

# **Doing the Right Thing Today for Tomorrow**

Operational Excellence 2013

Kinder Morgan is the largest midstream and the third largest energy company in North America. We own an interest in or operate approximately 80,000 miles of pipelines and 180 terminals. Our pipelines transport natural gas, gasoline, crude oil,  $CO_2$  and other products, and our terminals store petroleum products and chemicals, and handle such products as ethanol, coal, petroleum coke and steel.

Kinder Morgan is committed to being a good corporate citizen by employing responsible business practices and conducting our operations in an ethical manner. We spend hundreds of millions of dollars each year on integrity management and maintenance programs, as we are dedicated to protecting the public, the environment, our employees and our contractors. Highlighted below are some of our 2013 achievements.

## **Safety**

- Operating our assets in a safe and compliant manner is mission critical at Kinder Morgan. We make 31 separate safety and environmental comparisons to our peers and post updates to our web site on a monthly basis. Our performance in each of these 31 comparisons has consistently outperformed industry averages. For example, our performance in 29 of these 31 comparisons was much better than the industry averages in 2013. The safety performance of our business units and their employees is taken into account in bonus allocations and performance reviews.
- We strongly support the Common Ground Alliance and promote the organization's message to call 811 before you dig, as third parties striking pipelines is the leading cause of serious pipeline accidents.
  - We held an 811 Day contest and asked employees to make The 811 Promise to always call before digging.
  - The president of our products pipelines business unit participated on the Common Ground Alliance board of directors.
- Through our safety programs, we work closely with emergency responders, government agencies and our contractors.
  - Mailing pipeline safety brochures to specific stakeholders is a critical component of Kinder Morgan's public awareness program. On an annual basis, we send more than 1 million brochures to addresses in the United States and Canada.
  - Each year we survey emergency responders and other interested parties who receive our electronic pipeline safety newsletter. The survey tells us how these readers are utilizing the newsletter.
  - Our company web site provides accessible, easy to understand information about pipeline safety. Because we have operations in both the United States and Canada, we maintain two separate pipeline safety web pages featuring the different regulations, laws and information requirements.
  - We plan and conduct emergency response exercises with first responders that range from a couple of hours in length to a couple of days.

- Our Bradshaw liquids terminal in California hosted drills for bomb squads from several area agencies. The U.S. Department of Homeland Security conducted the drills.
- About 3,500 Kinder Morgan employees participated in a safety culture survey sponsored by the Interstate Natural Gas Association of America (INGAA). The organization designed the survey to gain insights about our industry's safety culture by surveying employee attitudes and opinions.
- Employees in our Canadian business unit completed 1 million hours worked without a lost time injury.
- Natural gas employees at our compressor station in Port Sulphur, La., completed 40 years without a lost time injury.
- Almost 1,000 contractors at our BOSTCO terminal on the Houston Ship Channel worked more than 3 million hours without a lost time injury.

### **Environment**

- We continue to expand renewable fuel handling capabilities across our terminal and pipeline network. Kinder Morgan handles approximately 30 percent of the ethanol used in the United States and increasing amounts of biodiesel.
  - We completed modifications and began blending biodiesel at our terminals in Las Vegas, Nev., and Phoenix, Ariz.
  - The Tampa Gateway Rail facility in Florida, a collaborative effort between Kinder Morgan, the Tampa Port Authority and CSX, is able to handle 100-car unit train deliveries of ethanol. It is the nation's first ethanol unit train-to-pipeline distribution system.

#### Recognition

- Employees at our Lomita Rail Terminal in Carson, Calif., received a Department of Labor, Occupational Safety & Health Division's Voluntary Protection Program Star Certification, and employees at our Yates facility in Iraan, Texas, received their fifteenth certificate. This program recognizes the highest level of effective workplace safety and health management.
- WorkplaceDynamics named Kinder Morgan one of America's Top 150 Workplaces. We ranked 138 from a list of over 870 organizations with more than 1,000 employees that participated in regional top workplace programs.
- Our Elizabeth River terminal in Chesapeake, Va., received a Sustained Distinguished Performance award from the Elizabeth River Project's River Star program. This award recognizes our completion of a three-acre oyster reef off the shoreline near our facility.
- The Southern Gas Association recognized two Kinder Morgan natural gas employees with Meritorious Service Awards and six employees with Humanitarian Awards. These awards recognize courageous actions to save or attempt to save lives, and Good Samaritan actions.
- One of our supervisors received a Department of Defense Patriotic Employer award for supporting an employee during and after his several year deployment in the Air National Guard.
- Employees at our Philadelphia, Pa., terminal received a Safety and Operational Excellence award from BP Americas for completing the year without a spill or injury.
- The North Carolina Department of Labor awarded a gold level Certificate of Safety Achievement to our terminals in Wilmington and Cofield.

### Community

- The Kinder Morgan Foundation made almost \$2 million in grants to youth organizations. Our donations supported education and arts programs in many communities where we operate, including the Houston Museum of Natural Science in Texas, Better Basics in Birmingham, Ala., San Miguel of Tucson in Arizona, and Pikes Peak Library District in Colorado Springs, Colo.
- We support Genesys Works in Houston, Texas, a high school work-study program that provides low-income students with valuable work experience. Through the program, four students spend one day a week in our office to fill a full-time, entry-level position.
- Our corporate foundation made donations to support disaster relief efforts following wildfires and flooding in Colorado, a destructive tornado in Oklahoma and flooding in Alberta.
- We supported restoration projects on Clemina Creek and Swift Creek near Valemount, B.C.
- Volunteers from our records and information management department in Houston, Texas, assisted the Harris County Archives in organizing and processing old medical examiner autopsy files. These permanent records will be open to the public and housed in the Harris County Archives.

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