

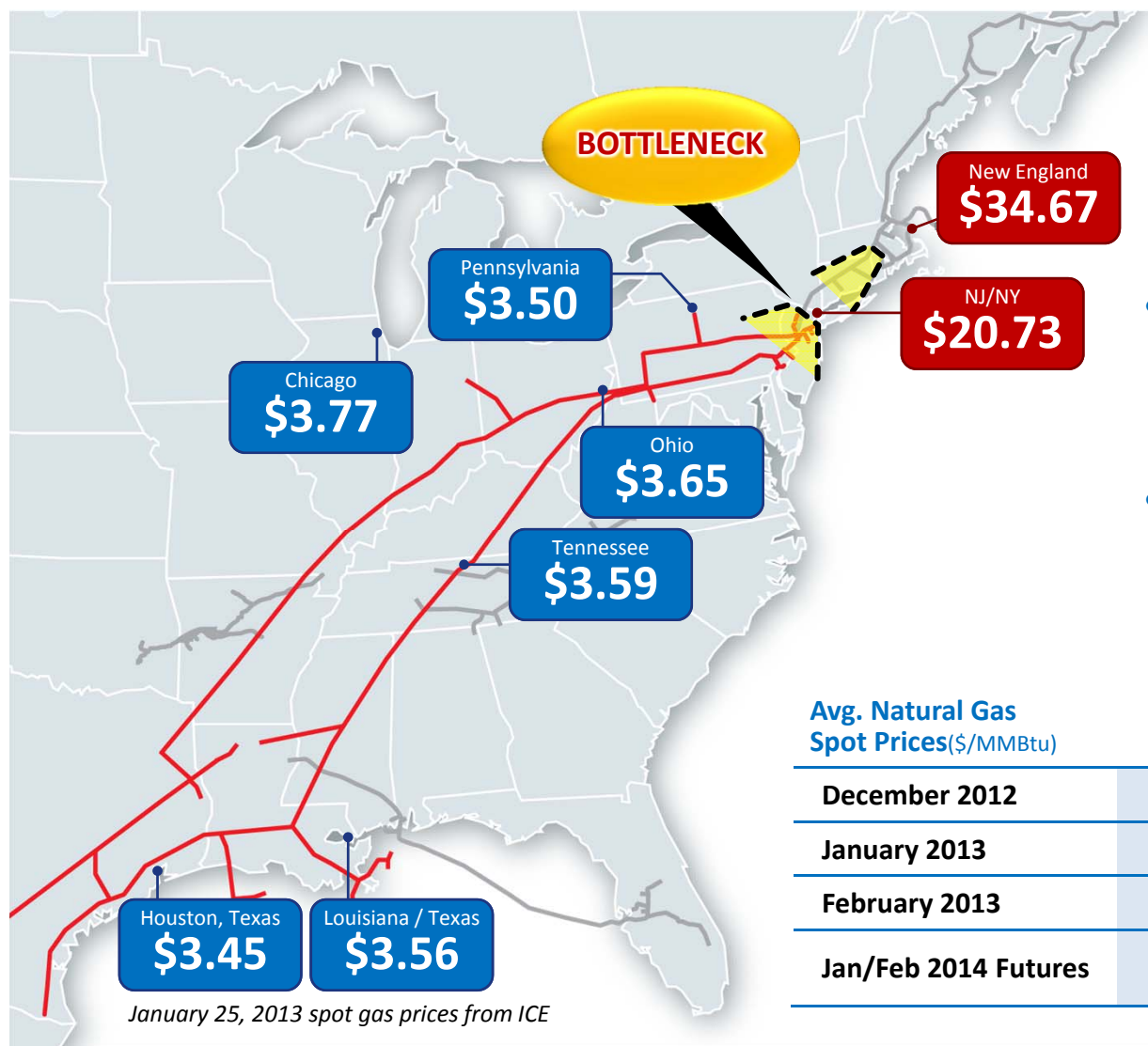


2013 INGAA FOUNDATION SPRING MEETING | APRIL 4, 2013

Priorities for Interstate Pipelines

Greg Ebel
President & CEO, Spectra Energy

Investment in Pipelines Helps Keep Natural Gas & Power Prices Low

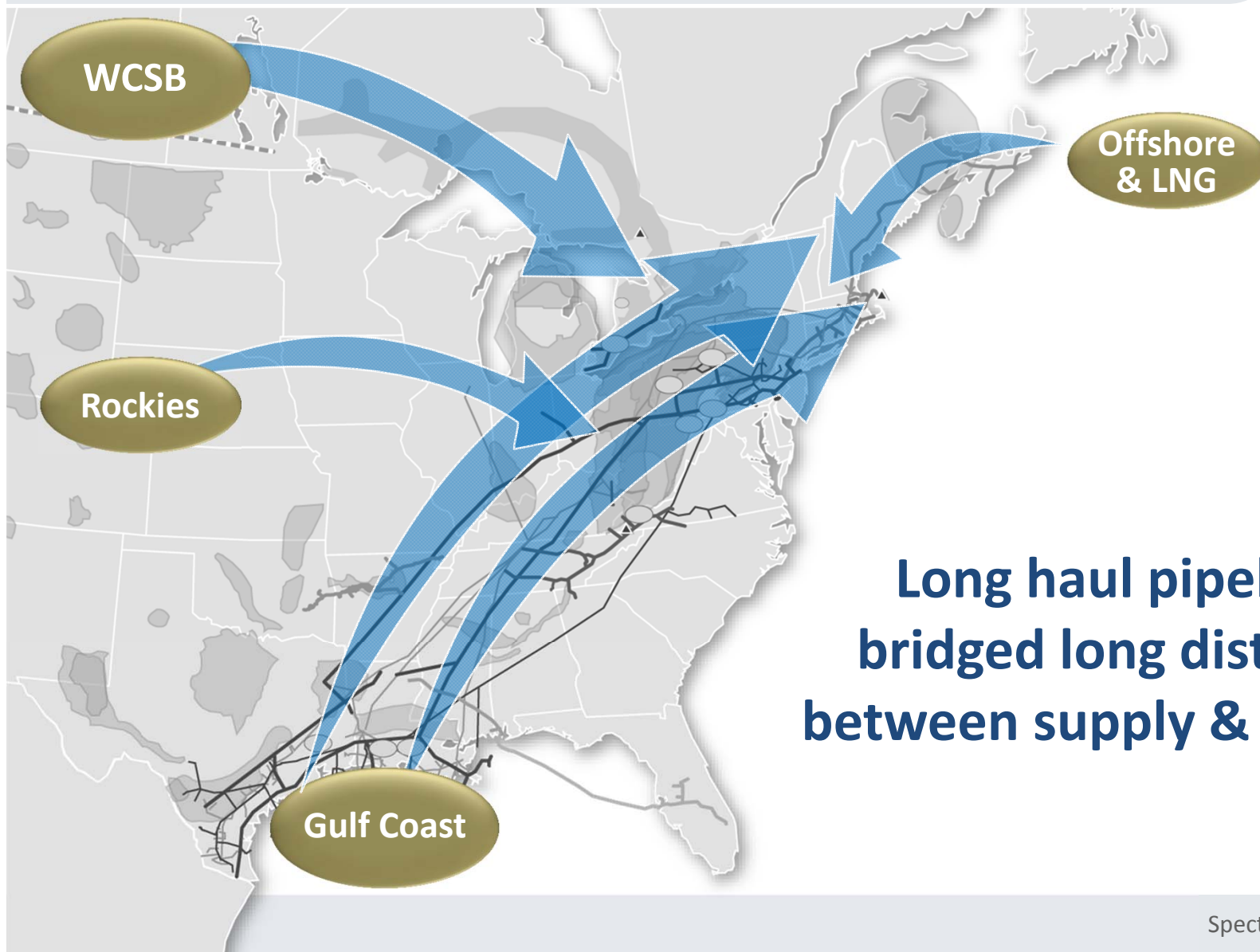


Plentiful domestic supplies keep natural gas prices low except where transportation capacity is constrained

- Completion of new pipeline infrastructure, as reflected in futures market, brings New York gas prices more in line with Midwest states
- Since gas sets the price of power on peak days, constrained regions pay significantly more for electricity

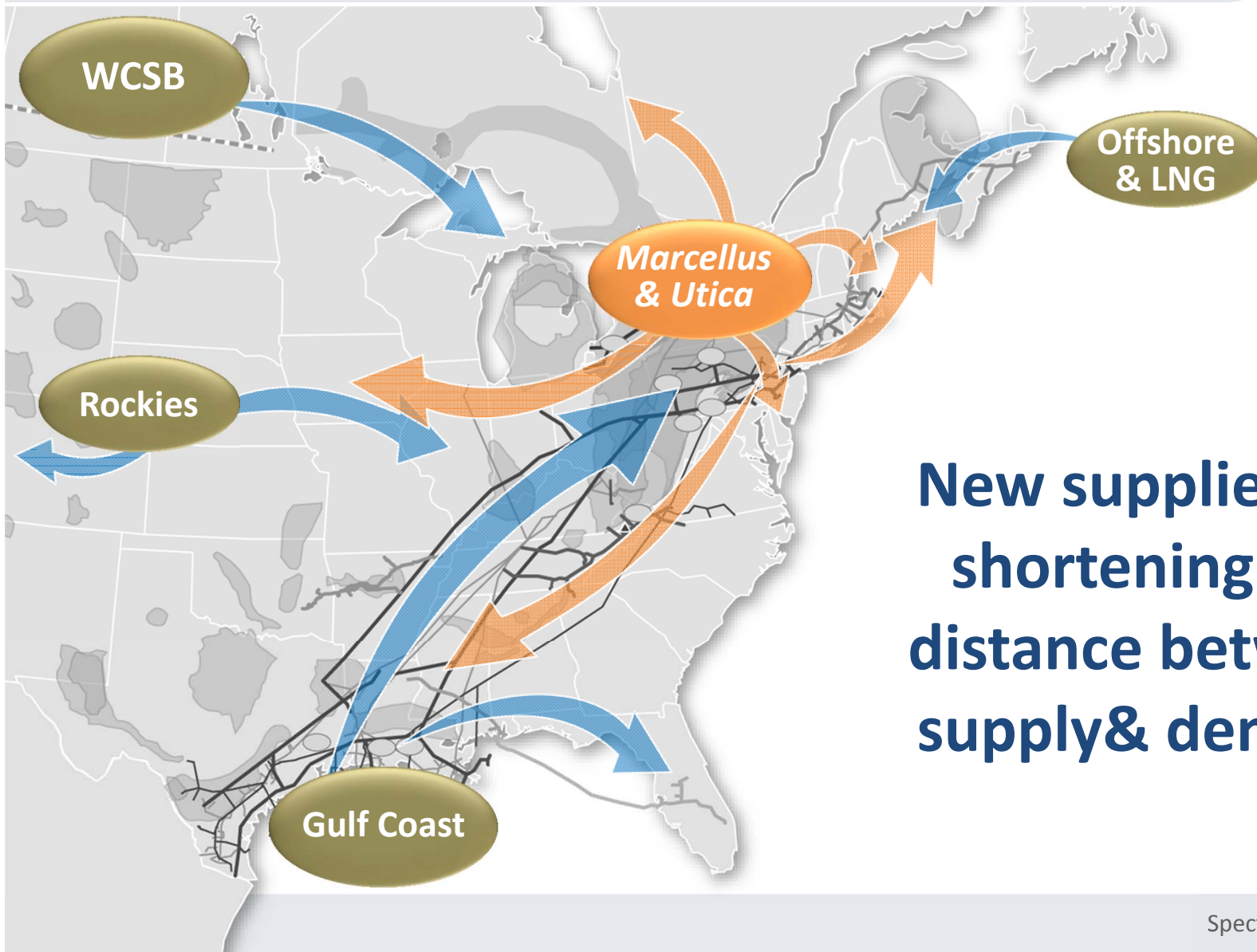
Avg. Natural Gas Spot Prices(\$/MMBtu)	PA	NJ/NY	New England
December 2012	\$3.32	\$3.87	\$5.44
January 2013	\$3.33	\$6.59	\$10.41
February 2013	\$3.38	\$5.80	\$14.05
Jan/Feb 2014 Futures	\$3.95	\$5.17	\$10.04

Conventional Paths to Major Markets



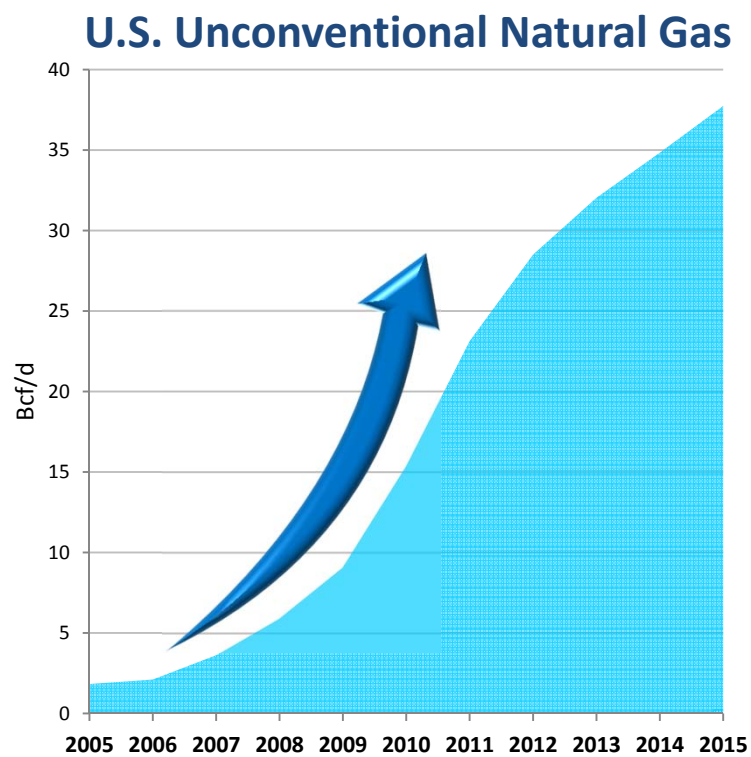
**Long haul pipelines
bridged long distances
between supply & markets**

The “Beast in the East” is Pushing Back

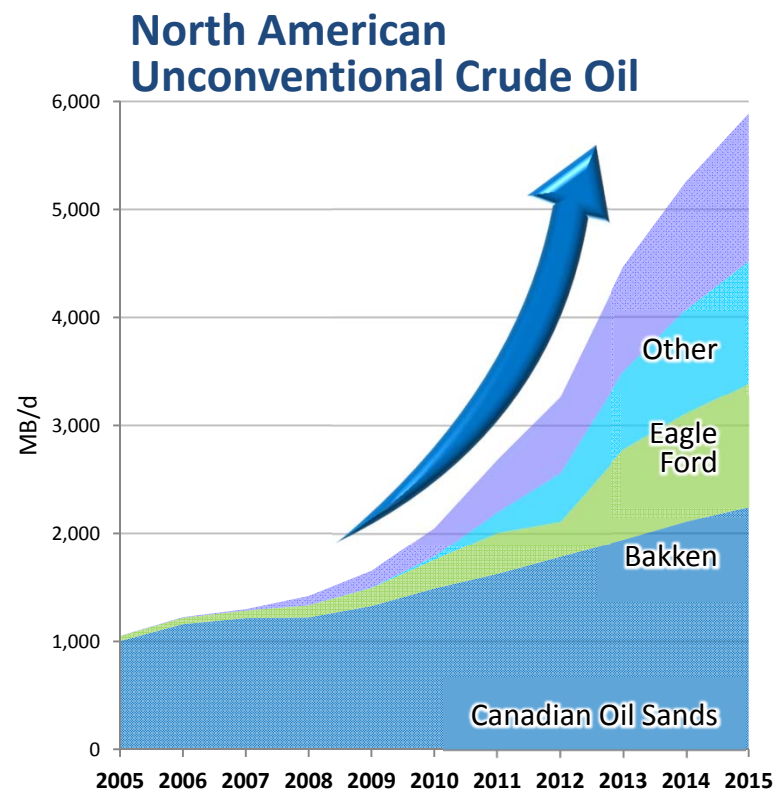


**New supplies are
shortening the
distance between
supply & demand**

Changing Macro Dynamics Support Significant Infrastructure Growth



\$8+ billion/year on natural gas pipeline infrastructure since 2005
(2011 INGAA Foundation Study)



\$80+ billion crude oil transportation expansion opportunity
(2012 PFC Energy analysis)

Source: PIRA (volume growth)