

Spectra Energy Partners, LP  
Form 10-Q  
May 07, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended March 31, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-33556

SPECTRA ENERGY PARTNERS, LP  
(Exact Name of Registrant as Specified in its Charter)

Delaware 41-2232463  
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)  
5400 Westheimer Court  
Houston, Texas 77056  
(Address of principal executive offices, including zip code)  
713-627-5400  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At March 31, 2015, there were 295,435,903 Common Units and 6,029,304 General Partner Units outstanding.



SPECTRA ENERGY PARTNERS, LP  
FORM 10-Q FOR THE QUARTER ENDED  
March 31, 2015  
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements represent management’s intentions, plans, expectations, assumptions and beliefs about future events. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Factors used to develop these forward-looking statements and that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to:

- state, provincial, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on rate structure, and affect the speed at and degree to which competition enters the natural gas and oil industries;
- outcomes of litigation and regulatory investigations, proceedings or inquiries;
- weather and other natural phenomena, including the economic, operational and other effects of hurricanes and storms;
- the timing and extent of changes in interest rates and foreign currency exchange rates;
- general economic conditions, including the risk of a prolonged economic slowdown or decline, or the risk of delay in a recovery, which can affect the long-term demand for natural gas and oil and related services;
  - potential effects arising from terrorist attacks and any consequential or other hostilities;
- changes in environmental, safety and other laws and regulations;
- the development of alternative energy resources;
- results and costs of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general market and economic conditions;
- increases in the cost of goods and services required to complete capital projects;
- growth in opportunities, including the timing and success of efforts to develop U.S. and Canadian pipeline, storage, gathering and other related infrastructure projects and the effects of competition;
- the performance of natural gas transmission, storage and gathering facilities, and crude oil transportation and storage;
  - the extent of success in connecting natural gas and oil supplies to transmission and gathering systems and in connecting to expanding gas and oil markets;
- the effects of accounting pronouncements issued periodically by accounting standard-setting bodies;
- conditions of the capital markets during the periods covered by forward-looking statements; and
- the ability to successfully complete merger, acquisition or divestiture plans; regulatory or other limitations imposed as a result of a merger, acquisition or divestiture; and the success of the business following a merger, acquisition or divestiture.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Spectra Energy Partners, LP has described. Spectra Energy Partners, LP undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

SPECTRA ENERGY PARTNERS, LP  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In millions, except per-unit amounts)

	Three Months Ended March 31,	
	2015	2014
Operating Revenues		
Transportation of natural gas	\$464	\$426
Transportation of crude oil	84	71
Storage of natural gas and other	58	84
Total operating revenues	606	581
Operating Expenses		
Operating, maintenance and other	181	156
Depreciation and amortization	73	73
Property and other taxes	41	44
Total operating expenses	295	273
Operating Income	311	308
Other Income and Expenses		
Equity in earnings of unconsolidated affiliates	40	28
Other income and expenses, net	9	3
Total other income and expenses	49	31
Interest Expense	57	67
Earnings Before Income Taxes	303	272
Income Tax Expense	2	26
Net Income	301	246
Net Income—Noncontrolling Interests	8	4
Net Income—Controlling Interests	\$293	\$242
Calculation of Limited Partners' Interest in Net Income:		
Net income—Controlling Interests	\$293	\$242
Less: General partner's interest in net income	57	42
Limited partners' interest in net income	\$236	\$200
Weighted-average limited partner units outstanding—basic and diluted	295	284
Net income per limited partner unit—basic and diluted	\$0.80	\$0.70
Distributions paid per limited partner unit	\$0.58875	\$0.54625

See Notes to Condensed Consolidated Financial Statements.

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SPECTRA ENERGY PARTNERS, LP  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)  
 (In millions)

	Three Months Ended March 31,	
	2015	2014
Net Income	\$301	\$246
Other comprehensive loss:		
Foreign currency translation adjustments	(15	) (5
Total other comprehensive loss	(15	) (5
Total Comprehensive Income	286	241
Less: Comprehensive Income—Noncontrolling Interests	8	4
Comprehensive Income—Controlling Interests	\$278	\$237

See Notes to Condensed Consolidated Financial Statements.

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SPECTRA ENERGY PARTNERS, LP  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(In millions)

	March 31, 2015	December 31, 2014
ASSETS		