

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

As of September 30, 2018 and December 31, 2017 and
For the Three and Nine Months Ended September 30, 2018 and 2017

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,	
	2018	2017	2018	2017
Revenues	\$ 391	\$ 373	\$ 1,167	\$ 1,141
Operating Costs and Expenses				
Operations and maintenance	86	86	226	218
Depreciation and amortization	53	48	157	144
General and administrative	16	16	52	52
Taxes, other than income taxes	22	22	63	62
Loss (gain) on impairments and divestitures, net	—	27	(2)	27
Total Operating Costs and Expenses	177	199	496	503
Operating Income	214	174	671	638
Other Income (Expense)				
Earnings from equity investment	2	2	7	7
Interest, net	(27)	(25)	(80)	(82)
Other, net	7	7	22	23
Total Other Income (Expense)	(18)	(16)	(51)	(52)
Income Before Income Taxes	196	158	620	586
Income Tax Expense	—	(1)	(1)	(2)
Net Income	\$ 196	\$ 157	\$ 619	\$ 584

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

	September 30, 2018	December 31, 2017
ASSETS		
(Unaudited)		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	143	149
Inventories	52	50
Regulatory assets	57	48
Natural gas imbalance receivable	32	25
Other current assets	5	2
Total current assets	289	274
Property, plant and equipment, net	5,726	5,540
Goodwill	3,250	3,250
Note receivable from affiliate	82	3
Investment	64	63
Regulatory assets	191	201
Deferred charges and other assets	291	294
Total Assets	\$ 9,893	\$ 9,625
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	\$ 113	\$ 152
Accrued interest	76	48
Accrued taxes, other than income taxes	54	55
Contractual deposits	29	47
Natural gas imbalance payable	43	22
Other current liabilities	45	50
Total current liabilities	360	374
Long-term liabilities and deferred credits		
Long-term debt	1,240	1,240
Debt fair value adjustments	238	249
Notes payable to affiliates	550	550
Other long-term liabilities and deferred credits	122	110
Total long-term liabilities and deferred credits	2,150	2,149
Total Liabilities	2,510	2,523
Member's equity	7,386	7,105
Accumulated other comprehensive loss	(3)	(3)
Total Member's Equity	7,383	7,102
Total Liabilities and Member's Equity	\$ 9,893	\$ 9,625

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

	Nine Months Ended September 30,	
	2018	2017
Cash Flows From Operating Activities		
Net income	\$ 619	\$ 584
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	157	144
Earnings from equity investment	(7)	(7)
(Gain) loss on impairments and divestitures, net	(2)	27
Other non-cash items	(19)	(20)
Distributions from equity investment earnings	6	6
Changes in components of working capital:		
Accounts receivable	6	3
Accounts payable	9	7
Accrued interest	28	20
Accrued taxes other than income taxes	(1)	—
Other current assets and liabilities	(31)	24
Other long-term assets and liabilities	(35)	(59)
Net Cash Provided by Operating Activities	730	729
Cash Flows From Investing Activities		
Capital expenditures	(310)	(403)
Net change in note receivable from affiliate	(79)	(158)
Asset disposal costs, net of sale proceeds	(9)	(12)
Other	6	3
Net Cash Used in Investing Activities	(392)	(570)
Cash Flows From Financing Activities		
Payments of debt	—	(300)
Contributions from Member	199	499
Distributions to Member	(537)	(658)
Net change in notes payable to affiliates	—	300
Net Cash Used in Financing Activities	(338)	(159)
Net Change in Cash, Cash Equivalents, and Restricted Deposits	—	—
Cash, Cash Equivalents, and Restricted Deposits, beginning of period	—	—
Cash, Cash Equivalents, and Restricted Deposits, end of period	<u>\$ —</u>	<u>\$ —</u>
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,	
	2018	2017
Beginning Balance	\$ 7,102	\$ 6,769
Net income	619	584
Contributions	199	499
Distributions	(537)	(658)
Ending Balance	\$ 7,383	\$ 7,194