

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(excluding footnotes)

SOUTHERN NATURAL GAS COMPANY, L.L.C.

As of September 30, 2019 and December 31, 2018 and
For the Three and Nine Months Ended September 30, 2019 and 2018

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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues	\$ 152	\$ 142	\$ 473	\$ 448
Operating Costs and Expenses				
Operations and maintenance	40	35	109	105
Depreciation and amortization	21	21	62	63
General and administrative	9	9	26	27
Taxes, other than income taxes	9	9	28	28
Total Operating Costs and Expenses	79	74	225	223
Operating Income	73	68	248	225
Other Income (Expense)				
Earnings from equity investment	1	2	6	7
Interest, net	(16)	(16)	(49)	(49)
Other, net	2	2	3	5
Total Other Income (Expense)	(13)	(12)	(40)	(37)
Net Income	\$ 60	\$ 56	\$ 208	\$ 188

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

	September 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3	\$ 10
Accounts receivable, net	38	32
Accounts receivable from affiliates	16	19
Inventories	19	19
Regulatory assets	11	23
Other current assets	1	1
Total current assets	88	104
Property, plant and equipment, net	2,581	2,606
Investment	65	65
Regulatory assets	21	22
Deferred charges and other assets	63	34
Total Assets	\$ 2,818	\$ 2,831
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	\$ 21	\$ 28
Accounts payable to affiliates	14	24
Accrued interest	8	17
Accrued taxes, other than income taxes	28	19
Capital payment obligation	142	—
Other current liabilities	13	15
Total current liabilities	226	103
Long-term liabilities and deferred credits		
Long-term debt, net of debt issuance costs	1,103	1,103
Capital payment obligation	—	142
Regulatory liabilities	68	70
Other long-term liabilities and deferred credits	15	—
Total long-term liabilities and deferred credits	1,186	1,315
Total Liabilities	1,412	1,418
Members' Equity	1,406	1,413
Total Liabilities and Members' Equity	\$ 2,818	\$ 2,831

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

	Nine Months Ended September 30,	
	2019	2018
Cash Flows From Operating Activities		
Net income	\$ 208	\$ 188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	62	63
Earnings from equity investment	(6)	(7)
Other non-cash items	(1)	(3)
Distributions from equity investment earnings	6	6
Changes in components of working capital:		
Accounts receivable	(3)	(5)
Regulatory assets	13	(21)
Accounts payable	(6)	4
Accrued interest	(9)	(9)
Accrued taxes, other than income	9	7
Regulatory liabilities	(2)	(13)
Other current assets and liabilities	(5)	3
Other long-term assets and liabilities	(24)	21
Net Cash Provided by Operating Activities	242	234
Cash Flows From Investing Activities		
Capital expenditures	(35)	(74)
Other, net	1	(3)
Net Cash Used in Investing Activities	(34)	(77)
Cash Flows From Financing Activities		
Issuances of debt	95	137
Payments of debt	(95)	(150)
Contributions from Members	3	89
Distributions to Members	(218)	(231)
Net Cash Used in Financing Activities	(215)	(155)
Net Increase in Cash and Cash Equivalents	(7)	2
Cash and Cash Equivalents, beginning of period	10	4
Cash and Cash Equivalents, end of period	\$ 3	\$ 6
Non-cash Investing and Financing Activities		
Right of use assets and operating lease obligations recognized	\$ 17	
Net increase in property, plant and equipment accruals		\$ 19
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest (net of capitalized interest)	\$ 58	\$ 57

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

	Nine Months Ended September 30,	
	2019	2018
Beginning Balance	\$ 1,413	\$ 1,354
Net income	208	188
Contributions	3	89
Distributions	(218)	(231)
Ending Balance	\$ 1,406	\$ 1,400