

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

March 31, 2014

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

	Three Months Ended	
	March 31,	
	2014	2013
Operating Revenues		
Transportation of natural gas	\$ 67.2	\$ 67.1
Other	0.3	0.1
Total operating revenues	67.5	67.2
Operating Expenses		
Operating, maintenance and other	6.3	5.0
Depreciation and amortization	8.9	8.9
Property and other taxes	4.0	4.6
Total operating expenses	19.2	18.5
Operating Income	48.3	48.7
Other Income and Expenses	-	-
Interest Expense	17.6	17.5
Net Income	\$ 30.7	\$ 31.2

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

	Three Months Ended	
	March 31,	
	2014	2013
Net Income	\$ 30.7	\$ 31.2
Other comprehensive income		
Reclassification of cash flow hedges into earnings	(0.3)	(0.3)
Total Comprehensive Income	\$ 30.4	\$ 30.9

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

	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 82.8	\$ 58.5
Receivables, net	23.1	22.9
Other	9.0	11.0
Total current assets	<u>114.9</u>	<u>92.4</u>
Property, Plant and Equipment		
Cost	2,063.9	2,063.9
Less accumulated depreciation and amortization	348.7	339.8
Net property, plant and equipment	<u>1,715.2</u>	<u>1,724.1</u>
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction	22.7	22.7
Unamortized debt expense	3.9	4.2
Total regulatory assets and deferred debits	<u>26.6</u>	<u>26.9</u>
Total Assets	<u>\$ 1,856.7</u>	<u>\$ 1,843.4</u>

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

	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2.7	\$ 1.2
Taxes accrued	4.4	1.6
Interest accrued	27.6	10.0
Accrued liabilities	-	0.2
Fuel tracker liabilities	8.0	4.7
Other	0.7	0.7
Total current liabilities	43.4	18.4
Long-term Debt	1,149.5	1,149.5
Commitments and Contingencies		
Members' Equity		
Members' equity	657.7	669.1
Accumulated other comprehensive income	6.1	6.4
Total members' equity	663.8	675.5
Total Liabilities and Members' Equity	\$ 1,856.7	\$ 1,843.4

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

	Three Months Ended	
	March 31,	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 30.7	\$ 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	26.7	26.0
Net cash provided by operating activities	<u>66.6</u>	<u>66.4</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>(0.2)</u>	<u>(1.2)</u>
Net cash used in investing activities	<u>(0.2)</u>	<u>(1.2)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	<u>(42.1)</u>	<u>(43.4)</u>
Net cash used in financing activities	<u>(42.1)</u>	<u>(43.4)</u>
Net increase in cash and cash equivalents	24.3	21.8
Cash and cash equivalents at beginning of period	<u>58.5</u>	<u>56.4</u>
Cash and cash equivalents at end of period	<u>\$ 82.8</u>	<u>\$ 78.2</u>

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

	Spectra Energy Corp	Spectra Energy Partners, LP	Williams Partners L.P.	Total
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>\$ -</u>	<u>\$ 331.9</u>	<u>\$ 331.9</u>	<u>\$ 663.8</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)
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>\$ 346.1</u>	<u>\$ 692.0</u>