

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

September 30, 2014

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Operating Revenues				
Transportation of natural gas	\$ 69.7	\$ 69.5	\$ 205.6	\$ 205.4
Other	-	-	0.4	0.1
Total operating revenues	<u>69.7</u>	<u>69.5</u>	<u>206.0</u>	<u>205.5</u>
Operating Expenses				
Operating, maintenance and other	4.9	4.8	17.4	12.7
Depreciation and amortization	8.9	8.8	26.7	26.7
Property and other taxes	2.6	2.7	11.0	12.0
Total operating expenses	<u>16.4</u>	<u>16.3</u>	<u>55.1</u>	<u>51.4</u>
Operating Income	53.3	53.2	150.9	154.1
Other Income and Expenses	-	-	-	-
Interest Expense	<u>17.5</u>	<u>17.5</u>	<u>52.6</u>	<u>52.6</u>
Net Income	<u>\$ 35.8</u>	<u>\$ 35.7</u>	<u>\$ 98.3</u>	<u>\$ 101.5</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net Income	\$ 35.8	\$ 35.7	\$ 98.3	\$ 101.5
Other comprehensive income				
Reclassification of cash flow hedges into earnings	(0.3)	(0.2)	(0.9)	(0.9)
Total Comprehensive Income	<u>\$ 35.5</u>	<u>\$ 35.5</u>	<u>\$ 97.4</u>	<u>\$ 100.6</u>

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

	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 80.9	\$ 58.5
Receivables, net	22.6	22.9
Other	11.9	11.0
Total current assets	<u>115.4</u>	<u>92.4</u>
Property, Plant and Equipment		
Cost	2,066.6	2,063.9
Less accumulated depreciation and amortization	363.5	339.8
Net property, plant and equipment	<u>1,703.1</u>	<u>1,724.1</u>
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction	22.3	22.7
Unamortized debt expense	3.4	4.2
Total regulatory assets and deferred debits	<u>25.7</u>	<u>26.9</u>
Total Assets	<u>\$ 1,844.2</u>	<u>\$ 1,843.4</u>

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

	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1.2	\$ 1.2
Taxes accrued	11.3	1.6
Interest accrued	27.6	10.0
Fuel tracker liabilities	4.3	4.7
Other	0.9	0.9
Total current liabilities	45.3	18.4
Long-term Debt	1,149.6	1,149.5
Commitments and Contingencies		
Members' Equity		
Members' equity	643.8	669.1
Accumulated other comprehensive income	5.5	6.4
Total members' equity	649.3	675.5
Total Liabilities and Members' Equity	\$ 1,844.2	\$ 1,843.4

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

	Nine Months Ended	
	September 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 98.3	\$ 101.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27.6	27.4
Net change in operating assets and liabilities	25.6	25.9
Net cash provided by operating activities	151.5	154.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(9.4)	(5.5)
Other	3.5	-
Net cash used in investing activities	(5.9)	(5.5)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	(123.2)	(129.6)
Net cash used in financing activities	(123.2)	(129.6)
Net increase in cash and cash equivalents	22.4	19.7
Cash and cash equivalents at beginning of period	58.5	56.4
Cash and cash equivalents at end of period	\$ 80.9	\$ 76.1

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	-	49.1	49.2	98.3
Reclassification of cash flow hedges into earnings	-	(0.5)	(0.4)	(0.9)
Distributions to members	-	(61.6)	(61.6)	(123.2)
Attributed deferred tax expense	-	(0.2)	(0.2)	(0.4)
Balance September 30, 2014	<u>\$ -</u>	<u>\$ 324.6</u>	<u>\$ 324.7</u>	<u>\$ 649.3</u>
Balance December 31, 2012	\$ 0.5	\$ 351.8	\$ 352.3	\$ 704.6
Net income	1.0	49.7	50.8	101.5
Reclassification of cash flow hedges into earnings	(0.1)	(0.3)	(0.5)	(0.9)
Distributions to members	(1.3)	(63.5)	(64.8)	(129.6)
Attributed deferred tax expense	-	(0.2)	(0.2)	(0.4)
Balance September 30, 2013	<u>\$ 0.1</u>	<u>\$ 337.5</u>	<u>\$ 337.6</u>	<u>\$ 675.2</u>