

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

Condensed Financial Statements

(Unaudited)

June 30, 2018

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
<b>Operating Revenues</b>				
Transportation of natural gas	\$ 70.4	\$ 70.0	\$ 139.6	\$ 137.8
Other	-	0.3	0.5	0.3
Total operating revenues	<u>70.4</u>	<u>70.3</u>	<u>140.1</u>	<u>138.1</u>
<b>Operating Expenses</b>				
Operating, maintenance and other	5.1	4.2	9.5	8.5
Depreciation and amortization	8.9	8.8	17.7	17.7
Property and other taxes	3.5	3.6	7.0	7.1
Total operating expenses	<u>17.5</u>	<u>16.6</u>	<u>34.2</u>	<u>33.3</u>
<b>Operating Income</b>	52.9	53.7	105.9	104.8
<b>Other Income and Expenses</b>	-	(0.2)	0.1	(0.2)
<b>Interest Expense</b>	<u>15.7</u>	<u>15.6</u>	<u>31.2</u>	<u>31.1</u>
<b>Net Income</b>	<u>\$ 37.2</u>	<u>\$ 37.9</u>	<u>\$ 74.8</u>	<u>\$ 73.5</u>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
<b>Net Income</b>	\$ 37.2	\$ 37.9	\$ 74.8	\$ 73.5
Other comprehensive loss				
Reclassification of cash flow hedges into earnings	(0.1)	(0.2)	(0.2)	(0.3)
<b>Total Comprehensive Income</b>	<u>\$ 37.1</u>	<u>\$ 37.7</u>	<u>\$ 74.6</u>	<u>\$ 73.2</u>

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

	<u>June 30,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 9.4	\$ 14.0
Receivables, trade	23.2	23.1
Inventory	7.9	8.1
Other	0.4	0.9
Total current assets	40.9	46.1
<b>Other Assets</b>		
Other	0.2	-
Total other assets	0.2	-
<b>Property, Plant &amp; Equipment</b>		
Cost	2,058.7	2,063.0
Less accumulated depreciation and amortization	480.5	467.8
Net property, plant and equipment	1,578.2	1,595.2
<b>Regulatory Assets and Deferred Debits</b>		
Regulatory tax asset - allowance for funds used during construction	10.5	10.6
Total regulatory assets and deferred debits	10.5	10.6
<b>Total Assets</b>	<b>\$ 1,629.8</b>	<b>\$ 1,651.9</b>

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

	<b>June 30, 2018</b>	<b>December 31, 2017</b>
	<hr/>	<hr/>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1.7	\$ 3.0
Taxes accrued	7.1	1.6
Interest accrued	14.2	14.2
Fuel tracker liabilities	5.9	3.4
Current maturities of long-term debt	0.1	0.1
Other	3.1	3.3
Total current liabilities	<hr/> 32.1	<hr/> 25.6
<b>Long-term Debt</b>	<hr/> 1,141.7	<hr/> 1,141.3
<b>Commitments and Contingencies</b>		
<b>Members' Equity</b>		
Members' equity	453.0	481.8
Accumulated other comprehensive income	3.0	3.2
Total members' equity	<hr/> 456.0	<hr/> 485.0
<b>Total Liabilities and Members' Equity</b>	<hr/> <hr/> \$ 1,629.8	<hr/> <hr/> \$ 1,651.9

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

	<b>Six Months Ended June 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 74.8	\$ 73.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18.1	18.1
Net change in operating assets and liabilities	7.2	10.7
Net cash provided by operating activities	100.1	102.3
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(2.8)	(2.9)
Salvage	1.6	-
Net cash used in investing activities	(1.2)	(2.9)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions to members	(103.5)	(102.0)
Net cash used in financing activities	(103.5)	(102.0)
Net decrease in cash and cash equivalents	(4.6)	(2.6)
<b>Cash and cash equivalents at beginning of period</b>	14.0	9.4
<b>Cash and cash equivalents at end of period</b>	\$ 9.4	\$ 6.8

**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, 2017</b>	\$ 242.5	\$ 242.5	\$ 485.0
Net income	37.4	37.4	74.8
Reclassification of cash flow hedges into earnings	(0.1)	(0.1)	(0.2)
Distributions to members	(51.7)	(51.8)	(103.5)
Attributed deferred tax expense	(0.1)	-	(0.1)
<b>Balance June 30, 2018</b>	<u>\$ 228.0</u>	<u>\$ 228.0</u>	<u>\$ 456.0</u>
<b>Balance December 31, 2016</b>	\$ 265.5	\$ 265.5	\$ 531.0
Net income	36.7	36.8	73.5
Reclassification of cash flow hedges into earnings	(0.1)	(0.2)	(0.3)
Distributions to members	(51.0)	(51.0)	(102.0)
Attributed deferred tax expense	(0.1)	(0.1)	(0.2)
<b>Balance June 30, 2017</b>	<u>\$ 251.0</u>	<u>\$ 251.0</u>	<u>\$ 502.0</u>