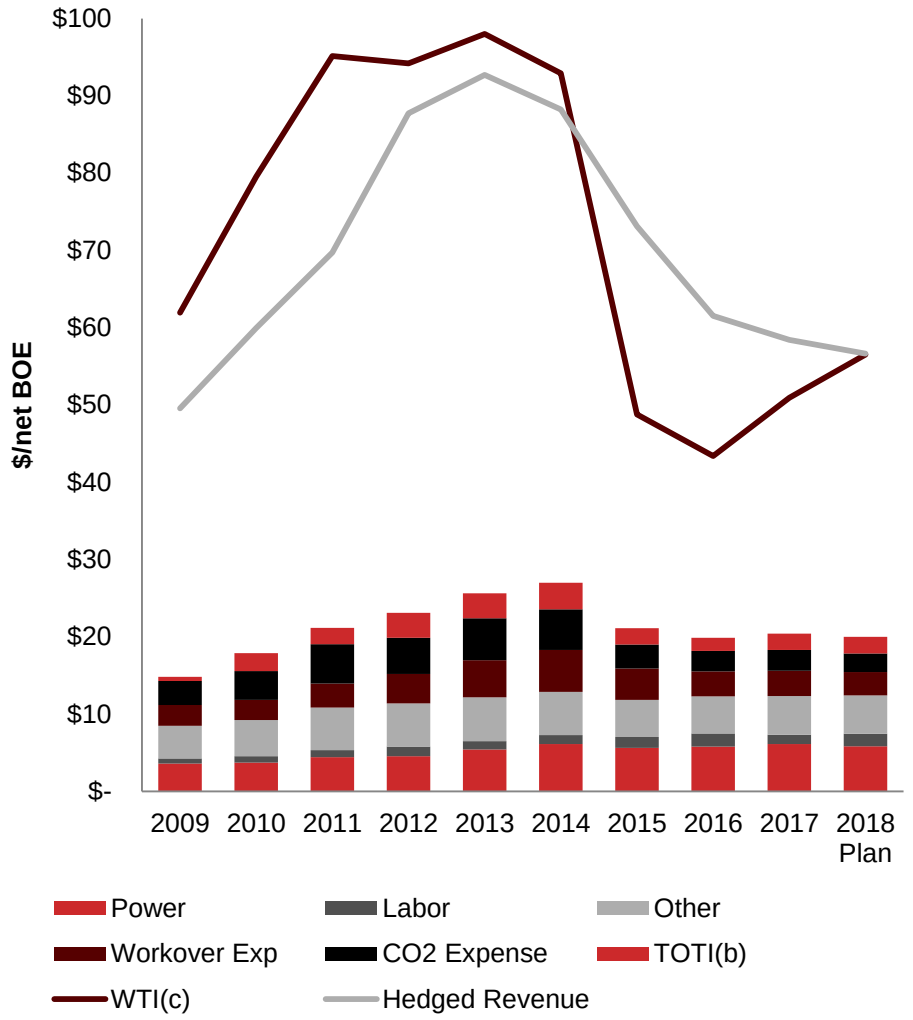


(a) Forecasts based on independent consultant reserve report. Excludes minor properties.

Oil & Gas Production Group: Margins and Costs

Success Maintaining Cost Structure in Rising Commodity Price Market

Oil & Gas Cash Cost Structure[(a)]



Commentary

- O&G cost structure has strong correlation to energy prices
- Power is tied to gas prices
- Purchased CO_2 and TOTI[(b)] are strongly correlated to oil prices
- Achieved aggregate operating cost savings of ~28% since 2014

(a) Costs and Revenue per net BOE, including hedges where applicable.
(b) Taxes other than income taxes.
(c) WTI Cushing Price, Source: www.eia.gov.

K. Kinder Morgan Canada

Segment Presentation

Segment Outlook and Asset Overview

Sole Oil Pipeline Providing Oilsands Production Access to West Coast / Export Markets

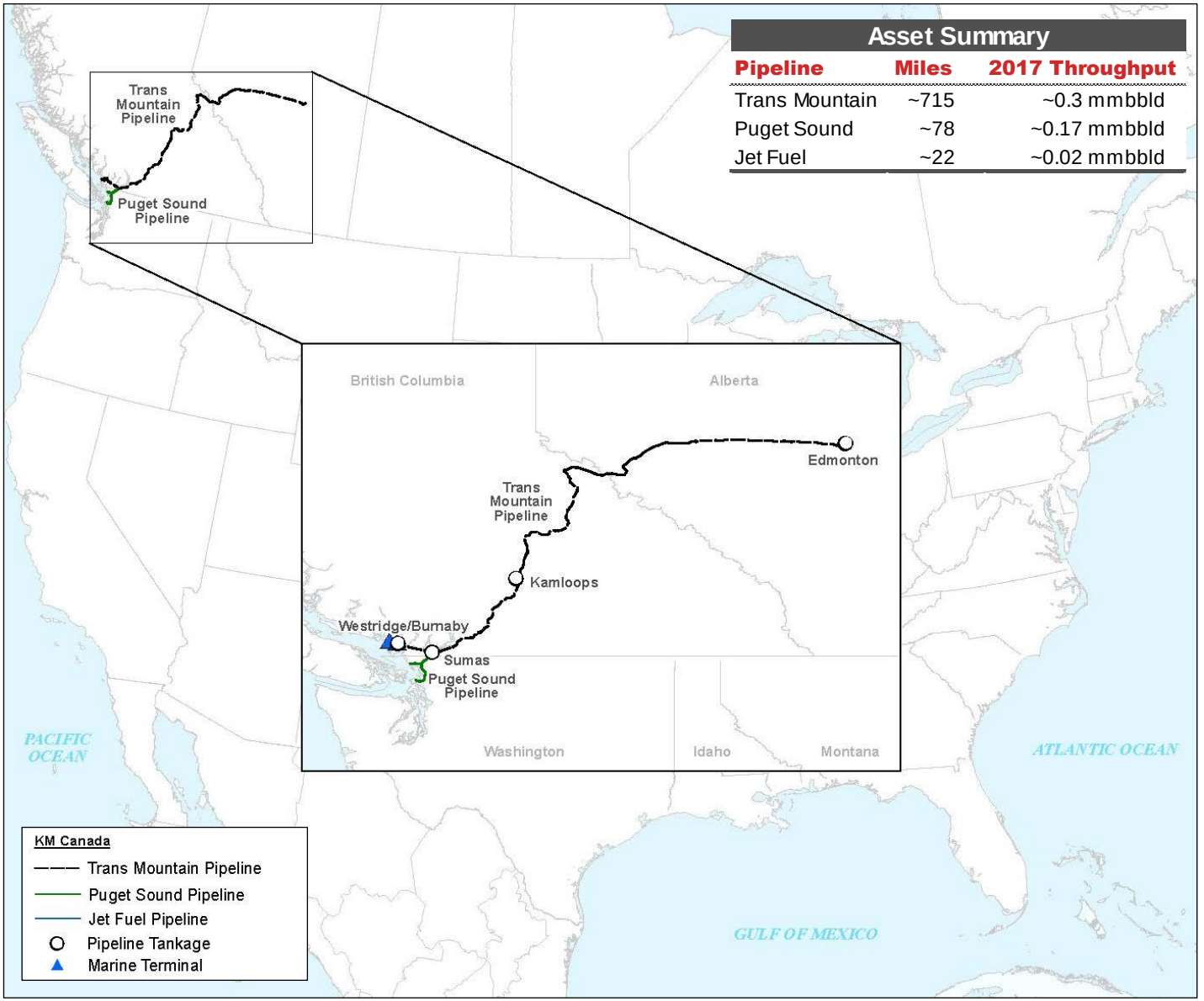
Long-Term Growth Drivers

- **Constrained pipeline capacity**
  - Trans Mountain only pipeline to the West Coast
  - Continued proration
  - Crude by rail growth to NA markets until pipeline expansion
- **Access to new markets**
  - Growing Asia-Pacific demand
  - World pricing for Canadian crude
- **Growing Production**
  - 1.5 mmbbld by 2030[(a)]

Project Backlog

U.S.$5.7 billion

- Trans Mountain Expansion Project



(a) 2017 CAPP Crude Oil Forecast, Markets and Transportation report.

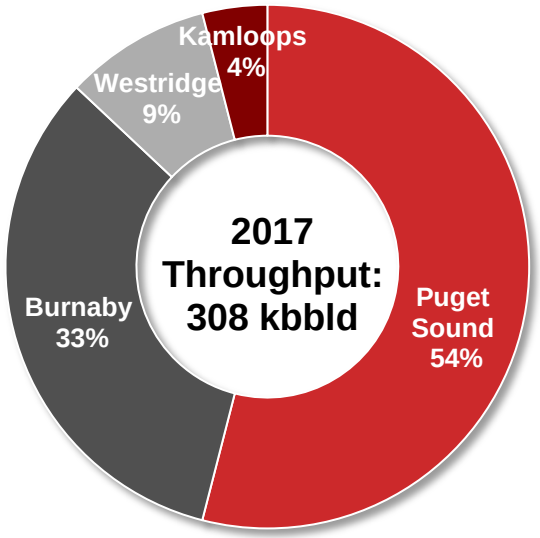
Trans Mountain Pipeline (TMPL)

Overview of KMC's Primary Asset

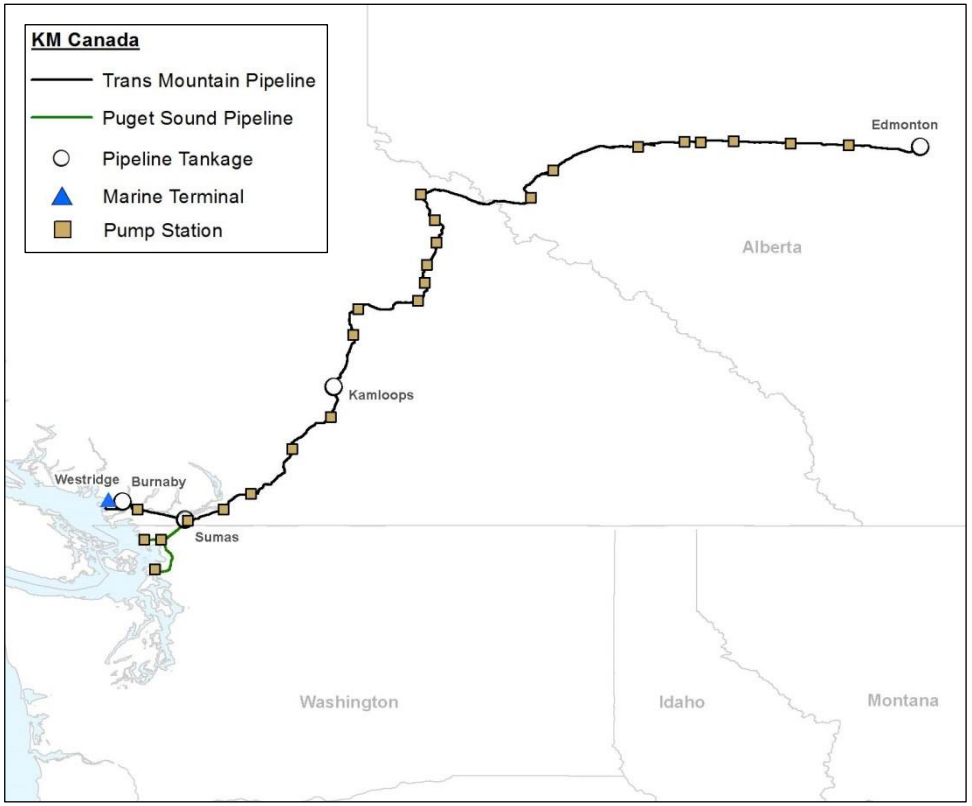
TMPL Overview

- **Current Capacity**
  - 300 mbbld (based on 80% light, 20% heavy)
  - 241 mbbld to Puget Sound
  - Very high, consistent demand; system has been on apportionment since 2009
- **Markets**
  - British Columbia: Crude and Refined Products
  - Washington State Refineries
  - Westridge Marine Terminal: Offshore Markets
- **Regulation**
  - National Energy Board (NEB) and FERC (for Puget)
  - 2016-2018 toll settlement

TMPL 2017 Throughput by Destination



TMPL Map



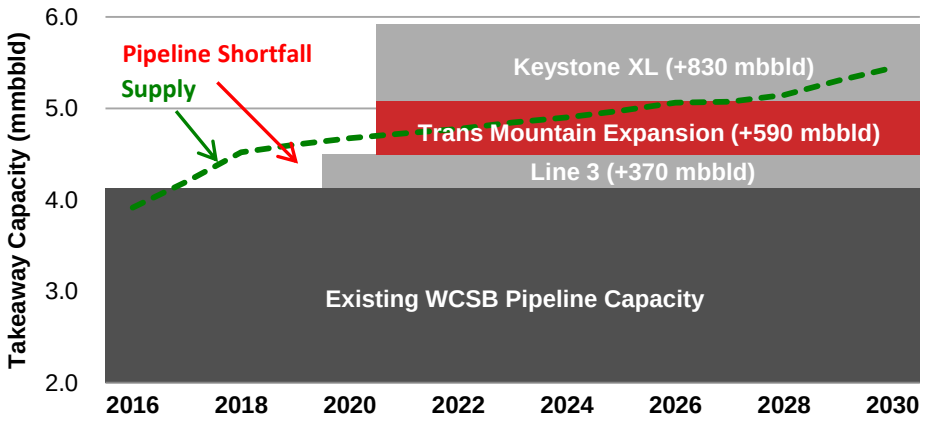
Market Access Drivers

Oilsands Producers Are Committed to TMEP; Desire to Access Global Markets

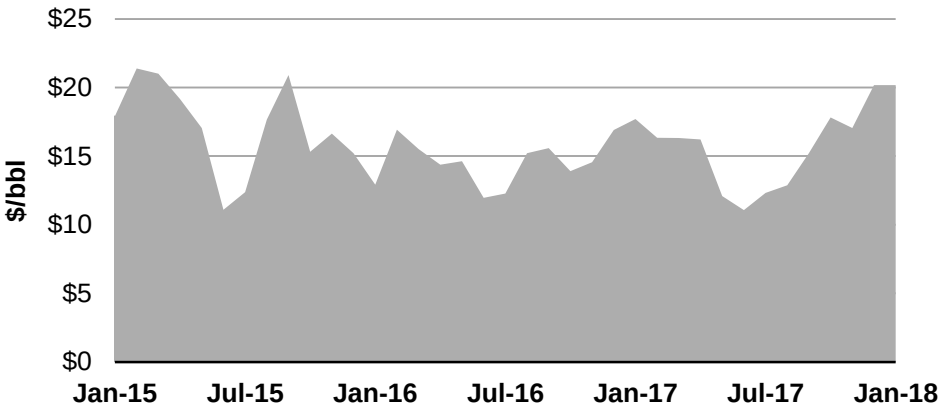
Commentary

- **TMPL is the only crude oil pipeline that provides Oilsands producers with access to global export markets like China**
  - The other two proposed in Canada, KXL and Mainline, both deliver from the Oilsands into an already well-supplied U.S. market
- **The demand for this expansion is evident based on the lengthy take-or-pay agreements that we contracted with our customers**
  - Note that these contracts are firmly committed, regardless of construction delays

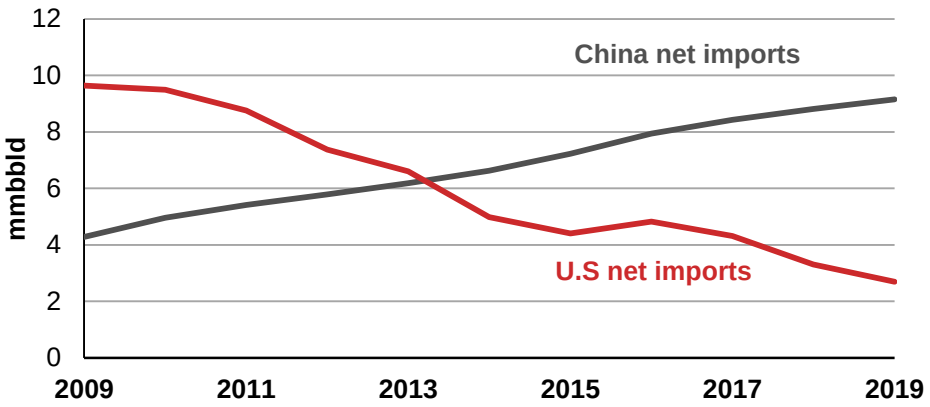
Western Canada Supply vs. Takeaway Capacity(a)



Brent – WCS Spread(b)



Markets for Canadian Crude(c)



(a) Canadian Assoc. of Petroleum Producers (CAPP), 2017 Crude Oil Forecast, Markets & Transportation, June 2017 and KM analysis. Supply represents Western Canada production and Bakken movements.
(b) Index Mundi, NGX.
(c) EIA, Short-term Energy Outlook, January 2018.

Project Highlight: Trans Mountain Expansion

Only Crude Oil Pipeline Serving Canadian West Coast

Trans Mountain Expansion Project (TMEP)

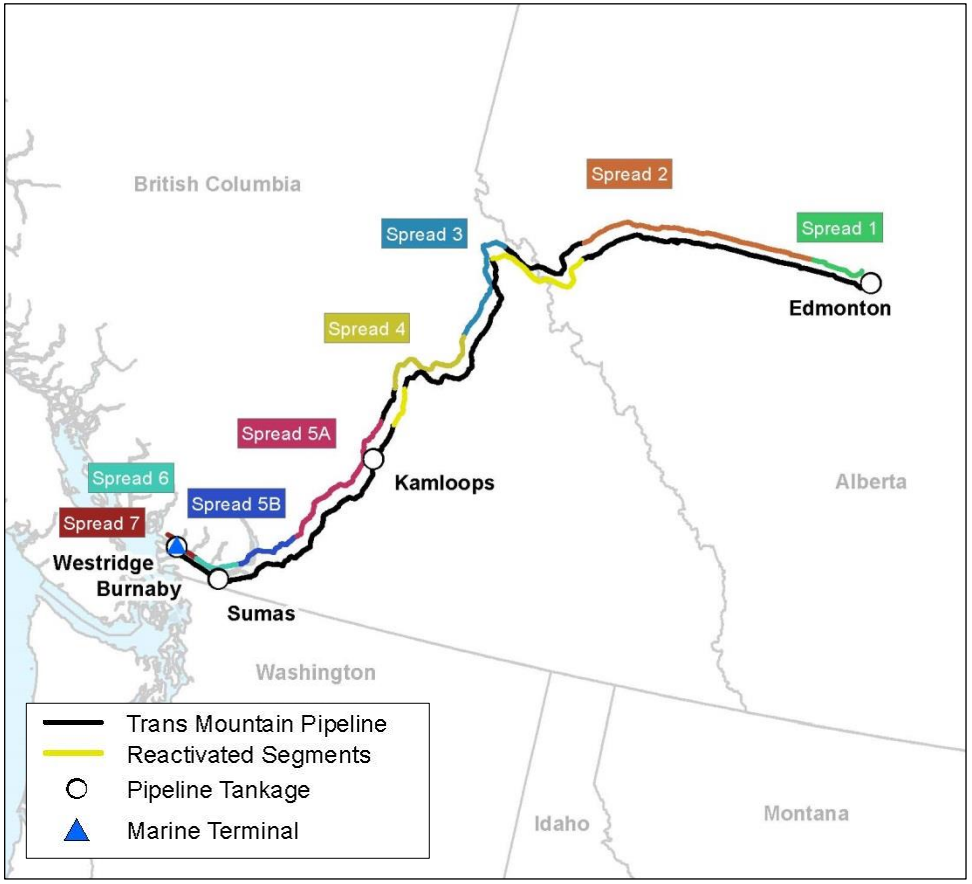
Project Scope

- Expansion to 890 mbbld from 300 mbbld today
- 615 miles new pipe; 12 new pump stations
- 630 mbbld tanker export capacity; 3 new berths
- 18 new tanks, 2 existing tanks

Project Statistics

- 13 shippers contracted for 708 mbbld
  - 15 and 20-year take-or-pay contracts
  - Commercial terms approved by NEB May 2013
- Final cost estimate of C$7.4 billion(a)
- Cost protection on ~24% of construction spend:
  - Price of steel for pipe
  - Pipeline spreads 5B, 7 and Burnaby tunnel
  - Land acquisition costs between Langley and Burnaby
  - Consultation and accommodation costs for indigenous and non-indigenous communities

TMEP Overview



(a) Including capitalized finance charges.

Trans Mountain Expansion Project Status

Actively Evaluating Mitigation Efforts

Current TMEP Status

- **Original estimated in-service date of December 2019**

- **Slower than expected permitting process thus far could result in a delay estimated at up to 12 months (to Dec. 2020)**
  - We continue to evaluate mitigation efforts

- **Additionally, to prudently manage shareholder capital, spending on TMEP is budgeted to be "primarily permitting", rather than full construction, until we have greater clarity on key permits, approvals and judicial reviews**
  - If uncertainty around permitting and judicial processes extends further into 2018, TMEP would expect to reduce 2018 spend and the previously announced unmitigated delay could extend beyond December 2020

- **We have spent a total of ~C$930mm through 2017 with ~C$6.5bn remaining (~C$5.9bn excluding capitalized financing) based on our initial total cost estimate**
  - We are budgeting to spend C$1.7 billion in 2018, subject to continued evaluation of legal, regulatory and permitting processes
  - Construction delays entail increased costs due to a variety of factors; however, as the extent of a delay is currently unknown, we are not updating cost estimate at this time

Trans Mountain Expansion Project Status (Cont'd)

Legal and Regulatory Updates

Regulatory Update

- **Dec. 7, 2017: NEB granted relief related to certain Burnaby construction approvals**
- **Jan. 18, 2018: NEB granted our request to establish an efficient, fair and timely process for similar future matters**
  - We expect this decision may help reduce uncertainty from permitting authorities unreasonably delaying or failing to issue permits or approvals related to the project

Legal Update

- **Federal Court of Appeal:**
  - Multiple judicial reviews were consolidated and heard by the court in October 2017
  - Cases are challenging the process leading to the federal government's approval of TMEP
  - The petitions allege, among other things, that additional engagement, consultation, or accommodation is required and that various non-economic impacts were not adequately considered
  - A decision is **expected in the coming months**
- **British Columbia Supreme Court:**
  - Two, separate judicial reviews were heard by the court in October and November 2017
  - The Squamish First Nation and the City of Vancouver petitions allege, among other things, that the BC province ought not to have approved the Environmental Assessment Certificate (EAC)
  - Decisions are **expected in the coming months**

L. Other

Energy Toll Road

Cash Flow Security

KINDER MORGAN

	Natural Gas Pipelines	Products Pipelines	Terminals	CO_2	Kinder Morgan Canada
Volume Security	■ **Interstate & LNG:** take-or-pay ■ **Intrastate:** ~76% take-or-pay[a,b] ■ **G&P:** ~86% fee-based[b] 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
Average Remaining Contract Life	■ **Interstate:** 6.1 yrs. ■ **LNG:** 14.4 yrs. ■ **Intrastate:** 5.8 yrs.[a] ■ **G&P:** 5.6 yrs.	■ **Refined products:** generally not applicable ■ **Crude / liquids:** 5.0 yrs.	■ **Liquids:** 3.4 yrs. ■ **Jones Act:** 2.8 yrs.[c] ■ **Bulk:** 4.0 yrs.	■ **S&T:** 7.6 yrs.	■ 1.0 yrs.[d]
Pricing Security	■ **Interstate:** primarily fixed based on contract ■ **Intrastate:** primarily fixed margin ■ **G&P:** primarily fixed price	■ **Refined products:** annual FERC tariff escalator (PPI-FG + 1.23%) ■ **Crude / NGLs:** primarily fixed based on contract	■ Based on contract; typically fixed or tied to PPI	■ **S&T:** 78% protected by minimum volumes and floors[b] ■ **O&G:** volumes 70% hedged[e]	■ 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[f]	■ Not price regulated	■ 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 2018: $6mm in DCF per $1/Bbl change in oil price	■ No direct exposure

Note: All figures as of 1/1/2018, unless otherwise noted.
(a) Includes term sale portfolio.
(b) Based on KMI 2018 budgeted Segment EBDA before Certain Items and including KM-share of Certain Equity Investee DD&A where applicable (non-GAAP measure).
(c) Jones Act vessels: average remaining contract term is 2.8 years, or 5.0 years including options to extend.
(d) Provisions in TMPL's negotiated toll settlement allow for the parties to extend the agreement to coincide with in-service of the Trans Mountain expansion project.
(e) Percentage of 2018 budgeted net crude oil, propane and heavy NGL (C4+) net equity production.
(f) Terminals not FERC regulated, except portion of CALNEV.

Compliance is Important to Kinder Morgan

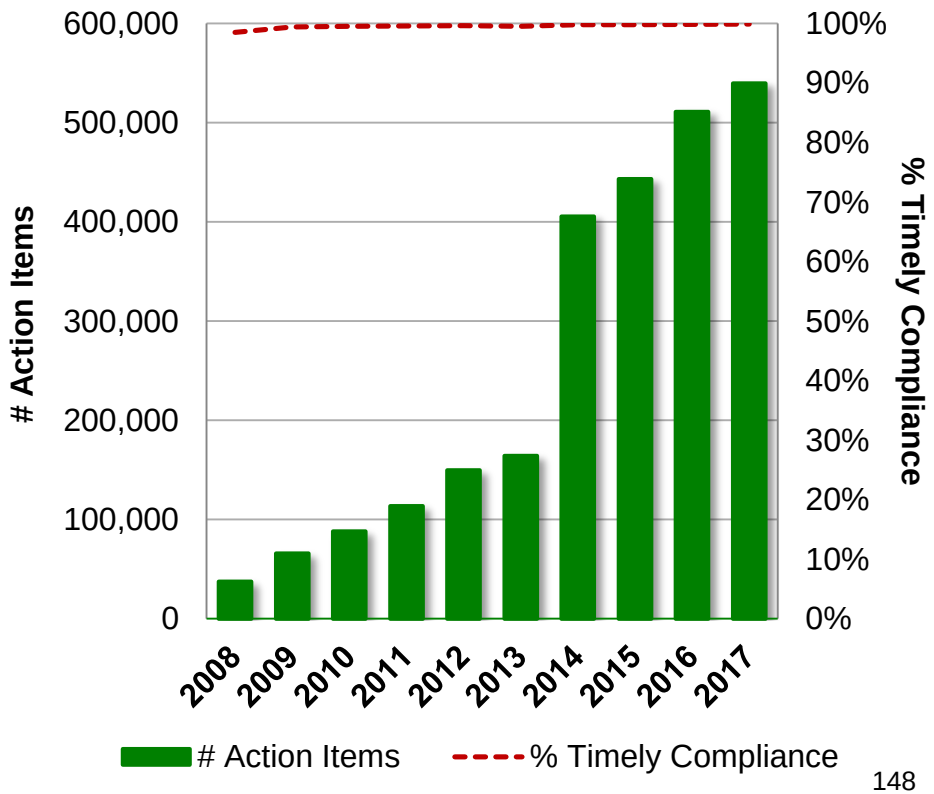
Kinder Morgan's On-Time Compliance Metrics are Consistently High

Operate in Compliance

- On-time compliance is a critical leading indicator for the performance of our assets
- Compliance systems allow us to reduce compliance and operational risks, which facilitates permitting of new facilities and growth at existing facilities
- Monthly internal reporting improves accountability for on-time compliance which promotes and reinforces our culture of excellence
- Other items tracked include
  - Regulatory changes and compliance plans
  - Audit action item closures
  - Regulatory agency interactions
  - Training assignments completed
  - One call ticket exceptions
- Kinder Morgan's on-time compliance metrics are consistently high

Kinder Morgan's On-Time Compliance Performance

- In 2017, we tracked 540,000 compliance activities to check we are doing what needs to be done when it needs to done
- Currently we are performing at a 99.9% timely compliance rate (up from 98.4% in 2008)



Asset Integrity and Safety are Top Priorities

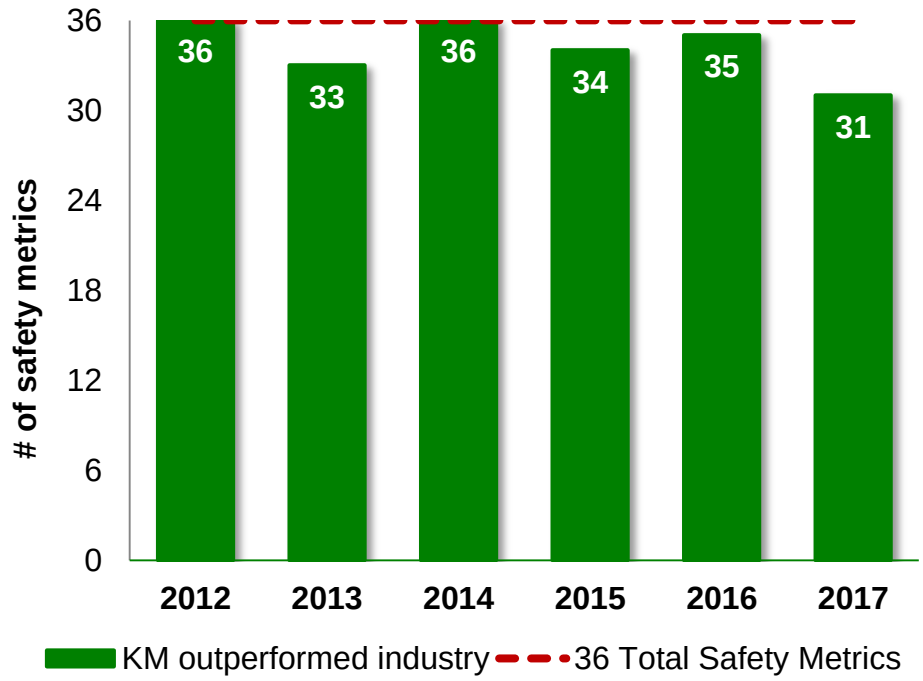
Kinder Morgan's EHS Metrics Consistently Outperform the Industry

Operate Safely & Efficiently

- Safe operation of our assets is mission critical to our long-term success
- We continue to reduce operational risks, which in turn benefits our employees, contractors, assets, the public, and the environment
- We strive for improvement in safety and efficiency of existing operations
- Additionally, we properly execute expansions and effectively integrate acquired operations
- Kinder Morgan's EHS statistics consistently outperform the industry average

Kinder Morgan's Safety Performance vs. Industry[(a)]

- We track 36+ safety metrics and post monthly updates to our public website
- Currently we are outperforming the industry in 31 of the 36 metrics that we track

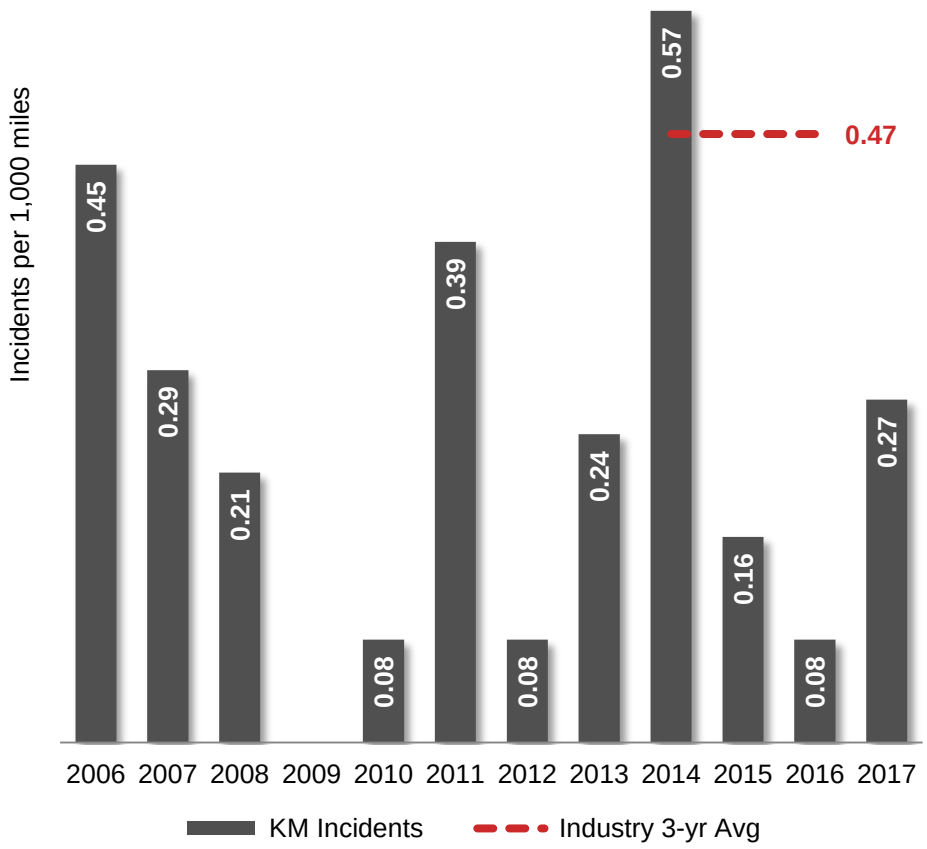


(a) Based on period-end Kinder Morgan metrics versus most applicable industry performance.

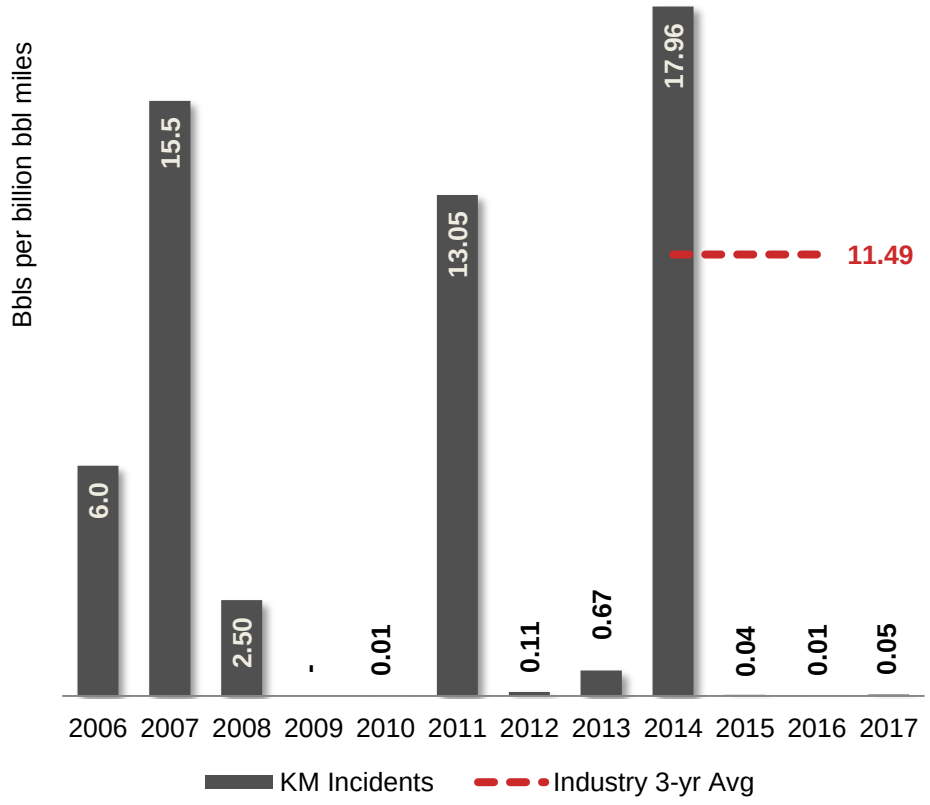
Incidents & Releases: Liquids Pipelines

Liquids Pipeline Right-of-Way

Incidents per 1,000 Miles[(a,b)]



Release Rate[(a,b)]



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:

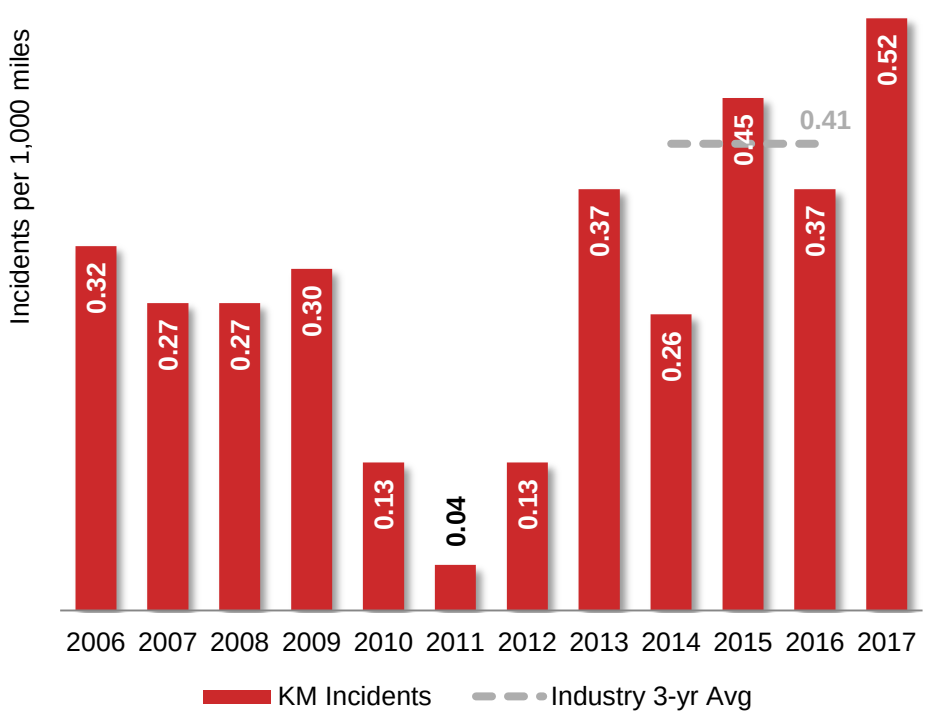
- Explosion or fire not intentionally set by the operator
- Release 5 barrels or greater. (NOTE: PHMSA does not record system location for releases less than 5 barrels)
- Death of any person
- Personal injury necessitating hospitalization
- Estimated property damage, including cost of clean-up and recovery, 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) 2014-2016 most recent PHMSA 3-year average available.

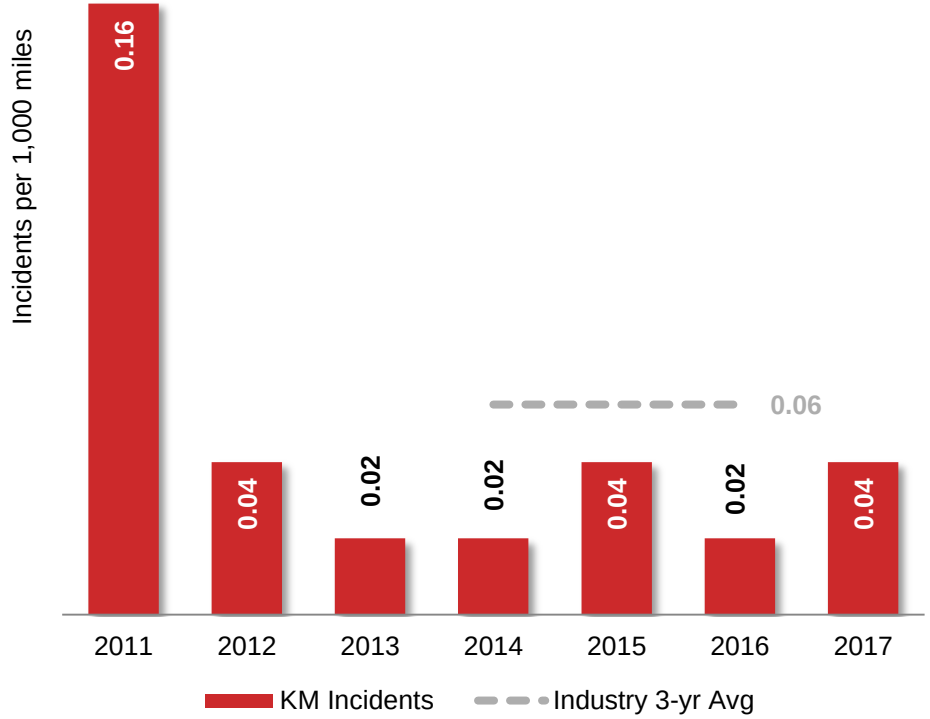
Incidents & Releases: Natural Gas Pipelines

Natural Gas Pipeline Right-of-Way

Incidents Rate All Reportable Incidents[a,b]



Incidents Rate Onshore Ruptures Only[b,c,d]



(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:

- An event that involves a release of gas from a pipeline, or of liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:
  - A death or personal injury necessitating in-patient hospitalization; or
  - Estimated property damage of $50,000 or more, including loss to the operator and others, but excluding cost of gas lost (2010 and earlier rates include cost of gas lost)
  - Unintentional estimated gas loss of 3 million cubic feet or more
- An event that results in an emergency shutdown of an LNG facility
- 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) 2014-2016 most recent PHMSA 3-year average available.

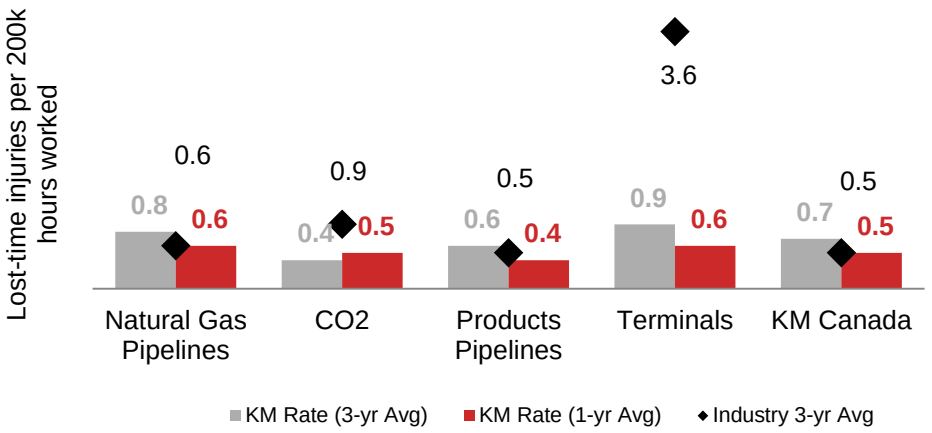
(c) Rupture defined as a break, burst, or failure that exposes a visible pipeline fracture surface.

- Kinder Morgan rupture rates calculated using most current pipeline mileage
- Industry rate excludes Kinder Morgan data

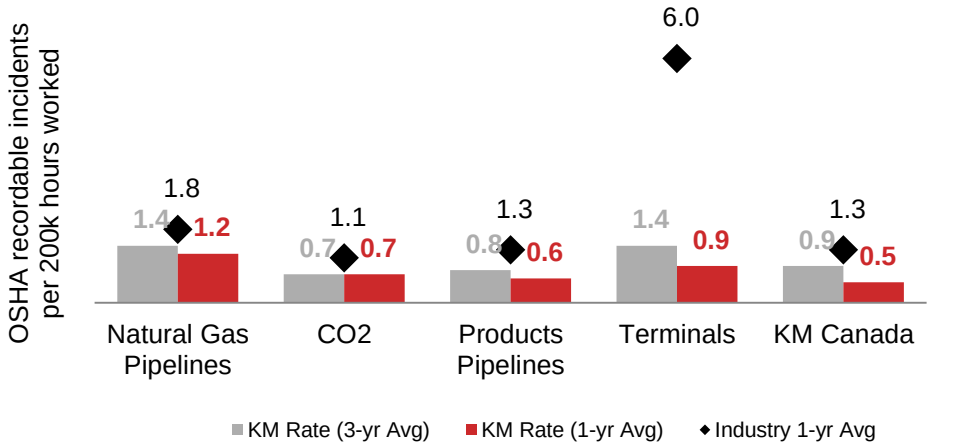
(d) All Kinder Morgan ruptures occurred on legacy El Paso facilities prior to the Kinder Morgan acquisition.

Employee Safety Statistics[a]

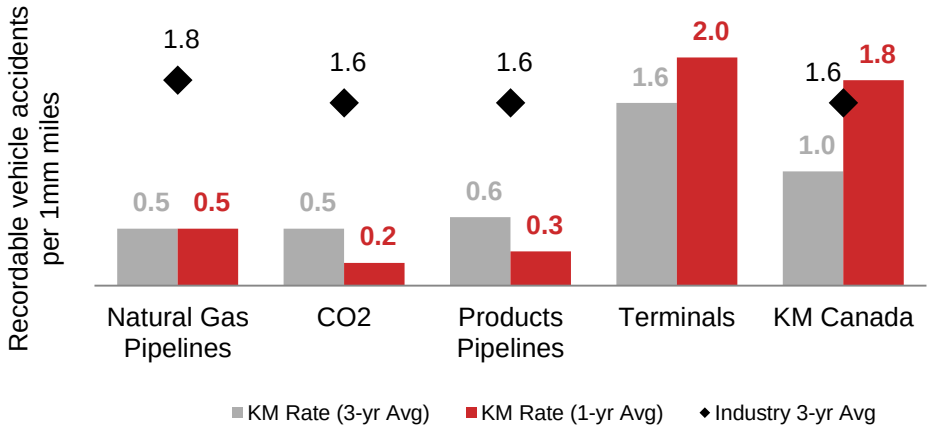
KM Lost-Time Incident Rate (DART)



OSHA Recordable Incident Rate



Vehicle Incident Rate[b]



(a) 12-month safety performance summary as of 12/31/2017.
(b) Industry average not available for terminals.

KML Business Risks and Key Assumptions

Summary Business Risks

- **Project cost overruns and in-service delays**
- **Regulatory**
  - Legislative and regulatory changes
  - Federal, provincial, state and local
  - Regulatory cost and indexing approvals
- **Non-governmental individuals and organizations could impact projects and operations**
- **Aboriginal relationships**
- **Throughput on our volume-based assets**
- **Foreign exchange rates**
  - 2018 budget rate assumption of 1.27 CAD / USD
  - Sensitivity (full-year): 0.01 ratio change = ~$1 million DCF impact
- **Industry demand / supply trends**
- **Environmental (e.g. pipeline / asset failures)**
- **Terrorism**
- **Interest rates**
- **Access to external capital**

KML Business Risks and Key Assumptions

- **<u>Base Business</u> – Our base business is expected to be relatively stable, though it is subject to re-contracting and other risks**
- **<u>2018 Adjusted EBITDA</u>**
  - Includes $71 million of capitalized equity financing costs (AEDC) related to TMEP based on prior capital spent and 2018 projected capital spend (AEDC applies a 45% equity capital structure and a 9.5% return on equity to the monthly average cumulative spend on TMEP)
  - Includes $22 million from a partial year contribution from the Base Line Terminal project based on contracted volumes, rates and expected costs (with a full $44 million of Adjusted EBTIDA expected on an annualized basis)
- **<u>TMEP Forecast</u>**
  - We currently expect TMEP to generate $900 million of incremental Adjusted EBITDA in its first 12 months of service (or approximately $75 million of Adjusted EBITDA per month)
  - This is based on our average current expected toll rate of $5.17 per barrel for our contracted minimum volume commitments of 707.5 mbbld less projected operating costs and less the existing Trans Mountain System's Adjusted EBITDA contribution
  - This $900 million of Adjusted EBITDA is incremental to Adjusted EBITDA in previous periods after removing the contribution of capitalized equity financing costs to Adjusted EBITDA during periods prior to the TMEP completion
  - Once the TMEP is in service, Adjusted EBITDA will not include AEDC for TMEP, which are included in Adjusted EBITDA for pre-completion periods
  - If TMEP construction costs increase by 10%, the impact on Adjusted EBITDA from the TMEP would be an increase of approximately 3%, assuming those costs were allocated approximately 24% to uncapped and approximately 76% to capped TMEP costs
  - The forecasted operating costs are based on our experience operating similar assets, and if these costs were to increase or decrease by 10%, the resulting impact on Adjusted EBITDA from the TMEP would be an increase or decrease of less than 1.5% on a full year basis
  - Estimated incremental Adjusted EBITDA attributable to the TMEP as described above excludes any utilization of spot volumes, which could add more than $200 million of Adjusted EBITDA annually

M. Definitions and GAAP Reconciliations

Use of Non-GAAP Financial Measures

The non-GAAP financial measures of distributable cash flow (DCF), both in the aggregate and per share, Segment EBDA before Certain Items (in the case of KMI only), Adjusted EBITDA, and Adjusted Earnings, both in the aggregate and per share, are presented herein.

Our non-GAAP measures described above have important limitations as analytical tools and should not be considered alternatives to GAAP net income or other GAAP measures. Our non-GAAP measures may differ from similarly titled measures used by others. You should not consider these non-GAAP 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 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. Reconciliations of DCF, Segment EBDA before Certain Items, Adjusted EBITDA and Adjusted Earnings to their most directly comparable GAAP financial measures are included herein.

Certain Items, as used to calculate our non-GAAP measures, are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact (for example, asset impairments), or (2) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically (for example, certain legal settlements, enactment of new tax legislation and casualty losses).

DCF – For KMI, DCF is calculated by adjusting net income available to common stockholders before Certain Items for depreciation, depletion and amortization, or "DD&A," total book and cash taxes, sustaining capital expenditures and other items. For KML, DCF is calculated by adjusting net income before Certain Items for DD&A, total book and cash taxes, preferred share dividends and sustaining capital expenditures. DCF is a significant performance measure useful to management and external users of our financial statements in evaluating our performance and measuring and estimating 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. We believe the GAAP measure most directly comparable to DCF is net income available to common stockholders for KMI and net income for KML. For KMI, DCF per share is DCF divided by average outstanding shares, including restricted stock awards that participate in dividends. For KML, DCF to restricted voting shareholders per restricted voting share is DCF attributable to restricted voting shareholders divided by average outstanding restricted voting shares, including restricted share unit awards that participate in dividends.

Segment EBDA before Certain Items is calculated by adjusting segment earnings before DD&A for Certain Items attributable to a segment. General and administrative expenses are generally not under the control of our segment operating managers, and therefore, are excluded when we measure business segment operating performance. Segment EBDA before Certain Items is a significant performance measure useful to management and external users to evaluate segment performance and to provide additional insights into the ability of our segments to generate segment cash earnings on an ongoing basis. Additionally, management uses this measure, among others, to allocate resources to our segments. We believe the GAAP measure most directly comparable to Segment EBDA before Certain Items is segment earnings before DD&A (Segment EBDA).

Use of Non-GAAP Financial Measures (Cont'd)

Adjusted EBITDA is calculated by adjusting net income before interest expense, taxes, and DD&A (EBITDA) for Certain Items, and for KMI, by also adjusting net income before Certain Items for noncontrolling interests before Certain Items, and our share, if any, of certain equity investees' DD&A and book taxes. Adjusted EBITDA is useful to management and external users to evaluate, in conjunction with our net debt, certain leverage metrics. We believe the GAAP measure most directly comparable to Adjusted EBITDA is net income available to common stockholders for KMI and net income for KML.

Adjusted Earnings – For KMI, Adjusted Earnings are calculated by adjusting net income available to common stockholders for Certain Items, and Adjusted Earnings per share is Adjusted Earnings divided by average adjusted common shares which include KMI's weighted average common shares outstanding, including restricted stock awards that participate in dividends. For KML, Adjusted Earnings are calculated by adjusting net income available to restricted voting stockholders for Certain Items, and Adjusted Earnings per restricted voting share is net income available to restricted voting shareholders divided by average outstanding restricted voting shares, including restricted share unit stock awards that participate in dividends. Adjusted Earnings is used by certain external users of our financial statements to assess the earnings of our business excluding Certain Items as another reflection of our business's ability to generate earnings. We believe the GAAP measure most directly comparable to Adjusted Earnings is net income available to common stockholders for KMI and net income available to restricted voting stockholders for KML.

Budgeted Net Income (the GAAP financial measure most directly comparable to DCF, Adjusted EBITDA and Adjusted Earnings) is not provided due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP, such as ineffectiveness on commodity, interest rate and foreign currency hedges, unrealized gains and losses on derivatives marked to market, and potential changes in estimates for certain contingent liabilities.

For KMI, certain equity investees, for the periods during which these are accounted for as equity method investments, include Plantation, Cortez, SNG, ELC, MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Cypress, Parkway, Sierrita, Bighorn, Fort Union, Webb/Duvall, Liberty, Double Eagle, Endeavor, WYCO, GLNG, Ruby, Young Gas, Citrus, NGPL and others. DD&A and sustaining capex are included for Plantation and Cortez for the periods presented after 2016. For joint ventures consolidated by KMI, JV DD&A and sustaining capex are net of our partners' share of these items. KML proportionately consolidates its ownership interests in its equity investees.

KMI GAAP Reconciliation

$ in Millions

Reconciliation of DCF	Yr. Ended 12/31/17
Net Income	$ 223
Certain Items	1,445
Net Income before Certain Items (Adjusted Earnings)	1,668
DD&A	2,322
JV DD&A[(a)]	362
Book taxes[(b)]	957
Cash taxes	(72)
Noncontrolling interests[(c)]	(40)
Sustaining capex[(d)]	(588)
Other[(e)]	29
Distributable Cash Flow (DCF) attributable to Kinder Morgan, Inc.	4,638
Preferred stock dividends	(156)
DCF attributable to Common Stockholders	$ 4,482

Reconciliation of Segment EBDA before Certain Items	
Segment EBDA before DD&A	$ 6,975
Certain Items impacting segments	384
Segment EBDA before Certain Items	7,359

Reconciliation of net debt	
Long-term debt excluding fair value adjustments[(f)]	$ 33,845
Current portion of debt	2,828
50% KML preferred equity	215
Less: cash & equivalents	(264)
Net debt	$ 36,624

Reconciliation of Adjusted EBITDA	Yr. Ended 12/31/17
Net Income	$ 223
Certain Items	1,445
Net Income before Certain Items (Adjusted Earnings)	1,668
Book taxes[(g)]	967
Noncontrolling interests[(h)]	(12)
DD&A	2,322
JV DD&A[(i)]	382
Interest, net before Certain Items	1,871
Adjusted EBITDA	$ 7,198

Certain Items	
Acquisition and divestiture related costs	$ 8
Fair value amortization	(53)
Contract and debt early termination	(19)
Legal and environmental reserves	(37)
Change in fair market value of derivative contracts	40
Losses on impairments and divestitures, net	170
Hurricane damage	27
Other	5
Subtotal	141
Book tax Certain Items	(77)
Impact of 2017 Tax Cuts and Jobs Act	1,381
Total Certain Items	$ 1,445

Note: Definitions for defined terms found in the Appendix.

(a) Includes KMI share of certain equity investees' DD&A, net of the noncontrolling interests' portion of KML DD&A and consolidating joint venture partners' share of DD&A of $362 million.

(b) Includes KMI share of taxable equity investees' book taxes, net of the noncontrolling interests' portion of KML book taxes of $104 million, and excludes book tax certain items of $77 million.

(c) Before Certain Items. Represents net income allocated to third-party ownership interests in consolidated subsidiaries.

(d) Includes KMI share of certain equity investees' sustaining capital expenditures of $107 million. Excludes the noncontrolling interests' portion of KML sustaining capital expenditures.

(e) Primarily non-cash compensation associated with our restricted stock program partially offset by pension and retiree medical contributions.

(f) Excludes Kinder Morgan G.P. Inc.'s $100 million preferred stock due 2057 and $143 million non-cash foreign exchange impact on KMI's Euro denominated debt.

(g) Includes KMI share of taxable equity investees' book taxes.

(h) Before Certain Items. Represents 3rd party share of certain consolidated joint ventures excluding KML noncontrolling interests of ($27) million.

(i) Includes KMI share of certain equity investee DD&A.

KML GAAP Reconciliation

$ in Millions of CAD

Reconciliation of DCF	Yr. Ended 12/31/17
Net Income	$ 160
Certain Items	4
Net Income before Certain Items (Adjusted Earnings)	164
DD&A	142
Book taxes	66
Cash taxes	(0)
Preferred dividends	(6)
Sustaining capex	(43)
Distributable Cash Flow (DCF)	323
DCF attributable to KMI interest[(a)]	(267)
U.S. taxes attributable to restricted voting stockholders	(1)
DCF attributable to restricted voting stockholders	$ 55

Reconciliation of net debt	
Long-term debt	$ -
Current portion of debt	-
50% of preferred equity	275
Less: cash & equivalents	(239)
Net debt	$ 36

Reconciliation of Adjusted EBITDA	Yr. Ended 12/31/17
Net Income	$ 160
Certain Items	4
Net Income before Certain Items (Adjusted Earnings)	164
Book taxes	66
DD&A	142
Interest, net	16
Adjusted EBITDA	$ 388

Certain Items	
Foreign exchange gain (loss) on the KMI Loans	$ 2
Other	3
Subtotal	5
Book taxes on Certain Items	(1)
Total Certain Items	$ 4

Note: Definitions for defined terms found in the Appendix.

(a) Prior to KML's May 2017 IPO, 100% of DCF was allocated to KMI.

Explanation of Return Calculations

	Formula	Notes
Segment Return on Investment	Segment EBDA before Certain Items less sustaining capex / Average Total Investment	(a) / (b)
Return on Investment	DCF before interest / Average Total Investment	(c) / (b)
Return on Equity	DCF (after interest) / Average equity	(d) / (e)

	Formula	Notes
Calculation of Total Investment:	Gross PP&E	
	Equity Investments (JVs)	(f)
	Goodwill	
	Gross intangibles (excluding amortization)	
	Plus:	
	Asset write-offs / retirements	
	Cumulative environmental reserves	
	Legal reserves / expenditures	(g)
	Cumulative cash spent on asset retirement	(h)
	Minus:	
	Cumulative sustaining capex	
	Assumed liabilities	
	Common control adjustment	(i)
	Cumulative asset retirement costs	(h)
	Proceeds from sold assets / investments	
	Equals:	
	Total Investment	(j)

(a) Adjustments are made to Segment EBDA to more closely tie to cash: (1) our share of JV DD&A for Certain Equity Investees is added back and our share of JV sustaining capex is deducted, (2) Express and Endeavor (1H 2014 and prior) pre-tax earnings are subtracted and cash received is added back. Reflects KMP segments (2000-2012), KMP and EPB segments (2013 and 2014) and KMI segments (2015-2017).

(b) Annual average of the quarterly Total Investment.

(c) For all years prior to 2015 (prior to the KMI acquisition of KMP, KMR and EPB), this item is defined as the sum of the individual Segment EBDA before Certain Items less sustaining capex and G&A. Thereafter, this item is defined as the sum of the individual Segment EBDA before Certain Items less sustaining capex, less G&A and cash taxes, plus book taxes deducted at the segment level and KMI's share of c-corp equity investee's book taxes.

(d) For all years prior to 2015 (prior to the KMI acquisition of KMP, KMR and EPB), DCF is defined as limited partners' pretax income before Certain Items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP and EPB, plus KMP's and EPB's share of JV DD&A less sustaining capital expenditures for Certain Equity Investees, less equity earnings plus cash distributions received for Express and Endeavor (1H 2014 and prior), additional other equity investees, plus the general partner's incentive and the general partner non-controlling interest, as applicable. Thereafter, DCF is defined as net income available to common stockholders before Certain Items plus DD&A and book taxes, less cash taxes and sustaining capital expenditures, plus KMI's share of JV DD&A less sustaining capital expenditures for Certain Equity Investees, plus/minus other items (primarily an add-back for non-cash compensation, less retirement benefits). Book and cash taxes include KMI's share of its C-corp equity investees.

(e) Prior to 2016, equity is based on cumulative equity raised inception to date as of each quarter end and then averaged for the year. 2016 and 2017 also include DCF spent to fund growth capital (excluding KML growth capital after its IPO).

(f) Investments are generally calculated based on cumulative contributions and are not increased for earnings or decreased for distributions.

(g) Litigation and environmental reserves deducted as Certain Items are added to investment, except for SFPP and CALNEV litigation reserves. For Products Pipelines, actual legal payments are added to the investment when they are made.

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

(i) For assets acquired from Kinder Morgan, Inc. (for example Express, Trans Mountain, TGP and EPNG) or El Paso, Inc. by either KMP or EPB (the MLPs) which represent a transfer of assets between entities under common control and were recorded for financial statement purposes at KMI's carrying value, an adjustment has been made to reflect these assets at the MLPs' purchase price.

(j) For KMI's Canadian assets/investments, Total Investment is based on acquisition price plus cumulative expansion capital including overhead. The purpose of calculating Total Investment in this manner is to exclude the foreign exchange impact reflected in our GAAP financials as GAAP financials revalue the entire asset balance based on the end of period exchange rate.