

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of June 30, 2017 and December 31, 2016 and
For the Three and Six Months Ended June 30, 2017 and 2016

**COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
TABLE OF CONTENTS**

	Page Number
Consolidated Financial Statements (Unaudited)	
Consolidated Statements of Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Cash Flows	3
Consolidated Statements of Member's Equity	4

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(In Millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues	\$ 72	\$ 84	\$ 159	\$ 186
Operating Costs and Expenses				
Operation and maintenance	18	15	34	30
Depreciation and amortization	12	11	23	22
General and administrative	3	5	8	10
Taxes, other than income taxes	4	5	9	10
Total Operating Costs and Expenses	37	36	74	72
Operating Income	35	48	85	114
Other Income (Expense)				
Interest, net	(12)	(16)	(27)	(32)
Other, net	—	(1)	—	—
Total Other Income (Expense)	(12)	(17)	(27)	(32)
Net Income	\$ 23	\$ 31	\$ 58	\$ 82

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In Millions)

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	21	35
Inventories	7	7
Regulatory assets	2	2
Natural gas imbalance receivable	1	3
Total current assets	<u>31</u>	<u>47</u>
Property, plant and equipment, net	1,253	1,267
Note receivable from affiliate	4	4
Deferred charges and other assets	36	39
Total Assets	<u>\$ 1,324</u>	<u>\$ 1,357</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 6	\$ 6
Accounts payable	10	16
Accrued interest	6	6
Accrued taxes, other than income taxes	10	18
Other current liabilities	7	8
Total current liabilities	<u>39</u>	<u>54</u>
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	625	628
Other long-term liabilities and deferred credits	15	13
Total long-term liabilities and deferred credits	<u>640</u>	<u>641</u>
Total Liabilities	<u>679</u>	<u>695</u>
Member's Equity		
Member's equity	640	657
Accumulated other comprehensive income	5	5
Total Member's Equity	<u>645</u>	<u>662</u>
Total Liabilities and Member's Equity	<u>\$ 1,324</u>	<u>\$ 1,357</u>

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

	Six Months Ended June 30,	
	2017	2016
Cash Flows From Operating Activities		
Net income	\$ 58	\$ 82
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23	22
Changes in components of working capital:		
Accounts receivable	14	10
Regulatory assets	—	12
Accounts payable	(6)	—
Accrued interest	—	10
Accrued taxes, other than income taxes	(8)	(8)
Other current assets and liabilities	—	11
Other long-term assets and liabilities	(1)	(2)
Net Cash Provided by Operating Activities	80	137
Cash Flows From Investing Activities		
Capital expenditures	(2)	(4)
Net change in note receivable from affiliate	—	(31)
Other, net	—	(1)
Net Cash Used in Investing Activities	(2)	(36)
Cash Flows From Financing Activities		
Payments of debt	(3)	(3)
Contributions from Member	1	—
Distributions to Member	(76)	(98)
Net Cash Used in Financing Activities	(78)	(101)
Net Change in Cash and Cash Equivalents	—	—
Cash and Cash Equivalents, beginning of period	—	—
Cash and Cash Equivalents, end of period	\$ —	\$ —

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY
(In Millions)
(Unaudited)

	Six Months Ended June 30,	
	2017	2016
Beginning Balance	\$ 662	\$ 700
Net income	58	82
Contributions	1	—
Distributions	(76)	(98)
Ending Balance	\$ 645	\$ 684