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PRESENTATION

Operator

Good morning. My name is Blair, and I will be your conference operator today. At this time, I would like to welcome everyone to Spectra earnings fourth-quarter 2015 earnings call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. (Operator Instructions) Julie Dill, Chief Communications Officer, you may begin your conference.

Julie Dill - ***Spectra Energy Corp - Chief Communications Officer***

Great. Thank you, Blair, and good morning, everyone. Thanks so much for joining us today for our review of Spectra Energy's and Spectra Energy Partners' 2015 fourth-quarter results. With me today are Greg Ebel, CEO of both Spectra Energy and Spectra Energy Partners, and Pat Reddy, our Chief Financial Officer of both companies. Pat will go through our results for the quarter and the year, and then Greg will wrap things up with some closing thoughts on 2015. As always, we will leave plenty of time for your questions related to our 2015 results following Greg's remarks.

Our Safe Harbor statement is contained within our presentation materials and available on our website. This disclaimer is important and integral to all our remarks, so I would ask that you refer to it as you review our materials.

Also contained in our presentation materials are non-GAAP measures that we reconciled to the most directly comparable GAAP measures, and those reconciliations are also available on our website.

So with that, let me turn things over to Pat.

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

Okay. Well, thanks, Julie. Good morning, everyone, and thanks for joining us today.

As you saw in our earnings releases this morning, both Spectra Energy and Spectra Energy Partners had a very solid finish to 2015, due in large part to the strength of our US Transmission business. Our 2015 performance sets us up well as we move into 2016.

Considering the declining economic and energy industry conditions last year, the success we had in 2015 reflects some key attributes of our business. We again demonstrated an ability to manage through various business and market cycles because of our diversified portfolio, strong balance sheet and disciplined business model. The steps we took in 2015 to reduce our costs, secure contracts, execute on our expansion plans and solidify our financial position provide us with a strong platform for continued momentum. You will hear more about that when we review our new three-year plan with you tomorrow.

Before I get into the details of the quarterly results, I want to discuss some special items we recorded which lowered reported net income for the quarter by $452 million, or $0.67 per share. These items were driven largely by non-cash goodwill and asset impairments as a result of the continuing low commodity price environment. You can see on this slide that the total cash effect of the special items is only $7 million. For the year, special items affected net income by $579 million, or $0.86 per share, with a cash effect at $18 million.

Let's move to our ongoing EBITDA results beginning with SEP. Spectra Energy Partners' ongoing EBITDA for the quarter was $457 million, which was $33 million higher than the same quarter last year. An ongoing EBITDA at Spectra Energy was $672 million, compared to $810 million in the prior-year quarter.

Turning to the drivers of our ongoing results by segment, let's start with Spectra Energy Partners, where EBITDA was up 9% quarter over quarter. As you know, SEP consists of our US Transmission and Liquids businesses and is shown in the upper right-hand corner of slide 5.

US Transmission delivered EBITDA delivered of $413 million, up $44 million over last year. These results were driven primarily by increased earnings from expansion projects placed into service and in execution. Projects including OPEN, Uniontown to Gas City, Kingsport and TEAM 2014, as well as our Sabal Trail, NEXUS and AIM projects. The Liquids business reported fourth-quarter EBITDA of $62 million, compared with $71 million in the prior-year quarter. This decrease is a result of lower equity earnings from the Sand Hills and Southern Hills natural gas liquids pipelines that SEP owned for only one month in the quarter.

Let's move now to our Canadian business segments, which are shown on the left-hand side of the slide. For the quarter, the Canadian dollar was about 18% lower than the previous year's quarter. As a result, the FX effect on EBITDA for our Canadian business segments this quarter compared to the same quarter last year was $20 million at Distribution and $22 million at Western Canada. As a reminder, about two-thirds of our currency exposure on earnings in Canada is naturally hedged at the net income level on an annual basis. For the quarter, the change in net income from controlling interests related to FX was $6 million.

Distribution reported fourth-quarter EBITDA results of $113 million, compared with $132 million in 2014. While there were a number of pluses and minuses in the quarter, including 20% warmer weather, the decrease quarter over quarter was essentially all driven by the lower Canadian dollar.

Western Canada reported ongoing EBITDA of $123 million, compared with $250 million in the prior-year quarter. The decrease in ongoing EBITDA quarter over quarter is due to lower earnings at Empress and the effect of the lower Canadian dollar.

You may recall last year's results at Empress included a significant non-cash mark-to-market gain associated with our risk management program. The change in the unrealized mark-to-market value in the fourth quarter of 2015 was a negative $90 million. As we mentioned in last year's call, we expect that there would be some accounting noise in 2015 as the hedges rolled off and commodity prices moved. The cash would be realized as the contract settled. Importantly for the year, Empress generated cash at $52 million, well above our expectation of $30 million. And cash, of course, is what we are focused on.

Moving on to DCP, you'll recall that what we show here as Spectra Energy EBITDA from Field Services is actually our 50% share of DCP's net income plus any gains from DPM unit issuances.

For the quarter, we reported ongoing EBITDA from Field Services of negative $36 million, compared with negative $18 million last year. The decrease in ongoing earnings was primarily driven by further declines in commodity prices. These decreases were partially offset by asset growth, improved operating efficiencies and other initiatives, including re-contracting for more fee-based revenues as well as an increase in the ownership interest of the Sand Hills and Southern Hills NGL pipelines for two months of the quarter. It is important to note that, even in this low commodity price environment, DCP's standalone adjusted EBITDA was considerable at almost $725 million for the full year 2015.

Let's turn now to our distributable cash flow schedules, beginning with SEP on slide 6. SEP's standalone distributable cash flow was $260 million for the quarter, compared to the prior-year quarter of $245 million. SEP ended the year with DCF of $1.2 billion and strong distribution coverage of 1.2 times, exceeding our original expectation of 1.1 times. SEP's strong DCF results for the year were driven by a 14.7% increase in ongoing EBITDA, which was slightly offset by higher maintenance capital expense compared to the prior year.

Let's move now to Spectra Energy's DCF, as shown on slide 7. At Spectra Energy, ongoing distributable cash flow was $201 million for the quarter, compared with $316 million last year. Ongoing DCF for the year was $1.3 billion with strong dividend coverage of 1.3 times, exceeding our original plan expectations of 1.2 times, a significant accomplishment given the backdrop of the current environment, and further demonstrating the power of our portfolio.

While our EBITDA was lower year over year as a result of lower commodity prices and the effect of a lower Canadian dollar, that decrease was partially offset by reduced maintenance capital expenditures and interest expense, both of which benefited from the lower Canadian dollar.

Greg is going to highlight our key successes for the year, but from a from financial perspective, I will note that we have performed very well during the year. Specifically, we exceeded our DCF coverages at both Spectra Energy and at SEP. We have solid balance sheets at both Spectra Energy and SEP, as well as stable-to-improving investment-grade credit metrics.

You may have noticed in mid-December that one of the rating agencies improved Spectra Energy's outlook, moving us from negative to stable. This action was a significant achievement in this environment.

More than 90% of Spectra Energy's revenues and 95% of SEP's revenues are contracted with customers who are investment-grade or equivalent, or are secured by collateral, primarily letters of credit. Furthermore, the 90% figure for Spectra Energy excludes about $1 billion in revenue from Union Gas's residential cost-of-service customers, with virtually no bad debt expense. Including these customers boosts the portion of Spectra Energy's revenues from investment-grade customers to 92%.

We have multiple ways to finance our Drive to 35, and we utilized a number of those vehicles with great success all the way through December. With the majority of our growth CapEx occurring at SEP, we utilized our after-market equity program and raised about $550 million of equity at SEP last year, with nearly $200 million raised in the fourth quarter. Given the continued success of this program, we filed a new, multi-year shelf registration in December to upsize the ATM program to $1 billion.

We also had several successful debt issuances during the year. We issued $1 billion of incremental senior unsecured notes at SEP in the first quarter of the year. In the third quarter, we refinanced maturing debt and upsized the issuance for a total of $450 million Canadian at Union Gas, and we refinanced $800 million of existing senior and secured debt at Gulfstream. In December, Westcoast Energy refinanced $350 million of Canadian debt, and we successfully reentered the preferred share market with CAD115 million issuance at Westcoast Energy in late November. All of these issuances were completed at very favorable rates.

Lastly, we have significant liquidity available across the Company at $2.8 billion as of December 31. This financial flexibility gives us confidence in our continued capacity to successfully fund our growth projects in effective and efficient manner. My point is, in this time of difficult capital markets, we continue to have the financial flexibility and access to capital to successfully fund our growth. I am pleased with what we have accomplished in 2015, and I look forward to talking with you tomorrow about our outlook for the next three years. So with that, let me turn things over to Greg.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Well, thanks very much, Pat, and good job fighting through that cold. Tomorrow, you will be in fine form after a little bit of bourbon tonight. But, welcome, everybody on the phone. And I, too, like Pat -- I am pleased with our 2015 performance, and continuing that consistent record of executing on growth opportunities that not only drive earnings but also cash flow now and well into the future.

We are going to keep things pretty brief this morning since we will be talking to you tomorrow about our new three-year plan. But I think it is valuable to take a couple of minutes to reflect on 2015.

Last year, we told you that we would deliver real results for this real-world cycle. And we did that. Our ability to do what we say, and what we did in terms of what we will say and what we will do, especially in a year with deteriorating economic and energy industry conditions like 2015, further highlights the strong fundamentals of our underlying businesses and the first- and last-mile advantage of our asset footprint.

As we look back on the year, one where NGL and crude prices were about 20% lower than what we had originally forecast, where natural gas prices were 25% or so lower than what we expected, and where the Canadian dollar was more than 10% lower than what we budgeted, Spectra Energy was still within 3% of our original EBITDA forecast. I think that is quite a result. But it really shouldn't be surprising because I think it reflects the strength of our resilient portfolio through the cycles as well as the natural hedges we have across our broad spectrum of businesses and geographies.

Our businesses in SEP are not affected by near-term changes in currency or commodity. And for the other business segments, we have natural offsets to variables like currency changes through interest expense and maintenance capital. Of course, we also took a number of cost management steps throughout the year totaling about $150 million across Spectra Energy's entities to help position us for the changing environment in 2016 and beyond.

We said we delivered strong DCF and dividend and distribution coverage at both Spectra Energy and SEP. And we did and exceeded our original expectations. We beat our DCF outlook by 7% at Spectra Energy and by more than 8.5% at SEP. And we beat our coverage targets for both Spectra Energy and SEP and ended the year with coverage ratios of 1.3 times and 1.2 times, respectively.

We said we would continue to successfully execute on our 2015 growth plan, and we were able to do that. Along with the other projects we placed into service during the year, we brought the greenfield portion of OPEN into service in the fourth quarter. As well as, the 2015 Dawn-Parkway project was placed into service ahead of schedule, again, really demonstrating our project execution advantage.

We said we would continue to move additional projects into execution and we did that, adding another $600 million expansion of our Dawn to Parkway system and about $1.2 billion of projects on our cost-of-service BC pipeline in Western Canada - including another $150 million pipeline expansion in the Montney region, put into execution in the fourth quarter the Wynwood project. You will hear more about that project tomorrow from Mark Fiedorek.

We said we would strengthen DCP's structure and optimize the value at DCP Midstream, and we were able to do that as well. Between actions taken by the parents as well as a number of self-help initiatives, DCP has achieved a one-third improvement in its cash breakeven NGL price. DCP is stronger today as a result of those actions.

We said we would maintain our investment-grade ratings, and, as you heard from Pat, we did that. We said we would increase our annual dividend at Spectra Energy by $0.14 per share and our quarterly distributions at SEP by $0.0125 per unit, and we did that. And just this morning, we announced our 33rd consecutive quarterly distribution increase at SEP. As a matter of record, we have increased our distributions every single quarter since SEP's inception.

We said we would operate reliably to meet our customers' needs and we were able to do that, achieving record deliveries on our major pipeline systems - Texas Eastern, Algonquin, Union's Dawn Parkway system and T-South in Western Canada. This is another indication that our customers use and value capacity on our pipes on the days they need it most.

You have often heard me speak of the key attributes of Spectra Energy and Spectra Energy Partners that position us for success now and in the future. Our premier asset positioning and connectivity that takes us where the lights are -- safe, reliable operations; responsible development of new projects; strong earnings growth and cash flows; and attractive, reliable dividend and distribution increases for investors throughout all market cycles.

Investors in Spectra Energy and Spectra Energy Partners don't have to choose between growth and strong coverage. They get them both and they get them now. 2015 has positioned us well as we move into the new year, and our team is looking forward to speaking tomorrow about our very positive 2016 to 2018 plan and our ability to continue to navigate through the energy and economic environment we are in, while also continuing to meet or exceed the commitment we have already made to investors.

So with that, we will be happy to take your questions on our quarter and year-end results.

QUESTION AND ANSWER

Operator

(Operator Instructions) Darren Horowitz, Raymond James.

Darren Horowitz *- Raymond James & Associates, Inc. - Analyst*

Just two quick questions for me since I know we're going to go into a lot of detail tomorrow. But the first, with regard to the earnings in Western Canada, when you consider the variance between -- as you mentioned, Pat - Empress, relative to the Canadian dollar and some commodity price fluctuations, as well as that risk management program and maybe additional mark to market, was there anything within the quarter just in terms of the composition of the variance that was surprising relative to what you had budgeted?

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

Well, I think, Darren -- this is Pat -- we don't budget mark to market. There was really nothing fundamentally in the business. I would tell you that we had a very large mark-to-market change, $90 million in the quarter. And what that reflected was we had a gain in the fourth quarter of last year of about $80 million, and that has turned into a loss of $10 million. So, a swing of $90 million year over year. That is obviously not cash. We did generate $52 million at Empress versus our $30 million budget. So that is one that, at the EBITDA line, we just can't predict where the market is going to go. And then the Canadian dollar, the effect there was $22 million. Really nothing in the operation, I don't think, Greg, that came through.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Darren, a year or two -- maybe probably a couple of years ago, we said we would kind of target that $30 million. I know the accountants will hate this -- the $30 million cash EBITDA. But that is really what we are trying to do to make sure that there is little variability in the cash that we actually generate from Empress even though you may see mark-to-market moves up or down.

Darren Horowitz - ***Raymond James & Associates, Inc. - Analyst***

Okay. Yes, that makes sense. That is the most important. Final question for me, and let me apologize in advance. I know you're going to go through it when you discuss in detail the three-year plan tomorrow. But, Pat, since you mentioned it, specifically on slide 8 when you were talking about liquidity and the various different options, when you reconcile the $9.5 billion of expansion projects that you have in execution and you consider the volatility in market, and maybe across the different financing options fluctuations in cost of capital, has anything changed with regard to how you might balance. Let's just say, additional ATM issuances at SEP versus possibly incremental senior debt or utilizing revolver, or maybe even replicating the success that you had with an additional preferred issuance?

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

Darren, you have covered most of levers that we have available to us, which is what we like about our position between our liquidity, our ability to issue in Canada and the US. You will hear a lot more about it tomorrow. But most of the growth CapEx that we have in 2016 is for projects that are at Spectra Energy Partners. We have outsized our ATM, so we have plenty of headroom there. We had $200 million that we issued in the fourth quarter going right up to the end of the year. When we had to shut it down as we went into earnings, we had strong reverse inquiry -- interest in that program.

And so I think our financing needs are very doable next year, most of it being concentrated at SEP. But we will get into more detail on that tomorrow.

Operator

Brandon Blossman, Tutor, Pickering, Holt and Company.

Brandon Blossman - ***Tudor, Pickering, Holt & Co. Securities - Analyst***

One real quick bookkeeping item. OPEN and Dawn-Parkway, was that a full quarter of contribution from the EBITDA perspective for the fourth quarter?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

No. Typically, the Union projects kick in 1 November. And OPEN was sometime -- well, it was basically 1 November as well. And almost always, Brandon, sometimes we come in early with projects, but almost always our capital projects come in 1 November. So you only get a couple of months each year -- the first year that they come in service.

Brandon Blossman - ***Tudor, Pickering, Holt & Co. Securities - Analyst***

Fair enough. And related -- and I am guessing we will hear more about this tomorrow, but AIM timing in the back half of 2016, any updates there?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Yes. Right on target. As you know, we -- that was a two-season build. And we got to our first-season build and expect the November 1 startup as we originally predicted when we put this project into execution a couple years back.

Brandon Blossman - ***Tudor, Pickering, Holt & Co. Securities - Analyst***

Perfect. Greg -- and I almost hate to ask this question, but as your equities hang in there quite nicely relative to the rest of the market, any incremental or updated thoughts on M&A for you guys?

Greg Ebel *- Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO*

No. I mean, look, I think that you see a variety of people having some challenges now. I guess I look at us -- and I still don't see anybody saying they are willing to sell at prices maybe they should sell at. And we continue to build at all our US projects at 6 to 8 times EBITDA. So that seems to be the better process at this point in time, but we are always looking. At some point in time, there may be some folks that see a value in an entity like Spectra and value in currency like Spectra. But, at this point in time, we are going to continue with our organic growth and drive forward with our growth on that basis.

Operator

Paul Lechem, CIBC.

Paul Lechem *- CIBC World Markets - Analyst*

Just on Western Canada a little bit more, if I can. Even taking into account the change in mark to market and the FX, it was still down about 10% in terms of EBITDA. I'm just trying to understand the variance there. Was that -- can you go through the volumes -- what volume exposure you have there?

And then also, as a second related question, in the quarter, Keyera shut down their Caribou gas plant, specifically mentioning your station 2 pricing was one of the issues that caused production to be shut. And so I'm just trying to square that away with the High Pine and Wyndwood projects and the seeming growth elsewhere. I'm just trying to understand the dynamics that you are seeing and where you have volume exposure there. Thanks.

Greg Ebel *- Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO*

Right. Remember, we -- our G&P business -- very different than the United States. Our G&P business in Canada is a fee-based business that doesn't have volume risk. Now, you have shorter contracts life there -- I think our average contract life runs around five years in Western Canada on G&P.

I can't speak Keyera. So we really didn't see a decline there. You didn't have as many volumes going through some of your plants; still getting -- you're getting paid. And remember, the projects like Wyindwood, which you will hear about tomorrow -- pipeline projects -- so, very much to your station 2 issue, people want to get gas to other markets.

And so I think where you see growth in Western Canada, you hear about this in the stuff that we have put into execution in 2015, is very much related to pipeline projects, which are cost of service. So I think that is why maybe some other folks in Western Canada see a little different.

And our pipeline throughput in Western Canada was off by less than 5% versus the prior year. So even with low price, I think that speaks to the utilization of the pipeline. And, in fact, this is the first time, I think, in 10 years we have been fully contracted for.

So, really, the G&P revenues, and basically in line with what we expect, are -- we're only down about $11 million quarter on quarter.

Operator

Jeremy Tonet, JP Morgan.

Jeremy Tonet *- JP Morgan - Analyst*

Congratulations on a strong year. I was just wondering, looking at NEXUS, if you could remind us exactly how full the contracted volumes are there and where you're looking to get that. And we have seen some other projects in midstream where competing projects have come together to create kind of one combined project. And is there any appetite for thoughts on doing that for NEXUS or any other project?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Well, good to hear a question on NEXUS. We are about two-thirds contracted on NEXUS. And really importantly, both in the quarter but from a macro perspective, a significant portion of that two-thirds is with utilities, Union Gas and Enbridge distribution. And, in fact, the regulators, as you have probably -- well, I hope you know -- in the fourth quarter approved those contracts.

I think some of the things you are seeing on some other projects are basically entirely underwritten by E&P players. So I think the strength of our project is that not only are we serving a demand market, we have approved contracts from regulated entities taking that away.

Now, that being said, I think our project -- as you know, we typically put out realistic time frames, et cetera. I guess if somebody wanted to join our project, I'm always open for that. Something we have been able to do in the last year is beyond the existing contracts we have, we have had requests for and signed up deals for 1.4 bcf of interconnects along the NEXUS pipeline. And you are going to get a good feel from that from Bill Yardley tomorrow. So, Jeremy, maybe wait for that slide tomorrow. I think it will really show the strength of NEXUS. And maybe others would like to join that project if some projects are having problems.

Jeremy Tonet - ***JP Morgan - Analyst***

Great. Thanks for all that color. That is helpful.

And just on SEP, I think you touched on it a little bit, but the maintenance CapEx, I think, was a little bit higher than what we were expecting. Was that just timing kind of pulling some projects forward or anything else you can share there?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Yes. I think we were at $20 million, $25 million higher in 2015 than when we originally had stated. Indeed, we did do some more work on the maintenance front, some work in South Texas that had to be done that we got done this year. And, obviously, that provides some benefits on a go forward basis as well, Jeremy.

Jeremy Tonet - ***JP Morgan - Analyst***

Great. Thanks for that. And then, just one last one, if I could, on SEP. The unit count was a little bit higher than what we expected for quarter-end, given the reduction post Sand Hills and Southern Hills. And I know there was some draw on the ATM at that point. Were there any other items that impacted the unit count right now?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

No, Jeremy. I think, as Pat said, we issued about $200 million in units in the fourth quarter. So I am not sure what you had in your model, but that maybe account for the delta.

Operator

Christine Cho, Barclays Capital.

Christine Cho - ***Barclays Capital - Analyst***

I have two questions. First, in your presentations, you guys always give out the financial covenant metrics for your debt. But, from a debt-to-EBITDA perspective at Spectra Energy, you are over 5 times. And we have seen rating agencies be a little more aggressive with putting companies on negative review or outlook.

When I think about the composition of your assets, your Canadian assets are regulated. And I think that that composition in rate-making is only 35% to 40% or something like that. Do the rating agencies recognize that and take that into account? Can you give us some insight into how they look at Spectra Energy and why you guys feel good about your ratings here?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Yes. I think, Christine, you hit the nail on the head. When you think about the size of our assets in Canada -- and they have typically a 65%/35% debt equity ratio -- by definition, you are going to have a higher debt to EBITDA, but you actually have lower risk on those assets. You don't have cost risks, within prudency. You don't have capital growth risks, within prudency, obviously.

And, as such, I think the rating agencies -- I would say this has actually been synced up across the border now. You have different groups for S&P and Moody's and Fitch on both sides of the border have started to recognize that. And you would have to speak to them, but I think that is part of their view on Spectra Energy.

That said, I would expect that over the next few years -- and Pat will speak about this tomorrow -- that you will still see our debt-to-EBITDA metrics moderate over the coming years.

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

Our peak spend is 2016, as you will see tomorrow, and our debt to EBITDA comes nicely after that. And, to Greg's point, when you think about our Canadian peers like an Enbridge or a TransCanada, their debt to EBITDA is around 7 times. But, because of the quality of regulation, they are rated excellent from a business risk perspective.

And so I think we have had lots of discussions with the agencies about the fact that we are kind of unique. We are a U.S. C-corp that 40% of our business comes from those Canadian fee-based and/or regulated activities. So I do think we are getting recognition that, as long as we are on a good glide path, to get down to around 5 in our plan period, that we feel like that should be okay for our rating.

Christine Cho - ***Barclays Capital - Analyst***

Right. Right. Okay. That was actually really helpful. Thanks.

My other question, actually, is on the heels of Jeremy's question. The maintenance CapEx at SEP looks like -- as you said, it came in about $25 million above guidance. But if I look at consolidated SE, it looks like it was down despite the over budget at SEP. So that, to me, says the other segments were down in maintenance CapEx. Is there any explanation there, and should we think of that as kind of the new run rate?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Yes. Well, here is the way you should think about it. This is off the top. Maybe I didn't say it very artfully. But, Christine, remember, really important offsets to declines in EBITDA associated with Canadian dollars is the offset to the tune of two-thirds -- the interest expense line and the maintenance capital line. And we have actually a greater amount of maintenance capital in Canada, so you actually see a decline in maintenance capital quarter over quarter, very much related to the C dollar.

So, yes, I think last year the C dollar was running in the, call it, $1.15 - $1.20 range. And this year it was probably running in the $1.40 range. So it is EBITDA, but equally hits our Canadian interest expense on maintenance. And that is really the explanation for that delta.

Christine Cho - ***Barclays Capital - Analyst***

Okay. That's helpful. If I was to adjust for the Canadian dollar, is it about where it should have came in?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Yes. Yes, very much so. And tomorrow, based on the assumptions we will give you tomorrow on our view of the Canadian dollar, obviously that will have some impact on that as well.

Operator

Nathan Judge.

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

It's Janney. Just wanted to do a little bit of checking on the mark to market. Could you just give us what the full-year mark-to-market gain or loss was for 2016 -- 2015?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Yes. We can dig that up, and if we don't have it -- I think the whole mark was running around $50 million -- during the year.

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

During the year. And let me get that for you. But, Nathan, if we don't have it right here, we are happy to kind of get it for you off-line.

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

Or tomorrow. That's fine. Thank you very much.

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

(multiple speakers). The mark-to-market gain for the year ended 2015 was $108 million.

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

And is there any quarter-to-quarter variance? Do you happen to have quarters on that? Or I guess just a question as we look into the next couple of -- 2016, what would be the swing on that?

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

Yes, we do look at that quarterly as the hedges roll off and we settle. And so you get realizations and reverse losses and gains. And so we do have that quarterly accounting that we can -- I don't know, Julie --.

Julie Dill - ***Spectra Energy Corp - Chief Communications Officer***

Focus on cash.

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

Yes. I mean, we are really focused on the cash effects of it because, who knows, how prices in the Canadian dollar are going to move in the future. And one of the reasons we entered the hedging program for Empress was to be able to say, we are going to deliver $30 million. This year, we did better. But $30 million is our run rate of cash -- and not have to talk about the impact on distributable cash flow.

So, given the complexity of the accounting for it --.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

But we will break it out in the quarters after the fact to know how much of the delta was done so you can see the base business. But from a forecasting perspective, I think the $30 million is the way to look at it, Nathan.

Operator

Chris Sighinolfi, Jefferies.

Chris Sighinolfi - ***Jefferies LLC - Analyst***

My first question is for Pat, actually. Pat, just a follow-up to Nathan's questions. When we look at slide 7 of your presentation materials, where you have the Empress noncash items -- what is included in that? Because I know you highlighted $14 million of Western Canadian items in the release, but I am assuming this also includes the mark to market. I hate to beat a dead horse, I am just kind of trying to figure out how to parcel out those different components.

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

Well, let me get that breakdown for you. I don't have it right in front of me, but that is something we can provide to you for the quarter.

Chris Sighinolfi - ***Jefferies LLC - Analyst***

Okay. That would be helpful.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

I think the $14 million in the release is related to the impairment in Western Canada. So, virtually all of it was goodwill, but there was a $14 million impairment from an (multiple speakers) perspective.

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

We had some overhead costs that we incurred to affect the reductions. So the $70 million in cost savings that we got at SET West, there were some costs to achieve that. So they didn't belong in the goodwill or the asset impairment line. But that is a different item.

Chris Sighinolfi - ***Jefferies LLC - Analyst***

Right. So there was $7 million of cash costs tethered to that and then $7 million of asset impairment, which was noncash. And then I am seeing $18 million non-cash here. And it is just the difference between Western Canada and Empress, knowing that Empress is included in Western Canada. I just -- maybe tomorrow if we can just talk about that just so I have it squared away on our model.

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

Okay. Happy to do that.

Chris Sighinolfi - ***Jefferies LLC - Analyst***

Okay. Thanks a lot. And then, Greg, you had mentioned, I think in your prepared remarks, that the cost reduction and efficiency efforts at DCP had lowered the breakeven NGL price of the business by about a third, I think is what you said.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Right.

Chris Sighinolfi - ***Jefferies LLC - Analyst***

And I was just curious what sort of price point that translates into now.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

Sure. And we will speak about this a little bit tomorrow, and the third's a year-on-year, and I think we are actually even getting better. So if I went pre-2015 -- so if I went to the end of 2014, let's call it, and these numbers will actually show it to you even a little bit better. The breakeven price was around $0.60. And where we are today is the mid-$0.30. And in 2015 it was going down -- it was about down to $0.40 or so. So it keeps going down. You're going to hear a little bit about that from Wouter. And, obviously, that has got to do with cost cuts; that has got to do with changes in contract issues; a whole variety of things that lead to that.

And in some respects maybe you shouldn't be too surprised because I think as you see across elements of people's companies that might have some quantity exposure, and that is really the only one that we have. That, in fact, people are finding different ways to make money at different prices.

So that is really where we -- so think about $0.60 to $0.40. And then tomorrow you will hear about how Wouter and the DCP folks working with 66 and SE are bringing that down to the low to mid-$0.30s.

Chris Sighinolfi - ***Jefferies LLC - Analyst***

Okay, great. Well, I will save the rest as my harassment for tomorrow. Thanks so much, guys.

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

We'll look forward to it.

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

Yes, Chris, just a quick answer on the non-cash piece for Empress. We had the unrealized mark to market of 10, and then half of that 14 of special items that wasn't cash; but basically, the $18 million add-back.

Operator

Nick Raza, Citigroup.

Nick Raza - ***Citigroup - Analyst***

Apologies if someone already asked this, but as a result of everything that is going on, have you guys seen any delays in the $8 billion of projects that you have in execution right now? Specifically, in service delays?

Greg Ebel - ***Spectra Energy Corp and Spectra Energy Partners LP - Chairman, President and CEO***

No, we have not. In fact, as you probably know, if you look at our entire portfolio, I think part of the reason for that is about 75% of our projects are demand pull. So a lot of the delays you are probably picking up maybe with some other players are because they are supply push. In other words, they are largely E&P driven as opposed to consumer driven. Obviously, two ends of the pipe. One end of the pipe not so happy with low prices. The other end of the pipe, the consumer, pretty happy with it. And at SEP, the number is more like 80% are demand pull.

So if you think of our AIM projects, Atlantic Bridge, Sabal, you probably saw yesterday -- I'm sure you all picked it up that Sabal got its FERC approval yesterday. And obviously, that is another example of this projects motoring on, and that is for Duke and NextEra, and those folks are utilities.

So I think probably a little different customer base is why we continue to see us progressing with the projects that we have in execution. And the projects we have in execution are things that we have contracts for as well.

Operator

And there are no further audio questions at this time. I will now turn the call back over to the presenters.

Julie Dill - ***Spectra Energy Corp - Chief Communications Officer***

Thank you, Blair, and thank you, everyone, for joining us on the call today. We are really looking forward to seeing you or hearing from you tomorrow when we roll out our 2016 business outlook and our three-year financial plan during our analyst and investor meeting.

So, again, for information on participating at that investor meeting via the phone or Internet, please visit the investor section of either Spectraenergy.com or Spectraenergypartners.com. As always, if you have additional questions, feel free to call Roni Cappadonna or me, and we will look forward to seeing you very soon. Thanks so much.

Operator

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