

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of September 30, 2017 and December 31, 2016 and
For the Three and Nine Months Ended September 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 September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues	\$ 70	\$ 81	\$ 229	\$ 267
Operating Costs and Expenses				
Operation and maintenance	17	17	51	47
Depreciation and amortization	11	10	34	32
General and administrative	4	4	12	14
Taxes, other than income taxes	5	5	14	15
Total Operating Costs and Expenses	37	36	111	108
Operating Income	33	45	118	159
Other Income (Expense)				
Interest, net	(13)	(15)	(40)	(47)
Other, net	1	—	1	—
Total Other Income (Expense)	(12)	(15)	(39)	(47)
Net Income	\$ 21	\$ 30	\$ 79	\$ 112

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

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	28	35
Inventories	6	7
Regulatory assets	4	2
Natural gas imbalance receivable	3	3
Total current assets	41	47
Property, plant and equipment, net	1,244	1,267
Note receivable from affiliate	1	4
Deferred charges and other assets	36	39
Total Assets	\$ 1,322	\$ 1,357
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 6	\$ 6
Accounts payable	11	16
Accrued interest	4	6
Accrued taxes, other than income taxes	14	18
Natural gas imbalance payable	5	4
Other current liabilities	4	4
Total current liabilities	44	54
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	640	641
Total Liabilities	684	695
Member's Equity		
Member's equity	633	657
Accumulated other comprehensive income	5	5
Total Member's Equity	638	662
Total Liabilities and Member's Equity	\$ 1,322	\$ 1,357

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

	Nine Months Ended September 30,	
	2017	2016
Cash Flows From Operating Activities		
Net income	\$ 79	\$ 112
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34	32
Changes in components of working capital:		
Accounts receivable	7	7
Regulatory assets	—	15
Accounts payable	(6)	—
Accrued interest	(2)	1
Accrued taxes, other than income taxes	(4)	(3)
Other current assets and liabilities	(2)	(2)
Other long-term assets and liabilities	2	—
Net Cash Provided by Operating Activities	108	162
Cash Flows From Investing Activities		
Capital expenditures	(6)	(7)
Net change in note receivable from affiliate	3	(11)
Other, net	2	(1)
Net Cash Used in Investing Activities	(1)	(19)
Cash Flows From Financing Activities		
Issuances of debt	—	374
Payments of debt	(4)	(4)
Debt issue costs	—	(2)
Contributions from Member	1	—
Distributions to Member	(104)	(136)
Net change in note payable to affiliate	—	(375)
Net Cash Used in Financing Activities	(107)	(143)
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)

	Nine Months Ended September 30,	
	2017	2016
Beginning Balance	\$ 662	\$ 700
Net income	79	112
Contributions	1	—
Distributions	(104)	(136)
Ending Balance	\$ 638	\$ 676