

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

As of September 30, 2017 and December 31, 2016 and
For the Three and Nine Months Ended September 30, 2017 and 2016

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
(In Millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues	\$ 373	\$ 344	\$ 1,141	\$ 1,074
Operating Costs and Expenses				
Operations and maintenance	86	72	218	197
Depreciation and amortization	48	47	144	141
General and administrative	17	16	51	49
Taxes, other than income taxes	22	19	62	55
Loss (gain) on impairment and divestitures, net	27	(5)	27	(2)
Total Operating Costs and Expenses	200	149	502	440
Operating Income	173	195	639	634
Other Income (Expense)				
Earnings from equity investment	2	2	7	6
Interest, net	(25)	(31)	(82)	(98)
Other, net	8	5	22	14
Total Other Income (Expense)	(15)	(24)	(53)	(78)
Income Before Income Taxes	158	171	586	556
Income Tax Expense	(1)	—	(2)	(1)
Net Income	\$ 157	\$ 171	\$ 584	\$ 555

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

	September 30, 2017	December 31, 2016
ASSETS		
(Unaudited)		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	136	139
Inventories	50	49
Regulatory assets	39	41
Natural gas imbalance receivable	16	40
Other current assets	3	2
Total current assets	244	271
Property, plant and equipment, net	5,428	4,981
Goodwill	3,250	3,250
Note receivable from affiliate	161	3
Investment	62	61
Regulatory assets	222	233
Deferred charges and other assets	298	306
Total Assets	\$ 9,665	\$ 9,105
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	\$ 201	\$ 78
Accrued interest	55	35
Accrued taxes, other than income taxes	50	54
Customer deposits	28	14
Natural gas imbalance payable	19	27
Other current liabilities	41	37
Total current liabilities	394	245
Long-term liabilities and deferred credits		
Long-term debt	1,240	1,540
Debt fair value adjustments	252	266
Notes payable to affiliate	550	250
Other long-term liabilities and deferred credits	35	35
Total long-term liabilities and deferred credits	2,077	2,091
Total Liabilities	2,471	2,336
Member's equity	7,199	6,774
Accumulated other comprehensive loss	(5)	(5)
Total Member's Equity	7,194	6,769
Total Liabilities and Member's Equity	\$ 9,665	\$ 9,105

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

	Nine Months Ended September 30,	
	2017	2016
Cash Flows From Operating Activities		
Net income	\$ 584	\$ 555
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	144	141
Earnings from equity investment	(7)	(6)
Loss (gain) on impairment and divestitures, net	27	(2)
Other non-cash items	(20)	(12)
Distributions from equity investment earnings	6	7
Changes in components of working capital:		
Accounts receivable	3	16
Accounts payable	7	4
Accrued interest	20	18
Other current assets and liabilities	24	(53)
Other long-term assets and liabilities	(59)	44
Net Cash Provided by Operating Activities	729	712
Cash Flows From Investing Activities		
Capital expenditures	(403)	(335)
Net change in note receivable from affiliate	(158)	—
Sale or disposal of property, plant and equipment, net of cost of removal	(12)	(14)
Other	3	8
Net Cash Used in Investing Activities	(570)	(341)
Cash Flows From Financing Activities		
Proceeds from notes payable to affiliate	300	250
Payments of debt	(300)	(250)
Contributions from Member	499	211
Distributions to Member	(658)	(637)
Net change in notes payable to affiliates	—	55
Net Cash Used in Financing Activities	(159)	(371)
Net Change in Cash and Cash Equivalents		
Cash and Cash Equivalents, beginning of period	—	—
Cash and Cash Equivalents, end of period	\$ —	\$ —
Non-cash Investing Activities		
Net increase in property, plant and equipment accruals	\$ 115	

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

	Nine Months Ended September 30,	
	2017	2016
Beginning Balance	\$ 6,769	\$ 6,543
Net income	584	555
Contributions	499	211
Distributions	(658)	(637)
Ending Balance	\$ 7,194	\$ 6,672