

Gulfstream Natural Gas System, LLC

Condensed Financial Statements

(Unaudited)

September 30, 2018

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Operating Revenues				
Transportation of natural gas	\$ 71.1	\$ 71.6	\$ 210.7	\$ 209.4
Other	—	(0.3)	0.5	—
Total operating revenues	<u>71.1</u>	<u>71.3</u>	<u>211.2</u>	<u>209.4</u>
Operating Expenses				
Operating, maintenance and other	4.7	8.1	14.2	16.6
Depreciation and amortization	8.8	8.8	26.5	26.5
Property and other taxes	2.1	3.3	9.1	10.4
Total operating expenses	<u>15.6</u>	<u>20.2</u>	<u>49.8</u>	<u>53.5</u>
Operating Income	55.5	51.1	161.4	155.9
Other Income, net	0.6	0.1	0.7	(0.1)
Interest Expense	<u>15.6</u>	<u>15.6</u>	<u>46.8</u>	<u>46.7</u>
Net Income	<u>\$ 40.5</u>	<u>\$ 35.6</u>	<u>\$ 115.3</u>	<u>\$ 109.1</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,	
	2018	2017	2018	2017
Net Income	\$ 40.5	\$ 35.6	\$ 115.3	\$ 109.1
Other comprehensive loss:				
Reclassification of cash flow hedges into earnings	(0.1)	(0.1)	(0.3)	(0.4)
Total Comprehensive Income	<u>\$ 40.4</u>	<u>\$ 35.5</u>	<u>\$ 115.0</u>	<u>\$ 108.7</u>

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

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents.....	\$ 10.8	\$ 14.0
Receivables, trade	23.3	23.1
Inventory	7.7	8.1
Other.....	1.5	0.9
Total current assets	<u>43.3</u>	<u>46.1</u>
Other Assets		
Other.....	1.7	—
Total other assets.....	<u>1.7</u>	<u>—</u>
Property, Plant and Equipment		
Cost	2,058.8	2,063.0
Less accumulated depreciation and amortization	489.3	467.8
Net property, plant and equipment.....	<u>1,569.5</u>	<u>1,595.2</u>
Regulatory Assets and Deferred Debits		
Regulatory tax asset - allowance for funds used during construction...	10.4	10.6
Total regulatory assets and deferred debits.....	<u>10.4</u>	<u>10.6</u>
Total Assets	<u>\$ 1,624.9</u>	<u>\$ 1,651.9</u>

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

	September 30, 2018	December 31, 2017
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2.4	\$ 3.0
Taxes accrued	9.2	1.6
Interest accrued	17.0	14.2
Fuel tracker	2.7	3.4
Current maturities of long-term debt.....	0.1	0.1
Other	0.6	3.3
Total current liabilities	32.0	25.6
Long-term Debt	1,141.9	1,141.3
Commitments and Contingencies		
Members' Equity		
Members' Equity	448.1	481.8
Accumulated other comprehensive income	2.9	3.2
Total members' equity	451.0	485.0
Total Liabilities and Members' Equity	\$ 1,624.9	\$ 1,651.9

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

	Nine Months Ended	
	September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 115.3	\$ 109.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27.1	27.1
Net change in operating assets and liabilities.....	8.2	18.6
Net cash provided by operating activities	<u>150.6</u>	<u>154.8</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(6.7)	(3.4)
Salvage	1.7	—
Net cash used in investing activities.....	<u>(5.0)</u>	<u>(3.4)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	(148.8)	(146.0)
Net cash used in financing activities	<u>(148.8)</u>	<u>(146.0)</u>
Net change in cash and cash equivalents	(3.2)	5.4
Cash and cash equivalents at beginning of period	<u>14.0</u>	<u>9.4</u>
Cash and cash equivalents at end of period	<u>\$ 10.8</u>	<u>\$ 14.8</u>

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

	Spectra Energy Partners, LP	Williams Partners L.P.	Total
Balance December 31, 2017	\$ 242.5	\$ 242.5	\$ 485.0
Net income	57.6	57.7	115.3
Reclassification of cash flow hedges into earnings.....	(0.1)	(0.2)	(0.3)
Distribution to members.....	(74.4)	(74.4)	(148.8)
Attributed deferred tax expense	(0.1)	(0.1)	(0.2)
Balance September 30, 2018	<u>\$ 225.5</u>	<u>\$ 225.5</u>	<u>\$ 451.0</u>
Balance December 31, 2016	\$ 265.5	\$ 265.5	\$ 531.0
Net income	54.5	54.6	109.1
Reclassification of cash flow hedges into earnings.....	(0.2)	(0.2)	(0.4)
Distribution to members.....	(73.0)	(73.0)	(146.0)
Attributed deferred tax expense	(0.1)	(0.2)	(0.3)
Balance September 30, 2017	<u>\$ 246.7</u>	<u>\$ 246.7</u>	<u>\$ 493.4</u>