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**Steve Baker** *Union Gas - President*

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## PRESENTATION

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**Greg Ebel** - *Spectra Energy Corp and Spectra Energy Partners - CEO*

Well I think we are at the assigned time so no need to punish the punctual. I think we should get going. Just so everybody is aware, while we are not expecting any emergencies today, if there was an emergency and we had to get out of here you can go back through exactly where you came through. There are two elevator banks, probably don't want to use those but I believe there are two staircases there as well. And we've got some security folks here who will make sure everybody get out of here safe and sound. So with that, let's get going.

Good morning, everybody. My name is Greg Ebel, CEO of Spectra Energy and Spectra Energy Partners, and thanks very much for everybody being here with us today as we roll out our three-year plan.

Once again, let me also thank everybody on the phone or the webcast for joining us today as well. You won't be surprised that the next slide is something I am thrilled to show you and required to show you which is our Safe Harbor statement but we are going to need to talk about the forward-looking statements obviously today so take your opportunity to read that at your leisure.

Yesterday we shared with you our fourth-quarter and year-end results and as you heard, Spectra Energy and Spectra Energy Partners both performed well delivering on the commitments that we made right here, actually I guess downstairs a year ago despite what was a dramatically deteriorating energy and economic environment in 2015. But perhaps more importantly than what we talked about yesterday is that everything that we did to respond to the situation last year and that great resiliency that Spectra Energy's business model maintains through market cycles, has also really positioned us well for 2016, 2017, 2018 and even beyond. And so you're going to hear from members of our executive team today who are building on the steps that they took last year to ensure that their business units continue to provide and deliver value and you are going to hear from other members of our team whose growth plans frankly continue unabated. When you leave here today I believe that you will share our confidence in our plan and our ability to continue to provide investors steady growth and returns both today and on an ongoing basis in the future.

We're going to present our three-year financial plan right up front. I know people like to see that first and foremost and then we are going to turn our attention to the five business units. So Pat Reddy, our CFO, will come up first and walk you through the financial numbers. Next, Wouter van Kempen, who heads up our joint venture with Phillips 66 at DCP, and then Mark Fiedorek, who is the Head of our Western Canadian operations, will come up and give you a rundown on Western Canada followed by Steve Baker, who is the President of Union Gas, our regulated utility and major pipeline artery in Ontario. And then following Steve, Guy Buckley, who is the President of our Liquids Business, will give an outline on what is going on in that side of things.

And then finally, Bill Yardley, who is President of US Transmission and Storage will close out the business unit presentations. After we get through all of that, I will come back up, wrap things up hopefully summarize for you what we think you should take out of this day and then of course we will have plenty of time for your questions.

This entire executive management team has a broad level of experience in the industry, not only in their current roles but in many of the other roles that they have held from financial roles to commercial rolls to operational roles right across our company and in some cases other companies in the energy sector as well. So they have successfully managed through previous cycles whether it has been commodity swings, capital market retractions, economic slowdowns and for many of them yes, even the global financial instability we saw in 2008 and 2009.

I think in this environment that experience really does matter and it is that experience that gives us confidence on our continued ability to ensure that we'll do what we say we will do for investors today, tomorrow and always. So let's get right to it.

I think probably more now than ever the fundamentals of Spectra Energy's business model really do matter and I know many of you have seen me seven or eight years in a row say this but it still continues. We go where the lights are and our footprint is not stuck in the cloud of gas on gas competition. We are regional but we are connected, connecting to key demand markets and providing access to growing and diverse supply basins always has been and always will be a hallmark of who we are and what our investors can depend on and why they can depend on what we have.

Our asset footprint is an important strategic as well as a competitive advantage as it provides a commercial and operational platform to generate growing revenues and those revenues are largely supported by demand-pull customers with strong credit like utilities, power plants, and refineries which not only depend on the product that we deliver to them to run their day-to-day operations but in many cases they need that product for the output from their operations. And so while global energy markets may be in turmoil, the regional natural gas demand market sure is not.

Our North American footprint is predominantly natural gas focused and offers a springboard for expansions to meet the growing demands for natural gas power generation, home heating, industrial loads, the petrochemical industry and increasingly even the transportation sector as well. And our currently modest crude oil footprint generates stable but growing earnings and we fully intend to secure additional opportunities in that business between now and the end of the decade.

But that said, over the next couple of years I think it is fair to say that the real growth and stability advantage is going to go to those companies who are natural gas centric and that is Spectra Energy and that is Spectra Energy Partners.

Our footprint and regional interconnectivity has actually allowed us to put \$10 billion of expansion projects into service in the last three years, not just talked about, actually put into service in the last three years alone. And we still have more than \$8 billion in our secured project execution backlog underwritten with fee-based, long-term contracts and we are well on our way to realizing our \$35 billion in secured projects by the end of the decade and we have quality growth that generates stable earnings and supports consistent and reliable dividend and distribution growth for investors year after year and that is something we have said for many, many years.

We've also got a balance sheet that supports this level of growth and allows us to avoid scaling back the growth objectives we laid out for investors. I know that timing is everything for investors but actually with Spectra Energy, you don't have to predict when energy markets are going to come back to get paid by Spectra Energy or SEP for that manner. You receive solid returns and dividend and distribution growth and of course there are a lot of other great attributes of Spectra Energy and Spectra Energy Partners that make them must-own investments.

So let's get right to those. What you are going to hear today are three key themes that we believe distinguish Spectra Energy and Spectra Energy Partners from others in our space, stability, discipline and reliability. So let me start with our stable business model.

The fundamental aspects of our businesses today that contribute to our stable business are really quite noteworthy. First of all, outside our DCP joint venture, approximately 95% of Spectra Energy's revenues are fee-based with minimal volume risk. Minimal risk is really an important point here and one I think you are going to hear throughout the presentations today. It is also a significant differentiator for our Company because not all fee-based portfolios have the same characteristic which I think investors have unfortunately relearned from others over the last several months. In this environment, the credit quality of our customers is ever more important component in demonstrating how stable Spectra Energy's business model is.

Pat is going to speak to this at some depth in a few minutes about the credit profiles of our current and future customers. But today more than 90% of Spectra Energy's revenues come from customers who are investment grade, investment grade equivalent or who we hold letters of credit from. Our markets are stable and they are growing. With new sources of supply, our enviable footprint across North America provides us the ability to serve demand markets with regional supply while also providing important interconnections to move additional supply to market -- additional markets. It is clear that our customers still want and need services we provide as evidenced by customer support of our expansion projects and the fact that we actually experienced record deliveries in 2015 on all of our major pipelines and continue to hit peak days even in January which as you know has been anything but cold. And that is versus two very cold Januaries in 2014 and in 2015.

And as we advance our execution backlog, currently 75% of that execution backlog is supported by demand pull customers like Florida Power & Light or Next Era, however you want to look at them, Eversource and National Grid, and we expect that that quality customer mix is not going to change as we move forward.

There are a few midstream infrastructure companies if any, that can actually boast about a project backlog of this quality.

Our Canadian businesses also contribute to the stability of our earnings with more than 70% of Spectra Energy's Canadian EBITDA supported by cost of service, regulated rate of returns which are reflective frankly of the risk profiles at Union Gas, Maritimes Northeast and our West Coast pipelines, very low risk profiles.

Additionally, Union Gas has the benefit of being able to realize upside from an incentive rate structure that provides an opportunity to earn above its regulated rate of return and those of you who have been following the company know it has been able to do that for several years.

Lastly, I spoke earlier about the experience of the management team and the advantage of that experience and what it has provided and that means that we are able to react quickly to the changing business environment. I think some really good examples of that are the following.

The first one I think of is reflected in the actions that DCP took to shore up its operational and business model last year. You're going to hear from Wouter shortly and as he discusses the actions that they actually initiated in late 2014, which significantly improved their cash breakeven NGL price and how they are actually continuing today to drive that breakeven price even lower than what we budgeted in this year's forecast.

Similarly, Western Canada undertook decisive cost-saving actions, again planned in late 2014 taken in early 2015 to be prepared for a lower for longer commodity environment as it relates to the gathering and processing side of their business in Western Canada. And you will hear Mark speak about this. My point is the team knows how to do what it needs to do to keep the portfolio very stable.

When you consider those markers of stability, you will see that our business model positions us to continue delivering results and shareholder value regardless of market cycles and in fact right through the various market cycles. And I think this stability is also a reflection of our disciplined approach to growth.

Since 2009, we have placed 45 projects into service, meeting virtually all in-service and budget commitments and that doesn't happen by chance. Having a tested disciplined approach to all aspects of project execution is critical from negotiating solid credit and commercial terms, to providing broad stakeholder outreach, to working with regulators so we get timely approvals, to constructing in a safe and responsible manner. I think our record of successful project execution is a real competitive advantage. And we remain committed to delivering projects with the same rigor for both our customers as well as our investors.

I actually think you saw this play out once again on Tuesday when we received our FERC approval for the Sabal Trail project into Florida as we had originally planned. We currently have more than \$8 billion of expansion projects in execution. Shortly Pat will address how we plan to fund that growth but here are the things you should be listening for and I hope that you will take note of.

We have significant liquidity of \$2.8 billion across the entity and multiple funding sources that will allow us to ride out Capital Market upheavals that occur in every cycle. Our business model is stable, low risk cash flows coupled with our proven reputation for disciplined project execution and visible growth provides a basis for investment grade credit ratings. This is significant and a strong attribute when raising capital particularly in today's market. We maintain our long-held belief in and commitment to our investment grade ratings.

Spectra Energy continues to have an attractive cost of capital and that allows us not to only be successful in getting projects but also to compete for projects but it also ensures we are delivering returns in line with investors' expectations.

Our current yield is one of the key factors supporting our cost of capital which is competitive particularly in this market. And while not the only component to consider obviously when evaluating cost of capital, Spectra Energy's yields has held up on a relative base during this volatile period which I think is another indication of the strength of the business model.

The same can be said of our credit spreads on debt in Canada and in the United States. This disciplined approach results in our expectation that we will generate \$1 billion of incremental EBITDA from the \$9 billion of projects that will be placed into service between 2015 through 2018. That \$1 billion of EBITDA will show up even if you want to believe that there won't be any additional expansion projects secured. And I can assure you we don't believe that in any way will be the case.

The growth opportunities before us paired with our successful record of securing and financing and executing on projects allows us to continue to have the confidence in our ability to deliver attractive returns for you.

So that is Spectra Energy. Of course more than half of Spectra Energy is composed by Spectra Energy Partners. So let me take some time to highlight the examples of the stable and disciplined execution that is also being delivered at Spectra Energy Partners.

As many of you already know, SEP is a significant part of Spectra Energy. However, I think it is important to speak about the unique aspects of SEP which distinguish it as the best risk-adjusted MLP investment opportunity in the market today.

First, SEP offers very stable cash flows, with 95% of its revenue coming from fee-based take or pay contracts with minimal volume and no commodity risk. These stable cash flows are supported by 95% of revenues coming from investment grade or investment grade equivalent customers and by having a remaining contract life that averages over nine years on Express and just under nine years on US Transmission pipelines.

As SEP advances its approximately \$6 billion of projects in execution with an expected build multiple of 6 to 8 times EBITDA, we expect to maintain that same level of stability with fee-based cash flows and similar customer credit quality.

Of SEP's current execution backlog, 80% of that is supported by demand-pull customers, primarily utilities, those that I mentioned earlier who are less sensitive to commodity price pressures and in many respects benefit from a demand response when we see low natural gas prices.

Like Spectra Energy, SEP is well-positioned to fund its growth in SEP and its underlying asset level entities are also investment-grade with stable outlooks.

So what does all of this mean for SEP and Spectra Energy investors? I think it means reliable results and you heard me say earlier that fundamentals matter, that stable business models matter, that proven track records matter, management experience matters. We also believe that in these markets, commitments matter and doing what you said you would do matters even more.

You will hear today that we have a robust and resilient three-year plan that investors can rely on.

At SEP, we have a track record of reliably delivering on realistic commitments. With 33 quarters of meeting or exceeding planned distribution growth, we are pleased to continue that growth with quarterly distribution increases of \$0.0125 right through 2018 while also exceeding SEP's historical targeted coverage in each of the three years of the plan.

And at Spectra Energy, we have met or exceeded our dividend growth commitments for the last nine years. We are confident in our ability to continue to deliver a \$0.14 per share annual increase in our dividend to Spectra Energy investors through 2018 while maintaining or exceeding Spectra Energy's historically targeted coverage range. And while we do our best to provide realistic outlooks, I would know that our actual DCF coverage in 2014 and 2015 came in above expectations, a sign of commitments that aren't exaggerated and I think that you can rely on.

As you will hear shortly from Pat, our 2016 and 2017 coverage is once again better than what we presented a year ago at this meeting, continuing our record of meeting or exceeding our commitments.

In this environment, many companies are compelled to choose between scaling back on CapEx and dividends or sacrificing coverage. With Spectra Energy and Spectra Energy Partners, you don't have to make that choice. We are able to offer realistic commitments to both attractive dividend and distribution growth as well as coverage. I think this truly differentiates Spectra Energy and SEP among energy investment opportunities particularly in today's market.

In addition to the fundamentals, experience, stability and discipline, our investors value realistic commitments and an ability to consistently and reliably deliver on those. These things matter all the time to long-term investors who seek to be owners as opposed to renters but particularly now when we have challenging and unstable markets. Spectra Energy and Spectra Energy Partners offer those qualities to investors regardless of the market cycles and you are just about to hear about this from this management team.

So with that I will turn it over to Pat and look forward to walking through the numbers.

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**Pat Reddy - Spectra Energy Corp and Spectra Energy Partners - CFO**

Thank you, Greg, and good morning, everyone. It is great to be here with you today. We have got lots of ground to cover and as Greg mentioned, you are going to hear common themes from all of us around stability, discipline and reliability.

We have a robust three-year financial plan to share with you this morning. It reflects significant growth from a host of our projects and execution. These investments will generate high-quality EBITDA and distributable cash flow supported by stable fee-based revenues with very little volume risk across our portfolio.

The incremental growth from expansions is supported primarily by demand-pull customers that underpin our strong customer credit profile. This growth in EBITDA combined with the five-year extension of bonus depreciation boost Spectra Energy DCF coverage above the 1 times level reflected in last year's plan roll out. We now

expect coverage of 1.2 times in 2016 rising to 1.3 times in 2017. And at Spectra Energy Partners, we anticipate coverage of 1.2 times in each of the three plan years. Importantly for both companies, we continue to forecast annual dividend growth and quarterly distribution increases for our investors at current levels.

Against a backdrop of steep declines in energy prices and valuations for firms across the energy space, both Spectra Energy and SEP continue to have advantaged cost of capital relative to our peers and ready access to capital markets to fund our growth investments.

Our credit metrics at SEP are solid and at SE they strengthen as our CapEx spend peaks in 2016 with debt to EBITDA dropping below 5 times in 2017. In fact, we received a rating agency improvement to Spectra Energy's outlook in mid-December, a significant achievement in this environment.

Our project returns continue to comfortably exceed our cost of capital and we have multiple entities we can use to raise financing. Furthermore, in the event the capital markets for the entire energy sector were to experience significant and ongoing upheaval, we would expect to be able to fund our entire 2016 growth capital needs from available liquidity.

The balance that we have worked to achieve has paid off in this environment. We have consistently invested in high-quality projects with creditworthy counterparties with returns that exceed our cost of capital and dividend and distribution rates that are both attractive and sustainable.

So let's get started with a review of our numbers.

Our outlook -- for 2016 for Spectra Energy EBITDA is \$2.9 billion, 4% over 2015's solid results. And as you can see from this chart, Spectra Energy Partners continues to be the largest contributor with over \$2 billion of forecasted EBITDA. So with that in mind let's take a detailed look at SEP and then I will turn to the consolidated financial outlook for Spectra Energy. We will start with SEP's distributable cash flow.

On this slide 12, you will notice the breakout of SEP EBITDA by its three segments, US Transmission, Liquids and Other. The 9% compound annual growth rate and EBITDA over the plan timeframe is primarily attributable to expansion projects coming online, projects like AIM, Sabal Trail, Atlantic Bridge and NEXUS at US Transmission, along with the Express Enhancement project at Liquids.

For 2016, we expect SEP's distributable cash flow to be about \$1.3 billion. DCF grows by \$440 million over the plan period, a compound annual growth rate of almost 16%. Our expected distribution coverage of 1.2 times across the plan period is higher than SEP's historical targeted coverage range and 20% higher than what we shared with you a year ago. The increase in coverage is due to a stronger EBITDA outlook at US Transmission, slightly lower interest expense and a return of maintenance CapEx to a more typical run rate.

So let's take a look at the SEP growth projects we have in execution that will contribute meaningful cash flows over the next few years.

I'm not going to dwell on this slide since it should be very familiar to most of you that we visited with and the business unit leaders will speak to their specific projects. However, it is noteworthy that after placing \$700 million of projects into service in 2015, we still have almost \$6 billion in execution at Spectra Energy Partners with about \$1.3 billion going into service this year.

The projects are supported by fee-based long-term contracts which have an average term of almost 20 years and as we have said before, 80% are demand-pull projects serving LDCs like Florida Power & Light, Enbridge Gas Distribution, DTE and Union Gas, all of whom have strong credit ratings.

Our expansion plans have not changed and our growth capital is being deployed at attractive returns, generating competitive EBITDA multiples in the range of 6 to 8 times. On a relative basis, these returns are even more attractive in the current environment where many MLPs are experiencing greater upward pressure on their cost of equity. Our projects in execution remain cash flow accretive and continue to exceed our cost of capital by 2 or more turns.

To demonstrate how SEP can continue to exceed its cost of capital while executing on its expansion strategy, let's take a quick look at how SEP's yield has fared over time and how it compares to other MLPs in our space.

Let's take the Sabal Trail project as an example of how SEP has been able to ensure attractive project returns. In the third quarter of 2013 when SEP was selected to build Sabal Trail, SEP's yield was up about 5%. Today that yield is between 5% and 6%. Similarly if you look at our AIM project, we approved it in the fourth quarter of 2013 when SEP's yield was still around 5%, again not that dissimilar to our yield today.

While we realize that yield is just one component of the cost of capital, there has been minimal movement in average debt cost for solid investment grade entities like SEP over this timeframe. Furthermore, SEP's cost of equity is not disadvantaged by excessive IDR drag.

Maintaining a competitive yield over time helps to ensure that we can continue to deliver the returns that we offer our investors as does being disciplined in how we evaluate our projects and this positions SEP well to compete for new projects relative to many of our peers.

Now let's turn to our balance sheet metrics. In addition to maintaining an attractive yield, the strength of SEP's balance sheet gives us confidence in our ability to continue to efficiently finance SEP's expansion program in the capital markets. We intend to maintain solid investment grade credit ratings at SEP and its asset level entities reflecting the strength and stability of SEP's underlying cash flows.

As you heard yesterday on our earnings call, Spectra Energy Partners ended 2015 with debt to EBITDA at 3.6 times. We are targeting debt to EBITDA below 4 times throughout the plan period. Also we currently have available liquidity at SEP of \$1.7 billion.

In this commodity market, we know there are concerns about counterparty risk so we have added detail to our presentation this year to demonstrate the strength of SEP's counterparty credit profile.

As you can see from this pie chart on the left side of the screen, 95% of SEP's revenues come from customers with investment grade ratings or equivalent or are secured by collateral which typically takes the form of letters of credit. And as shown on the graph on the right, 8% of SEP's customers account for 85% of its revenue with the vast majority of these customers having a very solid credit profile that are primarily utilities.

As we progress through our current expansion program, we would expect this credit profile to remain strong with all of the capacity secured by customers which are investment grade, investment grade equivalent or have posted a letter of credit.

So what does all this mean for SEP's investors? With the projects placed into service in 2015 and those currently in execution, SEP is well-positioned to recognize incremental EBITDA of \$800 million by 2020. Importantly, there is secure incremental EBITDA beyond the plan period as the Sabal Trail project ramps up to full capacity by 2022.

So we have a clear path to continued growth and cash generation for SEP investors. Our track record of successfully delivering expansion projects into service should also instill confidence in our ability to deliver this incremental growth. Virtually all of SEP's EBITDA growth included in our three-year plan and beyond is secured and on track which points again to stability and the low risk profile of the SEP businesses.

Now let's take a look at how this EBITDA translates to distribution growth for SEP investors.

Given the strength and stability of its business model, SEP has an enviable record of distribution growth that is expected to continue throughout our plan period. Yesterday we announced SEP's 33rd consecutive quarter of distribution increases and we are planning on continued increases in the quarterly distribution of \$0.0125 per unit each quarter through 2018. SEP's strong growth profile with predictable revenues gives us continued confidence in distribution coverage of 1.2 times for all three plan years.

All of these factors that I have laid out, we believe, make SEP a best-in-class MLP investment. Additionally, SEP serves as a major building block of the Spectra Energy story. So let's turn to financial plan now for Spectra Energy.

Let me start with the Canadian dollar and DCP commodity assumptions for 2016 through 2018. Consistent with past presentations, we have assumed a flat commodity deck for all three of the plan years and constant FX rates so that you can focus on and see the effect of other variables in our three-year plan.

Starting with FX, we are assuming an exchange rate of CAD1.40 to the US dollar. As a reminder, about two-thirds of our currency exposure is naturally hedged at our net income level on an annual basis primarily because we finance our Canadian operations with Canadian dollar-denominated debt. Every CAD0.01 change in the Canadian dollar produces a \$1 million change in our net income and a \$2 million change in our distributable cash flow.

Moving on to the commodity assumptions, DCP has assumed the following prices on an average annual basis throughout the plan period: NGLs at \$0.42 per gallon; natural gas at \$2.50 per MMBtu; and crude oil at \$45 per barrel. You will notice that the 2016 commodity sensitivities as shown on this slide are about 20% to 30% less than what we have shown in prior years and this is reflective of all the work that DCP is doing to restructure some of its contracts that have commodity exposure to reflect a more fee-based structure. Wouter will follow me and discuss this shortly.

So let's take a look at Spectra Energy's estimated EBITDA by segment. On this slide, we provide our 2016 through 2018 forecasted EBITDA for each of our business segments. As you can see, we expect to generate consolidated EBITDA of about \$2.9 billion in 2016 and to realize an 8% compounded annual growth rate over the plan period. Let me describe the high level drivers for each of these business segments.

We have already looked at the material drivers for SEP so I won't dwell on them again here. But will note that more than \$2 billion of Spectra Energy's EBITDA comes from this segment.

Moving on to our Canadian segments, you will notice that we have added the Canadian dollar EBITDA to the slide just to illustrate the effects of a lower Canadian dollar and to provide a better indication of the health and growth within these segments when comparing them to prior periods.

At Union Gas, earnings growth comes from their series of Dawn-Parkway expansions. Having placed the 2015 expansion into service ahead of schedule in the fourth quarter of last year, Union Gas will also benefit from having two additional Dawn-Parkway projects placed into service in 2016 and 2017 with a regulatory framework that allows for immediate earnings generation as the projects come online.

Western Canada will also see an increase in its earnings through the plan period as a result of four regulated cost of service pipeline expansion projects expected to be placed into service.

Coupled with proactive cost-cutting measures implemented in early 2015, the earnings and cash flows from these projects are expected to offset the effects of existing G&P contracts that may not renew as producers continue to evaluate their prospects in a prolonged lower price environment. Mark Fiedorek will speak to this in more detail a little later on.

Also at Western Canada, we continue to expect \$30 million of cash annually from Empress through the plan period.

Moving to Field Services or DCP, just a reminder that while we showed DCP's results as EBITDA, this number actually represents our 50% share of DCP's net income plus DPM unit issuance gains. You will see the standalone adjusted EBITDA for DCP in Wouter's presentation in a few minutes.

I noted earlier that we are holding our commodity assumptions flat for the three-year period. DCP's outlook reflects the steps they have taken and will continue to take to lower their cash flow breakeven NGL price per gallon. You will note lower 2016 and 2017 EBITDA projected for field services when compared to last year's plan and that is essentially due to significantly lower commodity price assumptions this year and the assumed lower level of DPM unit issuance gains given the lower level of growth CapEx. These factors more than offset DCP's significant self-help actions in this timeframe.

When you look at Spectra Energy's earnings, recall that they are split fairly evenly between the first and second halves of the year but of course the first and fourth quarters are consistently our strongest financial quarters as winter weather can be a factor.

So let's take a look at our distributable cash flow.

This next slide shows our estimated DCF for the plan period. As we communicated throughout 2015, Spectra Energy would benefit significantly through reduced cash taxes if bonus depreciation were to be extended. With the five-year extension of bonus depreciation passed by Congress late last year, we expect minimal cash taxes in 2016 and 2017 with an uptick in 2018 consistent with the pace of expansion CapEx that we are deploying in our plan.

I would note that Spectra Energy is one of just a handful of companies in our sector that will be able to significantly benefit from bonus depreciation given the size of our expansion build out.

To put this into perspective, the multiyear extension of bonus depreciation for us is equivalent to about \$750 million of equity funding at the Spectra Energy level over our three-year plan window.

Next, as a result of owner support and the self-help initiative that DCP has already completed and continues to pursue, higher margins are expected which with our price forecast, could result in a modest resumption of cash distributions to the owners.

Interest expense and maintenance CapEx in 2016 and 2017 are also down compared to last year's plan, primarily due to a lower Canadian dollar. So higher EBITDA combined with the extension of bonus depreciation and lower interest and maintenance CapEx has strengthened our DCF and cash flow coverage of the dividend beyond last year's projections.

As we've stated before, our long-term targeted dividend coverage is in the range of 1.1 to 1.2 times and as you can see here, we will maintain dividend coverage at or above that range through the plan period which by the way is 20% to 30% higher than what we showed you last year.

So let's look at the next slide which gives a more detailed view of maintenance CapEx by our segments.

As I mentioned, our maintenance CapEx levels for the plan are down compared to last year and relative to what we shared previously for 2016 and 2017. The decrease is primarily driven by a lower Canadian dollar which results in lower maintenance CapEx across Western Canada and our Distribution segments when those spends are translated to US dollars.

I would also like to remind you of the seasonality around our maintenance CapEx. Historically 60% to 70% of our annual maintenance spend occurs in the third and fourth quarters.

So let's move on to Spectra Energy's growth outlook. This slide shows the full complement of projects currently in execution across the enterprise including \$2.3 billion of Canadian growth projects for a total expansion portfolio of more than \$8 billion. It is important to note that the projects in Western Canada and at our distribution segment, projects like High Pine and the Dawn-Parkway expansions are regulated cost of service investments. So again the theme here is secured low-risk incremental growth.

At the consolidated Spectra Energy level, 75% of our projects in execution are supported by demand pool customers. Now let's look at our expected expansion capital.

This slide shows the consolidated CapEx outlook for the enterprise as it combines Western Canada and Distribution projects with SEP's expected expansion CapEx. As you can see of this total, the majority of our capital spend over the next three years occurs at SEP and the funding for those projects will be accomplished at the SEP level. I will speak in more detail in a few minutes as to how we will fund all of our growth.

Turning to slide 25, at the Spectra Energy level, the incremental EBITDA growth associated with our expansion program will be approximately \$1 billion by 2020. Equally important is that this incremental EBITDA is about \$200 million greater than what we shared with you last year at this time primarily due to the Canadian pipeline projects that we added in 2015.

We have broken out the contributions from SEP and the Canadian segments to show the full benefit to Spectra Energy's future EBITDA growth which is secured and on track which once again points to the reliable earnings power of our portfolio.

Let's take a look at how this growth is supporting Spectra Energy's balance sheet and financing capabilities. As you heard on our call yesterday, Spectra Energy ended 2015 with a debt to cap ratio of 59.6%, well below our credit facility restriction of 65% and we expect to end 2016 at an even lower level. More importantly, we currently have available liquidity across all of our facilities of about \$2.8 billion and would expect to maintain significant liquidity over the plan period. We expect our debt to EBITDA to decline from 2015's level to below 5 times as EBITDA from our expansion projects come online. We will continue to manage our financing mix across Spectra Energy to maintain investment grade ratings.

Turning to slide 27, similar to what you saw for SEP and comparable to what we shared with you in the past, Spectra Energy also has a solid counterparty credit profile with more than 90% of our 2015 revenues coming from customers with investment grade ratings or equivalent or are being secured by collateral, again primarily letters of credit.

As you can see on the right side of this slide, 4% of Spectra Energy's customers account for about 75% of its revenue with the vast majority of these customers having a very solid credit profile.

It is important to note that this data excludes about \$1 billion in revenue from Union Gas' residential customers. With virtually no bad debt expense, revenue from these cost-of-service, regulated customers provides another measure of credit stability to the Spectra Energy portfolio. Including these Union Gas residential customers increases the portion of our revenues from investment grade customers to 92%.

Likewise as mentioned for SEP, when the current projects and execution are completed, we would expect Spectra Energy's credit profile to remain strong with all of the capacity secured by customers which are either investment grade, investment grade equivalent or having posted letters of credit.

Like SEP, Spectra Energy also has a track record of dividend growth. In fact, Spectra Energy has met or exceeded its dividend targets every year for the last nine years. Our financial plan assumes a \$0.14 per share annual dividend increase through the plan period 2018.

Our stable businesses and disciplined approach towards growth translate into attractive and sustainable dividend growth that investors can count on across business cycles. So let me talk about our financing strategy for growth at both Spectra Energy Partners and Spectra Energy.

Over the last three years, we have successfully funded our expansion projects while maintaining our financial strength and investment grade credit ratings. You saw a view of that yesterday when we shared our 2015 balance sheet metrics and liquidity positions. You have also seen the strong dividend and distribution coverage we are expecting at these entities throughout the plan period. All of these elements combine to provide flexibility to efficiently fund our expansion programs which is especially important in today's volatile markets.



For our SEP projects, we will continue to use a combination of debt and SEP equity targeting a 50-50 mix over the long-term. We intend to continue to raise equity through SEP's ATM program as we have had a lot of success with that vehicle over the last few years. We recently upgraded that program from \$500 million to \$1 billion. We will also access the market for other SEP equity and debt placements as needed.

For growth projects in Canada, we will look to multiple funding sources including Union Gas and West Coast Energy debt and West Coast preferreds as an additional source of equity. In addition, given the \$1.8 billion in new pipeline projects that we have secured in Canada over the last 12 months, we have plans to initiate a modest ATM program at Spectra Energy similar to those offered by many of our midstream peers. Over the three-year plan period, we would expect that Spectra Energy ATM to provide about \$400 million to \$600 million as needed.

So bottom line, we have confidence in our ability to cost-effectively finance the significant growth opportunities before us even in the current capital market environment.

Let me conclude with a look at our ongoing objectives for long-term value creation. We have three main areas of focus in support of creating long-term shareholder value which are consistent with the themes of stability, discipline and reliability that you will continue to hear throughout the morning. Our portfolio is resilient in various economic market cycles so our value objectives have remained constant over time.

First, as we will demonstrate this morning, Spectra Energy has stable cash flows across business and economic cycles. Next, we are going to continue to exercise prudent financial management while preserving balance sheet flexibility in our investment-grade credit metrics.

Third, as you will hear from my colleagues, we are executing on our CapEx expansion plans as we continue our drive to 35 and generating attractive returns above our cost of capital. We see significant cash and earnings growth throughout and beyond the plan period due to the current projects we have in execution which will go into service in the 2016 to 2018 timeframe. The majority of our growth CapEx through 2018 is invested at SEP and will be funded at that level.

Finally, we are well-positioned to continue delivering attractive, sustainable dividend and distribution growth through 2018. So as Greg mentioned earlier for Spectra Energy and its investors, we are able to offer realistic commitments of both attractive growth and strong coverage.

Today I've talked about what we are doing to ensure the continuity and quality of growth that our customers and investors can rely upon. As we secure additional earnings and cash upsides whether due to a commodity recovery or additional organic growth opportunities, our investors will share in that upside as well.

We believe Spectra Energy and SEP are premier investments that offer investors near-term stability and reliability in times of market disruption and instability as well as growth in upside over the long-term. They are ones to tuck away in your portfolio and have confidence in regardless of market cycles.

So with that let me turn things over to my colleague, Wouter van Kempen, CEO of DCP Midstream.

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**Wouter van Kempen - DCP Midstream - CEO**

Thank you, Pat, and good morning, everyone. I stood here a year ago talking with you about how the DCP Enterprise was already proactively addressing the signposts of a dampened commodity cycle. We talked about our focus on controlling what we could control and we are one of the first companies out of the gate to take decisive actions. So today I want to give you my perspective on the macro trends that are resetting this industry, progress on our 2015 execution and how we are positioning ourselves to capture opportunities now and when the industry recovers. This is yet another cycle although a pretty severe one.

We have a proven track record of remaining disciplined and focused on the long-term fundamentals of this industry. So let me get right to the macro overview. I'm not going to offer up my best guess on commodity prices. I just don't believe that is going to be very helpful. Instead I'm going to talk to you about how we believe the industry will function and will reset itself.

Again, this is yet another cycle. We have been through them before and as we go through them, we know that both supply and demand need to head toward some type of equilibrium.

So what does it look like? With lower prices, producers are cutting their capital budgets and laying down their rigs, that is reducing supply. On the other side of the equation, we have been anticipating NGL demand growth from exports and new crackers in the Gulf Coast and we can see those ships out on the horizon for 2017 and 2018.

We also see producers reverting back to their core competencies. During the [shale] revolution, producers extended their reach beyond drilling to build gathering systems and infrastructures to central delivery points in direct competition with midstream companies. While current prices are not sustainable, that doesn't mean that

they won't stay low for a little while longer. But at current prices, this industry does not work and with limited access to capital, producers are now selling their midstream assets and are refocusing back to their core competency, drilling wells.

As producers refocus their drillbit, they are retreating to the most economic plays, the Permian, the DJ, the Stack and Scoop areas. Those are the areas where they receive their best return so let's talk about how DCP is positioned to capitalize on this industry reset.

We are optimizing our systems, enhancing our gathering position and becoming a local service provider all the while operating more reliably and more efficiently.

This is a must run business, producers need us. They will again rely on their midstream companies together right from the well head at low pressures and take it to the markets and that is the game we have been in for over 90 years. That is our core competency.

We have 67,000 miles of pipe in the ground. We've got the largest compression fleet in the country. In the end, those with gathering systems in very close proximity to the producers wellhead will get to the most efficient solution. We have a diverse footprint with leading positions in the core acreage where producers are focused. Location has always been our competitive advantage and with this advantage, we are establishing long-term contracts with strong producers. We are stabilizing cash flows while we are increasing feed margins.

So DCP is set up very well to capture all the opportunities coming from this industry reset.

What I am really proud of is how proactively the team reacted to the industry challenges way ahead of others. Now that makes sense that we would. We are more effective when it comes to feeling the impact of commodity changes because we don't have significant hedges at LLC. We recognize the signposts sooner, we took action sooner and we are well underway with resetting our breakeven NGL price. We began controlling what we could control through focus on our DCP 2020 strategy. With all these efforts, we have driven down our NGL breakeven price by one-third in 2015 and we will keep on pushing.

Right out of the gate last year, we reduced our ongoing cost base by \$70 million. With our focus on operational excellence, we lowered system pressures, we improved reliability and we added \$35 million of margin. We completed the majority of our growth capital program with strong utilization rates and we managed all of this while once again achieving record safety performance.

I stood in front of all of you right here last year saying how we had begun our contract realignment efforts, how we have already sent out 1500 letters to our producers. We have since added over \$50 million of annualized margins. We simplified our contracts, we are making strong progress in reducing our NGL commodity length by one-third by the end of 2017. We have also divested \$170 million of non-core assets and we stabilized our cash flows through strong owner support adding fee-based assets, reducing debt and securing long-term liquidity.

Just a note, the \$3 billion of owner support that we received in 2015 was not a half measure, it was a full measure and then some. So if you add all of these things together, we are significantly resetting our breakeven NGL prices and we are not contemplating any scenarios where we would require additional owner support.

Looking to 2016, we are continuing our DCP 2020 execution to reset our business during this lower for longer environment so we can come out strong when a recovery occurs. Again, it is about continued cost efficiencies back to pre-growth levels, greater reliability and reducing our risk and commodity exposure. This year we are targeting \$90 million of margin uplift. We will continue to optimize and rationalize our system that includes consolidating or idling less efficient plants and divesting nonstrategic assets.

As we think about growth and capital deployment, we have completed our major projects and they are generating significant cash flows. We don't have any major capital commitments on the horizon. All of our assets have strong utilization and as we are looking at new organic growth or M&A, we will stay in lockstep with our producers as we always do.

We are already off to a pretty good start on some of our 2016 objectives. I'm sure some of you have seen our news release earlier this week. Let me give you a little bit of detail around it.

First, we reached an agreement with a large investment grade producer which resulted in a win-win outcome for both parties. We received an \$89 million cash payment. We added significant life of lease volume in the DJ Basin, about 40 million a day beginning January 1, expected to grow and in the Delaware Basin, we now the entire NGL takeaway from 600,000 dedicated acres benefiting Sand Hills.

In early January, our Grand Parkway project went into service on time, on budget further lowering pressures and driving incremental volumes in the DJ, in the DJ, making that area even more competitive for producers.

Lastly, in the prolific Delaware Basin where we hold the second largest position, we announced how we have now converted and simplified contracts with two major investment grade producers providing about 25% of our \$90 million 2016 margin targets. And we secured an incremental NGL volume dedication to Sand Hills from an historic investment grade producer, also contributing significant fee-based margins.

So all of this pretty good news early on in our execution and we are not counting on commodity recovery in the near-term. We are controlling what we can control.

Next, on slide 35, I want to illustrate for you the magnitude of the strategies that we are driving operationally and commercially. On the left-hand side of the slide are our operational strategies. Consider this, we have grown our asset base by two thirds to \$13 billion since 2011 and our cost peaked at \$1.1 billion in 2014.

Now with the commodity downturn, we have actively managed and influenced our cost base and with ongoing cost efficiencies we expect to get back to pre-growth levels while still operating an asset base that grew by two thirds. While lowering our costs, we have also lowered our unplanned downtime by 60%. This is the best we have run our assets in the six years that I have been here. We did it with record safety performance. All of this has a direct impact on margins and on our customers. In 2016, we are planning on reducing our downtime by another 25% while we continue to optimize our assets and increase our overall utilization rates.

Let's go to the right side of the slide for our commercial objectives. In this environment we have found discussions with producers around contract realignment to be very productive. Again, we had great success in 2015 and in 2016 we are targeting an incremental \$90 million of margin uplift. We are focused on converting contracts to fee primarily in those areas where we have low pressure gathering through the wellhead like the Mid-Continent and the Permian and we have been able to convert and simplify our contracts to fee levels at average historical return levels.

Let me simplify and give you the equation. We have more assets, we have better reliability and we have less cost, that is what I call a trifecta.

Lastly, when it comes to the quality of our end-use customers, 90% are investment grade. With our contract structure we tend to net back cash to our producers, basically we are the ones that hold the cash so we have limited counterparty exposure. Our top 10 end-use customers are large investment grade companies that comprise approximately 40% of our margins. We do not have significant credit concentration with any one producer or customer. So operationally and commercially, we are controlling what we can control, we are focused on resetting the DCP Enterprise to be sustainable for the long-term.

On the next two slides, I will be showing the DCP Midstream and DCP Midstream Partners 2016 forecasts, our underlying assumptions, our sensitivities. And for DCP Midstream, the numbers are consolidated and shown at the 100% level. Both forecasts assume \$45 crude, \$0.42 per gallon NGL and natural gas at \$2.50.

Beginning with DCP Midstream based on that price deck, we are forecasting adjusted EBITDA of \$800 million. This includes \$30 million of incremental cost reductions coupled with an additional \$90 million of improved margins since 2015. Total consolidated CapEx for DCP Midstream is estimated between \$220 million and \$445 million. As I've said before, we have minimal committed capital and as we look at new growth, we will be very prudent and diligent in selecting only those projects with the appropriate cash returns and quick payback periods.

On the bottom of the slide you can see our consolidated commodity sensitivities and our margin breakdown. One of the most significant takeaways is that we have increased DCP Midstream's fee-based cash flows to 55% while lowering our consolidated commodity sensitivities both driven by our contract realignment efforts.

In looking at our volume assumptions, we are forecasting overall volumes to be slightly down from 2015. To give you some perspective by region, we expect to see slight volume growth in the higher-margin DJ and Permian Basins offset by volume declines in the lower margin Eagle Ford and Mid-Continent.

In terms of liquidity, DCP has no long-term debt maturities coming due until 2019. We have a \$1.8 billion facility with essentially nothing drawn and maturing in 2017. We are actively working on renegotiating a new facility which we are confident we will be successful.

So let me summarize where we are for DCP Midstream for 2016. We are growing our adjusted EBITDA by 15% from 2015 while commodities are down. We have significantly lowered our cash flow breakeven, we have reduced our commodity sensitivities and we have strong liquidity.

Now let me take the opportunity to provide DPM's 2016 guidance. Based on the price deck we just discussed, our 2016 targeted adjusted EBITDA range for DPM is \$565 million to \$595 million. And DCF is in the \$465 million to \$495 million range. We assume flat distribution to 2015 of \$3.12 resulting in approximately 1 times coverage.

The capital outlook at DPM is in a range of \$75 million to \$150 million for growth and \$30 million to \$45 million for maintenance and again we have minimal committed capital in 2016.

The same themes carry over from the last slide. Overall volumes forecasted to be slightly down although we expect some volume growth in the higher-margin DJ Basin and at Keathley Canyon, offset by declines in the Eagle Ford.

At the bottom of the slide you can see DPM's commodity sensitivities margin breakdown which shows DPM's fee-based cash flows up 15% from 2015 to 75% bringing our overall 2016 hedged and fee-based margin to 90%. So here is the tagline for DPM in 2016.

We will have replaced the rolloff of our hedged cash flows with new fee-based growth. We are assuming no public debt or equity needs. We have ample liquidity under our \$1.25 billion credit facility and we expect our debt to EBITDA ratio to be at or below 4 times.

On this next slide I want to provide you with a commodity recovery scenario and you will remember that Pat previously presented a flat three-year forecast. What I want to show you here is a scenario for the DCP Enterprise with some type of modest commodity uplift in the out years.

On the top left you can see our three-year commodity price deck which would result in adjusted EBITDA for DCP Midstream of \$915 million in 2017 and \$955 million in 2018. This scenario assumes \$100 million of distributions to our owners, higher fee-based margins to over 60%, lower sensitivity to commodity prices and flat volumes in 2017 and 2018.

This case reflects the strategies that we are executing on every day, achieving \$200 million of margin uplift from a one-third reduction in our NGL commodity length, creating an industry-leading cost structure, rationalizing and optimizing our systems and having strong capital efficiency and reliability. So in this scenario, you can see how DCP Midstream through all of its long-term objectives is well-positioned to compete and take advantage of recovery.

So let me wrap it up. DCP is a must run business with a competitive footprint and strong geographic diversity. We have phenomenal assets in the core producing areas and we provide low pressure gathering service to the wellhead which is very, very difficult to replicate.

The DCP 2020 strategy that we started deploying in 2014 is proving to be very effective and positioning the DCP enterprise well for long-term sustainability. We are resetting our NGL breakeven price by over 40% and we will continue to drive it down even further. We are driving down our cost base to be a local service provider and by the end of 2016, we will have achieved base cost reductions that take us back to pre-growth levels while we have increased the assets that we operate by two thirds.

We continue to have strong capital efficiency and asset utilization. We are not putting steel in the ground right now, we are preserving our balance sheet, we are confident that we will have sufficient long-term liquidity. We have a strong diversified investment grade customer and producer base minimizing exposure in this downturn.

This is a very tough cycle but we got on this quickly in 2014 so with all of this, we are executing on the right strategies, founded on an enviable footprint with strong customer and producer relationships to manage through this cycle. I believe we will come out even stronger on the other side.

So let me now hand it over to Mark.

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**Mark Fiedorek - Spectra Energy Transmission West - President**

Thank you, Wouter, and good morning. It is a pleasure to be here today to discuss our business in Western Canada. I will be sharing our 2016 outlook and we will review the very necessary actions taken in 2015 to ensure stability and continued profitability for the next three years and beyond.

To begin, many of the North American market fundamentals that Wouter just shared about the DCP enterprise are the same factors affecting Western Canada, namely, the unprecedented success in the drill bit which has resulted in an oversupplied market. This has created ongoing price weakness leading many producers to cut their budgets. As one of the largest midstream players in Western Canada, Spectra Energy has a very solid position to manage through this current down cycle. Our gathering, processing and transmission footprint is extensive and a large portion of our assets overlay the very economic liquids-rich Montney gas play which has become the most important natural gas supply area in the Western Canadian basin.

As we go through this presentation you will hear some things that may seem counterintuitive to what might be expected in this environment. But having almost 60 years of experience in Western Canada, we have seen commodity cycles play out before, all while we continue to secure our social license to build and operate. Our markets for natural gas are not going away and as a result, we are growing our BC pipeline business with four expansion projects in execution.

We continue to focus on what we do best and proactively manage what we can control; operating our assets safely and reliably, staying close to our customers as their development plans evolve, and managing our costs effectively to capture opportunities which in combination will continue to deliver the stable results our investors require.

To help frame today's conversation, let's take a quick look at the assets which make up the Western Canada Transmission & Processing business segment. I'm going to talk a lot about the BC Pipeline in my discussions today as this legacy asset continues to serve as the backbone for natural gas infrastructure development in the Province of British Columbia.

Beginning at the northernmost point at Fort Nelson, the BC Pipeline connects natural gas supply from the Horn River Basin, the Montney and other production sources at the Alberta-BC border to converge at the Station 2 trading hub and then continues southbound to the Sumas trading hub at the BC-US border.

This full path connecting supply with markets is comprised of two transportation systems. Our Transmission-North system is supported almost exclusively by our supply push customers who use our system for market access to Station 2 which feeds the Pacific Northwest and AECO, which in turn feeds the Alberta market and beyond. Transmission-South is the portion of the system south of Station 2. It is contracted mainly by our demand-pull customers located in the southern part of BC and into the Pacific Northwest region of the United States.

Also illustrated on this map is our extensive natural gas gathering and processing business, the Empress NGL business and looking east, the Canadian portion of the Maritimes and Northeast Pipeline which is included for financial reporting purposes with the Western Canada segment.

As additional background, I also want to highlight some key trends we are seeing in Western Canada. Gas prices have declined since 2014 and the number of wells drilled in BC is down by almost 40%. But as you can see from this chart, gas production has actually been increasing in BC. This is due to the success producers are having in the Montney play.

Producers are still positioned to achieve acceptable returns at current prices. Drilling and completion costs have come down by almost 50% since 2012 for some of our customers and we are seeing more productive wells coming on stream. This increase in supply is driving higher utilization in our BC Pipeline system which I will remind you, is now fully contracted. We have seen 10% volume growth in 2015 compared to 2014 and this has been an evolving trend.

This record high utilization is due to a number of factors. Our assets are strategically positioned with a header system that aggregates Northeast BC supply, downstream market interconnections with the North American pipeline grid, the strength of the downstream regional gas markets, the value proposition of economic Montney production. And finally, the importance of natural gas as a fuel of choice. This is why we are driving growth on our system, which might seem counterintuitive in an environment of lower commodity prices and a reduction in the total number of wells drilled.

Now let's discuss a few of the necessary actions we took in 2015 to manage what we can control. We know that our assets must be reliable to meet the needs of our customers and our results are dependent on the performance of these assets. We call this operational excellence, placing the highest importance on the safety of our people, communities and facilities. Above all else, safety is our core value and we continue to be disciplined in the operations of our assets, enhancing our safety performance and reliability.

In addition, as commodity prices weakened in mid-2014, we began to develop plans to manage our business through the downturn and industry activity. As the warning signs were clear, we initiated a business transformation effort in the first quarter of 2015 with our leadership team focusing on cost management throughout the business.

We consolidated our core functions both commercially and operationally into two locations, Calgary and Fort St. John British Columbia. We then took a very hard look at how we run our facilities and improved our management practices in how we scope, plan and execute our work to realize tangible cost savings and operations.

As we continued to pursue opportunities for overall efficiencies, the next natural step was to look externally on how we source our supplies and services. Leveraging the size, scope and strength of the enterprise, we are now beginning to achieve significant market relief benefits and contractor management practices.

Through these efforts in managing our assets more effectively, we will begin to realize incremental cost savings in 2016, culminating in at least \$100 million in savings annually by the end of 2017.

On the growth front, I am very excited to report that in 2015, we fully realized the significance of the Montney growth potential in relationship to our BC pipeline assets, and our system is now fully contracted. As a reminder, this is a fully regulated cost of service business providing stable earnings which will drive over \$1.2 billion of new capital investment, generating additional EBITDA growth by 2018, representing a 50% increase for BC pipeline growth over current levels.

I am also pleased to report that we are now in the final stages of negotiating a new toll settlement with our pipeline customers for a 2016, 2017 settlement period, thereby guaranteeing certainty and stability of our earnings. We anticipate our financial returns for this settlement period to be comparable with our current rate settlement.

In the Empress NGL business, we continued to see stability in our cash flows as a result of the risk management plan that we put into place in 2014. While NGL commodity prices have been volatile, we continue to outlook this business with modest expectations of \$30 million of cash per year on average.

Now looking to the future, let's discuss our 2016 outlook. Our asset footprint across Western Canada continues to be the fundamental advantage we have in preserving stability. Currently, about 75% of all BC natural gas touches some part of our system between the wellhead and the market. This competitive position will support our ability to weather this low price cycle.

The forecast for Western Canada's 2016 EBITDA is predictable and is substantially secure due to our commercial contract structure.

99% of our 2016 EBITDA will be generated from fee-based businesses. It is important to highlight that our Western Canada G&P business is fundamentally different from the G&P business model at DCP, as more than 80% of our G&P revenue is generated from fee-based, take-or-pay contracts which do not have volume throughput risk.

As is typical for any contracting year, there is an inherent open position in uncontracted capacity which is normally re-contracted throughout the year or fulfilled by interruptible volumes. We anticipate that any potential weaknesses from our G&P revenues will be offset with savings from our ongoing cost management initiatives.

Our Canadian fee-based transmission businesses, BC Pipeline and Maritimes and Northeast Canada, earn stable fully regulated fee-for-service returns with little to no throughput risk. This is in combination with the ability to flow through our operating cost.

In regards to the quality of our credit, our position is strong, with currently 90% of our revenue being generated by investment grade customers.

In summary, our 2016 earnings contribution from Western Canada is secure and we are confident in our forecast for 2017 and 2018 as well. Any potential weaknesses in G&P revenues for those years will not only be offset from savings from our ongoing cost management initiatives, we will have additional revenues that will be realized once our pipeline expansion projects come into service.

So let's turn to those projects and the growth that they will provide. As you know, Northeast BC sits on top of multiple world-class supply areas that offer our business significant growth opportunities. The Montney resource play has a proven abundance of supply, which remains economic even at today's prices.

The Montney has been called one of the top five most economic plays in North America. Our assets stretch across this vast resource and provide an enviable competitive position. The growth in Montney supply is driving a real-time supply push response in the marketplace, resulting in significant incremental growth for our BC pipeline which demonstrates our incumbent advantage.

In 2015, we originated two new expansion projects. The first was High Pine. And I am pleased to announce today the securing of a second expansion, the Wyndwood project, which in combination with High Pine will put \$500 million in growth capital to work.

The Wyndwood project will add 50,000 MCF a day of capacity through the addition of pipeline looping and compressor station modifications, with an expected in-service date of 2018. The Wyndwood project is a result of an open season held on the T-North system earlier in 2015, and once again confirms not only producer interest in gaining market access, but also the strength of the Montney.

As a reminder, the High Pine project will also add capacity through pipeline looping and compression, delivering an additional 240,000 MCF a day of capacity growth, which is anticipated to go into service in late 2016. These two new projects are backed by fee-based, take-or-pay contracts with a weighted average contract term of 20 years.

Both projects are being driven by Montney producers seeking markets at the Station 2 hub in BC, ACO in Alberta, as well as US Midwest markets. The producers who underpin these new projects hold substantial land positions, have validated their Montney resources through initial drilling programs and are executing on development plans.

These new T-North projects are in addition to our Jackfish Lake project which was announced a year ago and will provide additional capacity of 140,000 MCF a day with an in-service date of 2017. These three pipeline expansions will further strengthen our position in BC and we will see phased in growth of over CAD60 million of EBITDA over the next few years as these projects are completed.

We are very pleased with our current business development success in spite of today's price environment and based on what we see today, we anticipate more pipeline open seasons in the next six to 12 months in response to additional producer requests. As we continue to engage with our customers, there is strong producer motivation to make commitments for incremental capacity so stay tuned for more announcements in 2016.

Continuing our focus on Western Canada growth potential, the latter part of a decade will undoubtedly see the reemergence of the Horn River and the Liard Basins as they continue to be substantial resources in Northeast BC and we will see future large-scale productions as integrated multinational players with significant landholdings look to develop this vast resource for LNG export projects.

Shifting the discussion from supply push to demand pull on the next slide, what we are seeing in real time is an unprecedented growth in market demand for sustainable year-round capacity utilization on our system. While we have continued to invest in our BC pipeline performance over the years, this demand pull for abundant low-cost natural gas is driving a step change in how we need to operate and support our system going forward. As we said at the outset, we are experiencing record pipeline throughputs and consistently higher flows; therefore the need to modernize key elements of our existing system to maintain those flows has become imperative.

The RAM project, which stands for reliability and maintainability, will provide the ability for summer loads to flow at significantly higher load factors than in the past due to increased demands for low-cost BC production in the Pacific Northwest. This project effectively amounts to a modernization of piping and compression where we will phase in the necessary improvements for the 2016 through 2018 time period. Working with the support of our existing customers, we will invest \$450 million over the next two years on the RAM project adding reliability and maintainability to natural gas flows on our fully contracted capacity of 1.5 BCF a day. Look for RAM to add an additional EBITDA of \$30 million by 2018.

As we work to address these real-time market opportunities with RAM, it is also clear that there are more origination opportunities ahead as small-scale LNG projects, power generation and industrial facilities reach their FID investment decisions in 2016 to 2018 time period. It is very likely that we will be expanding for more demand pull growth through our traditional markets with an expected 0.5 BCF a day in future T-South expansions which is not reflected in this financial plan.

On a much larger scale, there has been much speculation as to the number of facilities and the timing of large scale LNG exports off the West Coast. While these are not projects that are scheduled for tomorrow, it is becoming clear that access to Asian markets will be a part of the future. Our West Coast Connector Gas Transmission project is well-positioned to facilitate LNG exports as these markets mature their requirements and timing towards the end of this decade.

In late 2014, we received a BC Environmental Assessment Certificate for two 48-inch pipelines with a design capacity over 8 BCF a day. To date, we are the only project with a dual pipeline corridor advantage. Our large-scale solution supports collaborations amongst LNG proponents on pipeline infrastructure which will reduce the environmental impacts and reduce the per unit cost of transportation enhancing the overall value chain economics.

Our vision to serve multiple LNG projects in the Prince Rupert area may be pushed out but we remain optimistic that BC will be competitive in the global LNG market. Our pipeline project is positioned well as is our existing G&P footprint as producers will require these services as well.

In conclusion, I would like to summarize our priorities for Western Canada. First, we will continue to focus on operational excellence and retain our competitive position. The sustainment of our earnings is of critical importance and we have taken steps to preserve our portfolio. We will focus on renewing our maturing fee-based, take or pay G&P contracts. We will continue to put our business transformation and cost management plans into action and capture significant cost savings and optimizing our assets to align with the market realities we will contribute to these cost savings.

Second, we will expand our low risk cost of service pipeline business by placing over CAD1.2 billion in new projects into service generating incremental EBITDA of over CAD90 million by 2018. We will take advantage of the economics of the Montney production to originate more BC pipeline growth to meet the needs of our producers in expanding markets in the Pacific Northwest.

As the world rationalizes the value of energy, our existing footprint will continue to meet the needs of our current markets and customers and we stand ready to serve the global LNG markets.

Our team remains engaged in driving end of decade growth with LNG related BC pipeline and G&P opportunities.

Let me now turn it over to Steve Baker to update you on Union Gas.

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**Steve Baker - Union Gas - President**

Thanks, Mark, and good morning, everybody. It is great to be with you this morning to give you an update on Union Gas.

As I mentioned last time last year at this time, Union Gas is often thought of principally as a distribution utility. This is really only part of the picture. Specifically Union Gas owns and operates a significant gas transmission and underground storage system.

Our transmission system has a current capacity of approximately 7 billion cubic feet a day making it one of the largest in North America on the basis of peak day capacity. In our storage system, known as the Dawn storage hub, is the second largest physical trading hub in North America and it is our transmission and storage assets that are in the midst of tremendous growth, expansions of almost CAD2 billion.

I will say that this level of growth is much more than you would typically see within a regulated distribution utility.

So what you should take away from today is that in addition to a stable distribution business, Union storage and transmission system continues to provide a significant growth platform. We are attracting and connecting new and more affordable supplies to Ontario in Eastern Canada through our Dawn storage hub and then moving these supplies through the Union Gas Transmission System to downstream consuming markets. In short, Union Gas provides the stability that you would expect from a regulated utility with a growth opportunity as typically seen in the midstream sector.

Since I was in front of you last year, we have continued to deliver on our commitment to grow EBITDA within the stability of the distribution business. We successfully placed into service our CAD420 million 2015 Dawn-Parkway expansion on time and on budget. The picture on the right-hand side of this slide shows our new Parkway compressor station which sits just outside of the major market of Toronto.

Further during 2015, we solidified our future growth opportunities by successfully securing regulatory approvals for our 2016 and 2017 Dawn-Parkway expansions along with our Burlington to Oakville transmission reinforcement project. These projects are now fully in execution and will deliver additional EBITDA growth over the coming years.

As we have discussed and highlighted in the past and as Greg referenced this morning in his opening remarks, the natural gas market in North America is still in the midst of significant change, specifically, a shift towards more regional-based supply and regional supply networks. The map on the right-hand side of this slide really illustrates the changing supply dynamics in and around the Ontario market area. Appalachian supply growth in the Marcellus and Utica shale plays are moving to and being connected directly to Ontario and specifically to the Union Gas Dawn storage hub.

Our customers are looking to diversify their gas supply and to access these new and more affordable regional Appalachian supplies. And our Dawn-Parkway transmission system and expansions currently underway provide customers the ability to then move these supplies to downstream consuming markets.

Similarly, Appalachian producers are looking to connect their supply to new markets and the Dawn storage hub is a very attractive destination. Dawn provides the producers the opportunity to buy, sell and trade their supply, the ability to store gas in the summer and withdraw it in the winter and to move that supply to a variety of large consumer markets in Michigan, Ontario, Quebec and the US Northeast. This is what creates value and this is what the Dawn storage hub provides.

Significant progress was also made during 2015 to solidify connecting new supply to the Dawn Hub and in turn enhancing the value of Dawn. Specifically at the end of 2015, the Ontario Energy Board provided regulatory preapproval of the Union Gas and Enbridge Gas distribution contract commitments for gas transportation capacity on the NEXUS pipeline. Regulatory approval of these NEXUS gas supply transportation contracts is a significant milestone supporting the delivery of new Appalachian supplies directly to the Dawn Hub and the Ontario market.

As you are aware, the NEXUS pipeline is a joint venture between Spectra Energy and DTE Energy. The path of the NEXUS pipeline is shown on the map on the slide and Bill Yardley will cover NEXUS in greater detail shortly.

But the key takeaway is that once the NEXUS pipeline is in service there will be a direct link from the producing region served by NEXUS to the Union Gas Dawn Hub and then through to markets in Eastern Canada and the US Northeast via the Union transmission system and connected downstream pipelines.

As mentioned, this direct access to Dawn by Appalachian producers similarly provide them the ability to sell their supply as well as access storage in all of the consuming markets in the Michigan, Ontario and Quebec corridor.

In addition, Union received regulatory approval to change the Ontario gas supply reference price which establishes the price our customers pay for natural gas and their rates to a new Ontario Dawn-based reference price.

This further reflects the shift in the supply dynamics in Ontario and Eastern Canada towards more regional supply delivered to the Dawn Hub and really solidifies the importance of Dawn as the predominant gas pricing point in Ontario.

As I referenced at the outset, the Union transmission system is currently a 7 billion cubic feet a day pipeline expanding to approximately 8 BCF a day with our 2016 and 2017 expansions now in full execution. This system is regulated, fully contracted with investment grade customers and like our Texas Eastern and Algonquin systems, connects diverse and affordable supplies directly to consuming markets and customers, markets where the lights are.



This next slide outlines the significant growth projects underway all across the Union Gas systems and importantly really demonstrates the progress achieved during 2015 in terms of both placing our 2015 Dawn-Parkway expansion into service and securing the regulatory approvals which allowed us to move three new projects fully into execution. These expansions are all underpinned by high credit quality customers and are not contingent on any other upstream or downstream pipeline projects or expansions.

We continue to pursue additional growth in 2018 and out to the end of the decade and are currently targeting an additional \$500 million. We commenced an open season in December of last year for additional capacity on our Dawn-Parkway transmission system and we are also working to advance an expansion of our Panhandle transmission system.

Our Panhandle system is shown on the map on this slide and our Panhandle system is a bi-directional pipeline that has the ability to move gas from the US Canadian border to our Dawn storage hub and then from our Dawn storage hub back to consuming markets along its path. This particular expansion is being driven by incremental market growth particularly in the greenhouse market in the Leamington, Ontario area.

Leamington is located just east of Detroit in Ontario and is home to the largest and fastest-growing greenhouse operation in Canada and one of the largest in North America. These operations in greenhouses are undergoing growth and they require additional supplies of natural gas to facilitate that growth. We will definitely keep you updated on these and other developments as we move forward.

Two important considerations to be mindful of related to the Union expansion projects is first, our transmission expansions at Union Gas are brownfield expansions and that they build off our existing system and existing rights-of-way.

Second, as a reminder and as Pat mentioned this morning, Union Gas continues to operate under a five-year incentive rate framework covering the period 2014 to 2018 which provides for automatic rate adjustments to recover the costs and the return on capital related to all major expansions as the facilities are placed into service. This is a critical and important feature of our incentive rate framework and further demonstrates the stability of the Union Gas distribution business and our ability to reliably deliver the EBITDA growth associated with our major expansion projects.

Last year we shared a commitment to deliver \$150 million of additional EBITDA post 2014 out to the end of the decade and with these growth projects and the regulatory approvals we secured in 2015, we remain extremely confident in our ability to deliver this growth.

Within the base distribution business, we continue to focus on operational excellence. This means safety in everything that we do, safety for our employees, our assets, our customers and the communities we serve.

And within our base business we continue to add approximately 20,000 new customers every year as natural gas continues to be in demand as a flexible and affordable fuel source. This consistent and stable growth in our base business represents approximately CAD65 million of capital a year or around CAD300 million over the next five years.

As discussed last year, we have continued to advance our New Community expansion project. We filed an application with the Ontario Energy Board, our regulator, in the second half of 2015 and we continue to work through the regulatory process in 2016.

This project, if approved, will provide the opportunity to deploy between CAD150 million and CAD200 million over a five-year period to expand our system in natural gas infrastructure to connect new communities currently without access to natural gas.

In addition, we are continuing to pursue what I would call non-traditional opportunities in the natural gas transportation sector.

During 2015, Union Gas partnered with the city of Hamilton which is located just outside of Toronto to construct a new compressed natural gas station that will supply natural gas to over 50% of the city's bus fleet. Union Gas owns and operates the station under a long-term contract with the city of Hamilton.

Union Gas continues to pursue other similar natural gas opportunities in the transportation sector and we want to work to position Union Gas as a leader in a market that is definitely showing future growth potential.

As we look forward to 2016, we are going to continue to build off the strength and stability of our base assets. We are going to work hard to link new Appalachian supplies to the Dawn Hub and downstream markets in the East. We will exercise the discipline to execute and deliver on our 2016 and 2017 Dawn-Parkway and our Burlington-Oakville projects on time and on budget and deliver the committed EBITDA growth.

We will continue to operate our assets safely and reliably, to deliver natural gas to our over 1.4 million end use customers and to our major Eastern downstream LDCs that serve many million customers as well.

In short, we are confident in the stability and growth within the Union Gas distribution business. And as you have heard in the past and further today, our base business is extremely solid and Union Gas continues to provide the stability, discipline and reliability within the Spectra portfolio through various commodity, business and market cycles.

With that let me turn things over to Guy Buckley to update you on Spectra Energy Liquids.

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**Guy Buckley - Spectra Energy Corp and Spectra Energy Partners - Chief Development Officer**

Thanks, Steve. Now let's shift our focus to Spectra Energy Partners. It is my pleasure to bring you up to date on Spectra Energy Liquids which as you know is held in Spectra Energy Partners.

Our Liquids segment consists of the Express and Platte Pipeline Systems. 2015 was another great year for Liquids demonstrating solid performance, generating stable earnings and positioning us for continued growth from our newest business segment. In fact in 2015, our Express-Platte System had the highest throughput in the history of the system.

Our Express Pipeline is the major pipeline moving crude from Western Canada to the Rockies refining regions and is a uniquely situated asset in North America's crude pipeline grid. Its geographic position offers great access to demand-pull customers over 95% of which are investment grade and to delivery interconnects throughout the Rockies region.

As you can see on the map, the Platte Pipeline is the only major West to East pipeline in the United States. The Platte pipeline transports crude oil from several key supply basins to a diverse customer base in the Midwest. The combined paths of both the Express and the Platte systems from Western Canada through the Rockies and the Plains states allows our shippers to access various types of crude in many markets and interconnects creating opportunities for our customers to optimize their use of our pipelines.

On our slide we show the other major pipelines near the Express-Platte Pipelines, many with which we have existing interconnects. You can clearly see a combined West to East pathway of our system offers opportunities not dissimilar to what has occurred in the gas pipeline grid. Several years ago most of the gas pipes were running south to north bringing gas from the Gulf Coast to the northern markets. This is also true in the crude world. For many years crude flowed north from the Gulf Coast fields and import points and from the hub at Cushing. New sources of crude have developed in the past several years, and new pipeline infrastructure has been placed into service.

The need to move along the historic south to north paths has changed, that has opened up opportunities for our system to transport crude more as a delivery header. Connecting to these north-south lines provides the opportunity to flow crude along new paths being opened up as the production locations change. We also connect to the refineries serving these regions along the paths of both the Express and the Platte pipelines. Our unique west to east combined pathways offers opportunities to capture new receipt volumes, to serve the refiners and to deliver crude to pipelines that serve other market locations that are pipelines don't currently reach.

As you have seen from the prior presenters, having pipeline assets in the ground is very important right now. Being the incumbent provider is a competitive advantage. We remain one of only three major pipelines from Western Canada into the United States. We provide the lowest cost path from Western Canada to the lower Midwest. In addition to these fundamental market advantages, we have a very stable platform. The Express Pipeline has reservation fees with escalating tolls.

Express is 90% subscribed with reservation contracts that have an average remaining life of over nine years. As I have already mentioned, we have an enviable base of demand-pull customers, 90% composed of refiners and with 95% investment grade entities.

On the Platte Pipeline which is the majority of the west to east path, we essentially have run at capacity for the past 10 years. Platte's tolls are also adjusted annually by FERC escalators and we have a diverse mix of creditworthy counterparties.

With our assets in the ground and access to key supplies in markets, we are able to grow the business even in the current environment. This chart shows the annual EBITDA contribution to the company from the Express and Platte systems since we acquired them in 2013 and what we are expecting through the plan period.

By the end of 2016, the business will have increased its EBITDA contribution to Spectra Energy by \$120 million from \$130 million in 2013 to \$250 million. That is largely due to our re-contracting efforts. We are delivering this strong performance to investors in the commodity cycle where we have seen the price of crude oil drop from nearly \$100 a barrel to well below \$50 today. The footprint of our Express and Platte systems, our contract longevity in the markets we serve enable Spectra Energy Liquids to deliver growing earnings regardless of the price of oil.

There are not many platforms that offer that level of stability in the liquids space so clearly Spectra Energy Liquids segment offers excellent shareholder value.

And we continue to grow. In 2015, we were able to secure subscriptions to our \$135 million Express Enhancement project which allows us to de-bottleneck the Express system and provide more system service to our customers. It is currently under construction and it will be in service in the fourth quarter of 2016. This expansion has an average contract life of over 10 years and with it, we are on track to more than double our 2013 EBITDA contribution by 2017.

In addition to a stable base with unique footprint, Spectra Energy liquids has real organic opportunities that offer growth into the future. Without a doubt we are in challenging commodity environments right now but we are very well-positioned to pursue new high returning projects in the near and the long-term.

For example, I recently mentioned the Express Enhancement project. We held the open season in early 2015 and will place it into service in 2016. As an incumbent, we enjoy substantial advantage in responding quickly to market demand and delivering a project expeditiously.

We continue to pursue a number of other on system projects which again can be brought online in a short period of time and with very solid returns. Additionally, we do not see the current commodity environment lasting forever. There will be a need for additional capacity to bring crude to markets. As I have said, we are very well-positioned to capture those longer-term opportunities when customers see the need.

We see significant interest in adding capacity along our current system which is now reflected in individual projects such as our Platte expansion and Westwinds Express. While not in our three-year plan, these projects would provide significant capacity expansions to move crude from Western Canada and the Western US to Midwest markets in various interconnecting pipes along the system early in the next decade.

Although these projects are further out in development, they retain advantages because we can utilize our existing right-of-way in many of the areas, leverage our existing infrastructure along our existing pipes and schedule the projects to be available when market conditions improve and customers see the need for capacity.

Our Spectra Energy Liquids business is built on a very stable base that offers a real near-term and long-term growth opportunity as demonstrated by our success to date.

So looking forward to 2016, what can you expect from Spectra Energy Liquids? We will be there for our customers with safe and reliable operations. We will place into service the Express Enhancement project by the end of 2016. We will continue to optimize both of our pipelines and we will continue to work with our customers to advance longer-term projects and large-scale solutions on a timeline that meets market demand.

Again, thanks for the opportunity to share Spectra Energy Liquids outlook with you and I hope that you can see that our Liquids business provides a great stable platform that provides near-term and long-term opportunities.

Now I will turn it over to Bill Yardley.

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**Bill Yardley - Spectra Energy Corp and Spectra Energy Partners - President, US Transmission**

Thanks very much, Guy. It is great to be with all of you here in New York today.

Year after year, it has been a pleasure for me to report that we had both exceeded our expectations for this business and continue to see earnings growth well into the future and this year is no exception.

The first half of the decade has been one of growth for US Transmission and that trend will continue over the second half of the decade on the back of rock solid base and relentless project execution. Throughout the course of the morning, the themes of stability, discipline and reliability ring strong and in that vein, I want to leave you today with the three messages you have heard from us many times before but hit the mark now more than ever.

One, the base business is solid supported by reservation charge contracts. Two, the projects we have already contracted for are well along in our execution process and create a consistent trajectory over the next three years to propel US Transmission EBITDA growth through the end of the decade. And three, we will continue to bring new development opportunities to fruition as we close in on securing additional projects that allow value for investors for decades to come.

2015 was an excellent year for us. From a base business perspective, we achieved our number one goal of safely and reliably operating our business. Safety above all else at Spectra Energy. We also saw a 98% contract renewal rate on Texas Eastern and Algonquin underscoring the value of that base business and we excelled on the project execution front bringing the East Tennessee Kingsport project online at the beginning of the year as well as placing Uniontown to Gas City and OPEN into service early totaling approximately \$700 million in capital invested.

We also advanced our other execution projects with significant regulatory progress. We filed seven certificate applications last year including an application for Access South, Adair Southwest and the Lebanon Extension. We filed for Atlantic Bridge, Gulf Markets, the Loudoun Expansion, NEXUS and TEAL as well as PennEast and STEP. That is incredible progress.

NEXUS achieved an additional regulatory milestone in 2015 when the Canadian utilities received approval from the Ontario Energy Board for their NEXUS contracts. This is a significant achievement and keeps us on target for November 2017 in-service date.

Importantly we also received timely FERC certificates on AIM, Ozark Conversion, the Salem Lateral and Gulf Markets to keep those projects on schedule to come online later this year. Folks, with the increasing challenge surrounding new development in our industry, this is a remarkable track record.

Finally, with our base business and our project execution solid, we also made progress on several development projects including Access Northeast. I will talk about this in a bit of detail a little later but wanted to highlight a few key successes that we had last year including pre-filing with the FERC and signing four groundbreaking contracts with electric distribution companies in Massachusetts.

The success we enjoyed in 2015 pushes us to greater heights for 2016 and beyond as we leverage our well-positioned footprint with a rock solid base and precision execution.

At this time last year I showed you a graph just like this. It showed a base of \$1.4 billion here in blue and execution project EBITDA in green growing to \$1.5 billion in 2015 and \$2.2 billion in 2020. Well, I am happy to report that this base business is now this \$1.6 billion block of granite, up from the \$1.4 billion thanks to new projects, the benefits of AFUDC and the demand for space on virtually every mile of our pipeline system. And we are confident that this base business will remain rock solid.

US Transmission has no commodity exposure and an asset footprint that goes where these lights are. Further, our reservation charge contracts average nine-year terms and as you have seen what comes up for renewal is perennially renewed. For this plan period, we will keep our focus on ensuring that this base business remain strong by operating the business safely and reliably and on that green section, executing on the backlog of projects to deliver incremental EBITDA this year and continuing into the next decade.

As you can see, if we move no new projects into execution, just keep progressing on those that we have already signed, then we will meet our commitment that we shared last year of adding \$800 million and incremental EBITDA by the end of the decade. Of course \$100 million of that is already in the bank from projects that recently went into service.

You know and I know that not many entities in our space can credibly show you a chart like this.

The true strength of the base business is the consistency of that long-term fee-based revenue. As you can see here, 95% of our revenue is backed by reservation based contracts not susceptible to the fluctuations of commodity cycles. Moreover, our contract renewal percentages and contract terms are key differentiators particularly given the current market dynamics and the importance of our blue block of granite base.

US Transmission has a strong track record of legacy contract renewals over many years from many different commodity and business cycles with average to contract renewal rate on the major pipelines of over 95% in the past decade. Last year it was 98% and whatever negligible revenue hasn't been renewed by the original shipper has been easily repackaged and remarketed due to the geographical advantage of the footprint that we hold.

Furthermore, the vast majority of contracts that come up for renewal are with utilities that need gas right where we are bringing it to them to serve their end use customers. And importantly, about 90% of our revenues are from an investment grade customer. Again, we go to where the lights are with valuable paths. This is not speculative capacity.

Let me just use New England as a quick example for you. Contracts that come up for renewal on the Algonquin Pipeline between New Jersey and Boston, what we call the legacy contracts, they have a rate of \$0.22 all with utilities. No one can build incremental projects or anything close to that today. In fact these same utilities have contracted with us for new capacity through our AIM and Atlantic Bridge projects for basically the same path for over five times that rate. Does anyone really think they are going to turn back the \$0.22 capacity to sign up for something that is going to cost them five times as much?

That fact pattern is very similar on our Texas Eastern and East Tennessee systems as well.

Another way to look at the value of the footprint is to look at the throughput on the systems. Without adding a whole lot of new capacity on Algonquin for example, the total annual deliveries that we deliver each year is up 50% over the last five years. The Algonquin System is constrained from west to east, from New Jersey all the way

up to Boston, which is why customers signed up for our AIM project under construction today and scheduled for in-service later this year. This project will increase the peak day capacity by approximately 25% from west to east.

Let's take Texas Eastern, demand there continues to be strong. In fact total annual deliveries in Texas Eastern's Ohio to New Jersey corridor in 2015 were up 20% year-over-year and deliveries to the PowerGen sector were up 30%. Additionally, even with mild winter conditions earlier this year, that same market area on Texas Eastern has had seven of its top 10 peak delivery days this winter and again a new number one peak day.

Algonquin and Texas Eastern are not the only Spectra pipelines experiencing record throughput. Every single one of our systems on this slide registered top 25 days in the last 12 months. When the geology gods decided to give the US a new 100-year supply of natural gas, they put the Marcellus and the Utica shale plays not in Iowa, not in Arizona but in Pennsylvania and Ohio, right in the middle of our system. That has made our existing capacity more valuable and new opportunities that we've been taking advantage of plentiful.

Our system's value should speak for itself and with nine-year average contract terms, our revenue is very stable and has been year after year as local distribution companies attached to strong markets continuously renew with favorable terms.

Turning to our execution projects, let's take a look at how we are going to continue the path to add another \$700 million in EBITDA by 2020.

We entered 2015 with about \$6 billion in execution and put Kingsport, Uniontown to Gas City and OPEN into service last year giving us an EBITDA boost in the second half of last year. Those projects will continue to add another \$80 million in 2016 and beyond. We've also kept the balance of that \$6 billion on track. It was an active year on the project execution front as I noted with our regulatory activity and the projects slated for in-service this year and next are progressing very well including Sabal Trail and AIM.

Sabal Trail is our partnership with NextEra and Duke to build a 500-mile pipeline into Alabama, Georgia and Florida principally to serve Power Generation. It is another very strong demand-pull project as Florida Power & Light and Duke are the customers. The project is progressing nicely and as you may know, we have received our FERC certificate. We received it on Tuesday, on time, keeping us on track for a mid-2017 in-service date. At a time when every permit and certificate is challenged, we are thrilled to have achieved this milestone on schedule and construction is expected to commence this summer.

The AIM project is an on-system expansion of the Algonquin Pipeline from that liquid supply area on the West End of Ramapo, New York to various southern New England city gates. The project helps to address the needs of those Southern New England local distribution companies that are directly connected to Algonquin and will provide the New England region with major capacity relief starting next winter.

AIM has a two season construction schedule. We finished our scheduled 2015 work this past summer and have all major environmental permits in hand and we will finish construction later this year to achieve our November 1, 2016 in-service date.

I cannot stress enough how instructive our recently completed projects have been. Multiple Texas Eastern reversal projects, four completed, two well along in the execution process, multiple city projects in New York and Boston and in Philadelphia, all complete, greenfield efforts complete. This experience dictates our disciplined approach to project execution keeping our projects on schedule.

One of the competitive advantages that we have particularly in a challenging market is that we will form some very strong partnerships like with Sabal Trail and Access Northeast, partnering with regional and industry leaders to better understand the landscape, the environment and the customers helps to ensure projects get built when we say they are going to get built. This has been a key to our success.

Just to summarize this slide, this backlog of secure projects and execution of \$5.5 billion in new investment plus the projects we put into service last year, contribute over \$700 million in EBITDA by the end of the decade. There's a lot of numbers on this page but don't miss these two. 80% and that is the percentage of revenue contracted for in these projects by end-use customers. And 19 years; that is the average term of those new agreements.

So that is a high-level view of projects in execution and now let me give you a more detailed view of one project in particular we have gained a lot of momentum on and that is NEXUS.

All project paths have a beginning, usually a supply region where the gas is coming from, an endpoint, typically they market or the markets where it is going to, and a middle. What is along the route, opportunities and challenges?

A good project is strong in at least one, perhaps two of these areas and a great project is strong in all three. Our New Jersey-New York project for example had all three as do all of our pipeline reversal projects and all of the recent Texas Eastern and Algonquin efforts. This is why we are so dedicated to NEXUS.

The NEXUS project is a 250 mile 1.5 BCF a day greenfield pipeline that will originate in Kensington, Ohio, connect with DTE Gas in Michigan and continue all the way to the Dawn Hub. The path will utilize the Texas Eastern system, DTE Gas and Vector pipelines. The project represents a tremendous opportunity for customers to access gas both from the Utica and Marcellus shale plays and for the Appalachian producers to move their gas out to markets in Ohio and Michigan or to the 160 BCF Dawn Hub, the second-largest physically traded gas hub in North America owned and operated, as Steve mentioned, by Union Gas.

NEXUS is a key strategic project for us as it will physically connect Texas Eastern with the Union Gas system in that massive Dawn Hub, something we have been envisioning for our customers for a decade.

Since last year when we put NEXUS into execution, we have had more successes that reaffirm the project. Critically in Ohio, NEXUS has been very successful in signing connection agreements with various markets, 12 new connections in fact along the greenfield portion of the pipeline. These connections include Columbia Gas of Ohio and Dominion East Ohio, which are the two largest natural gas distribution customers in the state. Two smaller natural gas distribution companies and three industrial parks round out new commercial and residential markets attached. NEXUS has also been successful in attracting connections to two major natural gas fired power plants supporting Ohio and Michigan's off-coal strategy.

Power generation will continue to drive demand in this region due to environmental goals. In fact, the Great Lakes regional power generation load is projected to increase by more than 3 BCF a day by 2030. That is only 15 years largely driven by coal to gas switching.

This is a great project. The beginning; the most prolific supply basins in North America, utilizing Texas Eastern to access the sweet spots of both the Utica and the Southwest Marcellus. The end; three major local distribution companies and the Dawn Hub, the second-largest trading hub in North America with its liquidity and 7 BCF a day of take away. And the middle; a constructable route, improving upon existing infrastructure attached to 1.4 BCF a day of Ohio markets with further opportunities for power generation growth.

This is what the producers in the Utica and the Marcellus want to see and what the Ohio, Michigan and Ontario markets want to have.

NEXUS continues to advance nicely following the FERC application filing and that Ontario Energy Board approval that I mentioned.

So we have been hitting on all cylinders year after year in US Transmission, perpetually renewing the base, adding to the solid base with signed in execution projects that will keep the Company growing through the end of the decade. And yes, we are confident in signing new prospects even in this environment.

Interest remains strong in many of these projects, particularly those that are the demand-pull and while the supply push projects are likely to proceed at a slower pace with the current market conditions, we are confident that new infrastructure will be needed and our footprint and project execution track record will ultimately secure those supply push commitments by the end of the decade.

Gas fired generation, as the cleanest, cheapest, most versatile fuel for electric power is not going away anytime soon. Environmental pressures are going to continue and as renewables become a bigger part of the generation mix, gas becomes more critical, not less. The new hybrid fleet will need to rely on large gas-fired generators and thus additional gas pipeline capacity to provide backup when the wind isn't blowing and the sun isn't shining. Our infrastructure across the US must be enhanced to make sure we can meet that peak hour when renewable generation is at its lowest.

Furthering the point, EIA projects a 40% increase in gas-fired generation by 2040 and we have already seen this trend of increased usage across our vast pipeline network.

Looking across this footprint, opportunities for growth fit into three categories; Northeast demand-pull, so Access Northeast for New England power generation, along with other regionally underserved areas such as Philadelphia where our footprint gives us an advantage. We already have pipelines that connect the most prolific shale play in North America to these markets and we have the proven ability to enhance that infrastructure through this challenging region.

Second is the Southeast and Gulf demand-pull projects, incremental gas-fired generation continues strong in this area and in fact Southeast power generation is expected to increase nearly 30% in the next 10 years and we don't have to look far to see examples of this. Our SESH pipeline down in the Southeast was used 96% of the time which as you know that principally serves generation going in Florida. And industrial demand along the Gulf Coast has started that surge with the lower natural gas feedstock prices.

Once again, our infrastructure that weaves its way throughout the Gulf is in fine position for further enhancements to feed this market. And Mexico demand-pull is expected to grow by more than 100% in the next 10 years from the current 3 BCF a day of US exports to more than 6 BCF a day and we are building on the relationships that landed our STEP project with the CFE in Mexico to feed this growing demand for power generation across the border.

As I mentioned earlier, we have seen a nearly 30% increase in power plant deliveries on Texas Eastern in 2015 versus 2014. In the PJM and the New England regions, we are in discussions with more than 25 power plants interested in receiving gas off of our system. In fact, of the four natural gas fired generation plants that have cleared ISO New England's 2017 and 2018 forward capacity auctions, all four are located on our Algonquin pipeline.

So on that topic, let's discuss our most probable near-term project, Access Northeast. While more natural gas-fired generation is being cited on Algonquin, the combination of the deregulated generation market and limited incentive to contract for pipeline capacity by generators has led to a drastic scarcity of capacity on peak days, and extreme price volatility in New England. The gas-fired generators that can find supply end up paying an inflated market price which gets borne by all electric consumers and has led to some of the highest retail electric rates in the country.

The solution to this problem is our Access Northeast project. As a refresher, this is a project in partnership with Eversource Energy and National Grid to bring dedicated capacity to the power generation market. This 900 million cubic feet per day solution is designed to directly serve all of the 5000 megawatts of generation that ISO New England has deemed critical to have firm supply. The project will maximize the use of infrastructure on our existing footprints, utilizing Algonquin and the Maritimes and Northeast pipelines, which are already directly connected to more than 60% of the existing power plants in ISO New England.

Our solution cost effectively offers supply when generators need it, with new tariff services specifically for electric generators to handle the peak hour, a quick start, and seasonal needs. We get gas from the least expensive areas with multiple supply options directly to the majority of the power plants in New England.

Good progress was made on Access Northeast in 2015, as we filed our pre-file application with FERC, and we are off to a great start in 2016, as we have recently executed contracts with four electric distribution companies in Massachusetts equaling more than 40% of the project's 900 million cubic feet per day design. Look for additional contracts and filings in the other New England states in the coming months.

Once again, this project has the right beginning, Marcellus supply from multiple pipelines at the West end of Algonquin. It has the right end, already being directly connected to the majority of New England's generators and the clear choice for future generators. And it has the right middle, taking advantage of our existing footprint to add capacity in the least invasive way; as I said, the three hallmarks of a great project.

And our partnership blends local and federal permitting expertise, and we are aligned with the local authorities on the objective of lowering costs for New England electric consumers in an environmentally friendly manner.

So I will just wrap up. Our priorities are to continue the momentum, maintain and strengthen that base business and deliver on incremental growth. US Transmission's position in this market and our base are both very solid. Our project execution backlog has us set up to grow through 2020. Our success in executing projects on time for our customers continues to open doors as we chase development projects now and into the future.

Yes, we are proud of what we accomplished last year and the springboard that those successes will lead to in 2016 and beyond. With that, let me turn things back over to Greg.

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

Thanks very much, Bill. I know that we have shared a lot of information with you here this morning, and I trust that you have picked up on the very positive plans we believe we have got for the 2016 to 2018 period. In fact, there might be some of you wondering with the solid coverages that we've shown you here today that why aren't we increasing our dividend and distribution expectations.

Well, I think as we have demonstrated time and time again, that we do make realistic commitments to you folks and we have a record of delivering on those commitments. And that we plan to continue to deliver on those comments, and doing that in challenging energy markets sure calls for an element of confidence but also an element of prudence as well.

So planning for unexpected is part of the discipline. I think that you've seen from this management team time and time again and so keeping 20% to 30% more dividend and distribution coverage in this down market makes sense to us versus what you would have seen a year ago.

Let me reiterate a few of the key takeaways that I hope you have picked up today and that underline our stability, our discipline and our reliability.

First, the fundamentals matter and I will keep saying it and I have said it for years. We go where the lights are, connecting those regional demand markets with diverse supply basins. And having a footprint that is predominantly natural gas focused to serve growing end-use markets and that last mile competitive advantage really provides a commercial platform for us to continue to generate revenues with no or little direct commodity exposure and minimal volume risk.

Second, having a stable business model matters and positions us, and our customers and our investors to succeed through all the various market cycles that inevitably occur. And there are several attributes of our business model that lead to that stability.

First, more than 90% of our customers are investment grade or investment grade equivalent; more than 70% of our Canadian EBITDA is supported by cost of service regulated rates of return which are reflective of the minimal risk profile of those businesses. The average remaining contract life on our US Transmission pipelines is almost nine years while the Express average contract life is over nine years. And outside of our DCP joint venture, over 95% of our earnings are fee-based with minimal volume risk.

Third, I think that disciplined track record matters and we have a strong record of consistently securing financing and executing on projects to deliver attractive returns for investors over not just the short term but also over the long-term.

Another competitive advantage for us, in the last three years alone, we have placed \$10 billion worth of projects into service on time or ahead of schedule and providing secure EBITDA and DCF. And we still have \$8 billion in our secure project execution backlog.

We are confident in our ability to fund our growth given our stable investment-grade ratings, ample liquidity, multiple financing sources including two attractive currencies in Spectra Energy and Spectra Energy Partners.

Fourth, experience matters especially in times of market instability. Our team has managed through business and market cycles before giving us another competitive advantage as we have, can and do react quickly to changing dynamics.

Lastly and most importantly, commitments matter and doing what we say we will do matters even more. Our record of reliably delivering on our commitments to investors coupled with the fundamentals, the experience, stability and discipline gives us confidence in our ability to deliver annual dividend growth at Spectra Energy of \$0.14 per share right through 2018 while maintaining strong coverages. Likewise, at Spectra Energy Partners, we expect quarterly distribution growth of \$0.0125 per unit through 2018 with coverage of 1.2 times in each year. Based on our track record we hope you can see that we continue to offer realistic commitments and consistently deliver on those commitments.

Our commitments of both attractive dividend and distribution growth and stronger coverage than and virtually anybody else truly differentiates Spectra Energy and SEP from the many, many midstream companies that are out there today. And as we move through 2016 and beyond, Spectra Energy and Spectra Energy Partners are really well-positioned as they have been for a long time for steady growth and returns and that makes them must own energy investments.

Let me try to put this investment thesis into financial terms. If you had invested in Spectra Energy stock three years ago, your capital would not only have been protected, it would have gone up and you would have realized a 15% yield on your investment from dividends. No other major pipeline's common stock has been able to do that.

Equally valuable, and more impressive, would have been if you took the opportunity to invest in SEP units three years ago. In that case your capital would have appreciated by over 30% and your original capital would have also realized about a 20% yield from growing steady distributions. Virtually no other midstream MLP provided that investment opportunity.

That is how this management team leads Spectra Energy and it is how investors I think should be thinking about us when you invest in us: stable, disciplined, and reliable.

I want to thank everybody for being here today and look forward to taking your questions.

## QUESTION AND ANSWER

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### Unidentified Company Representative

So thank you everyone for being here. So we are going to open it up for questions now. When you do ask a question, we'd just remind you that we are webcasting. So we would ask you to state your name and your affiliation. We do have a very large number of people here in the room so I'm going to ask you to limit your questions to one each because we do have a bit of a schedule I've got to keep these guys on so we will get going. Who wants to start?

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### John Edwards - Credit Suisse - Analyst

Good morning. John Edwards, Credit Suisse. Just on the Northeast Direct project, if you could just remind us -- I am sorry -- Access Northeast, excuse me --



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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

I'm not aware of that other one you mentioned.

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**John Edwards - Credit Suisse - Analyst**

Sorry, my bad. On Access Northeast, just remind us how much of that is commercially secured at this point and do you have enough volume secured to meet your economic hurdle rates on that? That is my question.

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**Bill Yardley - Spectra Energy Corp and Spectra Energy Partners - President, US Transmission**

So we haven't put Access Northeast into execution yet. So commercially secured, you have to just look at those four contracts that I mentioned in Massachusetts. I think the process that the states are going through in New England is a fairly long one but we expect more contracts to be signed and filings to be made within each state as those states progress their own processes for allowing electric distribution companies to sign up.

We actually are very optimistic that we will have one or two filings over the next month and then the rest would follow probably in the end of the first quarter, beginning of the second quarter this year.

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

You know, John, one way to think about that pipeline, I'm not sure it is what is signed up but think about the two partners we have in that, right, Grid and Eversource and the entities that they own who will ultimately benefit from that pipe.

So it is a little bit different structure and typically we would have put that project in execution but because of the regulatory environment, we don't want to get out in front of ourselves. So in fact, if I look across the whole portfolio I think regulatory approvals are the things very much seem to trip up a number of other companies so we are cautious before we say it is ready to go.

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**Shneur Gershuni - UBS - Analyst**

Shneur Gershuni, UBS. A question really for Wouter. It is a two-part question. One, I was wondering if you can talk about the flexibility you have in your CapEx to be at the lower end of that number or even potentially below that number? Secondly, with all the contract renegotiations, how much of the upside have you given up at LLC should commodities ever recover?

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**Wouter van Kempen - DCP Midstream - CEO**

Let me take the second one first, the contract renegotiations. The way you've got to look at this and I think we have explained many times before, we are not going to producers today and locking in the current price environment. What we are doing, we are going back to what we call historical average levels. So a lot of the upside that we have gotten in 2015 that we are doing in 2016, we basically are getting back to the 2014, 2013 type of returns and margins that we got. So we feel pretty good about that, locking those services in at good returns and therefore, I don't think you are going to give up an awful lot of upside in the future.

Your first question flexibility on CapEx, we react with the producers and we have had many discussions about this over the last 16 months when we started slowing down. At LLC, we are -- we feel very closely what the producers feel and we feel things quicker than many other in the industry based on the way we are contracted at the LLC level. So we started slowing down. We are not a build it and they will come type of company. We put capacity in as needed when needed, and start filling it up very quickly. We put capacity in in the Delaware Basin with the Zia II plant; we put capacity in in the DJ Basin with the Lucerne II plant. All of those are online and right now we are looking and seeing what the producers are doing.

If they are starting to go faster, then we will go hand-in-hand with them. So we flex up very quickly, we will flex down or we have shown that we flex down very quickly.

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

I think that if you think back to 2014, I think we were at 2 billion and now we are at \$200 million basically in expansion capital there so and that is really finishing up stuff that folks have contracted for. So that is a 90% reduction. That is huge and I think it speaks to what Wouter said.

Your last question was with respect to how much upside? You can imagine that the owners asked that question too and as we look through this and I think -- and Pat correct me -- we did look at that and I think it is \$0.65 or \$0.70, maybe there was a couple hundred million dollars of upside that we had given up. And you trade that off with stability. So as you know, we have never paid dividends out of what comes out of DCP but that is obviously something that we trade-off in terms of -- so you give up a little bit on the upside but you are getting greater stability. And I think you see that stability in your consolidated and DPM numbers.

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**Nathan Judge - Janney Montgomery Scott - Analyst**

Nathan Judge from Janney. Just looking through the slide deck, I don't see any reference to your backlog in development. Could you just kind of broadly speak about \$35 billion in this environment, what are you seeing there and has that been pushed out or what are your thoughts?

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

Those of you that have been around for a while know we started with \$25 billion and then in 2013 we bought the Express-Platte and increased that to \$35 billion. And we said by -- the other elements of that was the LNG project started to take off. We know where we are now, we are not quite taking off on LNG and new crude projects today. But we did say we would secure those by the end of the decade, now get in service by the end of the decade.

So I would say we have got about, between gas and liquids projects, we've got a development backlog of \$50 billion of projects and a big element of that would obviously be associated with oil projects and LNG. And it will be the back end of this decade that we will secure those. But I do believe they will go forward.

Look, I don't know where commodity prices are ultimately going to be but I don't believe oil is going to stay at \$30 forever. And also remember what we are doing. We are moving--just like what happens with gas, we are moving a product that sells for a certain price in Western Canada and Western Canadian select oil has been as low as \$10 in the last few months, two markets that are higher. So let's even say \$30, \$35 and you are charging a relatively cheap rate and cheaper than anybody else to get there. So remember it is the delta.

On the LNG side, it will take some -- it will take some come back in the global price of oil. So on a relative basis, if it costs let's say \$10 an MMBtu fully delivered to Asia, that is \$70 oil, folks aren't really going to go for that right now. But that too can change quickly.

So I guess I think what I have been clear on in the past, Nathan, has been we need one LNG or one crude project to hit the \$35 billion in secured projects by the end of the decade. So we will see. I've got a good group of folks to go out there and hunt that stuff down and as quick as I have seen things turn one way or the other, I think you could see some consolidation of projects on the LNG side. I think that is a winner for us and eventually people do need to find additional capacity to move their product out of locations like Western Canada. Does that help?

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**Christine Cho - Barclays Capital - Analyst**

Christine Cho from Barclays. So hard to pick one but I am going to go with your partner in Gulfstream is out there telling people that their 50% share of the pipeline is potentially up for sale. So A, do you have a ROFR? B, can you even buy it if you wanted to given your interest in Sabal Trail? And C, do you not want it at all because you have \$3 billion of spend of growth CapEx this year, \$2 billion, you have enough on your plate and you just think the capital spent is better on projects?

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

Yes, several elements of that one question. So yes, I don't know what the partner is out there, our partner is Williams. So I don't know what they are saying -- you mean the people that may buy Williams are saying that that is for sale. Well, we have a ROFR, so they may be running something and that ROFR obviously has a certain amount of time to it for us to consider it. And I think you would expect us to fully give that consideration.

The issue will be one of price. It has been an excellent asset, it is an excellent asset. We have expanded Gulfstream I think eight times over the years. It's got great customers, long-term contracts so we would definitely look at it. But obviously when we are building stuff at the multiples we are and given that that now is an annuity the way that it is contracted, it doesn't seem to be logical to pay some incredible price.

So actually don't think it is a strategic issue, a competitive issue whether we have a ROFR, which we do. I think it just comes down to does that make sense depending on what it goes for from and SEP perspective and that is where we would do it. No SEC issue, that is correct.

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**Faisal Khan - Citigroup - Analyst**

Faisal with Citigroup. Just a couple of questions. On the SE and SEP ATM programs you talked about, does your forecast for leverage ratios and your dividend distribution coverage ratios take into account that you are going fully utilize those ATM programs or how are you looking at your forecasts?

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

What they assume is a 50-50 debt equity on our SEP projects and it assumes \$400 million to \$600 million over the three-year period, not in any one period but over the three-year period in terms of using the SE ATM. That is all taken into account in the numbers that you have got.

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**Darren Horowitz - Raymond James - Analyst**

Darren Horowitz from Raymond James. Quick question for you, Bill, if I could on the project snapshot for NEXUS. Just thinking about the incremental demand pool on Vector to move hydrocarbons West or Southwest out of that Chicago market and then also kind of the contra demand pull to the Northeast just through Dawn Hub, how do you think about scaling that project up because when you look at the opportunity set that you detailed on slide 65, whether or not it is industrial demand or PowerGen it seems like further leveraging up Nexus could soak up a lot of that capital and maybe be one of the largest growth projects that you have in the backlog for the next five years?

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**Bill Yardley - Spectra Energy Corp and Spectra Energy Partners - President, US Transmission**

Yes, it could. So I think the first job is to make sure that the original phase of NEXUS gets on track and on track for 2017. So far so good there. Right now with the producers having a little less ink in their pen I think we focus on the blocking and tackling and what that is is adding the load along the system so that it makes it more and more and more attractive. I agree that if these numbers are even close to being right for PowerGen load and for that industrial corridor, we pick that route for a reason. That route is a more northerly route than we could have picked and it was to go toward more consumer demand.

And so yes, we feel really good about that stride. It almost completes the sort of spider that the Spectra assets have become coming out of the Marcellus and the Utica, got a great set of assets to the East, excellent for the South to the Gulf and now to get up to Dawn that would be a tremendous thing for us. I think it could be a very good growth project in the future.

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

You know, Darren, we have been doing it for a long time and I like to refer to it as the butterfly out of the Marcellus. But I hate to put you on the spot, Bill, but you gave me some MISO numbers on Midwest Power the other day that were 12% gas in the Midwest right now going to 40% gas by 2025 which I think is like 40,000 megawatts they would have to convert, that is massive and that is in the back area.

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**Michael Blum - Argus Research Company - Analyst**

Michael Blum, Wells Fargo. Questions on DCP or I guess question. Just turning to -- apologize if this is an obvious question -- but when you talk about breakeven at \$0.40 or \$0.35 -- breakeven to what exactly? What does that mean breakeven? And then just want to clarify in the three-year guidance, are you assuming any earnings or cash distributions from DCP in those numbers? Thanks.

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**Wouter van Kempen - DCP Midstream - CEO**

Yes, the breakeven, what we are doing there is for everybody to take it back, \$0.60 was kind of our cash flow breakeven in prior years. We took that down to \$0.40 in 2015, taking it down to \$0.35 into 2016. On top of that, people are probably looking at budget and seeing \$45 crude and look at what are you printing here today. We are on top of that are looking to be free cash flow breakeven at LLC at prices that are significantly lower that you see being printed on the screen today. So that is kind of how we are looking at that.

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

And from a cash perspective, yes, I think we are assuming \$50 million to \$75 million a year that we will get from DCP, I think it is about \$50 million in 2016.

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**Ted Durbin - Goldman Sachs - Analyst**

It is Ted Durbin with Goldman Sachs. I'm just wondering if you can talk to the decision-making around investing in Canada whether it is at Union or in Western Canada. The build multiples there aren't that strong, right, we were talking about \$1.2 billion of CapEx or \$90 million of EBITDA. It is kind of double-digit multiples versus what you can do in gas. And then also the need for the ATM to fund that CapEx, how does the logic work there?

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

So remember the multiple is high because the equity is low. So you have 35%, 36% equity component by law or by regulation -- I shouldn't call it law, which means you have to have a higher debt component which means your EBITDA multiple ends up being higher.

But you earn 10% plus on that equity and you obviously only have to raise 35% equity to be able to fund that with virtually no capital cost risk, no customer risk and I would also say depending -- people have been wrong on this for 10 years -- depending on your view on rates, the ROE goes up with rising rates.

So I think it goes to that risk-adjusted perspective. I would also say assets like Union Gas and the West Coast Pipeline are credit enhancing assets which is different than a lot of other folks in the industry might be able to have. So you put those attributes together, you are right, it is a higher build multiple but I think although for the whole company obviously we run everything from a cash perspective, a lot of people would look at those assets from the net income that it generates off the equity.

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**Unidentified Audience Member**

You ended by talking about the performance of SE and SEP. DPM has gone 40 to 18 plus about \$12 of dividend. So although you are only 50% responsible, DPM is sitting on your stage and Wouter has been doing everything. I think the message out of here is that DPM as a security is stable in its distributions and then DCP Midstream, everything is being done to make it a survivor through these times. And Wouter has a page that is about controlling what he can control and that is clearly what he can control. What he can't control but what you can control.

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**Unidentified Company Representative**

Excuse me. Can you get to the question please?

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**Unidentified Audience Member**

Is the yield and you have already done some of that. And so this doesn't show necessarily how you get to the yield that allows you to participate in a consolidating industry. Curious how you think about that.

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**Greg Ebel - Spectra Energy Corp and Spectra Energy Partners - CEO**

There is not going to be a whole lot of consolidation happening right now, A. B, as you know, we have taken the CapEx from \$2 billion plus down to \$200 million. So we don't need to raise any capital on that and I would point out that look, I think this is one of the challenges that Midstream MLPs and what I will call Midstream MLPs, G&P MLPs have an investors need to be cognizant of as well as management teams that you are going to have ups and downs. I can remember in 2009 that DPM was \$5. So then they went to \$50.

So I think you've got to be realistic about what you can do, you have to manage the things that you can manage and you have to be very forthright with investors with the risks that you take in. So I would argue that probably DPM because of the actions of the team and the parents have done is probably the best positioned G&P MLP that is out there. Do we have time for one more?

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**Unidentified Audience Member**

This is a quick question and maybe a little bit nitpick on the numbers but it looks like the execution projects are all still scheduled to be coming in in the second half of 2017 except for Stratton Ridge. But your CapEx in 2018 for expansion is almost \$1 billion. Are there other projects in there or how do you put something into service without spending all the money before it is there?

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**Greg Ebel - *Spectra Energy Corp and Spectra Energy Partners - CEO***

No, what we have got in there is obviously projects like Access Northeast that obviously you have build times in there that go right through 2018. That is not a project in execution yet but we are going to be spending money. Our expectation is that we will spend money and I think what we have said is sometime in the first half of this year we would expect to put projects like that in execution. We probably have one of Steve's builds in there as well so not all the CapEx that you are seeing there is associated with projects in execution, some of them are with projects in execution largely the 2016, 2017 but some of the 2018 builds are for things in 2018 and beyond.

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**Unidentified Company Representative**

So we will get to the numbers. I apologize but we are going to have to call it a day. I've got a pretty busy schedule as I mentioned with these guys. Appreciate you taking the time this morning. If you have follow-up questions at all, feel free to reach out, Roni Cappadonna and me and the IR team but again travel safe and thanks again for being with us this morning.

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**Operator**

This concludes today's conference call. You may now disconnect.