

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of September 30, 2016 and December 31, 2015 and
For the Three and Nine Months Ended September 30, 2016 and 2015

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues	\$ 81	\$ 90	\$ 267	\$ 287
Operating Costs and Expenses				
Operation and maintenance	17	17	47	49
Depreciation and amortization	10	11	32	33
General and administrative	4	5	14	15
Taxes, other than income taxes	5	4	15	14
Total Operating Costs and Expenses	36	37	108	111
Operating Income	45	53	159	176
Other Income (Expense)				
Interest, net	(15)	(16)	(47)	(48)
Other, net	—	1	—	2
Total Other Income (Expense)	(15)	(15)	(47)	(46)
Income Before Income Taxes	30	38	112	130
Income Tax Expense	—	(1)	—	(1)
Net Income	30	37	112	129
Other Comprehensive Loss				
Adjustments to postretirement benefit plan	—	—	—	(1)
Comprehensive Income	\$ 30	\$ 37	\$ 112	\$ 128

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

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	30	37
Inventories	7	7
Regulatory assets	2	17
Other current assets	2	2
Total current assets	<u>41</u>	<u>63</u>
Property, plant and equipment, net	1,276	1,301
Note receivable from affiliate	11	—
Deferred charges and other assets	38	37
Total Assets	<u>\$ 1,366</u>	<u>\$ 1,401</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 6	\$ 6
Accounts payable	15	18
Accrued interest	4	3
Accrued taxes, other than income taxes	16	17
Other current liabilities	6	8
Total current liabilities	<u>47</u>	<u>52</u>
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	630	262
Note payable to affiliate	—	375
Other long-term liabilities and deferred credits	13	12
Total long-term liabilities and deferred credits	<u>643</u>	<u>649</u>
Total Liabilities	<u>690</u>	<u>701</u>
Member's Equity		
Member's equity	672	696
Accumulated other comprehensive income	4	4
Total Member's Equity	<u>676</u>	<u>700</u>
Total Liabilities and Member's Equity	<u>\$ 1,366</u>	<u>\$ 1,401</u>

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

	Nine Months Ended September 30,	
	2016	2015
Cash Flows From Operating Activities		
Net income	\$ 112	\$ 129
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	32	33
Other non-cash items	—	1
Changes in components of working capital:		
Accounts receivable	7	8
Regulatory assets	15	—
Accounts payable	(1)	2
Accrued interest	1	7
Other current assets and liabilities	(4)	2
Other long-term assets and liabilities	—	(10)
Net Cash Provided by Operating Activities	162	172
Cash Flows From Investing Activities		
Capital expenditures	(7)	(8)
Net change in note receivable from affiliate	(11)	—
Other, net	(1)	(3)
Net Cash Used in Investing Activities	(19)	(11)
Cash Flows From Financing Activities		
Issuances of debt	374	—
Payments of debt	(4)	(39)
Debt issue costs	(2)	—
Contributions from Member	—	1
Distributions to Member	(136)	(168)
Net change in note payable to affiliate	(375)	44
Advances from joint venture partner	—	1
Net Cash Used in Financing Activities	(143)	(161)
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,	
	2016	2015
Beginning Balance	\$ 700	\$ 758
Net income	112	129
Contributions	—	1
Distributions	(136)	(168)
Other comprehensive loss	—	(1)
Ending Balance	\$ 676	\$ 719