

CONSOLIDATED FINANCIAL STATEMENTS
With Report of Independent Auditors

COLORADO INTERSTATE GAS COMPANY, L.L.C.

As of December 31, 2024 and 2023 and
For the Years Ended December 31, 2024 and 2023

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
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Report of Independent Auditors

To the Management of Colorado Interstate Gas Company, L.L.C.

Opinion

We have audited the accompanying consolidated financial statements of Colorado Interstate Gas Company, L.L.C. and its subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income and comprehensive income, of member's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Houston, Texas
March 27, 2025

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,	
	2024	2023
Revenues	\$ 333	\$ 334
Operating Costs and Expenses		
Operations and maintenance	88	84
Depreciation and amortization	44	44
General and administrative	21	21
Taxes, other than income taxes	16	17
Total Operating Costs and Expenses	169	166
Operating Income	164	168
Other Income (Expense)		
Interest, net	(36)	(37)
Other, net	4	1
Total Other Expense	(32)	(36)
Net Income	132	132
Other Comprehensive Income		
Adjustments to postretirement benefit plan	—	2
Comprehensive Income	\$ 132	\$ 134

The accompanying notes are an integral part of these consolidated financial statements.

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In millions)

	December 31,	
	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable	31	32
Inventories	7	7
Natural gas imbalance receivable	5	2
Other current assets	1	1
Total current assets	44	42
Property, plant and equipment, net	1,167	1,155
Note receivable from affiliate	284	278
Deferred charges and other assets	47	49
Total Assets	\$ 1,542	\$ 1,524
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Current portion of debt	\$ 5	\$ 5
Accounts payable	26	21
Accrued interest	6	6
Accrued taxes, other than income taxes	15	16
Contractual deposits	12	8
Regulatory liabilities	4	4
Natural gas imbalance payable	7	3
Other current liabilities	3	2
Total current liabilities	78	65
Long-term liabilities and deferred credits		
Long-term debt (at net carrying value)	606	611
Other long-term liabilities and deferred credits	54	57
Total long-term liabilities and deferred credits	660	668
Total Liabilities	738	733
Commitments and contingencies (Notes 2, 9 and 10)		
Member's Equity		
Member's equity	800	787
Accumulated other comprehensive income	4	4
Total Member's Equity	804	791
Total Liabilities and Member's Equity	\$ 1,542	\$ 1,524

The accompanying notes are an integral part of these consolidated financial statements.

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,	
	2024	2023
Cash Flows From Operating Activities		
Net income	\$ 132	\$ 132
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	44	44
Other non-cash items	(2)	(1)
Changes in components of working capital:		
Accounts receivable	1	—
Accounts payable	(1)	2
Accrued taxes, other than income taxes	(1)	(4)
Other current assets and liabilities	(2)	8
Other long-term assets and liabilities	1	(7)
Net Cash Provided by Operating Activities	172	174
Cash Flows From Investing Activities		
Capital expenditures	(47)	(38)
Net change in note receivable from affiliate	(6)	(1)
Other, net	5	1
Net Cash Used in Investing Activities	(48)	(38)
Cash Flows From Financing Activities		
Payments of debt	(6)	(6)
Contributions from Member	—	2
Distributions to Member	(119)	(132)
Other	1	—
Net Cash Used in Financing Activities	(124)	(136)
Net Change in Cash and Cash Equivalents	—	—
Cash and Cash Equivalents, beginning of period	—	—
Cash and Cash Equivalents, end of period	\$ —	\$ —
Non-cash Investing and Financing Activities		
Right-of-use (ROU) assets and operating lease obligations recognized including adjustments (Note 9)	\$ (1)	\$ —
Net increase in property, plant and equipment accruals	6	
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	51	53

The accompanying notes are an integral part of these consolidated financial statements.

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY
(In millions)

	Year Ended December 31,	
	2024	2023
Beginning Balance	\$ 791	\$ 787
Net income	132	132
Contributions	—	2
Distributions	(119)	(132)
Other comprehensive income	—	2
Ending Balance	\$ 804	\$ 791

The accompanying notes are an integral part of these consolidated financial statements.

COLORADO INTERSTATE GAS COMPANY, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General

We are a Delaware limited liability company, originally formed in 1927 as a corporation. When we refer to “us,” “we,” “our,” “the Company,” or “CIG” we are describing Colorado Interstate Gas Company, L.L.C. and its consolidated subsidiary. We are an indirect wholly owned subsidiary of Kinder Morgan, Inc. (KMI).

Our operations are regulated by the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978 and the Energy Policy Act of 2005. The FERC approves tariffs that establish rates, cost recovery mechanisms and other terms and conditions of service to our customers.

We own a pipeline system which consists of approximately 4,305 miles of pipeline with a design capacity of approximately 6.0 billion cubic feet (Bcf) per day. We deliver natural gas from production areas in the Rocky Mountains and the Anadarko Basin directly to customers in Colorado and Wyoming and indirectly to the Midwest, Southwest, California and the Pacific Northwest. Along our pipeline system, we own or have interests in five storage facilities in Colorado and Kansas with a combined underground working natural gas storage capacity of approximately 38 Bcf including approximately 7 Bcf of storage capacity from the Totem storage facility (Totem), which is owned by WYCO Development LLC (WYCO), a joint venture in which we have a 50% ownership interest. WYCO also owns the High Plains pipeline (High Plains). We also have a 50% ownership interest in Kiowa Lateral LLC (KLC), the owner of a natural gas transportation pipeline in Weld County, Colorado (Kiowa Lateral), which is leased by WYCO. Under long-term agreements with WYCO, we operate Totem, High Plains, and the Kiowa Lateral, which combined, represent approximately 1.4 Bcf per day of our overall transportation capacity.

2. Summary of Significant Accounting Policies

Basis of Presentation

We have prepared our accompanying consolidated financial statements in accordance with the accounting principles contained in the Financial Accounting Standards Board’s Accounting Standards Codification (ASC), the single source of United States (U.S.) Generally Accepted Accounting Principles. Additionally, certain amounts from the prior year have been reclassified to conform to the current presentation.

Management has evaluated subsequent events through March 27, 2025, the date the financial statements were available to be issued.

Principles of Consolidation

We consolidate entities when we have the ability to control or direct the operating and financial decisions of the entity or when we have a significant interest in the entity that gives us the ability to direct the activities that are significant to that entity. The determination of our ability to control, direct or exert significant influence over an entity involves the use of judgment. All significant intercompany items have been eliminated in consolidation.

Use of Estimates

Certain amounts included in or affecting our financial statements and related disclosures must be estimated, requiring us to make certain assumptions with respect to values or conditions which cannot be known with certainty at the time our financial statements are prepared. These estimates and assumptions affect the amounts we report for assets and liabilities, our revenues and expenses during the reporting period, and our disclosures, including those related to contingent assets and liabilities at the date of our financial statements. We evaluate these estimates on an ongoing basis, utilizing historical experience, consultation with experts and other methods we consider reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from our estimates. Any effects on our business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known.

Certain accounting policies are of more significance in our financial statement preparation process than others, and set out below are the principal accounting policies we apply in the preparation of our consolidated financial statements.

Cash Equivalents

We define cash equivalents as all highly liquid short-term investments with original maturities of three months or less.

Allowance for Credit Losses

We evaluate our financial assets measured at amortized cost and off-balance sheet credit exposures for expected credit losses over the contractual term of the asset or exposure. We consider available information relevant to assessing the collectability of cash flows including the expected risk of credit loss even if that risk is remote. We measure expected credit losses on a collective (pool) basis when similar risk characteristics exist and we reflect the expected credit losses on the amortized cost basis of the financial asset as of the reporting date.

Our financial instruments primarily consist of our accounts receivable from customers and note receivable from affiliate. We utilized historical analysis of credit losses experienced over the previous five years along with current conditions and reasonable and supportable forecasts of future conditions in our evaluation of collectability of our financial assets.

We had no allowance for credit losses recorded as of December 31, 2024 and 2023.

Inventories

Our inventories, which consist primarily of materials and supplies, are valued at weighted-average cost, and we periodically review for physical deterioration and obsolescence.

Natural Gas Imbalances

Natural gas imbalances occur when the amount of natural gas delivered from or received by a pipeline system or storage facility differs from the scheduled amount of gas to be delivered or received. We value these imbalances due to or from shippers and operators at current index prices. Imbalances are settled in cash or made up in-kind, subject to the terms of our FERC tariff. Imbalances due from others are reported on our accompanying Consolidated Balance Sheets in "Natural gas imbalance receivable." Imbalances owed to others are reported on our accompanying Consolidated Balance Sheets in "Natural gas imbalance payable." We classify all imbalances due from or owed to others as current as we expect to settle them within a year.

Property, Plant and Equipment, net

Our property, plant and equipment is recorded at its original cost of construction or, upon acquisition, at either the fair value of the assets acquired or the cost to the entity that first placed the asset in utility service. For constructed assets, we capitalize all construction-related direct labor and material costs, as well as indirect construction costs. Our indirect construction costs primarily include an interest and equity return component (as more fully described below) and labor and related costs associated with supporting construction activities. The indirect capitalized labor and related costs are based upon estimates of time spent supporting construction projects. We expense costs for routine maintenance and repairs in the period incurred.

We use the composite method to depreciate property, plant and equipment. Under this method, assets with similar economic characteristics are grouped and depreciated as one asset. The FERC-accepted depreciation rate is applied to the total cost of the group until the net book value equals the salvage value. For certain general plant, the asset is depreciated to zero. As part of periodic filings with the FERC, we also re-evaluate and receive approval for our depreciation rates. When property, plant and equipment is retired, accumulated depreciation and amortization is charged for the original cost of the assets in addition to the cost to remove, sell or dispose of the assets, less salvage value. We do not recognize gains or losses unless we sell land or an entire operating unit (as approved by the FERC).

Included in our property balances are base gas and working gas at our storage facilities. We periodically evaluate natural gas volumes at our storage facilities for gas losses. When events or circumstances indicate a loss has occurred, we recognize a loss on our accompanying Consolidated Statements of Income and Comprehensive Income or defer the loss as a regulatory asset on our accompanying Consolidated Balance Sheets if deemed probable of recovery through future rates charged to customers.

We capitalize a carrying cost (an allowance for funds used during construction or AFUDC) on debt and equity funds related to the construction of long-lived assets. This carrying cost consists of a return on the investment financed by debt and a return on the investment financed by equity. The debt portion is calculated based on our average cost of debt. Interest costs capitalized are included as a reduction in “Interest, net” on our accompanying Consolidated Statements of Income and Comprehensive Income. The equity portion is calculated based on our most recent FERC approved rate of return. Equity amounts capitalized are included in “Other, net” on our accompanying Consolidated Statements of Income and Comprehensive Income. The amounts of capitalized AFUDC were not significant for the years ended December 31, 2024 and 2023.

Asset Retirement Obligations (ARO)

We record liabilities for obligations related to the retirement and removal of long-lived assets used in our businesses. We record, as liabilities, the fair value of ARO on a discounted basis when they are incurred and can be reasonably estimated, which is typically at the time the assets are installed or acquired. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities increase due to the change in their present value, and the initial capitalized costs are depreciated over the useful lives of the related assets. The liabilities are eventually extinguished when the asset is taken out of service.

We are required to operate and maintain our natural gas pipelines and storage systems, and intend to do so as long as supply and demand for natural gas exists, which we expect for the foreseeable future. Therefore, we believe that we cannot reasonably estimate the ARO for our assets because these assets have indeterminate lives. We continue to evaluate our ARO and future developments could impact the amounts we record. We had no ARO recorded as of December 31, 2024 and 2023.

Long-lived Asset and Investment Impairments

We evaluate our long-lived assets and investments for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. These events include changes in the manner in which we intend to use a long-lived asset, decisions to sell an asset or investment and adverse changes in market conditions, or in the legal or business environment, such as adverse actions by regulators. If an event occurs, which is a determination that involves judgment, we evaluate the recoverability of our long-lived asset or investment based on its ability to generate future cash flows. If an impairment is indicated, or if we decide to sell a long-lived asset or group of assets, we adjust the carrying value of the asset or investment downward, if necessary, to its estimated fair value.

We evaluate the recoverability of our long-lived assets using a two-step approach. To determine if a long-lived asset is recoverable, we compare the asset’s estimated undiscounted cash flows to its carrying value (step 1). If the carrying value of a long-lived asset or asset group is in excess of estimated undiscounted cash flows, we typically use discounted cash flow analyses to calculate the fair value of the long-lived asset to determine if an impairment is required and the amount of the impairment losses to be recognized (step 2).

We evaluate our equity method investments for other-than-temporary impairment. When an other-than-temporary impairment is recognized, the loss is recorded as a reduction in equity earnings.

Our fair value estimates are based on assumptions market participants would use, including market data obtained through the sales process or an analysis of expected discounted future cash flows. There were no events indicated or impairments for the years ended December 31, 2024 and 2023.

Equity Method of Accounting

We use the equity method of accounting for investments which we do not control, but for which we have the ability to exercise significant influence. Under this method, our equity investments are carried originally at our acquisition cost, increased by our proportionate share of the investee’s net income and by contributions made, and decreased by our proportionate share of the investee’s net losses and by distributions received.

Revenue Recognition

Revenue from Contracts with Customers

We review our contracts with customers using the following steps to recognize revenue based on the transfer of goods or services to customers and in amounts that reflect the consideration the company expects to receive for those goods or services.

The steps include: (i) identify the contract; (ii) identify the performance obligations of the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and then (v) recognize revenue when (or as) the performance obligation is satisfied. Each of these steps involves management judgment and an analysis of the contract's material terms and conditions.

Natural Gas Transportation and Storage Contracts

Our revenues are primarily generated from the transportation and storage of natural gas under firm service customer contracts with take-or-pay elements (principally for capacity reservation) where both the price and quantity are fixed. Generally, for these contracts: (i) our promise is to transfer (or stand ready to transfer) a series of distinct integrated services over a period of time, which is a single performance obligation; (ii) the transaction price includes fixed and/or variable consideration, which is determinable at contract inception and/or at each month end based on our right to invoice at month end for the value of services provided to the customer that month; and (iii) the transaction price is recognized as revenue over the service period specified in the contract as the services are rendered. In these arrangements, the customer is obligated to pay for services associated with its take-or-pay obligation regardless of whether or not the customer chooses to utilize the service in that period. Because we make the service continuously available over the service period, we recognize the take-or-pay amount as revenue ratably over the period based on the passage of time.

The natural gas we receive under our transportation and storage contracts remains under the control of our customers. In many cases, generally described as firm service, the customer generally pays a two-part transaction price that includes (i) a fixed fee reserving the right to transport or store natural gas in our facilities up to contractually specified capacity levels (referred to as "reservation") and (ii) a fee-based per-unit rate for quantities of natural gas actually transported or injected into/withdrawn from storage. In our firm service contracts we generally promise to provide a single integrated service each day over the life of the contract, which is fundamentally a stand-ready obligation to provide services up to the customer's reservation capacity prescribed in the contract. Our customers have a take-or-pay payment obligation with respect to the fixed reservation fee component, regardless of the quantities they actually transport or store. In other cases, generally described as interruptible service, there is no fixed fee associated with these transportation and storage services because the customer accepts the possibility that service may be interrupted at our discretion in order to serve customers who have firm service contracts. We do not have an obligation to perform under interruptible customer arrangements until we accept and schedule the customer's request for periodic service. The customer pays a transaction price based on a fee-based per-unit rate for the quantities actually transported or injected into/withdrawn from storage.

Natural Gas and Natural Gas Liquids (NGL) Sales Contracts

Our customer sales contracts are primarily related to natural gas and NGL sales and these revenues are generally accounted for on a gross basis with the related cost reported as a part of operations and maintenance expense in our accompanying Consolidated Statements of Income and Comprehensive Income. Generally, for the majority of our sales contracts: (i) each unit of product sold is a separate performance obligation; (ii) the transaction price is determinable each month end based on our right to invoice at month end for the value of product sold to the customer that month; and (iii) the transaction price is allocated to each performance obligation based on the standalone selling price of product sold and the amount recognized as revenue upon delivery of the product, which is the point in time when the customer obtains control of the product and our performance obligation is satisfied. The customer pays a transaction price typically based on a market or indexed per-unit rate for the quantities sold.

Contract Balances

Contract assets and contract liabilities are the result of timing differences between revenue recognition, billings and cash collections.

Refer to Note 7 for further information.

Legal Proceedings

We are party to various legal, regulatory and other matters arising from the day-to-day operations of our businesses that may result in claims against the Company. Although no assurance can be given, we believe, based on our experiences to date and taking into account established reserves, that the ultimate resolution of such items will not have a material adverse impact to our financial position, cash flows or operating results. We believe we have numerous and substantial defenses to the matters to which we are a party and intend to vigorously defend the Company. When we determine a loss is probable of occurring and

is reasonably estimable, we accrue an undiscounted liability for such contingencies based on our best estimate using information available at that time. If the estimated loss is a range of potential outcomes and there is no better estimate within the range, we accrue the amount at the low end of the range. We disclose contingencies where an adverse outcome may be material or, in the judgment of management, we conclude the matter should otherwise be disclosed.

We had no accruals for any outstanding legal proceedings as of December 31, 2024 and 2023.

Environmental Matters

We capitalize certain environmental expenditures required to obtain rights-of-way, regulatory approvals or permitting as part of the construction of facilities we use in our business operations. We accrue and expense environmental costs that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation. We generally do not discount environmental liabilities to a net present value, and we record environmental liabilities when environmental assessments and/or remedial efforts are probable and we can reasonably estimate the costs, such as after the completion of a feasibility study or commitment to a formal plan of action. We recognize receivables for anticipated associated insurance recoveries when such recoveries are deemed to be probable.

We routinely conduct reviews of potential environmental issues and claims that assist us in identifying environmental issues and estimating the costs and timing of remediation efforts. We also routinely adjust our environmental liabilities to reflect changes in previous estimates. In making environmental liability estimations, we consider the material effect of environmental compliance, pending legal actions against us, and potential third-party liability claims we may have against others. Often, as the remediation evaluation and effort progresses, additional information is obtained, requiring revisions to estimated costs.

We are subject to environmental cleanup and enforcement actions from time to time. In particular, the Comprehensive Environmental Response, Compensation and Liability Act generally imposes joint and several liability for cleanup and enforcement costs on current and predecessor owners and operators of a site, among others, without regard to fault or the legality of the original conduct, subject to the right of a liable party to establish a “reasonable basis” for apportionment of costs. Our operations are also subject to federal, state and local laws and regulations relating to protection of the environment. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in our operations, and there can be no assurance that we will not incur significant costs and liabilities. Moreover, it is possible that other developments could result in substantial costs and liabilities to us, such as increasingly stringent environmental laws, regulations and enforcement policies under the terms of authority of those laws, and claims for damages to property or persons resulting from our operations.

Although it is not possible to predict the ultimate outcomes, we believe that the resolution of the environmental matters, and other matters to which we are a party, will not have a material adverse effect on our financial position, cash flows or operating results. As of both December 31, 2024 and 2023, we had approximately \$1 million accrued for our environmental matters.

Leases

We lease property including corporate and field offices and facilities. Our leases have remaining lease terms of one to 9 years, some of which have options to extend or terminate the lease. We determine if an arrangement is a lease at inception or upon modification. For purposes of calculating operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

Operating ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Leases with variable rate adjustments, such as Consumer Price Index (CPI) adjustments, are reflected based on contractual lease payments as outlined within the lease agreement and not adjusted for any CPI increases or decreases. Because most of our leases do not provide an explicit rate of return, we use our incremental secured borrowing rate based on lease term information available at the commencement date of the lease in determining the present value of lease payments. Real estate lease agreements with lease and non-lease components are accounted for separately. Leases that were grandfathered under various portions of Topic 842, such as land easements, are reassessed when the agreements are modified.

Refer to Note 9 for further information.

Postretirement Benefits

We participate in KMI's postretirement benefit plan covering certain of our former employees that we have made contributions to in the past. These contributions are invested until the benefits are paid to plan participants. The net benefit cost (credit) of this plan is recorded on our accompanying Consolidated Statements of Income and Comprehensive Income and is a function of many factors including expected returns on plan assets and amortization of certain deferred gains and losses. Refer to Note 5 for further information.

In accounting for our postretirement benefit plan, we record an asset or liability based on the difference between the fair value of the plan's assets and the plan's benefit obligation. Any deferred amounts related to unrecognized gains and losses or changes in actuarial assumptions are recorded on our accompanying Consolidated Balance Sheets in "Accumulated other comprehensive income," until those gains or losses are recognized on our accompanying Consolidated Statements of Income and Comprehensive Income.

Debt

We classify our debt based on the contractual maturity dates of the underlying debt instruments. We defer costs associated with debt issuance over the applicable term. These costs are then amortized as interest expense on our accompanying Consolidated Statements of Income and Comprehensive Income.

Income Taxes

We are a limited liability company and are not subject to federal or state income taxes. Our Member is responsible for income taxes on their allocated share of taxable income which may differ from income for financial statement purposes due to differences in the tax basis and financial reporting basis of assets and liabilities.

Regulatory Assets and Liabilities

Our interstate natural gas pipeline and storage operations are subject to the jurisdiction of the FERC and are accounted for in accordance with Topic 980, *Regulated Operations*. Under these standards, we record regulatory assets and liabilities that would not be recorded for non-regulated entities. Regulatory assets and liabilities represent probable future revenues or expenses associated with certain charges and credits that are expected to be recovered from or returned to customers through the ratemaking process. Refer to Note 8 for further information.

3. Property, Plant and Equipment, net

Our property, plant and equipment, net consisted of the following:

	Annual Depreciation Rates	December 31,	
		2024	2023
	%	(In millions)	
Transmission and storage facilities	1.95 - 6.67	\$ 1,976	\$ 1,962
General plant	3.0 - 25.0	38	37
Intangible plant	10.0 - 23.0	2	2
Other		24	26
Accumulated depreciation and amortization(a)		(930)	(897)
		1,110	1,130
Land		6	6
Construction work in progress		51	19
Property, plant and equipment, net		\$ 1,167	\$ 1,155

(a) The composite weighted average depreciation rate for each of the years ended December 31, 2024 and 2023 was approximately 2.23%.

4. Debt

The following table summarizes the net carrying value of our outstanding debt:

	December 31,	
	2024	2023
	(In millions)	
Senior Notes, 4.15%, due August 2026	\$ 375	\$ 375
Senior Debentures, 6.85%, due June 2037	100	100
Other financing obligations	137	142
	612	617
Less: Unamortized discount and debt issuance costs	1	1
Total debt	611	616
Less: Current portion of debt	5	5
Total long-term debt	\$ 606	\$ 611

KMI and substantially all of its wholly owned domestic subsidiaries, including us, are a party to a cross guarantee agreement whereby each party to the agreement unconditionally guarantees, jointly and severally, the payment of specified indebtedness of each other party to the agreement.

Other Financing Obligations

In conjunction with the construction of Totem, High Plains and the Kiowa Lateral, our joint venture partners advanced 50% of the costs. Upon placing these assets in service we transferred our title in these projects to both WYCO and KLCo and leased the assets back; however, we did not qualify for sale leaseback accounting because of our continuing involvement in the assets and related equity ownership. As such, the costs of the facilities remain on our Consolidated Balance Sheets with the portion funded by our joint venture partners reflected in “Long-term debt (at net carrying value)” on our accompanying Consolidated Balance Sheets.

As of December 31, 2024, the principal portion of these obligations was \$137 million, which is being paid in monthly installments equal to the depreciation of the related assets through 2039 based on the initial lease term. At the expiration of the initial lease term, the lease agreement shall be extended automatically for the term of related firm service agreements. The annual interest rate on these obligations is 15.5%, payable on a monthly basis.

Maturities of Debt

The scheduled maturities of the outstanding debt balances, as of December 31, 2024 are summarized as follows:

Year	Total
	(In millions)
2025	\$ 5
2026	380
2027	5
2028	5
2029	5
Thereafter	212
Total	\$ 612

Debt Covenants

Under our various financing documents, we are subject to certain restrictions and covenants. The most restrictive of these include limitations on the incurrence of liens and limitations on sale-leaseback transactions. For the years ended December 31, 2024 and 2023, we were in compliance with our debt-related covenants.

5. Retirement Benefits

KMI maintains a pension plan and a retirement savings plan covering substantially all of its U.S. employees, including certain of our former employees. KMI is responsible for benefits accrued under its plans and allocates certain costs based on a benefit allocation rate applied on payroll charged to its affiliates.

We also provide postretirement benefits, including medical benefits for a closed group of retirees. Our postretirement benefit plan costs were prefunded and were recoverable under prior rate case settlements. There is no cost recovery or related funding that is required as part of our current FERC approved rates; however, we can seek to recover any funding shortfall that may be required in the future. There were no contributions made in 2024 and 2023, and we do not expect to make any contributions to our postretirement benefit plan in 2025.

As of both December 31, 2024, and 2023 our postretirement benefit plan net assets were \$15 million, included in “Deferred charges and other assets” on our accompanying Consolidated Balance Sheets, which is net of our postretirement benefit obligation of \$1 million, as of each balance sheet date. Our postretirement benefit plan net benefit credit for each of the years ended December 31, 2024 and 2023 was approximately \$1 million.

“Accumulated other comprehensive income” as of both December 31, 2024 and 2023 includes \$4 million of unrecognized net actuarial gains.

Our plan assets’ fair values are based on the net asset value per share, or its equivalent (NAV), as a practical expedient to measure fair value, as reported by the issuers. The fair values are determined based on the fair value of the underlying securities as of the valuation date and include common/collective trust funds. Plan assets measured at NAV are not categorized within the fair value hierarchy.

6. Related Party Transactions

Affiliate Balances and Activities

We participate in KMI’s cash management program, which matches the short-term cash surpluses and needs of participating affiliates, thus minimizing total borrowings from outside sources. KMI uses the cash management program to settle intercompany transactions between participating affiliates. As of December 31, 2024 and 2023, we had a note receivable from KMI of \$284 million and \$278 million, respectively. The interest rate on this note is variable and was 4.7% and 5.6% as of December 31, 2024 and 2023, respectively.

The following table summarizes our other balance sheet affiliate balances:

	December 31,	
	2024	2023
	(In millions)	
Accounts receivable	\$ 1	\$ —
Natural gas imbalance receivable	2	—
Investments(a)	10	10
Accounts payable	7	7
Natural gas imbalance payable	5	1
Financing obligations(b)	137	142

(a) Represents our investments in WYCO and KLCo and are included in “Deferred charges and other assets” on our accompanying Consolidated Balance Sheets.

(b) Represents financing obligations, as described in Note 4, of which \$5 million was included in “Current portion of debt” on our accompanying Consolidated Balance Sheets as of both December 31, 2024 and 2023.

We do not have employees and are managed and operated by KMI, who provides services to us. Under KMI policies, we reimburse KMI at cost for direct and indirect costs incurred on our behalf and allocated general and administrative costs. These costs are reflected, as appropriate, in the “Operations and maintenance,” “General and administrative and other costs” and “Capitalized costs” lines in the table below.

The following table shows revenues, earnings from equity investments and costs from our affiliates:

	Year Ended December 31,	
	2024	2023
	(In millions)	
Revenues	\$ 1	\$ 1
Operations and maintenance(a)	36	35
General and administrative and other costs	20	21
Earnings from equity investments(b)	1	1
Interest expense on financing obligations	28	30
Capitalized costs	5	5

(a) Includes costs associated with transportation and storage agreements. Refer to Note 10 “Commitments—*Transportation and Storage Commitments*” for further information.

(b) Included in “Other, net” on our accompanying Consolidated Statements of Income and Comprehensive Income.

7. Revenue Recognition

Disaggregation of Revenues

The following table presents our revenues disaggregated by revenue source and type of revenue for each revenue source:

	Year Ended December 31,	
	2024	2023
	(In millions)	
Revenues from contracts with customers		
Services		
Firm services(a)	\$ 304	\$ 301
Fee-based services	23	26
Total services	327	327
Commodity Sales		
Product sales	4	4
Other sales	1	2
Total commodity sales	5	6
Total revenues from contracts with customers	332	333
Other revenues(b)	1	1
Total revenues	\$ 333	\$ 334

(a) Represents reservation charge revenue.

(b) Amounts recognized as revenue under guidance prescribed in Topics of the ASC other than Topic 606 including leases.

Contract Balances

As of December 31, 2024 and 2023, our contract assets and liabilities balances were not significant.

Major Customers

The following table presents revenues from our largest customers, each of which exceeded 10% of our revenues as determined for each year individually and irrespective of the other periods presented below:

	Year Ended December 31,	
	2024	2023
	(In millions)	
Revenues from largest non-affiliated customer (number one)	\$ 135	\$ 133
Revenues from largest non-affiliated customer (number two)	33	34

8. Accounting for Regulatory Activities

Regulatory Assets and Liabilities

As of December 31, 2024, the regulatory assets are subject to recovery in our rates, over a period of approximately one year to 24 years. Below are the details of our regulatory assets and liabilities:

	December 31,	
	2024	2023
(In millions)		
Current regulatory assets		
Other(a)	\$ 1	\$ 1
Non-current regulatory assets		
Taxes on capitalized funds used during construction(b)	3	4
Total regulatory assets(c)	\$ 4	\$ 5
Current regulatory liabilities		
Other	\$ 4	\$ 4
Non-current regulatory liabilities		
Property and plant retirements	12	12
Income tax related	18	19
Other	7	6
Total non-current regulatory liabilities(d)	37	37
Total regulatory liabilities	\$ 41	\$ 41

- (a) Included in “Other current assets” on our accompanying Consolidated Balance Sheets.
- (b) Included in “Deferred charges and other assets” on our accompanying Consolidated Balance Sheets.
- (c) Assets recoverable without earning a return.
- (d) Included in “Other long-term liabilities and deferred credits” on our accompanying Consolidated Balance Sheets.

Our significant regulatory assets and liabilities include:

Taxes on capitalized funds used during construction

Amounts represent the deferred income taxes on AFUDC equity funds recognized during the time when we were a taxable entity. These amounts are recoverable in our tariff rates over the depreciable lives of the assets to which they apply.

Property and plant retirements

Amounts represent the deferral of customer-funded amounts for costs of future asset retirements.

Income tax related

Amounts represent the anticipated return to ratepayers of deferred income taxes as a result of the Tax Cuts and Jobs Act of 2017, which lowered the U.S. federal corporate income tax rate from 35% to 21% effective January 1, 2018. These amounts are amortized over the remaining depreciable lives of the assets to which they apply.

9. Leases

Following are components of our lease cost:

	Year Ended December 31,	
	2024	2023
	(In millions)	
Operating leases(a)	\$ 1	\$ 1

(a) 2024 and 2023 amounts include immaterial capitalized lease costs.

Other information related to our operating leases are as follows:

	Year Ended December 31,	
	2024	2023
	(In millions, except lease term and discount rate)	
Operating cash flows from operating leases	\$ (1)	\$ (1)
ROU assets obtained in exchange for operating lease obligations including adjustments, net of retirements	(1)	—
Amortization of ROU assets	1	2
Weighted average remaining lease term	8.40 years	9.39 years
Weighted average discount rate	5.99 %	4.57 %

Amounts recognized in our accompanying Consolidated Balance Sheets are as follows:

Lease Activity	Balance sheet location	December 31,	
		2024	2023
		(In millions)	
ROU assets	Deferred charges and other assets	\$ 17	\$ 19
Short-term lease liability	Other current liabilities	2	1
Long-term lease liability	Other long-term liabilities and deferred credits	15	18

Operating lease liabilities under non-cancellable leases (excluding short-term leases) as of December 31, 2024 are as follows:

Year	Commitments
	(In millions)
2025	\$ 2
2026	3
2027	3
2028	3
2029	3
Thereafter	10
Total lease payments	24
Less: Interest	(7)
Present value of lease liabilities	\$ 17

10. Commitments

Transportation and Storage Commitments

We have entered into transportation commitments and storage capacity contracts with our affiliates Wyoming Interstate Company, L.L.C. and Young Gas Storage Company, Ltd., respectively. Future annual commitments as of December 31, 2024 are as follows:

Year	Commitments (In millions)
2025	\$ 13
2026	12
2027	10
2028	10
2029	6
Thereafter	14
Total	\$ 65

For each of the years ended December 31, 2024 and 2023, total expenses related to these commitments and contracts were \$13 million. The expenses are reflected in “Operations and maintenance” on our accompanying Consolidated Statements of Income and Comprehensive Income.