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EL PASO CORP/DE  
Form 425  
January 25, 2012

Filed by Kinder Morgan, Inc.

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934.

Subject Company: El Paso Corporation

Commission File No.: 001-14365

Commission File No. for Registration Statement

on Form S-4: 333-177895

Representatives of Kinder Morgan, Inc ( KMI ) made presentations, including the following presentations, on January 25, 2012 during KMI s 2012 Investor Conference.

Stable Platforms, Exceptional Growth  
January 25, 2012

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Kinder  
Morgan,  
Inc.  
( KMI )  
has  
filed  
with  
the  
SEC  
a  
Registration  
Statement  
on  
Form  
S-4  
in  
connection  
with  
the  
merger  
agreement  
providing  
for  
the  
proposed  
acquisition  
of  
El  
Paso  
Corporation  
( EP ),  
including

a  
preliminary  
Information  
Statement/Prospectus  
of  
KMI  
and  
a  
preliminary  
Proxy  
Statement  
of  
EP.  
The  
Registration  
Statement  
has  
not  
yet  
become  
effective.  
Following  
the  
Registration  
Statement  
having  
been  
declared  
effective  
by  
the  
SEC,  
KMI  
and  
EP  
plan  
to  
file  
with  
the  
SEC  
and  
mail  
to  
their  
respective  
stockholders  
a  
definitive  
Information

Statement/Proxy  
Statement/Prospectus  
in  
connection  
with  
the  
proposed  
transaction.  
INVESTORS  
AND  
SECURITY  
HOLDERS  
ARE  
URGED  
TO  
READ  
THE  
REGISTRATION  
STATEMENT  
AND  
THE  
PRELIMINARY  
INFORMATION  
STATEMENT/PROXY  
STATEMENT/PROSPECTUS  
AND  
ANY  
OTHER  
RELEVANT  
DOCUMENTS  
FILED  
OR  
TO  
BE  
FILED  
BY  
KMI  
OR  
EP,  
INCLUDING  
THE  
DEFINITIVE  
INFORMATION  
STATEMENT/PROXY  
STATEMENT/PROSPECTUS,  
BECAUSE  
THEY  
CONTAIN  
OR  
WILL

CONTAIN  
IMPORTANT  
INFORMATION.  
Investors  
and  
security  
holders  
are  
able  
to  
obtain  
free  
copies  
of  
the  
Registration  
Statement  
and  
the  
preliminary  
Information  
Statement/Proxy  
Statement/Prospectus  
and  
other  
documents  
filed  
with  
the  
SEC  
by  
KMI  
and  
EP  
through  
the  
web  
site  
maintained  
by  
the  
SEC  
at  
[www.sec.gov](http://www.sec.gov)  
or  
by  
phone,  
e-mail  
or  
written

request  
by  
contacting  
the  
investor  
relations  
department  
of  
KMI

or  
EP

at  
the  
following:

Kinder Morgan, Inc.  
El Paso Corporation

Address:

500 Dallas Street, Suite 1000

1001 Louisiana Street

Houston, Texas 77002

Houston, Texas 77002

Attention: Investor Relations

Attention: Investor Relations

Phone:

(713) 369-9490

(713) 420-5855

E-mail:

kmp\_ir@kindermorgan.com

investorrelations@elpaso.com

This  
communication

shall

not

constitute

an

offer

to

sell

or

the

solicitation

of

an

offer

to

buy

any

securities,

nor

shall

there  
be  
any  
sale  
of  
securities  
in  
any  
jurisdiction  
in  
which  
such  
offer,  
solicitation  
or  
sale  
would  
be  
unlawful  
prior  
to  
the  
registration  
or  
qualification  
under  
the  
securities  
laws  
of  
any  
such  
jurisdiction.  
No  
offering  
of  
securities  
shall  
be  
made  
except  
by  
means  
of  
a  
prospectus  
meeting  
the  
requirements  
of



Section  
10  
of  
the  
Securities  
Act  
of  
1933,  
as  
amended.

**PARTICIPANTS IN THE SOLICITATION**

KMI and EP, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxy for the proposed merger agreement. Information regarding KMI's directors and executive officers is contained in KMI's Form 10-K for the year ended December 31, 2011. Information regarding EP's directors and executive officers is contained in EP's Form 10-K for the year ended December 31, 2011. A more complete description will be available in the Registration Statement and the Information Statement/Proxy Statement.

**SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS**

Statements  
in  
this  
document  
regarding  
the  
proposed  
transaction  
between  
KMI  
and  
EP,  
the  
expected  
timetable  
for  
completing  
the  
proposed  
transaction,  
future  
financial  
and  
operating  
results,  
benefits  
and  
synergies  
of  
the  
proposed  
transaction,  
future  
opportunities

for  
the  
combined  
company,  
the  
sale  
of  
EP's  
exploration  
and  
production  
assets,  
the  
possible  
drop-down  
of  
assets  
and  
any  
other  
statements  
about  
KMI  
or  
EP  
managements  
future  
expectations,  
beliefs,  
goals,  
plans  
or  
prospects  
constitute  
forward  
looking  
statements  
within  
the  
meaning  
of  
the  
Private  
Securities  
Litigation  
Reform  
Act  
of  
1995.  
Any

statements  
that  
are  
not  
statements  
of  
historical  
fact  
(including  
statements  
containing  
the  
words  
believes,  
plans,  
anticipates,  
expects,  
estimates  
and  
similar  
expressions)  
should  
also  
be  
considered  
to  
be  
forward  
looking  
statements.  
There  
are  
a  
number  
of  
important  
factors  
that  
could  
cause  
actual  
results  
or  
events  
to  
differ  
materially  
from  
those  
indicated

by  
such  
forward  
looking  
statements,  
including:  
the  
ability  
to  
consummate  
the  
proposed  
transaction;  
the  
ability  
to  
obtain  
the  
requisite  
regulatory,  
shareholder  
approvals  
and  
the  
satisfaction  
of  
other  
conditions  
to  
consummation  
of  
the  
transaction;  
the  
possibility  
that  
financing  
might  
not  
be  
available  
on  
the  
terms  
committed;  
the  
ability  
to  
consummate  
contemplated

asset  
sales;  
the  
ability  
of  
KMI  
to  
successfully  
integrate  
EP s  
operations  
and  
employees;  
the  
ability  
to  
realize  
anticipated  
synergies  
and  
cost  
savings;  
the  
potential  
impact  
of  
announcement  
of  
the  
transaction  
or  
consummation  
of  
the  
transaction  
on  
relationships,  
including  
with  
employees,  
suppliers,  
customers  
and  
competitors;  
the  
ability  
to  
achieve  
revenue  
growth;

national,  
international,  
regional  
and  
local  
economic,  
competitive  
and  
regulatory  
conditions  
and  
developments;  
technological  
developments;  
capital  
and  
credit  
markets  
conditions;  
inflation  
rates;  
interest  
rates;  
the  
political  
and  
economic  
stability  
of  
oil  
producing  
nations;  
energy  
markets,  
including  
changes  
in  
the  
price  
of  
certain  
commodities;  
weather  
conditions;  
environmental  
conditions;  
business  
and  
regulatory  
or

legal  
decisions;  
the  
pace  
of  
deregulation  
of  
retail  
natural  
gas  
and  
electricity  
and  
certain  
agricultural  
products;  
the  
timing  
and  
success  
of  
business  
development  
efforts;  
terrorism;  
and  
the  
other  
factors  
described  
in  
KMI s  
and  
EP s  
Annual  
Reports  
on  
Form  
10  
K  
for  
the  
year  
ended  
December  
31,  
2010  
and  
their  
most

recent  
quarterly  
reports  
filed  
with  
the  
SEC.  
KMI  
and  
EP  
disclaim  
any  
intention  
or  
obligation  
to  
update  
any  
forward  
looking  
statements  
as  
a  
result  
of  
developments  
occurring  
after  
the  
date  
of  
this  
document.  
2



Use of Non-GAAP Financial Measures

KMP

The non-generally accepted accounting principles ("non-GAAP") financial measures of distributable cash flow before certain items, aggregate and per unit), segment earnings before depreciation, depletion, amortization and amortization of excess cost of equity investments ("DD&A") and certain items, segment distributable cash flow before certain items, and earnings before interest, taxes and DD&A certain items are included in this presentation. Our non-GAAP financial measures may be different from those used by others, considered as alternatives to GAAP measures such as net income or any other GAAP measure of liquidity or financial performance. Distributable cash flow before certain items and EBITDA before certain items are significant metrics used by us and by external statements, such as investors, research analysts, commercial banks and others, to compare basic cash flows generated by us to our distributions we expect to pay our unitholders on an ongoing basis. Management uses these metrics to evaluate our overall performance. Distributable cash flow before certain items also allows management to simply calculate the coverage ratio of estimated ongoing expected cash distributions. Distributable cash flow before certain items and EBITDA before certain items are also important non-GAAP financial measures for our unitholders because they serve as indicators of

our  
success  
in  
providing  
a  
cash  
return  
on  
investment.  
These  
financial  
measures  
indicate  
to  
investors  
whether  
or  
not  
KMP  
typically  
is  
generating  
cash  
flow  
at  
a  
level  
that  
can  
sustain  
or  
support  
an  
increase  
in  
the  
quarterly  
distributions  
we  
are  
paying  
pursuant  
to  
the  
KMP  
partnership  
agreement.  
The  
partnership  
agreement

requires  
us  
to  
distribute  
all  
available  
cash.  
Distributable  
cash  
flow  
before  
certain  
items,  
EBITDA  
before  
certain  
items  
and  
similar  
measures  
used  
by  
other  
publicly  
traded  
partnerships  
are  
also  
quantitative  
measures  
used  
in  
the  
investment  
community  
because  
the  
value  
of  
a  
unit  
of  
such  
an  
entity  
is  
generally  
determined  
by  
the

unit's  
yield  
(which  
in  
turn  
is  
based  
on  
the  
amount  
of  
cash  
distributions  
the  
entity  
pays  
to  
a  
unitholder).  
The  
economic  
substance  
behind  
our  
use  
of  
distributable  
cash  
flow  
before  
certain  
items  
and  
EBITDA  
before  
certain  
items  
is  
to  
measure  
and  
estimate  
the  
ability  
of  
our  
assets  
to  
generate  
cash

flows  
sufficient  
to make distributions to our investors.

We  
define  
distributable  
cash  
flow  
before  
certain  
items  
to  
be  
limited  
partners'  
pretax  
income  
before  
certain  
items  
and  
DD&A,  
less  
cash  
taxes  
paid  
and

sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for Rockies Express, Midcontinent Express, KinderHawk (through second quarter 2011), Eagle Hawk, Red Cedar and Cypress, our equity method investees, less cash distributions received for Express and Endeavor, additional equity investees.

Distributable  
cash  
flow  
before  
certain  
items  
per  
unit  
is  
distributable

cash flow before certain items divided by average outstanding units. Segment distributable cash flow before certain items is se

certain  
items  
and  
DD&A  
less  
sustaining  
capital  
expenditures.

In  
certain  
instances  
to  
calculate  
segment  
distributable  
cash  
flow,  
we  
also  
add  
DD&A  
less  
sustaining  
capital  
expenditures  
for  
Rockies  
Express,  
Midcontinent  
Express,  
Fayetteville  
Express,  
KinderHawk  
(through  
second  
quarter  
2011),  
Eagle  
Hawk,  
Red  
Cedar  
and  
Cypress,  
our  
equity  
method  
investees.  
We  
define  
EBITDA

before  
certain  
items  
as  
pretax  
income  
before  
certain  
items,

plus interest expense and DD&A, including the DD&A of REX, MEP, FEP, KinderHawk (through second quarter 2011), Eagle  
Cypress, our equity method investees.

3

Use  
of  
Non-GAAP  
Financial  
Measures

Cont d  
4

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

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

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

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Use  
of  
Non-GAAP  
Financial  
Measures

Cont'd  
5  
KMI

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

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

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Kinder Morgan 2012 Investor Conference

Agenda

8:00

8:45

Corporate

Overview:

Vision

Rich

Kinder

8:45

9:00

Corporate

Overview:  
Financial  
Excellence

Park  
Shaper  
9:00

9:15  
Corporate  
Overview:  
Operational  
Excellence

Steve  
Kean  
9:15

9:30  
Break  
9:30

10:15  
Natural  
Gas  
Pipelines

Tom  
Martin  
10:15

10:45  
Products  
Pipelines

Tom  
Bannigan  
10:45

11:30  
Terminals  
Jeff Armstrong  
11:30

11:45  
Kinder Morgan Canada  
Ian Anderson  
11:45

12:30

Lunch

12:30

1:00

CO2

Tim Bradley

1:00

1:30

Financial Review

Kimberly Dang

1:30

2:00

Q & A

6

Vision  
Rich Kinder  
Chief Executive Officer

Then (first analyst conference-2001)

and Now:

Stable Platforms, Exceptional Growth

Then

(a)

Enterprise

value

of

\$14B

(c)

KMP Total distributions of \$333MM

KMP

LP  
distribution  
of  
\$1.71/unit

(d)  
3,569 employees

Now  
(b)  
(excluding El Paso)

Enterprise  
value

of  
\$63B

(c)  
KMP Total distributions of \$3.1B  
KMP LP distribution of \$4.98/unit  
8,328 employees

2  
Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)  
As of and for the year ended 12/31/2000, representing Kinder Morgan at the time of the inaugural Kinder Morgan analyst day

(b)  
Enterprise value / employees as of and for the year ended 12/31/2011, KMP total distributions / KMP LP distribution per unit

(c)  
Kinder Morgan Energy Partners, L.P., Kinder Morgan Management, LLC and Kinder Morgan, Inc. combined

(d)  
Split-adjusted

Stayed the Course

Focus on stable fee-based assets that are core to North American energy infrastructure

Market leader in each of our business segments

Control costs

It's the investors

money, not management's

treat it that way



Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition

KMP has completed \$11.7 billion in acquisitions and \$13.3 billion in greenfield / expansion projects since inception

(a)

Maintaining a strong balance sheet is paramount

Enables continued access to capital markets to grow the business

KMP accessed capital markets for nearly \$26 billion since inception

(a,b)

3

(a)

From

1997

through

2011

(b)

Gross

capital

issued,

\$24

billion

net

of

refinancing

4

Kinder Morgan

Asset Footprint

Note: excludes El Paso

(a)

2012 budget

(b)

2011 data not available

(c)

Excludes transload facilities (35) and transmix processing facilities (6)

(d)  
Includes leased capacity  
Largest independent transporter of  
petroleum products in the U.S.

Transport ~1.9 MMBbl/d

(a)  
2  
largest  
transporter  
of  
natural  
gas  
in the U.S.

Own an interest in / operate over  
25,000 miles of natural gas pipeline

Connected to many important  
natural gas shale plays including  
Eagle Ford, Haynesville, Fayetteville  
and Barnett

Largest provider of contracted  
natural gas treating services in U.S.

Largest  
transporter  
of  
CO<sub>2</sub>  
in  
the  
U.S.

Transport

~1.3

Bcf/d

of

CO<sub>2</sub>

(a)

2

largest

oil

producer

in

Texas

(b)

Produce ~51 MBbl/d of crude oil  
gross (~34 MBbl/d net)

(a)

Largest independent terminal operator in the U.S.

Own an interest in or operate ~180 liquids / dry bulk terminals  
(c)

~111 MMBbls domestic liquids capacity  
(d)

Handle ~108 MMtons of dry bulk products  
(a)

Including 44 MMtons of coal  
(a)  
Only Oilsands pipeline serving the West Coast

TMPL transports ~300 MBbl/d to Vancouver / Washington State  
NGPL GAS STORAGE (KMI)  
NATURAL GAS PROCESSING  
NGPL (KMI)  
NATURAL GAS STORAGE  
NATURAL GAS PIPELINES  
PRODUCTS PIPELINES  
TERMINALS  
TRANSMIX FACILITIES  
PRODUCTS PIPELINES  
GAS TREATERS  
CO  
PIPELINES  
CO  
OIL FIELDS  
CRUDE OIL PIPELINES  
TERMINALS  
KM HEADQUARTERS  
PETROLEUM PIPELINES  
INDICATES NUMBER OF FACILITIES IN AREA  
PETROLEUM PIPELINES  
TERMINALS  
2  
2  
nd  
nd

Kinder Morgan: Three Ways to Invest

5

85MM

(86%)

14MM

(14%)

Distributions

in additional

i-units / shares

KMR

(LLC)

99 million shares

(a)

LP & GP

Distributions

\$1.6B

(c)

KMI

Public

Float

KMI

Cash

distributions

KMP

(Partnership)

238 million units

(a)

216MM

(91%)

KMI

(Inc.)

707 million shares

(d)

Public

Float

Management /

Original S/H

Sponsors

22MM

(9%)

114MM

(16%)

320MM

(45%)

273MM

(39%)

Kinder Morgan Energy Partners, L.P.

Market Equity

Debt

Enterprise Value

2012E LP Distribution per Unit

2012E Total Distributions

Kinder Morgan, Inc.

Market Equity

\$22.8B

(d)

Debt

3.2B

(e)

Enterprise Value

\$26.0B

2012E Dividend per Share

\$1.35

(c)

2012E Total Dividends

\$956MM

(c)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

As of 12/30/2011; KMP market equity based on ~238 million common units (includes 5.3 million Class B units owned by Kinross) and ~99 million KMR shares (includes 5.3 million Class B units owned by Kinross) at a price of \$84.95, and ~99 million KMR shares at a price of \$78.52

(b)

Debt balance as of 12/31/2011, excludes the fair value of interest rate swaps, net of cash

(c)

2012 budget

(d)

As of 12/30/2011; KMI market equity based on 707 million shares (assumes full conversion of Class A, B and C shares in to Class A)

(e)

Debt of KMI and its subsidiaries, excluding KMP and its subsidiaries as of 12/31/2011; excludes the fair value of interest rate swaps, net of cash

\$28.0B

(a)

12.4B

(b)

\$40.4B

\$4.98

(c)

\$3.1B

(c)

Delivering Consistent Growth

Total Distributions (GP + LP) (\$MM)

KMP Annual LP Distribution per Unit

(b)

Net Debt to EBITDA

(c,d)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)



In 2010, total distributions paid were \$2,250 million. These distributions would have been \$2,420 million (\$170 million greater) had there been a distribution of cash from interim capital transactions; the GP receives only 2% of distributions of cash from interim capital transactions.

(b)

Annual LP declared distributions, rounded to 2 decimals where applicable

(c)

Debt is net of cash and excluding fair value of interest rate swaps

(d)

For

KMI,

net

debt

also

excludes

purchase

accounting

and

Kinder

Morgan

G.P.,

Inc. s

preferred

stock;

distributions

received

from

equity

investees

net

of

G&A

and

sustaining

capital

expenditures

EBITDA

6

Significant Historical Returns

(a)

7

KMI: 11.4% Initial Annualized Return

(e)

KMP: 26% CAGR Since '96

(b)

KMR: 16% CAGR Since '01

(c)

(d)

Alerian MLP index

(e)

Annualized total return based on partial year return following IPO on 2/10/2011; partial-year return for period is 10.0%

(f)  
Calculated through 12/30/2011; start dates for 2-year, 3-year, 5-year and 10-year return calculations are 12/31/2009, 12/29/2008, 12/31/2006 and 12/31/2001, respectively

\$0  
\$500  
\$1,000  
\$1,500  
\$2,000  
\$2,500  
\$3,000  
\$3,500  
Dec-96  
Dec-99  
Dec-02  
Dec-05  
Dec-08  
Dec-11  
Dollars  
AMZ

(d)  
= \$1,003  
KMP = \$3,362  
S&P 500 = \$222  
Total Return

2011  
2-yr  
3-yr  
(f)  
5-yr  
10-yr

KMP  
29%  
58%  
129%  
150%  
342%

KMR  
26%  
66%  
148%  
150%  
327%

KMI  
11%  
n/a  
n/a

n/a  
n/a  
S&P 500 Index  
Alerian MLP Index  
MSCI REIT Index  
Philadelphia UTY Index  
(f)  
(f)  
(f)  
(e)  
2%  
17%  
49%  
1%  
33%  
14%  
55%  
173%  
95%  
324%  
9%  
40%  
79%  
7%  
224%  
19%  
26%  
39%  
20%  
119%  
-  
-  
\$0  
\$75  
\$150  
\$225  
\$300  
\$375  
\$450  
\$525  
Dec-  
01  
Dec-  
03  
Dec-  
05  
Dec-  
07  
Dec-09  
Dec-

11

KMR = \$474

AMZ

= \$464

Dollars

IPO 5/14/2001

S&P 500 = \$124

(d)

\$0

\$20

\$40

\$60

\$80

\$100

\$120

\$140

Dec

10

Feb-

11

Apr-

11

Jun-

11

Aug

11

Oct-

11

Dec -

Dollars

IPO 2/10/2011

UTY = \$117

KMI = \$110

MSCI = \$104

S&P 500 = \$97

-

-

11

Source: Bloomberg

(a)

Total returns calculated on daily basis through 12/30/2011, except where noted; assumes dividends / distributions reinvested in index / stock / unit

(b)

Start date 12/31/1996

(c)

Start date 5/14/2001: KMR initial public offering; KMP CAGR over same period is 16%

Promises Made, Promises Kept

8

Promises Made

Promises Kept

KMP achieved

LP distribution

target in 11

out of 12 years

(a)

On a paid basis; KMI paid a prorated dividend for 1Q 2011 of \$0.14 per share on 5/16/2011; based on a full quarter, the dividend would have been \$0.42

KMP Budgeted

LP Distribution:

KMI Budgeted

Dividend:

2000: \$1.60

2001: \$1.95

2002: \$2.40

2003: \$2.63

2004: \$2.84

2005: \$3.13

2006: \$3.28

2007: \$3.44

2008: \$4.02

2009: \$4.20

2010: \$4.40

2011: \$4.60

2011: \$1.16

(a)

2000: \$1.71

2001: \$2.15

2002: \$2.435

2003: \$2.63

2004: \$2.87

2005: \$3.13

2006: \$3.26

2007: \$3.48

2008: \$4.02

2009: \$4.20

2010: \$4.40

2011: \$4.61

2011: \$1.18

(a)

KMP Actual

LP Distribution:

KMI Actual

Dividend:

Kinder Morgan 2012 Goals (Excludes El Paso)

KMP

(a)

Distribution Target

\$4.98 per unit (8.0% growth)

Excess coverage of \$71MM

Maintain Solid Balance Sheet



Yr-end 2012 debt / EBITDA = 3.4x

Expansions / acquisitions  
financed 50% equity, 50% debt

KMI

(a,b)

Dividend Target (declared)

\$1.35 per share (12.5% growth)

\$985MM in cash available for  
dividends

Maintain Solid Balance Sheet

Yr-end 2012 debt / distributions  
received less G&A = 2.1x

9

Operate all of our assets in a safe, compliant and environmentally sound manner

(a)

Excludes any impact from the proposed acquisition of El Paso by KMI

(b)

KMI

previously

announced

that

if

the

El

Paso

transaction

were

to

close

on

January

1,

2012,

KMI

would

expect

to

pay

dividends

per

share

of

around

\$1.45

for

2012;

since the transaction will not be in effect for the full year 2012, KMI's actual dividend in 2012 will likely be less than \$1.45

KMP

Well-Diversified Cash Flow  
\$1,303MM segment EBDA  
(d)

41% Interstate

59% Intrastate  
(e)  
\$735MM segment EBDA  
(d)

52% Pipelines

44% Associated Terminals

4% Transmix  
\$1,381MM segment EBDA

26% CO  
2  
transport and sales

74% oil production related

Production hedged

(b)

:

2012=77% (\$91)

(c)

2013=51% (\$92)

2014=31% (\$93)

2015=13% (\$98)

\$757MM segment EBDA

54% Liquids

46% Bulk

CO

2

Terminals

Products Pipelines

Natural Gas Pipelines

2012E KMP Segment

Earnings before DD&A

= \$4.4 billion

(a,d)

\$201MM segment EBDA

11

(KMP)

Kinder Morgan Canada

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Budgeted 2012 segment earnings before DD&A excluding certain items

(b)

Percent of estimated net crude oil and heavy natural gas liquids production; see slide 34 for further detail

(c)

2012 budget assumes an \$93.75/Bbl price on unhedged barrels

(d)

Includes \$171 million of depreciation for Natural Gas Pipelines JVs REX, MEP, FEP, Eagle Ford (Copano), EagleHawk and F

Cypress

(e)

Includes upstream assets

Stable Asset Base

Natural Gas

Pipelines

Products

Pipelines

CO

2

Terminals

Kinder Morgan

Canada

Volume Security

Interstate: virtually all

take or pay

Intrastate: ~75%

take or pay

(a)

Volume based

S&T: primarily  
minimum volume  
guarantee

Take or pay,  
minimum volume  
guarantees, or  
requirements

Essentially no  
volume risk  
Avg. Remaining  
Contract Life

Transportation: 8.0 yrs

Not applicable

S&T: 4.0 yrs

Liquids: 4.0 yrs

Bulk: 3.8 yrs

2.0 yrs

(b)

Pricing Security

Interstate: primarily  
fixed based on contract

Intrastate: primarily  
fixed margin

PPI + 2.65%

S&T: 70% of  
revenue protected  
by floors

O&G: volumes  
77% hedged

(c)

Based on contract;  
typically fixed or  
tied to PPI

Fixed based on  
toll settlement  
Regulatory  
Security

Interstate: regulatory  
return mitigates  
downside; may receive  
higher recourse rates for  
increased costs

Intrastate: essentially  
market-based

Pipeline: regulatory  
return mitigates  
downside

Terminals &  
transmix: not  
price regulated  
(d)

Primarily  
unregulated

Not price regulated  
(d)

Regulatory  
return mitigates  
downside  
Commodity  
Price Exposure

Interstate: no direct

Intrastate: limited

No direct

Full-yr impact is  
\$5.8MM in DCF  
per \$1/Bbl change



in oil price

No direct

No direct

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Transportation

for

intrastate

pipelines

includes

term

purchase

and

sale

portfolio

(b)

Assumes 1-year rate 2012 settlement on Trans Mountain

(c)

Percent of 2012 expected production, includes heavier NGL components (C4+)

(d)

Terminals not FERC regulated, except portion of CALNEV

12

(KMP)

2-3%  
Annual  
Distribution  
Growth  
without  
Investment  
Current  
Environment  
Products Pipelines

PPI escalator

+

Renewables handling

+

Volumes

~

Terminals

Annual escalator

+

Volumes & ancillary charges

+

Renewing contracts

+

Current

Environment

CO

2

Higher price on oil hedges

+

Higher overall oil / NGL prices

+

Recontracting CO

2

supply

+

Oil / NGL volumes

~

Natural Gas

Volume growth (shale & power)

+

Gathering, processing & treating

+

Intrastate margins

~

Storage margins

Transport renewals

Storage renewals

+

13

Note: excludes any impact from the proposed acquisition of El Paso by KMI  
(KMP)

2012 Growth Expenditures

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Includes equity contributions to joint ventures of \$233 million

(b)

Includes  
growth  
capital  
expenditures  
for  
Kinder  
Morgan

Canada

of

\$10

million

(c)

Includes acquisitions of \$108 million

Natural Gas

Pipelines

(a)

Products

Pipelines

(a,b)

Terminals

(a,b,c)

CO

2

Oil

Production

2012E Total KMP

Growth Expenditures

= \$1.7 billion

(a,b,c)

14

(KMP)

CO

2

S&T

15%

19%

40%

9%

17%

Natural Gas Pipelines Growth Drivers

2012

Growth

Drivers:

Growth and full year contribution on Kinder  
Hawk

Full year contribution from Eagle Hawk and  
SouthTex

Eagle Ford shale development (on

standalone basis, and under JVs with  
Copano and BHP)  
Full year of higher throughput on  
Fayetteville Express (FEP) pipeline (volume  
ramp through 2011)  
West Clear Lake storage contract rollover  
Longer-term  
Growth  
Drivers:  
Natural gas is the logical fuel of choice

Cheap, abundant, domestic and clean  
Demand growth and shifting supply from  
multiple basins lead to:

Pipeline / storage expansions and  
extensions (e.g. Eagle Ford)

Greenfield development

Optionality of deploying portions of  
existing footprint in different product  
uses

Expand service offerings to customers  
(e.g. treating and G&P)

LNG exports

Acquisitions

Well-positioned in the Rockies, shales and in Texas

15

(KMP)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

TransColorado

2

2

KMTP

KMTejas

KMIGT

Trailblazer

2

KMLP

REX

REX

FEP

MEP

KinderHawk

Eagle Ford

NATURAL GAS PIPELINES

NATURAL GAS STORAGE

NATURAL GAS PROCESSING

KM HEADQUARTERS

(2)  
# OF FACILITIES IN AREA  
GAS TREATERS (KMP)



Products Pipelines Growth Drivers

2012

Growth

Drivers:

PPI tariff escalator

Modest organic volume growth

Initial year of Crude and Condensate operations, Cochin E/P project, and terminal projects including new tank

expansions for refined products and  
biodiesel blending services

Longer-term

Growth

Drivers:

Development of shale play liquids  
infrastructure

Condensate transportation,  
processing and storage services from  
Eagle Ford

Condensate processing facility  
located in Houston Ship Channel, in-  
service Jan-2014

Crude / condensate service on Cochin  
Parkway Pipeline in-service 2013

Increased fuel export opportunities

RFS

(a)

increases demand for storage and  
ancillary services

Ethanol and biodiesel growth  
including terminals and pipeline  
expansions

Tariff index adjustments / organic volume  
growth

Tuck-in acquisitions

Well-located with origin in refinery / port hubs and terminus in population centers

(a)

RFS (U.S. Renewable Fuels Standard) requires an increase in use of renewable fuels, from 15 Bgal/yr in 2012 to 36 Bgal/yr in

16

Pacific

WCT

Northern

2

Pacific

CALNEV

Cypress

Central

Florida

2

Cochin

2

KMCC

Parkway

Pipeline

Proposed

Condensate

Processing

Plantation

2

4

3

2

2

PRODUCTS PIPELINES

PRODUCTS PIPELINES

TERMINALS

TRANSMIX FACILITIES

(2)

INDICATES NUMBER OF

FACILITIES IN AREA

PIPELINES UNDER CONSTRUCTION

CONDENSATE PROCESSING FACILITY

(KMP)

Terminals Growth Drivers

2012 Growth Drivers:

Increase in rates on existing contracts

Higher coal throughput

Full year of 2011 acquisitions (Cushing, Total, Watco) and expansion projects (Carteret, Cushing, Deer Park, Port of Houston)

Partial benefit from over \$650 million in

2012 expected growth expenditures

Longer-term Growth Drivers:

Newbuild and expansion of export coal  
and petcoke terminals (IMT, Houston,  
Whiting)

Expansions and higher rates at well-  
located, high-connectivity terminals

Petroleum exports

Canadian crude oil merchant tankage

Increase in use of renewable fuels

(a)

leads to ethanol / biofuel expansion

Acquisition of terminals from mom  
and pop

owners and from majors

Well-located in refinery / port hubs and inland waterways

17

(a)

RFS (U.S. Renewable Fuels Standard) requires an increase in use of renewable fuels, from 15 Bgal/yr in 2012 to 36 Bgal/yr in

TERMINALS

KM HEADQUARTERS

# OF FACILITIES IN AREA

(KMP)

CO

2

Growth Drivers

2012 Growth Drivers:

Higher overall oil / NGL prices

CO<sub>2</sub>

S&T price increases

Relatively flat oil production

Longer-term Growth Drivers:

Strong demand for CO<sub>2</sub>

Expansion of CO<sub>2</sub>

source fields

and pipelines

Expect to execute several  
large, long-term CO<sub>2</sub>  
S&T  
contracts

Higher rates and better terms  
on new/renewed CO<sub>2</sub>  
S&T  
contracts

Billions of barrels of domestic oil  
still in place to be recovered at  
SACROC, Yates and Katz

18

(KMP)

CO<sub>2</sub>

PIPELINES

CO<sub>2</sub>

OIL FIELDS

CRUDE OIL PIPELINES

KM HEADQUARTERS

CO<sub>2</sub>

SOURCE FIELDS

Own and operate best source of CO

2

for EOR

Kinder Morgan Canada Growth Drivers

2012:

Extending new toll settlement on Trans Mountain pipeline (TMPL); results in relatively flat financial performance between 2011 and 2012

Longer-term

Growth

Drivers:



Expand Oilsands export capacity to  
West Coast and Asia

TMPL is lowest-cost option with  
ability to do staged expansions,  
or one large expansion

Open season underway for firm  
commitments to major expansion

Expanded dock capabilities

(Vancouver)

Sole oil pipeline from Oilsands to West Coast / export markets

19

(KMP)

KM HEADQUARTERS

PETROLEUM PIPELINES

PETROLEUM PIPELINES TERMINALS

# OF FACILITIES IN AREA

KMI

Overview

99% of Cash Comes from KMP

Limited capital expenditures at KMI

Stock ownership:

Public

16%

Rich Kinder, other management

and

original

stockholders

39%

Sponsors

45%

In 2012:

KMI expects to receive \$1.6 billion in distributions

\$985 million budgeted cash available for dividends after paying cash taxes, cash interest and G&A

General Partner interest receives incentive distributions from KMP

KMI owns ~11% of total limited partner interests

21

Interests in KMP

(c)

2012E KMI Total

Cash Receipts

= \$1.6 billion

(a)

(KMI)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

2012 budget

(b)

20% equity interest; KMI is operator of Natural Gas Pipeline Company of America

(c)

As of 12/31/2011; includes: (i) general partner interest, (ii) 21.7 million KMP units and (iii) 14.1 million KMR shares GP

Interest

88%

LP

Interest

11%

NGPL

1%

(b)

Growth in KMP Distributions Leads to KMI Growth

Growth in KMP Distributions Received by KMI

22

(KMI)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

2012 budget

\$1,600

\$1,400

\$1,200

\$1,000

\$800

\$600

\$400

\$200

\$0

\$1,380

\$1,585

\$1,217

\$1,340

\$163

\$181

\$64

\$4.61

\$4.98

2011 actual

2012 budget

Budgeted 8%

growth in

KMP Distribution

per LP Unit

LP interests

GP interest

GP Distribution on Additional

16MM KMP Units

An 8% increase in the annualized LP distribution per unit from

\$4.61 to \$4.98 with a 16MM unit increase in KMP units outstanding results

in

an

increase

of

15%,

or

\$205MM,

in

total

distributions

to

KMI

(a)

El Paso Update

Strong Asset Base  
(a)  
Horizon  
NGPL  
Pacific  
Northern  
TransColorado  
2



Pacific  
CALNEV  
KMCO  
2  
2  
KMTP  
KMTejas  
Wink  
SACROC  
Yates  
9  
5  
2  
3  
2  
Plantation  
Cypress  
4  
Central  
Florida  
7  
3  
2  
2  
4  
3  
2  
2  
4  
3  
KMIGT  
Trailblazer  
2  
Cochin  
Express  
Platte  
Trans  
Mountain  
Claytonville  
2  
4  
KMLP  
REX  
REX  
MEP  
2  
FEP  
2  
2  
2

3

2

2

KinderHawk

2

2

3

Katz

Eagle Ford

ESPL

2

Puget Sound

NGPL (KMI)

NGPL GAS STORAGE (KMI)

PRODUCTS PIPELINES (KMP)

PRODUCTS PIPELINES

TERMINALS (KMP)

TRANSMIX FACILITIES (KMP)

NATURAL GAS PIPELINES (KMP)

NATURAL GAS

STORAGE (KMP)

NATURAL GAS

PROCESSING (KMP)

CO<sub>2</sub>

PIPELINES (KMP)

CO<sub>2</sub>

OIL FIELDS (KMP)

CRUDE OIL PIPELINES (KMP)

TERMINALS (KMP)

KM HEADQUARTERS

PETROLEUM PIPELINES (KMP)

PETROLEUM PIPELINES

TERMINALS (KMP)

(2,3,8)

INDICATES NUMBER OF

FACILITIES IN AREA

GAS TREATERS (KMP)

EL PASO PIPELINES

24

(a)

Shows all current Kinder Morgan assets and

El Paso pipeline assets

El Paso Transaction Timeline

El Paso E&P sale process under way

Targeting closing all or a material portion of E&P asset portfolio  
around time of closing of El Paso acquisition

Integration plan being developed

targeting \$350 million of  
synergies

Expect Q1 2012 shareholder meetings

HSR review underway

Pre-merger notifications filed

2  
request  
received

Providing additional information to FTC  
Expect Q2 2012 closing  
25  
nd

Dividend and Distribution Growth Targets

KMI

Current targets excluding El Paso

Declare budgeted 2012 dividends of \$1.35  
per share (12.5% growth)

Targeted 10% long-term dividend growth  
rate

Targets including El Paso

Estimate \$1.45 per share dividend paid  
had El Paso transaction closed at the  
beginning of 2012

Since the transaction will not be in

effect for the full year 2012, KMI's actual dividend in 2012 will likely be less than \$1.45 per share

Also have converted to declared basis from paid basis (for comparison \$1.35/sh declared = \$1.30/sh paid)  
Targeted 12.5% long-term dividend growth rate through 2015

KMP

Current targets excluding El Paso  
Declare budgeted 2012 LP distributions of \$4.98 per unit (8.0% growth)  
Targeted 5% long-term distribution growth rate

Targets including El Paso  
Targeted 7% long-term distribution growth rate, driven by expected dropdowns resulting from the EP transaction

26

Unparalleled asset footprint  
Established track record  
Industry leader in all business segments  
Experienced management team  
Supportive general partner  
Transparency to investors  
Attractive returns driven by combination of yield plus growth

27

KMI, KMP & KMR:

Attractive Value Proposition

Financial Excellence  
Park Shaper  
President



(\$ in billions)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Includes equity contributions to joint ventures

(b)

1998

2011, does not include 2012 budget

Total

Invested

by

Type

(a,b)

Total Invested by Segment

(a,b)

29

Total Invested by Year

(a)

~\$25B of Growth Capital Invested at KMP

(a,b)

How We Have Done: KMP Returns on Capital

2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008

2009

2010

2011

Segment ROI

(a)

:

Products Pipelines

11.9%

11.8%

12.8%

12.9%

12.4%

11.6%

11.8%

13.2%

12.5%

13.4%

13.7%

12.9%

Natural Gas Pipelines

13.3

15.5

12.9

13.5

14.0

15.5

16.7

17.5

16.9

14.0

11.9

11.9

CO<sub>2</sub>

27.5

24.6

22.0

21.9

23.8

25.7

23.1

21.8

25.9

23.5

25.7

26.2

Terminals

19.1

18.2

17.7

18.4

17.8  
16.9  
17.1  
15.8  
15.5  
15.1  
14.6  
14.3  
Kinder Morgan Canada

--  
--  
--  
--  
--  
--  
--

11.0  
12.1  
12.8  
13.7  
14.1  
KMP ROI

12.3%  
12.7%  
12.6%  
13.1%  
13.6%  
14.3%  
14.4%  
14.1%  
14.9%  
13.9%  
13.5%  
13.5%

KMP Return on Equity

17.2%  
19.4%  
20.9%  
21.7%  
23.4%  
23.9%  
22.6%  
22.9%  
25.2%  
25.2%  
24.3%  
24.0%

Note: a definition of these measures may be found in the Appendix to this presentation

(a)  
G&A is deducted to calculate the KMP ROI, but is not allocated to the segments and therefore not deducted to calculate the in



KMP Cost of Capital  
Operated  
Cost of capital varies over time:

Current ~7.2%  
(a)

2011 analyst conf 7.8%

2010 analyst conf 8.8%

2009 analyst conf 9.8%

2008 analyst conf 9.0%

2004 analyst conf 8.3%

2003 analyst conf 9.1%

2002 analyst conf 8.2%

Long-term cost of capital ~9%

Well in excess of long-term cost of capital  
Delivered attractive returns to LP investors  
Supportive GP

GP has demonstrated willingness to forego distributions for transitional time period for appropriate acquisitions or expansions (e.g., KinderHawk)

If we get to a point where we cannot deliver attractive returns to LP investors, we would consider other options

31

(a)

Targeted unlevered returns typically 12-15% for pipelines  
(higher for CO

2

)

in

50/50

splits

since

1997

As of 12/30/2011; calculation of current cost of capital can be found in the Appendix to this presentation



KMP Access to Capital  
Issued  
~\$25.8  
billion  
of  
capital  
at  
KMP  
in  
the

public  
markets  
since  
inception  
(a)

~\$11.9  
billion  
in  
equity  
raised  
(a)

~\$13.9 billion in KMP long-term debt (~\$12.1B net of refinancing)  
Accessed in difficult markets

Sep 01  
to  
Sep 02  
~\$1.9  
billion  
in  
equity  
and  
debt  
issued  
(a)

Aug 07  
to  
Dec 09  
~\$7.6  
billion  
in  
equity  
and  
debt  
issued  
(a)

Limited equity issuance needed in 2012

KMR dividend = ~\$491 million in 2012

KMP \$385 million public secondary offering(s) / ATM program

32  
Note: all figures as of 12/31/2011; excludes any impact from the proposed acquisition of El Paso by KMI  
(a) [Includes KMR share dividends](#)

KMR 101

(a)

Discount Has Narrowed, But Still Wide

KMR Discount to KMP

Management Purchases of KMR / KMP

(c)

(a)

All

figures

through

/

as

of  
12/30/2011;

see  
footnotes

on  
slide

7  
for  
explanation

of  
total  
return  
calculations

(b)

Calculation of share dividend: KMP quarterly cash distribution per unit divided by KMR 10-day average price prior to x-date =  
/ \$65.986 = 0.017579 share; example reflects actual KMR share dividend calculated for 3Q 2011 paid on 11/14/2011; refer to I

(c)

Purchase of KMR shares and KMP units by directors and officers of KMR/KMP since the KMR IPO in 2001, as reported in S

7:1

ratio

excludes

one

open

market

purchase

of

KMP

units

relating

to

an

arrangement

requiring

cash

distributions

for

payment

of

interest

33

KMR

is

KMP

KMR shares are pari passu with KMP units

KMR dividend equal to KMP cash distribution, but paid in

additional shares; effectively a dividend reinvestment

program

(b)

Like

KMP

units,  
KMR  
shares  
are  
tax  
efficient

but  
with  
simplified tax reporting (no K-1s, UBTI)  
KMR is a significant entity  
KMR market cap = \$7.7 billion, ~30% of total KMP  
capitalization  
~\$20 million in daily liquidity  
KMR has generated a 15.8% compound annual total return  
since '01 IPO, vs. 16.1% for KMP  
Although the KMR trading discount to KMP has narrowed,  
at 7.6% it still leaves substantial room for improvement  
EP transaction expected to lead to more KMR issuance  
Highlighting the security and further improving liquidity  
Potential for KMP to become self-funding through KMR  
dividend  
Possibility of KMR share buybacks if quarterly dividends  
exceed equity funding needs  
Insiders prefer KMR  
Management has purchased KMR at a rate of about 2:1 vs.  
KMP,

or  
almost  
7:1  
excluding  
one  
transaction

(c)  
-20%  
-15%  
-10%  
-5%  
0%  
5%  
10%

Dec-01  
Dec-03  
Dec-05  
Dec-07  
Dec-09  
Dec-11  
\$0  
\$2  
\$4

\$6  
\$8  
\$10  
KMR  
KMP  
\$8.1  
\$4.5  
(millions)  
IPO 5/14/2001

KMP CO

2

Oil Production Hedge Profile

Avoid businesses with direct  
commodity exposure

Hedge CO

2

BOE equivalent

Targeted minimum  
hedge amounts:

Current Year: 70%

Year 2: 50%

Year 3: 30%

Year 4: 10%

Net Oil Production

34

77%

51%

31%

13%

0

10

20

30

40

2012

2013

2014

2015

Avg Hedge Px

WTI & WTS

(\$/Bbl)

(a)

\$90.64

\$92.23

\$93.40

\$98.11

Hedged

Unhedged

% Hedged

(a)

Where collars are used, pricing incorporated into average hedge price is the collar floor; for swaps and puts, strike price net of

(b)

Net equity production: 2012 = budget; 2013-2016 = based on Netherland, Sewell reserve report plus Katz project estimated base

NGL components (C4+)



KMP Risks  
Regulatory

Pacific Products Pipeline FERC / CPUC cases

Periodic rate reviews

Unexpected policy changes  
Crude Oil Production Volumes

Crude Oil Prices

2012 budget assumes \$93.75/Bbl realized price on unhedged barrels

2012  
sensitivity  
is  
~\$5.8  
million  
DCF  
per  
\$1/Bbl  
change  
in  
crude  
oil  
prices

Economically Sensitive Businesses (e.g., steel terminals)

Environmental

Terrorism

Interest Rates

~50% floating rate debt

The full-year impact of a 100-bp increase in rates equates to an approximate \$65 million increase in interest expense

35

Note: excludes any impact from the proposed acquisition of El Paso by KMI

KMP Focused on Distribution Growth  
History of Delivering  
Distribution Growth

(a)

:

1-year growth = 4.8%

3-year growth = 4.7%

5-year growth = 7.2%

Annual LP Distribution Per Unit

(b)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Compound annual growth in KMP LP distributions per unit for the 1-year, 3-year and 5-year periods ending 12/31/2011

(b)

Annual LP distribution, rounded to 2 decimals where applicable

36

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012E

\$0.63

\$0.94

\$1.24

\$1.42

\$1.71

\$2.15

\$2.44

\$2.63

\$2.87

\$3.13

\$3.26

\$3.48

\$4.02

\$4.20

\$4.40

\$4.61

\$4.98

KMP Drives KMI Growth  
Substantial cash flow  
Minimal capital expenditures  
at KMI level  
Strong balance sheet  
Growing distributions and  
investment at KMP drive KMI  
dividend growth  
KMP Cash Distributions Received by KMI  
37  
GP Interest  
LP Units Owned

\$65  
\$77  
\$85  
\$96  
\$100  
\$96  
\$104  
\$127  
\$140  
\$152  
\$163  
\$181  
\$58  
\$113  
\$208  
\$278  
\$336  
\$406  
\$492  
\$529  
\$635  
\$830  
\$967  
\$1,087  
\$1,218  
\$1,404  
\$3  
\$6  
\$40  
\$68  
\$153  
\$273  
\$355  
\$421  
\$502  
\$592  
\$625  
\$739  
\$957  
\$1,107  
\$1,239  
\$1,381  
\$1,585  
1996  
1997  
1998  
1999  
2000  
2001  
2002

2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012E  
(a)  
\$40

---

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)  
In 2010, total distributions paid to KMI (GP + LP) were \$1,032 million. These distributions to KMI would have been \$1,202 million had KMI received distributions paid in August 2010 had been cash from operations, rather than a portion being a distribution of cash from interim capital transactions; the GP receives only 2% of distributions of cash from interim capital transactions

Operational Excellence  
Steve Kean  
Chief Operating Officer



Operations Goals

Safe, Reliable, Efficient Operations

Continuous reduction in risk to the public, employees,  
contractors, assets and the environment

Continuous improvement in the efficiency and productivity of  
existing  
operations

Establish culture of excellence in operations

39

Well-executed

expansions

and

effective

integration

of

acquired

operations

Efficiency

Part of weekly asset review

Throughput

Operating costs (including energy use and L&U)

Sustaining capex updates

Detailed, bottoms up

budget process for operating expenses and  
sustaining capex

Separately identify safety and compliance needs; separately track  
spending on those items

Shared best practices on common activities

Working groups

Quarterly KM operations meeting

40

KM Operating Efficiency  
G&A per MMDth Natural Gas Received  
O&M per MMDth Natural Gas Received  
41  
Source: third party analysis  
\$-  
\$0.01  
\$0.02  
\$0.03

\$0.04  
\$0.05  
\$0.06  
\$0.07  
\$0.08  
\$0.09  
\$0.10  
Company  
A  
Company  
B  
Company  
C  
Company  
D  
Company  
E  
Company  
F  
Company  
G  
Company  
H  
KM-  
Line  
operated  
-  
\$0.05  
\$0.10  
\$0.15  
\$0.20  
\$0.25  
\$0.30  
\$0.35  
\$0.40  
\$0.45  
\$0.50  
Company  
A  
Company  
B  
Company  
C  
Company  
D  
Company  
E  
Company  
F  
Company

G  
Company  
H  
KM  
operated  
Line  
\$  
-

Implementation Plan  
Immediate Risk Reduction  
ROW protection programs  
Liquids pipeline O&M re-write  
EHS (environmental, health and  
safety) boot camps  
in Terminals  
Audits and assessments (annual  
program)  
Acceleration of certain pipeline

integrity work

PSM / RMP compliance

(a)

Tank and in-facility pipe integrity program

Terminals SQE (safety, quality and environmental) ongoing

Separate review of high consequence assets and operations

Continuous Improvement Systems Improvement and extension

Measuring, meeting, adjusting

Training

Auditing

Working Groups

share best

practices across Kinder Morgan

Systems-making

Compliance Routine

Addressing

operations

performance

in our existing processes

Operations Management System

Annual budget

Compensation

QBR s

Operations quarterly meetings

Monthly business unit meetings

Monthly major projects review

Weekly asset meetings

Compliance systems

OpsInfo extension (2008

11)

Datastream

Petris

Audit tracking system

Exceptions reported to business  
unit management  
Incident and near miss reporting  
systems

ERL

STARS

Incident Review Committee  
42

(a)

PSM  
= Process Safety Management

RMP  
= Risk Management Plan



## Compliance Summary

### Key elements:

1.  
Clear statement of requirement, assignment of responsibility and deadline for completion, and
2.  
Exception reporting to management

### Performance:

OpsInfo expanded to nearly 114,000 compliance actions per year

Timely compliance: 99.5% in 2011

Other items tracked: regulatory changes, audit exceptions tracked and closed

43

Compliance Summary

Cont d

44

(a)

SPCC

= Spill Prevention Control and Countermeasures

(b)

PSM

= Process Safety Management

RMP

= Risk Management Plan

Business  
Unit  
Env. Permits  
Hazardous  
Waste / Transport  
SPCC  
(a)  
Safety  
PSM / RMP  
(b)  
DOT and  
DOT  
Maintenance  
Security  
Contractors  
Damage  
Prevention  
Natural Gas  
Pipelines  
OpsInfo  
INFOR EAM  
OpsInfo  
INFOR EAM  
OpsInfo  
ISNetworld  
Petris  
Products  
Pipelines  
OpsInfo  
OpsInfo  
OpsInfo  
OpsInfo  
OpsInfo  
ISNetworld  
Petris  
Terminals  
OpsInfo  
OpsInfo  
OpsInfo  
OpsInfo  
OpsInfo  
ISNetworld  
Petris  
Kinder Morgan  
Canada  
OpsInfo & IVARA  
OpsInfo for  
Trans Mountain &  
IVARA for  
Platte & Express

Regulations  
are Not  
Applicable  
OpsInfo &  
IVARA  
IVARA  
ISNetworld  
Petris  
CO2  
OpsInfo  
OpsInfo  
OpsInfo  
INFOR EAM  
OpsInfo  
ISNetworld  
Petris

Incidents & Releases: Liquids Pipeline ROW

Liquids

Pipeline

Incidents

per

1,000

Miles

(a)

Liquids

Pipeline

Release

Rate

(a)

45

Note: KM totals exclude non-DOT jurisdictional CO2 Gathering and Crude Gathering for compatibility with industry compari

(a)

Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid c

any of the following:

- (1) Explosion or fire not intentionally set by the operator
- (2) Release 5 barrels or greater. (NOTE: PHMSA does not record system location for releases less than 5 barrels)
- (3) Death of any person
- (4) Personal injury necessitating hospitalization
- (5) Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the company exceeding \$50,000; not included: natural gas transportation assets

(b) 2009 most recently reported

KM Incidents

Industry 3-yr Avg

Industry 2009 Avg

(b)

-

5

10

15

20

25

30

35

2006

2007

2008

2009

Industry 3-yr Avg

0.45

0.29

0.21

-

0.08

0.39

-

0.2

0.4

0.6

0.8

1.0

2006

2007

2008

2009

2010

2011

2010

2011  
KM Incidents  
Industry 2009 Avg  
(b)  
6.0  
15.5  
2.5  
-  
0.01  
13.1

Product Pipelines 10-year Release Trend

46

Releases > 5 Gallons ROW and Facilities

0

10

20

30

40

50



60  
0  
2,000  
4,000  
6,000  
8,000  
10,000  
12,000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011

Total Barrels Released

Cochin Release

Total Number of Incidents

Number of Pacific Only Releases

Incidents & Releases: Natural Gas Pipeline ROW

Natural Gas Pipeline Incidents Rate

(a)

47

0.27

0.30

0.13

0.04

-

0.2

0.4

0.6

0.8

1.0

2006

2007  
2008  
2009  
2010  
2011  
KM Incidents  
Current Industry Avg  
2005 Industry Avg  
0.32  
0.27

---

Note: KM totals exclude non-DOT jurisdictional CO<sub>2</sub>  
Gathering and Crude Gathering for compatibility with industry comparisons

- (a)  
An Incident means any of the following events:
- (1)  
An event that involves a release of gas from a pipeline or of a liquefied natural gas or gas from an LNG Facility and
- (i) A death, or personal injury necessitating in-patient hospitalization; or
- (ii) Estimated  
property  
damage,  
including  
cost  
of  
gas  
lost,  
of  
the  
operator  
or  
others,  
or  
both,  
of  
\$50,000  
or  
more;  
or
- (iii) Unintentional estimated gas loss of 3,000 Mcf or more
- (2)  
An event that results in an emergency shutdown of an LNG facility
- (3)  
An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2)

KM Lost-time Incident Rate (DART)

48

Contractor Lost-time Incident Rate (DART)

49  
0.44  
0.71  
1.23  
1.00  
1.10  
1.00  
1.84  
1.00  
-  
1  
2  
3  
4

5

Natural Gas

Pipelines

CO2

Products

Pipelines

Terminals

KM Canada

KM Contractor Rate (12-mo)

Industry Avg

-

OSHA Recordable Incident Rate

50  
1.40  
1.02  
1.52  
2.78  
1.05  
1.30  
1.06  
0.74  
2.27  
0.52  
2.30  
1.67  
1.90

5.90  
1.90  
2.50  
2.60  
2.50  
6.35  
2.50

-  
1  
2  
3  
4  
5  
6  
7

Natural Gas  
Pipelines  
CO2  
Products  
Pipelines  
Terminals  
KM Canada  
KM Rate (3-yr Avg)  
KM Rate (12-mo)  
Industry Current Avg  
Industry 2005 Avg



Vehicle Incident Rate

51

(a)

Industry average not available for Terminals

(a)

0.50

0.69

0.42

1.86

0.59  
0.26  
0.70  
0.68  
0.79  
0.57  
1.40  
1.40  
2.41  
2.41  
-  
1  
2  
3  
4  
5  
Natural Gas  
Pipelines  
CO2  
Products  
Pipelines  
Terminals  
KM Canada  
KM Rate (3-yr Avg)  
-  
KM Rate (12-mo)  
-  
Industry Avg

2012 Objectives

Incident rates: better than industry average and better than the Kinder Morgan 3-year average; zero significant incidents

Terminals SQE program

Continued special emphasis on high consequence assets and operations

52





Natural Gas Pipelines

Tom Martin

President Natural Gas Pipeline Group

\*\* Does not include El Paso acquisition

Overview

Market

Environment

Shale activity providing excellent growth opportunities

Transport spreads remain flat

Storage spreads are weak

Processing margins continue to be very strong and roughly equivalent to 2011 performance

Value

Proposition

Strong asset base with secure cash flows supported by long-term contracts

Broad pipeline network connected to diverse supply sources and end users lessening the impact of flat basis spreads

Limited exposure to commodity prices and processing margins

Recently expanded footprint and superior access to capital provides additional expansion / extension and acquisition opportunities

Summary

System

Financial targets

Asset-by-asset review

Intrastate assets

Growth opportunities

2



Natural Gas Pipelines and Facilities

3

Financial Overview

Budget

'11 -

'12

2006

2007

2008

2009

2010

2011

2012

Change

EBDDA

(a)

\$501,103

\$548,383

\$738,860

\$825,388

\$981,391

\$1,134,424

\$1,305,468

\$171,044

Sustaining Capex

(27,431)

(29,927)

(29,853)

(22,676)

(19,486)

(30,094)

(43,812)

(13,718)

DCF

\$473,672

\$518,456

\$709,007

\$802,712

\$961,905

\$1,104,329

\$1,261,655

\$157,326

14.2%

2012 Highlights:

Second half of KinderHawk acquired in July 2011; full-year contribution in 2012

Eagle Ford joint venture in-service; full-year contribution in 2012

Full-year contract quantities on FEP in 2012

SouthTex  
acquisition

included

in

KMP

portfolio

in

December

2011;

full-year

contribution

in

2012

EagleHawk joint venture investment included in KMP portfolio in 2011; full-year contribution in 2012

West Clear Lake storage contract renewal contribution in 2012

Full-year KMIGT rate case settlement in 2012

4

(\$ in millions)

(a)

EBDDA includes Upstream gathering assets (2010 forward) and includes imputed share of DD&A of material joint venture in  
from Eagle Ford (2011) and Endeavor (2011 and 2012)

Contracted Capacity and Term  
Interstate  
pipelines:  
contracted  
on  
a  
fee  
for  
service

basis  
Annual  
re-contracting  
exposure  
is  
~  
2%  
-  
5%  
of  
segment  
EBDDA  
through  
2015

Limited exposure to gas commodity pricing; \$1/Dth gas price change = ~ \$1.1MM in 2012, <1% of segment annual EBDDA

Non-Interstate pipelines: business portfolio

Limited exposure to gas commodity pricing, processing margins, pricing spreads

Processing  
exposure  
(a)

:  
\$1  
change  
in  
WTI  
=  
~\$2MM;  
1%  
change  
in  
NGL  
crude  
ratio  
=  
~\$3MM;

Total processing is ~ 6% of segment annual EBDDA

\$1 /Dth gas price change = ~\$3MM/yr, < 1% of segment annual EBDDA

Intrastate pricing spreads: \$0.05 Waha to HSC = \$1MM

5  
Transport Contracts  
Avg. = 8 yr, 9 mo  
Transport Contracts  
Avg. = 6 yr, 2 mo  
Contracted  
Capacity  
Avg. Term  
Remaining

Interstate  
KM Interstate Gas  
Storage  
10.7  
Bcf  
3 yr,  
1 mo  
Transport  
1.0  
Bcf/d  
3 yr,  
6 mo  
TransColorado  
Transport  
1.0  
Bcf/d  
4 yr,  
3 mo  
Trailblazer  
Transport  
0.9  
Bcf/d  
3 yr,  
10 mo  
Rockies Express  
Transport  
2.0  
Bcf/d  
7 yr,  
8 mo  
Midcontinent Express  
Transport  
2.6  
Bcf/d  
6 yr,  
5 mo  
KM Louisiana  
Transport  
2.1  
Bcf/d  
17 yr,  
8 mo  
Fayetteville Express  
Transport  
1.8  
Bcf/d  
10 yr,  
2 mo  
Intrastate  
Texas Intrastates

Purchases

2.7

Bcf/d

2 yr,

1 mo

Sales

2.3

Bcf/d

2 yr,

1 mo

Storage

144

Bcf

1 yr,

1 mo

Transport

3.9

Bcf/d

5 yr.

7 mo

Eagle Ford JV

Transport

0.6

Bcf/d

9 yr,

11 mo

KinderHawk

Transport

N/A

~4 yr

(life of lease)

(a)

Includes Eagle Ford Gathering and Upstream



Asset Summaries

Rockies Express Pipeline

REX

1,685 miles of 36

and 42

mainline

Originates in Meeker, CO and

terminates in Clarington, OH

Transports Rocky Mountain

production to Midwest and  
Northeast markets  
JV between KMP (50%),  
Sempra (25%) and  
ConocoPhillips (25%); KMP  
operates  
Capacity

Zone 1 ~ 2.0 Bcf/d

Zone 2/3 ~1.8 Bcf/d  
Long haul capacity contracted  
at ~97% long term  
FERC-regulated  
Long  
haul  
flows  
0.9

1.8  
Bcf/d  
7

REX

Opportunities

Firm backhauls (Marcellus and Utica Shale, Biogas)

East-end receipts, conversion of existing deliveries to bi-directional interconnects,  
and booster compression

Forward pricing favors Chicago over Clarington (backhaul within Zone 3)

Park & loan service

Interruptible and short haul service (ITS, PAWS)

Extensions and expansions

and LDC s)

New supply basins (Utica and Marcellus shale)

Challenges

Meeker to Clarington price spreads have narrowed  
MFN clause restricts full system backhauls (Zone 3 to Zone 1) to  
shorter term (364 days max.) contracts

Backhauls within Zone 3 exempt

8

Additional

markets

in

Ohio

and

Indiana

(coal

to

gas

conversions, power

plants

KMIGT  
5,054 miles of various  
diameter reticulated  
pipeline  
Markets:

LDCs and industrials

Irrigation/grain drying in  
NE and KS

Mid-Continent  
interconnected pipelines

Ethanol plants  
Growth

Power plants  
Capacity

Transport .98 Bcf/d

Storage 14.8 Bcf

Marketable on-system  
capacity sold out

PXP contracted at  
96% short term  
FERC-regulated  
Rate case settlement  
approved in 2011;  
minimal rate case  
exposure through 2015  
Kinder Morgan Interstate Gas Transmission  
9

KMIGT

Opportunities

Pony Express Pipeline (PXP) conversion from gas to oil service

Power plants

New natural gas power plants and conversion of existing coal  
power plants to natural gas

Future

production

development

Niobrara

Shale

Additional LDC and industrial load

Challenges

Re-contracting PXP capacity long term (if not converted to oil  
service)

10



KMIGT Gas to Oil Conversion Project  
Fundamentals

Excess western gas export  
capacity (~4 Bcf/d) has narrowed  
the gas basis differential

Robust Bakken production growth  
is projected and DJ/Niobrara  
development is anticipated

Oil pipeline export capacity from  
the west is fully utilized and  
expensive rail/trucking options  
being used

Uncertainty lies around the timing  
of the Keystone XL project  
approval

Conversion relies on upstream

expansion of Bridger-Butte pipeline  
FERC abandonment approval  
needed  
Facilities  
Conversion of 432 miles existing pipeline currently in gas  
service (previously in oil service)

Guernsey to existing KMIGT NGPL gas interconnect  
New Build

Gas facilities to provide alternative gas transportation

Required for FERC abandonment approval

~60 mile DJ/Niobrara Lateral

~230 miles from existing pipeline to Cushing

\$700 -  
\$800M of capex

In service target late 2014

Open season ended Nov. 2011, working with potential shippers  
to secure contracts

11

TransColorado Gas Transmission  
TransColorado  
301 miles of 22  
& 24  
mainline  
Originates at Greasewood, CO  
and terminates at Blanco, NM  
Primarily serves area producers

Bi-directional Flow

Capacity north ~ 0.44 Bcf/d

Capacity south

Phase 1 ~ 0.165 Bcf/d

Phase 2 ~ 0.372 Bcf/d

Less than 10% capacity sold  
short term

FERC-regulated

Minimal rate case risk

Completed 18,000 Dth/d  
southbound expansion at Conn  
Creek CS

Aggregation of gathering and  
processing has shifted gas  
supply to north end of pipe

12

Trailblazer Pipeline  
Trailblazer  
436 miles of pipe  
3 compressor locations  
with 58,000 HP  
Max throughput = 0.878  
Bcf/d  
Lowest total cost pipeline

out of region  
FERC-regulated  
No rate case filing until  
2014  
Recontracting of expiring  
capacity at lower rates  
included in 2012 Budget  
2% of segment EBDDA  
13  
13

Midcontinent Express Pipeline  
MEP  
507  
miles  
of  
42 ,  
36  
and

30

pipe

Originates at Enogex,  
Bennington and terminates  
at Transco Station 85

Capacity:

Zone 1: 1.8 Bcf/d

Zone 2: 1.2 Bcf/d

JV between KMP (50%)  
and Regency (50%); KMP  
operates

Pipeline fully-subscribed  
with long-term firm  
contracts

FERC-regulated

14

14



MEP

Opportunities

Serves as shale (Barnett, Woodford, Haynesville, and Bossier shales) outlet with access to multiple markets in the Midwest, Northeast and Southeast

Zone 2 expandability (up to 300 MDth/d)

Shale development, Perryville pile-up could support Zone 2 expansion

Excess long haul capacity of 20 MDth/d has been identified as a result of operating experience

Mainly sold under short-term firm deals in 2011-12

Storage connection access near Perryville area

Creates opportunities for hub and wheeling services

Sawgrass

Storage

LLC  
has  
filed  
for  
FERC  
approval  
for  
development  
of  
storage  
field that would utilize MEP as its transport hub for its customers  
Higher recourse rates to reflect higher project costs (long-term opportunity)  
15

Kinder Morgan Louisiana Pipeline  
KMLP  
133  
miles  
of  
42  
pipe  
Originates at Cheniere

Sabine pass LNG and  
interconnects with 12  
interstate pipelines  
Two storage fields  
connected to pipeline  
Capacity: 3.2 Bcf/d  
Pipeline fully-subscribed  
with 20-year contracts  
(~18 years remaining)  
FERC-regulated  
16  
16

KMLP  
Opportunities  
Opportunity to transport supply for LNG export

Cheniere Sabine Pass has received necessary DOE permits for their liquefaction project. Awaiting FERC approval.

Cheniere signing up Shippers, has announced approximately 1.5 Bcf/d

Discussions with Cheniere and Shippers could lead to opportunities in 2015 and beyond  
Multiple  
interconnections

with  
additional  
facilities,  
may  
capture  
opportunities  
between major interstate pipelines and storage  
Potential interconnections with other LNG terminals  
17

Fayetteville Express Pipeline  
FEP  
185  
miles  
of  
42  
pipe  
One compressor station

with 72,000 HP  
Capacity: 2.0 Bcf/d  
15 receipt points  
(producer specific)  
4 delivery meters  
JV between KMP (50%)  
and Energy Transfer  
(50%); Energy Transfer  
operates  
1.85 Bcf/d capacity under  
long-term contracts  
FERC-regulated  
18  
18



FEP

Opportunities

All major construction completed; final clean-up is continuing as weather allows

2.0 Bcf/d of initial pipeline capacity

Project costs projected at \$0.97 billion, substantially less than original estimate of \$1.26 billion

1.85 Bcf/d capacity sold under long-term firm contracts; have 0.15 Bcf/d available for sale

Southwestern: 1.2 Bcf/d, 10 yrs

Chesapeake: .375 Bcf/d for 10 yrs

BP: .125 Bcf/d for 10 yrs

XTO: .150 Bcf/d 12 yrs

Rig  
count  
in  
Fayetteville:  
28  
rigs  
in  
December  
2011,  
maintaining  
year-ago  
level

Exxon purchased XTO assets in June 2010 and PetroHawk assets October 2010

BHP purchased Chesapeake assets April 2011 and will take operational control in 2012

Area producers still indicate a strong commitment to Fayetteville Shale based on drilling  
forecast

Expansion opportunity for capacity up to 2.4 Bcf/d

Two additional compressor stations

Avg. daily delivered volumes have increased in the last year from .78 Bcf/d to 1.15 Bcf/d

19

KMI (20% Ownership)  
Natural Gas Pipeline Company of America  
NGPL  
Pipeline miles: 9,200  
KM-operated  
Market area deliverability: 5.0 Bcf/d  
Storage working gas capacity: 278  
Bcf (8 fields)

Direct or one-pipe-away access to most major U.S. and Canadian supply basins west of the Mississippi, including major shale plays  
Approx. 600 interconnections, including:

34 interstate pipelines

38 local distribution companies

32 end users, including power plants

Top customers consist of investment grade LDCs (excl. NIPSCO), producers and marketers

Top-10 customers make up 62% of transportation and storage revenues

Firm transport and storage revenue by customer segment:

LDCs

43%

Producers

17%

Marketers

34%

End users

5%

Rate case settlement reached in 2010

Average firm transport tenure is 2.4 years

Major LDC customer anticipated to renew

for

3

-

4

years

20

Texas Intrastate Pipelines  
Texas Intrastates  
6,000 miles of pipeline  
Over 5 Bcf/d capacity  
(5.5 Bcf/d peak day)  
144 Bcf of storage  
Access to 685 MMcf/d  
processing capacity

180 MMcf/d CO

2

treating

capacity

Combination of fee-for-  
service, and purchase /  
sale activity

Texas Railroad

Commission regulated  
market-based regulation  
in competitive  
environment

21

Texas Intrastate Pipelines

Opportunities

Large asset footprint provides real and continued opportunities for expansion capital investment

New service to end user plants being restarted, expanded or built grass roots along the Texas Gulf Coast in response to favorable feedstock and fuel outlook

Petrochemical, refinery, fractionation and power generation expansions being planned around expected increase in local/domestic natural gas, NGL and condensate supplies  
Economic expansions of deliverability into Mexico to serve increasing demand for natural gas

Optimization and expansion of West Clear Lake storage facility post termination of lease to Shell April 1

Other investments in or acquisitions of gathering assets similar to KinderHawk & Eagle

Hawk

Challenges

Continuing to replace declining natural gas supply from traditional production areas

22



Eagle Ford Joint Ventures  
Eagle Ford Gathering LLC  
50/50 JV with Copano in STX  
Capacity of 705,000 MMBtu/d based  
on contracted processing space  
111 miles of 30 /24  
supply lateral  
placed into service 3Q 2011

currently flowing 240,000 MMBtu/d  
Approximately 90% of the JV's long-term capacity is subscribed  
Pipeline capacity is expandable with compression  
62 miles of 24 crossover pipeline placed into service 3Q 2011 and currently flowing approximately 120,000 MMBtu/d into WFS at Markham  
10 miles of 20 inlet pipeline to Formosa completed 4Q 2011; initial deliveries expected in February  
Eagle Hawk Field Services LLC  
75/25 BHP Petrohawk/KM JV in S. TX  
416 miles of pipeline in-service  
2012 forecasted capacity:  
~ 110K Bbl/d  
~ 670 MMcf/d  
KM expects to have invested in excess of \$400 million of capital in, and in support of, these Eagle Ford joint ventures by year-end 2012  
23

Eagle Ford Joint Ventures

Opportunities

Additional EFG gathering and processing expansions as producers shift rigs into what is one of the most economic basins in North America

Higher volumes on EagleHawk as BHP continues to increase rig count in 2012

Challenges

Handle

liquids

fallout

from

higher

than

expected

liquids

content

in

the gas to maintain run times

24

KinderHawk Field Services  
KHFS  
100% KM in northwest Louisiana  
Gathering and treating services  
for Haynesville / Bossier Shale  
Long-term gathering / treating  
contracts  
452 miles of pipe installed to-

date

Over 2 Bcf/d of capacity

Well-positioned to access over

20 Tcf of gas

2,600 GPM of treating capacity

in-service (20 plants / 12

locations)

102 wells connected to the

system in 2011

103 wells budgeted to be

connected in 2012

18 interconnections with major

downstream pipelines

1 additional interconnection with

major downstream pipeline to be

constructed 1st Q 2012

2011 annual average: 1.0 Bcf/d

2012 volume forecast:

current            1.0 Bcf/d

annual avg ~1.1-1.3 Bcf/d

25

25

**KHFS**

**Opportunities**

Expansions due to infill drilling, additional CDPs and planned extensions of the system

Higher volumes as BHP is expected to increase rig count in 2012

Bossier Shale development

Some 3

rd

party opportunities remain as lease capture continues

**Challenges**

Maintaining high amine plant runtime to avoid curtailments

Have regional facilities in place to handle surges of new production as shift to pad drilling programs begin

Potential impact on developmental drilling from low gas prices

26

Kinder Morgan Upstream (KMULLC)

KMULLC

Own and operate processing plants in Casper and Douglas, Wyoming and a carbon dioxide and sulfur treating facility at West Frenchie Draw, Wyoming

Combined processing capacity of  
185 MMcf/d

West Frenchie Draw Plant is fully  
subscribed for 50 MMcf/d of  
natural gas

Red Cedar Gathering (RCG) is a joint  
venture between KMP (49%) and the  
Southern Ute Indian Tribe (51%)  
located within the boundaries of the  
Southern Ute Indian Reservation in the  
Durango, Colorado area

743 miles of gathering pipe  
connected to 1,200 producing  
wells; 89,400 horsepower of  
compression and three (Arkansas  
Loop/Simpson and Coyote Gulch)  
carbon dioxide treating plants

Capacity of approximately 750  
MMcf/d

Delivers gas into TransColorado,  
El Paso and TransWestern  
pipelines and the Enterprise Val  
Verde Treating Plant at the  
Blanco hub

Largest customers include BP,  
Samson and Red Willow

27



KMULLC

Opportunities

Increased processing volumes at the Douglas Plant

Increase in liquids volumes from Chesapeake and DCP over the next two years

Increased volumes at Red Cedar from development of acreage on east end of Southern Ute Indian Reservation

Approximately 100 MMcf/d is expected to eventually come from the development of reserves in the eastern end

The infrastructure (pipe & compression) to support this development was completed and put in service in 2011

Challenges

Douglas plant capacity is adequate for increases in volume,  
however, expect limitations in fractionation space downstream at  
Conoco's WRB facility

Gas prices have caused large scale development on the east end of  
Red Cedar to slow down

28

29  
Treating Services  
Largest fleet of contract operated  
amine plants in the U.S. that  
remove CO  
2  
and H  
2

S from natural  
gas

140 leased amine plants in  
service

Refurbishment and inventory  
yards located in Odessa and  
Victoria, TX  
Manufacture and lease skid  
mounted mechanical refrigeration  
units MRU s  
that remove liquid  
hydrocarbons from natural gas

145 leased MRU s in service

Manufacturing facility in Tyler, TX  
Acquired SouthTex Treaters in  
November 2011 for \$155 million

84 acre manufacturing facility  
located in Odessa, TX

Manufacture and sell amine  
treating plants, stabilizers, high  
pressure vessels and other oil  
field related equipment  
Treating Services

Treating Services

Opportunities

Find new applications on KM's expanding asset footprint for KM amine, dew point and MRU equipment

Increase utilization of SouthTex manufacturing capabilities for both 3

rd

parties and Kinder Morgan internal needs

Challenges

Keep amine lease fleet deployed (especially smaller units) in an environment where wellhead applications continue to be displaced by centralized facilities in the shale plays

30

2012

Full-year effect of new projects and acquisitions

FEP, KinderHawk, Eagle Hawk, SouthTex

New

growth

continues

with

expansions

and

increases

in

fee

based

services

Eagle Ford

West Clear Lake Storage  
2013 and beyond -  
long term / future growth  
Shale gas

TX  
Intrastates

Eagle  
Ford  
expansion,  
extension  
and  
treating/processing  
activities

KinderHawk

extensions  
and  
expansions  
(infill  
drilling),  
Bossier  
production  
growth,  
additional  
service  
offerings

FEP  
remaining 150,000/d of capacity plus expansion opportunities

KMIGT  
Niobrara gathering and processing opportunities

REX  
additional downstream market Marcellus (backhaul opportunities)

MEP  
additional expansion opportunities (up to 300 MDth/d Zone 2)

East  
of  
Perryville  
/  
T85

Southeast

markets  
Storage

TX Intrastates

West Clear Lake  
significant expansion opportunities

Dayton  
further expansions

Continue to evaluate new interconnects or investment in storage opportunities across KM pipeline footprint  
Acquisitions & other opportunities

Conversion of natural gas lines into liquids or oil service (e.g. Pony Express)

KMLP  
transportation backhaul opportunities for the export of LNG cargos from Cheniere LNG facility

NGPL  
several proposed LNG export facilities in the Gulf region add significant new market opportunity

KinderHawk/Eagle Hawk -  
replicate in upstream sector

Intrastates

uniquely  
capable  
of  
pursuing  
high  
pressure  
markets

Continue to seek new industrial / end user loads along the pipeline corridors

Other pipeline assets that complement KM footprint  
Growth Opportunities in 2012, 2013 and Beyond

31





Financial Review  
Kimberly Dang  
Chief Financial Officer

Agenda

KMP:

2012 budget

Distributable cash flow

Segment earnings before DD&A and LP net income

Quarterly profile

Budget assumptions

Sustaining capital

Growth capital

Financing plans

Liquidity

Balance sheet ratios

KMI:

2012 budget

Cash available to pay dividends

Quarterly profile

Liquidity

Summary

2

KMP

2012 DCF Budget

(a)

4

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Excluding certain items

(b)

Includes \$171 million of joint venture DD&A in both 2011 and 2012, for our share of REX, MEP, FEP, KinderHawk (until May-2011), Red Cedar and Cypress

(c)

Eagle Ford in 2011 only

(d)

Includes joint venture sustaining capex for our share of REX, MEP, FEP, KinderHawk (until May-2011), EagleHawk, Eagle Ford

2011  
 2012  
 Change  
 Actual  
 Budget  
 \$  
 %  
 Distributable cash flow  
 Net income  
 \$1,742  
 \$2,148  
 \$406  
 23%  
 DD&A  
 (b)  
 1,133  
 1,206  
 73  
 6  
 Book / cash tax difference  
 27  
 26  
 (1)  
 (4)  
 Eagle  
 Ford  
 /  
 Express  
 /  
 Endeavor  
 (c)  
 15  
 7  
 (8)  
 (53)  
 Sustaining capex  
 (d)  
 (212)  
 (249)  
 (37)  
 17  
 Total distributable cash flow  
 2,705  
 3,138  
 433  
 16  
 General partner's interest  
 (1,180)  
 (1,362)  
 (182)

15  
Distributable cash flow  
\$1,525  
\$1,776  
\$251  
16%  
Average Units Outstanding  
326  
342  
16  
5%  
Total DCF per unit  
\$4.68  
\$5.19  
\$0.51  
11%  
LP distribution per unit  
\$4.61  
\$4.98  
\$0.37  
8%  
Excess coverage  
\$21  
\$71  
\$50  
(millions, except per unit)  
(KMP)



2012 Income Budget

(a)

5

(millions, except per unit)

2011

2012

Change

Actual

Budget

\$

%

Segment earnings before DD&A (EBDA)

Products Pipelines

\$694  
 \$734  
 \$40  
 6%  
 Natural Gas Pipelines  
 951  
 1,133  
 182  
 19  
 CO2  
 1,094  
 1,381  
 287  
 26  
 Terminals  
 701  
 757  
 56  
 8  
 Kinder Morgan Canada  
 199  
 201  
 2  
 1  
 Total segment EBDA  
 3,639  
 4,206  
 567  
 16  
 DD&A  
 (961)  
 (1,036)  
 (75)  
 8  
 G&A  
 (388)  
 (411)  
 (23)  
 6  
 Interest  
 (531)  
 (588)  
 (57)  
 11  
 Non-controlling interest  
 (17)  
 (23)  
 (6)  
 35  
 Net income

1,742  
 2,148  
 406  
 23  
 GP share  
 (1,180)  
 (1,362)  
 (182)  
 15  
 Limited  
 partners  
 net  
 income  
 \$562  
 \$786  
 \$224  
 40%  
 Units outstanding (avg)  
 326  
 342  
 16  
 5%  
 LP income per unit  
 \$1.72  
 \$2.30  
 \$0.58  
 34%  
 Natural  
 Gas  
 EBDA  
 plus  
 JV  
 DD&A  
 (b)  
 \$1,122  
 \$1,303  
 \$181  
 16%  
 Total  
 segment  
 EBDA  
 plus  
 JV  
 DD&A  
 (c)  
 \$3,810  
 \$4,377  
 \$567  
 15%

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Excluding certain items

(b)

Natural gas pipelines EBDA adding back our share of REX, MEP, FEP, KinderHawk (until May-2011), EagleHawk, Eagle Ford of \$170 million in 2011 and 2012, respectively

(c)

Total segment EBDA adding back our share of REX, MEP, FEP, KinderHawk (until May-2011), EagleHawk, Eagle Ford of \$171 million in both 2011 and 2012

(KMP)

2012 Budgeted Quarterly Profile

(a)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Excluding certain items; please see KMP's periodic reports on Form 10-K and Form 10-Q for a more detailed presentation

(b)

Includes joint venture DD&A for our share of REX, MEP, FEP, KinderHawk (until May-2011), EagleHawk, Eagle Ford (2012-

(c)

Includes our share of joint venture DD&A and is reduced by our share of joint venture sustaining capital expenditures for the following: KinderHawk (until May-2011), EagleHawk, Eagle Ford (2012-only), Red Cedar and Cypress

1Q

2Q

3Q

4Q  
 Year  
 Total  
 Segment  
 EBDA  
 w/JV  
 DD&A

(b)  
 2012B  
 25%  
 24%  
 24%  
 27%  
 \$4,377

2011  
 24%  
 23%  
 26%  
 27%

\$3,810  
 DCF/unit

(c)  
 2012B  
 27%  
 22%  
 23%  
 28%

\$5.19/unit  
 2011  
 26%  
 22%  
 25%  
 27%

\$4.68/unit  
 Earnings/unit  
 2012B  
 27%  
 20%  
 22%  
 31%

\$2.30/unit  
 2011  
 25%  
 17%  
 26%  
 32%

\$1.72/unit  
 (\$ in millions, except per unit)

(KMP)  
 6

Budget Assumptions  
Segments:

Natural Gas

Growth  
and  
full-year  
contributions

from  
KinderHawk,  
EagleHawk,  
and  
SouthTex,  
and  
partial-year  
contributions  
from  
Eagle  
Ford  
JV  
with Copano

Full year of higher throughput on FEP (volumes contractually ramped up through 2011)

West Clear Lake storage contract rollover

CO<sub>2</sub>

Oil price on unhedged oil volumes in CO<sub>2</sub>  
~\$93.75/Bbl

CO<sub>2</sub>  
S&T contract price increases

Relatively flat oil production: SACROC volumes = 27.9 MBbl/d, Yates = 21.0, Katz = 2.3

Products

Modest refined product volume growth = -0.4% excluding Plantation, +0.5% including Plantation

PPI tariff escalator

Partial-year  
of  
crude  
and  
condensate  
operations,  
Cochin  
E/P  
project,  
and  
terminal  
projects  
including  
new  
tank  
expansions



for  
refined products and biodiesel blending services

Terminals

Increase in rates on existing contracts

Higher coal throughput

Full year of 2011 acquisitions (Cushing, Total, Watco) and expansion projects (Carteret, Cushing, Deer Park, Port of Houston)

Partial-year benefit from over \$650 million in 2012 expected growth expenditures

Kinder Morgan Canada

Extended 1-year toll settlement on TMPL  
Equity and Debt:

Total 2012 equity budgeted = \$876 million

Issue \$385 million in secondary equity

KMR dividend \$491 million

KH giveback \$25.5 million

Total 2012 long-term debt = \$2 billion (\$1 billion net of refinancing)

Interest Expense:

Average 3-month LIBOR rate of 0.80% for the year, based on forward curve at time of budget; current average 3-mo LIBOR  
curve = ~0.60%

7

Note: excludes any impact from the proposed acquisition of El Paso by KMI  
(KMP)

2012 Sustaining Capital Budget

(a)

8

2011

2012

Actual

Budget

Change

Sustaining capital

Products Pipelines

\$50  
\$51  
\$1  
Natural Gas Pipelines  
35  
51  
16  
CO  
2  
12  
16  
4  
Terminals  
91  
105  
14  
Kinder Morgan Canada  
18  
20  
2  
Corporate  
6  
6  
-  
Total sustaining capital  
\$212  
\$249  
\$37  
(\$ in millions)  
Note: excludes any impact from the proposed acquisition of El Paso by KMI  
(a)  
Excluding certain items  
(KMP)

2011 vs. 2012 Growth Capital

9

(\$ in millions)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

2011

2012

Actual

Budget

Expansion capital

Products Pipelines  
\$207  
\$239  
Natural Gas Pipelines  
121  
145  
CO  
2  
416  
437  
Terminals  
224  
492  
Kinder Morgan Canada  
11  
10  
Total expansion capital  
979  
1,323  
Contributions to JVs  
382  
233  
Subtotal  
1,361  
1,556  
Acquisitions  
1,243  
108  
Total growth capital  
\$2,604  
\$1,664  
(KMP)

2012 Growth Capital Budget

10

(\$ in millions)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

Total

Expansion

Equity

Growth

Capital

Contributions  
Acquisitions  
Capital  
Expansion capital  
Products Pipelines  
\$239  
\$72  
-  
\$311  
Natural Gas Pipelines  
145  
101  
1  
247  
CO  
2  
437  
-  
-  
437  
Terminals  
492  
60  
107  
659  
Kinder Morgan Canada  
10  
-  
-  
10  
Total growth capital  
\$1,323  
\$233  
\$108  
\$1,664  
(KMP)

2012 Financing Plans

11

(\$ in millions)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Excludes any changes in working capital

2012

Budget

Equity

Secondary offerings / ATM



\$385  
KMR dividends  
491  
Total equity  
\$876  
Debt  
Long-term debt issuance  
\$2,000  
Decrease  
in  
revolver  
(a)  
(254)  
Debt maturities in March / September  
(958)  
Incremental debt  
\$788  
\$1,664  
(KMP)

Liquidity Summary

(a)

Revolver Liquidity

Long-term Debt Maturities

12

(\$ in millions)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

As of 12/31/2011

(b)

Primary 2012 maturities: \$450 million 7.125% senior notes due 3/15/2012, \$500 million 5.85% senior notes due 9/15/2012

Total bank credit  
\$2,200  
Less:  
Commercial paper  
(645)  
LCs outstanding  
(230)  
Liquidity  
\$1,325  
2012  
\$958  
(b)  
2013  
\$508  
2014  
\$503  
2015  
\$300  
2016  
\$500  
(KMP)

Balance Sheet Ratios

13  
2012  
2004  
2005  
2006  
2007  
2008  
2009

2010

2011

Budget

Debt / EBITDA

3.5x

3.2x

3.3x

3.4x

3.4x

3.8x

3.7x

3.6x

3.4x

EBITDA / interest exp.

6.9x

6.3x

5.2x

5.2x

6.2x

6.4x

6.1x

6.5x

6.8x

(KMP)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

KMI

2012 Budget for Cash Available to Pay Dividends

15

(\$ in millions)

Declared Basis

2011

2012

Change

Actual

Budget

\$

%

Distributions

KMP distributions  
 To general partner  
 \$1,217  
 \$1,404  
 \$187  
 15%  
 On KMP units owned by KMI  
 100  
 108  
 8  
 8  
 On KMR shares owned by KMI  
 63  
 73  
 10  
 16  
 Total KMP distributions to KMI  
 1,380  
 1,585  
 205  
 15  
 NGPL's cash available for distribution to KMI  
 30  
 14  
 (16)  
 (53)  
 Total cash generated  
 1,410  
 1,599  
 189  
 13  
 G&A  
 and  
 sustaining  
 capital  
 expenditures  
 (a)  
 (10)  
 (10)  
 -  
 -  
 Interest expense  
 (166)  
 (167)  
 (1)  
 1  
 Cash available to pay dividends b/f cash taxes  
 1,234  
 1,422  
 188



15

Cash taxes

(368)

(437)

(69)

19

Cash available to pay dividends

\$866

\$985

\$119

14

Dividend

\$849

\$956

\$107

13%

Average fully-diluted shares outstanding

708

709

1

Dividend per share

\$1.20

\$1.35

\$0.15

13%

Excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Excludes certain items

(b)

KMI paid a prorated dividend for 1Q 2011, for the portion of the quarter that it was public, of \$0.14 per share;

based on a full quarter, the dividend amounts to \$0.29 per share

(b)

(KMI)

2012 Budgeted Quarterly Profile

16

KMI

yield-oriented

investment

valued

on

a

cash

flow

basis

1Q

2Q

3Q

4Q

Year

Cash available to pay dividends

2012B

31%

18%

21%

30%

\$985

2011

(a)

30%

19%

22%

29%

\$866

Earnings per share

2012B

24%

24%

25%

27%

\$1.03/sh

2011

n/m

n/m

n/m

n/m

\$0.74/sh

(\$ in millions, except per share)

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Excludes certain items

(KMI)

Credit / Liquidity Summary

(a)  
17  
2012  
\$839  
(c)  
2013  
---  
2014  
---  
2015  
\$250  
2016

\$850  
Total Bank Credit  
\$1,000  
Less:  
Revolver Drawn  
(421)  
Letters of Credit  
(48)  
Excess Capacity  
\$531  
Credit Summary  
Revolver Capacity

2010

2011

Budget

2012

2.5x

2.3x

2.1x

Note: excludes any impact from the proposed acquisition of El Paso by KMI, except debt balance which includes some transac

(a)

Unless otherwise noted, as of 12/31/2011; debt of KMI's subsidiary, Kinder Morgan Kansas, Inc. excluding the fair value of i  
and Kinder Morgan G.P., Inc.'s \$100 million of Series A Fixed-to-Floating Rate Term Cumulative Preferred Stock due 2057

(b)

Debt as described in footnote above and net of cash; 2010 distributions received less G&A adjusted to exclude the ICT

(c)

\$839 million 6.5% senior notes due 9/1/2012

(\$ in millions)

Long-term Debt Maturities

(KMI)

Net Debt / Distributions Received Less G&A

(b)

Summary

KMP Budget

Grow budgeted declared distribution to \$4.98/unit (8.0% growth)

\$71 million in excess coverage

Finance expansion budget approximately 50 / 50 debt / equity to maintain strong credit metrics

Year-end 2012 Debt / EBITDA of 3.4x

Distribute \$3.1 billion in 2012

KMI Budget

Declare \$1.35 / share in dividends (12.5% growth)

Year-end 2012 Debt / Distributions Received Less G&A of 2.1x

18

Note: excludes any impact from the proposed acquisition of El Paso by KMI, except debt balance which includes some transac

Appendix



KMP Current Cost of Capital Calculation

2

Annualized

Indicated LP

Distribution

Current KMP

Unit Price

Equity

Current KMP Yield

\$4.64

\$84.95  
 5.5%  
 GP Gross-up  
 55%  
 Cost of Equity  
 =  
 9.9%  
 Equity % of Capital Structure  
 x  
 50%  
 Equity Component of Cost of Capital  
 =  
 4.9%  
 Interest  
 Rate  
 % of Overall  
 Debt  
 Debt  
 Short-term Floating Rate  
 (a)  
 3.0%  
 X  
 50%  
 1.5%  
 Long-term Fixed Rate  
 6.0%  
 X  
 50%  
 +  
 3.0%  
 Cost of Debt  
 =  
 4.5%  
 Debt % of Capital Structure  
 x  
 50%  
 Debt Component of Cost of Capital  
 =  
 2.3%  
 Equity  
 Component  
 Debt  
 Component  
 Current  
 Cost of Capital  
 4.9%  
 +  
 2.3%  
 =  
 7.2%

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

Includes fixed-floating interest rate swaps

Explanation of Return Calculations

3

Formula

Notes

Segment

Return on Investment =

Segment

Distributable Cash Flow

before Certain Items

(a)

Average Total Investment

(c)

KMP

Return on Investment =

KMP

Distributable Cash Flow

before Certain Items

(b)

Average Total Investment

(c)

Return on Equity =

Distributable Cash Flow

before Certain Items

(d)

Average Equity

(e)

(a)

Segment Distributable Cash Flow before Certain Items is defined as the applicable segment earnings before DD&A and certain addition, several adjustments are made to segment earnings before DD&A to more closely tie to cash: (1) KMP's share of RE (2011), EagleHawk, Red Cedar and Cypress DD&A is added back and sustaining capex is deducted, (2) Express, Endeavor and subtracted and cash received is added back

(b)

KMP Distributable Cash Flow before Certain Items is defined as the sum of the five individual Segment Distributable Cash Flow

(c)

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

(d)

Distributable Cash Flow before Certain Items is defined as outlined on the Non-GAAP Financial Measures slide plus the general partner non-controlling interest

(e)

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

Explanation  
of  
Return  
Calculations

Cont d

4

Formula

Notes

Calculation of

Total Investment:

Gross PP&E

Investments

Goodwill

Gross intangibles (excluding amortization)

(a)

Plus:

Asset write-offs / retirements

Cumulative environmental reserves

Legal reserves / expenditures

(b)

Cumulative cash spent on asset retirement

(d)

Minus:

Cumulative sustaining capex

Assumed liabilities

Trans Mountain / Express adjustment

(c)

Cumulative asset retirement costs

(d)

Book value of sold assets / investments

Equals:

Total investment

(e)

(a)

(b)

Litigation

and

environmental

reserves

deducted

as

certain

items

are

added

to

investment,

except

for

SFPP

and

Calnev

litigation

reserves.

For

SFPP

and

Calnev,

actual legal payments are added to the investment when they are made

(c)

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

(d)

The present value of accumulated asset retirement costs are included in gross PP&E; for purposes of this calculation, we decrease the accumulated asset retirement costs, and increase our Total Investment / add back the cash actually spent on asset retirement

(e)

Van Wharves, Cochin, Trans Mountain, and Express Total Investment is based on acquisition price plus cumulative expansion. The purpose of calculating Total Investment in this manner is to exclude the foreign exchange impact reflected in our GAAP financials

asset balance based on the end of period exchange rate

Investments are calculated based on GAAP book value equal to cumulative contributions plus cumulative earnings less cumulative distributions. Investments include FEP, KinderHawk (until May-2011 when consolidated), EagleHawk, Eagle Ford, Cypress, Parkway, Plantation and Red Cedar. These investments are not adjusted for earnings or distributions



KMP CO  
2  
Asset Summary  
5  
CO<sub>2</sub>  
Reserves  
KMP  
Interest  
Location

Remaining  
Deliverability  
Operator  
McElmo Dome  
45%  
SW Colorado  
18+ years  
KMP  
Doe Canyon  
87%  
SW Colorado  
18+ years  
KMP  
Bravo Dome  
11%  
NE New Mexico  
9+ years  
Oxy  
Pipelines  
KMP  
Interest  
Location  
Capacity  
(MMcf/d)  
Operator  
Cortez  
50%  
McElmo Dome to  
Denver City  
1,350  
KMP  
Bravo  
13%  
Bravo Dome to  
Denver City  
375  
Oxy  
Central Basin (CB)  
100%  
Denver City to  
McCamey  
700  
KMP  
Canyon Reef  
98%  
McCamey to  
Snyder  
290  
KMP  
Centerline

100%  
Denver City to  
Snyder  
300  
KMP  
Pecos  
~70%  
McCamey to Iraan  
125  
KMP  
Eastern Shelf  
100%  
Snyder to Katz  
65  
KMP  
Wink (crude)  
100%  
McCamey & Snyder  
to El Paso  
125 MBbl/d  
KMP  
Crude Reserves  
KMP Interest /  
(Net of royalty)  
Location  
Remaining  
Life  
Operator  
SACROC  
97% (83%)  
W Texas  
8+ years  
KMP  
Yates  
50% (44%)  
W Texas  
25+ years  
KMP  
Katz  
99% (83%)  
W Texas  
20+ years  
(a)  
KMP  
(a)  
Based on current development plan

KMP GAAP Reconciliation

6

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a)

DCF = Distributable cash flow

(b)

Includes REX, MEP, FEP, KinderHawk (until May-2011), EagleHawk, Eagle Ford (2012-only), Red Cedar and Cypress JV D

(c)

Includes joint venture sustaining capex for our share of REX, MEP, FEP, KinderHawk (until May-2011), EagleHawk, Eagle F

(d)

KMR distributes additional shares in lieu of cash

(e)

Gain on sale of assets and asset disposition expenses, Cochin imputed interest expense, FX gain on Cochin note payable, Term costs,

legal  
expenses,  
insurance  
deductible,  
casualty  
losses  
and  
reimbursements  
(f)  
Gain on sale of assets  
2011  
2012B  
2011  
2012B  
KMP  
Consolidated  
DCF  
Excluding  
Certain  
Items  
(a)  
Total Distributions  
Net income per GAAP income statement  
\$ 1,258  
\$ 2,156  
LP distributions per GAAP cash flow statement  
\$ 1,054  
Certain items (net of minority interest)  
484  
(8)  
Difference  
due  
to  
KMR  
and  
timing  
on  
cash  
payment  
(d)  
450  
Net income before certain items  
1,742  
2,148  
Calendar-year LP declared distribution  
\$ 1,504  
DD&A  
961  
1,036  
JV

DD&A  
 -  
 KM  
 share  
 (b)  
 171  
 171  
 GP distributions per GAAP cash flow statement  
 \$ 1,189  
 Eagle Ford / Express / Endeavor contribution  
 15  
 7  
 Difference due to timing and minority interest  
 8  
 Book / (cash) tax difference  
 27  
 26  
 Calendar-year GP declared distribution  
 \$ 1,197  
 Sustaining  
 capex  
 (c)  
 (212)  
 (249)  
 KMP DCF  
 \$ 2,705  
 \$ 3,138  
 Total declared distributions (GP + LP)  
 \$ 2,701  
 Segment  
 DCF  
 Excluding  
 Certain  
 Items  
 (a)  
 Debt Ratios  
 Segment earnings before DD&A (EBDA)  
 \$ 3,242  
 \$ 4,214  
 Long-term debt excluding market value of swaps  
 \$ 10,660  
 Certain items impacting segments  
 397  
 (8)  
 Notes payable & current maturities  
 2,138  
 Segment EBDA excluding certain items  
 3,639  
 4,206  
 Less: cash & equivalents

(409)  
JV  
DD&A  
-  
KM  
share  
(b)  
171  
171  
Debt, net of cash  
\$ 12,389  
\$ 13,499  
Segment EBDA exc certain items, inc JV DD&A  
3,810  
4,377  
Segment  
sustaining  
capex  
without  
overhead  
(c)  
(189)  
(223)  
EBITDA to interest  
6.5x  
6.8x  
Segment DCF  
\$ 3,621  
\$ 4,154  
Debt to EBITDA  
3.6x  
3.4x  
EBITDA Excluding Certain Items  
Certain  
Items  
(Net  
of  
Minority  
Interest)  
Net income per GAAP income statement  
\$ 1,258  
\$ 2,156  
Allocated non-cash long-term compensation  
\$ (81)  
Certain items (net of minority interest)  
484  
(8)  
Environmental reserves  
(10)  
Net income before certain items

1,742  
 2,148  
 Legal reserves and settlements  
 (231)  
 Income taxes  
 55  
 70  
 Mark-to-market & ineffectiveness of certain hedges  
 5  
 DD&A  
 961  
 1,036  
 Loss on remeasurement of asset to fair value  
 (165)  
 JV  
 DD&A  
 -  
 KM  
 share  
 (b)  
 171  
 171  
 Prior period asset write-off  
 (10)  
 Interest, net of interest income  
 531  
 588  
 Other  
 8  
 (e)  
 8  
 (f)  
 EBITDA excluding certain items  
 \$ 3,460  
 \$ 4,013  
 Total  
 \$ (484)  
 \$ 8



KMI GAAP Reconciliation

7

Note: excludes any impact from the proposed acquisition of El Paso by KMI

(a) Distributions from equity investments and distributions from equity investments in excess of cumulative earnings

(b) Difference between cash and book interest expense for Kinder Morgan Kansas, Inc.

(c) Consists of timing differences between earnings and cash, and cash flow in excess of our distributions

2011

2012B

2011  
 2012B  
 Cash Available to Pay Dividends  
 Distributions Received Less G&A  
 Income from continuing operations  
 \$ 652  
 \$ 1,366  
 Cash available to pay dividends (above)  
 \$ 866  
 \$ 985  
 DD&A  
 1,092  
 1,166  
 Cash taxes  
 368  
 437  
 Amortization of excess cost of investments  
 7  
 7  
 Interest expense  
 166  
 167  
 Income from equity investments  
 (313)  
 (341)  
 Distributions received less G&A  
 Distributions  
 from  
 equity  
 investments  
 (a)  
 523  
 529  
 KMP certain items (pre-tax)  
 493  
 (8)  
 Debt Ratios  
 Kinder Morgan Kansas, Inc. purchase accounting  
 (9)  
 10  
 Long-term debt -  
 Kinder Morgan Kansas, Inc.  
 \$ 1,941  
 Difference between cash & book taxes  
 (32)  
 59  
 Current  
 portion  
 of  
 L-T

debt  
 -  
 Kinder  
 Morgan  
 Kansas,  
 Inc.  
 1,260  
 Difference  
 between  
 cash  
 &  
 book  
 interest  
 expense  
 (b)  
 (1)  
 11  
 Less:  
 cash  
 &  
 equivalents  
 -  
 Kinder  
 Morgan  
 Kansas,  
 Inc.  
 (2)  
 Sustaining capital expenditures  
 (213)  
 (250)  
 Add back: purchase accounting  
 37  
 KMP declared distribution on LP units owned by public  
 (1,357)  
 (1,533)  
 Debt, net of cash  
 \$ 3,236  
 \$ 3,363  
 Other  
 (c)  
 24  
 (31)  
 Cash available to pay dividends  
 \$ 866  
 \$ 985  
 Net debt / distributions received less G&A  
 2.3x  
 2.1x  
 \$ 1,400  
 \$ 1,589

Investor Relations Contacts

8

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