

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

Condensed Financial Statements

(Unaudited)

March 31, 2017

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Operating Revenues</b>		
Transportation of natural gas	\$ 67.8	\$ 68.3
Other	-	-
Total operating revenues	67.8	68.3
<b>Operating Expenses</b>		
Operating, maintenance and other	4.3	4.1
Depreciation and amortization	8.9	8.9
Property and other taxes	3.5	3.8
Total operating expenses	16.7	16.8
<b>Operating Income</b>	51.1	51.5
<b>Other Income and Expenses</b>	-	-
<b>Interest Expense</b>	15.5	20.9
<b>Net Income</b>	\$ 35.6	\$ 30.6

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Net Income</b>	\$ 35.6	\$ 30.6
Other comprehensive loss		
Reclassification of cash flow hedges into earnings	(0.1)	(0.2)
<b>Total Comprehensive Income</b>	<b>\$ 35.5</b>	<b>\$ 30.4</b>

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

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 15.0	\$ 9.4
Receivables, trade	23.4	23.1
Inventory	8.2	8.5
Other	1.5	3.5
Total current assets	<u>48.1</u>	<u>44.5</u>
<b>Property, Plant &amp; Equipment</b>		
Cost	2,063.6	2,063.0
Less accumulated depreciation and amortization	442.6	433.7
Net property, plant and equipment	<u>1,621.0</u>	<u>1,629.3</u>
<b>Regulatory Assets and Deferred Debits</b>		
Regulatory tax asset - allowance for funds used during construction	21.2	21.4
Total regulatory assets and deferred debits	<u>21.2</u>	<u>21.4</u>
<b>Total Assets</b>	<u><u>\$ 1,690.3</u></u>	<u><u>\$ 1,695.2</u></u>

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

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2.0	\$ 1.3
Taxes accrued	3.5	1.6
Interest accrued	17.0	14.2
Current maturities of long-term debt	0.1	0.1
Other	5.6	6.5
Total current liabilities	<u>28.2</u>	<u>23.7</u>
<b>Long-term Debt</b>	<u>1,140.7</u>	<u>1,140.5</u>
<b>Commitments and Contingencies</b>		
<b>Members' Equity</b>		
Members' equity	518.0	527.4
Accumulated other comprehensive income	3.4	3.6
Total members' equity	<u>521.4</u>	<u>531.0</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$ 1,690.3</u>	<u>\$ 1,695.2</u>

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

	<b>Three Months Ended March 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 35.6	\$ 30.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8.9	8.9
Net change in operating assets and liabilities	7.3	11.0
Net cash provided by operating activities	51.8	50.5
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(0.6)	(2.6)
Other	(0.6)	(0.7)
Net cash used in investing activities	(1.2)	(3.3)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions to members	(45.0)	(81.4)
Net cash used in financing activities	(45.0)	(81.4)
Net increase (decrease) in cash and cash equivalents	5.6	(34.2)
<b>Cash and cash equivalents at beginning of period</b>	9.4	46.0
<b>Cash and cash equivalents at end of period</b>	\$ 15.0	\$ 11.8

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

	<u>Spectra Energy Partners, LP</u>	<u>Williams Partners L.P.</u>	<u>Total</u>
<b>Balance December 31, 2016</b>	\$ 265.5	\$ 265.5	\$ 531.0
Net income	17.8	17.8	35.6
Reclassification of cash flow hedges into earnings	0.1	-	0.1
Distributions to members	(22.5)	(22.5)	(45.0)
Attributed deferred tax expense	-	(0.1)	(0.1)
<b>Balance March 31, 2017</b>	<u>\$ 260.9</u>	<u>\$ 260.7</u>	<u>\$ 521.6</u>
<b>Balance December 31, 2015</b>	\$ 297.5	\$ 297.6	\$ 595.1
Net income	15.3	15.3	30.6
Reclassification of cash flow hedges into earnings	(0.1)	(0.1)	(0.2)
Distributions to members	(40.7)	(40.7)	(81.4)
Attributed deferred tax expense	-	(0.1)	(0.1)
<b>Balance March 31, 2016</b>	<u>\$ 272.0</u>	<u>\$ 272.0</u>	<u>\$ 544.0</u>