

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

As of June 30, 2018 and December 31, 2017 and
For the Three and Six Months Ended June 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 June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues	\$ 388	\$ 378	\$ 776	\$ 768
Operating Costs and Expenses				
Operations and maintenance	72	75	140	132
Depreciation and amortization	53	48	104	96
General and administrative	17	17	36	36
Taxes, other than income taxes	23	20	41	40
Gain on impairment and divestitures, net	(2)	—	(2)	—
Total Operating Costs and Expenses	163	160	319	304
Operating Income	225	218	457	464
Other Income (Expense)				
Earnings from equity investment	3	3	5	5
Interest, net	(26)	(27)	(53)	(57)
Other, net	7	10	15	16
Total Other Income (Expense)	(16)	(14)	(33)	(36)
Income Before Income Taxes	209	204	424	428
Income Tax Expense	—	—	(1)	(1)
Net Income	\$ 209	\$ 204	\$ 423	\$ 427

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

	June 30, 2018	December 31, 2017
ASSETS		
(Unaudited)		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	140	149
Inventories	51	50
Regulatory assets	49	48
Natural gas imbalance receivable	24	25
Other current assets	6	2
Total current assets	270	274
Property, plant and equipment, net	5,686	5,540
Goodwill	3,250	3,250
Note receivable from affiliate	3	3
Investment	64	63
Regulatory assets	194	201
Deferred charges and other assets	286	294
Total Assets	\$ 9,753	\$ 9,625
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	113	152
Accrued interest	58	48
Accrued taxes, other than income taxes	50	55
Contractual deposits	23	47
Natural gas imbalance payable	30	22
Other current liabilities	44	50
Total current liabilities	318	374
Long-term liabilities and deferred credits		
Long-term debt	1,240	1,240
Debt fair value adjustments	242	249
Notes payable to affiliates	550	550
Other long-term liabilities and deferred credits	115	110
Total long-term liabilities and deferred credits	2,147	2,149
Total Liabilities	2,465	2,523
Member's equity	7,291	7,105
Accumulated other comprehensive loss	(3)	(3)
Total Member's Equity	7,288	7,102
Total Liabilities and Member's Equity	\$ 9,753	\$ 9,625

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

	Six Months Ended June 30,	
	2018	2017
Cash Flows From Operating Activities		
Net income	\$ 423	\$ 427
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	104	96
Earnings from equity investment	(5)	(5)
Other non-cash items	(13)	(12)
Distributions from equity investment earnings	4	4
Changes in components of working capital:		
Accounts receivable	9	2
Accounts payable	9	(1)
Accrued interest	10	3
Accrued taxes other than income taxes	(5)	(5)
Other current assets and liabilities	(33)	38
Other long-term assets and liabilities	(38)	(47)
Net Cash Provided by Operating Activities	465	500
Cash Flows From Investing Activities		
Capital expenditures	(228)	(207)
Net change in note receivable from affiliate	—	(66)
Asset disposal costs, net of sale proceeds	(5)	(11)
Other	5	9
Net Cash Used in Investing Activities	(228)	(275)
Cash Flows From Financing Activities		
Payments of debt	—	(300)
Contributions from Member	162	254
Distributions to Member	(399)	(479)
Net change in notes payable to affiliates	—	300
Net Cash Used in Financing Activities	(237)	(225)
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		\$ 55

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

	Six Months Ended June 30,	
	2018	2017
Beginning Balance	\$ 7,102	\$ 6,769
Net income	423	427
Contributions	162	254
Distributions	(399)	(479)
Ending Balance	\$ 7,288	\$ 6,971