

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

September 30, 2013

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------------------|-------------------------------------|----------------|------------------------------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| Operating Revenues | | | | |
| Transportation of natural gas | \$ 69.5 | \$ 70.1 | \$ 205.4 | \$ 206.3 |
| Other | - | - | 0.1 | 0.3 |
| Total operating revenues | <u>69.5</u> | <u>70.1</u> | <u>205.5</u> | <u>206.6</u> |
| Operating Expenses | | | | |
| Operating, maintenance and other | 4.8 | 5.2 | 12.7 | 18.5 |
| Depreciation and amortization | 8.8 | 8.9 | 26.7 | 26.7 |
| Property and other taxes | 2.7 | 4.3 | 12.0 | 13.7 |
| Total operating expenses | <u>16.3</u> | <u>18.4</u> | <u>51.4</u> | <u>58.9</u> |
| Operating Income | 53.2 | 51.7 | 154.1 | 147.7 |
| Other Income and Expenses | - | - | - | - |
| Interest Expense | <u>17.5</u> | <u>17.4</u> | <u>52.6</u> | <u>52.6</u> |
| Net Income | <u>\$ 35.7</u> | <u>\$ 34.3</u> | <u>\$ 101.5</u> | <u>\$ 95.1</u> |

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

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------------|----------------|--------------------------|----------------|
| | September 30, | | September 30, | |
| | 2013 | 2012 | 2013 | 2012 |
| Net Income | \$ 35.7 | \$ 34.3 | \$ 101.5 | \$ 95.1 |
| Other comprehensive income | | | | |
| Reclassification of cash flow hedges into earnings | (0.2) | (0.3) | (0.9) | (1.0) |
| Total Comprehensive Income | \$ 35.5 | \$ 34.0 | \$ 100.6 | \$ 94.1 |

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

| | <u>September 30,</u> <u>2013</u> | <u>December 31,</u> <u>2012</u> |
|---|-------------------------------------|------------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 76.1 | \$ 56.4 |
| Receivables, net | 22.8 | 23.0 |
| Other | 12.1 | 11.5 |
| Total current assets | <u>111.0</u> | <u>90.9</u> |
| Property, Plant and Equipment | | |
| Cost | 2,063.0 | 2,073.1 |
| Less accumulated depreciation and amortization | 330.9 | 319.1 |
| Net property, plant and equipment | <u>1,732.1</u> | <u>1,754.0</u> |
| Regulatory Assets and Deferred Debits | | |
| Regulatory tax asset - allowance for funds used during construction | 22.8 | 23.2 |
| Unamortized debt expense | 4.4 | 5.2 |
| Total regulatory assets and deferred debits | <u>27.2</u> | <u>28.4</u> |
| Total Assets | <u>\$ 1,870.3</u> | <u>\$ 1,873.3</u> |

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

| | <u>September 30,</u> <u>2013</u> | <u>December 31,</u> <u>2012</u> |
|--|-------------------------------------|------------------------------------|
| LIABILITIES AND MEMBERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable | \$ 1.1 | \$ 2.0 |
| Taxes accrued | 12.1 | 1.6 |
| Interest accrued | 27.6 | 10.0 |
| Accrued Liabilities | 0.2 | - |
| Fuel tracker liabilities | 3.9 | 5.1 |
| Other | 0.7 | 0.7 |
| Total current liabilities | <u>45.6</u> | <u>19.4</u> |
| Long-term Debt | <u>1,149.5</u> | <u>1,149.3</u> |
| Commitments and Contingencies | | |
| Members' Equity | | |
| Members' equity | 668.4 | 696.9 |
| Accumulated other comprehensive income | 6.8 | 7.7 |
| Total members' equity | <u>675.2</u> | <u>704.6</u> |
| Total Liabilities and Members' Equity | <u>\$ 1,870.3</u> | <u>\$ 1,873.3</u> |

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

| | Nine Months Ended | |
|---|--------------------------|-----------------------|
| | September 30, | |
| | <u>2013</u> | <u>2012</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 101.5 | \$ 95.1 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 27.4 | 27.6 |
| Net change in operating assets and liabilities | 25.9 | 28.0 |
| Net cash provided by operating activities | <u>154.8</u> | <u>150.7</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (5.5) | (5.9) |
| Other | - | 1.8 |
| Net cash used in investing activities | <u>(5.5)</u> | <u>(4.1)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Distributions to members | <u>(129.6)</u> | <u>(116.5)</u> |
| Net cash used in financing activities | <u>(129.6)</u> | <u>(116.5)</u> |
| Net increase in cash and cash equivalents | 19.7 | 30.1 |
| Cash and cash equivalents at beginning of period | <u>56.4</u> | <u>54.4</u> |
| Cash and cash equivalents at end of period | <u><u>\$ 76.1</u></u> | <u><u>\$ 84.5</u></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, 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>\$ -</u> | <u>\$ 337.6</u> | <u>\$ 675.2</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> |