

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

EL PASO NATURAL GAS COMPANY, L.L.C.

As of March 31, 2019 and December 31, 2018 and
For the Three Months Ended March 31, 2019 and 2018

EL PASO NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARIES
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EL PASO NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In Millions)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Revenues	\$ 198	\$ 177
Operating Costs and Expenses		
Operations and maintenance	37	36
Depreciation and amortization	23	24
General and administrative	11	11
Taxes, other than income taxes	9	8
Total Operating Costs and Expenses	80	79
Operating Income	118	98
Other Income (Expense)		
Interest, net	(16)	(17)
Other, net	2	3
Total Other Income (Expense)	(14)	(14)
Net Income	104	84
Other Comprehensive Loss		
Adjustments to postretirement benefit plan	(1)	(1)
Comprehensive Income	\$ 103	\$ 83

EL PASO NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions)
(Unaudited)

	March 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	76	76
Inventories	43	42
Prepayments	14	17
Other current assets	7	8
Total current assets	140	143
Property, plant and equipment, net	2,078	2,089
Goodwill	565	565
Notes receivable from affiliates	25	25
Regulatory assets	27	27
Deferred charges and other assets	261	264
Total Assets	\$ 3,096	\$ 3,113
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	\$ 46	\$ 45
Accrued interest	18	13
Contractual deposits	20	24
Rate liabilities	14	1
Other current liabilities	44	43
Total current liabilities	142	126
Long-term liabilities and deferred credits		
Long-term debt	760	760
Debt fair value adjustments	121	124
Other long-term liabilities and deferred credits	99	99
Total long-term liabilities and deferred credits	980	983
Total Liabilities	1,122	1,109
Member's Equity		
Member's equity	1,958	1,987
Accumulated other comprehensive income	16	17
Total Member's Equity	1,974	2,004
Total Liabilities and Member's Equity	\$ 3,096	\$ 3,113

EL PASO NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

**Three Months Ended
March 31,**

2019 2018

	2019	2018
Cash Flows From Operating Activities		
Net income	\$ 104	\$ 84
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23	24
Changes in components of working capital:		
Accounts receivable	—	1
Accounts payable	2	1
Accrued interest	5	7
Rate liabilities	13	12
Other current assets and liabilities	3	(2)
Other long-term assets and liabilities	4	—
Net Cash Provided by Operating Activities	154	127
Cash Flows From Investing Activities		
Capital expenditures	(17)	(8)
Net change in notes receivable from affiliates	—	(15)
Other, net	(4)	(2)
Net Cash Used in Investing Activities	(21)	(25)
Cash Flows From Financing Activities		
Contributions from Member	12	—
Distributions to Member	(145)	(102)
Net Cash Used in Financing Activities	(133)	(102)
Net Change in Cash and Cash Equivalents	—	—
Cash and Cash Equivalents, beginning of period	—	—
Cash and Cash Equivalents, end of period	\$ —	\$ —
Non-cash Investing and Financing Activities		
Right-of-use assets and operating lease obligations recognized	\$ 1	\$ —

EL PASO NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY
(In Millions)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Beginning Balance	\$ 2,004	\$ 2,013
Net income	104	84
Contributions	12	—
Distributions	(145)	(102)
Other comprehensive loss	(1)	(1)
Ending Balance	\$ 1,974	\$ 1,994