

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

Condensed Financial Statements

(Unaudited)

June 30, 2013

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
<b>Operating Revenues</b>				
Transportation of natural gas	\$ 68.8	\$ 68.8	\$ 135.9	\$ 136.2
Other	-	-	0.1	0.3
Total operating revenues	<u>68.8</u>	<u>68.8</u>	<u>136.0</u>	<u>136.5</u>
<b>Operating Expenses</b>				
Operating, maintenance and other	2.9	8.1	7.9	13.3
Depreciation and amortization	9.0	8.9	17.9	17.8
Property and other taxes	4.7	4.5	9.3	9.4
Total operating expenses	<u>16.6</u>	<u>21.5</u>	<u>35.1</u>	<u>40.5</u>
<b>Operating Income</b>	52.2	47.3	100.9	96.0
<b>Other Income and Expenses</b>	-	-	-	-
<b>Interest Expense</b>	<u>17.6</u>	<u>17.7</u>	<u>35.1</u>	<u>35.2</u>
<b>Net Income</b>	<u>\$ 34.6</u>	<u>\$ 29.6</u>	<u>\$ 65.8</u>	<u>\$ 60.8</u>

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

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Net Income</b>	\$ 34.6	\$ 29.6	\$ 65.8	\$ 60.8
Other comprehensive income				
Reclassification of cash flow hedges into earnings	(0.4)	(0.4)	(0.7)	(0.7)
<b>Total Comprehensive Income</b>	<u>\$ 34.2</u>	<u>\$ 29.2</u>	<u>\$ 65.1</u>	<u>\$ 60.1</u>

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

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 68.3	\$ 56.4
Receivables, net	23.3	23.0
Other	11.0	11.5
Total current assets	<u>102.6</u>	<u>90.9</u>
<b>Property, Plant and Equipment</b>		
Cost	2,067.3	2,073.1
Less accumulated depreciation and amortization	<u>328.5</u>	<u>319.1</u>
Net property, plant and equipment	<u>1,738.8</u>	<u>1,754.0</u>
<b>Regulatory Assets and Deferred Debits</b>		
Regulatory tax asset - allowance for funds used during construction	22.9	23.2
Unamortized debt expense	<u>4.7</u>	<u>5.2</u>
Total regulatory assets and deferred debits	<u>27.6</u>	<u>28.4</u>
<b>Total Assets</b>	<u><u>\$ 1,869.0</u></u>	<u><u>\$ 1,873.3</u></u>

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

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7.3	\$ 2.0
Taxes accrued	9.5	1.6
Interest accrued	10.0	10.0
Fuel tracker liabilities	10.7	5.1
Natural gas imbalance payables	0.2	-
Other	0.7	0.7
Total current liabilities	<u>38.4</u>	<u>19.4</u>
<b>Long-term Debt</b>	<u>1,149.4</u>	<u>1,149.3</u>
<b>Commitments and Contingencies</b>		
<b>Members' Equity</b>		
Members' equity	674.2	696.9
Accumulated other comprehensive income	7.0	7.7
Total members' equity	<u>681.2</u>	<u>704.6</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$ 1,869.0</u>	<u>\$ 1,873.3</u>

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

	<b>Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 65.8	\$ 60.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18.3	18.4
Net change in operating assets and liabilities	16.9	10.3
Net cash provided by operating activities	101.0	89.5
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(0.9)	(1.4)
Net cash used in investing activities	(0.9)	(1.4)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions to members	(88.2)	(83.7)
Net cash used in financing activities	(88.2)	(83.7)
Net increase in cash and cash equivalents	11.9	4.4
<b>Cash and cash equivalents at beginning of period</b>	56.4	54.4
<b>Cash and cash equivalents at end of period</b>	\$ 68.3	\$ 58.8

**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>
<b>Balance December 31, 2012</b>	\$ 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)
<b>Balance June 30, 2013</b>	<u>\$ 0.2</u>	<u>\$ 340.4</u>	<u>\$ -</u>	<u>\$ 340.6</u>	<u>\$ 681.2</u>
<b>Balance December 31, 2011</b>	\$ 0.9	\$ 366.5	\$ 7.3	\$ 360.0	\$ 734.7
Net income	0.6	29.8	0.5	29.9	60.8
Reclassification of cash flow hedges into earnings	(0.1)	(0.3)	-	(0.3)	(0.7)
Ownership change	-	-	(6.9)	6.9	-
Distributions to members	(0.8)	(41.0)	-	(41.0)	(82.8)
Attributed deferred tax expense	-	(0.1)	-	-	(0.1)
<b>Balance June 30, 2012</b>	<u>\$ 0.6</u>	<u>\$ 354.9</u>	<u>\$ 0.9</u>	<u>\$ 355.5</u>	<u>\$ 711.9</u>