

EL PASO CORP/DE
Form DEFM14A
January 31, 2012
Table of Contents

Index to Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

EL PASO CORPORATION

(Name of Registrant as Specified in its Charter)

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

..

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement Nos.:

(3) Filing Parties:

(4) Date Filed:

Table of Contents

Index to Financial Statements

INFORMATION STATEMENT/PROXY STATEMENT/PROSPECTUS

PROPOSED MERGER YOUR VOTE IS IMPORTANT

January 31, 2012

We are very pleased to provide this document to you. It is a prospectus related to a proposed issuance by Kinder Morgan, Inc., referred to as Kinder Morgan, of shares of its Class P common stock and warrants to purchase shares of its Class P common stock, or warrants, pursuant to an Agreement and Plan of Merger, referred to as the merger agreement, entered into by, among others, Kinder Morgan and El Paso Corporation, referred to as El Paso. Upon the terms and subject to the conditions set forth in the merger agreement and the Agreement and Plan of Merger entered into among El Paso and certain of its subsidiaries, referred to as the first merger agreement, if the requisite stockholder and other approvals are obtained and other closing conditions are satisfied or waived, through a series of transactions which are further described in this document, El Paso will become an indirect, wholly owned subsidiary of Kinder Morgan. This document is also a proxy statement for El Paso to use in soliciting proxies for its special meeting of stockholders, at which meeting El Paso's stockholders will vote on, among other things, the proposal to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement. In addition, this document is an information statement for Kinder Morgan stockholders to inform them of the transactions and the approvals to be given at the Kinder Morgan special meeting with respect to the proposal to approve the issuance of shares of Kinder Morgan Class P common stock and warrants to be issued as part of the merger consideration and the issuance of shares of Kinder Morgan Class P common stock to be issued upon exercise of the warrants, which we refer to as the share and warrant issuance proposal.

This is an exciting and important event in each of our companies' histories. The boards of directors of each of Kinder Morgan and El Paso have approved the proposed transactions. Under the Delaware General Corporation Law, the approval of El Paso's stockholders must be obtained before the transactions can be completed. Under the rules of the New York Stock Exchange, referred to as the NYSE, Kinder Morgan is required to obtain stockholder approval prior to issuing its Class P common stock and the warrants in connection with the transactions contemplated by the merger agreement. Richard Kinder and certain other stockholders of Kinder Morgan who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan have agreed to vote their shares of Kinder Morgan Class P and Class A common stock, referred to together as Kinder Morgan voting common stock, in favor of the share and warrant issuance proposal. In addition, these stockholders agreed to retain collectively, until the approval of the share and warrant issuance proposal or until the voting agreement is terminated, whichever is earlier, an amount of shares of Kinder Morgan voting common stock that is sufficient to approve the share and warrant issuance proposal. **As a result, approval of the share and warrant issuance proposal at the Kinder Morgan special meeting is assured. Kinder Morgan stockholders are invited to attend the special meeting, at which they will have the opportunity to vote on the share and warrant issuance proposal in person, but no additional votes by other Kinder Morgan stockholders are required to approve the share and warrant issuance proposal. Kinder Morgan is not asking Kinder Morgan stockholders for a proxy, and Kinder Morgan stockholders are requested not to send a proxy.**

The series of transactions described in this document include, among others, what are referred to as the first merger and the second merger. The first merger involves only El Paso and two of its subsidiaries. Pursuant to the first merger agreement, at the effective time of the first merger, each outstanding share of El Paso common stock will be converted into one share of common stock of Sirius Holdings Merger Corporation, or New El Paso. The first merger will result in a holding company structure for El Paso but will not affect the merger consideration that El Paso stockholders will receive at the effective time of the second merger pursuant to the merger agreement. Pursuant to the merger agreement, at the effective time of the second merger, each share of New El Paso common stock issued and outstanding immediately prior to the effective time of the second merger (excluding shares held by New El Paso in treasury, any shares held by Kinder Morgan or any of Kinder Morgan's or New El Paso's subsidiaries and dissenting shares in accordance with Delaware law) will be

Table of Contents

Index to Financial Statements

Kinder Morgan Class P common stock and 0.640 of a warrant to purchase one share of Kinder Morgan Class P common stock; (2) \$25.91 in cash without interest and 0.640 of a warrant to purchase one share of Kinder Morgan Class P common stock; or (3) 0.4187 of a share of Kinder Morgan Class P common stock, \$14.65 in cash without interest and 0.640 of a warrant to purchase one share of Kinder Morgan Class P common stock. The second merger will result in El Paso and New El Paso becoming wholly owned subsidiaries of Kinder Morgan.

El Paso's common stock currently trades on the NYSE under the ticker symbol EP, and Kinder Morgan's Class P common stock currently trades on the NYSE under the ticker symbol KML. The Kinder Morgan Class P common stock being registered pursuant to this information statement/proxy statement/prospectus (including the Kinder Morgan Class P common stock issuable upon exercise of the warrants) will be listed on the NYSE, and the warrants being registered pursuant to this information statement/proxy statement/prospectus will be listed on the NYSE, NASDAQ or another exchange agreed upon by Kinder Morgan and El Paso.

The special meeting of El Paso stockholders will be held on March 6, 2012 at 9 a.m., local time, at the Hyatt Regency Houston, 1200 Louisiana Street, Houston, Texas 77002. At the special meeting, El Paso stockholders will be asked to vote on, among other things, the adoption of the merger agreement and the first merger agreement and the approval of the transactions contemplated by the merger agreement and the first merger agreement. **El Paso's board of directors has approved and declared advisable the merger agreement and the first merger agreement and the transactions contemplated by the merger agreement and the first merger agreement, including the first merger on the terms set forth in the first merger agreement, and the second merger on the terms set forth in the merger agreement. El Paso's board of directors recommends that El Paso stockholders vote FOR the adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement; FOR any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and the first merger agreement at the time of the special meeting; and FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions.** The special meeting of Kinder Morgan stockholders will be held on March 2, 2012 at 10 a.m. local time, at 500 Dallas Street, Suite 1000, Houston, Texas, 77002.

This information statement/proxy statement/prospectus is an important document containing answers to frequently asked questions and a summary description of the transactions, the merger agreement and the first merger agreement, followed by more detailed information about Kinder Morgan, El Paso, the transactions, and the other matters to be voted upon by Kinder Morgan and El Paso stockholders as part of the special meetings. We urge you to read this document carefully and in its entirety. **In particular, you should consider the matters discussed under Risk Factors beginning on page 45.**

We look forward to the successful merger of Kinder Morgan and El Paso.

Sincerely,

Richard D. Kinder

Chairman and Chief Executive Officer

Kinder Morgan, Inc.

Pursuant to Section 27A(b)(2)(D) of the Securities Act of 1933, as amended, the safe harbor for forward-looking statements provided in the Private Securities Litigation Reform Act of 1995 does not apply to statements made in connection with an exchange offer such as this.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this document or determined that this document is accurate or complete. Any representation to the contrary is a criminal offense.

This document is dated January 31, 2012 and is first being mailed to stockholders of Kinder Morgan and El Paso on or about January 31, 2012.

Table of Contents

Index to Financial Statements

EL PASO CORPORATION

1001 Louisiana Street

Houston, Texas 77002

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON MARCH 6, 2012

This is a notice that a special meeting of stockholders of El Paso Corporation (referred to as "El Paso") will be held on March 6, 2012, beginning at 9 a.m., local time, at the Hyatt Regency Houston, 1200 Louisiana Street, Houston, Texas 77002, unless postponed or adjourned to a later date. This special meeting will be held for the following purposes:

1. to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated October 16, 2011 (as it may be amended from time to time, the "merger agreement"), by and among El Paso, Sirius Holdings Merger Corporation (a direct, wholly owned subsidiary of El Paso referred to as "New El Paso"), Sirius Merger Corporation (a direct, wholly owned subsidiary of New El Paso), Kinder Morgan, Inc. (referred to as "Kinder Morgan"), Sherpa Merger Sub, Inc. and Sherpa Acquisition, LLC (which are direct, wholly owned subsidiaries of Kinder Morgan) and the Agreement and Plan of Merger, dated October 16, 2011, by and among El Paso, New El Paso and Sirius Merger Corporation (as it may be amended from time to time, the "first merger agreement") and to approve the transactions contemplated by the merger agreement and the first merger agreement, including:

a merger of Sirius Merger Corporation with and into El Paso (the "first merger"), as a result of which El Paso will become a wholly owned subsidiary of New El Paso and each outstanding share of El Paso common stock will be converted into one share of New El Paso common stock; and

a merger of Sherpa Merger Sub, Inc., a corporation directly, wholly owned by Kinder Morgan, with and into New El Paso (the "second merger"), at which time stockholders of New El Paso will be entitled to receive the merger consideration described in the merger agreement in exchange for their shares;

2. to consider and vote upon any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and the first merger agreement at the time of the special meeting;

3. to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions; and

4. to transact any other business as may properly come before the special meeting or any adjournment or postponement of such special meeting.

Only holders of record of El Paso common stock at the close of business on January 20, 2012, the record date for the special meeting, are entitled to receive this notice and to vote at the special meeting or at any adjournment or postponement of such special meeting.

The accompanying information statement/proxy statement/prospectus describes the proposals listed above in more detail. Please refer to the attached document, including the merger agreement, the first merger agreement and all other Annexes and including any documents incorporated by reference, for further information with respect to the business to be transacted at the special meeting. You are encouraged to read the entire document carefully before voting. **In particular, see the section entitled "Risk Factors" beginning on page 45.**

Table of Contents

Index to Financial Statements

El Paso's board of directors has approved and declared advisable the merger agreement and the first merger agreement and the transactions contemplated by the merger agreement and the first merger agreement, including the first merger on the terms set forth in the first merger agreement, and the second merger on the terms set forth in the merger agreement. El Paso's board of directors recommends that you vote **FOR** the adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement; **FOR** any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and the first merger agreement at the time of the special meeting; and **FOR** the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. The acquisition of El Paso by Kinder Morgan cannot be completed without the affirmative vote on the merger proposal of the holders of at least a majority of the outstanding shares of El Paso common stock entitled to vote as of the record date for the special meeting. If you do not vote, the effect will be the same as a vote against the proposal to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement. You may vote your shares by proxy electronically via the Internet, by telephone, by sending in an appropriately completed paper proxy card or in person by ballot at the special meeting.

If you have any questions concerning the transactions or this information statement/proxy statement/prospectus or would like additional copies, please contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call Collect: (212) 929-5500

Toll Free: (800) 322-2885

email: proxy@mackenziepartners.com

By Order of the Board of Directors

MARGUERITE N. WOUNG-CHAPMAN

Corporate Secretary

January 31, 2012

Table of Contents

Index to Financial Statements

KINDER MORGAN, INC.

NOTICE OF SPECIAL MEETING AND ACTION TO BE TAKEN

Kinder Morgan is Not Asking You for a Proxy and You are Requested Not to Send Kinder Morgan a Proxy

Dear Stockholder:

On March 2, 2012, Kinder Morgan, Inc. (referred to as "Kinder Morgan") will hold a special meeting of the holders of Class P common stock and Class A common stock at 500 Dallas Street, Suite 1000, Houston, Texas 77002. The meeting will begin at 10 a.m., local time.

At the meeting Kinder Morgan proposes to consider and vote upon a proposal (referred to as the "share and warrant issuance proposal") to approve the issuance of shares of Kinder Morgan Class P common stock and warrants to purchase shares of Kinder Morgan Class P common stock to be issued as part of the merger consideration, as well as the issuance of shares of Kinder Morgan Class P common stock to be issued upon exercise of such warrants, in each case, in connection with an Agreement and Plan of Merger, pursuant to which El Paso Corporation will become a wholly owned subsidiary of Kinder Morgan.

Kinder Morgan's board of directors has approved the share and warrant issuance proposal and recommends that you vote "FOR" the share and warrant issuance proposal, which is discussed in more detail in the accompanying information statement/proxy statement/prospectus. Richard Kinder and certain other stockholders of Kinder Morgan who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan have agreed to vote their shares of Kinder Morgan voting common stock in favor of the share and warrant issuance proposal. In addition, these stockholders agreed to retain collectively until the approval of the share and warrant issuance or until the voting agreement is terminated, whichever is earlier, an amount of shares of Kinder Morgan voting common stock that is sufficient to approve the share and warrant issuance proposal. **As a result, approval of the share and warrant issuance proposal at the Kinder Morgan special meeting is assured. Kinder Morgan stockholders are invited to attend the special meeting, at which they will have the opportunity to vote on the share and warrant issuance proposal in person, but no additional votes by other Kinder Morgan stockholders are required to approve the share and warrant issuance proposal.**

Kinder Morgan's board of directors has fixed the close of business on January 20, 2012, as the record date for determining those stockholders entitled to vote at the Kinder Morgan special meeting. Accordingly, only holders of record of Kinder Morgan voting common stock at the close of business on that date are entitled to notice of, and to vote at, the Kinder Morgan special meeting. A complete list of our stockholders will be available for inspection at the Kinder Morgan special meeting.

The accompanying information statement/proxy statement/prospectus provides information about the transactions. You are encouraged to read this information statement/proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. In particular, see the section entitled "Risk Factors" beginning on page 45 in the accompanying information statement/proxy statement/prospectus. If you have any questions concerning the transactions or this information statement/proxy statement/prospectus or would like additional copies, please contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call Collect: (212) 929-5500

Toll Free: (800) 322-2885

email: proxy@mackenziepartners.com

By order of the Board of Directors,

Joseph Listengart

Secretary

January 31, 2012

Table of Contents

Index to Financial Statements

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates by reference important business and financial information about El Paso from documents that it has filed with the Securities and Exchange Commission (referred to as the SEC) but that are not being included in or delivered with this document. This information is available to you without charge upon your written or oral request. You may read and copy documents incorporated by reference in this information statement/proxy statement/prospectus, other than certain exhibits to those documents, and other information about El Paso that is filed with the SEC under the Securities Exchange Act of 1934, as amended, and the rules thereunder (referred to as the Exchange Act) at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. You may obtain information on the operations of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You can also obtain such documents free of charge through the SEC's website (www.sec.gov) or by requesting them in writing or by telephone at the following address and telephone number:

For information about El Paso Corporation:

By Mail: El Paso Corporation

1001 Louisiana Street

Houston, Texas 77002

Attention: Investor Relations

By Telephone: (713) 420-5855

By Internet: www.elpaso.com

IF YOU WOULD LIKE TO REQUEST ANY DOCUMENTS BEFORE YOU VOTE, PLEASE DO SO BY FEBRUARY 28, 2012 IN ORDER TO RECEIVE THEM BEFORE THE EL PASO SPECIAL MEETING.

In addition, if you are an El Paso stockholder and would like to request any documents incorporated by reference in this information statement/proxy statement/prospectus prior to deciding what merger consideration to elect, please do so at least 5 business days prior to the election deadline, which will be identified in the form of election provided to you in a separate mailing following the El Paso special meeting.

For additional information on documents incorporated by reference in this document, please see Where You Can Find More Information.

The firm assisting El Paso with the solicitation of proxies and serving as information agent for Kinder Morgan is:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call Collect: (212) 929-5500

Toll Free: (800) 322-2885

email: proxy@mackenziepartners.com

ABOUT THIS DOCUMENT

Kinder Morgan has supplied all information contained in this information statement/proxy statement/prospectus relating to Kinder Morgan. El Paso has supplied all information contained in or incorporated by reference into this information statement/proxy statement/prospectus relating to El Paso. Kinder Morgan and El Paso have both contributed information relating to the transactions.

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

This information statement/proxy statement/prospectus forms a part of a registration statement on Form S-4 (Registration No. 333-177895) filed by Kinder Morgan with the SEC. It constitutes a prospectus of Kinder Morgan under Section 5 of the Securities Act of 1933, as amended, and the rules thereunder, with respect to the shares of Kinder Morgan Class P common stock and warrants to purchase shares of Kinder Morgan Class P common stock to be issued to El Paso stockholders in the transactions and shares of Kinder Morgan

Table of Contents

Index to Financial Statements

Class P common stock to be issued upon exercise of such warrants. It also constitutes a proxy statement under

Section 14(a) of the Exchange Act and a notice of meeting and action to be taken with respect to the El Paso special meeting of stockholders at which El Paso stockholders will consider and vote on the proposal to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement and the other proposals described in this information statement/proxy statement/prospectus. In addition, it constitutes an information statement under Section 14(c) of the Exchange Act and a notice of meeting and action to be taken with respect to the Kinder Morgan special meeting of stockholders at which holders of Kinder Morgan voting common stock will vote on the proposal to approve the issuance of shares of Kinder Morgan Class P common stock and the warrants to be issued as part of the merger consideration, and the issuance of shares of Kinder Morgan Class P common stock to be issued upon exercise of the warrants.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this document. This document is dated January 31, 2012. You should not assume that the information contained in this document is accurate as of any date other than the date hereof. You should not assume that the information contained in any document incorporated by reference herein is accurate as of any date other than the date of such document. Any statement contained in a document incorporated or deemed to be incorporated by reference into this document will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference into this document modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this document. Neither the mailing of this document to the respective stockholders of Kinder Morgan and El Paso, nor the taking of any actions contemplated hereby by Kinder Morgan or El Paso at any time will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

Table of Contents

Index to Financial Statements

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS</u>	1
<u>Frequently Used Terms</u>	1
<u>Questions and Answers for El Paso Stockholders</u>	3
<u>Questions and Answers for Kinder Morgan Stockholders</u>	14
<u>SUMMARY</u>	17
<u>The Parties</u>	17
<u>Recent Developments</u>	18
<u>The Transactions</u>	19
<u>Structure of the Transactions</u>	19
<u>Transaction Consideration</u>	19
<u>Treatment of El Paso Shares Held in El Paso 401(k) Plan Trust</u>	21
<u>Treatment of New El Paso Stock Options, Restricted Shares, Performance Restricted Stock Units and Employee Stock Purchase Plan</u>	21
<u>El Paso Special Meeting</u>	22
<u>Kinder Morgan Special Meeting</u>	22
<u>Recommendation of El Paso's Board of Directors and Reasons for the Transactions</u>	23
<u>Opinion of El Paso's Financial Advisor</u>	23
<u>Recommendation of Kinder Morgan's Board of Directors and Reasons for the Transactions</u>	23
<u>Opinions of Kinder Morgan's Financial Advisors</u>	24
<u>The First Merger and the First Merger Agreement</u>	25
<u>The Second Merger and the Merger Agreement</u>	25
<u>The Voting Agreement</u>	25
<u>Interests of Certain Persons in the Transactions - El Paso Executive Officers and Directors</u>	25
<u>Interests of Certain Persons in the Transactions - Goldman Sachs</u>	27
<u>Accounting Treatment of the Transactions</u>	27
<u>Material U.S. Federal Income Tax Consequences of the Transactions</u>	27
<u>Board of Directors and Management of Kinder Morgan After the Transactions</u>	28
<u>Conditions to Completion of the Transactions</u>	28
<u>Regulatory Approvals Required to Complete the Transactions</u>	30
<u>Termination of the Merger Agreement</u>	30
<u>Expenses and Termination Fees Relating to the Transactions</u>	31
<u>Financing</u>	32
<u>Comparison of Rights of Holders of El Paso Common Stock and Kinder Morgan Common Stock</u>	32
<u>Appraisal Rights in Connection with the Transactions</u>	32
<u>Selected Historical Consolidated Financial Data</u>	33
<u>Selected Unaudited Pro Forma Condensed Combined Financial Information</u>	37
<u>Unaudited Comparative Per Share Information of Kinder Morgan and El Paso</u>	39
<u>Comparative Stock Prices and Dividends</u>	43
<u>RISK FACTORS</u>	45
<u>Risk Factors Relating to the Transactions</u>	45

Table of Contents

Index to Financial Statements

TABLE OF CONTENTS

(continued)

	Page
<u>Risk Factors Relating to Kinder Morgan After Completion of the Transactions</u>	54
<u>Risk Factors Relating to the Ownership of Kinder Morgan Class P Common Stock</u>	68
<u>Risk Factors Relating to Kinder Morgan's Dividend Policy</u>	71
<u>Risk Factors Relating to Conflicts of Interest</u>	73
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	77
<u>INFORMATION ABOUT KINDER MORGAN</u>	80
<u>INFORMATION ABOUT EL PASO</u>	82
<u>EL PASO SPECIAL MEETING</u>	83
<u>KINDER MORGAN SPECIAL MEETING</u>	91
<u>THE TRANSACTIONS</u>	94
<u>Effect of the Transactions</u>	94
<u>Background of the Transactions</u>	98
<u>Recommendation of El Paso's Board of Directors and Reasons for the Transactions</u>	113
<u>Recommendation of Kinder Morgan's Board of Directors and Reasons for the Transactions</u>	117
<u>Certain El Paso Financial Projections</u>	119
<u>Certain Kinder Morgan Financial Projections</u>	120
<u>Opinion of El Paso's Financial Advisor</u>	122
<u>El Paso's Engagement of Goldman Sachs</u>	136
<u>Opinions of Kinder Morgan's Financial Advisors</u>	137
<u>Interests of Certain Persons in the Transactions - El Paso Executive Officers and Directors</u>	167
<u>Interests of Certain Persons in the Transactions - Goldman Sachs</u>	172
<u>Board of Directors and Management of Kinder Morgan After the Transactions</u>	173
<u>Material U.S. Federal Income Tax Consequences of the Transactions</u>	177
<u>Accounting Treatment of the Transactions</u>	181
<u>Regulatory Approvals</u>	181
<u>New El Paso Stockholders Making Elections</u>	183
<u>Exchange of Shares</u>	187
<u>Listing of Kinder Morgan Class P Common Stock and Warrants Issued in the Transactions; Delisting and Deregistration of New El Paso Common Stock After the Transactions</u>	187
<u>Appraisal Rights in Connection with the Second Merger</u>	188
<u>Litigation Related to the Transactions</u>	191
<u>THE FIRST MERGER AGREEMENT</u>	194
<u>THE MERGER AGREEMENT</u>	196
<u>The Transactions</u>	196
<u>Effective Time: Closing</u>	197
<u>Conditions to Completion of the Transactions</u>	198
<u>El Paso Stockholder Approval</u>	200
<u>Kinder Morgan Stockholder Approval</u>	201

Table of Contents

Index to Financial Statements

TABLE OF CONTENTS

(continued)

	Page
<u>No-Solicitation by El Paso of Takeover Proposals</u>	201
<u>No-Solicitation by Kinder Morgan of an Alternative Transaction</u>	202
<u>El Paso Board Recommendation</u>	203
<u>Transaction Consideration</u>	204
<u>Treatment of El Paso Shares Held in El Paso 401(k) Plan Trust</u>	205
<u>Treatment of New El Paso Stock Options, Restricted Shares, Performance Restricted Stock Units and Employee Stock Purchase Plan</u>	205
<u>Adjustments to Prevent Dilution</u>	207
<u>Withholding</u>	207
<u>Dividends and Distributions</u>	207
<u>Financing Covenant: El Paso Cooperation</u>	207
<u>Filings</u>	209
<u>Regulatory Matters</u>	209
<u>Termination</u>	209
<u>Termination Fee</u>	211
<u>Expenses</u>	212
<u>Conduct of Business Pending the Second Merger</u>	212
<u>Sale of El Paso's Exploration and Production Business</u>	215
<u>Governance of Kinder Morgan Following the Completion of the Transactions</u>	216
<u>Indemnification; Directors and Officers Insurance</u>	216
<u>Employee Matters</u>	216
<u>Amendment and Waiver</u>	218
<u>Remedies: Specific Performance</u>	218
<u>Representations and Warranties</u>	219
<u>Additional Agreements</u>	220
<u>THE WARRANT AGREEMENT</u>	221
<u>THE VOTING AGREEMENT</u>	223
<u>DESCRIPTION OF THE DEBT FINANCING</u>	224
<u>DESCRIPTION OF KINDER MORGAN CAPITAL STOCK</u>	228
<u>COMPARISON OF RIGHTS OF COMMON STOCKHOLDERS OF KINDER MORGAN AND EL PASO</u>	239
<u>SECURITY OWNERSHIP OF KINDER MORGAN</u>	250
<u>ADDITIONAL INFORMATION ABOUT KINDER MORGAN</u>	255
<u>Kinder Morgan's Business</u>	255
<u>Kinder Morgan's Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	275
<u>Kinder Morgan's Executive Compensation</u>	348
<u>Certain Relationships and Related Transactions Involving Kinder Morgan</u>	373
<u>LEGAL MATTERS</u>	383

Table of Contents

Index to Financial Statements

TABLE OF CONTENTS

(continued)

	Page
<u>EXPERTS</u>	384
<u>Kinder Morgan</u>	384
<u>El Paso</u>	384
<u>OTHER MATTERS</u>	385
<u>EL PASO STOCKHOLDER PROPOSALS</u>	386
<u>KINDER MORGAN STOCKHOLDER PROPOSALS</u>	387
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	388
<u>INCORPORATION BY REFERENCE</u>	389
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	391
<u>INDEX TO KINDER MORGAN, INC. FINANCIAL STATEMENTS</u>	F-1
<u>ANNEX A AGREEMENT AND PLAN OF MERGER FOR SECOND MERGER</u>	A-1
<u>ANNEX B AGREEMENT AND PLAN OF MERGER FOR FIRST MERGER</u>	B-1
<u>ANNEX C VOTING AGREEMENT</u>	C-1
<u>ANNEX D FORM OF WARRANT AGREEMENT</u>	D-1
<u>ANNEX E MORGAN STANLEY FAIRNESS OPINION</u>	E-1
<u>ANNEX F EVERCORE FAIRNESS OPINION</u>	F-1
<u>ANNEX G BARCLAYS CAPITAL FAIRNESS OPINION</u>	G-1
<u>ANNEX H SECTION 262 OF DELAWARE GENERAL CORPORATION LAW</u>	H-1

Table of Contents

Index to Financial Statements

QUESTIONS AND ANSWERS

The questions and answers below highlight only selected information from this information statement/proxy statement/prospectus. They do not contain all of the information that may be important to you. El Paso's board of directors is soliciting proxies from its stockholders to vote at the special meeting of El Paso stockholders, to be held on March 6, 2012 at 9 a.m., local time, at the Hyatt Regency Houston, 1200 Louisiana Street, Houston, Texas 77002. This information statement/proxy statement/prospectus also provides information about the special meeting of holders of Kinder Morgan Class P common stock and Class A common stock, to be held on March 2, 2012 at 10 a.m. local time, at 500 Dallas Street, Suite 1000, Houston, Texas 77002, but for which Kinder Morgan is not soliciting proxies. You should read carefully the entire information statement/proxy statement/prospectus, including the Annexes, and the additional documents incorporated by reference into this information statement/proxy statement/prospectus, to fully understand the matters to be acted upon and the voting procedures for El Paso's special meeting and Kinder Morgan's special meeting. For a list of documents incorporated by reference into this document and information on how to obtain them, see the section entitled "Where You Can Find More Information."

Frequently Used Terms

A few frequently used terms may be helpful for you to have in mind at the outset. This document refers to:

Kinder Morgan, Inc., a Delaware corporation, as "Kinder Morgan";

Kinder Morgan Energy Partners, L.P., a Delaware limited partnership, as "KMP";

Kinder Morgan Management, LLC, a Delaware limited liability company, as "KMR";

Kinder Morgan Kansas, Inc., a Kansas Corporation, as "KMK";

Sherpa Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Kinder Morgan, as "Merger Sub Two";

Sherpa Acquisition, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Kinder Morgan, as "Merger Sub Three";

the investment funds advised by or affiliated with Goldman Sachs, Highstar Capital LP, The Carlyle Group and Riverstone Holdings LLC, that are investors in Kinder Morgan, collectively as the "Sponsor Investors";

Fayez Sarofim, one of Kinder Morgan's directors, and investment entities affiliated with him, and an investment entity affiliated with Michael C. Morgan, another of Kinder Morgan's directors, and William V. Morgan, one of Kinder Morgan's founders, collectively as the "Original Stockholders";

El Paso Corporation, a Delaware corporation, as "El Paso";

El Paso Pipeline Partners, L.P., a Delaware limited partnership, as "EPB";

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

Sirius Holdings Merger Corporation, a Delaware corporation and a direct, wholly owned subsidiary of El Paso, as New El Paso ;

Sirius Merger Corporation, a Delaware corporation and a direct, wholly owned subsidiary of New El Paso, as Merger Sub One ;

the merger of Merger Sub One with and into El Paso with El Paso being the surviving corporation, as the first merger ;

the surviving entity from the first merger, as the EP Surviving Company ;

the merger of Merger Sub Two with and into New El Paso with New El Paso being the surviving corporation, as the second merger ;

the surviving entity from the second merger, as the New EP Surviving Company ;

Table of Contents

Index to Financial Statements

the conversion of the EP Surviving Company into a Delaware limited liability company, as the LLC conversion ;

the converted entity after the LLC conversion, as the El Paso Converted LLC ;

the merger of the New EP Surviving Company with and into Merger Sub Three with Merger Sub Three being the surviving entity, as the third merger ;

the first merger, the second merger, the third merger and the LLC conversion, as the transactions ;

Kinder Morgan Class P common stock, \$0.01 par value, as Kinder Morgan Class P common stock ;

shares of Kinder Morgan Class P common stock and Kinder Morgan Class A common stock currently outstanding and entitled to vote at the Kinder Morgan special meeting, as Kinder Morgan voting common stock ;

Kinder Morgan Class P common stock purchase warrants to be issued in connection with the second merger, as the warrants ;

the proposal to approve the issuance of shares of Kinder Morgan Class P common stock and the warrants as part of the consideration in the second merger, and the issuance of shares of Kinder Morgan Class P common stock to be issued upon exercise of the warrants, as the share and warrant issuance proposal ;

the transaction whereby Kinder Morgan, Inc., a Kansas corporation now named Kinder Morgan Kansas, Inc. which indirectly owns all of the common equity of the general partner of KMP, was acquired by Knight Holdco LLC, the predecessor to Kinder Morgan, in May 2007, as the Going Private Transaction ;

Natural Gas Pipeline Company of America LLC, owner of a major interstate natural gas pipeline and storage system which Kinder Morgan operates, as NGPL ;

El Paso common stock, par value \$3.00 per share, as El Paso common stock ;

the shares of New El Paso common stock, par value \$0.01, which will be issued in exchange for shares of El Paso common stock in connection with the first merger, as New El Paso common stock ;

the Agreement and Plan of Merger, dated as of October 16, 2011, by and among El Paso, New El Paso, Merger Sub One, Kinder Morgan, Merger Sub Two and Merger Sub Three, as the merger agreement ;

the Agreement and Plan of Merger, dated as of October 16, 2011, by and among El Paso, New El Paso and Merger Sub One, as the first merger agreement ;

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

the Voting Agreement, dated as of October 16, 2011, by and among El Paso and certain stockholders of Kinder Morgan, as the voting agreement ;

the Warrant Agreement to be entered into at the closing of the transactions by and among Kinder Morgan and a party to be determined at a later date, as the warrant agreement ;

the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as the HSR Act or the Hart-Scott-Rodino Act ;

the New York Stock Exchange, as the NYSE ;

the General Corporation Law of the State of Delaware, as the DGCL ;

the Delaware Limited Liability Company Act, as the DLLCA ; and

the Internal Revenue Code of 1986, as amended, as the Code.

Table of Contents

Index to Financial Statements

Q: Why have I received these materials?

A: You are receiving this information statement/proxy statement/prospectus as a stockholder of one or both of El Paso and Kinder Morgan. El Paso has agreed to be acquired by Kinder Morgan pursuant to the terms and subject to the conditions of the merger agreement, which is attached as Annex A and described in more detail elsewhere in this document. See The Merger Agreement. The merger agreement provides that the acquisition of El Paso by Kinder Morgan will occur through a series of steps, which are referred to in this document as the first merger, the LLC conversion, the second merger and the third merger. These transactions are also described in more detail elsewhere in this document. See The Merger Agreement The Transactions. In connection with the transactions, New El Paso stockholders will be entitled to receive, at their election but subject to proration, cash and/or Kinder Morgan Class P common stock, and in each case, warrants to purchase Kinder Morgan Class P common stock. The merger consideration, proration mechanisms and election procedures are described in more detail in the sections entitled The Merger Agreement Transaction Consideration and The Transactions New El Paso Stockholders Making Elections.

In order to complete the proposed transactions, among other things, El Paso's and Kinder Morgan's stockholders must vote on, and approve, proposals that are described in this information statement/proxy statement/prospectus. El Paso and Kinder Morgan will hold separate special meetings of their respective stockholders to seek these approvals. If you are a stockholder of El Paso, you are being asked to cast a vote on certain proposals, including adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement.

This information statement/proxy statement/prospectus serves as the proxy statement through which El Paso will solicit proxies to obtain the necessary approvals for the proposed transactions. It also serves as the prospectus by which Kinder Morgan will issue shares of its Class P common stock and the warrants as part of the merger consideration. Further, it serves as an information statement for Kinder Morgan stockholders to inform them of the proposed transactions and of the approvals to be given at the Kinder Morgan special meeting. This information statement/proxy statement/prospectus contains important information and you should read it carefully and in its entirety.

Questions and Answers for El Paso Stockholders

Q: What matters are to be voted on at the El Paso special meeting?

A: The special meeting of El Paso stockholders is being held for the following purposes:

Proposal 1: to consider and vote upon a proposal to adopt the merger agreement (which is attached as Annex A) and the first merger agreement (which is attached as Annex B) and to approve the transactions contemplated by the merger agreement and the first merger agreement, including the first merger on the terms set forth in the first merger agreement and the second merger on the terms set forth in the merger agreement;

Proposal 2: to consider and vote upon any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and the first merger agreement at the time of the special meeting;

Proposal 3: to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions; and

Other Matters: to transact any other business as may properly come before the special meeting or any adjournment or postponement of such special meeting.

Table of Contents

Index to Financial Statements

Q: What is the recommendation of El Paso's board of directors with respect to each proposal?

A: The board of directors of El Paso recommends that the stockholders of El Paso vote:

Proposal 1: FOR adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement;

Proposal 2: FOR any adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and the first merger agreement at the time of the special meeting;

Proposal 3: FOR the approval on an advisory (non-binding) basis the compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions; and

Other Matters: At this time, El Paso is not aware of any other matters that will be presented for a vote at the El Paso special meeting. If any other matters properly come before the special meeting, the proxy holders will have the discretion to vote upon such matters in accordance with their best judgment. To the extent El Paso receives proper notice of a stockholder's intent to bring a matter before the special meeting, El Paso will advise stockholders in advance of the special meeting as to how the proxies intend to vote on such matter.

El Paso's board of directors has approved and declared advisable the merger agreement and the first merger agreement and the transactions contemplated by the merger agreement and the first merger agreement, including the first merger on the terms set forth in the first merger agreement, and the second merger on the terms set forth in the merger agreement. See The Transactions Recommendation of El Paso's Board of Directors and Reasons for the Transactions.

In considering the recommendation of the El Paso board of directors with respect to the merger agreement and the first merger agreement and the transactions contemplated by the merger agreement and the first merger agreement, you should be aware that some of El Paso's directors and executive officers may have interests that are different from, or in addition to, the interests of El Paso stockholders more generally and that Goldman Sachs may have interests in the transactions that are different from, or in addition to, those of El Paso's stockholders more generally. See The Transactions Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors and Interests of Certain Persons in the Transactions Goldman Sachs.

Q: When and where is the El Paso special meeting?

A: The El Paso special meeting will be held on March 6, 2012, beginning at 9 a.m., local time, at the Hyatt Regency Houston, 1200 Louisiana Street, Houston, Texas 77002 unless postponed or adjourned to a later date.

Q: Who can attend the El Paso special meeting?

A: You are entitled to attend the El Paso special meeting only if you are an El Paso stockholder of record or a beneficial owner as of the record date, if you hold a valid proxy for the special meeting or if you are an invited guest of El Paso.

If your shares are registered directly in your name with El Paso's transfer agent, you are a stockholder of record, and stockholders of record who wish to attend the special meeting in person must bring government-issued photo identification to the special meeting.

If your shares are held in street name through a broker, bank, trustee or other nominee, you are a beneficial owner, and beneficial owners will need to show proof of beneficial ownership and government-issued photo identification in order to be admitted to the special meeting.

Table of Contents

Index to Financial Statements

If you are a proxy holder for an El Paso stockholder, you will need to bring a validly executed proxy naming you as the proxy holder, proof of record or beneficial ownership of the El Paso stockholder naming you as proxy holder and government-issued photo identification.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Please read carefully the requirements for attendance set forth in El Paso Special Meeting, since failure to comply may prevent you from attending the El Paso special meeting.

Q: Who can vote at the El Paso special meeting?

A: All El Paso stockholders who held shares of record at the close of business on January 20, 2012, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting and any adjournment or postponement of the special meeting, provided that such shares remain outstanding on the date of the special meeting.

Q: How many shares of El Paso common stock were outstanding on the record date?

A: There were 773,738,056 shares of El Paso common stock outstanding at the close of business on January 20, 2012.

Q: What constitutes a quorum for the El Paso special meeting?

A: In order for business to be conducted at the special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of the outstanding shares of El Paso common stock entitled to vote at the special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions and broker non-votes, will count towards the quorum.

Q: How do I vote my El Paso shares?

A: If you are a stockholder of record, you may vote your El Paso shares by proxy electronically via the Internet, by telephone or by sending in an appropriately completed paper proxy card, or you may vote your shares in person by ballot at the El Paso special meeting. You can specify how you want your El Paso shares voted on each proposal by marking the appropriate boxes on the proxy card or indicating your vote on each proposal via the Internet or by telephone. Please review the voting instructions on the proxy card and carefully read this information statement/proxy statement/prospectus prior to voting. See El Paso Special Meeting.

Q: If I am planning on attending the El Paso special meeting in person, should I still submit a proxy?

A: Yes. Whether or not you plan to attend the special meeting, you should submit a proxy. Even if you submit a proxy, you may change your vote by voting in person by ballot at the special meeting. Attendance at the special meeting will not, in and of itself, serve to revoke your proxy.

Q: How do I vote if my shares are held in street name ?

A: If you are a beneficial owner holding your shares in street name, you should direct your broker, bank, trustee or other nominee on how to vote the shares. You should complete a voting instruction card provided to you by your broker, bank, trustee or other nominee or provide your voting instructions via Internet or by telephone, if Internet or telephone voting is made available to your broker, bank, trustee or other nominee. If you wish to vote in person at the meeting, you must first obtain from the broker, bank, trustee or other nominee that is the holder of record of your shares a proxy issued in your name.

Your broker, bank, trustee or other nominee does not have discretionary voting on Proposals 1, 2 and 3, which means that such broker, bank, trustee or other nominee will not be able to vote your El Paso shares on these proposals without instructions from you. See El Paso Special Meeting.

Table of Contents

Index to Financial Statements

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You can change your vote at any time before your shares are voted at the El Paso special meeting. If you are a holder of record, you can do so in any of the following ways:

 sending a written notice of revocation to El Paso Corporation, Attn: Corporate Secretary, 1001 Louisiana Street, Houston, Texas, 77002, which must be received before your shares are voted at the special meeting;

 properly submitting a new proxy card, which must be received before your shares are voted at the special meeting (in which case only the later-submitted proxy is counted and your earlier proxy is revoked);

 voting via Internet or by telephone at a later date (in which case only the later-submitted proxy is counted and your earlier proxy is revoked); or

 attending the El Paso special meeting and voting by ballot in person.

If you are a beneficial owner holding your shares in street name, you may change your vote only by submitting new voting instructions to your broker, bank, trustee or other nominee. See El Paso Special Meeting.

Q: What if I receive more than one set of proxy cards or more than one e-mail instructing me to vote?

A: If you receive more than one set of proxy cards or more than one e-mail instructing you to vote, it means your shares are registered in more than one name or are registered in different accounts. Please complete, date, sign and return each proxy card or respond to each e-mail, to ensure that all your shares are voted.

Q: Who is the inspector of election?

A: The board of directors of El Paso has appointed a representative of Computershare Trust Company, N.A. to act as the inspector of election at the El Paso special meeting.

Q: What if I do not vote on the proposed transactions?

A: If you fail to respond with a vote on Proposal 1, the merger proposal, or if you respond and indicate that you are abstaining from voting on such Proposal, it will have the same effect as a vote against Proposal 1. If you are a beneficial owner holding your shares in street name and do not provide voting instructions to the broker, bank, trustee or other nominee that holds your shares of record (referred to as a broker non-vote), such broker non-vote will have the same effect as a vote against Proposal 1.

Q: Where can I find the voting results of the El Paso special meeting?

A: The preliminary voting results will be announced at the El Paso special meeting. In addition, within four business days following certification of the final voting results, El Paso intends to file the final voting results with the SEC on Form 8-K.

Q: What are the proposed transactions with Kinder Morgan upon which I am being asked to vote?

A: On October 16, 2011, El Paso, New El Paso, Merger Sub One, Kinder Morgan, Merger Sub Two and Merger Sub Three entered into the merger agreement attached as Annex A.

Table of Contents

Index to Financial Statements

The merger agreement contemplates the acquisition of El Paso by Kinder Morgan through a series of steps:

The First Merger: First, Merger Sub One will merge with and into El Paso, with El Paso as the surviving corporation. This merger is referred to in this document as the first merger and the surviving corporation of the first merger is referred to as the EP Surviving Company. The first merger will occur on the terms and subject to the conditions of the first merger agreement. At the effective time of the first merger, each share of El Paso common stock will be converted into a share of New El Paso common stock.

The LLC Conversion: Second, the EP Surviving Company will be converted from a Delaware corporation into a Delaware limited liability company.

The Second Merger: Third, at least twenty days after the LLC conversion, Merger Sub Two will merge with and into New El Paso, with New El Paso as the surviving corporation. This merger is referred to in this document as the second merger, and the surviving corporation of the second merger is referred to as the New EP Surviving Company. At the effective time of the second merger, each share of New El Paso common stock will be converted into the right to receive the merger consideration, as described below. It is upon completion of this step that El Paso stockholders, who will be New El Paso stockholders following the first merger, will be entitled to receive the merger consideration in exchange for their shares.

The Third Merger: Last, the New EP Surviving Company will merge with and into Merger Sub Three, with Merger Sub Three as the surviving limited liability company.

Upon completion of the transactions, El Paso will be a direct, wholly owned subsidiary of Merger Sub Three, and Merger Sub Three, in turn, will be a direct, wholly owned subsidiary of Kinder Morgan. See The Merger Agreement The Transactions.

Q: What will I receive for my El Paso shares in the proposed transactions with Kinder Morgan?

A: At the effective time of the first merger, each outstanding share of El Paso common stock will be converted into one share of New El Paso common stock. At the effective time of the second merger, each share of New El Paso common stock issued and outstanding immediately prior to the effective time of the second merger (excluding shares held by New El Paso in treasury, any shares held by Kinder Morgan, Merger Sub Two or Merger Sub Three and any shares held by any other subsidiary of Kinder Morgan or New El Paso and dissenting shares in accordance with Delaware law) will be converted into the right to receive, at the election of the holder but subject to proration with respect to the stock and cash portion so that approximately 57% of the aggregate merger consideration (excluding the warrants) is paid in cash and approximately 43% (excluding the warrants) is paid in Kinder Morgan Class P common stock, one of the following:

0.9635 of a share of Kinder Morgan Class P common stock (which, based on \$32.38, the closing price of Kinder Morgan Class P common stock as of January 27, 2012, had a value of \$31.20 on a rounded basis) and 0.640 of a warrant (which has an assumed value of \$0.96 and is referred to as the Per Share Warrant Consideration) to purchase one share of Kinder Morgan Class P common stock (any such election referred to as a stock election);

\$25.91 in cash without interest and the Per Share Warrant Consideration (any such election referred to as a cash election); or

0.4187 of a share of Kinder Morgan Class P common stock (which, based on \$32.38, the closing price of Kinder Morgan Class P common stock as of January 27, 2012, had a value of \$13.56 on a rounded basis), \$14.65 in cash without interest and the Per Share Warrant Consideration (any such election referred to as a mixed election).

The closing price of El Paso common stock as of January 27, 2012 was \$26.54 per share.

See The Merger Agreement Transaction Consideration.

Table of Contents

Index to Financial Statements

Q: What will happen to my El Paso stock options, restricted shares and performance-based restricted stock units in the proposed transactions with Kinder Morgan?

A: At the effective time of the first merger, each outstanding stock option to purchase shares of El Paso common stock, restricted share of El Paso common stock and performance-based restricted stock unit will be converted into an equivalent award of New El Paso. At the effective time of the second merger, each such converted stock option, restricted share and performance-based restricted stock unit will be converted into the right to receive, at the election of the holder (which election will apply to all, but not less than all, of such holder's outstanding equity awards), but subject to proration, as described elsewhere in this document, with respect to the cash portion, either cash or a mixture of cash and shares of Kinder Morgan Class P common stock for all shares subject to such awards (in the case of stock options, less the aggregate exercise price). Such holders will also receive the warrants as part of the merger consideration. Holders of such converted stock options, restricted shares and performance-based restricted stock units (and, as described in more detail on pages 205, 206 and 207 of this information statement/proxy statement/prospectus, common stock purchased in respect of options, if any, outstanding under the El Paso ESPP as of immediately prior to closing) will not be able to make a stock election. In the case of performance-based restricted stock units, performance will be deemed to be attained at target. See The Merger Agreement Treatment of New El Paso Stock Options, Restricted Shares, Performance Restricted Stock Units and Employee Stock Purchase Plan.

Q: Why are holders of El Paso stock options, restricted shares, performance-based restricted stock units and shares of New El Paso common stock purchased in respect of options, if any, outstanding under the El Paso ESPP as of immediately prior to closing not permitted to make a stock election?

A: The qualification of the second merger and the third merger, taken together, as a reorganization for U.S. federal income tax purposes depends on compliance with certain technical requirements, including whether holders of New El Paso's common stock will receive a sufficient amount of Kinder Morgan Class P common stock to satisfy the continuity of interest test set forth in the Treasury regulations promulgated under Section 368(a) of the Code. The continuity of interest test requires that, after the second merger, a substantial part of the value of the proprietary interests in New El Paso be maintained through ownership of Kinder Morgan Class P common stock. Kinder Morgan Class P common stock issued to holders of New El Paso common stock is taken into account in determining whether the continuity of interest test is satisfied. However, Kinder Morgan Class P common stock issued to holders of New El Paso restricted shares or with respect to New El Paso stock options, New El Paso performance RSUs and New El Paso ESPP options is not so taken into account. Therefore, if the holders of such equity awards are permitted to make a stock election, it is possible that an insufficient number of shares of Kinder Morgan Class P common stock would be available (based on the aggregate number of shares of Kinder Morgan Class P common stock that the parties had agreed would be issued as consideration in the transaction) for issuance to holders of New El Paso common stock to satisfy the continuity of interest test.

Q: What will happen to El Paso shares held in the El Paso 401(k) plan?

A: As of the date of this document, shares of El Paso common stock are held by the El Paso Corporation Retirement Savings Plan trust (referred to as the 401(k) Trust). At the effective time of the second merger, such shares are expected to be converted into the merger consideration pursuant to the terms and conditions described above for other outstanding shares of El Paso common stock and in accordance with the terms and conditions of the El Paso Corporation Retirement Savings Plan and 401(k) Trust. El Paso anticipates taking certain actions required to ensure that the acquisition by the 401(k) Trust of warrants to purchase shares of Kinder Morgan Class P common stock in connection with the transactions, and the subsequent holding and disposition by the 401(k) Trust of such warrants, will comply with applicable law.

Q: What are the terms of the warrants to be used as part of the merger consideration?

A: The warrants will be issued pursuant to a warrant agreement in the form of and on the terms specified in the form of warrant agreement (attached as Annex D to this document). Each warrant will entitle its holder to

Table of Contents

Index to Financial Statements

purchase one share of Kinder Morgan Class P common stock at an exercise price of \$40.00 per share, subject to specified adjustments, at any time during the 5-year period following the closing of the transactions. See The Warrant Agreement.

Q: Why is El Paso proposing the transactions with Kinder Morgan?

A: In the course of reaching its decision to approve the merger agreement and the first merger agreement and the transactions contemplated by the merger agreement and the first merger agreement, El Paso's board of directors considered a number of factors in its deliberations. For a more complete discussion of these factors, see The Transactions Recommendation of El Paso's Board of Directors and Reasons for the Transactions.

Q: What votes of El Paso stockholders are needed to approve the proposed transactions with Kinder Morgan?

A: The affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of El Paso common stock is required to approve the proposed transactions with Kinder Morgan.

Q: How and when do I make my cash, stock or mixed election?

A: You will receive a form of election in a separate mailing following the El Paso special meeting. You should carefully review and follow the instructions accompanying that form of election. You will make your cash, stock or mixed election by properly completing, signing and returning the form of election along with stock certificates (or evidence of shares in book-entry form) representing El Paso shares to Computershare Trust Company, N.A., the entity expected to serve as exchange agent in connection with the transactions.

New El Paso will disseminate a copy of this information statement/proxy statement/prospectus to its stockholders at the time the election forms are mailed. New El Paso stockholders will have a minimum of twenty business days from the mailing of the form of election to make their election. Kinder Morgan will publicly announce the anticipated election deadline at least five business days prior to the election deadline.

Do NOT submit any stock certificates (or evidence of shares in book-entry form) with your proxy card.

For more details on the election procedures, see The Transactions New El Paso Stockholders Making Elections.

Q: Can I change my election after the form of election has been submitted?

A: Yes. You may revoke your election prior to the election deadline by submitting a written notice of revocation to the exchange agent or by submitting new election materials. Revocations must specify the name in which your shares are registered on the stock transfer books of El Paso and such other information as the exchange agent may request. If you wish to submit a new election, you must do so in accordance with the election procedures described in this information statement/proxy statement/prospectus and in the form of election that you will receive in a separate mailing. If you instructed a broker, bank, trustee or other nominee to submit an election for your shares, you must follow the directions of your broker, bank, trustee or other nominee for changing those instructions. **Whether you revoke your election by submitting a written notice of revocation or by submitting new election materials, the notice of materials must be received by the exchange agent by the election deadline in order for the revocation or new election to be valid.** See The Transactions New El Paso Stockholders Making Elections Election Revocation and Changes.

Q: How may I transfer El Paso shares after I make my election?

A: El Paso stockholders who have made elections will be unable to sell or otherwise transfer their shares after making the election, unless the election is properly revoked before the election deadline or unless the merger

Table of Contents

Index to Financial Statements

agreement is terminated. See [The Transactions](#) [New El Paso Stockholders Making Elections](#) [Impact of Selling Shares as to which an Election has Already Been Made](#).

Q: What if I do not send a form of election or it is not received?

A: If the exchange agent does not receive a properly completed form of election from you before the election deadline, together with any stock certificates (or evidence of shares in book-entry form) representing the shares you wish to exchange for the merger consideration, properly endorsed for transfer, book-entry transfer shares or a guarantee of delivery and any additional documents required by the procedures set forth in the form of election, then you will have no control over the type of merger consideration you receive. El Paso stockholders not making an election will be deemed to have made a mixed election. See [The Transactions](#) [New El Paso Stockholders Making Elections](#) [Non-Electing Holders](#). **You bear the risk of delivery and should send any form of election by courier or by hand to the appropriate address shown in the form of election.**

If you do not make a valid election with respect to any El Paso shares you own of record, you will receive written instructions from the exchange agent after completion of the proposed transactions on how to exchange your El Paso shares for the merger consideration.

Q: May I submit a form of election even if I do not vote to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement?

A: Yes. You may submit a form of election even if you vote against the adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement or if you abstain from voting.

Q: How will I receive the merger consideration to which I am entitled?

A: You will be paid the merger consideration as promptly as practicable after the effective time of the second merger and after receipt by the exchange agent of your stock certificates (or evidence of shares in book-entry form), a duly executed letter of transmittal and any additional documents required by the procedures set forth in the form of election or the letter of transmittal. In lieu of any fractional shares of Kinder Morgan Class P common stock or warrants to which an El Paso stockholder would otherwise be entitled, such stockholder will receive cash. No interest will be paid or accrued on any cash amounts received as merger consideration or in lieu of any fractional shares or warrants. See [The Transactions](#) [Exchange of Shares](#).

Q: What happens if I sell my El Paso shares after the record date but before the special meeting?

A: If you transfer your El Paso shares after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting (provided that such shares remain outstanding on the date of the special meeting), but you will not have the right to receive the merger consideration. In order to receive the merger consideration, you must hold your shares through the completion of the transactions.

Q: Am I entitled to appraisal rights under the DGCL instead of receiving the merger consideration?

A: Yes. As a holder of El Paso common stock, you are entitled to exercise appraisal rights under Delaware law in connection with the second merger by taking certain actions and meeting certain conditions. Holders of El Paso common stock do not, however, have appraisal rights in connection with the first merger.

See [The Transactions](#) [Appraisal Rights in Connection with the Second Merger](#) and [The First Merger Agreement](#). In addition, a copy of Section 262 of the DGCL is attached to this document as Annex H.

Table of Contents

Index to Financial Statements

Q: What are the expected tax consequences to El Paso stockholders of the proposed transactions with Kinder Morgan?

A: The parties intend for each of (1) the first merger and the LLC conversion, taken together, and (2) the second merger and the third merger, taken together, to be treated as a reorganization for United States federal income tax purposes within the meaning of Section 368(a) of the Code.

It is a condition to El Paso's obligation and Kinder Morgan's obligation to complete the transactions that El Paso receive an opinion from Wachtell, Lipton, Rosen & Katz, dated as of the date of the first merger, to the effect that the first merger and the LLC conversion, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. It is also a condition to El Paso's obligation and Kinder Morgan's obligation to complete the transactions that El Paso receive an opinion from Wachtell, Lipton, Rosen & Katz, dated as of the closing date of the second merger and the third merger, to the effect that the second merger and third merger, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. In addition, in connection with the filing of the registration statement of which this document is a part, Wachtell, Lipton, Rosen & Katz has delivered an opinion to El Paso and Kinder Morgan to the same effect as the opinions described above and addressing the U.S. federal income tax consequences of the transactions as described in The Transactions Material U.S. Federal Income Tax Consequences of the Transactions. These opinions will be based on facts, representations and assumptions set forth or referred to in the opinions and on representation letters provided by El Paso and Kinder Morgan.

Accordingly, and based on the foregoing opinions, (a) a holder of El Paso common stock will not recognize any gain or loss on the exchange of such holder's El Paso common stock for New El Paso common stock in the first merger, and (b) a holder of New El Paso common stock who receives consideration including Kinder Morgan Class P common stock in the second merger will recognize gain (but not loss) on the exchange of such holder's New El Paso common stock for Kinder Morgan Class P common stock and/or cash (other than cash received in lieu of a fractional share or fractional warrant) and warrants in an amount equal to the lesser of (1) the sum of the amount of cash and the fair market value of the Kinder Morgan Class P common stock and warrants received by such holder in the exchange, minus the adjusted tax basis of such holder's New El Paso common stock surrendered in exchange therefor, and (2) the amount of cash (other than cash in lieu of a fractional share or fractional warrant) received by such holder in the exchange. The second merger will be a fully taxable transaction to a holder who receives solely cash and warrants in the second merger.

The tax consequences of the transactions to each holder of El Paso common stock may depend on such holder's particular facts and circumstances. El Paso shareholders are urged to consult their tax advisors to understand fully the consequences to them of the transactions in their specific circumstances. A discussion of the material U.S. federal income tax consequences of the transactions can be found in the section entitled The Transactions Material U.S. Federal Income Tax Consequences of the Transactions.

Q: What do I need to know about the first merger and the first merger agreement?

A: If you vote in favor of Proposal 1, you are voting in favor of, among other things, adoption of the first merger agreement and approval of the first merger.

The first merger is an internal step occurring among El Paso and two of its merger subsidiaries. El Paso's indirect, wholly owned subsidiary will be merged with and into it, and El Paso will continue as the surviving corporation. At the effective time of the first merger, each share of El Paso common stock will be converted into a share of New El Paso common stock. This will result in a new holding company structure but will not affect the merger consideration that El Paso stockholders will receive at the effective time of the second merger. Pursuant to the terms of the first merger agreement, the first merger will take place only if El Paso stockholders vote in favor of Proposal 1.

Table of Contents

Index to Financial Statements

For additional details on the first merger and the terms of the first merger agreement, see [The First Merger Agreement](#) and refer to the full text of the first merger agreement, a copy of which is attached as Annex B.

Q: What are the terms of the voting agreement entered into in connection with the merger agreement?

A: Simultaneously with the execution of the merger agreement, El Paso entered into a voting agreement with certain of Kinder Morgan's stockholders who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan. Pursuant to the terms of the voting agreement, these stockholders agreed, among other things, to vote their shares of Kinder Morgan voting common stock in favor of the issuance of Kinder Morgan Class P common stock and warrants to be issued as part of the merger consideration and of Kinder Morgan Class P common stock issuable upon exercise of the warrants. In addition, these stockholders agreed to retain collectively, until Kinder Morgan stockholder approval of such issuance is obtained or until the voting agreement is terminated, whichever is earlier, an amount of shares of Kinder Morgan voting common stock that is sufficient to approve such issuance of Kinder Morgan Class P common stock and warrants.

For additional details on the terms of the voting agreement, see [The Voting Agreement](#) and refer to the full text of the agreement, a copy of which is attached as Annex C.

Q: Is completion of the proposed transactions with Kinder Morgan subject to any conditions?

A: Yes. In addition to the approval of the El Paso stockholders, the completion of the proposed transactions is subject to satisfaction or waiver of a number of closing conditions, including:

Approval of the issuance of Kinder Morgan Class P common stock and warrants by Kinder Morgan stockholders;

Approval for listing of the shares of Kinder Morgan Class P common stock that are deliverable to the stockholders of New El Paso as contemplated by the merger agreement on the NYSE and of the warrants that are deliverable to the stockholders of New El Paso as contemplated by the merger agreement on the NYSE, NASDAQ or such other exchanges, electronic trading networks or other suitable trading platforms as reasonably agreed by El Paso and Kinder Morgan;

There being no law or injunction preventing or prohibiting consummation of the transactions;

Expiration or termination of any applicable waiting period under the HSR Act;

Effectiveness of a registration statement on Form S-4;

Subject to specified materiality standards, the accuracy of the representations and warranties of the other party;

Compliance by the other party in all material respects with its covenants;

There not being a reduction in El Paso's good faith estimate of its net operating loss carryforwards for income tax purposes below \$2.6 billion; and

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

El Paso's receipt of a tax opinion from outside legal counsel.

The completion of the proposed transactions is not, however, conditioned on receipt of financing by Kinder Morgan. See The Merger Agreement Conditions to Completion of the Transactions and Financing Covenant; El Paso Cooperation.

Q: When are the proposed transactions with Kinder Morgan expected to be completed?

A: El Paso and Kinder Morgan hope to complete the transactions as soon as reasonably practicable and currently expect the closing of the second merger to occur in the second quarter of 2012. However, the transactions are subject to stockholder approvals and regulatory approvals and the satisfaction or waiver of other

Table of Contents

Index to Financial Statements

conditions, as described in the merger agreement, and it is possible that factors outside the control of El Paso or Kinder Morgan could result in the second merger being completed at an earlier time, a later time or not at all. There can be no assurance as to when or if the second merger will close.

Q: What happens if the merger agreement is terminated?

A: The merger agreement contains certain termination rights for both El Paso and Kinder Morgan, which are described in more detail in The Merger Agreement Termination. The merger agreement also provides that, upon termination of the merger agreement, under certain circumstances, El Paso may be required to pay Kinder Morgan a termination fee of \$650 million or, in certain other circumstances, to reimburse Kinder Morgan for up to \$20 million of its expenses plus certain of Kinder Morgan's financing-related expenses. In addition, the termination of the merger agreement will not relieve the parties from liability for fraud or willful breach of any covenant or agreement contained in the merger agreement. See The Merger Agreement Termination Fee.

Q: Are there risks associated with the proposed transactions with Kinder Morgan that I should consider in deciding how to vote?

A: Yes. There are a number of risks associated with all business combinations, including the proposed transactions. These risks and other risks particular to the proposed transactions are discussed in more detail in the section entitled Risk Factors. You are encouraged to read this entire section with particular care and also to refer to the SEC filings of El Paso incorporated by reference into this document. See the section entitled Where You Can Find More Information.

Q: What happens if the proposed transactions with Kinder Morgan are not completed?

A: If the merger agreement and first merger agreement are not adopted and the transactions contemplated by the merger agreement and the first merger agreement are not approved by El Paso stockholders, or if the transactions are not completed for any other reason, El Paso stockholders will not receive the merger consideration.

Q: Why am I being asked to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions?

A: In July 2010, the SEC adopted new rules that require El Paso to seek a non-binding, advisory vote with respect to certain compensation that may be paid or become payable to El Paso's named executive officers that is based on or otherwise relates to the proposed transactions (such payments referred to as change of control payments). See El Paso Special Meeting Proposal No. 3 Advisory Vote on Change of Control Payments to El Paso Named Executive Officers.

Q: What will happen if El Paso stockholders do not approve, on an advisory (non-binding) basis, the change of control payments?

A: The vote on the change of control payments is a vote separate and apart from the vote to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement. Accordingly, you may vote in favor of Proposal 3 and not in favor of Proposal 1, or vice versa. Approval of the change of control payments on an advisory (non-binding) basis is not a condition to consummation of the proposed transactions with Kinder Morgan, and it is advisory in nature only, meaning it will not be binding on either El Paso or Kinder Morgan. Accordingly, because El Paso is contractually obligated to pay the compensation, if the proposed transactions with Kinder Morgan are completed, the compensation will be payable, subject only to the conditions applicable to such compensation payments, regardless of the outcome of the advisory vote.

Table of Contents

Index to Financial Statements

Q: Who can help answer my questions?

A: You may contact El Paso's proxy solicitor, MacKenzie Partners, Inc., with any questions about the proposals or how to vote or to request additional copies of any materials at:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call Collect: (212) 929-5500

Toll Free: (800) 322-2885

email: proxy@mackenziepartners.com

Questions and Answers for Kinder Morgan Stockholders

Q: Why have I received this information statement/proxy statement/prospectus?

A: This document is being delivered to you as an information statement to provide you notice of Kinder Morgan's special meeting and other information.

Q: What actions are going to be taken by Kinder Morgan?

A: Assuming the first merger agreement and the merger agreement are approved and adopted by El Paso's stockholders, and the transactions are thereafter completed, El Paso will become a wholly owned subsidiary of Kinder Morgan, and Kinder Morgan will pay to New El Paso stockholders (who, prior to the first merger, were El Paso stockholders), at the election of such stockholders but subject to proration, cash and/or newly issued shares of Kinder Morgan Class P common stock and, in each case, warrants to purchase shares of Kinder Morgan Class P common stock.

Q: Is Kinder Morgan soliciting proxies to vote on any of these matters at the special meeting?

A: No. Richard Kinder and certain other stockholders of Kinder Morgan who are party to a voting agreement with El Paso and who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan have agreed to vote their shares of Kinder Morgan voting common stock at the Kinder Morgan special meeting, in favor of the share and warrant issuance proposal. In addition, these stockholders agreed to retain collectively, until Kinder Morgan stockholder approval of such issuance is obtained or until the voting agreement is terminated, whichever is earlier, an amount of Kinder Morgan stock that is sufficient to approve the share and warrant issuance proposal. As a result, approval at the Kinder Morgan special meeting of the share and warrant issuance proposal is assured and no additional votes by other Kinder Morgan stockholders are required to effectuate the transactions.

Q: If the vote is already assured, why is the Kinder Morgan board of directors holding a special meeting?

A: The certificate of incorporation of Kinder Morgan requires that any vote or similar action required or permitted to be taken by holders of Kinder Morgan Class P common stock must be effected at a duly called annual or special meeting of holders of Kinder Morgan common stock who would be entitled to vote on the particular action.

Q: What is the recommendation of Kinder Morgan's board of directors with respect to the share and warrant issuance proposal?

A: The Kinder Morgan board of directors recommends that the holders of Kinder Morgan voting common stock vote FOR the share and warrant issuance proposal.

Table of Contents

Index to Financial Statements

Q: Will any other matters be presented for a vote at the Kinder Morgan special meeting?

A: At this time, Kinder Morgan is not aware of any other matters that will be presented for a vote at the Kinder Morgan special meeting.

Q: When and where is the Kinder Morgan special meeting?

A: The Kinder Morgan special meeting will be held at 10 a.m., local time, on March 2, 2012 at 500 Dallas Street, Suite 1000, Houston, Texas 77002.

Q: Who can attend the Kinder Morgan special meeting?

A: You are entitled to attend the special meeting if you are a holder of record or a beneficial owner of Kinder Morgan Class P common stock or Class A common stock as of the record date, if you hold a valid proxy to vote at the special meeting or if you are an invited guest of Kinder Morgan. See Kinder Morgan Special Meeting.

Q: Who can vote at the Kinder Morgan special meeting?

A: Holders of record at the close of business on January 20, 2012, the record date for the Kinder Morgan special meeting, of Kinder Morgan voting common stock will be entitled to notice of, and to vote at, the Kinder Morgan special meeting with respect to the proposal described above. Each of the shares of Kinder Morgan voting common stock issued and outstanding on the record date is entitled to one vote at the special meeting. However, because approval of the proposal is assured, **Kinder Morgan's board of directors is not soliciting your proxy to vote for the share and warrant issuance proposal.**

Q: What is a quorum?

A: In order for business to be conducted at the special meeting, a quorum must be present. A majority of the outstanding shares entitled to vote, present in person or by proxy, shall constitute a quorum.

Q: What will I receive in the transactions?

A: If the transactions are completed, Kinder Morgan stockholders will not receive any merger consideration and will continue to hold their shares of Kinder Morgan stock.

Q: How many shares of Kinder Morgan Class P common stock will be issued in the transactions?

A: Pursuant to the merger agreement, Kinder Morgan expects to issue approximately 329.1 million shares of Kinder Morgan Class P common stock, with the exact number of shares of Kinder Morgan Class P common stock to be issued dependent upon the number of shares of New El Paso common stock issued and outstanding as of the effective time of the second merger.

Q: How many warrants to purchase shares of Kinder Morgan Class P common stock will be issued in the transactions?

A: Pursuant to the merger agreement, Kinder Morgan expects to issue approximately 503.1 million warrants to purchase shares of Kinder Morgan Class P common stock, with the exact number of warrants to be issued dependent on the number of shares of New El Paso common stock issued and outstanding as of the effective time of the second merger.

Q: Are there risks associated with these matters that I should be aware of?

A: Yes. You should consider the risk factors set out in the section entitled Risk Factors.

Table of Contents

Index to Financial Statements

Q: When do you expect the transactions to be completed?

A: Kinder Morgan and El Paso hope to complete the transactions as soon as reasonably practicable and currently expect the closing of the second merger to occur in the second quarter of 2012. However, the transactions are subject to stockholder approvals, regulatory approvals and the satisfaction or waiver of other conditions, as described in the merger agreement, and it is possible that factors outside the control of Kinder Morgan or El Paso could result in the second merger being completed at an earlier time, a later time or not at all. There can be no assurance as to when or if the second merger will close.

Q: Do I have dissenters' rights or appraisal rights in connection with any of these transactions?

A: Holders of shares of Kinder Morgan stock are not entitled to any dissenters' rights or appraisal rights under the DGCL in connection with the second merger or any of the related transactions.

Q: Who can help answer my questions?

A: If you have any questions about any of these matters, including the transactions, or if you need additional copies of this document, you should contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call Collect: (212) 929-5500

Toll Free: (800) 322-2885

email: proxy@mackenziepartners.com

Table of Contents

Index to Financial Statements

SUMMARY

*This summary highlights selected information described in more detail elsewhere in this document and the documents incorporated herein by reference, and may not contain all of the information that is important to you. To understand the transactions and the matters being voted on by Kinder Morgan and El Paso stockholders at their respective special meetings more fully, and to obtain a more complete description of the legal terms of the merger agreement, you should carefully read this entire document, including the Annexes, and the documents to which Kinder Morgan and El Paso refer you. Please see *Where You Can Find More Information*.*

The Parties

Kinder Morgan, Inc.

500 Dallas Street, Suite 1000

Houston, Texas 77002

(713) 369-9000

Kinder Morgan is a publicly traded Delaware corporation, whose stock trades on the NYSE under the ticker KMI. Kinder Morgan is a leading pipeline transportation and energy storage company in North America. It owns an interest in or operates more than 37,000 miles of pipeline and 180 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO₂ and other products, and its terminals store petroleum products and chemicals and handle such products as ethanol, coal, petroleum coke and steel. Kinder Morgan owns the general partner interest of Kinder Morgan Energy Partners, L.P., referred to as KMP, one of the largest publicly-traded pipeline limited partnerships in America. Combined, Kinder Morgan and KMP constitute the largest mid-stream energy entity in the United States with an enterprise value of approximately \$55 billion.

More information about Kinder Morgan is also available on its website, www.kindermorgan.com. See also *Information About Kinder Morgan* and *Additional Information About Kinder Morgan*. You should read carefully the business and financial information contained in this document.

Sherpa Merger Sub, Inc.

500 Dallas Street, Suite 1000

Houston, Texas 77002

(713) 369-9000

Sherpa Merger Sub, Inc., a Delaware corporation, is a direct wholly owned subsidiary of Kinder Morgan that was formed solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the merger agreement. Sherpa Merger Sub, Inc. has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the merger agreement.

Sherpa Acquisition, LLC

500 Dallas Street, Suite 1000

Houston, Texas 77002

(713) 369-9000

Sherpa Acquisition, LLC, a Delaware limited liability company, is a direct wholly owned subsidiary of Kinder Morgan that was formed solely in contemplation of the transactions, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

any outstanding commitments other than as set forth in the merger agreement. Sherpa Acquisition, LLC has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the merger agreement.

Table of Contents

Index to Financial Statements

El Paso Corporation

1001 Louisiana Street

Houston, Texas 77002

(713) 420-2600

El Paso Corporation is a publicly traded Delaware corporation, whose common stock trades on the NYSE under the ticker EP. It is an energy company that operates primarily in the natural gas transmission, exploration and production sectors of the energy industry. El Paso's purpose is to provide natural gas and related energy products in a safe, efficient and dependable manner. It offers natural gas transmission services to a range of customers, including natural gas producers, marketers and end-users, as well as other natural gas transmission, distribution and electric generation companies. El Paso's operations are conducted through two core segments: (1) pipelines and (2) exploration and production. El Paso is also the general partner of El Paso Pipeline Partners, L.P., referred to as EPB.

More information about El Paso is also available on its website, www.elpaso.com. See also Information About El Paso. You should read carefully the business and financial information contained in this document and the documents incorporated by reference into this document. See Where You Can Find More Information and Incorporation by Reference.

Sirius Holdings Merger Corporation

1001 Louisiana Street

Houston, Texas 77002

(713) 420-2600

Sirius Holdings Merger Corporation, a Delaware corporation, is a direct, wholly owned subsidiary of El Paso Corporation. It was formed by El Paso solely for the purpose of engaging in the transactions contemplated by the merger agreement, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the merger agreement and the first merger agreement. Sirius Holdings Merger Corporation has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the merger agreement.

Sirius Merger Corporation

1001 Louisiana Street

Houston, Texas 77002

(713) 420-2600

Sirius Merger Corporation, a Delaware corporation, is a direct, wholly owned subsidiary of Sirius Holdings Merger Corporation and an indirect, wholly owned subsidiary of El Paso Corporation. It was formed by El Paso solely for the purpose of engaging in the transactions contemplated by the merger agreement, has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the merger agreement and the first merger agreement. Sirius Merger Corporation has not incurred any obligations, engaged in any business activities or entered into any agreements or arrangements with any third parties other than the merger agreement.

Recent Developments

On January 18, 2012, Kinder Morgan reported fourth quarter cash available to pay dividends of \$243.1 million. For the full year, Kinder Morgan reported cash available to pay dividends of \$835.3 million, exceeding its annual budget of \$820 million. The board of directors of Kinder

Morgan declared a quarterly dividend of

Table of Contents

Index to Financial Statements

\$0.31 per share (\$1.24 annualized), payable on February 15, 2012, to shareholders of record as of January 31, 2012. This represents an increase of 7 percent from the declared dividend of \$0.29 per share (\$1.16 annualized) that was announced when Kinder Morgan was taken public in February 2011. The 2011 per share amounts are presented as if Kinder Morgan were publicly traded for all of 2011.

The Transactions

El Paso stockholders are receiving this document in connection with El Paso's solicitation of proxies for its special meeting of stockholders to vote on, among other things, the proposal to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement.

Kinder Morgan and El Paso, among others, have entered into the merger agreement. Kinder Morgan stockholders are receiving this document to inform them of the special meeting of Kinder Morgan stockholders to vote on the share and warrant issuance proposal. Richard Kinder and certain other stockholders of Kinder Morgan who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan, have agreed to vote their shares of Kinder Morgan voting common stock in favor of the share and warrant issuance proposal. In addition, these stockholders agreed to retain collectively, until the approval of the share and warrant issuance proposal or until the voting agreement is terminated, whichever is earlier, an amount of shares of Kinder Morgan voting common stock that is sufficient to approve the share and warrant issuance proposal. **As a result, approval of the share and warrant issuance proposal at the Kinder Morgan special meeting is assured and no additional votes by other Kinder Morgan stockholders are required to effectuate the transactions.**

Structure of the Transactions (See page 196)

Upon the terms and subject to the conditions set forth in the merger agreement and in accordance with the DGCL and the DLLCA: (1) at the effective time of the first merger, Merger Sub One will merge with and into El Paso, with El Paso being the surviving corporation; (2) immediately thereafter, El Paso, as the surviving company of the first merger and a wholly owned subsidiary of New El Paso, will be converted into a Delaware limited liability company; (3) at least twenty days thereafter, Merger Sub Two will merge with and into New El Paso, with New El Paso being the surviving corporation and becoming a wholly owned subsidiary of Kinder Morgan; and (4) immediately thereafter, the surviving company of the second merger will merge with and into Merger Sub Three, with Merger Sub Three as the surviving company and remaining a wholly owned subsidiary of Kinder Morgan. The effect of the first merger will be that shares of El Paso common stock will be converted into shares of New El Paso common stock on a one-for-one basis. Similarly, each outstanding equity award with respect to El Paso common stock will be converted, on the same terms and conditions, into an equivalent equity award with respect to New El Paso common stock. At the effective time of the first merger, shares of El Paso common stock will cease to trade on the NYSE and the shares of New El Paso common stock will commence trading on the NYSE. The effect of the second merger will be that New El Paso and El Paso, a wholly owned subsidiary of New El Paso as a result of the first merger, will be acquired by Kinder Morgan and shares of New El Paso common stock will no longer be publicly traded. For diagrams depicting the structure of the mergers described above, see "The Transactions" Effect of the Transactions.

Transaction Consideration (See page 204)

Upon completion of the first merger, each share of El Paso common stock issued and outstanding immediately prior to the effective time of the first merger will be converted into and exchanged for one share of New El Paso common stock. The rights pertaining to New El Paso common stock will be the same as the rights pertaining to El Paso common stock. Similarly, each outstanding equity award with respect to El Paso common stock will be converted, on the same terms and conditions, into an equivalent equity award with respect to New El Paso common stock.

Table of Contents

Index to Financial Statements

Upon completion of the second merger, each share of New El Paso common stock issued and outstanding immediately prior to the effective time of the second merger (excluding shares held by New El Paso in treasury, any shares held by Kinder Morgan, Merger Sub Two or Merger Sub Three and any shares held by any other subsidiary of Kinder Morgan or New El Paso and dissenting shares in accordance with Delaware law) will be converted into the right to receive, at the election of the holder but subject to proration with respect to the stock and cash portion so that approximately 57% of the aggregate merger consideration (excluding the warrants) is paid in cash and approximately 43% (excluding the warrants) is paid in Kinder Morgan Class P common stock, one of the following:

0.9635 of a share of Kinder Morgan Class P common stock (which, based on \$32.38, the closing price of Kinder Morgan Class P common stock as of January 27, 2012, had a value of \$31.20 on a rounded basis) and 0.640 of a warrant (which has an assumed value of \$0.96 and is referred to as the Per Share Warrant Consideration) to purchase one share of Kinder Morgan Class P common stock (any such election referred to as a stock election);

\$25.91 in cash without interest and the Per Share Warrant Consideration (any such election referred to as a cash election); or

0.4187 of a share of Kinder Morgan Class P common stock (which, based on \$32.38, the closing price of Kinder Morgan Class P common stock as of January 27, 2012, had a value of \$13.56 on a rounded basis), \$14.65 in cash without interest and the Per Share Warrant Consideration (any such election referred to as a mixed election).

The closing price of El Paso common stock as of January 27, 2012 was \$26.54 per share.

Below are two examples of how the proration and adjustment procedures would work with respect to the stockholder elections if (a) the cash consideration is oversubscribed and (b) the cash consideration is undersubscribed.

If 75% of the shares made a cash election and 25% made a stock election (so that the cash consideration is oversubscribed), then the cash election shares would be prorated such that rather than receiving \$25.91 per share in cash, each share would receive \$19.53 in cash and 0.2371 shares of Kinder Morgan Class P common stock. Each stock election share would receive 0.9635 shares of Class P common stock. Each New El Paso share would also receive 0.640 of a warrant to purchase one share of Kinder Morgan Class P common stock.

If 25% of the shares made a cash election and 75% made a stock election (so that the cash consideration is undersubscribed), then the stock election shares would be prorated such that rather than receiving 0.9635 shares of Class P common stock each, each share would receive \$10.90 in cash and 0.5583 shares of Kinder Morgan Class P common stock. The cash election shares would receive \$25.91 per share in cash. Each New El Paso share would also receive 0.640 of a warrant to purchase one share of Kinder Morgan Class P common stock.

Across the potential scenarios, regardless of the outcome of the elections, there will be the same aggregate number of shares of Kinder Morgan Class P common stock issued and the same aggregate amount of cash paid to New El Paso stockholders.

See [The Transactions](#) [New El Paso Stockholders Making Elections](#) [Proration and Adjustment Procedures](#) for more information on how the proration and adjustment procedures work.

Kinder Morgan will not issue any fractional shares of Kinder Morgan Class P common stock or fractional warrants in the second merger. Instead, a stockholder of New El Paso who otherwise would have received a fractional share of Kinder Morgan Class P common stock or fractional warrant will be entitled to receive, from

Table of Contents

Index to Financial Statements

the exchange agent appointed by Kinder Morgan pursuant to the merger agreement, a cash payment in lieu of such fractional shares or fractional warrants representing such holder's proportionate interest in the proceeds from the sale by the exchange agent of the number of excess shares of Kinder Morgan Class P common stock or excess warrants, as applicable, represented by the aggregate amount of fractional shares of Kinder Morgan Class P common stock and fractional warrants, as applicable.

Because the exchange ratios were fixed at the time the merger agreement was executed and because the market value of Kinder Morgan Class P common stock and the El Paso common stock/New El Paso common stock will fluctuate during the pendency of the transactions, New El Paso stockholders cannot be sure of the value of the merger consideration they elect to receive relative to the value of the shares of New El Paso common stock that they are exchanging. For example, for New El Paso stockholders receiving Kinder Morgan Class P common stock and/or warrants as part of the merger consideration, decreases in the market value of Kinder Morgan Class P common stock will negatively affect the value of the merger consideration that New El Paso stockholders receive, and increases in the market value of New El Paso common stock may mean that the merger consideration that New El Paso stockholders receive will be worth less than the market value of the shares of New El Paso common stock such stockholders are exchanging. See **Risk Factors Risk Factors Relating to the Transactions** Because the exchange ratios are fixed and because the market price of Kinder Morgan Class P common stock and El Paso common stock/New El Paso common stock will fluctuate, New El Paso stockholders receiving Kinder Morgan Class P common stock and/or warrants as part of the merger consideration cannot be sure of the market value of such merger consideration relative to the value of their shares of New El Paso common stock that they are exchanging. New El Paso stockholders are urged to obtain current market quotations for Kinder Morgan Class P common stock when they make their elections.

The value of the warrants is speculative because there is no existing trading market for them. Kinder Morgan and El Paso jointly agreed upon an assumed value of \$0.96 for the Per Share Warrant Consideration for U.S. federal income tax purposes, which may not reflect the actual value of the Per Share Warrant Consideration. The agreed upon, assumed value of \$0.96 for the Per Share Warrant Consideration is within the ranges of potential values calculated by Kinder Morgan's and El Paso's financial advisors. See **Risk Factors Risk Factors Relating to the Transactions** The value of the warrants that New El Paso stockholders will receive as part of the merger consideration is uncertain, and the warrants may have limited or no value.

Treatment of El Paso Shares Held in El Paso 401(k) Plan Trust (See page 205)

As of the date of this information statement/proxy statement/prospectus, shares of El Paso common stock are held by the El Paso Corporation Retirement Savings Plan trust (referred to as the 401(k) Trust). El Paso anticipates taking certain actions required to ensure that the acquisition by the 401(k) Trust of warrants to purchase shares of Kinder Morgan Class P common stock in connection with the transactions, and the subsequent holding and disposition by the 401(k) Trust of such warrants, will comply with applicable law.

Treatment of New El Paso Stock Options, Restricted Shares, Performance Restricted Stock Units and Employee Stock Purchase Plan (See page 205)

For details on how New El Paso stock options, restricted shares, performance restricted stock units and the El Paso employee stock purchase plan will be treated pursuant to the transactions, see **The Merger Agreement Treatment of New El Paso Stock Options, Restricted Shares, Performance Restricted Stock Units and Employee Stock Purchase Plan**.

Table of Contents

Index to Financial Statements

El Paso Special Meeting (See page 83)

The El Paso special meeting will be held on March 6, 2012, beginning at 9 a.m., local time, at the Hyatt Regency Houston, 1200 Louisiana Street, Houston, Texas 77002, unless postponed or adjourned to a later date.

All El Paso stockholders who held shares of record at the close of business on January 20, 2012, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting and any adjournment or postponement of the special meeting, provided that such shares remain outstanding on the date of the special meeting.

As of the record date, there were 773,738,056 shares of El Paso common stock outstanding, held by 24,815 holders of record. The affirmative vote of a majority of the outstanding shares of El Paso common stock as of the record date is required to adopt the merger agreement and the first merger agreement and to approve the transactions contemplated by the merger agreement and the first merger agreement. As of the record date, El Paso directors and executive officers and their affiliates, as a group, owned and were entitled to vote 4,462,083 shares of El Paso common stock, or approximately 0.577% of the outstanding El Paso common stock. These directors and executive officers have informed El Paso that they intend to vote their shares in favor of Proposals 1, 2 and 3, but none of El Paso's directors and executive officers has entered into any agreement obligating such director or executive officer to do so or to retain their currently owned shares of El Paso common stock.

For important information on the El Paso special meeting, see El Paso Special Meeting.

Kinder Morgan Special Meeting (See page 91)

The Kinder Morgan special meeting will be held on March 2, 2012, beginning at 10 a.m., local time, at 500 Dallas Street, Suite 1000, Houston, Texas 77002, unless postponed or adjourned to a later date. Only holders of Kinder Morgan voting common stock as of the record date will be entitled to notice of, and vote at, the special meeting. On January 20, 2012, the record date, there were 170,921,140 shares of Class P common stock and 535,972,387 shares of Class A common stock of Kinder Morgan issued and outstanding, representing all of the voting common stock of Kinder Morgan allowed to vote on the share and warrant issuance proposal to be presented at the special meeting. Each share of Class P common stock and each share of Class A common stock is entitled to one vote.

As of the record date, Kinder Morgan's directors and executive officers beneficially owned approximately 54,004,648 of the outstanding shares of Kinder Morgan Class P common stock, representing approximately 31.6% of the total outstanding shares of Kinder Morgan Class P common stock, and beneficially owned approximately 433,479,425 of the outstanding shares of Kinder Morgan Class A common stock, representing approximately 80.9% of the total outstanding shares of Kinder Morgan Class A common stock. The shares of Class P common stock and Class A common stock beneficially owned by Kinder Morgan directors and executive officers include 454,960,928 shares that are subject to the voting agreement. Kinder Morgan believes that each of its directors and executive officers intends to vote his or her shares in favor of approval of the share and warrant issuance proposal.

The affirmative vote of at least a majority of the votes cast (including abstentions) on the share and warrant issuance proposal by holders of shares of Kinder Morgan voting common stock present in person or by proxy and entitled to vote on the share and warrant issuance proposal is required to approve the proposal, so long as the total vote cast on the proposal represents at least a majority of the shares of Kinder Morgan voting common stock entitled to vote on the proposal, assuming a quorum is present. Richard Kinder and certain other stockholders of Kinder Morgan who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan, have agreed to vote their shares of Kinder Morgan voting common stock in favor of the share and warrant issuance proposal. In addition, these stockholders agreed to retain collectively, until the approval of the share and warrant issuance proposal or until the voting agreement is terminated, whichever is earlier, an amount of shares

Table of Contents

Index to Financial Statements

of Kinder Morgan voting common stock that is sufficient to approve the share and warrant issuance proposal. Approval of the share and warrant issuance proposal being voted on at the Kinder Morgan special meeting is therefore assured and no further votes with respect to the proposal are needed.

Recommendation of El Paso's Board of Directors and Reasons for the Transactions (See page 113)

El Paso's board of directors recommends that El Paso stockholders vote FOR adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement.

In the course of reaching its decision to approve the merger agreement and the first merger agreement and the transactions contemplated by the merger agreement and the first merger agreement, El Paso's board of directors considered a number of factors in its deliberations. For a more complete discussion of these factors, see The Transactions Recommendation of El Paso's Board of Directors and Reasons for the Transactions.

Opinion of El Paso's Financial Advisor (See page 122)

At a meeting of El Paso's board of directors on October 16, 2011, Morgan Stanley & Co. LLC, which is referred to as Morgan Stanley, rendered to El Paso's board of directors its oral opinion, subsequently confirmed in writing, that as of October 16, 2011, and based upon and subject to the various assumptions, factors, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of shares of El Paso common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written fairness opinion of Morgan Stanley, dated October 16, 2011, is attached as Annex E to this information statement/proxy statement/prospectus and is incorporated herein by reference. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. You should read the opinion carefully and in its entirety. Morgan Stanley's opinion is directed to El Paso's board of directors and addresses only the fairness from a financial point of view of the consideration to be received by the holders of shares of El Paso common stock pursuant to the merger agreement, as of the date of the opinion. It does not address any other aspect of the transactions contemplated by the merger agreement and expresses no opinion or recommendation as to the underlying decision of El Paso to engage in the proposed transactions or as to how any stockholder of El Paso or Kinder Morgan should vote at any stockholders' meeting held in connection with the proposed transactions. Morgan Stanley's opinion does not in any manner address the prices at which the Kinder Morgan Class P common stock and the Kinder Morgan warrants will trade following consummation of the transactions or any time in the future. For additional information relating to the opinion of Morgan Stanley, see The Transactions Opinion of El Paso's Financial Advisor.

Recommendation of Kinder Morgan's Board of Directors and Reasons for the Transactions (See page 117)

The Kinder Morgan board of directors recommends that holders of Kinder Morgan voting common stock vote FOR the share and warrant issuance proposal.

In the course of reaching its decision to approve the merger agreement and the transactions contemplated thereby, the Kinder Morgan board of directors considered a number of factors in its deliberations. Those factors are described in The Transactions Recommendation of Kinder Morgan's Board of Directors and Reasons for the Transactions.

Table of Contents

Index to Financial Statements

Opinions of Kinder Morgan's Financial Advisors (See page 137)

Opinion of Evercore Group L.L.C. to the Kinder Morgan Board of Directors

In connection with the transactions, Kinder Morgan retained Evercore Group L.L.C. (referred to as Evercore), to act as a financial advisor to the Kinder Morgan board of directors. On October 16, 2011, at a meeting of the Kinder Morgan board of directors, Evercore rendered its oral opinion, subsequently confirmed by delivery of a written opinion on October 16, 2011, that, as of October 16, 2011 and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the merger consideration to be paid by Kinder Morgan pursuant to the merger agreement was fair, from a financial point of view, to Kinder Morgan.

The full text of the written opinion of Evercore, dated as of October 16, 2011, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Annex F to this information statement/proxy statement/prospectus and is incorporated by reference in its entirety into this information statement/proxy statement/prospectus. You are urged to read this opinion carefully and in its entirety. Evercore's opinion was addressed to, and provided for the information and benefit of, the Kinder Morgan board of directors (in its capacity as such) in connection with its evaluation of the merger consideration from a financial point of view and did not address any other aspects or implications of the transactions. The opinion does not constitute a recommendation to the Kinder Morgan board of directors or to any other persons in respect of the transactions, including as to how any holder of shares of Kinder Morgan voting common stock should act or vote in respect of the Kinder Morgan share and warrant issuance proposal. Evercore's opinion does not address the relative merits of the transactions as compared to any other business or financial strategies that might be available to Kinder Morgan, nor does it address the underlying business decision of Kinder Morgan to engage in the transactions. Finally, Evercore did not express any opinion as to the price at which Kinder Morgan Class P common stock and, when listed for trading, the Kinder Morgan warrants, the common units of KMP, the shares of KMR, El Paso common stock or the common units of EPB will trade at any time.

Opinion of Barclays Capital Inc. to the Kinder Morgan Board of Directors

Kinder Morgan engaged Barclays Capital Inc. (referred to as Barclays Capital) to act as a financial advisor with respect to the transactions. On October 16, 2011, Barclays Capital rendered its oral opinion (which was subsequently confirmed in writing) to Kinder Morgan's board of directors that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be paid by Kinder Morgan in the transactions was fair, from a financial point of view, to Kinder Morgan.

The full text of Barclays Capital's written opinion, dated as of October 16, 2011, is attached as Annex G to this information statement/proxy statement/prospectus. Barclays Capital's written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays Capital in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The summary of Barclays Capital's opinion and the methodology that Barclays Capital used to render its opinion included herein is qualified in its entirety by reference to the full text of the opinion.

Table of Contents

Index to Financial Statements

The First Merger and the First Merger Agreement (See page 194)

The first merger is one of the transactions contemplated by the merger agreement and is the first in a series of steps through which Kinder Morgan would acquire El Paso. El Paso stockholders who vote in favor of Proposal 1 are voting in favor of, among other things, adoption of the first merger agreement and approval of the first merger.

For additional details on the first merger and the terms of the first merger agreement, see [The First Merger Agreement](#) and refer to the full text of the agreement, a copy of which is attached as Annex B.

The Second Merger and the Merger Agreement (See page 196)

The second merger is the merger pursuant to which El Paso will become a wholly owned subsidiary of Kinder Morgan. El Paso stockholders who vote in favor of Proposal 1 are voting in favor of, among other things, adoption of the merger agreement and approval of the second merger. Kinder Morgan and El Paso encourage you to read the entire merger agreement carefully because it is the principal document governing the transactions.

For additional details on the second merger and the merger agreement, see [The Merger Agreement](#) and refer to the full text of the agreement, a copy of which is attached as Annex A.

The Voting Agreement (See page 223)

Simultaneously with the execution of the merger agreement, El Paso entered into a voting agreement with certain of Kinder Morgan's stockholders who currently hold, in the aggregate, approximately 75% of the voting power of Kinder Morgan. Pursuant to the terms of the voting agreement, these stockholders agreed, among other things, to vote their shares of Kinder Morgan voting common stock in favor of the share and warrant issuance proposal. In addition, these stockholders agreed to retain collectively, until Kinder Morgan stockholder approval of such proposal is obtained or until the voting agreement is terminated, whichever is earlier, an amount of shares of Kinder Morgan voting common stock that is sufficient to approve the share and warrant issuance proposal.

For additional details on the terms of the voting agreement, see [The Voting Agreement](#) and refer to the full text of the agreement, a copy of which is attached as Annex C.

Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors (See page 167)

When considering the recommendation of the board of directors of El Paso with respect to the transactions, you should be aware that El Paso's executive officers and directors may have interests in the transactions that are different from, or in addition to, those of El Paso's stockholders more generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The board of directors of El Paso was aware of these interests during its deliberations on the merits of the transactions and in deciding to recommend that El Paso stockholders vote for the adoption of the merger agreement and the first merger agreement and approval of the transactions contemplated by the merger agreement and the first merger agreement at the special meeting. These interests include:

The automatic vesting and conversion upon the consummation of the second merger of outstanding stock options to purchase shares of El Paso common stock, restricted shares of El Paso common stock and performance-based restricted stock units into the right to receive, at the election of the holder (which election will apply to all of such holder's outstanding equity awards), but subject to proration with respect to the cash portion, either (1) cash and warrants or (2) a mixture of cash, shares of Kinder Morgan Class P common stock and warrants for all shares subject to such awards (in the case of stock options, less the aggregate exercise price). Performance-based restricted stock units will vest upon the consummation of the second merger based on the target (i.e., 100%) level of attainment. El Paso estimates that the

Table of Contents**Index to Financial Statements**

aggregate amount that would be received by El Paso's executive officers who are not named executive officers for their unvested equity-based awards if the effective time of the second merger were October 31, 2011 is approximately \$16 million. El Paso's non-employee directors do not hold any unvested equity-based awards. The aggregate amount that would be received by El Paso's executive officers who are named executive officers for their unvested equity-based awards if the effective time of the second merger were October 31, 2011 is approximately \$53 million. For a more detailed description of these payments, the circumstances under which they become payable and the assumptions used to calculate the above amount, please refer to the table and the accompanying footnotes under The Transactions Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors Quantification of Change of Control and Termination Payments and Benefits to the El Paso Named Executive Officers.

In the event of a termination of employment without cause or a resignation for good reason, in each case within two years following (or, under certain circumstances, in anticipation of) a change of control of El Paso, which would include the second merger, all of El Paso's executive officers (except for James J. Cleary) would receive certain compensation and benefits under El Paso's 2004 Key Executive Severance Protection Plan, including (1) a lump-sum cash severance payment, (2) payment of a prorated amount in respect of the target bonus granted to the executive for the year in which the termination occurs, (3) continuation of life insurance and flexible spending account, medical and dental benefits for the executive and the executive's dependents for a number of years equal to the executive's severance multiple and (4) payment of legal fees and expenses incurred by the executive to enforce any rights or benefits under the plan. In addition, El Paso's executive officers would also be eligible for reimbursement of excise taxes imposed under Section 4999 of the Code on any severance payments and other benefits provided by El Paso or any of its affiliates under the plan or otherwise, unless the value of the payments and benefits does not exceed 110% of the maximum amount payable without triggering such excise taxes (referred to as the safe harbor amount), in which case the payments and benefits will be reduced to such safe harbor amount. In the case of Mr. Cleary, in the event of a termination of employment without cause or a resignation for good reason, in each case within two years following (or, under certain circumstances, in anticipation of) a change of control of El Paso, which would include the second merger, he would receive certain compensation and benefits under El Paso's 1998 Key Executive Severance Protection Plan, including (1) a lump-sum cash severance payment, (2) continuation of life insurance and flexible spending account, medical and dental benefits for the executive and the executive's dependents (on a tax-free basis) for eighteen months, (3) payment of legal fees and expenses incurred by the executive to enforce any rights or benefits under the plan, (4) a lump-sum supplemental pension payment pursuant to El Paso's supplemental pension plan calculated by adding three years of additional service and (5) a transfer to the executive of any right, title or other ownership interest El Paso has in any car or club membership then being provided to the executive. In addition, Mr. Cleary is entitled to receive full reimbursement of any excise taxes imposed under Section 4999 of the Code on any severance payments and other benefits provided by El Paso or any of its affiliates under the plan or otherwise. The aggregate amount of payments that would be payable to El Paso's executive officers who are named executive officers in the event of a termination of employment without cause or a resignation for good reason, in each case within two years following (or, under certain circumstances, in anticipation of) a change of control of El Paso, which would include the second merger, is approximately \$19 million. For a more detailed description of these payments, the circumstances under which they become payable and the assumptions used to calculate the above amount, please refer to the table and the accompanying footnotes under The Transactions Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors Quantification of Change of Control and Termination Payments and Benefits to the El Paso Named Executive Officers.

Table of Contents

Index to Financial Statements

As of the date of mailing of this information statement/proxy statement/prospectus, certain of El Paso's executive officers, including Brent Smolik and Dane Whitehead, have been designated as participants in the El Paso Corporation EP Energy Retention Plan adopted pursuant to the merger agreement and will be eligible to receive certain retention bonus payments (to the extent earned). As described in more detail under The Transactions Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors Retention Plan Bonus Payments, the value of any retention bonuses payable pursuant to the El Paso Corporation EP Energy Retention Plan will be dependent upon the level of gross sale proceeds from the sale of EP Energy assets and the time such assets are sold.

Two individuals to be designated by El Paso are expected to become directors of Kinder Morgan. Kinder Morgan has agreed in the merger agreement to take all action necessary, including increasing the size of its board of directors and amending its shareholders agreement, to elect two individuals designated by El Paso to the Kinder Morgan board of directors as of the effective time of the merger.

For a more detailed discussion of these interests, see The Transactions Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors.

Interests of Certain Persons in the Transactions Goldman Sachs (See page 172)

When considering the recommendation of the board of directors of El Paso with respect to the transactions, you should be aware that Goldman Sachs may have interests in the transactions that are different from, or in addition to, those of El Paso's stockholders generally. Prior to the receipt of Kinder Morgan's acquisition proposal, El Paso engaged Goldman Sachs to advise it with respect to the proposed spin-off of its exploration and production business and paid Goldman Sachs \$5 million in connection with that engagement. Following receipt of Kinder Morgan's proposal, El Paso engaged Goldman Sachs to continue to act as a financial advisor to El Paso, including reviewing and analyzing El Paso's business plan in connection with the proposed spin-off for purposes of aiding El Paso in its analysis of the potential Kinder Morgan transaction. In the engagement letter for these latter services, El Paso agreed to pay Goldman Sachs a fee of \$20 million upon completion of a transaction with Kinder Morgan. In both engagement letters, El Paso agreed to reimburse Goldman Sachs for certain of its fees and expenses and indemnify it against certain liabilities if they were to arise. In addition to its role as a financial advisor to El Paso, Goldman Sachs is also a stockholder of Kinder Morgan and, prior to consummation of the proposed transactions, may be deemed to beneficially own approximately 19 percent of the shares of Kinder Morgan Class P common stock on a fully converted basis, making it the second largest beneficial holder. Two representatives of Goldman Sachs and its affiliates also serve on the board of directors of Kinder Morgan. For more information relating to Goldman Sachs' role as a financial advisor to El Paso, Goldman Sachs' investment in Kinder Morgan and El Paso's and Goldman Sachs' actions to address any potential conflicts, see The Transactions Background of the Transactions, El Paso's Engagement of Goldman Sachs and Interests of Certain Persons in the Transactions Goldman Sachs.

Accounting Treatment of the Transactions (See page 181)

In accordance with accounting principles generally accepted in the United States and in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 805 *Business Combinations*, Kinder Morgan will account for the transactions as an acquisition of a business.

Material U.S. Federal Income Tax Consequences of the Transactions (See page 177)

The parties intend for each of (1) the first merger and the LLC conversion, taken together, and (2) the second merger and the third merger, taken together, to be treated as a reorganization for United States federal income tax purposes within the meaning of Section 368(a) of the Code.

Table of Contents

Index to Financial Statements

It is a condition to El Paso's obligation and Kinder Morgan's obligation to complete the transactions that El Paso receive an opinion from Wachtell, Lipton, Rosen & Katz, dated as of the date of the first merger, to the effect that the first merger and the LLC conversion, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. It is also a condition to El Paso's obligation and Kinder Morgan's obligation to complete the transactions that El Paso receive an opinion from Wachtell, Lipton, Rosen & Katz, dated as of the closing date of the second merger and the third merger, to the effect that the second merger and third merger, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. These conditions are waivable, and El Paso and Kinder Morgan will undertake to recirculate and resolicit if either condition is waived and the change in tax consequences is material. In addition, in connection with the filing of the registration statement of which this document is a part, Wachtell, Lipton, Rosen & Katz has delivered an opinion to El Paso and Kinder Morgan to the same effect as the opinions described above and addressing the U.S. federal income tax consequences of the transactions as described in The Transactions' Material U.S. Federal Income Tax Consequences of the Transactions. These opinions will be based on facts, representations and assumptions set forth or referred to in the opinions and on representation letters provided by El Paso and Kinder Morgan.

Accordingly, and based on the foregoing opinions, (a) a holder of El Paso common stock will not recognize any gain or loss on the exchange of such holder's El Paso common stock for New El Paso common stock in the first merger and (b) a holder of New El Paso common stock who receives consideration including Kinder Morgan Class P common stock in the second merger will recognize gain (but not loss) on the exchange of such holder's New El Paso common stock for Kinder Morgan Class P common stock and/or cash (other than cash received in lieu of a fractional share or fractional warrant) and warrants in an amount equal to the lesser of (1) the sum of the amount of cash and the fair market value of the Kinder Morgan Class P common stock and warrants received by such holder in the exchange, minus the adjusted tax basis of such holder's New El Paso common stock surrendered in exchange therefor, and (2) the amount of cash (other than cash in lieu of a fractional share or fractional warrant) received by such holder in the exchange. The second merger will be a fully taxable transaction to a holder who receives solely cash and warrants in the second merger.

The tax consequences of the transactions to each holder of El Paso common stock may depend on such holder's particular facts and circumstances. El Paso stockholders are urged to consult their tax advisors to understand fully the consequences to them of the transactions in their specific circumstances.

Board of Directors and Management of Kinder Morgan After the Transactions (See page 173)

The directors and executive officers of Kinder Morgan prior to the transactions will continue as the directors and executive officers of Kinder Morgan immediately after the transactions. In addition, the merger agreement provides that Kinder Morgan will take all action necessary, including increasing the size of the Kinder Morgan board and amending Kinder Morgan's shareholders agreement to effect such increase, to elect two individuals designated by El Paso to the Kinder Morgan board of directors.

Conditions to Completion of the Transactions (See page 198)

Kinder Morgan and El Paso currently expect to complete the transactions during the second quarter of 2012, subject to receipt of required stockholder and regulatory approvals and the satisfaction or waiver of the conditions to the transactions. As more fully described in this document and in the first merger agreement, El Paso's and Merger Sub One's obligation to complete the first merger is conditioned upon the merger agreement and the first merger agreement having been approved by the affirmative vote of the holders of a majority of the outstanding El Paso common stock as of the record date.

Table of Contents

Index to Financial Statements

As more fully described in this document and in the merger agreement, each party's obligation to complete the transactions depends on a number of conditions being satisfied or, where legally permissible, waived, including the following:

the merger agreement and the first merger agreement must have been approved by the affirmative vote of the holders of a majority of the outstanding El Paso common stock as of the record date;

the waiting period applicable to the merger under the HSR Act must have been terminated or expired;

no law, injunction, judgment or ruling enacted, promulgated, issued, entered amended or enforced by any governmental authority shall be in effect enjoining, restraining, preventing or prohibiting consummation of the transactions or making the consummation of the transactions illegal;

the registration statement of which this information statement/proxy statement/prospectus forms a part must have been declared effective by the SEC and must not be subject to any stop order or proceedings initiated or threatened by the SEC; and

El Paso must have received from Wachtell, Lipton, Rosen & Katz, tax counsel to El Paso, (1) at the effective time of the first merger, a written opinion to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the first merger and the LLC conversion, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, and (2) a written opinion dated as of the date of the closing of the second merger and third merger to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the second merger and the third merger, taken together, will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

The obligations of each of Kinder Morgan, Merger Sub Two and Merger Sub Three to effect the transactions are subject to the satisfaction or waiver of the following additional conditions:

the accuracy of the representations and warranties of El Paso, subject to certain standards, including materiality and material adverse effect qualifications, as described under *The Merger Agreement Conditions to Completion of the Transactions* and receipt of a certificate signed by an executive officer of El Paso on its behalf to that effect;

the performance by El Paso in all material respects of its obligations under the merger agreement and receipt of a certificate signed by an executive officer of El Paso on its behalf to that effect; and

(1) the receipt of a certification from an authorized officer of El Paso, no earlier than thirty days prior to, and no later than ten days prior to, the date of the consummation of the second merger and third merger, setting forth El Paso's good faith estimate of El Paso's net operating loss carryforwards for U.S. federal income tax purposes as of January 1, 2012 (taking into account certain assumptions), and (2) that there shall not have been an NOL MAE, as described under *The Merger Agreement Conditions to Completion of the Transactions*.

The obligations of each of El Paso, New El Paso and Merger Sub One to effect the transactions are subject to the satisfaction or waiver of the following additional conditions:

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

the accuracy of the representations and warranties of Kinder Morgan, subject to certain standards, including materiality and material adverse effect qualifications, as described under The Merger Agreement Conditions to Completion of the Transactions, and receipt of a certificate signed by an executive officer of Kinder Morgan on its behalf to that effect;

the performance by Kinder Morgan in all material respects of its obligations under the merger agreement and receipt of a certificate signed by an executive officer of Kinder Morgan on its behalf to that effect;

Table of Contents

Index to Financial Statements

the issuance of shares of Kinder Morgan Class P common stock and the warrants (including shares of Kinder Morgan Class P common stock to be issued upon exercise of the warrants) to be issued in connection with the second merger must have been approved by a majority of the votes cast at its special meeting by the holders of a majority of the aggregate voting power of Kinder Morgan capital stock in accordance with requirements of the NYSE; and

(1) the shares of Kinder Morgan Class P common stock that are deliverable to the stockholders of New El Paso as contemplated by the merger agreement must have been authorized for listing on the NYSE, subject to official notice of issuance and (2) the warrants that are deliverable to the stockholders of New El Paso as contemplated by the merger agreement must have been authorized for listing on either the NYSE, NASDAQ or such other exchange(s), electronic trading networks or other suitable trading platforms as are reasonably agreed to by Kinder Morgan and El Paso.

Regulatory Approvals Required to Complete the Transactions (See page 181)

Completion of the transactions contemplated by the merger agreement is subject to the expiration or termination of any applicable waiting period under the HSR Act. Kinder Morgan and El Paso have filed the required notification and report forms with the U.S. antitrust authorities, and on December 5, 2011, Kinder Morgan and El Paso each received a Request for Additional Information and Documentary Materials from the FTC. In addition, the parties have sought the approval of the Federal Energy Regulatory Commission (referred to as the FERC) under Section 203 of the Federal Power Act with respect to the indirect transfer of control to Kinder Morgan of El Paso's wholesale electric power marketing subsidiary and the wholesale power contracts to which it is a party. See The Transactions Regulatory Approvals.

Termination of the Merger Agreement (See page 209)

Kinder Morgan and El Paso may terminate the merger agreement at any time prior to effective time of the second merger, whether before or after the stockholders of El Paso have approved the merger agreement and the first merger agreement:

by the mutual consent of Kinder Morgan and El Paso;

by either Kinder Morgan or El Paso, if:

the closing of the second merger has not occurred on or before June 30, 2012 or, if the condition requiring expiration or termination of any applicable waiting period under the HSR Act is not met or if the condition that there is no law prohibiting the transactions is not met, either party may elect to extend until December 31, 2012, subject to certain exceptions discussed in The Merger Agreement Termination;

any governmental entity has issued a final and non-appealable law or order or taken any other final and non-appealable action enjoining or otherwise prohibiting consummation of the transactions contemplated by the merger agreement;

stockholders of El Paso do not adopt the merger agreement and the first merger agreement at a meeting of the stockholders of El Paso or any adjournment or postponement of such meeting; or

there is a breach by the non-terminating party of any of its representations, warranties, covenants or agreements in the merger agreement such that certain closing conditions would not be satisfied, or if capable of being cured, such breach has not been cured within 30 days following delivery of written notice by the terminating party;

Table of Contents

Index to Financial Statements

by Kinder Morgan, if:

either (1) El Paso withdraws, modifies or qualifies, or proposes publicly to withdraw, modify or qualify, in a manner adverse to Kinder Morgan, El Paso's board of directors' recommendation that its stockholders adopt the merger agreement or publicly recommends the approval or adoption of, or publicly approves or adopts, or proposes to publicly recommend, approve or adopt, any takeover proposal or (2) within five business days of receipt of a written request from Kinder Morgan (which request must be reasonable in terms of number and timing), El Paso fails to publicly reconfirm El Paso's board of directors' recommendation that its stockholders adopt the merger agreement; or

prior to the adoption of the merger agreement and the first merger agreement by the stockholders of El Paso, El Paso is in willful breach of its obligations to (1) hold a special meeting of its stockholders and, through El Paso's board of directors, recommend the adoption of the merger agreement to El Paso's stockholders or (2) comply with its non-solicitation obligations relating to takeover proposal described under The Merger Agreement No-Solicitation by El Paso of Takeover Proposals, subject to certain exceptions discussed in The Merger Agreement Termination;

by El Paso, if:

prior to the receipt of approval from Kinder Morgan's stockholders of the share and warrant issuance proposal, Kinder Morgan is in willful breach of its obligations to hold a special meeting of its stockholders for the purpose of obtaining such approval and through Kinder Morgan's board of directors, recommend to its stockholders that such approval be obtained; or

prior to the adoption of the merger agreement and the first merger agreement by the stockholders of El Paso, if El Paso enters into an agreement with respect to a superior proposal, so long as (1) El Paso, in compliance with the terms of the merger agreement (including its requirements described under The Merger Agreement No-Solicitation by El Paso of Takeover Proposals, concurrently enters into a definitive acquisition agreement with respect to a superior proposal and (2) prior to or concurrently with such termination, El Paso pays the termination fee described under The Merger Agreement Termination Fee.

Expenses and Termination Fees Relating to the Transactions (See pages 211 and 212)

Generally, all fees and expenses incurred in connection with the transactions will be the obligation of the respective party incurring such fees and expenses, except Kinder Morgan and El Paso will each pay one-half of the expenses incurred in connection with the filing, printing and mailing of this information statement/proxy statement/prospectus. Further, Kinder Morgan has agreed to pay the amount of any documentary, sales, use, real property transfer, real property gains, registration, value-added, transfer, stamp, recording and other similar taxes imposed on Kinder Morgan, El Paso, or any of New El Paso's subsidiaries or stockholders in connection with the merger agreement and the transactions.

Following termination of the merger agreement under specified circumstances, El Paso may be required to pay Kinder Morgan a termination fee of \$650 million and, under specified circumstances, El Paso may be required to pay all documented out-of-pocket expenses incurred by Kinder Morgan in connection with the transactions (subject to a cap of \$20 million) and certain financing-related expenses of Kinder Morgan.

Table of Contents

Index to Financial Statements

Financing (See page 224)

On October 16, 2011, Kinder Morgan entered into a debt commitment letter (referred to as the debt commitment letter) with Barclays Capital, the investment banking division of Barclays Bank PLC, or Barclays Bank, and which is referred to together with Barclays Capital as Barclays, pursuant to which, subject to the conditions set forth in the debt commitment letter, Barclays Bank committed to provide to Kinder Morgan senior secured financing of up to \$13.3 billion. On October 31, 2011 the following financial institutions became party to the debt commitment letter by way of a joinder agreement and were assigned a portion of Barclays Bank's commitments thereunder: Bank of America, N.A.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Citibank, N.A.; Credit Suisse AG, Cayman Islands Branch; Deutsche Bank AG New York Branch; JPMorgan Chase Bank, N.A.; Royal Bank of Canada; The Royal Bank of Scotland PLC; UBS Loan Finance LLC; and Wells Fargo Bank, N.A. For a full description of Kinder Morgan's debt financing for the transactions, see the section entitled Description of the Debt Financing. The proceeds of this financing will be used (1) to repay or redeem certain indebtedness of El Paso outstanding on the closing date of the second merger, which at September 30, 2011 was approximately \$700 million, (2) to fund the cash consideration for the transactions of approximately \$11.5 billion, (3) to pay fees and expenses in connection with the transactions and the debt financing of approximately \$300 million, and (4) in the case of the undrawn portion of the revolving credit facility, to finance working capital needs and for general corporate purposes.

Comparison of Rights of Holders of El Paso Common Stock and Kinder Morgan Common Stock

(See page 239)

As a result of the second merger, the holders of El Paso common stock that receive shares of Kinder Morgan Class P common stock will become stockholders of Kinder Morgan. Following the second merger, these El Paso stockholders will have different rights as stockholders of Kinder Morgan than as stockholders of El Paso due to the different provisions of the governing documents of El Paso and Kinder Morgan. These differences are described in more detail under Comparison of Rights of Common Stockholders of Kinder Morgan and El Paso.

Appraisal Rights in Connection with the Transactions (See page 188)

Under the DGCL, El Paso stockholders have the right to seek appraisal in connection with the second merger. Failure to strictly comply with the procedures and requirements of Section 262 of the DGCL may result in termination or waiver of such stockholder's appraisal rights. Due to the complexity of Delaware law relating to appraisal rights, if any El Paso stockholder is considering exercise of his or her appraisal rights, such stockholder is encouraged to seek the advice of his or her own legal counsel. A summary of the procedures and requirements under Delaware law to exercise appraisal rights is included in the section entitled The Transactions Appraisal Rights in Connection with the Second Merger and the text of Section 262 of the DGCL is included as Annex H.

Table of Contents

Index to Financial Statements

Selected Historical Consolidated Financial Data

Kinder Morgan Selected Historical Consolidated Financial Data

You should read the following selected historical consolidated financial data of Kinder Morgan and KMK together with Information About Kinder Morgan Recent History, Additional Information About Kinder Morgan Kinder Morgan's Management's Discussion and Analysis of Financial Condition and Results of Operations, and the historical consolidated financial statements and related notes of Kinder Morgan included elsewhere in this information statement/proxy statement/prospectus. For accounting purposes, KMK is considered the predecessor of Kinder Morgan for all periods ended on or before May 31, 2007, the date of closing for Kinder Morgan's Going Private Transaction.

The statement of income and statement of cash flows data for the years ended December 31, 2010, 2009 and 2008 and the balance sheet data as of December 31, 2010 and 2009 have been derived from the audited consolidated financial statements of Kinder Morgan included elsewhere in this information statement/proxy statement/prospectus. The statement of income and statement of cash flows data for the nine months ended September 30, 2011 and 2010 and the balance sheet data as of September 30, 2011 have been derived from the unaudited consolidated financial statements of Kinder Morgan included elsewhere in this information statement/proxy statement/prospectus. The statement of operations and statement of cash flows data for the seven months ended December 31, 2007 and the balance sheet data as of December 31, 2008 and 2007 have been derived from audited consolidated financial statements of Kinder Morgan which are not included in this information statement/proxy statement/prospectus. The statement of operations and statement of cash flows data for the five months ended May 31, 2007 and the year ended December 31, 2006 and the balance sheet data as of December 31, 2006 have been derived from audited consolidated financial statements of KMK which are not included in this information statement/proxy statement/prospectus. The unaudited interim consolidated financial statements include all adjustments (consisting of normal, recurring adjustments) that are, in the opinion of Kinder Morgan's management, necessary for a fair presentation of its financial position and results of operations for the periods presented. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

The selected historical consolidated financial data is not indicative of Kinder Morgan's expected future operating results. Further, the selected historical financial information

for periods prior to February 15, 2008, does not reflect Kinder Morgan's sale of 80% of NGPL and the application of the approximately \$5.9 billion of proceeds from that sale; and

for periods prior to May 31, 2007, does not reflect the Going Private Transaction which was accounted for as a business combination, requiring that Kinder Morgan record the assets acquired and liabilities assumed at their estimated fair values as of the date of the Going Private Transaction, resulting in a new basis of accounting.

Table of Contents**Index to Financial Statements**

	Kinder Morgan, Inc.(1)					KMK		
	Nine Months Ended September 30,		Year Ended December 31,			Seven Months Ended	Five Months Ended	Year Ended
	2011	2010	2010	2009	2008	December 31, 2007	May 31, 2007	December 31, 2006
	(Unaudited) (Unaudited)							
	(In millions, except per share amounts)							
Statement of income data:								
Revenues	\$ 6,247.6	\$ 6,236.7	\$ 8,190.6	\$ 7,185.2	\$ 12,094.8	\$ 6,394.7	\$ 4,165.1	\$ 10,208.6
Operating income (loss)(2)(3)(4)(5)(6)	1,069.1	830.9	1,280.7	1,407.2	(2,472.1)	1,042.8	204.8	1,745.2
Earnings (loss) from equity investments(7)(8)	214.7	(256.1)	(186.2)	221.9	201.1	56.8	40.7	104.2
Income (loss) from continuing operations	367.4	133.4	300.3	772.8	(3,202.3)	286.6	(142.0)	974.6
Income (loss) from discontinued operations, net of tax(9)	(0.5)	(0.4)	(0.7)	0.3	(0.9)	(1.5)	298.6	(528.5)
Net income (loss)	366.9	133.0	299.6	773.1	(3,203.2)	285.1	156.6	446.1
Net loss (income) attributable to noncontrolling interests(10)	71.7	(237.3)	(340.9)	(278.1)	(396.1)	(37.6)	(90.7)	(374.2)
Net income (loss) attributable to Kinder Morgan, Inc./KMK(11)	438.6	(104.3)	(41.3)	495.0	(3,599.3)	247.5	65.9	71.9
Unaudited net income per share of Class P common stock (basic and diluted)(12)	0.52							
Unaudited pro forma net income (loss) per share of Class P common stock (basic and diluted)(13)		(0.15)	(0.06)	0.70	(5.09)	0.35		
Statement of cash flows data:								
Capital expenditures(14):								
Kinder Morgan, Inc./KMK	7.3	4.7	1.6	0.5	12.3	170.9	77.3	193.5
KMP and its subsidiaries(15)	837.7	722.1	1,000.9	1,323.8	2,533.0	1,116.1	575.5	1,182.1
Cash dividends/distributions to stockholders/members(16)	557.3	500.0	700.0	650.0		83.7	234.9	468.5
Declared dividends per share of Class P common stock(17)	0.74							
Balance sheet data (end of period):								
Net property, plant and equipment	17,715.9		17,070.7	16,803.5	16,109.8	14,803.9		18,839.6
Total assets	30,157.4		28,908.1	27,581.0	25,444.9	36,195.8		26,795.6
Long-term debt:								
Kinder Morgan, Inc./KMK(18)	2,042.5		2,879.2	2,882.0	2,880.9	8,641.8		6,630.1
KMP and its subsidiaries(19)	10,662.2		10,277.4	9,997.7	8,274.9	6,455.9		4,384.3
Total long-term debt(20)	12,704.7		13,156.6	12,879.7	11,155.8	15,097.7		11,014.4

- (1) Includes significant impacts resulting from the Going Private Transaction. See note 2 to Kinder Morgan's annual consolidated financial statements included elsewhere in this information statement/proxy statement/prospectus for additional information.
- (2) Includes non-cash goodwill impairment charges of \$4,033.3 million in the year ended December 31, 2008.
- (3) Includes a goodwill impairment charge of \$377.1 million in the five months ended May 31, 2007 relating to KMP's acquisition of Trans Mountain Pipeline from KMK effective April 30, 2007.
- (4) Includes a \$158.0 million litigation reserve in the nine months ended September 30, 2010 and the year ended December 31, 2010 related to KMP's West Coast pipeline rate cases.
- (5) Includes a \$200.0 million litigation reserve in the nine months ended September 30, 2010 and the year ended December 31, 2010 related to the Going Private Transaction litigation settlement. See note 16 to Kinder Morgan's annual consolidated financial statements included elsewhere in this information statement/proxy statement/prospectus for additional information.
- (6) Includes (i) a \$234.3 million increase in expense primarily associated with adjustments to KMP's rate case reserve and rights-of-way lease payment obligations and (ii) \$100 million for a special bonus paid to certain non-senior management employees that was funded through \$64 million (after-tax) in available earnings and profits reserved for this purpose and not paid in dividends to Kinder Morgan's Class A shareholders in the nine months ended September 30, 2011.
- (7)

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

Includes a \$430.0 million impairment charge in the nine months ended September 30, 2010 and the year ended December 31, 2010 to reduce the carrying value of Kinder Morgan's investment in NGPL.

- (8) Includes a \$167.2 million loss from the remeasurement of KMP's previously held 50% equity interest in KinderHawk Field Services LLC to fair value in the nine months ended September 30, 2011.

Table of Contents**Index to Financial Statements**

- (9) In the five months ended May 31, 2007, primarily relates to the Canada-based and U.S. retail gas distribution businesses and the Corridor Pipeline System that Kinder Morgan owned. In 2006, includes a goodwill impairment charge of \$650.5 million to reduce the carrying value of Terasen Inc., most of the businesses of which were subsequently sold.
- (10) Includes application of new accounting policies for noncontrolling interests adopted in 2009 in accordance with Accounting Standards Codification 810, Consolidation, and applied to all years presented. See note 2 to Kinder Morgan's annual consolidated financial statements included elsewhere in this information statement/proxy statement/prospectus for additional information.
- (11) Includes an approximately \$106.6 million reduction in the income Kinder Morgan recognized for its general partner interest in KMP due to a KMP distribution of cash from an interim capital transaction in the nine months ended September 30, 2010 and the year ended December 31, 2010. See note 16 to Kinder Morgan's annual consolidated financial statements included elsewhere in this information statement/proxy statement/prospectus for additional information.
- (12) Net income per share of Class P common stock is calculated using the two-class method, and Kinder Morgan's Class A, Class B and Class C shares, collectively referred to as the investor retained stock, are participating securities. The investor retained stock is convertible into a fixed aggregate number of Class P shares. Earnings are allocated to each class of stock based on the amount of dividends declared in the current period for each class of stock plus an allocation of the undistributed earnings or the excess distribution over earnings to the extent each security shares in earnings, which for the investor retained stock is in direct proportion to the maximum number of Class P shares it can convert. Thus, there is no difference between basic and diluted earnings per share because the conversion of Class A, Class B and Class C shares into Class P shares does not impact the number of Class P shares on a fully converted basis.
- (13) Earnings per share are pro forma for the Kinder Morgan initial public offering and the conversion of Kinder Morgan Holdco LLC from a Delaware limited liability company to a Delaware corporation named Kinder Morgan, Inc., both of which occurred in February 2011. The diluted per share computation is calculated by dividing total net income attributable to Kinder Morgan by 707,000,000 shares, which includes (i) the 109,786,590 shares of Class P common stock sold in Kinder Morgan's initial public offering, (ii) the related conversions of 1,110,738 Class A shares into Class P shares made shortly thereafter and (iii) the 596,102,672 shares of Class P common stock into which the investor retained stock was then convertible.
- (14) Capital expenditures shown are for continuing operations only.
- (15) Includes capital expenditures of Trans Mountain Pipeline, which KMP acquired from KMK effective April 30, 2007. In accordance with applicable accounting standards, amounts for both 2007 and 2006 reflect capital expenditures as though the transfer of Trans Mountain to KMP had occurred at the beginning of the period (January 1, 2006).
- (16) Represents dividends or distributions paid during the period.
- (17) The declared dividend for the first quarter of 2011 was \$0.14, which was a prorated amount from February 16, 2011, the day Kinder Morgan closed its initial public offering. Based on a full quarter, the first quarter dividend amounted to \$0.29 per share. If Kinder Morgan had been a public company for the entire nine months, the year to date declared dividend would have been \$0.89 per share (\$0.29, \$0.30 and \$0.30 per share for the first, second and third quarters of 2011, respectively).
- (18) Includes the preferred stock interest in the general partner of KMP. Excludes value of interest rate swaps. Increases to long-term debt for value of interest rate swaps for KMK and its subsidiaries (excluding KMP and its subsidiaries) totaled \$75.6 million, \$51.4 million, \$28.5 million, \$19.7 million, \$47.5 million and \$3.8 million as of September 30, 2011 and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.
- (19) Excludes value of interest rate swaps. Increases to long-term debt for value of interest rate swaps for KMP and its subsidiaries totaled \$1,071.2 million, \$604.9 million, \$332.5 million, \$951.3 million, \$152.2 million and \$42.6 million as of September 30, 2011 and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.
- (20) Excludes value of interest rate swaps. Increases to long-term debt for value of interest rate swaps totaled \$1,146.8 million, \$656.3 million, \$361.0 million, \$971.0 million, \$199.7 million and \$46.4 million as of September 30, 2011 and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

Table of Contents**Index to Financial Statements****El Paso Selected Historical Consolidated Financial Data**

The following selected historical consolidated financial data as of December 31, 2010 to 2008 and for the years ended December 31, 2010 to 2007 is derived from the audited consolidated financial statements for El Paso and its subsidiaries. The selected financial data as of December 31, 2007 and 2006 and for the year ended December 31, 2006 is derived from unaudited consolidated financial statements adjusted to reflect the adoption in 2009 of new presentation and disclosure requirements for noncontrolling interests. The operating results data for the nine months ended September 30, 2011 and 2010 and the financial position data as of September 30, 2011 have been derived from the unaudited consolidated financial statements of El Paso. The selected financial data is not necessarily indicative of results to be expected in future periods and should be read together with El Paso's Annual Report on Form 10-K for the year ended December 31, 2010 and El Paso's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 incorporated by reference into this information statement/proxy statement/prospectus.

	El Paso Corporation and Subsidiaries						
	Nine Months Ended September 30,		Year Ended December 31,				
	2011 (Unaudited)	2010 (Unaudited)	2010	2009	2008	2007	2006
	(in millions, except per share amounts)						
Operating Results data:							
Operating revenues	\$ 3,628	\$ 3,632	\$ 4,616	\$ 4,631	\$ 5,363	\$ 4,648	\$ 4,281
Net income (loss)	182	788	924	(474)	(789)	442	532
Net income (loss) attributable to El Paso's common stockholders	(44)	659	721	(576)	(860)	1,073	438
Earnings (loss) per common share attributable to El Paso's common stockholders:							
Basic	(0.06)	0.95	1.03	(0.83)	(1.24)	0.57	0.73
Diluted	(0.06)	0.90	1.00	(0.83)	(1.24)	0.57	0.72
Cash dividends declared per common share	0.03	0.03	0.04	0.16	0.18	0.16	0.16
Financial Position data (end of period):							
Total assets	24,078		25,270	22,505	23,668	24,579	27,261
Long-term financing obligations, less current maturities	12,531		13,517	13,391	12,818	12,483	13,329
Preferred stock of subsidiaries			698	145			
Total equity	7,155		6,064	3,991	4,596	5,845	4,217

During the nine months ended September 30, 2011, El Paso recorded non-cash charges in conjunction with the deconsolidation of Ruby Pipeline Holding Company, L.L.C., referred to as Ruby, of approximately \$475 million based on the difference between the net carrying value of Ruby and the estimated fair value of El Paso's investment in Ruby, \$125 million related to the recognition of the accumulated other comprehensive loss associated with interest rate swaps on Ruby's debt, non-cash full cost ceiling test charge of approximately \$152 million, and debt extinguishment losses of approximately \$169 million associated with debt repurchase activity. During 2010 and the first nine months of 2011, EPB issued common units for approximately \$1.3 billion and approximately \$950 million, respectively, and increased the preferred stock of its subsidiaries. During 2009 and 2008, El Paso recorded non-cash full cost ceiling test charges of \$2.1 billion and \$2.7 billion, principally as a result of declines in commodity prices. In 2007, El Paso sold its ANR pipeline system and related assets and also completed the initial public offering of common units in EPB.

Table of Contents**Index to Financial Statements****Selected Unaudited Pro Forma Condensed Combined Financial Information**

The transactions will be accounted for under the purchase method of accounting, which means the assets and liabilities of El Paso will be recorded, as of the closing date of the transactions, at their respective estimated fair values and added to those of Kinder Morgan. For a more detailed description of the purchase method of accounting, see "The Transactions Accounting Treatment of the Transactions" in this information statement/proxy statement/prospectus.

Set forth below is selected unaudited pro forma condensed combined financial information that reflects the purchase method of accounting and gives effect to the transactions, in the case of the statement of income information, as though the second merger had occurred as of January 1, 2010 and, in the case of the balance sheet information, as though the second merger had occurred as of September 30, 2011.

The unaudited pro forma condensed combined financial information has been prepared giving effect to (1) the issuance of shares of Kinder Morgan Class P common stock, (2) the incurrence of debt primarily associated with the cash portion of the purchase price and (3) the issuance of warrants, all as part of the merger consideration.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations or financial position of Kinder Morgan would have been if the transactions had in fact occurred on the dates or for the periods indicated, nor does it purport to project the results of operations or financial position of Kinder Morgan for any future periods or as of any date. The unaudited pro forma condensed combined financial information does not give effect to any cost savings, operating synergies, and revenue enhancements expected to result from the acquisition or the costs to achieve these cost savings, operating synergies, and revenue enhancements. In addition, the unaudited pro forma condensed combined financial information presents EP Energy Corporation, El Paso's exploration and production business (referred to as "EP Energy") as current assets and liabilities held for sale as of September 30, 2011 and discontinued operations beginning January 1, 2010, as Kinder Morgan intends to sell the assets of EP Energy in conjunction with the closing of the transactions or shortly thereafter.

The following selected unaudited pro forma condensed combined financial information has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and related notes presented elsewhere in this information statement/proxy statement/prospectus.

	Nine Months Ended September 30, 2011	Year Ended December 31, 2010
	(in millions, except per share data)	
Condensed Combined Statement of Income from Continuing Operations Information:		
Operating revenues	\$ 8,392.8	\$ 10,963.0
Income from continuing operations	303.0	722.1
Net income attributable to Kinder Morgan	213.2	428.6
Diluted earnings per share of Class P common stock from continuing operations	0.13	0.19
Diluted weighted average number of Class P shares outstanding	1,036.5	1,036.1

Table of Contents**Index to Financial Statements**

	As of September 30, 2011 (in millions)
Condensed Combined Balance Sheet Information:	
Total assets	\$ 76,358.4
Long-term debt	\$ 31,431.7
Total liabilities	\$ 52,280.0
Total Kinder Morgan stockholders' equity	\$ 14,642.4
Non-controlling interest	9,436.0
Total stockholders' equity	\$ 24,078.4

Table of Contents

Index to Financial Statements

Unaudited Comparative Per Share Information of Kinder Morgan and El Paso

The following table sets forth selected historical, unaudited pro forma for IPO, unaudited pro forma for IPO and EP and unaudited pro forma equivalent per share information of Kinder Morgan and El Paso.

Kinder Morgan Per Share of Class P Common Stock

Historical. The Kinder Morgan historical per share information set forth below is derived from Kinder Morgan's unaudited consolidated financial statements as of and for the nine months ended September 30, 2011 and its audited consolidated financial statements as of and for the year ended December 31, 2010.

Pro Forma for IPO. The unaudited pro forma for IPO per share information of Kinder Morgan set forth below gives pro forma effect to Kinder Morgan's conversion from a limited liability company to a corporation and its initial public offering, both of which occurred in February 2011, as if they had been effective on January 1, 2010. These transactions are referred to as the IPO. Since Kinder Morgan was a limited liability company that converted into a corporation in February 2011, the unaudited Kinder Morgan pro forma for IPO per share information provides comparable period to period information and a baseline of that information for comparison to the unaudited pro forma for IPO and EP per share information described below.

Pro Forma for IPO and EP. The unaudited pro forma for IPO and EP per share information of Kinder Morgan set forth below gives effect to (i) the above described IPO and (ii) the second merger under the purchase method of accounting, as if the second merger had been effective on January 1, 2010, in the case of earnings per share and cash dividends per share data, and September 30, 2011, in the case of book value per share data, and assuming that 0.4187 of a share of Kinder Morgan Class P common stock, and 0.640 of a Kinder Morgan warrant, had been issued in exchange for each outstanding share of El Paso common stock. In addition, this unaudited pro forma combined per share information assumes the impact to earnings from continuing operations for the debt to be incurred in conjunction with the transactions that was not allocated to discontinued operations.

El Paso Per Share of Common Stock

Historical. The El Paso historical per share information set forth below is derived from El Paso's unaudited consolidated financial statements as of and for the nine months ended September 30, 2011 and its audited consolidated financial statements as of and for the year ended December 31, 2010.

Equivalent Pro Forma. The unaudited El Paso equivalent pro forma per share amounts below are calculated by multiplying the unaudited Kinder Morgan Per Share of Class P Common Stock pro forma for IPO and EP amounts by the exchange ratio for the stock only election of 0.9635.

General

You should read the information set forth below in conjunction with the selected historical and pro forma financial information of Kinder Morgan and El Paso and the historical financial statements and related notes of Kinder Morgan, included elsewhere in this information statement/proxy statement/prospectus, and the historical financial statements and related notes of El Paso that are incorporated into this information statement/proxy statement/prospectus by reference. See Unaudited Pro Forma Condensed Combined Financial Information, Where You Can Find More Information and Incorporation by Reference.

The accounting for an acquisition of a business is based on the authoritative guidance for business combinations. Purchase accounting requires, among other things, that the assets acquired and liabilities assumed be recognized at their fair values as of the date the second merger is completed. The allocation of the purchase price is dependent upon certain valuations of El Paso's assets and liabilities and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments reflect the assets and liabilities of El Paso at their preliminary estimated fair values.

Table of Contents**Index to Financial Statements**

Differences between these preliminary estimates and the final purchase accounting will occur, and these differences could have a material impact on the unaudited pro forma combined per share information set forth in the following table.

The unaudited pro forma for IPO and EP per share information of Kinder Morgan does not purport to represent the actual results of operations that Kinder Morgan would have achieved or dividends that would have been declared had the companies been combined during these periods or to project the future results of operations that Kinder Morgan may achieve or the dividends it may declare after the second merger.

	As of and for the Nine Months Ended September 30, 2011	As of and for the Year Ended December 31, 2010
Kinder Morgan Per Share of Class P Common Stock		
Income from continuing operations basic (a)		
Historical	\$ 0.52	N/A
Pro forma for IPO (b)	\$ 0.62	\$ (0.06)
Pro forma for IPO and EP (c) (d)	\$ 0.13	\$ 0.19
Income from continuing operations diluted (a)		
Historical	\$ 0.52	N/A
Pro forma for IPO (b)	\$ 0.62	\$ (0.06)
Pro forma for IPO and EP (c) (d)	\$ 0.13	\$ 0.19
Cash dividends declared		
Historical (e)	\$ 0.74	N/A
Pro forma for IPO (b) (f)	\$ 0.89	\$ 1.07
Pro forma for IPO and EP (c) (g)	\$ 0.63	\$ 0.76
Book Value		
Historical	\$ 4.89	N/A
Pro forma for IPO (b) (h)	\$ 4.89	\$ 4.86
Pro forma for IPO and EP (c) (i)	\$ 14.13	N/A
El Paso Per Share of Common Stock		
Income (loss) from continuing operations basic		
Historical	\$ (0.06)	\$ 1.03
Equivalent pro forma (j)	\$ 0.13	\$ 0.18
Income (loss) from continuing operations diluted		
Historical	\$ (0.06)	\$ 1.00
Equivalent pro forma (j)	\$ 0.13	\$ 0.18
Cash dividends declared		
Historical	\$ 0.03	\$ 0.04
Equivalent pro forma (j)	0.61	\$ 0.73
Book Value		
Historical	\$ 5.68	\$ 5.56
Equivalent pro forma (j)	\$ 13.61	N/A

- (a) Earnings per share amounts are calculated using the two-class method. Earnings are allocated to each class of common stock based on the amount of dividends declared in the current period for each class of stock plus an allocation of the undistributed earnings or excess distributions over earnings to the extent that each security shares in undistributed earnings or excess distributions over earnings. For the investor retained stock, the allocation of undistributed earnings or excess distributions over earnings is in direct proportion to the maximum number of Class P shares into which it can convert.

Table of Contents**Index to Financial Statements**

For the Class P diluted per share computations, total net income attributable to Kinder Morgan is divided by the adjusted weighted average shares outstanding during the period, including all dilutive potential shares. This includes the 596,102,672 Class P shares into which the investor retained stock was then convertible. Thus, the number of Class P shares on a fully-converted basis is the same before and after any conversion of investor retained stock. Each time one Class P share is issued upon conversion of investor retained stock, the number of Class P shares goes up by one, and the number of Class P shares into which the investor retained stock is convertible goes down by one. Accordingly, there is no difference between Class P basic and diluted earnings per share because the conversion of Class A, Class B, and Class C shares into Class P shares does not impact the number of Class P shares on a fully-converted basis.

- (b) The pro forma for IPO amounts as of and for the nine months ended September 30, 2011 and as of and for the year ended December 31, 2010 give pro forma effect to Kinder Morgan's conversion from a limited liability company to a corporation and its initial public offering as if they had occurred on January 1, 2010. Until February 10, 2011, Kinder Morgan was a Delaware limited liability company named Kinder Morgan Holdco LLC, which on that date was converted into a Delaware corporation named Kinder Morgan, Inc. On February 16, 2011, Kinder Morgan closed its initial public offering of common stock, in which 109,786,590 shares of Class P common stock were sold to the public. Shortly thereafter, there was a related conversion of 1,110,738 Class A shares to Class P shares. The outstanding shares of Kinder Morgan Class A, Class B and Class C common stock, or the investor retained stock, were then convertible into an aggregate of 596,102,672 shares of Class P common stock.
- (c) The pro forma for IPO and EP amounts give effect to the IPO as described above and to the second merger under the purchase method of accounting, as if the second merger had been effective on January 1, 2010, in the earnings per share and cash dividends declared per share amounts, and September 30, 2011, in the book value per share amounts.
- (d) Amounts are from the unaudited pro forma condensed combined financial statements included elsewhere in this information statement/proxy statement/prospectus.
- (e) Amounts represent cash dividends declared of \$0.14 per share for the first quarter of 2011, \$0.30 per share for the second quarter of 2011 and \$0.30 per share for the third quarter of 2011. The first quarter dividend of \$0.14 per share was a prorated amount from February 16, 2011, the day Kinder Morgan closed its IPO.
- (f) For the nine months ended September 30, 2011, the amount is equal to the \$0.60 per share historical cash dividends declared for the second and third quarter plus a full first quarter dividend. The first quarter cash dividend declared of \$0.14 per share was a prorated amount as discussed in (e) above. Based on a full quarter, the cash dividend declared amount would have been \$0.29 per share. For 2010, the amount is equal to \$755.0 million of cash dividends declared for the year divided by 707.0 million Class P shares outstanding on a fully-converted basis.
- (g) The pro forma for IPO and EP cash dividends declared amounts were computed as follows:

	Nine Months Ended September 30, 2011	Year Ended December 31, 2010
	(per share)	
Kinder Morgan Per Share of Class P Common Stock		
Cash dividends declared pro forma for IPO	\$ 0.89	\$ 1.07
Dilution for new Class P shares issued(1)	(0.28)	(0.34)

Edgar Filing: EL PASO CORP/DE - Form DEFM14A

El Paso cash dividends declared(2)	0.02	0.03
Cash dividends declared pro forma for IPO and EP	\$ 0.63	\$ 0.76

- (1) For the nine months ended September 30, 2011 and year ended December 31, 2010 this amount was computed by multiplying Kinder Morgan's \$0.89 and \$1.07, respectively, per share cash dividends

Table of Contents

Index to Financial Statements

declared pro forma for IPO by the 329.1 million Class P shares expected to be issued in the second merger divided by the 1,036.5 million and 1,036.1 million, respectively, fully diluted Class P pro forma average shares outstanding during the periods.

- (2) For the nine months ended September 30, 2011 and year ended December 31, 2010 this amount was computed by dividing El Paso's \$22 million and \$28 million, respectively, of cash dividends declared historically by 1,036.5 million and 1,036.1 million, respectively, fully diluted Class P pro forma average shares outstanding.

- (h) The September 30, 2011 amount was calculated as \$3,455.5 million of Kinder Morgan net book value divided by 707.0 million total Class P and Class A shares outstanding as of September 30, 2011. The December 31, 2010 amount was calculated as \$3,439.1 million of Kinder Morgan net book value divided by 707.0 million total Class P and Class A shares outstanding as of December 31, 2010.

- (i) The September 30, 2011 amount was calculated by dividing shareholders' equity as presented in the unaudited pro forma condensed combined financial statements included elsewhere in this information statement/proxy statement/prospectus by 1,036.1 million Class P and Class A pro forma shares outstanding as of September 30, 2011.

- (j) Pro forma equivalent amounts are calculated by multiplying the Kinder Morgan per share of Class P common stock pro forma for IPO and EP amounts by the exchange ratio for the stock only election of 0.9635.

Table of Contents**Index to Financial Statements****Comparative Stock Prices And Dividends**

Kinder Morgan Class P common stock is listed on the NYSE under the symbol KMI. El Paso common stock is listed on the NYSE under the symbol EP. The following tables set forth the high and low sales prices per share of Kinder Morgan Class P common stock and El Paso common stock for the quarterly periods indicated, and the amount of cash dividends declared per share in respect of the periods indicated. Kinder Morgan Class P common stock began trading on the NYSE upon Kinder Morgan's initial public offering in February 2011.

	Kinder Morgan Class P Common Stock Price Range		Cash Dividends
	High	Low	
2012			
First quarter (through January 27, 2012)	\$ 34.25	\$ 32.05	
2011			
Fourth quarter	32.17	24.66	\$ 0.31
Third quarter	29.45	23.51	0.30
Second quarter	29.97	26.87	0.30
First quarter (beginning February 11, 2011)	32.14	29.50	0.14(1)

- (1) This dividend was prorated from February 16, 2011, the day Kinder Morgan closed its initial public offering. Based on a full quarter, the dividend amounts to \$0.29 per share.

	El Paso Common Stock Price Range		Cash Dividends
	High	Low	
2012			
First quarter (through January 27, 2012)	\$ 27.12	\$ 25.80	
2011			
Fourth quarter	26.57	16.30	
Third quarter	21.18	16.64	\$ 0.01
Second quarter	21.54	16.72	0.01
First quarter	18.77	13.42	0.01
2010			
Fourth quarter	14.08	12.00	0.01
Third quarter	12.93	10.60	0.01
Second quarter	13.00	10.17	0.01
First quarter	11.59	9.55	0.01

The following table sets forth the closing prices per share for Kinder Morgan Class P common stock and El Paso common stock on October 14, 2011, the last trading day prior to the public announcement of the merger, and on January 27, 2012, the last practicable trading day prior to the date of this information statement/proxy statement/prospectus. The table also sets forth the equivalent market value per share of El Paso common stock for the mixed consideration election shares and the stock election shares, assuming no proration and excluding the value of the warrants.

	Closing Price per Share	
	October 14, 2011	January 27, 2012
Kinder Morgan Class P common stock	\$ 26.89	\$ 32.38
El Paso common stock	19.59	26.54
El Paso mixed consideration election share equivalent	25.91	28.21
El Paso stock election share equivalent	25.91	31.20

Table of Contents

Index to Financial Statements

Because the merger consideration will not be adjusted for changes in the market price of either Kinder Morgan Class P common stock or El Paso common stock, the market value of the shares of Kinder Morgan Class P common stock that holders of El Paso common stock will have the right to receive on the date the second merger becomes effective may vary significantly from the market value of the shares of Kinder Morgan Class P common stock that holders of El Paso common stock would receive if the second merger were completed on the date of this information statement/proxy statement/prospectus. Therefore, you should obtain recent market prices of the Kinder Morgan and El Paso shares prior to voting. See Risk Factors Risk Factors Relating to the Transactions Because the exchange ratios are fixed and because the market price of Kinder Morgan Class P common stock and El Paso common stock/New El Paso common stock will fluctuate, New El Paso stockholders receiving Kinder Morgan Class P common stock and/or warrants as part of the merger consideration cannot be sure of the market value of such merger consideration relative to the value of their shares of New El Paso common stock that they are exchanging.

Table of Contents

Index to Financial Statements

RISK FACTORS

In evaluating Kinder Morgan, El Paso, their respective businesses, the combined company and the transactions, you should carefully consider the following risk factors, as well as the other information included in or incorporated by reference into this information statement/proxy statement/prospectus, before deciding how to vote. Realization of any of the risks described below, any of the events described under Cautionary Statement Regarding Forward-Looking Statements or any of the risks or events described in the information incorporated by reference could have a material adverse effect on Kinder Morgan's, El Paso's or the combined company's respective businesses, financial condition, cash flows and results of operations and could result in a decline in the trading price of their respective shares of common stock.

Risk Factors Relating to the Transactions

Kinder Morgan and El Paso may be unable to obtain the regulatory clearances and approvals required to complete the transactions or, in order to do so, Kinder Morgan and El Paso may be required to comply with material restrictions or satisfy material conditions.

The transactions are subject to review by the Antitrust Division of the Department of Justice (referred to as the Antitrust Division) and the Federal Trade Commission (referred to as the FTC) under the HSR Act, the Mexican Federal Competition Commission, the FERC under Section 203 of the Federal Power Act with respect to the indirect transfer of control to Kinder Morgan of El Paso's wholesale electric power marketing subsidiary and the wholesale power contracts to which it is a party, and potentially state regulatory authorities or foreign governmental authorities. The closing of the transactions is also subject to the condition that there be no law, injunction, judgment or ruling by a governmental authority in effect enjoining, restraining, preventing or prohibiting the transactions contemplated by the merger agreement. Kinder Morgan and El Paso can provide no assurance that all required regulatory approvals will be obtained. Further, Kinder Morgan has agreed to avoid or eliminate any impediment to the transactions that may be asserted by governmental entities under the antitrust laws, including divesting assets, terminating relationships or committing to limit Kinder Morgan's future freedom of action. If any governmental authority asserts any objections to the transactions, Kinder Morgan anticipates that it may be required to divest some assets in order to obtain antitrust approval. There can be no assurance as to the cost, scope or impact of the actions that may be required to obtain antitrust approval. If Kinder Morgan must take such actions, it could be detrimental to it or to the combined company following the consummation of the transactions. Furthermore, these actions could have the effect of delaying or preventing completion of the proposed transactions or imposing additional costs on or limiting the revenues of the combined company following the consummation of the transactions. See The Merger Agreement Regulatory Matters.

On December 5, 2011, Kinder Morgan and El Paso each received a Request for Additional Information and Documentary Materials (referred to as the Second Request) from the FTC. Consequently, the waiting period under the HSR Act is extended until 11:59 p.m., Eastern Time, on the 30th day after both Kinder Morgan and El Paso have certified their substantial compliance with the Second Request, unless earlier terminated by the FTC. At any time before or after such statutory waiting period under the HSR Act expires or the parties receive early termination of the waiting period, the Antitrust Division or the FTC could take action under the antitrust laws to prevent or rescind the transactions, require the divestiture of assets or seek other remedies. Additionally, the FERC, state attorneys general or foreign governmental authorities could seek to block or challenge the transactions as they deem necessary or desirable in the public interest at any time, including after completion of the transactions. In addition, in some circumstances, a competitor, customer or other third party could initiate a private action under antitrust laws challenging or seeking to enjoin the transactions, before or after it is completed. Kinder Morgan may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

Table of Contents**Index to Financial Statements**

If Kinder Morgan's financing for the transactions is not funded, the transactions may not be completed and Kinder Morgan may be in breach of the merger agreement.

Kinder Morgan intends to finance the cash required in connection with the transactions, including for expenses incurred in connection with the transactions, with debt financing. On October 16, 2011, Kinder Morgan entered into a debt commitment letter with Barclays Capital. Pursuant to the commitment letter, Barclays Bank has committed to provide a \$6.8 billion 364-day senior secured term loan facility, a \$5.0 billion three-year senior secured term loan facility and a \$1.5 billion senior revolving credit facility to fund the cash consideration in the transactions. On October 31, 2011, the following financial institutions became party to the debt commitment letter by way of a joinder agreement and were assigned a portion of Barclays Bank's commitments thereunder: Bank of America, N.A.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Citibank, N.A.; Credit Suisse AG, Cayman Islands Branch; Deutsche Bank AG New York Branch; JPMorgan Chase Bank, N.A.; Royal Bank of Canada; The Royal Bank of Scotland PLC; UBS Loan Finance LLC; and Wells Fargo Bank, N.A. Each of the lenders party to the joinder agreement has severally, but not jointly, committed to provide the portion of the commitments assigned to it. To the extent one or more of the lenders is unwilling to, or unable to, fund its portion of the debt financing commitments, the other lenders are not obligated to assume the unfunded commitments and Kinder Morgan may be required to seek alternative financing or fund such commitments itself. The debt financing commitment is subject to various conditions, including the absence of a material adverse effect on El Paso having occurred, Kinder Morgan using its commercially reasonable efforts to obtain credit ratings from S&P and Moody's, the execution of satisfactory documentation and other customary closing conditions.

In the event some or all of the financing contemplated by the commitment letter is not available, Kinder Morgan is obligated to use its best efforts to obtain alternative financing in an amount that will enable Kinder Morgan to consummate the transactions, even if such alternative financing is on less favorable terms and conditions than those contemplated by the commitment letter. Under certain circumstances, Kinder Morgan may, and El Paso may require Kinder Morgan to, sue its financing sources to specifically enforce the obligations of the financing sources under the commitment letter. Due to the fact that there is no funding condition in the merger agreement, if Kinder Morgan is unable to obtain funding from its financing sources for the cash required in connection with the transactions, Kinder Morgan could be in breach of the merger agreement assuming all other conditions to closing are satisfied and may be liable to El Paso for damages. For a description of the debt financing, please refer to Description of the Debt Financing.

New El Paso stockholders may not receive all consideration in the form they elect, and the form of consideration that they receive may have a lower value or less favorable tax consequences than the form of consideration that they elect to receive.

New El Paso stockholders that make either the cash election or the stock election will be subject to proration if holders of New El Paso common stock, in the aggregate, elect to receive more or less than the aggregate amount of cash consideration to be paid in the transactions. Accordingly, some of the consideration El Paso stockholders receive in the transactions may differ from the type of consideration they select and such difference may be significant. This may result in, among other things, tax consequences that differ from those that would have resulted if New El Paso stockholders had received solely the form of consideration that they elected. The relative proportion of stock and cash that a New El Paso stockholder receives may also have a value that is higher or lower than the relative proportion of stock and cash that the New El Paso stockholder elected to receive. A discussion of the proration mechanism can be found under the heading The Transactions New El Paso Stockholders Making Elections Proration and Adjustment Procedures and a discussion of the material federal income tax consequences of the transactions can be found under the heading The Transactions Material U.S. Federal Income Tax Consequences of the Transactions.

Table of Contents**Index to Financial Statements**

The fairness opinions rendered to the boards of directors of Kinder Morgan and El Paso by their respective financial advisors were based on the respective financial analyses they performed, which considered factors such as market and other conditions then in effect, and financial forecasts and other information made available to them, as of the date of their respective opinions. As a result, these opinions do not reflect changes in events or circumstances after the date of these opinions. Kinder Morgan and El Paso have not obtained, and do not expect to obtain, updated fairness opinions from their respective financial advisors reflecting changes in circumstances that may have occurred since the signing of the merger agreement.

The fairness opinions rendered to the board of directors of Kinder Morgan by Evercore and Barclays Capital and the fairness opinion rendered to the board of directors of El Paso by Morgan Stanley were provided in connection with, and at the time of, the boards of directors' respective evaluation of the transactions. These opinions were based on the respective financial analyses performed, which considered market and other conditions then in effect, and financial forecasts and other information made available to them, as of the date of their respective opinions, which may have changed, or may change, after the date of the opinions. Kinder Morgan and El Paso have not obtained updated opinions as of the date of this information statement/proxy statement/prospectus from their respective financial advisors. They do not expect to obtain updated opinions prior to completion of the transactions. Changes in the operations and prospects of Kinder Morgan or El Paso, general market and economic conditions and other factors which may be beyond the control of Kinder Morgan and El Paso, and on which the fairness opinions were based, may have altered the value of Kinder Morgan or El Paso or the prices of shares of Kinder Morgan Class P common stock or shares of El Paso common stock since the dates of such opinions, or may alter such values and prices by the time the transactions are completed. The opinions do not speak as of any date other than the dates of those opinions. For a description of the opinions that Kinder Morgan and El Paso received from their respective financial advisors, please refer to *The Transactions' Opinions of Kinder Morgan's Financial Advisors* and *Opinion of El Paso's Financial Advisor*.

The merger agreement contains provisions that limit each party's ability to pursue alternatives to the transactions, could discourage a potential competing acquirer of either El Paso or Kinder Morgan from making a favorable alternative transaction proposal and, in specified circumstances, could require El Paso to pay a termination fee of \$650 million to Kinder Morgan.

Under the merger agreement, El Paso and Kinder Morgan are restricted from entering into alternative transactions. Unless and until the merger agreement is terminated, subject to specified exceptions (which are discussed in more detail in *The Merger Agreement Termination*), both Kinder Morgan and El Paso are restricted from soliciting, initiating, knowingly facilitating, knowingly encouraging or knowingly inducing or negotiating, any inquiry, proposal or offer for a competing acquisition proposal with any person. The merger agreement does not permit Kinder Morgan to terminate the merger agreement and pursue an alternative transaction, even if the Kinder Morgan board believed it would be more favorable to the Kinder Morgan stockholders. Additionally, under the merger agreement, in the event of a potential change by the board of directors of El Paso of its recommendation with respect to the transactions in light of a superior proposal, El Paso must provide Kinder Morgan with five days notice to allow Kinder Morgan to propose an adjustment to the terms and conditions of the merger agreement. El Paso may terminate the merger agreement and enter into an agreement with respect to a superior proposal only if specified conditions have been satisfied, including compliance with the no solicitation and termination provisions of the merger agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of El Paso or Kinder Morgan from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the transactions, or might result in a potential competing acquirer of El Paso proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable in specified circumstances.

Under the merger agreement, El Paso may be required to pay to Kinder Morgan a termination fee of \$650 million if the merger agreement is terminated under specified circumstances. If such a termination fee is payable, the payment of this fee could have material and adverse consequences to the financial condition and

Table of Contents

Index to Financial Statements

operations of El Paso. For a discussion of the restrictions on El Paso and Kinder Morgan soliciting or entering into a takeover proposal or alternative transaction and El Paso's board of directors' ability to change its recommendation, see The Merger Agreement No-Solicitation by El Paso of Takeover Proposals, No-Solicitation by Kinder Morgan of an Alternative Transaction and El Paso Board Recommendation.

Directors and executive officers of El Paso have certain interests that are different from those of El Paso stockholders generally.

The executive officers of El Paso who negotiated the terms of the merger agreement and the members of the El Paso board of directors who approved the merger agreement have certain interests in the transactions that may be different from, or in addition to, the interests of El Paso stockholders generally. These interests include the following:

Under the merger agreement, each outstanding equity award (including equity awards held by El Paso's executive officers and directors) will (to the extent unvested) automatically vest upon the second merger and be converted into the right to receive, at the election of the holder, either cash (and warrants) or a mixture of cash and shares of Kinder Morgan Class P common stock (and warrants) for all shares subject to such awards (in the case of stock options, less the aggregate exercise price);

El Paso's executive officers participate in El Paso's executive severance plans, which provide severance and other termination benefits in the case of a qualifying termination of employment upon or within the two-year period immediately following a change of control, which would include the second merger; and

Under the merger agreement, El Paso must, in consultation with Kinder Morgan, adopt a retention plan for certain full-time employees of El Paso, including executive officers Brent Smolik and Dane Whitehead, pursuant to which retention bonuses may be earned by such executive officers based on (1) the performance of services, (2) attainment of specified levels of gross sale proceeds in respect of EP Energy business assets sold within 12 months after closing of the second merger and (3) the date the EP Energy business assets are sold.

The merger agreement provides that Kinder Morgan will take such actions (including increasing the size of the Kinder Morgan board of directors) as are necessary to elect two individuals designated by El Paso to the Kinder Morgan board of directors effective as of, and subject to the occurrence of, the effective time of the second merger. As of the date of this information statement/proxy statement/prospectus, El Paso has not yet determined which individuals will be its designees on the Kinder Morgan board of directors.

The merger agreement also provides for indemnification in favor of the current and former directors and officers of El Paso and its subsidiaries and for the purchase of directors' and officers' liability insurance and fiduciary liability insurance tail or run-off policies with respect to matters existing or occurring at or prior to the effective time of the transactions.

For a discussion of the interests of directors and executive officers in the transactions, see The Transactions Interests of Certain Persons in the Transactions El Paso Executive Officers and Directors.

Goldman Sachs served as one of El Paso's financial advisors and is the second largest beneficial owner of stock in Kinder Morgan and may have interests that are different from those of El Paso stockholders generally.

Goldman Sachs may have interests in the transactions that are different from, or in addition to, the interests of El Paso stockholders generally. These interests may present Goldman Sachs with actual or potential conflicts of interest. Prior to the receipt of Kinder Morgan's acquisition proposal, El Paso engaged Goldman Sachs to advise it with respect to the proposed spin-off of its exploration and production business and paid Goldman Sachs

Table of Contents

Index to Financial Statements

\$5 million in connection with that engagement. Following receipt of Kinder Morgan's proposal, El Paso engaged Goldman Sachs to continue to act as a financial advisor to El Paso, including reviewing and analyzing El Paso's business plan in connection with the proposed spin-off for purposes of aiding El Paso in its analysis of the potential Kinder Morgan transaction. In the engagement letter for these latter services, El Paso agreed to pay Goldman Sachs a fee of \$20 million upon completion of a transaction with Kinder Morgan. In both engagement letters, El Paso agreed to reimburse Goldman Sachs for certain of its fees and expenses and indemnify it against certain liabilities if they were to arise. In addition to its role as a financial advisor to El Paso, Goldman Sachs is also a stockholder of Kinder Morgan and, prior to consummation of the proposed transactions, may be deemed to beneficially own approximately 19 percent of the shares of Kinder Morgan Class P common stock on a fully converted basis, making it the second largest beneficial holder. Two representatives of Goldman Sachs and its affiliates also serve on the board of directors of Kinder Morgan. For more information relating to Goldman Sachs' role as a financial advisor to El Paso, Goldman Sachs investment in Kinder Morgan and El Paso's and Goldman Sachs' actions to address any potential conflicts, see "The Transactions Background of the Transactions," "El Paso's Engagement of Goldman Sachs" and "Interests of Certain Persons in the Transactions Goldman Sachs."

Kinder Morgan and El Paso may have difficulty attracting, motivating and retaining executives and other employees in light of the transactions.

Uncertainty about the effect of the transactions on Kinder Morgan and El Paso employees may have an adverse effect on Kinder Morgan and El Paso and consequently the combined company. This uncertainty may impair Kinder Morgan's and El Paso's ability to attract, retain and motivate personnel until the transactions are completed. Employee retention may be particularly challenging during the pendency of the transactions, as employees may feel uncertain about their future roles with the combined company. In addition, Kinder Morgan and El Paso may have to provide additional compensation in order to retain employees. If employees of Kinder Morgan or El Paso depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become employees of the combined company, the combined company's ability to realize the anticipated benefits of the transactions could be reduced.

Kinder Morgan and El Paso will incur substantial transaction-related costs in connection with the transactions.

Kinder Morgan and El Paso expect to incur a number of non-recurring transaction-related costs associated with completing the transactions, combining the operations of the two companies and achieving desired synergies. These fees and costs will be substantial. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred in the integration of the businesses of Kinder Morgan and El Paso. There can be no assurance that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset the incremental transaction-related costs over time. Thus, any net benefit may not be achieved in the near term, the long term or at all.

Failure to successfully combine the businesses of El Paso and Kinder Morgan in the expected time frame may adversely affect the future results of the combined company, and, consequently, the value of any Kinder Morgan Class P common stock and/or Kinder Morgan warrants that El Paso stockholders receive as part of the merger consideration.

The success of the proposed transactions will depend, in part, on the ability of Kinder Morgan to realize the anticipated benefits and synergies from combining the businesses of Kinder Morgan and El Paso. To realize these anticipated benefits, the businesses must be successfully combined. If the combined company is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the transactions may not be realized fully or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the transactions. These integration

Table of Contents

Index to Financial Statements

difficulties could result in declines in the market value of Kinder Morgan Class P common stock and, consequently, result in declines in the market value of the Kinder Morgan Class P common stock and warrants that El Paso stockholders receive as part of the merger consideration and continue to hold following consummation of the proposed transactions.

Failure to complete the transactions, or significant delays in completing the transactions, could negatively affect the trading prices of Kinder Morgan Class P common stock and El Paso common stock and the future business and financial results of Kinder Morgan and El Paso.

Completion of the transactions is not assured and is subject to risks, including the risks that approval of the transactions by the respective stockholders of Kinder Morgan and El Paso or by governmental agencies is not obtained or that other closing conditions are not satisfied. If the transactions are not completed, or if there are significant delays in completing the transactions, it could negatively affect the trading prices of Kinder Morgan Class P common stock and El Paso common stock and the respective future business and financial results of Kinder Morgan and El Paso, and each of them will be subject to several risks, including the following:

the parties may be liable for damages to one another under the terms and conditions of the merger agreement;

negative reactions from the financial markets, including declines in the price of Kinder Morgan Class P common stock or El Paso common stock due to the fact that current prices may reflect a market assumption that the transactions will be completed;

having to pay certain significant costs relating to the transactions, including, in the case of El Paso in certain circumstances, a termination fee of \$650 million as described in The Merger Agreement Termination Fee ; and

the attention of management of Kinder Morgan and El Paso will have been diverted to the transactions rather than each company's own operations and pursuit of other opportunities that could have been beneficial to that company.

Purported stockholder class action complaints have been filed against El Paso, Kinder Morgan, the members of El Paso's board of directors, El Paso's and Kinder Morgan's merger subsidiaries and Goldman Sachs, challenging the transactions, and an unfavorable judgment or ruling in these lawsuits could prevent or delay the consummation of the proposed transactions and result in substantial costs.

In connection with the proposed transactions, purported stockholders of El Paso have filed numerous purported stockholder class action lawsuits in the District Court of Harris County, Texas and in the Delaware Court of Chancery. Those lawsuits name as defendants El Paso, Kinder Morgan, the members of the board of directors of El Paso, and, in certain cases, the affiliates of El Paso and Kinder Morgan and Goldman, Sachs & Co., whose role is further described in the section entitled The Transactions El Paso's Engagement of Goldman Sachs. Among other remedies, the plaintiffs seek to enjoin the proposed transactions. If a final settlement is not reached, or if a dismissal is not obtained, these lawsuits could prevent and/or delay completion of the transactions and result in substantial costs to El Paso and Kinder Morgan, including any costs associated with the indemnification of directors. Additional lawsuits may be filed against El Paso and Kinder Morgan, their respective affiliates and El Paso's directors related to the proposed transactions. The defense or settlement of any lawsuit or claim may adversely affect the combined company's business, financial condition or results of operations. See The Transactions Litigation Related to the Transactions.

Closing of the first merger and/or second merger may trigger change in control provisions in certain agreements to which El Paso is a party.

Closing of the first merger and/or second merger may trigger change in control provisions in certain agreements to which El Paso is a party. If El Paso and Kinder Morgan are unable to negotiate waivers of those

Table of Contents

Index to Financial Statements

provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if El Paso and Kinder Morgan are able to negotiate waivers, the counterparties may require a fee for such waiver or seek to renegotiate the agreements on terms less favorable to El Paso or the combined company.

During the pendency of the proposed transactions, a decrease in Kinder Morgan's perceived creditworthiness may have an adverse effect on El Paso's perceived creditworthiness, possibly resulting in a downgrade of credit ratings.

During the pendency of the proposed transactions, changes in Kinder Morgan's perceived creditworthiness may affect El Paso's perceived creditworthiness. To the extent that there are concerns about Kinder Morgan's ability to satisfy its obligations to its creditors, those concerns may be imputed to El Paso, causing similar concerns about El Paso's ability to satisfy its obligations to its creditors. If El Paso's perceived creditworthiness suffers, it could result in, among other things, lowered credit ratings, reduced access to capital and increased borrowing costs.

El Paso is subject to business uncertainties and contractual restrictions while the proposed transactions are pending, which could adversely affect El Paso's business and operations.

Under the terms of the merger agreement, El Paso is subject to certain restrictions on the conduct of its business prior to completing the proposed transactions, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into contracts or incur capital expenditures to grow its business. Such limitations could negatively affect El Paso's businesses and operations prior to the completion of the proposed transactions. Furthermore, the process of planning to integrate two businesses and organizations for the post-merger period can divert management attention and company resources and could ultimately have an adverse effect on each of Kinder Morgan and El Paso.

In connection with the pending transactions, it is possible that some customers, suppliers and other persons with whom El Paso has a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with El Paso as a result of the proposed transactions, which could negatively affect El Paso's revenues, earnings and cash flows, as well as the market price of shares of its common stock, regardless of whether the transactions are completed.

Because the exchange ratios are fixed and because the market price of Kinder Morgan Class P common stock and El Paso common stock/New El Paso common stock will fluctuate, New El Paso stockholders receiving Kinder Morgan Class P common stock and/or warrants as part of the merger consideration cannot be sure of the market value of such merger consideration relative to the value of their shares of New El Paso common stock that they are exchanging.

If the transactions are completed, each share of New El Paso common stock will be converted into the right to receive 0.640 of a warrant to purchase shares of Kinder Morgan Class P common stock and may, depending on the election of the New El Paso stockholder and subject to proration, be converted into the right to receive a fixed number of shares (as opposed to a fixed market value) of Kinder Morgan Class P common stock. During the pendency of the transactions, the market value of Kinder Morgan Class P common stock will fluctuate, and decreases in the market value of Kinder Morgan Class P common stock will negatively affect the value of the merger consideration that New El Paso stockholders receive. The market value of New El Paso common stock will also fluctuate during the pendency of the transactions, and increases in the market value of New El Paso common stock may mean that the merger consideration issued to New El Paso common stockholders will be worth less than the market value of the shares of New El Paso common stock such stockholders are exchanging. The exchange ratios were fixed at the time the merger agreement was executed, and the value of Kinder Morgan and New El Paso stock may vary significantly from their values on the date of the merger agreement, the date of this information statement/proxy statement/prospectus, the date on which El Paso stockholders vote on the

Table of Contents

Index to Financial Statements

merger agreement, the date on which New El Paso stockholders make their election and the date on which New El Paso stockholders receive the merger consideration. Neither El Paso nor Kinder Morgan is permitted to terminate the merger agreement solely due to changes in the market price of either party's common stock.

There will be a time lapse between the date on which New El Paso stockholders make an election with respect to the form of merger consideration to be received by them in exchange for their New El Paso common stock and the date on which New El Paso stockholders actually receive warrants of Kinder Morgan and, depending on their election and subject to proration, shares of Kinder Morgan Class P common stock. Fluctuations in the market value of Kinder Morgan stock during this time period will also affect the value of the merger consideration, once it is actually received.

If a New El Paso stockholder makes a stock election or mixed election and the market value of Kinder Morgan Class P common stock falls between the time of the election and the time the merger consideration is actually received, the value of the merger consideration received may be less than the value of the merger consideration such stockholder would have received under a cash election. Conversely, if a New El Paso stockholder makes a cash election and the market value of Kinder Morgan Class P common stock rises between the time of the election and the time the merger consideration is actually received, the value of the merger consideration received may be less than the value of the merger consideration such stockholder would have received under a stock or mixed election. New El Paso stockholders are urged to obtain current market quotations for Kinder Morgan Class P common stock when they make their elections.

If the transactions are approved, the date that New El Paso stockholders will receive the merger consideration is uncertain.

If the proposed transactions are approved, the date that New El Paso stockholders will receive the merger consideration depends on the completion date of the transactions, which is uncertain.

When making their elections, New El Paso stockholders must deliver stock certificates (or evidence of shares in book-entry form) to the exchange agent, and, unless they revoke their election, will not be able to transfer those shares following delivery.

When New El Paso stockholders make their election and return the properly completed form of election by the applicable deadline, they must also deliver to the exchange agent stock certificates (or evidence of shares in book-entry form) representing their shares of New El Paso common stock. Unless they revoke this election, such stockholders may not transfer those shares following their election, and such stockholders may therefore be unable to gain access to cash or make other investments, or otherwise attempt to reduce the potential for a decrease in the value of their investment, as they otherwise would like.

The value of the warrants that New El Paso stockholders will receive as part of the merger consideration is uncertain, and the warrants may have limited or no value.

The value of the warrants to be issued as part of the merger consideration is speculative. In the event that the value of Kinder Morgan Class P common stock does not exceed the exercise price of the warrants during the five-year period when the warrants are exercisable, the warrants may have limited or no value. Because the market for the warrants may be limited, volatile or sporadic, warrant holders may have to bear the economic consequences of holding such warrants for the entire term of the warrants.

If the merger agreement is terminated, El Paso may be obligated to reimburse Kinder Morgan for costs incurred related to the transactions and, under certain circumstances, pay a termination fee to Kinder Morgan.

In certain circumstances, upon termination of the merger agreement, El Paso would be responsible for reimbursing Kinder Morgan for up to \$20 million in expenses related to the transaction, plus certain financing-

Table of Contents

Index to Financial Statements

related expenses of Kinder Morgan, and may be obligated to pay a termination fee to Kinder Morgan of \$650 million. If the merger agreement is terminated, the expense reimbursements and the termination fee required to be paid, if any, by El Paso under the merger agreement may require El Paso to incur significant amounts that would reduce the cash and liquidity it has available for operations, dividends or other general corporate purposes. See The Merger Agreement Expenses.

The unaudited pro forma financial information in this information statement/proxy statement/prospectus is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of the combined company following completion of the proposed transactions.

The unaudited pro forma financial information in this information statement/proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the transactions been completed on the dates indicated. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to El Paso's net assets. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of El Paso as of the date of the completion of the transactions. In addition, subsequent to the closing date, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this document. See Unaudited Pro Forma Condensed Combined Financial Information for more information.

Kinder Morgan's and El Paso's financial estimates are based on various assumptions that may not prove to be correct.

The financial estimates set forth in the forecast included under The Transactions Certain Kinder Morgan Financial Projections and Certain El Paso Financial Projections are based on assumptions of, and information available to, Kinder Morgan and El Paso, respectively, at the time they were prepared and provided to Kinder Morgan's and El Paso's respective boards of directors and financial advisors. Kinder Morgan and El Paso do not know whether the assumptions they made will prove correct. Any or all of such estimates may turn out to be wrong. They can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond Kinder Morgan's and/or El Paso's control. Many factors mentioned in this information statement/proxy statement/prospectus, including the risks outlined in this Risk Factors section and the events and/or circumstances described under Cautionary Statement Regarding Forward-Looking Statements will be important in determining Kinder Morgan's and/or El Paso's future results. As a result of these contingencies, actual future results may vary materially from Kinder Morgan's and/or El Paso's estimates. In view of these uncertainties, the inclusion of Kinder Morgan's and El Paso's financial estimates in this information statement/proxy statement/prospectus is not and should not be viewed as a representation that the forecasted results will be achieved.

These financial estimates are Kinder Morgan's and El Paso's internal financial forecasts and were not prepared with a view toward public disclosure or toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made, and each of Kinder Morgan and El Paso undertakes no obligation, other than as required by applicable law, to update its financial estimates herein to reflect events or circumstances after the date those financial estimates were prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances.

The financial estimates included in this information statement/proxy statement/prospectus have been prepared by, and are the responsibility of, Kinder Morgan and El Paso, as applicable. Moreover, neither Kinder Morgan's independent accountants, PricewaterhouseCoopers LLP, El Paso's independent accountants, Ernst & Young LLP, nor any other independent accountants have compiled, examined or performed any procedures with respect to Kinder Morgan's or El Paso's prospective financial information contained herein, nor have they

Table of Contents

Index to Financial Statements

expressed any opinion or any other form of assurance on such information or its achievability, and, accordingly, each of PricewaterhouseCoopers LLP and Ernst & Young LLP assumes no responsibility for, and disclaims any association with, Kinder Morgan's and El Paso's prospective financial information. The reports of PricewaterhouseCoopers LLP included in this information statement/proxy statement/prospectus and the reports of Ernst & Young LLP incorporated by reference relate exclusively to the historical financial information of the entities named in those reports and do not cover any other information in this information statement/proxy statement/prospectus and should not be read to do so. See "The Transactions," "Certain El Paso Financial Projections," and "Certain Kinder Morgan Financial Projections" for more information.

Risk Factors Relating to Kinder Morgan After Completion of the Transactions

In this section, "Kinder Morgan" refers to Kinder Morgan, Inc. after the transactions, at which time El Paso, which owns the general partner of EPB, will be a wholly owned subsidiary. Except as indicated below, this section also assumes the completion of the disposition of El Paso's oil and gas properties and business before or promptly after the transactions. All of Kinder Morgan's operations are, and after completion of the transactions will continue to be, conducted by its subsidiaries, including KMP and El Paso and their subsidiaries and joint ventures, and its equity investees. To the extent that a risk described below relates generally to the business of the combined entity, the risk factor refers to the risk to Kinder Morgan. Where the risk described is particular to KMP's business or to El Paso's business, the risk factor refers specifically to that entity. In this section, KMP and EPB are sometimes referred to as the "Partnerships."

Kinder Morgan may not be able to sell El Paso's exploration and production assets in a timely manner, on satisfactory terms and conditions, at a satisfactory price, or at all.

Kinder Morgan expects to sell El Paso's exploration and production assets around the same time as the consummation of the transactions in order to help reduce the level of indebtedness incurred to finance the transactions. The sale of El Paso's exploration and production assets is dependent upon a number of factors, including the availability of potential purchasers, reaching agreement with respect to th