

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

Condensed Financial Statements

(Unaudited)

September 30, 2012

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

	<b>Three Months</b>		<b>Nine Months</b>	
	<b>Ended September 30,</b>		<b>Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Operating Revenues</b>				
Transportation of natural gas	\$ 70.1	\$ 69.3	\$ 206.3	\$ 203.6
Other	-	0.4	0.3	1.4
Total operating revenues	<u>70.1</u>	<u>69.7</u>	<u>206.6</u>	<u>205.0</u>
<b>Operating Expenses</b>				
Operating, maintenance and other	5.2	5.2	18.5	16.0
Depreciation and amortization	8.9	8.9	26.7	26.5
Property and other taxes	4.3	4.6	13.7	11.3
Total operating expenses	<u>18.4</u>	<u>18.7</u>	<u>58.9</u>	<u>53.8</u>
<b>Operating Income</b>	51.7	51.0	147.7	151.2
<b>Other Income and Expenses</b>	-	(0.3)	-	-
<b>Interest Expense</b>	<u>17.4</u>	<u>17.7</u>	<u>52.6</u>	<u>52.4</u>
<b>Net Income</b>	<u>\$ 34.3</u>	<u>\$ 33.0</u>	<u>\$ 95.1</u>	<u>\$ 98.8</u>

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

	<b>Three Months</b>		<b>Nine Months</b>	
	<b>Ended September 30,</b>		<b>Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Net Income</b>	\$ 34.3	\$ 33.0	\$ 95.1	\$ 98.8
Other comprehensive income				
Reclassification of cash flow hedges into earnings	(0.3)	(0.3)	(1.0)	(1.0)
<b>Comprehensive Income</b>	<u>\$ 34.0</u>	<u>\$ 32.7</u>	<u>\$ 94.1</u>	<u>\$ 97.8</u>

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

	<u>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 84.5	\$ 54.4
Receivables, net	23.1	22.8
Other	11.0	9.9
Total current assets	<u>118.6</u>	<u>87.1</u>
<b>Property, Plant and Equipment</b>		
Cost	2,068.7	2,065.6
Less accumulated depreciation and amortization	308.5	281.8
Net property, plant and equipment	<u>1,760.2</u>	<u>1,783.8</u>
<b>Regulatory Assets and Deferred Debits</b>		
Regulatory tax asset - allowance for funds used during construction	23.4	23.6
Unamortized debt expense	5.5	6.2
Total regulatory assets and deferred debits	<u>28.9</u>	<u>29.8</u>
<b>Total Assets</b>	<u>\$ 1,907.7</u>	<u>\$ 1,900.7</u>

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

	<u>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1.5	\$ 2.3
Taxes accrued	14.0	0.4
Interest accrued	27.6	10.0
Accrued liabilities	-	1.6
Fuel tracker liabilities	2.6	1.9
Natural gas imbalance payables	-	0.1
Other	0.7	0.6
Total current liabilities	<u>46.4</u>	<u>16.9</u>
<b>Long-term Debt</b>	<u>1,149.3</u>	<u>1,149.1</u>
<b>Commitments and Contingencies</b>		
<b>Members' Equity</b>		
Members' equity	704.0	725.7
Accumulated other comprehensive income	8.0	9.0
Total members' equity	<u>712.0</u>	<u>734.7</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$ 1,907.7</u>	<u>\$ 1,900.7</u>

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

	<b>Nine Months</b>	
	<b>Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 95.1	\$ 98.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27.6	27.4
Allowance for funds used during construction - equity	-	(0.2)
Net change in operating assets and liabilities	28.0	27.4
Net cash provided by operating activities	<u>150.7</u>	<u>153.4</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(5.9)	(10.9)
Other	1.8	-
Net cash used in investing activities	<u>(4.1)</u>	<u>(10.9)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital contributions from members	-	7.7
Distributions to members	(116.5)	(127.6)
Net cash used in financing activities	<u>(116.5)</u>	<u>(119.9)</u>
Net increase in cash and cash equivalents	30.1	22.6
<b>Cash and cash equivalents at beginning of period</b>	<u>54.4</u>	<u>63.7</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 84.5</u>	<u>\$ 86.3</u>

**GULFSTREAM NATURAL GAS SYSTEM, L.L.C.**  
**CONDENSED STATEMENTS OF MEMBERS' EQUITY**  
(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>
<b>Balance December 31, 2011</b>	\$ 0.9	\$ 366.5	\$ 7.3	\$ 360.0	\$ 734.7
Net income	0.9	46.6	0.5	47.1	95.1
Reclassification of cash flow hedges into earnings	(0.1)	(0.4)	-	(0.5)	(1.0)
Ownership change	-	-	(6.9)	6.9	-
Distributions to members	(1.2)	(57.1)	(0.9)	(57.3)	(116.5)
Attributed deferred tax expense	-	(0.1)	-	(0.2)	(0.3)
<b>Balance September 30, 2012</b>	<u>\$ 0.5</u>	<u>\$ 355.5</u>	<u>\$ -</u>	<u>\$ 356.0</u>	<u>\$ 712.0</u>
<b>Balance December 31, 2010</b>	\$ 7.7	\$ 375.0	\$ 195.1	\$ 187.4	\$ 765.2
Net income	1.0	48.4	12.6	36.8	98.8
Reclassification of cash flow hedges into earnings	-	(0.5)	(0.2)	(0.3)	(1.0)
Ownership change	-	-	(178.2)	178.2	-
Capital contributions from members	0.1	3.7	2.0	1.9	7.7
Distributions to members	(7.8)	(56.0)	(23.9)	(39.9)	(127.6)
Attributed deferred tax expense	-	(0.2)	(0.1)	(0.1)	(0.4)
<b>Balance September 30, 2011</b>	<u>\$ 1.0</u>	<u>\$ 370.4</u>	<u>\$ 7.3</u>	<u>\$ 364.0</u>	<u>\$ 742.7</u>