

Spectra Energy Corp

Condensed Consolidated Financial Statements

(Unaudited)

September 30, 2017

SPECTRA ENERGY CORP
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues				
Transportation, storage and processing of natural gas.....	\$ 855	\$ 792	\$ 2,588	\$ 2,426
Distribution of natural gas	197	153	1,005	792
Sales of natural gas liquids	—	15	—	68
Transportation of crude oil.....	93	89	294	262
Other	28	26	74	70
Total operating revenues.....	<u>1,173</u>	<u>1,075</u>	<u>3,961</u>	<u>3,618</u>
Loss on Sales of Other Assets and Other, net	<u>1</u>	<u>—</u>	<u>4</u>	<u>—</u>
Operating Expenses				
Natural gas and petroleum products purchased	85	50	548	401
Operating, maintenance and other	389	425	1,279	1,158
Depreciation and amortization.....	213	193	618	582
Property and other taxes.....	85	86	307	291
Total operating expenses.....	<u>772</u>	<u>754</u>	<u>2,752</u>	<u>2,432</u>
Operating Income	<u>400</u>	<u>321</u>	<u>1,205</u>	<u>1,186</u>
Other Income and Expenses				
Earnings from equity investments	170	51	300	100
Other income and expenses, net.....	38	52	156	123
Total other income and expenses	<u>208</u>	<u>103</u>	<u>456</u>	<u>223</u>
Interest Expense	<u>329</u>	<u>133</u>	<u>644</u>	<u>437</u>
Earnings Before Income Taxes	<u>279</u>	<u>291</u>	<u>1,017</u>	<u>972</u>
Income Tax Expense	<u>78</u>	<u>10</u>	<u>245</u>	<u>160</u>
Net Income	<u>201</u>	<u>281</u>	<u>772</u>	<u>812</u>
Net Income—Noncontrolling Interests	<u>115</u>	<u>86</u>	<u>333</u>	<u>234</u>
Net Income—Controlling Interests	<u>\$ 86</u>	<u>\$ 195</u>	<u>\$ 439</u>	<u>\$ 578</u>

See Notes to Condensed Consolidated Financial Statements.

SPECTRA ENERGY CORP
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	\$ 201	\$ 281	\$ 772	\$ 812
Other comprehensive income (loss):				
Foreign currency translation adjustments.....	192	(78)	360	273
Pension and benefits impact (net of taxes).....	5	5	14	14
Other.....	—	(2)	2	—
Total other comprehensive income (loss).....	197	(75)	376	287
Total Comprehensive Income, net of tax	398	206	1,148	1,099
Less: Comprehensive Income—Noncontrolling Interests	115	84	335	239
Comprehensive Income—Controlling Interests	<u>\$ 283</u>	<u>\$ 122</u>	<u>\$ 813</u>	<u>\$ 860</u>

See Notes to Condensed Consolidated Financial Statements.

SPECTRA ENERGY CORP
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In millions)

	September 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 204	\$ 305
Receivables, net	761	1,003
Inventory	275	253
Fuel tracker	23	6
Other	249	205
Total current assets	1,512	1,772
Investments and Other Assets		
Investments in and loans to unconsolidated affiliates.....	4,854	2,780
Goodwill	3,967	4,181
Other	411	393
Total investments and other assets.....	9,232	7,354
Property, Plant and Equipment		
Cost	34,973	33,555
Less accumulated depreciation and amortization	8,064	7,347
Net property, plant and equipment.....	26,909	26,208
Regulatory Assets and Deferred Debits	1,577	1,508
Total Assets	\$ 39,230	\$ 36,842

See Notes to Condensed Consolidated Financial Statements.

SPECTRA ENERGY CORP
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In millions)

	September 30, 2017	December 31, 2016
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable.....	\$ 794	\$ 828
Commercial paper	2,693	1,453
Taxes accrued	78	86
Interest accrued.....	125	185
Current maturities of long-term debt.....	1,415	551
Short-term borrowings—affiliate	2,057	—
Other	641	802
Total current liabilities.....	7,803	3,905
Long-term Debt		
Third party	11,107	13,624
Affiliate.....	661	—
Total long-term debt.....	11,768	13,624
Deferred Credits and Other Liabilities		
Deferred income taxes	6,173	5,769
Regulatory and other	1,675	1,443
Total deferred credits and other liabilities.....	7,848	7,212
Commitments and Contingencies		
Preferred Stock of Subsidiaries		
	562	562
Equity		
Common stock.....	1	1
Additional paid-in capital	6,002	5,995
Retained earnings	1,437	1,307
Accumulated other comprehensive loss	228	(146)
Total controlling interests.....	7,668	7,157
Noncontrolling interests	3,581	4,382
Total equity	11,249	11,539
Total Liabilities and Equity	\$ 39,230	\$ 36,842

See Notes to Condensed Consolidated Financial Statements.

SPECTRA ENERGY CORP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Nine Months Ended September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 772	\$ 812
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	632	599
Deferred income tax expense	210	143
Earnings from equity investments	(300)	(100)
Distributions from equity investments	160	88
Other	151	57
Net cash provided by operating activities	<u>1,625</u>	<u>1,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(3,285)	(2,407)
Investments in and loans to unconsolidated affiliates	(218)	(181)
Reimbursement of capital expenditures	163	—
Purchase of intangible, net	(203)	(80)
Disposition	—	204
Purchases of held-to-maturity securities	(438)	(479)
Proceeds from sales and maturities of held-to-maturity securities	440	475
Purchases of available-for-sale securities	(92)	(565)
Proceeds from sales and maturities of available-for-sale securities	77	559
Distributions from equity investments	27	45
Distribution to equity investment	—	(148)
Other changes in restricted funds	20	(19)
Other	8	1
Net cash used in investing activities	<u>(3,501)</u>	<u>(2,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	400	382
Payments for the redemption of long-term debt	(2,541)	(619)
Net increase in commercial paper	1,222	502
Note payable—affiliate	2,718	—
Distributions to noncontrolling interests	(233)	(176)
Contributions from noncontrolling interests	417	437
Proceeds from the issuances of Spectra Energy common stock	—	878
Proceeds from the issuances of Spectra Energy Partners, LP common units	113	473
Proceeds from the issuance of Westcoast Energy Inc. preferred stock	—	229
Dividends paid on common stock	(314)	(842)
Other	(11)	(20)
Net cash provided by financing activities	<u>1,771</u>	<u>1,244</u>
Effect of exchange rate changes on cash	4	3
Net increase (decrease) in cash and cash equivalents	<u>(101)</u>	<u>251</u>
Cash and cash equivalents at beginning of period	<u>305</u>	<u>213</u>
Cash and cash equivalents at end of period	<u>\$ 204</u>	<u>\$ 464</u>

See Notes to Condensed Consolidated Financial Statements.

SPECTRA ENERGY CORP
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(In millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
December 31, 2016	\$ 1	\$ 5,995	\$ 1,307	\$ (146)	\$ 4,382	\$11,539
Net income	—	—	439	—	333	772
Other comprehensive income	—	—	—	374	2	376
Dividends on common stock	—	—	(309)	—	—	(309)
Stock-based compensation.....	—	2	—	—	—	2
Distributions to noncontrolling interests ..	—	—	—	—	(211)	(211)
Contributions from noncontrolling interests	—	—	—	—	417	417
Spectra Energy Partners, LP common units issued	—	5	—	—	103	108
Sabal Trail deconsolidation.....	—	—	—	—	(1,462)	(1,462)
Other, net	—	—	—	—	17	17
September 30, 2017	<u>\$ 1</u>	<u>\$ 6,002</u>	<u>\$ 1,437</u>	<u>\$ 228</u>	<u>\$ 3,581</u>	<u>\$11,249</u>
December 31, 2015	\$ 1	\$ 5,053	\$ 1,741	\$ (269)	\$ 3,006	\$ 9,532
Net income	—	—	578	—	234	812
Other comprehensive income	—	—	—	282	5	287
Dividends on common stock	—	—	(842)	—	—	(842)
Stock-based compensation.....	—	20	—	—	—	20
Distributions to noncontrolling interests ..	—	—	—	—	(180)	(180)
Contributions from noncontrolling interests	—	—	—	—	437	437
Spectra Energy common stock issued	—	878	—	—	—	878
Spectra Energy Partners, LP common units issued	—	25	—	—	432	457
Other, net	—	1	—	—	17	18
September 30, 2016	<u>\$ 1</u>	<u>\$ 5,977</u>	<u>\$ 1,477</u>	<u>\$ 13</u>	<u>\$ 3,951</u>	<u>\$11,419</u>

See Notes to Condensed Consolidated Financial Statements.

SPECTRA ENERGY CORP
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

The terms “we,” “our,” “us” and “Spectra Energy” as used in this report refer collectively to Spectra Energy Corp and its subsidiaries unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity within Spectra Energy.

On February 27, 2017 Enbridge Inc. (Enbridge) and Spectra Energy completed a stock-for-stock merger transaction (the Merger) pursuant to which Spectra Energy merged with and into a direct, wholly owned subsidiary of Enbridge, with Spectra Energy continuing as the surviving corporation and a wholly owned subsidiary of Enbridge, and each outstanding share of common stock of Spectra Energy was automatically converted into, and became exchangeable for, 0.984 of Enbridge common share. All interests held by Spectra Energy prior to the closing of the Merger are now held collectively by Enbridge and its subsidiaries through Enbridge’s ownership of Spectra Energy.

Nature of Operations. Spectra Energy Corp, through its subsidiaries and equity affiliates, owns and operates a large and diversified portfolio of complementary natural gas-related energy assets, and owns and operates a crude oil pipeline system that connects Canadian and United States (U.S.) producers to refineries in the U.S. Rocky Mountain and Midwest regions. We currently operate in three key areas of the natural gas industry: gathering and processing, transmission and storage, and distribution. We provide transmission and storage of natural gas to customers in various regions of the northeastern and southeastern U.S., the Maritime Provinces in Canada, the Pacific Northwest in the U.S. and Canada, and in the province of Ontario, Canada. We also provide natural gas sales and distribution services to retail customers in Ontario, and natural gas gathering and processing services to customers in western Canada. We also own a 50% interest in DCP Midstream, LLC, based in Denver, Colorado, one of the leading natural gas gatherers in the U.S. and one of the largest U.S. producers and marketers of natural gas liquids.

Basis of Presentation. The accompanying Condensed Consolidated Financial Statements include our accounts and the accounts of our majority-owned subsidiaries, after eliminating intercompany transactions and balances. These interim financial statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016, and reflect all normal recurring adjustments that are, in our opinion, necessary to fairly present our results of operations and financial position. Amounts reported in the Condensed Consolidated Statements of Operations are not necessarily indicative of amounts expected for the respective annual periods due to the effects of seasonal temperature variations on energy consumption, primarily in our gas distribution operations, as well as changing commodity prices on certain of our processing operations and other factors.

Use of Estimates. To conform with generally accepted accounting principles (GAAP) in the U.S., we make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements. Although these estimates are based on our best available knowledge at the time, actual results could differ.

2. Condensed Consolidating Financial Information

Spectra Energy Corp has agreed to fully and unconditionally guarantee the payment of principal and interest under all series of notes outstanding under the Senior Indenture of Spectra Capital, a 100%-owned, consolidated subsidiary. In accordance with Securities and Exchange Commission rules, the following condensed consolidating financial information is presented. The information shown for Spectra Energy Corp and Spectra Capital is presented utilizing the equity method of accounting for investments in subsidiaries, as required. The non-guarantor subsidiaries column represents all consolidated subsidiaries of Spectra Capital. This information should be read in conjunction with our accompanying Condensed Consolidated Financial Statements and notes thereto.

Spectra Energy Corp Condensed Consolidating Statements of Operations (Unaudited) (In millions)

	Spectra Energy Corp	Spectra Capital	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Three Months Ended September 30, 2017					
Total operating revenues.....	\$ —	\$ —	\$ 1,175	\$ (2)	\$ 1,173
Total operating expenses.....	3	1	770	(2)	772
Loss on sales of other assets and other, net.....	—	—	1	—	1
Operating income.....	(3)	(1)	404	—	400
Earnings from equity investments	—	—	170	—	170
Equity in earnings of consolidated subsidiaries.....	74	369	—	(443)	—
Other income and expenses, net.....	1	—	37	—	38
Interest expense.....	—	190	139	—	329
Earnings before income taxes	72	178	472	(443)	279
Income tax expense (benefit).....	(16)	104	(10)	—	78
Net income	88	74	482	(443)	201
Net income—noncontrolling interests	—	—	115	—	115
Net income—controlling interests	<u>\$ 88</u>	<u>\$ 74</u>	<u>\$ 367</u>	<u>\$ (443)</u>	<u>\$ 86</u>
Three Months Ended September 30, 2016					
Total operating revenues.....	\$ —	\$ —	\$ 1,076	\$ (1)	\$ 1,075
Total operating expenses.....	(5)	1	759	(1)	754
Operating income (loss).....	5	(1)	317	—	321
Earnings from equity investments	—	—	51	—	51
Equity in earnings of consolidated subsidiaries.....	193	272	—	(465)	—
Other income and expenses, net.....	—	—	52	—	52
Interest expense.....	—	47	86	—	133
Earnings from continuing operations before income taxes.....	198	224	334	(465)	291
Income tax expense (benefit) from continuing operations	3	31	(24)	—	10
Net income	195	193	358	(465)	281
Net income—noncontrolling interests	—	—	86	—	86
Net income—controlling interests	<u>\$ 195</u>	<u>\$ 193</u>	<u>\$ 272</u>	<u>\$ (465)</u>	<u>\$ 195</u>

Spectra Energy Corp
Condensed Consolidating Statements of Operations
(Unaudited)
(In millions)

	Spectra Energy Corp	Spectra Capital	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Nine Months Ended September 30, 2017					
Total operating revenues.....	\$ —	\$ —	\$ 3,965	\$ (4)	\$ 3,961
Total operating expenses.....	8	(5)	2,751	(2)	2,752
Loss on sales of other assets and other, net.....	—	—	4	—	4
Operating income (loss).....	(8)	5	1,210	(2)	1,205
Earnings from equity investments	—	—	300	—	300
Equity in earnings of consolidated subsidiaries.....	385	991	—	(1,376)	—
Other income and expenses, net.....	(1)	—	157	—	156
Interest expense.....	—	291	353	—	644
Earnings before income taxes	376	705	1,314	(1,378)	1,017
Income tax expense (benefit).....	(65)	320	(10)	—	245
Net income	441	385	1,324	(1,378)	772
Net income—noncontrolling interests	—	—	333	—	333
Net income—controlling interests	<u>\$ 441</u>	<u>\$ 385</u>	<u>\$ 991</u>	<u>\$ (1,378)</u>	<u>\$ 439</u>
Nine Months Ended September 30, 2016					
Total operating revenues.....	\$ —	\$ —	\$ 3,620	\$ (2)	\$ 3,618
Total operating expenses.....	—	3	2,431	(2)	2,432
Operating income (loss).....	—	(3)	1,189	—	1,186
Earnings from equity investments	—	—	100	—	100
Equity in earnings of consolidated subsidiaries.....	564	925	—	(1,489)	—
Other income and expenses, net.....	(2)	—	125	—	123
Interest expense.....	—	170	267	—	437
Earnings before income taxes	562	752	1,147	(1,489)	972
Income tax expense (benefit).....	(16)	188	(12)	—	160
Net income	578	564	1,159	(1,489)	812
Net income—noncontrolling interests	—	—	234	—	234
Net income—controlling interests	<u>\$ 578</u>	<u>\$ 564</u>	<u>\$ 925</u>	<u>\$ (1,489)</u>	<u>\$ 578</u>

Spectra Energy Corp
Condensed Consolidating Statements of Comprehensive Income
(Unaudited)
(In millions)

	<u>Spectra Energy Corp</u>	<u>Spectra Capital</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Three Months Ended September 30, 2017					
Net income	\$ 88	\$ 74	\$ 482	\$ (443)	\$ 201
Other comprehensive income	1	—	196	—	197
Total comprehensive income, net of tax	89	74	678	(443)	398
Less: comprehensive income—noncontrolling interests	—	—	115	—	115
Comprehensive income—controlling interests.....	<u>\$ 89</u>	<u>\$ 74</u>	<u>\$ 563</u>	<u>\$ (443)</u>	<u>\$ 283</u>
Three Months Ended September 30, 2016					
Net income	\$ 195	\$ 193	\$ 358	\$ (465)	\$ 281
Other comprehensive income	2	—	(77)	—	(75)
Total comprehensive income, net of tax	197	193	281	(465)	206
Less: comprehensive income—noncontrolling interests	—	—	84	—	84
Comprehensive income—controlling interests.....	<u>\$ 197</u>	<u>\$ 193</u>	<u>\$ 197</u>	<u>\$ (465)</u>	<u>\$ 122</u>
Nine Months Ended September 30, 2017					
Net income	\$ 441	\$ 385	\$ 1,325	\$ (1,378)	\$ 772
Other comprehensive income	4	—	372	—	376
Total comprehensive income, net of tax	445	385	1,697	(1,378)	1,148
Less: comprehensive income—noncontrolling interests	—	—	335	—	335
Comprehensive income—controlling interests.....	<u>\$ 445</u>	<u>\$ 385</u>	<u>\$ 1,362</u>	<u>\$ (1,378)</u>	<u>\$ 813</u>
Nine Months Ended September 30, 2016					
Net income	\$ 578	\$ 564	\$ 1,159	\$ (1,489)	\$ 812
Other comprehensive income	4	—	283	—	287
Total comprehensive income, net of tax	582	564	1,442	(1,489)	1,099
Less: comprehensive income—noncontrolling interests	—	—	239	—	239
Comprehensive income—controlling interests.....	<u>\$ 582</u>	<u>\$ 564</u>	<u>\$ 1,203</u>	<u>\$ (1,489)</u>	<u>\$ 860</u>

Spectra Energy Corp
Condensed Consolidating Balance Sheet
September 30, 2017
(Unaudited)
(In millions)

	Spectra Energy Corp	Spectra Capital	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents.....	\$ —	\$ 6	\$ 198	\$ —	\$ 204
Receivables—affiliates	48	—	3	(19)	32
Notes receivable—current—consolidated subsidiaries.....	—	—	20	(20)	—
Receivables—other	—	—	729	—	729
Other current assets	9	4	534	—	547
Total current assets.....	57	10	1,484	(39)	1,512
Investments in and loans to unconsolidated affiliates.....	—	—	4,854	—	4,854
Investments in consolidated subsidiaries	9,278	16,885	—	(26,163)	—
Advances receivable—consolidated subsidiaries	—	343	515	(858)	—
Notes receivable—consolidated subsidiaries.....	—	—	2	(2)	—
Goodwill.....	—	—	3,967	—	3,967
Other assets	86	6	319	—	411
Net property, plant and equipment.....	—	—	26,909	—	26,909
Regulatory assets and deferred debits.....	2	2	1,573	—	1,577
Total Assets	<u>\$ 9,423</u>	<u>\$ 17,246</u>	<u>\$ 39,623</u>	<u>\$ (27,062)</u>	<u>\$ 39,230</u>
Accounts payable	\$ 6	\$ 3	\$ 693	\$ —	\$ 702
Accounts payable—affiliates	92	19	—	(19)	92
Commercial paper	—	—	2,693	—	2,693
Short-term borrowings—affiliates	—	2,079	—	(22)	2,057
Taxes accrued.....	2	—	76	—	78
Current maturities of long-term debt	—	389	1,026	—	1,415
Other current liabilities	103	14	649	—	766
Total current liabilities.....	203	2,504	5,137	(41)	7,803
Long-term debt.....	—	938	10,169	—	11,107
Advances payable—consolidated subsidiaries	858	—	—	(858)	—
Notes payable - affiliates.....	—	—	661	—	661
Deferred credits and other liabilities	694	4,526	2,628	—	7,848
Preferred stock of subsidiaries	—	—	562	—	562
Equity					
Controlling interests.....	7,668	9,278	16,885	(26,163)	7,668
Noncontrolling interests.....	—	—	3,581	—	3,581
Total equity	7,668	9,278	20,466	(26,163)	11,249
Total Liabilities and Equity.....	<u>\$ 9,423</u>	<u>\$ 17,246</u>	<u>\$ 39,623</u>	<u>\$ (27,062)</u>	<u>\$ 39,230</u>

Spectra Energy Corp
Condensed Consolidating Balance Sheet
December 31, 2016
(Unaudited)
(In millions)

	Spectra Energy Corp	Spectra Capital	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents.....	\$ —	\$ 10	\$ 295	\$ —	\$ 305
Receivables—consolidated subsidiaries	2	—	2	(4)	—
Notes receivable—current—consolidated subsidiaries.....	—	—	388	(388)	—
Receivables—other	1	1	1,001	—	1,003
Other current assets	16	2	446	—	464
Total current assets.....	19	13	2,132	(392)	1,772
Investments in and loans to unconsolidated affiliates.....	—	—	2,780	—	2,780
Investments in consolidated subsidiaries	8,403	18,579	—	(26,982)	—
Advances receivable—consolidated subsidiaries	—	720	—	(720)	—
Notes receivable—consolidated subsidiaries.....	—	—	2,800	(2,800)	—
Goodwill.....	—	—	4,181	—	4,181
Other assets	86	18	289	—	393
Net property, plant and equipment.....	—	—	26,208	—	26,208
Regulatory assets and deferred debits	3	10	1,495	—	1,508
Total Assets	<u>\$ 8,511</u>	<u>\$ 19,340</u>	<u>\$ 39,885</u>	<u>\$ (30,894)</u>	<u>\$ 36,842</u>
Accounts payable	\$ 3	\$ 2	\$ 823	\$ —	\$ 828
Accounts payable—consolidated subsidiaries	—	4	—	(4)	—
Commercial paper	—	631	822	—	1,453
Short-term borrowings—consolidated subsidiaries	—	388	—	(388)	—
Taxes accrued.....	2	—	84	—	86
Current maturities of long-term debt	—	—	551	—	551
Other current liabilities	92	51	844	—	987
Total current liabilities	97	1,076	3,124	(392)	3,905
Long-term debt.....	—	2,886	10,738	—	13,624
Advances payable—consolidated subsidiaries	499	—	221	(720)	—
Notes payable—consolidated subsidiaries.....	—	2,800	—	(2,800)	—
Deferred credits and other liabilities.....	758	4,175	2,279	—	7,212
Preferred stock of subsidiaries	—	—	562	—	562
Equity					
Controlling interests.....	7,157	8,403	18,579	(26,982)	7,157
Noncontrolling interests.....	—	—	4,382	—	4,382
Total equity	7,157	8,403	22,961	(26,982)	11,539
Total Liabilities and Equity.....	<u>\$ 8,511</u>	<u>\$ 19,340</u>	<u>\$ 39,885</u>	<u>\$ (30,894)</u>	<u>\$ 36,842</u>

Spectra Energy Corp
Condensed Consolidating Statement of Cash Flows
Nine Months Ended September 30, 2017
(Unaudited)
(In millions)

	Spectra Energy Corp	Spectra Capital	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income.....	\$ 441	\$ 385	\$ 1,322	\$ (1,376)	\$ 772
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	632	—	632
Earnings from equity investments	—	—	(300)	—	(300)
Equity in earnings of consolidated subsidiaries	(385)	(991)	—	1,376	—
Distributions from equity investments	—	—	160	—	160
Other	(33)	465	(71)	—	361
Net cash provided by operating activities.....	23	(141)	1,743	—	1,625
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	—	—	(3,285)	—	(3,285)
Investments in and loans to unconsolidated affiliates	—	—	(218)	—	(218)
Reimbursement of capital expenditures.....	—	—	163	—	163
Purchase of intangible, net.....	—	—	(203)	—	(203)
Purchases of held-to-maturity securities.....	—	—	(438)	—	(438)
Proceeds from sales and maturities of held-to-maturity securities.....	—	—	440	—	440
Purchases of available-for-sale securities	—	—	(92)	—	(92)
Proceeds from sales and maturities of available-for-sale securities.....	—	—	77	—	77
Distributions from equity investments.....	—	—	27	—	27
Advances to affiliates	(68)	638	—	(570)	—
Other changes in restricted funds	—	—	20	—	20
Other	—	—	8	—	8
Net cash used in investing activities.....	(68)	638	(3,501)	(570)	(3,501)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from the issuance of long-term debt.....	—	—	400	—	400
Payments for the redemption of long-term debt.....	—	(1,707)	(834)	—	(2,541)
Net increase (decrease) in commercial paper	—	(507)	1,729	—	1,222
Note payable—affiliate.....	—	2,057	661	—	2,718
Distributions to noncontrolling interests	—	—	(233)	—	(233)
Contributions from noncontrolling interests.....	—	—	417	—	417
Proceeds from the issuances of SEP common units	—	—	113	—	113
Dividends paid on common stock.....	(314)	—	—	—	(314)
Distributions and advances from (to) affiliates.....	359	(344)	(585)	570	—
Other	—	—	(11)	—	(11)
Net cash provided by (used in) financing activities....	45	(501)	1,657	570	1,771
Effect of exchange rate changes on cash	—	—	4	—	4
Net increase in cash and cash equivalents	—	(4)	(97)	—	(101)
Cash and cash equivalents at beginning of period	—	10	295	—	305
Cash and cash equivalents at end of period	\$ —	\$ 6	\$ 198	\$ —	\$ 204

Spectra Energy Corp
Condensed Consolidating Statement of Cash Flows
Nine Months Ended September 30, 2016
(Unaudited)
(In millions)

	Spectra Energy Corp	Spectra Capital	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income.....	\$ 578	\$ 564	\$ 1,159	\$ (1,489)	\$ 812
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	599	—	599
Earnings from equity investments	—	—	(100)	—	(100)
Equity in earnings of consolidated subsidiaries	(564)	(925)	—	1,489	—
Distributions from equity investments	—	—	88	—	88
Other	(9)	194	15	—	200
Net cash provided by (used in) operating activities....	<u>5</u>	<u>(167)</u>	<u>1,761</u>	<u>—</u>	<u>1,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	—	—	(2,407)	—	(2,407)
Investments in and loans to unconsolidated affiliates	—	—	(181)	—	(181)
Purchase of intangible, net.....	—	—	(80)	—	(80)
Disposition.....	—	—	204	—	204
Purchases of held-to-maturity securities.....	—	—	(479)	—	(479)
Proceeds from sales and maturities of held-to-maturity securities.....	—	—	475	—	475
Purchases of available-for-sale securities	—	—	(565)	—	(565)
Proceeds from sales and maturities of available-for-sale securities.....	—	—	559	—	559
Distributions from equity investments.....	—	—	45	—	45
Distribution to equity investment	—	—	(148)	—	(148)
Advances from (to) affiliates	(57)	196	—	(139)	—
Other changes in restricted funds	—	—	(19)	—	(19)
Other	—	—	1	—	1
Net cash provided by (used in) investing activities	<u>(57)</u>	<u>196</u>	<u>(2,595)</u>	<u>(139)</u>	<u>(2,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from the issuance of long-term debt.....	—	—	382	—	382
Payments for the redemption of long-term debt	—	—	(619)	—	(619)
Net increase (decrease) in commercial paper	—	(21)	523	—	502
Distributions to noncontrolling interests	—	—	(176)	—	(176)
Contributions from noncontrolling interests.....	—	—	437	—	437
Proceeds from the issuances of Spectra Energy common stock.....	878	—	—	—	878
Proceeds from the issuances of SEP common units	—	—	473	—	473
Proceeds from the issuance of Westcoast preferred stock	—	—	229	—	229
Dividends paid on common stock.....	(842)	—	—	—	(842)
Distributions and advances to affiliates.....	14	(8)	(145)	139	—
Other	2	—	(22)	—	(20)
Net cash provided by (used in) financing activities....	<u>52</u>	<u>(29)</u>	<u>1,082</u>	<u>139</u>	<u>1,244</u>
Effect of exchange rate changes on cash	—	—	3	—	3
Net increase in cash and cash equivalents	—	—	251	—	251
Cash and cash equivalents at beginning of period	—	1	212	—	213
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 463</u>	<u>\$ —</u>	<u>\$ 464</u>

3. Subsequent Events

We have evaluated significant events and transactions that occurred from October 1, 2017 through December 6, 2017, the date the Condensed Consolidated Financial Statements were issued.