

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

June 30, 2014

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Operating Revenues				
Transportation of natural gas	\$ 68.7	\$ 68.8	\$ 135.9	\$ 135.9
Other	0.1	-	0.4	0.1
Total operating revenues	<u>68.8</u>	<u>68.8</u>	<u>136.3</u>	<u>136.0</u>
Operating Expenses				
Operating, maintenance and other	6.2	2.9	12.5	7.9
Depreciation and amortization	8.9	9.0	17.8	17.9
Property and other taxes	4.4	4.7	8.4	9.3
Total operating expenses	<u>19.5</u>	<u>16.6</u>	<u>38.7</u>	<u>35.1</u>
Operating Income	49.3	52.2	97.6	100.9
Other Income and Expenses	-	-	-	-
Interest Expense	<u>17.5</u>	<u>17.6</u>	<u>35.1</u>	<u>35.1</u>
Net Income	<u>\$ 31.8</u>	<u>\$ 34.6</u>	<u>\$ 62.5</u>	<u>\$ 65.8</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net Income	\$ 31.8	\$ 34.6	\$ 62.5	\$ 65.8
Other comprehensive income				
Reclassification of cash flow hedges into earnings	(0.3)	(0.4)	(0.6)	(0.7)
Total Comprehensive Income	<u>\$ 31.5</u>	<u>\$ 34.2</u>	<u>\$ 61.9</u>	<u>\$ 65.1</u>

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

	<u>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 58.2	\$ 58.5
Receivables, net	23.1	22.9
Other	12.8	11.0
Total current assets	94.1	92.4
Property, Plant and Equipment		
Cost	2,063.0	2,063.9
Less accumulated depreciation and amortization	353.0	339.8
Net property, plant and equipment	1,710.0	1,724.1
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction	22.4	22.7
Unamortized debt expense	3.7	4.2
Total regulatory assets and deferred debits	26.1	26.9
Total Assets	\$ 1,830.2	\$ 1,843.4

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

	<u>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2.2	\$ 1.2
Taxes accrued	8.8	1.6
Interest accrued	10.0	10.0
Fuel tracker liabilities	10.7	4.7
Other	0.9	0.9
Total current liabilities	32.6	18.4
Long-term Debt	1,149.6	1,149.5
Commitments and Contingencies		
Members' Equity		
Members' equity	642.2	669.1
Accumulated other comprehensive income	5.8	6.4
Total members' equity	648.0	675.5
Total Liabilities and Members' Equity	\$ 1,830.2	\$ 1,843.4

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

	Six Months Ended	
	June 30,	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 62.5	\$ 65.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18.4	18.3
Net change in operating assets and liabilities	11.8	16.9
Net cash provided by operating activities	<u>92.7</u>	<u>101.0</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5.8)	(0.9)
Other	1.9	-
Net cash used in investing activities	<u>(3.9)</u>	<u>(0.9)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	(89.1)	(88.2)
Net cash used in financing activities	<u>(89.1)</u>	<u>(88.2)</u>
Net increase (decrease) in cash and cash equivalents	(0.3)	11.9
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>\$ 58.2</u>	<u>\$ 68.3</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>Williams Partners L.P.</u>	<u>Total</u>
Balance December 31, 2013	\$ -	\$ 337.8	\$ 337.7	\$ 675.5
Net income	-	31.2	31.3	62.5
Reclassification of cash flow hedges into earnings	-	(0.3)	(0.3)	(0.6)
Distributions to members	-	(44.5)	(44.6)	(89.1)
Attributed deferred tax expense	-	(0.2)	(0.1)	(0.3)
Balance June 30, 2014	<u>\$ -</u>	<u>\$ 324.0</u>	<u>\$ 324.0</u>	<u>\$ 648.0</u>
Balance December 31, 2012	\$ 0.5	\$ 351.8	\$ 352.3	\$ 704.6
Net income	0.6	32.2	33.0	65.8
Reclassification of cash flow hedges into earnings	-	(0.3)	(0.4)	(0.7)
Distributions to members	(0.9)	(43.2)	(44.1)	(88.2)
Attributed deferred tax expense	-	(0.1)	(0.2)	(0.3)
Balance June 30, 2013	<u>\$ 0.2</u>	<u>\$ 340.4</u>	<u>\$ 340.6</u>	<u>\$ 681.2</u>