Spectra Energy

2016 - 2018 FINANCIAL PLAN & OUTLOOK | 02.04.16

Field Services
Must Run Business

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STABLE.
DISCIPLINED.
RELIABLE.

Field Services:

Macro Overview – Industry is Resetting

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Macro Environment	DCP Opportunity
Supply & demand will find equilibrium • Significant producer budget cuts reducing rig counts • Lower prices reducing supply • Demand growth expected from crackers and exports	**Optimize systems and reduce costs** • Become low cost service provider • Strong reliability trend • Strong asset utilization • Consolidate/idle less efficient plants
Producer's business is drilling, not midstream • Current prices not sustainable • Limited access to capital • Selling midstream assets • Focused on drilling efficiency	**DCP focused on core competencies** • G&P is a must-run business • Midstream will pick up gas from wellhead • Leverage wellhead to market value chain • Enhance largest low pressure gathering position
Producers remain active in core acreage • Retreating to most economic areas • Focused on Permian, DJ Basin, STACK/SCOOP	**Maintain industry leading position** • Diverse footprint with leading positions in the Permian, DJ Basin, STACK/SCOOP • Incremental long-term, fee-based contracts • Stabilizing LT cash flows while moving to fee

DCP enterprise well-positioned for long-term sustainability

Field Services: 2015 Execution

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Proactive response to industry challenges

Pre-2015	2015	2016	"DCP 2020" Strategy
~$0.60/gal *Breakeven NGL price*	**~$0.40/gal** *Breakeven NGL price*	**~$0.35/gal** *Breakeven NGL price*	*Controlling what we can control*

Market Price & Volume Declines

- ✓ Improved reliability
- ✓ Lower maintenance capital
- ✓ '15-'16 base cost efficiencies
- ✓ '15-'16 contract realignment
- ✓ Contribution of fee-based assets

Resetting total cash flow breakeven from ~$0.60 to ~$0.35/gal NGLs

Controlling what we can control

- **Operational excellence**
  - ✓ Achieved record safety results
  - ✓ Reduced ongoing base costs $70+ million
  - ✓ Lowering system pressures & improving reliability, ~$35+ million margin uplift
  - ✓ Strong capital deployment - on time, on budget
- **Contract realignment**
  - ✓ Added $50+ million of annualized margins in 2015, simplifying contract structure
  - ✓ Strong progress on NGL commodity length one-third reduction target
- **System rationalization**
  - ✓ DCP Midstream divested ~$170 million of non-core assets in 2015
- **Stabilize cash flows**
  - ✓ Received $3B of owner support in 2015
  - ✓ Secured DCP Midstream liquidity

Field Services:

2016 Objectives

Execute 2016 "DCP 2020" strategy

- **Operational excellence, efficiency & reliability**
  - Increase asset utilization
  - Continue cost efficiencies
  - Enhance reliability and reduce unplanned outages
- **Contract realignment**
  - Continue progress on one-third NGL commodity length reduction
  - Targeting additional ~$90MM margin uplift
  - Stabilize cash flows
  - Simplify & reduce number of contracts
- **System rationalization**
  - Consolidate or idle less efficient plants
  - Non-strategic asset sales

Prioritize capital deployment

- Completed major capital program – strong utilization
- Assets in service generating significant cash flows
- No significant capital commitments
- Evaluate select organic growth and M&A – stay in lock-step with producers

Positive start to 2016

✓ DCP Midstream producer settlement
  - Significant additional DJ basin volumes
  - New NGL volume dedications to Sand Hills
  - ~$90 million payment to DCP Midstream

✓ DPM: Grand Parkway in service in the DJ Basin

✓ Signed LT contracts with 2 major I/G producers in the Delaware where DCP holds the 2nd largest position
  - Adds significant incremental volumes & fee margins

"DCP 2020" execution drives sustainability in "lower for longer" environment

Field Services:

Operational and Commercial Objectives

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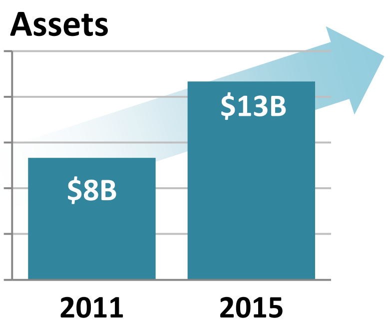
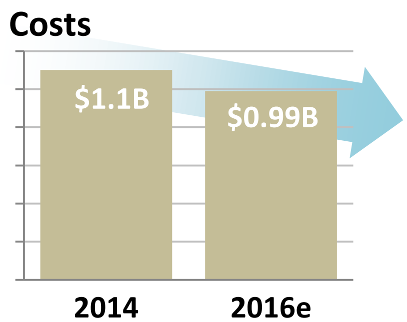
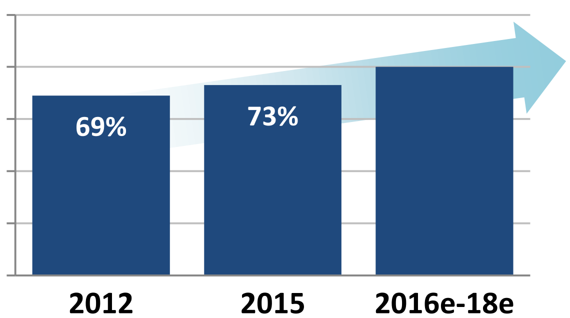
OPERATIONAL OBJECTIVES

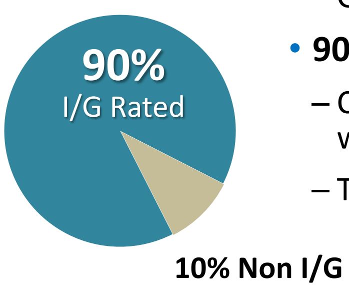
- **Grew assets 65+%, reset costs to pre-growth levels**





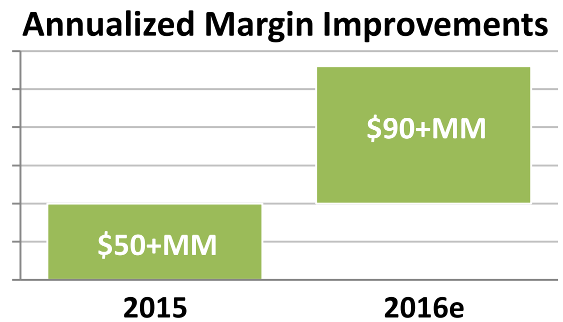
- **Increased reliability driving margin uplift**
  – Centralized program prioritizing reliability resources
  – Reduce unplanned down-time
- **Increase asset utilization**





COMMERCIAL OBJECTIVES

- **Contract realignment**

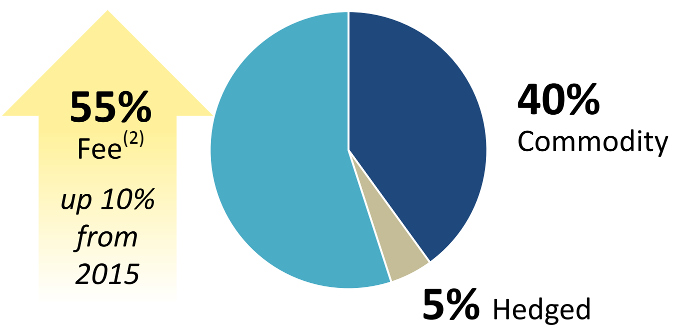


- **Fee-based discussions productive**
  – Converting fee to historically equivalent returns
  – Must-run business with low-pressure service
  – Producer sharing in future upside
  – Guaranteed run-time provisions
- **90% of end use customers are investment grade**
  – Contract structure limits counterparty exposure – we net cash back to producer
  – Top 10 customers are I/G & make up ~40% of margins

Field Services: 2016 DCP Midstream (100%)

DCP Midstream Consolidated[1] ($MM)	
DCP Adjusted EBITDA	$ 800
Growth Capital	$ 75-250
Maintenance Capital	$ 145-195
DPM Distributions to DCP Midstream ($MM)	
LP Distributions	$ 75
GP Distributions	$ 125
DCP Midstream Liquidity ($MM)	
Credit Facility (~$1,700 avail. at 12/31/15)	$ 1,800

2016e Consolidated Margin[1]



2016e DCP Midstream Assumptions[1]

- Lower breakeven NGL price
  - ~$30 million incremental cost savings from 2015
  - ~$90 million improved margins from 2015
- Minimal committed capital
- Overall volumes down slightly to 2015
  - Volume growth in higher margin DJ and Permian, offset by declines in Eagle Ford, Midcontinent & other lower margin areas
- Increase fee-based cash flows to 55%
- Commodity sensitivities lower
- Ample liquidity under DCP Midstream credit facility
- No long-term debt maturities until 2019

2016e Commodity Sensitivities[1]

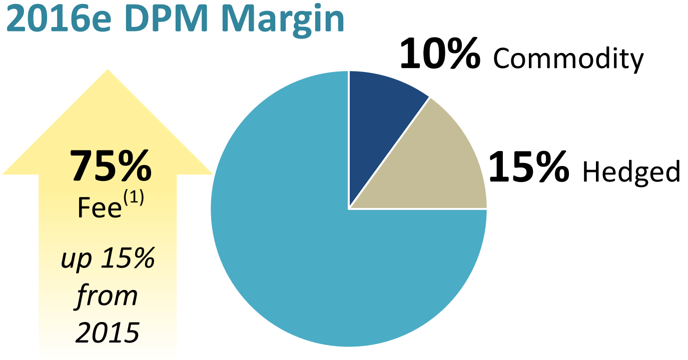
	Assumption	*Price Change*	**Consolidated Impact to NI** *(100%, $MM)*
NGLs ($/Gal)	$0.42	+/- $0.01	~$8
Natural Gas ($/Mmbtu)	$2.50	+/- $0.10	~$7
Crude Oil ($/Bbl)	$45	+/- $1.00	~$4

(1) Consolidated, includes DPM (100%)
(2) Fee includes NGL, propane and gas marketing which depend on price spreads rather than nominal price level.

Field Services:
2016 DCP Midstream Partners

DCP Midstream Partners (DPM)	2016 Target
DPM Adjusted EBITDA ($MM)	$ 565-595
DPM DCF ($MM)	$ 465-495
Annual Distribution ($/unit)	$ 3.12
Capital Outlook ($MM)	
DPM Growth Capital	$ 75-150
DPM Maintenance Capital	$ 30-45
DPM Liquidity ($MM)	
Credit Facility (~$875 avail. at 12/31/15)	$ 1,250

2016e DPM Margin



2016e DPM Assumptions

- Distribution coverage ratio ~1.0x
- Distribution flat to 2015 at $3.12/unit annualized
- Overall volumes down slightly to 2015
  - Volume growth in DJ and Discovery, offset by declines in Eagle Ford and other lower margin areas
- Minimal committed capital
- Increase in fee-based cash flows to 75%
- No direct commodity exposure to crude prices
- No public debt or equity offerings required
- Ample liquidity under credit facility
- Bank Debt/EBITDA ratio of less than 4.0x

2016e DPM Commodity Sensitivities

	Assumption	*Price Change*	**DPM** *($MM; includes hedges)*
NGLs ($/Gal)	$0.42	+/- $0.01	~$1.0
Natural Gas ($/Mmbtu)	$2.50	+/- $0.10	~$1.0
Crude Oil ($/Bbl)	$45	+/- $1.00	**Neutral**

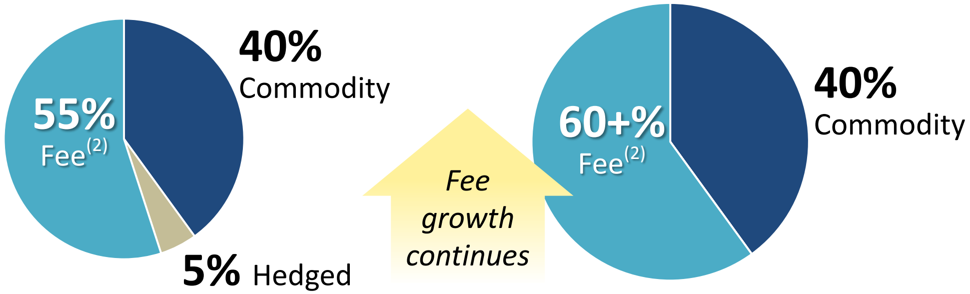
(1) Fee includes NGL, propane and gas marketing which depend on price spreads rather than nominal price level.

Field Services:
DCP Midstream Commodity Recovery Scenario

Commodity Prices – Recovery Scenario			
	2016e	**2017e**	**2018e**
NGLs ($/Gal)	$0.42	$0.47	$0.50
Natural Gas ($/Mmbtu)	$2.50	$2.90	$3.00
Crude Oil ($/Bbl)	$45	$55	$60

DCP Midstream Consolidated[1] ($MM)			
	2016e	**2017e**	**2018e**
Adjusted EBITDA	$800	~$915	~$955

Consolidated Margin: 2016e vs 2017e-18e



2017e-18e Recovery Assumptions

- ~$100 million of distributions to owners
- Fee-based margins increase, sensitivities reduced
- Volumes held flat in 2017-18

Long Term Objectives

- Reduce risk and commodity exposure through one-third reduction of NGL commodity length by 2018
  - ~$200 million margin uplift 2015-2017
- Strong capital efficiency, asset utilization & improved reliability
- Fee-based margins 60+%
- Industry-leading cost structure
- Focused and competitive footprint
- Long term liquidity secured & strengthened balance sheet

DCP is well-positioned to compete for the long term

(1) Consolidated, includes DPM (100%)
(2) Fee includes NGL, propane and gas marketing which depend on price spreads rather than nominal price level.

Field Services: Well Positioned in the Midstream Space

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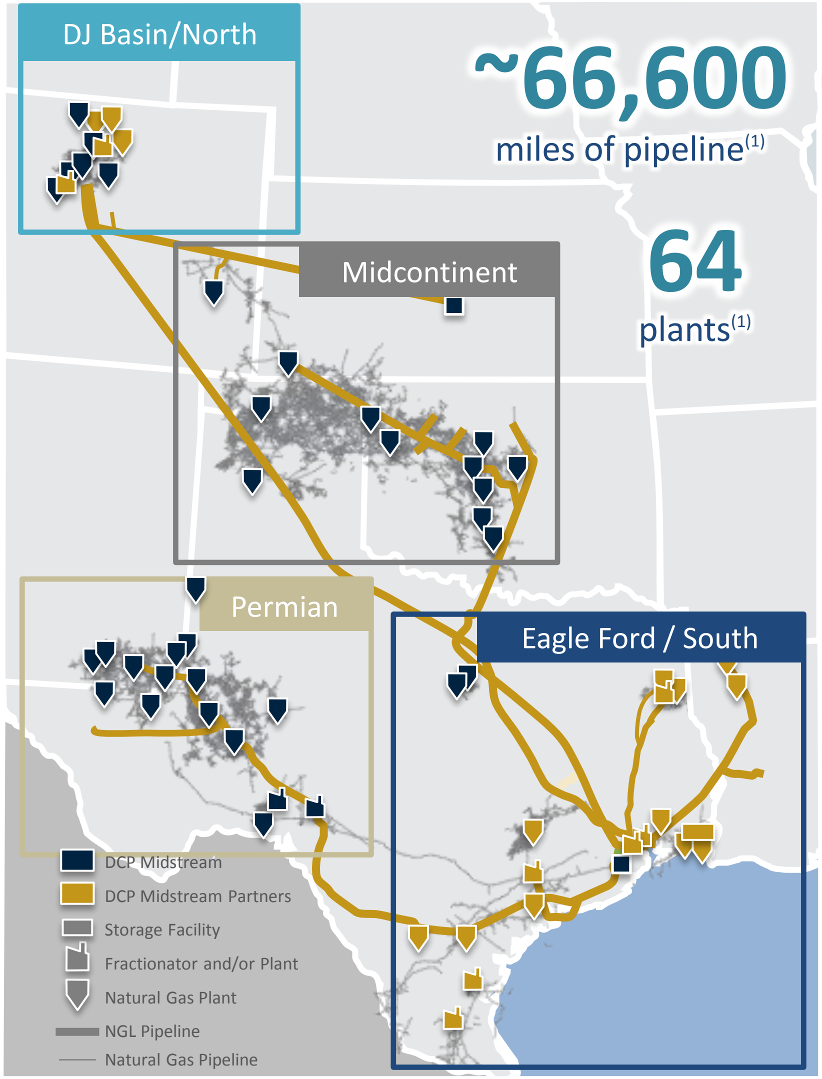
Leading integrated G&P company

- Strong assets located in the core areas where producers are focused
- Proven track record of strategy execution
- Resetting breakeven NGL price
- Resetting to be a low-cost service provider
- Strong capital efficiency and utilization
- Significant capital projects completed
- Long-term liquidity
- High quality customers and producers

Must-run business with competitive footprint and geographic diversity



(1) *Statistics include all assets in service as of December 31, 2015, and are consolidated, including DPM*

Non-GAAP reconciliations

Spectra Energy Corp
DCP Midstream's Stand-Alone Adjusted EBITDA
Price Neutral Outlook
(In millions)

	2016 e	2017 e	2018 e
Net loss attributable to members' interests	$ (120)	$ (55)	$ (60)
Net income attributable to noncontrolling interests	130	125	95
Net income	10	70	35
Interest expense, net	320	320	355
Income tax expense	5	5	5
Depreciation and amortization	395	395	400
Non cash commodity derivative activity	70	10	-
Adjusted EBITDA	**$ 800**	**$ 800**	**$ 795**

Non-GAAP reconciliations

Spectra Energy Corp
DCP Midstream's Stand-Alone Adjusted EBITDA
Recovery Case
(In millions)

	2016 e	**2017 e**	**2018 e**
Net income (loss) attributable to members' interests	$ (120)	$ 45	$ 70
Net income attributable to noncontrolling interests	130	145	125
Net income	10	190	195
Interest expense, net	320	320	355
Depreciation and amortization	395	395	400
Income tax expense	5	5	5
Non cash commodity derivative activity	70	5	-
Adjusted EBITDA	**$ 800**	**$ 915**	**$ 955**

Non-GAAP reconciliations

Spectra Energy Corp
DCP Midstream Partners's Stand-Alone Adjusted EBITDA and Distributable Cash Flow
(In millions)

	2016 e	
	Low Forecast	**High Forecast**
Net income attributable to partners	$ 265	$ 295
Interest expense, net of interest income	98	98
Income taxes	2	2
Depreciation and amortization, net of noncontrolling interests	130	130
Non-cash commodity derivative mark-to-market	70	70
Adjusted EBITDA	**565**	**595**
Interest expense, net of interest income	(98)	(98)
Maintenance capital expenditures, net of reimbursable projects	(30)	(45)
Distributions from unconsolidated affiliates, net of earnings	30	45
Income taxes and other	(2)	(2)
Distributable cash flow	**$ 465**	**$ 495**