Products Pipelines Assets

Miles of Pipe: ~9,000
Terminals: 56
Tank Capacity:
- Terminal ~38 MMBbls
- Pipelines ~16 MMBbls
Transmix: 6 facilities with process capability of 32.5 MMBbl/d
Condensate Processing:
- Capability of 100 MMBbl/d (under const.)
2013 Throughput:
- ~2.0 MMBbl/d
## Financial Overview (a)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment EBDA</td>
<td>694.4</td>
<td>702.6</td>
<td>783.8</td>
<td>927.9</td>
</tr>
<tr>
<td>Sustaining Capex (b)</td>
<td>(45.8)</td>
<td>(47.8)</td>
<td>(50.2)</td>
<td>(44.7)</td>
</tr>
<tr>
<td>DCF</td>
<td>648.7</td>
<td>654.8</td>
<td>733.6</td>
<td>883.2</td>
</tr>
</tbody>
</table>

**Compound Annual Growth Rate = 10.8%**

2014 budget includes year over year growth from:

- Eagle Ford pipelines (KMCC & Double Eagle Pipeline)
- Condensate Processing Facility
- Refined products growth
  - Parkway Pipeline
  - FERC tariff index rate adjustments and modest volume growth
  - Miscellaneous terminal projects / expansion of KMAP services

---

(a) Excludes Certain Items  
(b) Does not include corporate overhead
2013 Volumes / Markets

Total refined product volumes up, 4.5% vs. 2012

- Gasoline up 7.1%, diesel up 0.6%, jet fuel flat
- West Coast
  - Pacific up 1.9%
    - Arizona up 0.1%, Northern CA up 3.0% and Southern CA up 5.6%
    - Military down 0.5%
  - Calnev down 4.3%
    - Nevada gasoline down 6.9%, diesel down 4.0%, and Jet down 1.0%
    - McCarran Airport down 0.9%, Military down 11.4%

- 2014 Volume Sensitivity – 1% change equals $4.8MM EBITDA

Southeast

- Central Florida Pipeline up 3.8%
  - Gasoline up 5.1%
  - Diesel up 2.4%
  - Jet flat
- Plantation up 10.9%
  - Gasoline up 17.7%
  - Diesel down 4.1%
  - Jet down 1.4%

Total NGL volumes up 17.5% vs. 2012

- Cochin volumes up 32.7%

Total Crude and Condensate volumes

- 2012 - 3.9 MBbl/d, 2013 – 34.5MBbl/d
- Increase driven by higher volumes on KMCC and acquisition of Double Eagle Pipeline
# Expanding to Meet Customer Demand

Recently Completed Projects / Acquisitions

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>In Service</th>
<th>Cost ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>West</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Various Terminal Projects</td>
<td>Includes rack expansions, tank modifications, and additive systems</td>
<td>Varies</td>
<td>$4.8</td>
</tr>
<tr>
<td><strong>East</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parkway Pipeline Project</td>
<td>Construct new 141 mile, 16 inch liquid products pipeline</td>
<td>September 2013</td>
<td>129.8 (a)</td>
</tr>
<tr>
<td>Various Terminal Projects</td>
<td>Includes additive and blending systems</td>
<td>Varies</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>NGLs / Crude and Condensate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kinder Morgan Crude &amp; Condensate (KMCC) Sweeny Lateral</td>
<td>Construction of 27 miles of new 12 inch pipe to connect the KMCC main line in Wharton County TX to the Phillips 66 Sweeny Refinery</td>
<td>January 2014</td>
<td>100.9</td>
</tr>
<tr>
<td>Double Eagle Pipeline</td>
<td>195 mile liquids pipeline originating in Eagle Ford shale and ending at Magellan’s Corpus Christi, TX terminal</td>
<td>May 2013</td>
<td>75.0 (a)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td><strong>$312.9</strong></td>
</tr>
</tbody>
</table>

First full-yr EBITDA = $39.0
EBITDA Multiple = 8.0

(a) KM-share
Growth Forces

~1,300 MBbl/d Crude/Condensate Production in 2015

~450 MBbl/d Diluent Demand in 2015

~400+ MBbl/d NGL Excess Supply in 2016

Gulf Coast Refiners/Frac

Reduced Imports

Increased Exports

Crude/NGL Movements
Refined Products Movements
KMCC Development

Gonzales Lateral

Karnes Lateral
Extending to Helena

KMCC

KMCC/Double Eagle
Interconnect

Double Eagle

Sweeny Lateral
Terminating P66 Refinery

Splitter #1

Splitter #2
Kinder Morgan Crude & Condensate Pipeline / Double Eagle Pipeline

Kinder Morgan Crude & Condensate (KMCC)
- In-service Jun-2012; Capacity 300 MBbl/d; 2015 Committed volumes 132–195 MBbl/d
- Provides Eagle Ford producers access to Houston Ship Channel Refiners, KM Splitter, Phillips 66 Sweeny Refinery, and Explorer/Cochin condensate market

Double Eagle Pipeline
- In-service May-2013; Capacity 100 MBbl/d; 2015 Committed volumes 30-46 MBbl/d; JV w/ Magellan
- Provides Eagle Ford producers access to Magellan Corpus Christi Terminal and KMCC

Sweeny Lateral
- Constructing ~27 mile 12” pipeline to Phillips 66 Sweeny Refinery
- $101MM Capex supported by volume commitment
- In-service: Jan-2014

Helena Extension
- Extend main line 30 miles to Helena, TX with 24” pipe, tank/receipt facility
- Est. cost $109MM supported by volume commitment
- Est. in-service Aug-14

Gonzales Extension
- Extend main line 15 miles to Gonzales, TX with 24” pipe, tanks/receipt facility
- Est. cost $74MM supported by volume commitment
- Est. in-service Q1 2015

KMCC/Double Eagle Connection
- Construct ~ 9 miles of 12” pipe from Double Eagle Pipeline to KMCC Helena station, construct pump and tanks at Gardendale, TX
- Est. cost $43MM supported by volume commitment
- Est. in-service Q1 2015
Kinder Morgan Condensate Processing Facility

Strategic Value
- Engineered for Eagle Ford production
- Supports volume demand for KMCC
- Integrated connectivity to refining, petchem, pipeline and marine facilities

Facility Specifications
- $359MM Project
- Processing Unit and 1.9 MMBbls of new tankage on 60 acres within KM’s Galena Park Terminal
- BP committed for 10 years to 84 MBbl/d of the 100 MBbl/d capacity
- Estimated in-service:
  - Phase I (50 MBbl/d) July-14
  - Phase II (100 MBbl/d) Q1 2015

Further Opportunities
- Design provides possibility for a third unit to increase total capacity to 150 MBbl/d
Cochin Line Reversal

Strategic Value
- Project to reverse product flow from Milford IN west to provide 95 MBbl/d light condensate to oil sands producers in Western Canada
- Supported by 85 MBbl/d shipper commitments for initial 10-year term
- Receipt connections from Explorer Pipeline and TEPPCO Pipeline
- Shippers can source product from Eagle Ford using KMCC

Pipeline Specifications
- $310 million investment
- Project includes construction of new receipt terminal/tank farm/pump station, reversal of 25 pump stations
- Capital increase due to scope changes: pipeline and pump station reversals from Milford to Kankakee, manifold work at Kankakee to receive east leg product, TEPPCO connection and rail offloading at Milford IN

Project Status and Timeline
- Site, civil and tank construction ongoing at Kankakee
- Pipeline modification on schedule
- In-service July 2014
Cochin East Leg Opportunities

Condensate Opportunities
- Cochin east leg can be reversed from Riga, MI west and extended with new pipe to provide light condensate gathering solution for the growing Utica & Marcellus shale play
- Rail facility at Milford IN to provide access to Utica light condensate supply in the near term
- Pipeline provides long term solution.
- Connectivity to Enbridge Southern Lights Manhattan Terminal will provide access to committed shippers on both pipeline systems
- Pipeline Capacity for up to 95 MBbl/d
- Anticipated in-service for rail receipts at Milford, IN in Q1 2015

Ethane & Propane Opportunities
- Construct new 210-mile, 10-inch pipeline from fractionation facilities in Harrison County, OH to Riga, MI where product can then move via Cochin east to Windsor, Ontario, Canada (UTOPIA)
- Pipeline Capacity of 50 MBbl/d expandable to 75 MBbl/d
- $300 million investment
- Signed letter of intent with NOVA Chemicals
- Est. Mid 2017 In-Service
Utica Marcellus Texas Pipeline (UMTP) & Mont Belvieu Fractionation Facilities

Strategic Value
- Fully-integrated new product solution for growing NGL production in the Utica/Marcellus shale
- NGL pipeline utilizing TGP infrastructure to transport Y-grade from Utica/Marcellus shale to Mont Belvieu, TX; JV with MarkWest Energy Partners
- Fractionation facility in Mont Belvieu, TX; JV with Targa Resources Partners

Specifications
- Conversion of over 1,000 miles of existing 24-inch and 26-inch TGP currently in natural gas service from Mercer, PA to Natchitoches, LA
- Construction of approximately 200 miles of new pipe to Mont Belvieu, TX
- Initial capacity (pipeline and frac) of 150 MBbl/d expandable to 400 MBbl/d

Project Status and Timeline
- Open season underway ending February 28, 2014
- Target in-service of Q2 2016
Plantation Pipeline Expansion Opportunities

**Market Forces**
- Favorable gulf coast product pricing relative to NY Harbor
- Market not currently served via pipeline

**Jacksonville Lateral**
- Expand Plantation Pipeline to serve coastal markets
- Plantation mainline expansion and new delivery lateral(s)
- Potential volume 100-200 MBbl/d

**New Connections**
- New connections to Kinder Morgan Southeast Terminals at Spartanburg SC and Birmingham, AL (Est. in-service June 2014)
- Additional terminal connections under development
# Expanding to Meet Customer Demand

## Approved Near-Term Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>In-service</th>
<th>Cost ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>West</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carson Terminal</td>
<td>Provide marine access post-2013 termination of existing Los Angeles harbor terminal lease</td>
<td>March 2014</td>
<td>$18.5</td>
</tr>
<tr>
<td>Edwards Air Force Base</td>
<td>Provides for direct pipeline interconnection to Edwards AFB via the Calnev mainline</td>
<td>March 2014</td>
<td>6.1</td>
</tr>
<tr>
<td>Various Terminal Projects</td>
<td>Includes rack expansions, tank modifications and additive systems</td>
<td>Varies</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>East</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plantation Pipeline</td>
<td>Connections to Kinder Morgan Spartanburg, SC and Birmingham, AL terminals and fluorescent dye injection at Collins, MS</td>
<td>Varies</td>
<td>1.8 (a)</td>
</tr>
<tr>
<td>Various Terminal Projects</td>
<td>Includes various tank modification, additive, blending and biofuel systems</td>
<td>Varies</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>NGLs / Crude &amp; Condensate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cochin Reversal</td>
<td>Reverse product flow from Milford, IN west on Cochin to provide 95 MBbl/d light condensate to oil sands producers in Western Canada.</td>
<td>July 2014</td>
<td>310.2</td>
</tr>
<tr>
<td>Kinder Morgan Crude &amp; Condensate/Double Eagle Pipeline</td>
<td>Extensions to Gonzales and Helena, additional tanks and truck racks, connection to Double Eagle Pipeline</td>
<td>Varies</td>
<td>267.5 (a)</td>
</tr>
<tr>
<td>Kinder Morgan Condensate Processing Facility</td>
<td>Facility in Galena Park, TX to process Eagle Ford or imported condensates into blend stocks with processing capability of 100MBbl/d</td>
<td>July 2014 50MBbl/d Q1 2015 100MBbl/d</td>
<td>358.7</td>
</tr>
</tbody>
</table>

**Grand Total =** $982.3

**First full-yr EBITDA =** $214.4

**EBITDA Multiple =** 4.6

(a) KM-share
Historical Demand and 2014-15 EIA Outlook

### U.S. Product Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Motor Gasoline</th>
<th>Distillate Fuel Oil</th>
<th>Jet Fuel</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>9.29</td>
<td>3.65</td>
<td>0.45</td>
<td>13.39</td>
</tr>
<tr>
<td>2008</td>
<td>8.99</td>
<td>3.49</td>
<td>0.44</td>
<td>12.83</td>
</tr>
<tr>
<td>2009</td>
<td>8.99</td>
<td>3.48</td>
<td>0.43</td>
<td>12.81</td>
</tr>
<tr>
<td>2010</td>
<td>8.75</td>
<td>3.47</td>
<td>0.42</td>
<td>12.64</td>
</tr>
<tr>
<td>2011</td>
<td>8.68</td>
<td>3.46</td>
<td>0.41</td>
<td>12.55</td>
</tr>
<tr>
<td>2012</td>
<td>8.79</td>
<td>3.47</td>
<td>0.42</td>
<td>12.68</td>
</tr>
<tr>
<td>2013</td>
<td>8.78</td>
<td>3.47</td>
<td>0.42</td>
<td>12.67</td>
</tr>
<tr>
<td>2014E</td>
<td>8.76</td>
<td>3.47</td>
<td>0.42</td>
<td>12.65</td>
</tr>
<tr>
<td>2015E</td>
<td>8.76</td>
<td>3.47</td>
<td>0.42</td>
<td>12.65</td>
</tr>
</tbody>
</table>

### EIA Demand Outlook

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014E</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mogas</td>
<td>0.9%</td>
<td>-0.1%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Distillate</td>
<td>2.2%</td>
<td>1.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Jet Fuel</td>
<td>1.5%</td>
<td>-0.1%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Total</td>
<td>1.3%</td>
<td>0.2%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

### KM Refined Product Pipelines (MMBbls)

<table>
<thead>
<tr>
<th>Area</th>
<th>2013</th>
<th>2014B</th>
<th>% chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific, Calnev, CFPL</td>
<td>466.7</td>
<td>474.5</td>
<td>1.7%</td>
</tr>
<tr>
<td>Plantation &amp; Parkway</td>
<td>209.7</td>
<td>266.4</td>
<td>27.0%</td>
</tr>
<tr>
<td>Total</td>
<td>676.4</td>
<td>740.9</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

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 2014
Historical FERC Tariff Index Regime

Applicable to interstate volume on SFPP, Calnev, Plantation, Cochin (U.S.), KMCC and Central Florida

PPI FG + 1.3%
2006 – 2010

PPI FG + 2.65%
2011 – 2015

Growth of $1

(a) 3.87% is estimated using PPI data available as of January 15, 2014.
Biofuels

- Proposed 2014 Renewable Fuels Standard suppresses E15 implementation
- Biodiesel blenders’ tax credit expired at the end of 2013
- Opportunities to improve ethanol distribution logistics within market areas
- Growth at bio-diesel blending locations across the network; blending capabilities to be installed at San Jose, CA terminal
- Opportunities associated with California low carbon fuel standard

### Products Pipelines Biofuel Volumes Handled (MMBbils)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.1</td>
<td>34.4</td>
<td>41.1</td>
<td>44.9</td>
</tr>
</tbody>
</table>

### Biofuel Revenues ($MM)

*Compound Annual Growth Rate = 4.7%*
Refined Products Segment Margin

$MM

Compound Annual Growth Rate = 7.8%

- Terminals/Other
- Refined Prod Interstate
- Refined Prod Intrastate
- NGL/Crude & Condensate
CPUC Rate Cases (The Saga Continues)

SFPP

- Long history of shipper complaints to the CPUC about aspects of SFPP rates, dating back to 1992, including the following:
  - Income Tax Allowance (ITA), overhead allocation, environmental remediation expenses, and other Cost of Service (COS) issues
- April and May 2011 – CPUC ruled unfavorably to SFPP on the largest dollar issue, ITA, lowered SFPP’s COS, and ordered refunds
- January 2012 – SFPP filed a rate reduction going forward to reflect those decisions
- November 2013 – CPUC issued an Order to Show Cause why SFPP should not be ordered to reverse many of its rate changes since 1992 and pay refunds
- SFPP responded that if such an order were implemented it would be unlawful, and proposed a comprehensive settlement process for all issues
- CPUC responded positively to SFPP’s proposal, ordering SFPP and litigant shippers to work in good faith toward settlement of all issues; SFPP to file proposal by 2/10/14, to be followed by mandatory negotiating sessions by all parties
- We believe we have adequately reserved funds to cover settlement
SFPP

- Two major rate cases, the West Line and the East Line, remain pending at FERC, awaiting the Commission’s rehearing orders of Opinion Nos. 511/511-A and 522.
- Those opinions upheld SFPP on key issues and strongly reiterated the Commission’s ITA policy, which is highly favorable to SFPP.
- SFPP and the Shippers appealed various determinations in those orders to the DC Circuit Court of Appeals, now held in abeyance awaiting FERC’s rehearing orders.
- Upon issuance of the FERC orders on rehearing, the two cases will be scheduled for briefing and oral argument at the D.C. Circuit, where SFPP and FERC will support the Commission’s ITA policy, the most significant issue on appeal, against the Shippers’ challenge to that policy.

Calnev

- The April, 2012 FERC-approved rate case settlement will expire in June of 2014, whereupon shippers are free to challenge Calnev’s rates.
- Calnev may seek to extend the settlement or negotiate a new settlement with the goal of avoiding further rate litigation.
Summary Highlights

- Significant growth from identified opportunities currently under development
  - Continued development of Eagle Ford assets
  - Expansion of condensate processing capabilities
  - Development of Utica/Marcellus take away capacity
  - Expansion of Plantation Pipeline

- Full year results from recently completed expansion projects and acquisitions

- Expectation for continued economic recovery driving volume growth on refined product pipelines

- Safe, Reliable, Efficient Operations