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PRESENTATION

Greg Ebel *- Spectra Energy Corp - Chairman, President & CEO*

Good morning, everybody. I think we are going to get going, so if people can grab their seats. I will start this morning simply by saying that I know this isn't the room that we typically are in, so (conference instructions).

So just from that perspective, I think I know most of you in the room, but for those that I don't know, my name is Greg Ebel. I am President and CEO of Spectra Energy and Spectra Energy Partners. And I really want to thank everybody for joining us as we roll out our 2015 business outlook and our three-year financial plan.

Today's discussion is webcast, so let me thank all those folks that are here online as well. And as required, there are forward-looking statements here, so you can read the safe harbor statement in the book, but I am not going to read it for you.

Yesterday we shared our fourth-quarter results and year-end results, and as you heard, 2014 was a really strong year for Spectra Energy. But I think more importantly what you will learn today is that we are also really well-positioned as we move into 2015 and actually through 2016 and 2017 as well. So let's get right to that.

We're going to present our three-year financial plan and underlying assumptions right up front and then turn our attention to our five business units. So we will begin with Pat Reddy, our Chief Financial Officer, here to my left, who will present our three-year financial plan. Next you'll hear from Wouter Van Kempen, who is the President and CEO of DCP Midstream and DPM; and then Mark Fiedorek, who heads up our Spectra Energy West operations in Canada.

Following Mark, Steve Baker, who is the President of Union Gas, will come up; Duane Rae, President of Spectra Energy Liquids; and finally Bill Yardley, who is President of US Transmission and Storage, just here in front. Doug Bloom is also in the room with us, who runs our LNG development business. So for those of you who have questions about Canadian LNG on the West Coast, he should be happy to provide you with views on the prospects there. And of course, Julie Dill and the IR team are also here, so there's plenty of folks on hand.

When we get through all that I will come back and do a quick wrap up and then, of course, we will have plenty of time for questions.

What you're going to hear today is that Spectra Energy has been able to succeed in the midst of various business and commodity cycles. And that's really because of the power of our portfolio: our outstanding asset footprint, our first and last mile advantage that we've got, as well as infrastructure that is located where the lights are. That is fundamentally, both the strategic and competitive advantage that we have and allows us to continue to expand our system to serve our customers.

I think the three-year plan that we are going to share with you today reflects the strength of that strategic and competitive advantage and it illustrates how well this advantage has and will continue to serve us through varied and multiple market cycles. It also allows us to continue to effectively manage risk while benefiting from emerging opportunities. And it is this exceptional position that really gives us confidence in our ability to continue growing and delivering lasting value for our investors.

So what you're going to hear today is that we have got very limited commodity or volume exposure in our three-year plan. In fact, from a distributable cash flow perspective, we have essentially no incremental downside risk due to the positive counterbalancing impacts that occur in our DCF. And in the event commodities move lower than what we have assumed here, Pat will speak to that.

In fact, when we met at this time last year I don't believe anybody was predicting the commodity price changes that we have seen just in the last 10 or 12 weeks. With our 50% ownership in DCP and to a much lesser extent our Empress facility in Western Canada, we do in fact have exposures to commodity price fluctuations. However, the effect is nowhere near as dramatic as some have been predicting.

So to provide clarity, let me take a moment to explain why Spectra Energy's business fundamentals and its realities create a really uniquely stable platform to build upon, even in today's environment. First, our business has significantly evolved over the last several years in a manner that limits our commodity exposure. Many of you have followed us since we spun off from Duke Energy in 2007 when DCP was in fact a much larger part of our portfolio than it is today.

As you can see on this chart, DCP made up about 25% of our total earnings in 2008 and the after-tax distributions from DCP at that time were about $550 million. That is just not the case today. Over the past five years, as we've grown the rest of our portfolio, primarily the fee-based US Transmission and Storage business and our liquids pipeline business, and as DCP has dropped down nearly half of its assets into its MLP, DPM, DCP while important, has become a smaller part of our earnings and the cash flow mix.

As we mentioned yesterday, in 2014 even with relatively strong average commodity prices, DCP made up just 7% of our EBITDA and represented less than 5% of our distributable cash flow. So DCP's results are much less material to our earnings and cash flow and represent a small part of our story today.

Now to be clear, DCP is important. It is a valued part of our business mix. We have built it into the largest NGL producer and gas processor in the United States and, with over 75% of the gas that is produced in the US needing some type of treatment or conditioning, DCP is a must-run business through all cycles.

Over the years, DCP has provided Spectra Energy with billions, literally billions of dollars in cash distributions, which we have taken reinvested in our stable fee-based natural gas liquids and natural gas pipelines and storage assets. Those DCP distributions helped us avoid issuing large sums of Spectra Energy common equity, which would have been required to fund the billions of dollars in projects and pipeline growth, etc., that we have realized, all of which continue to benefit investors today.

Important to realize today, however, is that our new three-year financial plan assumes no distributions from DCP. In fact, the earnings for both DCP and our Empress facility represent approximately 1% of the EBITDA for the plan period. And with the most stable and steadily growing MLP in the sector, Spectra Energy Partners, we can now finance the equity needs for the faster-growing, much faster-growing US transmission and storage business. And, of course, our liquids business becomes extremely efficient to use the MLP.

When Pat shows you the three-year financial plan, you'll see that the strong distributable cash flow Spectra Energy is forecasting is not dependent on any improvement in commodity prices. You will note from Pat's presentation that even if commodity prices move lower, there will be virtually no effect on DCF forecasts.

Said another way, at this point we are essentially at the bottom of the cycle for our business model. DCP has been through many commodity cycles in the past and given its size and the levers at its disposal, it has always worked through those cycles without relying or needing direct financial support from its parent companies. Wouter and his team are already taking important actions to weather this cycle.

Personally, I have been closely involved with DCP since early part of the last decade. I have every confidence in the business's ability to manage through this cycle, just as they have been able to do in the past. Of course, a key principle for our long-time investment in DCP has always been that cash only goes one way and we don't foresee any changes to that principle.

One significant advantage that DCP has is that many of the same banks that serve Phillips 66 and Spectra Energy also serve DCP. And equally valuable is the fact that the parents can and will forgo distributions from DCP during this low commodity cycle. It's also something that we have done in the past to weather through down cycles.

We have been really actively engaged, as you might imagine, with our partner, Phillips 66, in evaluating other options to address near-term issues at DCP. Based on that work, we have identified paths that can resolve the near-term challenges and we are confident that those paths really are viable. Although we can't share a lot of details with you today, we will be in a position to provide additional information in the not-too-distant future. The paths we are pursuing, though, don't include equity infusions or direct credit support from Spectra Energy.

An entirely separate path, and as we have discussed with you in the past, the evolving structure at DCP and DPM and how best to maximize the value for Phillips 66 and Spectra Energy, as part of this we have been accelerating the drop downs into DPM, creating an MLP there with substantial value.

As we think about that with our partner, Phillips 66, we are also looking at additional structuring opportunities. This may or may not ultimately include putting additional or even all remaining assets in DPM or some other structuring alternative that would strengthen DCP's position.

The owners are in the midst of finalizing our views on potential options to simplify DCP's structure and ensure we are optimizing value, but it's obviously not appropriate to get out ahead of the owners coming to a final decision. But as Phillips 66 indicated last week and we would repeat today, DCP will get through this time period and we will come back to investors with our longer-term plans before we get too far into 2015.

The third thing that you are going to hear here today is that our outlook for capital expansion is very positive and secure contractually. We are resilient on the downside and we continue to invest for the upside. In fact, I am confident that Spectra Energy has more stable, securely underwritten growth projects than virtually any other entity in our space.

The primary fundamentals driving our pipeline infrastructure buildout are firmly intact. Increasing supplies of natural gas, natural gas liquids, and crude oil still require infrastructure to move those products to market and we are on track to deliver the $9.5 billion of projects that are currently in execution.

Importantly, the projects that we have in service or in execution fully support our EBITDA and DCF projections for the 2015 to 2017 time period. That is significant and sets us apart as a reliable investment and also resilient midstream sector leader. But that is only part of the story that we wanted to get across.

The current projects in execution not only support the growth for 2017; they also hundreds of millions of dollars of incremental growth in EBITDA and DCF in 2018 and beyond. In fact, only about 70% of the EBITDA in the DCF we expect to realize for the projects that we now have in execution -- not in development, the projects we have in execution -- will be realized by 2017. I think that really speaks to the ongoing and long-term confidence we have for continued business growth as well as dividend and distribution growth for the investors.

Two years ago, we committed to secure contracts totaling $25 billion by the end of the decade. A year ago we increased that to $35 billion and impressively, as of today, we have already placed in service or commercially secured about half of that $35 billion goal. We've got a great list of quality, secured projects, and a proven record of safely and responsibly executing on those projects.

Even in challenging and difficult commodity environments, our customers want to build off that base and what you're going to see is that base is extremely strong. Our demand-driven customers -- utilities, refiners, power producers -- still need access to suppliers of natural gas, crude oil, and NGLs. And our supply-driven customers still need to get their products to the highest price markets where the lights are and we can do that. We do that every day.

Critically important is the fact we do this largely with brownfield projects that involve lower execution risks and far lower customer contractual commitments than greenfield projects do. Both factors we think are significant advantages for our customers and Spectra Energy in this environment, while still ensuring we remain exceptionally well-positioned for the large greenfield projects that will inevitably be required later in the decade.

For 2015 we have got a terrific set of projects that are currently in execution. Projects like OPEN and the first Dawn-Parkway expansion will go into service this year, 2015. AIM will going to service next year, along with the next expansion of Dawn-Parkway, and as mentioned, post the plan period, projects like Sabal Trail and NEXUS will add even more EBITDA and distributable cash flow is they come online in 2017 and really start to produce in 2018 and beyond.

Those are strong and compelling reasons that support our confidence in the growth opportunities that we are executing upon.

Equally important today you are going to hear from each of our business leaders about the opportunities they are pursuing to realize additional growth beyond the 20 or so projects that we already have in execution. These additional opportunities play to our strengths of being able to optimize the steel that we have already got in the ground and provide either incremental benefits to the 2015 to 2017 plan, or further enhance our growth in 2018 and beyond.

Finally, what you will hear today is that we have got a strong and resilient three-year financial plan. One of the first elements that you will notice, that even with our much lower commodity and FX assumptions in this year's plan versus a year ago, distributable cash flow in 2015 is better than what we outlined for you last year at this same meeting.

And again, because of the resilience in our plan to commodity impacts and the projects already in execution, we have confidence in continuing the $0.14 per share annual dividend increase we announced last December right through the three-year period. Notably this dividend increases $0.02 per share higher than in the plan was set out for investors a year ago. And yet our coverage ratio supporting the dividend will be at or above 1 times in all three years of the plan.

While I'm not forecasting our DCF coverage to be higher in 2015 than we've laid out in our plan today, I would note that our actual DCF coverage in both 2013 and 2014 were considerably above both our internal or external analyst expectations. As we have done in the past, I fully expect that we will deliver real results given what we experienced in the real world cycles that we are going through.

A strong history of execution combined with a management team that has been and worked through these cycles at least several times before gives us tremendous confidence that we will successfully deliver on the plan before you. And it's because of that track record of success that we believe that our investors should share that same level of confidence with them.

So let's turn to the financial numbers and I will let Pat to speak with you on that front.

Pat Reddy - *Spectra Energy Corp - CFO*

Thanks, Greg. Good morning, everyone. As always, it's great to be here with you today and look forward to sharing our -- the numbers part of the plan. So we've got a lot of ground to cover and you're going to hear comments, connected themes from all of us today.

You're going to hear that we have a strong three-year financial plan reflecting solid, reliable cash flows supported by high-quality fee-based assets with negligible residual commodity exposure and very little volume risk across our portfolio. I'm going to share with you the details of that three-year plan including a discussion of our robust financing plan supported by our disciplined approach to financial management and commitments to investment grade debt ratings for SEP and SE Capital.

And I will speak to how our plan leads to enhanced cash flows and coverage beyond 2017, when a significant portion of our projects currently in execution go into service. Let me begin by sharing our objectives for long-term value creation as that commitment guides our planning and sets our priorities.

We have three main areas of focus in support of creating long-term value for shareholders. And as Greg mentioned, our portfolio is resilient in various economic and market cycles, so our value objectives have remained constant over time.

First, we are well-positioned to continue delivering attractive, sustainable dividend and distribution growth through 2017. Our plan assumes $0.14 per share annual dividend increases for Spectra Energy investors through the duration of our three-year plan. As a reminder, in last year's plan we had assumed $0.12 annual increases per share. The current plan also assumes continued $0.0125 quarterly increases in SEP's distributions, up from the $0.01 a quarter increase we previously assumed.

SEP's distribution growth will be supported by solid fee-based distributable cash flow, which we expect to grow at a compound annual rate of more than 12% through the plan period. Those increasing distributions will result in significantly higher GP and LP distributions to Spectra Energy, and we are going to use that cash to support Spectra Energy's dividend growth.

We are still relatively early in the high splits so the distributions are not creating a significant GP drag and our cost of capital continues to be advantaged, which is a competitive strength as we look to fund our significant organic growth opportunities and as we consider M&A transactions that may come before us.

Second, as you will hear from my colleagues, we are executing on CapEx expansion plans on time and on budget as we continue our drive to 35. At the end of 2014, $7 billion of that $35 billion had been placed into service with another $9.5 billion in execution. And it is worth noting that the growth projects in execution will yield attractive returns and I will talk more about our return expectations a little later on in my presentation.

The majority of our growth CapEx through 2017 will be invested at SEP and will be funded at that level. We assume 50/50 SEP debt and equity over time, so we are not anticipating the need for any Spectra Energy common equity being issued during the plan period to support our growth activities.

Finally, as Spectra Energy and SEP, we're going to continue exercising prudent financial management and maintaining the balance sheet flexibility and investment-grade credit metrics that will allow us to competitively and efficiently execute on growth projects and to pursue new opportunities. Let me turn now to our underlying assumptions.

This slide depicts our DCP commodity and Canadian FX assumptions for 2015 through 2017. As Greg mentioned and as has been our past practice, we have held commodity prices flat and we've assumed the following prices on an annual basis through the planned period. That NGL prices will average $0.55 per gallon, natural gas prices will average $3.60 per MMBTU, and crude oil will average $60 per barrel. I will speak to our EBITDA sensitivity to these assumptions in just a few minutes.

Moving to FX, our Canadian earnings are exposed to the exchange rate with the US dollar. As a reminder, since we financed our Canadian operations with Canadian-dollar-denominated debt, we are partially hedged for those earnings. We're assuming an exchange rate of CAD1.15 to the US dollar and every one cent change in that exchange rate produces a $3 million change in net income and a $4 million change in distributable cash flow.

This sensitivity is developed at the net income level in order to provide the net effect of the changes in Canadian EBITDA interest and taxes. As I mentioned, consistent with past practices, we assume a flat commodity deck and constant FX rate across all periods. That enables you to isolate the other things that are going on in our plan and not distort it with an assumption of changing prices.

We will also assume normal weather in each of the plan years. That is important, particularly for our Distribution operations. So let's start by taking a look at our estimated EBITDA by reporting segments.

On this slide we provide our 2015 to 2017 forecasted EBITDA for each of our business segments. As you can see, we expect to generate consolidated EBITDA of $2.8 billion this year. For the 2015 to 2017 period, we expect to realize average annual EBITDA growth of about 10.5%. So let me walk you through the high-level drivers for each of these business segments for the three-year plan period.

At Spectra Energy Partners, which includes US Transmission and Storage and our liquids pipeline businesses, the biggest driver for growth is coming from expansion projects being placed into service during the plan period. Terrific projects like OPEN, AIM, Uniontown to Gas City. Other big projects like Sabal Trail, NEXUS, and Atlantic Bridge will be placed in service during 2017, so their full contributions to earnings and cash flows won't be recognized until after the planned period. And I will speak more about that later on.

Our liquids business will see continued growth thanks to continuing volume ramp ups in the Sand Hills and Southern Hills pipelines, higher crude transportation revenues on Express-Platte, and incremental expansions of our existing infrastructure. Union Gas will benefit from having two Dawn-Parkway expansions placed into service with a regulatory framework that is very supportive of that growth. And Western Canada's earnings hold relatively steady through the plan period, given its fee-based gathering and processing and transmission businesses.

Conversely, you will notice significant drop in EBITDA projected for our Field Services business. As a reminder, while we show Field Services results as EBITDA, this number actually represents our 50% share of DCP Midstream's earnings before taxes, or EBT. You will see the standalone EBITDA for Field Services when Wouter presents later this morning.

This decrease in earnings is reflective of the lower commodity environment we are currently experiencing and, as we previously mentioned, we are holding our commodity assumptions flat for the three-year period. A key takeaway here is that despite holding commodity and FX assumptions constant, we not only replace the 2014 earnings from field services, we grow our total EBITDA in 2017 by 10% over 2014. That's the power of our portfolio.

For modeling purposes, recall that our earnings and cash flow are split fairly evenly between the first and second halves of the year. Of course, the first and fourth quarters are consistently our strongest financial quarters as winter weather is still a driver of our business.

So let's turn our attention now to distributable cash flow. This next slide shows our estimated distributable cash flow for the plan period. You will note that our 2015 DCF is actually higher by $60 million than what we forecast in last year's three-year plan.

We have achieved this improvement despite giving up $400 million in EBITDA to lower commodity prices and a weaker Canadian dollar, and that is a key takeaway. Again, the power of our portfolio enables us to succeed in various business and commodity cycles. It is worth spending a minute to explain how we are able to maintain and even improve on our DCF for 2015 given all of the other variables in play.

First, you will note that SEP's 2015 EBITDA is up $65 million versus last year's projection. Second, as I mentioned throughout last year, Spectra Energy is leveraged to the upside on cash taxes if bonus depreciation were to be extended.

With the one-year extension of bonus depreciation passed by Congress last year, combined with lower earnings of DCP, our cash taxes are significantly reduced. Specifically, the tax reduction is $355 million in 2015 and $150 million in 2016 versus last year's plan assumptions. And this is one of the counterbalancing effects that Greg referred to a little earlier.

Using our current commodity assumptions, DCP's earnings are down $330 million year-over-year, so we have assumed no cash distributions from the partnership during the plan period. And of course, that is a negative versus last year's plan. However, because cash flow from DCP only goes one way, we effectively have what I refer to as a stop-loss for our DCF calculation since cash receipts from the partnership can't go negative.

So in a counterintuitive way, should DCP's equity earnings slip to a loss in the current environment, distributable cash flow at Spectra Energy actually increases because losses at DCP generate reductions in our cash taxes paid. This lower tax burden, coupled with the benefits of the one-year extension of bonus depreciation, effectively zeros out cash tax obligations in 2015 and strengthens our cash flow coverage of the dividend.

Positive cash flows generated by the majority of our businesses that are fee-based and immune to volume or commodity exposure, along with cash tax benefits, offset the negative commodity effect at DCP. That enables us to assume a dividend increase of $0.14 per share per year through 2017, which represents an 8% compound annual increase.

Another item on our DCF schedule that is worth mentioning is the sizable deduction we take for equity AFUDC, which reaches $130 million in 2016. With the substantial CapEx we are investing in our regulated businesses, we are able to record a carrying charge during construction that, while non-cash in the period, adds to cash flow over time after projects are placed into service.

Our targeted dividend coverage for the long-term is a range of 1.1 to 1.2 times. We will maintain dividend coverage of about 1.2 times in 2015 and expect at least 1.0 times in both 2016 and 2017. You will note that we have also added a new metric on this chart, distributable cash flow per share.

Now let's take a look at the sensitivities associated with a commodity recovery scenario. As you might imagine, our planning efforts focus on a range of scenarios and we collectively prepare for a variety of outcomes.

As we have described, our plan assumes flat commodity pricing throughout the 2015 to 2017 period, but as we have been reading the reports from various sell-side analysts, consensus forecasts point to some degree of commodity improvement in 2016 and 2017. Employing those estimates leads to the following recovery scenario: with natural gas liquids at $0.70 per gallon in 2016 and $0.80 in 2017, natural gas at $3.90 per MMBTU in 2016 and $4.20 in 2017, and crude oil at $70 per barrel in 2016 and $75 in 2017.

To the extent our volumes are as forecast and the makeup of our NGL barrel is as expected, we would guide you to the following sensitivities. And bear in mind that these sensitivities are good from an EBITDA perspective, but do not quantify the effect these changes will have on our cash flow. So every $0.01 change in the price of a gallon of NGLs will affect our EBITDA by about $5.5 million, every $0.10 change in the price of natural gas will affect EBITDA by about $4.5 million, and every dollar per barrel change in crude oil affect EBITDA by about $2.5 million.

So using the commodity sensitivities I just outlined here, which are similar to last year's, there's an upside in our EBITDA, DCF, and coverage expectations for 2016 and 2017 under this scenario. Let's take a closer look at these results.

In this recovery scenario, you can see that EBITDA improves by about $125 million next year and $215 million in 2017, while DCF improves by $55 million in 2016 and $135 million in 2017. As you would expect, our dividend coverage would also improve from 1 times to 1.05 in 2016 and to 1.12 in 2017.

Now let's turn to our DCF expectations for Spectra Energy Partners.

On this slide, you'll notice very little change in SEP's 2015 and 2016 DCF numbers from what we shared with you a year ago at this time. This stability is reflective of the consistent, reliable cash flows generated by the assets within SEP, which are not subject to commodity or significant volume risk.

For 2015, we estimate Spectra Energy Partners' distributable cash flow to be about $1.1 billion. And as you can see, this DCF grows very nicely through 2017 at about a 12% compound annual growth rate.

Our increase in EBITDA, attributable to expansion revenues at US Transmission, increased volumes on our NGL lines, and higher tariffs on Express-Platte is partially offset by a projected increase in interest expense as we grow our portfolio. Our expected distribution coverage of 1.0 times for 2016 and 2017 is slightly below our targeted range of 1.05 to 1.15 times. However, we know that DCF will increase as we place expansion projects into service in late 2017 and beyond.

With that, let's take a look at the growth projects we have in execution that are poised to contribute meaningful cash flows over the next several years. This is a long and impressive list so I'm not going to walk through the projects individually. I think you are familiar with most of these, but you will see some projects that we have moved to execution since we last spoke and our business unit leaders will expand on these projects shortly.

It is a pretty busy chart, but I think that's a good thing, so let me orient you to it. The projects are listed in order of when they are scheduled to come into service.

The dark blue boxes next to the names indicate that those projects are being pursued in US Transmission. The orange boxes are projects in our liquids business. Light blue boxes at Union Gas and the green boxes are in Western Canada. So we've got projects in flight across the entirety of our portfolio.

We are also showing you who are counterparties are from a supply push or a market pull perspective. This gives you an indication of the health of the demand as well as the credit quality of our counterparties. We have approximately $7.5 billion of projects in execution at Spectra Energy and Spectra Energy Partners, fee-based projects that are secured and underpinned by commercial agreements with expansion CapEx spend underway and in various phases of development.

You will note that DCP's $2 billion of projects in execution in 2015 are not included on this chart, but all-in-all, with DCP included, we have $9.5 billion in execution. As you can see, of this total the majority occurs at Spectra Energy Partners and the funding for those projects will be conducted at the SEP level. I will speak in more detail to how we will fund our growth in just a few minutes.

Our SEP projects have long-term firm contracts and are fee-based and have an average term of just under 20 years. The majority are market-pull projects, primarily serving LDCs like Florida Power & Light, National Grid, Northeast Utilities, Enbridge, DTE, and Union Gas, all of whom have strong credit ratings. So lots of great projects and lots of capital to deploy at attractive returns.

Previously we talked about 8% to 10% ROCE returns but given our shift to a greater focus on cash flow, Rocky is a less relevant metric since it's based on EBIT, not EBITDA. So going forward we're going to talk about EBITDA multiples.

On average for our portfolio, we expect our EBITDA multiples to be in the range of 7 to 9 times, which equates to about a 9% ROCE return. This multiple is reflective of the makeup of our company, so in our regulated cost of service businesses in Canada, our multiples will be in the range of 12 to 13 times, reflecting the ROE and the more levered capital structure encouraged by their regulators.

But in our US Transmission and Liquids businesses, multiples will be more in the range of 6 to 8 times. We believe these multiples compare very favorably with those of our competitors and we are still looking at returns that exceed our cost of capital by 2 or more turns. So let's take a look now at our expected cash flows from expansions.

On the left side of this chart, you can see how our expansion CapEx shapes up across the business segments through 2017. The mix of CapEx is different in this plan versus last year's projections. Specifically, we have more capital being spent in our US Transmission business and less in Western Canada.

The key takeaway on this slide, however, is shown on the right-hand side. Virtually all of the EBITDA growth we have presented in our three-year plan is in execution and on track, which points again to the sustaining power of our portfolio. The incremental EBITDA shown here for the 2015 to 2017 plan period is included in the EBITDA numbers I shared with you earlier, but importantly, there is secure incremental EBITDA beyond the plan period. I liken this to winding up our rubber band.

Approximately $4.2 billion, or 44%, of our total CapEx in execution is slated to go into service in 2017. That translates to significant earnings and cash flow gains beyond 2017 as these projects come online and ramp up, projects like Sabal Trail, NEXUS, and Atlantic Bridge.

So beginning in 2018 you will see additional EBITDA over the next three years that will ultimately reach about $300 million by 2020. So when the full suite of projects currently in execution is in service, we will have added about $800 million in incremental EBITDA over the 2014 level. We clearly have a path to continued growth. So let's take a look at how we intend to finance the growth and the expansions that we are talking about today.

Over the last three years, we have successfully funded $7 billion of projects placed into service in the 2013 and 2014 timeframe, while maintaining our financial strength. You got a view of that yesterday when we shared our 2014 balance sheet metrics.

The restructuring we implemented a little over a year ago when we completed the drop-down of all of our US Transmission assets to Spectra Energy Partners has expanded our financing options. For our SEP projects, we will use a combination of debt and SEP equity. While we will need to access the broader market, we also intend to continue to raise equity through our at-the-market program. We had a lot of success with that last year and we plan to raise about $0.5 billion through that program in 2015.

For projects in Canada, we will access capital markets opportunistically, using our multiple investment currencies, including Union Gas and West Coast Energy. However, we do not expect to issue any Spectra Energy equity during the plan period to fund our growth.

Longer-term, for our bigger projects like Canadian LNG or an expansion of the Canadian portion of our Express Pipeline, we are looking at various financing alternatives and structures, but nothing has been finalized at this time as those projects are still some time out. But when those projects proceed, alternatives could include preferred securities and Canadian common equity through a new income trust-like vehicle that some of our Canadian peers use quite extensively.

Bottom line, we are in a very good place in terms of being able to cost-effectively finance the significant growth opportunities before us. Let's take a quick look at our credit metrics.

It is important to mention that the restrictions in our debt covenants at Spectra Energy are different than they are at SEP. Spectra Energy's credit facility restriction is based on debt-to-cap while SEP's restriction is based on debt to EBITDA.

So as you heard yesterday in our fourth-quarter earnings call, Spectra Energy ended 2014 with a debt-to-cap ratio of 58/42 equal to last year and well below our credit facility restriction of 65/35. We expect to have the same ratio in 2015 as we did last year. And SE exited 2014 with debt to EBITDA at 4.7 times.

At SEP our credit metrics are similarly strong. SEP was well within its credit facility restriction of 5 times with a debt-to-EBITDA ratio of 3.7 at December 31, 2014. I will also note that we also have available liquidity across all of our facilities totaling $2.4 billion and would expect to maintain significant liquidity over the plan period. Our fixed to floating-rate debt is about 80/20, and we are comfortable with this makeup.

We expect to maintain our investment grade credit ratings at both Spectra Energy and Spectra Energy Partners. So let me conclude with a look at our growing value creation for investors.

As we have demonstrated this morning, Spectra Energy has stable cash flows, a healthy balance sheet, and strong dividend and distribution growth for investors during our plan period and beyond. Our base of steady fee-based businesses is only minimally exposed to commodity pressure, ensuring that we are able to thrive over a range of economic and market cycles. Those core businesses generate solid cash and earnings that our investors can count on.

Also, we see significant cash and earnings growth throughout and beyond the plan period thanks to the $9.5 billion of CapEx in execution now and in service in the 2015 to 2017 window. Our balance sheet is stable and flexible and able to support our ambitious expansion plans going forward. All of these factors help us make the most important move of all -- attractive, consistent dividend and distribution growth for our investors.

Since 2014 and through the plan period we will have delivered approximately 28% growth in dividends for Spectra Energy investors and about 26% growth in distributions at SEP. I have talked about our base case today and what we are doing to ensure the continuity and quality of growth our customers and investors can rely upon as we secure additional earnings and cash upsides. Whether due to a commodity recovery or additional organic growth opportunities, our investors will share in that upside as well.

We believe Spectra Energy and SEP are premier long-term investments and they are ones to hold and to have confidence in.

So with that, let me stop and turn things over to Wouter Van Kempen, CEO of DCP Midstream and DPM, to talk about his business activity.

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

Thank you, Pat, and good morning, everyone. You just heard Greg indicate that we are evaluating various structural options around the DCP enterprise. We have multiple options identified that we feel very comfortable will resolve our near-term challenges and you can expect more details on this in the future.

With that, today I will focus my thoughts on the near term and how the DCP enterprise is managing this industry downturn and what our view of the long-term fundamentals and our competitive positioning looks like going forward. So as we talk about navigating the immediate cycles ahead, we have great assurance founded on the track record of execution.

Since we met last year, we have checked the box on all the promises that we made to you, putting new assets online, ramping them up, and securing new permits, all while continuing to hold the number one ranking in safety among the 10 largest midstream companies at Gas Processors Association.

As we reflect back on last year, it was really a tale of two stories. We started off the year with tremendously strong momentum. I think we all remember the price of propane being well over $3 less than 12 months ago; the NGL barrel being over $1.20. And then it turned.

So now we take a different focus, one aimed at being prudent in the near term and establishing the DCP enterprise to be ready to capitalize on recovery. We have an extensive tool chest to pull from, so let me start with our long-term view of our fundamentals.

While 2015 will be challenging for the industry, we are very confident about the long-term fundamentals. The DCP enterprise is no newcomer to change. We have been around for over 90 years.

Remember, this is the must-run business. Over 75% of the gas produced in the US requires some level of treatment or conditioning and DCP is the largest processor in the country. As we said before, we process about 12% of the nation's gas supply through our 64 plants. So that makes DCP integral to our country's energy needs.

Now as you look at the fundamental outlook for US oil and gas development, it remains robust in the key basins and our footprint is situated on top of those very basins where producers are continuing to focus the drill bit. Our footprint has always been a competitive advantage for us. What is different about this commodity cycle is the oversupply that has been created from new technology and the amount of future drilling expected from E&P companies is uncertain.

Since the peak, rig counts are down steeply, over 385 rigs. However, while we are also closely following the cutback in capital budgets, production is still anticipated to grow over the next quarters. We are watching for production to flatten or decline, which is what we believe really needs to happen for recovery to take place.

As you know, horizontal rigs have higher IPs and sharper decline rates, so with rigs being laid down, the production curve could bend faster than we've seen historically. Ultimately, we anticipate supply to decline but also the demand side of the equation to strengthen. And we expect increased demand will be created from low gas prices at the pump, strong domestic economy, increased exports, and cracker capacity expansion.

DCP has a long track record of managing through low commodity environments. Each cycle has had its own nuances and character, and we have the experience of learning from each of those. Given this breadth, we are able to quickly see the impact of changes in supply and demand and respond with agility to capture the upside when recovery occurs.

During the 2008 and 2009 financial crisis, we took significant costs out of the business. We deferred projects. We managed our headcount while maintaining a strong MLP. And as prices recovered into 2010, we were well-positioned to capture the upside and expand at our footprint in the DJ, the Permian, and the Eagle Ford.

We transformed DCP from a pure gas processor to an integrated midstream service provider. And as we enter 2015, our focus remains on the fundamentals of operating our business, continuing to deliver and being the safest company in our space, and our operational performance goals of reliability, efficiency, and cost control.

We remain flexible with our producer customers as their drilling plans for 2015 evolve. Most of their capital budgets still remain in flux and we are following in their footsteps, ensuring that we have optionality to pivot as needed.

As you saw in our press release last week, we have already taken significant and hard measures to manage expenses and transform DCP for the long-term. We are targeting $70 million to $100 million of sustainable cost reductions inclusive of the reduction in force that we announced last week. We are organized to ensure our focus is squarely on improving our operational reliability and optimizing our assets, our most efficient assets. This also affords us the option to potentially close or consolidate less-efficient assets.

We are reforming many of our contracts to preserve or increase margins. For example, we have sent out over 1,500 letters to producers with a goal of reducing volatility of our margins while increasing and ensuring a fair return for DCP. We have a capital program that provides us with financial flexibility and we continue to have two very large, very supportive owners who will forgo distributions during this commodity cycle.

All of this is in the context of transforming DCP to ensure the continued financial strength of the Company. Our strong foundation of assets and contracts ensures that we will weather the storm and prosper as commodity prices return to long-term sustainable levels.

On the next slide our geographically integrated system of plants and pipelines gives us competitive advantage. Not only do we hold a leadership position in most of the key basins, we are in the core area of those key basins. Our top 10 customers account for approximately 40% of margins and volumes, and we have no major concentration risk.

We have great projects in flight. With the Zia II and the Lucerne 2 plants coming online in the first half of 2015, and we expect both of those plants to fill up quickly from pent-up demand and from asset rationalization. Our Keathley Canyon project went into service last month; we're expecting first gas flows any moment.

So as we plan for the future, it's a balance of scaling our capital, and watching our producer flows so that we do not get ahead of them, while putting in motion future opportunities around our footprint, like securing new plant permits so we can quickly ramp up if and as needed.

Project execution is foundational to our growth story. We have a very good track record. As we said in the past, we are not a build it and they will come type of company. We look at where our customers are and partner with them to ensure our growth plans are aligned. So let me give you some examples where we have successfully put capital to work.

Since 2011, we have put 850 million a day of new capacity into service. Those plants are running 85% full right now. As you also see on this slide, our Sand and Southern Hills pipelines are ramping ahead of our initial two- to three-year projections and I am pleased to say that we have exceeded our 2014 exit rate goal, even with some pretty challenging weather.

Now let me spend some time on our commodity and 2015 price assumptions that you see on the top right-hand side of this slide. Please keep in mind that all the numbers that I show are at the 100% level. Numbers shown here are based on an average full year crude price of $60 a barrel, $0.55 a gallon NGL price, and natural gas at $3.60 an MMBTU.

You have seen the Spectra flat price assumptions and to give you just a little bit of perspective, less than 12 months ago NGLs were 40% stronger than the 2017 recovery case of $0.85 that Pat showed you. That is a lot of upside. So based on this price deck, we are forecasting EBITDA of $730 million with no forecasted distributions to our owners in 2015.

As a reminder, DCP suspended distributions to our owners in 2009 during the financial crisis for a number of quarters, and since the industry recovered we have distributed about $2.7 billion of cash to Spectra Energy and Phillips 66. At the enterprise level, total CapEx is estimated at approximately $800 million with about $550 million of that associated with in-flight growth projects and about $250 million for maintenance.

Lastly, at the top right you can also see our commodity sensitivities, again at the 100% level, which Pat already covered in detail. So let me start to wrap things up for you.

We believe in the long-term fundamentals of the midstream industry. We are in a must-run business and we have an enviable footprint with geographic diversity in all the key basins. We have a proven track record managing this business through commodity cycles and we are taking steps to transform DCP to be a stronger, fitter company as the industry recovers.

We will control what we can control. Costs, improved efficiencies, and investing in our existing infrastructure to keep our assets running reliably. We will maintain a flexible capital program and work closely with producers to ensure that we do not get ahead of their needs.

We have a history of generating extremely strong cash and returns to our owners and unitholders, with over $10 billion distributed to our owners since 2004. We will operate safely. We will operate responsibly with a focus on capital efficiency, while maintaining optionality for the future with permits and long lead time equipment.

Finally, we are working to simplify DCP's structure while positioning the Company to capture the upside when the industry returns to long-term sustainable level.

So with that, let me now turn things over to Mark.

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

Thank you, Wouter, and good morning to everybody. It is a pleasure to be here today to discuss our 2015 Western Canadian outlook and our longer-term plans.

Before I dive into that discussion, I will spend a few moments reviewing last year's key highlights. I also want to acknowledge the current volatile commodity environment and the potential impact on the Western Canadian businesses, or really the very limited near-term impact given the nature of our existing contracts.

I am pleased to announce that our current asset portfolio and commercial profile has been reinforced by our actions in 2014. With those actions combined with our business model long-term, fixed fee-for-service contracting practices, we will continue to maintain stable earnings on the existing facilities, manage growth effectively, and deliver favorable results in 2015 and beyond.

2014 was a very successful year. On our project execution front we placed our North Montney expansion project into service in May 2014, which included an additional 100 million cubic feet a day processing plant and associated gathering facilities in northeast British Columbia.

On the origination front, in support of our growth strategy I am also pleased to announce that we have secured $0.5 billion in new pipeline projects to connect current supply developments to our traditional markets in BC's lower mainland and the US Pacific Northwest. These projects are now in the execution phase.

One of the key priorities last year was to implement a risk management plan at our Empress business. After a thorough review in 2013, we committed to significantly derisk our commodity exposure by focusing on supply management, operational cost, market access, and a financial hedging program. Our results for 2014 captured the high prices of the first quarter and through our risk management initiatives in the second half of the year, we were well-positioned to weather the commodity downturn at year-end.

As indicated in the past, I would anticipate that the Empress business will generate on average $30 million of cash per year throughout our plan. We have also achieved a major milestone at our Westcoast Connector LNG pipeline project. The BC environmental assessment office issued permit approvals for the project's two 48-inch diameter 500-mile pipelines in support of LNG exports to British Columbia's West Coast.

So let's talk about the SEP West assets and their advantageous location in Western Canada. It is well-known today that Western Canada has many world-class natural gas shale basins with very favorable, full-cycle production economics. The Montney area continues to be one of these basins, and as a result, we have seen steady increases in production especially in BC.

British Columbia's contribution to Western Canada's overall gas supply has grown from 15% to 30% in recent years. Pricing environment aside, we continue to possess, as we always have, an attractive asset base in the heart of this resource-rich basin and continue to be the market leader in both transmission and gathering and processing services. We have multiple businesses that take advantage of various parts of the value chain and we continue to generate significant and stable EBITDA due to the nature of our commercial contracts.

Western Canada has a very attractive and solid base portfolio going into 2015. Over 95% of Spectra Energy's Western Canada reporting segment, which includes our Western Canada as well as our Maritimes and Northeast assets, are comprised of fee-based contracts. Further, these contracts are principally held by a diversified portfolio of very creditworthy customers.

Our transmission business, BC pipeline, and Maritimes and Northeast earn stable, fully regulated, fee-for-service returns with little to no throughput risk combined with the ability to flow through our operating costs. The gathering and processing business is underpinned by long-term take-or-pay contracts. And in fact, we had minimal contract turn back during 2014 and have already secured more than 90% of our 2015 planned fee-for-service revenue.

As we look at future opportunities in the marketplace, we continue to focus on long-term fee-for-service commercial model that is built to withstand a low price commodity environment like the one that we are currently in. Our attractive footprint, which is supported by this commercial model, allows Spectra Energy to be well-positioned for scalable solutions as the BC market continues to expand. Our ability to easily and economically expand the existing assets to accommodate incremental production volumes is a competitive advantage in this current commodity environment. Furthermore, these brownfield, scalable solutions will act as a bridge to future greenfield development projects with our customers.

I am pleased as well to share with you the results of our transmission marketing efforts in 2014. The T-South pipeline system, a 500-mile pipeline system that delivers gas from northeast British Columbia to markets in BC and into the US Pacific Northwest, is now fully contracted on a year-round basis for the first time in 15 years. This serves as a leading indicator that northeast BC's abundant supply combined with a favorable commodity environment from the downstream end-user perspective is generating a demand pull in the form of incremental industrial use, electric power generation, and small-scale LNG projects.

The market's growth in BC's lower mainland and US Pacific Northwest creates additional demand that will require new expansions, both in transmission and in gathering and processing, even in this low commodity environment. In support of this increased demand, we are pleased to announce over $0.5 billion of transmission projects that moved into execution in late 2014.

We will invest over $300 million in our RAM project, which stands for reliability and maintainability, on the T-South system to accommodate these new contracts. This project involves upgrading the system with three new compressor replacements and preparing the system to run at a much higher load factor, particularly in the summer, when we're anticipating higher utilization rates caused by the new incremental year-round loads. We will have this project fully in service in 2017.

Additionally, we will invest $200 million in a supply push project called Jackfish Lake that will go into service in 2016 and 2017. This project involves two additional pipeline sections, or loops, with one loop constructed each year to phase in the total contracted volumes. We are expanding the transmission system by 140 million a day to facilitate T-North producer access to our downstream markets.

The $500 million investment in these two projects will earn a fully regulated cost of service return, furthering our growth strategy with secure and solid return assets. The Montney gas play development, especially in BC, continues to require additional gathering and processing solutions and promises further growth opportunities for Spectra Energy.

Our most recent project, the 100 million a day North Montney project, was put into service in 2014. We continue to see strong interest in activity for further small-scale G&P developments and we stand ready to utilize our existing assets to bridge this demand into new greenfield projects. These projects will be underpinned by long-term fixed fee contracts and will have little or no volumetric exposure.

This strategy has served us well for many years and is providing earnings stability in this current commodity cycle. Clearly, the current outlook with our customer is much more measured in respect to services, needs, and timing. Spectra Energy's existing asset footprint allows us to provide scale, G&P solutions in this pre-FID LNG environment. And we expect to originate $300 million to $500 million of additional gathering and processing opportunities and expansions over the 2015 to 2017 timeframe. Also, should a positive LNG FID occur during this period, further opportunities will arise and Spectra Energy will quickly respond to these new market demands.

In late 2014 we achieved a major milestone in our pipeline development project facilitating LNG export. An environmental assessment certificate was issued for two 48-inch pipelines with a design capacity of up to 8.4 BCF a day. Today this makes us the only project with a multi-pipe corridor.

This brings our Westcoast Connector gas transmission project one significant step closer to achieving our vision of serving multiple LNG projects in the Prince Rupert area. We ultimately believe a multi-pipeline corridor like we have certificated supports development of a coastal liquefied natural gas industry as it enables synergies between projects and reduces environmental impacts.

Although FID on LNG has been pushed out, we are encouraged that large multinational players with significant landholdings in BC have recently stepped forward and announced their interest in developing West Coast LNG export projects. British Columbia is well-placed to develop the LNG industry with its abundant supplies, market proximity, and supportive government. In addition to the BG Group relationship, Spectra Energy continues to advance its discussions with other potential partners and secure additional customers for the multi-pipeline Westcoast Connector project.

In conclusion, I think it is appropriate to share where Western Canada's priorities will be during the 2015 to 2017 timeframe. Of critical importance is the sustainment of our base portfolio business. We must focus on renewing our contracts with competitive fixed fee services.

Our track record of high reliability and operational excellence is our strategic advantage in this competitive environment. We continue to focus on cost-management initiatives which will further mitigate any impacts to a prolonged lower commodity environment.

Our Western Canadian business has to harvest the market pull opportunities in our traditional market area as this will be the growth engine for additional stable, fee-for-service investments. And more importantly, it will foster the need for further supply push, transmission, and gathering and processing investments.

Western Canada will put $0.5 billion to work in 2016 and 2017 with the full impact of these earnings coming in 2018. Over the next three years, Spectra Energy will look to originate additional gathering and processing and pipeline projects to support existing growing domestic markets and stands poised to furthering our LNG greenfield pipeline and GMP investments.

With that, let me turn it over to Steve Baker and update you on Union Gas.

Steve Baker - *Spectra Energy Corp - President, Union Gas Limited*

Thanks, Mark, and good morning. It is great to be here with you today to provide an update on Union Gas. Most of you probably think of Union Gas principally as a distribution utility. And what I wanted to say up front is that is really only part of the picture.

As I will describe in more detail, Union Gas owns and operates a significant gas transmission system with current capacity in excess of 6 billion cubic feet a day.

We also own and operate the Dawn Storage Hub, which is the second largest physical gas trading hub in North America. And it is our transmission in Dawn Hub assets that are providing tremendous growth opportunities, expansions of almost $2 billion over the next few years. And I would also say that this level of growth is much more than you would typically see within a regulated distribution utility.

So my objective this morning is to review the Union Gas business and the market dynamics and fundamentals that are really driving these tremendous growth opportunities.

2014 was the first year of our five-year incentive rate framework. We operated safely and reliably during the coldest winter that we have seen in the past 30 years. And once again during colder than normal winter weather this past winter.

2014 was also an extremely busy and productive year on the regulatory front. We received a very favorable decision from the Ontario Energy Board reversing their prior decision regarding the regulatory treatment of transportation optimization revenues.

And on the federal front the National Energy Board approved the comprehensive Eastern LDC settlement agreement. And the approval of this settlement agreement provides not only toll certainty for our customers, but most importantly solidified the commercial and the regulatory framework that supports building new, natural gas transmission infrastructure in Ontario.

The agreement supports and commits downstream pipelines to expand their systems that, in combination with Union's expansions, allow customers greater access to supplies at the Union Gas Dawn Hub and the related gas transmission capacity to move those supplies to Eastern markets.

This new infrastructure includes the significant capital expansions of the Dawn-Parkway system planned for the 2015 to 2018 period. And on that note we received Ontario Energy Board approval of our 2015 Dawn-Parkway expansions along with the approval of related rate adjustments to recover our costs and return related to this expansion.

Our 2015 Dawn-Parkway expansion is in full construction and we remain on target to put these facilities in place by the fourth quarter of 2015.

In terms of our 2016 Dawn-Parkway expansion, we solidified commercial support for the project and we filed our facilities application with the OEB in late 2014. And we're continuing to advance this expansion through the regulatory process and are committed to put these new facilities in service by the fourth quarter of 2016.

As I mentioned, Union operated under its incentive rate framework in 2014. And as a reminder, this is a five-year framework covering 2014 through 2018. Rates are based on our current approved regulated capital structure of 64% debt and 36% equity in an approved return on equity of approximately 9%.

As a reminder, the key feature of the incentive rate framework is that it rewards productivity and provides us an opportunity to earn 150 basis points above our allowed return on equity every year. It also provides for predetermined rate adjustments to recover the costs related to our major capital asset expansions. And our rates increase every year at an amount equal to 40% of inflation.

In addition, the incentive rate framework also provides support for new and emerging growth opportunities that we are pursuing, such as compressed natural gas and liquefied natural gas for the mining and transportation sectors, as well as an extension of new gas service to new communities -- something of great interest to Ontario residents that currently do not have access to natural gas.

And the Ontario government has recently announced a program of grants and loans to support expanding natural gas service to these new communities. And we are working hard to advance both of these new and emerging growth opportunities.

As I mentioned at the outset, Union Gas, while known principally as a distribution utility, also has a very significant gas storage and transmission business embedded within it. The storage and transmission assets really differentiate Union from other gas distributors and provide both stability and enhanced growth opportunities within the business.

The Union Gas transmission system currently has a capacity of approximately 6.5 billion cubic feet a day. And with the expansion plans underway the capacity of the Union transmission system is projected to increase to over 8 billion cubic feet a day.

And to put this into perspective, the Union Gas transmission system is actually larger than our Texas Eastern system which currently critically delivers around 6 Bcf a day into Northeast markets.

The Union Gas system is connected to stable and growing demand markets in Ontario, Quebec and the US Northeast. And within these markets the macro demand and supply environment continues to adjust to new natural gas supply and flow changes related to significant shale gas developments across North America.

As a result of these dynamics our customers continue to seek diversity of supply and express their preference to contract for reliable and affordable gas supplies at Union's Dawn Storage Hub.

Now the Union Dawn Storage Hub has for many years been one of the top trading hubs in North America in terms of physical volumes traded and is currently the second largest physical gas trading hub in North America. In effect, you have AECO in the West, you have Henry Hub in the South and you have the Dawn Storage Hub in the East.

The storage assets at Dawn can deliver in excess of 3 billion cubic feet a day from storage on a peak day, which provides customers the liquidity and the flexibility to buy and sell gas under various market conditions. And also to meet the peak day market demands under cold weather conditions such as those experienced last winter.

Further, the Dawn Hub is currently connected to 12 Canadian and US upstream pipelines and it is really this combination of upstream pipeline interconnects, combined with the size and physical characteristics of the Dawn complex, that continues to make Dawn the largest physical trading hub in the East.

It is also important to point out that the Union Gas system does not only serve eastern Canada. Many US Northeast LDCs currently contract and move supplies from Dawn through the existing Union system and interconnected downstream pipeline systems into the US Northeast markets. This demonstrates the importance of Dawn and the Union transmission system in serving both eastern Canadian and US Northeast markets.

Union's strategy for the Dawn Hub is to attract new Marcellus and Utica supplies to Dawn and then to expand the capacity of our Dawn-Parkway transmission system to move these new supplies to downstream Eastern consumers.

So you may be wondering how is the strategy working. Well, as I mentioned, the recent NEB approval of the Eastern LDC settlement agreement directly supports the ability of customers to now access and contract for new supplies at the Dawn Hub. And it supports expansion of new transmission capacity on our Dawn-Parkway system, as well as capacity on pipelines downstream of Parkway. So greater access to Dawn and the expansion of capacity in Ontario is in process and it is moving forward.

As discussed last year, Union has seen a reduction -- or Ontario has seen a reduction in net volumes from Alberta and as a result customers are increasingly looking to and committing to Union's Dawn Hub for replacement supplies.

New Appalachian supplies from the Marcellus and the Utica supply basins are needed by Ontario to offset this decline and to meet existing market demands. And we continue to see new Appalachian supply projects advancing through the regulatory and permitting process.

Projects like NEXUS are critical to bring new supply to Ontario and directly connected to Union's Dawn Hub. Downstream eastern Canadian and US Northeast markets represent the demand pull to support these new pipelines upstream of Dawn. The Union Gas Dawn Hub and the Dawn-Parkway transmission system are increasingly important to facilitate the changing supply and demand dynamics.

It is also important to remember that what we are seeing today is largely a restructuring of existing supplies and demand serving the market. So this capacity and infrastructure is needed today.

As I communicated last year, we are currently in the process of constructing significant compression and pipeline facilities related to our 2015 Dawn-Parkway expansion. And this expansion is on track to be placed in service in the fourth quarter of this year.

In addition, during 2014 we secured commercial and customer support for additional Dawn-Parkway transmission capacity for 2016. This expansion is similar to 2015 in that it involves a combination of both compression and pipeline facilities and is targeted to be in service in the fourth quarter of 2016.

A new project now in execution is our Burlington-Oakville expansion. This is a project needed to reinforce our transmission infrastructure to meet new demands related to significant urban development in the Burlington-Oakville area just outside of Toronto. And this is also targeted to be in service in the fourth quarter of 2016. The facility's application was filed with the Ontario Energy Board in Q4 of last year and we expect a decision early this year.

Looking beyond 2016, we launched a new open season in the fourth quarter of last year for additional capacity on Union's transmission system for 2017 and 2018. The open season closed just last week on January 30 and once again we received significant customer interest. And while we still need to assess and finalize these open season bids, we anticipate additional expansion growth of approximately $1 billion related to these 2017 and 2018 expansions.

I should also point out that the transmission expansions at Union are brownfield and that they build off of our existing system and rights-of-way. And as a reminder, the cost of all these expansions will flow through to rates and be recovered under our incentive rate framework once the facilities are approved by the Ontario Energy Board and placed into service.

As you heard last year, these expansions are the largest in the history of Union Gas and expansions of this size and magnitude are fairly unique compared to other distribution utilities. And we are extremely excited about the growth prospects ahead in helping our customers adapt to the changing gas supply landscape.

In addition to the large transmission growth projects, we continue to see consistent retail and industrial distribution volume growth. We consistently add about 20,000 new residential customers each year across our franchise area.

This consistent and stable growth in our base business represents approximately $65 million a year in capital and amounts to in excess of $300 million over the next five years generating additional earnings and EBITDA. Altogether the capital growth that we have in front of us drives approximately $150 million of additional EBITDA by 2019.

At this time last year you may recall that we were projecting additional EBITDA growth of approximately $100 million by 2018 and we continue to have confidence in our ability to deliver this EBITDA growth over the 2018 to 2019 period. In short, we continue to see solid growth origination opportunities within the stability of the gas distribution business.

As we look forward to 2015 we will continue to build off the strength and stability of our base assets. We continue to see record storage withdrawals at the Dawn Storage Hub which confirms the importance of our storage assets to meet and respond to the changing needs of our customers both in eastern Canada and the US Northeast.

We are focused on executing our 2015 and 2016 Dawn-Parkway expansions and bringing those in on time and on budget. And we have and will continue to advance our 2017 and 2018 expansions based on the recent open season results. And we would anticipate filing additional facilities applications with the OEB for approval of these facilities later this year.

Union Gas continues to deliver stable and secure earnings while offering enhanced growth opportunities that meet our customers' needs to access new, diverse and affordable natural gas supplies. In short, we are extremely confident in the stability and growth within Union Gas.

As you heard Pat say, our base business is solid and Union Gas continues to provide that stability within the Spectra portfolio through various commodity and market cycles. And with that let me turn things over to Duane.

Duane Rae - *Spectra Energy Corp - President, Spectra Energy Liquids*

Thanks, Steve. It has been less than two years since Spectra Energy entered the liquids transportation sector with the acquisition of the Express-Platte system and the commissioning of the Sand Hills and Southern Hills systems. And it's been a good news story of profitable growth and opportunity.

SEP's liquids business consists of two crude oil pipelines, the Express and Platte systems, and two NGL pipelines, the Sand Hills and Southern Hills systems. Sand Hills and Southern Hills are one-third owned by SEP in partnership with DPM and Phillips 66.

These four systems are all structured on a fee-for-service model with no direct commodity exposure. Together they provide us with a secure and growing cash flow now and into the future.

All four pipelines access growing supply with the Express-Platte system transporting oil from western Canada to Bakken and the Rockies, while Southern Hills and Sand Hills source NGLs from the Mid-Continent, the Permian and the Eagle Ford. Just as importantly, these pipelines access premium markets in Pad 4 and Pad 2 for crude oil and the Gulf Coast for NGLs.

It is worth noting that Express and Platte are demand pull pipelines and the vast majority of our customers on these lines are refiners. Our refinery customers need long-term security of supply and value Express-Platte as it provides them with the lowest cost access to the lowest cost supply.

Our customers have shown a tremendous commitment to our facilities in the form of long-term take or pay contracts for capacity. On Express the contracts have remaining terms that average almost 10 years, while Sand Hills and Southern Hills customers signed 15-year contracts back in 2013.

The Platte pipeline operates without long-term contracts, but demand for service is consistently three to four times the available capacity and monthly nominations have been greater than capacity each and every month for almost 10 years.

Based on our long-term contracts and our solid market position our liquids business would generate substantial ongoing increases in EBITDA even in the absence of expansion capital.

All of our pipelines benefit from annual toll increases either due to contract provisions or the annual FERC escalator. Average Express tolls are additionally increasing as the new contracts signed in 2013 continue to come into effect and legacy contracts with lower tolls expire.

Express Pipeline, the third largest exporter of Canadian crude oil, is now operating at effective capacity and we expect both Express and Platte to operate at capacity throughout the plan period. As well, we expect volume on the NGL lines to continue ramping up during that timeframe.

With both volume and toll increases we have locked in 10% per annum growth in EBITDA on our base business through the plan period. And with the modest capital program that we are implementing, that growth will double to reach 20% per year. As you can see in this chart, growth from our capital expansion program only adds to the steady secure growth of our base business.

There is no doubt that we are entering a challenging environment for energy infrastructure development. Not only have crude oil and NGL prices dropped (technical difficulty), the price spreads between supply and market areas have been pressed. Furthermore, our refinery customers have not benefited from declining prices as crack spreads have been squeezed.

These industry headwinds will have little to no impact on our EBITDA we generate in our 2015 to 2017 plan. As noted, we have no direct commodity price exposure in this business. With our long-term take or pay contracts and the competitive position of our assets, our revenue growth is secure throughout the plan period.

Support for longer-term, large scale greenfield crude oil and NGL infrastructure projects will be challenged given ongoing price volatility. Under these market conditions the advantage will go to measured incremental expansions of our existing liquids infrastructure. These expansions will be smaller in scope but will be much more economic and more likely to proceed in the current environment. As well, with compressed geographic price spreads the true value pipeline over other forms of transportation will become more pronounced.

Today more than ever steel in the ground is a tremendous advantage and it is existing assets that will provide the opportunity for growth. Large-scale, long-term additions to pipeline infrastructure will still be required, but it is possible that these opportunities will proceed on a different timeline.

Despite the current market volatility our liquids business is well-positioned for both near-term incremental growth and longer-term larger scale growth. We continue to invest in optimization and expansion of our existing Express-Platte system, expanding our capabilities and connecting to others.

This year we anticipate embarking on an enhancement to our Express-Platte system that will allow us to fully utilize our capacity. The capital investment associated with this enhancement will be underpinned by long-term contracts with our core customers and our plan is to have this in service in 2016.

We are also advancing the Inland California Express Project which involves the construction of a rail terminal in southern California and the reactivation of a pipeline into the Los Angeles area. Having selected a site we and our partner, Questar Corporation, are embarking on the engineering and permitting process and will reach a final investment decision this year. The project continues to attract interest from prospective customers.

On Southern Hills and particularly on Sand Hills we are investing in connections, laterals, extensions and horsepower to enable more liquids to flow through our system. These tend to be bite-size, quick to market projects with short paybacks and these investments will continue throughout the plan period.

Longer-term we are still pursuing a twinning of the Express-Platte system. Customers on both ends of the pipe are very interested in the prospect of moving Canadian, Bakken and Rockies crude to the lower Midwest and then beyond via existing or new infrastructure.

The potential pipeline from Wyoming to Illinois that we discussed in October is being rescoped in light of current market realities and will likely be incorporated into this larger project.

As well, we continue to make steady progress on the Synergy Pipeline that we and our partner, ATCO Energy Solutions, are proposing to build to further connect the oil sands in northern Alberta to the Edmonton Hardisty hub. Oil sands producers have indicated significant interest in supporting this project with a required in service at the end of the decade. We are well on pace to meet the requirements.

Revenues from the Express-Platte twinning and the Synergy Pipeline are not included in this year's plan, nor were they in last year's plan. These projects continue to be beyond our three-year planning horizon but provide significant long-term opportunity for the business.

Our liquids business has experienced steady profitable growth over the past two years and we fully expect that to continue through the plan period and beyond. To ensure that profitable growth continues we'll continue to optimize Express-Platte to market demand with expansions of our system and associated storage.

We will also be ramping up cash flow and accessing new supply on Sand Hills and Southern Hills by adding new connections, constructing laterals and expanding capacity. And we will continue to advance our long-term crude oil growth projects.

By focusing on these priorities we can ensure continued solid and secure growth on base business while positioning for significant longer-term growth. And now I will hand it off to Bill Yardley who will discuss plans for our US Transmission business.

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

Thanks very much, Duane, and hello, everybody, it's good to see some familiar faces. It is great to be here New York with you today to review what I think is a really exciting story for the US Transmission business.

Many of us were actually here about a month or so ago accepting an award for the global energy construction project of the year for the New Jersey/New York expansion project. Of course we are very proud of that, but we are even more proud of what we have done recently.

Since 2009 when we signed those contracts with Con Edison and others we've signed dozens of contracts resulting in billions of dollars of capital employed and to be employed in the future.

The first half of this decade has been one of growth for US Transmission and it is nice to see that this trend not only continues but accelerates for the second half of the decade.

So I'm going to leave you with three things today. One, the base business is very, very strong. Two, the projects that we have already contracted for create a consistent growth trajectory over the next three years and beyond. And three, we are closing in on securing more projects to continue that growth trajectory for the balance of this decade and into the next.

In short, we have delivered on our commitments to growth over the past few years and we plan to continue that trend unabated.

In the past we have shown you charts and maps and graphs to help everyone understand the value of our asset footprint. We have shown you access to that first and last mile or that we go to the growth, that we tap into important shale plays and are connected to LNG terminals. Basically as Greg said, that we go to where the lights are.

Well, you can't really do any better than that. So I will simply submit to you that our pipelines are basically sold out, contracted for, fully utilized.

Of course, we hit peak throughputs last winter with the polar vortex and all, but interestingly we've continued to hit peak throughput levels this year. On our Algonquin system serving New England we've seen 9 out of the top 10 delivery days in history this January. On Texas Eastern in the market area serving the Northeast we have hit all 10 of our top 10 peak days in history. In east Tennessee serving the Southeast have seen peaks throughout the month of January.

Our US assets are quite valuable. Wherever you go on our pipeline grid you won't find much available capacity due to the demand for our roots. What you will find is plentiful opportunity. Opportunity to grow, to reach new markets, deploy capital and augment our pipeline systems to provide more service to the growing distribution companies in that ever-expanding gas for power generation fleet.

In the Northeast -- sold out. Algonquin has had record throughput each of the last three winters, providing the backdrop for our multibillion-dollar build out including three major expansion projects in the next three years. We are full out of the Marcellus and the Utica, so we are going to build a new pipeline to Michigan and on to Ontario markets. We will keep marrying pockets of capacity with new builds to help producers access liquid points.

In the Southeast -- sold out, enter our Sabal Trail project.

And flowing south to the Gulf again we are sold out. Here we have six projects either in service or completely contracted for and in execution. This is exactly where a pipeline system wants to be. Fully contracted for and connected to a variety of robust supplies with producers that are growing and looking for expansion and connected to the country's major cities and growth areas with gas and electric utilities and industrials requesting expanded gas service. This is the time to be doing what we are doing today.

So on this slide, our base business is this $1.4 billion block of granite up here delivering strong and secure EBITDA to our shareholders. And why are we so confident that it is going to remain so? Well, almost 90% of this is from firm reservation charge contracts that average eight-year terms with average contract renewal rates on the revenue basis on major pipelines for over 95% on average over the last decade and last year it was 99%.

The balance of the EBITDA is comprised of other services, short-term firm, interruptible throughput charges and supply area storage. For this plan period we will of course keep our focus on ensuring that this base business in blue remains strong and on the green section execute on our backlog of projects in order to deliver incremental EBITDA starting in the fall of this year and continuing into the next decade.

As you can see, if we do nothing else, if we sign no more contracts, just deliver on what we have committed to, we will achieve this strong growth trajectory in the three-year plan and beyond. Our execution projects represent an average 19-year contract term.

They are heavily supported by LDC and utility customers, the contracts are signed, FERC certificate filings are either planned, in process or the FERC order has been received. We'll earn an incremental $700 million in annual EBITDA from our execution projects by 2020 if we add nothing else to our project backlog. And in a few minutes I will show you why we feel we are going to continue this momentum and win more new deals in 2015.

So let's turn to the execution projects and look at how we are going to get that $700 million. We entered 2014 with about $4 billion in execution. We put three projects totaling about $500 million into service, signed 17 new contracts adding $2.5 billion of new projects and that takes us up to nearly $6 billion in execution today.

The three projects that we put into service we put in on or ahead of schedule last year and actually under budget, TEAM 2014, TEAM South and Kingsport. And it gave us an EBITDA boost in the fall period of 2014 and this year they're going to continue to do so by adding $125 million in EBITDA for 2015 and beyond. And of course we are keeping this $6 billion on track.

It was a very active year on the project execution front. From a regulatory perspective, for example, we filed seven certificate applications, received FERC orders to construct on three more. We positioned ourselves to file six more certificates in 2015.

Importantly, the project slated for service later this year, Uniontown to Gas City and OPEN, remain on track. In fact, construction started on OPEN earlier this week and we'll start construction on Uniontown to Gas City later this month. And we are on schedule for our execution project to start in 2016 and beyond as well.

Plus, we will continue to keep the beginning of the conveyor belt full. And more on that in a second, but let me give you some background on the projects that you may not be familiar with, there are a couple that are new on this list.

Loudon, for example, is an expansion of east Tennessee system to serve a customer that is converting its plant from coal to natural gas. It is a $50 million investment that we will place into service second half of 2016.

The South Texas Expansion Project, or STEP that you see there, will involve new compression and work at existing compressor stations to expand our south Texas line to meet Mexico's growing demand needs. This $130 million project will be in service and delivering incremental EBITDA in the first half of 2017.

And just a couple words on Stratton Ridge. It is a $200 million investment to deliver new incremental production from the growing shale plays to the Gulf Coast, serving Freeport LNG's facility in 2019. We touched on this already in the Q3 earnings call, but importantly we recently announced a deal to acquire Brazoria Interconnector Gas, or the BIG pipeline.

BIG is a 42-inch natural gas pipeline in Texas with up to a 1.8 Bcf a day of capacity that extends about 30 miles west of the Freeport area crossing Texas Eastern. And what it will do is it will reduce the construction risk on a portion of the Stratton Ridge project and provide us with the opportunity to connect additional supply and other markets in the Freeport area. And we expect to close on that in the second quarter of 2016.

So to summarize this slide, the backlog of secure projects and execution representing nearly $6 billion of new investment will add $450 million in annual EBITDA by 2017, but ramps up nicely to over $700 million annually later in the decade.

And so, let's -- I'll tell you what, let's take a closer look at regional areas of our US system where we are seeing activity and opportunity. Because I do know you are asking, what's next? And along the way I will update progress we are making in some of the other larger execution efforts like AIM, Sabal Trail, NEXUS and Atlantic Bridge which are nicely on track.

Okay, strong market demand and a matching need for infrastructure enhancement continues in the Northeast. And we are seeing that through more peak deliveries year over year, through contracts signed for expansion projects with distribution and power generation customers. And we are seeing it through additional requests for new pipeline capacity from distributors, power developers and industrial markets.

These customers are far less hampered by the current commodity markets as the need for new natural gas infrastructure continues to exist. Confidence and price stability will only serve to encourage these demand based customers.

We have ample opportunities in this area to grow our pipeline and the EBITDA through the end of the decade. We have got a lot of projects in execution here in this region with PennEast, Salem Lateral, AIM and Atlantic Bridge.

And the LDC markets continue to grow as the residential and commercial conversions and heating fuel from oil to natural gas in the Northeast, they just keep happening -- driven by both lower cost and also by state and local initiatives to reduce dependence on fuel oil, more natural gas is needed to serve local distribution companies here in the Northeast.

So beyond our projects in execution we have additional market pull opportunities to serve power plants, industrials and local gas distribution companies including Philadelphia, which is a market that we currently serve with a lateral that is consistently constrained. Very early days there, but expect more news on that as the year progresses.

This is the congested Northeast, great opportunities but not easy to bring them to fruition. It is not capacity constrained by accident here. The Northeast is a challenging environment to build in from an environmental, political, power market structure and stakeholder perspective. Still, over the past several years we have successfully completed many projects here.

In urban areas of Massachusetts through Somerville and Cambridge with J2, out on Cape Cod with a four mile expansion. In Boston suburbs through the Boston Harbor with HubLine and Northeast Gateway. A lift and relay through Philadelphia and of course through Staten Island, Bayonne, Jersey City and into Manhattan, just to name a few.

A key to our success has been designing projects that minimize our environmental and stakeholder impact by utilizing our own existing right-of-way to the maximum extent possible. That is how we are solving the current lack of gas infrastructure in New England. Three distinct and very large expansion projects to be in service next year, in 2017 and in 2018.

So first, we are well underway with AIM, and that is the project for 2016. As a reminder, this is a local distribution company focused effort. Customers National Grid, UIL Holdings, Northeast Utilities, NiSource along with the city of Norwich and town of Middleborough have signed up for 100% of our 342,000 mcf a day, $1 billion project.

The project involves taking up about 35 miles of pipeline along our existing mainline, basically taking up smaller diameter pipe and putting in larger diameter pipe, newer pipe. As well as some horsepower additions at five existing stations along the way and a five-mile extension into the Boston area.

Expectedly and interestingly the most challenging portion of this project we've had is from a stakeholder relations standpoint and it is on that five miles of greenfield that we need to construct. The AIM project just received its final environmental impact statement in late January and we expect to receive our FERC certificate in the coming months.

Project two, Atlantic Bridge, will follow a year behind AIM coming into service in 2017, again optimizing our existing Algonquin footprint through increasing pipe diameter and adding compression that delivers a right sized cost effective expansion.

We submitted our pre-filing documents last week, we signed up LDCs and industrial customers in southern and northern New England and Atlantic Canada. A critical advantage of these projects is scalability, appropriately matching project size to the market's needs.

Leveraging our existing assets enables us to not only deliver right size solutions to New England, but also to make wise investments, bringing incremental revenues and EBITDA as soon as our projects have commercial support. So, two projects in execution with contractual commitments adding up to $2 billion in investment with AIM and Atlantic Bridge.

Now, while these projects go a considerable way to meeting the needs of the natural gas distribution demand, they do not satisfy the reliability question of the electric generation market in New England. So let's talk about our solution which is project number three, Access Northeast.

In New England environmental pressures, coal and nuclear retirements and reliance on intermittent resources have all led to an undeniable outcome -- construction of less-expensive, cleaner fired, cleaner gas-fired generation and the reliance on these plants year round.

However, when coupled with the mechanics of the deregulated electric generation market, and no incentive for these generators to contract for pipeline capacity, a very bad outcome for electric consumers has resulted. Scarcity of pipeline capacity on peak days has led to inelastic regional pricing and an increasing number of days each year when new England daily gas pricing skyrockets.

Gas-fired generators that can find supply pay this inflated market price and it is of course passed along to the public. And it caused utilities and the area to pass through about $2.8 billion of excess power costs to these consumers just in New England last year. This all sets the stage for Access Northeast.

Following on the heels of those first two projects that were essentially LDC driven we have announced a partnership with Northeast Utilities and a strategic alliance with Iroquois Gas Transmission to build Access Northeast. It is a solution designed for the new England power generation market that will, again, maximize the use of existing infrastructure on existing footprints while minimizing impacts to homes, communities and the environment.

This solution was frankly easy for us to see since our Algonquin and our Maritimes and Northeast pipelines are already directly connected to over 60% of the power generation in New England -- it goes to 70% when you add in the Iroquois points.

Algonquin serves the majority of ISO New England's most efficient plants. We can deliver scalable facilities to meet future demand and serve over a Bcf of new gas directly to the most utilized gas-fired plants in the region.

So what is the challenge? We know there is a need for infrastructure. But in addition we recognize that the generators simply use gas differently than our other customers. They need quick start services, they need hourly services, peaking services.

Generators and gas utilities will have coincident peaks during many days in the winter and we have to solve for that. But the summer's fine. In fact all summer long generators in New England were buying gas below Henry Hub pricing, $0.50 below average all summer long.

So through a combination of incremental pipeline and storage facilities our solution cost-effectively offers supply when generators need it with new tariff services to handle the peak hour, the quick start and those seasonal needs. Access Northeast will deliver from the least expensive Northeast supply areas with multiple supply options directly to the majority of the power plants in new England.

Our partner, Northeast Utilities, serves half the electric customers in New England. They know they need to play a role in bringing down prices for their consumers. And that Iroquois alliance adds another supply point right in New York and, as I mentioned, increases the project's direct connections to power generators to 70% of that new England fleet.

So overall here in the Northeast and in New England we've got $1.5 billion to $2 billion of projects in execution and we are pursuing another $3 billion or so of investment.

So let's turn to what is become I guess the major production area, the Marcellus and the Utica. This production region has and will continue to offer opportunities to grow our existing pipeline and extend our footprint to new markets.

Five years ago the Marcellus gas directly entered our Texas Eastern pipeline in southwest Pennsylvania and West Virginia. It took in less than 100,000 a day from the Marcellus region. Today it is nearly 5 Bcf a day and it has grown over 100% each year for the past three years.

Texas Eastern alone receives 30% of the Appalachian basin supply. And we've been taking advantage of this position in this region to invest in new projects; in the past with projects like TEAM 2014 and TEAM South that we placed into service last fall; in the present with OPEN, Uniontown to Gas City, NEXUS, Access South and Adair Southwest. And as we look to the future we see more Marcellus, Utica investment opportunities.

For the present a quick update on NEXUS. We prefiled our 1.5 Bcf project in December and we'll file the whole FERC application in Q4 of this year. Recently we engaged an engineering and construction contractor to augment the execution team in this period of heightened pipeline construction activity.

And importantly, we have executed an agreement for capacity on Vector which allows us to leverage existing infrastructure and again minimize cost and environmental impact. And we will become a 20% owner in Vector when NEXUS goes into service.

And similar transportation agreements have been contracted for by Nexus on both DTE's MichCon pipeline and with Texas Eastern for supply access. We have the contract commitments to move forward with the project, a very nice combination of LDC market pull with the Michigan and the Ontario LDCs and high quality producer push with Chesapeake, Noble and CNX. And we are negotiating with other parties to fill the remaining space.

NEXUS is a fabulous path for Spectra as it connects Steve's massive Dawn Hub with the breadth of our Texas Eastern system in Ohio. As for future activity in this region, we are focused on a new path to deliver Appalachian production to the developing of coast markets and meeting the needs of gas-fired power generation in the Midwest.

We consistently underestimate the opportunities that we have here in this region and we will keep expanding to new interconnects with other pipelines with high return bolt-on projects made possible by our footprint in whatever small pockets of capacity are available in the region.

And as you can see, we are evaluating opportunities to invest in about $2 billion more in this region and expect updates on progress here later this year.

So wrapping up in the South where we continue to see expansion opportunities, again power generation, industrial and LNG export markets. Here in the Southeast the story continues to be significant growth from the power sector both with growing electric loads, coal and nuclear plant retirements, the Southeast demand for natural gas is going to remain strong.

We are making great progress on Sabal Trail, our $3 billion project to serve Florida, of which we expect SEP will own about half. We filed our application with FERC in the fall of last year and expect to receive our certificate by the first half of 2016. The project is similarly engaged with an

EPCM contractor, we've secured our mainline pipe, secured the compression equipment and we are making substantial headwind securing the necessary right of way and easements.

Just turning slightly to the Gulf Coast, demand growth is expected to outpace production here, providing opportunities in this region including LNG in power and industrial markets, power markets throughout the South and of course feeding Mexico.

There are three LNG facilities fully permitted and under construction in the Gulf Coast, Sabine Pass, Cameron and Freeport, with a combined export capacity exceeding 7 Bcf a day. We will be connected to all of them. And with Stratton Ridge and the Gulf Markets projects we have feed gas transportation agreements in place with four international exporters and we are working with others on a number of development projects.

And we expect additional Gulf Coast LNG projects to move forward where we are very positioned to serve this growing market. Chemical manufacturing has ramped up in response to the abundant -- the affordable natural gas and LNG feedstock leading to an industrial resurgence from south Texas all the way up to Mississippi along the Gulf Coast.

Optimizing that footprint, Texas Eastern's existing facilities, we've connected Marcellus production to the growing Gulf market and we expect continued steady demand growth from this sector going forward.

Finally in Mexico, growing demand for natural gas to meet the power generation growth coupled with declining production has led to expanding opportunities for Texas Eastern as well. STEP is our first entre into this market with more that will be in development shortly.

Our footprint in the Gulf Coast and direct access to supply positions us for continued expansions in this area. Again, we think there are legitimate opportunities to invest about $2 billion of additional investment on top of the $2 billion that is in execution today here.

So strong growth opportunities almost all places that our footprint reaches on top of the already secured EBITDA associated with that $6 billion in execution. The momentum we have achieved in winning that $6 billion of execution continues in 2015.

So just to conclude, our priorities are to continue the momentum, maintain and strengthen that base business and deliver on incremental growth. The US Transmission group has put over $2 billion of projects into service in support of Spectra Energy's Drive to 35 goal.

We have $6 billion in execution, contracts signed and secured, and we are chasing $10 billion to $15 billion more of which we would expect to win on average $2 billion a year over the next three years.

Our position in the market and our base are both solid. Our project execution backlog has set us up to succeed on what we we've signed and to grow through 2020. Our success in executing projects on time for our customers has led us to signing multiple deals in 2014 and we will build on our momentum, winning new deals this year and over the next three years. And with that I will turn it back over to Greg. Thank you.

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Thanks very much, Bill, and thanks, everybody, for being patient through this. That is a lot of information that we have thrown at you in the last couple hours. So let me summarize four key takeaways from our perspective that we would like you to think about and take with you.

First, Spectra Energy has the ability to succeed in the midst of various business and commodity cycles. And that is really driven by that superior asset footprint that connects us to premium supply basins, but equally so the growing demand market.

Second, we have got very limited commodity and volume exposure in our three-year plan. The earnings from both DCP and Empress represent less than 1% of our EBITDA for the plan period. And importantly, our 2015 to 2017 plan distributable cash flow plan as we laid it out for you, uniquely protects us from further commodity upside, but with material upside in commodities can do well. So, very well protected on the downside and leveraged to the upside.

Third point, our outlook for capital expansion is very positive and secure contractually, not just from a development perspective but contractually. And the projects that we do have in execution fully support the plan that we have laid out for you today. And those projects in execution will also extend earnings and cash flow beyond the three-year plan.

Finally, Spectra Energy's plan that we laid out for you today fully supports the growth of $0.14 per share in the dividend right through the plan period with a coverage ratio that will be at least one times.

So, that continued balance portfolio we think gives us a very powerful platform, we're in the right basins, we are connected to the right markets and the right infrastructure that goes where the lights are.

So with that let's open it up, Julie, and take questions. And again, we have got the business units all available and Pat and I as well.

QUESTIONS AND ANSWERS

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

I'm going to remind people that we are webcasting, so I'm going to ask you to wait for a microphone while we figure out how to work this one. Please be patient. We are a little bit cozy here in this room, so we will get microphones to you.

I would ask you, because we are webcasting, to please state your name and your business affiliation as well. And I will ask the operator to please give instructions to the people on the phone that want to ask a question.

Unidentified Audience Member

(inaudible) gradually a lot of cutbacks in development and exploration in these fracking areas in the United States. Wouldn't that affect the volume of -- Spectra Energy would handle and just less development means less production; not this year, but in future years?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Right. So the question for those on the line was will the reductions and cutbacks in the E&P companies, does that affect the volumes at Spectra Energy.

So limited volume exposure and here's the reason why, Frank. First and foremost, the bulk of our businesses are driven by long-term contracts on a reservation basis. So regardless of whether the product goes through the pipeline; as folks like Bill and others pointed out, our pipelines are being fully utilized. We are seeing peak days. But whether or not that product actually goes through, the long-term contracts, we still get the reservation charge in.

So that's why we feel so confident about the 2015 to 2017 plan. I think it's a fair comment to make; if volumes go down, will you get all the same development-type projects in that 2018, 2019, 2020 period. But I think, as we have laid out, with the cash that does come in with the projects that we do have, very stable for 2015, 2016, 2017. And even there's EBITDA and cash flow that comes in after that fact.

Gabe Moreen - *BofA Merrill Lynch - Analyst*

Gabe Moreen, Bank of America Merrill Lynch. Two-part question; first on DCP, and I appreciate you're going to be giving an update hopefully in a couple weeks.

First, as you mentioned that upside scenario, I think when commodity prices recover is it safe to assume that whatever restructuring happens at DCP that you are going to go back to the old cash distribution policy of being able to make distributions from DCP as opposed to having cash trapped there?

Second question or part of the question is really for Wouter. I know how quickly the mail works going out of Denver, but what has the producer reception been to those 1,500 letters you sent out to producers initially?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

So on the first question, yes, I think -- we've seen this in the past, Gabe. During another challenging downturn in 2008 and 2009, and even early days, we did shut off the cash distributions to the parent just like we are doing now. As commodities recover and cash is generated, I would expect that to -- we continue with the plan with the generation up.

Obviously part of that is also what is produced at the MLP, so the GP and LP cash flows. So as the market comes back, as commodities recover, I fully expect we would go back to that DCF-like distribution.

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

Gabe, to your question on the 1,500 letters, as you know we have a tremendous amount of contracts. We have about 10,000 contracts. 1,500 letters and producers that we targeted were predominantly contracts that are in evergreen, contracts that had T&F terms that were underwater.

What we basically did, we kind of brought those up to par. So it was -- that was something that was probably not received with applause from the producers, but I think the producers understood the actions that we took.

Gabe Moreen - *BofA Merrill Lynch - Analyst*

Understood. Then, Greg, I don't think you talked a whole lot about M&A during the presentation. I hate to ask a generic M&A question, but there's clearly a lot of pipelines out there potentially on the market. Are you considering looking at those? Would that obviously hopefully be upside to the plan?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Sure, absolutely. I think we have been patient on the M&A front and obvious things that we have done, like the liquids pipeline, have been extremely, extremely valuable and accretive to us. So we will look for those opportunities.

It's tough for us, Gabe, to do it on the gas side in a big way given the concentration, at least in a big way. But, sure, on the liquids side if there is opportunities, we've got a great currency in SEP. And so definitely we will look, but I think it's more on the liquids side of things than it would be on the natural gas side of things.

You're right; that would all be accretive to the plan. We don't need any M&A to be able to hit the plan as it is.

Christine Cho - *Barclays Capital - Analyst*

Christine Cho, Barclays. When we think about potential restructuring at DCP, how important is it for DCP LLC to be investment grade as long as DPM is investment grade?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Well, look, I don't want to get ahead of ourselves. As I said, we are still having discussions amongst the partners how best to do that.

But I guess from a -- when you say important, from a grand scheme of things, if we have looked at things, if DCP LLC wasn't investment grade -- and let's be very clear. I don't think these numbers are public yet, but the year-end numbers for LLC debt to EBITDA were around 4.1, 4.2 and about 3.2 at DPM. So very solid investment grade.

I don't think the operational impacts would be particularly significant or the financial impacts, probably sub $20 million from that perspective. But I don't want to get ahead of that and I don't want to get ahead of the discussions.

Christine Cho - *Barclays Capital - Analyst*

Then I know you get asked this time and time again, but is it absolutely off the table that you guys would sell your portion to PSX if you could do it in a tax-efficient manner?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Well, I don't think we have -- look, all of us -- I would never say anything is off the table. We are portfolio managers, like many of the people in the room, right? So what's the best structure? What's the best set of portfolios to create the greatest amount of value for shareholders? That's our number one job, so I would never be opposed to selling any part of the business if the value was right.

And obviously tax is an important consideration of that, Christine. Again, I would go back to the fact, as I think both Wouter and myself and others and Pat I guess pointed out, the billions of dollars of cash generation that has come out of DCP that avoids the issuance of common equity and that goes into fee-based businesses, that is a ton of value. And when you don't pay the dividend out of those cash flow streams, that's a really valuable source to have.

So that being said, if it is accretive from our cash perspective, we would be open to anything and I think 66 would probably say the same thing. You have to ask them.

Christine Cho - *Barclays Capital - Analyst*

And then just one more. The partnership agreement between you and PSX, does it dictate that whatever you guys do you guys both have to do it, or can one side do something and the other side not?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Well, actually I'm not sure if I'm able to disclose -- generally speaking, we have always done the exact same things and that has been consistent with the partnership and the agreements. But I don't think I'm actually able to go into the exact elements of the partnership agreement.

Christine Cho - *Barclays Capital - Analyst*

Thank you.

Chris Sighinolfi - *Jefferies & Company - Analyst*

Chris Sighinolfi, Jefferies. Maybe a quick question for Pat. I don't know -- I didn't have a chance to sort of flip through in detail the full appendix, but did you put forth an expectation for SEP equity raise?

Pat Reddy - *Spectra Energy Corp - CFO*

I don't think it is in there specifically, but given that our stated objective to finance our growth about 50/50, it's probably in the $500 million range next year; could be a little bit higher than that.

We have our $500 million ATM and we would look to that first. If we go above $500 million, say up to $800 million, we would do a public deal to top up there. But it is kind of in that range based on the projects in flight.

Chris Sighinolfi - *Jefferies & Company - Analyst*

Great. And then switching back to DCP for a moment, this is perhaps for Wouter. If I look at the forecast that you had given us all last year for the EBITDA of that business and the commodity DAC and the sensitivities and I were to adjust to the commodity DAC that you have given us today, I get to an implied number that is greater than the $730 million that you've given us today.

So I am wondering if that -- is that delta speaking to the volumetric impacts that you've assumed or is there something else that I can sort of garner from that?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

Chris, there's not very significant volumetric assumptions in the budget. There's a little bit towards the back end where we think we are probably going to tail off a little bit from a volume point of view, but there is not a tremendous amount of volume impact.

Chris Sighinolfi - *Jefferies & Company - Analyst*

Okay. Then final one from me, Pat. If I think about the currency impacts as well, are the maintenance CapEx numbers for the Canadian businesses that are offered in your DCF are those US dollars? I am assuming those are US dollar denominated, so if I have a different FX assumption, those will (multiple speakers)?

Pat Reddy - *Spectra Energy Corp - CFO*

That's right; we translated the Canadian dollar maintenance capital to US dollars using our CAD1.15 Canadian to US ratio. And so going from EBITDA net income, the net effect is about 60% roughly for modeling purposes.

Chris Sighinolfi - *Jefferies & Company - Analyst*

Great, thanks for the clarification.

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Just for clarity, there is about 60%, 65% of that maintenance capital number that actually is in Canada, so just to get the split right.

Pat Reddy - *Spectra Energy Corp - CFO*

And we do have a chart in the book that shows you maintenance CapEx by year, by line of business so that you can do that.

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

We are going to take a question from the phone.

Operator

(Operator Instructions) John Edwards, Credit Suisse.

John Edwards - *Credit Suisse - Analyst*

Good morning, everybody. Not sure how much of this you can answer right now, but just curious on the DCP front. As far as suspending the distributions from the owners to DCP and then combined with the cost cuts you are talking about, is that enough savings so you can protect the investment grade credit at DCP?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Well, not just with the cuts. Obviously we are looking at a variety of things -- CapEx down, the structuring issues, etc. But I think as Wouter said, it was $70 million, $100 million from a cost perspective. Again, let's not get too ahead of ourselves and I don't want to get ahead of the partnership discussions, but just the cuts alone would not get you there.

Pat Reddy - *Spectra Energy Corp - CFO*

I think we've put on our thinking caps in the past. As Wouter said, this is a business that has been around for 90 years. We have obviously seen cycles before. Obviously this one came on abruptly and we entered in a little bit more leveraged fashion.

But you think about -- I think we have been creative in the past in doing things like lower multiple drops. We made direct investments in assets. So not to foreshadow anything today, but just suffice it to say we are giving this a lot of thought. We are working collaboratively and we think we have some viable paths forward and won't prejudge outcomes.

John Edwards - *Credit Suisse - Analyst*

Okay. So I guess the intention is that you do intend to defend the investment grade credit. Is that something you can comment on or no?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Actually, I wouldn't comment on it. I would say that traditionally we have always found a way from a self-help perspective at DCP to manage through this time and I fully expect that to be the case here as well. Again, I don't want to get ahead of ourselves and where we are, and again we would remind you where the credit metrics were at the end of the year.

John Edwards - *Credit Suisse - Analyst*

All right, that's helpful. Thank you.

Operator

Ross Payne, Wells Fargo.

Ross Payne - *Wells Fargo Securities - Analyst*

My question is around the investment grade rating and really has been asked, so I don't want to beat up on that too much more, thanks.

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

Okay, we're going to move on here.

Andrew Dunlop - *First Eagle Investment Management - Analyst*

Thanks, Greg. I want to go back to your -- my name is [Andrew Dunlop], First Eagle Investment Management.

In your comments, you said there's the principle of cash only going one way. DPM, DCP specifically, clearly needs an equity recap of a sort, assuming that you want to maintain investment grade. $730 million is the number you gave us, but you also in a footnote showed it going to $1 billion two years forward, which is very positive. But there's still a cash flow gap.

And with respect to that principle of cash only going one way, are you saying that you would rather get a partner to help finance it than put in the cash yourself at preferred terms? A partner could be the public or private or strategic, but conceptually is that the principle of cash only going one way?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

No, I think you are going down a whole variety of trails way ahead of where we are from partnership perspective at this point time.

All I'm saying, Andrew, is that the principle that Spectra Energy is an owner in this business is cash always goes one way. That's all I'm saying. So that Spectra Energy is not looking at options that would see equity or credit support come from us.

Andrew Dunlop - *First Eagle Investment Management - Analyst*

But almost by definition that means it has to come from somewhere else or the investment grade philosophy has to disappear or the commodities need to recover. Something has to (multiple speakers).

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

There's a variety of things that could occur that could take you positively or negatively, but I really can't get out in front until the partnership has made a final decision.

Andrew Dunlop - *First Eagle Investment Management - Analyst*

Okay, and then more of a technical question on that. If you take your guidance going from $730 million to $1 billion, use the $800 million as the run rate of CapEx, obviously we can figure out the distributions to just the public DPM holders and the interest-bearing debt. There's a gap and the gap is, I don't know, $1 billion or something like that. Clearly financeable if you don't want to be investment grade and just want to be high yield.

But is that the magnitude -- the question is is that the magnitude of the problem that you are trying to solve?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Again, it depends on a whole variety of your assumptions.

Unidentified Audience Member

(inaudible -- microphone inaccessible)

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Fair enough. So as I said, a variety of self-help activities that are ongoing right now from CapEx reductions, from cost-cutting perspective. As I said, the same banks that worked with Phillips 66 and ourselves are the same banks that work with DCP.

That is about as far as I would go at this point in time, Andrew. Thanks.

Becca Followill - *US Capital Advisors - Analyst*

Becca Followill, US Capital Advisors. Just to go back to those 1,500 letters that we are obsessed with. So if I understand it correctly that means that should we go to renegotiate, Wouter, that you would get something that was better than you've got today but probably giving up a lot of the upside in the future. Is that fair?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

No, that actually is -- it's not correct, Becca. The 1,500 letters were, as I said, they were evergreen contracts. What we predominantly did with those contracts is where we had T&F clauses in the contracts that were in most cases were fixed T&F that potentially were underwater. What we did is we basically put them up to actual T&F.

If we had a $0.04 T&F in it we upgraded it to a $0.06 T&F and we just got that differential. So there was no in-depth renegotiation of a POP to fee-based or any upside potential that we ended up giving away. Most of it that we are talking about were kind of T&F assumptions in those contracts.

Becca Followill - *US Capital Advisors - Analyst*

And you have the rights in those contracts to go do that?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

On evergreen contracts we have rights to do that. A lot of our contracts -- again as I mentioned, we have 10,000 contracts; a lot of our contract portfolio is in evergreen.

Becca Followill - *US Capital Advisors - Analyst*

But then going back to -- when we went through the 2008 cycle what a lot of companies did is say, okay, I'm pretty commodity sensitive and it facilitated discussions to go back in and renegotiate contracts. Are you guys looking at doing some of that?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

Yes, we are looking at that. I think at the same time what we do, and Greg and Pat mentioned this, we think we have a lot of options and levers at our disposal to get through this cycle. So we are not rushing to the table and saying, okay, let's redo all of these contracts, right kind of at where we believe a trough in the market and give away all the upside potential. We are very balanced how we go through this cycle.

As I've mentioned, we have done this a lot of times before. We have been here before. This is not the time for us to give up all the upside potential. At the same time, there may be opportunities for us to reduce some contracts and take a little bit of POP and commodity exposure out of the business.

Becca Followill - *US Capital Advisors - Analyst*

Thanks. Then the other question on Southern Hills. What percent of capacity on that pipe is take-or-pay?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

The majority on both the pipes are take-or-pay.

Becca Followill - *US Capital Advisors - Analyst*

And is it with yourself?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

A number is with ourselves, with DCP facilities. We also have acquired a significant amount of third-party facilities on the Southern Hills Pipeline.

Becca Followill - *US Capital Advisors - Analyst*

Thank you.

Jeff Healy - *AIG - Analyst*

This question is really for Wouter. Jeff Healey, AIG. Wouter, putting your DPM hat on, are you comfortable with DPM having LLC as a below-investment-grade counterparty for all your hedges?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Jeff, I am very comfortable around where DPM is sitting right now. The partnership is well within its metrics. Our coverage looks really strong. Even if you go out over the next 12, 18 months, you adjust hedges and things like that well within coverage ratio and good leverage ratio. So very, very comfortable around it.

Jeff Healy - *AIG - Analyst*

I guess more of my question is really on the hedging counterparty side that -- sort of asked another way, can DPM be investment-grade rated if DCP mid LLC is its primary or, frankly, only hedging counterparty and it is below investment grade?

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

Absolutely. I can't speak for the rating agencies, but I absolutely believe that it can be done. And like the hedge that you are talking about rolls off at the end of the first quarter 2016. Even if you take that hedge out, the partnership is still 70% fee-based or hedged with other parties so the premises of the only hedge coming from midstream is incorrect. It is actually a small part of the overall hedge fee-based percentage of the partnership as a whole.

Jeff Healy - *AIG - Analyst*

Okay, great.

Wouter Van Kempen - *DCP Midstream LLC - Chairman, President & CEO*

Andrew, maybe getting back to your question, you mentioned there is $800 million CapEx in all the out-years. There's only $800 million CapEx assumption in 2015, so 2016, 2017 doesn't have any CapEx built in for any type of growth. And one of the things that I believe we are in a fairly good position right now is we don't have this massive amount of infrastructure projects that are trying to come online.

We always talk about we are not a build it and they will come type of company so we are trying to phase things in really as needed. In an environment like this, that helps us out fairly significantly.

Carl Kirst - *BMO Capital Markets - Analyst*

Carl Kirst, BMO. Actually the first question is really just associated with what Becca just asked, but maybe for Mark. Are you are getting 1,500 letters from Montney producers looking to take down costs? Or if that is, can you do value-for-value trades? Is there any risk there?

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

Yes, I think in Western Canada our fees are fixed. For the most part, as customers come to us our portfolio is for fixed fees, so we don't really have a price regime around T&F. So not applicable in our business.

Carl Kirst - *BMO Capital Markets - Analyst*

But you are not feeling any pressure from producers coming to ask you to lower service fees?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Well, they have that right to ask and they're customers; we respect our relationship, but at this hour we are not redoing our contracts.

Carl Kirst - *BMO Capital Markets - Analyst*

Okay, fair enough.

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

Carl, very different dynamic, right? Like Wouter's business where you've got upside on the POPs and stuff, we don't have that in Western Canada. It's much more like a regulated type business, so it's a very different type of discussion.

Carl Kirst - *BMO Capital Markets - Analyst*

Sure. Maybe a second question. Greg, Pat, when you are looking at -- if we go forward in the plan 2016, 2017 operating the dividend at 1 times distributable cash flow, obviously notwithstanding the stability and the confidence you have with sort of stop-lossing the commodity prices, whether it's 4x because oil doesn't recover or just execution risk or what have you. If you get nickel and dimed below 1 times, how should we think of that? What is the priority?

Is the priority to keep a minimum of 1 times coverage? Or if you are only down it 0.98, 0.97, that's not really a big deal with commodities and contango, etc., etc.? Just how are you thinking about that?

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

We do look through the cycle. I think one of the points we tried to get across to investors today was really the growth in the business beyond the plan. I am not going to provide DCFs for 2018, 2019, 2020. I don't think there are many businesses that actually provide you with three-year DCFs like we're doing.

But think about the businesses like both Steve's and Bill's that talked -- each of them talking about $100 million, $150 million beyond the planned in EBITDA from the business that Steve has got. And we are only getting 70% of the EBITDA that Bill is generating in that time period.

So if you had to squint through it, I wouldn't have a difficulty with that. I think that's the strength of the business. You are going to have ups and downs in CapEx, but given the very long-term nature of those contracts, I think investors should take a lot of comfort in a steady growth in the dividend.

And I think one thing to consider is just our over performance on dividend growth over the times. What we've promised to people and then what has actually happened. And I think, going back several years, you would find that's the case.

Each of those decisions are driven by what we see in the longer term, not just in the near term. I think you see that actually in the decision on the dividend for 2015, as you know. In December we took it from $0.12 to $0.14. Not because we didn't see what's going on with the commodity aspect of it; that's not particularly relevant to our dividend policy. It's really what we saw happening with the growth of the rest of the business.

Pat Reddy - *Spectra Energy Corp - CFO*

Just as an example of what Greg was talking about with regard to over performance. If you remember this time a year ago, as we looked at 2015, our coverage we were out looking 1.4 and we came in at 1.6. So not to -- I think I always hate to use the label conservative. I think we try to be prudent in an environment like this and certainly not cavalier.

Then that's why we wanted to put in slide number 20. I'd just ask you look back at that at some point maybe on your way home. You can see that bar that goes beyond 2017 out through 2020. $800 million of incremental EBITDA by 2020; not from things that we are chasing, not from things that we would like to see come, but things that are literally in the pipeline and coming for all the reasons that our business leaders talked about. I likened it to winding up the rubber band.

So for that reason, given the high-quality nature of the cash flows and the relative certainty of their coming, to Greg's point, I think if you are triangulating right around that 1.0, if you are up or down a few million dollars, I'm not sure we are that good on estimating things like cash taxes. For example, we are assuming a resumption in cash tax rates of up to 21%. I personally don't think that is where things are headed, but we have to plan on that basis.

We've got significant amounts of non-cash AFUDC that we are adding to rate base and that we are going to recover in the future. I mentioned that because they've got some contrast to some others in our space that don't have heavy build on the regulated -- the FERC-regulated pipeline side, where you are allowed to book that carrying cost. So I think a lot of things that really give us confidence that in the next couple of years we can, as Greg says, kind of squint through, even though we would expect to be at or above 1 based on what we know today.

Carl Kirst - *BMO Capital Markets - Analyst*

Thank you, that's great color. And maybe one other question, if I could, really for Bill. And I apologize if you had said this in the prepared commentary, but what is your updated sense of timing of cracking the nut of New England power generation as we see the lights flicker here? (laughter)

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

I think the timing is actually fairly soon. If you saw that we were looking for a project to begin service in 2018, we have got to get those contracts signed midyear, by the end of the year let's say. And I have all the confidence in the world we are going to get those.

We are very strong with our partner in Northeast Utilities. Together I think we have a very good plan of attack to get the contracts done by the end of the year.

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

Okay, we're going to take one final question and I've got it saved for Mr. Kilgore here.

Don Kilgore - - *Private Investor*

[Don Kilgore], I am a Spectra stockholder. You did a great job this morning on Squawk Box, Greg. I want to congratulate you.

My question has to do with the pipeline that you are running from Connecticut into Long Island. Is that going to be for retail distribution or will it be for power generation? Because it's my understanding that most of the power on the island is now supplied through the grid.

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

Bill, do you want to respond to that? Or is he thinking of a different pipeline that's not --?

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

Yes, I'm not sure. We aren't running a pipeline from Connecticut into Long Island.

Greg Ebel - *Spectra Energy Corp - Chairman, President & CEO*

We are open to the idea of that.

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

We tried one about 10 years ago; we may try again. I'm not sure which project you're referring to there.

Don Kilgore - - *Private Investor*

On your schematic here you show there is a pipeline running from Connecticut to Long Island.

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

Okay. Can you point to which page you are at and I will --?

Don Kilgore - - *Private Investor*

Okay, let's see here.

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

Is it page 56? Is that what you're looking at?

Don Kilgore - - *Private Investor*

Yes, that's the one, yes.

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

Sir, that's the Iroquois Pipeline that exists today. What we put that on the map for is that the partnership that we have or the strategic alliance that we have with Iroquois in our Access Northeast project sort of serves to get gas to Long Island via that pipeline. So we can effectively serve electric generation off of Algonquin or off of the Iroquois system. So that little blue line exists today; that's part of the Iroquois line.

Don Kilgore - - *Private Investor*

You have no plans for expanding that or bringing gas into Long Island?

Bill Yardley - *Spectra Energy Corp - President, U.S. Transmission*

We do not. That would be Iroquois.

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

With that, I do apologize, but we are going to have to call it a wrap. Appreciate everyone coming today.

If you have follow-up questions, maybe one or two, you can always reach out to Roni Cappadonna or myself or the IR team. Thank you very much. Be safe on your way home or headed back to your offices. Thank you.