

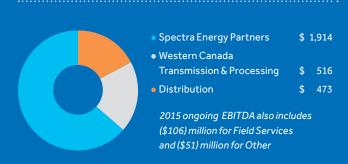
### **Financial Highlights**

(In millions, except per share amounts and percentages)	2015	2014	2013
Common Stock Data			
Earnings per share			
Ongoing earnings per share	\$ 1.15	\$ 1.62	\$ 1.64
Basic and diluted	\$ 0.29	\$ 1.61	\$ 1.55
Dividends per share	\$ 1.48	\$ 1.375	\$ 1.22
Shares outstanding			
Year-end	671	671	670
Weighted average – basic	671	671	669
Weighted average – diluted	672	672	671
Income Statement			
Operating revenues	\$ 5,234	\$ 5,903	\$ 5,518
Total ongoing segment EBITDA	2,797	3,204	3,093
Ongoing net income – controlling interests*	775	1,090	1,100
Balance Sheet			
Total assets	\$ 32,923	\$ 33,998	\$ 33,486
Total debt	14,656	14,637	14,670
Capitalization			
Common equity – controlling interests	26%	32%	34%
Common equity – noncontrolling interests			
and preferred stock	14%	10%	8%
Total debt	60%	58%	58%
Capital and Investment Expenditures,			
including Acquisitions	\$ 2,972	\$ 2,287	\$ 3,513

<sup>\*</sup> Ongoing net income – controlling interests for 2015, 2014 and 2013 exclude special items of \$579 million, \$8 million and \$62 million, which were primarily non-cash in nature.

### 2015 Ongoing EBITDA

In millions



### Ongoing Net Income – Controlling Interests



### **Spectra Energy Investor Information**

Spectra Energy Corp (NYSE: SE), a FORTUNE 500 company, is one of North America's leading pipeline and midstream companies. Based in Houston, Texas, the company's operations in the United States and Canada include more than 21,000 miles of natural gas, natural gas liquids, and crude oil pipelines; approximately 300 billion cubic feet (Bcf) of natural gas storage; 4.8 million barrels of crude oil storage; as well as natural gas gathering, processing, and local distribution operations. Spectra Energy is the general partner of Spectra Energy Partners (NYSE: SEP), one of the largest pipeline master limited partnerships in the United States and owner of the natural gas and crude oil assets in Spectra Energy's U.S. portfolio. Spectra Energy also has a 50 percent ownership in DCP Midstream, the largest producer of natural gas liquids and the largest natural gas processor in the United States. Spectra Energy has served North American customers and communities for more than a century.

## Spectra Energy is proactive.

We move natural gas, natural gas liquids and crude oil from supply sources to demand markets. We build and operate the infrastructure needed to serve customers across the continent. We invigorate local economies by creating jobs, growth and cost savings. We are active in the communities we serve through volunteerism, leadership and community investment. And we are always looking forward, scanning the horizon for opportunities — and ways to build a better, brighter future for you.

Moving energy safely, reliably and efficiently is more than a day's work for Spectra Energy. It is a noble mission – a passion and a purpose. That may sound like lofty language coming from a pipeline company, but we believe – deeply – in the inherent good of what we do.

The energy we deliver serves customers ... improves environmental quality ... uplifts communities ... invigorates economies ... and rewards investors. It enables progress and advances our shared economic, environmental and social goals. As both energy provider and energy proponent, Spectra Energy works hard every day to do our part.



**Gregory L. Ebel**Chairman, President and Chief Executive Officer

here is much to feel "pro" about – positives and priorities that inspire us every day. North America has experienced a remarkable energy renaissance – moving us in less than 10 years from a position of energy scarcity to one of abundance and self-sufficiency. Bountiful, accessible shale resources spurred a welcome wave of economic growth, job creation, industrial expansion and ongoing consumer savings. Today, the U.S. leads the world in the production of natural gas – and is facing a scenario unfathomable a decade ago – an economy that is energy independent.

There is much work to do in developing and operating critical midstream infrastructure – the pipes and processing plants and storage facilities needed to safely and reliably move energy from burgeoning supply basins to growing demand hubs.

### **PRO GROWTH**

Despite some very real challenges affecting segments of today's energy sector, Spectra Energy continues to step up to the long-term infrastructure growth imperative in a big way. Our goal is to secure \$35 billion in expansion projects by the end of this decade – and we're more than halfway there since setting this goal in 2013. The geographic span and interconnectivity of our asset footprint has allowed us to place \$10 billion of expansion projects into service over the past three years. We have another \$8 billion of projects in our execution backlog – projects underwritten by long-term, fee-based contracts. We are also in the strong position of being able to cost-effectively fund this level of growth given our stable business model, ample liquidity and multiple financing sources.

This past year alone, we placed approximately \$2.5 billion of expansion projects into service – exceptional projects like the Ohio Pipeline Energy Network, or OPEN, which brings incremental Marcellus and Utica supply to southern U.S. markets ... Union Gas' 2015 Dawn-Parkway expansion, which brings new supply to the growing Toronto market and other Eastern Canadian markets ... and Uniontown to Gas City, a tri-state pipeline that moves natural gas from supply-rich Pennsylvania to Midwest markets. These projects are the latest in a long record of securing, financing and executing essential infrastructure that delivers attractive near- and long-term returns.

The regulatory process for large energy infrastructure projects is lengthy and complex, and we have been busy advancing our projects through the regulatory maze. We have filed Federal Energy Regulatory Commission (FERC) applications for a number of U.S. projects, including Atlantic Bridge, PennEast, Access South, Adair Southwest and the Lebanon Extension. In Western Canada, the Jackfish Lake, RAM and High Pine projects have been filed with the National Energy Board. Construction is underway on our Algonquin Incremental Market, or AIM project, the 2016 and 2017 Dawn-Parkway expansions and the Express Enhancement project. And the 500-mile Sabal Trail Transmission pipeline, which will bring natural gas to the Florida market for use in power generation, received its FERC approval and certificate in February 2016.

### **PRO CUSTOMERS**

The benefits of our investments extend beyond the length of pipe we lay in the ground. They are investments in communities, in manufacturing, in industry, and in workers and their families. Our projects are solution-focused, innovative and designed to serve the evolving needs of customers. I'll share a couple of noteworthy examples.

Our NEXUS project is providing us with a strategic opportunity to connect our U.S. pipeline system with our Canadian system for the first time. A joint venture with DTE Energy, NEXUS is a 250-mile, 1.5 billion cubic feet per day pipeline that will originate in Ohio and connect with DTE Gas in Michigan. NEXUS represents tremendous opportunities for customers to access gas from both the Utica and Marcellus basins and move it to markets in Ohio and Michigan to Union Gas' Dawn storage hub, the second largest physical trading gas hub in North America. We achieved important NEXUS milestones last year, including filing our application with the FERC and gaining Ontario Energy Board approval for Union Gas and Enbridge Gas Distribution - shippers on the pipeline - to sign 15-year contracts for natural gas supply. The NEXUS project continues to advance nicely toward our 2017 in-service date.

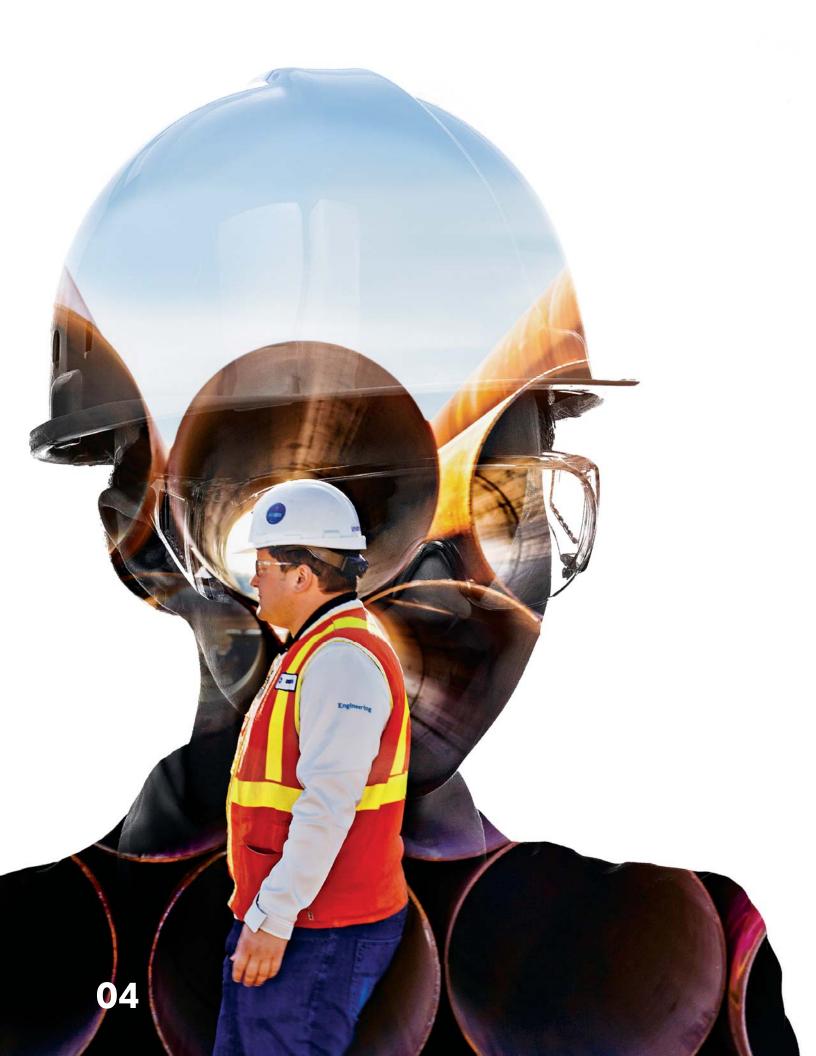
## OUR PROJECTS ARE SOLUTION-FOCUSED, INNOVATIVE, AND DESIGNED TO SERVE THE EVOLVING NEEDS OF CUSTOMERS.

Another solution-focused project is Access Northeast, an expansion of our Algonquin system to serve the New England power generation markets and address reliability and electricity cost concerns in the region. The project, being jointly developed with Eversource Energy and National Grid, expands pipelines that are already directly connected to 60 percent of New England's natural gas-fired power generation. This will enable gas to flow directly to gas generators when it's needed – a critical step forward for both consumer savings and reliability. Had Access Northeast been in service last winter, New England consumers could have saved roughly \$1 billion in energy costs. Had the project been in service the previous winter, during the 2013-2014 polar vortex, energy consumers would have saved \$2.5 billion in energy costs. That's pro consumer!

We're committed, always, to operating reliably to meet customers' needs, and in 2015 we achieved record deliveries on our major pipeline systems – Texas Eastern, Algonquin, Union Gas' Dawn-Parkway and T-South in Western Canada. Our customers use and value the capacity of our pipes on the days they need it the most.

### **PRO ENVIRONMENT**

Importantly, natural gas is playing a critical role in advancing North America's environmental goals. Electric generators across the country are phasing out coal- and oil-fired generation facilities in favor of cleaner-burning, more affordable natural gas. And that's good news, because using natural gas in place of coal to generate power cuts greenhouse gas emissions in half. Thanks in large part to this changeover, carbon emissions are lower today than they were 20 years ago – with an economy that's 50 percent larger. And the declining methane emissions associated with natural gas are indicative of what our industry can achieve through technological innovations to improve the environment and bolster energy security. According to the U.S. Environmental Protection Agency, net methane



# WE ARE PANSION

WE ARE COMMITTED TO SECURING

\$ BILLON IN NEW GROWTH PROJECTS 2013–2020

**GROWTH PROJECTS DELIVERED INTO SERVICE IN 2015** 

\$2.5 BILLION

MORE THAN \$8 BILLION

OF EXPANSION PROJECTS
CURRENTLY IN EXECUTION

\$10 BILLION
IN PROJECTS PLACED
INTO SERVICE



The spirit of employee giving and volunteerism is strong at Spectra Energy. We support our employees and retirees as they give back to their communities through employee-directed giving to eligible charitable organizations and through hundreds of volunteer projects, including our month-long concentrated volunteer effort – Helping Hands in Action.

emissions from natural gas production have fallen 38 percent since 2005, during which time U.S. natural gas production has increased by 46 percent.

Being pro-natural gas doesn't preclude being pro-renewables. We recognize that solar, wind and other renewable technologies contribute positively to our future energy mix. The reality today, though, is that even with significant ongoing government support, wind and solar account for less than five percent of America's electric power generation. Their role will expand, but natural gas will still be needed – both as a primary energy source and as a reliable backup for intermittent renewable generation.

### **PRO COMMUNITY**

Spectra Energy goes where the lights are – to cities, neighborhoods, factories, homes and families. But we know better than to outrun our headlights. We stay the course, intently focused on the road ahead and the stakeholders we serve: the single parent struggling to pay bills; the small business owner working to manage energy costs; the policy maker in Washington or Ottawa trying to ensure a sustainable energy future; the young person focused on renewable energy choices. We serve many stakeholders – and a triple bottom line that encompasses financial, social and environmental imperatives.

Clean, affordable domestic natural gas enables opportunity – and the abundance of available North American supplies represents the energy opportunity of a lifetime. The shale gas surge has created an unprecedented supply which, in turn, has dramatically reduced consumer costs, created tens of thousands of new jobs, revitalized manufacturing and kick-started economic growth and industrial expansion. Wholesale electricity prices have dropped 30 percent over the past year alone.

One of the greatest opportunities offered by natural gas is its capacity to serve those who struggle to make ends meet. Lower energy costs benefit the economically disadvantaged on a number of levels. Thanks to affordable natural gas, consumers today are spending a smaller percentage of their income to stay warm. They have greater employment opportunities – quality, good-paying jobs – either directly in the growing energy sector, or indirectly through the jobs spurred and supported by energy. And they benefit when their communities are made more vibrant and competitive.

Our abundance of domestic natural gas reduced electricity prices by 10 percent and saved American households an annual average of \$926 in disposable income between 2012 and 2015. Savings are expected to increase to more than \$2,000 per household by 2035.

We work diligently with all communities we serve to establish open and productive dialog from the very early planning stages of a project – and continue the conversation throughout the full project life cycle. We listen intently to concerns and ideas, factoring community interests into our business decisions and project development efforts.

We employ a community investment strategy that targets education, workforce development, safety, environmental stewardship and community vitality. We are committed to building capacity for economic development in the communities that support our business through investments in educational opportunities and skills training.

Our commitment to meaningfully engage with Aboriginal stakeholders is a key component to building and maintaining strong, positive and enduring relationships. We work diligently to provide educational opportunities for Aboriginal peoples

in communities near our operations and financially support a number of educational programs, from youth to university level, that provide learning opportunities in the areas of science, math, literacy, health, environment and business leadership and innovation. We also support trades and technical training that builds marketable skills. For example, in Western Canada we have invested in Aboriginal leadership, sponsoring the Banff Centre's Indigenous Leadership and Management program. This program provides culturally relevant and real-life training for Aboriginal leadership and administration in developing skills in areas such as strategic planning, economic development, principles and practices of good governance and leadership development.

We've made excellent progress on our journey to put safety above all else. Our employee injury rate remained low in 2015, and we made significant improvements in reducing serious injuries and vehicle accidents. So clearly we are headed in the the price of oil was below \$25 a barrel more than 50 percent of the time. In fact, each five-year period this century has seen the price of oil top to bottom vary between 250 and 300 percent. Based on that track record, price swings shouldn't surprise us.

Natural gas prices trend similarly, though at considerably lower levels. In fact, people tend to overlook that while crude oil and natural gas liquids prices have fallen off sharply over the last year, natural gas prices have moved much more conservatively. The more moderate cycles are due to the fact that pricing for natural gas, a less global commodity, is determined by a number of factors: supply; demand; proximity to production; regulatory environment; and the local distribution system. The key, then, to ensuring midstream success and profitability during downtimes is being able to efficiently and competitively move natural gas to where it is needed. That ability is one of Spectra Energy's greatest strengths.

### WE SERVE MANY STAKEHOLDERS – AND A TRIPLE BOTTOM LINE

### THAT ENCOMPASSES FINANCIAL, SOCIAL AND ENVIRONMENTAL IMPERATIVES.

right direction. We are never satisfied, though, unless everyone goes home safely at the end of every day. Safety is and always will be a relentless pursuit for us.

### **PRO ENERGY**

Energy is a cyclical business – inherently erratic. It is subject to market shifts, economic fluctuations, geopolitical factors and technological advances like the transformative gains that have enabled access to the bountiful domestic shale supplies we enjoy today. However, when you're in the midst of an upcycle, it is all too easy to view high prices as the attractive norm. But history has taught us, repeatedly, that moderation prevails ... prices adjust ... and it's perilous to ride the ascent of \$100-a-barrel oil and not prepare for its inevitable leveling off – or as we are currently witness to, a dramatic collapse in commodity prices.

In fact, a lesson worth revisiting is that last year's drop in oil prices was very much in line with how commodity prices have historically behaved. Since 1869, adjusting for inflation,

### **PRO FUNDAMENTALS**

We believe fundamentals matter. Our business model is built on strong and enduring basics that serve our company and stakeholders well – even in times of market and economic turmoil.

Our asset footprint is an important strategic and competitive advantage, providing a platform for generating healthy revenue streams. And that's revenue with virtually no direct commodity or volume risk, supported largely by demand-pull customers with strong credit quality – customers like local distribution companies, municipalities, power plants and refineries. While global energy markets may be in turmoil, the regional gas markets we serve are not.

Our North American footprint is predominantly natural gasfocused and offers a springboard for expansion to meet growing demand for natural gas to fuel power generation, home heating and industrial load, and to supply the petrochemical and transportation sectors.



# WE ARE DISCOMENT

REDUCTION
IN THE GHG
EMISSIONS
INTENSITY OF
OPERATIONS
2010-2014



METRIC TONS OF METHANE EMISSIONS AVOIDED OR REDUCED IN U.S. OPERATIONS SINCE 2007

**5.4 MILLION** 

SAVED 854 MILLION CUBIC METERS
OF NATURAL GAS FROM 2007–2014



Spectra Energy is an active and engaged neighbor. We led the development of the Interstate Natural Gas Association of America's "Commitment to Landowners" that provides eight guiding principles for the interstate pipeline industry to follow in building and maintaining strong, positive relationships with landowners.

Our crude oil footprint, while modest today, generates stable, growing earnings, and we fully intend to secure additional expansion opportunities in that business between now and the end of the decade.

We have a strong and resilient financial position with two attractive currencies – Spectra Energy and Spectra Energy Partners.

We have a deep and diverse pool of management experience. Our executive leadership team has successfully managed through previous cycles – commodity swings, capital market retractions, economic slowdown and global financial instability. And in this environment, that experience matters.

We have structured our business plan such that our distributable cash flow is protected from further commodity downside, even if prices move lower than they are today. This past year, more than 90 percent of Spectra Energy's distributable cash flow came from our fee-based businesses that are unaffected by commodity prices.

We are actively managing our businesses that are exposed to commodity prices, primarily at DCP Midstream, our 50/50 field services joint venture with Phillips 66, and, to a lesser extent, our Western Canadian operations.

### **PRO ACTIVE**

Beginning in late 2014, DCP Midstream recognized the rapidly changing industry environment and took proactive steps to ensure its long-term success. Over the past year, DCP has engaged in various initiatives, including the sale of \$200 million of non-core or underperforming assets, workforce reductions, cutting base costs by approximately \$70 million and launching the restructuring of its commodity-sensitive contracts which, combined with other actions, will

increase fee-based earnings over time. Those are tough – but essential – moves and have resulted in DCP achieving a one-third improvement in its cash break-even natural gas liquids price.

Similarly, Western Canada undertook decisive cost-saving measures, planned in late 2014 and implemented in early 2015, to be prepared for a "lower-for-longer" commodity environment, especially as it relates to the gathering and processing business in Canada. Yet even in this challenging environment, we moved approximately \$1.2 billion of expansion projects into execution in Western Canada as demand for our B.C. Pipeline continues to grow.

So, while our exposure to commodity pricing represents a very small percentage of our overall business, we have nonetheless taken decisive steps to ensure we maintain balance sheet strength, financial flexibility and growth potential across the enterprise.

### **PRO INVESTORS**

I am pleased with our 2015 performance – and with our consistent record of executing on growth opportunities that drive earnings, cash flows and investor value. There is no denying that 2015 was a challenging year across – and beyond – the energy sector. Our stock price today is not where we would like to see it, or what we think it should be. That said, it has held up well relative to our peers. Our fundamentals remain strong – and we continue to deliver on our commitments, even when faced with deteriorating economic and industry conditions.

In a year when natural gas liquids and crude oil prices were 18 percent lower than we forecast; when natural gas prices were 26 percent lower than expected; and when the Canadian

dollar was 11 percent lower than we forecast – Spectra Energy's earnings before interest, taxes, depreciation and amortization (EBITDA) were just three percent lower than our original expectations. We delivered ongoing EBITDA of \$2.75 billion for the year and ongoing earnings per share of \$1.15. That achievement reflects our commitment to you – and the strength of our resilient portfolio.

Importantly, we delivered \$1.3 billion of distributable cash flow, seven percent higher than our outlook, and ended the year with strong dividend coverage of 1.3 times. We believe that dual commitment to both attractive dividend growth and strong coverage sets us apart from other midstream companies, positioning us to provide investors with steady growth and returns for the long term.

Spectra Energy offers a best-in-class investment opportunity that provides investors with visible, dependable growth. Our strong fundamentals, discipline, stability and experience give us confidence in our ability to deliver annual dividend growth of 14 cents per share.

The bottom line? Our business model is designed to succeed in the midst of various business and commodity cycles – and we have navigated our fair share of market flux before. We have a superior asset footprint that connects premium supply basins to growing demand markets. We have a great portfolio of high-performing, reservation-based businesses. We partner with and serve solid, dependable customers.

We are positioned well – thanks to the heavy lifting and disciplined hard work we've done over the years. Spectra Energy offers an unrivaled footprint that connects all the major North American supply basins with growing demand markets, giving us a first-and last-mile advantage. We have significant liquidity available across the company, totaling \$2.8 billion as of December 31, 2015. This gives us the financial flexibility to efficiently fund our impressive backlog of secured growth projects and pursue new opportunities.

The opportunities we're pursuing and realizing generate stable earnings and support reliable dividend growth for investors year after year.

These fundamentals differentiate Spectra Energy from other energy companies and are the basis for our belief that our company offers a superior low-risk investment opportunity.

### **PRO PEOPLE**

The greatest asset we have at Spectra Energy is our immensely talented and motivated team. At every level of

### THE GROWTH

THAT WE'RE PURSUING AND ACHIEVING

### IS QUALITY GROWTH.

the organization, in every region we serve, the people of Spectra Energy dedicate themselves each day to connecting growing markets with supply, customers with solutions and communities with a caring, responsible corporate partner. They are energy pros – and pro-energy – believing as I do that the energy we deliver will continue to drive progress and enable opportunity. Our management team has excelled in leading and navigating through a turbulent 2015, as they have done many times before. I wish to extend my deep appreciation to Doug Bloom, who will retire in mid-2016, following a long and distinguished career. Doug most recently advanced our pursuit of opportunities related to Canadian liquefied natural gas, and previously led our operations in Western Canada, served as president of the Maritimes & Northeast Pipeline and contributed significantly to Spectra Energy's growth and success.

I am grateful for the valued counsel and perspective of our board of directors, who represent your interests with diligence and integrity. We were delighted to welcome Miranda Hubbs to our board in 2015. Miranda brings extensive financial and energy expertise to the board, and we appreciate her contributions and perspective.

And to our investors and stakeholders, thank you for your continuing support and belief in Spectra Energy's vision and strategy. Our financial discipline, focus on growth opportunities and commitment to safety gave us the strong underpinnings needed to prevail in a difficult market in 2015, and will continue to serve us well in 2016 and beyond.

Sincerely,

G-200

**Gregory L. Ebel**Chairman, President and Chief Executive Officer



# WE ARE PROPERTY OF THE PROPERT

INFRASTRUCTURE PROJECTS
DELIVERED INTO SERVICE
SINCE 2009 THROUGH DILIGENT
COLLABORATION WITH
AFFECTED STAKEHOLDERS

45

CHARITABLE GIVING IN 2015
\$9.2 MILLION

435

VOLUNTEER PROJECTS
REPRESENTING 30,588
VOLUNTEER HOURS
COMPLETED ACROSS
THE U.S. AND CANADA
IN 2015

### **Condensed Consolidated Statements of Operations**

		Years Ended December 3	1,
(In millions, except per share amounts)	2015	2014	2013
Operating Revenues			
Transportation, storage and processing of natural gas	\$3,225	\$3,291	\$3,128
Distribution of natural gas	1,320	1,583	1,577
Sales of natural gas liquids	209	497	440
Transportation of crude oil	357	302	224
Other	123	230	149
Total operating revenues	5,234	5,903	5,518
Operating Expenses			
Natural gas and petroleum products purchased	835	1,219	1,139
Operating, maintenance and other	1,853	1,964	1,941
Depreciation and amortization	764	796	772
Impairment of goodwill and other	349	_	_
Total operating expenses	3,801	3,979	3,852
Operating Income	1,433	1,924	1,666
Other Income and Expenses			
Earnings (loss) from equity investments	(290)	361	445
Other income and expenses, net	114	59	124
Total other income and expenses	(176)	420	569
Interest Expense	636	679	657
Earnings Before Income Taxes	621	1,665	1,578
Income Tax Expense	161	382	419
Net Income	460	1,283	1,159
Net Income – Noncontrolling Interests	264	201	121
Net Income – Controlling Interests	\$ 196	\$1,082	\$1,038
Earnings per Common Share			
Basic and diluted	\$ 0.29	\$ 1.61	\$ 1.55
Dividends per Common Share	\$ 1.48	\$ 1.375	\$ 1.22

### **Condensed Consolidated Balance Sheets**

	Years Ende	Years Ended December 31,		
(In millions)	2015	2014		
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 213	\$ 215		
Receivables	806	1,336		
Inventory	307	313		
Other	322	468		
Total current assets	1,648	2,332		
Investments and Other Assets				
Investments in and loans to unconsolidated affiliates	2,592	2,966		
Goodwill	4,154	4,714		
Other	310	327		
Total investments and other assets	7,056	8,007		
Property, Plant and Equipment, Net	22,918	22,307		
Regulatory Assets and Deferred Debits	1,301	1,352		
Total Assets	\$32,923	\$33,998		
Current Liabilities Accounts payable Commercial paper Current maturities of long-term debt Other	\$ 511 1,112 652 1,117	\$ 458 1,583 327 1,441		
Total current liabilities	3,392	3,809		
Long-term Debt	12,892	12,727		
Deferred Credits and Other Liabilities				
Deferred income taxes	5,445	5,405		
Regulatory and other	1,323	1,401		
Total deferred credits and other liabilities	6,768	6,806		
Preferred Stock of Subsidiaries	339	258		
Equity				
Controlling interests	6,526	8,160		
Noncontrolling interests	3,006	2,238		
Total equity	9,532	10,398		
Total Liabilities and Equity	\$32,923	\$33,998		

		Years Ended December 3	31,
(In millions)	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Netincome	\$ 460	\$ 1,283	\$ 1,159
Adjustments to reconcile net income to net cash provided by operating activities	s:		
Depreciation and amortization	778	809	787
Impairment charges	349	_	_
Deferred income tax expense	88	388	421
(Earnings) loss from equity investments	290	(361)	(445)
Distributions from equity investments	161	380	324
Changes in working capital	178	(202)	(74)
Other	(57)	(76)	(142)
Net cash provided by operating activities	2,247	2,221	2,030
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(2,848)	(2,028)	(1,947)
Investments in and loans to unconsolidated affiliates	(124)	(259)	(312)
Acquisitions, net of cash acquired	_	_	(1.254)
Sales (purchases) of held-to-maturity securities, net	27	25	38
Sales (purchases) of available-for-sale securities, net	(8)	(6)	146
Distributions from equity investments	451	266	87
Distributions to equity investment	(248)	_	_
Other changes in restricted funds	(33)	(1)	2
Other	1	<del>-</del>	4
Net cash used in investing activities	(2,782)	(2,003)	(3,236)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in commercial paper and long-term debt	861	418	2,027
Dividends paid on common stock	(996)	(925)	(821)
Proceeds from issuances of Spectra Energy Partners, LP common units	546	327	214
Distributions to noncontrolling interests	(198)	(175)	(144)
Contributions from noncontrolling interests	248	145	23
Proceeds from the issuance of Westcoast Energy, Inc. preferred stock	84	_	_
Other	(5)	11	17
Net cash provided by (used in) financing activities	540	(199)	1,316
Effect of exchange rate changes on cash	(7)	(5)	(3)
Net increase (decrease) in cash and cash equivalents	(2)	14	107
Cash and cash equivalents at beginning of period	215	201	94
Cash and cash equivalents at end of period	\$ 213	\$ 215	\$ 201

Common Initimitions         Common Paled in Earnings         Foreign Currency Translations         Observe Monitority         Noncontrolling interests         7 paled in Interests         Foreign Currency Translations         Observe Major Translations         Noncontrolling interests         \$ 2,045         \$ 2,044         \$ (535)         \$ 871         \$ 9,848           Net income         —         1,038         —         —         121         1,159           Other comprehensive income (loss)         —         —         (487)         219         (7)         (275)           Dividends on common stock         —         —         —         —         —         —         —         —         —         —         120         —			Accumulated Other Comprehensive Income				
Net income	(In millions)	Stock/ Paid-in		Currency Translation	Other		Total
Other comprehensive income (loss)         —         —         (487)         219         (7)         (275)           Dividends on common stock         —         (820)         —         —         —         (820)           Stock-based compensation         19         —         —         —         —         119           Distributions to noncontrolling interests         —         —         —         —         23         23           Spectra Energy common stock issued         42         —         —         —         147         189           Spectra Energy Partners, LP common units issued         42         —         —         —         147         189           Spectra Energy Partners, LP common units issued         42         —         —         —         147         189           Transfer of interests in subsidiaries to         —         —         —         —         147         189           Other, net         —         (511)         —         —         —         817         306           Other, net         —         (11)         —         —         —         201         1,283           Other, net         —         —         1,082         —	December 31, 2012	\$5,298	\$2,165	\$2,044	\$(535)	\$ 871	\$ 9,843
Other comprehensive income (loss)         —         —         (487)         219         (7)         (275)           Dividends on common stock         —         (820)         —         —         —         (820)           Stock-based compensation         19         —         —         —         —         119           Distributions to noncontrolling interests         —         —         —         —         23         23           Spectra Energy common stock issued         42         —         —         —         147         189           Spectra Energy Partners, LP common units issued         42         —         —         —         147         189           Spectra Energy Partners, LP common units issued         42         —         —         —         147         189           Transfer of interests in subsidiaries to         —         —         —         —         147         189           Other, net         —         (511)         —         —         —         817         306           Other, net         —         (11)         —         —         —         201         1,283           Other, net         —         —         1,082         —							
Dividends on common stock         —         (820)         —         —         —         (820)           Stock-based compensation         19         —         —         —         —         19           Distributions from concontrolling interests         —         —         —         —         23         223           Spectra Energy Partners, LP common units issued         42         —         —         —         —         23           Spectra Energy Partners, LP common units issued         42         —         —         —         —         23           Spectra Energy Partners, LP common units issued         42         —         —         —         —         23           Spectra Energy Partners, LP common units issued         42         —         —         —         817         306           Other, net         —         (11)         —         —         —         1         —           December 31, 2013         4,870         2,583         1,557         (316)         1,829         10,322           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)		_	1,038		_		,
Stock-based compensation   19	•	_	_	(487)	219	(7)	
Distributions to noncontrolling interests		_	(820)	_	_	_	(820)
Contributions from noncontrolling interests         —         —         —         —         23         23           Spectra Energy common stock issued         42         —         —         —         —         23           Spectra Energy Partners, LP common units issued         42         —         —         —         147         188           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         (511)         —         —         —         817         306           Other, net         (11)         —         —         —         1         —           December 31, 2013         4,870         2,383         1,557         (316)         1,829         10,323           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (588)           Other comprehensive loss         —         —         (541)         (38)         (7)         (588)           Other comprehensive loss         —         —         (541)         (38)         (7)         (582)           Stock-based compensation         19         —         —         —	Stock-based compensation	19	_	_	_	_	19
Spectra Energy Partners, LP common units issued         23         —         —         —         147         189           Transfer of interests in subsidiaries to Spectra Energy Partners, LP         (511)         —         —         —         117         —         —         117         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         11         —         —         —         11         2.22         —         —         —         924         —         —         —         —         1924         —         —         —         —         924         —         —         —         —         1924         —         —         —         — </td <td>Distributions to noncontrolling interests</td> <td>_</td> <td>_</td> <td>_</td> <td>_</td> <td>(144)</td> <td>(144)</td>	Distributions to noncontrolling interests	_	_	_	_	(144)	(144)
Spectra Energy Partners, LP common units issued         42         —         —         —         147         189           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         (511)         —         —         —         817         306           Other, net         (1)         —         —         —         1         —           December 31, 2013         4,870         2,383         1,557         (316)         1,829         10,323           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         (924)         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         19           Spectra Energy common stock issued         11         —         —         —         (175)         (175)           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         —         —         —	Contributions from noncontrolling interests	_	_	_	_	23	23
Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         (511)         —         —         —         817         306           Other, net         (1)         —         —         —         1         —           December 31, 2013         4,870         2,383         1,557         (316)         1,829         10,323           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         —         —         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         —         192         —         —         —         —         192         —         —         —         —         192         —         —         —         —         —         —         —         —         192         —         —         —         —         —         —         192         —         —         —         —         192         —         —         —         115         —	Spectra Energy common stock issued	23	_	_	_	_	23
Spectra Energy Partners, LP         (511)         —         —         —         817         306           Other, net         (1)         —         —         —         1         —           December 31, 2013         4,870         2,383         1,557         (316)         1,829         10,323           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         —         (924)         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         —         19           Distributions to noncontrolling interests         —         —         —         —         —         —         19         —         —         —         19         —         —         —         11         —         —         —         —         19         —         —         —         11         14         —         —         —         11         —         —         —         —         11         1	Spectra Energy Partners, LP common units issued	42	_	_	_	147	189
Other, net         (1)         —         —         —         1         —           December 31, 2013         4,870         2,383         1,557         (316)         1,829         10,323           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         —         (924)         —         —         —         924           Stock-based compensation         19         —         —         —         —         19           Distributions from noncontrolling interests         —         —         —         —         19           Spectra Energy common stock issued         11         —         —         —         115           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         3         —         —         —         (1)         2           Other, net         5         —         —         —         (2)         3	Transfer of interests in subsidiaries to						
December 31, 2013         4,870         2,383         1,557         (316)         1,829         10,323           Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         —         (924)         —         —         —         924           Stock-based compensation         19         —         —         —         —         19           Distributions from noncontrolling interests         —         —         —         —         —         19           Contributions from noncontrolling interests         —         —         —         —         —         145         145           Spectra Energy common stock issued         11         —         —         —         —         11         14         —         —         —         —         11         145         145         145         145         145         145         145         145         145         145         145         145         145         145         145         145         145         145         145 <t< td=""><td>Spectra Energy Partners, LP</td><td>(511)</td><td>_</td><td>_</td><td>_</td><td>817</td><td>306</td></t<>	Spectra Energy Partners, LP	(511)	_	_	_	817	306
Net income         —         1,082         —         —         201         1,283           Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         (924)         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         19           Distributions for noncontrolling interests         —         —         —         —         (175)         (175)           Contributions from noncontrolling interests         —         —         —         —         —         145         145           Spectra Energy common stock issued         11         —         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         —         —         —         —         11         2           Other, net         5         —         —         —         (1)         2           Other, net         196         —         —         264         460	Other, net	(1)	_	_	_	1	
Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         (924)         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         19           Distributions from noncontrolling interests         —         —         —         —         —         115         145           Spectra Energy common stock issued         11         —         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP common units issued         49         —         —         —         —         11         2           Other, net         —         3         —         —         —         —         (1)         2         2         3         —         —         —         (2)         3         —         —         —         —         (2)         3         —         —         —         —         (2)         3         —         —         — </td <td>December 31, 2013</td> <td>4,870</td> <td>2,383</td> <td>1,557</td> <td>(316)</td> <td>1,829</td> <td>10,323</td>	December 31, 2013	4,870	2,383	1,557	(316)	1,829	10,323
Other comprehensive loss         —         —         (541)         (38)         (7)         (586)           Dividends on common stock         —         (924)         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         19           Distributions from noncontrolling interests         —         —         —         —         —         115         145           Spectra Energy common stock issued         11         —         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP common units issued         49         —         —         —         —         11         2           Other, net         —         3         —         —         —         —         (1)         2         2         3         —         —         —         (2)         3         —         —         —         —         (2)         3         —         —         —         —         (2)         3         —         —         — </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Dividends on common stock         —         (924)         —         —         —         (924)           Stock-based compensation         19         —         —         —         —         19           Distributions to noncontrolling interests         —         —         —         —         (175)         (175)           Contributions from noncontrolling interests         —         —         —         —         145         145           Spectra Energy common stock issued         11         —         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         —         —         —         —         11         2           Spectra Energy Partners, LP common units issued         49         —         —         —         —         (11)         2           Other, net         —         3         —         —         —         (11)         2           Other, net         —         5         —         —         —         (12)         3           December 31, 2014         4,957         2,541         1,016	Net income	_	1,082	_	_	201	1,283
Stock-based compensation         19         —         —         —         —         19           Distributions to noncontrolling interests         —         —         —         —         (175)         (175)           Contributions from noncontrolling interests         —         —         —         —         145         145           Spectra Energy Common stock issued         11         —         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         3         —         —         —         (11)         2           Other, net         5         —         —         —         (12)         3           December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —	Other comprehensive loss	_	_	(541)	(38)	(7)	(586)
Distributions to noncontrolling interests         —         —         —         —         —         175         (175)         (175)         Contributions from noncontrolling interests         —         —         —         —         145         145         145         145         145         Spectra Energy common stock issued         11         —         —         —         —         11         2         —         —         11         2         —         —         11         Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         3         —         —         —         —         (1)         2         2         3         —         —         —         (1)         2         2         3         —         —         —         (2)         3         3         —         —         —         (2)         3         10,398         —         —         —         (2)         3         10,398         —         —         —         264         460         Other comprehensive income (loss)         —         —         (996)         —         —         — <t< td=""><td>Dividends on common stock</td><td>_</td><td>(924)</td><td>_</td><td>_</td><td>_</td><td>(924)</td></t<>	Dividends on common stock	_	(924)	_	_	_	(924)
Contributions from noncontrolling interests         —         —         —         —         145         145           Spectra Energy common stock issued         11         —         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         3         —         —         —         (1)         2           Other, net         5         —         —         —         (2)         3           December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —	Stock-based compensation	19	_	_	_	_	19
Spectra Energy common stock issued         11         —         —         —         11           Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         3         —         —         —         (1)         2           Other, net         5         —         —         —         (2)         3           December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         21           Distributions to noncontrolling interests         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248	Distributions to noncontrolling interests	_	_	_	_	(175)	(175)
Spectra Energy Partners, LP common units issued         49         —         —         —         248         297           Transfer of interests in subsidiaries to         Spectra Energy Partners, LP         3         —         —         —         (1)         2           Other, net         5         —         —         —         (2)         3           December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         21           Distributions to noncontrolling interests         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         — </td <td>Contributions from noncontrolling interests</td> <td>_</td> <td>_</td> <td>_</td> <td>_</td> <td>145</td> <td>145</td>	Contributions from noncontrolling interests	_	_	_	_	145	145
Transfer of interests in subsidiaries to       Spectra Energy Partners, LP       3       —       —       —       (1)       2         Other, net       5       —       —       —       (2)       3         December 31, 2014       4,957       2,541       1,016       (354)       2,238       10,398         Net income       —       196       —       —       264       460         Other comprehensive income (loss)       —       —       (937)       6       (13)       (944)         Dividends on common stock       —       (996)       —       —       —       (996)         Stock-based compensation       21       —       —       —       —       21         Distributions to noncontrolling interests       —       —       —       —       21       —       —       —       248       248         Spectra Energy common stock issued       3       —       —       —       —       3       248       248         Spectra Energy Partners, LP common units issued/retired       (105)       —       —       —       635       530         Transfer of interests in subsidiaries       166       —       —       —       — <t< td=""><td>Spectra Energy common stock issued</td><td>11</td><td>_</td><td>_</td><td>_</td><td>_</td><td>11</td></t<>	Spectra Energy common stock issued	11	_	_	_	_	11
Spectra Energy Partners, LP         3         —         —         —         (1)         2           Other, net         5         —         —         —         (2)         3           December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         21           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         3         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         —         635	Spectra Energy Partners, LP common units issued	49	_	_	_	248	297
Other, net         5         —         —         —         (2)         3           December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         —         21           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         —         —<	Transfer of interests in subsidiaries to						
December 31, 2014         4,957         2,541         1,016         (354)         2,238         10,398           Net income         —         196         —         —         264         460           Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         —         21           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         —         —         —         —         —         12         —         —         —         —	Spectra Energy Partners, LP	3	_	_	_	(1)	2
Net income       —       196       —       —       264       460         Other comprehensive income (loss)       —       —       (937)       6       (13)       (944)         Dividends on common stock       —       (996)       —       —       —       (996)         Stock-based compensation       21       —       —       —       —       21         Distributions to noncontrolling interests       —       —       —       —       (200)       (200)         Contributions from noncontrolling interests       —       —       —       —       248       248         Spectra Energy common stock issued       3       —       —       —       —       3         Spectra Energy Partners, LP common units issued/retired       (105)       —       —       —       635       530         Transfer of interests in subsidiaries       166       —       —       —       —       —       12         Other, net       12       —       —       —       —       —       12	Other, net	5	_	_	_	(2)	3
Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         —         —         12	December 31, 2014	4,957	2,541	1,016	(354)	2,238	10,398
Other comprehensive income (loss)         —         —         (937)         6         (13)         (944)           Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         —         —         12							
Dividends on common stock         —         (996)         —         —         —         (996)           Stock-based compensation         21         —         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         —         126           Other, net         12         —         —         —         —         —         12	Net income	_	196	_	_	264	460
Stock-based compensation         21         —         —         —         —         21           Distributions to noncontrolling interests         —         —         —         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         (166)         —           Other, net         12         —         —         —         —         —         12	Other comprehensive income (loss)	_	_	(937)	6	(13)	(944)
Distributions to noncontrolling interests         —         —         —         —         (200)         (200)           Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         (166)         —           Other, net         12         —         —         —         —         12	Dividends on common stock	_	(996)	_	_	_	(996)
Contributions from noncontrolling interests         —         —         —         —         248         248           Spectra Energy common stock issued         3         —         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         (166)         —           Other, net         12         —         —         —         —         12	Stock-based compensation	21	_	_	_	_	21
Spectra Energy common stock issued         3         —         —         —         —         3           Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         (166)         —           Other, net         12         —         —         —         —         12	Distributions to noncontrolling interests	_	_	_	_	(200)	(200)
Spectra Energy Partners, LP common units issued/retired         (105)         —         —         —         635         530           Transfer of interests in subsidiaries         166         —         —         —         (166)         —           Other, net         12         —         —         —         —         12	Contributions from noncontrolling interests	_	_	_	_	248	248
Transfer of interests in subsidiaries         166         —         —         —         (166)         —           Other, net         12         —         —         —         —         12		3	_	_	_	_	3
Other, net         12         —         —         —         —         12	Spectra Energy Partners, LP common units issued/retired	(105)	_	_	_	635	530
	Transfer of interests in subsidiaries	166	_	_	_	(166)	_
December 31, 2015 \$5,054 \$1,741 \$ 79 \$(348) \$3,006 \$ 9,532	Other, net	12					12
	December 31, 2015	\$5,054	\$1,741	\$ 79	\$(348)	\$3,006	\$ 9,532

We use ongoing net income-controlling interests and ongoing EPS as measures to evaluate operations of the company. These measures are non-GAAP financial measures as they represent net income-controlling interests and EPS, excluding special items. Special items represent certain charges and credits that we believe will not be recurring on a regular basis. We believe that the presentation of ongoing net income-controlling interests and ongoing EPS provides useful information to investors, as it allows investors to more accurately compare our ongoing performance across periods. The most directly comparable GAAP measures for ongoing net income-controlling interests and ongoing EPS are reported net income-controlling interests and reported EPS.

We use earnings from continuing operations before interest, income taxes, and depreciation and amortization (EBITDA) and ongoing EBITDA, non-GAAP financial measures, as performance measures for Spectra Energy Corp. Ongoing EBITDA represents EBITDA excluding special items. We believe that the presentation of EBITDA and ongoing EBITDA provides useful information to investors, as it allows investors to more accurately compare Spectra Energy Corp's performance across periods. The most directly comparable GAAP measure for EBITDA and ongoing EBITDA for Spectra Energy Corp is net income.

The primary performance measure used by us to evaluate segment performance is segment EBITDA. We consider segment EBITDA, which is the GAAP measure used to report segment results, to be a good indicator of each segment's operating performance from its continuing operations as it represents the results of our segments' operations before depreciation and amortization without regard to financing methods or capital structures. Our segment EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate EBITDA in the same manner.

We also use ongoing segment EBITDA as a measure of performance. Ongoing segment EBITDA is a non-GAAP financial measure, as it represents reported segment EBITDA, excluding special items. We believe that the presentation of ongoing segment EBITDA provides useful information to investors, as it allows investors to more accurately compare a segment's ongoing performance across periods. The most directly comparable GAAP measure for ongoing segment EBITDA is reported segment EBITDA.

The non-GAAP financial measures presented in this report should not be considered in isolation or as an alternative to financial measures presented in accordance with GAAP. These non-GAAP financial measures may not be comparable to similarly titled measures of other companies because other companies may not calculate these measures in the same manner.

(In millions except per-share amounts)	Reported Earnings	Special Items	Ongoing Earnings
	Larmings	items	Larrings
SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION			
Spectra Energy Partners	\$1,905	\$ 9 <sup>A</sup>	\$1,914
Distribution	473	_	473
Western Canada Transmission & Processing	491	25 <sup>B</sup>	516
Field Services	(461)	355 <sup>c</sup>	(106)
Total Reportable Segment EBITDA	2,408	389	2,797
Other	(384)	333 <sup>D</sup>	(51)
Total Reportable Segment and Other EBITDA	\$2,024	\$ 722	\$2,746
EARNINGS			
Total Reportable Segment EBITDA and Other EBITDA	\$2,024	\$ 722	\$2,746
Depreciation and Amortization	(764)	_	(764)
Interest Expense	(636)	1 <sup>E</sup>	(635)
Interest Income and Other	(3)	_	(3)
Income Tax Expense	(161)	(143)	(304)
Total Net Income	460	580	1,040
Total Net Income – Noncontrolling Interests	(264)	(1)	(265)
Total Net Income – Controlling Interests	\$ 196	\$ 579	\$ 775
EARNINGS PER SHARE, BASIC	\$ 0.29	\$0.86	\$ 1.15
EARNINGS PER SHARE, DILUTED	\$ 0.29	\$0.86	\$ 1.15

 $<sup>\</sup>hbox{A-Non-cash\,impairment\,at\,Ozark\,Gas\,Gathering.}$ 

### Weighted Average Shares (reported and ongoing) – in millions

Basic 671 Diluted 672

B-Overhead reduction costs and non-cash asset impairment.

 $<sup>\</sup>hbox{C-Overhead reduction costs, net gain on asset sales, and non-cash goodwill and asset impairments and write-offs.}$ 

D-Non-cash goodwill impairments associated with the Westcoast acquisition in 2002.

 $<sup>\</sup>hbox{E-Net write-off of regulatory assets and liabilities at Ozark Gas Transmission due to discontinuance of regulatory accounting.}$ 

(In millions except per-share amounts)	Reported Earnings	Special Items	Ongoing Earnings
SEGMENT EARNINGS BEFORE INTEREST, TAXES,			
AND DEPRECIATION AND AMORTIZATION			
Spectra Energy Partners	\$1,669	\$ <b>—</b>	\$1,669
Distribution	552	_	552
Western Canada Transmission & Processing	754	_	754
Field Services	217	12 <sup>A</sup>	229
Total Reportable Segment EBITDA	3,192	12	3,204
Other	(58)	_	(58)
Total Reportable Segment and Other EBITDA	\$3,134	\$ 12	\$3,146
EARNINGS			
Total Reportable Segment EBITDA and Other EBITDA	\$3,134	\$ 12	\$3,146
Depreciation and Amortization	(796)	_	(796)
Interest Expense	(679)	_	(679)
Interest Income and Other	6	_	6
Income Tax Expense	(382)	(4)	(386)
Total Net Income	1,283	8	1,291
Total Net Income – Noncontrolling Interests	(201)	_	(201)
Total Net Income – Controlling Interests	\$1,082	\$ 8	\$1,090
EARNINGS PER SHARE, BASIC	\$ 1.61	\$0.01	\$ 1.62
EARNINGS PER SHARE, DILUTED	\$ 1.61	\$0.01	\$ 1.62

 $\hbox{A-Loss on sales of assets and goodwill impairment.}$ 

### Weighted Average Shares (reported and ongoing) – in millions

Basic 671 Diluted 672

(In millions except per-share amounts)	Reported	Special Items	Ongoing
	Earnings	items	Earnings
SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION			
Spectra Energy Partners	\$1,433	\$ 7 <sup>A</sup>	\$1,440
Distribution	574	_	574
Western Canada Transmission & Processing	736	_	736
Field Services	343	_	343
Total Reportable Segment EBITDA	3,086	7	3,093
Other	(86)	27 <sup>A</sup>	(59)
Total Reportable Segment and Other EBITDA	\$3,000	\$ 34	\$3,034
EARNINGS			
Total Reportable Segment EBITDA and Other EBITDA	\$3,000	\$ 34	\$3,034
Depreciation and Amortization	(772)	_	(772)
Interest Expense	(657)	_	(657)
Interest Income and Other	7	_	7
Income Tax Expense	(419)	30 <sup>B</sup>	(389)
Total Net Income	1,159	64	1,223
Total Net Income – Noncontrolling Interests	(121)	(2)	(123)
Total Net Income – Controlling Interests	\$1,038	\$ 62	\$1,100
EARNINGS PER SHARE, BASIC	\$ 1.55	\$0.09	\$ 1.64
EARNINGS PER SHARE, DILUTED	\$ 1.55	\$0.09	\$ 1.64

A-Transaction costs related to the dropdown of assets into Spectra Energy Partners, LP and additional merger and acquisition costs.

B-Includes income tax expense of \$31 million resulting from a change in state tax rate related to the dropdown of assets into Spectra Energy Partners, LP.

### Weighted Average Shares (reported and ongoing) – in millions

Basic 669 Diluted 671



### Gregory L. Ebel

Chairman, President and Chief Executive Officer, Spectra Energy

Chairman, President and Chief Executive Officer, Spectra Energy Partners

### Austin A. Adams

Retired Executive Vice President and Chief Information Officer, JPMorgan Chase & Co.

Member, Audit Committee, Corporate Governance Committee

### Joseph Alvarado

Chairman, President and Chief Executive Officer, Commercial Metals Company

Member, Compensation Committee, Finance and Risk Committee

### Pamela L. Carter

Retired President, Cummins Distribution Business Chair, Corporate Governance Committee; Member, Compensation Committee

### Clarence P. Cazalot, Jr

Retired Executive Chairman, President and Chief Executive Officer, Marathon Oil Corporation

Member, Compensation Committee, Finance and Risk Committee

### F. Anthony Comper

Retired President and Chief Executive Officer, BMO Financial Group

Lead Director; Member, Audit Committee, Corporate Governance Committee

### Peter B. Hamilton

Retired Senior Vice President and Chief Financial Officer, Brunswick Corporation

Chair, Audit Committee; Member, Corporate Governance Committee

### Miranda C. Hubbs

Former Executive Vice President and Managing Director, McLean Budden

Member, Audit Committee, Finance and Risk Committee

### Michael McShane

Former Chairman, President and Chief Executive Officer, Grant Prideco, Inc.

Chair, Finance and Risk Committee; Member, Audit Committee

### Michael G. Morris

Retired Chairman, President and Chief Executive Officer, American Electric Power Company

Member, Compensation Committee, Finance and Risk Committee

### Michael E.J. Phelps

Chairman, Dornoch Capital Inc.

Chair, Compensation Committee; Member, Finance and Risk Committee

The members of Spectra Energy's Board of Directors, from left: Michael Morris; Tony Comper; Pamela Carter; Michael Phelps; Austin Adams; Peter Hamilton; Greg Ebel; Mike McShane; Miranda Hubbs; Joe Alvarado; Clarence Cazalot.



### **Greg Ebel**

Chairman, President and Chief Executive Officer, Spectra Energy

Chairman, President and Chief Executive Officer, Spectra Energy Partners

Director, DCP Midstream

### **Dorothy Ables**

Chief Administrative Officer

Director, Spectra Energy Partners

### **Steve Baker**

President, Union Gas

### **Doug Bloom**

President, Canadian LNG

### **Guy Buckley**

Chief Development Officer

Director, DCP Midstream Partners

### Julie Dill

Chief Communications Officer
Director, Spectra Energy Partners

### **Mark Fiedorek**

President, Spectra Energy Transmission West Director, DCP Midstream Partners

### Reggie Hedgebeth

General Counsel and Chief Ethics and Compliance Officer, Spectra Energy

General Counsel, Spectra Energy Partners

### **Pat Reddy**

Chief Financial Officer, Spectra Energy and Spectra Energy Partners Director, DCP Midstream

### **Bill Yardley**

President, U.S. Transmission and Storage

Director, Spectra Energy Partners

The members of Spectra Energy's Leadership Team, from left: Mark Fiedorek; Julie Dill; Guy Buckley; Pat Reddy; Greg Ebel; Dorothy Ables; Reggie Hedgebeth; Steve Baker; Bill Yardley; Doug Bloom.



Spectra Energy strives to create a world-class work environment for our employees. We value diversity, inclusion, individual achievement and teamwork, and encourage leadership and continuous learning through training, development, mentorship, networking and voluntary employee groups like our Leadership Development Network.

### **Ethisphere Institute**

- World's Most Ethical Companies, 2012-2015

### **Corporate Responsibility Magazine**

- 100 Best Corporate Citizens List, 2011-2015

### Platts Top 250 Global Energy Company Rankings

- Among Platts Top 250 Global Energy Companies, 2007-2015

### **Platts Global Energy Awards**

New Jersey-New York Expansion Project named 2014
 Premier Construction Project

### **Dow Jones Sustainability Indexes**

- World Index, 2010-2015; North America Index, 2008-2015

### **CDP Indexes**

- S&P Carbon Disclosure Leadership Index, 2008-2014
- S&P 500 Climate Performance Leadership Index, 2010, 2013-2014

### Newsweek

- Green Rankings, 2010-2012, 2014-2015

### FTSE4Good

-FTSE4Good Global Index, 2007-2015

### **NYSE Euronext Vigeo Indexes**

- NYSE Euronext Vigeo World 120 Index, 2013-2015
- NYSE Euronext Vigeo U.S. 50 Index, 2013-2015

### STOXX®Global ESG Leaders Index

- STOXX® Global ESG Leaders Index, 2011-2015

### **RobecoSAM**

- Industry Leader and Gold Class Sustainability Awards, 2014-2015
- Bronze Class Sustainability Award, 2011-2013, 2016

### Houston's Top Workplaces

- One of Houston's top 150 places to work, 2010-2015

### Canada's Top 100 Employers

 Union Gas recognized as one of Canada's Top 100 Employers, 2011-2016

### **Top Employers for Canadians Over 40**

 $-Union\,Gas\,named\,a\,Top\,Employer\,for\,Canadians\,over\,40,2015$ 

### **Human Rights Campaign**

- Corporate Equality Index, 2010-2015

### Victory Media

– Military Friendly  $^{\rm @}$  Employer designation, 2015

### **Network of Employers for Traffic Safety**

- NETS Road Safety Achievement Award, 2015

### **Shareholder Services**

Broadridge Corporate Issuer Solutions, Inc. is the Transfer Agent and Registrar for Spectra Energy Corp common stock. Registered shareholders may direct questions about stock accounts, legal transfer requirements, address changes, dividend checks, replacement of lost certificates or other services by calling toll free 1-855-2 SPECTRA or 1-855-277-3287.

Please send written requests to: Spectra Energy Corp c/o Broadridge Corporate Issuer Solutions, Inc. P.O. Box 1342

Brentwood, NY 11717-0718

For electronic correspondence, visit the Broadridge website at http://shareholder.broadridge.com/spectra.



### Stock Exchange Listing

Spectra Energy's common stock is listed on the New York Stock Exchange under the trading symbol SE.

### **Stock Purchase and Dividend Reinvestment Plan**

The Spectra Energy Stock Purchase and Dividend Reinvestment Plan provides a simple and convenient way to purchase common stock directly through the company. The plan provides for full reinvestment, direct deposit or cash payment of dividends. Visit the Broadridge website at http://shareholder.broadridge.com/spectra for account management access and additional information regarding the plan.

### **Financial Publications**

Spectra Energy's Securities & Exchange Commission reports and related financial publications can be found on our website at www.spectraenergy.com/investors. Printed copies are available upon request.

### **Electronic Delivery**

Spectra Energy encourages shareholders to enroll in electronic delivery of financial information and proxy statements. To enroll in electronic delivery, go to http://enroll.icsdelivery.com/se.

### **Duplicate Mailings**

If your shares are registered in different accounts, you may receive duplicate mailings of annual reports, proxy statements and other shareholder information. Contact Broadridge for instructions on how to combine your accounts or eliminate duplicate mailings.

### **Dividend Payment**

Dividends on common stock are expected to be paid in March, June, September and December 2016, subject to declaration by the board of directors.

### Website

Additional investor information may be obtained on Spectra Energy's website, www.spectraenergy.com.

Spectra Energy is an equal opportunity employer.

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