

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)

| | Three Months | | Nine Months | |
|----------------------------------|----------------------------|----------------|----------------------------|----------------|
| | Ended September 30, | | Ended September 30, | |
| | 2012 | 2011 | 2012 | 2011 |
| Operating Revenues | | | | |
| 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> |
| Operating Expenses | | | | |
| 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> |
| Operating Income | 51.7 | 51.0 | 147.7 | 151.2 |
| Other Income and Expenses | - | (0.3) | - | - |
| Interest Expense | <u>17.4</u> | <u>17.7</u> | <u>52.6</u> | <u>52.4</u> |
| Net Income | <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)

| | Three Months | | Nine Months | |
|--|----------------------------|----------------|----------------------------|----------------|
| | Ended September 30, | | Ended September 30, | |
| | 2012 | 2011 | 2012 | 2011 |
| Net Income | \$ 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) |
| Comprehensive Income | <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> |
|---|-------------------------------------|------------------------------------|
| ASSETS | | |
| Current Assets | | |
| 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> |
| Property, Plant and Equipment | | |
| 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> |
| Regulatory Assets and Deferred Debits | | |
| 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> |
| Total Assets | <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> |
|--|-------------------------------------|------------------------------------|
| LIABILITIES AND MEMBERS' EQUITY | | |
| Current Liabilities | | |
| 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> |
| Long-term Debt | <u>1,149.3</u> | <u>1,149.1</u> |
| Commitments and Contingencies | | |
| Members' Equity | | |
| 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> |
| Total Liabilities and Members' Equity | <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)

| | Nine Months | |
|---|----------------------------|----------------|
| | Ended September 30, | |
| | 2012 | 2011 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 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> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (5.9) | (10.9) |
| Other | 1.8 | - |
| Net cash used in investing activities | <u>(4.1)</u> | <u>(10.9)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 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 |
| Cash and cash equivalents at beginning of period | <u>54.4</u> | <u>63.7</u> |
| Cash and cash equivalents at end of period | <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> |
|--|----------------------------|------------------------------------|-------------------------------------|-------------------------------|-----------------|
| Balance December 31, 2011 | \$ 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) |
| Balance September 30, 2012 | <u>\$ 0.5</u> | <u>\$ 355.5</u> | <u>\$ -</u> | <u>\$ 356.0</u> | <u>\$ 712.0</u> |
| Balance December 31, 2010 | \$ 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) |
| Balance September 30, 2011 | <u>\$ 1.0</u> | <u>\$ 370.4</u> | <u>\$ 7.3</u> | <u>\$ 364.0</u> | <u>\$ 742.7</u> |