

**Gulfstream Natural Gas System, L.L.C.**

Condensed Financial Statements

(Unaudited)

March 31, 2016

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Operating Revenues</b>		
Transportation of natural gas	\$ 68.3	\$ 67.2
Other	-	0.5
Total operating revenues	68.3	67.7
<b>Operating Expenses</b>		
Operating, maintenance and other	4.1	4.5
Depreciation and amortization	8.9	8.9
Property and other taxes	3.8	4.4
Total operating expenses	16.8	17.8
<b>Operating Income</b>	51.5	49.9
<b>Other Income and Expenses</b>	-	0.6
<b>Interest Expense</b>	20.9	17.5
<b>Net Income</b>	\$ 30.6	\$ 33.0

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Net Income</b>	\$ 30.6	\$ 33.0
Other comprehensive loss		
Reclassification of cash flow hedges into earnings	(0.2)	(0.3)
<b>Total Comprehensive Income</b>	\$ 30.4	\$ 32.7

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

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 11.8	\$ 46.0
Receivables, net	320.5	320.5
Inventory	8.2	8.0
Other	1.2	2.6
Total current assets	<u>341.7</u>	<u>377.1</u>
<b>Property, Plant and Equipment</b>		
Cost	2,062.9	2,067.4
Less accumulated depreciation and amortization	408.6	406.7
Net property, plant and equipment	<u>1,654.3</u>	<u>1,660.7</u>
<b>Regulatory Assets and Deferred Debits</b>		
Regulatory tax asset - allowance for funds used during construction	<u>21.7</u>	<u>21.8</u>
Total regulatory assets and deferred debits	<u>21.7</u>	<u>21.8</u>
<b>Total Assets</b>	<u>\$ 2,017.7</u>	<u>\$ 2,059.6</u>

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

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1.1	\$ 1.7
Taxes accrued	3.9	1.7
Interest accrued	24.8	16.2
Fuel tracker liabilities	1.8	2.4
Current maturities of long-term debt	300.0	299.9
Other	2.1	2.8
Total current liabilities	<u>333.7</u>	<u>324.7</u>
<b>Long-term Debt</b>	<u>1,140.0</u>	<u>1,139.8</u>
<b>Commitments and Contingencies</b>		
<b>Members' Equity</b>		
Members' equity	540.2	591.1
Accumulated other comprehensive income	3.8	4.0
Total members' equity	<u>544.0</u>	<u>595.1</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$ 2,017.7</u>	<u>\$ 2,059.6</u>

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 30.6	\$ 33.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8.9	9.2
Net change in operating assets and liabilities	11.0	23.3
Net cash provided by operating activities	<u>50.5</u>	<u>65.5</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(2.6)	(0.4)
Other	(0.7)	2.3
Net cash provided by (used in) investing activities	<u>(3.3)</u>	<u>1.9</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions to members	(81.4)	(55.0)
Net cash used in financing activities	<u>(81.4)</u>	<u>(55.0)</u>
Net increase (decrease) in cash and cash equivalents	(34.2)	12.4
<b>Cash and cash equivalents at beginning of period</b>	<u>46.0</u>	<u>57.9</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 11.8</u></u>	<u><u>\$ 70.3</u></u>

**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>
<b>Balance December 31, 2015</b>	\$ 297.5	\$ 297.6	\$ 595.1
Net income	15.3	15.3	30.6
Reclassification of cash flow hedges into earnings	(0.1)	(0.1)	(0.2)
Distributions to members	(40.7)	(40.7)	(81.4)
Attributed deferred tax expense	-	(0.1)	(0.1)
<b>Balance March 31, 2016</b>	<u>\$ 272.0</u>	<u>\$ 272.0</u>	<u>\$ 544.0</u>
<b>Balance December 31, 2014</b>	\$ 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)
<b>Balance March 31, 2015</b>	<u>\$ 310.0</u>	<u>\$ 310.0</u>	<u>\$ 620.0</u>