

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

March 31, 2013

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

| | Three Months Ended | |
|----------------------------------|---------------------------|-------------|
| | March 31, | |
| | 2013 | 2012 |
| Operating Revenues | | |
| Transportation of natural gas | \$ 67.1 | \$ 67.4 |
| Other | 0.1 | 0.3 |
| Total operating revenues | 67.2 | 67.7 |
| Operating Expenses | | |
| Operating, maintenance and other | 5.0 | 5.2 |
| Depreciation and amortization | 8.9 | 8.9 |
| Property and other taxes | 4.6 | 4.9 |
| Total operating expenses | 18.5 | 19.0 |
| Operating Income | 48.7 | 48.7 |
| Other Income and Expenses | - | - |
| Interest Expense | 17.5 | 17.5 |
| Net Income | \$ 31.2 | \$ 31.2 |

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

| | Three Months Ended | |
|--|---------------------------|----------------|
| | March 31, | |
| | 2013 | 2012 |
| Net Income | \$ 31.2 | \$ 31.2 |
| Other comprehensive income | | |
| Reclassification of cash flow hedges into earnings | (0.3) | (0.3) |
| Total Comprehensive Income | \$ 30.9 | \$ 30.9 |

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

| | <u>March 31,</u> <u>2013</u> | <u>December 31,</u> <u>2012</u> |
|---|---------------------------------|------------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 78.2 | \$ 56.4 |
| Receivables, net | 23.0 | 23.0 |
| Other | 9.4 | 11.5 |
| Total current assets | <u>110.6</u> | <u>90.9</u> |
| Property, Plant and Equipment | | |
| Cost | 2,064.7 | 2,073.1 |
| Less accumulated depreciation and amortization | 319.5 | 319.1 |
| Net property, plant and equipment | <u>1,745.2</u> | <u>1,754.0</u> |
| Regulatory Assets and Deferred Debits | | |
| Regulatory tax asset - allowance for funds used during construction | 23.1 | 23.2 |
| Unamortized debt expense | 4.9 | 5.2 |
| Other | 0.1 | - |
| Total regulatory assets and deferred debits | <u>28.1</u> | <u>28.4</u> |
| Total Assets | <u>\$ 1,883.9</u> | <u>\$ 1,873.3</u> |

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

| | <u>March 31,</u> <u>2013</u> | <u>December 31,</u> <u>2012</u> |
|--|---------------------------------|------------------------------------|
| LIABILITIES AND MEMBERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable | \$ 1.3 | \$ 2.0 |
| Taxes accrued | 4.7 | 1.6 |
| Interest accrued | 27.5 | 10.0 |
| Fuel tracker liabilities | 7.6 | 5.1 |
| Natural gas imbalance payables | 0.2 | - |
| Other | 1.2 | 0.7 |
| Total current liabilities | <u>42.5</u> | <u>19.4</u> |
| Long-term Debt | <u>1,149.4</u> | <u>1,149.3</u> |
| Commitments and Contingencies | | |
| Members' Equity | | |
| Members' equity | 684.6 | 696.9 |
| Accumulated other comprehensive income | 7.4 | 7.7 |
| Total members' equity | <u>692.0</u> | <u>704.6</u> |
| Total Liabilities and Members' Equity | <u>\$ 1,883.9</u> | <u>\$ 1,873.3</u> |

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

| | Three Months Ended | |
|---|---------------------------|-----------------------|
| | March 31, | |
| | <u>2013</u> | <u>2012</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 31.2 | \$ 31.2 |
| 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 | 26.0 | 25.2 |
| Net cash provided by operating activities | <u>66.4</u> | <u>65.6</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | <u>(1.2)</u> | <u>(0.9)</u> |
| Net cash used in investing activities | <u>(1.2)</u> | <u>(0.9)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Distributions to members | (43.4) | (41.5) |
| Other | - | (0.1) |
| Net cash used in financing activities | <u>(43.4)</u> | <u>(41.6)</u> |
| Net increase in cash and cash equivalents | 21.8 | 23.1 |
| Cash and cash equivalents at beginning of period | <u>56.4</u> | <u>54.4</u> |
| Cash and cash equivalents at end of period | <u><u>\$ 78.2</u></u> | <u><u>\$ 77.5</u></u> |

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, 2012 | \$ 0.5 | \$ 351.8 | \$ - | \$ 352.3 | \$ 704.6 |
| Net income | 0.3 | 15.3 | - | 15.6 | 31.2 |
| Reclassification of cash flow hedges into earnings | - | (0.2) | - | (0.1) | (0.3) |
| Total comprehensive income | | | | | <u>30.9</u> |
| Distributions to members | (0.4) | (21.3) | - | (21.7) | (43.4) |
| Attributed deferred tax expense | - | (0.1) | - | - | (0.1) |
| Balance March 31, 2013 | <u>\$ 0.4</u> | <u>\$ 345.5</u> | <u>\$ -</u> | <u>\$ 346.1</u> | <u>\$ 692.0</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> |