

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

SOUTHERN 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

SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
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SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(In Millions)
(Unaudited)

	Three Months Ended	
	March 31,	
	2019	2018
Revenues	\$ 167	\$ 160
Operating Costs and Expenses		
Operations and maintenance	31	31
Depreciation and amortization	21	21
General and administrative	9	9
Taxes, other than income taxes	9	9
Total Operating Costs and Expenses	70	70
Operating Income	97	90
Other Income (Expense)		
Earnings from equity investment	2	2
Interest, net	(16)	(16)
Other, net	1	1
Total Other Income (Expense)	(13)	(13)
Net Income	\$ 84	\$ 77

SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In Millions)

	March 31, 2019	December 31, 2018
ASSETS		
(Unaudited)		
Current assets		
Cash and cash equivalents	\$ 3	\$ 10
Accounts receivable, net	36	32
Accounts receivable from affiliates	20	19
Inventories	19	19
Regulatory assets	16	23
Other current assets	5	1
Total current assets	99	104
Property, plant and equipment, net	2,599	2,606
Investment	64	65
Regulatory assets	22	22
Deferred charges and other assets	56	34
Total Assets	\$ 2,840	\$ 2,831
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	\$ 14	\$ 28
Accounts payable to affiliates	26	24
Accrued interest	8	17
Accrued taxes, other than income taxes	10	19
Capital payment obligation	142	—
Other current liabilities	16	15
Total current liabilities	216	103
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	1,103	1,103
Capital payment obligation	—	142
Regulatory liabilities	69	70
Other long-term liabilities and deferred credits	16	—
Total long-term liabilities and deferred credits	1,188	1,315
Total Liabilities	1,404	1,418
Members' Equity	1,436	1,413
Total Liabilities and Members' Equity	\$ 2,840	\$ 2,831

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

	Three Months Ended	
	March 31,	
	2019	2018
Cash Flows From Operating Activities		
Net income	\$ 84	\$ 77
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21	21
Earnings from equity investment	(2)	(2)
Gain on sale of long-lived assets	3	—
Distributions from equity investment earnings	(1)	2
Changes in components of working capital:		
Accounts receivable	(4)	(1)
Regulatory assets	7	(5)
Accrued interest	(9)	(9)
Accrued taxes, other than income	(9)	(10)
Regulatory liabilities	(1)	(4)
Other current assets and liabilities	(7)	(2)
Other long-term assets and liabilities	(17)	(5)
Net Cash Provided by Operating Activities	65	62
Cash Flows From Investing Activities		
Capital expenditures	(13)	(18)
Other, net	2	—
Net Cash Used in Investing Activities	(11)	(18)
Cash Flows From Financing Activities		
Issuances of debt	50	50
Payments of debt	(50)	(63)
Contributions from Members	1	37
Distributions to Members	(62)	(70)
Net Cash Used in Financing Activities	(61)	(46)
Net (Decrease) Increase in Cash and Cash Equivalents	(7)	(2)
Cash and Cash Equivalents, beginning of period	10	4
Cash and Cash Equivalents, end of period	\$ 3	\$ 2
Non-cash Investing and Financing Activities		
Right of use assets and operating lease obligations recognized	\$ 17	\$ —
Net increase in property, plant and equipment accruals		5
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	26	26

SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(In Millions)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Beginning Balance	\$ 1,413	\$ 1,354
Net income	84	77
Contributions	1	37
Distributions	(62)	(70)
Ending Balance	\$ 1,436	\$ 1,398