



Pennsylvania Public Utility Commission

2010 Annual Winter Reliability Assessment Meeting

November 4, 2010

Bob Riga
General Manager
Northeast Business Development

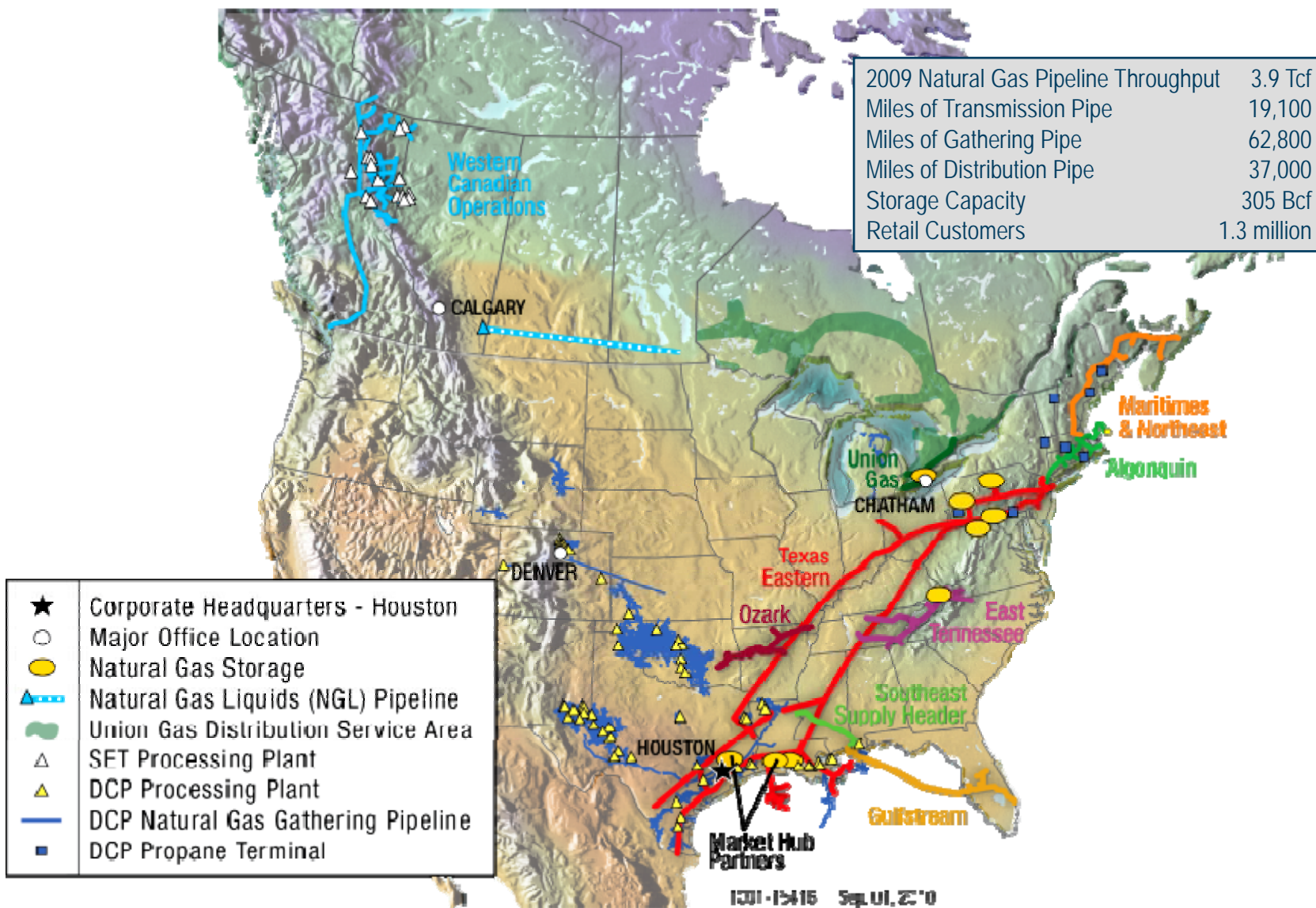
Safe Harbor Statement

Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Spectra Energy's Form 10-K and other filings made with the SEC concerning factors that could cause those results to be different than contemplated in today's discussion.

Reg G Disclosure

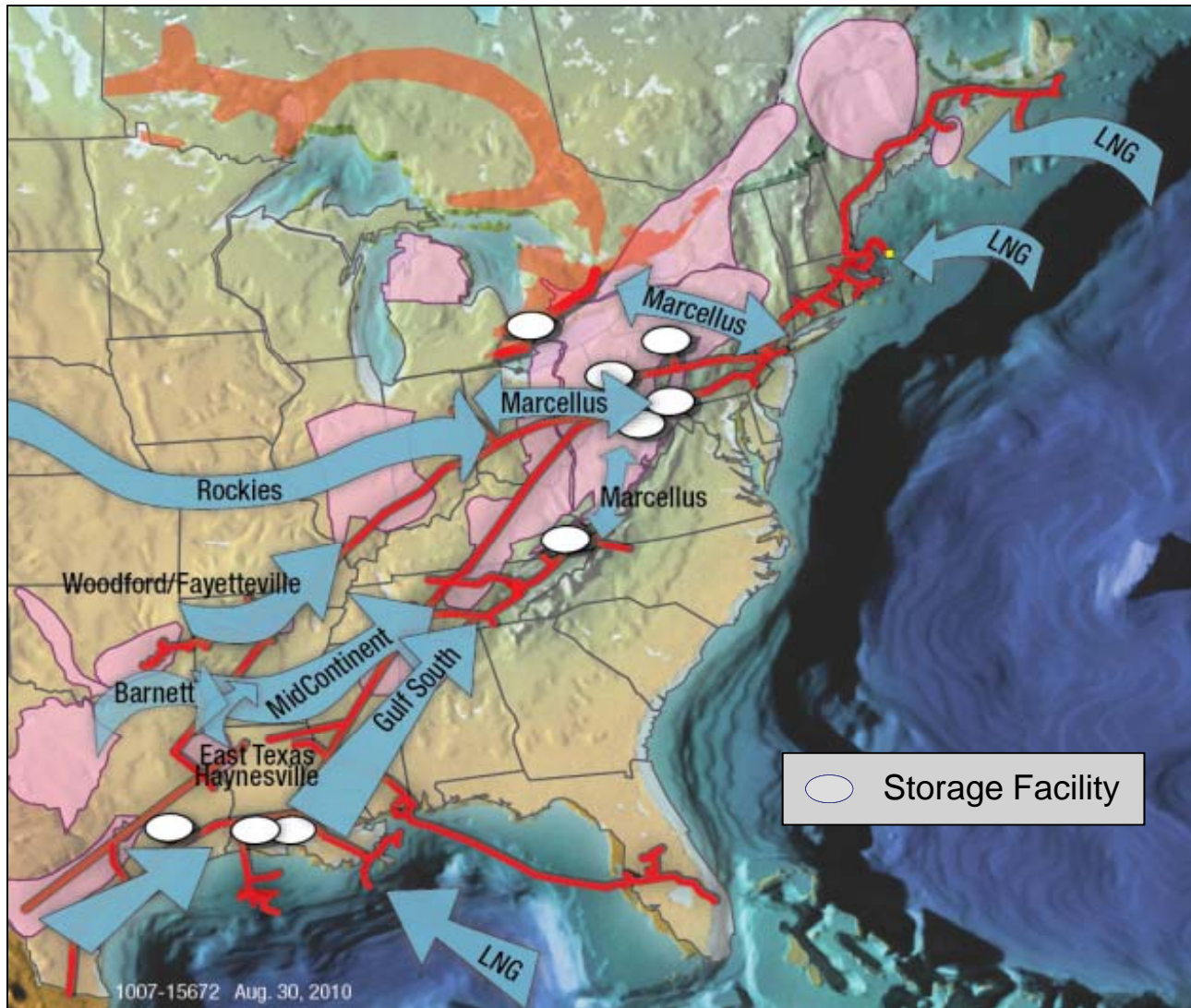
In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available on our website.

Spectra Energy Strategically Located Assets



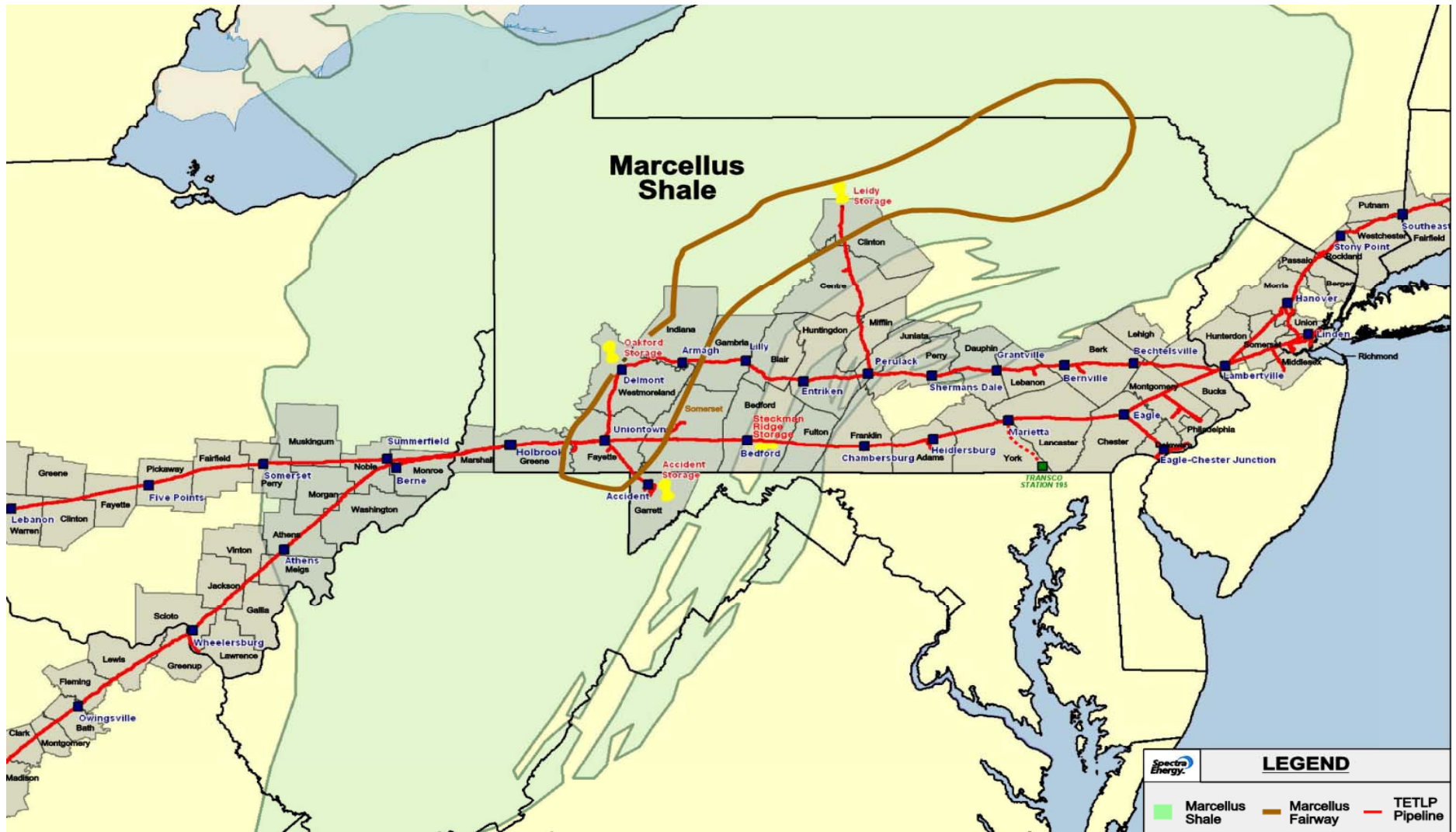
Spectra Energy

Connected to Diverse Sources of Supply



- Rapidly expanding interconnects to Marcellus shale producers
 - Interconnects in place or under agreement totaling 3 Bcf/d
 - Currently flowing 150 MDth/d
- Capacity up to 1.8 Bcf/d of Rockies supply
- LNG deliveries to Algonquin and Maritimes & Northeast
 - 2 Bcf/d from 3 new Eastern seaboard facilities
- Mid-Continent shale supply through Texas Eastern and Ozark
- Gulf Coast and Southern Appalachia supply

Texas Eastern Facilities



Project Execution Awards



- Spectra Energy has experienced project teams accustomed to developing onshore and offshore projects, especially in the Northeast
 - On Texas Eastern, Spectra Energy was the recipient of the 2009 Conservation Organization Award:
 - *Awarded based on contribution to the conservation of Pennsylvania's soil, water and related natural resources on a local, county, state, or regional level*
 - On Algonquin, our J-2 Lateral project, located in challenging urban site, received support from local leadership:
 - *Joseph Curtatone, mayor of Somerville, MA, wrote to FERC in support of Spectra Energy's construction on his city's streets, noting the attention given to minimizing the project's impact on citizens and the community*
 - On Maritimes & Northeast, Spectra Energy has won numerous awards for environmental stewardship:
 - *2001 Coastal America Special Recognition Award for its leadership in establishing the Maine Corporate Wetlands Restoration Partnership*
 - *2000 Coastal America Partnership Award to Duke Energy for its outstanding contribution to the restoration and protection of the Massachusetts' coastal environment*
 - *1999 Coastal America's Partnership Award for its involvement in the restoration of the Penobscot River watershed in Maine*

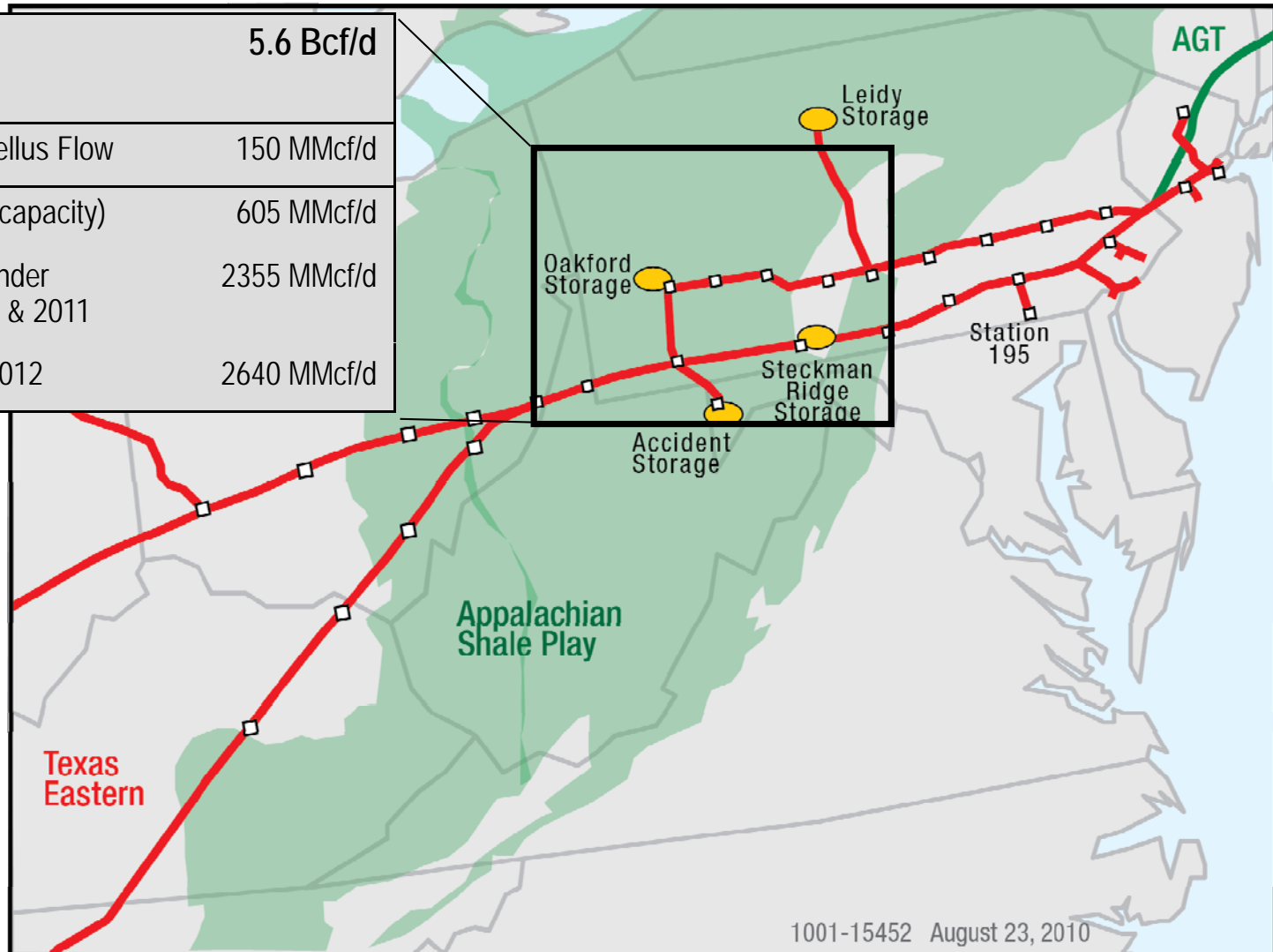
Winter Reliability



- Integrity and other maintenance projects are being completed.
- Storage inventories are at 91+%.
- Equipment (compressors, etc.) is operational.
- In short: *WE ARE READY!*

Marcellus Interconnect Program

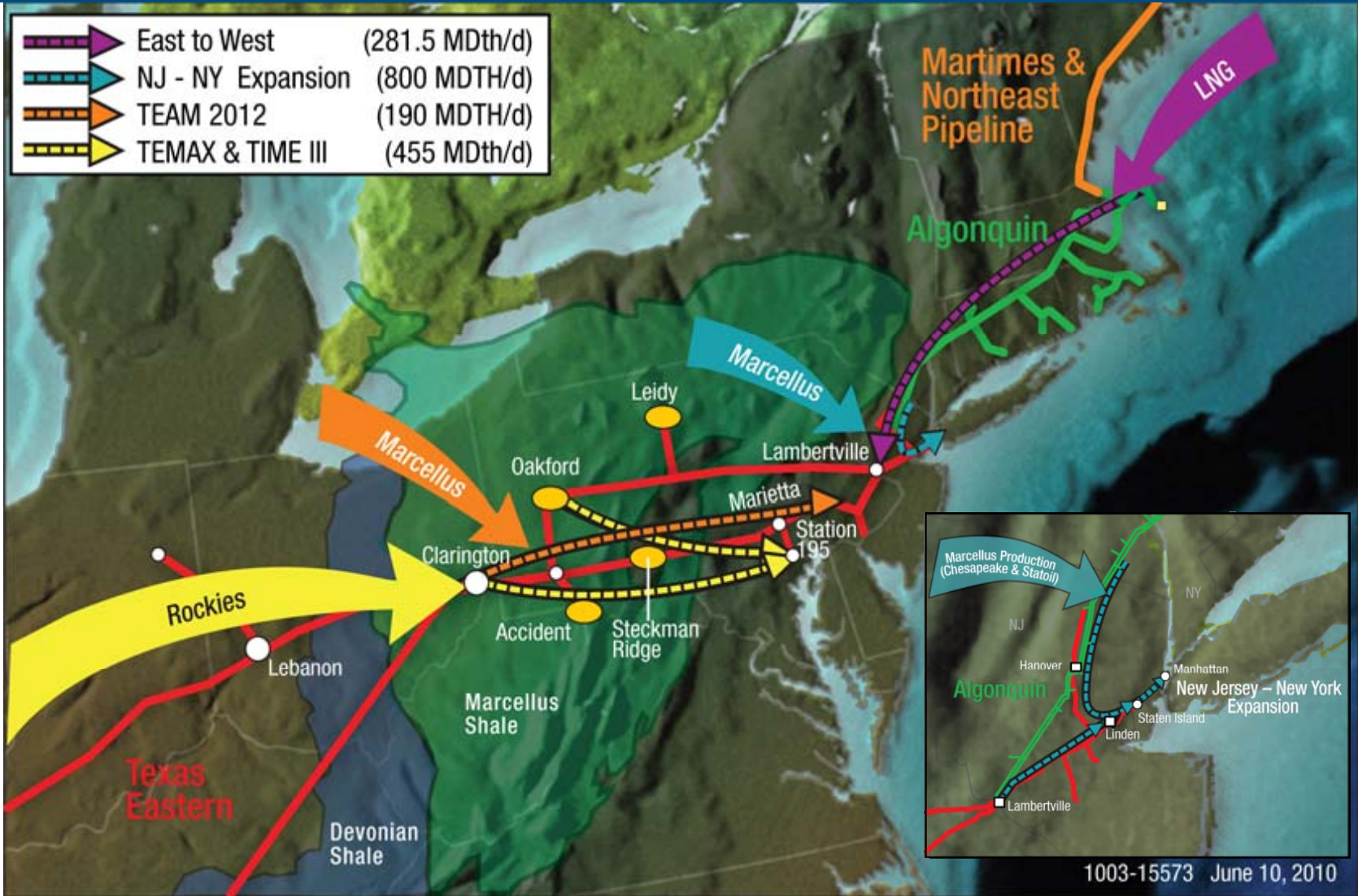
| | |
|--|-------------|
| 74 New Taps (tap capacity) | 5.6 Bcf/d |
| Current Max Marcellus Flow | 150 MMcf/d |
| 15 In-Service (tap capacity) | 605 MMcf/d |
| 36 In Progress / Under Agreement – 2010 & 2011 | 2355 MMcf/d |
| 23 In Progress – 2012 | 2640 MMcf/d |



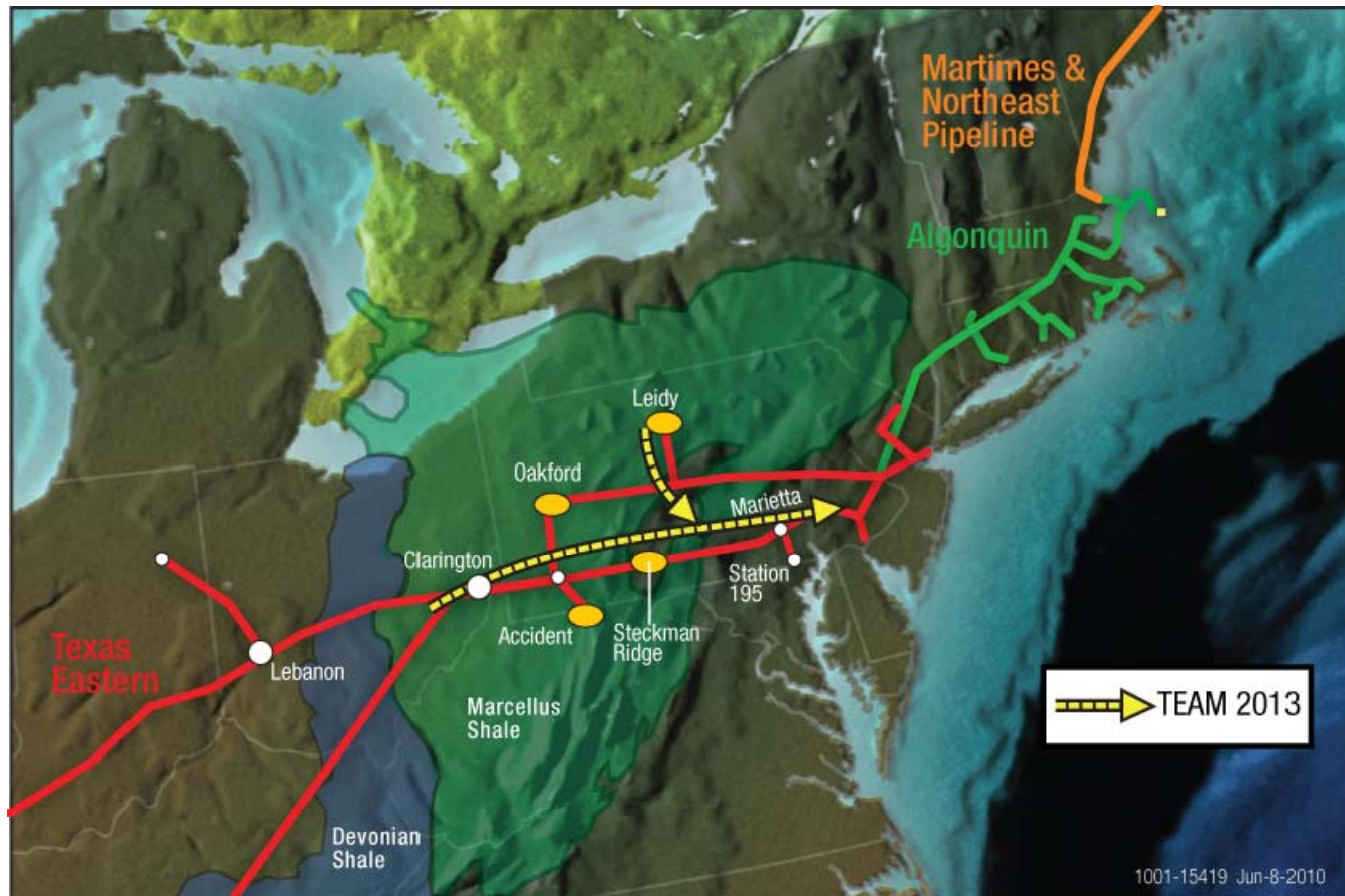
1001-15452 August 23, 2010

Northeast Supply Opportunities

LNG, Rockies and Marcellus Shale



TEAM 2013



- **Purpose:**
 - Provide customers with next phase of access to Marcellus production.
- **TEAM 2013 Scope:**
 - Leidy Line Opportunities
 - Mainline Opportunities from Southwest, PA
 - Back Haul Potential
- **Customers:**
 - Marcellus Producers, Marketers, LDC's
- **In-service: 2H 2013**
- **Project Status:**
 - Negotiations are underway with several parties.

Philadelphia Lateral Expansion



Purpose:

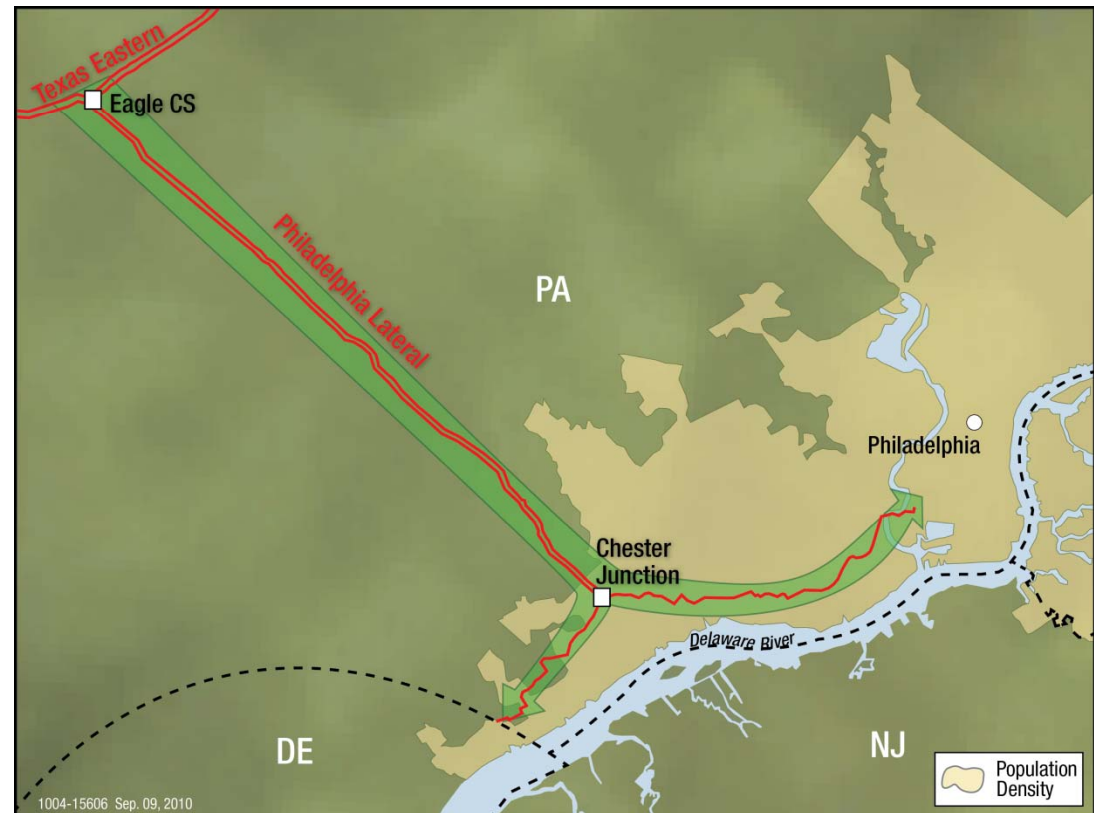
- Provide customers on the Philadelphia Lateral with incremental capacity to serve growing natural gas demand

Project Scope:

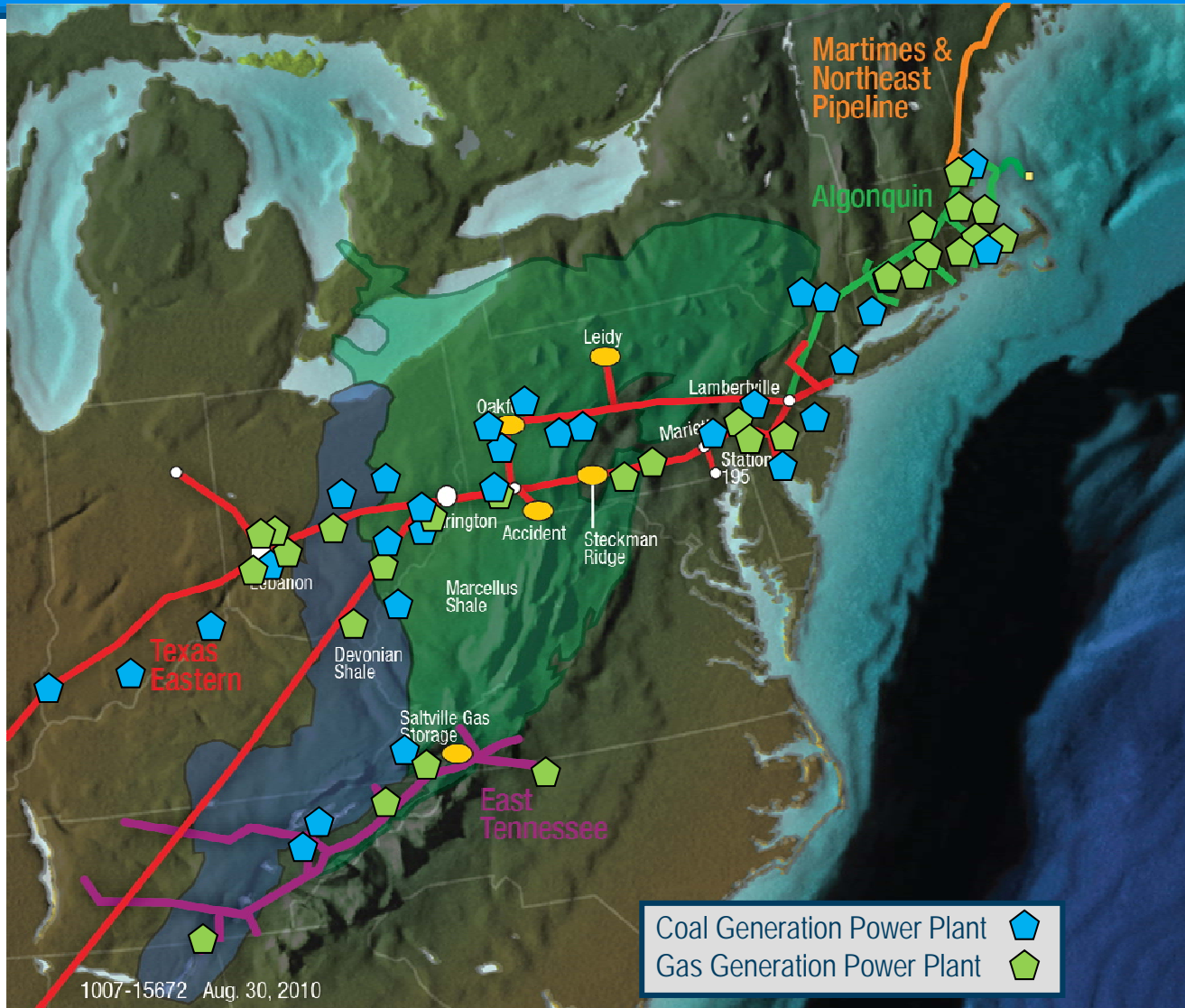
- Expansion of Philadelphia Lateral from Eagle Compressor Station to a point of delivery on the lateral
- Facilities to be determined based on results of Open Season

Open Season:

- Binding Open Season from September 1, 2010 thru September 30, 2010
- Target capacity of 40,000 Dth/d
- Target in-service as early as November 1, 2012



Environmental Changes Provide Opportunity for Gas-Fired Generation



- Spectra Energy has met with major power generators along our footprint
- Power Plants most interested in:
 - Long term, stable pricing
 - Reliable, diverse sources of supply
 - Responsive operational support
 - Hourly service
 - Receiving entire contracted quantity over peak hours
 - Multiple delivery points
 - Allowing generator to balance gas between plants
 - Intraday nominations
- Consideration for sourcing gas at gate or at liquid points

Summary



- Supply dynamics are changing
- Spectra Energy's assets are well positioned to access and attach existing and new sources of supply
- Spectra Energy's pipeline assets provide access to premium Northeast Markets
- Spectra has a proven history of good corporate citizenship and environmental stewardship
- Spectra continues to expand its system incrementally to meet the needs of its shippers – proven ability to execute on projects

