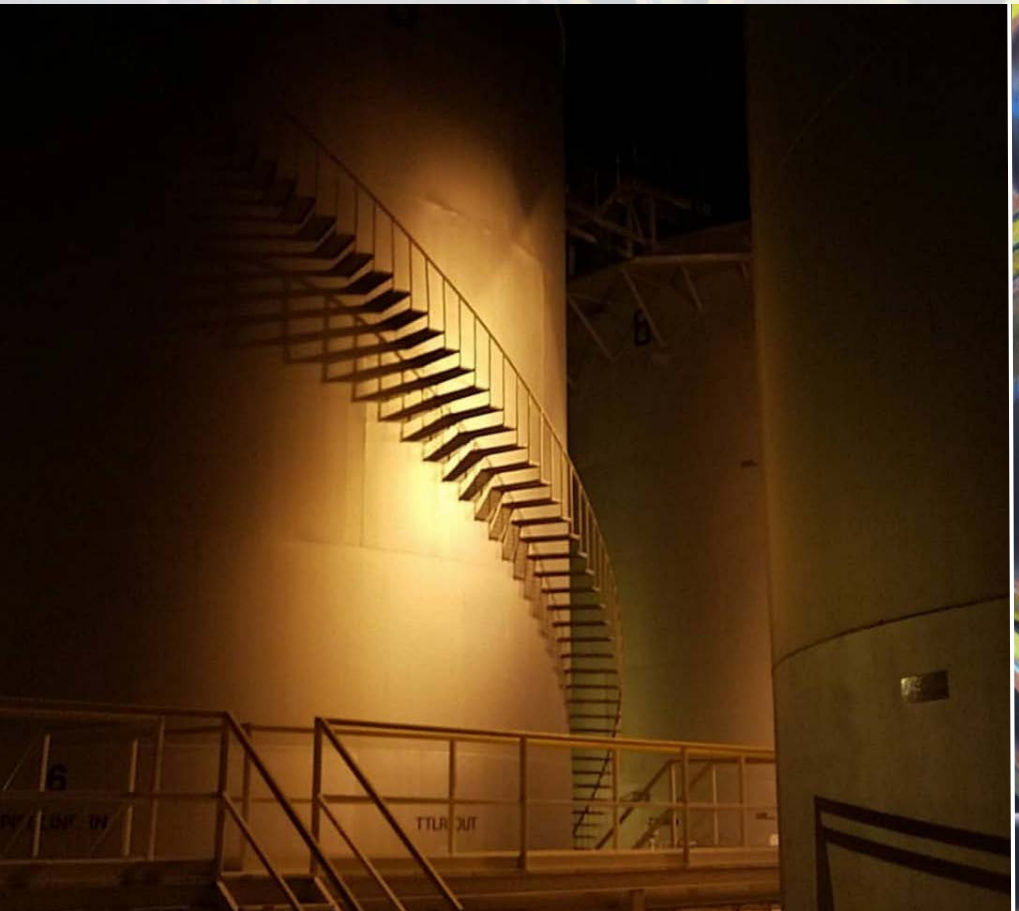
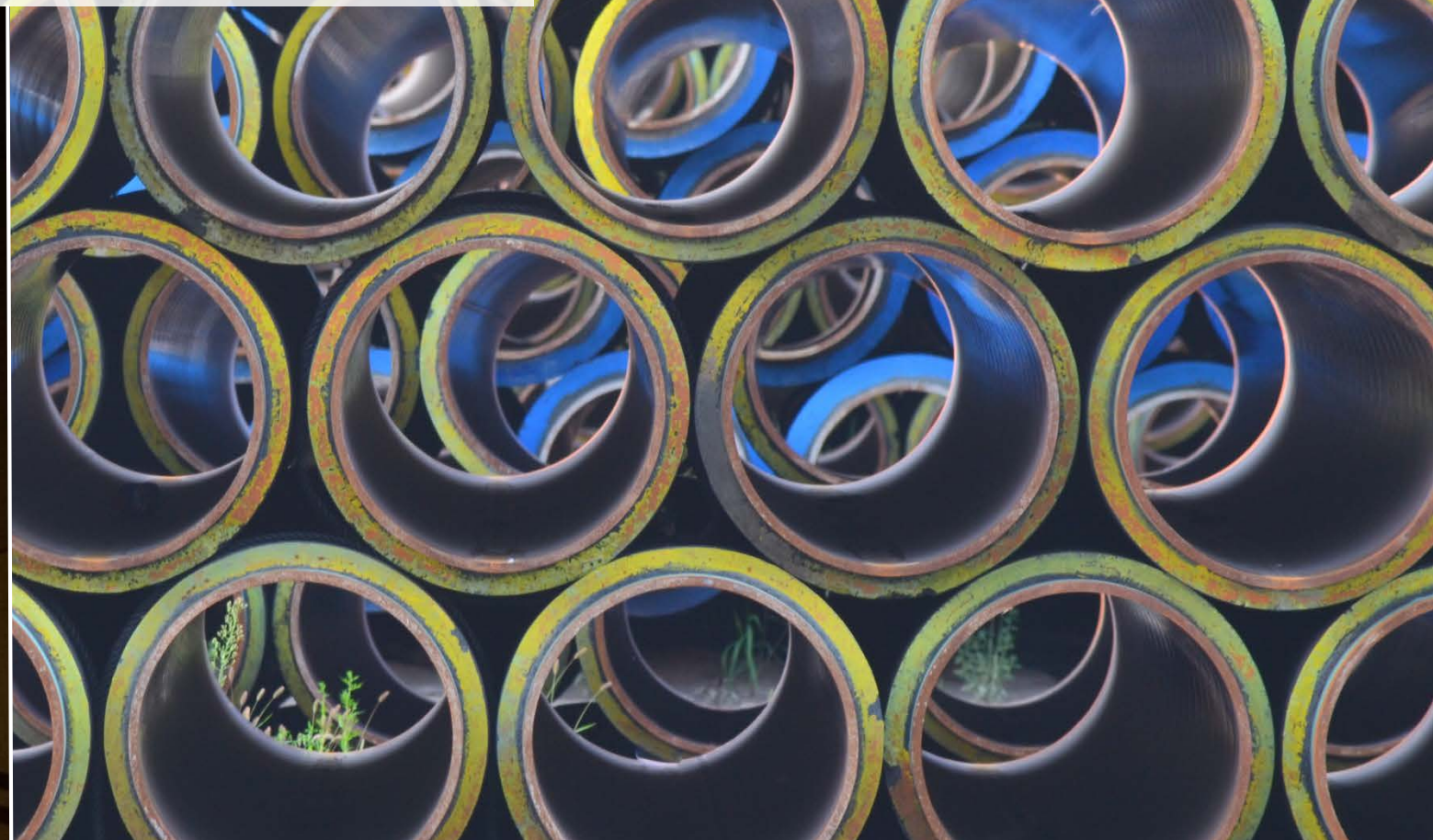
KINDER MORGAN

Investor Presentation

May 2020





Disclosure

Forward looking statements / non-GAAP financial measures

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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").

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. Descriptions of our non-GAAP financial measures, as well as reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures, can be found in this presentation under "Non-GAAP Financial Measures and Reconciliations". These non-GAAP financial measures do not have any standardized meaning under GAAP and 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.

Kinder Morgan: Leader in North American Energy Infrastructure

Unparalleled & irreplaceable asset footprint built over decades

Largest natural gas transmission network

- ~70,000 miles of natural gas pipelines
- 659 bcf of natural gas storage capacity
- Connecting major U.S. natural gas resource plays to key demand centers
- Move ~40% of U.S. natural gas consumption & exports
- ~1,200 miles of natural gas liquids pipelines

Largest independent transporter of refined products

- Transport ~1.7 mmbbld of refined products
- ~6,800 miles of refined products pipelines
- ~3,100 miles of crude pipelines

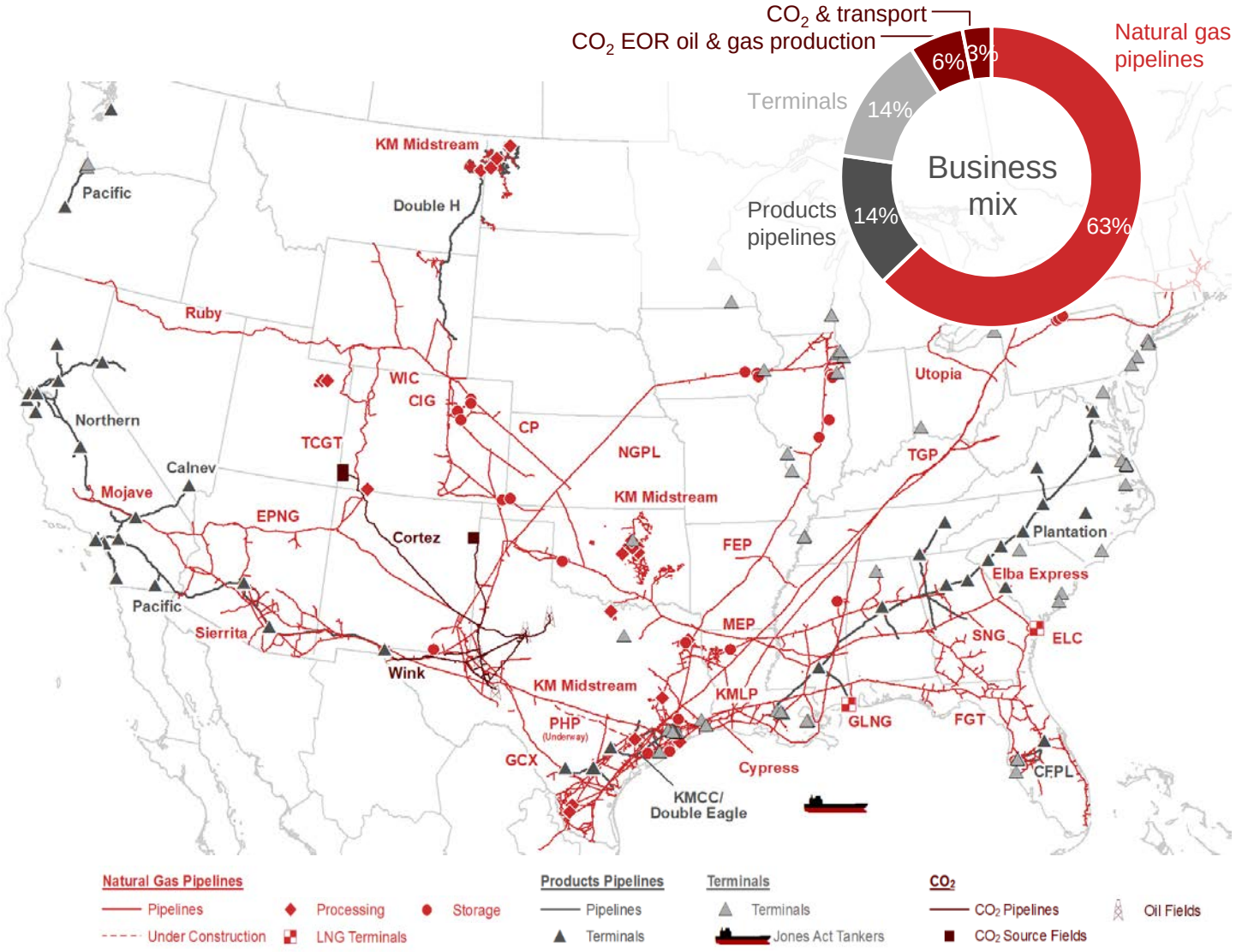
Largest independent terminal operator

- 147 terminals
- 16 Jones Act vessels

Largest transporter of CO_2

- Transport ~1.2 bcfd of CO_2

Leading infrastructure provider across multiple critical energy products



Note: Mileage & volumes are company-wide per 2020 budget. Business mix based on Adjusted Segment EBDA per the 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.

A Core Energy Infrastructure Holding

Generating significant cash flow & returning significant value to shareholders

~$35 billion market capitalization	One of the 10 largest energy companies in the S&P 500
~14% owned by management	Highly aligned management with significant equity interests
~7% current dividend yield	$1.05 per share Q1 2020 annualized dividend maintains balance sheet strength while returning value to shareholders
$4 billion undrawn credit facility	Substantial liquidity & mid-BBB investment grade credit rating
$2 billion share buyback program	Purchased $575 million since December 2017

Our Response to COVID-19

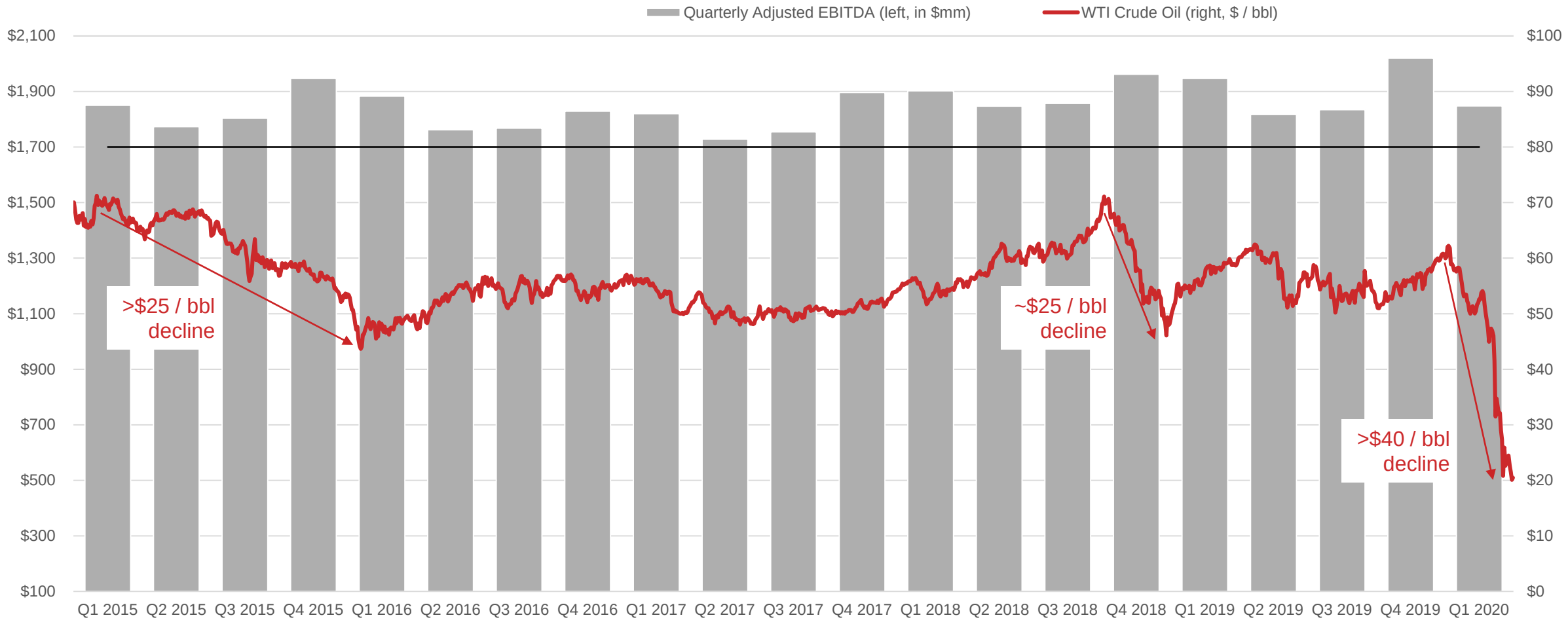
Prioritizing the health of our co-workers & their families while maintaining safe & reliable operations of our assets

- Leveraging well-established and previously utilized business continuity & pandemic response plans
- Kinder Morgan's Pandemic Preparedness Committee actively monitors both seasonal influenza & COVID-19
  - Regularly adapts response plan to follow guidance from Centers for Disease Control & other health organizations
- Enhanced cleaning protocols
- Began telecommuting strategy on March 16 where possible
- Reviewed all tasks that required physical presence to ensure adequate social distance or made alternative arrangements (e.g., critical roles such as field operations, control centers, IT & network operations, etc.)
  - Limiting access to our facilities
  - Implemented screening procedures
  - Distributing PPE, including masks, for a limited number of tasks where social distancing or alternatives were not possible
- In the case of a COVID-19 diagnoses, Human Resources follows established protocol for notifying employees who had direct contact with someone who tested positive to begin mitigation efforts

Delivering energy that is essential to the people, communities & businesses we serve

Resilient through Prior Cycles

Conservative business strategy built to withstand commodity price dislocations



Generated over $1.7 billion of Adjusted EBITDA for 20+ consecutive quarters

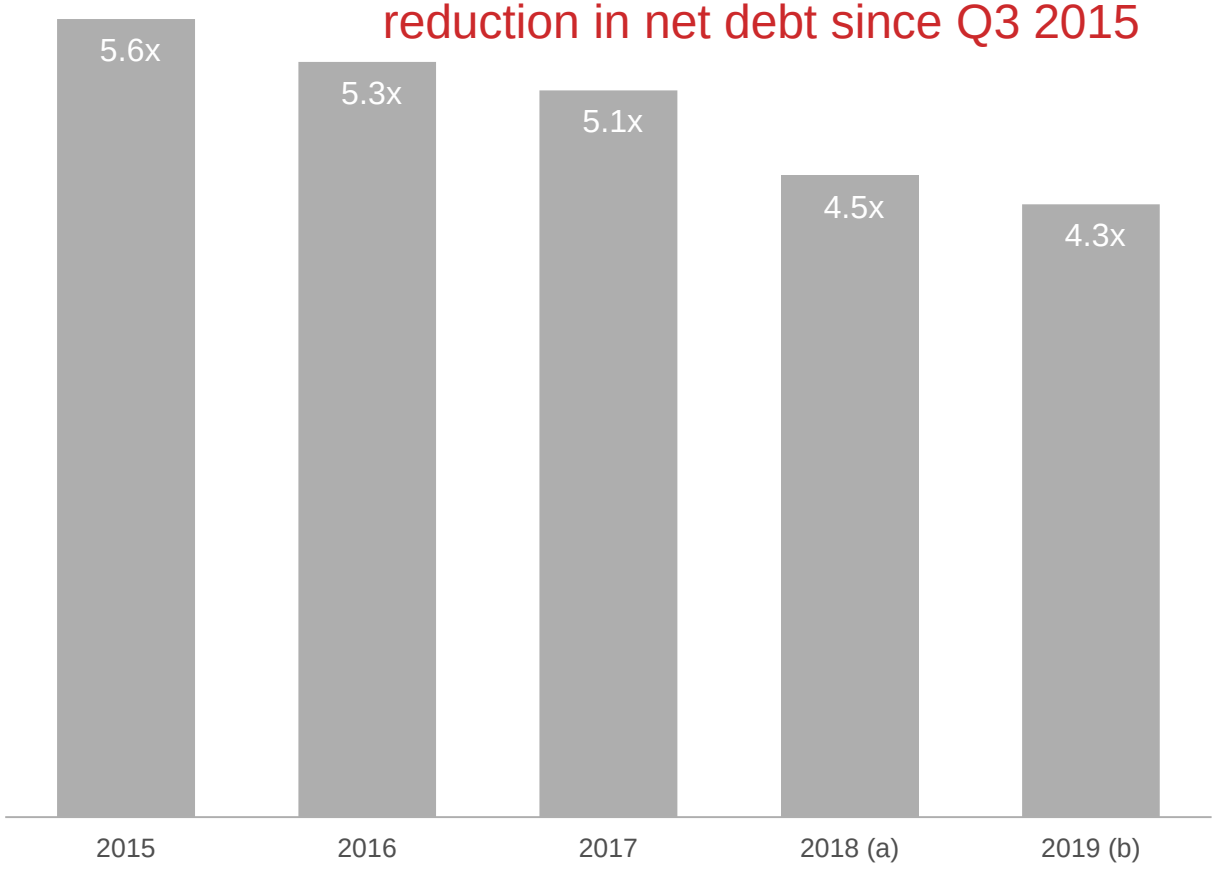
Source: NYSE Connect (NYMEX/CME light sweet crude oil prices 1/1/2015-3/31/2020)

Prepared to Weather the Storm

Disciplined management of the balance sheet improves financial position relative to prior downturns

NET DEBT / ADJUSTED EBITDA

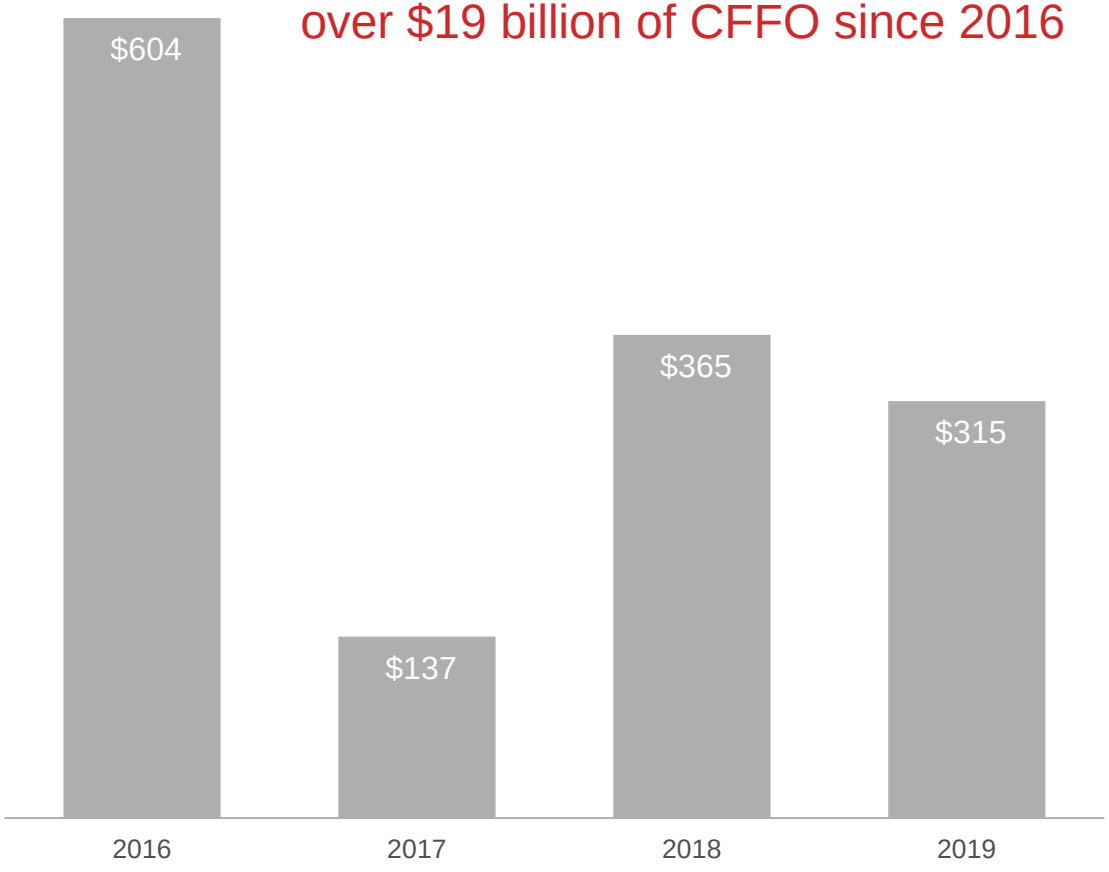
Significantly lower leverage with ~$10 billion reduction in net debt since Q3 2015



CFFO – CAPITAL EXPENDITURES – DIVIDENDS PAID[c]

$ in millions

Self funding all dividends & capex with over $19 billion of CFFO since 2016



Note: See Non-GAAP Financial Measures & Reconciliations. 2020 forecast as of 4/20/2020.

a) 2018 Net Debt has been adjusted for certain KML-related debt and cash balances.

b) 4.6x net debt / adjusted EBITDA estimated for year-end 2020 per forecast as of 4/20/2020.

c) Per GAAP Statement of Cash Flows. Dividends paid includes common & preferred shares.

2020 Updated Guidance

Revised to incorporate estimated impact of COVID-19 & oil price decline

Key metrics	2020 Forecast	Change from 2020 Budget	Change from 2019
Adjusted EBITDA	$7.0 billion	(8)%	(8)%
Distributable cash flow	$4.6 billion	(10)%	(8)%
DCF per share	$2.02	(10)%	(8)%
Discretionary capital[a]	$1.7 billion	($0.7 billion)	($1.1 billion)
Year-end net debt / Adj. EBITDA	4.6x	0.3x	0.3x
Dividend / share (Q1 2020, annualized)	$1.05	$(0.20)	$0.05

Expected reduction in DCF to be more than offset with reduced discretionary capital spending

Net result increases cash position in 2020

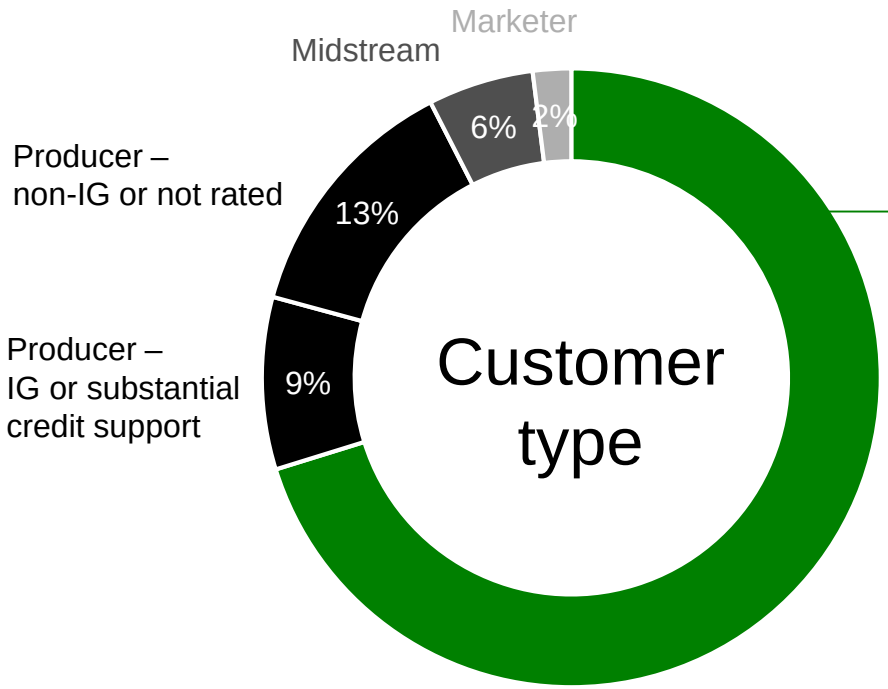
Assuming return to normal economic activity, Board to review previously planned dividend of $1.25 (annualized) in January 2021 for Q4 2020

Note: 2020 forecast as of 4/20/2020 & includes actual results for the 3 months ended 3/31/2020. See Non-GAAP Financial Measures & Reconciliations.

a) Includes growth capital & JV contributions for expansion capital, debt repayments & net of partner contributions for our consolidated JVs.

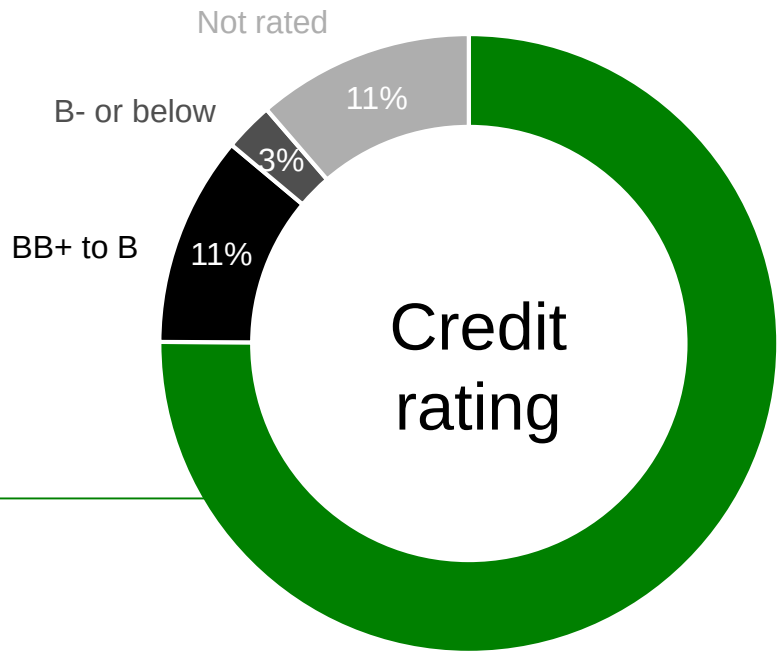
Customers Are Primarily End-Users of the Products We Handle

Net revenues underpinned by investment grade counterparties & credit support | Ratings as of 5/15/2020



~70%
End-users such as large integrated energy, utilities, refiners & other industrial users

~75%
investment grade rated or substantial credit support



Less than $10 million of DCF impact from 2016 E&P bankruptcies underscores importance of our assets

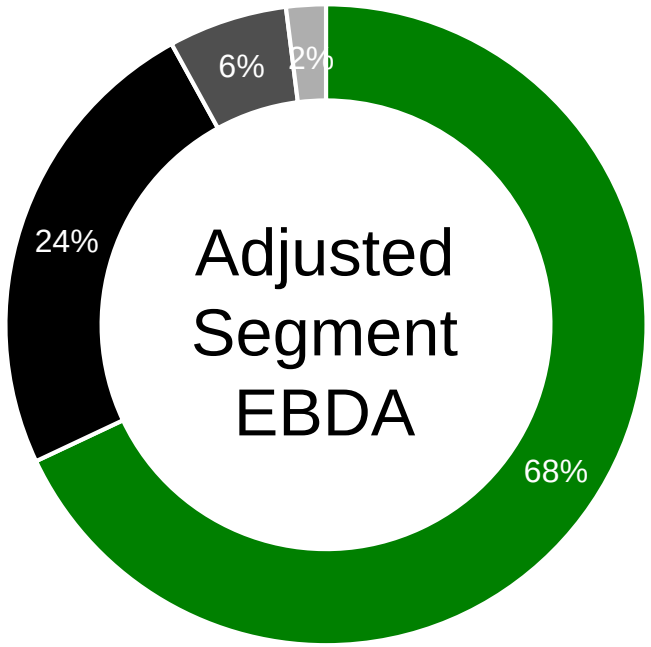
Estimate less than 1% of exposure from B- or below rated customers after collateral & remarketing efforts

Note: Based on 2020 budgeted net revenues, which include our share of unconsolidated joint ventures & net margin for our Texas Intrastate customers & other midstream businesses. Pie charts includes 232 customers >$5mm at their respective company credit ratings per S&P, Moody's & Fitch, shown at the S&P-equivalent rating & utilizing a blended rate for split-rated companies, which represent ~86% of total net revenues.

Highly-Contracted Cash Flows

Stable cash flows with ~74% take-or-pay or hedged earnings[a]

CONTRACT MIX[a]



Contract type:	Payment feature:	Example assets:
68% Take-or-pay	Entitled to payment regardless of throughput Reservation fee for capacity	Natural gas interstates / LNG (>90%) Natural gas intrastates (~75%[b]) Liquids terminals (>75%) Crude oil transport (>70%) Jones Act tankers (100%) CO_2 supply & transport (>90%)
24% Fee-based	Fixed fee collected regardless of commodity price Volumetric-based revenues	Refined products pipelines (~90%) Crude oil G&P (>90%) Natural gas G&P (>80%)
6% Hedged	Disciplined approach to managing price volatility Substantially hedged near-term price exposure	CO_2 oil & gas production (>80%[c])
2% Other	Commodity-price based	CO_2 oil & gas production (<20%) Natural gas G&P (<10%)

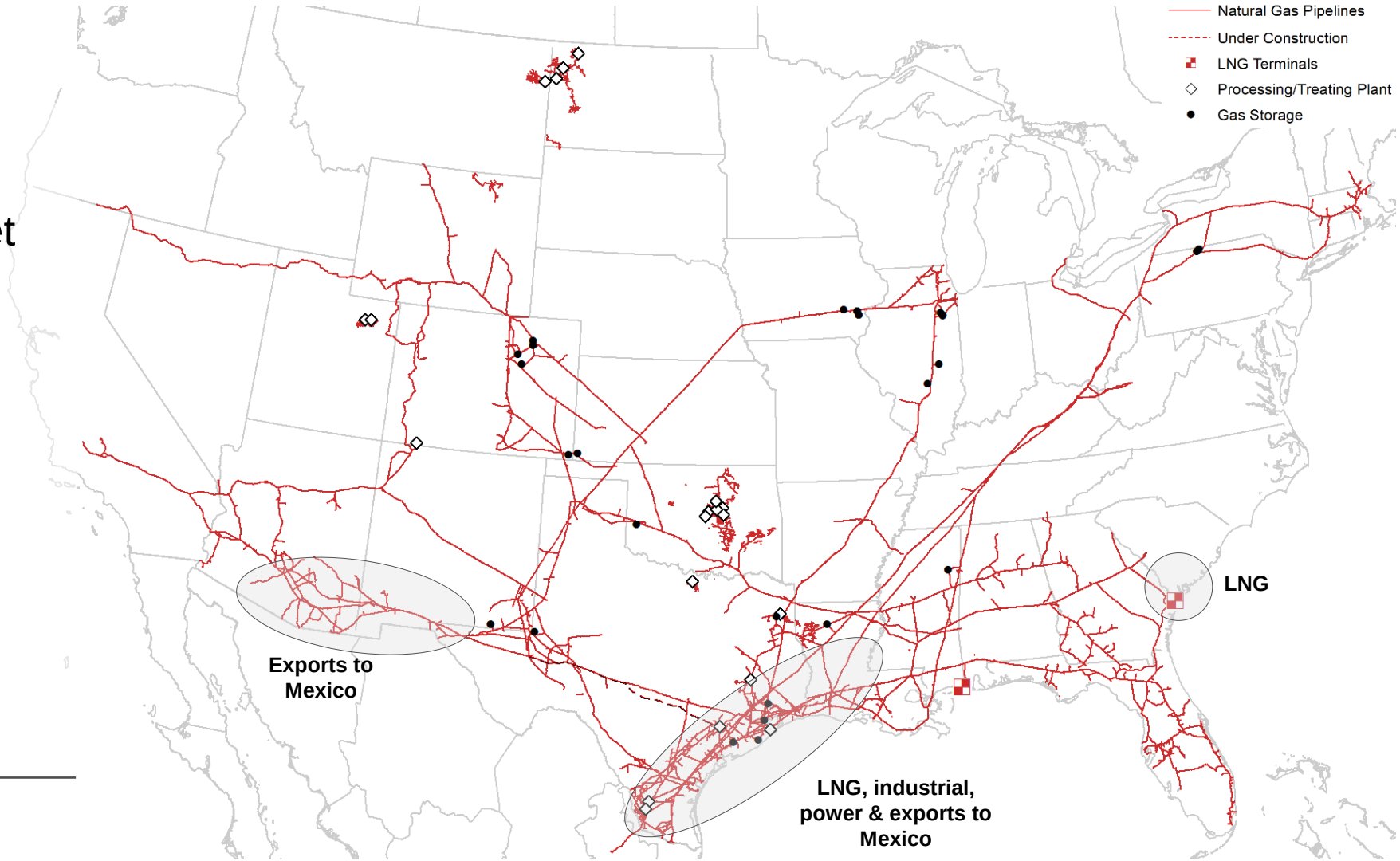
a) Based Adjusted Segment EBDA per the 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.
b) Includes term sale portfolio.
c) Percentage of net crude oil, propane & heavy NGL (C4+) net equity production per the 2020 forecast as of 4/20/2020.

U.S. Natural Gas Demand Expected to Remain Intact

Increases in LNG & Mexico exports expected to offset modest declines in other sectors

SHORT-TERM DEMAND TRENDS
Bcfd, 2019 – 2021

+4.5	LNG exports
+0.8	Mexico exports, net
+0.4	Industrial
+0.1	Transport
-0.1	Other
-0.2	Commercial
-0.5	Residential
-2.8	Power
+2.2	Overall



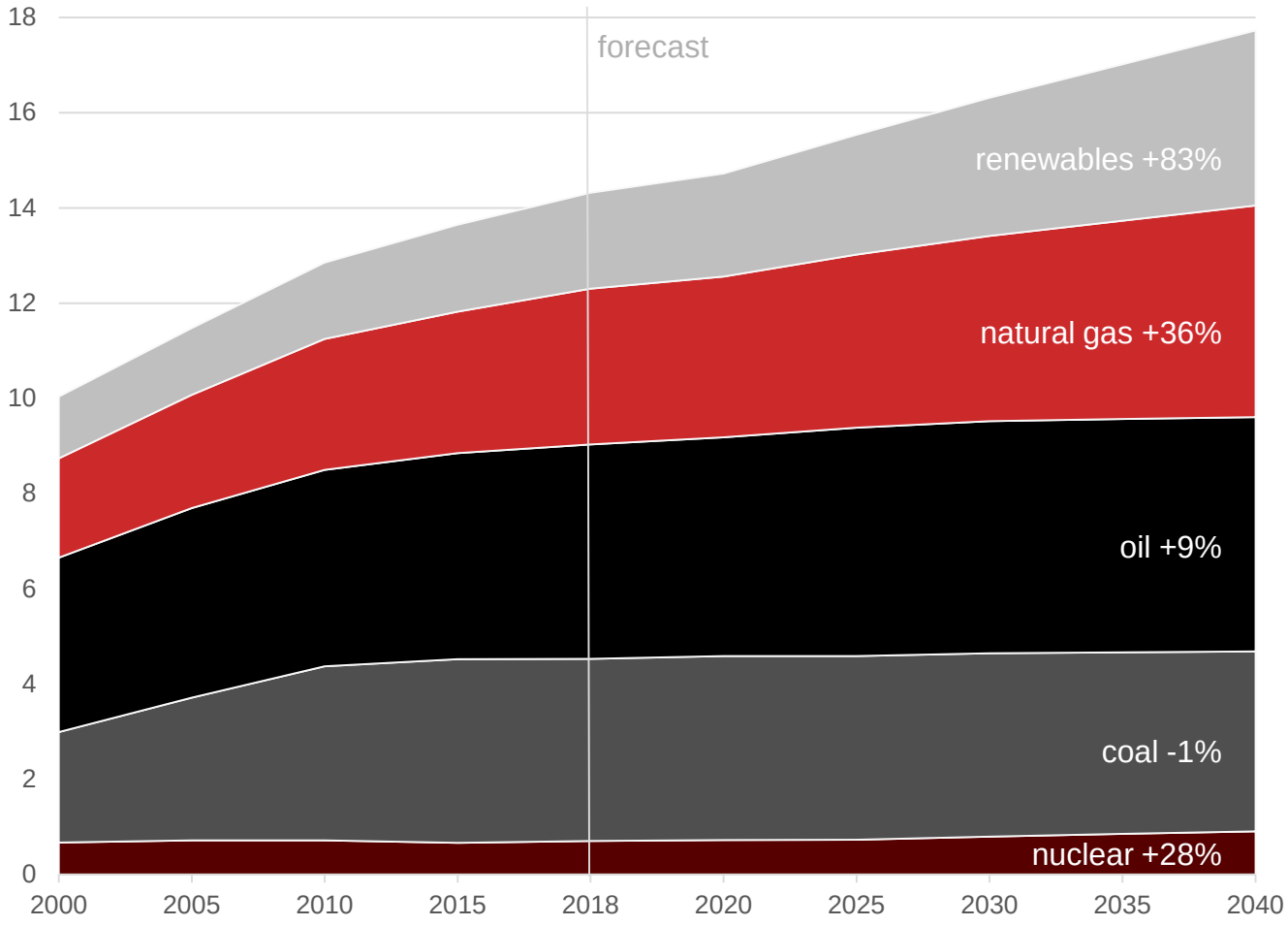
Source: WoodMackenzie, North America Gas Markets Short-Term Outlook, April 2020.

Hydrocarbons Required to Meet Long-Term Energy Demand

U.S. energy infrastructure will be critical for decades

GLOBAL PRIMARY ENERGY DEMAND BY FUEL

billion tons oil equivalent



Broad-based natural gas demand growth across all sectors leads to growing share of total energy demand

- Led by global industrial development (industrial demand growth is >2x power generation growth through 2030)
- Asia Pacific region accounts for ~50% of the demand growth over the next two decades

Oil demand increases through 2030, though growth rate slows in late 2020s

- Long-distance freight, shipping, aviation & petrochemical demand continue growing
- Passenger car fuel demand projected to peak in late 2020s due to fuel efficiency, electric vehicles & compressed natural gas

Continued growth expected from U.S. shale

- U.S. provides 85% of increase in global oil production & 30% of increase in global natural gas production by 2030
- By 2025, U.S. shale alone overtakes Russia in total oil & gas production

Source: International Energy Agency, World Energy Outlook, November 2019 (Stated Policies Scenario)
Note: Growth figures relative to 2018 (latest actual). World primary energy demand includes final energy consumption by end-use sectors, fuel use in power generation (electricity & heat plants) & other energy sector (includes transformation industries such as coal mines & oil & gas extraction, as well as losses converting primary energy into form used by end-sectors).

$3.3bn of Commercially-Secured Capital Projects Underway

Our project backlog as of 3/31/2020

	Demand Pull / Supply Push		KMI Capital ($ billion)	Estimated In-Service Date	Capacity
Permian takeaway projects *(PHP, TX Intrastates, NGPL)*	•	•	$ 0.9	Q4 2020 – Q1 2021	4.0 bcfd
Supply for U.S. power & LDC demand *(TGP, FGT, EPNG, NGPL)*	•		0.4	Q3 2020 – 2022	0.7 bcfd
Supply for LNG export *(NGPL, KMLP)*	•		0.3	Q4 2020 – 2022	1.7 bcfd
Elba liquefaction *(remaining units)*	•		0.2	Q2 2020 – Q3 2020	0.2 bcfd
Bakken G&P expansions *(Hiland Williston Basin)*		•	0.2	Q2 2020 – Q1 2021	Various
Mexico export *(EPNG, TX Intrastates)*	•		0.1	Q3 2020 – Q1 2021	0.3 bcfd
Other natural gas		•	0.2	Q2 2020 – Q1 2021	>0.5 bcfd
Natural Gas			**$ 2.3**	**~70% of total & 5.6x EBITDA multiple**	
Products	•	•	0.1		
Terminals		•	0.2		
CO_2		•	0.7		
TOTAL BACKLOG			**$ 3.3**		

Note: See Non-GAAP Financial Measures & Reconciliations. EBITDA multiple reflects KM share of estimated capital divided by estimated Project EBITDA. Rows may not sum due to rounding.

Successfully Achieving Attractive Build Multiples

Established track record of leveraging our footprint & project management expertise

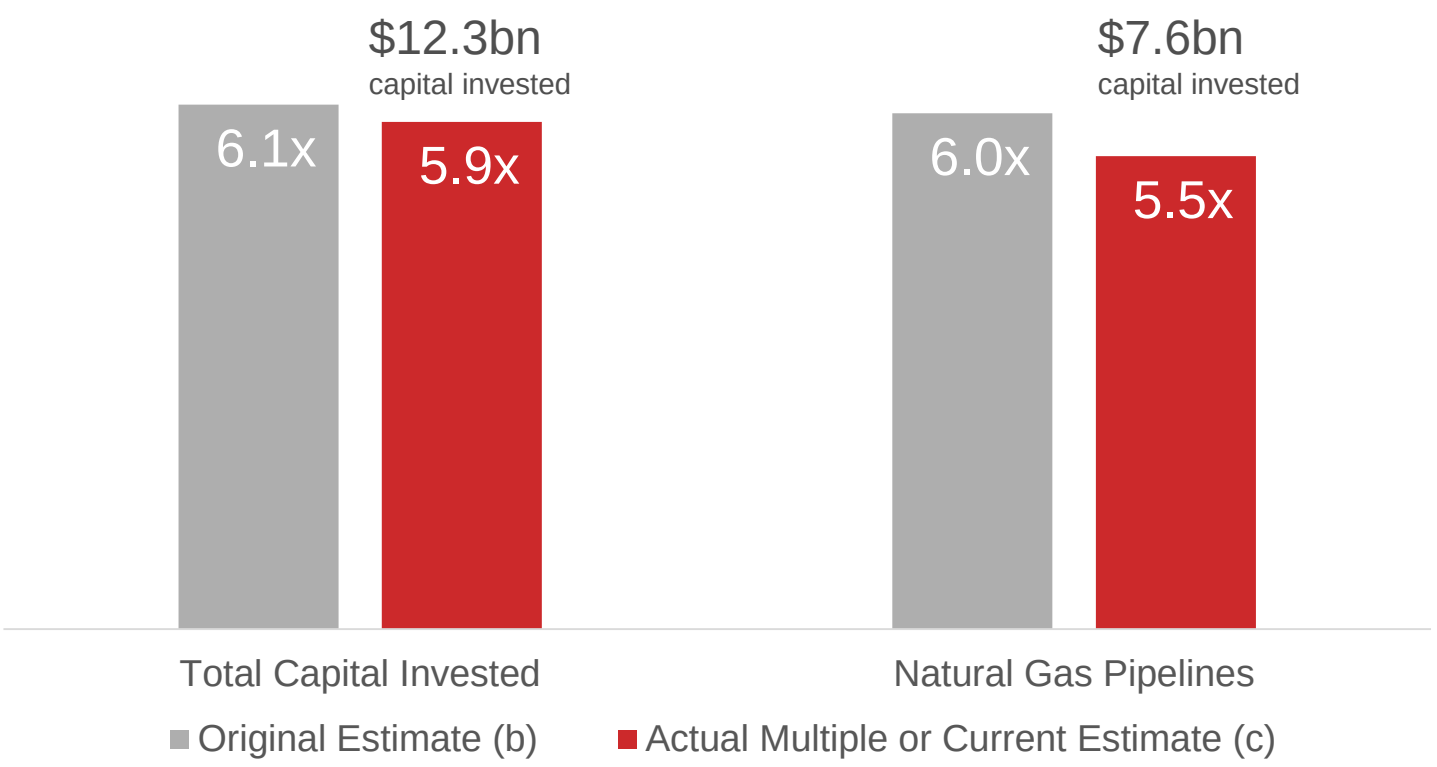
Competitive advantages:

- Expansive asset base — ability to leverage or repurpose steel already in the ground
- Connected to practically all major supply sources
- Established deliverability to primary demand centers — final mile builds typically expensive to replicate due to congestion
- Strong balance sheet & ample liquidity — internal cash flow available to fund all investment needs

Expansive footprint creates opportunities for differentiated returns

INVESTMENT MULTIPLES: PROJECTS COMPLETED 2015-2019

Capital invested / year 2 Project EBITDA[(a)]



Note: See Non-GAAP Financial Measures & Reconciliations. Includes certain projects placed in commercial service prior to 2015, but were still under construction.

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) Original estimated capital investment divided by original estimated Project EBITDA for project in its second year of operation.

c) Actual capital invested (except for 3 projects which are partially in service & represent $88mm of capex spend beyond 2019) divided by actual or currently estimated Project EBITDA. Natural gas segment multiple includes Elba liquefaction project, for which partial sale of interest & contractual protections at Elba mitigated returns from original model despite in-service delay.

Prioritizing Environmental, Social & Governance (ESG)

Ongoing enhancements to ESG disclosures | Long-standing commitment to reducing methane emissions

SUSTAINALYTICS ESG RISK RATING[a]

Top 10 out of 183	Refiners & Pipelines (Industry Group)
Top 10 out of 103	Oil & Gas Storage & Transportation (Subindustry)

Surpassed methane emissions intensity target[b]

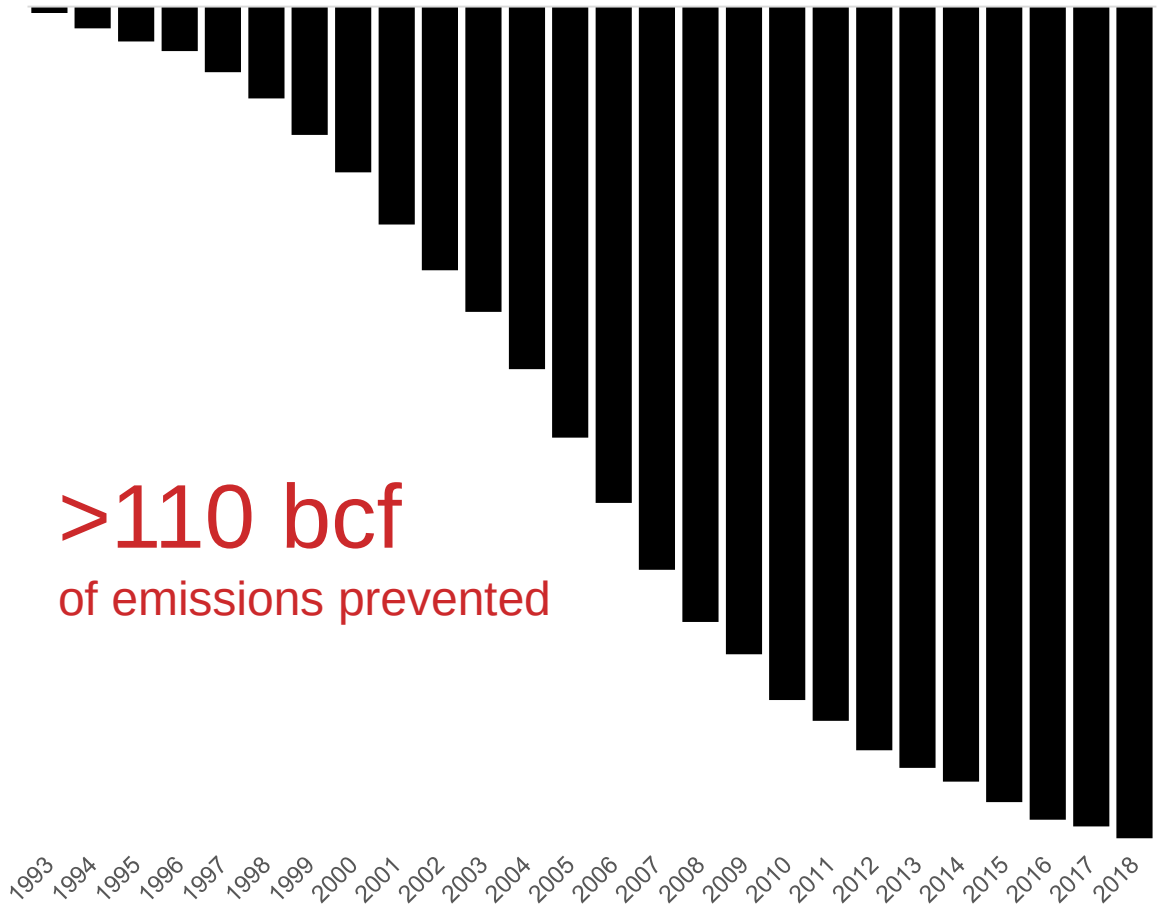
0.02% vs. 0.31%
target for natural gas transmission & storage assets in 2018

7
years ahead of schedule

Planning to report company-wide Scope 1 & 2 greenhouse gas emissions beginning in 2021

SUCCESSFUL METHANE EMISSIONS REDUCTIONS[a]

bcf, cumulative across KM operations

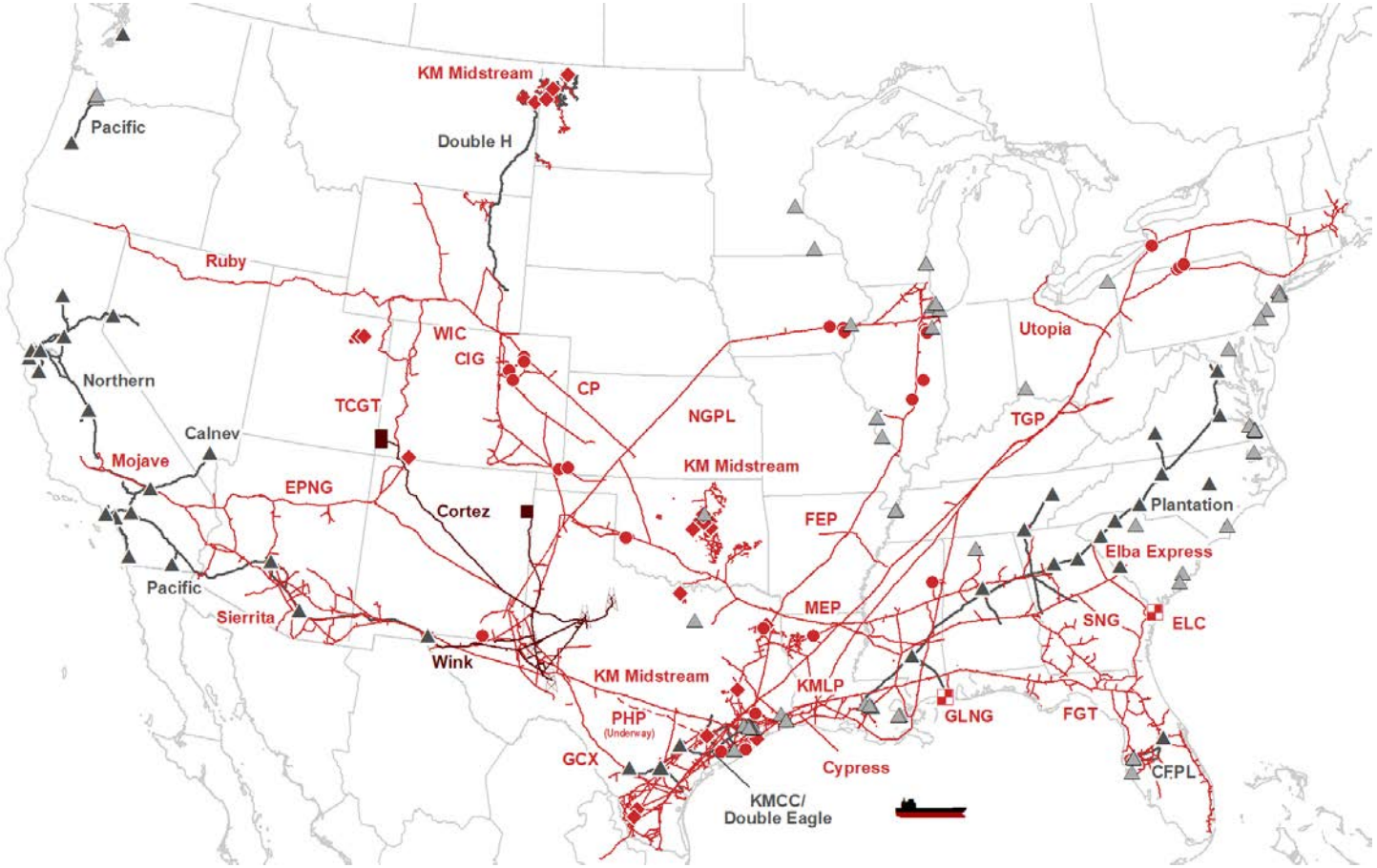


>110 bcf
of emissions prevented

a) As of 3/24/2020.
b) Kinder Morgan's allocation of One Future methane emissions intensity target.

Compelling Investment Opportunity

Strategically-positioned assets generating substantial cash flow with attractive investment opportunities



Stable cash flows with ~74% take-or-pay or hedged earnings[a]

~$7 billion 2020 Forecast Adjusted EBITDA

Assuming return to normal economic activity, Board to review previously planned dividend of $1.25 (annualized) in January 2021 for Q4 2020

Funding dividend & capital projects with cash flow

Highly-aligned management (>14% stake)

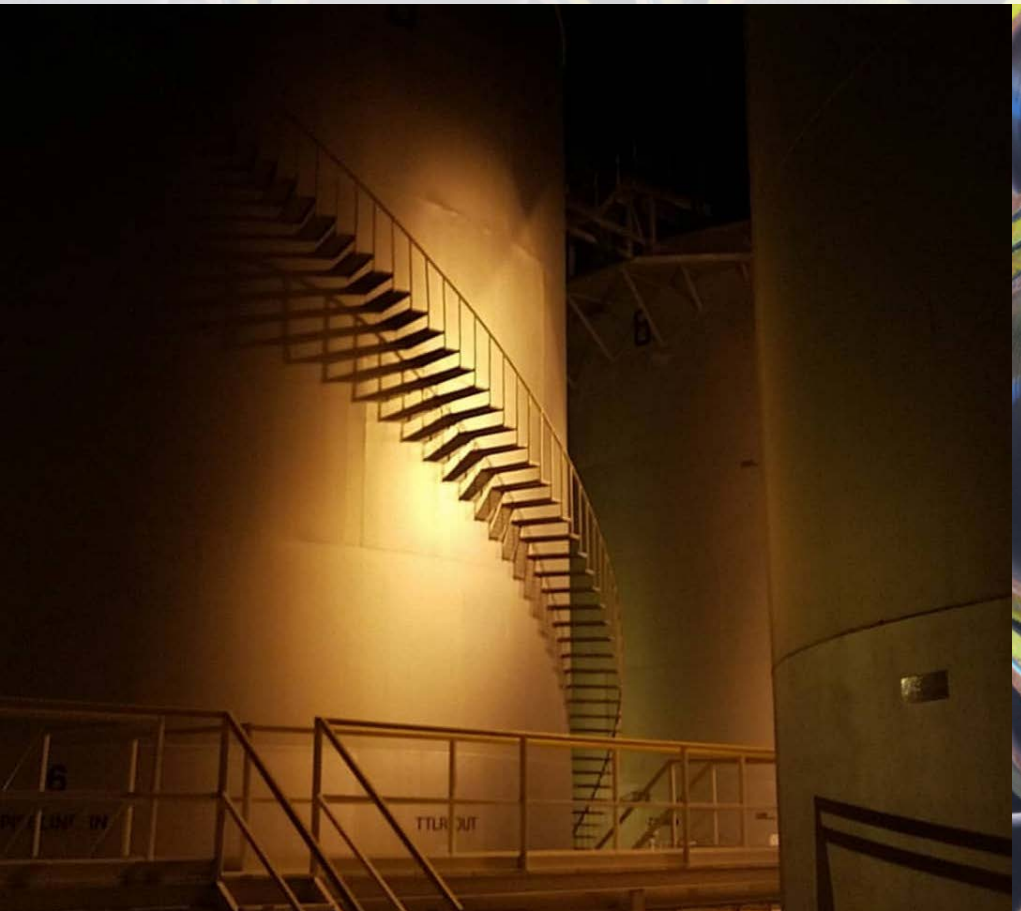
Market sentiment may change, but we'll stay focused on making money for our shareholders

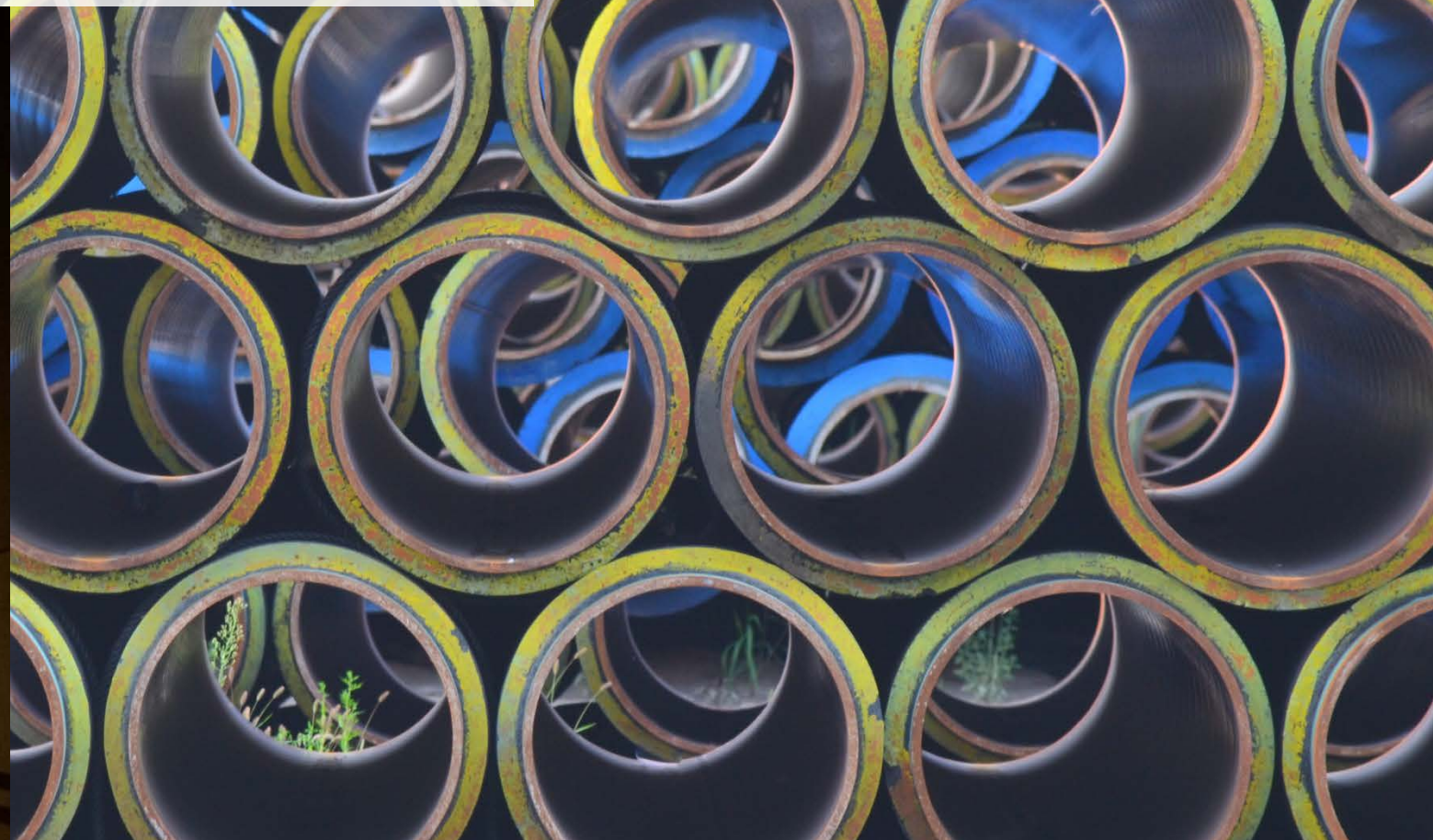
Note: See Use of Non-GAAP Financial Measures.

a) Based on Adjusted Segment EBDA per the 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.

KINDER MORGAN

Appendix





2020 Updated Guidance Assumptions

Change from 2020 Budget

	Adjusted Segment EBDA	Discretionary capital	Key developments
Natural Gas	(4)%	($457 million)	– Reduced upstream customer activity impacting contributions from gathering & processing (G&P) assets, particularly in the Bakken – Nearly $250 million of removed or deferred G&P projects, as well as several project deferrals across interstate pipelines
Products	(17)%	($86 million)	– ~18% lower volumes across refined products pipelines & terminals for remaining 9 months – Q2 down 40-45%, Q3 down 10-12% & Q4 down 5-6% – Reduced producer customer activity in the Bakken, impacting G&P assets – Lower commodity prices – Crude oil & condensate volumes down ~19% for remaining 9 months – Deferral of Bakken G&P expansion capital, as well as various other projects
Terminals	(5)%	($31 million)	– Lower throughput impacting our ancillary service revenues, truck rack volumes & bulk terminals – Deferral of diesel export project & various other project removals
CO_2	(16)%	($128 million)	– Lower commodity prices (crude oil & NGLs) – Lower sales & transport revenues due to reduced activity – Deferral of SACROC & Yates projects, as well as some CO_2 sales & transport

Note: Based on 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.

2020 Updated Guidance Sensitivities

Limited remaining commodity exposure for remaining 9 months

Assumptions (last 9 mos)	Change	Potential Impact to Adjusted EBITDA & DCF (balance of year)				
		Natural Gas	Products	Terminals	CO_2	Total
Natural gas G&P volumes 3.325 bcfd	+/- 5%	$23 million				~$23 million
Refined products volumes (gasoline, diesel & jet fuel) 1,452 mbbld for Products Pipelines	+/- 5%		$26 million	$12 million[a]		~$38 million
Crude oil & condensate pipeline volumes 587 mbbld	+/- 5%		$11 million			~$11 million
Crude oil production volumes 46 mbbld gross (33 mbbld net)	+/- 5% in gross volumes				$12 million	~$12 million
$30/bbl WTI crude oil price	+/- $1/bbl WTI	$0.2 million	$0.9 million		$0.5 million	~$1.6 million
NGL / crude oil price ratio 49% in Natural Gas segment 25% in CO_2 segment	+/- 1% NGL / crude oil price ratio	$0.1 million			$0.4 million	~$0.5 million
		Potential Impact to DCF (balance of year)				
3-mo LIBOR 0.64% average rate	+/-10-bp change in LIBOR					~$2.4 million[b]

Note: The above table provides key assumptions used in our revised 2020 forecast (as of 4/20/2020) for the remaining 9 months of 2020 to incorporate the estimated impact of COVID-19 and oil price decline. It also provides estimated financial impacts to 2020 Adjusted EBITDA & DCF for potential changes in those assumptions. These sensitivities are general estimates of anticipated impacts on our business segments & overall business of changes relative to our assumptions; the impact of actual changes may vary significantly depending on the affected asset, product & contract. The forecast includes actual results for the 3 months ended 3/31/2020. Balance of year refers to the remaining 9 months. See Non-GAAP Financial Measures & Reconciliations at the end of this presentation & the earnings release for the 3 months ended 3/31/2020 for additional information.

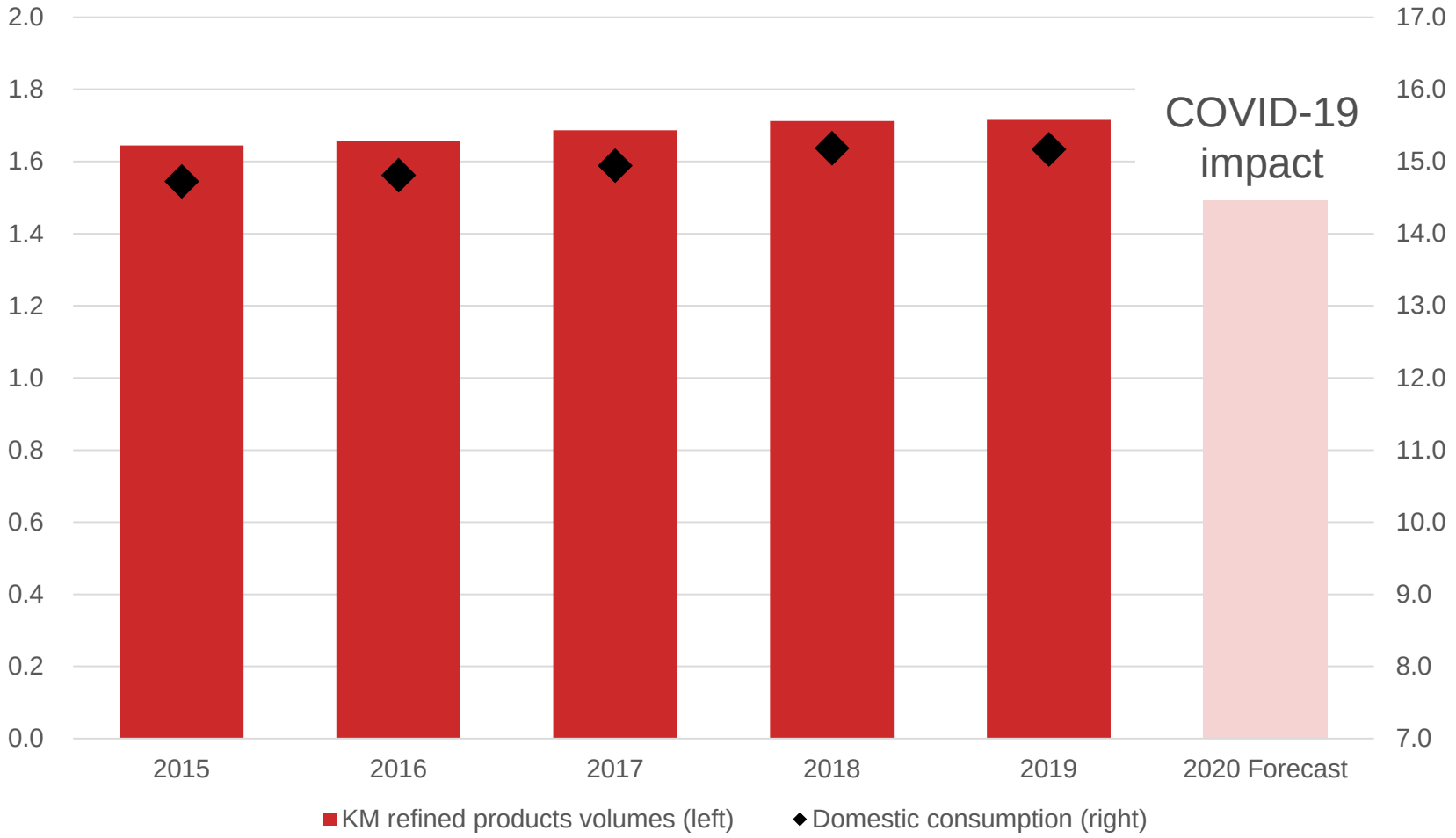
a) Includes sensitivity to changes in petroleum coke volume.

b) As of 3/31/2020, ~17% of the principal amount of our debt balance was subject to variable interest rates – either as short- or long-term variable rate debt obligations or as fixed-rate debt converted to variable rates through the use of interest rate swaps. As of 3/31/2020, we had ~$8.0 billion of fixed-to-floating interest rate swaps on our long-term debt. In March 2020, we also fixed the LIBOR component on $2.5 billion of our floating rate swaps through the end of 2020.

Refined Products Pipes Historically A Steady Contributor

Fee-based with stable volumes over time, including through prior crude oil price downturns | ~9% of total KMI EBDA

REFINED PRODUCTS VOLUMES[a]
mmbbld



HISTORICAL VOLUME GROWTH
CAGR 2015-2019

1.1% > 0.7%
KM U.S. consumption

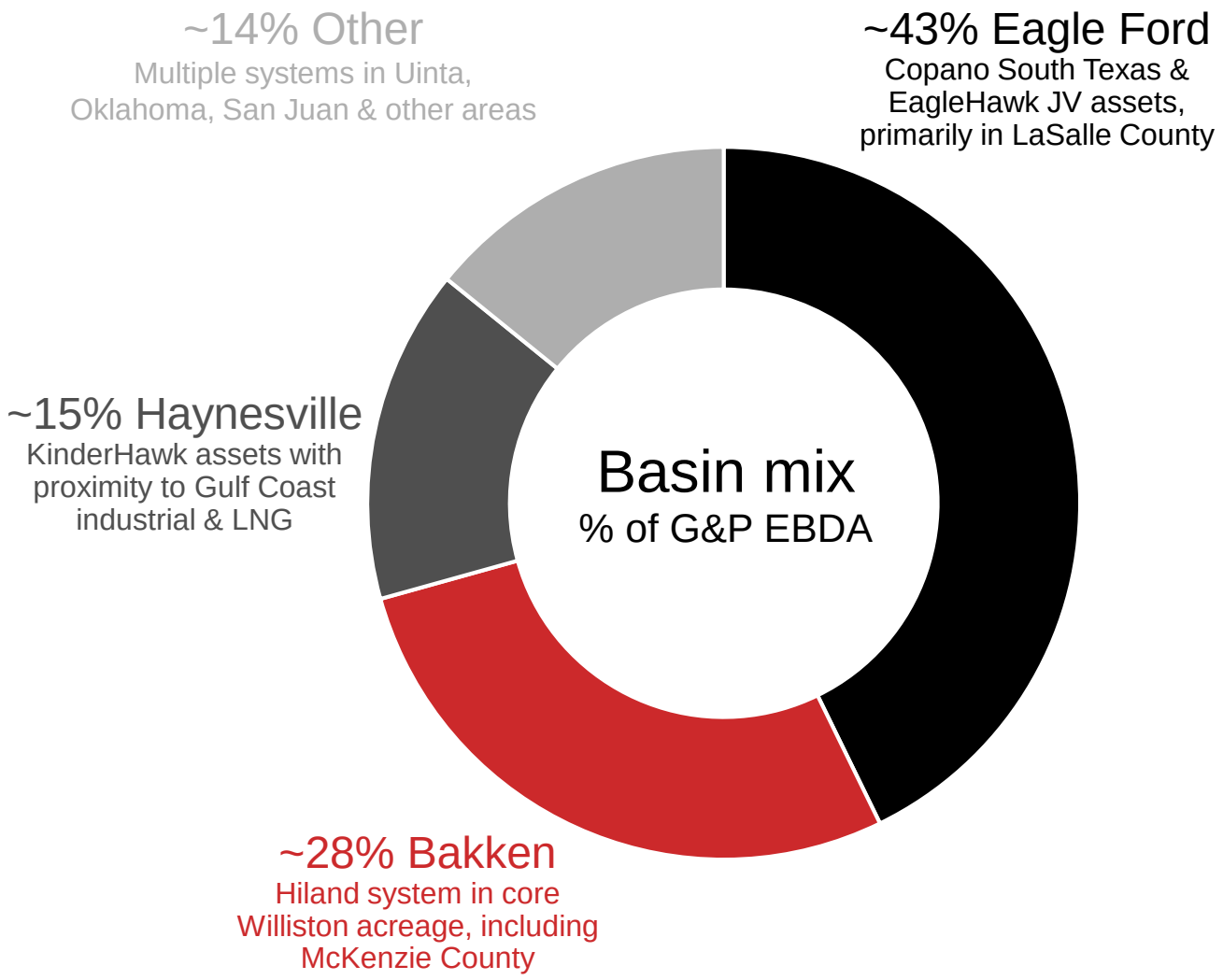
Refined product demand is typically inelastic to price shocks

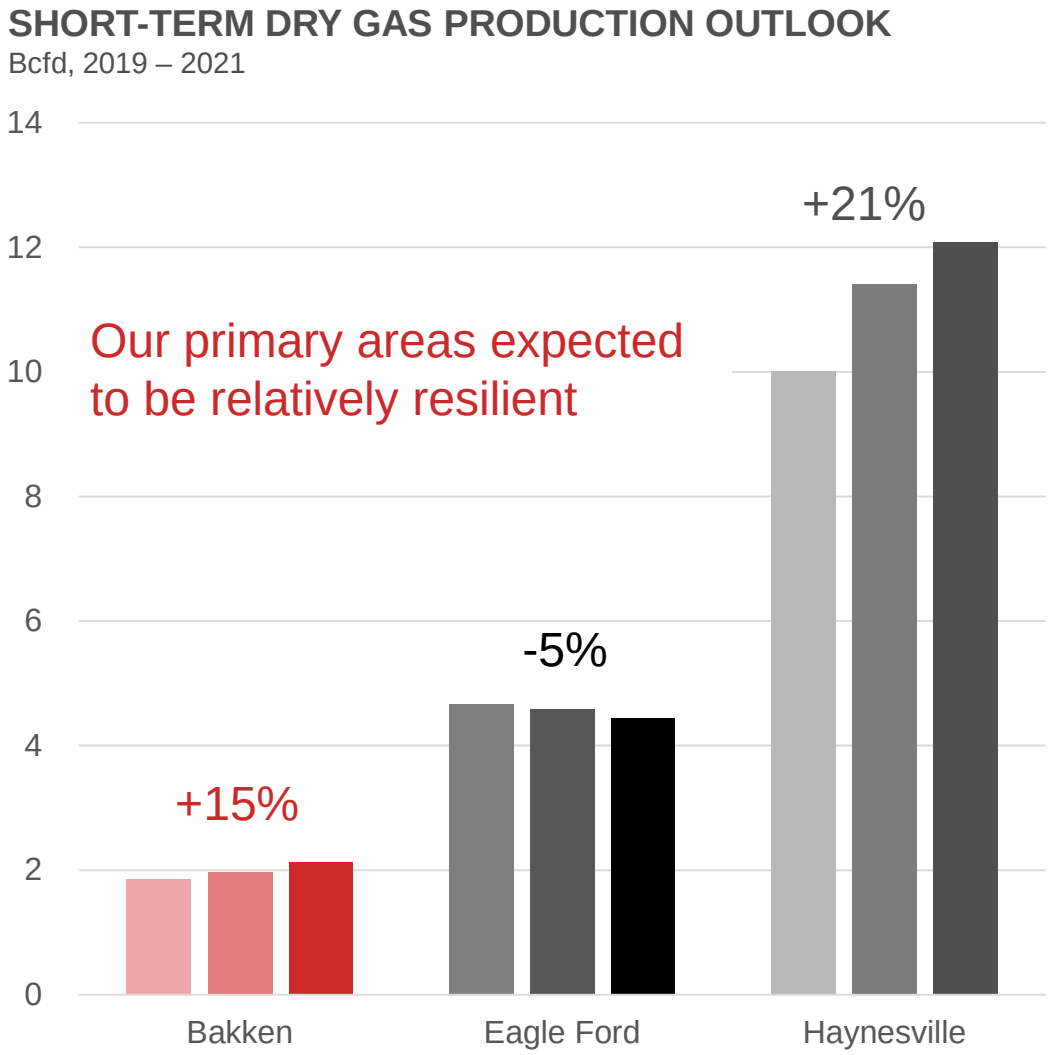
Expect rapid recovery in demand when economy re-opens

Note: % of total KMI EBDA based on Adjusted Segment EBDA per 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.
a) KM refined products volumes include SFPP, CALNEV, Central Florida & Plantation Pipe Line (KM share).

Gathering & Processing Assets Across Multiple Key Basins

Represents ~10% of total KMI EBDA with ~8% in Natural Gas & ~2% in Products (primarily Bakken)





Note: Basin mix based on Adjusted Segment EBDA per 2020 forecast as of 4/20/2020. Includes assets in the Natural Gas & Products segments. See Non-GAAP Financial Measures & Reconciliations. Production outlook from Wood Mackenzie's North America Gas Short-Term Outlook (April 2020).

Leading the Way Out of the Permian

Successfully completed GCX on time & budget | PHP well underway

Leveraging existing footprint into new takeaway capacity that reaches across Texas & the Desert/Southwest (DSW), connecting into major demand markets

- Our advantaged network offers broad end-market optionality with deliverability to Houston markets (power, petrochemical), substantial LNG export capacity & Mexico

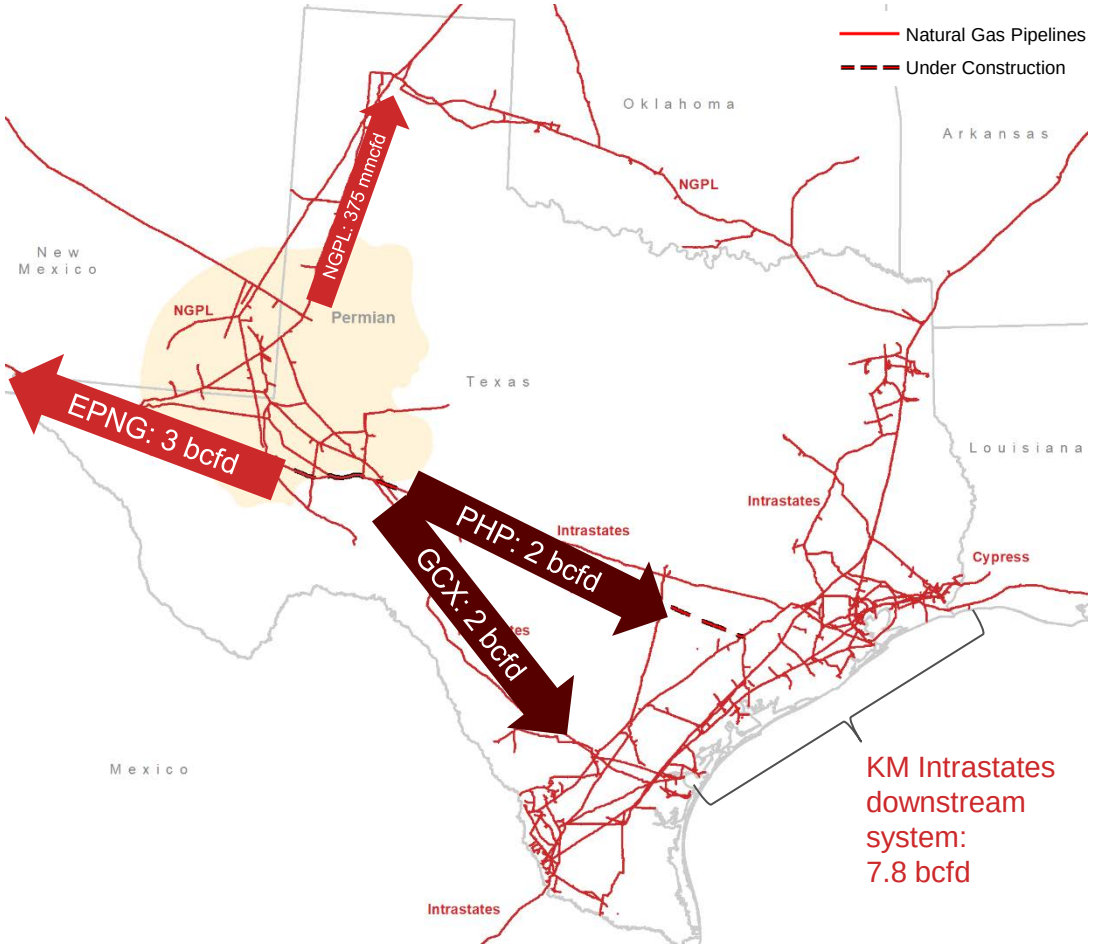
Investing over $250 million across existing Texas Intrastates pipeline networks to support distribution of significant incremental volumes

- Increases capacity by ~1.4 bcfd
- Key to delivering Permian volumes into the U.S. Gulf Coast & Mexico markets

In customer discussions about a third KMI pipeline (Permian Pass Pipeline)

- Targeting E. Texas intrastate markets & LNG terminals in E. Texas & Louisiana
- In-service date beyond 2022

	Gulf Coast Express (GCX)	Permian Highway Pipeline (PHP)
Mainline:	450 miles of 42” pipeline	~430 miles of 42” pipeline
Endpoint:	Near Agua Dulce	Near Katy
KM ownership:	34%	26.7%
Capacity:	2.0 bcfd	2.1 bcfd
Capital (100%):	$1.75 billion	$2.15 billion
In-Service:	Operating since Sept. 2019	Early 2021
Min. contract term:	10 years	10 years



Providing unparalleled takeaway capacity from the Permian basin to the Gulf Coast & DSW markets

Supporting the Buildout of U.S. LNG Exports

Serving significant liquefaction capacity & well-positioned to capture more

Kinder Morgan network advantages:

Natural gas transportation leader

~70,000 miles of natural gas pipelines
Move ~40% of U.S. natural gas consumption & exports

Supply diversity

Connected to major U.S. natural gas resource plays

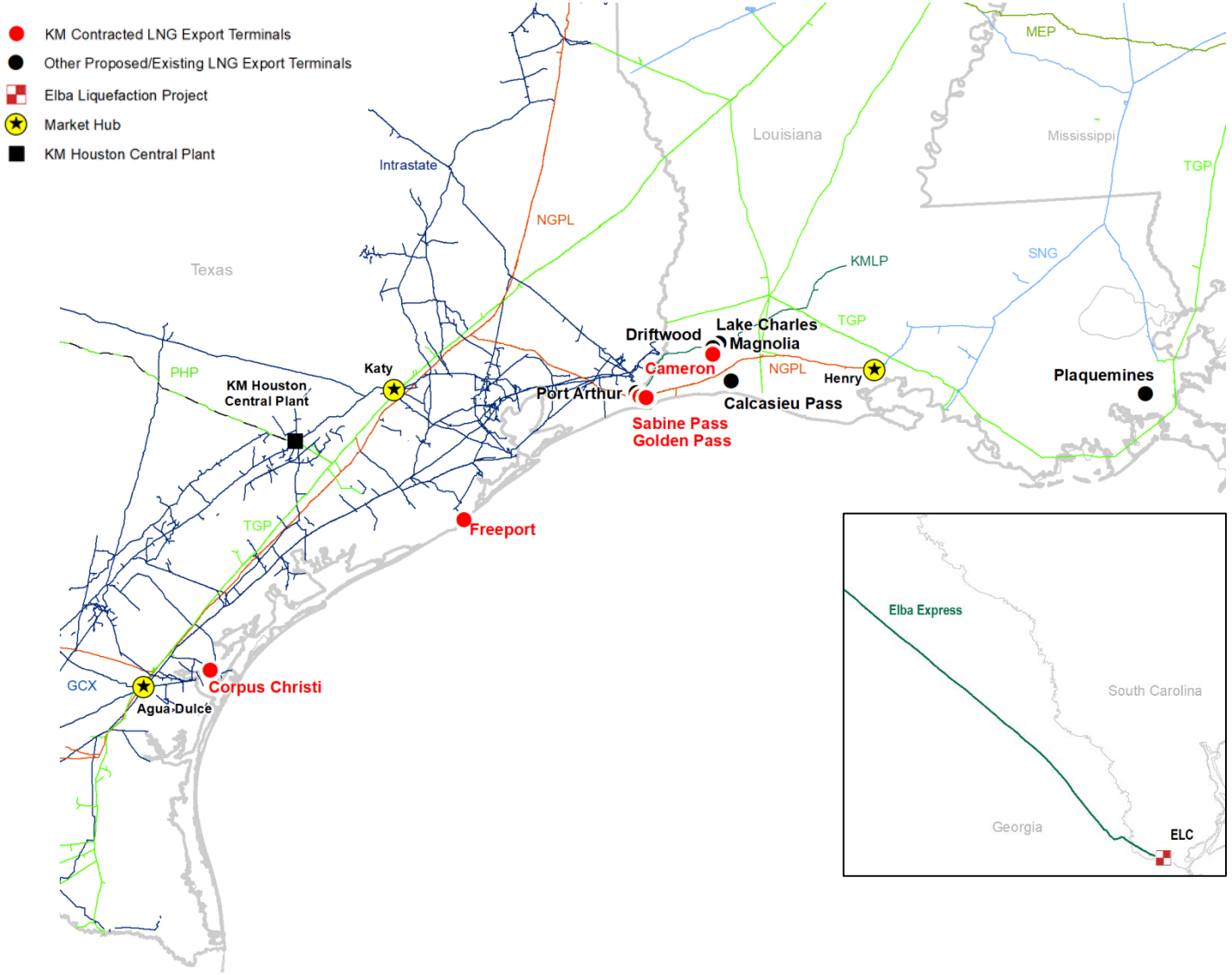
Premier deliverability

659 bcf of working gas storage in production & market areas

Transporter of choice

Contracted capacity online	Contracted capacity FID / to come	Average remaining contract term	In active discussions
~3.5 bcfd	~2.5 bcfd	~17 years	~2-4+ bcfd

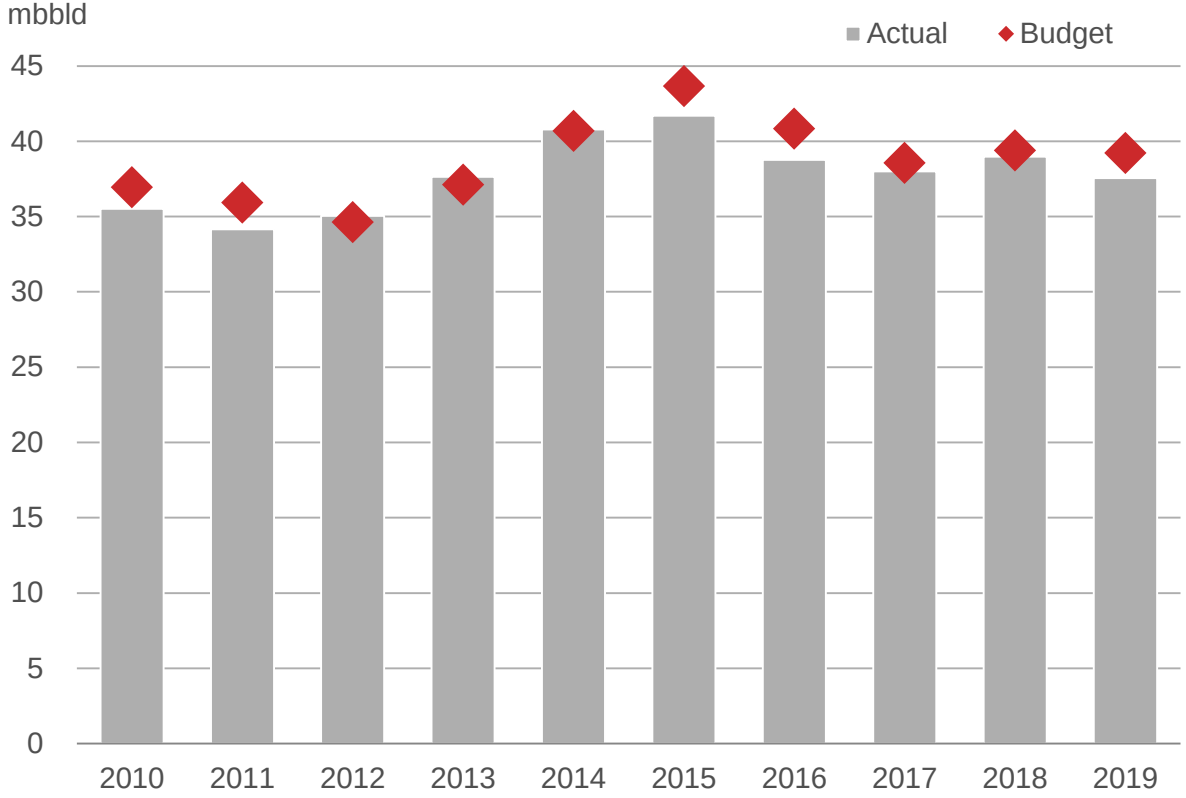
Also deliver ~1 bcfd of producer / marketer supply



CO_2 Segment Predictable Volumes & Hedged Commodity Price

Mitigating uncertainties where possible | EOR oil & gas production represents ~6% of KMI business mix

NET OIL PRODUCTION: ACTUALS VS. BUDGET



Stable & predictable production over many years with actual oil production within 2% of budget 2010-2019

HEDGED VOLUMES

as of 4/7/2020

	Apr - Dec 2020	2021	2022	2023
Oil - WTI hedges				
$/bbl	$55.60	$54.15	$54.60	$52.81
bbl/d	31,070	16,600	7,700	4,000
NGLs				
$/bbl	$28.66	$ 23.88		
bbl/d	5,353	247		
Mid-Cush differential				
$/bbl	$0.14			
bbl/d	31,100			

Disciplined hedge policy mitigates near-term price volatility impact on expected cash flows

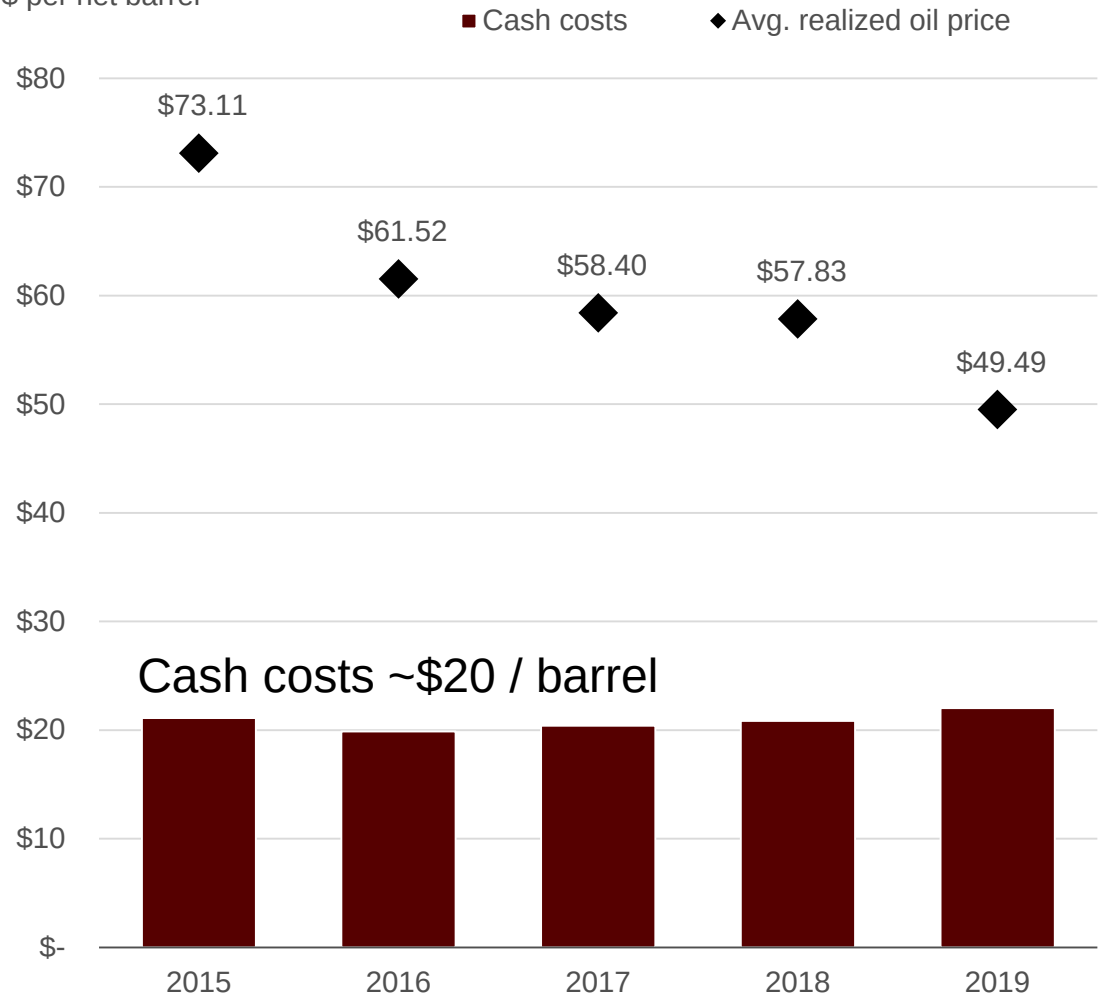
Note: Business mix based on Adjusted Segment EBDA per 2020 Forecast as of 4/20/2020.

CO_2 Segment Consistently Generates Free Cash Flow

Low cash cost structure yields healthy margins through multiple commodity price cycles

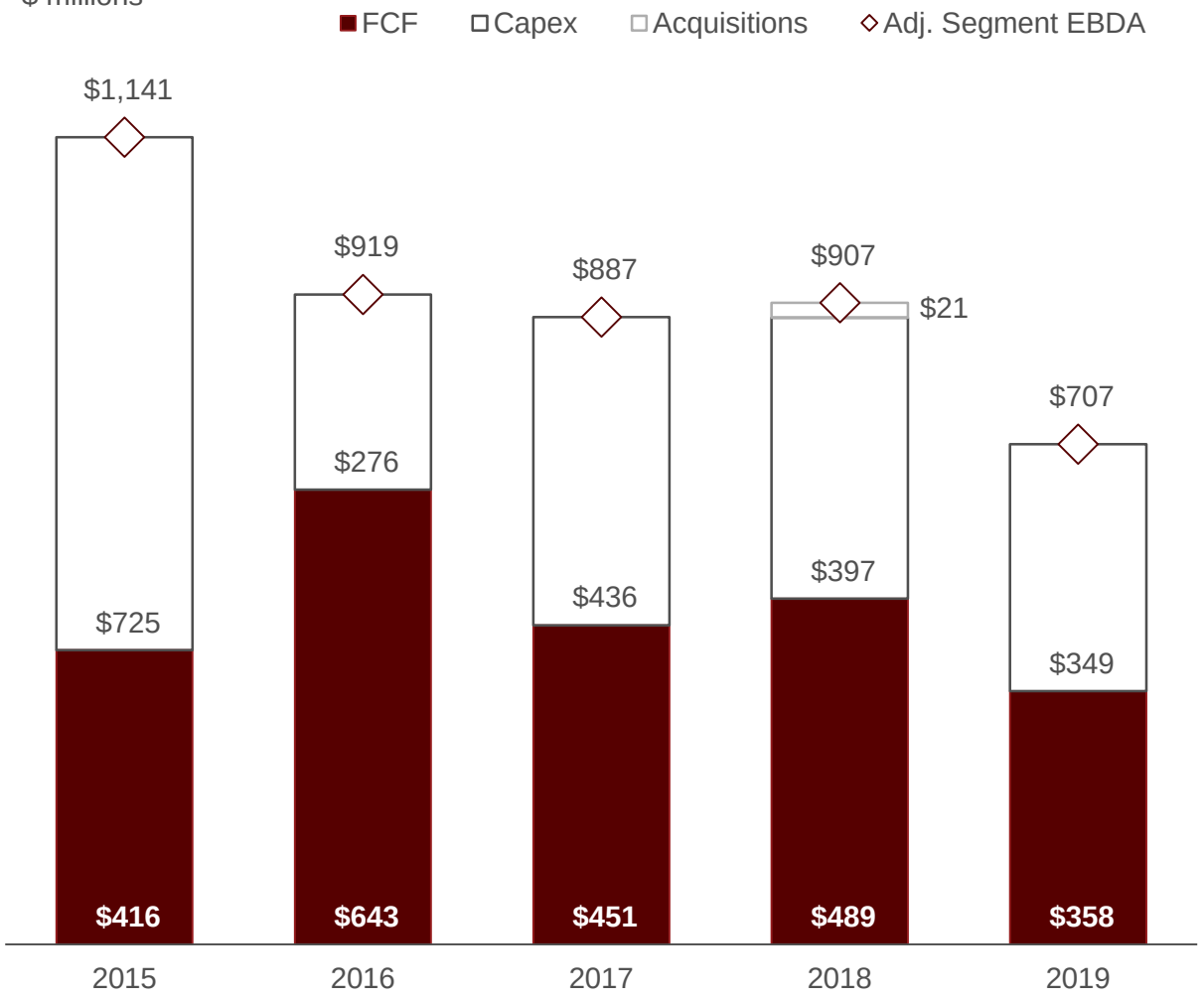
EOR OIL & GAS CASH OPERATING COSTS

$ per net barrel



CO_2 SEGMENT FREE CASH FLOW

$ millions



Note: Cash costs & revenue per net oil barrel, including hedges where applicable. See Non-GAAP Financial Measures & Reconciliations for CO_2 free cash flow (FCF).

Non-GAAP Financial Measures & Reconciliations

Defined Terms

Reconciliations for the historical periods

Use of Non-GAAP Financial Measures

The non-GAAP financial measures of Adjusted Earnings and distributable cash flow (DCF), each in the aggregate and per share; segment earnings before depreciation, depletion, amortization (DD&A) and amortization of excess cost of equity investments and Certain Items (Adjusted Segment EBDA); net income before interest expense, income taxes, DD&A, amortization of excess cost of equity investments and Certain Items (Adjusted EBITDA); Net Debt; Net Debt to Adjusted EBITDA; Project EBITDA; and CO_2 Free Cash Flow are presented herein.

Our non-GAAP financial measures described further below should not be considered alternatives to GAAP net income or other GAAP measures and have important limitations as analytical tools. Our computations of these non-GAAP financial measures may differ from similarly titled measures used by others. You should not consider these non-GAAP financial measures in isolation or as substitutes for an analysis of our results as reported under GAAP. Management compensates for the limitations of these non-GAAP financial 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.

We do not provide (i) budgeted net income available to common stockholders and net income (the GAAP financial measures most directly comparable to budgeted DCF and Adjusted EBITDA, respectively) or budgeted metrics derived therefrom (such as the portion of net income attributable to an individual capital project, the GAAP financial measure most directly comparable to Project EBITDA) due to the impracticality of predicting certain amounts required by GAAP, such as unrealized gains and losses on derivatives marked to market, and potential changes in estimates for certain contingent liabilities; (ii) budgeted revenue (the GAAP financial measure closest to net revenue) due to impracticality of predicting certain items required by GAAP, including projected commodity prices at the multiple purchase and sale points across certain intrastate pipeline systems. Instead, we are able to project the net revenue received for transportation services based on contractual agreements and historical operational experience; or (iii) budgeted CO_2 Segment EBDA (the GAAP financial measure most directly comparable to 2020 budgeted CO_2 Free Cash Flow) due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP, such as potential changes in estimates for certain contingent liabilities and unrealized gains and losses on derivatives marked to market.

Certain Items, as adjustments used to calculate our non-GAAP financial 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).

JV DD&A is calculated as (i) KMI's share of DD&A from unconsolidated JVs, reduced by (ii) our partners' share of DD&A from JVs consolidated by KMI.

JV Sustaining Capex is calculated as KMI's share of sustaining capex made by joint ventures (both unconsolidated JVs and JVs consolidated by KMI).

Adjusted Earnings is calculated by adjusting net income available to common stockholders for Certain Items. Adjusted Earnings is used by us and 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. Adjusted Earnings per share uses Adjusted Earnings and applies the same two-class method used in arriving at basic earnings per common share.

DCF is calculated by adjusting net income available to common stockholders for Certain Items (or Adjusted Earnings, as defined above), and further by DD&A and amortization of excess cost of equity investments, income tax expense, cash taxes, sustaining capital expenditures and other items. DCF is a significant performance measure useful to management and external users of our financial statements in evaluating our performance and in measuring and estimating the ability of our assets to generate cash earnings after servicing our debt, 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. DCF should not be used as an alternative to net cash provided by operating activities computed under GAAP. We believe the GAAP measure most directly comparable to DCF is net income available to common stockholders. DCF per common share is DCF divided by average outstanding common shares, including restricted stock awards that participate in common dividends.

Use of Non-GAAP Financial Measures (Continued)

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

Adjusted EBITDA is calculated by adjusting net income before interest expense, income taxes, and DD&A, including amortization of excess cost of equity investments (EBITDA) for Certain Items, KMI's share of unconsolidated joint venture (JV) DD&A and income tax expense (net of our partners' share of consolidating JV DD&A and income tax expense), and net income attributable to noncontrolling interests other than KML noncontrolling interests (sold on December 15, 2019). Adjusted EBITDA is used by management and external users, in conjunction with our Net Debt (as described further below), to evaluate certain leverage metrics. Therefore, we believe Adjusted EBITDA is useful to investors. We believe the GAAP measure most directly comparable to Adjusted EBITDA is net income.

Net Debt is calculated by subtracting from debt (i) cash and cash equivalents, (ii) the preferred interest in the general partner of Kinder Morgan Energy Partners L.P. (repaid on January 15, 2020), (iii) debt fair value adjustments, and (iv) the foreign exchange impact on Euro-denominated bonds for which we have entered into currency swaps. Management believes Net Debt is useful to investors and other users of our financial information in evaluating our leverage. We believe the most comparable measure to Net Debt is debt net of cash and cash equivalents.

Project EBITDA is calculated for an individual capital project as earnings before interest expense, taxes, DD&A and general and administrative expenses attributable to such project, or for JV projects, our percentage share of the foregoing. Management uses Project EBITDA to evaluate our return on investment for capital projects before expenses that are generally not controllable by operating managers in our business segments. We believe the GAAP measure most directly comparable to Project EBITDA is the portion of net income attributable to a capital project.

CO_2 Free Cash Flow is calculated by reducing Segment EBDA (GAAP) for our CO_2 segment by Certain Items and capital expenditures (sustaining and expansion) and acquisitions attributable to the segment. Management uses CO_2 Free Cash Flow as an additional performance measure for our CO_2 segment. We believe the GAAP measure most directly comparable to CO_2 Free Cash Flow is Segment EBDA (GAAP) for our CO_2 segment.

GAAP Reconciliations

$ in millions

Reconciliation of DCF	2019
Net income available to common stockholders (GAAP)	$ 2,190
Total Certain Items	(29)
Adjusted Earnings[a]	2,161
DD&A and amortization of excess cost of equity investments for DCF[b]	2,867
Income tax expense for DCF[a,b]	714
Cash taxes[c]	(90)
Sustaining capital expenditures[c]	(688)
Other items[d]	29
DCF	$ 4,993

Reconciliation of Net Debt	
Outstanding long-term debt	$ 30,883
Current portion of debt	2,377
Foreign exchange impact on hedges for Euro Debt outstanding	(44)
Less: cash & cash equivalents	(185)
Net Debt	$ 33,031

Reconciliation of Adjusted EBITDA	2019
Net income (GAAP)	$ 2,239
Total Certain Items	(29)
DD&A and amortization of excess cost of equity investments	2,494
Income tax expense[a]	627
KMI's share of JV DD&A and income tax expense[a,e]	487
Interest, net[a]	1,816
Net income attributable to NCI (net of KML NCI)[a]	(16)
Adjusted EBITDA	$ 7,618

Certain Items	
Fair value amortization	$ (29)
Legal, environmental and taxes other than income tax reserves	46
Change in fair market value of derivative contracts[f]	(24)
Gain on divestitures and impairments, net[g]	(280)
Income tax Certain Items	299
NCI associated with Certain Items	(4)
Other	(37)
Total Certain Items	$ (29)

a) Amounts are adjusted for Certain Items.
b) Includes KMI's share of DD&A or income tax expense from JVs, net of DD&A or income tax expense attributable to KML NCI, as applicable.
c) Includes KMI's share of cash taxes or sustaining capital expenditures from JVs, as applicable.
d) Includes non-cash pension expense, net of cash contributions, and non-cash compensation associated with our restricted stock program.
e) KMI's share of unconsolidated JV DD&A and income tax expense, net of consolidating JV partners' share of DD&A.
f) Gains or losses are reflected in our DCF when realized.
g) Includes: (i) a $1,296 million pre-tax gain on the sale of KML and U.S. Cochin Pipeline and a pre-tax loss of $364 million for asset impairments, related to gathering and processing assets in Oklahoma and northern Texas in our Natural Gas Pipelines business segment and oil and gas producing assets in our CO2 business segment; and (ii) a pre-tax $650 million loss for an impairment of our investment in Ruby Pipeline.

GAAP Reconciliations

$ in millions

Reconciliation of Adjusted Segment EBDA	2019
Natural Gas Pipelines (GAAP)	$ 4,661
Certain Items	(51)
Natural Gas Pipelines Adjusted Segment EBDA	4,610
Products Pipelines (GAAP)	1,225
Certain Items	33
Products Pipelines Adjusted Segment EBDA	1,258
Terminals (GAAP)	1,506
Certain Items	(332)
Terminals Adjusted Segment EBDA	1,174
CO_2 (GAAP)	681
Certain Items	26
CO_2 Adjusted Segment EBDA	707
Kinder Morgan Canada (GAAP)	(2)
Certain Items	2
Kinder Morgan Canada Adjusted Segment EBDA	-
Total Segment EBDA (GAAP)	8,071
Total Segment EBDA Certain Items	(322)
Total Adjusted Segment EBDA	$ 7,749

Reconciliation of DD&A and amortization of excess cost of equity investments for DCF	
Depreciation, depletion and amortization (GAAP)	$ (2,411)
Amortization of excess cost of equity investments (GAAP)	(83)
DD&A and amortization of excess cost of equity investments	(2,494)
KMI's share of JV DD&A	(392)
DD&A attributable to KML NCI	19
DD&A and amortization of excess cost of equity investments for DCF	$ (2,867)

Reconciliation of general and administrative and corporate charges	
General and administrative (GAAP)	$ (590)
Corporate charges	(21)
Certain Items	13
General and administrative and corporate charges[a]	$ (598)

Reconciliation of interest, net	2019
Interest, net (GAAP)	$ (1,801)
Certain Items	(15)
Interest, net[a]	$ (1,816)

Reconciliation of income tax expense for DCF[a]	
Income tax expense (GAAP)	$ (926)
Certain Items	299
Income tax expense[a]	(627)
KMI's share of taxable JV income tax expense[a]	(95)
Income tax expense attributable to KML NCI[a]	8
Income tax expense for DCF[a]	$ (714)

Reconciliation of KML NCI DCF adjustments[a]	
Net income attributable to KML NCI	$ (29)
KML NCI associated with Certain Items	(4)
KML NCI[a]	(33)
DD&A attributable to KML NCI	(19)
Income tax expense attributable to KML NCI[a]	(8)
KML NCI DCF adjustments[a]	$ (60)

Reconciliation of net income attributable to NCI (net of KML NCI and Certain Items)	
Net income attributable to NCI (GAAP)	$ (49)
Less: KML NCI[a]	(33)
Net income attributable to NCI (net of KML NCI[a])	(16)
NCI associated with Certain Items	(4)
Net income attributable to NCI (net of KML NCI and Certain Items)	$ (20)

a) Amounts are adjusted for Certain Items.

Reconciliation of CO_2 Free Cash Flow

$ in millions

Reconciliation of CO_2 Free Cash Flow	2015	2016	2017	2018	2019
Segment EBDA	$ 657	$ 827	$ 847	$ 759	$ 681
Certain items:					
Non-cash impairments and project write-offs	622	29	-	79	75
Derivatives and other	(138)	63	40	90	(49)
Severance tax refund	-	-	-	(21)	-
Adjusted Segment EBDA	1,141	919	887	907	707
Capital expenditures (a)	725	276	436	397	349
Acquisitions	-	-	-	21	-
CO_2 Free Cash Flow	**$ 416**	**$ 643**	**$ 451**	**$ 489**	**$ 358**

a) Includes both sustaining & discretionary capital expenditures.

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