Morgan Stanley
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We use non-generally accepted accounting principles (“non-GAAP”) financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to our Analyst day presentation, dated 1/29/2014, on our website at www.kindermorgan.com. These non-GAAP measures should not be considered an alternative to GAAP financial measures.
- 3rd largest energy company in North America with combined enterprise value of approximately $105 billion (a)
- Largest natural gas network in North America
  - Own an interest in / operate ~68,000 miles of natural gas pipeline
  - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Uinta, Haynesville, Fayetteville and Barnett
- Largest independent transporter of petroleum products in North America
  - Transport ~2.3 MMBbl/d (b)
- Largest transporter of CO₂ in North America
  - Transport ~1.3 Bcf/d of CO₂ (b)
- Largest independent terminal operator in North America
  - Own an interest in or operate ~180 liquids / dry bulk terminals
  - ~125 MMBbls domestic liquids capacity
  - Handle ~103 MMtons of dry bulk products (b)
  - Strong Jones Act shipping position – 5 vessels in service, 4 additional to be delivered 2015-2016
- Only Oilsands pipe serving West Coast
  - Transports ~300 MBbl/d to Vancouver / Washington State; proposed expansion takes capacity to 890 MBbl/d

(a) Combined enterprise value of KMI, KMP & EPB; see footnotes on slide 3 for further information.
(b) 2014 budgeted volumes.
KMP’s Diversified Cash Flow

2014E KMP Segment Earnings before DD&A = $6.4 billion (a)

- 53% interstate pipelines
- 34% gathering, processing & treating
- 13% intrastate pipelines & storage

Products Pipelines
- 58% pipelines
- 42% associated terminals & transmix

Terinals
- 58% liquids
- 42% bulk

CO₂
- 30% CO₂ transport and sales
- 70% oil production-related
  - Production hedged (b):
    2014=71% ($94)
    2015=50% ($89)
    2016=34% ($82)
    2017=19% ($77)

Kinder Morgan Canada
- 100% petroleum pipelines

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(a) 2014 budgeted segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.
(b) Percent of estimated net crude oil and heavier natural gas liquids (C4+) production.
Kinder Morgan Canada Assets

BRITISH COLUMBIA

ALBERTA

WASHINGTON

Trans Mountain Pipeline System

- Trans Mountain Pipeline
- Existing Loops
- Trans Mountain Pipeline (Puget Sound)
- Trans Mountain Pipeline (Jet Fuel)
- Pump Station
- Pipeline Terminal (including tanks)
- Westridge Marine Terminal
- Tanks
TMPL Throughput 2013

Throughput by Product Type:
- Refined Products: 18%
- Light Crude: 18%
- Heavy Crude: 41%
- Synthetic Crude: 23%

Throughput by Destination:
- Puget Sound: 49%, 135 kbdp
- Westridge: 26%, 72 kbdp
- Burnaby: 21%, 58 kbdp
- Kamloops: 4%, 12 kbdp
Trans Mountain Markets

Trans Mountain History

Tanker Volumes

Barrels per day

British Columbia

Washington State

Offshore

Tanker Volumes

bb/d

143,114

Jan-05 Jan-06 Jan-07 Jan-08 Jan-09 Jan-10 Jan-11 Jan-12 Jan-13

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Market Fundamentals Support West Coast Expansion

**Continued Discounts**

- **Crude Prices ($/bbl)**
  - Brent
  - WTI
  - MSW* (Mixed Sweet Blend)

- **Spread ($/bbl)**
  - Brent - MSW Spread

- **Dec-10 to Jun-13**

**Growing Chinese Demand**

- **Crude Imports**
  - 5 Mbd
  - 10 Mbd

**Crude Imports**

- Domestic Production

**Increasing US Crude Production – Lower Imports**

- Net Crude Oil Imports
- Lower 48 States
- Federal Gulf of Mexico
- Alaska

**Tight Pipeline Capacity**

- TM Expansion / Northern Gateway / Energy East
- Keystone XL

**Market Fundamentals Support West Coast Expansion**

*Source: 2013 CAPP Crude Oil Forecast, US EIA Short-term Energy Outlook, Release Date January 7, 2014*
Trans Mountain Expansion Project

- Based on long term commitments from 13 shippers. Expansion to increase capacity to 890,000 barrels per day
- Projected capital cost is $5.4 billion
- A dual-line operation – twinned pipeline with:
  - Existing line for lighter products
  - The proposed new line for heavier oils
- Approximately 980 km of new pipeline
- Commercial Terms NEB Approved May, 2013
- NEB Facilities Application Filed December 16, 2013
- Phase 1 – Anchor Loop
  - 159 kms
  - $527 million
  - Completed Oct. 20, 2008
Trans Mountain Expansion Projected Timeline

- Expansion Application Filed w/NEB Dec. 16, 2013
- Intervenor Evidence Info. Requests Supplemental Filings
- NEB Completeness Determination & Procedural Order
- NEB Public Hearing
- NEB & Federal Government Ruling
- Final Engineering, Procurement, Contracting
- Construction
- Expansion In Service @ 890,000 Bbl/d

Westridge Marine Terminal

- Typically 21% of product shipped on pipeline, is transferred at dock; could increase to 50%
- Marine traffic
  - Current = less than 2% of ALL marine traffic in Burrard Inlet
  - Expansion = approximately 7% of marine traffic in Burrard Inlet
  - Will use same-sized classes of tankers currently being used
  - Aframax vessels will continue to be loaded to 90% of capacity
- With expansion – new dock with three berths and 1 utility berth
Economic Benefits

All figures based on project plans as of November 2013

Construction Spending to build the line to 2018

$5.4 Billion + $2.4 Billion

Operating Expenditures to operate for 20 years (2018-2037)

$3.3 billion labour income across Canada from project development

EMPLOYMENT: up to 108,000 person years during construction & 20 years of operation

66,000 in BC + 25,000 in Alberta

Peak activity in July 2017, with 4,475 direct construction jobs in BC & Alberta

Expanded Operations: 40 New FT jobs in Alberta, 50 New FT jobs in BC
Benefits to Governments

Estimated Tax Revenue from Construction & 20 Years Operation:

- **Local**: $500 Million from increased property taxes during operations
  - BC: $23 Million Annually (119% increase)
  - Alberta: $4 Million Annually (103% increase)

- **Provincial**: $1.7 Billion
  - BC: $1.0 Billion
  - Alberta: $0.5 Billion
  - Rest of Canada: $0.2 Billion

- **Federal**: $2.1 Billion

Plus $3 in oil price = $1 to:

- Alberta: 53¢
- Federal: 44¢

All figures based on project plans as of November 2013.
All figures based on project plans as of November 2013
Market Access Considerations

1. Pipeline Performance
   - Safety, integrity
2. Commercial Support
   - Long term, Secure
   - Publicly Supportive
3. Political Support
   - Federal processes and obligations
   - Provincial Conditions
   - Municipal Engagement
4. Regulatory Process
   - Efficient and transparent
   - Inclusive
   - Predictable
5. First Nations
   - Involved and Engaged
   - Natural Resource Development Inclusion
6. Environmental Issues
   - Oil Sands Performance
   - Safety Net Protection
   - Local Sensitivities
7. Local Benefits
   - National Benefits Translated to Local
   - Risk vs. Reward
   - All issues are local
8. Third Party Endorsers
   - Producer Voice
   - Business Community
   - Labour & Small Business
Vancouver Wharves Terminal – Vancouver, BC

- Acquired by KM in 2007 under 40 year operating lease from BC Government
- Handles copper, lead, & zinc concentrates; sulphur, agricultural products; diesel/jet fuel
- Four ship berths, Panamax capable and 300 rail car spots
- Connectivity to CNR, CPR and BNSF railways and Trans-Canada Highway
- KMCT has invested over $165 MM in capital upgrades, environmental improvements and expansion projects to increase cargo handling capacity and operating efficiencies
- Strategically located to facilitate Canadian exports
Edmonton Terminal

Kinder Morgan’s Edmonton Terminal:
- Trans Mountain Operational Tanks 2.8 MM Bbls
- North 40 Merchant – 9 Tanks 2.1 MM Bbls
- Edmonton Merchant Phase 1 – 9 Tanks 3.4 MM Bbls
- (In Service)
  Edmonton Merchant Phase 2 – 6 Tanks 1.7 MM Bbls
  (In Service Q3/Q4 2014)

Total Capacity: 10.0 MM Bbls

Optionality and Connectivity:
- Connected to 10 major inbound feeder streams
- Direct connection to Trans Mountain Pipeline
  - West Coast Canada, Puget Sound and Off shore access
  - Will stage for TMEP
- Connected to Enbridge mainline
  - All major North American inland markets
- Adjacent to the Edmonton refinery complex
- 2 Rail origination facilities now under construction
- Customer flexibility
  - Storage & Blending
  - Subleasing
  - Trunk pipeline and rail staging
Edmonton Rail Terminals

**Alberta Crude Terminal:**
- 50 / 50 Joint Venture with Keyera
- CN and CP direct served
- 30,000 – 40,000 bbls/day
- Crude originates from KM’s N40 Terminal
- In service schedule Q3, 2014

**Edmonton Rail Terminal:**
- 50 / 50 Joint Venture with Imperial Oil
- Unit train facility
- CN and CP direct served
- 100,000 to 250,000 bbls/day
- Crude originates from KM’s Edmonton South Terminal
- In service schedule Q4, 2014