

# Spectra Energy Partners

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First Quarter 2017 Supplemental Slides



**Investor Relations**  
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# Legal Statements

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## **SAFE HARBOR STATEMENT / FORWARD-LOOKING INFORMATION**

Some of what we'll discuss today concerning future company performance will be forward-looking information within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Spectra Energy Partners' Form 10-K and other filings made with the SEC concerning factors that could cause those results to differ from those contemplated in today's discussion. The terms "we," "our," and "us" refer to Spectra Energy Partners.

Also, this communication includes certain forward looking statements and information ("FLI") to provide shareholders and potential investors with information about us and our subsidiaries and affiliates, including management's assessment of us and our subsidiaries' future plans and operations, which FLI may not be appropriate for other purposes. FLI is typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favorable terms or at all; cost of debt and equity capital; expected supply and demand for crude oil, natural gas, natural gas liquids and renewable energy; prices of crude oil, natural gas, natural gas liquids and renewable energy; economic and competitive conditions; expected exchange rates; inflation; interest rates; tax rates and changes; completion of growth projects; anticipated in-service dates; capital project funding; success of hedging activities; availability and price of labor and construction materials; operational performance and reliability; customer, shareholder, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; public opinion; and weather. We caution that the foregoing list of factors is not exhaustive. Additional information about these and other assumptions, risks and uncertainties can be found in applicable filings with U.S. securities regulators. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.

Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this presentation is expressly qualified in its entirety by these cautionary statements.

## **REG G DISCLOSURE**

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available on our website.

# Spectra Energy Partners: Ongoing Distributable Cash Flow



(US\$ Millions)	1Q16	1Q17
US Transmission	411	<b>499</b>
Liquids	56	<b>68</b>
Other	(20)	<b>(22)</b>
Ongoing EBITDA	447	<b>545</b>
ADD:		
Earnings from equity investments	(27)	<b>(38)</b>
Distributions from equity investments	65	<b>38</b>
Other	2	<b>1</b>
LESS:		
Interest expense	56	<b>56</b>
Equity AFUDC	17	<b>45</b>
Net cash paid for income taxes	1	<b>5</b>
Distributions to non-controlling interests	7	<b>12</b>
Maintenance capital expenditures	35	<b>25</b>
<b>Total Ongoing Distributable Cash Flow</b>	<b>371</b>	<b>403</b>

**Expect full year 2017 coverage of 1.05x – 1.15x**

*Reflects full quarter results from January 1 to March 31.*

**9 years**  
of consecutive quarterly  
distribution increases

# Spectra Energy Partners: 2017 Distributable Cash Flow Outlook<sup>1</sup>



(US\$ Millions)	Low	Mid	High
US Transmission		2,020	
Liquids		260	
Other		(80)	
EBITDA		2,200	
ADD:			
Earnings from equity investments		(200)	
Distributions from equity investments		150	
Other		10	
LESS:			
Interest expense		280	
Equity AFUDC		115	
Net cash paid for income taxes		15	
Distributions to non-controlling interests		45	
Maintenance capital expenditures		265	
<b>Total Distributable Cash Flow</b>	<b>1,400</b>	<b>1,440</b>	<b>1,480</b>

1.05x to 1.15x  
Coverage ratio

\$0.0125/quarter  
distribution increases  
through 2017

<sup>1</sup>Reflects expected results for full year 2017 utilizing mid-point of distributable cash flow guidance range.

# Spectra Energy Partners: Key Balance Sheets Metrics



	03/31/17
Total Debt	<b>\$7.7B</b>
Financial Covenant Metrics	<b>4.1x Debt/EBITDA<sup>(1)</sup></b>
Credit Ratings	<b>Baa2 / BBB / BBB<sup>(2)</sup></b>
Available Liquidity	<b>\$1.7B</b>

*(1) Calculated in accordance with the credit agreements; max 5.0x*

*(2) Moody's / S&P / Fitch senior unsecured ratings*

**Committed to investment grade balance sheet**

# \$4+B Projects in Execution, ~75% Demand Pull



## Continue to pursue development projects

	In-Service	Counterparties	Est. CapEx (USD \$MM)
2017	Sabal Trail	1H17	○ ○ ○ ○ ● ~1,600
	Gulf Markets – Phase II	2H17	○ ○ ○ ● ○ 110
	Access South, Adair Southwest & Lebanon Extension	2H17	● ○ ○ ○ ○ 450
	Atlantic Bridge	2H17 – 2H18	○ ○ ○ ○ ● 500
	NEXUS	2H17	○ ○ ● ○ ○ 1,100
	TEAL	2H17	○ ○ ● ○ ○ 185
2018+	Bayway Lateral	1H18	○ ○ ○ ○ ● 30
	PennEast	2H18	○ ○ ○ ○ ● 120
	STEP	2H18	○ ○ ○ ○ ● 130
	Stratton Ridge	1H19	○ ○ ○ ○ ● 200
TOTAL Projects in Execution			\$4,425

**NOTE:**

- "Execution" = customer agreements executed; currently in permitting phase and/or in construction
- JV projects shown with Spectra Energy Partners's expected portion



# Investor Value Proposition

**Stable. Disciplined. Reliable.**

We go “where the lights are” – connecting diverse supply basins with regional demand markets – “last mile” competitive advantage

## Stable business model

- Primarily natural gas pipeline focused
- Fee-based revenues with no direct commodity exposure and minimal volume risk
- Strong investment-grade customers

## Outstanding asset footprint

- Well-positioned platform for further demand-pull expansion
- Track record of successful project execution

## Prudent financial management

- Commitment to investment grade balance sheet
- Significant liquidity

## Attractive distribution growth

- 38<sup>th</sup> consecutive quarterly distribution increases
- Sustainable growth with strong coverage

# Major Execution Projects

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# Access South, Adair Southwest & Lebanon Extension Projects



## Purpose:

- Provides shippers with firm transportation service from the Appalachian shale supply basin to markets in the Midwest and Southeast

## Project Scope:

- Capacity: 622 MMcf/d
- CapEx: \$450MM

## Customers:

- **Adair Southwest:** Range Resources
- **Access South:** Rice Energy
- **Lebanon Extension:** Gulfport Energy, City of Hamilton

## Project Status:

- Filed FERC application Oct 2015
- Received FERC certificate Dec 2016
- In-service 2H17

## Preliminary Facilities:

- 16 miles of pipeline relay or loop within or adjacent to existing Texas Eastern ROW
- Additional compression at existing stations
- 3 existing receipt meters converted for bi-directional flow
- Various other modifications to existing facilities

# Atlantic Bridge



## Purpose:

- To allow abundant, economic supplies of natural gas from regional production to flow to the New England and Atlantic Canada markets

## Project Scope:

- ~135 MMcf/d expansion of the Algonquin and Maritimes Pipelines
- CapEx: \$500MM

## Customers:

- Various local distribution companies in New England

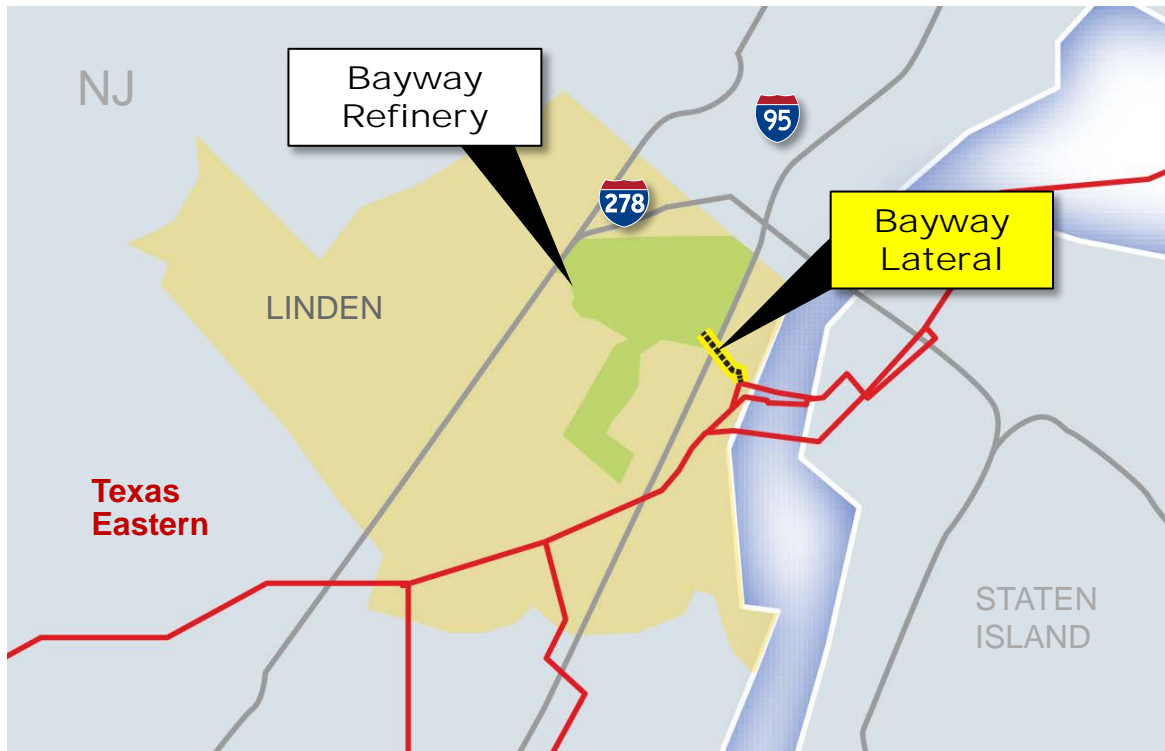
## Project Status:

- Pre-filed with FERC Jan 2015
- Filed FERC application Oct 2015
- Received FERC certificate Jan 2017
- In-Service 2H17 – 2H18

## Preliminary Facilities:

- New compressor station near Weymouth, MA
- Continued take-up and relay of the AGT mainline
- Compressor station unit upgrades in CT
- Meter station addition and modifications

# Bayway Lateral



## Purpose:

- Provides service to an existing power plant and refinery

## Project Scope:

- Capacity: 300 MMcf/d
- CapEx: \$30MM

## Customers:

- Linden Cogeneration
- Phillips 66

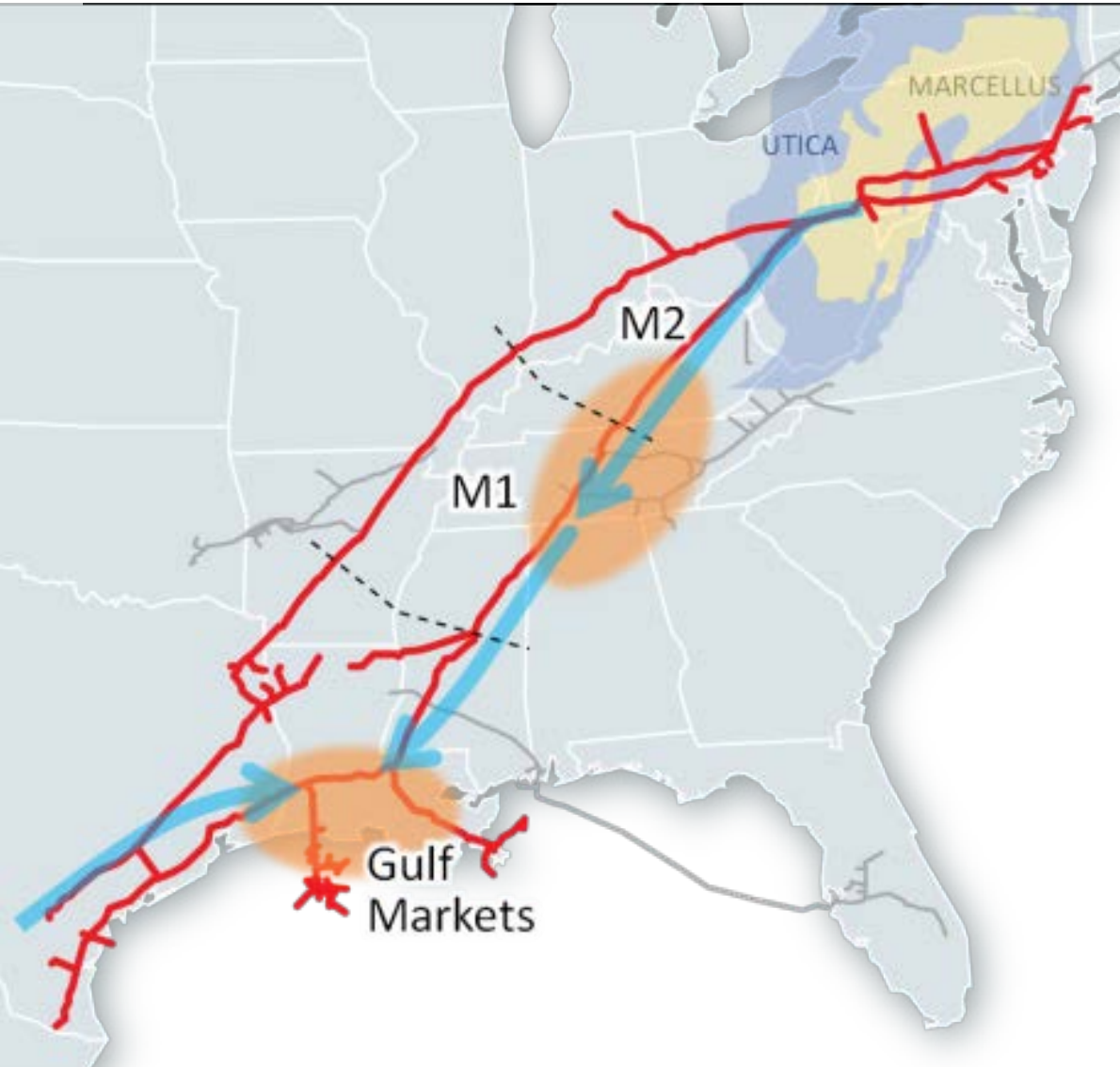
## Project Status:

- Filed FERC application Jul 2016
- Expect FERC certificate 1H17
- In-service 1H18

## Preliminary Facilities:

- ~ ½ mile of 24 inch lateral in Linden, NJ
- New meter station with dual delivery meters

# Gulf Markets Expansion



## Purpose:

- Provides Texas Eastern transportation service for Gulf Coast markets

## Project Scope:

- Capacity: 650 MMcf/d
  - Phase I – 250 MMcf/d
  - Phase II – 400 MMcf/d
- CapEx: \$150MM

## Customers:

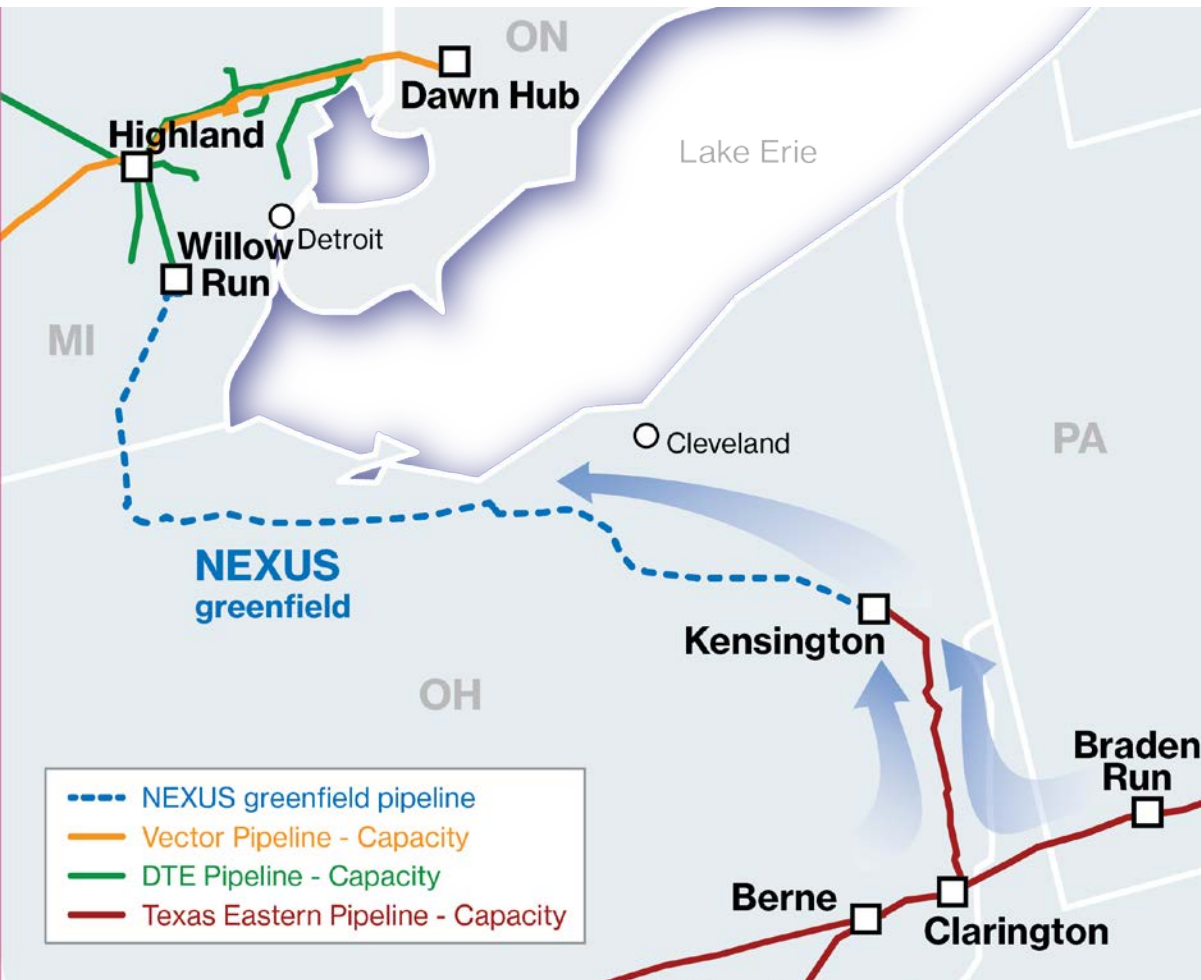
- Mitsubishi
- GDF Suez
- MMGS Inc. (Mitsui)
- EQT
- Range Resources

## Project Status:

- Filed FERC application Feb 2015
- Received FERC certificate Dec 2015
- Phased in-service Oct 2016 / 2H17

## Preliminary Facilities:

- Bi-directional flow modifications at 7 mainline stations
- New compression at 2 stations
- Modifications at 11 existing pig launcher/receiver sites



## Purpose:

- To serve local distribution companies, power generators and industrial users in Ohio, Michigan, Chicago and Ontario markets

## Project Scope:

- 1.5 Bcf/d greenfield pipeline starting in northeastern Ohio to an interconnect with the DTE Gas transportation system at Willow Run, Michigan
- CapEx: SEP's expected portion \$1.1B

## Customers:

- Union Gas, DTE Gas, Enbridge Gas Distribution, DTE Electric, CEMI, CNX Gas, Noble Energy, Columbia Gas of Ohio

## Project Status:

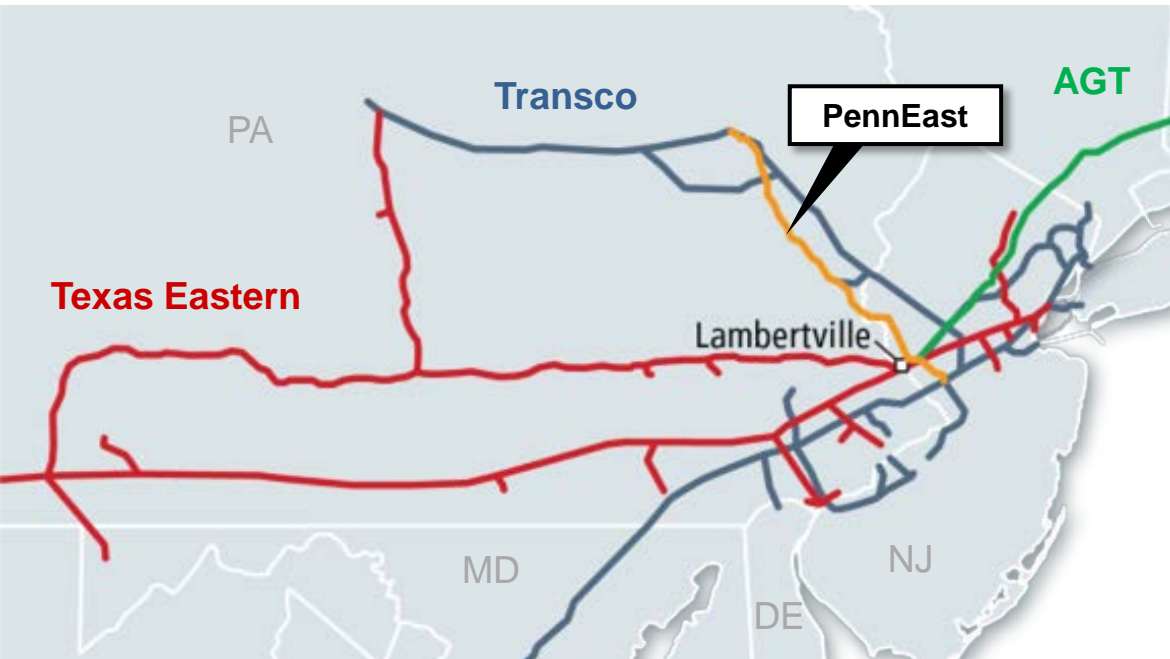
- Filed FERC application Nov 2015
- Received Final EIS Nov 2016
- Expect FERC certificate 1H17
- In-service 2H17

## Preliminary Facilities:

- 36-inch diameter, ~250 mile pipeline
- Multiple compressor stations and meters

## Interconnect Agreements:

- 1.75 Bcf/d of signed market interconnect agreements across northern Ohio



## Purpose:

- Provides a new, direct connection to northeast Pennsylvania production
- Opportunity to work with some of our biggest customers and leverage our existing assets

## Project Scope:

- 1.1 Bcf/d expansion from northeast PA
- CapEx: SEP's expected portion \$120MM

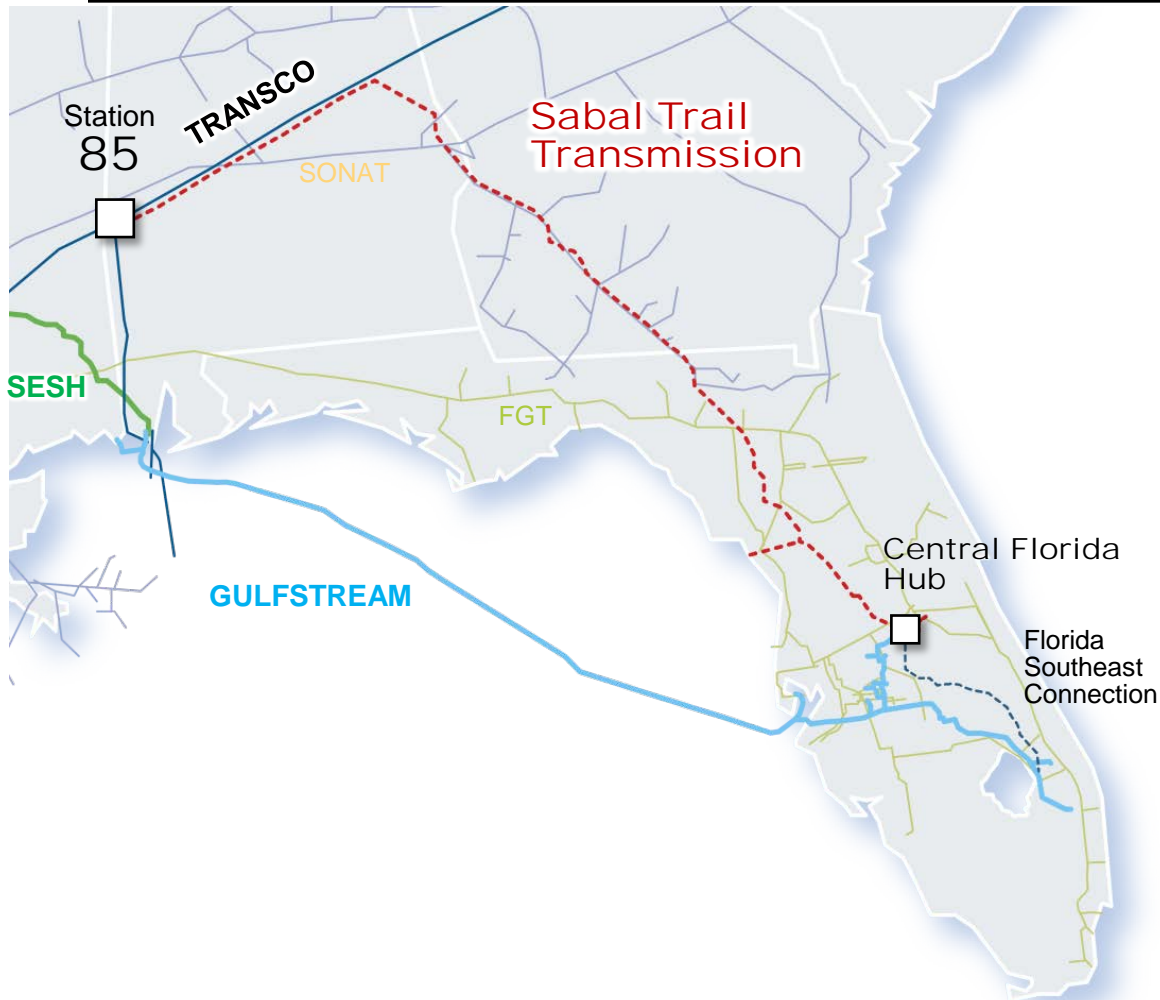
## Project Status:

- Filed FERC application Sep 2015
- Expect FERC certificate 1H17
- Commence construction 1H18
- In-service 2H18

## Preliminary Facilities:

- 120 miles of 36 inch greenfield pipeline
- 1 new compressor station
- Interconnections with major interstate and gathering systems including Texas Eastern and Algonquin in New Jersey

# Sabal Trail Transmission



## Purpose:

- New interstate pipeline into Florida providing access to reliable onshore natural gas supply

## Project Scope:

- 1+ Bcf/d of capacity connecting Transco Station 85 supply to Florida power generation market
- CapEx: SEP's expected portion \$1.6B

## Customers:

- Florida Power & Light
- Duke Energy

## Project Status:

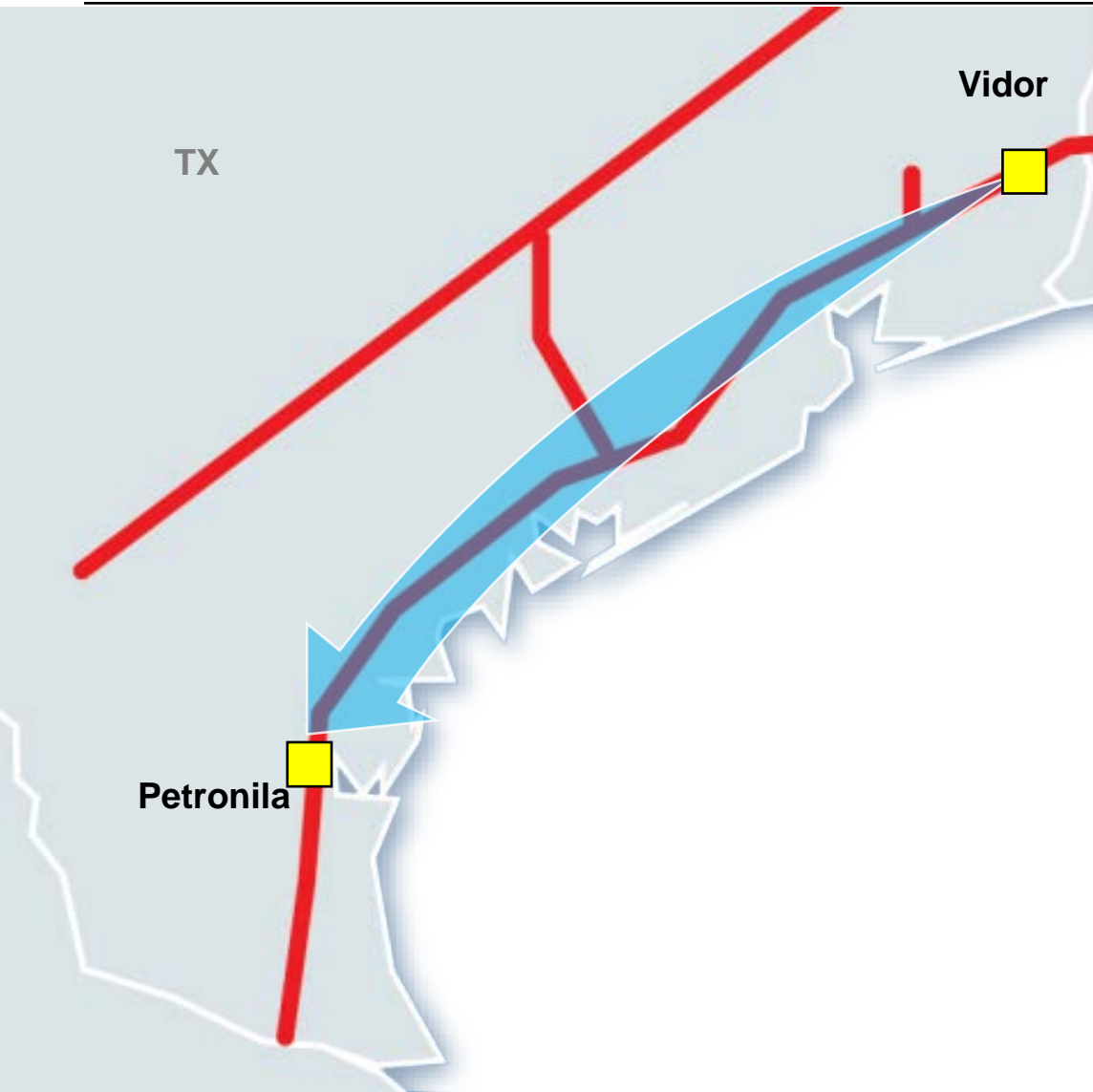
- Filed FERC application Nov 2014
- Received FERC certificate Feb 2016
- Commenced construction Aug 2016
- In-service 1H17

## Preliminary Facilities:

- 495 miles of 36-inch greenfield pipeline and 21 miles of 24-inch greenfield pipeline
- 5 new compressor stations totaling up to 210,000 horsepower; to be phased in 2017 - 2021
- New metering and regulating stations; creates new **Central Florida Hub** with interconnects with Gulfstream, FGT and Florida Southeast Connection

# South Texas Expansion Project

## STEP Project



### Purpose:

- Provides Texas Eastern transportation service for Gulf Coast markets

### Project Scope:

- ~400 MMcf/d expansion from Vidor to Petronila
- CapEx: \$130MM

### Project Status:

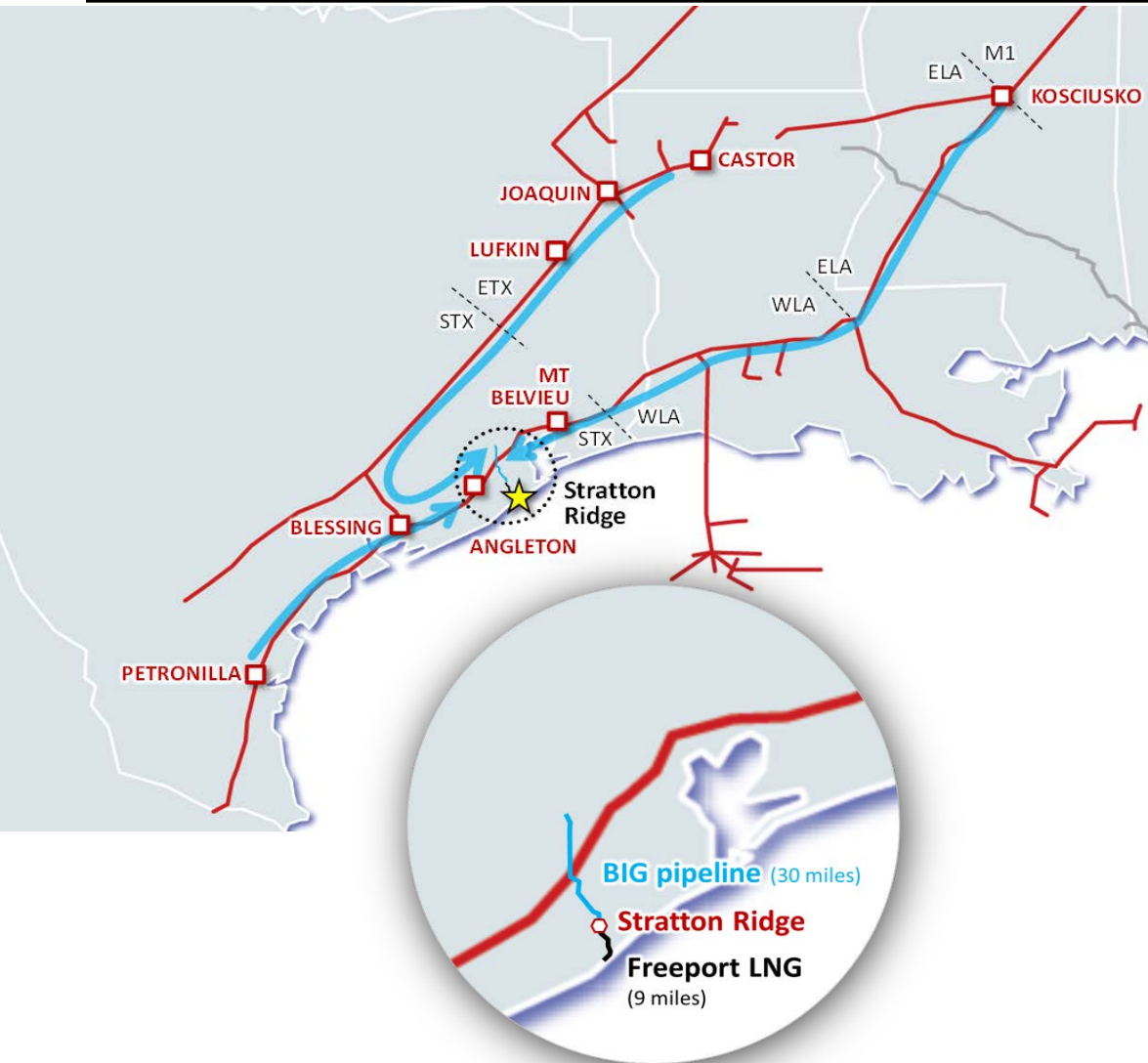
- Filed FERC application Dec 2016
- Expect FERC certificate 2H17
- In-service 2H18

### Preliminary Facilities:

- New compression at 2 stations
- Station reversal work at Mont Belvieu



# Stratton Ridge



## Purpose:

- Provides shippers with a firm transportation service to deliver new incremental production from the growing shale plays to the Gulf Coast

## Project Scope:

- ~320 MMcf/d
- CapEx: \$200MM

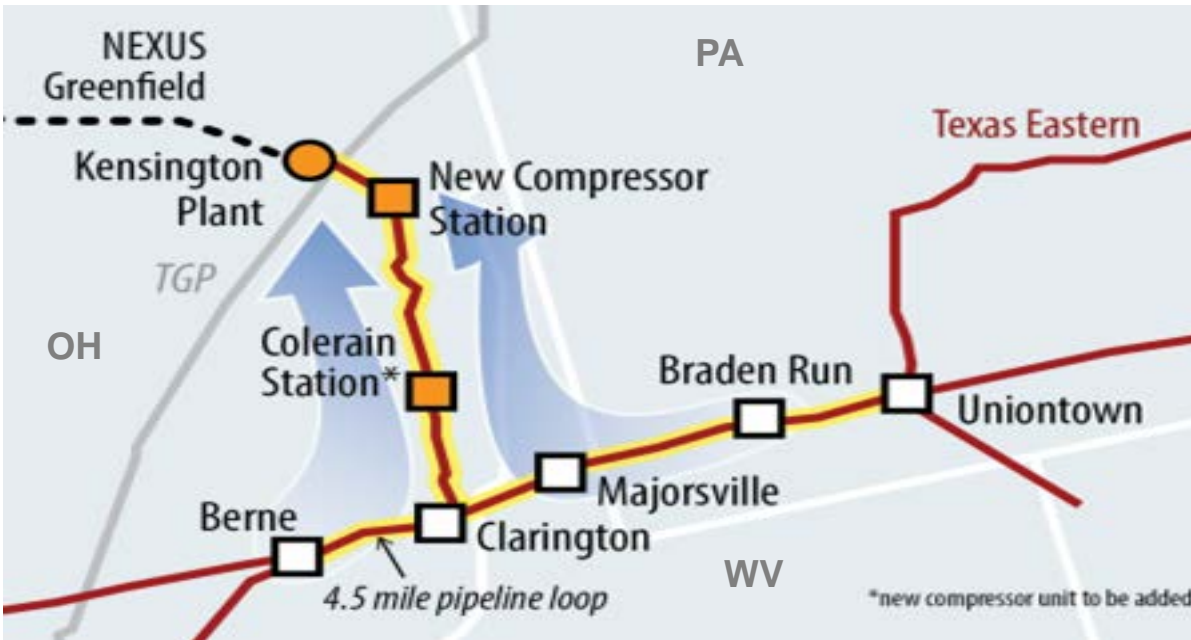
## Project Status:

- Filed FERC application Feb 2017
- In-service 1H19

## Preliminary Facilities:

- Modification of three mainline compressor stations and installation of two new compressor stations
- Brazoria Interconnector Gas Pipeline (“BIG”) acquired to connect Texas Eastern mainline to Stratton Ridge in lieu of constructing a new 16.2 mile lateral
  - BIG is a 30.5 mile 42” intrastate pipeline with 5 interconnects, currently connected to Stratton Ridge

# Texas Eastern Appalachian Lease TEAL Project



## Purpose:

- Provides upstream capacity to deliver Marcellus and Utica supply to NEXUS Gas Transmission

## Project Scope:

- 950 MMcf/d expansion of Texas Eastern and reversal of OPEN line to deliver into NEXUS
- NEXUS to lease the capacity from Texas Eastern
- CapEx: \$185MM

## Project Status:

- Filed FERC application Nov 2015
- Received final EIS Nov 2016
- Expect FERC certificate 1H17
- In-service 2H17

## Preliminary Facilities:

- Reversal of OPEN facilities with addition of 28,200 HP
- 4.5 miles of looping on Texas Eastern mainline
- Connection between OPEN and NEXUS