TALLGRASS ENERGY

# MLPA Presentation

June 1, 2017

# Cautionary Statements

This presentation contains forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results or the ability to generate revenues, income or cash flow or to make distributions or pay dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations of Tallgrass Energy Partners, LP, Tallgrass Energy GP, LP or Rockies Express Pipeline LLC and their respective affiliates may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond Tallgrass Energy Partners, LP's, Tallgrass Energy GP, LP's and Rockies Express Pipeline LLC's ability to control or predict and are necessarily based upon various assumptions involving judgements with respect to the future. Forward-looking statements contained in this presentation specifically include, without limitation, the feasibility, cost, execution and in-service timing of capital and other growth projects at Rockies Express Pipeline LLC and Tallgrass Energy Partners, LP, and their respective affiliates, the stability of future cash flows at Tallgrass Energy Partners, LP, future liquidity at Tallgrass Energy Partners, LP and expectations regarding price and volume risk, TEP's 2017 and 2018 financial outlook and guidance, TEGP's 2017 distribution outlook and guidance, the closing of the acquisition of DCP's Powder River Basin Gathering System, and the timing of such closing and potential services to be offered by Tallgrass in the Powder River Basin. These statements also include, among others, Tallgrass Energy Partners, LP's, Tallgrass Energy GP, LP's and Rockies Express Pipeline LLC's respective ability to complete and integrate acquisitions, implement their respective business plans and complete internal growth projects; changes in general economic conditions; competitive conditions; actions taken by third-party operators, processors and transporters; demand for natural gas transportation, storage and processing services and crude oil transportation services; price and availability of debt and equity financing; availability and price of natural gas and crude oil compared to alternative fuels; energy efficiency and technology trends; operating hazards and other risks incidental to the business; natural disasters, weather-related delays and casualty losses; interest rates; labor relations; customer defaults; changes in tax status; effects of existing and future laws and governmental regulations; effects of future litigation; and other uncertainties. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward-looking statement.

This presentation does not constitute an offer to sell any securities of Tallgrass Energy Partners, LP, Tallgrass Energy GP, LP or their respective affiliates or a solicitation of an offer to buy any securities of Tallgrass Energy Partners, LP, Tallgrass Energy GP, LP, or their respective affiliates.

# Non-GAAP Measures

Adjusted EBITDA and Distributable Cash Flow are non-GAAP supplemental financial measures that management and external users of our consolidated financial statements and financial statements of our subsidiaries and unconsolidated investments, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- Our operating performance as compared to other publicly traded partnerships in the midstream energy industry, without regard to historical cost basis or, in the case of Adjusted EBITDA, financing methods;
- The ability of our assets to generate sufficient cash flow to make distributions to our unitholders;
- Our ability to incur and service debt and fund capital expenditures; and
- The viability of acquisitions and other capital expenditure projects and the returns on investment of various expansion and growth opportunities.

Management believes that the presentation of Adjusted EBITDA and Distributable Cash Flow in this presentation provides useful information to investors in assessing our financial condition and results of operations. Adjusted EBITDA and Distributable Cash Flow should not be considered alternatives to net income, operating income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP, nor should Adjusted EBITDA and Distributable Cash Flow be considered alternatives to available cash, operating surplus, distributions of available cash from operating surplus or other definitions in Tallgrass Energy Partners, LP's partnership agreement. Adjusted EBITDA and Distributable Cash Flow have important limitations as analytical tools because they exclude some but not all items that affect net income and net cash provided by operating activities. Additionally, because Adjusted EBITDA and Distributable Cash Flow may be defined differently by other companies in our industry, our definition of Adjusted EBITDA and Distributable Cash Flow may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

We generally define Adjusted EBITDA as net income excluding the impact of interest, income taxes, depreciation and amortization, non-cash income or loss related to derivative instruments, non-cash long-term compensation expense, impairment losses, gains or losses on asset or business disposals or acquisitions, gains or losses on the repurchase, redemption or early retirement of debt, and earnings from unconsolidated investments, but including the impact of distributions from unconsolidated investments. We also Distributable Cash Flow which we generally define as Adjusted EBITDA, plus deficiency payments received from or utilized by our customers and preferred distributions received from Pony Express in excess of its distributable cash flow attributable to our net interest, less cash interest expense, maintenance capital expenditures, distributions to noncontrolling interests in excess of earnings allocated to noncontrolling interests, and certain cash reserves permitted by our partnership agreement, to analyze our performance.

For a reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures, please see Adjusted EBITDA and Distributable Cash Flow Reconciliation.

TEP is unable to project net cash provided by operating activities or net income attributable to partners to provide the related reconciliations of projected distributable cash flow or Adjusted EBITDA to the most comparable financial measures calculated in accordance with GAAP, because the impact of changes in operating assets and liabilities and the volume and timing of deficiency payments received and utilized from our customers are out of our control and cannot be reasonably predicted. TEP provides a range for the forecasts of Adjusted EBITDA and distributable cash flow to allow for the variability in the timing of cash receipts and disbursements, customer utilization of our assets, and maintenance capital spending and the impact on the related reconciling items, many of which interplay with each other. The timing of maintenance capital expenditures is volatile as it depends on weather, regulatory approvals, contractor availability, system performance and various other items. Therefore, the reconciliations of projected distributable cash flow and Adjusted EBITDA to projected net cash provided by operating activities and net income attributable to partners are not available without unreasonable effort.

# Tallgrass Energy Overview

# Tallgrass Energy Overview

## Two operating partnerships with distinct functions make up the Tallgrass platform which allows Tallgrass to develop assets at TDEV

### "TDEV" Tallgrass Development (Private)

**ASSET INCUBATOR**

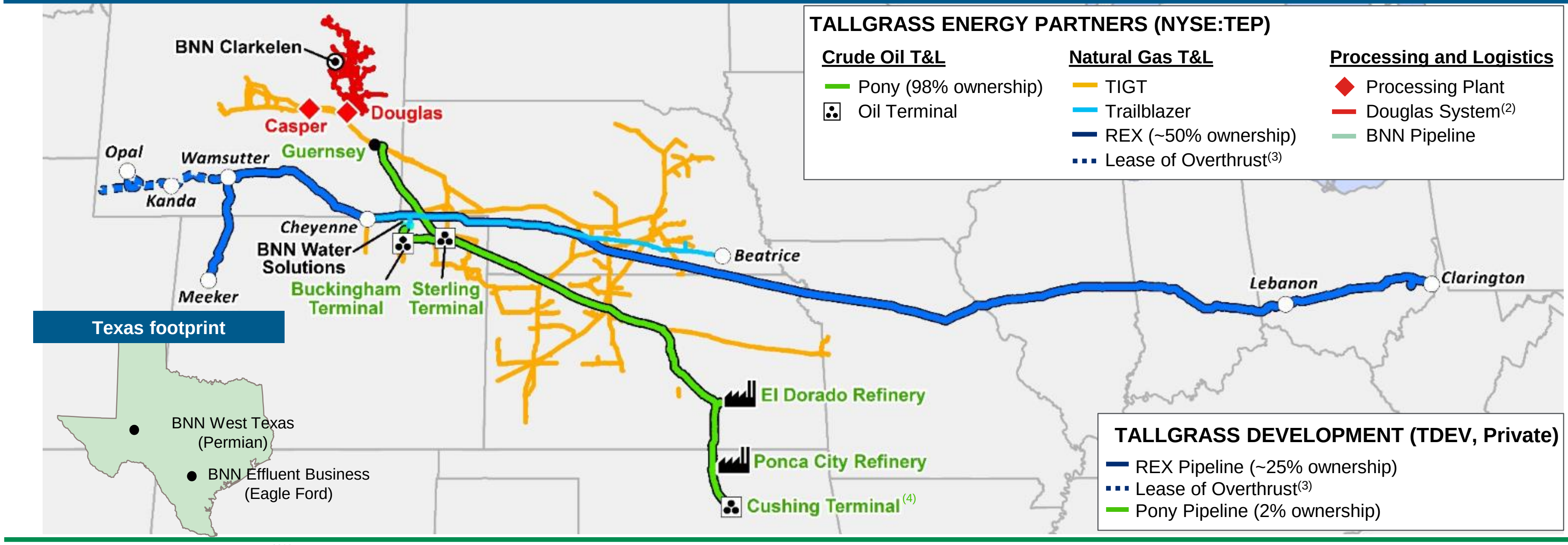
- **Private partnership**
  - Formed by management, Kelso, and EMG
  - Acquired assets from Kinder Morgan in November 2012
- **Holdings**
  - ~25% interest in Rockies Express Pipeline ("REX")
  - 2% interest in Pony Express Pipeline ("Pony")
  - ~5.6 million TEP units(1)

### "TEP" Tallgrass Energy Partners (NYSE:TEP)

**LONG-TERM OPERATING VEHICLE**

- **Public partnership**
  - $313 million IPO in May 2013
  - ~$3.4 billion of dropdown acquisitions from TDEV (Enterprise Value)(2)
  - ~$1.3 billion of 3rd party acquisitions (Enterprise Value)
- **Assets**
  - 98% interest in Pony Express Pipeline ("Pony")
  - Tallgrass Terminals ("Terminals")
  - Tallgrass Interstate Gas Transmission ("TIGT")
  - Trailblazer Pipeline ("Trailblazer")
  - ~50% interest in Rockies Express Pipeline ("REX")
  - Tallgrass Midstream ("TMID")
  - BNN Water Solutions ("BNN")

## Consolidated Footprint



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(1) As of 5/3/2017

(2) DCP Powder River Basin gathering system acquisition for $128mm is signed and expected to close in Q2 2017. The transaction remains subject to satisfaction of specified closing conditions, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act").

(3) REX leases capacity on Overthrust Pipeline, which is owned by Questar and consists of 255 miles of pipeline.

(4) Tallgrass Terminals owns a 20% interest in a joint venture, which owns an oil terminal facility in Cushing, OK.

# Two Attractive Investment Opportunities

## TEP Tallgrass Energy Partners

- **Master Limited Partnership**
  - Owns operating assets
  - Investors receive K-1

- Distribution growth:
  - **190%** DPU growth since IPO
  - **~20%** DPU growth for 2017(1)
  - **~20%** expected DPU growth for 2018(2)

- Distribution coverage:
  - 2013: ~1.22x
  - 2014: ~1.15x
  - 2015: ~1.14x
  - 2016: ~1.27x
  - 2017 guidance: 1.30x – 1.50x

- Current yield**: ~6.6%**(3)
- Current distribution: **$3.34** per common unit on an annualized basis(2)

- Enterprise Value: ~$5.7B
  - Market Cap: ~$3.7B(4)
  - Debt: ~$2.0B(4)

## TEGP Tallgrass Energy GP

- **Pure-Play General Partner**
  - TEP Incentive Distribution Rights and GP interest
  - 20 mm TEP LP units
  - No operating assets

- **"Up-C" Structure**
  - Limited partnership taxed as a C-Corp
  - Investors receive 1099
  - Tax expectations through 12/31/2017 at a minimum and expected to be much longer based on current deferred tax asset:
    - TEGP will pay no income taxes
    - Distributions paid to investors should not be treated as taxable dividend income
    - If Class B shares are exchanged for Class A shares TEGP will receive a step-up in tax basis

- Distribution growth:
  - **117%** DPS growth since IPO
  - **>30%** DPS growth for 2017(1)
    - Potentially in excess of 40%

- Current yield: **~4.2%**(5)
- Current distribution: **$1.15** per Class A share on an annualized basis(5)

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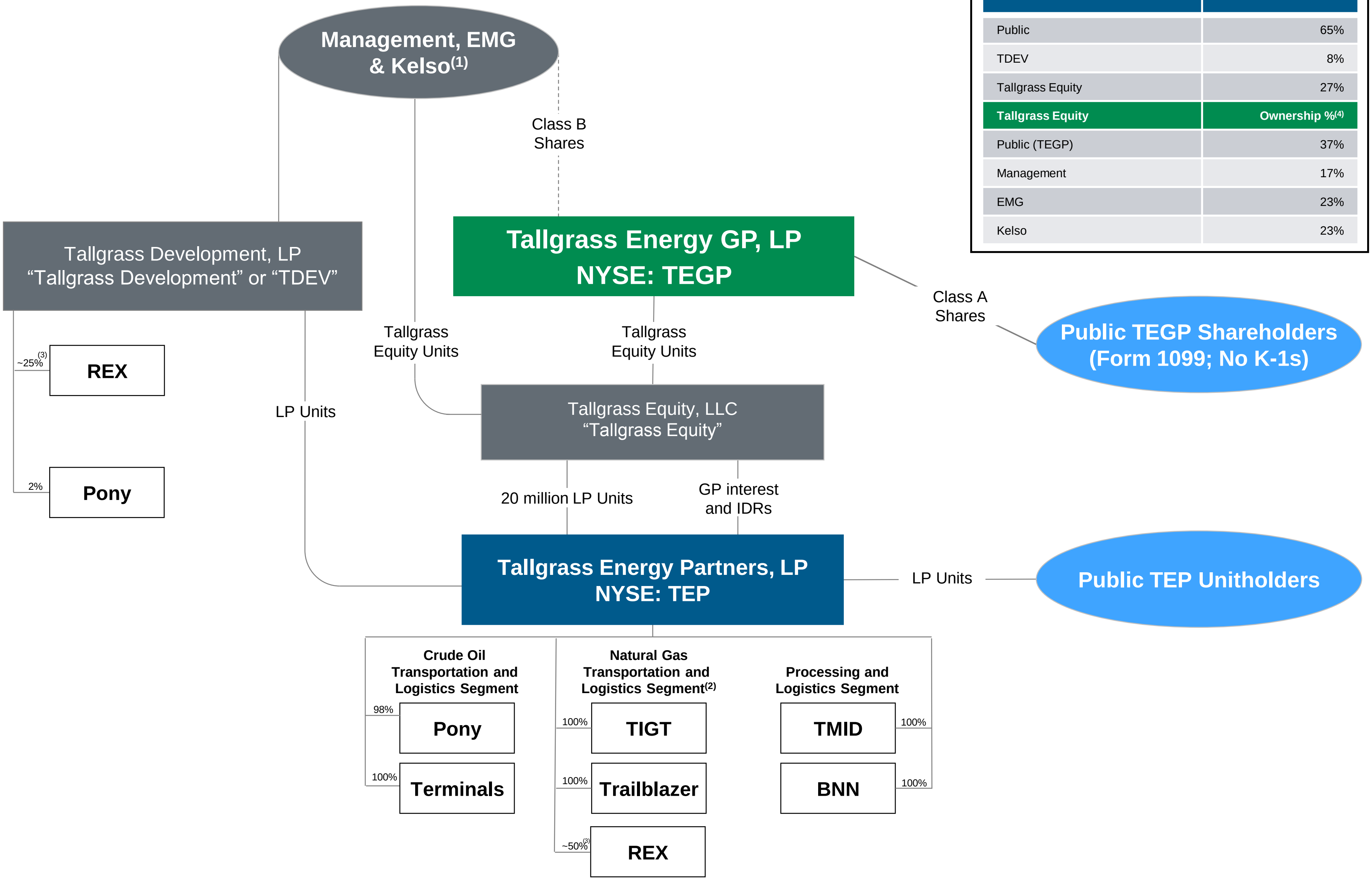
(1) Based on management's 2017 guidance.
(2) Based on management's 2018 guidance.
(3) Based on 5/19/2017 closing price and Q1 2017 $0.835 distribution per unit annualized.
(4) As of 5/19/2017.
(5) Based on 5/19/2017 closing price and Q1 2017 $0.2875 distribution per unit annualized.

# Summary Ownership Structure

| TEP Owners | LP Ownership %[4] |
|---|---|
| Public | 65% |
| TDEV | 8% |
| Tallgrass Equity | 27% |
| **Tallgrass Equity** | **Ownership %[4]** |
| Public (TEGP) | 37% |
| Management | 17% |
| EMG | 23% |
| Kelso | 23% |



**Management, EMG & Kelso[1]**

Class B Shares

Tallgrass Development, LP
"Tallgrass Development" or "TDEV"

**Tallgrass Energy GP, LP**
**NYSE: TEGP**

Class A Shares

**Public TEGP Shareholders (Form 1099; No K-1s)**

~25%[3] **REX**

2% **Pony**

Tallgrass Equity Units

Tallgrass Equity Units

LP Units

Tallgrass Equity, LLC
"Tallgrass Equity"

20 million LP Units

GP interest and IDRs

**Tallgrass Energy Partners, LP**
**NYSE: TEP**

LP Units

**Public TEP Unitholders**

**Crude Oil Transportation and Logistics Segment**

98% **Pony**

100% **Terminals**

**Natural Gas Transportation and Logistics Segment[2]**

100% **TIGT**

100% **Trailblazer**

~50%[3] **REX**

**Processing and Logistics Segment**

**TMID** 100%

**BNN** 100%

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(1) Kelso & Company ("Kelso"), the Energy & Minerals Group ("EMG") and Tallgrass KC, LLC, an entity owned by management, hold an exchange right which allows them to exchange one Tallgrass Equity unit and one Class B share for one Class A share. An affiliate of Magnetar Capital also owns an approximate 10% limited partner interest in TDEV.

(2) Also includes 100% of Tallgrass NatGas Operator (Operator of REX).

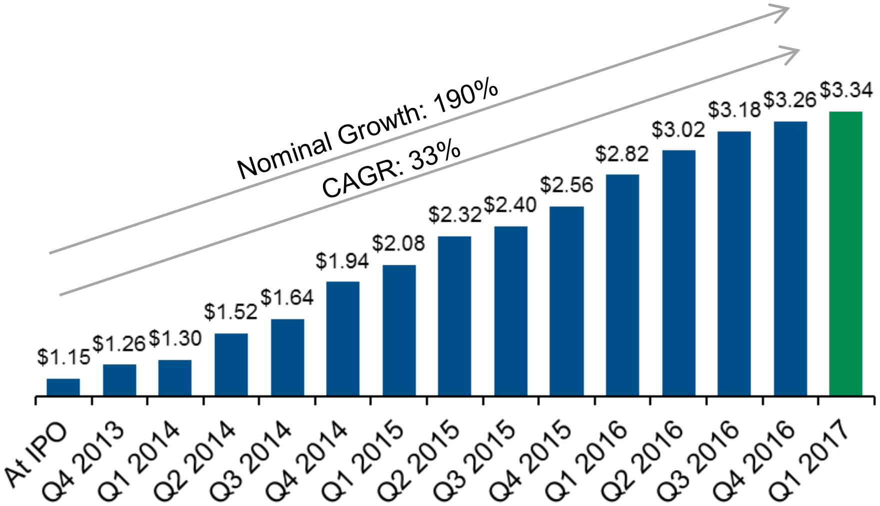
(3) Phillips 66 owns 25% of REX.

(4) As of 5/3/2017.

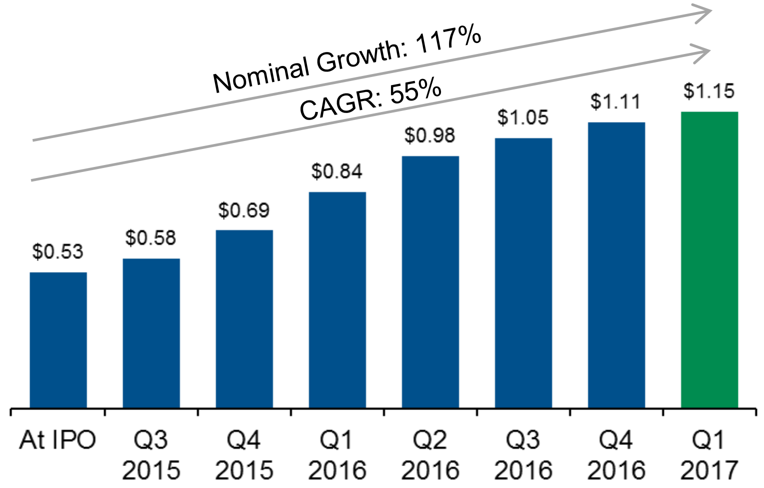
# Tallgrass Execution

# Exceptional Financial Performance

## TEP Annualized LP Distribution



## TEGP Annualized Distribution



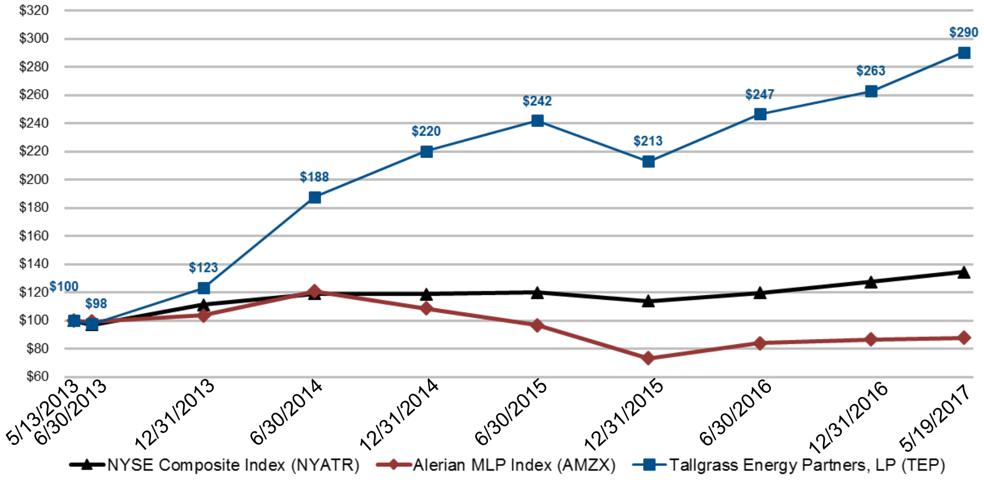
## TEP Guidance Outperformance

- TEP has consistently met or exceeded guidance

| | At IPO S-1[1] | FY2013 | FY2014 | FY2015 | FY2016 |
|---|---|---|---|---|---|
| Adjusted EBITDA / DCF | ★ | ✓ | ★ | ★ | ★ |
| Coverage | ★ | ★ | ★ | ★ | ★ |
| DPU | ★ | ★ | ★ | ★ | ✓ |

★ Exceeded Guidance ✓ Met Guidance

## TEP Total Unit Holder Return Since IPO[2][3]



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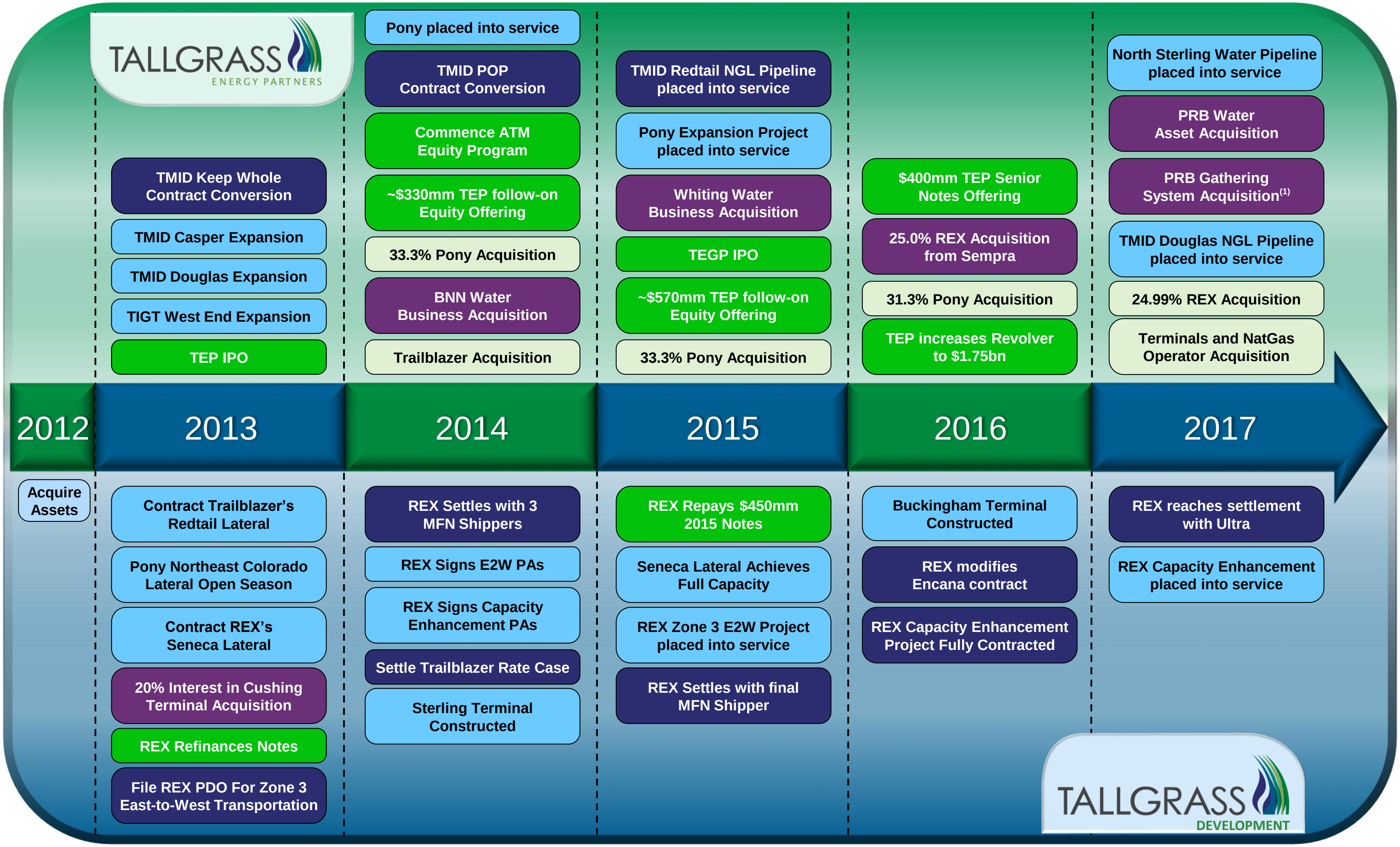
(1) Represents 12 month period ending 6/30/2014.
(2) As of 5/19/2017.
(3) Distributions are assumed to be reinvested in units of TEP at the closing price on the ex-dividend date.

# Tallgrass Energy Key Accomplishments



TALLGRASS ENERGY PARTNERS

**2012**

- Acquire Assets

**2013**

- TMID Keep Whole Contract Conversion
- TMID Casper Expansion
- TMID Douglas Expansion
- TIGT West End Expansion
- TEP IPO
- Contract Trailblazer's Redtail Lateral
- Pony Northeast Colorado Lateral Open Season
- Contract REX's Seneca Lateral
- 20% Interest in Cushing Terminal Acquisition
- REX Refinances Notes
- File REX PDO For Zone 3 East-to-West Transportation

**2014**

- Pony placed into service
- TMID POP Contract Conversion
- Commence ATM Equity Program
- ~$330mm TEP follow-on Equity Offering
- 33.3% Pony Acquisition
- BNN Water Business Acquisition
- Trailblazer Acquisition
- REX Settles with 3 MFN Shippers
- REX Signs E2W PAs
- REX Signs Capacity Enhancement PAs
- Settle Trailblazer Rate Case
- Sterling Terminal Constructed

**2015**

- TMID Redtail NGL Pipeline placed into service
- Pony Expansion Project placed into service
- Whiting Water Business Acquisition
- TEGP IPO
- ~$570mm TEP follow-on Equity Offering
- 33.3% Pony Acquisition
- REX Repays $450mm 2015 Notes
- Seneca Lateral Achieves Full Capacity
- REX Zone 3 E2W Project placed into service
- REX Settles with final MFN Shipper

**2016**

- $400mm TEP Senior Notes Offering
- 25.0% REX Acquisition from Sempra
- 31.3% Pony Acquisition
- TEP increases Revolver to $1.75bn
- Buckingham Terminal Constructed
- REX modifies Encana contract
- REX Capacity Enhancement Project Fully Contracted

**2017**

- North Sterling Water Pipeline placed into service
- PRB Water Asset Acquisition
- PRB Gathering System Acquisition(1)
- TMID Douglas NGL Pipeline placed into service
- 24.99% REX Acquisition
- Terminals and NatGas Operator Acquisition
- REX reaches settlement with Ultra
- REX Capacity Enhancement placed into service

TALLGRASS DEVELOPMENT

TALLGRASS ENERGY

- Financing
- Project
- 3rd Party Acquisition
- Drop Down Acquisition
- Other

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1) Agreement is signed and expected to close in Q2 2017. The transaction remains subject to satisfaction of specified closing conditions, including expiration or termination of the applicable waiting period under the HSR Act.

# TEP Highlights

# Financial Update and 2017 Guidance

## TEP Financial Update

| | Q1 2017 |
|---|---|
| Adjusted EBITDA | $115 million |
| Distributable Cash Flow | $118 million |
| Coverage Ratio | 1.29x |
| Leverage Ratio | ~3.4x(1) |

## TEP Guidance

| | |
|---|---|
| **2017 Adjusted EBITDA** | $620 – $680 million |
| **2017 Distributable Cash Flow** | $570 – $630 million |
| **Distribution Coverage** | 1.30x – 1.50x |
| **Distribution Growth** | ~20% |

- Assumes dropdown of ~25% interest in REX
- Assumes REX receives $150 million cash settlement from Ultra Resources and distributes to its partners

## TEGP Guidance

- TEGP expects its cash distributions to Class A shareholders for 2017 to grow by more than 30 percent and potentially in excess of 40 percent. Any cash flow received by Tallgrass Equity that is not distributed to its members, including TEGP, would likely be used to reduce the borrowings on Tallgrass Equity's revolving line of credit

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(1) Based on TEP revolver covenant calculations.

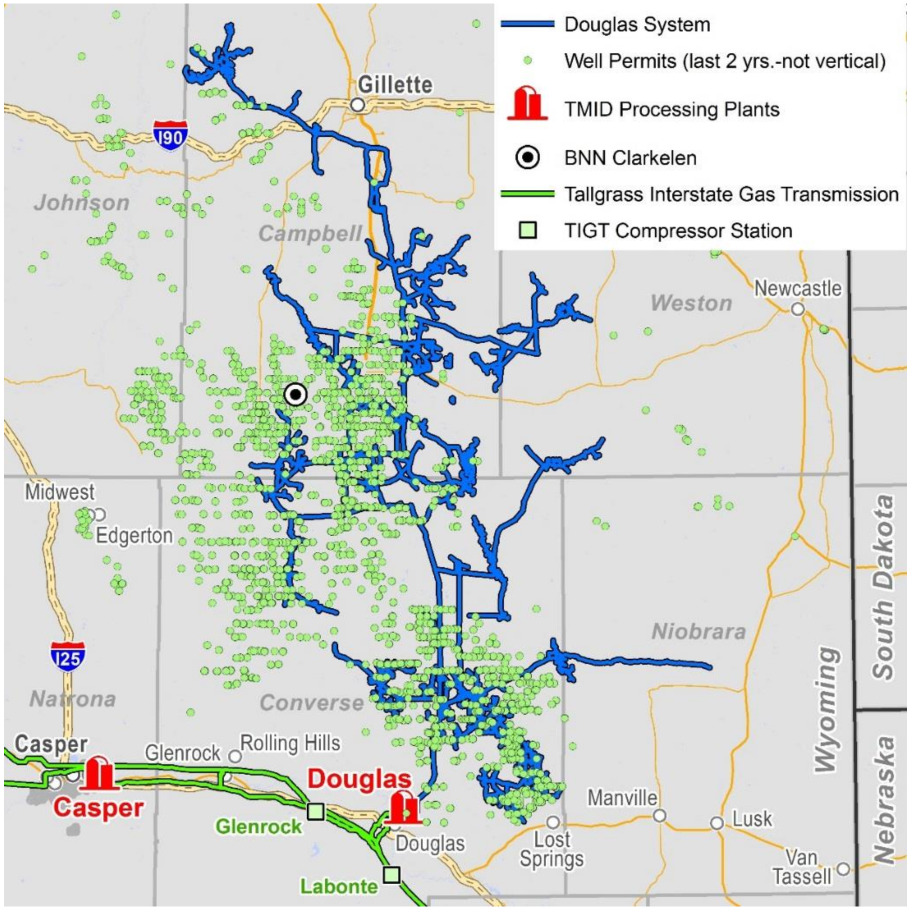
# Tallgrass PRB Acquisitions

**Tallgrass has entered into an agreement to acquire DCP's Douglas Gathering System and closed on acquisition of the Clarkelen water disposal facility, serving as the first step for Tallgrass to become the one-stop-midstream-shop for Powder River Basin ("PRB") producers for all of their gas, water, and oil service needs (1)**

## Asset Overviews

- **Douglas Gathering System:**
  - ~1,500 miles of gathering pipeline
  - Designed to deliver gas to TMID's Douglas processing facility
  - Strategically located across the core of new PRB production
  - Multi-line and multi-commodity rights of way provide the ability to expand the system to provide oil and water gathering
- **Clarkelen Water Disposal:**
  - Disposes produced and flowback water for producers across the basin
  - Evaluating expansion opportunities to take increased volumes

## Asset Map



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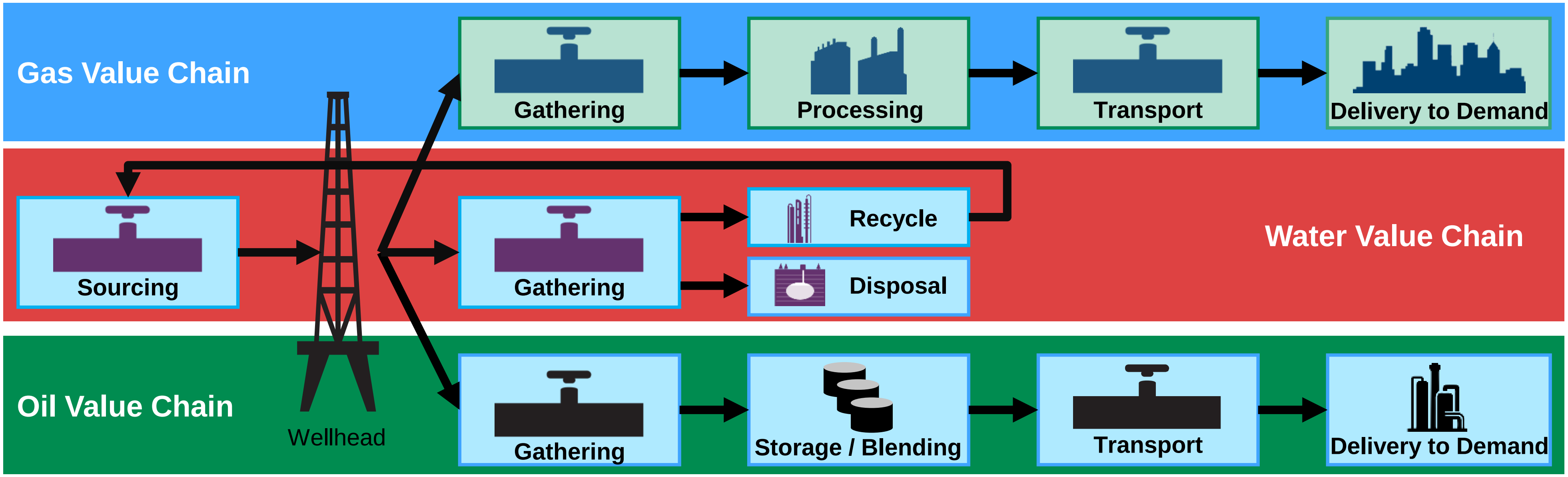
1) DCP agreement is signed and expected to close in Q2 2017. The transaction remains subject to satisfaction of specified closing conditions, including expiration or termination of the applicable waiting period under the HSR Act.

# Tallgrass Across the Total PRB Value Chain

**The newly acquired assets provide a base footprint for Tallgrass to expand its offerings to producers throughout the basin, providing service for all commodities across the entire value chain.**

| | Current Services | Potential Future Services |
|---|---|---|
| **Gas** | • Gathering and processing<br>• Basin takeaway on TIGT | • Long-haul transport to demand markets on REX |
| **Water** | • Produced and flowback water disposal | • Produced and flowback water gathering<br>• Fresh water sourcing<br>• Recycle operations |
| **Oil** | • Long-haul transport on PXP | • Extend PXP directly into PRB production zone<br>• In-field gathering<br>• Storage and blending services |



# TEP is a High-Growth Traditional Midstream MLP

## Crude Oil Transportation and Logistics

- 764-mile FERC regulated crude oil pipeline from Guernsey, WY / NE Colorado to Cushing, OK
- ~320,000 bbl/d of transportation design capacity with ~100,000 bbl/d of expansion capacity available
- Take or Pay contracts for ~300,000 bbl/d
- Low-cost, competitive “base load” positioning relative to alternatives (e.g., rail)
- Access to Bakken Shale, DJ Basin, and PRB production
- Access to refinery and Cushing, OK oil hub
- Terminals owns and operates several assets providing storage capacity and additional injection points for Pony system

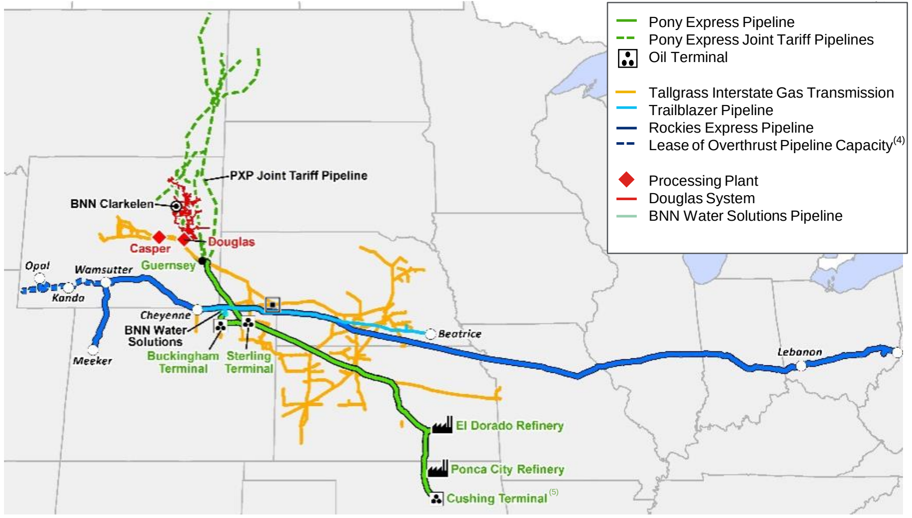
## Processing and Logistics(1)

- Gathering and Processing
  - ~1,500 miles of natural gas gathering pipeline through the core of the PRB
  - ~190 MMcf/d of processing capacity in the PRB and Wind River Basin in Wyoming
- Water business services
  - Fresh water transportation and salt water gathering and disposal systems in the DJ Basin
  - Water disposal infrastructure in the PRB
  - Effluent / fresh water system in Permian and growing Permian disposal opportunities
  - Water recycling services

## Natural Gas Transportation and Logistics

- Consists of 3 FERC-regulated natural gas transportation & storage systems (REX, TIGT, and Trailblazer)
- REX Pipeline(2)
  - 1,712-mile FERC regulated bidirectional natural gas pipeline that transports Rocky Mountain and Appalachian Basin gas
    - East-to-West design capacity of 2.6 Bcf/d in Zone 3
    - West-to-East long haul capacity of 1.8 Bcf/d
- TIGT and Trailblazer:
  - ~5,109 miles of pipeline
  - ~2.0 Bcf/d of transportation design capacity
  - ~79% of capacity under firm contract(3)

## Tallgrass Energy Footprint



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(1) PF for closing the acquisition of DCP’s Powder River Basin gathering system. Agreement is signed and expected to close in Q2 2017. The transaction remains subject to satisfaction of specified closing conditions, including expiration or termination of the applicable waiting period under the HSR Act.

(2) TEP owns an ~50% membership interest in REX. TDev owns an ~25% membership interest and Phillips 66 owns the remaining 25% membership interest in REX.

(3) As of 12/31/2016.

(4) REX leases capacity on Overthrust Pipeline, which is owned by Questar and consists of 255 miles of pipeline.

(5) Tallgrass Terminals owns a 20% interest in a joint venture, which owns an oil terminal facility in Cushing, OK.

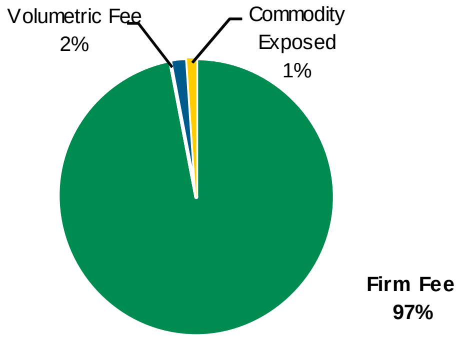
# Highly Stable Cash Flow Profile

**97% of TEP's 2016 Adjusted EBITDA was from firm fee / Take or Pay contracts and has been further strengthened by the acquisition of Tallgrass Terminals, NatGas Operator and an additional ~25% interest in REX**

| | Crude Oil Transport & Logistics Segment | Processing & Logistics Segment |
|---|---|---|
| **Contract Structure(1)** | • Take or Pay contracts for ~300,000 bbl/d | • ~99% of TEP's reserved processing capacity subject to fee-based processing contracts<br>• Majority of BNN cash flow is Take or Pay based<br>• NGL pipeline supported by a long-term lease for 100% of its capacity |
| **Weighted Average Remaining Life (WARL)(1)** | • ~3 years | • Processing: ~2 years<br>• Freshwater Transportation: ~4 years<br>• Water Gathering and Disposal: ~8 years |

| | Natural Gas Transport & Logistics Segment |
|---|---|
| **Contract Structure(1)** | • Majority of transportation cash flow is Take or Pay |
| **Weighted Average Remaining Life (WARL)(1)** | • TIGT & Trailblazer Transportation: ~3 years<br>• REX West-to-East Transportation: ~4 years<br>• REX East-to-West Transportation: ~16 years<br>• Storage: ~5 years |

## Adjusted EBITDA by Contract Type(2)



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(1) As of 12/31/2016.

(2) For the year ended 12/31/2016.

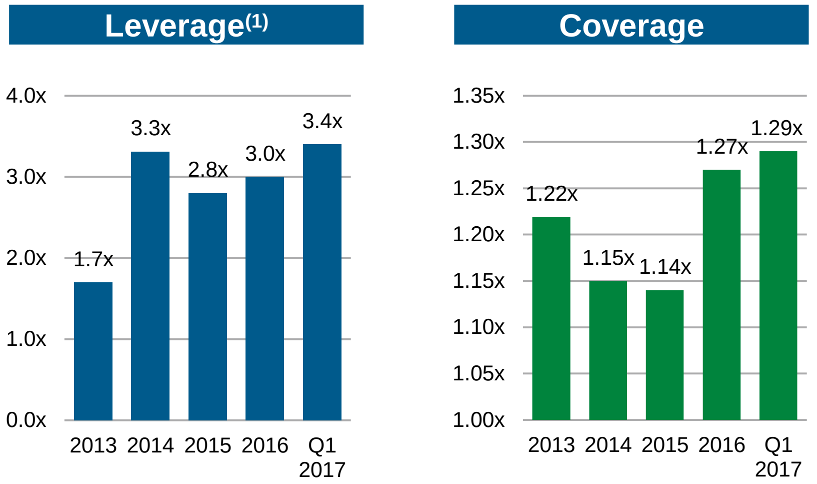
# Conservative Financial Strategy

## Strong Financial Profile

- $1,750 million revolver with >$500 million of current availability (prior to DCP Douglas acquisition) provides TEP substantial liquidity
- Raised >$1 billion of capital through public equity issuances since IPO
- Opportunistic ATM equity program
- Dual public equity currencies and Up-C structure provide increased flexibility
- Access to public debt markets (BB+/Ba2)

| ($ in millions) | |
|---|---|
| Total Debt as of 3/31/17 | $1,967 |
| 3/31/2017 LTM Adjusted EBITDA[(1)] | 580 |
| **Debt / Adjusted EBITDA** | **3.4x** |

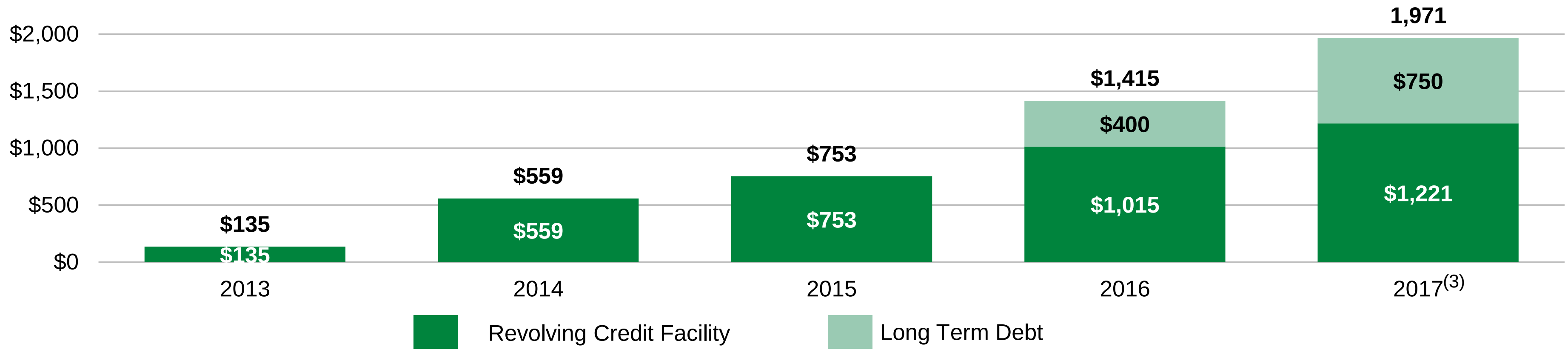
### Historical Leverage and Coverage



Leverage(1)

Coverage

## Total Debt (2)



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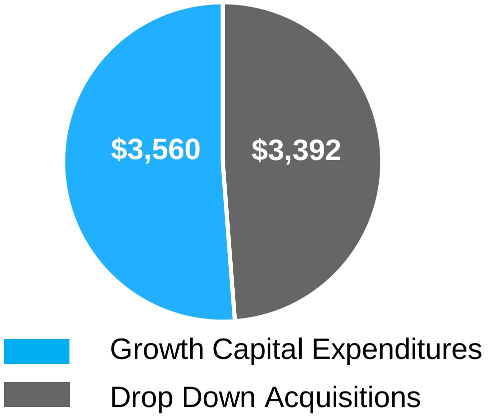
(1) Based on TEP revolver covenant calculations.
(2) Inclusive of offering expenses.
(3) As of 3/31/17. Pro Forma for Senior Notes Offering in May 2017.

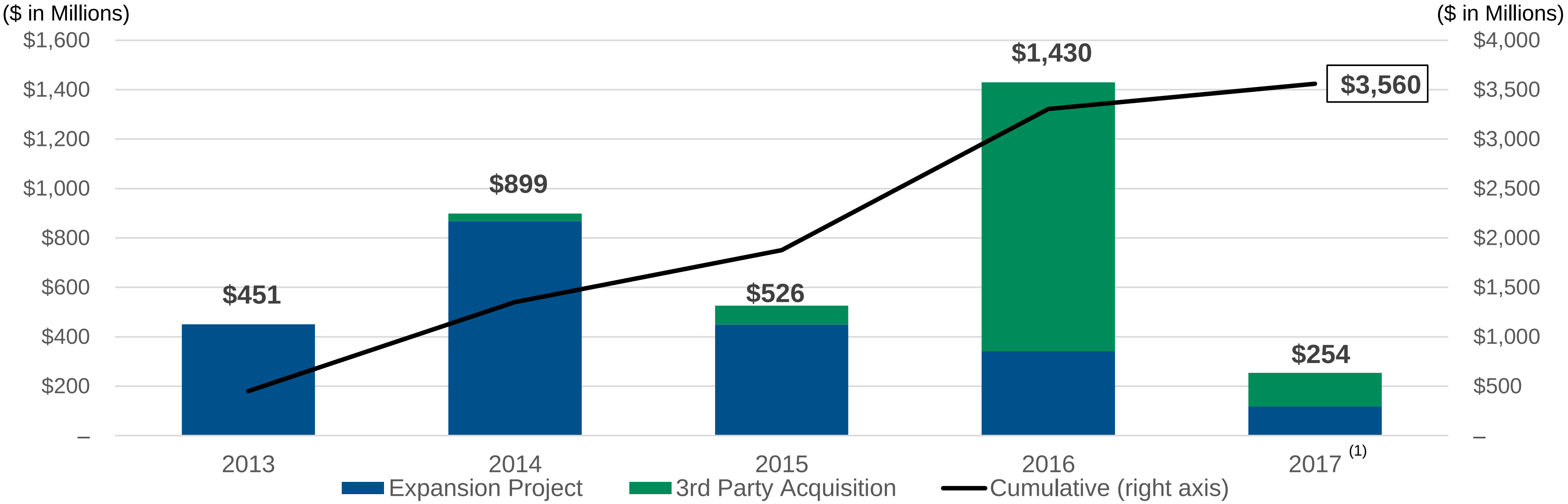
# Consistent Investment for Long-Term Growth

## Capital Summary

- TEP has used ~$3.4bn of drop down acquisitions as its primary growth method as they have provided low risk, cash flowing assets at very reasonable purchase prices
- TEP and TDev have been actively investing in growing the Tallgrass family of businesses with significant investment since 2013
  - Combined over $3.5bn of expansion projects and 3rd party acquisitions have been completed
  - Average of over $750mm per year



## Growth Capital Expenditures



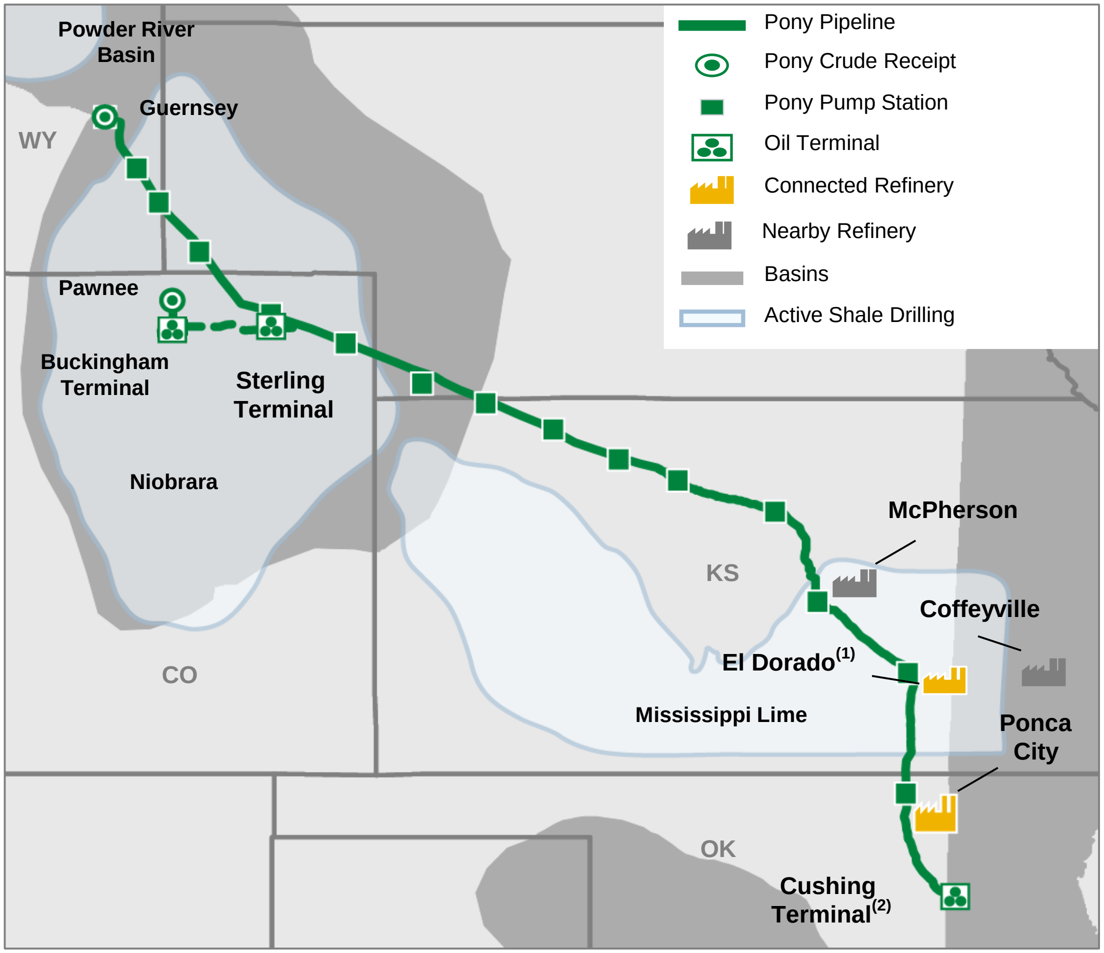
Note: All figures are based on enterprise value. Figures include 100% of REX projects capital spend.

1) 2017 figures are year to date, as of May 2017 and include the signed agreement to acquire DCP's Douglas gathering system which is expected to close in Q2 2017.

# Segment and Asset Overview

# Crude Oil Transportation & Logistics Overview

## Current Footprint



## Pony System Overview

- 764-mile FERC regulated crude oil pipeline from Guernsey, WY / NE Colorado to Cushing, OK
- Total transportation design capacity of ~320,000 bbls/d
- Take or pay contracts for a total of ~300,000 bbls/d

## Growth Opportunities

- Up to an additional ~100,000 bbls/d of capacity can be added with minimal capital expenditure
- Constructing interconnect to the El Dorado refinery.
- Tallgrass Terminals continues to progress on two development projects within Pony's footprint (South Cushing and Guernsey)
- Evaluating new supply connections

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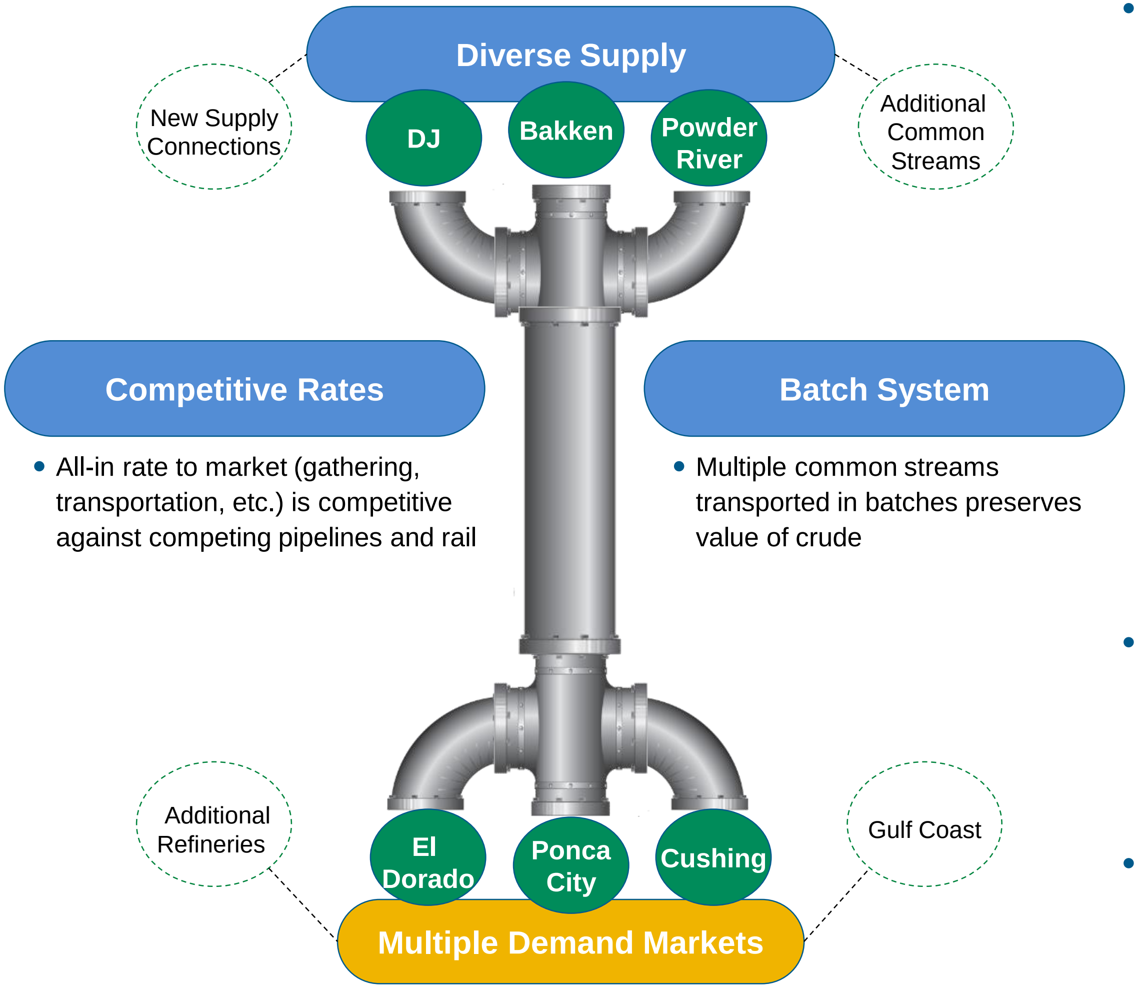
1) El Dorado refinery connection under construction.
2) Tallgrass Terminals owns a 20% interest in a joint venture, which owns an oil terminal facility in Cushing, OK.

# Pony Express Value Proposition

**Pony Express is a low-cost competitive system connecting diverse supply sources to multiple demand markets**

## Pony Express System



- All-in rate to market (gathering, transportation, etc.) is competitive against competing pipelines and rail

- Multiple common streams transported in batches preserves value of crude

## Value Proposition

- Diverse Supply and Demand Markets
  - Connecting crude supply from north and south DJ, Bakken, Powder River, and Wyoming Sweet to multiple demand markets including El Dorado, Ponca City, and Cushing
  - Significant refinery consumption within Pony's existing footprint

| Refiner | Refinery | Daily Refinery Consumption[1] |
|---|---|---|
| Holly Frontier | El Dorado | 135,000 bpd |
| Phillips 66 | Ponca City | 203,000 bpd |
| CHS | McPherson | 100,000 bpd |
| CVR | Coffeyville | 115,000 bpd |
| | **Total** | **553,000 bpd** |

- Competitive Rates
  - Pony is the cheapest path out of the Bakken, DJ, and Powder River Basin
  - Direct refinery connections avoid terminaling, pumpover and additional transport fees at Cushing

- Batching System
  - Pony's ability to ship neat barrels through common stream pipeline via batching is unique to other long-haul pipelines as it preserves the value of crude for shippers, and provides sought-after quality product for refiners

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1) Sources: Company websites.

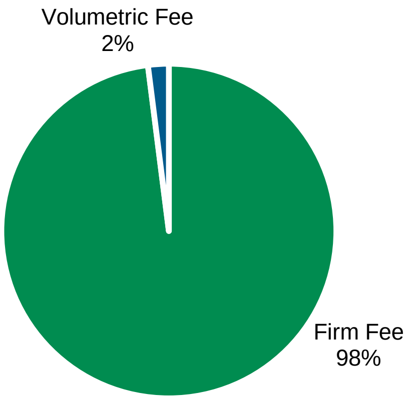
# Natural Gas Transportation & Logistics Overview

## Asset Overview

- Consists of 3 FERC-regulated natural gas transportation & storage systems (REX, TIGT, and Trailblazer)
    - ~6,821 miles of pipelines
    - ~6.6 Bcf/d of transportation design capacity
- Access to multiple high-growth basins in the Rockies and Appalachia, and multiple large demand centers across the northern US

## Stable Cash Flow

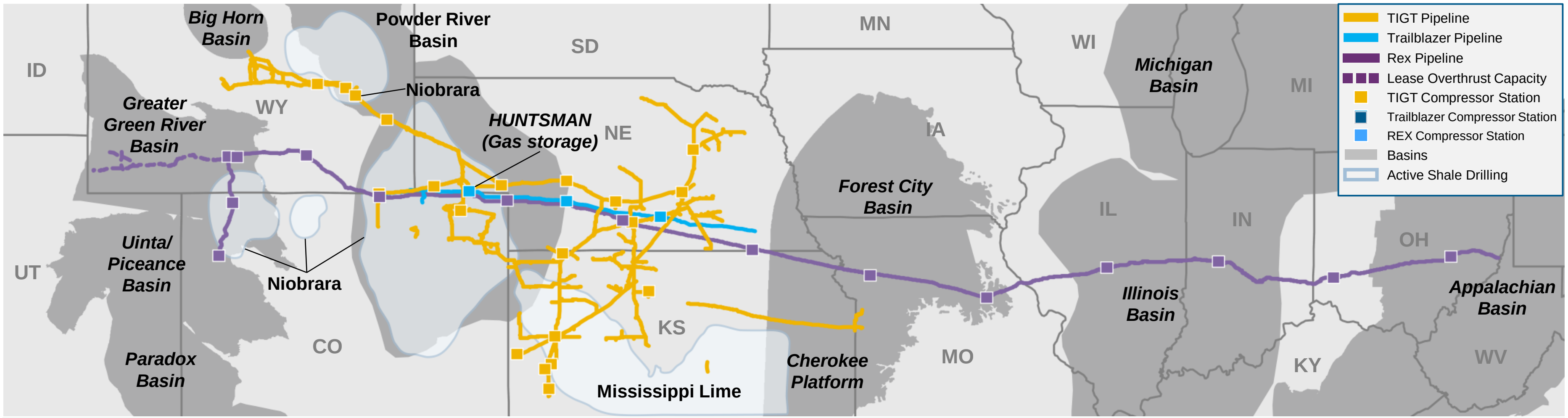
- ~98% of 2016 segment revenue was take-or-pay



## Organic Projects

- REX added 0.8 Bcf/d of Zone 3 East-to-West capacity through its Capacity Enhancement Project, went in-service January 2017
- REX held an open season for additional 150 MMcf/d of incremental East-to-West capacity in Zone 3 during the first quarter of 2017
- Trailblazer constructed a lateral for demand customer in late 2016

## Current Footprint

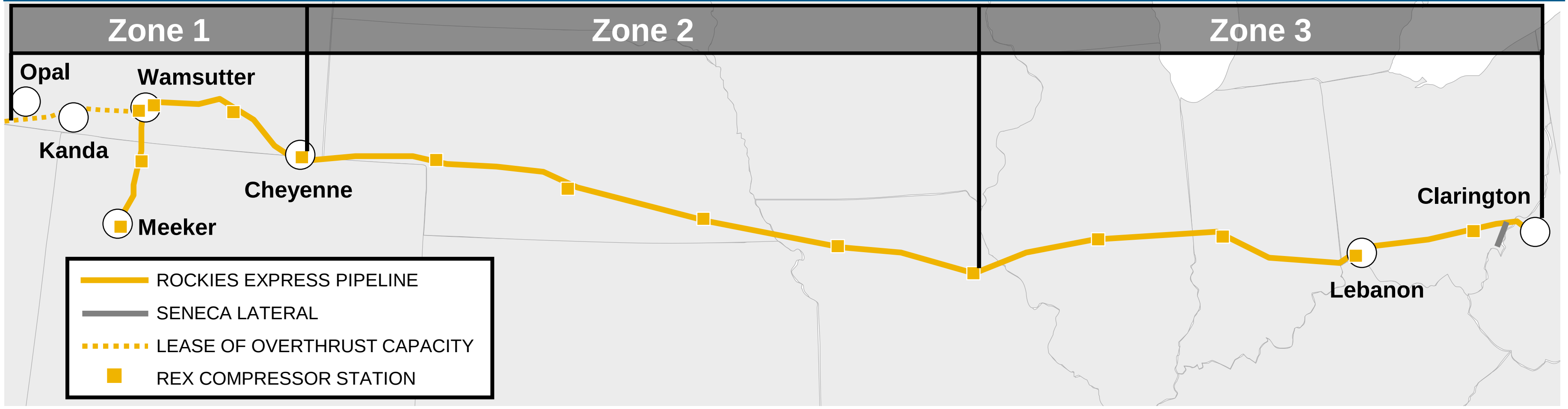


# Rockies Express Pipeline Overview

## Prominent pipeline providing natural gas transportation service to North American energy markets

- REX is becoming the nation's northernmost natural gas header system
- Attractive access to both supply basins and large end user markets with significant demand load
- Currently moving both Rocky Mountain and Appalachian production

## "Shale to Shining Shale"



## Asset Overview

- Placed in service in November 2009
- ~1,712 miles of 42" and 36" pipeline
- ~1.8 Bcf/d of West-to-East long-haul capacity
- ~2.6 Bcf/d of Zone 3 East-to West capacity
- Contracted capacity supports stable cash flow
- Access to substantially all major natural gas supply basins in the Rocky Mountain region, Ohio and Pennsylvania corridors
- Favorable proximity to numerous major end-use markets with significant demand load

## Highlights

- **REX and Ultra reached settlement**
  - Ultra agreed to cash payment of $150 million and REX expects to receive this payment no later than July 12, 2017
  - Ultra has entered into a new 7 year contract for 0.2 Bcf/d West-to-East service commencing in December 2019
- **Encana's contract Extended through 2024**
  - ~0.5 Bcf/d of West-to-East service contracted through 2024
- 2.6 Bcf/d Zone 3 East-to-West capacity fully contracted
- Majority of East-to-West contracts are 15-20 year terms
- REX repaid $450 million of bond maturities in 2015
- **<u>>85% of the 2019 recontracting risk has been mitigated</u>**, based on FY2013 Revenue
- 98% of 2016 revenue was take or pay
- Weighted Average Contract Life(1)
  - East-to-West Contracts: ~16 years
  - West-to-East Contracts: ~4 years
- Partners will fund ~$750 million of capital projects from 2014-2017 with 100% equity and no debt

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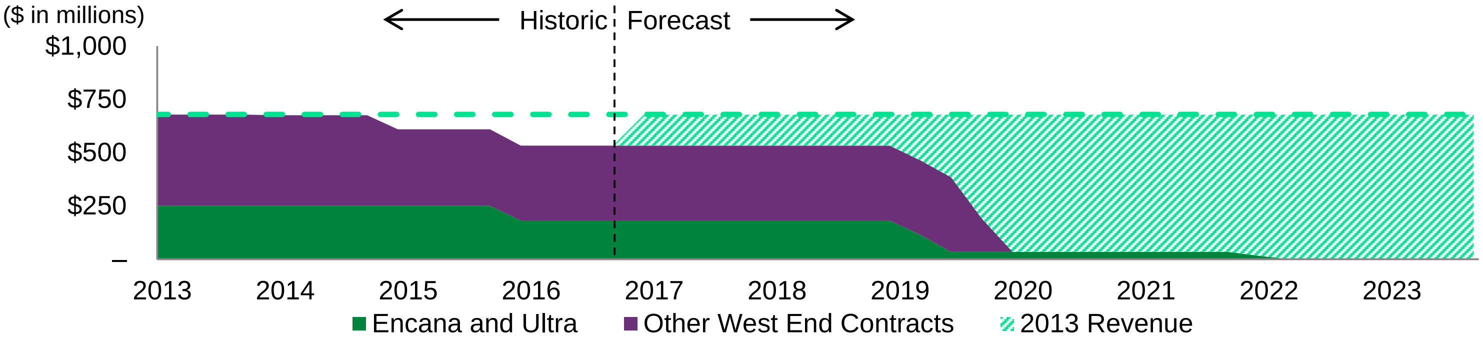
Note: Overthrust Pipeline is owned by Questar and consists of ~255 miles of pipeline

(1) As of 12/31/2016

# Recontracting REX – Securing Long-Term Revenue

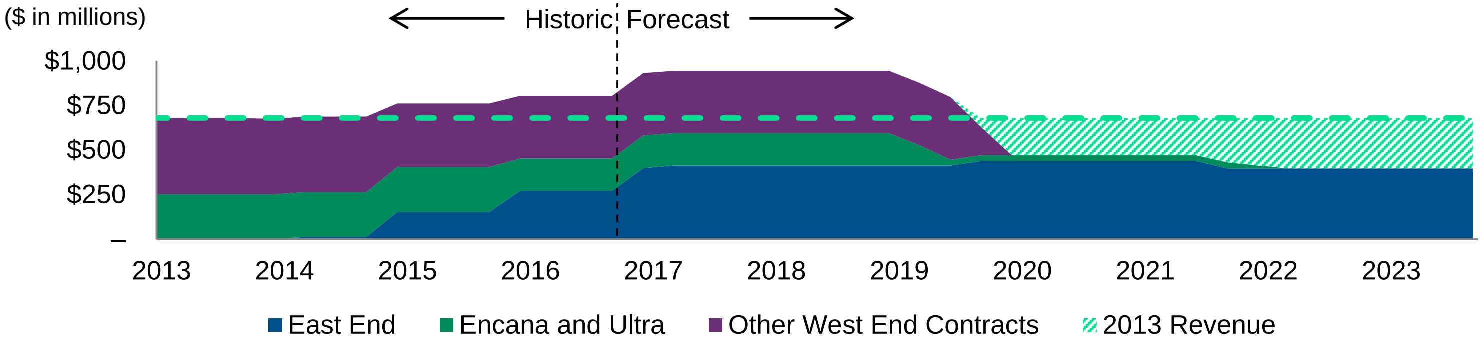
**Revenue as of 2013**

- **Original Contracts Only** – Contracted revenue expires late 2019, future revenue was unknown



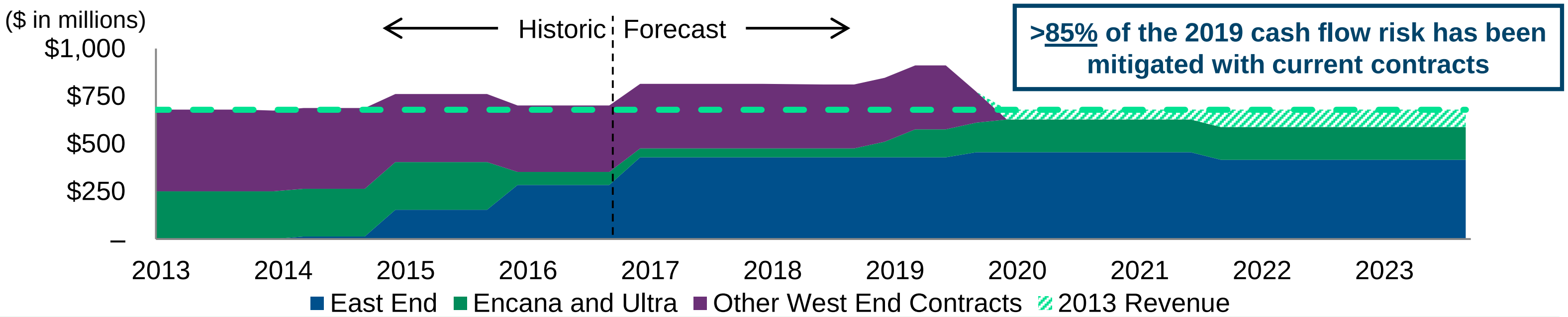
**Revenue as of 2015**

- **East-End Secured** – Addition of East-end contracts extended the contracted revenue



**Revenue as of Today**

- **Encana and Ultra** – Securing an extended Encana contract and an Ultra contract beginning in 2019, levelizes REX's contracted revenue, and significantly reduces future recontracting risk



**>85% of the 2019 cash flow risk has been mitigated with current contracts**

Note: Forecasted revenues as of 2013 and 2015 exclude Ultra revenues. Forecasted revenues for all periods exclude Berry and Vanguard revenues.

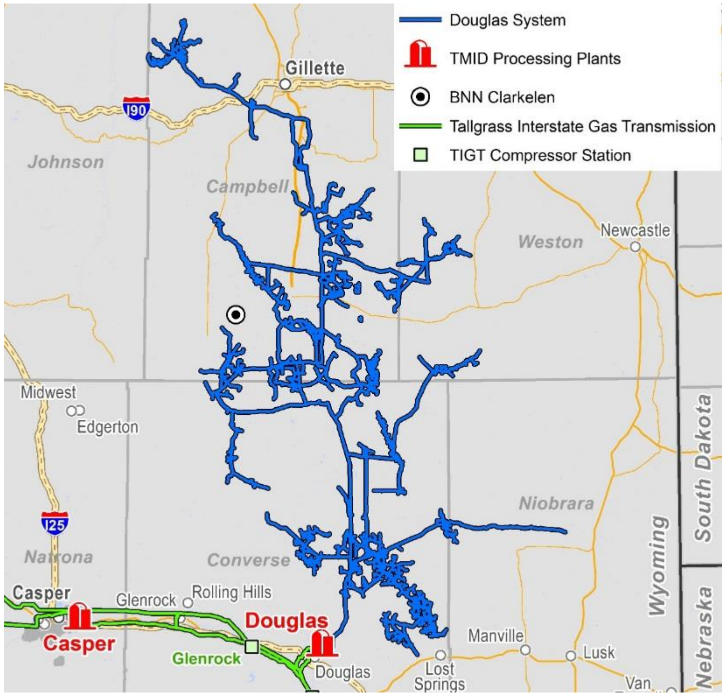
TALLGRASS ENERGY

# Processing & Logistics Overview

## Asset Overview[1]

- Gathering and Processing
  - ~1,500 miles of natural gas gathering pipeline through the core of the PRB
  - ~190 MMcf/d of processing capacity in the PRB and Wind River Basin in Wyoming
- Water business services
  - Fresh water transportation and salt water gathering and disposal system in the DJ Basin
  - Water disposal infrastructure in the PRB
  - Water disposal infrastructure in the Permian Basin
  - Effluent management operations in the Eagle Ford Shale and Permian Basin

## PRB Footprint



## Gathering and Processing Growth Opportunities

- Close on DCP's PRB gathering system
- Additional processing capacity in the PRB is permitted
- Evaluating expansion of DCP's Powder River Basin gathering system to gather and process additional volumes across the PRB
- Evaluating potential crude gathering in connection with gas gathering infrastructure to service producers total gathering needs

## Water Growth Opportunities

- Constructing large freshwater pipeline to enable incremental fresh water and disposal sales in DJ basin
- Additional PRB disposal facilities and potential gathering lines constructed alongside gas and potential oil pipelines
- Additional expansion opportunities in the Permian

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(1) PF for closing the acquisition of DCP's PRB gathering system. Agreement is signed and expected to close in Q2 2017. The transaction remains subject to satisfaction of specified closing conditions, including expiration or termination of the applicable waiting period under the HSR Act.

# EBITDA and DCF Reconciliations

# TEP Revolver Covenant Compliance – EBITDA Reconciliation

| **For the Four Quarters Ended March 31, 2017**<br>***($ in millions)*** | **LTM**<br>**3/31/2017** |
|---|---|
| Consolidated Net Income (1) | $ 438.3 |
| + Consolidated Interest Expense | 47.9 |
| + Depreciation & Amortization, Net of NCI | 87.5 |
| + Expenses related to equity-related benefit plans | 6.1 |
| **Total Consolidated EBITDA** | 579.8 |

(1) “Consolidated Net Income” shall mean, as of any Date of Determination for the Applicable Period related thereto, the net income (or loss) of the Borrower and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP; provided, however, that Consolidated Net Income shall exclude (a) extraordinary gains, losses, charges or expenses for such Applicable Period, (b) the net income of any Restricted Subsidiary during such Applicable Period to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such income is not permitted on such Date of Determination by operation of the terms of its Organizational Documents or any agreement, instrument or law applicable to such Restricted Subsidiary, except that the Borrower’s equity in any net loss of any such Restricted Subsidiary for such Applicable Period shall be included in determining Consolidated Net Income, (c) any income (or loss) for such Applicable Period of any Person if such Person is not a Restricted Subsidiary of the Borrower, except that the aggregate amount of cash actually distributed by such Person during such Applicable Period to the Borrower or a Restricted Subsidiary of the Borrower as a dividend or other distribution (as long as, in the case of a dividend or other distribution to a Restricted Subsidiary of the Borrower, such Restricted Subsidiary is not precluded from further distributing such amount to the Borrower as described in clause (b) of this proviso) shall be included in Consolidated Net Income, (d) non-cash gains and losses attributable to movement in the mark-to-market valuation of Hedging Agreements pursuant to Financial Standards Accounting Board (“FASB”) Accounting Standards Codification (“ASC 815”), (e) the cumulative effect of a change in accounting principles, (f) any charges or expenses relating to severance, relocation and one-time compensation charges, (g) gain or loss realized upon the sale or other disposition of assets, (h) deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness or any Hedging Agreement, (i) non-cash charges, expenses or other impacts of purchase or recapitalization accounting, including, to the extent applicable, any accruals and reserves established under purchase or recapitalization accounting as a result of the Transactions in accordance with GAAP, (j) non-cash impairment charges or asset write-offs, and any amortization of intangibles, (k) cash charges or costs in connection with any investment, sale or other disposition of assets, issuance of Equity Interests or Indebtedness, or amendment relating to any Indebtedness (in each case, whether or not completed), and (l) to the extent covered by insurance and actually reimbursed, any expenses with respect to liability or casualty events or business interruption.

Note: Adjusted EBITDA (as reported) reconciliations can be found in TEP public filings

# TEP Adjusted EBITDA & DCF Reconciliation

| **Summary Financial Information** | Three Months Ended March 31, | Year Ended December 31, | | | |
|---|---|---|---|---|---|
| (in millions, except coverage and per unit data) | 2017 | 2016 (1) | 2015 (1) | 2014 (1) | 2013 (1) |
| Net income attributable to partners | $ 70.9 | $ 263.5 | $ 160.5 | $ 70.7 | $ 9.7 (2) |
| *Add:* | | | | | |
| Interest expense, net of noncontrolling interest | 14.7 | 40.7 | 15.5 | 7.6 | 11.0 |
| Depreciation and amortization expense, net of noncontrolling interest | 21.9 | 86.0 | 75.5 | 45.4 | 37.9 |
| Distributions from unconsolidated investment | 30.8 | 75.9 | - | 1.5 | - |
| Non-cash (gain) loss related to derivative instruments, net of noncontrolling interest | (2.4) | 1.5 | - | (0.2) | 0.4 |
| Non-cash compensation expense | 1.5 | 5.8 | 5.1 | 5.1 | 1.8 |
| Non-cash loss from disposal of assets | - | 1.8 | 4.8 | - | - |
| Loss on extinguishment of debt | - | - | 0.2 | - | 17.5 |
| *Less:* | | | | | |
| Equity in earnings of unconsolidated investment | (20.7) | (51.8) | - | (0.7) | - |
| Gain on disposal of assets | (1.4) | - | - | - | - |
| Non-cash loss allocated to noncontrolling interest | - | - | (9.4) | (10.2) | - |
| Gain on remeasurement of unconsolidated investment | - | - | - | (9.4) | - |
| Adjusted EBITDA | $ 115.1 | $ 423.5 | $ 252.3 | $ 109.9 | $ 78.4 |
| *Add:* | | | | | |
| Deficiency payments received, net | 16.1 | 33.5 | 16.5 | 5.4 | - |
| Pony Express preferred distributions in excess of distributable cash flow attributable to Pony Express | - | - | - | 5.4 | - |
| *Less:* | | | | | |
| Cash interest cost | (13.6) | (37.1) | (13.7) | (6.3) | (5.9) (3) |
| Maintenance capital expenditures, net | (0.1) | (11.3) | (12.1) | (9.9) | (16.0) |
| Distributions to noncontrolling interest in excess of earnings | - | - | (22.5) | (5.4) | - |
| Cash flow attributable to predecessor operations | - | - | - | (3.1) | 3.4 |
| Distributable Cash Flow | 117.6 | 408.5 | 220.5 | 96.1 | 59.9 (3) |
| *Less:* | | | | | |
| Distributions | (91.4) | (322.0) | (192.6) | (83.3) | (49.1) (3) |
| Amounts in excess of distributions | $ 26.2 | $ 86.6 | $ 27.9 | $ 12.7 | $ 10.8 (3) |
| Distribution coverage | 1.3x | 1.3x | 1.1x | 1.2x | 1.2x (3) |

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(1) Financial information for the years ended December 31, 2016, 2015, 2014 and 2013, has not yet been recast to include Terminals and NatGas Operator.

(2) The financial results for the year ended December 31, 2013 have been recast to reflect the results of operations of Trailblazer Pipeline Company LLC, which TEP acquired effective April 1, 2014, and the 33.3% membership interest in Tallgrass Pony Express Pipeline, LLC, which TEP acquired effective September 1, 2014.

(3) Indicated amounts presented for the year ended December 31, 2013 are on a pro forma basis, which assumes that our initial public offering and related formation transactions, including borrowings under our revolving credit facility, had closed on January 1, 2013. No cash distributions were paid with respect to the first quarter of 2013, and a prorated distribution of available cash was paid for the period from the closing of the IPO (May 17, 2013) through the end of the second quarter. Pro forma distributions were calculated using the minimum quarterly distribution for the first two quarters of 2013 and the increased distribution for the third and fourth quarters. Actual cash distributions for the twelve month period ending December 31, 2013,were $0.7547/unit. Pro forma interest expense (inclusive of commitment fees) for the twelve months ended December 31, 2013, was calculated by multiplying the actual cash interest cost for the third quarter by three and adding the actual cash interest cost for the fourth quarter. Actual cash interest cost for the twelve month period ended December 31, 2013, was $3,555,000.