

Gulfstream Natural Gas System, L.L.C.

Condensed Financial Statements

(Unaudited)

March 31, 2018

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

	Month Ended March 31,			Three Months Ended March 31,		
	Actual 2018	Increase (Decrease) from Forecast	Increase (Decrease) from 2017	Actual 2018	Increase (Decrease) from Forecast	Increase (Decrease) from 2017
Operating Revenues						
Firm demand	\$ 23.2	\$ -	\$ 0.1	\$ 67.6	\$ -	\$ 0.6
Firm commodity	0.3	-	0.1	1.0	0.2	0.2
Interruptible transportation	-	-	-	0.6	0.6	0.6
PALS or other	-	-	-	0.5	0.5	0.5
Total operating revenues	23.5	-	0.2	69.7	1.3	1.9
Operating Expenses						
Operating, maintenance and other	2.0	(0.4)	0.1	4.4	(0.6)	0.1
Depreciation and amortization	2.9	-	(0.1)	8.8	-	(0.1)
Property and other taxes	1.1	-	-	3.5	0.1	-
Total operating expenses	6.0	(0.4)	-	16.7	(0.5)	-
Operating Income	17.5	0.4	0.2	53.0	1.8	1.9
Other Income and Expenses, net						
Other income and expenses, net	0.1	0.1	0.1	0.1	0.1	0.1
Total other income and expenses	0.1	0.1	0.1	0.1	0.1	0.1
Interest Expense						
Long-term debt	5.2	-	-	15.5	(0.1)	-
Total interest expense	5.2	-	-	15.5	(0.1)	-
Net Income	\$ 12.4	\$ 0.5	\$ 0.3	\$ 37.6	\$ 2.0	\$ 2.0

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

	Month Ended March 31,		Three Months Ended March 31,	
	Actual 2018	Increase (Decrease) from 2017	Actual 2018	Increase (Decrease) from 2017
Net Income	\$ 12.4	\$ 0.3	\$ 37.6	\$ 2.0
Other comprehensive loss				
Reclassification of cash flow hedges into earnings	-	-	(0.1)	-
Total Comprehensive Income	\$ 12.4	\$ 0.3	\$ 37.5	\$ 2.0

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

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 17.4	\$ 14.0
Receivables, trade	23.6	23.1
Inventory	8.2	8.1
Other	1.0	0.9
Total current assets	<u>50.2</u>	<u>46.1</u>
Property, Plant & Equipment		
Cost	2,063.4	2,063.0
Less accumulated depreciation and amortization	476.5	467.8
Net property, plant and equipment	<u>1,586.9</u>	<u>1,595.2</u>
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction	10.5	10.6
Total regulatory assets and deferred debits	<u>10.5</u>	<u>10.6</u>
Total Assets	<u>\$ 1,647.6</u>	<u>\$ 1,651.9</u>

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

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 3.2	\$ 3.0
Taxes accrued	3.5	1.6
Interest accrued	17.0	14.2
Fuel tracker liabilities	4.6	3.4
Current maturities of long-term debt	0.1	0.1
Other	2.9	3.3
Total current liabilities	31.3	25.6
Long-term Debt	1,141.5	1,141.3
Commitments and Contingencies		
Members' Equity		
Members' equity	471.7	481.8
Accumulated other comprehensive income	3.1	3.2
Total members' equity	474.8	485.0
Total Liabilities and Members' Equity	\$ 1,647.6	\$ 1,651.9

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

	Three Months Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 37.6	\$ 35.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9.0	8.9
Net change in operating assets and liabilities	5.1	7.3
Net cash provided by operating activities	51.7	51.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(0.7)	(0.6)
Other	-	(0.6)
Net cash used in investing activities	(0.7)	(1.2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	(47.6)	(45.0)
Net cash used in financing activities	(47.6)	(45.0)
Net increase in cash and cash equivalents	3.4	5.6
Cash and cash equivalents at beginning of period	14.0	9.4
Cash and cash equivalents at end of period	\$ 17.4	\$ 15.0

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>
Balance December 31, 2017	\$ 242.5	\$ 242.5	\$ 485.0
Net income	18.8	18.8	37.6
Reclassification of cash flow hedges into earnings	(0.1)	0.0	(0.1)
Distributions to members	(23.8)	(23.8)	(47.6)
Attributed deferred tax expense	0.0	(0.1)	(0.1)
Balance March 31, 2018	<u>\$ 237.4</u>	<u>\$ 237.4</u>	<u>\$ 474.8</u>
Balance December 31, 2016	\$ 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)
Balance March 31, 2017	<u>\$ 260.9</u>	<u>\$ 260.7</u>	<u>\$ 521.6</u>