

Spectra Energy Partners, LP
Definitions of Non-GAAP Financial Measures and Supplemental Reconciliations

EBITDA

EBITDA, a non-GAAP financial measure, represents earnings from continuing operations before interest, income taxes, depreciation and amortization. The most directly comparable GAAP measure for EBITDA is net income.

Ongoing EBITDA

Ongoing EBITDA, a non-GAAP financial measure, represents EBITDA, excluding special items. The most directly comparable GAAP measure for ongoing EBITDA is net income.

Distributable Cash Flow (DCF)

DCF, a non-GAAP financial measure, represents the cash generation capabilities of the partnership to support distribution growth. We define it as EBITDA plus distributions from equity investments, less earnings from equity investment, equity AFUDC, interest expense, cash effect of income taxes, distributions to non-controlling interests, maintenance capital expenditure and certain other non-cash items affecting net income. The most directly comparable GAAP measure for DCF is net income.

Ongoing DCF

Ongoing DCF, a non-GAAP financial measure, represents DCF, excluding the cash effect of special items. The most directly comparable GAAP measure for ongoing DCF is net income.

DCF Coverage

DCF coverage, a non-GAAP financial measure, represents DCF, divided by distributions declared on partnership units. The most directly comparable GAAP measure for DCF coverage is Earnings-Per-Unit.

Spectra Energy Partners, LP

Quarterly Highlights

September 2017

(Unaudited)

(millions of dollars, except per-unit amounts)

Reported - These results include the impact of special items

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
INCOME				
Operating Revenues	\$ 693	\$ 628	\$ 2,088	\$ 1,870
Total Reportable Segment EBITDA	656	452	1,745	1,383
Net Income - Controlling Interests	460	275	1,105	860
EBITDA BY BUSINESS SEGMENT				
U.S. Transmission	\$ 589	\$ 392	\$ 1,548	\$ 1,209
Liquids	67	60	197	174
Total Reportable Segment EBITDA	656	452	1,745	1,383
Other EBITDA	(21)	(21)	(92)	(63)
Total Reportable Segment and Other EBITDA	<u>\$ 635</u>	<u>\$ 431</u>	<u>\$ 1,653</u>	<u>\$ 1,320</u>
PARTNERS' CAPITAL				
Declared Cash Distribution per Limited Partner Unit	\$ 0.72625	\$ 0.67625	\$ 2.14125	\$ 1.99125
Weighted Average Units Outstanding				
Limited Partner Units	311	304	310	296
General Partner Units	6	6	6	6
DISTRIBUTABLE CASH FLOW				
Distributable Cash Flow	\$ 363	\$ 270	\$ 1,060	\$ 916
CAPITAL AND INVESTMENT EXPENDITURES (a)				
Capital expenditures - U.S. Transmission			\$ 1,576	\$ 1,561
Capital expenditures - Liquids			16	54
Investment expenditures			218	112
Total			<u>\$ 1,810</u>	<u>\$ 1,727</u>
U.S. TRANSMISSION				
Operating Revenues	\$ 595	\$ 535	\$ 1,783	\$ 1,602
Operating Expenses				
Operating, Maintenance and Other	181	217	582	572
Other Income and Expenses	175	74	347	179
EBITDA	<u>\$ 589</u>	<u>\$ 392</u>	<u>\$ 1,548</u>	<u>\$ 1,209</u>
LIQUIDS				
Operating Revenues	\$ 98	\$ 93	\$ 305	\$ 268
Operating Expenses				
Operating, Maintenance and Other	28	32	104	94
Other Income and Expenses	(3)	(1)	(4)	—
EBITDA	<u>\$ 67</u>	<u>\$ 60</u>	<u>\$ 197</u>	<u>\$ 174</u>
Express Pipeline Revenue Receipts, MBbl/d (b)	255	235	260	234
Platte PADD II Deliveries, MBbl/d	119	131	133	131
Canadian Dollar Exchange Rate, Average	1.25	1.30	1.31	1.32
			September 30,	December 31,
			2017	2016
Debt			\$ 8,253	\$ 7,213
Actual Units Outstanding			317	315

(a) Excludes contributions received from noncontrolling interests of \$416 million in 2017 and \$437 million in 2016.

(b) Thousand barrels per day.

Spectra Energy Partners, LP
Condensed Consolidated Statements of Operations
(Unaudited)

(millions of dollars)

Reported - These results include the impact of special items

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	\$ 693	\$ 628	\$ 2,088	\$ 1,870
Operating Expenses	319	348	1,039	961
Operating Income	374	280	1,049	909
Other Income and Expenses	176	73	348	181
Interest Expense	75	53	191	165
Earnings Before Income Taxes	475	300	1,206	925
Income Tax Expense	4	4	14	13
Net Income	471	296	1,192	912
Net Income - Noncontrolling Interests	11	21	87	52
Net Income - Controlling Interests	<u>\$ 460</u>	<u>\$ 275</u>	<u>\$ 1,105</u>	<u>\$ 860</u>

Spectra Energy Partners, LP
Condensed Consolidated Balance Sheets
(Unaudited)
(millions of dollars)

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
ASSETS		
Current Assets	\$ 504	\$ 660
Investments and Other Assets	6,298	4,469
Net Property, Plant and Equipment	14,596	16,092
Regulatory Assets and Deferred Debits	321	385
Total Assets	<u>\$ 21,719</u>	<u>\$ 21,606</u>
 LIABILITIES AND EQUITY		
Current Liabilities	\$ 2,992	\$ 1,779
Long-term Debt	5,714	6,223
Deferred Credits and Other Liabilities	203	200
Equity	12,810	13,404
Total Liabilities and Equity	<u>\$ 21,719</u>	<u>\$ 21,606</u>

Spectra Energy Partners, LP
Distributable Cash Flow
(Unaudited)
(millions of dollars)

	Three Months Ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net Income	\$ 471	\$ 296	\$ 1,192	\$ 912
Add:				
Interest expense	75	53	191	165
Income tax expense	4	4	14	13
Depreciation and amortization	86	78	258	232
Foreign currency (gain) loss	(1)	—	(1)	—
Less:				
Third party interest income	—	—	1	2
EBITDA	635	431	1,653	1,320
Add:				
Earnings from equity investments	(161)	(35)	(239)	(92)
Distributions from equity investments	54	35	132	132
Other	9	9	9	12
Less:				
Interest expense	75	53	191	165
Equity AFUDC	14	38	107	84
Net cash paid for income taxes	4	2	12	7
Distributions to non-controlling interests	12	7	37	22
Maintenance capital expenditures	69	70	148	178
Total Distributable Cash Flow	\$ 363	\$ 270	\$ 1,060	\$ 916

Spectra Energy Partners, LP

Reported to Ongoing Distributable Cash Flow Reconciliation

Unaudited
(In millions)

Three Months Ended

	September 30, 2017			September 30, 2016		
	Reported	Less: Special Items	Ongoing	Reported	Less: Special Items	Ongoing
	Net Income	\$ 471	81	390	\$ 296	(38)
Add:						
Interest expense	75	—	75	53	—	53
Income tax expense	4	—	4	4	—	4
Depreciation and amortization	86	—	86	78	—	78
Foreign currency loss	(1)	—	(1)	—	—	—
Less:						
Third party interest income	—	—	—	—	—	—
EBITDA	635	81	554	431	(38)	469
Add:						
Earnings from equity investments	(161)	(106)	(55)	(35)	—	(35)
Distributions from equity investments	54	—	54	35	—	35
Other	9	—	9	9	—	9
Less:						
Interest expense	75	—	75	53	—	53
Equity AFUDC	14	—	14	38	—	38
Net cash paid for income taxes	4	—	4	2	—	2
Distributions to non-controlling interests	12	—	12	7	—	7
Maintenance capital expenditures	69	10	59	70	5	65
Total Distributable Cash Flow	\$ 363	\$ (35)	\$ 398	\$ 270	\$ (43)	\$ 313

Spectra Energy Partners, LP
Reported to Ongoing Earnings Reconciliation
September 2017 Quarter-to-Date
(Unaudited)
(millions of dollars)

SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION	Reported Earnings	Less: Special Items	Ongoing Earnings
U.S. Transmission	\$ 589	\$ 84 A	\$ 505
Liquids	67	—	67
Total Reportable Segment EBITDA	656	84	572
Other	(21)	(3) B	(18)
Total Reportable Segment and other EBITDA	\$ 635	\$ 81	\$ 554
EARNINGS			
Total Reportable Segment EBITDA and Other EBITDA	\$ 635	\$ 81	\$ 554
Depreciation and Amortization	(86)	—	(86)
Interest Expense	(75)	—	(75)
Other Income and Expenses	1	—	1
Income Tax Expense	(4)	—	(4)
Total Net Income	471	81	390
Total Net Income - Noncontrolling Interests	(11)	—	(11)
Total Net Income - Controlling Interests	\$ 460	\$ 81	\$ 379

A - Primarily attributable to a gain as a result of the deconsolidation and re-measurement of Sabal Trail, partially offset by inspection and repair costs related to Texas Eastern Pipeline incident

B - Primarily merger-related severance costs

Spectra Energy Partners, LP
Reported to Ongoing Earnings Reconciliation
September 2017 Year-to-Date
(Unaudited)
(millions of dollars)

SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION	Reported Earnings	Less: Special Items	Ongoing Earnings
U.S. Transmission	\$ 1,548	\$ 47 A	\$ 1,501
Liquids	197	(3) B	200
Total Reportable Segment EBITDA	1,745	44	1,701
Other	(92)	(38) B	(54)
Total Reportable Segment and other EBITDA	\$ 1,653	\$ 6	\$ 1,647
EARNINGS			
Total Reportable Segment EBITDA and Other EBITDA	\$ 1,653	\$ 6	\$ 1,647
Depreciation and Amortization	(258)	—	(258)
Interest Expense	(191)	—	(191)
Other Income and Expenses	2	—	2
Income Tax Expense	(14)	—	(14)
Total Net Income	1,192	6	1,186
Total Net Income - Noncontrolling Interests	(87)	—	(87)
Total Net Income - Controlling Interests	\$ 1,105	\$ 6	\$ 1,099

A - Primarily attributable to a gain as a result of the deconsolidation and re-measurement of Sabal Trail, partially offset by inspection and repair costs related to Texas Eastern Pipeline incident

B - Primarily merger-related severance costs

Spectra Energy Partners, LP
Reported to Ongoing Earnings Reconciliation
September 2016 Quarter-to-Date
(Unaudited)
(millions of dollars)

SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION	Reported Earnings	Less: Special Items	Ongoing Earnings
U.S. Transmission	\$ 392	\$ (38) ^A	\$ 430
Liquids	60	—	60
Total Reportable Segment EBITDA	452	(38)	490
Other	(21)	—	(21)
Total Reportable Segment and other EBITDA	\$ 431	\$ (38)	\$ 469
EARNINGS			
Total Reportable Segment EBITDA and Other EBITDA	\$ 431	\$ (38)	\$ 469
Depreciation and Amortization	(78)	—	(78)
Interest Expense	(53)	—	(53)
Other Income and Expenses	—	—	—
Income Tax Expense	(4)	—	(4)
Total Net Income	296	(38)	334
Total Net Income - Noncontrolling Interests	(21)	—	(21)
Total Net Income - Controlling Interests	\$ 275	\$ (38)	\$ 313

A- Inspection and repair costs related to the Texas Eastern pipeline incident in Pennsylvania.

Spectra Energy Partners, LP
Reported to Ongoing Earnings Reconciliation
September 2016 Year-to-Date
(Unaudited)
(millions of dollars)

<i>SEGMENT EARNINGS BEFORE INTEREST, TAXES, AND DEPRECIATION AND AMORTIZATION</i>	Reported/ Ongoing Earnings	Less: Special Items	Ongoing Earnings
U.S. Transmission	\$ 1,209	\$ (44) A	\$ 1,253
Liquids	174	—	174
Total Reportable Segment EBITDA	1,383	(44)	1,427
Other	(63)	—	(63)
Total Reportable Segment and other EBITDA	\$ 1,320	\$ (44)	\$ 1,364
<i>EARNINGS</i>			
Total Reportable Segment EBITDA and Other EBITDA	\$ 1,320	\$ (44)	\$ 1,364
Depreciation and Amortization	(232)	—	(232)
Interest Expense	(165)	—	(165)
Other Income and Expenses	2	—	2
Income Tax Expense	(13)	—	(13)
Total Net Income	912	(44)	956
Total Net Income - Noncontrolling Interests	(52)	—	(52)
Total Net Income - Controlling Interests	\$ 860	\$ (44)	\$ 904

A - Inspection and repair costs related to the Texas Eastern pipeline incident in Pennsylvania

Spectra Energy Partners, LP
Distributable Cash Flow
(Unaudited)
(millions of dollars)

	<u>2017e (low)</u>	<u>2017e (mid)</u>	<u>2017e (high)</u>
Total Reported Net Income	\$ 1,525	\$ 1,565	\$ 1,605
Add:			
Interest expense	280	280	280
Income tax expense (benefit)	5	5	5
Depreciation and amortization	350	350	350
EBITDA	2,160	2,200	2,240
Add:			
Earnings from equity investments	(200)	(200)	(200)
Distributions from equity investments	150	150	150
Other	10	10	10
Less:			
Interest expense	280	280	280
Equity AFUDC	115	115	115
Net cash paid for income taxes	15	15	15
Distributions to non-controlling interests	45	45	45
Maintenance capital expenditures	265	265	265
Total Distributable Cash Flow	\$ 1,400	\$ 1,440	\$ 1,480
DCF Coverage	1.05x	1.10x	1.15x