

## First Quarter Highlights

- Distributable cash flow of \$354 million, up 9% over prior year
- Record winter deliveries on Texas Eastern and Algonquin pipeline systems
- Ongoing EBITDA growth being realized from both existing assets and new expansion projects put into service
- 30<sup>th</sup> consecutive quarterly cash distribution increase

Spectra Energy Partners, LP (NYSE: SEP) today reported first quarter 2015 distributable cash flow of \$354 million, compared with \$325 million in first quarter 2014. Distributions per limited partner unit for first quarter 2015 were \$0.60125, compared with \$0.55625 per limited partner unit in first quarter 2014.

"Spectra Energy Partners' results underline the fee-based nature of our entire portfolio of infrastructure assets and their ability to generate consistent cash for investors. With virtually no volume or commodity exposure, Spectra Energy Partners' results continue to benefit not only from new assets coming into service, but also the continued high demand for our existing pipeline systems," said Greg Ebel, chief executive officer, Spectra Energy Partners. "Equally important, we continue to see new opportunities to grow both our U.S. Transmission and Liquids businesses, which provide long-term distribution growth for our unitholders."

For the quarter, reported earnings before interest, taxes, depreciation and amortization (EBITDA) were \$436 million, compared with \$413 million in first quarter 2014. Ongoing EBITDA was \$445 million, compared with \$413 million in the prior-year quarter.

Reported net income from controlling interests was \$293 million for first quarter 2015, compared with \$242 million in first quarter 2014. Net income from noncontrolling interests was \$302 million for the quarter compared with \$265 million in the prior-year quarter.

## SEGMENT RESULTS

### U. S. Transmission

U. S. Transmission reported first quarter 2015 ongoing EBITDA of \$398 million, compared with \$374 million in first quarter 2014. The decrease was primarily due to a special item of \$9 million related to the impairment of Ozark Gas Gathering assets.

Quarterly EBITDA results reflect increased earnings primarily from expansions — TEAM 2014, TEAM South, and Kingsport.

### Liquids

Liquids reported first quarter 2015 EBITDA of \$64 million, compared with \$58 million in first quarter 2014, reflecting higher equity earnings from the new natural gas liquids (NGL) pipeline as a result of increased volumes on the system.

### Other

"Other" reported net costs of \$17 million in first quarter 2015, compared with \$19 million in first quarter 2014.

### Interest Expense

Interest expense was \$57 million for first quarter 2015, compared with \$67 million for first quarter 2014. The decrease was mainly due to lower debt balances and lower average interest rates.

### Liquidity and Capital Expenditures

Total debt outstanding at Spectra Energy Partners at March 31, 2015, was \$6.3 billion. At the end of the quarter there was available cash of \$1.1 billion. Spectra Energy Partners has \$2.2 billion of expansion capital spending planned in 2015, which will be funded through a combination of debt and equity.

Through its "At the Market" (ATM) equity issuance program, Spectra Energy Partners has received net proceeds of \$47 million from the program through March 31, 2015. In March 2015, Spectra Energy Partners issued \$1 billion in incremental long-term debt. Proceeds were used to pay down debt balances, to fund capital expansion and for general corporate purposes.

Spectra Energy Partners invested \$255 million in expansion and maintenance capital projects in the U.S. Transmission and Liquids businesses in first quarter 2015, excluding reimbursements from noncontrolling interests. Expenditures included approximately \$231 million of growth capital and \$24 million of maintenance capital. Through the first quarter, maintenance spending is on track and will ramp up over the summer months. The company's estimate for full year 2015 capital spending is \$300 million.

## EXPANSION PROJECT UPDATES

The company is making excellent progress on growth projects designed to meet continued demand for natural gas and natural gas liquids.

At U.S. Transmission, the OPEN and Uniontown to Gas City projects remain on track to go into service in the fourth quarter of 2015, bringing incremental Marcellus and Utica supply to southern markets and the Midwest, respectively. Together, these two projects, along with TEAM 2014 and TEAM South — which were brought into service last year — represent about two-thirds of the 2.4 billion cubic feet (Bcf) per day in projects that will fully transform Texas Eastern to a bi-directional system by 2017.

NEXUS completed a subsequent open season, which would expand Texas Eastern by up to 950 million cubic feet per day and create new capacity to reach NEXUS markets. The project plans to file its FERC application later this year.

In New England, the AIM project received its FERC certificate and expects to begin construction in May 2015. The project is 100 percent subscribed by New England's major local distribution companies and is on track for an in-service date in the second half of 2016.

The company expects to file a formal FERC application for the Atlantic Bridge project later this year. This expansion, with capacity of up to 1.5 billion cubic feet per day, will meet the needs of New England LDC customers who require service in 2017.

Sabal Trail continues to make progress developing a new natural gas transmission system for the Southeast U.S. On May 5, 2015, the company announced that it is taking a 7.5 percent investment interest, joining Spectra Energy Partners and NextEra Energy as project owners. Sabal Trail is on track to receive FERC approvals by early 2016 and meet a 2017 in-service date.

Development work on Access Northeast continues as well. This project is focused on the New England electric power market and the goal is to lower consumer electricity prices and improve energy reliability. The project will bring additional domestic natural gas to the region by connecting to existing pipelines that already directly connect to about 70 percent of the region's most efficient gas-fired generation. That expansion will be combined with new LNG facilities, also fed by domestic supplies, to ensure natural gas reaches key power plants when it needs to, even at the highest cost. Spectra Energy Partners is developing the \$3 billion regional solution with Eversource Energy and National Grid, companies that together serve 4.8 million electric customers in New England. To minimize environmental effects, the project will utilize the existing footprints of the Algonquin and other pipeline systems.

In addition to the Access Northeast open season, which closed on May 1, 2015, Spectra Energy Partners has already conducted several open seasons this year for projects that would further connect Marcellus and Utica supply to demand markets:

- Texas Eastern's proposed Lebanon Extension Project will provide shippers with the opportunity to obtain firm transportation service for supplies to markets in the Midwest U.S. The open season concluded in late March and the targeted in-service date for the project is 2017.
- The open season for the Marcellus to Market expansion of Texas Eastern closed April 10, 2015, and results indicate strong interest in the transportation service that will deliver new incremental production to markets in the Northeast. The target in-service date for the project is November 2017.
- The proposed Greater Philadelphia Expansion Project will also grow the Texas Eastern system, providing shippers with new firm capacity points along or near the existing Philadelphia Lateral. The project open season closes this week and the in-service date could be as early as 2018.

These three projects represent a combined growth CAPEX opportunity of \$750 million to \$1.5 billion for Spectra Energy Partners by 2018 in execution.

The company's Liquids business moved the Express Enhancement project into execution during the quarter, with a 2016 estimated cost of \$100 million. The project is underpinned by long-term, fee based contracts and will maximize system throughput on the Express Pipeline through terminal and storage assets.

The Red Lake project, which will expand the reach of Sand Hills to access growing Permian Basin production, is under construction and is expected to be in service during the second quarter 2015.

#### Additional Information

Additional information about first quarter 2015 earnings can be obtained via the Spectra Energy Partners' website: [spectraenergypartners.com](http://spectraenergypartners.com)

The analyst call, held jointly with Spectra Energy, is scheduled for today, Wednesday, May 6, 2015, at 8:00 a.m. CT. The webcast will be available on the Investors Section of Spectra Energy's website or Spectra Energy Partners' website. The conference call can be accessed by dialing (800) 585-8367 in the U.S. or Canada or (706) 634-8942 internationally. The conference code is 18703265 or "SE and SEP Quarterly Earnings Call."

Please call five to ten minutes prior to the scheduled start time.

A replay of the call will be available until 5:00 p.m. CT on Tuesday, August 4, 2015, by dialing (800) 585-8367 in the U.S. or Canada or (706) 634-8942 internationally. The conference ID is 18703265. A replay and transcript also will be available via the Spectra Energy and Spectra Energy Partners' websites.

#### Non-GAAP Financial Measures

We use ongoing net income from controlling interests as a measure to evaluate operations of the company. This measure is a non-GAAP financial measure.

represents net income from controlling interests adjusted for special items. Special items represent certain charges and credits which do not recur or will recur on a regular basis. We believe that the presentation of ongoing net income provides useful information to investors, as it allows them to compare our ongoing performance across periods. The most directly comparable GAAP measure for ongoing net income from controlling interests is net income.

The primary performance measure used by us to evaluate segment performance is segment earnings from continuing operations before depreciation and amortization (EBITDA). We consider segment EBITDA, which is the GAAP measure used to report segment results, as the best measure 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 as 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 of segment EBITDA adjusted for special items. We believe that the presentation of ongoing segment EBITDA provides useful information to investors to more accurately compare a segment's ongoing performance across periods. The most directly comparable GAAP measure is net income. EBITDA is reported segment EBITDA.

We have also presented Distributable Cash Flow, which is a non-GAAP financial measure. We believe that the presentation of Distributable Cash Flow provides useful information to investors as it represents the cash generation capabilities of the company to support distribution growth. The most directly comparable measure for Distributable Cash Flow is net income.

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

#### Forward-Looking Statements

This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our beliefs and assumptions. These forward-looking statements are identified by certain words such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results presented. Factors that may cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: the success of our operations; the drop-down; state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on the timing and speed at and degree to which competition enters the natural gas and oil industries; outcomes of litigation and regulatory investigations; weather and other natural phenomena, including the economic, operational and other effects of hurricanes and storms; the timing and amount of commodity prices and interest rates; general economic conditions, including the risk of a prolonged economic slowdown or decline, and the recovery, which can affect the long-term demand for natural gas and oil and related services; potential effects arising from terrorist attacks or other hostilities; changes in environmental, safety and other laws and regulations; the development of alternative energy resources; the success of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit conditions and economic conditions; increases in the cost of goods and services required to complete capital projects; growth in opportunities; the success of efforts to develop U.S. and Canadian pipeline, storage, gathering, processing and other related infrastructure projects and the performance of natural gas and oil transmission and storage, distribution, and gathering and processing facilities; the extent of supply of natural gas and oil supplies to gathering, processing and transmission systems and in connecting to expanding gas and oil markets; the effect of regulatory pronouncements issued periodically by accounting standard-setting bodies; conditions of the capital markets during the periods covered by the forward-looking statements; and the ability to successfully complete merger, acquisition or divestiture plans; regulatory or other limitations imposed on the completion of an acquisition or divestiture; and the success of the business following a merger, acquisition or divestiture. These factors, as well as others, are included in our forward-looking statements, are described under the headings "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in our Form 10-K, filed on February 27, 2015, and in our other filings made with the Securities and Exchange Commission (SEC), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov). In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements may not occur or might occur to a different extent or at a different time than we have described. All forward-looking statements in this release are made as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future

Spectra Energy Partners, LP (NYSE: SEP) is a Houston-based master limited partnership, formed by [Spectra Energy Corp.](#) (NYSE: SEC) and other pipeline MLPs in the United States and connects growing supply areas to high-demand markets for natural gas, natural gas liquids, crude oil and refined products. We include more than 17,000 miles of transmission and gathering pipelines, approximately 170 billion cubic feet of natural gas storage, and approximately 100 million barrels of crude oil storage.

## Spectra Energy Partners, LP

## Quarterly Highlights

March 2015

(Unaudited)

(In millions, except per-unit amounts)

	Quarters Ended	
	March 31,	
	2015	2014
INCOME		
Operating Revenues	\$ 606	\$ 581
Total Reportable Segment EBITDA	453	432
Net Income - Controlling Interests	293	242
EBITDA BY BUSINESS SEGMENT		
U.S. Transmission	\$ 389	\$ 374
Liquids	64	58
Total Reportable Segment EBITDA	453	432
Other EBITDA	(17)	(19)
Total Reportable Segment and Other EBITDA	\$ 436	\$ 413
PARTNERS' CAPITAL		
Declared Cash Distribution per Limited Partner Unit	\$ 0.60125	\$ 0.55625
Weighted Average Units Outstanding		
Limited Partner Units	295	284
General Partner Units	6	6
DISTRIBUTABLE CASH FLOW		
Distributable Cash Flow	\$ 354	\$ 324
CAPITAL AND INVESTMENT EXPENDITURES (a)		
Capital expenditures - U.S. Transmission	\$ 233	\$ 177
Capital expenditures - Liquids	7	4
Investment Expenditures		
Investment in Sand Hills / Southern Hills / SESH	15	18
Total	\$ 255	\$ 199

## U.S. TRANSMISSION

Operating Revenues	\$ 522	\$ 500
Operating Expenses		
Operating, Maintenance and Other	171	151
Other Income and Expenses	38	25
EBITDA	\$ 389	\$ 374
LIQUIDS		
Operating Revenues	\$ 84	\$ 81
Operating Expenses		
Operating, Maintenance and Other	34	30
Other Income and Expenses	14	7
EBITDA	\$ 64	\$ 58
Express Pipeline Revenue Receipts, MBbl/d (b)	246	225
Platte PADD II Deliveries, MBbl/d	169	166
Canadian Dollar Exchange Rate, Average	1.24	1.10
	March 31,	December 31,
	2015	2014
Debt	\$ 6,304	\$ 6,092
Actual Units Outstanding	301	301

(a) Excludes contributions received from noncontrolling interests of \$58 million in 2015 and \$6 million in 2014 at U.S. Transmission.

(b) Thousand barrels per day.

Spectra Energy Partners, LP

Condensed Consolidated Statements of Operations

(Unaudited)

(In millions)

	Quarters Ended March 31,	
	2015	2014
Operating Revenues	\$ 606	\$ 581
Operating Expenses	295	273
Operating Income	311	308
Other Income and Expenses	49	31
Interest Expense	57	67
Earnings Before Income Taxes	303	272
Income Tax Expense	2	26
Net Income	301	246
Net Income - Noncontrolling Interests	8	4
Net Income - Controlling Interests	\$ 293	\$ 242

Spectra Energy Partners, LP

Condensed Consolidated Balance Sheets

(Unaudited)

(In millions)

	March 31, 2015	December 31, 2014
ASSETS		
Current Assets	\$ 672	\$ 555
Investments and Other Assets	4,838	4,841
Property, Plant and Equipment, net	12,269	12,135
Regulatory Assets and Deferred Debits	277	262
Total Assets	\$ 18,056	\$ 17,793
LIABILITIES AND EQUITY		
Current Liabilities	\$ 593	\$ 1,482
Long-term Debt	6,147	5,149
Deferred Credits and Other Liabilities	152	156
Equity	11,164	11,006
Total Liabilities and Equity	\$ 18,056	\$ 17,793

## Spectra Energy Partners, LP

## Distributable Cash Flow

(Unaudited)

(In millions)

	Year-To-Date March 31,	
	2015	2014
Net Income	\$ 301	\$ 246
Add:		
Interest expense	57	67
Income tax expense	2	26
Depreciation and amortization	73	73
Foreign currency loss	3	1
EBITDA	436	413
Add:		
Equity in earnings of unconsolidated affiliates	(40)	(28)
Distributions from equity investments (a)	54	37
Non-cash impairment at Ozark Gas Gathering	9	&mdash;
Other	3	2
Less:		
Interest expense	57	67
Equity AFUDC	11	4
Net cash paid for income taxes	5	&mdash;
Distributions to non-controlling interests	7	5
Maintenance capital expenditures (b)	28	24
Total Distributable Cash Flow	\$ 354	\$ 324

(a) Excludes \$2 million and \$12 million in distributions of investment in equity method affiliates for the three month period ended March 31, 2015 and 2014, respectively.

(b) Excludes reimbursable expenditures.

Spectra Energy Partners, LP

Reported to Ongoing Earnings Reconciliation

March 2015 Year-to-date

(Unaudited)

(In millions)

SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION Reported Earnings Special

U.S. Transmission	\$ 389	\$ 9
Liquids	64	&mdash;
Total Reportable Segment EBITDA	453	9
Other	(17)	&mdash;
Total Reportable Segment and other EBITDA	\$ 436	\$ 9

EARNINGS

Total Reportable Segment EBITDA and Other EBITDA	\$ 436	\$ 9
Depreciation and Amortization	(73)	&mdash;
Interest Expense	(57)	&mdash;
Other Income and Expenses	(3)	&mdash;
Income Tax Expense	(2)	&mdash;
Total Net Income	301	9
Total Net Income - Noncontrolling Interests	(8)	&mdash;
Total Net Income - Controlling Interests	\$ 293	\$ 9

A - Asset impairment at Ozark Gas Gathering.

Spectra Energy Partners, LP

Reported to Ongoing Earnings Reconciliation

March 2014 Year-to-date

(Unaudited)

(In millions)

SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION Reported Earnings Special

U.S. Transmission	\$ 374	\$ &mdash;
Liquids	58	&mdash;
Total Reportable Segment EBITDA	432	&mdash;
Other	(19)	&mdash;
Total Reportable Segment and other EBITDA	\$ 413	\$ &mdash;

EARNINGS

Total Reportable Segment EBITDA and Other EBITDA	\$ 413	\$ &mdash;
Depreciation and Amortization	(73)	&mdash;
Interest Expense	(67)	&mdash;
Other Income and Expenses	(1)	&mdash;
Income Tax Expense	(26)	23
Total Net Income	246	23
Total Net Income - Noncontrolling Interests	(4)	&mdash;
Total Net Income - Controlling Interests	\$ 242	\$ 23

A - Adjustment of federal income tax liabilities related to the dropdown.

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visit:<http://www.prnewswire.com/news-releases/spectra-energy-partners-reports-first-quarter-2015-results-300078422.html>

SOURCE Spectra Energy Partners, LP

Contact

Media: Phil West, (713) 627-4964, (713) 627-4747 (24-hour media line) or Analysts & Investors: Roni Cappadonna, (713) 627-4778