

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of June 30, 2018 and December 31, 2017 and
For the Three and Six Months Ended June 30, 2018 and 2017

**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
(In Millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues	\$ 77	\$ 72	\$ 167	\$ 159
Operating Costs and Expenses				
Operation and maintenance	17	18	33	34
Depreciation and amortization	12	12	23	23
General and administrative	3	3	8	8
Taxes, other than income taxes	4	4	9	9
Total Operating Costs and Expenses	36	37	73	74
Operating Income	41	35	94	85
Other Income (Expense)				
Interest, net	(13)	(12)	(25)	(27)
Other, net	—	—	1	—
Total Other Income (Expense)	(13)	(12)	(24)	(27)
Net Income	\$ 28	\$ 23	\$ 70	\$ 58

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

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	29	34
Inventories	5	5
Regulatory assets	4	5
Natural gas imbalance receivable	5	4
Total current assets	<u>43</u>	<u>48</u>
Property, plant and equipment, net	1,211	1,219
Note receivable from affiliate	8	2
Deferred charges and other assets	40	42
Total Assets	<u>\$ 1,302</u>	<u>\$ 1,311</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 6	\$ 6
Accounts payable	13	11
Accrued interest	6	6
Accrued taxes, other than income taxes	9	17
Customer Deposits	8	5
Other current liabilities	7	3
Total current liabilities	<u>49</u>	<u>48</u>
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	621	624
Other long-term liabilities and deferred credits	40	38
Total long-term liabilities and deferred credits	<u>661</u>	<u>662</u>
Total Liabilities	<u>710</u>	<u>710</u>
Member's Equity		
Member's equity	587	596
Accumulated other comprehensive income	5	5
Total Member's Equity	<u>592</u>	<u>601</u>
Total Liabilities and Member's Equity	<u>\$ 1,302</u>	<u>\$ 1,311</u>

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

	Six Months Ended June 30,	
	2018	2017
Cash Flows From Operating Activities		
Net income	\$ 70	\$ 58
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23	23
Changes in components of working capital:		
Accounts receivable	5	14
Accounts payable	—	(6)
Accrued taxes, other than income taxes	(8)	(8)
Other current assets and liabilities	3	—
Other long-term assets and liabilities	(3)	(1)
Net Cash Provided by Operating Activities	90	80
Cash Flows From Investing Activities		
Capital expenditures	(8)	(2)
Net change in note receivable from affiliate	(6)	—
Other, net	4	—
Net Cash Used in Investing Activities	(10)	(2)
Cash Flows From Financing Activities		
Payments of debt	(3)	(3)
Contributions from Member	7	1
Distributions to Member	(86)	(76)
Other	2	—
Net Cash Used in Financing Activities	(80)	(78)
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,	
	2018	2017
Beginning Balance	\$ 601	\$ 662
Net income	70	58
Contributions	7	1
Distributions	(86)	(76)
Ending Balance	\$ 592	\$ 645