

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

March 31, 2012

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions)

	Three Months Ended	
	March 31,	
	2012	2011
Operating Revenues		
Transportation of natural gas	\$ 67.4	\$ 66.0
Other	0.3	0.9
Total operating revenues	67.7	66.9
Operating Expenses		
Operating, maintenance and other	5.2	4.8
Depreciation and amortization	8.9	8.8
Property and other taxes	4.9	2.2
Total operating expenses	19.0	15.8
Operating Income	48.7	51.1
Other Income and Expenses	-	0.4
Interest Expense	17.5	17.2
Net Income	\$ 31.2	\$ 34.3

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.
CONDENSED BALANCE SHEETS
(Unaudited)
(In millions)

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 77.5	\$ 54.4
Receivables, net	22.9	22.8
Other	8.2	9.9
Total current assets	<u>108.6</u>	<u>87.1</u>
Property, Plant and Equipment		
Cost	2,066.0	2,065.6
Less accumulated depreciation and amortization	290.7	281.8
Net property, plant and equipment	<u>1,775.3</u>	<u>1,783.8</u>
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction	23.5	23.6
Unamortized debt expense	5.9	6.2
Total regulatory assets and deferred debits	<u>29.4</u>	<u>29.8</u>
Total Assets	<u><u>\$ 1,913.3</u></u>	<u><u>\$ 1,900.7</u></u>

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.
CONDENSED BALANCE SHEETS
(Unaudited)
(In millions)

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1.7	\$ 2.3
Taxes accrued	5.2	0.4
Interest accrued	27.6	10.0
Accrued liabilities	1.5	1.6
Fuel tracker liabilities	3.4	1.9
Natural gas imbalance payables	0.1	0.1
Other	0.6	0.6
Total current liabilities	<u>40.1</u>	<u>16.9</u>
Long-term Debt	<u>1,149.2</u>	<u>1,149.1</u>
Commitments and Contingencies		
Members' Equity		
Members' equity	715.3	725.7
Accumulated other comprehensive income	8.7	9.0
Total members' equity	<u>724.0</u>	<u>734.7</u>
Total Liabilities and Members' Equity	<u>\$ 1,913.3</u>	<u>\$ 1,900.7</u>

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Three Months Ended	
	March 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 31.2	\$ 34.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9.2	9.1
Allowance for funds used during construction - equity	-	(0.3)
Net change in operating assets and liabilities	25.2	26.8
Net cash provided by operating activities	65.6	69.9
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(0.9)	(8.8)
Net cash used in investing activities	(0.9)	(8.8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions from members	-	7.7
Distributions to members	(41.5)	(40.3)
Other	(0.1)	-
Net cash used in financing activities	(41.6)	(32.6)
Net increase in cash and cash equivalents	23.1	28.5
Cash and cash equivalents at beginning of period	54.4	63.7
Cash and cash equivalents at end of period	\$ 77.5	\$ 92.2

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.
CONDENSED STATEMENTS OF MEMBERS' EQUITY AND COMPREHENSIVE INCOME
(Unaudited)
(In millions)

	<u>Spectra Energy Corp</u>	<u>Spectra Energy Partners, LP</u>	<u>The Williams Companies, Inc.</u>	<u>Williams Partners L.P.</u>	<u>Total</u>
Balance December 31, 2011	\$ 0.9	\$ 366.5	\$ 7.3	\$ 360.0	\$ 734.7
Net income	0.3	15.3	0.3	15.3	31.2
Reclassification of cash flow hedges into earnings	(0.1)	(0.1)	-	(0.1)	(0.3)
Total comprehensive income					<u>30.9</u>
Distributions to members	(0.4)	(20.3)	(0.4)	(20.4)	(41.5)
Attributed deferred tax expense	-	(0.1)	-	-	(0.1)
Balance March 31, 2012	<u>\$ 0.7</u>	<u>\$ 361.3</u>	<u>\$ 7.2</u>	<u>\$ 354.8</u>	<u>\$ 724.0</u>
Balance December 31, 2010	\$ 7.7	\$ 375.0	\$ 195.1	\$ 187.4	\$ 765.2
Net income	0.3	16.8	8.8	8.4	34.3
Reclassification of cash flow hedges into earnings	-	(0.1)	(0.1)	(0.1)	(0.3)
Total comprehensive income					<u>34.0</u>
Capital contributions from members	0.1	3.8	1.9	1.9	7.7
Distributions to members	(6.9)	(13.2)	(10.3)	(9.9)	(40.3)
Attributed deferred tax expense	-	(0.1)	(0.1)	-	(0.2)
Balance March 31, 2011	<u>\$ 1.2</u>	<u>\$ 382.2</u>	<u>\$ 195.3</u>	<u>\$ 187.7</u>	<u>\$ 766.4</u>