

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

SOUTHERN NATURAL GAS COMPANY, L.L.C.

As of March 31, 2023 and December 31, 2022 and
For the Three Months Ended March 31, 2023 and 2022

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)

	Three Months Ended March 31,	
	2023	2022
Revenues	\$ 178	\$ 168
Operating Costs and Expenses		
Operations and maintenance	34	38
Depreciation and amortization	21	21
General and administrative	9	9
Taxes, other than income taxes	10	10
Total Operating Costs and Expenses	74	78
Operating Income	104	90
Other Income (Expense)		
Earnings from equity investment	2	2
Interest, net	(14)	(15)
Other, net	(9)	—
Total Other Expense	(21)	(13)
Net Income	\$ 83	\$ 77

SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In millions, unaudited)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8	\$ 7
Accounts receivable	44	43
Accounts receivable from affiliates	20	19
Inventories	20	20
Regulatory assets	17	19
Other current assets	3	6
Total current assets	112	114
Property, plant and equipment, net	2,492	2,497
Investment	75	73
Regulatory assets	25	25
Deferred charges and other assets	69	68
Total Assets	\$ 2,773	\$ 2,777
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	\$ 25	\$ 31
Accounts payable to affiliates	14	15
Accrued interest	4	18
Accrued taxes, other than income taxes	11	22
Contractual deposits	6	6
Litigation reserve	12	2
Regulatory liabilities	13	10
Natural gas imbalance payable	1	9
Other current liabilities	8	5
Total current liabilities	94	118
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	915	915
Regulatory liabilities	56	56
Other long-term liabilities and deferred credits	8	9
Total long-term liabilities and deferred credits	979	980
Total Liabilities	1,073	1,098
Members' Equity	1,700	1,679
Total Liabilities and Members' Equity	\$ 2,773	\$ 2,777

SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions, unaudited)

	Three Months Ended March 31,	
	2023	2022
Cash Flows From Operating Activities		
Net income	\$ 83	\$ 77
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21	21
Earnings from equity investment	(2)	(2)
Changes in components of working capital:		
Accounts receivable	(2)	6
Accounts payable	1	(1)
Accrued interest	(14)	(13)
Accrued taxes, other than income	(11)	(9)
Litigation reserve	10	2
Other current assets and liabilities	2	—
Other long-term assets and liabilities	(3)	(10)
Net Cash Provided by Operating Activities	85	71
Cash Flows From Investing Activities		
Capital expenditures	(20)	(12)
Other, net	(2)	(1)
Net Cash Used in Investing Activities	(22)	(13)
Cash Flows From Financing Activities		
Issuances of debt	29	36
Payments of debt	(29)	(36)
Contributions from Members	6	1
Distributions to Members	(68)	(50)
Net Cash Used in Financing Activities	(62)	(49)
Net Increase in Cash and Cash Equivalents	1	9
Cash and Cash Equivalents, beginning of period	7	1
Cash and Cash Equivalents, end of period	\$ 8	\$ 10
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	\$ 28	\$ 28

SOUTHERN NATURAL GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(In millions, unaudited)

	Three Months Ended March 31,	
	2023	2022
Beginning Balance	\$ 1,679	\$ 1,369
Net income	83	77
Contributions	6	1
Distributions	(68)	(50)
Ending Balance	\$ 1,700	\$ 1,397