

CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(excluding footnotes)

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

As of September 30, 2015 and December 31, 2014 and
For the Three and Nine Months Ended September 30, 2015 and 2014

**TENNESSEE GAS PIPELINE COMPANY, L.L.C. AND SUBSIDIARY
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TENNESSEE GAS PIPELINE COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In Millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	\$ 300	\$ 290	\$ 888	\$ 889
Operating Costs and Expenses				
Operations and maintenance.....	74	66	165	161
Depreciation and amortization	45	45	138	134
General and administrative.....	16	15	50	48
Taxes, other than income taxes.....	17	16	51	48
Loss on sale of fixed assets	—	4	—	4
Total Operating Costs and Expenses.....	<u>152</u>	<u>146</u>	<u>404</u>	<u>395</u>
Operating Income	<u>148</u>	<u>144</u>	<u>484</u>	<u>494</u>
Other Income (Expense)				
Earnings from equity investment.....	2	2	7	8
Interest, net	(35)	(34)	(104)	(103)
Other, net	5	3	12	8
Total Other Income (Expense).....	<u>(28)</u>	<u>(29)</u>	<u>(85)</u>	<u>(87)</u>
Income Before Income Taxes.....	120	115	399	407
Income Tax Expense	<u>—</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>
Net Income	120	115	398	406
Other Comprehensive Loss				
Adjustments to postretirement benefit plan.....	—	(1)	—	(1)
Comprehensive Income.....	<u>\$ 120</u>	<u>\$ 114</u>	<u>\$ 398</u>	<u>\$ 405</u>

TENNESSEE GAS PIPELINE COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In Millions)

	September 30, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	103	124
Inventories.....	45	46
Regulatory assets	20	20
Natural gas imbalance receivable	46	82
Other current assets.....	4	—
Total current assets	218	272
Property, plant and equipment, net	4,777	4,428
Goodwill	3,250	3,252
Investment.....	61	61
Regulatory assets	236	254
Deferred charges and other assets.....	353	374
Total Assets.....	\$ 8,895	\$ 8,641
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt.....	\$ 250	\$ —
Accounts payable	164	178
Accrued interest	46	32
Accrued taxes, other than income taxes.....	39	28
Regulatory liabilities.....	17	30
Customer deposits	13	16
Natural gas imbalance payable	18	19
Other current liabilities	5	9
Total current liabilities.....	552	312
Long-term liabilities and deferred credits		
Long-term debt.....	1,540	1,790
Debt fair value adjustments	302	330
Notes payable to affiliates.....	146	1
Other long-term liabilities and deferred credits	38	45
Total Liabilities.....	2,578	2,478
Member's Equity	6,312	6,158
Accumulated other comprehensive income	5	5
Total Member's Equity.....	6,317	6,163
Total Liabilities and Member's Equity.....	\$ 8,895	\$ 8,641

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

	Nine Months Ended September 30,	
	2015	2014
Cash Flows From Operating Activities		
Net Income.....	\$ 398	\$ 406
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	138	134
Earnings from equity investment.....	(7)	(8)
Distributions from equity investment earnings.....	6	10
Loss on sale of fixed assets.....	—	4
Other.....	(7)	(1)
Changes in components of working capital:		
Accounts receivable.....	21	12
Accounts payable.....	(24)	(6)
Accrued interest.....	13	13
Accrued taxes, other than income taxes.....	11	11
Regulatory liabilities.....	(13)	18
Other current assets and liabilities.....	29	5
Other long-term assets and liabilities.....	(23)	(39)
Net Cash Provided by Operating Activities.....	<u>542</u>	<u>559</u>
Cash Flows From Investing Activities		
Capital expenditures.....	(434)	(219)
Net change in note receivable from affiliate.....	—	(17)
Sale or disposal of property, plant and equipment, net of salvage.....	(9)	(26)
Other.....	—	(3)
Net Cash Used in Investing Activities.....	<u>(443)</u>	<u>(265)</u>
Cash Flows From Financing Activities		
Contributions from Member.....	260	227
Distributions to Member.....	(504)	(498)
Net change in notes payable to affiliates.....	145	(23)
Net Cash Used in Financing Activities.....	<u>(99)</u>	<u>(294)</u>
Net Change in Cash and Cash Equivalents.....	—	—
Cash and Cash Equivalents, beginning of period.....	—	—
Cash and Cash Equivalents, end of period.....	<u>\$ —</u>	<u>\$ —</u>

TENNESSEE GAS PIPELINE COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY
(In Millions)
(Unaudited)

	Nine Months Ended September 30,	
	2015	2014
Beginning Balance.....	\$ 6,163	\$ 5,970
Net income.....	398	406
Contributions.....	260	227
Distributions.....	(504)	(498)
Other comprehensive loss.....	—	(1)
Ending Balance.....	\$ 6,317	\$ 6,104