

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of March 31, 2017 and December 31, 2016 and
For the Three Months Ended March 31, 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 March 31,	
	2017	2016
Revenues	\$ 87	\$ 102
Operating Costs and Expenses		
Operation and maintenance	16	15
Depreciation and amortization	11	11
General and administrative	5	5
Taxes, other than income taxes	5	5
Total Operating Costs and Expenses	<u>37</u>	<u>36</u>
Operating Income	<u>50</u>	<u>66</u>
Other Income (Expense)		
Interest, net	(15)	(16)
Other, net	—	1
Total Other Income (Expense)	<u>(15)</u>	<u>(15)</u>
Net Income	<u>\$ 35</u>	<u>\$ 51</u>

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

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	29	35
Inventories	7	7
Regulatory assets	2	2
Natural gas imbalance receivable	4	3
Total current assets	<u>42</u>	<u>47</u>
Property, plant and equipment, net	1,253	1,267
Note receivable from affiliate	13	4
Deferred charges and other assets	38	39
Total Assets	<u>\$ 1,346</u>	<u>\$ 1,357</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 6	\$ 6
Accounts payable	15	16
Accrued interest	4	6
Accrued taxes, other than income taxes	23	18
Other current liabilities	5	8
Total current liabilities	<u>53</u>	<u>54</u>
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	627	628
Other long-term liabilities and deferred credits	14	13
Total long-term liabilities and deferred credits	<u>641</u>	<u>641</u>
Total Liabilities	<u>694</u>	<u>695</u>
Member's Equity		
Member's equity	647	657
Accumulated other comprehensive income	5	5
Total Member's Equity	<u>652</u>	<u>662</u>
Total Liabilities and Member's Equity	<u>\$ 1,346</u>	<u>\$ 1,357</u>

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

	Three Months Ended March 31,	
	2017	2016
Cash Flows From Operating Activities		
Net income	\$ 35	\$ 51
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11	11
Changes in components of working capital:		
Accounts receivable	6	1
Accounts payable	—	13
Accrued interest	(2)	7
Accrued taxes, other than income taxes	5	(10)
Other current assets and liabilities	(4)	3
Other long-term assets and liabilities	5	(1)
Net Cash Provided by Operating Activities	56	75
Cash Flows From Investing Activities		
Capital expenditures	(1)	(1)
Net change in note receivable from affiliate	(9)	(13)
Net Cash Used in Investing Activities	(10)	(14)
Cash Flows From Financing Activities		
Payments of debt	(1)	(1)
Distributions to Member	(45)	(60)
Net Cash Used in Financing Activities	(46)	(61)
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)

	Three Months Ended March 31,	
	2017	2016
Beginning Balance	\$ 662	\$ 700
Net income	35	51
Distributions	(45)	(60)
Ending Balance	\$ 652	\$ 691