

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

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

As of June 30, 2019 and December 31, 2018 and
For the Three and Six Months Ended June 30, 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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues	\$ 193	\$ 172	\$ 391	\$ 349
Operating Costs and Expenses				
Operations and maintenance	40	41	77	77
Depreciation and amortization	23	23	46	47
General and administrative	10	9	21	20
Taxes, other than income taxes	9	9	18	17
Total Operating Costs and Expenses	82	82	162	161
Operating Income	111	90	229	188
Other Income (Expense)				
Interest, net	(16)	(18)	(32)	(35)
Other, net	4	4	6	7
Total Other Income (Expense)	(12)	(14)	(26)	(28)
Net Income	99	76	203	160
Other Comprehensive Loss				
Postretirement benefit plan	—	(1)	(1)	(2)
Comprehensive Income	\$ 99	\$ 75	\$ 202	\$ 158

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

	June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	73	76
Inventories	42	42
Prepayments	10	17
Other current assets	6	8
Total current assets	131	143
Property, plant and equipment, net	2,106	2,089
Goodwill	565	565
Notes receivable from affiliates	26	25
Regulatory assets	26	27
Deferred charges and other assets	261	264
Total Assets	\$ 3,115	\$ 3,113
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	\$ 52	\$ 45
Accrued interest	13	13
Contractual deposits	23	24
Rate liabilities	28	1
Other current liabilities	37	43
Total current liabilities	153	126
Long-term liabilities and deferred credits		
Long-term debt	760	760
Debt fair value adjustments	117	124
Other long-term liabilities and deferred credits	98	99
Total long-term liabilities and deferred credits	975	983
Total Liabilities	1,128	1,109
Member's Equity		
Member's equity	1,971	1,987
Accumulated other comprehensive income	16	17
Total Member's Equity	1,987	2,004
Total Liabilities and Member's Equity	\$ 3,115	\$ 3,113

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

	Six Months Ended June 30,	
	2019	2018
Cash Flows From Operating Activities		
Net income	\$ 203	\$ 160
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46	47
Other non-cash items	—	1
Changes in components of working capital:		
Accounts receivable	3	5
Prepayments	7	8
Accounts payable	(1)	—
Rate liabilities	27	19
Other current assets and liabilities	(5)	(1)
Other long-term assets and liabilities	3	(4)
Net Cash Provided by Operating Activities	283	235
Cash Flows From Investing Activities		
Capital expenditures	(61)	(22)
Net change in notes receivable from affiliates	(1)	(19)
Other, net	(2)	(10)
Net Cash Used in Investing Activities	(64)	(51)
Cash Flows From Financing Activities		
Contributions from Member	39	2
Distributions to Member	(258)	(186)
Net Cash Used in Financing Activities	(219)	(184)
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	
Net increase in property, plant and equipment accruals	8	\$ 2
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	31	31

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

	Six Months Ended June 30,	
	2019	2018
Beginning Balance	\$ 2,004	\$ 2,013
Net income	203	160
Contributions	39	2
Distributions	(258)	(186)
Other comprehensive loss	(1)	(2)
Ending Balance	\$ 1,987	\$ 1,987