

Spotlight



A Midstream Company Drill Down

A joint venture of **RBN Energy** and **East Daley**

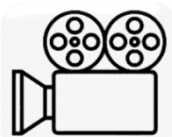
Regaining Investor Confidence with Financial Discipline, ESG Commitments



Spotlight: Kinder Morgan

Agenda

1. History and Milestones
2. Business Segment Overview
3. Financial Performance
4. Opportunities and Risks
5. Question and Answer Session



Replay will be made available to
Backstage Pass members tomorrow.

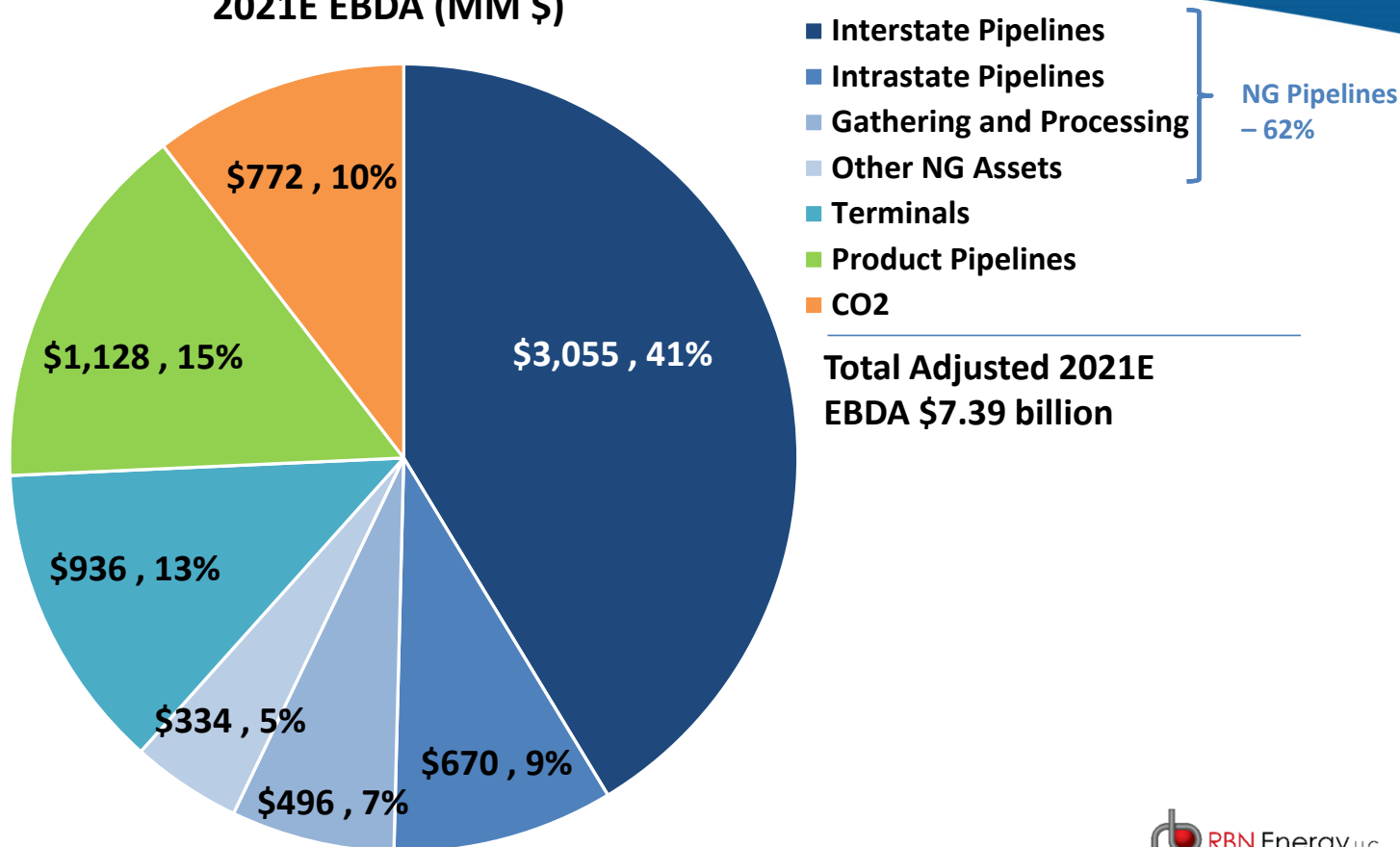
Kinder Morgan – History and Milestones

- » **Origin and early days**
- » **Evolving company strategy**
 - **Master Limited Partnership**
 - **2006 leveraged buyout**
 - **2011 IPO**
 - **2014 transition to C-Corp**
- » **2015 price crash**
 - **Slashing dividends**
 - **Reduced capex**
- » **COVID interrupts recovery**
- » **Energy transition initiatives**



Kinder Morgan Business Segments

2021E EBDA (MM \$)



» Natural Gas Pipelines

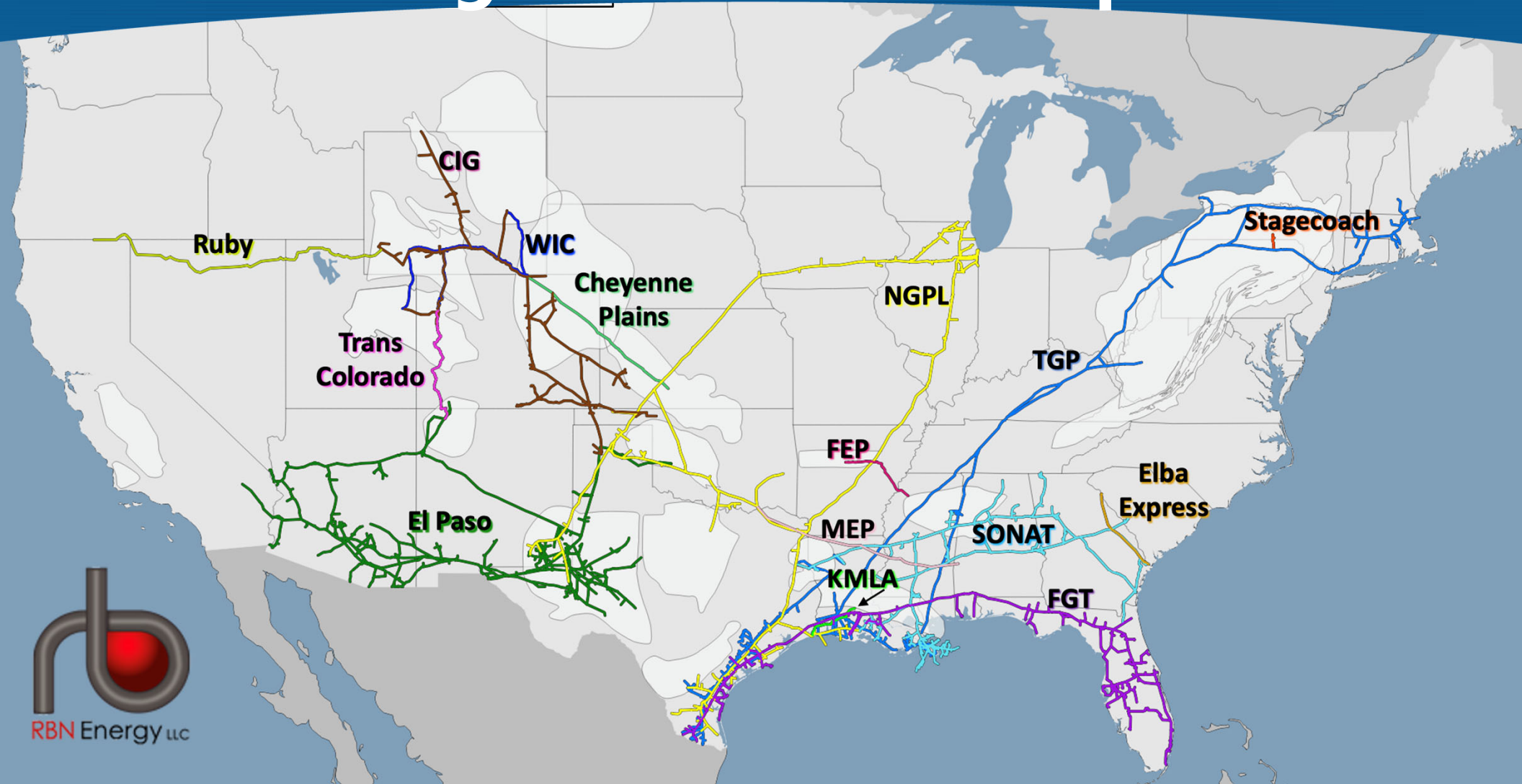
- Interstate Pipelines
 - Tennessee Gas Pipeline
 - El Paso
 - Colorado Interstate
- Intrastate Pipelines
 - KM Texas/Tejas
 - Gulf Coast Express
 - Permian Highway
- Gathering and Processing
- Other

» Terminals

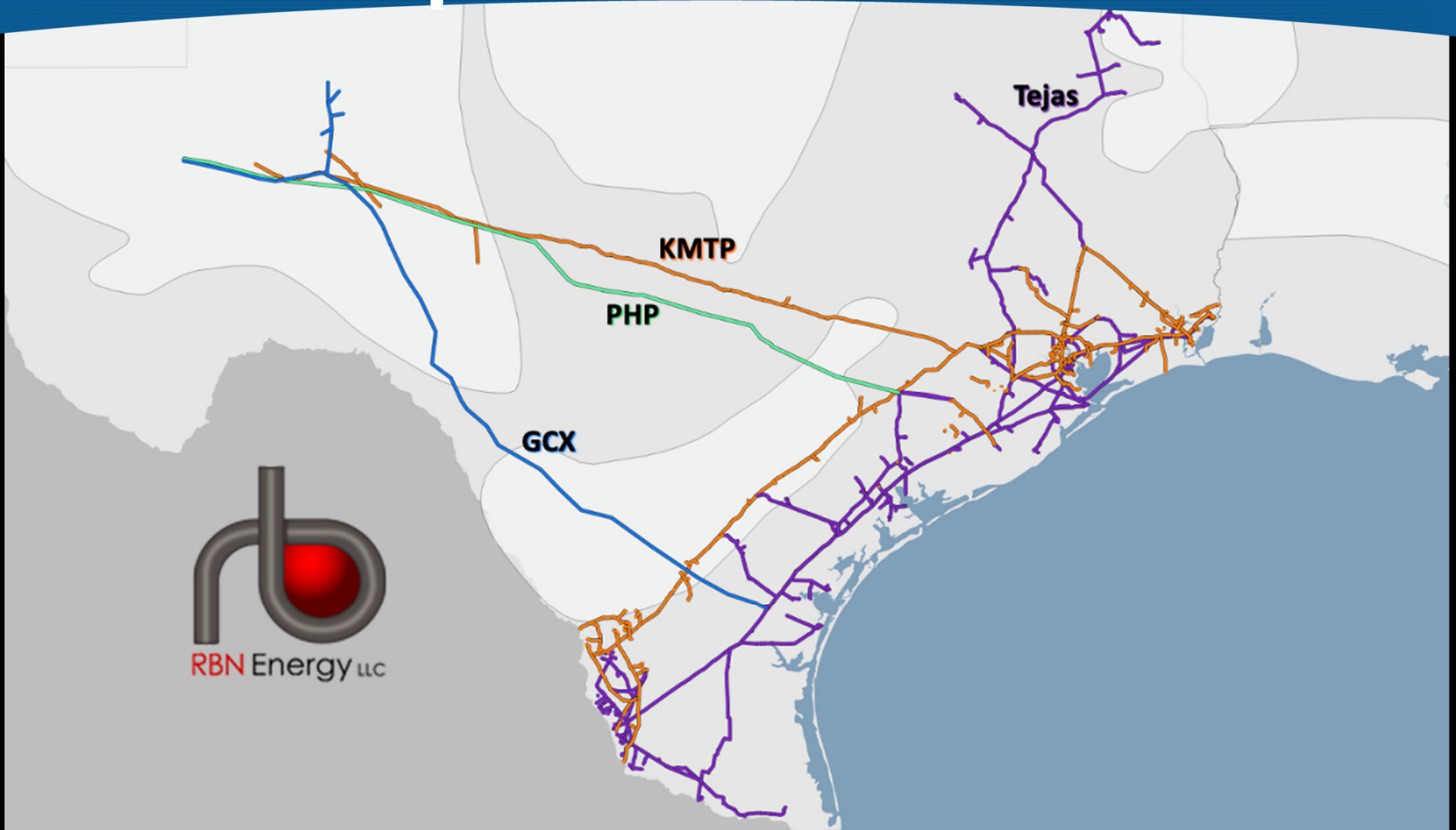
» Product Pipelines

» CO₂

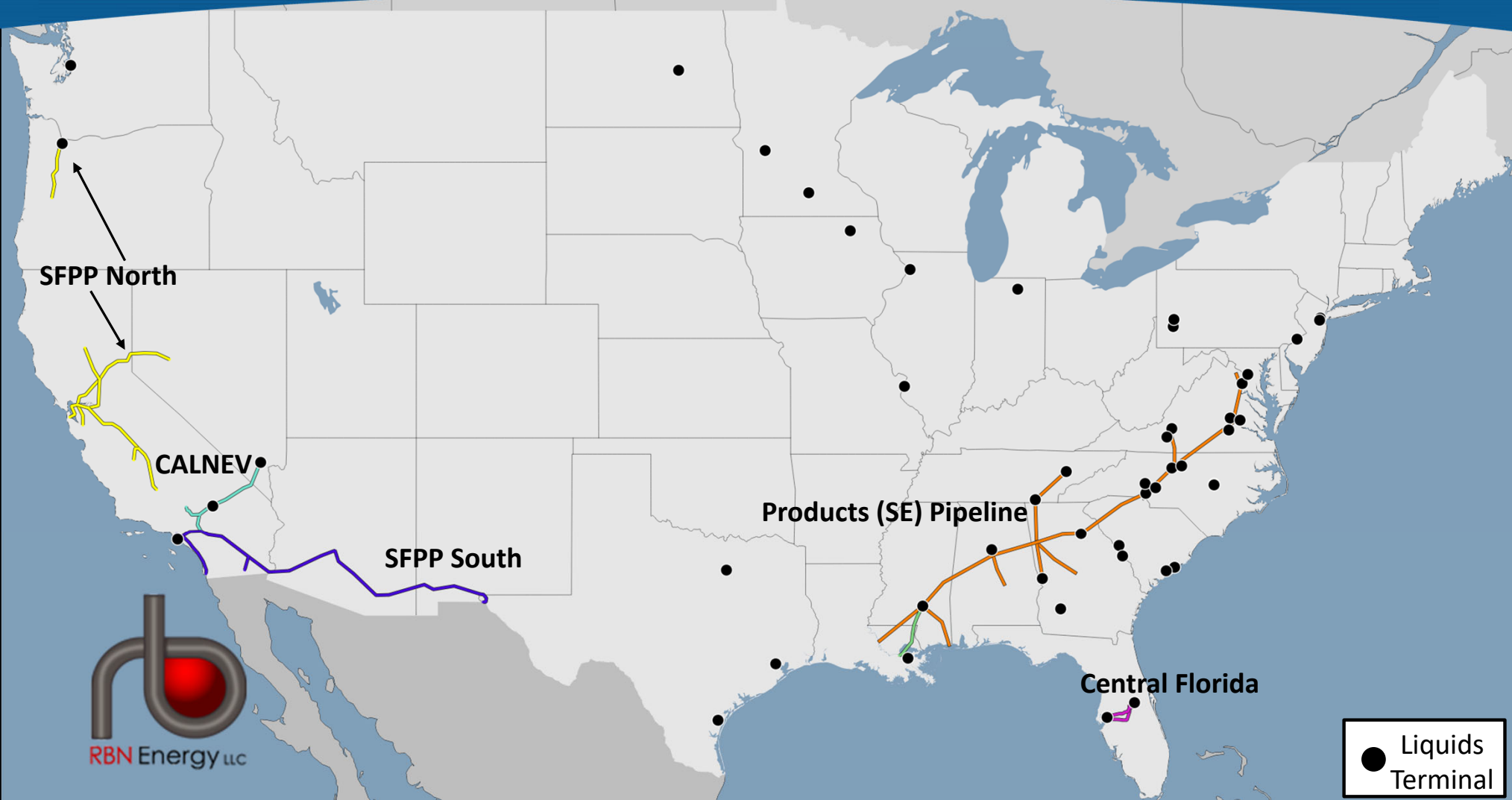
Kinder Morgan - Interstate Pipelines



Intrastate Pipelines



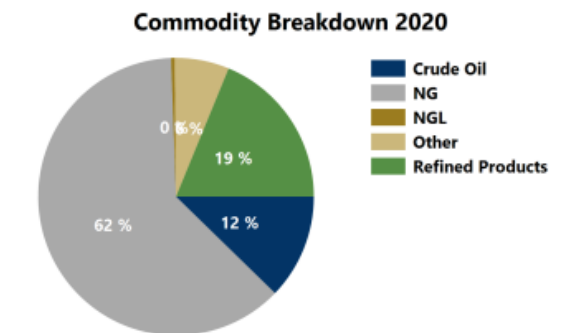
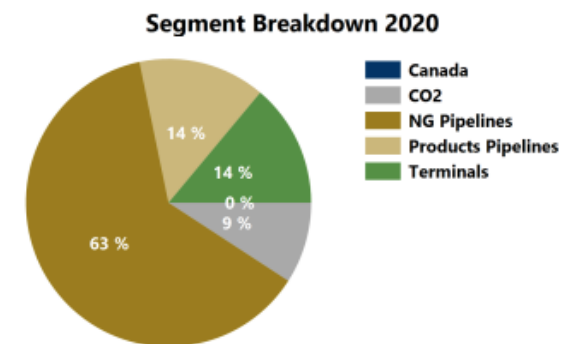
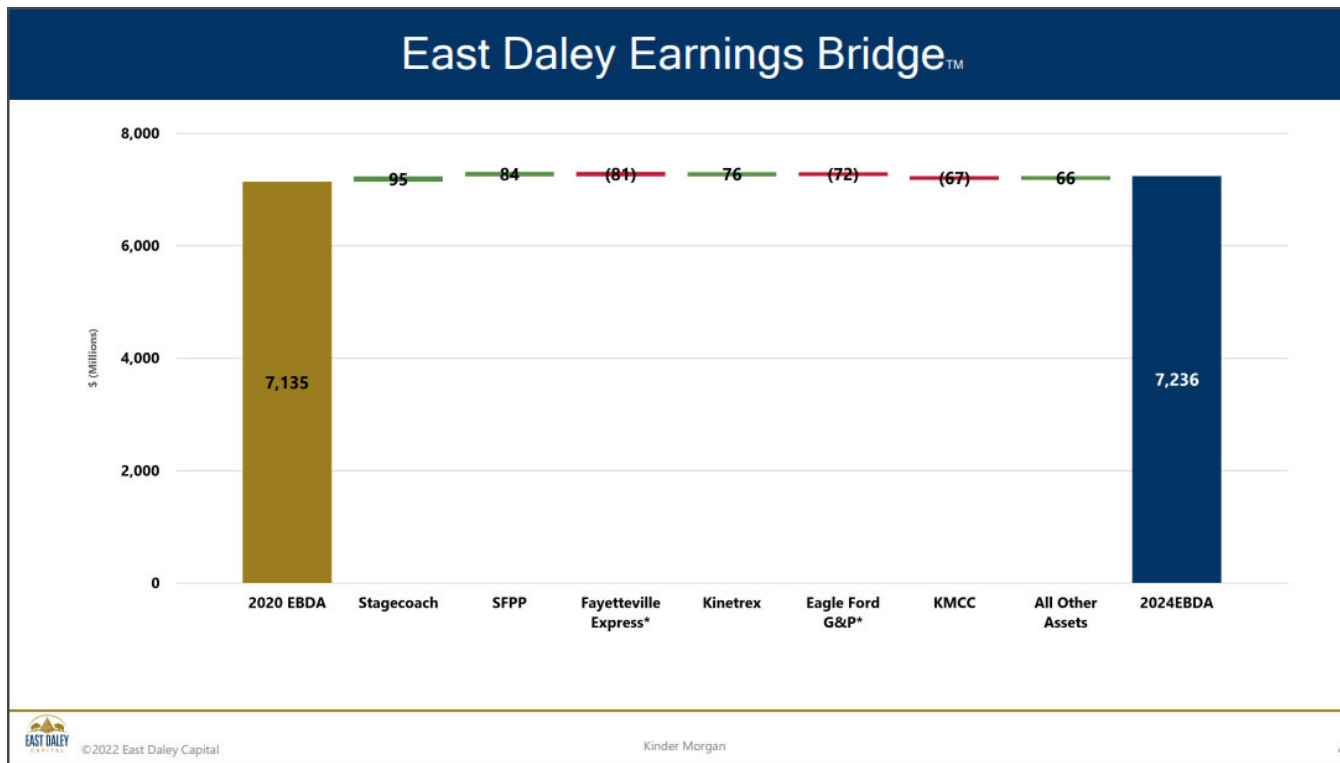
Terminals and Product Pipelines



CO₂ Assets

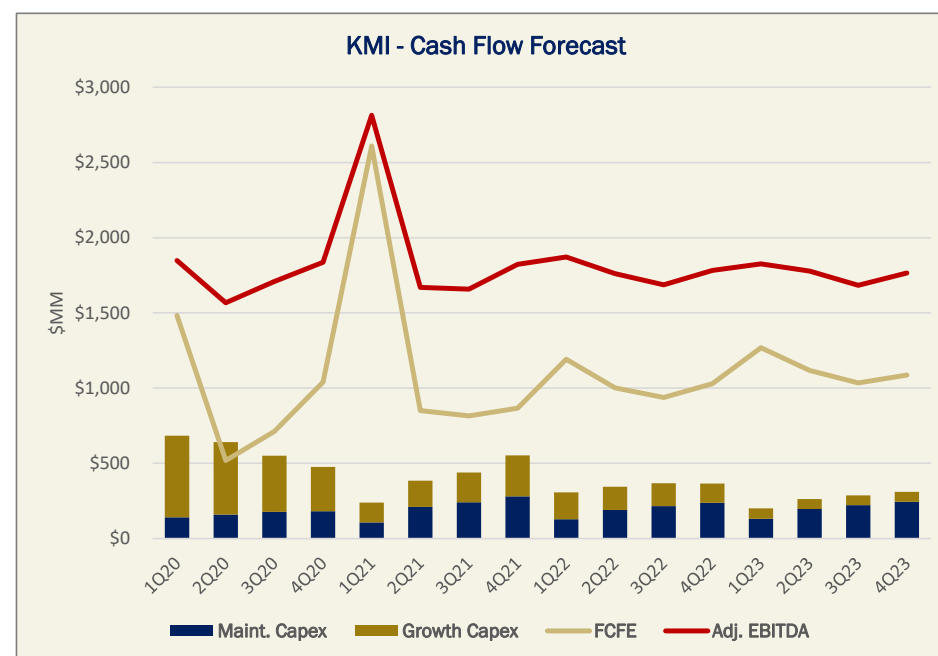


Kinder Morgan Earnings Bridge



Base Business Risk

Asset	EBDA Change 2021-2025	Segment	BBR Classification
Hiland Gas Gathering	\$69	Natural Gas Pipelines	G&P
Kinderhawk	\$60	Natural Gas Pipelines	G&P
SFPP	\$52	Products Pipelines	Refined Products T&S
Gulf Bulk Terminals	\$21	Terminals	Refined Products T&S
Plantation Pipeline	\$20	Products Pipelines	Refined Products T&S
KMCC	(\$68)	Products Pipelines	Crude T&S
Eagle Ford G&P*	(\$87)	Natural Gas Pipelines	G&P
Tennessee Gas Pipeline*	(\$88)	Natural Gas Pipelines	Natural Gas T&S
CO2 S&T	(\$106)	Co2	Crude T&S
Oil and Gas Production	(\$248)	Co2	Crude T&S
Other	(\$249)	Natural Gas Pipelines	Natural Gas T&S
Total	(\$624)		
2021 EBDA	\$8,294		
BBR	-8%		



Asset Breakout

Segment	2024E		Trend
	2021 EBDA	EBDA	
Interstate Pipelines			
	(\$ in Millions)		
Tennessee Gas Pipeline/Extension	\$ 1,287	\$ 1,227	Stable
El Paso Pipeline/Extension	\$ 563	\$ 523	Stable
Colorado Interstate Pipeline	\$ 271	\$ 232	Decline
Southern LNG	\$ 214	\$ 210	Stable
Elba Express Pipeline	\$ 141	\$ 139	Stable
Florida Gas Transmission/Extension	\$ 150	\$ 145	Stable
Southern Natural Gas Pipeline	\$ 127	\$ 117	Stable
Stagecoach	\$ 48	\$ 95	Growth
NGPL	\$ 104	\$ 72	Decline
KM Louisiana/Extension	\$ 45	\$ 69	Growth
Wyoming Interstate Pipeline	\$ 64	\$ 54	Decline
TransColorado Pipeline	\$ 30	\$ 27	Stable
Cheyenne Plains Pipeline	\$ 19	\$ 4	Decline
Ruby Pipeline	\$ 5	\$ -	Decline
Fayetteville Express	\$ (15)	\$ (20)	Decline
Midcontinent Express	\$ (19)	\$ (32)	Decline
Other Interstate Pipelines	\$ 22	\$ 24	Stable
Total	\$ 3,055	\$ 2,886	

Segment	2021	2024E	Trend
	EBDA	EBDA	
Product Pipelines			
	(\$ in Millions)		
SFPP	\$ 195	\$ 236	Growth
SFPP Terminals	\$ 127	\$ 139	Stable
Hiland Crude Gathering	\$ 103	\$ 125	Growth
Southeast Terminals	\$ 99	\$ 99	Stable
West Coast Terminals	\$ 90	\$ 90	Stable
KMCC Splitter	\$ 72	\$ 82	Growth
Central Florida Pipeline	\$ 70	\$ 81	Growth
KMCC	\$ 118	\$ 67	Decline
Products (SE) Pipeline	\$ 61	\$ 73	Growth
Double H	\$ 68	\$ 68	Stable
CalNev	\$ 56	\$ 66	Growth
Transmix Terminals	\$ 46	\$ 46	Stable
Other	\$ 24	\$ 17	Decline
	\$ 1,128	\$ 1,189	

Segment	2024E		Trend
	2021 EBDA	EBDA	
CO2			
	(\$ in Millions)		
CO2 Source and Transportation	\$ 215	\$ 163	Decline
Cortez CO2 Pipeline	\$ 25	\$ 17	Decline
Oil and Gas Production	\$ 489	\$ 413	Decline
Wink Pipeline	\$ 33	\$ 34	Stable
Kinetrex	\$ 10	\$ 76	Growth
Total	\$ 772	\$ 704	


Segment	2021	2024E	Trend
	EBDA	EBDA	
Gathering & Processing			
	(\$ in Millions)		
Hiland Gas Gathering/Processing	\$ 106	\$ 173	Growth
Eagle Ford G&P	\$ 204	\$ 118	Decline
Kinderhawk	\$ 69	\$ 115	Growth
KM Altamont	\$ 70	\$ 71	Stable
Eaglehawk	\$ 20	\$ 26	Growth
Other G&P Assets	\$ 26	\$ 12	Decline
Total	\$ 496	\$ 515	

Rate Cases

Kinder Morgan Rate Risk	Moratorium	Comeback Provision
El Paso	Dec-21	No*
CIG	No	2Q22
WIC	No	2Q22
NGPL	Jun-22	No
Southern Natural Gas	Aug-21	4Q24
Florida Gas	No	In a Rate Case

* El Paso requires a cost of revenue study in 1Q22

East Daley FERC ROE Calculator						
Pipeline ROE	2015	2016	2017	2018	2019	2020
El Paso	18%	14%	16%	23%	25%	22%
CIG	12%	11%	9%	15%	18%	17%
WIC	17%	13%	14%	19%	20%	20%
NGPL	19%	20%	23%	33%	34%	30%
Southern Natural Gas	10%	12%	11%	12%	14%	15%
Florida Gas	12%	15%	16%	21%	21%	18%



Natural Gas: Interstate Pipelines

Key statistics

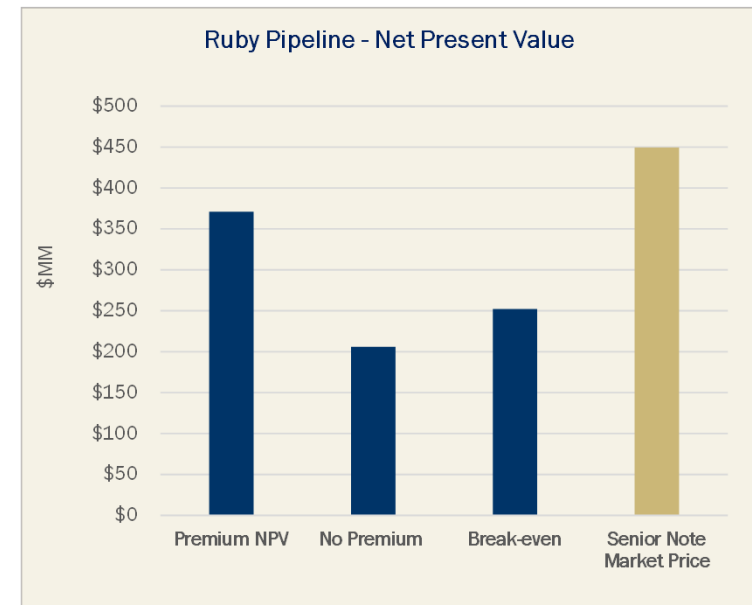
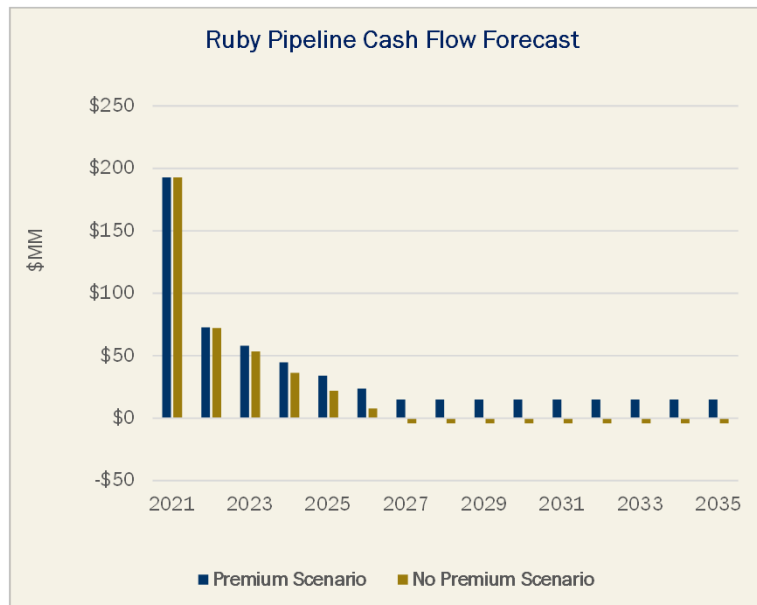
	Ownership	Miles	Capacity (bcfd)	Storage (bcf)	Avg. Remaining Contract Term (yrs)	Effective Date of Next Rate Case	Rate Moratorium Through Date	
100% KMI-owned:								
TGP	Tennessee Gas Pipeline	100%	11,760	12.1	80	8.4 / 3.6 ^(a)	NA	10/31/2022
EPNG	El Paso Natural Gas + Mojave	100%	10,680	6.4	44	6.3	NA	12/31/2021
CIG	Colorado Interstate Gas	100%	4,300	6.0	38	4.8 / 5.6 ^(a)	4/1/2022	9/30/2020
WIC	Wyoming Interstate	100%	850	3.6	-	3.3	4/1/2022	12/31/2020
KMLP	Kinder Morgan Louisiana Pipeline	100%	135	3.0	-	13.9	NA	NA
CP	Cheyenne Plains	100%	410	1.2	-	1.6	NA	NA
TCGT	TransColorado	100%	310	0.8	-	0.4	NA	NA
EEC	Elba Express	100%	200	1.1	-	16.4	NA	NA
Jointly-owned (asset stats shown at 100%):								
NGPL	Natural Gas Pipeline Co. of America	50%	9,100	7.6	288	5.1 / 2.9 ^(a)	NA	6/30/2022
SNG	Southern Natural Gas	50%	6,930	4.4	66	4.8 / 1.7 ^(a)	9/1/2024	8/31/2021
FGT	Florida Gas Transmission	50%	5,360	3.9	-	8.4	2/1/2021	1/31/2021
FEP	Fayetteville Express	50%	185	2.0	-	1.9	NA	NA
MEP	Midcontinent Express	50%	510	1.8	-	1.7	NA	NA
	Ruby	50% ^(b)	680	1.5	-	2.2	NA	NA
	Sierrita	35%	60	0.5	-	18.8	NA	NA
Storage & LNG (asset stats shown at 100%):								
	Keystone Gas Storage	100%	15	0.4	6	2.4	NA	NA
SLNG	Southern LNG Co. (Elba Island)	100%	-	1.8	12	11.8	NA	NA
GLNG	Gulf LNG	50%	5	1.5	7	10.8	NA	NA
ELC	Elba Liquefaction Company	51%	-	0.35	-	19.7	NA	NA
YGS	Young Gas Storage (CIG)	47.5%	-	-	6	4.4	NA	NA

a) Transport / Storage.
b) Reflects third party ownership of a 50% preferred interest.

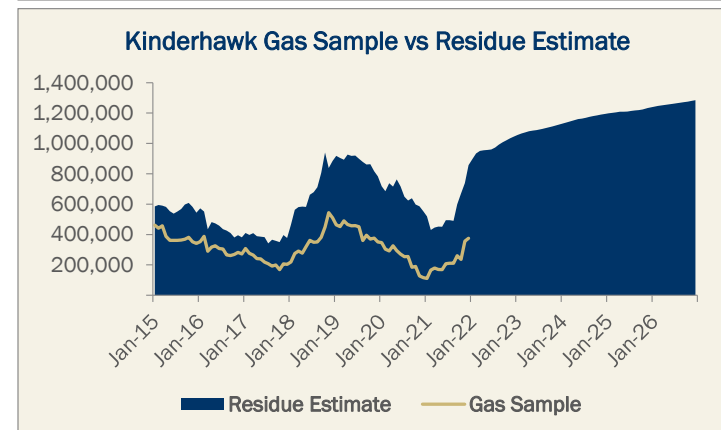
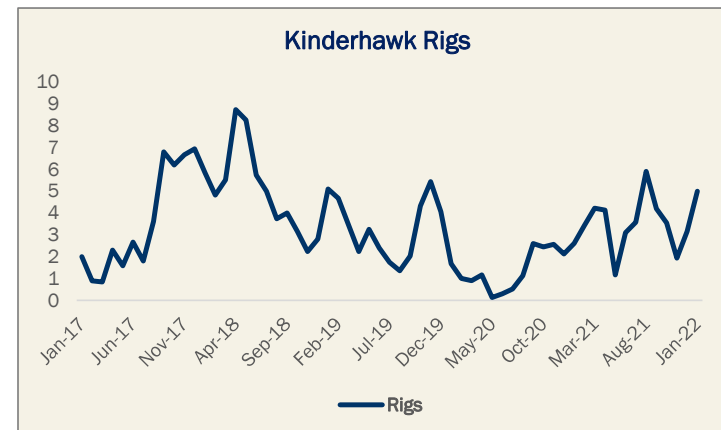
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Rate Risk Example: Ruby Pipeline

- East Daley projects Ruby Pipeline could default on its debt payments as early as April 2022 without a restructuring.
- We ran several scenarios to consider future contracting on Ruby. In our 'Premium' scenario, we assume Ruby re-contracts all expiring capacity with PG&E at 30¢/Dth. This rate is about double what we assess the current market rate to be, based on recent short-term contracts prices.



East Daley G&P



Uri Earnings Recap

- Kinder Morgan (KMI) reported blowout 1Q21 earnings \$1.1 billion above East Daley and Street estimates.
- KMI's earnings beat was due mainly to \$904 million of upside from its Natural Gas segment and \$190 million of upside from its CO2 business.
- Shown in Table 8, Houston Ship Channel spot prices averaged \$183/MMBtu that week in February 2021. If KMI owned every molecule in storage and sold gas at a Houston Ship Channel spot price during that week, the company would have made ~\$2.7 billion.
- KMI's CO2 segment was in a unique position to capitalize by redirecting power from its Texas CO2 flood operations to merchant sales at prices as high as \$9,000/MWh.

Adjusted EBDA (\$MM)	KMI 1Q21 Earnings				Consensus
	1Q21 Reported	1Q21 East Daley Est.	Delta (\$)	Delta (%)	
NG Pipelines	\$2,094	\$1,190	\$904	76%	
Terminals	\$227	\$250	-\$23	-9%	
Products Pipelines	\$263	\$253	\$10	4%	
CO2	\$291	\$101	\$190	188%	
Adj. EBDA	\$2,875	\$1,795	\$1,080	60%	
Adj. EBITDA	\$2,814	\$1,744	\$1,070	61%	\$1,742
Previous 2021 Adj. EBITDA Guidance	\$6,829				
New 2021 Midpoint guidance w/o Uri	\$6,650				
East Daley 2021 Forecast	\$6,700				

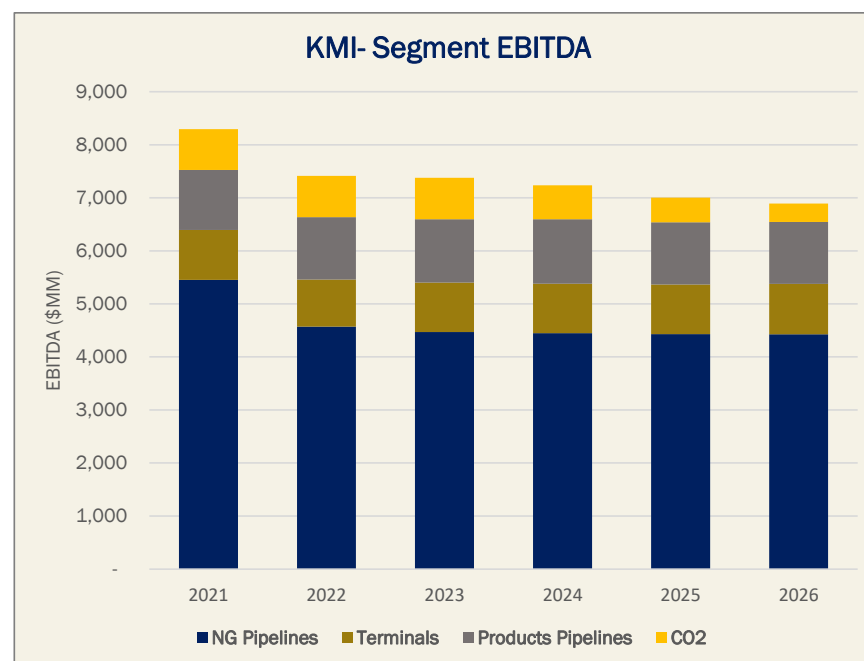
Storage Facility	Max Withdrawal (MMcf/d)	7-day Storage Withdrawal (MMcf)	1/31/2021 Storage Inventory (MMcf)	HSC Spot Price (2/13-2/19)	Net Proceeds if 100% sold Spot by KMI Marketing (\$MM)	Actual Upside - NG Pipelines Segment (\$MM)
North Lansing (50%)	620	4,340	58,566	\$183.66	\$797	
Clear Lake	603	4,221	77,987	\$183.66	\$775	
North Dayton	896	6,272	6,625	\$183.66	\$1,152	
Stratton Ridge	101	707	1,270	\$183.66	\$130	
Total	2,119	14,833	144,448	\$183.66	\$2,724	\$904

33%

Kinder Morgan 2022 Outlook

FY2022 Outlook	Guidance	East Daley Est.	Delta (\$)	Delta (%)
Adj. EBITDA	\$7,200	\$7,101	\$99	1%

EDC vs Consensus						
	4Q21	2021	2022	2023	2024	2025
EDC	\$1,823	\$7,965	\$7,101	\$7,053	\$6,898	\$6,654
Consensus	\$1,776	\$7,904	\$7,110	\$7,264	\$7,419	\$7,569
Delta (\$MM)	\$47	\$61	-\$9	-\$210	-\$521	-\$915
Delta (%)	3%	1%	0%	-3%	-7%	-12%



Get More Information



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You have access to supply and demand forecasts - but does the surge in private producer entries and a reduction in pipeline flow samplers drive concerns about a disconnect?

East Daley has released the first-ever Supply and Demand Forecast Report and Data Set that combines producers through processing, to pipeline, for a complete value chain analysis out to 60th Month. Leveraging East Daley's Patented Gathering & Processing Database, this unique methodology provides comprehensive real-time view with visibility into micro constraints and relationships.

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ACCESS & DISTRIBUTION:
Contact Nigel Corbett for subscription and access details
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EAST DALEY ENERGY TRANSPARENCY

<https://rbnenergy.com/partners/east-daley-capital-advisors>



Spotlight: Kinder Morgan

Spotlight: KINDER MORGAN
A joint venture of RBN Energy and East Daley

Kinder Morgan, Inc.

Kinder Morgan's strategy pairs focused capital investment program and fiscal discipline with long-term commitment to energy transition

America is an entrepreneurial nation, and that's counted a foundation with the visionary pioneers who changed the course of the U.S. economy, ranging from industrial tycoons Andrew Carnegie, John D. Rockefeller, and Henry Ford to current technology stars Bill Gates, Elon Musk, and Jeff Bezos. Although not household names, certain notable entrepreneurs have shaped today's oil and gas industry, among them midstream pioneer Richard Kinder. After navigating his position as president and chief operating officer of Enbridge in 1995 where his focus on hard assets conducted with founder Kenneth Lay's growing fascination with financial and marketing schemes, Kinder and partner William Morgan conceived and formed a rapidly growing public company, Kinder Morgan (KMI), using the master limited partnership (MLP) structure to attract funding from high net-worth investors - a concept that revolutionized the industry in 2000. Kinder was a first mover in applying innovative private equity funds raised by investment banks to the company's private as a \$22 billion leveraged buyout, the first of \$115 billion in such deals that year. In 2011, Kinder Morgan went public again in the largest private equity backed IPO in over a year since used equity funding to acquire LP Frase Corp. to become the largest American midstream firm. In 2014, Kinder Morgan became the first of many competitors to simplify its corporate structure and abandon the MLP structure to become a C-Corp to broaden its investment base and increase its access to capital. The company's market cap soared from \$20 billion at the IPO to \$10 billion in early 2015.

Shortly after, Kinder's company was caught in the market storm resulting from the severe plunge in crude oil prices and found itself unable to fund growth as its stock price ceased and fell rapidly. The only option was to slash its quarterly dividend by 75%, from \$0.50 per share to \$0.125 per share. Although many other midstream firms also slashed dividends, disappointed investors began referring to the process as being "Kindered," reflecting a feeling that KMI and its chairman had breached their trust. The company's new strategy of funding growth from cash flow, reducing debt, and streamlining operations restored financial stability by 2016, allowing a 60% quarterly dividend increase to \$0.25 per share. However, the oil price decline in late 2019 and the onset of the pandemic wiped out most of a planned 2020 dividend, and the company's market cap lagged to around \$30 billion. That's where things stood when the market's recovery that has occurred several competitors, including some lagging that occur in the immediate community. This stock market performance has led to the fact that Kinder Morgan has an impressive portfolio of profitable assets anchored by natural gas pipelines that receive 60% of U.S. natural gas. The company has reformed a solid balance sheet and completed a growth program that excluded two major Permian basins and a Gulf Coast LNG liquefaction facility. And opportunities will continue to present themselves, particularly if recent price levels are maintained and incentives grow from the major basins. However, jettisoning and finding major additional organic projects is more difficult today than it was in the early days of Kinder Morgan, when "shake-down" supply growth necessitated a massive midstream buildout and regulators and investors were amenable.

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NATGAS Permian

RBN NATGAS PERMIAN
Permian Basin Natural Gas Fundamentals

For quarterly price and volume forecasts, visit www.rbnenergy.com or contact Nigel Corbett, 720.986.0207

January 11, 2022

Basin Production

Basin	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Permian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wolfcamp	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Delaware	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Midland	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Figure 1 - Permian Dry Gas Production, BCF

Figure 2 - Permian Dry Gas Production, BCF

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Figure 98 - Permian Dry Gas Production, BCF

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Figure 100 - Permian Dry Gas Production, BCF

<https://rbnenergy.com/products/permian-natgas>



Questions and Answers

- » To submit a question to David or Zack, click the “Q & A” box at the bottom of your screen and type in your question.
- » We will get to as many questions as there is time for but if you want to reach out with additional questions regarding the presentation or our products email us at: questions@rbnenergy.com.

Welcome to Q&A

Questions you ask will show up here. Only host and panelists will be able to see all questions.



Chat



Raise Hand



Q&A



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EAST DALEY OVERVIEW & METHODOLOGY

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UPSTREAM — MIDSTREAM — DOWNSTREAM



East Daley focuses on operational risk across the oil and gas and renewable sectors. Our view of risk is not isolated to commodity volumes and prices; we can determine impacts to assets.

We understand growth and decline do not impact all assets equally. We bridge asset-level data to find the end impacts for our clients, and we can identify the winners and losers.