

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

Condensed Financial Statements

(Unaudited)

June 30, 2011

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>				
Transportation of natural gas	\$ 68.3	\$ 66.7	\$ 134.3	\$ 132.7
Other	0.1	-	1.0	1.3
Total operating revenues	<u>68.4</u>	<u>66.7</u>	<u>135.3</u>	<u>134.0</u>
<b>Operating Expenses</b>				
Operating, maintenance and other	6.0	5.3	10.8	9.6
Depreciation and amortization	8.8	8.8	17.6	17.5
Property and other taxes	4.5	5.2	6.7	9.3
Total operating expenses	<u>19.3</u>	<u>19.3</u>	<u>35.1</u>	<u>36.4</u>
<b>Operating Income</b>	49.1	47.4	100.2	97.6
<b>Other Income and Expenses</b>	(0.1)	0.2	0.3	0.5
<b>Interest Expense</b>	<u>17.5</u>	<u>17.5</u>	<u>34.7</u>	<u>35.0</u>
<b>Net Income</b>	<u>\$ 31.5</u>	<u>\$ 30.1</u>	<u>\$ 65.8</u>	<u>\$ 63.1</u>

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

	<u>June 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 61.1	\$ 63.7
Receivables, net	22.6	25.4
Other	9.4	8.7
Total current assets	<u>93.1</u>	<u>97.8</u>
<b>Property, Plant and Equipment</b>		
Cost	2,063.2	2,056.6
Less accumulated depreciation and amortization	<u>264.0</u>	<u>247.0</u>
Net property, plant and equipment	<u>1,799.2</u>	<u>1,809.6</u>
<b>Regulatory Assets and Deferred Debits</b>		
Regulatory tax asset - allowance for funds used during construction	23.9	24.2
Unamortized debt expense	6.7	7.2
Other	0.2	-
Total regulatory assets and deferred debits	<u>30.8</u>	<u>31.4</u>
<b>Total Assets</b>	<u>\$ 1,923.1</u>	<u>\$ 1,938.8</u>

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

	<u>June 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4.1	\$ 5.9
Taxes accrued	9.1	3.5
Interest accrued	10.0	10.0
Accrued liabilities	3.5	1.2
Fuel tracker liabilities	0.7	3.0
Natural gas imbalance payables	0.5	0.6
Other	0.6	-
Total current liabilities	<u>28.5</u>	<u>24.2</u>
<b>Long-term Debt</b>	<u>1,149.1</u>	<u>1,149.0</u>
<b>Other Long-term Liabilities</b>	<u>-</u>	<u>0.4</u>
<b>Commitments and Contingencies</b>		
<b>Members' Equity</b>		
Members' equity	735.9	754.9
Accumulated other comprehensive income	9.6	10.3
Total members' equity	<u>745.5</u>	<u>765.2</u>
<b>Total Liabilities and Members' Equity</b>	<u>\$ 1,923.1</u>	<u>\$ 1,938.8</u>

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

	Six Months Ended June 30,	
	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 65.8	\$ 63.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18.2	18.1
Allowance for funds used during construction - equity	(0.2)	(0.2)
Other	6.3	3.0
Net cash provided by operating activities	90.1	84.0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(8.2)	(7.3)
Net cash used in investing activities	(8.2)	(7.3)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital contributions from members	7.7	5.2
Distributions to members	(92.2)	(88.2)
Net cash used in financing activities	(84.5)	(83.0)
Net decrease in cash and cash equivalents	(2.6)	(6.3)
<b>Cash and cash equivalents at beginning of period</b>	63.7	63.0
<b>Cash and cash equivalents at end of period</b>	\$ 61.1	\$ 56.7

**GULFSTREAM NATURAL GAS SYSTEM, L.L.C.**  
**CONDENSED STATEMENTS OF MEMBERS' EQUITY AND COMPREHENSIVE INCOME**  
(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, 2010</b>	\$ 190.8	\$ 191.9	\$ 379.6	\$ 2.9	\$ 765.2
Net income	0.7	32.2	12.3	20.6	65.8
Reclassification of cash flow hedges into earnings	-	(0.3)	(0.2)	(0.2)	(0.7)
Total comprehensive income					<u>65.1</u>
Capital contributions from members	0.1	3.7	2.0	1.9	7.7
Distributions to members	(7.5)	(38.6)	(23.5)	(22.6)	(92.2)
Attributed deferred tax expense	-	(0.1)	(0.1)	(0.1)	(0.3)
<b>Balance June 30, 2011</b>	<u>\$ 184.1</u>	<u>\$ 188.8</u>	<u>\$ 370.1</u>	<u>\$ 2.5</u>	<u>\$ 745.5</u>
<b>Balance December 31, 2009</b>	\$ 198.0	\$ 190.2	\$ 388.1	\$ -	\$ 776.3
Net income	16.1	15.5	20.3	11.2	63.1
Reclassification of cash flow hedges into earnings	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)
Total comprehensive income					<u>62.4</u>
Capital contributions from members	1.3	1.3	1.9	0.7	5.2
Distributions to members	(22.5)	(21.6)	(32.8)	(11.3)	(88.2)
Attributed deferred tax expense	(0.1)	-	-	-	(0.1)
<b>Balance June 30, 2010</b>	<u>\$ 192.6</u>	<u>\$ 185.2</u>	<u>\$ 377.3</u>	<u>\$ 0.5</u>	<u>\$ 755.6</u>