EIA Annual Conference

Steve Kean
President and Chief Executive Officer

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Largest energy infrastructure company in North America

- Founded 1997 by Rich Kinder and Bill Morgan
  - 175 employees; $325MM enterprise value
- Today, the largest natural gas pipeline network in North America
  - Own an interest in/operate over 69,000 miles of natural gas pipeline
  - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Bakken, Uinta, Haynesville, Fayetteville and Barnett
- Largest independent transporter of petroleum products in North America
  - Transport ~2.1 MMBbl/d\(^{(a)}\)
- Largest CO\(_2\) transporter in North America
  - Transport ~1.2 Bcf/d of CO\(_2\)\(^{(a)}\)
- Largest independent terminal operator in North America\(^{(b)}\)
  - Own an interest in/operate ~180 liquids/dry bulk terminals
  - ~152 MMBbls of liquids capacity
  - Handle ~65 MMtons of dry bulk products\(^{(a)}\)
  - Strong Jones Act shipping position
- Only Oilsands pipeline serving West Coast
  - Transports ~300 MMBbl/d to Vancouver/Washington State; proposed expansion takes capacity to 890 MMBbl/d

Footprint drives growth project pipeline:
- $14.1 billion 5-year growth capex program
  - Secured by long-term contracts
  - Attractive, fee-based returns

\(^{(a)}\) 2016 budget.
\(^{(b)}\) Includes KMI/BP JV terminals.
Achieving climate goals with natural gas

- US natural gas production
  - 2007: 55.33 Bcf/d
  - 2015: 78.77 Bcf/d
- Electric power natural gas consumption
  - 2007: 18.74 Bcf/d
  - 2015: 26.50 Bcf/d
- Production up 42%
- Electric power consumption accounts for 99% of the increase

Data source: EIA

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For more information, visit U.S. EPA’s “Climate Change Indicators in the United States” at www.epa.gov/climatechange/indicators.
More people, more economic activity, fewer emissions

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<tr>
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<th>1993</th>
<th>2007</th>
<th>2015</th>
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<tbody>
<tr>
<td>Population</td>
<td>259.92MM</td>
<td>301.23MM</td>
<td>320.22MM</td>
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<tr>
<td>GDP</td>
<td>$9.65 trillion</td>
<td>$14.99 trillion</td>
<td>$16.47 trillion</td>
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<td>Power sector CO2</td>
<td>1.92GT</td>
<td>2.42GT</td>
<td>1.92GT</td>
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<td>Net generation (GWh)</td>
<td>3,197,200</td>
<td>4,156,745</td>
<td>4,087,381</td>
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<td>Coal</td>
<td>1,690,100 (53%)</td>
<td>2,016,456 (48.5%)</td>
<td>1,356,057 (33%)</td>
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<tr>
<td>Natural Gas</td>
<td>414,900 (13%)</td>
<td>896,590 (22%)</td>
<td>1,335,068 (33%)</td>
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<td>Nuclear</td>
<td>610,300 (19%)</td>
<td>806,425 (19%)</td>
<td>797,178 (19%)</td>
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<td>Solar/wind</td>
<td>3.5 (0.0001%)</td>
<td>35,062 (0.8%)</td>
<td>217,400 (5%)</td>
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Leading voices in the environmental movement

• “National groups such as the Sierra Club, the Environmental Defense Fund and the Natural Resources Defense Council have backed natural gas as a so-called bridge fuel that can help the country move away from coal and oil without waiting for renewable sources of energy, such as wind and solar power, to catch up.”

• “The giant advantage of quick conversion from coal to gas is the quickest route for jump-starting our economy and saving our planet.”

• “On balance, we think substituting natural gas for coal can provide net environmental value, including a lower greenhouse gas footprint.”

• “If you oppose all fossil fuels and you want to turn that switch off tomorrow, that is a completely impractical way of moving toward a clean-energy future.”
Conversation starters

• Fossil fuels have an enormous lead over renewable energy when it comes to improving lives
• Natural gas use and expanded natural gas infrastructure have been and are critical to meeting our climate objectives and our energy needs
• The contribution of renewable energy is often overstated
  • An intermittent source is not equal in value to a dispatchable one
  • Absent transformative technology breakthroughs, 100% renewable generation is not feasible
  • Natural gas storage is orders of magnitude cheaper than battery or other electricity storage technologies
• Promotion of natural gas and natural gas infrastructure, including as backup to renewable generation, will ensure continued economic growth and achievement of environmental goals