

KINDER MORGAN ENERGY PARTNERS L P
Form SC 13E3/A
October 02, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

SCHEDULE 13E-3

RULE 13e-3 TRANSACTION STATEMENT

(Under Section 13(e) of the Securities Exchange Act of 1934)

KINDER MORGAN ENERGY PARTNERS, L.P.

(Name of the Issuer)

KINDER MORGAN, INC.

KINDER MORGAN G.P., INC.

KINDER MORGAN MANAGEMENT, LLC

P MERGER SUB LLC

RICHARD D. KINDER

(Name of Person(s) Filing Statement)

Common Units Representing Limited Partner Interests

(Title of Class of Securities)

494550106

(CUSIP Number of Class of Securities)

**Kinder Morgan, Inc.
Kinder Morgan Energy Partners, L.P.
Kinder Morgan G.P., Inc.**

**Kinder Morgan Management, LLC
c/o David R. DeVeau**

Vice President and General Counsel

1001 Louisiana Street, Suite 1000

Houston, Texas 77002

(713) 369-9000

(Name, Address and Telephone Number of Person Authorized to Receive

Notices and Communications on Behalf of Person(s) Filing Statement)

**Richard D. Kinder
1001 Louisiana Street, Suite 1000**

Houston, Texas 77002

(713) 369-9000

Copies to:

**Gary W. Orloff
R. Daniel Witschey, Jr.
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Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002
(713) 221-2300**

**Michael J. Aiello
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000**

**Joshua Davidson
Tull R. Florey
Baker Botts L.L.P.
910 Louisiana Street
Houston, Texas 77002
(713) 229-1234**

This statement is filed in connection with (check the appropriate box):

- (a) The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- (b) The filing of a registration statement under the Securities Act of 1933.
- (c) A tender offer.
- (d) None of the above.

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Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: x

Check the following box if the filing is a final amendment reporting the results of the transaction: o

Calculation of Filing Fee

Transaction Valuation*
\$24,987,143,125

Amount of Filing Fee**
\$2,903,506

* **Calculated solely for the purpose of determining the filing fee.** The transaction valuation was calculated by multiplying (a) 305,952,530, the estimated maximum number of KMP common units that may be exchanged for the merger consideration, by (b) \$92.44, the average of the high and low prices of the KMP common unit as reported on the New York Stock Exchange on September 26, 2014, minus \$3,295,108,748, the estimated aggregate amount of cash consideration to be paid to former holders of KMP common units.

** In accordance with Rule 0-11(c)(1), the filing fee was calculated by multiplying 0.0001162 by the Transaction Valuation.

x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and date of its filing.

Amount Previously Paid: \$3,400,215

Form or Registration No.: Form S-4 (Registration No. 333-198411)

Filing Party: Kinder Morgan, Inc.

Date Filed: August 27, 2014

INTRODUCTION

This Rule 13e-3 Transaction Statement on Schedule 13E-3 (this Schedule) is being filed by (i) Kinder Morgan Energy Partners, L.P., a Delaware limited partnership (KMP), and the issuer of the common units which are the subject of the Rule 13e-3 transaction, (ii) Kinder Morgan, Inc., a Delaware corporation (KMI), (iii) Kinder Morgan G.P., Inc., a Delaware corporation (KMGP), (iv) Kinder Morgan Management, LLC, a Delaware limited liability company (KMR), and (v) P Merger Sub LLC, a Delaware limited liability company (P Merger Sub) and (vi) Richard D. Kinder. This Schedule relates to the Agreement and Plan of Merger, dated as of August 9, 2014, by and among KMP, KMI, KMGP, KMR and P Merger Sub (the KMP merger agreement).

KMI has filed with the Securities and Exchange Commission a registration statement on Form S-4 (Registration No. 333-198411) (as amended by Amendment No. 1 thereto, the Form S-4), which contains a proxy statement/prospectus (the KMP proxy statement/prospectus), which constitutes (i) a prospectus of KMI under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the KMI common stock to be issued pursuant to the KMP merger agreement and (ii) a notice of meeting and a proxy statement of KMP under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to the special meeting of KMP unitholders, at which KMP unitholders will be asked to consider and vote on, among other matters, a proposal to approve the KMP merger agreement. A copy of the Form S-4 is attached hereto as Exhibit (a)(3) and a copy of the KMP merger agreement is attached as Annex A to the KMP proxy statement/prospectus. All references in this Schedule to Items numbered 1001 to 1016 are references to Items contained in Regulation M-A under the Exchange Act.

The cross references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the KMP proxy statement/prospectus of the information required to be included in response to the items of Schedule 13E-3. The information contained in the KMP proxy statement/prospectus, including all annexes thereto and documents incorporated by reference therein, is hereby expressly incorporated herein by reference. As of the date hereof, the KMP proxy statement/prospectus is in preliminary form and is subject to completion. Terms used but not defined in this Schedule shall have the meanings given to them in the KMP proxy statement/prospectus.

Item 1. Summary Term Sheet.

Regulation M-A Item 1001

The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Questions and Answers about the KMP Special Meeting and the Proposals

Item 2. Subject Company Information.

Regulation M-A Item 1002

(a) ***Name and Address.*** KMP's name and the address and telephone number of its principal executive offices are as follows:

Kinder Morgan Energy Partners, L.P.

1001 Louisiana Street, Suite 1000

Houston, Texas 77002

(713) 369-9000

(b) ***Securities.*** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet The Transactions

Summary Term Sheet KMP Special Meeting; Unitholders Entitled to Vote; Vote Required

Questions and Answers about the KMP Special Meeting and the Proposals

The KMP Special Meeting Record Date; Outstanding Units; Units Entitled to Vote

(c) **Trading Market and Price.** The information set forth in the KMP proxy statement/prospectus under the caption Summary Term Sheet Comparative Stock and Unit Prices; Comparative Dividends and Distributions is incorporated herein by reference.

(d) **Dividends.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Comparative Stock and Unit Prices; Comparative Dividends and Distributions is incorporated herein by reference.

Proposal 1: The Merger Agreement Dividends and Distributions

Comparison of Rights of KMI Stockholders and KMP Unitholders

Annex A Agreement and Plan of Merger

(e) **Prior Public Offerings.** The information set forth in the KMP proxy statement/prospectus under the caption Where You Can Find More Information KMP's Filings (SEC File No. 001-11234) is incorporated herein by reference.

(f) **Prior Stock Purchases.** The information set forth in the KMP proxy statement/prospectus under the caption Where You Can Find More Information KMP's Filings (SEC File No. 001-11234) is incorporated herein by reference.

Item 3. Identity and Background of Filing Persons.

Regulation M-A Item 1003

(a) ***Name and Address.*** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet The Parties to the Merger

Summary Term Sheet Relationship of the Parties to the Transactions

Special Factors Relationship of the Parties to the Transactions

Special Factors Security Ownership of Certain Beneficial Owners and Management of KMP

Special Factors Directors and Executive Officers of KMI After the Merger

The Parties to the Merger

Where You Can Find More Information KMI's Filings (SEC File No. 001-35081)

Where You Can Find More Information KMP's Filings (SEC File No. 001-11234)

The name, business address and telephone number of Richard D. Kinder are as follows:

Richard D. Kinder

1001 Louisiana Street, Suite 1000

Houston, Texas 77002

(713) 369-9000

(b) ***Business and Background of Entities.*** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet The Parties to the Merger

Summary Term Sheet Relationship of the Parties to the Transactions

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Special Factors Relationship of the Parties to the Transactions

Special Factors Security Ownership of Certain Beneficial Owners and Management of KMP

The Parties to the Merger

Where You Can Find More Information KMI s Filings (SEC File No. 001-35081)

Where You Can Find More Information KMP s Filings (SEC File No. 001-11234)

Unless stated otherwise herein or in documents incorporated by reference, none of the filing persons have been (i) convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors), or (ii) a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

(c) ***Business and Background of Natural Persons.*** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Relationship of the Parties to the Transactions

Special Factors Relationship of the Parties to the Transactions

Special Factors Security Ownership of Certain Beneficial Owners and Management of KMP

Special Factors Directors and Executive Officers of KMI After the Merger

Where You Can Find More Information KMI s Filings (SEC File No. 001-35081)

Where You Can Find More Information KMP s Filings (SEC File No. 001-11234)

Unless stated otherwise herein or in documents incorporated by reference, all natural persons specified in General Instruction C to Schedule 13E-3 (i) are U.S. citizens, (ii) have not been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) and (iii) have not been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Item 4. Terms of the Transaction.

Regulation M-A Item 1004

(a) **Material Terms.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Questions and Answers about the KMP Special Meeting and the Proposals

Special Factors

The KMP Special Meeting

Proposal 1: The Merger Agreement

Material U.S. Federal Income Tax Consequences

Comparison of Rights of KMI Stockholders and KMP Unitholders

Annex A Agreement and Plan of Merger

(c) **Different Terms.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet The Transactions

Summary Term Sheet Interests of Certain Persons in the Transactions

Summary Term Sheet Merger Consideration

Special Factors KMP Unitholders Making Elections Proration and Adjustment Procedures

Special Factors Effects of the Transactions

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Special Factors Interests of Certain Persons in the Transactions

Proposal 1: The Merger Agreement Merger Consideration

Annex A Agreement and Plan of Merger

(d) **Appraisal Rights.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet No Appraisal Rights

Special Factors No Appraisal Rights

(e) **Provisions for Unaffiliated Security Holders.** The information set forth in the KMP proxy statement/prospectus under the caption Where You Can Find More Information is incorporated herein by reference.

(f) **Eligibility for Listing or Trading.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Special Factors Listing of KMI Common Stock

Special Factors Restrictions on Sales of KMI Common Stock Received in the Merger

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

Regulation M-A Item 1005

(a) **Transactions.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Background of the Merger

Special Factors Relationship of the Parties to the Transactions

Special Factors Interests of Certain Persons in the Transactions

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Where You Can Find More Information KMI s Filings (SEC File No. 001-35081)

Where You Can Find More Information KMP s Filings (SEC File No. 001-33825)

(b) **Significant Corporate Events.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Background of the Transactions

Special Factors Relationship of the Parties to the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

Proposal 1: The Merger Agreement

Annex A Agreement and Plan of Merger

(c) **Negotiations or Contacts.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Effects of the Transactions

Special Factors Background of the Transactions

Special Factors Relationship of the Parties to the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

Proposal 1: The Merger Agreement

Annex A Agreement and Plan of Merger

(e) *Agreements Involving the Subject Company's Securities.* The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Effects of the Transactions

Special Factors Background of the Transactions

Special Factors Relationship of the Parties to the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

Special Factors Directors and Executive Officers of KMI After the Merger

Special Factors Ownership of KMI After the Transactions

Proposal 1: The Merger Agreement

The Support Agreement

Description of the Debt Financing for the Transactions

Annex A Agreement and Plan of Merger

Item 6. Purposes of the Transaction and Plans or Proposals.

Regulation M-A Item 1006

(b) *Use of Securities Acquired.* The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Effects of the Transactions

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Delisting and Deregistration of KMP Common Units

Proposal 1: The Merger Agreement

Annex A Agreement and Plan of Merger

(c)(1)-(8) **Plans**. The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Effects of the Transactions

Special Factors Background of the Transactions

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

Special Factors Directors and Executive Officers of KMI After the Merger

Special Factors Delisting and Deregistration of KMP Common Units

Special Factors Ownership of KMI After the Transactions

Description of the Debt Financing for the Transactions

Proposal 1: The Merger Agreement

Annex A Agreement and Plan of Merger

Item 7. Purposes, Alternatives, Reasons and Effects.

Regulation M-A Item 1013

(a) **Purposes**. The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Effects of the Transactions

Special Factors Background of the Transactions

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors Interests of Certain Persons in the Transactions

(b) **Alternatives.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Background of the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors KMI Parties Purpose and Reasons for the Transactions

(c) **Reasons.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet

Special Factors Effects of the Transactions

Special Factors Background of the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors Projected Financial Information

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

(d) *Effects*. The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Questions and Answers about the KMP Special Meeting and the Proposals

Special Factors Effects of the Transactions

Special Factors Background of the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Projected Financial Information

Special Factors KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

Special Factors Delisting and Deregistration of KMP Common Units

Material U.S. Federal Income Tax Consequences

Description of the Debt Financing for the Transactions

Proposal 1: The Merger Agreement

Comparison of Rights of KMI Stockholders and KMP Unitholders

Annex A Agreement and Plan of Merger

Item 8. Fairness of the Transaction

Regulation M-A Item 1014

(a) *Fairness*. The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

(b) ***Factors Considered in Determining Fairness.*** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Recommendation of the KMP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Summary Term Sheet Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Summary Term Sheet Opinion of Jefferies LLC

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Background of the Transactions

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors Opinion of Jefferies LLC

Special Factors Opinion of Barclays Capital Inc.

Annex B Opinion of Jefferies LLC

Annex C Opinion of Barclays Capital Inc.

(c) ***Approval and Adoption of Security Holders.*** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Target Special Meeting; Unitholders Entitled to Vote; Vote Required

Questions and Answers about the KMP Special Meeting and the Proposals

Special Factors Background of the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

The KMP Special Meeting Required Vote

Annex A Agreement and Plan of Merger

(d) **Unaffiliated Representative.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Summary Term Sheet Opinion of Jefferies LLC

Special Factors Background of the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors Opinion of Jefferies LLC

(e) **Approval of Directors.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Background of the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

(f) **Other Offers.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Special Factors Background of the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Item 9. Reports, Opinions, Appraisals and Negotiations.

Regulation M-A Item 1015

(a)-(b) **Report, Opinion, or Appraisal; Preparer and Summary of the Report, Opinion or Appraisal.** The presentations of Barclays Capital Inc. to (i) the Board of Directors of KMI, dated July 16, 2014, July 17, 2014 and August 9, 2014 and (ii) the Independent Members of the KMGP Board and KMR Board, respectively, each dated July 17, 2014, are attached hereto as Exhibits (c)(6) (9) and are incorporated herein by reference. The presentation of Barclays Capital Inc. to the KMP conflicts Committee and the KMR Special Committee, dated July 17, 2014 is attached hereto as Exhibit (c)(7) and is incorporated herein by reference. The presentations of Citigroup Global Markets Inc. to the Board of Directors of KMI, dated July 16, 2014 and August 9, 2014 are attached hereto as Exhibits (c)(10) (11) and are incorporated herein by reference. The presentations of Jefferies LLC to the KMP Conflicts Committee and the KMR Special Committee, dated July 30, 2014, August 7, 2014 and August 8, 2014, are attached hereto as Exhibits (c)(2) (4) and are incorporated herein by reference. The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Opinion of Barclays Capital Inc.

Special Factors Background of the Transactions

Special Factors Opinion of Jefferies LLC

Special Factors Opinion of Barclays Capital Inc.

Special Factors Financial Analysis of Citigroup Global Markets Inc.

Annex B Opinion of Jefferies LLC

Annex C Opinion of Barclays Capital Inc.

(c) **Availability of Documents.** The reports, opinions or appraisals referenced in this Item 9 will be made available for inspection and copying at the principal executive offices of KMP during its regular business hours by any interested holder of KMP common units. The information set forth in the KMP proxy statement/prospectus under the following caption is incorporated herein by reference:

Special Factors Opinion of Jefferies LLC

Item 10. Source and Amounts of Funds or Other Consideration.

Regulation M-A Item 1007

(a) **Source of Funds.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet The Transactions

Special Factors Effects of the Transactions

Description of the Debt Financing for the Transactions

(b) **Conditions.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Conditions to Completion of the Merger

Summary Term Sheet Regulatory Approvals Required for the Merger

Special Factors Regulatory Approvals Required for the Merger

The KMP Special Meeting Required Vote

Proposal 1: The Merger Agreement Conditions to Completion of the Merger

Proposal 1: The Merger Agreement Regulatory Matters

Description of the Debt Financing for the Transactions

Annex A Agreement and Plan of Merger

(c) **Expenses.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Expenses and Termination Fees Relating to the Merger

Special Factors Estimated Fees and Expenses

The KMP Special Meeting Solicitation of Proxies

Proposal 1: The Merger Agreement Termination

Description of the Debt Financing for the Transactions

Annex A Agreement and Plan of Merger

(d) **Borrowed Funds.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet The Transactions

Special Factors Effects of the Transactions

Description of the Debt Financing for the Transactions

Item 11. Interest in Securities of the Subject Company.

Regulation M-A Item 1008

(a) **Securities Ownership.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Special Factors Interests of Certain Persons in the Transactions

Special Factors Security Ownership of Certain Beneficial Owners and Management of KMP

Special Factors Ownership of KMI After the Transactions

(b) **Securities Transactions.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Special Factors Security Ownership of Certain Beneficial Owners and Management of KMP

There have been no transactions in the subject securities by the filing persons during the last 60 days.

Item 12. The Solicitation or Recommendation.

Regulation M-A Item 1012

(d) **Intent to Tender or Vote in a Going-Private Transaction.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Effects of the Transactions

Questions and Answers about the KMP Special Meeting and the Proposals

Special Factors Effects of the Transactions

Special Factors Background to the Transactions

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors the KMI Parties Purpose and Reasons for the Transactions

Special Factors Interests of Certain Persons in the Transactions

Special Factors Security Ownership of Certain Beneficial Owners and Management of KMP

The KMP Special Meeting Unit Ownership of and Voting by KMI and KMGP s and KMR s Directors and Executive Officers

(e) **Recommendations of Others.** The information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

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Summary Term Sheet Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Questions and Answers about the KMP Special Meeting and the Proposals

Special Factors Recommendation of the KMGP Conflicts Committee, the KMR Board and the KMGP Board and Their Reasons for the Merger

Special Factors Position of the KMI Parties, KMP, KMGP and KMR as to the Fairness of the Merger

Special Factors the KMI Parties Purpose and Reasons for the Transactions

The KMP Special Meeting The KMP Conflicts Committee, KMR Board and KMGP Board Recommendation

The Support Agreement

Item 13. Financial Information.

Regulation M-A Item 1010

(a) **Financial Statements.** The audited financial statements set forth in KMP's Annual Report on Form 10-K for the year ended December 31, 2013 along with Exhibit 12.1 thereto, the unaudited financial statements set forth in KMP's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2014, and June 30, 2014, and the information set forth in the KMP proxy statement/prospectus under the following captions is incorporated herein by reference:

Summary Term Sheet Selected Historical Consolidated Financial Data of KMP

Where You Can Find More Information