MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis, unless the context otherwise requires, "we," "us," "our," "Rockies Express" and similar terms refer to Rockies Express Pipeline LLC. This discussion and analysis is based on our financial statements, which are prepared in accordance with GAAP. 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 that cannot be known with certainty at the time the financial statements are prepared. The reported amounts of our assets and liabilities, revenues and expenses and associated disclosures with respect to contingent assets and liabilities are necessarily affected by our estimates. We evaluate 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. The following discussion and analysis should be read in conjunction with our unaudited interim financial statements for the three months ended March 31, 2017 and 2016. For additional information regarding us, please also reference the annual, quarterly and other reports and other information filed by Tallgrass Energy Partners, LP with the Securities and Exchange Commission. Certain terms used and not defined herein have the meaning ascribed to them in the glossary of common industry and measurement terms contained in the most recent Annual Report on Form 10-K for the year ended December 31, 2016 filed by Tallgrass Energy Partners, LP with the Securities and Exchange Commission.

Overview

We are engaged in the ownership and operation of the Rockies Express Pipeline, a FERC-regulated natural gas pipeline system with approximately 1,712 miles of transportation pipelines, including laterals, extending from Opal, Wyoming and Meeker, Colorado to Clarington, Ohio and consists of three zones:

- Zone 1 - 328 miles of mainline pipeline from the Meeker Hub in Northwest Colorado, across Southern Wyoming to the Cheyenne Hub in Weld County, Colorado capable of transporting 2.0 Bcf/d of natural gas from west-to-east;
- Zone 2 - 714 miles of mainline pipeline from the Cheyenne Hub to an interconnect in Audrain County, Missouri capable of transporting 1.8 Bcf/d of natural gas from west-to-east; and
- Zone 3 - 643 miles of mainline pipeline from Audrain County, Missouri to Clarington, Ohio, which is bi-directional and capable of transporting 1.8 Bcf/d of natural gas from west-to-east and 2.6 Bcf/d of natural gas from east-to-west.

We generate revenue primarily by providing transportation services to third-party natural gas producers, processors, marketers, distribution utilities, industrial end-users, power plants and other shippers. Pursuant to our transportation service agreements and FERC tariff provisions, the Rockies Express Pipeline offers its customers firm and interruptible gas transportation, park and loan services, pooling and wheeling services and booster compression services. Our primary source of revenue is from firm transportation service. Under our tariff, firm transportation customers pay a two-part rate that includes (i) a fixed-fee which reserves the right to transport natural gas in our facilities and (ii) a per-unit commodity rate and other fuel rates and tariff surcharges based on actual volumes transported. Our firm transportation reservation rates represented approximately 99% of our total transportation revenues for the three months ended March 31, 2017 and 2016. In addition to firm transportation, we offer interruptible service, where there is no fixed-fee associated with the service because the customer accepts the possibility that service may be interrupted in order to serve customers who have purchased firm service. Our interruptible service customers pay a per-unit rate based on actual volumes transported, a fuel charge, and other applicable surcharges. We also receive fees for park and loan services, which allow customers to balance deliveries and receipts at designated points on our pipeline on an interruptible basis; for pooling and wheeling services, which allow customers to bundle smaller quantities of gas from different suppliers into larger, more marketable quantities of gas; and for booster compression services, which allow customers to bring gas onto the Rockies Express Pipeline from lower pressure sources.

Recent Developments

Ultra Settlement

In early 2016, Ultra Resources, Inc. ("Ultra") defaulted on its firm transportation service agreement for approximately 0.2 Bcf/d through November 11, 2019. In late March 2016, Rockies Express terminated Ultra's service agreement. On April 14, 2016, Rockies Express filed a lawsuit against Ultra for breach of contract and damages in Harris County, Texas, seeking approximately $303 million in damages and other relief. On April 29, 2016, Ultra and certain of its debtor affiliates filed for protection under Chapter 11 of the United States Bankruptcy Code in United States Bankruptcy Court for the Southern District of Texas, which operated as a stay of the Harris County state court proceeding.

On January 12, 2017, Rockies Express and Ultra entered into an agreement to settle Rockies Express' approximately $303 million claim against Ultra's bankruptcy estate. In accordance with the settlement agreement, Ultra has agreed to make a cash payment to Rockies Express of $150 million no later than July 12, 2017, and Ultra has entered into a new, seven-year firm transportation agreement with Rockies Express commencing December 1, 2019, for west-to-east service of 0.2 Bcf/d at a rate of approximately $0.37, or approximately $26.8 million annually. The settlement was part of Ultra's Chapter 11 reorganization plan, which was confirmed by the U.S. Bankruptcy Court on March 14, 2017. On April 12, 2017, Ultra announced that it successfully completed its restructuring in the U.S. Bankruptcy Court and emerged from Chapter 11 bankruptcy.

Results of Operations

Three Months Ended March 31, 2017 Compared to the Three Months Ended March 31, 2016

Total revenues were $201.3 million for the three months ended March 31, 2017 compared to $216.5 million for the three months ended March 31, 2016, which represents a decrease of $15.2 million, or 7%. The decrease in revenues was primarily driven by a $15.5 million decrease in transportation services revenue, primarily attributable to a $33.9 million decrease resulting from a contract extension during the second quarter of 2016 and a $14.9 million decrease in revenue due to contract terminations, partially offset by revenue of $33.2 million from the Zone 3 Capacity Enhancement assets placed into commercial service in January 2017.

Total operating income was $107.3 million for the three months ended March 31, 2017 compared to $116.1 million for the three months ended March 31, 2016, which represents a decrease of $8.8 million, or 8%. The decrease in operating income was due to decreased revenues of $15.2 million, as discussed above, partially offset by decreased operating costs and expenses of $6.4 million. The $6.4 million decrease in operating costs and expenses was primarily driven by a $11.2 million decrease in general and administrative expenses primarily due to bad debt expense in the first quarter of 2016 related to the Ultra contract, which was terminated effective April 2016, partially offset by a $3.9 million increase in depreciation and amortization as a result of assets placed in service in 2017 and 2016 and a $1.0 million increase in cost of transportation services primarily driven by mark-to-market adjustments on our fuel tracker liabilities.

Liquidity and Capital Resources

Primary Uses of Cash

Our primary uses of cash, in addition to normal operating and general and administrative expenses, are for distributions of available cash to our Members, debt service and maintenance and expansion capital expenditures. Under our limited liability company agreement, available cash is generally defined as all of our unrestricted cash and cash equivalents less any amounts that have been set aside by our board of directors to maintain reasonably adequate reserves for our operations or any other purpose determined by our board of directors.

We intend to fund our short-term working capital requirements and maintenance capital expenditures through cash from operations, cash on hand, or borrowings under our revolving credit facility. We expect to refinance or repay our outstanding existing notes with contributions from Members, additional issuances of long-term debt, or with cash from operations. We currently expect to fund capital expenditures necessary to implement our business strategy primarily through a combination of cash flow from operations and contributions from Members.

Revolving Credit Facility

On October 1, 2015, we entered into a $150 million senior unsecured revolving credit facility ("the revolving credit facility") with Wells Fargo Bank, N.A., as administrative agent, and a syndicate of lenders, which will mature on January 31, 2020. The revolving credit facility includes a $75 million sublimit for letters of credit and a $20 million sublimit for swing line loans and may be used for working capital and general company purposes. The revolving credit facility also contains an accordion feature whereby Rockies Express can increase the size of the credit facility to an aggregate of $200 million, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent. As of March 31, 2017, there were no outstanding borrowings or letters of credit issued under the revolving credit facility.

Contributions from Members

During the three months ended March 31, 2017 and 2016, Rockies Express received contributions from Members of $26.8 million and $74.9 million, respectively, which were primarily used to fund the construction and other costs of the Zone 3 Capacity Enhancement project, as discussed in Note 7 – *Regulatory Matters*.

Cash Flows

We have steady revenue and cash flows as the result of long-term firm transportation service contracts for substantially all of our pipeline's design capacity. These commitments provide the company with fixed monthly reservation revenues for the primary term of most of our west-to-east contracts into 2019, with, in one case an option to reduce the contractual commitment by 0.2 Bcf/d which was exercised in November 2014. We continue to make progress on a number of re-contracting options, including, for example, the Encana contract extension executed during the second quarter of 2016 which extends Encana's contract to 2024, and the Ultra Settlement discussed above. The Seneca Lateral Project facilities include contracts for 0.6 Bcf/d with a weighted average life of 12 years, the additional east-to-west transportation capacity within Zone 3 includes contracts for 1.2 Bcf/d with a weighted average life of 18 years, and the Zone 3 Capacity Enhancement project which increased east-to-west transport capacity by an additional 0.8 Bcf/d, all of which is under contract for a 15 year term. Mitigation initiatives have and will continue to involve capital expenditures for the construction of additional infrastructure. The following discussion of cash flows should be read in conjunction with the statements of cash flows and related supplemental disclosures included in our interim financial statements.

Cash Flows From Operating Activities

Net cash provided by operating activities was $91.4 million for the three months ended March 31, 2017 compared to $183.7 million for the three months ended March 31, 2016. The overall decrease in net cash provided by operating activities of $92.3 million was primarily due to a decrease in cash inflows of 35.9 million from customer deposits, driven by the customer deposits collected during the three months ended March 31, 2016 related to the Zone 3 Capacity Enhancement project, decreased operating results, and an overall increase in cash used by changes in working capital.

Cash Flows From Investing Activities

Net cash used in investing activities was $50.9 million for the three months ended March 31, 2017 compared to $94.8 million for the three months ended March 31, 2016. Capital expenditures of $48.9 million and 92.8 million for the three months ended March 31, 2017 and 2016, respectively, were primarily related to the Zone 3 Capacity Enhancement project.

Cash Flows From Financing Activities

Net cash used in financing activities was $93.7 million for the three months ended March 31, 2017 compared to $50.6 million for the three months ended March 31, 2016. Net cash used in financing activities during the three months ended March 31, 2017 represents distributions to Members of $120.5 million, partially offset by contributions from Members of $26.8 million. Net cash used in financing activities during the three months ended March 31, 2016 represents distributions to Members of $125.5 million, partially offset by contributions from Members of $74.9 million.

Forward-Looking Statements

Disclosures in this discussion and analysis contain "forward-looking statements." All statements, other than statements of historical facts, included in this discussion and analysis that address activities, events or developments that management expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements, and other important factors that could cause actual results to differ materially from those projected. Any forward-looking statement applies only as of the date on which such statement is made and we do not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.