



Fourth Quarter 2011 Earnings Review & 2012 Outlook

Regulation G Schedules

SEC Regulation G

Non-GAAP Reconciliation for SEC Regulation G Fourth Quarter 2011 Earnings Review & 2012 Outlook February 3, 2012

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization (“EBITDA”) and Projected EBITDA

The materials included for Spectra Energy Partners’ Fourth Quarter 2011 Earnings Review & 2012 Outlook, include a discussion of adjusted/projected EBITDA (earnings before interest, taxes and depreciation and amortization). Adjusted/Projected EBITDA is a non-GAAP financial measure. The most directly comparable GAAP measure for adjusted/projected EBITDA is net income plus, as applicable, interest expense, income taxes, and depreciation and amortization, less, as applicable, equity in earnings of Gulfstream and Market Hub Partners, interest income, and other income and expenses.

Cash Available for Distribution

The materials included for Spectra Energy Partners’ November Fourth Quarter 2011 Earnings Review & 2012 Outlook, include a discussion of cash available for distribution. Cash available for distribution is a non-GAAP financial measure. The most directly comparable GAAP measure for cash available for distribution is adjusted EBITDA (defined above) plus Cash Available for Distribution for Gulfstream and Market Hub and net preliminary project costs, less net cash paid for interest expense (income), cash paid for income taxes, and maintenance capital expenditures. Cash Available for Distribution for Gulfstream and Market Hub is defined on a consistent basis with Spectra Energy Partners.

Credit Metrics

The materials included for Spectra Energy Partners’ Fourth Quarter 2011 Earnings Review & 2012 Outlook, include discussions of historical credit metrics including Funds From Operations (FFO) to Debt and an FFO Interest Coverage ratio. These metrics reflect non-GAAP financial measures. FFO is calculated as GAAP basis Cash Flows from Operating Activities less changes in working capital. The numerator of the FFO Interest Coverage ratio is FFO plus total interest expense, inclusive of capitalized interest. The denominator of the FFO Interest Coverage ratio is calculated as total interest expense, inclusive of capitalized interest.

Reconciliation of Net Income to Cash Available for Distribution



Spectra Energy Partners, LP
Adjusted EBITDA and Cash Available for Distribution
(Unaudited)
(In millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2011	2010	2011	2010
Net income	\$ 42.0	\$ 37.2	\$ 172.0	\$ 147.9
Add:				
Interest expense	7.8	4.0	25.0	16.2
Income tax expense	0.3	(1.2)	1.1	(0.4)
Depreciation and amortization	8.3	7.2	33.2	29.4
Less:				
Equity in earnings of Gulfstream	16.3	11.8	64.7	35.5
Equity in earnings of Market Hub	9.1	9.3	42.6	39.6
Interest income	0.2	-	0.5	0.1
Other income and expenses, net	(0.1)	0.4	2.1	0.8
Adjusted EBITDA	\$ 32.9	\$ 25.7	\$ 121.4	\$ 117.1
Add:				
Cash Available for Distribution from Gulfstream	11.4	8.7	81.0	43.0
Cash Available for Distribution from Market Hub	9.5	10.9	46.0	45.6
Preliminary project costs, net	0.1	-	0.1	-
Less:				
Cash paid for interest expense, net	14.1	6.0	23.0	15.7
Cash paid for income tax expense	-	-	-	0.7
Maintenance capital expenditures	1.8	4.3	13.1	14.8
Cash Available for Distribution	\$ 38.0	\$ 35.0	\$ 212.4	\$ 174.5

Reconciliation of Net Income to Cash Available for Distribution (Gulfstream)



Gulfstream Natural Gas System L.L.C.
Adjusted EBITDA and Cash Available for Distribution
(Unaudited)
(In millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2011	2010	2011	2010
Net income	\$ 33.2	\$ 34.7	\$ 132.0	\$ 131.6
Add:				
Interest expense	17.5	17.4	69.9	69.8
Depreciation and amortization	8.9	8.7	35.4	35.0
Less:				
Other income and expenses, net	-	0.3	-	0.9
Adjusted EBITDA - 100%	<u>59.6</u>	<u>60.5</u>	<u>237.3</u>	<u>235.5</u>
Add:				
Preliminary project costs, net	0.4	0.2	1.1	0.6
Less:				
Cash paid for interest expense, net	35.1	35.2	70.3	70.3
Maintenance capital expenditures	<u>1.7</u>	<u>0.8</u>	<u>2.8</u>	<u>1.3</u>
Cash Available for Distribution - 100%	\$ <u>23.2</u>	\$ <u>24.7</u>	\$ <u>165.3</u>	\$ <u>164.5</u>
Adjusted EBITDA - 49.0% (a)	\$ 29.2	\$ 20.1	\$ 116.2	\$ 63.0
Cash Available for Distribution - 49.0% (a)	\$ 11.4	\$ 8.7	\$ 81.0	\$ 43.0

(a) During the fourth quarter of 2010, we purchased an additional 24.5% interest in Gulfstream which is accounted for as an equity method investment. The equity earnings related to the additional interest was recorded as of the date of the acquisition.

Reconciliation of Net Income to Cash Available for Distribution (Market Hub)



Market Hub Partners Holding
Adjusted EBITDA and Cash Available for Distribution
(Unaudited)
(In millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2011	2010	2011	2010
Net income	\$ 18.3	\$ 18.7	\$ 85.4	\$ 79.3
Add:				
Interest expense	0.1	0.1	0.1	0.1
Income tax expense	-	-	0.2	0.2
Depreciation and amortization	2.8	3.8	10.8	14.5
Less:				
Interest income	-	-	0.1	0.2
Other income and expenses, net	-	-	-	0.6
Adjusted EBITDA - 100%	\$ 21.2	\$ 22.6	\$ 96.4	\$ 93.3
Less:				
Cash paid for interest expense, net	-	-	(0.1)	(0.1)
Cash paid for income tax expense	0.2	0.3	0.2	0.3
Maintenance capital expenditures	2.0	0.6	4.4	2.0
Cash Available for Distribution - 100%	\$ 19.0	\$ 21.7	\$ 91.9	\$ 91.1
Adjusted EBITDA - 50%	\$ 10.6	\$ 11.3	\$ 48.2	\$ 46.7
Cash Available for Distribution - 50%	\$ 9.5	\$ 10.9	\$ 46.0	\$ 45.6

Reg. G Reconciliation for Funds From Operations (FFO) Metrics



Spectra Energy Partners
Reconciliation of Non-GAAP Funds From Operations (FFO) Metrics
(Unaudited)
(in millions)

		As of December 31,		
		<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Funds From Operations to Total Debt</u>				
Net cash provided by operating activities		\$ 159.7	\$ 184.8	\$ 220.1
Remove changes in working capital		(11.4)	2.5	2.5
Funds from Operations	A	<u>\$ 171.1</u>	<u>\$ 182.3</u>	<u>\$ 217.6</u>
Total Debt (1)	B	<u>\$ 417.5</u>	<u>\$ 482.6</u>	<u>\$ 706.9</u>
FFO / Total Debt	A / B	<u>41.0%</u>	<u>37.8%</u>	<u>30.8%</u>
<u>Funds From Operations + Interest / Interest</u>				
Interest Expense		\$ 16.7	\$ 16.2	\$ 25.0
Add: Capitalized interest		–	0.1	0.3
Less: Term loan interest ⁽¹⁾		–	0.1	0.4
Interest expense, net of capitalized interest	C	<u>\$ 16.7</u>	<u>\$ 16.2</u>	<u>\$ 24.9</u>
Funds From Operations + Interest	A+C = D	<u>\$ 187.8</u>	<u>\$ 198.5</u>	<u>\$ 242.5</u>
Funds From Operations + Interest / Interest	D / C	<u>11.2x</u>	<u>12.3x</u>	<u>9.7x</u>

⁽¹⁾Total debt as of December 31, 2010 is calculated as: \$689.8MM less \$207.2 MM (Term Loans) = \$482.6MM. Term loans are fully collateralized by qualifying investment-grade securities and therefore excluded from the total debt and interest expense balances. These loans were repaid during 2011.

Reg. G Reconciliation for Estimated 2012 CAD

Spectra Energy Partners, LP

Reconciliation of Non-GAAP "Adjusted EBITDA" and "Cash Available for Distribution"

(Unaudited)

(In millions)

	Projected 2012
	<hr/>
Net income	\$ 181
Add:	
Interest expense	30
Income tax expense	2
Depreciation and amortization	37
Less:	
Equity in earnings of Gulfstream	61
Equity in earnings of Market Hub	38
Interest income	-
Other income and expenses, net	-
Adjusted EBITDA	<hr/> \$ 151
Add:	
Cash Available for Distribution from Gulfstream	77
Cash Available for Distribution from Market Hub	43
Preliminary project costs, net	-
Less:	
Interest expense	30
Cash paid for income tax expense	-
Maintenance capital expenditures	19
Cash Available for Distribution	<hr/> \$ 222

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