Gulfstream Natural Gas System, L.L.C.

Financial Statements

December 31, 2019, 2018 and 2017

Report of Independent Registered Public Accounting Firm

To the Management Committee and Members of Gulfstream Natural Gas System, L.L.C.:

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Gulfstream Natural Gas System, L.L.C. (the "Company") as of December 31, 2019 and 2018, and the related statements of operations, comprehensive income, cash flows, and members' equity for each of the three years in the period ended December 31, 2019, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Houston, Texas
February 24, 2020

We have served as the Company's auditor since 2018.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

STATEMENTS OF OPERATIONS

(In millions of US dollars)

	Years Ended December 31,		
	2019	2018	2017
Operating Revenues	$ 280.3	$ 281.7	$ 279.7
Operating Expenses			
Operating, maintenance and other	3.6	1.0	1.5
Operating, maintenance and other — affiliates (Note 3)	20.2	21.0	18.5
Depreciation and amortization	35.1	35.3	35.4
Property and other taxes	11.4	11.8	12.5
Total operating expenses	70.3	69.1	67.9
Operating Income	210.0	212.6	211.8
Other Income and Expenses, net	0.6	0.8	(0.1)
Interest Expense	62.2	62.4	62.3
Net Income	$ 148.4	$ 151.0	$ 149.4

The accompanying notes are an integral part of these financial statements.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

STATEMENTS OF COMPREHENSIVE INCOME

(In millions of US dollars)

	Years Ended December 31,		
	2019	**2018**	**2017**
Net Income	$ 148.4	$ 151.0	$ 149.4
Other comprehensive loss:			
Reclassification of cash flow hedges into earnings	(0.4)	(0.4)	(0.4)
Comprehensive Income	$ 148.0	$ 150.6	$ 149.0

The accompanying notes are an integral part of these financial statements.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

BALANCE SHEETS

(In millions of US dollars)

	December 31,	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 8.4	$ 4.0
Receivables — trade	23.6	23.5
Inventory	8.4	8.2
Other	2.2	2.0
Total current assets	42.6	37.7
Property, Plant and Equipment		
Net property, plant and equipment (Note 5)	1,541.2	1,563.8
Regulatory Assets and Deferred Debits (Note 4)	10.4	10.6
Total Assets	$ 1,594.2	$ 1,612.1
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable — trade	$ 0.1	$ —
Accounts payable — affiliates (Note 3)	1.5	1.0
Taxes accrued	1.7	1.7
Interest accrued	14.2	14.2
Regulatory liabilities (Note 4)	1.5	3.7
Current maturities of long-term debt (Note 6)	—	0.1
Other	0.1	0.5
Total current liabilities	19.1	21.2
Long-term Debt (Note 6)	1,142.9	1,142.1
Commitments and Contingencies (Note 8)		
Members' Equity		
Members' equity	429.8	446.0
Accumulated other comprehensive income	2.4	2.8
Total members' equity	432.2	448.8
Total Liabilities and Members' Equity	$ 1,594.2	$ 1,612.1

The accompanying notes are an integral part of these financial statements.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

STATEMENTS OF CASH FLOWS

(In millions of US dollars)

	Years Ended December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 148.4	$ 151.0	$ 149.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	35.9	36.1	36.2
Other changes in operating assets and liabilities	(3.4)	(3.7)	8.0
Net cash provided by operating activities	180.9	183.4	193.6
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(12.1)	(6.6)	(4.8)
Net cash used in investing activities	(12.1)	(6.6)	(4.8)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions to members	(171.4)	(186.8)	(184.2)
Contribution from members	7.0	—	—
Net cash used in financing activities	(164.4)	(186.8)	(184.2)
Net change in cash and cash equivalents	4.4	(10.0)	4.6
Cash and cash equivalents at beginning of period	4.0	14.0	9.4
Cash and cash equivalents at end of period	$ 8.4	$ 4.0	$ 14.0
Supplemental Disclosures			
Cash paid for interest, net of amount capitalized	$ 61.8	$ 61.8	$ 61.8

The accompanying notes are an integral part of these financial statements.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

STATEMENTS OF MEMBERS' EQUITY

(In millions of US dollars)

	Spectra Energy Partners, LP	Williams Partners Operating, L.L.C.	Total
Balance December 31, 2016	$ 265.5	$ 265.5	$ 531.0
Net income	74.7	74.7	149.4
Reclassification of cash flow hedges into earnings	(0.2)	(0.2)	(0.4)
Distributions to members	(92.1)	(92.1)	(184.2)
Attributed deferred tax expense	(5.4)	(5.4)	(10.8)
Balance December 31, 2017	$ 242.5	$ 242.5	$ 485.0
Net income	75.5	75.5	151.0
Reclassification of cash flow hedges into earnings	(0.2)	(0.2)	(0.4)
Distributions to members	(93.4)	(93.4)	(186.8)
Balance December 31, 2018	$ 224.4	$ 224.4	$ 448.8
Net income	74.2	74.2	148.4
Reclassification of cash flow hedges into earnings	(0.2)	(0.2)	(0.4)
Distributions to members	(85.7)	(85.7)	(171.4)
Contribution from members	3.5	3.5	7.0
Attributed deferred tax expense	(0.1)	(0.1)	(0.2)
Balance December 31, 2019	$ 216.1	$ 216.1	$ 432.2

The accompanying notes are an integral part of these financial statements.

GULFSTREAM NATURAL GAS SYSTEM, L.L.C.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Operations and Significant Accounting Policies

Nature of Operations. Gulfstream Natural Gas System, L.L.C. (collectively, “we”, “our”, “us” and “company”) owns an interstate natural gas pipeline system and is owned 50% by Spectra Energy Partners, LP (Spectra Energy Partners) and 50% by Williams Partners Operating, L.L.C. (Williams Partners). We are operated under joint management by Spectra Energy Corp. (Spectra Energy), which provides the business functions, and The Williams Companies, Inc. (Williams), which provides the technical functions. We transport natural gas that we receive from various onshore and offshore supply sources in the Mississippi and Alabama area, across the Gulf of Mexico, and deliver that natural gas to markets in central and southern Florida. Our interstate natural gas transmission operations are subject to the rules and regulations of the Federal Energy Regulatory Commission (FERC). We were formed on May 17, 1999 as a Delaware limited liability company.

Basis of Presentation. These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). The financial statements reflect the results of operations, financial position and cash flows of our company. The financial statements do not include any of the assets, liabilities, revenues or expenses of the members. Amounts are stated in United States dollars unless otherwise noted.

Use of Estimates. To conform with U.S. GAAP, we make estimates and assumptions that affect the amounts reported in the Financial Statements and Notes to Financial Statements. Although these estimates are based on our best available knowledge at the time, actual results could differ.

Fair Value Measurements. We measure the fair value of financial assets and liabilities by maximizing the use of observable inputs and minimizing the use of unobservable inputs. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Cost-Based Regulation. The economic effects of regulation can result in a regulated company recording assets for costs that have been or are expected to be approved for recovery from customers or recording liabilities for amounts that are expected to be returned to customers, or for instances where the regulator provides current rates that are intended to recover costs that are expected to be incurred in the future. Accordingly, we record assets and liabilities that result from the regulated ratemaking process that may not be recorded under U.S. GAAP for non-regulated entities. We continually assess whether regulatory assets are probable of future recovery by considering factors such as applicable regulatory changes and recent rate orders to other regulated entities. Based on this assessment, we believe our existing regulatory assets are probable of recovery. These regulatory assets are classified in the Balance Sheets as Regulatory Assets and Deferred Debits. We evaluate our regulated assets and consider factors such as regulatory changes and the effect of competition. If cost-based regulation ends or competition increases, we may have to reduce our asset balances to reflect a market basis less than cost and write off the associated regulatory assets and liabilities. See Note 4 for further discussion.

Revenue Recognition. Revenues from the transportation of natural gas are recognized when the service has been performed, the amount of revenue can be reliably measured and collectibility is reasonably assured. Revenues related to these services provided but not yet billed are estimated each month. These estimates are generally based on contract data, regulatory information and preliminary throughput and allocation measurements. Final bills for the current month are billed and collected in the following month. Differences between actual and estimated revenues are immaterial.

Customers accounting for 10% or more of revenues during 2019, 2018 and 2017 are as follows:

	% of Revenues		
Customer	**2019**	**2018**	**2017**
Nextera Energy, Inc.	51%	51%	51%
Duke Energy Florida, Inc.	35%	35%	35%

Allowance for Funds Used During Construction (AFUDC). AFUDC, which represents the estimated debt and equity costs of capital funds necessary to finance the construction and expansion of certain new regulated facilities, consists of two components, an equity component and an interest expense component. The equity component is a non-cash item. After construction is completed, we are permitted to recover these costs through inclusion in the rate base and in the depreciation provision. AFUDC is capitalized as a component of Net property, plant and equipment in the Balance Sheets, with offsetting credits to the Statements of Operations through Other Income and Expenses, net for the equity component and Interest Expense for the interest expense component. There was no material AFUDC recognized for 2019, 2018 and 2017.

Income Taxes. We are not subject to federal income taxes, but rather our taxable income or loss is reported on the income tax returns of our members. We are subject to cost-based regulation and consequently record a regulatory tax asset in connection with the tax gross up of AFUDC equity. The corresponding deferred tax liability is recognized as an Attributed Deferred Tax Expense in the Statements of Members' Equity since we are a pass-through entity.

Cash and Cash Equivalents. Highly liquid investments with original maturities of three months or less at the date of acquisition are considered cash equivalents.

Inventory. Inventory consists mainly of natural gas retained from shippers for fuel and also includes materials and supplies. Natural gas is recorded at the lower of cost or market. Materials and supplies are recorded at cost, using the average cost method.

Cash Flow Hedges. In 2005, we entered into derivative transactions that are hedges of the future cash flows of forecasted transactions (cash flow hedges). We are exposed to the impact of market fluctuations in interest rates. To protect from increasing interest rates and the resulting higher cost of the debt that was issued in 2005, we locked in existing interest rates by using financial derivatives (swaps) for hedge strategies. The associated interest rate swaps were terminated on October 12, 2005, prior to the issuance of the related debt. These derivatives were initially recorded on the Balance Sheets at their fair value with the offset to Accumulated Other Comprehensive Income (AOCI). Deferred gains of $2.4 million in AOCI as of December 31, 2019 will continue to be amortized to interest expense over the term of the debt issued. The total amortization was $0.4 million in each of 2019, 2018 and 2017, respectively.

The effective portion of the change in the fair value of a cash flow hedging instrument is recorded in Other Comprehensive Income (OCI) and is reclassified to earnings when the hedged item impacts earnings. If a derivative instrument designated as a cash flow hedge ceases to be effective or is terminated, hedge accounting is discontinued and the gain or loss at that date is deferred in OCI and recognized concurrently with the related transaction. If a hedged anticipated transaction is no longer probable, the gain or loss is recognized immediately in earnings. Subsequent gains and losses from derivative instruments for which hedge accounting has been discontinued are recognized in earnings in the period in which they occur.

When available, quoted market prices or prices obtained through external sources are used to measure a contract's fair value.

Property, Plant and Equipment. Property, plant and equipment is stated at historical cost less accumulated depreciation. We capitalize all construction-related direct labor and material costs, as well as indirect construction costs. Indirect costs include general engineering, taxes, administrative and general costs, as well as the cost of funds used during construction. The costs of renewals and betterments that extend the useful life or increase the expected output of property, plant and equipment are also capitalized. The costs of repairs, replacements and major maintenance projects that do not extend the useful life or increase the expected output of property, plant and equipment are expensed as incurred. Depreciation is generally computed over the asset's estimated useful life using the straight-line method.

When we retire property, plant and equipment, we charge the original cost plus the cost of retirement, less salvage value, to accumulated depreciation and amortization. When we sell entire regulated operating units, or retire or sell certain non-regulated properties, the cost is removed from the property account and the related accumulated depreciation and amortization accounts are reduced. Any gain or loss is recorded in earnings, unless otherwise required by FERC.

Preliminary Project Costs. Project development costs, including expenditures for preliminary surveys, plans, investigations, environmental studies, regulatory applications and other costs incurred for the purpose of determining the feasibility of capital expansion projects, are capitalized when it is determined that recovery of such costs through regulated revenues of the completed project is probable.

Long-Lived Asset Impairments. We evaluate whether long-lived assets, excluding goodwill, have been impaired when circumstances indicate the carrying value of those assets may not be recoverable. For such long-lived assets, an impairment exists when its carrying value exceeds the sum of estimates of the undiscounted cash flows expected to result from the use and

eventual disposition of the asset. When alternative courses of action to recover the carrying amount of a long-lived asset are under consideration, a probability-weighted approach is used in developing estimates of future undiscounted cash flows. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, an impairment loss is measured as the excess of the asset's carrying value over its fair value, such that the asset's carrying value is adjusted to its estimated fair value.

We assess the fair value of long-lived assets using commonly accepted techniques and may use more than one source. Sources to determine fair value include, but are not limited to, recent third-party comparable sales, internally developed discounted cash flow analyses and analyses from outside advisors. Significant changes in market conditions resulting from events such as changes in natural gas available to our systems, the condition of an asset, a change in our intent to utilize the asset or a significant change in contracted revenues or regulatory recoveries would generally require us to reassess the cash flows related to the long-lived assets.

Asset Retirement Obligations (AROs). We have determined that substantially all of our assets have an indeterminate life, and as such, the fair values of those AROs are not reasonably estimable. These assets include pipelines whose retirement dates will depend mostly on the various natural gas supply sources that connect to our systems and the ongoing demand for natural gas usage in the markets we serve. We expect these supply sources and market demands to continue for the foreseeable future, therefore we are unable to estimate retirement dates that would result in AROs.

Unamortized Debt Expense. Debt expenses incurred with the issuance of outstanding long-term debt are amortized over the terms of the debt issued. Any call premiums or unamortized expenses associated with refinancing higher-cost debt obligations to finance regulated assets and operations are amortized consistently with the regulatory treatment of those items, where appropriate.

Receivables and Allowance for Doubtful Accounts. Accounts receivable are measured at cost. Allowance for doubtful accounts is determined based on collection history. When we have determined that further collection efforts are unlikely to be successful, amounts charged to the allowance for doubtful accounts are applied against the impaired accounts receivable.

Adoption of New Accounting Standards. The following new Accounting Standards Updates (ASUs) were adopted during 2019 and the effects of such adoptions, if any, are presented in the accompanying Financial Statements:

Improvements to Accounting for Hedging Activities
Effective January 1, 2019, we adopted ASU 2017-12 on a modified retrospective basis. The new standard was issued with the objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The amendments allow cash flow hedging of contractually specified components in financial and non-financial items. As a result of the new standard, hedge ineffectiveness will no longer be measured or recorded, and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The adoption of this accounting update did not have a material impact on our financial statements.

Revenue from Contracts with Customers
Effective January 1, 2019, we adopted ASU 2014-09 on a modified retrospective basis to contracts that were not complete at the date of initial application. The new standard was issued with the intent of significantly enhancing consistency and comparability of revenue recognition practices across entities and industries. The new standard establishes a single, principles-based five-step model to be applied to all contracts with customers and introduces new and enhanced disclosure requirements. It also requires the use of more estimates and judgments than the previous standards.

In adopting Accounting Standards Codification (ASC) 606, we applied the practical expedient for contract modifications whereby contracts that were modified before January 1, 2019 were not retrospectively restated. Instead, the aggregate effect of all contract modifications occurring before that time has been reflected when identifying satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price to satisfied and unsatisfied obligations.

The adoption of the new revenue standard did not have a material impact on the Company's financial statements.

Future Accounting Policy Changes. The following new ASUs have been issued, but not yet adopted:

Clarifying Interaction between Collaborative Arrangements and Revenue from Contracts with Customers
In November 2018, ASU 2018-18 was issued to provide clarity on when transactions between entities in a collaborative arrangement should be accounted for under the new revenue standard, ASC 606. In determining whether transactions in collaborative arrangements should be accounted under the revenue standard, the update specifies that entities shall apply unit of

account guidance to identify distinct goods or services and whether such goods and services are separately identifiable from other promises in the contract. ASU 2018-18 also precludes entities from presenting transactions with a collaborative partner which are not in scope of the new revenue standard together with revenue from contracts with customers. The accounting update is effective January 1, 2020 and early adoption is permitted. The adoption of ASU 2018-18 is not expected to have a material impact on our financial statements.

Disclosure Effectiveness
In August 2018, the Financial Accounting Standards Board (FASB) issued amendments as a part of its disclosure framework project aimed to improve the effectiveness of disclosures in the notes to financial statements. ASU 2018-13 was issued to modify the disclosure requirements in ASC 820, Fair Value Measurement. The amendments in ASU 2018-13 eliminate and modify some disclosures, while also adding new disclosures for fair value measurements. This update is effective January 1, 2020, however entities are permitted to early adopt the eliminated or modified current disclosures. The adoption of ASU 2018-13 is not expected to have a material impact of our financial statements.

Accounting for Credit Losses
ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The accounting update adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity will recognize as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses.

Further, ASU 2018-19 was issued in November 2018 to clarify that operating lease receivables should be accounted for under the new leases standard, ASC 842, and are not within the scope of ASC 326, Financial Instruments - Credit Losses. Both accounting updates are effective January 1, 2020.

The Company has performed a detailed evaluation as of December 31, 2019 and does not anticipate the adoption of ASU 2016-13 to have a material impact on our financial statements.

Recognition of Leases
ASU 2016-02 was issued in February 2016 with the intent to increase transparency and comparability among organizations. It requires lessees of operating lease arrangements to recognize lease assets and lease liabilities on the balance sheet and disclose additional key information about lease agreements. The accounting update also replaces the current definition of a lease and requires that an arrangement be recognized as a lease when a customer has the right to obtain substantially all of the economic benefits from the use of an asset, as well as the right to direct the use of the asset. The new standard will become effective for us on January 1, 2020 and in adopting ASC 842, we intend to apply the transition practical expedients offered in connection with this update. Application of the package of practical expedients permits entities not to reassess a) whether any expired or existing contracts contain leases in accordance with the new guidance, b) lease classifications and c) whether initial direct costs capitalized under ASC 840 continue to meet the definition of initial direct costs under the new guidance. Under the new lease guidance, we have also decided to elect, by class of underlying asset, to not separate non-lease components from the associated lease components of its lessee contracts and account for both components as a single lease component.

ASU 2018-01 was issued in January 2018 to address stakeholder concerns about the costs and complexity of complying with the transition provisions of the new lease requirements as they relate to land easements. The amendments provide an optional transition practical expedient to not evaluate existing or expired land easements that were not previously accounted for as leases under existing guidance. We intend to elect this practical expedient in connection with the adoption of the new lease requirements.

In July 2018, ASU 2018-11 was issued to address additional stakeholder concerns regarding the unanticipated costs and complexities associated with the modified retrospective transition method, as well as the requirement for lessors to separate components of a contract. Under the new guidance, entities are provided with an additional transition method which allows entities to apply the new standard at the date of adoption and to elect not to recast comparative periods presented. This amendment also provides a practical expedient which allows lessors to combine associated lease and nonlease components within a contract when certain conditions are met. We intend to elect both of these practical expedients in the adoption of the new lease standard.

We have performed a detailed evaluation as of December 31, 2019 and do not anticipate the adoption of ASU 2016-02 to have a material impact on our financial statements.

2. Revenue from Contracts with Customers

Disaggregation of Revenue. All operating revenues for the year ended December 31, 2019 were earned from contracts with customers for the transportation of natural gas.

Contract Balances

(in millions)	Contracts Receivable
Balance at January 1, 2019	$ 23.5
Balance at December 31, 2019	$ 23.6

Contract receivables represent the amount of receivables derived from contracts with customers. There were no contract assets or liabilities as at January 1, 2019 or December 31, 2019.

Revenue from Unfulfilled Performance Obligations. Total revenue from performance obligations expected to fulfilled in future periods is approximately $3.6 billion. The following table presents our revenue to be recognized from performance obligations expected to be fulfilled for the years indicated:

	2020	2021	2022	2023	2024	Thereafter
			(in millions)			
Transportation of Natural Gas	$ 277.7	$ 277.7	$ 269.5	$ 275.7	$ 273.0	$ 2,227.1

Excluded from these amounts are variable considerations, effects of escalation on certain contracts that have a duration of one year or less pursuant to the practical expedient provision of the standard, and interruptible contracts not enforceable until volumes are nominated by customers for transportation.

Significant Judgments Made in Recognizing Revenue

Long-Term Transportation Agreements
For long-term transportation agreements, significant judgments pertain to the period over which revenue is recognized and whether the agreement provides for make-up rights for the shippers. Transportation revenue earned from firm contracted capacity arrangements is recognized ratably over the contract period. Transportation revenue from interruptible or volumetric-based arrangements is recognized when services are performed.

Performance Obligations Satisfied Over Time
For arrangements where transportation services are transferred over time using the output method. Outputs are determined based on the volumes of commodities delivered or transported and correspond directly to the benefits received by the customer during that period. All operating revenues earned by the Company for the year ended December 31, 2019 were from services transferred over time.

Determination of Transaction Prices
Prices for transportation services are determined based on the capital cost of the facilities, pipelines and associated infrastructure required to provide such services, plus a rate of return on invested capital that is determined either through negotiations with customers or through regulatory processes for those operations that are subject to rate regulation.

Payment Terms
Payments are received monthly from customers under long-term transportation contracts.

3. Transactions with Affiliates

Gulfstream Management & Operating Services, L.L.C. (GMOS), owned 50% by Spectra Energy Partners and 50% by Williams Partners, provides management, construction and operating services pursuant to agreements entered into with us and with affiliates of Spectra Energy and Williams. GMOS bills us for services rendered including labor and benefit costs, employee expenses, overhead costs and in some cases, third-party costs. Such amounts are reflected in the Statements of Operations as Operating, Maintenance and Other — Affiliates or in the Balance Sheets as Net property, plant and equipment, as appropriate.

Transactions with affiliates are summarized in the tables below:

Statements of Operations

	2019	2018	2017
		(in millions)	
Operating, maintenance and other — affiliates	$ 20.2	$ 21.0	$ 18.5

Balance Sheets

	December 31,	
	2019	2018
	(in millions)	
Current assets — other	$ 1.9	$ 1.6
Accounts payable — affiliates	1.5	1.0

Transactions billed from affiliates, included within Net property, plant and equipment in the Balance Sheets were $1.9 million in 2019 and $1.6 million in 2018.

4. Regulatory Matters

We record assets and liabilities that result from the regulated ratemaking process that would not be recorded under U.S. GAAP for non-regulated entities. See Note 1 for further discussion.

	December 31,	
	2019	2018
	(in millions)	
Regulatory Assets		
Regulatory asset related to income taxes (b, c)	$ 10.4	$ 10.6
Total Regulatory Assets	$ 10.4	$ 10.6
Regulatory Liabilities (a)		
Fuel tracker	$ 1.5	$ 3.7
Total Regulatory Liabilities	$ 1.5	$ 3.7

(a) All regulatory liabilities are excluded from rate base.
(b) Relates to tax gross-up of AFUDC equity portion and is included in Regulatory Assets and Deferred Debits.
(c) Amortized over the life of the related property, plant and equipment.

Rate-Related Information. We continue to operate under rates approved by the FERC in 2007.

5. Property, Plant and Equipment

	Weighted Average Depreciation Rate	December 31,	
		2019	2018
	(%)	(in millions)	
Plant			
Natural gas transmission	1.67%	$ 1,846.4	$ 1,881.0
Rights of way	1.62%	117.7	117.7
Land	—	16.3	16.3
Construction in process	—	5.8	2.7
Other	4.69%	43.8	43.6
Total property, plant and equipment		2,030.0	2,061.3
Total accumulated depreciation and amortization		(488.8)	(497.5)
Net property, plant and equipment		$ 1,541.2	$ 1,563.8

All of our property, plant and equipment is regulated with estimated useful lives based on depreciation rates approved by the FERC. Composite weighted-average depreciation rates, excluding non-depreciable assets, were 1.7% for 2019, 2018, and 2017. Depreciation expense for the years ended December 31, 2019, 2018 and 2017 was $33.2 million, $33.4 million and $33.5 million, respectively.

Amortization expense of intangible assets totaled $1.9 million for 2019, 2018 and 2017. Amortization expense for 2020 through 2024 is estimated to be $1.9 million each year.

6. Debt

Summary of Debt and Related Terms

	Year Due	December 31,	
		2019	2018
		(in millions)	
Unsecured note payable, 4.60%	2025	$ 550.0	$ 550.0
Unsecured note payable, 6.19%	2025	350.0	350.0
Unsecured note payable, 5.95%	2045	250.0	250.0
Capital lease	2019	—	0.1
Unamortized debt discount		(1.1)	(1.2)
Unamortized debt expenses		(6.0)	(6.7)
Total debt		1,142.9	1,142.2
Current maturities of long-term debt		—	0.1
Total long-term debt		$ 1,142.9	$ 1,142.1

As of December 31, 2019, we were in compliance with all debt covenants.

7. Credit Risk

Our principal customers for natural gas transportation services are utilities located throughout the state of Florida. We have concentrations of receivables from this sector throughout the region. These concentrations of customers may affect our overall credit risk in that risk factors can negatively affect the credit quality of the entire sector. Where exposed to credit risk, we analyze the customers' financial condition prior to entering into an agreement, establish credit limits and monitor the appropriateness of those limits on an ongoing basis. We also obtain parental guarantees, cash deposits or letters of credit from customers to provide credit support, where appropriate, based on our financial analysis of the customer and the regulatory or contractual terms and conditions applicable to each contract.

8. Commitments and Contingencies

General Insurance. We maintain, either independently, or through inclusion in the corporate insurance programs maintained by our respective owners in proportion to their respective interest in our company, insurance coverage in types and amounts, and with terms and conditions, that are generally consistent with coverage considered customary for our industry.

Environmental. We are subject to various federal, state and local laws and regulations regarding air and water quality, hazardous and solid waste disposal and other environmental matters. These laws and regulations can change from time to time, imposing new obligations on us.

Like others in the energy industry, we and our affiliates may be responsible for environmental remediation at various contaminated sites. These include some properties that are part of our ongoing operations, sites formerly owned or used by us, and sites owned by third parties. Remediation typically involves management of contaminated soils and may involve groundwater remediation. Managed in conjunction with relevant federal, state/provincial and local agencies, activities vary with site conditions and locations, remedial requirements, complexity and sharing of responsibility. If remediation activities involve statutory joint and several liability provisions, strict liability, or cost recovery or contribution actions, we or our affiliates could potentially be held responsible for contamination caused by other parties. In some instances, we may share liability associated with contamination with other potentially responsible parties, and may also benefit from contractual indemnities that cover some or all cleanup costs. All of these sites generally are managed in the normal course of business or affiliated operations.

Litigation. We are involved in legal, tax and regulatory proceedings in various forums arising in the ordinary course of business, including matters regarding contracts and payment claims, some of which may involve substantial monetary amounts. We have insurance for certain of these losses should they be incurred. We believe that the final disposition of these proceedings will not have a material adverse effect on our results of operations, financial position or cash flows.

Legal costs related to the defense of loss contingencies are expensed as incurred. We had no material reserves for legal matters recorded as of December 31, 2019 or 2018 related to litigation.

9. Subsequent Events

We have evaluated significant events and transactions that occurred from January 1, 2020 through February 24, 2020, the date the financial statements were issued, and no subsequent events requiring disclosure were noted.