

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

March 31, 2015

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

	Three Months Ended	
	March 31,	
	2015	2014
Operating Revenues		
Transportation of natural gas	\$ 67.2	\$ 67.2
Other	0.5	0.3
Total operating revenues	67.7	67.5
Operating Expenses		
Operating, maintenance and other	4.5	6.3
Depreciation and amortization	8.9	8.9
Property and other taxes	4.4	4.0
Total operating expenses	17.8	19.2
Operating Income	49.9	48.3
Other Income and Expenses	0.6	-
Interest Expense	17.5	17.6
Net Income	\$ 33.0	\$ 30.7

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

	Three Months Ended	
	March 31,	
	2015	2014
Net Income	\$ 33.0	\$ 30.7
Other comprehensive income		
Reclassification of cash flow hedges into earnings	(0.3)	(0.3)
Total Comprehensive Income	\$ 32.7	\$ 30.4

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

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 70.3	\$ 57.9
Receivables, net	23.0	23.2
Inventory	8.5	8.2
Other	0.8	2.5
Total current assets	102.6	91.8
Property, Plant and Equipment		
Cost	2,067.2	2,067.2
Less accumulated depreciation and amortization	380.8	372.2
Net property, plant and equipment	1,686.4	1,695.0
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction	22.2	22.3
Unamortized debt expense	2.9	3.2
Total regulatory assets and deferred debits	25.1	25.5
Total Assets	\$ 1,814.1	\$ 1,812.3

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

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1.2	\$ 1.3
Taxes accrued	4.3	1.4
Interest accrued	27.6	10.0
Fuel tracker liabilities	7.6	6.0
Current maturities of long-term debt	500.1	500.1
Other	3.4	1.2
Total current liabilities	<u>544.2</u>	<u>520.0</u>
Long-term Debt	<u>649.9</u>	<u>649.9</u>
Commitments and Contingencies		
Members' Equity		
Members' equity	615.2	637.3
Accumulated other comprehensive income	4.8	5.1
Total members' equity	<u>620.0</u>	<u>642.4</u>
Total Liabilities and Members' Equity	<u>\$ 1,814.1</u>	<u>\$ 1,812.3</u>

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.
CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

(In millions)

	Three Months Ended March 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 33.0	\$ 30.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9.2	9.2
Net change in operating assets and liabilities	23.3	26.7
Net cash provided by operating activities	65.5	66.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(0.4)	(0.2)
Other	2.3	-
Net cash used in investing activities	1.9	(0.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	(55.0)	(42.1)
Net cash used in financing activities	(55.0)	(42.1)
Net increase in cash and cash equivalents	12.4	24.3
Cash and cash equivalents at beginning of period	57.9	58.5
Cash and cash equivalents at end of period	\$ 70.3	\$ 82.8

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

	<u>Spectra Energy Partners, LP</u>	<u>Williams Partners L.P.</u>	<u>Total</u>
Balance December 31, 2014	\$ 321.2	\$ 321.2	\$ 642.4
Net income	16.5	16.5	33.0
Reclassification of cash flow hedges into earnings	(0.2)	(0.1)	(0.3)
Distributions to members	(27.5)	(27.5)	(55.0)
Attributed deferred tax expense	-	(0.1)	(0.1)
Balance March 31, 2015	<u>\$ 310.0</u>	<u>\$ 310.0</u>	<u>\$ 620.0</u>
Balance December 31, 2013	\$ 337.8	\$ 337.7	\$ 675.5
Net income	15.3	15.4	30.7
Reclassification of cash flow hedges into earnings	(0.2)	(0.1)	(0.3)
Distributions to members	(21.0)	(21.1)	(42.1)
Balance March 31, 2014	<u>\$ 331.9</u>	<u>\$ 331.9</u>	<u>\$ 663.8</u>