

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of September 30, 2018 and December 31, 2017 and
For the Three and Nine Months Ended September 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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ 76	\$ 70	\$ 243	\$ 229
Operating Costs and Expenses				
Operation and maintenance	19	17	52	51
Depreciation and amortization	11	11	34	34
General and administrative	4	5	12	13
Taxes, other than income taxes	3	5	12	14
Total Operating Costs and Expenses	37	38	110	112
Operating Income	39	32	133	117
Other Income (Expense)				
Interest, net	(13)	(13)	(38)	(40)
Other, net	1	2	2	2
Total Other Income (Expense)	(12)	(11)	(36)	(38)
Net Income	\$ 27	\$ 21	\$ 97	\$ 79

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

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	32	34
Inventories	5	5
Regulatory assets	5	5
Natural gas imbalance receivable	4	4
Total current assets	<u>46</u>	<u>48</u>
Property, plant and equipment, net	1,205	1,219
Note receivable from affiliate	25	2
Deferred charges and other assets	42	42
Total Assets	<u>\$ 1,318</u>	<u>\$ 1,311</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 6	\$ 6
Accounts payable	20	11
Accrued interest	4	6
Accrued taxes, other than income taxes	13	17
Customer deposits	6	5
Other current liabilities	5	3
Total current liabilities	<u>54</u>	<u>48</u>
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	620	624
Other long-term liabilities and deferred credits	41	38
Total long-term liabilities and deferred credits	<u>661</u>	<u>662</u>
Total Liabilities	<u>715</u>	<u>710</u>
Member's Equity		
Member's equity	598	596
Accumulated other comprehensive income	5	5
Total Member's Equity	<u>603</u>	<u>601</u>
Total Liabilities and Member's Equity	<u>\$ 1,318</u>	<u>\$ 1,311</u>

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

	Nine Months Ended September 30,	
	2018	2017
Cash Flows From Operating Activities		
Net income	\$ 97	\$ 79
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34	34
Changes in components of working capital:		
Accounts receivable	7	7
Accounts payable	3	(6)
Accrued interest	(2)	(2)
Accrued taxes, other than income taxes	(4)	(4)
Other current assets and liabilities	3	(2)
Other long-term assets and liabilities	(1)	2
Net Cash Provided by Operating Activities	137	108
Cash Flows From Investing Activities		
Capital expenditures	(16)	(6)
Net change in note receivable from affiliate	(23)	3
Proceeds from sale of assets	(1)	—
Other, net	—	2
Net Cash Used in Investing Activities	(40)	(1)
Cash Flows From Financing Activities		
Payments of debt	(4)	(4)
Contributions from Member	12	1
Distributions to Member	(107)	(104)
Other	2	—
Net Cash Used in Financing Activities	(97)	(107)
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,	
	2018	2017
Beginning Balance	\$ 601	\$ 662
Net income	97	79
Contributions	12	1
Distributions	(107)	(104)
Ending Balance	\$ 603	\$ 638