

*CONSOLIDATED FINANCIAL STATEMENTS*  
*(Unaudited)*  
*(excluding footnotes)*

*SOUTHERN 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*

**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)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues	\$ 154	\$ 146	\$ 321	\$ 306
<b>Operating Costs and Expenses</b>				
Operations and maintenance	38	39	69	70
Depreciation and amortization	20	21	41	42
General and administrative	8	9	17	18
Taxes, other than income taxes	10	10	19	19
Total Operating Costs and Expenses	76	79	146	149
Operating Income	78	67	175	157
<b>Other Income (Expense)</b>				
Earnings from equity investment	3	3	5	5
Interest, net	(17)	(17)	(33)	(33)
Other, net	—	2	1	3
Total Other Income (Expense)	(14)	(12)	(27)	(25)
Net Income	\$ 64	\$ 55	\$ 148	\$ 132

**SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

(In Millions)  
(Unaudited)

	June 30, 2019	December 31, 2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 11	\$ 10
Accounts receivable, net	39	32
Accounts receivable from affiliates	17	19
Inventories	19	19
Regulatory assets	10	23
Other current assets	2	1
Total current assets	98	104
Property, plant and equipment, net	2,589	2,606
Investment	65	65
Regulatory assets	21	22
Deferred charges and other assets	60	34
Total Assets	\$ 2,833	\$ 2,831
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 22	\$ 28
Accounts payable to affiliates	14	24
Accrued interest	17	17
Accrued taxes, other than income taxes	19	19
Capital payment obligation	142	—
Other current liabilities	15	15
Total current liabilities	229	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	1,417	1,418
Members' Equity	1,416	1,413
Total Liabilities and Members' Equity	\$ 2,833	\$ 2,831

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

	<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 148	\$ 132
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41	42
Earnings from equity investment	(5)	(5)
Other non-cash items	(1)	—
Distributions from equity investment earnings	5	4
Changes in components of working capital:		
Accounts receivable	(5)	(1)
Regulatory assets	14	(6)
Accounts payable	(8)	4
Regulatory liabilities	(1)	(13)
Other current assets and liabilities	(4)	1
Other long-term assets and liabilities	(15)	9
<b>Net Cash Provided by Operating Activities</b>	<b>169</b>	<b>167</b>
<b>Cash Flows From Investing Activities</b>		
Capital expenditures	(24)	(45)
Other, net	1	(1)
<b>Net Cash Used in Investing Activities</b>	<b>(23)</b>	<b>(46)</b>
<b>Cash Flows From Financing Activities</b>		
Issuances of debt	80	90
Payments of debt	(80)	(103)
Contributions from Members	3	67
Distributions to Members	(148)	(173)
<b>Net Cash Used in Financing Activities</b>	<b>(145)</b>	<b>(119)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1</b>	<b>2</b>
Cash and Cash Equivalents, beginning of period	10	4
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 11</b>	<b>\$ 6</b>
<b>Non-cash Investing and Financing Activities</b>		
Right of use assets and operating lease obligations recognized	\$ 17	
<b>Net increase in property, plant and equipment accruals</b>		<b>\$ 17</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the period for interest (net of capitalized interest)	32	32

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

	<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
Beginning Balance	\$ 1,413	\$ 1,354
Net income	148	132
Contributions	3	67
Distributions	(148)	(173)
Ending Balance	\$ 1,416	\$ 1,380