
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2015**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **001-35081**



KINDER MORGAN, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

80-0682103

(I.R.S. Employer
Identification No.)

1001 Louisiana Street, Suite 1000, Houston, Texas 77002

(Address of principal executive offices)(zip code)

Registrant's telephone number, including area code: **713-369-9000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 24, 2015, the registrant had 2,168,154,800 Class P shares outstanding.

KINDER MORGAN, INC. AND SUBSIDIARIES
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KINDER MORGAN, INC. AND SUBSIDIARIES

GLOSSARY

Company Abbreviations

CIG	= Colorado Interstate Gas Company, L.L.C.	KMGP	= Kinder Morgan G.P., Inc.
Copano	= Copano Energy, L.L.C.	KMI	= Kinder Morgan Inc. and its majority-owned and/or controlled subsidiaries
CPG	= Cheyenne Plains Gas Pipeline Company, L.L.C.	KMP	= Kinder Morgan Energy Partners, L.P. and its majority-owned and controlled subsidiaries
Elba Express	= Elba Express Company, L.L.C.	KMR	= Kinder Morgan Management, LLC
EPB	= El Paso Pipeline Partners, L.P. and its majority-owned and controlled subsidiaries	SFPP	= SFPP, L.P.
EPNG	= El Paso Natural Gas Company, L.L.C.	SLNG	= Southern LNG Company, L.L.C.
EPPOC	= El Paso Pipeline Partners Operating Company, L.L.C.	SNG	= Southern Natural Gas Company, L.L.C.
KMEP	= Kinder Morgan Energy Partners, L.P.	TGP	= Tennessee Gas Pipeline Company, L.L.C.

Unless the context otherwise requires, references to “we,” “us,” or “our,” are intended to mean Kinder Morgan, Inc. and its majority-owned and/or controlled subsidiaries.

Common Industry and Other Terms

/d	= per day	FASB	= Financial Accounting Standards Board
AFUDC	= allowance for funds used during construction	FERC	= Federal Energy Regulatory Commission
BBtu	= billion British Thermal Units	GAAP	= United States Generally Accepted Accounting Principles
Bcf	= billion cubic feet	LLC	= limited liability company
CERCLA	= Comprehensive Environmental Response, Compensation and Liability Act	MBbl	= thousand barrels
CO ₂	= carbon dioxide or our CO ₂ business segment	MMBbl	= million barrels
CPUC	= California Public Utilities Commission	NGL	= natural gas liquids
DCF	= distributable cash flow	NYSE	= New York Stock Exchange
DD&A	= depreciation, depletion and amortization	OTC	= over-the-counter
EBDA	= earnings before depreciation, depletion and amortization expenses, including amortization of excess cost of equity investments	PHMSA	= United States Department of Transportation Pipeline and Hazardous Materials Safety Administration
EPA	= United States Environmental Protection Agency		

When we refer to cubic feet measurements, all measurements are at a pressure of 14.73 pounds per square inch.

Information Regarding Forward-Looking Statements

This report includes forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as “anticipate,” “believe,” “intend,” “plan,” “projection,” “forecast,” “strategy,” “position,” “continue,” “estimate,” “expect,” “may,” or the negative of those terms or other variations of them or comparable terminology. In particular, expressed or implied statements concerning future actions, conditions or events, future operating results or the ability to generate sales, income or cash flow or to pay dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond our ability to control or predict.

See “Information Regarding Forward-Looking Statements” and Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014 (2014 Form 10-K) and Item 1A “Risk Factors” included elsewhere in this report for a more detailed description of factors that may affect the forward-looking statements. You should keep these risk factors in mind when considering forward-looking statements. These risk factors could cause our actual results to differ materially from those contained in any forward-looking statement. Because of these risks and uncertainties, you should not place undue reliance on any forward-looking statement. We plan to provide updates to projections included in this report when we believe previously disclosed projections no longer have a reasonable basis.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Per Share Amounts)
(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Revenues		
Natural gas sales	\$ 785	\$ 1,097
Services	1,970	1,829
Product sales and other	842	1,121
Total Revenues	<u>3,597</u>	<u>4,047</u>
Operating Costs, Expenses and Other		
Costs of sales	1,090	1,643
Operations and maintenance	505	483
Depreciation, depletion and amortization	538	496
General and administrative	216	172
Taxes, other than income taxes	115	110
Loss on impairments of long-lived assets	51	—
Other expense (income), net	4	(4)
Total Operating Costs, Expenses and Other	<u>2,519</u>	<u>2,900</u>
Operating Income	<u>1,078</u>	<u>1,147</u>
Other Income (Expense)		
Earnings from equity investments	102	99
Loss on impairments of equity investments	(26)	—
Amortization of excess cost of equity investments	(12)	(10)
Interest, net	(512)	(448)
Other, net	13	13
Total Other Expense	<u>(435)</u>	<u>(346)</u>
Income Before Income Taxes	643	801
Income Tax Expense	<u>(224)</u>	<u>(200)</u>
Net Income	419	601
Net Loss (Income) Attributable to Noncontrolling Interests	<u>10</u>	<u>(314)</u>
Net Income Attributable to Kinder Morgan, Inc.	<u>\$ 429</u>	<u>\$ 287</u>
Class P Shares		
Basic Earnings Per Common Share	<u>\$ 0.20</u>	<u>\$ 0.28</u>
Basic Weighted-Average Number of Shares Outstanding	<u>2,141</u>	<u>1,029</u>
Diluted Earnings Per Common Share	<u>\$ 0.20</u>	<u>\$ 0.28</u>
Diluted Weighted-Average Number of Shares Outstanding	<u>2,151</u>	<u>1,029</u>
Dividends Per Common Share Declared for the Period	<u>\$ 0.48</u>	<u>\$ 0.42</u>

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)
(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Net income	\$ 419	\$ 601
Other comprehensive income (loss), net of tax		
Change in fair value of derivatives utilized for hedging purposes (net of tax benefit of \$1 and \$14, respectively)	(2)	(45)
Reclassification of change in fair value of derivatives to net income (net of tax benefit (expense) of \$41 and \$(4), respectively)	(72)	14
Foreign currency translation adjustments (net of tax benefit of \$62 and \$18, respectively)	(108)	(62)
Benefit plan adjustments (net of tax (expense) benefit of \$(3) and \$-, respectively)	6	(1)
Total other comprehensive loss	(176)	(94)
Comprehensive income	243	507
Comprehensive loss (income) attributable to noncontrolling interests	10	(258)
Comprehensive income attributable to KMI	<u>\$ 253</u>	<u>\$ 249</u>

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share and Per Share Amounts)

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
	<u>(Unaudited)</u>	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 259	\$ 315
Accounts receivable, net	1,420	1,641
Inventories	453	459
Fair value of derivative contracts	561	535
Deferred income taxes	56	56
Other current assets	540	746
Total current assets	<u>3,289</u>	<u>3,752</u>
Property, plant and equipment, net	40,289	38,564
Investments	6,011	6,036
Goodwill	24,907	24,654
Other intangibles, net	3,762	2,302
Deferred income taxes	5,545	5,651
Deferred charges and other assets	2,361	2,239
Total Assets	<u>\$ 86,164</u>	<u>\$ 83,198</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of debt	\$ 3,435	\$ 2,717
Accounts payable	1,393	1,588
Accrued interest	538	637
Accrued contingencies	399	383
Other current liabilities	1,019	1,037
Total current liabilities	<u>6,784</u>	<u>6,362</u>
Long-term liabilities and deferred credits		
Long-term debt		
Outstanding	39,633	38,212
Preferred interest in general partner of KMP	100	100
Debt fair value adjustments	2,091	1,934
Total long-term debt	<u>41,824</u>	<u>40,246</u>
Other long-term liabilities and deferred credits	2,197	2,164
Total long-term liabilities and deferred credits	<u>44,021</u>	<u>42,410</u>
Total Liabilities	<u>50,805</u>	<u>48,772</u>
Commitments and contingencies (Notes 3 and 10)		
Stockholders' Equity		
Class P shares, \$0.01 par value, 4,000,000,000 shares authorized, 2,165,283,234 and 2,125,147,116 shares, respectively, issued and outstanding	22	21
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, none outstanding	—	—
Additional paid-in capital	37,839	36,178
Retained deficit	(2,639)	(2,106)
Accumulated other comprehensive loss	(193)	(17)
Total Kinder Morgan, Inc.'s stockholders' equity	<u>35,029</u>	<u>34,076</u>
Noncontrolling interests	330	350
Total Stockholders' Equity	<u>35,359</u>	<u>34,426</u>
Total Liabilities and Stockholders' Equity	<u>\$ 86,164</u>	<u>\$ 83,198</u>

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
Cash Flows From Operating Activities		
Net income	\$ 419	\$ 601
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	538	496
Deferred income taxes	221	111
Amortization of excess cost of equity investments	12	10
Loss on impairments of long-lived assets and equity investments	77	—
Earnings from equity investments	(102)	(99)
Distributions from equity investment earnings	92	77
Pension contributions and noncash pension benefit credits	(12)	(59)
Changes in components of working capital, net of the effects of acquisitions		
Accounts receivable	216	178
Income tax receivable	195	—
Inventories	6	10
Other current assets	25	19
Accounts payable	(241)	(140)
Accrued interest	(114)	(154)
Accrued contingencies and other current liabilities	(12)	95
Rate reparations, refunds and other litigation reserve adjustments	60	—
Other, net	(124)	(27)
Net Cash Provided by Operating Activities	1,256	1,118
Cash Flows From Investing Activities		
Business acquisitions, net of cash acquired (Note 2)	(1,859)	(960)
Acquisitions of other assets and investments	(5)	(30)
Capital expenditures	(897)	(845)
Contributions to investments	(30)	(36)
Distributions from equity investments in excess of cumulative earnings	50	38
Other, net	(34)	14
Net Cash Used in Investing Activities	(2,775)	(1,819)
Cash Flows From Financing Activities		
Issuance of debt	7,136	5,191
Payment of debt	(6,305)	(4,184)
Debt issue costs	(16)	(12)
Issuances of shares	1,626	—
Cash dividends	(962)	(425)
Repurchases of shares and warrants	—	(149)
Contributions from noncontrolling interests	—	684
Distributions to noncontrolling interests	(10)	(479)
Other, net	(1)	—
Net Cash Provided by Financing Activities	1,468	626
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5)	(10)
Net decrease in Cash and Cash Equivalents	(56)	(85)
Cash and Cash Equivalents, beginning of period	315	598
Cash and Cash Equivalents, end of period	\$ 259	\$ 513
Non-cash Investing and Financing Activities		
Assets acquired by the assumption or incurrence of liabilities	\$ 1,606	\$ —
Net assets contributed to equity investment	\$ 27	\$ —
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	\$ 592	\$ 566
Cash refunded during the period for income taxes, net	\$ (196)	\$ (2)

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In Millions)
(Unaudited)

Three Months Ended March 31, 2015

	Outstanding shares	Par value of common shares	Additional paid-in capital	Retained deficit	Accumulated other comprehensive loss	Stockholders' equity attributable to KMI	Non- controlling interests	Total
Beginning Balance at December 31, 2014	2,125	\$ 21	\$ 36,178	\$ (2,106)	\$ (17)	\$ 34,076	\$ 350	\$34,426
Issuances of shares	39	1	1,625			1,626		1,626
EP Trust I Preferred security conversions	1		19			19		19
Warrants exercised			1			1		1
Amortization of restricted shares			16			16		16
Net income				429		429	(10)	419
Distributions						—	(10)	(10)
Cash dividends				(962)		(962)		(962)
Other comprehensive loss					(176)	(176)	—	(176)
Ending Balance at March 31, 2015	<u>2,165</u>	<u>\$ 22</u>	<u>\$ 37,839</u>	<u>\$ (2,639)</u>	<u>\$ (193)</u>	<u>\$ 35,029</u>	<u>\$ 330</u>	<u>\$35,359</u>

Three Months Ended March 31, 2014

	Outstanding shares	Par value of common shares	Additional paid-in capital	Retained deficit	Accumulated other comprehensive loss	Stockholders' equity attributable to KMI	Non- controlling interests	Total
Beginning Balance at December 31, 2013	1,031	\$ 10	\$ 14,479	\$ (1,372)	\$ (24)	\$ 13,093	\$ 15,192	\$28,285
Shares repurchased	(3)		(94)			(94)		(94)
Warrants repurchased			(55)			(55)		(55)
Amortization of restricted shares			14			14		14
Impact from equity transactions of KMP, EPB and KMR			13			13	(21)	(8)
Net income				287		287	314	601
Distributions						—	(479)	(479)
Contributions						—	684	684
Cash dividends				(425)		(425)		(425)
Other			5			5		5
Other comprehensive loss					(38)	(38)	(56)	(94)
Ending Balance at March 31, 2014	<u>1,028</u>	<u>\$ 10</u>	<u>\$ 14,362</u>	<u>\$ (1,510)</u>	<u>\$ (62)</u>	<u>\$ 12,800</u>	<u>\$ 15,634</u>	<u>\$28,434</u>

The accompanying notes are an integral part of these consolidated financial statements.

KINDER MORGAN, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Organization

We are the largest energy infrastructure and the third largest energy company in North America with an enterprise value of more than \$130 billion. We own an interest in or operate approximately 84,000 miles of pipelines and 180 terminals. Our pipelines transport natural gas, refined petroleum products, crude oil, condensate, CO₂ and other products, and our terminals transload and store petroleum products, ethanol and chemicals, and handle such products as coal, petroleum coke and steel. We are also the leading producer and transporter of CO₂, which is utilized for enhanced oil recovery projects in North America.

On November 26, 2014, we completed our acquisition, pursuant to three separate merger agreements, of all of the outstanding common units of Kinder Morgan Energy Partners, L.P. and El Paso Pipeline Partners, L.P. and all of the outstanding shares of Kinder Morgan Management, LLC that we did not already own. The transactions, valued at approximately \$77 billion, are referred to collectively as the “Merger Transactions.” On January 1, 2015, EPB and its subsidiary, EPPOC merged with and into KMP. References to EPB refer to EPB for periods prior to its merger into KMP.

Prior to November 26, 2014, we owned an approximate 10% limited partner interest (including our interest in KMR) and the 2% general partner interest including incentive distribution rights in KMP, and an approximate 39% limited partner interest and the 2% general partner interest and incentive distribution rights in EPB. Effective with the Merger Transactions, the incentive distribution rights held by the general partner of KMP were eliminated.

The earnings recorded by KMP, EPB and KMR that are attributed to their units and shares, respectively, held by the public prior to November 26, 2014 are reported as “Net loss (income) attributable to noncontrolling interests” in our accompanying consolidated statements of income.

Basis of Presentation

General

Our reporting currency is U.S. dollars, and all references to dollars are U.S. dollars, except where stated otherwise. Our accompanying unaudited consolidated financial statements have been prepared under the rules and regulations of the United States Securities and Exchange Commission (SEC). These rules and regulations conform to the accounting principles contained in the FASB’s Accounting Standards Codification, the single source of GAAP. Under such rules and regulations, all significant intercompany items have been eliminated in consolidation. Additionally, certain amounts from prior years have been reclassified to conform to the current presentation.

Interim results are not necessarily indicative of results for a full year; accordingly, you should read these consolidated financial statements in conjunction with our consolidated financial statements and related notes included in our 2014 Form 10-K.

Impairments

Due to the continued low commodity price environment and certain actions of our customers during the first quarter of 2015, we recorded a non-cash pre-tax impairment charge of \$77 million related to certain of our gas gathering and processing assets in our Natural Gas Pipelines segment. The impairment comprised \$51 million of long-lived assets and \$26 million related to our investments in Fort Union Gas Gathering L.L.C. and Bighorn Gas Gathering L.L.C.

As conditions warrant, management routinely evaluates its assets for potential triggering events that could impact the fair value of certain assets or our ability to recover the carrying value of long-lived assets. Such assets include accounts receivable, property plant and equipment, including oil and gas properties and in-process construction, equity investments, goodwill and other intangibles. Depending on the nature of the asset, these evaluations require the use of significant judgments including but not limited to customer credit worthiness, future cash flow estimates, future volume expectations, current and future commodity prices, as well as general economic conditions and the related demand for products handled or transported by our assets. In the current commodity price environment and to the extent conditions further deteriorate, we may identify additional

triggering events that may necessitate further impairments to the carrying value of our assets. Such non-cash impairments could have a significant effect on our results of operations.

Earnings per Share

We calculate earnings per share using the two-class method. Earnings were allocated to Class P shares of common stock and participating securities based on the amount of dividends paid in the current period plus an allocation of the undistributed earnings or excess distributions over earnings to the extent that each security participates in earnings or excess distributions over earnings. Our unvested restricted stock awards do not participate in excess distributions over earnings.

The following tables set forth the allocation of net income available to shareholders for Class P shares and for participating securities and the reconciliation of Basic Weighted-Average Number of Shares Outstanding to Diluted Weighted-Average Number of Shares Outstanding (in millions):

	Three Months Ended March 31,	
	2015	2014
Class P	\$ 426	\$ 284
Participating securities(a)	3	3
Net Income Attributable to Kinder Morgan, Inc.	<u>\$ 429</u>	<u>\$ 287</u>

	Three Months Ended March 31,	
	2015	2014
Basic Weighted-Average Number of Shares Outstanding	2,141	1,029
Effect of dilutive securities:		
Warrants(b)	10	—
Diluted Weighted-Average Number of Shares Outstanding	<u>2,151</u>	<u>1,029</u>

(a) Participating securities are unvested restricted stock awards issued to management employees that contain non-forfeitable rights to dividend equivalent payments.

(b) Each of our warrants entitles the holder to purchase one share of our common stock for an exercise price of \$40 per share, payable in cash or by cashless exercise, at any time until May 25, 2017.

The following potential common stock equivalents are antidilutive and, accordingly, are excluded from the determination of diluted earnings per share (in millions on a weighted-average basis):

	Three Months Ended March 31,	
	2015	2014
Unvested restricted stock awards	7	7
Warrants to purchase our Class P shares	289	341
Convertible trust preferred securities	9	10

2. Acquisitions

Hiland Partners, LP

On February 13, 2015, we acquired Hiland Partners, LP, a privately held Delaware limited partnership (Hiland) for an aggregate consideration of \$3,120 million, including assumed debt and other assumed liabilities. Approximately \$368 million of the debt assumed was immediately paid down after closing. Hiland's assets consist primarily of crude oil gathering and transportation pipelines and gas gathering and processing systems, primarily serving production from the Bakken Formation in North Dakota and Montana. The acquired gathering and processing assets are included in our Natural Gas Pipelines business segment while the acquired crude transport pipeline is included in our Products Pipelines business segment.

Vopak Terminal Assets

On February 27, 2015, we acquired three U.S. terminals and one undeveloped site from Royal Vopak (Vopak) for approximately \$158 million. The acquisition covers (i) a 36-acre, 1,069,500-barrel storage facility at Galena Park, Texas that handles base oils, biodiesel and crude oil and is immediately adjacent to our Galena Park terminal facility; (ii) two terminals in North Carolina: one in North Wilmington that handles chemicals and black oil and the other in South Wilmington that is not currently operating; and (iii) an undeveloped site in Perth Amboy, New Jersey, with waterfront access that can be developed. We include the acquired assets as part of the Terminals business segment.

Our preliminary allocation of the purchase price for each of our significant acquisitions during the three months ended March 31, 2015 (in millions) is detailed below. The evaluation of the assigned fair values is ongoing and subject to adjustment.

	Acquisitions	
	Hiland	Vopak Terminal Assets
Purchase Price Allocation:		
Current assets	\$ 44	\$ 3
Property, plant and equipment	1,521	131
Goodwill	238	29
Other intangibles(a)	1,507	—
Total assets acquired	3,310	163
Current liabilities	(187)	(2)
Debt	(1,411)	—
Other liabilities	(3)	(3)
Cash consideration	\$ 1,709	\$ 158

(a) Relates to customer contracts and relationships with a weighted average amortization period of 16.4 years.

After measuring all of the identifiable tangible and intangible assets acquired and liabilities assumed at fair value on the acquisition date, goodwill is an intangible asset representing the future economic benefits expected to be derived from an acquisition that are not assigned to other identifiable, separately recognizable assets. We believe the primary items that generated our goodwill are both the value of the synergies created between the acquired assets and our pre-existing assets, and our expected ability to grow the business we acquired by leveraging our pre-existing business experience. We expect our recorded goodwill associated with the above acquisitions to be deductible for tax purposes.

3. Debt

We classify our debt based on the contractual maturity dates of the underlying debt instruments. We defer costs associated with debt issuance over the applicable term. These costs are then amortized as interest expense in our accompanying consolidated statements of income. The following table provides detail on the principal amount of our outstanding debt balances. The table amounts exclude all debt fair value adjustments, including debt discounts and premiums (in millions):

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
KMI and Subsidiaries		
Senior notes, 1.50% through 8.25%, due 2015 through 2098(a)	\$ 13,330	\$ 11,438
Credit facility due November 26, 2019(b)	600	850
Commercial paper borrowings(b)	296	386
<i>KMP</i>		
Senior notes, 2.65% through 9.00%, due 2015 through 2044(c)	20,360	20,660
TGP senior notes, 7.00% through 8.375%, due 2016 through 2037	1,790	1,790
EPNG senior notes, 5.95% through 8.625%, due 2017 through 2032	1,115	1,115
Copano senior notes, 7.125%, due April 1, 2021	332	332
CIG senior notes, 5.95% through 6.85%, due 2015 through 2037	440	475
SNG notes, 4.40% through 8.00%, due 2017 through 2032	1,211	1,211
<i>Other Subsidiary Borrowings (as obligor)</i>		
Kinder Morgan Finance Company, LLC, senior notes, 5.70% through 6.40%, due 2016 through 2036	1,636	1,636
Hiland Partners Holdings LLC, senior notes, 5.50% and 7.25%, due 2020 and 2022(d)	975	—
EPC Building, LLC, promissory note, 3.967%, due 2015 through 2035	450	453
Preferred securities, 4.75%, due March 31, 2028	232	280
KMGP, \$1,000 Liquidation Value Series A Fixed-to-Floating Rate Term Cumulative Preferred Stock	100	100
Other miscellaneous debt	301	303
Total debt – KMI and Subsidiaries	<u>43,168</u>	<u>41,029</u>
Less: Current portion of debt(e)	<u>3,435</u>	<u>2,717</u>
Total long-term debt – KMI and Subsidiaries(f)	<u>\$ 39,733</u>	<u>\$ 38,312</u>

- (a) March 31, 2015 amount includes senior notes that are denominated in Euros and have been converted and are reported at the March 31, 2015 exchange rate of 1.0731 U.S. dollars per Euro. We also entered into cross-currency swap agreements associated with these senior notes (see Note 5).
- (b) As of March 31, 2015 and December 31, 2014, the weighted average interest rates on our credit facility borrowings, including commercial paper borrowings, were 1.56% and 1.54%, respectively.
- (c) On January 1, 2015, EPB and EPPOC merged with and into KMP. On that date, KMP succeeded EPPOC as the issuer of approximately \$2.9 billion of EPPOC's senior notes, which were guaranteed by EPB, and EPB and EPPOC ceased to be obligors for those senior notes.
- (d) Represents the principal amount of senior notes assumed in the Hiland acquisition.
- (e) Amounts include outstanding credit facility and commercial paper borrowings.
- (f) As of March 31, 2015 and December 31, 2014, our "Debt fair value adjustments" increased our combined debt balances by \$2,091 million and \$1,934 million, respectively. In addition to all unamortized debt discount/premium amounts and purchase accounting on our debt balances, our debt fair value adjustments also include (i) amounts associated with the offsetting entry for hedged debt; and (ii) any unamortized portion of proceeds received from the early termination of interest rate swap agreements.

Credit Facilities

As of March 31, 2015, we had \$600 million outstanding under our five-year \$4.0 billion revolving credit facility, \$296 million outstanding under our \$4.0 billion commercial paper program and \$128 million in letters of credit. Our availability under this facility as of March 31, 2015 was \$2,976 million. Borrowings under our revolving credit facility can be used for working capital and other general corporate purposes and as a backup to our commercial paper program. Similarly, borrowings under our commercial paper program reduce the borrowings allowed under our credit facility.

On February 13, 2015, in connection with the Hiland acquisition, we entered into and made borrowings of \$1,641 million under a new six-month bridge credit facility with UBS AG, Stamford Branch. Interest under this bridge credit facility was

charged at the same rate as our \$4.0 billion revolving credit facility. Prior to March 31, 2015, we repaid outstanding borrowings and the facility was terminated on April 6, 2015.

Hiland Debt Acquired

As of the February 13, 2015 Hiland acquisition date, we assumed (i) \$975 million in principal amount of senior notes (which were valued at \$1,043 million as of the acquisition date) and (ii) \$368 million of other borrowings that were immediately repaid after closing, primarily consisting of borrowings outstanding under a revolving credit facility. The senior notes are subject to our cross guarantee agreement discussed in Note 12.

Long-term Debt Issuances and Repayments

Apart from the assumption of the Hiland debt discussed above, following are significant long-term debt issuances and repayments made during the three months ended March 31, 2015:

Issuances	\$800 million 5.05% notes due 2046
	\$815 million 1.50% notes due 2022(a)
	\$543 million 2.25% notes due 2027(a)
Repayments	\$300 million 5.625% notes due 2015
	\$250 million 5.15% notes due 2015

(a) Senior notes are denominated in Euros and are presented above in U.S. dollars at the exchange rate on the issuance date of 1.086 U.S. dollars per Euro. We also entered into cross-currency swap agreements associated with these senior notes (see Note 5).

4. Stockholders' Equity

Common Equity

As of March 31, 2015, our common equity consisted of our Class P common stock. For additional information regarding our Class P common stock, see Note 10 to our consolidated financial statements included in our 2014 Form 10-K.

On December 19, 2014, we entered into an equity distribution agreement authorizing us to issue and sell through or to the managers party thereto, as sales agents and/or principals, shares of our Class P common stock having an aggregate offering price of up to \$5,000 million from time to time during the term of this agreement. During the three months ended March 31, 2015, we issued and sold 39,398,245 shares of our Class P common stock pursuant to the equity distribution agreement, and issued an additional 2,692,672 shares after March 31, 2015 to settle sales made on or before March 31, 2015, resulting in net proceeds of \$1,738 million.

Dividends

Holders of our common stock share equally in any dividend declared by our board of directors, subject to the rights of the holders of any outstanding preferred stock. The following table provides information about our per share dividends:

	Three Months Ended March 31,	
	2015	2014
Per common share cash dividend declared for the period	\$ 0.48	\$ 0.42
Per common share cash dividend paid in the period	\$ 0.45	\$ 0.41

On April 15, 2015, our board of directors declared a cash dividend of \$0.48 per share for the quarterly period ended March 31, 2015, which is payable on May 15, 2015 to shareholders of record as of April 30, 2015.

5. Risk Management

Certain of our business activities expose us to risks associated with unfavorable changes in the market price of natural gas, NGL and crude oil. We also have exposure to interest rate and foreign currency risk as a result of the issuance of our debt obligations. Pursuant to our management's approved risk management policy, we use derivative contracts to hedge or reduce our exposure to certain of these risks. In addition, we have legacy power forward and swap contracts for which we entered into offsetting positions that eliminate the price risks associated with these power contracts.

As of December 31, 2014, we had discontinued hedge accounting on certain of our crude derivative contracts as we did not expect them to be highly effective, for accounting purposes, in offsetting the variability in cash flows. This was caused primarily by volatility in basis differentials. As the forecasted transactions are still probable, accumulated gains and losses remain in other comprehensive income until earnings are impacted by the forecasted transactions. Future changes in the derivative contracts' fair value subsequent to the discontinuance of hedge accounting will be reported in earnings. We may re-designate certain of these hedging relationships if their expected effectiveness improves.

Energy Commodity Price Risk Management

As of March 31, 2015, we had entered into the following outstanding commodity forward contracts to hedge our forecasted energy commodity purchases and sales:

	<u>Net open position long/(short)</u>	
Derivatives designated as hedging contracts		
Crude oil fixed price	(12.8)	MMBbl
Crude oil basis	(12.1)	MMBbl
Natural gas fixed price	(50.7)	Bcf
Natural gas basis	(25.9)	Bcf
Derivatives not designated as hedging contracts		
Crude oil fixed price	(14.2)	MMBbl
Crude oil basis	(0.3)	MMBbl
Natural gas fixed price	(17.9)	Bcf
Natural gas basis	(16.5)	Bcf
NGL fixed price	(52.7)	MMBbl

As of March 31, 2015, the maximum length of time over which we have hedged, for accounting purposes, our exposure to the variability in future cash flows associated with energy commodity price risk is through December 2017. We have additional economic hedge contracts not designated as accounting hedges through December 2019.

Interest Rate Risk Management

As of March 31, 2015 and December 31, 2014, we had a combined notional principal amount of \$9,700 million and \$9,200 million, respectively, of fixed-to-variable interest rate swap agreements, effectively converting the interest expense associated with certain series of senior notes from fixed rates to variable rates based on an interest rate of London Interbank Offered Rate (LIBOR) plus a spread. All of our swap agreements have termination dates that correspond to the maturity dates of the related series of senior notes and, as of March 31, 2015, the maximum length of time over which we have hedged a portion of our exposure to the variability in the value of this debt due to interest rate risk is through March 15, 2035.

In March 2015, we entered into four separate fixed-to-variable interest rate swap agreements having a combined notional principal amount of \$600 million. These agreements effectively convert a portion of the interest expense associated with our 5.625% senior notes due November 15, 2023, from a fixed rate to a variable rate based on an interest rate of LIBOR plus a spread.

Foreign Currency Risk Management

In connection with the issuance of our Euro denominated senior notes in March 2015 (see Note 3), we entered into cross-currency swap agreements to manage the related foreign currency risk by effectively converting all of the fixed-rate Euro denominated debt, including annual interest payments and the payment of principal at maturity, to U.S. dollar denominated debt

at fixed rates equivalent to approximately 3.79% and 4.67% for the 7-year and 12-year senior notes, respectively. These cross-currency swaps are accounted for as cash flow hedges. The terms of the cross-currency swap agreements correspond to the related hedged senior notes, and such agreements have the same maturities as the hedged senior notes.

Fair Value of Derivative Contracts

The following table summarizes the fair values of our derivative contracts included in our accompanying consolidated balance sheets (in millions):

		Fair Value of Derivative Contracts			
		Asset derivatives		Liability derivatives	
		March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Balance sheet location		Fair value		Fair value	
Derivatives designated as hedging contracts					
Natural gas and crude derivative contracts	Fair value of derivative contracts/ (Other current liabilities)	\$ 318	\$ 309	\$ (63)	\$ (34)
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	44	6	(2)	—
Subtotal		362	315	(65)	(34)
Interest rate swap agreements	Fair value of derivative contracts/ (Other current liabilities)	171	143	—	—
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	329	260	(5)	(53)
Subtotal		500	403	(5)	(53)
Cross-currency swap agreements	Fair value of derivative contracts/ (Other current liabilities)	—	—	(31)	—
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	—	—	(23)	—
Subtotal		—	—	(54)	—
Total		862	718	(124)	(87)
Derivatives not designated as hedging contracts					
Natural gas, crude and NGL derivative contracts	Fair value of derivative contracts/ (Other current liabilities)	62	73	(1)	(2)
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	174	196	(1)	—
Subtotal		236	269	(2)	(2)
Power derivative contracts	Fair value of derivative contracts/ (Other current liabilities)	10	10	(56)	(57)
	Deferred charges and other assets/ (Other long-term liabilities and deferred credits)	1	—	(4)	(16)
Subtotal		11	10	(60)	(73)
Total		247	279	(62)	(75)
Total derivatives		\$ 1,109	\$ 997	\$ (186)	\$ (162)

Effect of Derivative Contracts on the Income Statement

The following tables summarize the impact of our derivative contracts on our accompanying consolidated statements of income (in millions):

Derivatives in fair value hedging relationships	Location of gain/(loss) recognized in income on derivatives	Amount of gain/(loss) recognized in income on derivatives and related hedged item	
		Three Months Ended March 31,	
		2015	2014
Interest rate swap agreements	Interest expense	\$ 145	\$ 55
Hedged fixed rate debt	Interest expense	\$ (139)	\$ (55)

Derivatives in cash flow hedging relationships	Amount of gain/(loss) recognized in OCI on derivative (effective portion)(a)		Location of gain/(loss) reclassified from Accumulated OCI into income (effective portion)	Amount of gain/(loss) reclassified from Accumulated OCI into income (effective portion)(b)		Location of gain/(loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain/(loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	
	Three Months Ended March 31,			Three Months Ended March 31,			Three Months Ended March 31,	
	2015	2014		2015	2014		2015	2014
Energy commodity derivative contracts	\$ 35	\$ (43)	Revenues—Natural gas sales	\$ 24	\$ (9)	Revenues—Natural gas sales	\$ —	\$ —
			Revenues—Product sales and other	64	(6)	Revenues—Product sales and other	7	(5)
			Costs of sales	(5)	1	Costs of sales	—	—
Interest rate swap agreements	(3)	(2)	Interest expense	(1)	—	Interest expense	—	—
Cross-currency swap	(34)	—	Other, net	(10)	—			
Total	\$ (2)	\$ (45)	Total	\$ 72	\$ (14)	Total	\$ 7	\$ (5)

- (a) We expect to reclassify an approximate \$175 million gain associated with cash flow hedge price risk management activities included in our accumulated other comprehensive loss balances as of March 31, 2015 into earnings during the next twelve months (when the associated forecasted sales and purchases are also expected to occur), however, actual amounts reclassified into earnings could vary materially as a result of changes in market prices.
- (b) Amounts reclassified were the result of the hedged forecasted transactions actually affecting earnings (i.e., when the forecasted sales and purchases actually occurred).

Derivatives not designated as accounting hedges	Location of gain/(loss) recognized in income on derivatives	Amount of gain/(loss) recognized in income on derivatives	
		Three Months Ended March 31,	
		2015	2014
Energy commodity derivative contracts	Revenues—Natural gas sales	\$ 4	\$ (7)
	Revenues—Product sales and other	45	(1)
	Costs of sales	(3)	10
	Other expense (income)	—	(2)
Total(a)		\$ 46	\$ —

(a) As of March 31, 2015, includes an approximate \$5 million loss associated with natural gas, crude and NGL derivative contract settlements.

Credit Risks

In conjunction with the purchase of exchange-traded derivative contracts or when the market value of our derivative contracts with specific counterparties exceeds established limits, we are required to provide collateral to our counterparties, which may include posting letters of credit or placing cash in margin accounts. As of both March 31, 2015 and December 31, 2014, we had \$20 million of outstanding letters of credit supporting our commodity price risk management program in addition to \$44 million and \$47 million, respectively, of cash margin on deposit posted as collateral.

We also have agreements with certain counterparties to our derivative contracts that contain provisions requiring the posting of additional collateral upon a decrease in our credit rating. As of March 31, 2015, we estimate that if our credit rating was downgraded one notch, we would be required to post \$1 million of additional collateral to our counterparties. If we were downgraded two notches, we would be required to post no additional collateral from the one notch downgrade.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

Cumulative revenues, expenses, gains and losses that under GAAP are included within our comprehensive income but excluded from our earnings are reported as “Accumulated other comprehensive loss” within “Stockholders’ Equity” in our consolidated balance sheets. Changes in the components of our “Accumulated other comprehensive loss” not including non-controlling interests are summarized as follows (in millions):

	Net unrealized gains/(losses) on cash flow hedge derivatives	Foreign currency translation adjustments	Pension and other postretirement liability adjustments	Total accumulated other comprehensive income/(loss)
Balance as of December 31, 2014	\$ 327	\$ (108)	\$ (236)	\$ (17)
Other comprehensive loss before reclassifications	(2)	(108)	6	(104)
Amounts reclassified from accumulated other comprehensive loss	(72)	—	—	(72)
Net current-period other comprehensive loss	(74)	(108)	6	(176)
Balance as of March 31, 2015	<u>\$ 253</u>	<u>\$ (216)</u>	<u>\$ (230)</u>	<u>\$ (193)</u>
	Net unrealized gains/(losses) on cash flow hedge derivatives	Foreign currency translation adjustments	Pension and other postretirement liability adjustments	Total accumulated other comprehensive loss
Balance as of December 31, 2013	\$ (3)	\$ 2	\$ (23)	\$ (24)
Other comprehensive loss before reclassifications	(19)	(25)	—	(44)
Amounts reclassified from accumulated other comprehensive loss	6	—	—	6
Net current-period other comprehensive loss	(13)	(25)	—	(38)
Balance as of March 31, 2014	<u>\$ (16)</u>	<u>\$ (23)</u>	<u>\$ (23)</u>	<u>\$ (62)</u>

6. Fair Value

The fair values of our financial instruments are separated into three broad levels (Levels 1, 2 and 3) based on our assessment of the availability of observable market data and the significance of non-observable data used to determine fair value. Each fair value measurement must be assigned to a level corresponding to the lowest level input that is significant to the fair value measurement in its entirety.

The three broad levels of inputs defined by the fair value hierarchy are as follows:

- Level 1 Inputs—quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2 Inputs—inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability; and

- Level 3 Inputs—unobservable inputs for the asset or liability. These unobservable inputs reflect the entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the reporting entity’s own data).

Fair Value of Derivative Contracts

The following two tables summarize the fair value measurements of our (i) energy commodity derivative contracts; (ii) interest rate swap agreements; and (iii) cross-currency swap agreements, based on the three levels established by the Codification (in millions). The tables also identify the impact of derivative contracts which we have elected to present on our accompanying consolidated balance sheets on a gross basis that are eligible for netting under master netting agreements.

	Balance sheet asset fair value measurements by level				Gross amount	Contracts available for netting	Cash collateral held(b)	Net amount
	Level 1	Level 2	Level 3					
As of March 31, 2015								
Energy commodity derivative contracts(a)	\$ 39	\$ 559	\$ 11	\$ 609	\$ (70)	\$ —	\$ 539	
Interest rate swap agreements	\$ —	\$ 500	\$ —	\$ 500	\$ (3)	\$ —	\$ 497	
As of December 31, 2014								
Energy commodity derivative contracts(a)	\$ 49	\$ 533	\$ 12	\$ 594	\$ (46)	\$ (13)	\$ 535	
Interest rate swap agreements	\$ —	\$ 403	\$ —	\$ 403	\$ (44)	\$ —	\$ 359	

	Balance sheet liability fair value measurements by level				Gross amount	Contracts available for netting	Collateral posted(c)	Net amount
	Level 1	Level 2	Level 3					
As of March 31, 2015								
Energy commodity derivative contracts(a)	\$ (26)	\$ (41)	\$ (60)	\$ (127)	\$ 70	\$ 44	\$ (13)	
Interest rate swap agreements	\$ —	\$ (5)	\$ —	\$ (5)	\$ 3	\$ —	\$ (2)	
Cross-currency swap agreements	\$ —	\$ (54)	\$ —	\$ (54)	\$ —	\$ —	\$ (54)	
As of December 31, 2014								
Energy commodity derivative contracts(a)	\$ (25)	\$ (11)	\$ (73)	\$ (109)	\$ 46	\$ 47	\$ (16)	
Interest rate swap agreements	\$ —	\$ (53)	\$ —	\$ (53)	\$ 44	\$ —	\$ (9)	

- (a) Level 1 consists primarily of New York Mercantile Exchange (NYMEX) natural gas futures. Level 2 consists primarily of OTC West Texas Intermediate (WTI) swaps and options. Level 3 consists primarily of power derivative contracts.
- (b) Cash margin deposits held by us associated with our energy commodity contract positions and OTC swap agreements and reported within “Other current liabilities” on our accompanying consolidated balance sheets.
- (c) Cash margin deposits posted by us associated with our energy commodity contract positions and OTC swap agreements and reported within “Other current assets” on our accompanying consolidated balance sheets.

The table below provides a summary of changes in the fair value of our Level 3 energy commodity derivative contracts (in millions):

Significant unobservable inputs (Level 3)

	Three Months Ended March 31,	
	2015	2014
Derivatives-net asset (liability)		
Beginning of Period	\$ (61)	\$ (110)
Total gains or (losses)		
Included in earnings	—	7
Included in other comprehensive loss	—	(1)
Settlements	12	4
End of Period	<u>\$ (49)</u>	<u>\$ (100)</u>
The amount of total gains or (losses) for the period included in earnings attributable to the change in unrealized gains or (losses) relating to assets held at the reporting date	<u>\$ 1</u>	<u>\$ 3</u>

As of March 31, 2015, our Level 3 derivative assets and liabilities consisted primarily of power derivative contracts, where a significant portion of fair value is calculated from underlying market data that is not readily observable. The derived values use industry standard methodologies that may consider the historical relationships among various commodities, modeled market prices, time value, volatility factors and other relevant economic measures. The use of these inputs results in management's best estimate of fair value.

Fair Value of Financial Instruments

The estimated fair value of our outstanding debt balances (the carrying amounts below include both short-term and long-term and debt fair value adjustments), is disclosed below (in millions):

	March 31, 2015		December 31, 2014	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Total debt	\$ 45,259	\$ 46,480	\$ 42,963	\$ 43,582

We used Level 2 input values to measure the estimated fair value of our outstanding debt balances as of both March 31, 2015 and December 31, 2014.

7. Reportable Segments

Financial information by segment follows (in millions):

	Three Months Ended March 31,	
	2015	2014
Revenues		
Natural Gas Pipelines		
Revenues from external customers	\$ 2,177	\$ 2,557
Intersegment revenues	3	4
CO ₂	446	483
Terminals	457	391
Products Pipelines	444	534
Kinder Morgan Canada	60	69
Other	4	4
Total segment revenues	3,591	4,042
Other revenues	9	9
Less: Total intersegment revenues	(3)	(4)
Total consolidated revenues	<u>\$ 3,597</u>	<u>\$ 4,047</u>
	Three Months Ended March 30,	
	2015	2014
Segment Earnings Before DD&A(a)		
Natural Gas Pipelines	\$ 1,015	\$ 1,070
CO ₂	336	363
Terminals	270	210
Products Pipelines	246	208
Kinder Morgan Canada	41	48
Other	(6)	7
Total segment earnings before DD&A	1,902	1,906
DD&A expense	(538)	(496)
Amortization of excess cost of investments	(12)	(10)
Other revenues	9	9
General and administrative expense	(216)	(172)
Interest expense, net of unallocable interest income	(514)	(450)
Unallocable income tax expense	(212)	(186)
Total consolidated net income	<u>\$ 419</u>	<u>\$ 601</u>
	March 31,	December 31,
	2015	2014
Assets		
Natural Gas Pipelines	\$ 54,539	\$ 52,523
CO ₂	5,318	5,227
Terminals	9,071	8,850
Products Pipelines	8,364	7,179
Kinder Morgan Canada	1,480	1,593
Other	443	459
Total segment assets	79,215	75,831
Corporate assets(b)	6,920	7,311
Assets held for sale	29	56
Total consolidated assets	<u>\$ 86,164</u>	<u>\$ 83,198</u>

- (a) We evaluate performance based on each segment's earnings before DD&A. Amounts include revenues, earnings from equity investments, allocable interest income, and other, net, less operating expenses, allocable income taxes, and other expense (income), net, and losses on impairments of long-lived assets and equity investments. Operating expenses include natural gas purchases and other costs of sales, operations and maintenance expenses, and taxes, other than income taxes.
- (b) Includes cash and cash equivalents, margin and restricted deposits, unallocable interest receivable, prepaid assets and deferred charges, risk management assets related to debt fair value adjustments and miscellaneous corporate assets (such as information technology and telecommunications equipment) not allocated to individual segments.

8. Pension and Other Postretirement Benefit Plans

The components of net benefit plan (credit) expense for our pension and other postretirement benefit (OPEB) plans are as follows (in millions):

	Pension Benefits		OPEB	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2015	2014	2015	2014
Service cost	\$ 6	\$ 7	\$ —	\$ —
Interest cost	24	27	6	7
Expected return on assets	(43)	(43)	(6)	(6)
Amortization of prior service credits	—	—	(1)	(1)
Amortization of net actuarial loss	1	—	—	—
Net benefit plan credit	\$ (12)	\$ (9)	\$ (1)	\$ —

9. Income Taxes

Income tax expense included in our accompanying consolidated statements of income were as follows (in millions, except percentages):

	Three Months Ended March 31,	
	2015	2014
Income tax expense	\$ 224	\$ 200
Effective tax rate	34.8%	25.0%

Income tax expense for the three months ended March 31, 2015 is approximately \$224 million resulting in an effective tax rate of 34.8%, as compared with \$200 million income tax expense and an effective tax rate of 25.0%, for the same period of 2014. The effective tax rate for the three months ended March 31, 2015 is slightly lower than the statutory federal rate of 35% primarily due to (i) dividend-received deductions from our 50% interest in Florida Gas Transmission Company, L.L.C. (Florida Gas) (through our investment in Citrus Corporation) and Plantation Pipe Line Company and (ii) a change in our effective tax rate as a result of the Hiland acquisition, partially offset by state income taxes.

The effective tax rate for the three months ended March 31, 2014 is lower than the statutory federal rate of 35% primarily due to (i) the net effect of consolidating KMP and EPB's income tax provisions; and (ii) dividend-received deductions from our 50% investment in Florida Gas (through our investment in Citrus Corporation). These decreases are partially offset by (i) state income taxes; (ii) a decrease in our share of non-tax deductible goodwill associated with our investments in KMP; (iii) adjustments to our income tax reserve for uncertain tax positions; and (iv) the amortization of the deferred charge recorded as a result of the August 2012 and March 2013 drop-down transactions to KMP.

10. Litigation, Environmental and Other Contingencies

We and our subsidiaries are parties to various legal, regulatory and other matters arising from the day-to-day operations of our businesses that may result in claims against the Company. Although no assurance can be given, we believe, based on our experiences to date and taking into account established reserves, that the ultimate resolution of such items will not have a material adverse impact on our business, financial position, results of operations or dividends to our shareholders. We believe we have meritorious defenses to the matters to which we are a party and intend to vigorously defend the Company. When we determine a loss is probable of occurring and is reasonably estimable, we accrue an undiscounted liability for such contingencies based on our best estimate using information available at that time. If the estimated loss is a range of potential outcomes and there is no better estimate within the range, we accrue the amount at the low end of the range. We disclose contingencies where an adverse outcome may be material, or in the judgment of management, we conclude the matter should otherwise be disclosed.

Federal Energy Regulatory Commission Proceedings

SFPP

The tariffs and rates charged by SFPP are subject to a number of ongoing proceedings at the FERC, including the complaints and protests of various shippers. In general, these complaints and protests allege the rates and tariffs charged by SFPP are not just and reasonable under the Interstate Commerce Act (ICA). In late June of 2014, certain shippers filed additional complaints with the FERC (docketed at OR14-35 and OR14-36) challenging SFPP's adjustments to its rates in 2012 and 2013 for inflation under the FERC's indexing regulations. If the shippers are successful in proving these claims or other of their claims, they are entitled to seek reparations (which may reach back up to two years prior to the filing of their complaints) or refunds of any excess rates paid, and SFPP may be required to reduce its rates going forward. These proceedings tend to be protracted, with decisions of the FERC often appealed to the federal courts. The issues involved in these proceedings include, among others, whether indexed rate increases are justified, and the appropriate level of return and income tax allowance we may include in our rates. With respect to all of the SFPP proceedings at the FERC, we estimate that the shippers are seeking approximately \$20 million in annual rate reductions and approximately \$110 million in refunds. However, applying the principles of several recent FERC decisions in SFPP cases, as applicable, to pending cases would result in substantially lower rate reductions and refunds than those sought by the shippers. We do not expect refunds in these cases to have an impact on our dividends to our shareholders.

EPNG

The tariffs and rates charged by EPNG are subject to two ongoing FERC proceedings (the "2008 rate case" and the "2010 rate case"). With respect to the 2008 rate case, the FERC issued its decision (Opinion 517) in May 2012. EPNG implemented certain aspects of that decision and believes it has an appropriate reserve related to the findings in Opinion 517. EPNG has sought rehearing on Opinion 517. With respect to the 2010 rate case, the FERC issued its decision (Opinion 528) on October 17, 2013. EPNG sought rehearing on certain issues in Opinion 528. As required by Opinion 528, EPNG filed revised pro forma recalculated rates consistent with the terms of Opinion 528. The FERC also required an Administrative Law Judge (ALJ) to conduct an additional hearing concerning one of the issues in Opinion 528. On September 17, 2014, the ALJ issued an initial decision finding certain shippers qualify for lower rates under a prior settlement. EPNG has sought FERC review of the ALJ decision and believes it has an appropriate reserve related to the findings in Opinion 528.

California Public Utilities Commission Proceedings

We have previously reported ratemaking and complaint proceedings against SFPP pending with the CPUC. The ratemaking and complaint cases generally involve challenges to rates charged by SFPP for intrastate transportation of refined petroleum products through its pipeline system in the state of California and request prospective rate adjustments and refunds with respect to tariffed and previously untariffed charges for certain pipeline transportation and related services.

On October 3, 2014, SFPP and its shippers executed a global settlement resolving all pending CPUC proceedings and submitted the proposed settlement to the CPUC for its consideration and approval. The settlement included refunds in the amount of \$319 million which was consistent with our established reserve amounts. It also included a three year moratorium on new rate filings or complaints and established current rates consistent with the revenues recognized by SFPP in 2014. On December 18, 2014, the CPUC issued its Decision No. 14-12-057 approving and adopting the global settlement, thereby resolving and closing all previously pending SFPP rate proceedings. On December 29, 2014, SFPP certified to the CPUC that it made all required settlement payments. On March 16, 2015, the CPUC issued its decision eliminating its previously imposed CPUC requirement that SFPP maintain a letter of credit in the amount of \$100 million to secure SFPP's payment obligation for refunds related to the now-resolved CPUC rate proceedings.

Other Commercial Matters

Union Pacific Railroad Company Easements & Related Litigation

SFPP and Union Pacific Railroad Company (UPRR) are engaged in a proceeding to determine the extent, if any, to which the rent payable by SFPP for the use of pipeline easements on rights-of-way held by UPRR should be adjusted pursuant to existing contractual arrangements for the ten-year period beginning January 1, 2004 (*Union Pacific Railroad Company v. Santa Fe Pacific Pipelines, Inc., SFPP, L.P., Kinder Morgan Operating L.P. "D", Kinder Morgan G.P., Inc., et al.*, Superior Court of the State of California for the County of Los Angeles, filed July 28, 2004). In September 2011, the trial judge determined that the annual rent payable as of January 1, 2004 was \$14 million, subject to annual consumer price index increases. Judgment was entered by the Superior Court on May 29, 2012 and SFPP appealed the judgment.

On November 5, 2014, the Court of Appeals issued an opinion which reversed the judgment, including the award of prejudgment interest, and remanded the matter to the trial court for a determination of UPRR's property interest in its right-of-way, including whether UPRR has sufficient interest to grant SFPP's easements. UPRR filed a petition for rehearing with the Court of Appeals, which was denied on December 5, 2014. UPRR filed a petition for review to the California Supreme Court, which was denied on January 21, 2015.

By notice dated October 25, 2013, UPRR demanded the payment of \$22.3 million in rent for the first year of the next ten-year period beginning January 1, 2014. SFPP rejected the demand and the parties are pursuing the dispute resolution procedure in their contract to determine the rental adjustment, if any, for such period.

On April 23, 2015, a purported class action suit was filed in the U.S. District Court for the Northern District of California (Case No. 01842) by private landowners in California who claim to be the lawful owners of subsurface real property allegedly used or occupied by UPRR or SFPP. The suit, which is brought purportedly as a class action on behalf of all landowners who own land in fee adjacent to and underlying the railroad easement under which the SFPP pipeline is located within the State of California, asserts claims against UPRR, SFPP, KMGP, and Kinder Morgan Operating L.P. "D" for declaratory judgment, trespass, ejection, quiet title, unjust enrichment, accounting, and alleged unlawful business acts and practices under California law arising from defendants' alleged improper use or occupation of subsurface real property.

SFPP and UPRR are also engaged in multiple disputes over the circumstances under which SFPP must pay for a relocation of its pipeline within the UPRR right-of-way and the safety standards that govern relocations. In July 2006, a trial before a judge regarding the circumstances under which SFPP must pay for relocations concluded, and the judge determined that SFPP must pay for any relocations resulting from any legitimate business purpose of the UPRR. SFPP appealed this decision, and in December 2008, the appellate court affirmed the decision. In addition, UPRR contends that SFPP must comply with the more expensive American Railway Engineering and Maintenance-of-Way Association (AREMA) standards in determining when relocations are necessary and in completing relocations. Each party is seeking declaratory relief with respect to its positions regarding the application of these standards with respect to relocations. A trial occurred in the fourth quarter of 2011, with a verdict having been reached that SFPP was obligated to comply with AREMA standards in connection with a railroad project in Beaumont Hills, California. On June 13, 2014, the trial court issued a statement of decision addressing all of the causes of action and defenses and resolved those matters against SFPP, consistent with the jury's verdict. The judgment was signed on July 15, 2014. SFPP filed a notice of appeal on October 30, 2014. If the judgment is affirmed on appeal, SFPP will be required to pay a judgment of \$42.5 million plus any accrued post judgment interest.

Since SFPP does not know UPRR's plans for projects or other activities that would cause pipeline relocations, it is difficult to quantify the effects of the outcome of these cases on SFPP. Even if SFPP is successful in advancing its positions, significant relocations for which SFPP must nonetheless bear the cost (i.e., for railroad purposes, with the standards in the federal Pipeline Safety Act applying) could have an adverse effect on our financial position, results of operations, cash flows, and our dividends to our shareholders. These effects could be even greater in the event SFPP is unsuccessful in one or more of these lawsuits.

We believe we have recorded a right-of-way liability sufficient to cover our potential liability for back rent.

Plains Gas Solutions, LLC v. Tennessee Gas Pipeline Company, L.L.C. et al.

On October 16, 2013, Plains Gas Solutions, LLC (Plains) filed a petition in the 151st Judicial District Court for Harris County, Texas (Case No. 62528) against TGP, Kinetica Partners, LLC and two other Kinetica entities. The suit arises from the sale by TGP of the Cameron System in Louisiana to Kinetica Partners, LLC on September 1, 2013. Plains alleges that defendants breached a straddle agreement requiring that gas on the Cameron System be committed to Plains' Grand Chenier gas-processing facility, that requisite daily volume reports were not provided, that TGP improperly assigned its obligations under the straddle agreement to Kinetica, and that defendants interfered with Plains' contracts with producers. The petition alleges damages of at least \$100 million. Under the Amended and Restated Purchase and Sale Agreement with Kinetica, Kinetica is obligated to defend and indemnify TGP in connection with the gas commitment and reporting claims. After agreeing initially to defend and indemnify TGP against such claims, Kinetica withdrew its defense and disputed its indemnity obligation. We intend to vigorously defend the suit and pursue Kinetica, if necessary, for indemnity and costs of defense.

Brinckerhoff v. El Paso Pipeline GP Company, LLC., et al.

In December 2011 (*Brinckerhoff I*), March 2012, (*Brinckerhoff II*), May 2013 (*Brinckerhoff III*) and June 2014 (*Brinckerhoff IV*), derivative lawsuits were filed in Delaware Chancery Court against El Paso Corporation, El Paso Pipeline GP Company, L.L.C., the general partner of EPB, and the directors of the general partner at the time of the relevant transactions.

EPB was named in these lawsuits as a “Nominal Defendant.” The lawsuits arise from the March 2010, November 2010, May 2012 and June 2011 drop-down transactions involving EPB’s purchase of SLNG, Elba Express, CPG and interests in SNG and CIG. The lawsuits allege various conflicts of interest and that the consideration paid by EPB was excessive. Brinckerhoff I and II were consolidated into one proceeding. Motions to dismiss were filed in Brinckerhoff III and Brinckerhoff IV, and such motions remain pending. On June 12, 2014, defendants’ motion for summary judgment was granted in Brinckerhoff I, dismissing the case in its entirety. Defendants’ motion for summary judgment in Brinckerhoff II was granted in part, dismissing certain claims and allowing the matter to go to trial in late 2014 on the remaining claims. On April 20, 2015, subsequent to the issuance of our 2015 first quarter earnings release furnished as Exhibit 99.1 on Form 8-K dated April 15, 2015 (2015 first quarter earnings release), the Court issued a post-trial memorandum opinion (Memorandum Opinion) in Brinckerhoff II entering judgment in favor of all of the defendants other than the general partner of EPB, but finding the general partner liable for breach of contract in connection with EPB’s purchase of 49% interests in Elba and SLNG and a 15% interest in SNG in a \$1.13 billion drop-down transaction that closed on November 19, 2010 (Fall Dropdown), prior to our acquisition of El Paso Corporation in 2012. In its Memorandum Opinion, the Court determined that EPB suffered damages of \$171 million from the Fall Dropdown, which the Court determined to be the amount which EPB overpaid for Elba. We are reviewing the decision and continue to believe that the transaction was appropriate and in the best interests of EPB. Furthermore, we believe the claim is derivative in nature and was extinguished by our acquisition on November 26, 2014, pursuant to a merger agreement, of all of the outstanding common units of EPB that we did not already own. On December 2, 2014, we filed a motion to dismiss the remaining claims in Brinckerhoff II based upon our acquisition of all of the outstanding common units of EPB, which motion remains pending. On April 24, 2015, we filed post-trial motion for an order to establish a briefing schedule on our pending motion to dismiss and, if necessary, clarification of the Court’s Memorandum Opinion. On April 27, 2015, the Court denied our post-trial motion without prejudice, and established a briefing schedule to review the matters raised therein. As part of our review of the Court’s Memorandum Opinion, we are evaluating all options, including a possible appeal to the Delaware Supreme Court once a final decision is issued. At the present time, we do not believe that an ultimate award, if any, will have a material financial impact on our Company. We continue to believe these lawsuits are without merit and intend to defend against them vigorously.

Allen v. El Paso Pipeline GP Company, L.L.C., et al.

In May 2012, a unitholder of EPB filed a purported class action in Delaware Chancery Court, alleging both derivative and non-derivative claims, against EPB, and EPB’s general partner and its board. EPB was named in the lawsuit as both a “Class Defendant” and a “Derivative Nominal Defendant.” The complaint alleges a breach of the duty of good faith and fair dealing in connection with the March 2011 sale to EPB of a 25% ownership interest in SNG. On June 20, 2014, defendants’ motion for summary judgment was granted, dismissing the case in its entirety. On February 25, 2015, this ruling was affirmed by the Delaware Supreme Court, and the matter is now closed.

Price Reporting Litigation

Beginning in 2003, several lawsuits were filed by purchasers of natural gas against El Paso Corporation, El Paso Marketing L.P. and numerous other energy companies based on a claim under state antitrust law that such defendants conspired to manipulate the price of natural gas by providing false price information to industry trade publications that published gas indices. Several of the cases have been settled or dismissed. The remaining cases, which were pending in Nevada federal court, were dismissed, but the dismissal was reversed by the 9th Circuit Court of Appeals. The U.S. Supreme Court affirmed the 9th Circuit Court of Appeals in a decision dated April 21, 2015. The case will now be remanded to the Nevada federal court for its further consideration and trial, if necessary, of numerous remaining issues. Although damages in excess of \$140 million have been alleged in total against all defendants in one of the remaining lawsuits where a damage number is provided, there remains significant uncertainty regarding the validity of the causes of action, the damages asserted and the level of damages, if any, that may be allocated to us. Therefore, our costs and legal exposure related to the remaining outstanding lawsuits and claims are not currently determinable.

Kinder Morgan, Inc. Corporate Reorganization Litigation

Certain unitholders of KMP and EPB filed five putative class action lawsuits in the Court of Chancery of the State of Delaware in connection with the Merger Transactions, which the Court consolidated under the caption *In re Kinder Morgan, Inc. Corporate Reorganization Litigation* (Consolidated Case No. 10093-VCL). The plaintiffs originally sought to enjoin one or more of the proposed Merger Transactions, which relief the Court denied on November 5, 2014. On December 12, 2014, the plaintiffs filed a Verified Second Consolidated Amended Class Action Complaint, which purports to assert claims on behalf of both the former EPB unitholders and the former KMP unitholders. The EPB plaintiff alleged that (i) El Paso Pipeline GP Company, L.L.C. (EPGP), the general partner of EPB, and the directors of EPGP breached duties under the EPB partnership agreement, including the implied covenant of good faith and fair dealing, by entering into the EPB Transaction; (ii) EPB, E

Merger Sub LLC, KMI and individual defendants aided and abetted such breaches; and (iii) EPB, E Merger Sub LLC, KMI, and individual defendants tortiously interfered with the EPB partnership agreement by causing EPGP to breach its duties under the EPB partnership agreement.

The KMP plaintiffs allege that (i) KMR, KMGP, and individual defendants breached duties under the KMP partnership agreement, including the implied duty of good faith and fair dealing, by entering into the KMP Transaction and by failing to adequately disclose material facts related to the transaction; (ii) KMI aided and abetted such breach; and (iii) KMI, KMP, KMR, P Merger Sub LLC, and individual defendants tortiously interfered with the rights of the plaintiffs and the putative class under the KMP partnership agreement by causing KMGP to breach its duties under the KMP partnership agreement. The complaint seeks declaratory relief that the transactions were unlawful and unenforceable, reformation, rescission, rescissory or compensatory damages, interest, and attorneys' and experts' fees and costs. On December 30, 2014, the defendants moved to dismiss the complaint. On April 2, 2015, the EPB plaintiff and the defendants submitted a stipulation and proposed order of dismissal, agreeing to dismiss all claims brought by the EPB plaintiff with prejudice as to the EPB lead plaintiff and without prejudice to all other members of the putative EPB class. The Court entered such order on April 2, 2015.

The defendants believe the allegations against them lack merit, and they intend to vigorously defend these lawsuits.

Kinder Morgan Energy Partners, L.P. Capex Litigation

Putative class action and derivative complaints were filed in the Court of Chancery in the State of Delaware against defendants KMI, KMGP and nominal defendant KMEP on February 5, 2014 and March 27, 2014 captioned *Slotoroff v. Kinder Morgan, Inc., Kinder Morgan G.P., Inc. et al* (Case No. 9318) and *Burns et al v. Kinder Morgan, Inc., Kinder Morgan G.P., Inc. et al* (Case No. 9479) respectively. The cases were consolidated on April 8, 2014 (Consolidated Case No. 9318). The consolidated suit seeks to assert claims both individually and on behalf of a putative class consisting of all public holders of KMEP units during the period of February 5, 2011 through the date of the filing of the complaints. The suit alleges direct and derivative causes of action for breach of the partnership agreement, breach of the duty of good faith and fair dealing, aiding and abetting, and tortious interference. Among other things, the suit alleges that defendants made a bad faith allocation of capital expenditures to expansion capital expenditures rather than maintenance capital expenditures for the alleged purpose of "artificially" inflating KMEP's distributions and growth rate. The suit seeks disgorgement of any distributions to KMGP, KMI and any related entities, beyond amounts that would have been distributed in accordance with a "good faith" allocation of maintenance capital expenses, together with other unspecified monetary damages including punitive damages and attorney fees. Defendants believe this suit is without merit and intend to defend it vigorously.

Walker v. Kinder Morgan, Inc., Kinder Morgan G.P., Inc. et al.

On March 6, 2014, a putative class action and derivative complaint was filed in the District Court of Harris County, Texas (Case No. 2014-11872 in the 215th Judicial District) against KMI, KMGP, KMR, Richard D. Kinder, Steven J. Kean, Ted A. Gardner, Gary L. Hultquist, Perry M. Waughtal and nominal defendant KMEP. The suit was filed by Kenneth Walker, a purported unit holder of KMEP, and alleges derivative causes of action for alleged violation of duties owed under the partnership agreement, breach of the implied covenant of good faith and fair dealing, "abuse of control" and "gross mismanagement" in connection with the calculation of distributions and allocation of capital expenditures to expansion capital expenditures and maintenance capital expenditures. The suit seeks unspecified money damages, interest, punitive damages, attorney and expert fees, costs and expenses, unspecified equitable relief, and demands a trial by jury. Defendants believe this suit is without merit and intend to defend it vigorously. By agreement of the parties, the case is stayed pending further resolution of the *Kinder Morgan Energy Partners, L.P. Capex Litigation* described above.

Pipeline Integrity and Releases

From time to time, despite our best efforts, our pipelines experience leaks and ruptures. These leaks and ruptures may cause explosions, fire, and damage to the environment, damage to property and/or personal injury or death. In connection with these incidents, we may be sued for damages caused by an alleged failure to properly mark the locations of our pipelines and/or to properly maintain our pipelines. Depending upon the facts and circumstances of a particular incident, state and federal regulatory authorities may seek civil and/or criminal fines and penalties.

General

As of March 31, 2015 and December 31, 2014, our total reserve for legal matters was \$518 million and \$400 million, respectively. The reserve primarily relates to various claims from regulatory rate and right-of-way proceedings arising in our products pipeline segment and natural gas pipeline segment's regulatory rate proceedings as well as certain corporate matters.

The overall increase in the reserve from December 31, 2014 related to certain legal developments during the quarter on corporate matters.

Environmental Matters

We and our subsidiaries are subject to environmental cleanup and enforcement actions from time to time. In particular, CERCLA generally imposes joint and several liability for cleanup and enforcement costs on current and predecessor owners and operators of a site, among others, without regard to fault or the legality of the original conduct, subject to the right of a liable party to establish a “reasonable basis” for apportionment of costs. Our operations are also subject to federal, state and local laws and regulations relating to protection of the environment. Although we believe our operations are in substantial compliance with applicable environmental law and regulations, risks of additional costs and liabilities are inherent in pipeline, terminal and CO₂ field and oil field operations, and there can be no assurance that we will not incur significant costs and liabilities. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies under the terms of authority of those laws, and claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities to us.

We are currently involved in several governmental proceedings involving alleged violations of environmental and safety regulations. As we receive notices of non-compliance, we attempt to negotiate and settle such matters where appropriate. We do not believe that these alleged violations will have a material adverse effect on our business, financial position, results of operations or dividends to our shareholders.

We are also currently involved in several governmental proceedings involving groundwater and soil remediation efforts under administrative orders or related state remediation programs. We have established a reserve to address the costs associated with the cleanup.

In addition, we are involved with and have been identified as a potentially responsible party in several federal and state superfund sites. Environmental reserves have been established for those sites where our contribution is probable and reasonably estimable. In addition, we are from time to time involved in civil proceedings relating to damages alleged to have occurred as a result of accidental leaks or spills of refined petroleum products, NGL, natural gas and CO₂.

Portland Harbor Superfund Site, Willamette River, Portland, Oregon

In December 2000, the EPA issued General Notice letters to potentially responsible parties including GATX Terminals Corporation (n/k/a KMLT). At that time, GATX owned two liquids terminals along the lower reach of the Willamette River, an industrialized area known as Portland Harbor. Portland Harbor is listed on the National Priorities List and is designated as a Superfund Site under CERCLA. A group of potentially responsible parties formed what is known as the Lower Willamette Group (LWG), of which KMLT is a non-voting member and pays a minimal fee to be part of the group. The LWG agreed to conduct the remedial investigation and feasibility study (RI/FS) leading to the proposed remedy for cleanup of the Portland Harbor site. Once the EPA determines the cleanup remedy from the remedial investigations and feasibility studies conducted during the last decade at the site, it will issue a Record of Decision. Currently, KMLT and 90 other parties are involved in a non-judicial allocation process to determine each party’s respective share of the cleanup costs. We are participating in the allocation process on behalf of KMLT and KMBT in connection with their current or former ownership or operation of four facilities located in Portland Harbor. We expect the allocation and RI/FS process to conclude in 2015, after which the EPA is expected to develop a proposed plan leading to a Record of Decision targeted for 2017. We anticipate that the cleanup activities will begin within one year of the issuance of the Record of Decision.

Roosevelt Irrigation District v. Kinder Morgan G.P., Inc., Kinder Morgan Energy Partners, L.P., U.S. District Court, Arizona

The Roosevelt Irrigation District sued KMGP, KMEP and others under CERCLA for alleged contamination of the water purveyor’s wells. The First Amended Complaint sought \$175 million in damages against approximately 70 defendants. On August 6, 2013 plaintiffs filed their Second Amended Complaint seeking monetary damages in unspecified amounts and reducing the number of defendants to 26 including KMEP and SFPP. The claims now presented against KMEP and SFPP are related to alleged releases from a specific parcel within the SFPP Phoenix Terminal and the alleged impact of such releases on water wells owned by the plaintiffs and located in the vicinity of the Terminal. We have filed an answer, general denial, and affirmative defenses in response to the Second Amended Complaint.

Mission Valley Terminal Lawsuit

In August 2007, the City of San Diego, on its own behalf and purporting to act on behalf of the People of the State of California, filed a lawsuit against us and several affiliates seeking injunctive relief and unspecified damages allegedly resulting from hydrocarbon and methyl tertiary butyl ether (MTBE) impacted soils and groundwater beneath the City's stadium property in San Diego arising from historic operations at the Mission Valley terminal facility. The case was filed in the Superior Court of California, San Diego County (Case No. 37-2007-00073033). On September 26, 2007, we removed the case to the U.S. District Court, Southern District of California (Case No. 07CV1883WCAB). The City disclosed in discovery that it is seeking approximately \$170 million in damages for alleged lost value/lost profit from the redevelopment of the City's property and alleged lost use of the water resources underlying the property. Later, in 2010, the City amended its initial disclosures to add claims for restoration of the site as well as a number of other claims that increased its claim for damages to approximately \$365 million.

On November 29, 2012, the Court issued a Notice of Tentative Rulings on the parties' summary adjudication motions. The Court tentatively granted our partial motions for summary judgment on the City's claims for water and real estate damages and the State's claims for violations of California Business and Professions Code § 17200, tentatively denied the City's motion for summary judgment on its claims of liability for nuisance and trespass, and tentatively granted our cross motion for summary judgment on such claims. On January 25, 2013, the Court rendered judgment in favor of all defendants on all claims asserted by the City.

On February 20, 2013, the City of San Diego filed a notice of appeal to the U.S. Court of Appeals for the Ninth Circuit, which heard oral argument on February 3, 2015. The appeal remains pending.

This site has been, and currently is, under the regulatory oversight and order of the California Regional Water Quality Control Board (RWQCB). SFPP has completed the soil and groundwater remediation at the City of San Diego's stadium property site and conducted quarterly sampling and monitoring through 2014 as part of the compliance evaluation required by the RWQCB. SFPP's remediation effort is now focused on its adjacent Mission Valley Terminal site.

Uranium Mines in Vicinity of Cameron, Arizona

In the 1950s and 1960s, Rare Metals Inc., a historical subsidiary of EPNG, mined approximately twenty uranium mines in the vicinity of Cameron, Arizona, many of which are located on the Navajo Indian Reservation. The mining activities were in response to numerous incentives provided to industry by the U.S. to locate and produce domestic sources of uranium to support the Cold War-era nuclear weapons program. In May 2012, EPNG received a general notice letter from the EPA notifying EPNG of the EPA's investigation of certain sites and its determination that the EPA considers EPNG to be a potentially responsible party within the meaning of CERCLA. In August 2013, EPNG and the EPA entered into an Administrative Order on Consent and Scope of Work pursuant to which EPNG will conduct a radiological assessment of the surface of the mines. On September 3, 2014, EPNG filed a complaint in the U.S. District Court for the District of Arizona (Case No. 3:14-08165-DGC) seeking cost recovery and contribution from the applicable federal government agencies toward the cost of environmental activities associated with the mines, given the pervasive control of such federal agencies over all aspects of the nuclear weapons program. Defendants filed an answer and counterclaims seeking contribution and recovery of response costs allegedly incurred by the federal agencies in investigating uranium impacts on the Navajo Reservation.

Lower Passaic River Study Area of the Diamond Alkali Superfund Site, Essex, Hudson, Bergen and Passaic Counties, New Jersey

EPEC Polymers, Inc. (EPEC Polymers) and EPEC Oil Company Liquidating Trust (EPEC Oil Trust), former El Paso Corporation entities now owned by KMI, are involved in an administrative action under CERCLA known as the Lower Passaic River Study Area Superfund Site (Site) concerning the lower 17-mile stretch of the Passaic River. It has been alleged that EPEC Polymers and EPEC Oil Trust may be potentially responsible parties under CERCLA based on prior ownership and/or operation of properties located along the relevant section of the Passaic River. EPEC Polymers and EPEC Oil Trust entered into two Administrative Orders on Consent (AOCs) which obligate them to investigate and characterize contamination at the Site. They are also part of a joint defense group (JDG) of approximately 70 cooperating parties which have entered into AOCs and are directing and funding the work required by the EPA. Under the first AOC, a remedial investigation and feasibility study of the Site is presently estimated to be completed by 2015. Under the second AOC, the JDG members are conducting a CERCLA removal action at the Passaic River Mile 10.9, including the dredging of sediment in mud flats at this location of the river to a depth of two feet and installation of a cap. The dredging was completed in 2013 and capping work was completed in June 2014. We have established a reserve for the anticipated cost of compliance with the AOCs.

On April 11, 2014, the EPA announced the issuance of its Focused Feasibility Study (FFS) for the lower eight miles of the Passaic River Study Area, and its proposed plan for remedial alternatives to address the dioxin sediment contamination from the mouth of Newark Bay to River Mile 8.3. The EPA estimates the cost for the alternatives will range from \$365 million to \$3.2 billion. The EPA's preferred alternative would involve dredging the river bank-to-bank and installing an engineered cap at an estimated cost of \$1.7 billion. In its FFS, the EPA stated that it has identified over 100 industrial facilities as potentially responsible parties and it is likely that there are hundreds more private and public entities that could be named in any litigation concerning responsibility for the Site contamination.

No final remedy for this portion of the Site will be selected until the public comment and response period for the FFS is completed and the Record of Decision (ROD) is issued by EPA, which is expected in September 2015. Until the ROD is issued there is uncertainty about what remedy will be implemented and the extent of potential costs. There is also uncertainty as to the impact of the RI/FS that the CPG is currently preparing for portions of the Site. Therefore, the scope of potential EPA claims for the lower eight miles of the Passaic River is not reasonably estimable at this time.

Southeast Louisiana Flood Protection Litigation

On July 24, 2013, the Board of Commissioners of the Southeast Louisiana Flood Protection Authority - East (SLFPA) filed a petition for damages and injunctive relief in state district court for Orleans Parish, Louisiana (Case No. 13-6911) against TGP, SNG and approximately 100 other energy companies, alleging that defendants' drilling, dredging, pipeline and industrial operations since the 1930's have caused direct land loss and increased erosion and submergence resulting in alleged increased storm surge risk, increased flood protection costs and unspecified damages to the plaintiff. The SLFPA asserts claims for negligence, strict liability, public nuisance, private nuisance, and breach of contract. Among other relief, the petition seeks unspecified monetary damages, attorney fees, interest, and injunctive relief in the form of abatement and restoration of the alleged coastal land loss including but not limited to backfilling and re-vegetation of canals, wetlands and reef creation, land bridge construction, hydrologic restoration, shoreline protection, structural protection, and bank stabilization. On August 13, 2013, the suit was removed to the U.S. District Court for the Eastern District of Louisiana. On February 13, 2015, the Court granted defendants' motion to dismiss the suit for failure to state a claim, and issued an order dismissing the SLFPA's claims with prejudice. The SLFPA filed a notice of appeal on February 20, 2015.

Plaquemines Parish Louisiana Coastal Zone Litigation

On November 8, 2013, the Parish of Plaquemines, Louisiana filed a petition for damages in the state district court for Plaquemines Parish, Louisiana (Docket No. 60-999) against TGP and 17 other energy companies, alleging that defendants' oil and gas exploration, production and transportation operations in the Bastian Bay, Buras, Empire and Fort Jackson oil and gas fields of Plaquemines Parish caused substantial damage to the coastal waters and nearby lands (Coastal Zone) within the Parish, including the erosion of marshes and the discharge of oil waste and other pollutants which detrimentally affected the quality of state waters and plant and animal life, in violation of the State and Local Coastal Resources Management Act of 1978 (Coastal Zone Management Act). As a result of such alleged violations of the Coastal Zone Management Act, Plaquemines Parish seeks, among other relief, unspecified monetary relief, attorney fees, interest, and payment of costs necessary to restore the allegedly affected Coastal Zone to its original condition, including costs to clear, vegetate and detoxify the Coastal Zone. On December 18, 2013, defendants removed the case to the U.S. District Court for the Eastern District of Louisiana. The plaintiff filed a motion to remand the case to state court, and such motion remains under consideration by the federal court. In connection with this suit, TGP has made two tenders for defense and indemnity: (1) to Anadarko, as successor to the entity that purchased TGP's oil and gas assets in Bastian Bay, and (2) to Kinetica, which purchased TGP's pipeline assets in Bastian Bay in 2013. Anadarko has accepted TGP's tender (limited to oil and gas assets), and Kinetica rejected TGP's tender. TGP responded to Kinetica by reasserting TGP's demand for defense and indemnity and reserving its rights.

General

Although it is not possible to predict the ultimate outcomes, we believe that the resolution of the environmental matters set forth in this note, and other matters to which we and our subsidiaries are a party, will not have a material adverse effect on our business, financial position, results of operations or cash flows. As of March 31, 2015 and December 31, 2014, we have accrued a total reserve for environmental liabilities in the amount of \$332 million and \$340 million, respectively. In addition, as of both March 31, 2015 and December 31, 2014, we have recorded a receivable of \$14 million, for expected cost recoveries that have been deemed probable.

11. Recent Accounting Pronouncements

ASU No. 2014-09

On May 28, 2014, the FASB issued ASU No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)*.” This ASU is designed to create greater comparability for financial statement users across industries and jurisdictions. The provisions of ASU No. 2014-09 include a five-step process by which entities will recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the payment to which an entity expects to be entitled in exchange for those goods or services. The standard also will require enhanced disclosures, provide more comprehensive guidance for transactions such as service revenue and contract modifications, and enhance guidance for multiple-element arrangements. ASU No. 2014-09 will be effective for U.S. public companies for annual reporting periods beginning after December 15, 2016, including interim reporting periods (January 1, 2017 for us). Early adoption is not permitted. We are currently reviewing the effect of ASU No. 2014-09 on our revenue recognition.

ASU No. 2015-02

On February 18, 2015, the FASB issued ASU No. 2015-02, “*Consolidation (Topic 810) - Amendments to the Consolidated Analysis*.” This ASU focuses on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. ASU No. 2015-02 will be effective for U.S. public companies for annual reporting periods beginning after December 15, 2015. Early adoption is allowed, including in any interim period. We are currently reviewing the effect of ASU No. 2015-02 on our consolidation conclusion and disclosure.

ASU No. 2015-03

On April 7, 2015, the FASB issued ASU No. 2015-03, “*Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Cost*.” This ASU is designed to simplify presentation of debt issuance costs. The standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amortization of debt issuance costs also shall be reported as interest expense. ASU No. 2015-03 will be effective for U.S. public companies for annual reporting periods beginning after December 15, 2015, including interim reporting periods (January 1, 2016 for us). Early adoption is permitted. The new guidance shall be applied on a retrospective basis for all periods presented. We are currently reviewing the effect of ASU No. 2015-03.

12. Guarantee of Securities of Subsidiaries

KMI, along with its direct and indirect subsidiaries KMP and Copano, are issuers of certain public debt securities. After the completion of the Merger Transactions, KMI and substantially all of its wholly owned domestic subsidiaries, including KMP and Copano, entered into a cross guarantee agreement whereby each party to the agreement unconditionally guarantees, jointly and severally, the payment of specified indebtedness of each other party to the agreement. Accordingly, with the exception of certain subsidiaries identified as Non-Guarantor Subsidiaries, the parent issuer, subsidiary issuers and other subsidiaries are all guarantors of each series of public debt. As a result of the cross guarantee agreement, a holder of any of the guaranteed public debt securities issued by KMI, KMP or Copano are in the same position with respect to the net assets, income and cash flows of KMI and the Subsidiary Issuers and Guarantors. The only amounts that are not available to the holders of each of the guaranteed public debt securities to satisfy the repayment of such securities are the net assets, income and cash flows of the Subsidiary Non-Guarantors.

In lieu of providing separate financial statements for each subsidiary issuer and guarantor, we have included the accompanying condensed consolidating financial statements based on Rule 3-10 of the SEC’s Regulation S-X. We have presented each of the parent and subsidiary issuers in separate columns in this single set of condensed consolidating financial statements.

On January 1, 2015, EPB and its subsidiary, EPPOC merged with and into KMP with KMP surviving the merger. As a result of such merger, all of the wholly owned subsidiaries of EPB became wholly owned subsidiaries of KMP and effective January 1, 2015, EPB is no longer a Subsidiary Issuer and Guarantor. The condensed consolidating financial information reflects this transaction for all periods presented below.

Excluding fair value adjustments, as of March 31, 2015, Parent Issuer and Guarantor, Subsidiary Issuer and Guarantor-KMP, Subsidiary Issuer and Guarantor-Copano, and Subsidiary Guarantors had \$14,226 million, \$20,360 million, \$332 million, and \$7,401 million of Guaranteed Notes outstanding, respectively. Excluding fair value adjustments, as of December

31, 2014, Parent Issuer and Guarantor, Subsidiary Issuer and Guarantor-KMP, Subsidiary Issuer and Guarantor-Copano, and Subsidiary Guarantors had \$12,674 million, \$20,660 million, \$332 million, and \$6,463 million of Guaranteed Notes outstanding, respectively. Included in the Subsidiary Guarantors debt balance as presented in the accompanying March 31, 2015 and December 31, 2014 condensed consolidating balance sheets are approximately \$177 million and \$178 million, respectively, of capitalized lease debt that is not subject to the cross guarantee agreement.

The accounts within the Parent Issuer and Guarantor, Subsidiary Issuer and Guarantor-KMP, Subsidiary Issuer and Guarantor-Copano, Subsidiary Guarantors and Subsidiary Non-guarantors are presented using the equity method of accounting for investments in subsidiaries, including subsidiaries that are guarantors and non-guarantors, for purposes of these condensed consolidating financial statements only. These intercompany investments and related activity eliminate in consolidation and are presented separately in the accompanying balance sheets and statements of income and cash flows.

A significant amount of each Issuers' income and cash flow is generated by its respective subsidiaries. As a result, the funds necessary to meet its debt service and/or guarantee obligations are provided in large part by distributions or advances it receives from its respective subsidiaries. We utilize a centralized cash pooling program among our majority-owned and consolidated subsidiaries, including the Subsidiary Issuers and Guarantors and Non-Guarantor Subsidiaries. The following Condensed Consolidating Statements of Cash Flows present the intercompany loan and distribution activity, as well as cash collection and payments made on behalf of our subsidiaries, as cash activities.

Effective November 26, 2014, the Merger Transactions close date, KMR merged into KMI. Therefore, for all periods presented KMR's financial statement balances and activities are reflected within the Parent Issuer and Guarantor column.

Condensed Consolidating Statements of Income and Comprehensive Income
for the Three Months Ended March 31, 2015
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Issuer and Guarantor - Copano	Subsidiary Guarantors	Subsidiary Non- Guarantors	Consolidating Adjustments	Consolidated KMI
Total Revenues	\$ 9	\$ —	\$ —	\$ 3,226	\$ 375	\$ (13)	\$ 3,597
Operating costs, expenses and other							
Costs of sales	—	—	—	1,001	89	—	1,090
Depreciation, depletion and amortization	5	—	—	442	91	—	538
Other operating expenses	12	38	1	685	168	(13)	891
Total operating costs, expenses and other	17	38	1	2,128	348	(13)	2,519
Operating (loss) income	(8)	(38)	(1)	1,098	27	—	1,078
Other income (expense)							
Earnings (losses) from consolidated subsidiaries	605	883	(23)	548	16	(2,029)	—
Earnings from equity investments	—	—	—	76	—	—	76
Interest, net	(104)	(27)	(12)	(355)	(14)	—	(512)
Amortization of excess cost of equity investments and other, net	—	—	—	(3)	4	—	1
Income (loss) before income taxes	493	818	(36)	1,364	33	(2,029)	643
Income tax expense	(64)	(2)	—	(157)	(1)	—	(224)
Net income (loss)	429	816	(36)	1,207	32	(2,029)	419
Net loss attributable to noncontrolling interests	—	—	—	—	—	10	10
Net income (loss) attributable to controlling interests	\$ 429	\$ 816	\$ (36)	\$ 1,207	\$ 32	\$ (2,019)	\$ 429
Net Income	\$ 429	\$ 816	\$ (36)	\$ 1,207	\$ 32	\$ (2,029)	\$ 419
Total other comprehensive loss	(176)	(238)	—	(295)	(164)	697	(176)
Comprehensive income (loss)	253	578	(36)	912	(132)	(1,332)	243
Comprehensive loss attributable to noncontrolling interests	—	—	—	—	—	10	10
Comprehensive income (loss) attributable to controlling interests	\$ 253	\$ 578	\$ (36)	\$ 912	\$ (132)	\$ (1,322)	\$ 253

Condensed Consolidating Statements of Income and Comprehensive Income
for the Three Months Ended March 31, 2014
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Issuer and Guarantor - Copano	Subsidiary Guarantors	Subsidiary Non- Guarantors	Consolidating Adjustments	Consolidated KMI
Total Revenues	\$ 9	\$ —	\$ —	\$ 3,630	\$ 406	\$ 2	\$ 4,047
Operating costs, expenses and other							
Costs of sales	—	—	—	1,497	132	14	1,643
Depreciation, depletion and amortization	5	—	—	399	92	—	496
Other operating expenses	8	1	7	639	118	(12)	761
Total operating costs, expenses and other	<u>13</u>	<u>1</u>	<u>7</u>	<u>2,535</u>	<u>342</u>	<u>2</u>	<u>2,900</u>
Operating (loss) income	(4)	(1)	(7)	1,095	64	—	1,147
Other income (expense)							
Earnings from consolidated subsidiaries	506	947	44	359	456	(2,312)	—
Earnings from equity investments	—	—	—	99	—	—	99
Interest, net	(132)	(24)	(11)	(250)	(31)	—	(448)
Amortization of excess cost of equity investments and other, net	—	—	—	(7)	10	—	3
Income before income taxes	370	922	26	1,296	499	(2,312)	801
Income tax expense	(34)	(3)	—	(11)	(152)	—	(200)
Net income	336	919	26	1,285	347	(2,312)	601
Net income attributable to noncontrolling interests	(49)	(69)	—	—	—	(196)	(314)
Net income attributable to controlling interests	<u>\$ 287</u>	<u>\$ 850</u>	<u>\$ 26</u>	<u>\$ 1,285</u>	<u>\$ 347</u>	<u>\$ (2,508)</u>	<u>\$ 287</u>
Net Income	\$ 336	\$ 919	\$ 26	\$ 1,285	\$ 347	\$ (2,312)	\$ 601
Total other comprehensive loss	(49)	(118)	—	(146)	(110)	329	(94)
Comprehensive income	287	801	26	1,139	237	(1,983)	507
Comprehensive income attributable to noncontrolling interests	(38)	(68)	—	—	—	(152)	(258)
Comprehensive income attributable to controlling interests	<u>\$ 249</u>	<u>\$ 733</u>	<u>\$ 26</u>	<u>\$ 1,139</u>	<u>\$ 237</u>	<u>\$ (2,135)</u>	<u>\$ 249</u>

Condensed Consolidating Balance Sheets as of March 31, 2015
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Issuer and Guarantor - Copano	Subsidiary Guarantors	Subsidiary Non- Guarantors	Consolidating Adjustments	Consolidated KMI
ASSETS							
Cash and cash equivalents	\$ 13	\$ 15	\$ —	\$ 40	\$ 191	\$ —	\$ 259
Other current assets - affiliates	3,138	1,833	18	12,665	574	(18,228)	—
All other current assets	202	153	1	2,354	333	(13)	3,030
Property, plant and equipment, net	277	—	1	31,462	8,549	—	40,289
Investments	16	2	—	5,885	108	—	6,011
Investments in subsidiaries	32,381	31,011	1,888	17,741	3,324	(86,345)	—
Goodwill	15,089	22	920	5,688	3,188	—	24,907
Notes receivable from affiliates	4,590	22,593	—	2,256	323	(29,762)	—
Deferred tax assets	—	—	—	9,159	—	(3,614)	5,545
Other non-current assets	310	449	—	5,236	128	—	6,123
Total assets	<u>\$ 56,016</u>	<u>\$ 56,078</u>	<u>\$ 2,828</u>	<u>\$ 92,486</u>	<u>\$ 16,718</u>	<u>\$ (137,962)</u>	<u>\$ 86,164</u>
LIABILITIES AND STOCKHOLDERS' EQUITY							
Liabilities							
Current portion of debt	\$ 963	\$ 875	\$ —	\$ 1,471	\$ 126	\$ —	\$ 3,435
Other current liabilities - affiliates	551	13,417	276	3,343	641	(18,228)	—
All other current liabilities	302	224	16	2,105	715	(13)	3,349
Long-term debt	13,965	20,271	384	6,510	694	—	41,824
Notes payable to affiliates	2,542	448	606	24,784	1,382	(29,762)	—
Deferred income taxes	2,126	—	2	—	1,486	(3,614)	—
All other long-term liabilities and deferred credits	538	175	—	989	495	—	2,197
Total liabilities	<u>20,987</u>	<u>35,410</u>	<u>1,284</u>	<u>39,202</u>	<u>5,539</u>	<u>(51,617)</u>	<u>50,805</u>
Stockholders' equity							
Total KMI equity	35,029	20,668	1,544	53,284	11,179	(86,675)	35,029
Noncontrolling interests	—	—	—	—	—	330	330
Total stockholders' equity	<u>35,029</u>	<u>20,668</u>	<u>1,544</u>	<u>53,284</u>	<u>11,179</u>	<u>(86,345)</u>	<u>35,359</u>
Total liabilities and stockholders' equity	<u>\$ 56,016</u>	<u>\$ 56,078</u>	<u>\$ 2,828</u>	<u>\$ 92,486</u>	<u>\$ 16,718</u>	<u>\$ (137,962)</u>	<u>\$ 86,164</u>

Condensed Consolidating Balance Sheets as of December 31, 2014
(In Millions)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Issuer and Guarantor - Copano	Subsidiary Guarantors	Subsidiary Non- Guarantors	Consolidating Adjustments	Consolidated KMI
ASSETS							
Cash and cash equivalents	\$ 4	\$ 15	\$ —	\$ 17	\$ 279	\$ —	\$ 315
Other current assets - affiliates	1,868	1,335	11	11,573	403	(15,190)	—
All other current assets	397	152	3	2,547	358	(20)	3,437
Property, plant and equipment, net	263	—	5	29,490	8,806	—	38,564
Investments	16	1	—	5,910	109	—	6,036
Investments in subsidiaries	31,372	33,414	1,911	17,868	3,337	(87,902)	—
Goodwill	15,087	22	920	5,419	3,206	—	24,654
Notes receivable from affiliates	4,459	19,832	—	2,415	496	(27,202)	—
Deferred tax assets	—	—	—	9,256	—	(3,605)	5,651
Other non-current assets	287	360	—	3,782	112	—	4,541
Total assets	<u>\$ 53,753</u>	<u>\$ 55,131</u>	<u>\$ 2,850</u>	<u>\$ 88,277</u>	<u>\$ 17,106</u>	<u>\$ (133,919)</u>	<u>\$ 83,198</u>
LIABILITIES AND STOCKHOLDERS' EQUITY							
Liabilities							
Current portion of debt	\$ 1,486	\$ 699	\$ —	\$ 381	\$ 151	\$ —	\$ 2,717
Other current liabilities - affiliates	709	11,949	115	1,551	866	(15,190)	—
All other current liabilities	319	498	12	1,812	1,024	(20)	3,645
Long-term debt	11,862	20,675	386	6,609	714	—	40,246
Notes payable to affiliates	2,619	153	753	22,437	1,240	(27,202)	—
Deferred income taxes	2,099	—	2	—	1,504	(3,605)	—
Other long-term liabilities and deferred credits	583	78	2	987	514	—	2,164
Total liabilities	<u>19,677</u>	<u>34,052</u>	<u>1,270</u>	<u>33,777</u>	<u>6,013</u>	<u>(46,017)</u>	<u>48,772</u>
Stockholders' equity							
Total KMI equity	34,076	21,079	1,580	54,500	11,093	(88,252)	34,076
Noncontrolling interests	—	—	—	—	—	350	350
Total stockholders' equity	<u>34,076</u>	<u>21,079</u>	<u>1,580</u>	<u>54,500</u>	<u>11,093</u>	<u>(87,902)</u>	<u>34,426</u>
Total liabilities and stockholders' equity	<u>\$ 53,753</u>	<u>\$ 55,131</u>	<u>\$ 2,850</u>	<u>\$ 88,277</u>	<u>\$ 17,106</u>	<u>\$ (133,919)</u>	<u>\$ 83,198</u>

Condensed Consolidating Statements of Cash Flows for the Three Months Ended March 31, 2015
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Issuer and Guarantor - Copano	Subsidiary Guarantors	Subsidiary Non- Guarantors	Consolidating Adjustments	Consolidated KMI
Net cash (used in) provided by operating activities	\$ (224)	\$ 3,675	\$ 139	\$ 424	\$ (167)	\$ (2,591)	\$ 1,256
Cash flows from investing activities							
Funding to affiliates	(246)	(4,664)	—	(1,432)	(98)	6,440	—
Capital expenditures	(18)	—	(2)	(786)	(95)	4	(897)
Contributions to investments	—	—	—	(30)	—	—	(30)
Investment in KMP	(159)	—	—	—	—	159	—
Acquisitions of assets and investments	(1,709)	—	—	(155)	—	—	(1,864)
Distributions from equity investments in excess of cumulative earnings	14	—	—	36	—	—	50
Other, net	—	(31)	4	4	(7)	(4)	(34)
Net cash (used in) provided by investing activities	(2,118)	(4,695)	2	(2,363)	(200)	6,599	(2,775)
Cash flows from financing activities							
Issuance of debt	7,136	—	—	—	—	—	7,136
Payment of debt	(5,967)	(300)	—	(36)	(2)	—	(6,305)
Funding from (to) affiliates	534	2,311	(141)	3,400	336	(6,440)	—
Debt issuance costs	(16)	—	—	—	—	—	(16)
Issuances of shares	1,626	—	—	—	—	—	1,626
Cash dividends	(962)	—	—	—	—	—	(962)
Contributions from parents	—	156	—	3	—	(159)	—
Distributions to parents	—	(1,147)	—	(1,404)	(50)	2,601	—
Distributions to noncontrolling interests	—	—	—	—	—	(10)	(10)
Other, net	—	—	—	(1)	—	—	(1)
Net cash provided by (used in) financing activities	2,351	1,020	(141)	1,962	284	(4,008)	1,468
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	(5)	—	(5)
Net increase (decrease) in cash and cash equivalents	9	—	—	23	(88)	—	(56)
Cash and cash equivalents, beginning of period	4	15	—	17	279	—	315
Cash and cash equivalents, end of period	\$ 13	\$ 15	\$ —	\$ 40	\$ 191	\$ —	\$ 259

Condensed Consolidating Statements of Cash Flows for the Three Months Ended March 31, 2014
(In Millions)
(Unaudited)

	Parent Issuer and Guarantor	Subsidiary Issuer and Guarantor - KMP	Subsidiary Issuer and Guarantor - Copano	Subsidiary Guarantors	Subsidiary Non- Guarantors	Consolidating Adjustments	Consolidated KMI
Net cash provided by operating activities	\$ 438	\$ 1,435	\$ 79	\$ 740	\$ 214	\$ (1,788)	\$ 1,118
Cash flows from investing activities							
Funding to affiliates	(64)	(2,986)	—	(1,168)	(210)	4,428	—
Capital expenditures	(15)	—	(27)	(599)	(204)	—	(845)
Contributions to investments	—	(76)	—	(36)	—	76	(36)
Investment in KMP	(11)	—	—	—	—	11	—
Acquisitions of assets and investments	—	—	—	(990)	—	—	(990)
Distributions from equity investments in excess of cumulative earnings	10	156	—	38	—	(166)	38
Other, net	—	(22)	—	23	13	—	14
Net cash used in investing activities	<u>(80)</u>	<u>(2,928)</u>	<u>(27)</u>	<u>(2,732)</u>	<u>(401)</u>	<u>4,349</u>	<u>(1,819)</u>
Cash flows from financing activities							
Issuance of debt	643	4,548	—	—	—	—	5,191
Payment of debt	(491)	(3,618)	—	(73)	(2)	—	(4,184)
Funding from (to) affiliates	39	1,010	(53)	3,280	152	(4,428)	—
Debt issuance costs	(2)	(10)	—	—	—	—	(12)
Cash dividends	(425)	—	—	—	—	—	(425)
Repurchases of shares and warrants	(149)	—	—	—	—	—	(149)
Contributions from parents	—	661	—	83	24	(768)	—
Contributions from noncontrolling interests	—	—	—	—	—	684	684
Distributions to parents	—	(1,080)	—	(1,310)	(39)	2,429	—
Distributions to noncontrolling interests	—	—	—	—	—	(479)	(479)
Other, net	—	(2)	—	1	—	1	—
Net cash (used in) provided by financing activities	<u>(385)</u>	<u>1,509</u>	<u>(53)</u>	<u>1,981</u>	<u>135</u>	<u>(2,561)</u>	<u>626</u>
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	(10)	—	(10)
Net (decrease) increase in cash and cash equivalents	(27)	16	(1)	(11)	(62)	—	(85)
Cash and cash equivalents, beginning of period	83	88	1	17	409	—	598
Cash and cash equivalents, end of period	<u>\$ 56</u>	<u>\$ 104</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 347</u>	<u>\$ —</u>	<u>\$ 513</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

General and Basis of Presentation

The following discussion and analysis should be read in conjunction with our accompanying interim consolidated financial statements and related notes included elsewhere in this report, and in conjunction with (i) our consolidated financial statements and related notes and (ii) our management’s discussion and analysis of financial condition and results of operations included in our 2014 Form 10-K.

Results of Operations

Non-GAAP Measures

The non-GAAP financial measures, DCF before certain items and segment EBDA before certain items are presented below under “—Distributable Cash Flow” and “—Consolidated Earnings Results,” respectively. Certain items are items that are required by GAAP to be reflected in net income, but typically either do not have a cash impact, or by their nature are separately identifiable from our normal business operations and, in our view, are likely to occur only sporadically.

Our non-GAAP measures described below should not be considered as an alternative to GAAP net income or any other GAAP measure. DCF before certain items and segment EBDA before 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 DCF before certain items excludes some but not all items that affect net income and because DCF measures are defined differently by different companies in our industry, our DCF before certain items may not be comparable to DCF measures of other companies. Our computation of segment EBDA before 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.

Distributable Cash Flow

DCF before certain items is an overall performance metric we use to estimate the ability of our assets to generate cash flows on an ongoing basis and as a measure of cash available to pay dividends. We believe the primary measure of company performance used by us, investors and industry analysts is cash generation performance. Therefore, we believe DCF before certain items is an important measure to evaluate our operating and financial performance and to compare it with the performance of other publicly traded companies within the industry. For a discussion of our anticipated dividends for 2015, see “—Financial Condition—Cash Flows—KMI Dividends.”

The table below details the reconciliation of Net Income to DCF before certain items:

	Three Months Ended March 31,	
	2015	2014
Net Income	\$ 419	\$ 601
Add/(Subtract):		
Certain items before book tax(a)(b)	48	18
Book tax certain items(b)	(22)	5
Certain items after book tax	26	23
Net income before certain items	445	624
Add/(Subtract):		
Net income attributable to third-party noncontrolling interests(c)	(5)	—
Depreciation, depletion and amortization(d)	634	583
Book taxes(e)	262	214
Cash taxes(f)	2	(4)
Declared distributions to noncontrolling interests(g)	—	(650)
Sustaining capital expenditures(h)	(104)	(81)
Other, net(i)	8	(113)
DCF before certain items	<u>\$ 1,242</u>	<u>\$ 573</u>
Weighted Average Shares Outstanding for Dividends(j)	2,159	1,036
DCF per share before certain items	\$ 0.58	\$ 0.55
Declared dividend per common share	\$ 0.48	\$ 0.42

- (a) Consists of certain items summarized in footnotes (b) through (d) to the “—Consolidated Earnings Results” table included below, and described in more detail below in the footnotes to tables included in both our management’s discussion and analysis of segment results and “—General and Administrative, Interest, and Noncontrolling Interests.”
- (b) 2015 amount includes a non-cash adjustment to reflect our estimated legal exposure recorded when a court decision was received after the issuance of our 2015 first quarter earnings release (\$60 million in certain items before book tax and (\$20) million in book tax certain items).
- (c) Represents net income allocated to third-party ownership interests in consolidated subsidiaries other than our former master limited partnerships. The first quarter of 2015 excludes a loss attributable to noncontrolling interests of \$15 million related to an impairment included as a certain item.
- (d) Includes DD&A, amortization of excess cost of equity investments and our share of equity method investee’s DD&A of \$84 million and \$77 million for the first quarter of 2015 and 2014, respectively.
- (e) Excludes book tax certain items and includes income tax allocated to the segments. Also, includes our share of taxable equity method investee’s book tax expense of \$16 million and \$19 million for the first quarter of 2015 and 2014, respectively.
- (f) Includes our share of taxable equity method investee’s cash taxes of \$1 million and \$(2) million for the first quarter of 2015 and 2014, respectively.
- (g) Represents distributions to KMP and EPB limited partner units formerly owned by the public.
- (h) Includes our share of equity method investee’s sustaining capital expenditures of \$(18) million and \$(3) million for the first quarter of 2015 and 2014, respectively.
- (i) For 2015, consists primarily of non-cash compensation associated with our restricted stock program and for 2014 consists primarily of excess coverage from our former master limited partnerships.
- (j) Includes restricted shares that participate in dividends and dilutive effect of warrants.

Consolidated Earnings Results

In the Results of Operations table below and in the business segment tables that follow, segment EBDA before certain items is calculated by adjusting the segment earnings before DD&A for the applicable certain item amounts in the footnotes to those tables.

In general, interest expense, general and administrative expenses, DD&A and unallocable income taxes are not controllable by our business segment operating managers and therefore are not included when we measure business segment operating performance. Our general and administrative expenses include such items as employee benefits insurance, rentals, unallocated

litigation and environmental expenses, and shared corporate services-including accounting, information technology, human resources and legal services.

We currently evaluate business segment performance primarily based on segment EBDA before certain items, and segment earnings before DD&A, in relation to the level of capital allocated and consider these to be an important measures of our business segment performance. We account for intersegment sales at market prices.

Results of Operations

	Three Months Ended March 31,		Earnings increase/(decrease)	
	2015	2014		
	(In millions, except percentages)			
Segment earnings before DD&A(a)				
Natural Gas Pipelines	\$ 1,015	\$ 1,070	\$ (55)	(5)%
CO ₂	336	363	(27)	(7)%
Terminals	270	210	60	29 %
Products Pipelines	246	208	38	18 %
Kinder Morgan Canada	41	48	(7)	(15)%
Other	(6)	7	(13)	(186)%
Total segment earnings before DD&A(b)	1,902	1,906	(4)	— %
DD&A expense	(538)	(496)	(42)	(8)%
Amortization of excess cost of equity investments	(12)	(10)	(2)	(20)%
Other revenues	9	9	—	— %
General and administrative expense(c)	(216)	(172)	(44)	(26)%
Interest expense, net of unallocable interest income(d)	(514)	(450)	(64)	(14)%
Income before unallocable income taxes	631	787	(156)	(20)%
Unallocable income tax expense	(212)	(186)	(26)	(14)%
Net income	419	601	(182)	(30)%
Net income attributable to noncontrolling interests	10	(314)	324	103 %
Net income attributable to Kinder Morgan, Inc.	\$ 429	\$ 287	\$ 142	49 %

(a) Includes revenues, earnings from equity investments, allocable interest income and other, net, less operating expenses, allocable income taxes, other expense(income), net, and losses on impairments of long-lived assets and equity investments. Operating expenses include natural gas purchases and other costs of sales, operations and maintenance expenses, and taxes, other than income taxes. Allocable income tax expenses included in segment earnings for the three months ended March 31, 2015 and 2014 were \$12 million and \$14 million, respectively.

Certain item footnotes

- (b) 2015 and 2014 amounts include a decrease in earnings of \$10 million and \$13 million, respectively, related to the combined effect from all of the 2015 and 2014 certain items impacting segment earnings before DD&A and disclosed below in our management discussion and analysis of segment results.
- (c) 2015 and 2014 amounts include an increase in expense of \$38 million and a net zero change, respectively, related to the combined effect from all of the 2015 and 2014 certain items related to general and administrative expense disclosed below in “—General and Administrative, Interest, and Noncontrolling Interests.”
- (d) 2015 and 2014 amounts include a net zero change and an increase in expense of \$5 million, respectively, related to the combined effect from all of the 2015 and 2014 certain items related to interest expense, net of unallocable interest income disclosed below in “—General and Administrative, Interest, and Noncontrolling Interests.”

The certain items described in footnotes (b), (c) and (d) to the tables above accounted for \$30 million decrease in income before unallocable income taxes in the first quarter of 2015, when compared to the same prior year period (combining to decrease total income before unallocable income taxes by \$48 million and \$18 million for the first quarter of 2015 and 2014, respectively). After giving effect to these certain items, the remaining \$126 million (16%) quarter-to-quarter decrease in income before unallocable income taxes reflects increased DD&A expense and Interest expense, net of unallocable interest

income, while unfavorable commodity prices affecting our CO₂ business segment was essentially offset by better performance in our Products Pipelines and Terminals business segments.

Natural Gas Pipelines

	Three Months Ended March 31,	
	2015	2014
	(In millions, except operating statistics)	
Revenues(a)	\$ 2,180	\$ 2,561
Operating expenses	(1,172)	(1,565)
Losses on impairments of long-lived assets and equity investments	(77)	—
Other (expense) income	(2)	1
Earnings from equity investments	81	75
Interest income and Other, net	7	2
Income tax expense	(2)	(4)
Segment earnings before DD&A(b)	1,015	1,070
Certain items, net(b)	72	6
EBDA before certain items	\$ 1,087	\$ 1,076
		Increase/(Decrease)
Change from prior period		
Revenues before certain items	\$ (393)	(15)%
EBDA before certain items	\$ 11	1 %
Natural gas transport volumes (BBtu/d)(c)	35,716	33,649
Natural gas sales volumes (BBtu/d)(d)	2,395	2,254
Natural gas gathering volumes (BBtu/d)(e)	3,548	3,155
Crude/condensate gathering volumes (MBbl/d)(f)	329	251

Certain item footnotes

- (a) 2015 amount includes an increase in revenue of \$8 million and 2014 amount includes a decrease in revenue of \$4 million related to derivative contracts used to hedge forecasted natural gas, NGL and crude oil sales.
- (b) 2015 and 2014 amounts include decreases in earnings of \$72 million and \$6 million, respectively, related to the combined effect from certain items. 2015 amount consists of (i) \$8 million increase in earnings related to derivative contracts, as described in footnote (a); (ii) \$77 million decrease in earnings related to losses on impairments of long-lived assets and equity investments; and (iii) \$3 million decrease in earnings from other certain items. 2014 amount consists of \$4 million decrease in earnings related to derivative contracts, as described in footnote (a) and \$2 million decrease in earnings from other certain items.

Other footnotes

- (c) Includes pipeline volumes for Kinder Morgan North Texas Pipeline LLC, Monterrey, TransColorado Gas Transmission Company LLC, Midcontinent Express Pipeline LLC (MEP), Kinder Morgan Louisiana Pipeline LLC, Fayetteville Express Pipeline LLC (FEP), TGP, EPNG, Copano South Texas, the Texas intrastate natural gas pipeline group, CIG, Wyoming Interstate Company, L.L.C. (WIC), CPG, SNG, Elba Express, Natural Gas Pipeline Company of America LLC (NGPL), Citrus and Ruby Pipeline, L.L.C. Joint Venture throughput is reported at 100%. Volumes for acquired pipelines are included for all periods. However, EBDA contributions from acquisitions are included only for the periods subsequent to their acquisition.
- (d) Represents volumes for the Texas intrastate natural gas pipeline group and Kinder Morgan North Texas Pipeline LLC.
- (e) Includes Copano operations, Camino Real Gathering Company, L.L.C. (Camino Real), Kinder Morgan Altamont LLC, KinderHawk Field Services LLC (KinderHawk), Endeavor, Bighorn Gas Gathering L.L.C., Webb Duval Gatherers, Fort Union Gas Gathering L.L.C., EagleHawk, Red Cedar Gathering Company and Hiland Midstream throughput volumes. Joint venture throughput is reported at our ownership share. Volumes for acquired pipelines are included for all periods.
- (f) Includes Hiland Midstream, EagleHawk and Camino Real. Joint Venture throughput is reported at our ownership share. Volumes for acquired pipelines are included for all periods.

Following is information related to the increases and decreases in both EBDA and revenues before certain items, in the comparable three month periods of 2015 and 2014:

Three months ended March 31, 2015 versus Three months ended March 31, 2014

	EBDA		Revenues			
	increase/(decrease)		increase/(decrease)			
	(In millions, except percentages)					
Hiland Midstream	\$	22	n/a	\$	69	n/a
EPNG		16	16 %		15	11 %
Texas Intrastate Natural Gas Pipeline Group		5	5 %		(287)	(26)%
KinderHawk		(9)	(18)%		(10)	(18)%
Kinder Morgan Louisiana Pipeline LLC		(8)	(57)%		(8)	(47)%
TGP		(7)	(3)%		(3)	(1)%
Copano operations		(5)	(4)%		(157)	(28)%
All others (including eliminations)		(3)	(1)%		(12)	(3)%
Total Natural Gas Pipelines	\$	11	1 %	\$	(393)	(15)%

n/a – not applicable

The significant changes in our Natural Gas Pipelines business segment’s EBDA before certain items in the comparable three month periods of 2015 and 2014 included the following:

- increase of \$22 million from our February 2015 acquisition of the Hiland Midstream assets;
- increase of \$16 million (16%) from EPNG due largely to higher transport revenues from additional firm transport;
- increase of \$5 million (5%) from Texas intrastate natural gas pipeline group (including the operations of its Kinder Morgan Tejas, Border, Kinder Morgan Texas, North Texas and Mier-Monterrey Mexico pipeline systems) due largely to higher transportation margins driven by both higher volumes and a new customer contract in the first quarter of 2015 and higher storage margins, which were partially offset by lower processing margins due to the non-renewal of a certain customer contract in the second quarter of 2014. The decrease in revenues of \$287 million and associated cost of goods sold was caused by lower natural gas prices;
- decrease of \$9 million (18%) from KinderHawk due to a restructured contract;
- decrease of \$8 million (57%) from Kinder Morgan Louisiana Pipeline LLC as a result of a customer contract buyout in the third quarter of 2014;
- decrease of \$7 million (3%) from TGP driven by (i) lower revenues from natural gas park and loan customer services due to colder winter weather in first quarter 2014, (ii) lower other revenues related to our contractual revenue sharing, (iii) higher operating costs and (iv) higher ad valorem expenses. Partially offsetting these decreases were higher firm transport revenues from new projects; and
- decrease of \$5 million (4%) from Copano operations primarily due to lower commodity prices partially offset by higher gathering and processing volumes. Lower revenues of \$157 million and associated cost of goods sold was also due to lower commodity prices.

CO₂

	Three Months Ended March 31,	
	2015	2014
	(In millions, except operating statistics)	
Revenues(a)	\$ 446	\$ 483
Operating expenses	(114)	(125)
Earnings from equity investments	6	7
Income tax expense	(2)	(2)
Segment earnings before DD&A(a)	336	363
Certain items(a)	(55)	3
EBDA before certain items	<u>\$ 281</u>	<u>\$ 366</u>
Change from prior period	Increase/(Decrease)	
Revenues before certain items	<u>\$ (95)</u>	<u>(20)%</u>
EBDA before certain items	<u>\$ (85)</u>	<u>(23)%</u>
Southwest Colorado CO ₂ production (gross)(Bcf/d)(b)	<u>1.2</u>	<u>1.3</u>
Southwest Colorado CO ₂ production (net)(Bcf/d)(b)	<u>0.6</u>	<u>0.6</u>
SACROC oil production (gross)(MBbl/d)(c)	<u>35.7</u>	<u>31.8</u>
SACROC oil production (net)(MBbl/d)(d)	<u>29.8</u>	<u>26.5</u>
Yates oil production (gross)(MBbl/d)(c)	<u>18.8</u>	<u>19.7</u>
Yates oil production (net)(MBbl/d)(d)	<u>8.4</u>	<u>8.7</u>
Katz oil production (gross)(MBbl/d)(c)	<u>4.0</u>	<u>3.5</u>
Katz oil production (net)(MBbl/d)(d)	<u>3.3</u>	<u>2.9</u>
Goldsmith oil production (gross)(MBbl/d)(c)	<u>1.3</u>	<u>1.2</u>
Goldsmith oil production (net)(MBbl/d)(d)	<u>1.1</u>	<u>1.0</u>
NGL sales volumes (net)(MBbl/d)(d)	<u>10.0</u>	<u>9.9</u>
Realized weighted-average oil price per Bbl(e)	<u>\$ 72.62</u>	<u>\$ 91.89</u>
Realized weighted-average NGL price per Bbl(f)	<u>\$ 20.70</u>	<u>\$ 49.44</u>

Certain item footnote

(a) 2015 and 2014 amounts include unrealized gains of \$45 million and unrealized losses of \$3 million, respectively, relating to derivative contracts used to hedge forecasted crude oil sales. 2015 amount also includes a favorable adjustment of \$10 million related to carried working interest at McElmo Dome.

Other footnotes

- (b) Includes McElmo Dome and Doe Canyon sales volumes.
- (c) Represents 100% of the production from the field. We own approximately 97% working interest in the SACROC unit, an approximately 50% working interest in the Yates unit, an approximately 99% working interest in the Katz unit and a 99% working interest in the Goldsmith Landreth unit.
- (d) Net after royalties and outside working interests.
- (e) Includes all crude oil production properties. Hedge gains/losses for Oil and NGL are included with Crude Oil.
- (f) Includes production attributable to leasehold ownership and production attributable to our ownership in processing plants and third party processing agreements. Hedge gains/losses for Oil and NGL are included with Crude Oil.

Following is information related to the increases and decreases in both EBDA and revenues before certain items, in the comparable three month periods of 2015 and 2014.

Three months ended March 31, 2015 versus Three months ended March 31, 2014

	EBDA increase/(decrease)		Revenues increase/(decrease)	
	(In millions, except percentages)			
Source and Transportation Activities	\$ (27)	(24)%	\$ (30)	(24)%
Oil and Gas Producing Activities	(58)	(23)%	(73)	(19)%
Intrasegment eliminations	—	— %	8	38 %
Total CO ₂	<u>\$ (85)</u>	<u>(23)%</u>	<u>\$ (95)</u>	<u>(20)%</u>

The primary changes in our CO₂ business segment's EBDA before certain items in the comparable three month periods of 2015 and 2014 included the following:

- decrease of \$27 million (24%) from source and transportation activities due to lower revenues primarily due to lower commodity prices in the first quarter 2015 as compared to the same period in 2014; and
- decrease of \$58 million (23%) from oil and gas producing activities due to lower revenues driven by lower commodity prices in the first quarter 2015 as compared to the same period in 2014 partially offset by higher crude oil sales volumes up 9% from the first quarter 2014. The increase in sales volumes was due primarily to higher production at the SACROC unit.

Terminals

	Three Months Ended March 31,	
	2015	2014
	(In millions, except operating statistics)	
Revenues(a)	\$ 457	\$ 391
Operating expenses	(189)	(183)
Other expense	—	(1)
Earnings from equity investments	5	5
Interest income and Other, net	1	1
Income tax expense	(4)	(3)
Segment earnings before DD&A(b)	<u>270</u>	<u>210</u>
Certain items, net(b)	(6)	18
EBDA before certain items	<u>\$ 264</u>	<u>\$ 228</u>
Change from prior period	Increase/(Decrease)	
Revenues before certain items	\$ 60	15%
EBDA before certain items	<u>\$ 36</u>	<u>16%</u>
Bulk transload tonnage (MMtons)(c)	<u>17.5</u>	<u>21.6</u>
Ethanol (MMBbl)	<u>16.1</u>	<u>16.5</u>
Liquids leasable capacity (MMBbl)	<u>81.3</u>	<u>71.6</u>
Liquids utilization %(d)	<u>95.1%</u>	<u>94.4%</u>

Certain item footnotes

- (a) 2015 amount includes \$6 million increase in revenue from the amortization of a fair value adjustment (associated with the below market contracts assumed upon acquisition) from our Jones Act tankers.
- (b) 2015 amount includes \$6 million increase in revenue discussed in footnote (a) above. 2014 amount includes an \$8 million increase in expenses due to hurricane clean-up and repair activities at our New York Harbor and Mid-Atlantic terminals and a \$10 million increase in expense associated with a liability adjustment related to a certain litigation matter.

Other footnotes

- (c) Includes our proportionate share of joint venture tonnage.
- (d) The ratio of our actual leased capacity to its estimated potential capacity.

Following is information related to the increases and decreases in both EBDA and revenues before certain items, in the comparable three month periods of 2015 and 2014.

Three months ended March 31, 2015 versus Three months ended March 31, 2014

	EBDA		Revenues			
	increase/(decrease)		increase/(decrease)			
	(In millions, except percentages)					
Marine Operations	\$	12	n/a	\$	18	n/a
Gulf Bulk		9	47%		12	38%
Gulf Central		7	88%		10	100%
Alberta, Canada		7	54%		10	77%
All others (including intrasegment eliminations and unallocated income tax expenses)		1	1%		10	3%
Total Terminals	<u>\$</u>	<u>36</u>	<u>16%</u>	<u>\$</u>	<u>60</u>	<u>15%</u>

The primary changes in our Terminals business segment's EBDA before certain items in the comparable three month periods of 2015 and 2014 included the following:

- increase of \$12 million from our Marine Operations related primarily to the incremental earnings from the Jones Act tankers we acquired in the first and fourth quarters of 2014;
- increase of \$9 million (47%) from our Gulf Bulk terminals, driven by increased shortfall revenue from take-or-pay coal contracts;
- increase of \$7 million (88%) from our Gulf Central terminals, driven by higher earnings from expansion projects at our joint venture terminals Battleground Oil Specialty Terminal Company LLC (BOSTCO) and Deerock Development LLC; and
- increase of \$7 million (54%) from our Alberta, Canada terminals, driven by several Edmonton-area expansion projects completed in 2014.

Products Pipelines

	Three Months Ended March 31,	
	2015	2014
	(In millions, except operating statistics)	
Revenues(a)	\$ 444	\$ 534
Operating expenses	(210)	(339)
Other income	—	3
Earnings from equity investments	11	12
Interest income and Other, net	2	(1)
Income tax expense	(1)	(1)
Segment earnings before DD&A(b)	246	208
Certain items, net(b)	(1)	(4)
EBDA before certain items	<u>\$ 245</u>	<u>\$ 204</u>
Change from prior period	Increase/(Decrease)	
Revenues before certain items	<u>\$ (91)</u>	<u>(17)%</u>
EBDA before certain items	<u>\$ 41</u>	<u>20 %</u>
Gasoline (MMBbl)(c)	110.6	103.0
Diesel fuel (MMBbl)	36.9	35.6
Jet fuel (MMBbl)	27.8	27.4
Total refined product volumes (MMBbl)(d)	<u>175.3</u>	<u>166.0</u>
NGL (MMBbl)(e)	12.1	8.8
Condensate (MMBbl)(f)	19.6	4.6
Total delivery volumes (MMBbl)	<u>207.0</u>	<u>179.4</u>
Ethanol (MMBbl)(g)	<u>9.8</u>	<u>9.7</u>

Certain item footnotes

- (a) 2015 amount includes a \$1 million increase in revenue related to an unrealized swap gain.
(b) 2015 amount includes a \$1 million increase in revenue discussed in footnote (a) above. 2014 amount includes a \$3 million gain from the sale of propane pipeline line-fill and a \$1 million decrease in expense associated with a certain Pacific operations litigation matter.

Other footnotes

- (c) Volumes include ethanol pipeline volumes.
(d) Includes Pacific, Plantation Pipe Line Company, Calnev Pipe Line LLC (Calnev), Central Florida and Parkway pipeline volumes.
(e) Includes Cochin and Cypress pipeline volumes.
(f) Includes Kinder Morgan Crude & Condensate, Double Eagle Pipeline LLC and Double H pipeline volumes.
(g) Represents total ethanol volumes, including ethanol pipeline volumes included in gasoline volumes above.

Following is information related to the increases and decreases in both EBDA and revenues before certain items, in the comparable three month periods of 2015 and 2014.

Three months ended March 31, 2015 versus Three months ended March 31, 2014

	EBDA increase/(decrease)		Revenues increase/(decrease)	
	(In millions, except percentages)			
Crude & Condensate Pipeline	\$ 28	311 %	\$ 10	36 %
Pacific operations	11	17 %	7	7 %
Transmix operations	(10)	(59)%	(122)	(45)%
All others (including eliminations)	12	11 %	14	11 %
Total Products Pipelines	\$ 41	20 %	\$ (91)	(17)%

The primary changes in our Products Pipelines business segment's EBDA before certain items in the comparable three month periods of 2015 and 2014 included the following:

- increase of \$28 million (311%) from our Kinder Morgan Crude & Condensate Pipeline driven primarily by an increase of over 300% in pipeline throughput volumes due to the ramp up of existing customer volumes and additional volumes from new customers;
- increase of \$11 million (17%) from our Pacific operations due to higher service revenues due to higher volumes and margins;
- decrease of \$10 million (59%) from our Transmix processing operations primarily due to unfavorable inventory pricing; and
- increase of \$12 million (11)% from all remaining products operations was driven by higher gross margin on our Cochin pipeline operations due to the completion of the Cochin Reversal project in the third quarter of 2014 and incremental contributions from our Double H pipeline operations, which was part of the our February 2015 Hiland acquisition.

Kinder Morgan Canada

	Three Months Ended March 31,	
	2015	2014
	(In millions, except operating statistics)	
Revenues	\$ 60	\$ 69
Operating expenses	(19)	(24)
Interest income and Other, net	3	7
Income tax expense	(3)	(4)
Segment earnings before DD&A	\$ 41	\$ 48
Change from prior period	Increase/(Decrease)	
Revenues	\$ (9)	(13)%
EBDA before certain items	\$ (7)	(15)%
Transport volumes (MMBbl)(a)	27.6	25.0

(a) Represents Trans Mountain pipeline system volumes.

Following is information related to the decreases in both EBDA and revenues before certain items in the comparable three month periods of 2015 and 2014.

Three months ended March 31, 2015 versus Three months ended March 31, 2014

	EBDA		Revenues	
	increase/(decrease)		increase/(decrease)	
	(In millions, except percentages)			
Trans Mountain Pipeline	\$ (2)	(5)%	\$ (9)	(13)%
Express Pipeline(a)	(5)	(100)%	n/a	n/a
Total Kinder Morgan Canada	\$ (7)	(15)%	\$ (9)	(13)%

n/a - not applicable

(a) Amount consists of unrealized foreign currency gains/losses, net of book tax, on 2014 outstanding, short-term intercompany borrowings that were repaid in December 2014. We sold our debt and equity investments in Express Pipeline on March 14, 2013.

For the comparable three month periods of 2015 and 2014, the Trans Mountain Pipeline had decreases in earnings of \$2 million (5%) driven by an unfavorable impact from foreign currency translation.

Other

This segment contributed losses of \$6 million and earnings of \$7 million for the three months ended March 31, 2015 and 2014, respectively. However, 2014 earnings include certain items of \$10 million increase in earnings, primarily related to our corporate headquarters building. After taking into effect the certain item, the earnings for the three months ended March 31, 2014 decreased by \$3 million when compared with the same prior year period.

General and Administrative, Interest, and Noncontrolling Interests

	Three Months Ended			
	March 31,			
	2015	2014	Increase/(decrease)	
	(In millions, except percentages)			
General and administrative expense(a)(c)	\$ 216	\$ 172	\$ 44	26 %
Certain items(a)	(38)	—	(38)	n/a
Management fee reimbursement(c)	(9)	(9)	—	— %
General and administrative expense before certain items	\$ 169	\$ 163	\$ 6	4 %
Unallocable interest expense net of interest income and other, net(b)	\$ 514	\$ 450	\$ 64	14 %
Certain items(b)	—	(5)	5	100 %
Unallocable interest expense net of interest income and other, net, before certain items	\$ 514	\$ 445	\$ 69	16 %
Net (loss) income attributable to noncontrolling interests	\$ (10)	\$ 314	\$ (324)	(103)%
Noncontrolling interests associated with an impairment certain item(d)	15	—	15	n/a
Net income attributable to noncontrolling interests before certain items	\$ 5	\$ 314	\$ (309)	(98)%

Certain item footnotes

- (a) 2015 amount includes an increase in expense of (i) \$37 million for a non-cash adjustment to reflect our estimated legal exposure recorded when a court decision was received after the issuance of our 2015 first quarter earnings release; (ii) \$11 million related to acquisition costs associated with our Hiland acquisition; and (iii) \$2 million related to other certain items. Partially offsetting these increases is a decrease in expense of \$12 million related to pension credit income. 2014 amount includes a decrease in expense of \$9 million related to pension credit income and an offsetting increase of \$9 million in expense primarily related to severance costs associated with acquisitions.
- (b) Both 2015 and 2014 amounts include decreases in interest expense of \$16 million of debt fair value adjustments associated with acquisitions. 2015 amount also includes a \$23 million increase in interest expense for a non-cash adjustment to reflect our estimated legal exposure recorded when a court decision was received after the issuance of our 2015 first quarter earnings release and a net \$7 million decrease in interest expense related to other certain items. 2014 amount also includes an increase in interest expense of \$13 million associated with a certain Pacific operations litigation matter, \$6 million of interest expense on margin for marketing contracts and \$2 million of amortization of capitalized financing fees.

Other footnotes

- (c) 2015 and 2014 amounts include NGPL Holdco LLC general and administrative reimbursements of \$9 million for each respective period. These amounts were recorded to the “Product sales and other” caption in our accompanying consolidated statements of income with the offsetting expenses primarily included in the “General and administrative” expense caption in our accompanying consolidated statements of income.
- (d) Loss associated with a natural gas pipelines segment impairment certain item and disclosed above in “—Natural Gas Pipelines.”

The increase in general and administrative expenses before certain items of \$6 million in the first quarter of 2015 when compared with the respective prior quarter was primarily driven by higher benefit costs, payroll taxes and segment labor expenses partially offset by lower legal and insurance costs.

In the table above, we report our interest expense as “net,” meaning that we have subtracted unallocated interest income and capitalized interest from our total interest expense to arrive at one interest amount. Our consolidated interest expense net of interest income and other, net before certain items, increased \$69 million in the first quarter of 2015 when compared with the respective prior quarter. The increase in interest expense was due to higher average debt balances as a result of capital expenditures, joint venture contributions and acquisitions that were made during 2015, and incremental debt borrowings to fund the \$3.9 billion cash portion of the Merger Transactions in November 2014. This increase in interest expense was partially offset by a lower overall weighted average interest rate on our outstanding debt.

We use interest rate swap agreements to transform a portion of the underlying cash flows related to our long-term fixed rate debt securities (senior notes) into variable rate debt in order to achieve our desired mix of fixed and variable rate debt. As of March 31, 2015 and December 31, 2014, approximately 25% and 26%, respectively, of our debt balances (excluding debt fair value adjustments) were subject to variable interest rates—either as short-term or long-term variable rate debt obligations or as fixed-rate debt converted to variable rates through the use of interest rate swaps. For more information on our interest rate swaps, see Note 5 “Risk Management—Interest Rate Risk Management” to our consolidated financial statements.

Net income attributable to noncontrolling interests, represents the allocation of our consolidated net income attributable to all outstanding ownership interests in our consolidated subsidiaries that are not held by us. The \$309 million decrease (98%) for the three months ended March 31, 2015 as compared with the same period of 2014 was primarily due to our purchase of the portion of KMP and EPB limited partner units and KMR shares formerly owned by the public in the fourth quarter 2014 as part of the Merger Transactions.

Income Taxes

Our tax expense for the three months ended March 31, 2015 is approximately \$224 million as compared to \$200 million for the same period of 2014. The \$24 million increase in tax expense was primarily due to the impact of the Merger Transactions whereby KMI now owns the KMP and EPB limited partner units formerly owned by the public; partially offset by (i) the tax impact of significantly lower pretax earnings in 2015; (ii) a change in our effective state tax rate as a result of the Hiland acquisition; (iii) adjustments to KMI’s income tax reserve (ASC 740-10) for uncertain tax positions; and (iv) the elimination of the deferred charge related to prior years drop-downs of TGP, EPNG, and the midstream assets as a result of the Merger Transactions.

Financial Condition

General

As of March 31, 2015, we had a combined \$259 million of “Cash and cash equivalents” on our consolidated balance sheet, a decrease of \$56 million (18%) from December 31, 2014. We believe our cash position, remaining borrowing capacity on our credit facility (discussed below in “—Short-term Liquidity”), and our access to financial resources are adequate to allow us to manage our day-to-day cash requirements and anticipated obligations.

We have relied primarily on cash provided from operations to fund our operations as well as our debt service, sustaining capital expenditures, and quarterly dividend payments to our common shareholders.

In general, we expect to fund expansion capital expenditures, acquisitions and debt principal payments through (i) additional borrowings; (ii) the issuance of additional common stock by us; and (iii) in some instances, proceeds from divestitures.

Short-term Liquidity

As of March 31, 2015 our principal sources of short-term liquidity are (i) our \$4.0 billion revolving credit facility and associated \$4.0 billion commercial paper program; and (ii) cash from operations. The loan commitments under our revolving credit facility can be used for working capital and other general corporate purposes and as a backup to our commercial paper program. Borrowings under our commercial paper program and letters of credit reduce borrowings allowed under our credit facility. We provide for liquidity by maintaining a sizable amount of excess borrowing capacity under our credit facility and have consistently generated strong cash flow from operations, providing a source of funds of \$1,256 million and \$1,118 million in the first three months of 2015 and 2014, respectively (the period-to-period increase is discussed below in “Cash Flows—Operating Activities”).

Our short-term debt as of March 31, 2015 was \$3,435 million, primarily consisting of (i) \$896 million combined outstanding borrowings under our \$4 billion credit facility and \$4 billion commercial paper program; and (ii) a combined \$2,315 million of five separate series of senior notes that mature in the next year. We intend to refinance our short-term debt through additional credit facility borrowings, commercial paper borrowings, issuing new long-term debt or equity, or with proceeds from asset sales. Our combined balance of short-term debt as of December 31, 2014 was \$2,717 million.

We had working capital (defined as current assets less current liabilities) deficits of \$3,495 million and \$2,610 million as of March 31, 2015 and December 31, 2014, respectively. Our current liabilities include short-term borrowings used to finance our expansion capital expenditures which are periodically replaced with long-term financing. The overall \$885 million (34%) unfavorable change from year-end 2014 was primarily due to (i) a net increase in the current portion of long-term debt; (ii) lower cash balances; offset partially by (iii) a net decrease in KMI’s credit facility and commercial paper borrowings. Generally, our working capital balance varies due to factors such as the timing of scheduled debt payments, timing differences in the collection and payment of receivables and payables, the change in fair value of our derivative contracts, and changes in our cash and cash equivalent balances as a result of our equity issuances and our or our subsidiaries’ debt issuances.

Capital Expenditures

We account for our capital expenditures in accordance with GAAP. We also distinguish between capital expenditures that are maintenance/sustaining capital expenditures and those that are expansion capital expenditures (which we also refer to as discretionary capital expenditures). Expansion capital expenditures are those expenditures which increase throughput or capacity from that which existed immediately prior to the addition or improvement, and are not deducted in calculating DCF (see “Results of Operations—Distributable Cash Flow”). With respect to our oil and gas producing activities, we classify a capital expenditure as an expansion capital expenditure if it is expected to increase capacity or throughput (i.e. production capacity) from the capacity or throughput immediately prior to the making or acquisition of such additions or improvements. Maintenance capital expenditures are those which maintain throughput or capacity. The distinction between maintenance and expansion capital expenditures is a physical determination rather than an economic one, irrespective of the amount by which the throughput or capacity is increased.

Budgeting of maintenance capital expenditures is done annually on a bottom-up basis. For each of our assets, we budget for and make those maintenance capital expenditures that are necessary to maintain safe and efficient operations, meet customer needs and comply with our operating policies and applicable law. We may budget for and make additional maintenance capital expenditures that we expect to produce economic benefits such as increasing efficiency and/or lowering future expenses. Budgeting and approval of expansion capital expenditures are generally made periodically throughout the year on a project-by-project basis in response to specific investment opportunities identified by our business segments from which we generally expect to receive sufficient returns to justify the expenditures. Generally, the determination of whether a capital expenditure is classified as maintenance/sustaining or as expansion capital expenditures is made on a project level. The classification of our capital expenditures as expansion capital expenditures or as maintenance capital expenditures is made consistent with our accounting policies and is generally a straightforward process, but in certain circumstances can be a matter of management judgment and discretion. The classification has an impact on cash available to pay dividends because capital expenditures that are classified as expansion capital expenditures are not deducted from DCF, while those classified as maintenance capital expenditures are. See “—Cash Flows—KMI Dividends.”

Our capital expenditures for the three months ended March 31, 2015, and the amount we expect to spend for the remainder of 2015 to grow and sustain our businesses are as follows:

	Three Months Ended March 31, 2015	2015 Remaining	Total
	(In millions)		
Sustaining capital expenditures(a)	\$ 104	\$ 510	\$ 614
Discretionary capital expenditures(b)(c)	\$ 892	\$ 3,287	\$ 4,179

- (a) Three-month 2015, 2015 Remaining, and Total 2015 amounts include \$18 million, \$64 million, and \$82 million, respectively, for our proportionate share of sustaining capital expenditures of unconsolidated joint ventures.
- (b) Three-month 2015 amount includes an increase of \$189 million related to discretionary capital expenditures of unconsolidated joint ventures and acquisitions and a decrease of a combined \$108 million of net changes from accrued capital expenditures and contractor retainage.
- (c) 2015 Remaining amount includes our contributions to certain unconsolidated joint ventures and small acquisitions, net of contributions estimated from unaffiliated joint venture partners for consolidated investments.

Off Balance Sheet Arrangements

There have been no material changes in our obligations with respect to other entities that are not consolidated in our financial statements that would affect the disclosures presented as of December 31, 2014 in our 2014 Form 10-K.

Cash Flows

Operating Activities

The net increase of \$138 million (12%) in cash provided by operating activities for the first three months of 2015 compared to the respective 2014 period was primarily attributable to:

- a \$106 million increase in cash from overall higher net income after adjusting our period-to-period \$182 million decrease in net income for non-cash items primarily consisting of the following: (i) DD&A expenses (including amortization of excess cost of equity investments); (ii) deferred income taxes; (iii) the 2015 losses on impairments on long-lived assets and equity investments (see discussion above in “—Results of Operations”); and (iv) a net increase in legal reserves (also see discussion above in “—Results of Operations”);
- a \$47 million increase in cash primarily due to a \$50 million pension contribution we made in the first three months of 2014; and
- a \$15 million decrease in cash associated with net changes in working capital items and non-current assets and liabilities. The decrease was driven, among other things, primarily by lower cash flows due to the timing of payments from our trade and related party payables and accrued tax liabilities, and was offset by a \$195 million income tax refund on taxes we previously paid in 2014.

Investing Activities

The \$956 million net increase in cash used in investing activities for the first three months of 2015 compared to the respective 2014 period was primarily attributable to:

- an \$899 million decrease in cash due to higher expenditures for acquisitions. The overall increase in acquisitions was primarily related to the \$1,701 million (net of cash assumed) and \$158 million we paid for the Hiland and the Vopak acquisitions, respectively, in the first three months of 2015, versus the \$960 million we paid for the APT acquisition in the first three months of 2014. Further information regarding our acquisitions is discussed in Note 2 “Acquisitions;” and
- a \$52 million decrease in cash due to higher capital expenditures.

Financing Activities

The net increase of \$842 million in cash provided by financing activities for the first three months of 2015 compared to the respective 2014 period was primarily attributable to:

- a \$1,626 million increase in cash from the issuances of our Class P shares under our equity distribution agreement;

- a \$469 million increase in cash due to lower distributions to noncontrolling interests, primarily resulting from our acquisition of the noncontrolling interests associated with KMP and EPB in 2014;
- a \$149 million increase in cash due to the combined repurchases of shares and warrants in the first three months of 2014;
- a \$684 million decrease in contributions provided by noncontrolling interests, primarily reflecting the proceeds received from the issuance of KMP’s and EPB’s common units to the public in the 2014 period and no proceeds in the 2015 period, since all of KMP’s and EPB’s common units are owned by us;
- a \$537 million decrease in cash due to higher dividend payments; and
- a \$180 million net decrease in cash from overall debt financing activities. See Note 3 “Debt” for further information regarding our debt activity.

KMI Dividends

We expect to declare dividends of \$2.00 per share on our common stock for 2015, an approximately 15% increase over the 2014 declared dividends of \$1.74 per share.

Three months ended	Total quarterly dividend per share for the period	Date of declaration	Date of record	Date of dividend
December 31, 2014	\$ 0.45	January 21, 2015	February 2, 2015	February 17, 2015
March 31, 2015	\$ 0.48	April 15, 2015	April 30, 2015	May 15, 2015

Our governing documents or credit agreements do not prohibit us from borrowing to pay dividends. The actual amount of dividends to be paid on our capital stock will depend on many factors, including our financial condition and results of operations, liquidity requirements, business prospects, capital requirements, legal, regulatory and contractual constraints, tax laws, Delaware laws and other factors. All of these matters will be taken into consideration by our board of directors in declaring dividends.

Our dividends are not cumulative. Consequently, if dividends on our common stock are not paid at the intended levels, our common stockholders are not entitled to receive those payments in the future. Our dividends generally will be paid on or about the 16th day of each February, May, August and November.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in market risk exposures that would affect the quantitative and qualitative disclosures presented as of December 31, 2014, in Item 7A in our 2014 Form 10-K. For more information on our risk management activities, see Item 1, Note 5 “Risk Management” to our consolidated financial statements.

Item 4. Controls and Procedures.

As of March 31, 2015, our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon and as of the date of the evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported as and when required, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. There has been no change in our internal control over financial reporting during the quarter ended March 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Part I, Item 1, Note 10 to our consolidated financial statements entitled “Litigation, Environmental and Other Contingencies,” which is incorporated in this item by reference.

Item 1A. Risk Factors.

There have been no material changes in the risk factors disclosed in Part I, Item 1A in our 2014 Form10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in exhibit 95.1 to this quarterly report.

Item 5. Other Information.

None.

Item 6. Exhibits.

- 4.1 Certificate of Vice President and Treasurer and Vice President and Secretary establishing the terms of Kinder Morgan, Inc.’s 5.050% Senior Notes due 2046.
- 4.2 * Certificate of Vice President and Treasurer and Vice President and Secretary establishing the terms of Kinder Morgan, Inc.’s 1.500% Senior Notes due 2022 and 2.250% Senior Notes due 2027 (filed as Exhibit 4.2 to Kinder Morgan, Inc.’s Form 8-A, filed March 16, 2015 and incorporated herein by reference).
- 10.1 Cross Guarantee Agreement, dated as of November 26, 2014 among Kinder Morgan, Inc. and certain of its subsidiaries with Schedule I updated as of March 18, 2015.
- 12.1 Statement re: computation of ratio of earnings to fixed charges.
- 31.1 Certification by Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification by Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 95.1 Mine Safety Disclosures.
- 101 Interactive data files pursuant to Rule 405 of Regulation S-T: (i) our Consolidated Statements of Income for the three months ended March 31, 2015 and 2014; (ii) our Consolidated Statements of Comprehensive Income for the three months ended March 31, 2015 and 2014; (iii) our Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014; (iv) our Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and 2014; (v) our Consolidated Statements of Stockholders’ Equity for the three months ended March 31, 2015 and 2014; and (vi) the notes to our Consolidated Financial Statements.

* Asterisk indicates exhibit incorporated by reference as indicated; all other exhibits are filed herewith, except as noted otherwise.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KINDER MORGAN, INC.

Registrant

Date: April 28, 2015

By: /s/ Kimberly A. Dang

Kimberly A. Dang
Vice President and Chief Financial Officer
(principal financial and accounting officer)

KINDER MORGAN, INC.**OFFICERS' CERTIFICATE
PURSUANT TO SECTION 301 OF INDENTURE**

Each of the undersigned, Anthony Ashley and Adam Forman, the Vice President and Treasurer and the Vice President and Secretary, respectively, of Kinder Morgan, Inc. (the "Corporation"), a Delaware corporation, does hereby establish the terms of a series of senior debt Securities of the Corporation under the Indenture relating to senior debt Securities, dated as of March 1, 2012 (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to resolutions adopted by the Board of Directors of the Corporation, or a committee thereof, on January 21, 2015, February 23, 2015 and February 23, 2015 and in accordance with Section 301 of the Indenture, as follows:

1. The title of the Securities shall be "5.050% Senior Notes due 2046" (the "Notes");
2. The aggregate principal amount of the Notes which initially may be authenticated and delivered under the Indenture shall be limited to a maximum of \$800,000,000, except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to the terms of the Indenture, and except that any additional principal amount of the Notes may be issued in the future without the consent of Holders of the Notes so long as such additional principal amount of Notes are authenticated as required by the Indenture;
3. The Notes shall be issued on February 26, 2015; the principal of the Notes shall be payable on February 15, 2046; the Notes will not be entitled to the benefit of a sinking fund;
4. The Notes shall bear interest at the rate of 5.050% per annum; which interest shall accrue from February 26, 2015, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, which dates shall be February 15 and August 15 of each year, and such interest shall be payable semi-annually in arrears on February 15 and August 15 of each year, commencing August 15, 2015, to holders of record at the close of business on the February 1 or August 1, respectively, preceding each such Interest Payment Date;
5. The principal of, premium, if any, and interest on, the Notes shall be payable at the office or agency of the Corporation maintained for that purpose in the Borough of Manhattan, New York, New York; provided, however, that at the option of the Corporation, payment of interest may be made from such office in the Borough of Manhattan, New York, New York by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. If at any time there shall be no such office or agency in the Borough of Manhattan, New York, New York, where the Notes may be presented or surrendered for payment, the Corporation shall forthwith designate and maintain such an office or agency in the Borough of Manhattan, New York, New York, in order that the Notes shall at all times be payable in the Borough of Manhattan, New York, New York. The Corporation hereby initially designates the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York, New York, as one such office or agency;

6. U.S. Bank National Association is appointed as the Trustee for the Notes, and U.S. Bank National Association, and any other banking institution hereafter selected by the officers of the Corporation, are appointed agents of the Corporation (a) where the Notes may be presented for registration of transfer or exchange, (b) where notices and demands to or upon the Corporation in respect of the Notes or the Indenture may be made or served and (c) where the Notes may be presented for payment of principal and interest;

7. At any time prior to August 15, 2045 (the “Early Call Date”), the Notes will be redeemable, at the Corporation’s option, at any time in whole or from time to time in part, at a redemption price, as determined by the corporation, equal to (a) the greater of: (1) 100% of the principal amount of the notes to be redeemed; or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed that would be due if such notes matured on the Early Call Date but for the redemption (exclusive of any portion of the payments of interest accrued to the date of redemption), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined below) plus 40 basis points, plus (b) accrued but unpaid interest thereon to, but not including, the redemption date.

At any time on or after the Early Call Date, the Notes will be redeemable in whole or in part, at the Corporation’s option, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus unpaid interest accrued to, but excluding, the date of redemption.

For purposes of determining the make-whole premium, “Treasury Yield” means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (“Remaining Life”) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes (assuming for this purpose, that the notes mature on the Early Call Date).

“Comparable Treasury Price” means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers that appoints to act as the Independent Investment Banker from time to time.

“Reference Treasury Dealer” means (1) each of Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and RBS Securities Inc. and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a “Primary

Treasury Dealer”), in which case the Corporation will substitute another Primary Treasury Dealer and (2) any other Primary Treasury Dealer the Corporation selects.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Notice of redemption will be mailed or electronically delivered at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the amount of notes to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless the Corporation defaults in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected according to the procedures of The Depository Trust Company, in the case of notes represented by a global note, or by lot, in the case of notes that are not represented by a global note.

8. Payment of principal of, and interest on, the Notes shall be without deduction for taxes, assessments or governmental charges paid by Holders of the Notes;

9. The Notes are approved in the form attached hereto as Exhibit A and shall be issued upon original issuance in whole in the form of one or more book-entry Global Securities, and the Depository shall be The Depository Trust Company; and

10. The Notes shall be entitled to the benefits of the Indenture, including the covenants and agreements of the Corporation set forth therein, except to the extent expressly otherwise provided herein or in the Notes.

Any initially capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

IN WITNESS WHEREOF, each of the undersigned has hereunto signed his or her name this 26th day of February, 2015.

Anthony Ashley
Vice President and Treasurer

Adam Forman
Vice President and Secretary

EXHIBIT A

[FORM OF GLOBAL NOTE]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED FOR SECURITIES REGISTERED IN THE NAME OF, ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY SECURITY AUTHENTICATED AND DELIVERED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR OR IN LIEU OF, THIS SECURITY SHALL BE A GLOBAL SECURITY SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION, TO THE CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

KINDER MORGAN, INC.

[]% NOTE DUE []

NO. []

U.S.\$[]

CUSIP No. []

KINDER MORGAN, INC., a Delaware corporation (herein called the "Corporation," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of [] United States Dollars (U.S.\$[]) on [], 20[], and to pay interest thereon from [], 20[], or from the most recent Interest Payment Date to which interest has been paid, semi-annually in arrears on [] and [] in each year, commencing [], 2015 at the rate of []% per annum, until the principal hereof is paid. The amount of interest payable for any period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in any partial month. In the event that any date on which interest is payable on this Security is not a

Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. A “Business Day” shall mean, when used with respect to any Place of Payment, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law, executive order or regulation to close. The interest so payable, and punctually paid, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the [] or [] (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice of which shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities of this series may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in such Indenture.

The principal of, premium, if any, and interest on, this Security shall be payable at the office or agency of the Corporation maintained for that purpose in the Borough of Manhattan, New York, New York; provided, however, that at the option of the Corporation, payment of interest may be made from such office in the Borough of Manhattan, New York, New York by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. If at any time there shall be no such office or agency in the Borough of Manhattan, New York, New York where this Security may be presented or surrendered for payment, the Corporation shall forthwith designate and maintain such an office or agency in the Borough of Manhattan, New York, New York, in order that this Security shall at all times be payable in the Borough of Manhattan, New York, New York. The Corporation hereby initially designates the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York, New York, as one such office or agency.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made by transfer of immediately available funds to a bank account designated by the Holder in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed.

Dated: February 26, 2015

KINDER MORGAN, INC.,

By: _____
Anthony Ashley
Vice President and Treasurer

This is one of the Securities designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
As Trustee

By: _____
Authorized Signatory

This Security is one of a duly authorized issue of securities of the Corporation (the “Securities”), issued and to be issued in one or more series under an Indenture dated as of March 1, 2012 relating to senior debt Securities (the “Indenture”), between the Corporation and U.S. Bank National Association, as trustee (the “Trustee”, which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This Security is one of the series designated on the face hereof, originally issued in book-entry only form in the aggregate principal amount of \$[_____]. This series of Securities may be reopened for issuances of additional Securities without the consent of Holders.

Before August 15, 2045 (the “Early Call Date”), the Notes will be redeemable, at the Corporation’s option, at any time in whole or from time to time in part, at a redemption price, as determined by the corporation, equal to (a) the greater of: (1) 100% of the principal amount of the notes to be redeemed; or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed that would be due if such notes matured on the Early Call Date but for the redemption (exclusive of any portion of the payments of interest accrued to the date of redemption), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined below) plus 40 basis points, plus (b) accrued but unpaid interest thereon to, but not including, the redemption date.

At any time on or after the Early Call Date, the Notes will be redeemable in whole or in part, at the Corporation’s option, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus unpaid interest accrued to, but excluding, the date of redemption.

For purposes of determining the make-whole premium, “Treasury Yield” means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (“Remaining Life”) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes (assuming for this purpose, that the notes mature on the Early Call Date).

“Comparable Treasury Price” means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the

highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers that appoints to act as the Independent Investment Banker from time to time.

“Reference Treasury Dealer” means (1) each of Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and RBS Securities Inc. and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Corporation will substitute another Primary Treasury Dealer and (2) any other Primary Treasury Dealer the Corporation selects.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Notice of redemption will be mailed or electronically delivered at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the amount of notes to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless the Corporation defaults in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected according to the procedures of The Depository Trust Company, in the case of notes represented by a global note, or by lot, in the case of notes that are not represented by a global note.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of, and any premium and accrued but unpaid interest on, the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Corporation and the Trustee with the consent of not less than the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series to be affected (voting as one class). The Indenture also contains provisions permitting the Holders of a majority in

aggregate principal amount of the Outstanding Securities of all affected series (voting as one class), on behalf of the Holders of all Securities of such series, to waive compliance by the Corporation with certain provisions of the Indenture. The Indenture permits, with certain exceptions as therein provided, the Holders of a majority in principal amount of Securities of any series then Outstanding to waive past defaults under the Indenture with respect to such series and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 90 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall, without the consent of the Holder, alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place(s) and rate, and in the coin or currency, herein prescribed.

This Security shall be entitled to the benefits of the Indenture, including the covenants and agreements of the Corporation set forth therein, except to the extent expressly otherwise set forth herein.

This Global Security or portion hereof may not be exchanged for Definitive Securities of this series except in the limited circumstances provided in the Indenture.

The Holders of beneficial interests in this Global Security will not be entitled to receive physical delivery of Definitive Securities except as described in the Indenture and will not be considered the Holders thereof for any purpose under the Indenture.

The Securities of this series are issuable only in registered form without coupons in denominations of U.S.\$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

Obligations of the Corporation under the Indenture and the Securities thereunder, including this Security, are non-recourse to the Corporation's Affiliates, and payable only out of cash flow and assets of the Corporation. The Trustee, and each Holder of a Security by its acceptance hereof, will be deemed to have agreed in the Indenture that (1) none of the Corporation's Affiliates, nor their respective assets, shall be liable for any of the obligations of the Corporation under the Indenture or such Securities, including this Security, and (2) no director, officer, employee, agent or shareholder, as such, of the Corporation, the Trustee or any of their respective Affiliates shall have any personal liability in respect of the obligations of the Corporation under the Indenture or such Securities by reason of his, her or its status.

The Indenture contains provisions that relieve the Corporation from the obligation to comply with certain restrictive covenants in the Indenture and for satisfaction and discharge at any time of the entire indebtedness upon compliance by the Corporation with certain conditions set forth in the Indenture.

This Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

CROSS GUARANTEE AGREEMENT

This CROSS GUARANTEE AGREEMENT is dated as of November 26, 2014 (as amended, restated, supplemented or otherwise modified from time to time, this “Agreement”), by each of the signatories listed on the signature pages hereto and each of the other entities that becomes a party hereto pursuant to Section 19 (the “Guarantors” and individually, a “Guarantor”), for the benefit of the Guaranteed Parties (as defined below).

WITNESSETH:

WHEREAS, Kinder Morgan, Inc., a Delaware corporation (“KMI”), and certain of its direct and indirect Subsidiaries have outstanding senior, unsecured Indebtedness and may from time to time issue additional senior, unsecured Indebtedness;

WHEREAS, each Guarantor, other than KMI, is a direct or indirect Subsidiary of KMI;

WHEREAS, each Guarantor desires to provide the guarantee set forth herein with respect to the Indebtedness of such Guarantors that constitutes the Guaranteed Obligations; and

WHEREAS, each Guarantor acknowledges that it will derive substantial direct and indirect benefit from the making of the guarantees hereby;

NOW, THEREFORE, in consideration of the premises, the Guarantors hereby agree with each other for the benefit of the Guaranteed Parties as follows:

1. Defined Terms.

(a) As used in this Agreement, the following terms have the meanings specified below:

“Agreement” has the meaning provided in the preamble hereto.

“Bankruptcy Code” means Title 11 of the United States Code, as now or hereafter in effect, or any successor thereto.

“Capital Stock” means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents (however designated) of such Person’s equity, including (i) all common stock and preferred stock, any limited or general partnership interest and any limited liability company member interest, (ii) beneficial interests in trusts, and (iii) any other interest or participation that confers upon a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person.

“CFC” means a Person that is a “controlled foreign corporation” within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Consolidated Assets” means, at the date of any determination thereof, the total assets of KMI and its Subsidiaries as set forth on a consolidated balance sheet of KMI and its Subsidiaries for their most recently completed fiscal quarter, prepared in accordance with GAAP.

“Consolidated Tangible Assets” means, at the date of any determination thereof, Consolidated Assets after deducting therefrom the value, net of any applicable reserves and accumulated amortization, of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth, or on a pro forma basis would be set forth, on a consolidated balance sheet of KMI and its Subsidiaries for their most recently completed fiscal quarter, prepared in accordance with GAAP.

“Domestic Subsidiary” means any Subsidiary of KMI organized under the laws of any jurisdiction within the United States.

“Excluded Subsidiary” means (i) any Subsidiary that is not a Wholly-owned Domestic Operating Subsidiary, (ii) any Domestic Subsidiary that is a Subsidiary of a CFC or any Domestic Subsidiary (including a disregarded entity for U.S. federal income tax purposes) substantially all of whose assets (held directly or through Subsidiaries) consist of Capital Stock of one or more CFCs or Indebtedness of such CFCs, (iii) any Immaterial Subsidiary, (iv) any Subsidiary listed on Schedule III, (v) each of Calnev Pipe Line LLC, SFPP, L.P., Kinder Morgan G.P., Inc. and EPEC Realty, Inc. and each of its Subsidiaries, (vi) any other Subsidiary that is not a Guarantor under the Revolving Credit Agreement Guarantee, (vii) any not-for-profit Subsidiary, (viii) any Subsidiary that is prohibited by a Requirement of Law from guaranteeing the Guaranteed Obligations, and (ix) any Subsidiary acquired by KMI or its Subsidiaries after the date of this Agreement to the extent, and so long as, the financing documentation governing any existing Indebtedness of such Subsidiary that survives such acquisition prohibits such Subsidiary from guaranteeing the Guaranteed Obligations; *provided*, that notwithstanding the foregoing, any Subsidiary that is party to the Revolving Credit Agreement Guarantee or that Guarantees any senior notes or senior debt securities issued by KMI (other than pursuant to this Agreement) shall not constitute an Excluded Subsidiary for so long as such Guarantee is in effect.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee is or becomes illegal.

“GAAP” means generally accepted accounting principles in the United States of America from time to time, including as set forth in the opinions, statements and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Financial Accounting Standards Board.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or

indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guarantee Termination Date” has the meaning set forth in Section 2(d).

“Guaranteed Obligations” means the Indebtedness set forth on Schedule I hereto, as such schedule may be amended from time to time in accordance with the terms of this Agreement; *provided* that the term “Guaranteed Obligations” shall exclude any Excluded Swap Obligations.

“Guaranteed Parties” means, collectively, (i) in the case of Guaranteed Obligations that are governed by trust indentures, the holders (as that term is defined in the applicable trust indenture) of such Guaranteed Obligations, (ii) in the case of Guaranteed Obligations that are governed by loan agreements, credit agreements, or similar agreements, the lenders providing such loans or credit, and (iii) in the case of Guaranteed Obligations with respect to Hedging Agreements, the counterparties under such agreements.

“Guarantor” has the meaning provided in the preamble hereto. Schedule II hereto, as such schedule may be amended from time to time in accordance with the terms of this Agreement, sets forth the name of each Guarantor.

“Hedging Agreement” means a financial instrument, agreement or security which hedges or is used to hedge or manage the risk associated with a change in interest rates, foreign currency exchange rates or commodity prices (but excluding any purchase, swap, derivative contract or similar agreement relating to power, electricity or any related commodity product).

“Immaterial Subsidiary” means any Subsidiary that is not a Material Subsidiary.

“Indebtedness” means, collectively, (i) any senior, unsecured obligation created or assumed by any Person for borrowed money, including all obligations of such Person evidenced by bonds, debentures, notes or similar instruments (other than surety, performance and guaranty bonds), and (ii) all payment obligations of any Person with respect to obligations under Hedging Agreements.

“Investment Grade Rating” means a rating equal to or higher than Baa3 by Moody’s and BBB- by S&P; *provided, however*; that if (i) either of Moody’s or S&P changes its rating system, such ratings shall be the equivalent ratings after such changes or (ii) Moody’s or S&P shall not make a rating of a Guaranteed Obligation publicly available, the references above to Moody’s or S&P or both of them, as the case may be, shall be to a nationally recognized U.S. rating agency or agencies, as the case may be, selected by KMI and the references to the ratings categories above shall be to the corresponding rating categories of such rating agency or rating agencies, as the case may be.

“Issuer” means the issuer, borrower, or other applicable primary obligor of a Guaranteed Obligation.

“KMI” has the meaning provided in the recitals hereto.

“Lien” means, with respect to any asset (i) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, and (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Material Subsidiary” means, as at any date of determination, any Subsidiary of KMI whose total tangible assets (for purposes of the below, when combined with the tangible assets of such Subsidiary’s Subsidiaries, after eliminating intercompany obligations) as at such date of determination are greater than or equal to 5% of Consolidated Tangible Assets as of the last day of the fiscal quarter most recently ended for which financial statements of KMI have been filed with the SEC.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Operating Subsidiary” means any operating company that is a Subsidiary of KMI.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant Guarantee becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a (18)(A)(v)(II) of the Commodity Exchange Act.

“Rating Agencies” means Moody’s and S&P; *provided* that, if at the relevant time neither Moody’s nor S&P shall be rating the relevant Guaranteed Obligation, then “Rating Agencies” shall mean another nationally recognized rating service that rates such Guaranteed Obligation.

“Rating Date” means the date immediately prior to the earlier of (i) the occurrence of a Release Event and (ii) public notice of the intention to effect a Release Event.

“Rating Decline” means, with respect to a Guaranteed Obligation, the occurrence of the following on, or within 90 days after, the date of the occurrence of a Release Event or of public notice of the intention to effect a Release Event (which period may be extended so long as the rating of such Guaranteed Obligation is under publicly announced consideration for possible downgrade by either of the Rating Agencies): (i) in the event such Guaranteed Obligation is assigned an Investment Grade Rating by both Rating Agencies on the Rating Date, the rating of such Guaranteed Obligation by one or both of the Rating Agencies shall be below an Investment Grade Rating; or (ii) in the event such Guaranteed Obligation is rated below an Investment Grade Rating by either of the Rating Agencies on the Rating Date, any such below-Investment Grade Rating of such Guaranteed Obligation shall be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).

“Release Event” has the meaning set forth in Section 6(b).

“Requirement of Law” means any law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization or other directive or requirement (whether or not having the force of law), including environmental laws, energy regulations and occupational, safety and health standards or controls, of any Governmental Authority.

“Revolving Credit Agreement” means the Revolving Credit Agreement, dated as of September 19, 2014, among KMI, the lenders party thereto and Barclays Bank PLC, as administrative agent, as such credit agreement may be amended, modified, supplemented or restated from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid or extended from time to time (whether with the original agents and lenders or other agents or lenders or trustee or otherwise, and whether provided under the original credit agreement or other credit agreements or note indentures or otherwise), including, without limitation, increasing the amount of available borrowings or other Indebtedness thereunder.

“Revolving Credit Agreement Guarantee” means the Guarantee Agreement, dated as of November 26, 2014, made by the Subsidiaries of KMI party thereto in favor of Barclays Bank PLC, as administrative agent, for the benefit of the lenders and the issuing banks under the Revolving Credit Agreement, as such guarantee agreement may be amended, modified, supplemented or restated from time to time, and as it may be replaced or renewed from time to time in connection with any amendment, modification, supplement, restatement, refunding, refinancing, restructuring, replacement, renewal, repayment, or extension of any Revolving Credit Agreement from time to time.

“S&P” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

“SEC” means the United States Securities and Exchange Commission.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partner interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent. Unless the context otherwise clearly requires, references in this Agreement to a “Subsidiary” or the “Subsidiaries” refer to a Subsidiary or the Subsidiaries of KMI. Notwithstanding the foregoing, Plantation Pipe Line Company, a Delaware and Virginia corporation, shall not be a Subsidiary of KMI until such time as its assets and liabilities, profit or loss and cash flow are required under GAAP to be consolidated with those of KMI.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a (47) of the Commodity Exchange Act.

“Wholly-owned Domestic Operating Subsidiary” means any Wholly-owned Subsidiary that constitutes (i) a Domestic Subsidiary and (ii) an Operating Subsidiary.

“Wholly-owned Subsidiary” means a Subsidiary of which all issued and outstanding Capital Stock (excluding in the case of a corporation, directors’ qualifying shares) is directly or indirectly owned by KMI.

(b) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this

Agreement, and Section references are to Sections of this Agreement unless otherwise specified. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) Subject to the provisions of Section 2(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees, as primary obligor and not merely as surety, for the benefit of the Guaranteed Parties, the prompt and complete payment when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligations; *provided* that each Guarantor shall be released from its respective guarantee obligations under this Agreement as provided in Section 6 (b). Upon the failure of an Issuer to punctually pay any Guaranteed Obligation, each Guarantor shall, upon written demand by the applicable Guaranteed Party to such Guarantor, pay or cause to be paid such amounts.

(b) Anything herein to the contrary notwithstanding, the maximum liability of each Guarantor hereunder shall in no event exceed the amount that can be guaranteed by such Guarantor under the Bankruptcy Code or any applicable laws relating to fraudulent conveyances, fraudulent transfers or the insolvency of debtors after giving full effect to the liability under this Agreement and its related contribution rights set forth in this Section 2, but before taking into account any liabilities under any other Guarantees.

(c) Each Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder (as a result of the limitations set forth in Section 2(b) or elsewhere in this Agreement) without impairing this Agreement or affecting the rights and remedies of any Guaranteed Party hereunder.

(d) No payment or payments made by any Issuer, any of the Guarantors, any other guarantor or any other Person or received or collected by any Guaranteed Party from any Issuer, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of any Guaranteed Obligation shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, which shall, notwithstanding any such payment or payments, other than payments made by such Guarantor in respect of such Guaranteed Obligation or payments received or collected from such Guarantor in respect of such Guaranteed Obligation, remain liable for the Guaranteed Obligations up to the maximum liability of such Guarantor hereunder until all Guaranteed Obligations (other than any contingent indemnity obligations not then due and any letters of credit that remain outstanding which have been fully cash collateralized or otherwise back-stopped to the reasonable satisfaction of the applicable issuing bank) shall have been discharged by payment in full or shall have been deemed paid and discharged by defeasance pursuant to the terms of the instruments governing such Guaranteed Obligations (the “Guarantee Termination Date”).

(e) If and to the extent required in order for the obligations of any Guarantor hereunder to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount which can lawfully be guaranteed by such Guarantor under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising hereunder. Each Guarantor acknowledges and agrees

that, to the extent not prohibited by applicable law, (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2(e) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2(e) may be enforced only to the extent required under such laws in order for the obligations of such Guarantor under this Agreement to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other Person entitled, under such laws, to enforce the provisions hereof.

3. Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder (including by way of set-off rights being exercised against it), such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment as set forth in this Section 3. To the extent that any Guarantor shall be required hereunder to pay any portion of any Guaranteed Obligation guaranteed hereunder exceeding the greater of (a) the amount of the value actually received by such Guarantor and its Subsidiaries from such Guaranteed Obligation and (b) the amount such Guarantor would otherwise have paid if such Guarantor had paid the aggregate amount of such Guaranteed Obligation guaranteed hereunder (excluding the amount thereof repaid by the Issuer of such Guaranteed Obligation) in the same proportion as such Guarantor's net worth on the date enforcement is sought hereunder bears to the aggregate net worth of all the Guarantors on such date, then such Guarantor shall be reimbursed by such other Guarantors for the amount of such excess, pro rata, based on the respective net worth of such other Guarantors on such date; *provided* that any Guarantor's right of reimbursement shall be subject to the terms and conditions of Section 5 hereof. For purposes of determining the net worth of any Guarantor in connection with the foregoing, all Guarantees of such Guarantor other than pursuant to this Agreement will be deemed to be enforceable and payable after its obligations pursuant to this Agreement. The provisions of this Section 3 shall in no respect limit the obligations and liabilities of any Guarantor to the Guaranteed Parties, and each Guarantor shall remain liable to the Guaranteed Parties for the full amount guaranteed by such Guarantor hereunder.

4. No Right of Set-off. No Guaranteed Party shall have, as a result of this Agreement, any right of set-off against any amount owing by such Guaranteed Party to or for the credit or the account of a Guarantor.

5. No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder, no Guarantor shall be entitled to be subrogated to any of the rights (or if subrogated by operation of law, such Guarantor hereby waives such rights to the extent permitted by applicable law) of any Guaranteed Party against any Issuer or any other Guarantor or any collateral security or guarantee or right of offset held by any Guaranteed Party for the payment of any Guaranteed Obligation, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Issuer or any other Guarantor in respect of payments made by such Guarantor hereunder, until the Guarantee Termination Date. If any amount shall be paid to any Guarantor on account of such subrogation, contribution or reimbursement rights at any time prior to the Guarantee Termination Date, such amount shall be held by such Guarantor in trust for the applicable Guaranteed Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the applicable Guaranteed Parties in the exact form received by such Guarantor (duly indorsed by such

Guarantor to the applicable Guaranteed Parties if required), to be applied against the applicable Guaranteed Obligation, whether due or to become due.

6. Amendments, etc. with Respect to the Guaranteed Obligations; Waiver of Rights; Release.

(a) Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, (i) any demand for payment of any Guaranteed Obligation made by any Guaranteed Party may be rescinded by such party and any Guaranteed Obligation continued, (ii) a Guaranteed Obligation, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, allowed to lapse, surrendered or released by any Guaranteed Party, (iii) the instruments governing any Guaranteed Obligation may be amended, modified, supplemented or terminated, in whole or in part, and (iv) any collateral security, guarantee or right of offset at any time held by any Guaranteed Party for the payment of any Guaranteed Obligation may be sold, exchanged, waived, allowed to lapse, surrendered or released. No Guaranteed Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Guaranteed Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against any Guarantor, a Guaranteed Party may, but shall be under no obligation to, make a similar demand on the Issuer of the applicable Guaranteed Obligation or any other Guarantor or any other person, and any failure by a Guaranteed Party to make any such demand or to collect any payments from such Issuer or any other Guarantor or any other person or any release of such Issuer or any other Guarantor or any other person shall not relieve any Guarantor in respect of which a demand or collection is not made or any Guarantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of any Guaranteed Party against any Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

(b) A Guarantor shall be automatically released from its guarantee hereunder upon release of such Guarantor from the Revolving Credit Agreement Guarantee, including upon consummation of any transaction resulting in such Guarantor ceasing to constitute a Subsidiary or upon any Guarantor becoming an Excluded Subsidiary (such transaction or event, a “Release Event”).

(c) Upon the occurrence of a Release Event, each Guaranteed Obligation for which such released Guarantor was the Issuer shall be automatically released from the provisions of this Agreement and shall cease to constitute a Guaranteed Obligation hereunder; *provided* that in the case of any Guaranteed Obligation that has been assigned an Investment Grade Rating by the Rating Agencies, such Guaranteed Obligation shall be so released, effective as of the 91st day after the occurrence of the Release Event, if and only if a Rating Decline with respect to such Guaranteed Obligation does not occur.

7. Guarantee Absolute and Unconditional.

(a) Each Guarantor waives any and all notice of the creation, contraction, incurrence, renewal, extension, amendment, waiver or accrual of any of the Guaranteed Obligations, and notice of or proof of reliance by any Guaranteed Party upon this Agreement or acceptance of this Agreement. To the fullest extent permitted by applicable law, each Guarantor waives diligence, promptness, presentment, protest and notice of protest, demand for payment or performance, notice of default or nonpayment, notice of acceptance and any other notice in respect of the Guaranteed Obligations or any part of them, and any defense arising by reason of any disability or other defense of any Issuer or any of the Guarantors

with respect to the Guaranteed Obligations. Each Guarantor understands and agrees that this Agreement shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity, regularity or enforceability of any of the Guaranteed Obligations, the indenture, loan agreement, note or other instrument evidencing or governing any of the Guaranteed Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Guaranteed Party, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to or be asserted by any Issuer against any Guaranteed Party or (iii) any other circumstance whatsoever (with or without notice to or knowledge of any Issuer or such Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of any Issuer for any of the Guaranteed Obligations, or of such Guarantor under this Agreement, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against any Guarantor, any Guaranteed Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Issuer or any other Person or against any collateral security or guarantee for the Guaranteed Obligations or any right of offset with respect thereto, and any failure by any Guaranteed Party to pursue such other rights or remedies or to collect any payments from the Issuer or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Issuer or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the other Guaranteed Parties against such Guarantor.

(b) This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof and shall inure to the benefit of the Guaranteed Parties and their respective successors, indorsees, transferees and assigns until the Guarantee Termination Date.

8. Reinstatement. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by any Guaranteed Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Issuer or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Issuer or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the applicable Guaranteed Parties without set-off or counterclaim in dollars.

10. Representations and Warranties. Each Guarantor hereby represents and warrants to each Guaranteed Party that the following representations and warranties are true and correct in all material respects as of the date of this Agreement or as of the date such Guarantor became a party to this Agreement, as applicable:

(a) such Guarantor (i) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the laws of the state of its incorporation, organization or formation, (ii) has all requisite corporate, partnership, limited liability company or other power and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and (iii) is duly qualified to do business and is in good standing in every jurisdiction in which the failure to be so qualified would have a material adverse effect on its ability to perform its obligations under this Agreement;

(b) such Guarantor has all requisite corporate (or other organizational) power and authority to execute and deliver and to perform its obligations under this Agreement, and all such actions have been duly authorized by all necessary proceedings on its behalf;

(c) this Agreement has been duly and validly executed and delivered by or on behalf of such Guarantor and constitutes the valid and legally binding agreement of such Guarantor, enforceable against such Guarantor in accordance with its terms, except (i) as may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, fraudulent conveyance or other similar laws relating to or affecting the enforcement of creditors' rights generally, and by general principles of equity (including principles of good faith, reasonableness, materiality and fair dealing) which may, among other things, limit the right to obtain equitable remedies (regardless of whether considered in a proceeding in equity or at law) and (ii) as to the enforceability of provisions for indemnification for violation of applicable securities laws, limitations thereon arising as a matter of law or public policy;

(d) no authorization, consent, approval, license or exemption of or registration, declaration or filing with any Governmental Authority is necessary for the valid execution and delivery of, or the performance by such Guarantor of its obligations hereunder, except those that have been obtained and such matters relating to performance as would ordinarily be done in the ordinary course of business after the date of this Agreement or as of the date such Guarantor became a party to this Agreement, as applicable; and

(e) neither the execution and delivery of, nor the performance by such Guarantor of its obligations under, this Agreement will (i) breach or violate any applicable Requirement of Law, (ii) result in any breach or violation of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of its property or assets (other than Liens created or contemplated by this Agreement) pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which it or any of its Subsidiaries is party or by which any of its properties or assets, or those of any of its Subsidiaries is bound or to which it is subject, except for breaches, violations and defaults under clauses (i) and (ii) that neither individually nor in the aggregate could reasonably be expected to result in a material adverse effect on its ability to perform its obligations under this Agreement, or (iii) violate any provision of the organizational documents of such Guarantor.

11. Rights of Guaranteed Parties. Each Guarantor acknowledges and agrees that any changes in the identity of the Persons from time to time comprising the Guaranteed Parties gives rise to an equivalent change in the Guaranteed Parties, without any further act. Upon such an occurrence, the persons then comprising the Guaranteed Parties are vested with the rights, remedies and discretions of the Guaranteed Parties under this Agreement.

12. Notices.

(a) All notices, requests, demands and other communications to any Guarantor pursuant hereto shall be in writing and mailed, telecopied or delivered to such Guarantor in care of KMI, 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, Attention: Treasurer, Telecopy: (713) 445-8302.

(b) KMI will provide a copy of this Agreement, including the most recently amended schedules and supplements hereto, to any Guaranteed Party upon written request to the address set forth in Section 12(a); *provided, however*, that KMI's obligations under this Section 12(b) shall be deemed satisfied if KMI has filed a copy of this Agreement, including the most recently amended schedules and

supplements hereto, with the SEC within three months preceding the date on which KMI receives such written request.

13. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with KMI.

14. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

15. Integration. This Agreement represents the agreement of each Guarantor with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any Guaranteed Party relative to the subject matter hereof not expressly set forth or referred to herein.

16. Amendments; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Guarantors and KMI.

(b) The Guarantors may amend or supplement this Agreement by a written instrument executed by all Guarantors:

(i) to cure any ambiguity, defect or inconsistency;

(ii) to reflect a change in the Guarantors or the Guaranteed Obligations made in accordance with this Agreement;

(iii) to make any change that would provide any additional rights or benefits to the Guaranteed Parties or that would not adversely affect the legal rights hereunder of any Guaranteed Party in any material respect; or

(iv) to conform this Agreement to any change made to the Revolving Credit Agreement or to the Revolving Credit Agreement Guarantee.

Except as set forth in this clause (b) or otherwise provided herein, the Guarantors may not amend, supplement or otherwise modify this Agreement prior to the Guarantee Termination Date without the prior written consent of the holders of the majority of the outstanding principal amount of the Guaranteed Obligations (excluding obligations with respect to Hedging Agreements). Notwithstanding the foregoing, in the case of an amendment that would reasonably be expected to adversely, materially and disproportionately affect Guaranteed Parties with Guaranteed Obligations existing under Hedging Agreements relative to the other Guaranteed Parties, the foregoing exclusion of obligations with respect to Hedging Agreements shall not apply, and the outstanding principal amount attributable to each such Guaranteed Party's Guaranteed Obligations shall be deemed to be equal to the termination payment that

would be due to such Guaranteed Party as if the valuation date were an “Early Termination Date” under and calculated in accordance with each applicable Hedging Agreement.

(c) No Guaranteed Party shall by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of any Guaranteed Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by a Guaranteed Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that such Guaranteed Party would otherwise have on any future occasion.

(d) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

17. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

18. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Guaranteed Parties and their respective successors and permitted assigns, except that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Agreement except pursuant to a transaction permitted by the Revolving Credit Agreement and in connection with a corresponding assignment under the Revolving Credit Agreement Guarantee.

19. Additional Guarantors.

(a) KMI shall cause each Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the date of this Agreement (including each Subsidiary that ceases to constitute an Excluded Subsidiary after the date of this Agreement) to execute a supplement to this Agreement and become a Guarantor within 45 days of the occurrence of the applicable event specified in this Section 19(a).

(b) Each Subsidiary of KMI that becomes, at the request of KMI, or that is required pursuant to Section 19(a) to become, a party to this Agreement shall become a Guarantor, with the same force and effect as if originally named as a Guarantor herein, for all purposes of this Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto. The execution and delivery of any instrument adding an additional Guarantor as a party to this Agreement shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Agreement.

20. Additional Guaranteed Obligations. Any Indebtedness issued by a Guarantor or for which a Guarantor otherwise becomes obligated after the date of this Agreement shall become a Guaranteed Obligation upon the execution by all Guarantors of a notation of guarantee substantially in the form of Annex B hereto, which shall be affixed to the instrument or instruments evidencing such Indebtedness. Each such notation of guarantee shall be signed on behalf of each Guarantor by a duly authorized officer prior to the authentication or issuance of such Indebtedness.

21. **GOVERNING LAW.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

22. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 22 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 22, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Guarantee Termination Date. Each Qualified ECP Guarantor intends that this Section 22 constitute, and this Section 22 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered by its duly authorized officer or other representative as of the day and year first above written.

KINDER MORGAN, INC.

By: /s/ Anthony B. Ashley
Name: Anthony B. Ashley
Title: Treasurer

AGNES B CRANE, LLC
AMERICAN PETROLEUM TANKERS II LLC
AMERICAN PETROLEUM TANKERS III LLC
AMERICAN PETROLEUM TANKERS IV LLC
AMERICAN PETROLEUM TANKERS LLC
AMERICAN PETROLEUM TANKERS PARENT LLC
AMERICAN PETROLEUM TANKERS V LLC
AMERICAN PETROLEUM TANKERS VI LLC
AMERICAN PETROLEUM TANKERS VII LLC
APT FLORIDA LLC
APT INTERMEDIATE HOLDCO LLC
APT NEW INTERMEDIATE HOLDCO LLC
APT PENNSYLVANIA LLC
APT SUNSHINE STATE LLC
AUDREY TUG LLC
BEAR CREEK STORAGE COMPANY, L.L.C.
BETTY LOU LLC
CAMINO REAL GATHERING COMPANY, L.L.C.
CANTERA GAS COMPANY LLC
CDE PIPELINE LLC
CENTRAL FLORIDA PIPELINE LLC
CHEYENNE PLAINS GAS PIPELINE COMPANY, L.L.C.
CIG GAS STORAGE COMPANY LLC
CIG PIPELINE SERVICES COMPANY, L.L.C.
CIMMARRON GATHERING LLC
COLORADO INTERSTATE GAS COMPANY, L.L.C.
COLORADO INTERSTATE ISSUING CORPORATION
COPANO DOUBLE EAGLE LLC
COPANO ENERGY FINANCE CORPORATION
COPANO ENERGY, L.L.C.
COPANO ENERGY SERVICES/UPPER GULF COAST LLC
COPANO FIELD SERVICES GP, L.L.C.
COPANO FIELD SERVICES/NORTH TEXAS, L.L.C.
COPANO FIELD SERVICES/SOUTH TEXAS LLC
COPANO FIELD SERVICES/UPPER GULF COAST LLC
COPANO LIBERTY, LLC
COPANO NGL SERVICES (MARKHAM), L.L.C.

COPANO NGL SERVICES LLC
COPANO PIPELINES GROUP, L.L.C.
COPANO PIPELINES/NORTH TEXAS, L.L.C.
COPANO PIPELINES/ROCKY MOUNTAINS, LLC
COPANO PIPELINES/SOUTH TEXAS LLC
COPANO PIPELINES/UPPER GULF COAST LLC
COPANO PROCESSING LLC
COPANO RISK MANAGEMENT LLC
COPANO/WEBB-DUVAL PIPELINE LLC
CPNO SERVICES LLC
DAKOTA BULK TERMINAL, INC.
DELTA TERMINAL SERVICES LLC
EAGLE FORD GATHERING LLC
EL PASO CHEYENNE HOLDINGS, L.L.C.
EL PASO CITRUS HOLDINGS, INC.
EL PASO CNG COMPANY, L.L.C.
EL PASO ENERGY SERVICE COMPANY, L.L.C.
EL PASO LLC
EL PASO MIDSTREAM GROUP LLC
EL PASO NATURAL GAS COMPANY, L.L.C.
EL PASO NORIC INVESTMENTS III, L.L.C.
EL PASO PIPELINE CORPORATION
EL PASO PIPELINE GP COMPANY, L.L.C.
EL PASO PIPELINE HOLDING COMPANY, L.L.C.
EL PASO PIPELINE LP HOLDINGS, L.L.C.
EL PASO PIPELINE PARTNERS, L.P.
By El Paso Pipeline GP Company, L.L.C., its general partner
EL PASO PIPELINE PARTNERS OPERATING COMPANY, L.L.C.
EL PASO RUBY HOLDING COMPANY, L.L.C.
EL PASO TENNESSEE PIPELINE CO., L.L.C.
ELBA EXPRESS COMPANY, L.L.C.
ELIZABETH RIVER TERMINALS LLC
EMORY B CRANE, LLC
EPBGP CONTRACTING SERVICES LLC
EP ENERGY HOLDING COMPANY
EP RUBY LLC
EPTP ISSUING CORPORATION
FERNANDINA MARINE CONSTRUCTION MANAGEMENT LLC
FRANK L. CRANE, LLC
GENERAL STEVEDORES GP, LLC
GENERAL STEVEDORES HOLDINGS LLC
GLOBAL AMERICAN TERMINALS LLC
HAMPSHIRE LLC
HARRAH MIDSTREAM LLC
HBM ENVIRONMENTAL, INC.
ICPT, L.L.C
J.R. NICHOLLS LLC
JAVELINA TUG LLC

JEANNIE BREWER LLC
JV TANKER CHARTERER LLC
KINDER MORGAN (DELAWARE), INC.
KINDER MORGAN 2-MILE LLC
KINDER MORGAN ADMINISTRATIVE SERVICES TAMPA LLC
KINDER MORGAN ALTAMONT LLC
KINDER MORGAN AMORY LLC
KINDER MORGAN ARROW TERMINALS HOLDINGS, INC.
KINDER MORGAN ARROW TERMINALS, L.P.

By Kinder Morgan River Terminals, LLC, its general partner
KINDER MORGAN BALTIMORE TRANSLOAD TERMINAL LLC
KINDER MORGAN BATTLEGROUND OIL LLC
KINDER MORGAN BORDER PIPELINE LLC
KINDER MORGAN BULK TERMINALS, INC.
KINDER MORGAN CARBON DIOXIDE TRANSPORTATION
COMPANY
KINDER MORGAN CO2 COMPANY, L.P.

By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN COCHIN LLC
KINDER MORGAN COLUMBUS LLC
KINDER MORGAN COMMERCIAL SERVICES LLC
KINDER MORGAN CRUDE & CONDENSATE LLC
KINDER MORGAN CRUDE OIL PIPELINES LLC
KINDER MORGAN CRUDE TO RAIL LLC
KINDER MORGAN CUSHING LLC
KINDER MORGAN DALLAS FORT WORTH RAIL TERMINAL LLC
KINDER MORGAN ENDEAVOR LLC
KINDER MORGAN ENERGY PARTNERS, L.P.

By Kinder Morgan G.P., Inc., its general partner
KINDER MORGAN EP MIDSTREAM LLC
KINDER MORGAN FINANCE COMPANY LLC
KINDER MORGAN FLEETING LLC
KINDER MORGAN FREEDOM PIPELINE LLC
KINDER MORGAN KEYSTONE GAS STORAGE LLC
KINDER MORGAN KMAP LLC
KINDER MORGAN LAS VEGAS LLC
KINDER MORGAN LINDEN TRANSLOAD TERMINAL LLC
KINDER MORGAN LIQUIDS TERMINALS LLC
KINDER MORGAN LIQUIDS TERMINALS ST. GABRIEL LLC
KINDER MORGAN MARINE SERVICES LLC
KINDER MORGAN MATERIALS SERVICES, LLC
KINDER MORGAN MID ATLANTIC MARINE SERVICES LLC
KINDER MORGAN NATGAS O&M LLC

KINDER MORGAN NORTH TEXAS PIPELINE LLC
KINDER MORGAN OPERATING L.P. "A"

By Kinder Morgan G.P., Inc., its general partner

KINDER MORGAN OPERATING L.P. "B"

By Kinder Morgan G.P., Inc., its general partner

KINDER MORGAN OPERATING L.P. "C"

By Kinder Morgan G.P., Inc., its general partner

KINDER MORGAN OPERATING L.P. "D"

By Kinder Morgan G.P., Inc., its general partner

KINDER MORGAN PECOS LLC

KINDER MORGAN PECOS VALLEY LLC

KINDER MORGAN PETCOKE GP LLC

KINDER MORGAN PETCOKE, L.P.

By Kinder Morgan Petcoke GP LLC, its general partner

KINDER MORGAN PETCOKE LP LLC

KINDER MORGAN PETROLEUM TANKERS LLC

KINDER MORGAN PIPELINE LLC

KINDER MORGAN PIPELINES (USA) INC.

KINDER MORGAN PORT MANATEE TERMINAL LLC

KINDER MORGAN PORT SUTTON TERMINAL LLC

KINDER MORGAN PORT TERMINALS USA LLC

KINDER MORGAN PRODUCTION COMPANY LLC

KINDER MORGAN RAIL SERVICES LLC

KINDER MORGAN RESOURCES II LLC

KINDER MORGAN RESOURCES III LLC

KINDER MORGAN RESOURCES LLC

KINDER MORGAN RIVER TERMINALS LLC

KINDER MORGAN SERVICES LLC

KINDER MORGAN SEVEN OAKS LLC

KINDER MORGAN SOUTHEAST TERMINALS LLC

KINDER MORGAN TANK STORAGE TERMINALS LLC

KINDER MORGAN TEJAS PIPELINE LLC

KINDER MORGAN TERMINALS, INC.

KINDER MORGAN TEXAS PIPELINE LLC

KINDER MORGAN TEXAS TERMINALS, L.P.

By General Stevedores GP, LLC, its general partner

KINDER MORGAN TRANSMIX COMPANY, LLC

KINDER MORGAN TREATING LP

By KM Treating GP LLC, its general partner

KINDER MORGAN URBAN RENEWAL, L.L.C.

KINDER MORGAN UTICA LLC

KINDER MORGAN VIRGINIA LIQUIDS TERMINALS LLC

KINDER MORGAN WINK PIPELINE LLC

KINDERHAWK FIELD SERVICES LLC

KM CRANE LLC

KM DECATUR, INC.

KM EAGLE GATHERING LLC

KM GATHERING LLC

KM KASKASKIA DOCK LLC

KM LIQUIDS TERMINALS LLC

KM NORTH CAHOKIA LAND LLC
KM NORTH CAHOKIA SPECIAL PROJECT LLC
KM NORTH CAHOKIA TERMINAL PROJECT LLC
KM SHIP CHANNEL SERVICES LLC
KM TREATING GP LLC
KM TREATING PRODUCTION LLC
KMBT LLC
KMGP CONTRACTING SERVICES LLC
KMGP SERVICES COMPANY, INC.
KN TELECOMMUNICATIONS, INC.
KNIGHT POWER COMPANY LLC
LOMITA RAIL TERMINAL LLC
MILWAUKEE BULK TERMINALS LLC
MJR OPERATING LLC
MOJAVE PIPELINE COMPANY, L.L.C.
MOJAVE PIPELINE OPERATING COMPANY, L.L.C.
MR. BENNETT LLC
MR. VANCE LLC
NASSAU TERMINALS LLC
NGPL HOLDCO INC.
NS 307 HOLDINGS INC.
PADDY RYAN CRANE, LLC
PALMETTO PRODUCTS PIPE LINE LLC
PI 2 PELICAN STATE LLC
PINNEY DOCK & TRANSPORT LLC
QUEEN CITY TERMINALS LLC
RAHWAY RIVER LAND LLC
RAZORBACK TUG LLC
RCI HOLDINGS, INC.
RIVER TERMINALS PROPERTIES GP LLC
RIVER TERMINAL PROPERTIES, L.P.
By River Terminals Properties GP LLC, its general partner
SCISSORTAIL ENERGY, LLC
SNG PIPELINE SERVICES COMPANY, L.L.C.
SOUTHERN GULF LNG COMPANY, L.L.C.
SOUTHERN LIQUEFACTION COMPANY LLC
SOUTHERN LNG COMPANY, L.L.C.
SOUTHERN NATURAL GAS COMPANY, L.L.C.
SOUTHERN NATURAL ISSUING CORPORATION
SOUTHTEX TREATERS LLC
SOUTHWEST FLORIDA PIPELINE LLC
SRT VESSELS LLC
STEVEDORE HOLDINGS, L.P.
By Kinder Morgan Petcoke GP LLC, its general partner
TAJON HOLDINGS, INC.
TEJAS GAS, LLC
TEJAS NATURAL GAS, LLC
TENNESSEE GAS PIPELINE COMPANY, L.L.C.
TENNESSEE GAS PIPELINE ISSUING CORPORATION
TEXAN TUG LLC

ANNEX A TO
THE CROSS GUARANTEE AGREEMENT

SUPPLEMENT NO. [] dated as of [] to the CROSS GUARANTEE AGREEMENT dated as of [] (the “Agreement”), among each of the Guarantors listed on the signature pages thereto and each of the other entities that becomes a party thereto pursuant to Section 19 of the Agreement (each such entity individually, a “Guarantor” and, collectively, the “Guarantors”). Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

A. The Guarantors consist of Kinder Morgan, Inc., a Delaware corporation (“KMI”), and certain of its direct and indirect Subsidiaries, and the Guarantors have entered into the Agreement in order to provide guarantees of certain of the Guarantors’ senior, unsecured Indebtedness outstanding from time to time.

B. Section 19 of the Agreement provides that additional Subsidiaries may become Guarantors under the Agreement by execution and delivery of an instrument in the form of this Supplement. Each undersigned Subsidiary (each a “New Guarantor”) is executing this Supplement at the request of KMI or in accordance with the requirements of the Agreement to become a Guarantor under the Agreement.

Accordingly, each New Guarantor agrees as follows:

SECTION 1. In accordance with Section 19 of the Agreement, each New Guarantor by its signature below becomes a Guarantor under the Agreement with the same force and effect as if originally named therein as a Guarantor and each New Guarantor hereby (a) agrees to all the terms and provisions of the Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct on and as of the date hereof. Each reference to a Guarantor in the Agreement shall be deemed to include each New Guarantor. The Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Guarantor represents and warrants to the Guaranteed Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with KMI. This Supplement shall become effective as to each New Guarantor when KMI shall have received a counterpart of this Supplement that bears the signature of such New Guarantor.

SECTION 4. Except as expressly supplemented hereby, the Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 12 of the Agreement. All communications and notices hereunder to each New Guarantor shall be given to it in care of KMI at the address set forth in Section 12 of the Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Guarantor has duly executed this Supplement to the Agreement as of the day and year first above written.

_____ as Guarantor

By: _____
Name:
Title:

ANNEX B TO
THE CROSS GUARANTEE AGREEMENT

FORM OF NOTATION OF GUARANTEE

Subject to the limitations set forth in the Cross Guarantee Agreement, dated as of [•] (the “Guarantee Agreement”), the undersigned Guarantors hereby certify that this [Indebtedness] constitutes a Guaranteed Obligation, entitled to all the rights as such set forth in the Guarantee Agreement. The Guarantors may be released from their guarantees upon the terms and subject to the conditions provided in the Guarantee Agreement. Capitalized terms used but not defined in this notation of guarantee have the meanings assigned such terms in the Guarantee Agreement, a copy of which will be provided to [a holder of this instrument] upon request to [Issuer].

Schedule I of the Guarantee Agreement is hereby deemed to be automatically updated to include this [Indebtedness] thereon as a Guaranteed Obligation.

[GUARANTORS],
as Guarantor

By: _____
Name:
Title:

SCHEDULE I

Guaranteed Obligations
March 18, 2015

Issuer	Indebtedness	Maturity
Kinder Morgan, Inc.	5.15% notes	March 1, 2015
Kinder Morgan, Inc.	5.70% notes	January 5, 2016
Kinder Morgan, Inc.	8.25% bonds	February 15, 2016
Kinder Morgan, Inc.	\$100 million Letter of Credit Facility	June 20, 2016
Kinder Morgan, Inc.	7.00% bonds	June 15, 2017
Kinder Morgan, Inc.	2.00% notes	December 1, 2017
Kinder Morgan, Inc.	6.00% notes	January 15, 2018
Kinder Morgan, Inc.	7.00% bonds (Sonat)	February 1, 2018
Kinder Morgan, Inc.	7.25% bonds	June 1, 2018
Kinder Morgan, Inc.	3.05% notes	December 1, 2019
Kinder Morgan, Inc.	6.50% bonds	September 15, 2020
Kinder Morgan, Inc.	5.00% notes	February 15, 2021
Kinder Morgan, Inc.	1.500% notes	March 16, 2022
Kinder Morgan, Inc.	5.625% notes	November 15, 2023
Kinder Morgan, Inc.	4.30% notes	June 1, 2025
Kinder Morgan, Inc.	6.70% bonds (Coastal)	February 15, 2027
Kinder Morgan, Inc.	2.250% notes	March 16, 2027
Kinder Morgan, Inc.	6.67% debentures	November 1, 2027
Kinder Morgan, Inc.	7.25% debentures	March 1, 2028
Kinder Morgan, Inc.	6.95% bonds (Coastal)	June 1, 2028
Kinder Morgan, Inc.	8.05% bonds	October 15, 2030
Kinder Morgan, Inc.	7.80% bonds	August 1, 2031
Kinder Morgan, Inc.	7.75% bonds	January 15, 2032
Kinder Morgan, Inc.	5.30% notes	December 1, 2034
Kinder Morgan, Inc.	7.75% bonds (Coastal)	October 15, 2035
Kinder Morgan, Inc.	6.40% notes	January 5, 2036
Kinder Morgan, Inc.	7.42% bonds (Coastal)	February 15, 2037
Kinder Morgan, Inc.	5.55% notes	June 1, 2045
Kinder Morgan, Inc.	5.050% notes	February 15, 2046
Kinder Morgan, Inc.	7.45% debentures	March 1, 2098
Kinder Morgan Energy Partners, L.P.	5.625% bonds	February 15, 2015
Kinder Morgan Energy Partners, L.P.	3.50% bonds	March 1, 2016
Kinder Morgan Energy Partners, L.P.	6.00% bonds	February 1, 2017
Kinder Morgan Energy Partners, L.P.	5.95% bonds	February 15, 2018
Kinder Morgan Energy Partners, L.P.	9.00% bonds	February 1, 2019
Kinder Morgan Energy Partners, L.P.	2.65% bonds	February 1, 2019
Kinder Morgan Energy Partners, L.P.	6.85% bonds	February 15, 2020
Kinder Morgan Energy Partners, L.P.	5.30% bonds	September 15, 2020
Kinder Morgan Energy Partners, L.P.	5.80% bonds	March 1, 2021
Kinder Morgan Energy Partners, L.P.	3.50% bonds	March 1, 2021
Kinder Morgan Energy Partners, L.P.	4.15% bonds	March 1, 2022
Kinder Morgan Energy Partners, L.P.	3.95% bonds	September 1, 2022

Schedule I
(Guaranteed Obligations)

March 18, 2015

Issuer	Indebtedness	Maturity
Kinder Morgan Energy Partners, L.P.	3.45% bonds	February 15, 2023
Kinder Morgan Energy Partners, L.P.	3.50% bonds	September 1, 2023
Kinder Morgan Energy Partners, L.P.	4.15% bonds	February 1, 2024
Kinder Morgan Energy Partners, L.P.	4.25% bonds	September 1, 2024
Kinder Morgan Energy Partners, L.P.	7.40% bonds	March 15, 2031
Kinder Morgan Energy Partners, L.P.	7.75% bonds	March 15, 2032
Kinder Morgan Energy Partners, L.P.	7.30% bonds	August 15, 2033
Kinder Morgan Energy Partners, L.P.	5.80% bonds	March 15, 2035
Kinder Morgan Energy Partners, L.P.	6.50% bonds	February 1, 2037
Kinder Morgan Energy Partners, L.P.	6.95% bonds	January 15, 2038
Kinder Morgan Energy Partners, L.P.	6.50% bonds	September 1, 2039
Kinder Morgan Energy Partners, L.P.	6.55% bonds	September 15, 2040
Kinder Morgan Energy Partners, L.P.	6.375% bonds	March 1, 2041
Kinder Morgan Energy Partners, L.P.	5.625% bonds	September 1, 2041
Kinder Morgan Energy Partners, L.P.	5.00% bonds	August 15, 2042
Kinder Morgan Energy Partners, L.P.	5.00% bonds	March 1, 2043
Kinder Morgan Energy Partners, L.P.	5.50% bonds	March 1, 2044
Kinder Morgan Energy Partners, L.P.	5.40% bonds	September 1, 2044
El Paso Pipeline Partners, L.P.	4.10% bonds	November 15, 2015
El Paso Pipeline Partners, L.P.	6.50% bonds	April 1, 2020
El Paso Pipeline Partners, L.P.	5.00% bonds	October 1, 2021
El Paso Pipeline Partners, L.P.	4.30% bonds	May 1, 2024
El Paso Pipeline Partners, L.P.	7.50% bonds	November 15, 2040
El Paso Pipeline Partners, L.P.	4.70% bonds	November 1, 2042
Tennessee Gas Pipeline Co.	8.00% bonds	February 1, 2016
Tennessee Gas Pipeline Co.	7.50% bonds	April 1, 2017
Tennessee Gas Pipeline Co.	7.00% bonds	March 15, 2027
Tennessee Gas Pipeline Co.	7.00% bonds	October 15, 2028
Tennessee Gas Pipeline Co.	8.375% bonds	June 15, 2032
Tennessee Gas Pipeline Co.	7.625% bonds	April 1, 2037
El Paso Natural Gas Co.	5.95% bonds	April 15, 2017
El Paso Natural Gas Co.	8.625% bonds	January 15, 2022
El Paso Natural Gas Co.	7.50% bonds	November 15, 2026
El Paso Natural Gas Co.	8.375% bonds	June 15, 2032
Colorado Interstate Gas Co.	5.95% bonds	March 15, 2015
Colorado Interstate Gas Co.	6.8% bonds	November 15, 2015
Colorado Interstate Gas Co.	6.85% bonds	June 15, 2037
Southern Natural Gas Co.	5.90% bonds	April 1, 2017
Southern Natural Gas Co.	4.40% bonds	June 15, 2021
Southern Natural Gas Co.	7.35% bonds	February 15, 2031
Southern Natural Gas Co.	8.00% bonds	March 1, 2032
Copano Energy LLC	7.125% bonds	April 1, 2021
El Paso Tennessee Pipeline Co.	7.25% bonds	December 15, 2025
Other	6.00% Hamilton notes	April 21, 2015
Other	KM LQT IRBs-Stolt floating rate bonds	January 15, 2018
Other	KM LQT IRBs-Stolt floating rate bonds \$25,000,000 (plus accrued and unpaid interest) letter of credit	March 11, 2015
Other	5.50% KM Columbus MBFC notes	September 1, 2022

Schedule I
(Guaranteed Obligations)
March 18, 2015

Issuer	Indebtedness	Maturity
Other	Cora industrial revenue bonds	April 1, 2024
Hiland Partners Holdings LLC and Hiland Partners Finance Corp.	7.25% notes	October 1, 2020
Hiland Partners Holdings LLC and Hiland Partners Finance Corp.	5.50% notes	May 15, 2022

Hedging Agreements¹

Issuer	Guaranteed Party	Date
Kinder Morgan, Inc.	Bank of America, N.A.	August 29, 2001
Kinder Morgan, Inc.	Citibank, N.A.	March 14, 2002
Kinder Morgan, Inc.	J. Aron & Company	December 23, 2011
Kinder Morgan, Inc.	SunTrust Bank	August 29, 2001
Kinder Morgan, Inc.	Barclays Bank PLC	November 26, 2014
Kinder Morgan, Inc.	Bank of Tokyo-Mitsubishi, Ltd., New York Branch	November 26, 2014
Kinder Morgan, Inc.	Canadian Imperial Bank of Commerce	November 26, 2014
Kinder Morgan, Inc.	Credit Agricole Corporate and Investment Bank	November 26, 2014
Kinder Morgan, Inc.	Credit Suisse International	November 26, 2014
Kinder Morgan, Inc.	Deutsche Bank AG	November 26, 2014
Kinder Morgan, Inc.	ING Capital Markets LLC	November 26, 2014
Kinder Morgan, Inc.	Mizuho Capital Markets Corporation	November 26, 2014
Kinder Morgan, Inc.	Royal Bank of Canada	November 26, 2014
Kinder Morgan, Inc.	The Bank of Nova Scotia	November 26, 2014
Kinder Morgan, Inc.	The Royal Bank of Scotland PLC	November 26, 2014
Kinder Morgan, Inc.	Societe Generale	November 26, 2014
Kinder Morgan, Inc.	UBS AG	November 26, 2014
Kinder Morgan, Inc.	Wells Fargo Bank, N.A.	November 26, 2014
Kinder Morgan Energy Partners, L.P.	Bank of America, N.A.	April 14, 1999
Kinder Morgan Energy Partners, L.P.	Bank of Tokyo-Mitsubishi, Ltd., New York Branch	November 23, 2004
Kinder Morgan Energy Partners, L.P.	Barclays Bank PLC	November 18, 2003
Kinder Morgan Energy Partners, L.P.	Canadian Imperial Bank of Commerce	August 4, 2011
Kinder Morgan Energy Partners, L.P.	Citibank, N.A.	March 14, 2002
Kinder Morgan Energy Partners, L.P.	Credit Agricole Corporate and Investment Bank	June 20, 2014
Kinder Morgan Energy Partners, L.P.	Credit Suisse International	May 14, 2010
Kinder Morgan Energy Partners, L.P.	Deutsche Bank AG	April 2, 2009
Kinder Morgan Energy Partners, L.P.	ING Capital Markets LLC	September 21, 2011

¹ Guaranteed Obligations with respect to Hedging Agreements include International Swaps and Derivatives Association Master Agreements (“ISDAs”) and all transactions entered into pursuant to any ISDA listed on this Schedule I.

Schedule I
(Guaranteed Obligations)
March 18, 2015

Hedging Agreements¹

Issuer	Guaranteed Party	Date
Kinder Morgan Energy Partners, L.P.	J. Aron & Company	November 11, 2004
Kinder Morgan Energy Partners, L.P.	JPMorgan Chase Bank	August 29, 2001
Kinder Morgan Energy Partners, L.P.	Mizuho Capital Markets Corporation	July 11, 2014
Kinder Morgan Energy Partners, L.P.	Morgan Stanley Capital Services Inc.	March 10, 2010
Kinder Morgan Energy Partners, L.P.	Royal Bank of Canada	March 12, 2009
Kinder Morgan Energy Partners, L.P.	The Royal Bank of Scotland PLC	March 20, 2009
Kinder Morgan Energy Partners, L.P.	The Bank of Nova Scotia	August 14, 2003
Kinder Morgan Energy Partners, L.P.	Societe Generale	July 18, 2014
Kinder Morgan Energy Partners, L.P.	SunTrust Bank	March 14, 2002
Kinder Morgan Energy Partners, L.P.	UBS AG	February 23, 2011
Kinder Morgan Energy Partners, L.P.	Wells Fargo Bank, N.A.	July 31, 2007
Kinder Morgan Texas Pipeline LLC	Barclays Bank PLC	January 10, 2003
Kinder Morgan Texas Pipeline LLC	Canadian Imperial Bank of Commerce	December 18, 2006
Kinder Morgan Texas Pipeline LLC	Citibank, N.A.	February 22, 2005
Kinder Morgan Texas Pipeline LLC	Credit Suisse International	August 31, 2012
Kinder Morgan Texas Pipeline LLC	Deutsche Bank AG	June 13, 2007
Kinder Morgan Texas Pipeline LLC	ING Capital Markets LLC	April 17, 2014
Kinder Morgan Production Company LP	J. Aron & Company	June 12, 2006
Kinder Morgan Texas Pipeline LLC	J. Aron & Company	June 8, 2000
Kinder Morgan Texas Pipeline LLC	JPMorgan Chase Bank, N.A.	September 7, 2006
Kinder Morgan Texas Pipeline LLC	Macquarie Bank Limited	September 20, 2010
Kinder Morgan Texas Pipeline LLC	Merrill Lynch Commodities, Inc.	October 24, 2001
Kinder Morgan Texas Pipeline LLC	Morgan Stanley Capital Group Inc.	January 15, 2004
Kinder Morgan Texas Pipeline LLC	Natixis	June 13, 2011
Kinder Morgan Texas Pipeline LLC	Royal Bank of Canada	May 6, 2009
Kinder Morgan Texas Pipeline LLC	The Bank of Nova Scotia	May 8, 2014
Kinder Morgan Texas Pipeline LLC	Shell Trading (US) Company	November 14, 2011
Kinder Morgan Texas Pipeline LLC	Societe Generale	January 14, 2003
Kinder Morgan Texas Pipeline LLC	Wells Fargo Bank, N.A.	June 1, 2013
Copano Risk Management, L.P.	Citibank, N.A.	July 21, 2008
Copano Risk Management, L.P.	J. Aron & Company	December 12, 2005
Copano Risk Management, L.P.	Morgan Stanley Capital Group Inc.	May 4, 2007
Copano Risk Management, L.P.	Wells Fargo Bank, N.A.	October 19, 2007

SCHEDULE II

Guarantors
February 13, 2015

Agnes B Crane, LLC	Copano/Webb-Duval Pipeline LLC
American Petroleum Tankers II LLC	CPNO Services LLC
American Petroleum Tankers III LLC	Dakota Bulk Terminal, Inc.
American Petroleum Tankers IV LLC	Delta Terminal Services LLC
American Petroleum Tankers LLC	Eagle Ford Gathering LLC
American Petroleum Tankers Parent LLC	El Paso Cheyenne Holdings, L.L.C.
American Petroleum Tankers V LLC	El Paso Citrus Holdings, Inc.
American Petroleum Tankers VI LLC	El Paso CNG Company, L.L.C.
American Petroleum Tankers VII LLC	El Paso Energy Service Company, L.L.C.
APT Florida LLC	El Paso LLC
APT Intermediate Holdco LLC	El Paso Midstream Group LLC
APT New Intermediate Holdco LLC	El Paso Natural Gas Company, L.L.C.
APT Pennsylvania LLC	El Paso Noric Investments III, L.L.C.
APT Sunshine State LLC	El Paso Ruby Holding Company, L.L.C.
Audrey Tug LLC	El Paso Tennessee Pipeline Co., L.L.C.
Bear Creek Storage Company, L.L.C.	Elba Express Company, L.L.C.
Betty Lou LLC	Elizabeth River Terminals LLC
Camino Real Gathering Company, L.L.C.	Emory B Crane, LLC
Cantera Gas Company LLC	EP Energy Holding Company
CDE Pipeline LLC	EP Ruby LLC
Central Florida Pipeline LLC	EPBGP Contracting Services LLC
Cheyenne Plains Gas Pipeline Company, L.L.C.	EPTP Issuing Corporation
CIG Gas Storage Company LLC	Fernandina Marine Construction Management LLC
CIG Pipeline Services Company, L.L.C.	Frank L. Crane, LLC
Cimmarron Gathering LLC	General Stevedores GP, LLC
Colorado Interstate Gas Company, L.L.C.	General Stevedores Holdings LLC
Colorado Interstate Issuing Corporation	Global American Terminals LLC
Copano Double Eagle LLC	Hampshire LLC
Copano Energy Finance Corporation	Harrah Midstream LLC
Copano Energy Services/Upper Gulf Coast LLC	HBM Environmental, Inc.
Copano Energy, L.L.C.	Hiland Crude, LLC
Copano Field Services GP, L.L.C.	Hiland Operating, LLC
Copano Field Services/North Texas, L.L.C.	Hiland Partners, LLC
Copano Field Services/South Texas LLC	Hiland Partners Finance Corp.
Copano Field Services/Upper Gulf Coast LLC	Hiland Partners Holdings LLC
Copano Liberty, LLC	ICPT, L.L.C.
Copano NGL Services (Markham), L.L.C.	Independent Trading & Transportation Company I, L.L.C.
Copano NGL Services LLC	J.R. Nicholls LLC
Copano Pipelines Group, L.L.C.	Javelina Tug LLC
Copano Pipelines/North Texas, L.L.C.	Jeannie Brewer LLC
Copano Pipelines/Rocky Mountains, LLC	JV Tanker Charterer LLC
Copano Pipelines/South Texas LLC	Kinder Morgan (Delaware), Inc.
Copano Pipelines/Upper Gulf Coast LLC	Kinder Morgan 2-Mile LLC
Copano Processing LLC	
Copano Risk Management LLC	

Kinder Morgan Administrative Services Tampa
 LLC
 Kinder Morgan Altamont LLC
 Kinder Morgan Amory LLC
 Kinder Morgan Arrow Terminals Holdings, Inc.
 Kinder Morgan Arrow Terminals, L.P.
 Kinder Morgan Baltimore Transload Terminal
 LLC
 Kinder Morgan Battleground Oil LLC
 Kinder Morgan Border Pipeline LLC
 Kinder Morgan Bulk Terminals, Inc.
 Kinder Morgan Carbon Dioxide Transportation
 Company
 Kinder Morgan CO2 Company, L.P.
 Kinder Morgan Cochin LLC
 Kinder Morgan Columbus LLC
 Kinder Morgan Commercial Services LLC
 Kinder Morgan Contracting Services LLC
 Kinder Morgan Crude & Condensate LLC
 Kinder Morgan Crude Oil Pipelines LLC
 Kinder Morgan Crude to Rail LLC
 Kinder Morgan Cushing LLC
 Kinder Morgan Dallas Fort Worth Rail Terminal
 LLC
 Kinder Morgan Endeavor LLC
 Kinder Morgan Energy Partners, L.P.
 Kinder Morgan EP Midstream LLC
 Kinder Morgan Finance Company LLC
 Kinder Morgan Fleeting LLC
 Kinder Morgan Freedom Pipeline LLC
 Kinder Morgan, Inc.
 Kinder Morgan Keystone Gas Storage LLC
 Kinder Morgan KMAP LLC
 Kinder Morgan Las Vegas LLC
 Kinder Morgan Linden Transload Terminal LLC
 Kinder Morgan Liquids Terminals LLC
 Kinder Morgan Liquids Terminals St. Gabriel
 LLC
 Kinder Morgan Marine Services LLC
 Kinder Morgan Materials Services, LLC
 Kinder Morgan Mid Atlantic Marine Services
 LLC
 Kinder Morgan NatGas O&M LLC
 Kinder Morgan North Texas Pipeline LLC
 Kinder Morgan Operating L.P. “ A”
 Kinder Morgan Operating L.P. “ B”
 Kinder Morgan Operating L.P. “ C”
 Kinder Morgan Operating L.P. “ D”
 Kinder Morgan Pecos LLC
 Kinder Morgan Pecos Valley LLC
 Kinder Morgan Petcoke GP LLC
 Kinder Morgan Petcoke LP LLC
 Kinder Morgan Petcoke, L.P.
 Kinder Morgan Petroleum Tankers LLC
 Kinder Morgan Pipeline LLC
 Kinder Morgan Port Manatee Terminal LLC
 Kinder Morgan Port Sutton Terminal LLC
 Kinder Morgan Port Terminals USA LLC
 Kinder Morgan Production Company LLC
 Kinder Morgan Rail Services LLC
 Kinder Morgan Resources II LLC
 Kinder Morgan Resources III LLC
 Kinder Morgan Resources LLC
 Kinder Morgan River Terminals LLC
 Kinder Morgan Services LLC
 Kinder Morgan Seven Oaks LLC
 Kinder Morgan Southeast Terminals LLC
 Kinder Morgan Scurry Connector LLC
 Kinder Morgan Tank Storage Terminals LLC
 Kinder Morgan Tejas Pipeline LLC
 Kinder Morgan Terminals, Inc.
 Kinder Morgan Texas Pipeline LLC
 Kinder Morgan Texas Terminals, L.P.
 Kinder Morgan Transmix Company, LLC
 Kinder Morgan Treating LP
 Kinder Morgan Urban Renewal, L.L.C.
 Kinder Morgan Utica LLC
 Kinder Morgan Virginia Liquids Terminals LLC
 Kinder Morgan Wink Pipeline LLC
 KinderHawk Field Services LLC
 KM Crane LLC
 KM Decatur, Inc.
 KM Eagle Gathering LLC
 KM Gathering LLC
 KM Kaskaskia Dock LLC
 KM Liquids Terminals LLC
 KM North Cahokia Land LLC
 KM North Cahokia Special Project LLC
 KM North Cahokia Terminal Project LLC
 KM Ship Channel Services LLC
 KM Treating GP LLC
 KM Treating Production LLC
 KMBT LLC
 KMGP Services Company, Inc.
 KN Telecommunications, Inc.
 Knight Power Company LLC
 Lomita Rail Terminal LLC
 Milwaukee Bulk Terminals LLC
 MJR Operating LLC
 Mojave Pipeline Company, L.L.C.

Mojave Pipeline Operating Company, L.L.C.
Mr. Bennett LLC
Mr. Vance LLC
Nassau Terminals LLC
NGPL Holdco Inc.
Paddy Ryan Crane, LLC
Palmetto Products Pipe Line LLC
PI 2 Pelican State LLC
Pinney Dock & Transport LLC
Queen City Terminals LLC
Rahway River Land LLC
Razorback Tug LLC
RCI Holdings, Inc.
River Terminals Properties GP LLC
River Terminal Properties, L.P.
ScissorTail Energy, LLC
SNG Pipeline Services Company, L.L.C.
Southern Gulf LNG Company, L.L.C.
Southern Liquefaction Company LLC
Southern LNG Company, L.L.C.
Southern Natural Gas Company, L.L.C.
Southern Natural Issuing Corporation
SouthTex Treaters LLC
Southwest Florida Pipeline LLC
SRT Vessels LLC
Stevedore Holdings, L.P.
Tajon Holdings, Inc.
Tejas Gas, LLC
Tejas Natural Gas, LLC
Tennessee Gas Pipeline Company, L.L.C.
Tennessee Gas Pipeline Issuing Corporation
Texan Tug LLC
TGP Pipeline Services Company, L.L.C.
Trans Mountain Pipeline (Puget Sound) LLC
TransColorado Gas Transmission Company LLC
Transload Services, LLC
Utica Marcellus Texas Pipeline LLC
Western Plant Services, Inc.
Wyoming Interstate Company, L.L.C.

SCHEDULE III**Excluded Subsidiaries**

ANR Real Estate Corporation
Coastal Eagle Point Oil Company
Coastal Oil New England, Inc.
Colton Processing Facility
Coscol Petroleum Corporation
El Paso CGP Company, L.L.C.
El Paso Energy Capital Trust I
El Paso Energy E.S.T. Company
El Paso Energy International Company
El Paso Marketing Company, L.L.C.
El Paso Merchant Energy North America Company, L.L.C.
El Paso Merchant Energy-Petroleum Company
El Paso Reata Energy Company, L.L.C.
El Paso Remediation Company
El Paso Services Holding Company
EPEC Corporation
EPEC Oil Company Liquidating Trust
EPEC Polymers, Inc.
EPED Holding Company
Kinder Morgan Louisiana Pipeline Holding LLC
Kinder Morgan Louisiana Pipeline LLC
KN Capital Trust I
KN Capital Trust III
Mesquite Investors, L.L.C.

Note: The Excluded Subsidiaries listed on this Schedule III may also be Excluded Subsidiaries pursuant to other exceptions set forth in the definition of “Excluded Subsidiary”.

KINDER MORGAN, INC. AND SUBSIDIARIES

EXHIBIT 12.1 - STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in millions, except ratio amounts)

	Three Months Ended March 31,	
	2015	2014 ^(a)
Earnings:		
Pre-tax income before adjustment for net income attributable to the noncontrolling interests and earnings from equity investments (including loss on impairments of equity investments and amortization of excess cost of equity investments) per statements of income	\$ 579	\$ 712
Add:		
Fixed charges	542	476
Amortization of capitalized interest	2	1
Distributions from equity investment earnings	92	77
Less:		
Interest capitalized	(16)	(18)
Noncontrolling interest in pre-tax income of subsidiaries with no fixed charges	—	(74)
Income as adjusted	<u>\$ 1,199</u>	<u>\$ 1,174</u>
Fixed charges:		
Interest and debt expense, net per statements of income (includes amortization of debt discount, premium, and debt issuance costs; excludes capitalized interest)	\$ 530	\$ 467
Add:		
Portion of rents representative of the interest factor	12	9
Fixed charges	<u>\$ 542</u>	<u>\$ 476</u>
Ratio of earnings to fixed charges	<u>2.21</u>	<u>2.47</u>

(a) Revised for immaterial correction.

**KINDER MORGAN, INC. AND SUBSIDIARIES
CERTIFICATION PURSUANT TO RULE 13A-14(A) OR 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard D. Kinder, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kinder Morgan, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2015

/s/ Richard D. Kinder

Richard D. Kinder

Chairman and Chief Executive Officer

**KINDER MORGAN, INC. AND SUBSIDIARIES
CERTIFICATION PURSUANT TO RULE 13A-14(A) OR 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kimberly A. Dang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kinder Morgan, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2015

/s/ Kimberly A. Dang

Kimberly A. Dang

Vice President and Chief Financial Officer

KINDER MORGAN, INC. AND SUBSIDIARIES
Exhibit 32.1 - CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Kinder Morgan, Inc. (the "Company") for the quarterly period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Kinder Morgan, Inc. and will be retained by Kinder Morgan, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Date: April 28, 2015

/s/ Richard D. Kinder

Richard D. Kinder

Chairman and Chief Executive Officer

KINDER MORGAN, INC. AND SUBSIDIARIES
Exhibit 32.2 - CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Kinder Morgan, Inc. (the "Company") for the quarterly period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Kinder Morgan, Inc. and will be retained by Kinder Morgan, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Date: April 28, 2015

/s/ Kimberly A. Dang
Kimberly A. Dang
Vice President and Chief Financial Officer

KINDER MORGAN, INC. AND SUBSIDIARIES
EXHIBIT 95.1 - MINE SAFETY DISCLOSURES

This exhibit contains the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The following table provides information about citations, orders and notices issued under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) by the federal Mine Safety and Health Administration (“MSHA”) for our mines during the three months ended March 31, 2015.

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104 (d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104 (e) (yes/no)	Received Notice of Potential to Have Pattern under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
1103225 Cahokia	—	—	—	—	—	\$ 100	—	No	No	—	—	—
1518234 Grand Rivers	—	—	—	—	—	\$ 100	—	No	No	—	—	—

The dollar value represents the total dollar value of all MSHA citations issued and assessed for the two terminals noted above. The value includes S&S and non-S&S citations issued during the three months ended March 31, 2015.

The MSHA citations, orders and assessments reflected above are those initially issued or proposed by MSHA. They do not reflect subsequent changes in the level of severity of a citation or order or the value of an assessment that may occur as a result of proceedings conducted in accordance with MSHA rules.

As of March 31, 2015, there were no pending legal actions before the Federal Mine Safety and Health Review Commission involving any of our mines other than actions filed under the following docket numbers (all of which are contests of citations or orders under Section 104 of the Mine Act):

- 104 (a) Citation # 9041987 (Issued 2/11/2015) No assessment
- 104 (a) Citation # 9041988 (Issued 2/11/2015) No assessment

During the three months ended March 31, 2015, the following legal actions before the Federal Mine Safety and Health Review Commission involving our mines were resolved:

- 104 (a) Citation # 8451486 (Issued 2/9/2015) was assessed for \$100.00 and paid.
- 104 (a) Citation # 8432953 (Issued 8/27/2014) was assessed for \$100.00 and paid