# Appendix

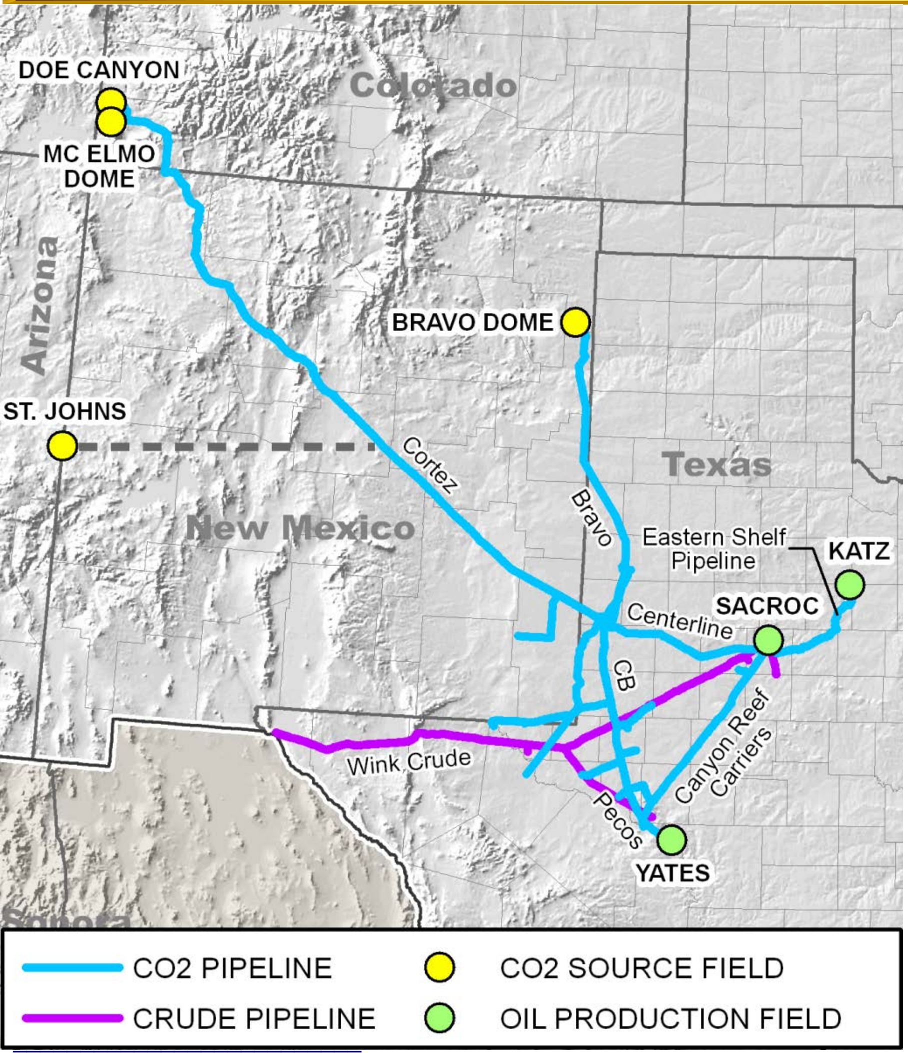
KINDER MORGAN

# Toll Road-like, Fee-based Business Model

| | Natural Gas Pipelines (KMP/EPB/KMI) | Products Pipelines (KMP) | Terminals (KMP) | $CO_2$ (KMP) | Kinder Morgan Canada (KMP) |
|---|---|---|---|---|---|
| **Volume Security** | – Interstate & LNG: take or pay<br>– Intrastate: ~75% take or pay (a)<br>– G&P: minimum requirements / acreage dedications | – Volume based | – Take or pay, minimum volume guarantees, or requirements | – S&T: primarily minimum volume guarantee<br>– O&G: volume-based | – Essentially no volume risk |
| **Avg. Remaining Contract Life** | – Interstate: 6.6 years<br>– Intrastate: 4.1 years (a)<br>– G&P: 6.7 years<br>– LNG: 19.4 years | – Not applicable | – Liquids: 3.8 yrs<br>– Bulk: 3.5 yrs | – S&T: 9.4 yrs | – 1 yr (b) |
| **Pricing Security** | – Interstate: primarily fixed based on contract<br>– Intrastate: primarily fixed margin<br>– G&P: fixed price | – PPI + 2.65% | – Based on contract; typically fixed or tied to PPI | – S&T: 71% of revenue protected by floors<br>– O&G: volumes 80% hedged (c) | – Fixed based on toll settlement |
| **Regulatory Security** | – Interstate: regulatory return mitigates downside; may receive higher recourse rates for increased costs<br>– Intrastate: essentially market-based<br>– G&P: market-based | – Pipeline: regulatory return mitigates downside<br>– Terminals & transmix: not price regulated (d) | – Not price regulated (d) | – Primarily unregulated | – Regulatory return mitigates downside |
| **Commodity Price Exposure** | – Interstate: no direct<br>– Intrastate: limited<br>– G&P: limited | – Limited to transmix business | – No direct | – Full-yr impact ~$5.9MM in DCF per $1/Bbl change in oil price | – No direct |

All figures as of 1/1/2013, except where noted.
(a) Transportation for intrastate pipelines includes term purchase and sale portfolio.
(b) Excludes Express Pipeline. Assumes 1-year rate 2013 settlement on Trans Mountain, negotiations on a 3-5 year settlement are still underway.
(c) Percent of expected 2013 production, includes heavier NGL components (C4+).
(d) Terminals not FERC regulated, except portion of CALNEV.

# KMP $CO^2$ Asset Summary




| $CO_2$ Reserves | KMP Interest | Location | Remaining Deliverability | Operator |
|---|---|---|---|---|
| McElmo Dome | 45% | SW Colorado | 20+ years | KMP |
| Doe Canyon | 87% | SW Colorado | 20+ years | KMP |
| Bravo Dome | 11% | NE New Mexico | 9+ years | Oxy |

| Pipelines | KMP Interest | Location | Capacity (MMcf/d) | Operator |
|---|---|---|---|---|
| Cortez | 50% | McElmo Dome to Denver City | 1,350 | KMP |
| Bravo | 13% | Bravo Dome to Denver City | 375 | Oxy |
| Central Basin (CB) | 100% | Denver City to McCamey | 700 | KMP |
| Canyon Reef | 98% | McCamey to Snyder | 290 | KMP |
| Centerline | 100% | Denver City to Snyder | 300 | KMP |
| Pecos | ~70% | McCamey to Iraan | 125 | KMP |
| Eastern Shelf | 100% | Snyder to Katz | 110 | KMP |
| Wink (crude) | 100% | McCamey & Snyder to El Paso | 135 MBbl/d (a) | KMP |

| Crude Reserves | KMP Interest / (Net of royalty) | Location | Remaining Life (b) | Operator |
|---|---|---|---|---|
| SACROC | 97% (83%) | W Texas | 8+ years | KMP |
| Yates | 50% (44%) | W Texas | 30+ years | KMP |
| Katz | 99% (83%) | W Texas | 20+ years | KMP |

(a) With drag reducing agent (DRA).
(b) Based on current KM development plan.

# KMP Current Cost of Capital Calculation

| | Annualized 4Q 2012 LP Distribution | | Current KMP Unit Price 1/18/2013 | | |
|---|---|---|---|---|---|
| **Equity** | | | | | |
| **Current KMP Yield** | $5.16 | ÷ | $88.65 | | 5.8% |
| **GP Gross-up** | | | | ÷ | 54% |
| **Cost of Equity** | | | | = | 10.7% |
| **Equity % of Capital Structure** | | | | x | 50% |
| **Equity Component of Cost of Capital** | | | | = | **5.4%** |

| | Interest Rate | | % of Overall Debt | | |
|---|---|---|---|---|---|
| **Debt** | | | | | |
| **Short-term Floating Rate [(a)]** | 2.5% | X | 50% | | 1.3% |
| **Long-term Fixed Rate** | 5.0% | X | 50% | + | 2.5% |
| **Cost of Debt** | | | | = | 3.8% |
| **Debt % of Capital Structure** | | | | x | 50% |
| **Debt Component of Cost of Capital** | | | | = | **1.9%** |

| Equity Component | | Debt Component | | Current Cost of Capital |
|---|---|---|---|---|
| **5.4%** | **+** | **1.9%** | **=** | **7.3%** |

(a) Includes fixed-floating interest rate swaps.

# Explanation of Return Calculations

| | Formula | Notes |
|---|---|---|
| **Segment Return on Investment =** | $\dfrac{\text{Segment Distributable Cash Flow before Certain Items}}{\text{Average Total Investment}}$ | (a)<br>(c) |
| **KMP Return on Investment =** | $\dfrac{\text{Total Segment Distributable Cash Flow before Certain Items}}{\text{Average Total Investment}}$ | (b)<br>(c) |
| **Return on Equity =** | $\dfrac{\text{Total Distributable Cash Flow before Certain Items}}{\text{Average Equity}}$ | (d)<br>(e) |

(a) Segment Distributable Cash Flow before Certain Items is defined as the applicable segment earnings before DD&A and certain items less sustaining capex. In addition, several adjustments are made to segment earnings before DD&A to more closely tie to cash: (1) KMP's share of MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, KinderHawk, EPNG, EP Midstream, Parkway and Cypress DD&A is added back and KMP's share of sustaining capex for these joint ventures is deducted, (2) Express and Endeavor pre-tax earnings are subtracted and cash received is added back.

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

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

(d) Total Distributable Cash Flow before Certain Items is defined as limited partners' pretax income before certain items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP, plus KMP's share of JV DD&A less sustaining capital expenditures for MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, KinderHawk, EPNG, EP Midstream, Parkway and Cypress , our equity method investees, less equity earnings plus cash distributions received for Express and Endeavor, additional equity investees, plus the general partner's incentive and the general partner non-controlling interest.

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

# Explanation of Return Calculations – Cont'd

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

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

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

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

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

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

# Use of Non-GAAP Financial Measures

**KMP**

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

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

We define distributable cash flow before certain items to be limited partners' pretax income before certain items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, KinderHawk, EPNG, EP Midstream, Parkway and Cypress, our equity method investees, less equity earnings plus cash distributions received for Express and Endeavor, additional equity investees. Distributable cash flow before certain items per unit is distributable cash flow before certain items divided by average outstanding units. Segment distributable cash flow before certain items is segment earnings before certain items and DD&A less sustaining capital expenditures. In certain instances to calculate segment distributable cash flow, we also add KMP’s share of DD&A less sustaining capital expenditures for MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, KinderHawk, EPNG, EP Midstream, Parkway and Cypress, our equity method investees. We define EBITDA before certain items as pretax income before certain items, plus interest expense and DD&A, including KMP’s share of the DD&A of MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, KinderHawk, EPNG, EP Midstream, Parkway and Cypress, our equity method investees.

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

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

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

For certain financial information in this presentation, a reconciliation of these measures to the most comparable GAAP measures is included in the Appendix to this presentation.

# Use of Non-GAAP Financial Measures – Cont'd

**EPB**

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

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

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

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

For certain financial information in this presentation, a reconciliation of these measures to the most comparable GAAP measures is included in the Appendix to this presentation.

# Use of Non-GAAP Financial Measures – Cont'd

**KMI**

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

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

For certain financial information in this presentation, a reconciliation of these measures to the most comparable GAAP measures is included in the Appendix to this presentation.

# KMP GAAP Reconciliation

| KMP Consolidated DCF Excluding Certain Items [a] | 2013B | 2012 |
|---|---|---|
| Net income per GAAP income statement | $ 2,671 | $ 1,339 |
| Certain items (net of minority interest) | 9 | 883 |
| Net income before certain items | 2,680 | 2,222 |
| DD&A | 1,291 | 1,076 |
| JV DD&A [b] | 86 | 176 |
| Express / Endeavor contribution | 1 | 3 |
| Book / (cash) tax difference | 29 | (2) |
| Sustaining capex [c] | (339) | (285) |
| KMP DCF [a] | $ 3,748 | $ 3,190 |

| Segment DCF Excluding Certain Items [a] | 2013B | 2012 |
|---|---|---|
| Segment earnings before DD&A (EBDA) | $ 5,355 | $ 4,279 |
| Certain items impacting segments | 3 | 105 |
| Segment EBDA excluding certain items | 5,358 | 4,384 |
| JV DD&A [b] | 86 | 176 |
| Segment EBDA exc certain items, inc JV DD&A | 5,444 | 4,560 |
| Segment sustaining capex without overhead [c] | (305) | (252) |
| Segment DCF | $ 5,139 | $ 4,308 |

| EBITDA Excluding Certain Items | 2013B | 2012 |
|---|---|---|
| Net income per GAAP income statement | $ 2,671 | $ 1,339 |
| Certain items (net of minority interest) | 9 | 883 |
| Net income before certain items | 2,680 | 2,222 |
| Income taxes | 76 | 38 |
| DD&A | 1,291 | 1,076 |
| JV DD&A - KM share [b] | 86 | 176 |
| Interest, net of interest income | 847 | 632 |
| EBITDA excluding certain items | $ 4,980 | $ 4,144 |

| Total Distributions | 2013B | 2012 |
|---|---|---|
| LP distributions per GAAP cash flow statement | | $ 1,188 |
| Difference due to KMR and timing on cash payment [d] | | 588 |
| Calendar-year LP declared distribution | | $ 1,776 |
| GP distributions per GAAP cash flow statement | | $ 1,372 |
| Difference due to timing and minority interest | | 82 |
| Calendar-year GP declared distribution | | $ 1,454 |
| Total declared distributions (GP + LP) | | $ 3,230 |

| Debt Ratios | 2013B | 2012 |
|---|---|---|
| Long-term debt excluding market value of swaps | | $ 14,714 |
| Notes payable & current maturities | | 1,155 |
| Less: cash & equivalents | | (518) |
| Debt, net of cash | $ 18,563 | $ 15,351 |
| EBITDA to interest | 5.9x | 6.6x |
| Debt to EBITDA | 3.7x | 3.7x |

| Certain Items (Net of Minority Interest) | 2013B | 2012 |
|---|---|---|
| Loss on remeasurement of asset to fair value | | $ (821) |
| Pre-acquisition earnings allocated to GP | | 23 |
| Environmental reserves | | (36) |
| Legal reserves and settlements | | (9) |
| Mark-to-market & ineffectiveness of certain hedges | | (11) |
| Insurance deductible, casualty losses & reimbursements | | (44) |
| Release of tax reserves related to pre-acquisition periods | | 18 |
| Severance | (6) | (9) |
| Other | (3)[f] | 6[e] |
| Total certain items | $ (9) | $ (883) |

(a) DCF = Distributable cash flow.
(b) Includes KM-share of joint venture DD&A for MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, EPNG, EP Midstream, Parkway and Cypress.
(c) Includes KM-share of joint venture sustaining capex for MEP, FEP, EagleHawk, Red Cedar, Bear Creek, Eagle Ford, REX, EPNG, EP Midstream, Parkway and Cypress.
(d) KMR distributes additional shares in lieu of cash.
(e) Loss on asset sale.
(f) Gain on sale of assets and asset disposition expenses, Cochin imputed interest expense, FX gain on Cochin note payable, Terminals overhead credit on certain items capex and acquisition costs.

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# EPB GAAP Reconciliation

| | 2013B | 2012 |
|---|---|---|
| **EPB Consolidated DCF Excluding Certain Items [a]** | | |
| Net income per GAAP income statement | $ 622 | $ 579 |
| Certain items (net of minority interest) | 2 | 19 |
| Net income before certain items | 624 | 598 |
| DD&A | 202 | 175 |
| JV DD&A [b] | 7 | 1 |
| NCI CIG earnings versus cash | - | 2 |
| Other | 1 | 1 |
| Sustaining capex [c] | (40) | (46) |
| EPB DCF [a] | $ 794 | $ 731 |
| | | |
| **EBITDA Excluding Certain Items** | | |
| Net income per GAAP income statement | $ 622 | $ 579 |
| Certain items (net of minority interest) | 2 | 19 |
| Net income before certain items | 624 | 598 |
| Income taxes | - | - |
| DD&A | 202 | 175 |
| JV DD&A [b] | 7 | 1 |
| NCI CIG earnings | - | 9 |
| Interest, net of interest income | 298 | 289 |
| EBITDA excluding certain items | $ 1,131 | $ 1,072 |

| | 2013B | 2012 |
|---|---|---|
| **Debt Ratios** | | |
| Long-term debt (before unamortized discounts) | | $ 4,254 |
| Notes payable & current maturities | | 93 |
| Less: cash & equivalents | | (114) |
| Debt, net of cash | $ 4,385 | $ 4,233 |
| | | |
| EBITDA to interest | 3.8x | 3.7x |
| Debt to EBITDA | 3.9x | 3.9x |
| | | |
| **Certain Items (Net of Minority Interest)** | | |
| Cheyenne Plains before dropdown | | $ 22 |
| CIG environmental reserve adjustment | | 6 |
| Loss on write-off of asset | | (11) |
| Non-cash severance costs | (2) | (34) |
| Other | - | (2)[d] |
| Total certain items | $ (2) | $ (19) |

(a) DCF = Distributable cash flow.
(b) Includes KM-share of joint venture DD&A for Bear Creek, WYCO and GLNG.
(c) Includes KM-share of joint venture sustaining capex for Bear Creek, WYCO and GLNG.
(d) Amortization of regulatory asset associated with SNG offshore asset sale.

# KMI GAAP Reconciliation

| Cash Available to Pay Dividends | 2013B | 2012 |
|---|---|---|
| Income from continuing operations | $ 2,107 | $ 1,333 |
| Income from discontinued operations | - | 159 |
| Income attributable to us from EPB for 2Q 2012 | - | (37) |
| Distributions received by us from EPB for 2Q 2012 | - | 82 |
| DD&A | 1,637 | 1,426 |
| Amortization of excess cost of investments | 17 | 23 |
| Income from equity investments | (435) | (423) |
| Distributions from equity investments [(a)] | 655 | 581 |
| KMP certain items (pre-tax) | 9 | 92 |
| EP acquisition related costs | (16) | 463 |
| EP certain items | 14 | 19 |
| KMI deferred tax adjustment | - | (57) |
| Difference between cash & book taxes | 168 | (193) |
| Difference between cash & book interest expense [(b)] | 27 | 23 |
| Sustaining capital expenditures | (446) | (393) |
| KMP declared distribution on LP units owned by public | (1,834) | (1,583) |
| EPB declared distribution on LP units owned by public | (330) | (214) |
| Other [(c)] | 59 | 110 |
| Cash available to pay dividends | $ 1,632 | $ 1,411 |

| EBITDA Excluding Certain Items | 2013B |
|---|---|
| KMP EBITDA excluding certain items [(d)] | $ 4,980 |
| EPB EBITDA excluding certain items [(d)] | 1,131 |
| KMI JV equity earnings | 108 |
| Add back Citrus book taxes net of cash taxes | 48 |
| KMI share of JV DD&A, excluding NGPL | 223 |
| Difference b/w NGPL equity earnings & cash available | 7 |
| KMI / EPC G&A | (55) |
| KMI / EPC corporate Other | (6) |
| Consolidated EBITDA excluding certain items | $ 6,436 |

| Debt Ratios | 2013B |
|---|---|
| Net Debt | |
| KMI | $ 9,038 |
| KMP | 18,563 |
| EPB | 4,385 |
| Total Net Debt | $ 31,986 |
| Net Debt / Consolidated EBITDA | 5.0x |

| Consolidated Segment EBDA | 2013B |
|---|---|
| EBITDA excluding certain items [(d)] | $ 6,436 |
| Add back: | |
| KMP G&A | 502 |
| EPB G&A | 91 |
| KMI G&A and corporate other | 61 |
| Minority interest | 38 |
| Less: book taxes | (75) |
| Consolidated EBDA excluding certain items | $ 7,053 |

(a) Distributions from equity investments and distributions from equity investments in excess of cumulative earnings.
(b) Difference between cash and book interest expense for Kinder Morgan, Inc.
(c) Consists of timing differences between earnings and cash, and cash flow in excess of our distributions.
(d) See reconciliation above.

# Investor Relations Contacts

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