

Spectra Energy Corp.
Form 8-K
October 20, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 20, 2011 (October 18, 2011)

SPECTRA ENERGY CORP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

1-33007
(Commission

File Number)

20-5413139
(IRS Employer

Identification No.)

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5400 Westheimer Court, Houston, Texas

(Address of principal executive offices)

77056

(Zip Code)

Registrant's telephone number, including area code 713-627-5400

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On October 18, 2011, Spectra Energy Capital, LLC ("Spectra Energy Capital"), a wholly-owned subsidiary of Spectra Energy Corp ("Spectra Energy") entered into a \$1.5 billion revolving credit agreement (the "Credit Agreement") among Spectra Energy Capital, as Borrower, Spectra Energy, as Parent, JPMorgan Chase Bank, N.A., as Administrative Agent, and the initial lenders and issuing banks named in the Credit Agreement. Citibank, N.A. and The Royal Bank of Scotland plc acted as Syndication Agents, Bank of America, N.A. and Wells Fargo Bank, National Association acted as Documentation Agents, and J.P. Morgan Securities LLC, Citigroup Global Markets Inc., RBS Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC acted as Joint Lead Arrangers and Joint Bookrunners.

Interest rates on borrowings under the Credit Agreement will be based on prevailing interest rates as described in the Credit Agreement and the credit ratings of Spectra Energy Capital. The Credit Agreement matures on October 18, 2016, which may be extended for up to two additional one-year periods at the request of Spectra Energy Capital (subject to the agreement of the lenders having commitments representing more than 50% of the aggregate commitments of all lenders under the Credit Agreement). The Credit Agreement contains a sublimit of \$250 million for issuance of letters of credit, \$150 million of which may be denominated in alternative currencies. Spectra Energy has guaranteed Spectra Energy Capital's obligation to repay its borrowings under the Credit Agreement.

The Credit Agreement contains customary representations, warranties and covenants, including a covenant to maintain Spectra Energy Capital's direct or indirect ownership of Texas Eastern Transmission, LP and Algonquin Gas Transmission, LLC, limitations on the creation of liens on the assets of Spectra Energy, Spectra Energy Capital and certain subsidiaries of Spectra Energy Capital, limitations on mergers or the sale of all or substantially all of the assets of Spectra Energy, Spectra Energy Capital or certain subsidiaries of Spectra Energy Capital and limitations on certain transactions with affiliates. Spectra Energy Capital and Spectra Energy have each agreed to maintain a ratio of consolidated indebtedness to consolidated capitalization, as defined in the Credit Agreement, of no greater than 65%, measured at the end of each fiscal quarter. Upon the occurrence of certain events of default, Spectra Energy Capital's obligations under the Credit Agreement may be accelerated. Such events of default include payment defaults to lenders under the Credit Agreement, covenant defaults and other customary defaults.

The Credit Agreement provides that proceeds from borrowings under the Credit Agreement may be used to repay amounts outstanding under the Existing Credit Agreement (defined below) and for Spectra Energy Capital's and its subsidiaries' general corporate purposes, including liquidity support for outstanding commercial paper and acquisitions.

Certain of the lenders under the Credit Agreement and the Existing Credit Agreement and their respective affiliates perform various financial advisory, investment banking and commercial banking services from time to time for Spectra Energy, Spectra Energy Capital and their affiliates, for which they received or will receive customary fees and expense reimbursement.

The foregoing description of the Credit Agreement is qualified in its entirety by reference to the Credit Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

On October 18, 2011, Spectra Energy Capital terminated its existing \$1.5 billion credit agreement, dated as of May 21, 2007 (as amended, the "Existing Credit Agreement") with JPMorgan Chase Bank, N.A., as Administrative Agent and the lenders and issuing banks named in the Existing Credit Agreement, and paid all amounts that were outstanding under the Existing Credit Agreement.

Item 2.03 Creation of a Direct Financial Obligation.

The information set forth under Item 1.01 above is hereby incorporated into this Item 2.03 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Credit Agreement, dated as of October 18, 2011, among Spectra Energy Capital, LLC, as Borrower, Spectra Energy Corp, as Parent, the Initial Lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPECTRA ENERGY CORP

/s/ Stephen W. Baker
Stephen W. Baker
Vice President and Treasurer

Date: October 20, 2011

EXHIBIT INDEX

Exhibit Number	Exhibit
10.1	Credit Agreement, dated as of October 18, 2011, among Spectra Energy Capital, LLC, as Borrower, Spectra Energy Corp, as Parent, the Initial Lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent.