

Spectra Energy Partners, LP
Form 424B2
March 09, 2015
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Filed pursuant to Rule 424(b)(2)
Registration No. 333-197967

The information in this prospectus supplement is not complete and may be changed. This prospectus is part of an effective registration statement filed with the Securities and Exchange Commission. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject To Completion

Preliminary Prospectus Supplement dated March 9, 2015

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 8, 2014)

\$

Spectra Energy Partners, LP

\$ % Senior Notes due 20

\$ % Senior Notes due 20

We are offering \$ billion in aggregate principal amount of our Senior Notes, consisting of \$ of our % Senior Notes due 20 (the 20 notes) and \$ of our % Senior Notes due 20 (the 20 notes and, together with the 20 notes, the notes). Interest on the notes will be paid semi-annually on and of each year, commencing , 2015. The 20 notes will mature on , 20 and the 20 notes will mature on , 20 , in each case unless redeemed prior to maturity.

We may redeem the notes, in whole or in part, at any time and from time to time prior to their maturity, as described under Description of Notes Optional Redemption.

The notes will be our senior unsecured obligations, ranking equally in right of payment with our existing and future senior indebtedness and effectively junior in right of payment to our existing and future secured indebtedness to the

extent of the value of the collateral securing that indebtedness and to all existing and future indebtedness and other obligations of our subsidiaries.

Investing in the notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.

		Initial price to public(1)	Underwriting discount and commissions	Proceeds to Spectra Energy Partners, LP
		%	%	%
Per 20	note			
Total		\$	\$	\$
Per 20	note	%	%	%
Total		\$	\$	\$

(1) Plus accrued interest, if any, from _____, 2015, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect delivery of the notes will be made to investors in book-entry form through The Depository Trust Company, Clearstream Banking, S.A. or the Euroclear System on or about _____, 2015.

Joint Book-Running Managers

J. P. Morgan

BofA Merrill Lynch

SunTrust Robinson Humphrey

The date of this prospectus supplement is March _____, 2015.

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Our Systems and Assets as of December 31, 2014

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes our business and the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. Please read **Information Incorporated by Reference** on page S-32 of this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying base prospectus and any free writing prospectus prepared by or on behalf of us relating to this offering. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are offering to sell the notes, and seeking offers to buy the notes, only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus or any free writing prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference herein is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying base prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read this entire prospectus supplement, the accompanying base prospectus and the documents incorporated herein by reference for a more complete understanding of our business and the terms of the notes, as well as material tax and other considerations that may be important to you in making your investment decision. Please read Risk Factors beginning on page S-5 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2014 for information regarding risks you should consider before investing in our notes.

Throughout this prospectus supplement, when we use the terms we, us, our or the partnership, we are referring either to Spectra Energy Partners, LP in its individual capacity or to Spectra Energy Partners, LP and its operating subsidiaries collectively, as the context requires. Unless otherwise indicated, references in this prospectus supplement to our general partner refer to Spectra Energy Partners (DE) GP, LP and/or Spectra Energy Partners GP, LLC, the general partner of Spectra Energy Partners (DE) GP, LP, as appropriate.

SPECTRA ENERGY PARTNERS, LP

Spectra Energy Partners, LP, through its subsidiaries and equity affiliates, is engaged in the transmission, storage and gathering of natural gas, the transportation and storage of crude oil, and the transportation of natural gas liquids (NGLs), through interstate pipeline systems with over 17,000 miles of transmission and transportation pipelines and the storage of natural gas in underground facilities with aggregate working gas storage capacity of approximately 166 billion cubic feet (Bcf) in the United States and Canada. We are a Delaware master limited partnership formed in 2007.

We own and operate natural gas transmission, gathering and storage assets, and crude oil transportation and storage assets, in central, southern and eastern United States as well as western Canada. Through our investments in DCP Sand Hills Pipeline, LLC (Sand Hills) and DCP Southern Hills Pipeline, LLC (Southern Hills), we also are engaged in the transportation of NGLs. Our assets are strategically located in geographic regions of the United States and Canada where demand, primarily for natural gas used in electricity generation, and crude oil, is expected to increase steadily. We have a broad mix of customers, including local gas distribution companies, municipal utilities, interstate and intrastate pipelines, direct industrial users, electric power generators, marketers and producers, and exploration and production companies. Our interstate gas transmission pipeline and storage operations and our crude oil transportation and storage operations are regulated by either the Federal Energy Regulatory Commission, the U.S. Department of Transportation, or the National Energy Board with the exception of our Moss Bluff intrastate storage operations and Ozark gathering facilities which are subject to oversight by various state commissions.

Our operations and activities are managed by our general partner, Spectra Energy Partners (DE) GP, LP, which in turn is managed by its general partner, Spectra Energy Partners GP, LLC, (the General Partner). The General Partner is wholly owned by a subsidiary of Spectra Energy Corp (Spectra Energy). Spectra Energy is a separate, publicly traded entity which trades on the New York Stock Exchange under the symbol SE.

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OUR RELATIONSHIP WITH SPECTRA ENERGY

Spectra Energy currently owns directly or indirectly an 82% interest in us in the form of common units and, through our general partner, a 2% general partner interest in us.

Our principal executive offices are located at 5400 Westheimer Court, Houston, Texas 77056, and our telephone number is 713-627-5400.

Ownership of Spectra Energy Partners, LP

The chart below depicts our organization and ownership structure as of March 4, 2015.

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THE OFFERING

Issuer	Spectra Energy Partners, LP
Notes Offered	\$ aggregate principal amount of our % Senior Notes due 20 and \$ aggregate principal amount of our % Senior Notes due 20 .
Interest Rate	Interest will accrue on the 20 notes from , 2015 at a rate of % per annum. Interest will accrue on the 20 notes from , 2015 at a rate of % per annum.
Interest Payment Dates	Interest will be payable semi-annually in arrears on and of each year, beginning on , 2015.
Maturity	The 20 notes will mature on , 20 . The 20 notes will mature on , 20 .
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$ million, after deducting underwriting discount and commissions and estimated offering expenses. We intend to use the net proceeds of this offering to repay all or a portion of our outstanding commercial paper, to fund capital expenditures and for general partnership purposes. See Use of Proceeds.
Ranking	The notes will be our senior unsecured obligations. The notes will rank equally in right of payment with all of our other existing and future senior indebtedness, effectively junior in right of payment to our existing and future secured indebtedness to the extent of the value of the collateral securing that indebtedness and senior to any of our future subordinated indebtedness. As of December 31, 2014, our consolidated indebtedness was \$6,092 million, and after giving effect to this offering and the use of the net proceeds from this offering as set forth in Use of Proceeds, our consolidated indebtedness as of that date would have been \$ million. See Description of Notes General.

The notes will effectively rank junior to all existing and future indebtedness and other obligations of our subsidiaries. As of December 31, 2014, our subsidiaries had outstanding indebtedness of \$2,384 million.

Optional Redemption

At our option, any or all of the notes may be redeemed, in whole or in part, at any time prior to maturity. If we elect to redeem (i) the 20 notes before the date that is months prior to the maturity date or (ii) the 20 notes before the date that is months prior to the maturity date, we will pay an amount equal to the greater of 100% of the principal amount of the notes redeemed, or the sum of the present values of the remaining scheduled payments of principal

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and interest on the notes, plus a make-whole premium. If we elect to redeem a series of notes on or after the applicable date described in the preceding sentence, we will pay an amount equal to 100% of the principal amount of the notes redeemed. We will pay accrued interest on the notes redeemed to the redemption date. See Description of Notes Optional Redemption.

Certain Covenants

We will issue the notes under an indenture with Wells Fargo Bank, National Association, as trustee. The indenture contains covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to:

create liens on our principal properties;

engage in sale and leaseback transactions; and

merge or consolidate with another entity or sell, lease or otherwise dispose of substantially all of our assets to another entity.

These covenants are subject to a number of important exceptions, limitations and qualifications. See Description of Notes Certain Covenants.

Further Issuances

We may, from time to time, without notice to or the consent of the holders of the notes, issue additional notes of a series having the same interest rate, maturity and other terms as the notes of that series offered hereby. Any such additional notes will constitute a single series under the indenture with the notes of that series offered hereby.

Listing and Trading

We do not intend to list the notes for trading on any securities exchange. We can provide no assurance as to the liquidity of, or development of any trading market for, the notes.

Governing Law

The indenture and the notes will be governed by, and construed in accordance with, the laws of the state of New York.

Book-Entry, Delivery and Form

The notes will be issued in registered form, without interest coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will be represented by one or more permanent global

notes in book-entry form. The global notes will be deposited with or on behalf of The Depository Trust Company (DTC) and registered in the name of Cede & Co., as nominee of DTC.

Trustee

Wells Fargo Bank, National Association.

Risk Factors

Investing in the notes involves risks. See **Risk Factors** beginning on page S-5 of this prospectus supplement for information regarding risks you should consider before investing in the notes.

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RISK FACTORS

Before making an investment in the notes offered hereby, you should carefully consider the risk factors below and the risk factors included in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014, together with all of the other information included or incorporated by reference in this prospectus. If any of these risks were to occur, our business, financial condition or results of operations could be materially adversely affected.

Your ability to transfer the notes at a time or price you desire may be limited by the absence of an active trading market, which may not develop.

Although we have registered the offering of the notes under the Securities Act of 1933, as amended, or the Securities Act, we do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system. In addition, although the underwriters have informed us that they intend to make a market in the notes, as permitted by applicable laws and regulations, they are not obligated to make a market in the notes, and they may discontinue their market-making activities at any time without notice. An active market for the notes may not exist or develop or, if developed, may not continue. In the absence of an active trading market, you may not be able to transfer the notes within the time or at the price you desire.

The notes will be our senior unsecured obligations and will not be guaranteed by any of our subsidiaries. As a result, the notes will be effectively junior to outstanding and future secured debt to the extent of the value of the collateral therefor and structurally junior to all indebtedness and other liabilities of our subsidiaries.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior indebtedness, including indebtedness under our credit facility. All of our operating assets are owned by our subsidiaries and none of these subsidiaries will guarantee our obligations with respect to the notes. Creditors of our subsidiaries may have claims with respect to the assets of those subsidiaries that rank effectively senior to the notes. In the event of any distribution or payment of assets of such subsidiaries in any dissolution, winding up, liquidation, reorganization or bankruptcy proceeding, the claims of those creditors would be satisfied prior to making any such distribution or payment to us in respect of our direct or indirect equity interests in such subsidiaries. Consequently, after satisfaction of the claims of such creditors, there may be little or no amounts left available to make payments in respect of the notes. As of December 31, 2014, our subsidiaries had outstanding indebtedness of \$2,384 million. In addition, our subsidiaries are not prohibited under the indenture from incurring indebtedness in the future.

Moreover, because the notes are unsecured, holders of any secured indebtedness we might incur in the future would have claims with respect to the assets constituting collateral for such indebtedness that are senior to the claims of the holders of the notes. Although the indenture governing the notes places some limitations on our ability to create liens securing debt, there are significant exceptions to these limitations that will allow us to secure significant amounts of indebtedness we might incur in the future without equally and ratably securing the notes. If we incur secured indebtedness and such indebtedness is either accelerated or becomes subject to a bankruptcy, liquidation or reorganization, our assets would be used to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the notes. Consequently, any such secured indebtedness would effectively be senior to the notes, to the extent of the value of the collateral securing the secured indebtedness. In that event, you may not be able to recover all the principal or interest you are due under the notes.

Our significant indebtedness and the restrictions in our debt agreements may adversely affect our future financial and operating flexibility.

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As of December 31, 2014, our consolidated indebtedness was \$6,092 million, and after giving effect to this offering and the use of the net proceeds from this offering as set forth in Use of Proceeds, our consolidated

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indebtedness as of that date would have been \$ million. As of December 31, 2014, the remaining availability under our credit agreement was \$1,093 million. Our substantial indebtedness and the additional debt we may incur in the future may adversely affect our liquidity and therefore our ability to make interest payments on the notes.

Our level of debt could have important consequences, including the following:

our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

we will need a substantial portion of our cash flow to make principal and interest payments on our indebtedness, reducing the funds that would otherwise be available for operations, future business opportunities and distributions to unitholders;

our debt level could make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy in general. Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by commodity prices, prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. In addition, our ability to service debt under our revolving credit agreement will depend on market interest rates, since we anticipate that the interest rates applicable to our borrowings will fluctuate with movements in interest rate markets. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing distributions, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing debt or seeking additional equity capital. We may not be able to affect any of these actions on satisfactory terms, or at all; and

our significant indebtedness may be viewed negatively by credit rating agencies, which could result in increased costs for us to access the capital markets. Any future downgrade of the debt issued by us or our subsidiaries could significantly increase our capital costs or adversely affect our ability to raise capital in the future.

Debt service obligations and restrictive covenants in our credit agreements may adversely affect our ability to:

make distributions if any default or event of default, as defined, occurs;

make other restricted distributions or dividends on account of the purchase, redemption, retirement, acquisition, cancellation or termination of partnership interests;

incur additional indebtedness or guarantee other indebtedness;

grant liens or make certain negative pledges;

make certain loans or investments;

engage in transactions with affiliates;

make any material change to the nature of our business from the midstream energy business;

make a disposition of assets; or

enter into a merger, consolidate, liquidate, wind up or dissolve.

If we incur any additional indebtedness, including trade payables, that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of us. This may have the effect of reducing the amount of proceeds paid to you. If new debt is added to our current debt levels, the related risks that we now face could intensify. See Description of Notes.

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We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets.

We are a partnership holding company and our operating subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the ownership interests in our subsidiaries and our equity investments. As a result, our ability to make required payments on the notes depends on the performance of our subsidiaries and equity investees and their ability to distribute funds to us. The ability of our subsidiaries and equity investees to make distributions to us may be restricted by, among other things, credit instruments, applicable state business organization laws and other laws and regulations. If our subsidiaries are prevented from distributing funds to us, we may be unable to pay all the principal and interest on the notes when due.

We have made only limited covenants in the indenture governing the notes and these limited covenants may not protect your investment.

The indenture governing the notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flows or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

limit our subsidiaries' ability to incur indebtedness which would effectively rank senior to the notes;

limit our ability to incur indebtedness that is equal in right of payment to the notes; or

restrict our ability to make investments or to pay distributions or make other payments in respect of our common units or other securities ranking junior to the notes.

The indenture also permits us and our subsidiaries to incur additional indebtedness, including secured indebtedness, that could effectively rank senior to the notes, and to engage in sale-leaseback arrangements, subject to certain limitations. Any of these actions could adversely affect our ability to make principal and interest payments on the notes.

If we were treated as a corporation for federal income tax purposes or subject to a material amount of entity-level taxation for state tax purposes, then our cash available for payment on the notes would be substantially reduced.

In order for us to avoid paying U.S. federal income tax at the entity level, we must qualify for treatment as a partnership, rather than a corporation, for U.S. federal income tax purposes. Current law may change so as to cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to entity-level taxation. For example, the Obama Administration's budget proposal for fiscal year 2016 recommends that certain publicly traded partnerships earning income from activities related to fossil fuels be taxed as corporations beginning in 2021. From time to time, members of the U.S. Congress propose and consider substantive changes to the federal income tax laws that affect publicly traded partnerships, including us. We are unable to predict whether such changes will occur. Any modification to the federal income tax law and interpretations thereof may or may not be applied retroactively.

If we were treated as a corporation for U.S. federal income tax purposes, we would pay U.S. federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. If we were to pay tax on our taxable income, the cash available for payment on the notes would be substantially reduced, which would result in a material reduction in our anticipated cash flows and could cause a reduction in the value of the notes.

In addition, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Any such changes could negatively impact the amount of cash available for payments on the notes and on our other debt obligations.

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Our ratio of earnings to fixed charges for each of the periods indicated is as follows:

Year Ended December 31,				
2010	2011	2012	2013	2014
2.3x	2.4x	2.4x	2.8x	5.2x

For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations before income or loss from equity investees, adjusted to reflect distributed income from equity investments, and fixed charges, less capitalized interest. Fixed charges consist of interest costs, amortization of debt discount, premiums and issuance costs and the representative interest portion of operating leases.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$ million, after deducting underwriting discount and commissions and estimated offering expenses. We intend to use the net proceeds of this offering to repay approximately \$ million of our outstanding commercial paper, to fund capital expenditures and for general partnership purposes.

As of March 4, 2015, the outstanding balance under our commercial paper program was \$1,034 million. The weighted average interest rate and maturity of such commercial paper as of March 4, 2015 was 0.52% and 5 days, respectively.

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The following table sets forth our cash and cash equivalents, other investments and capitalization (including short-term borrowings) as of December 31, 2014 on:

a historical basis; and

an as adjusted basis to reflect the sale of the notes offered hereby.

You should read our financial statements and notes that are incorporated by reference into this prospectus supplement and the accompanying base prospectus for additional information about our capital structure.

	As of December 31, 2014	
	Historical	As Adjusted
Cash and cash equivalents	\$ 140	\$
Other investments (1)		
Commercial paper	\$ 907	\$
Spectra Energy Partners long-term debt, including current maturities:		
2.95% senior notes due 2016	250	250
4.60% senior notes due 2021	250	250
2.95% senior notes due 2018	500	500
4.75% senior notes due 2024	1,000	1,000
5.95% senior notes due 2043	400	400
Variable-rate senior term loan due 2018	400	400
% senior notes due 20 offered hereby		
% senior notes due 20 offered hereby		
Subsidiary long-term debt, including current maturities:		
Texas Eastern 6.0% senior notes due 2017	400	400
Texas Eastern 7.0% senior notes due 2032	450	450
Texas Eastern 4.125% senior notes due 2020	300	300
Texas Eastern 2.8% senior notes due 2022	500	500
Algonquin 3.51% senior notes due 2024	350	350
Express-Platte 6.09% senior secured notes due 2020	110	110
Express-Platte 7.39% subordinated secured notes due 2019	74	74
East Tennessee 3.10% senior notes due 2024	200	200
Change in fair value of debt hedged	4	4
Unamortized debt discount and premium, net	(3)	
Total debt	6,092	
Partners capital:		
Limited partner units	10,474	10,474

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General partner units	284	284
Accumulated other comprehensive loss	(20)	(20)
Total partners' capital excluding noncontrolling interests	10,738	10,738
Noncontrolling interests	268	268
Total partners' capital	11,006	11,006
Total capitalization	\$ 17,098	\$

- (1) Represents cash or short-term securities, including net proceeds from this offering, held solely for funding future capital expenditures.

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DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this Description of Notes under Certain Definitions. In this Description of Notes, the term Partnership, us, our or we refers only to Spectra Energy Partners, LP and not to its Subsidiaries.

We will issue the notes under an indenture (the Base Indenture), dated June 9, 2011, between us and Wells Fargo Bank, National Association, as trustee, as supplemented by a supplemental indenture, to be dated as of the closing date, establishing the form and terms of the notes (the Supplemental Indenture and, together with the Base Indenture, the Indenture). Our 2.95% Senior Notes due 2016, 2.95% Senior Notes due 2018, 4.0% Senior Notes due 2021, 4.75% Senior Notes due 2024 and 5.95% Senior Notes due 2043 are currently outstanding under the Base Indenture.

The following description of the particular terms of the notes supplements the general description of the debt securities of the Partnership included in the accompanying prospectus under the caption Description of Debt Securities. The notes offered hereby will constitute senior debt securities of the Partnership, as described herein and therein. You should review this Description of Notes together with the Description of Debt Securities included in the accompanying prospectus. To the extent that this Description of Notes is inconsistent with the Description of Debt Securities in the accompanying prospectus, this Description of Notes will control and replace the inconsistent Description of Debt Securities in the accompanying prospectus.

We have summarized some of the material provisions of the notes and the Indenture below. The summary supplements the description of additional material provisions in the accompanying prospectus that may be important to you. We also urge you to read the Indenture because it, and not this Description of Notes , defines your rights as a holder of notes. You may request copies of the Indenture from us as set forth under Information Incorporated by Reference. Capitalized terms defined in the accompanying prospectus and the Indenture have the same meanings when used in this prospectus supplement. The terms of the notes include those expressly set forth in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended.

The registered holder of a note will be treated as the owner of the note for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes

The notes will be:

our senior unsecured obligations, ranking equally in right of payment with all of our existing and future senior indebtedness, including indebtedness under our revolving credit agreement;

senior in right of payment to any of our future subordinated indebtedness;

effectively junior to all of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and

structurally junior to all indebtedness and other liabilities of each Subsidiary of the Partnership. As of December 31, 2014, our consolidated indebtedness was \$6,092 million, and after giving effect to this offering, our consolidated indebtedness as of that date would have been \$ million. As of December 31, 2014, our Subsidiaries had outstanding indebtedness of \$2,384 million.

Further Issuances

We may, from time to time, without notice to or the consent of the holders of the notes or the trustee, increase the principal amount of a series of notes by issuing additional notes of that series, in which case any additional notes so issued will have the same interest rate, maturity and other terms (other than the date of issuance and, under certain circumstances, the date from which interest thereon will begin to accrue and the initial interest payment

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date), and will carry the same right to receive accrued and unpaid interest, as the notes of that series that were previously issued, and such additional notes will form a single series with such notes for all purposes under the Indenture.

Principal, Maturity and Interest

We will issue the notes in an initial aggregate principal amount of \$ _____ billion, consisting of \$ _____ of our 20 _____ notes and \$ _____ of our 20 _____ notes. The 20 _____ notes will mature on _____, 20 _____ and will bear interest at the annual rate of _____%. The 20 _____ notes will mature on _____, 20 _____ and will bear interest at the annual rate of _____%.

Interest on the notes will accrue from _____, 2015 and will be payable semi-annually in arrears on _____ and _____ of each year, commencing on _____, 2015. We will make each interest payment to the holders of record at the close of business on the _____ and _____ preceding such interest payment date (whether or not a business day). Interest will be computed and paid on the basis of a 360-day year consisting of twelve 30-day months.

Form, Denomination and Registration of Notes

The notes will be issued in registered form, without interest coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will be represented by one or more global notes, as described below under Book-Entry, Delivery and Settlement.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the Indenture. No service charge will be imposed in connection with any transfer or exchange of any note, but we, the registrar and the trustee may require such holder, among other things, to furnish appropriate endorsements and transfer documents, and we may require such holder to pay any taxes, fees or other governmental charges that may be imposed in relation thereto. We are not required to transfer or exchange any notes selected for redemption. Also, we are not required to transfer or exchange any notes in respect of which a notice of redemption has been given or for a period of 15 days before any mailing of notice of redemption.

Paying Agent and Registrar

The trustee will initially act as paying agent and registrar for the notes. We may change the paying agent or registrar without prior notice to the holders of the notes; *provided, however*, that we will be required to maintain at all times an office or agency in New York, New York (which initially will be the office of the trustee at 150 East 42nd Street, New York, New York 10017) where the notes may be presented for payment as well as an office or agency (which initially will be the office of the trustee at 750 N. Saint Paul Place, Suite 1750, Dallas, Texas 75201) where notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon us in respect of the notes and the Indenture may be served. We may also from time to time designate one or more additional offices or agencies where the notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations.

Optional Redemption

If we elect to redeem (i) the 20 _____ notes before the date that is _____ months prior to the maturity date or (ii) the 20 _____ notes before the date that is _____ months prior to the maturity date, we will pay an amount equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the remaining

scheduled payments of principal and interest on such notes (exclusive of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus basis points, in the case of the 20 notes, and basis points, in the case of the 20 notes, in each case plus accrued and unpaid interest, if any, on the principal amount being redeemed to such redemption date. If we elect to redeem a series of notes on or after the

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applicable date described in the first sentence of this paragraph, we will pay an amount equal to 100% of the principal amount of the notes redeemed plus accrued interest on the notes redeemed to the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the applicable series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes; *provided, however*, that if no maturity is within three months before or after the maturity date for such notes, yields for the two published maturities most closely corresponding to such United States Treasury security will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis rounding to the nearest month.

Comparable Treasury Price means, with respect to any redemption date for notes, (1) the average of four Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest of all of the Reference Treasury Dealer Quotations or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Quotation Agent means the Reference Treasury Dealer appointed by us.

Reference Treasury Dealer means (i) J.P. Morgan Securities LLC and its successors; (ii) Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors; (iii) one U.S. government securities dealer in New York, New York (a Primary Treasury Dealer) selected by SunTrust Robinson Humphrey, Inc. and its successors; and (iv) one Primary Treasury Dealer selected by us; *provided, however*, that if any such Person shall cease to be a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding the redemption date.

Treasury Rate means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. We will calculate the Treasury Rate on the third business day preceding any redemption date and notify the trustee in writing of the Treasury Rate prior to the redemption.

Redemption Procedures

If fewer than all of the notes of a series are to be redeemed at any time, such notes will be selected for redemption not more than 60 days prior to the redemption date and such selection will be made by the trustee on a *pro rata* basis, by lot or by such other method as the trustee deems appropriate (or, in the case of notes represented by a note in global form, by such method as DTC may require); *provided*, that no partial redemption of any note will occur if such redemption would reduce the principal amount of such note to less than \$2,000. Notices of redemption with respect to the notes shall be mailed at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address; *provided, however*, that such notice may be given more than 60 days prior to the redemption date if the notice is given in connection with a satisfaction and discharge of the Indenture with respect to the notes as described in the accompanying prospectus under Description of Debt Securities Satisfaction and Discharge.

If any note is to be redeemed in part only, the notice of redemption that relates to such note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon surrender of the original note. Notes called for

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redemption shall become due on the date fixed for redemption. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions of the notes called for redemption.

Open Market Purchases; No Mandatory Redemption or Sinking Fund

We may at any time and from time to time repurchase notes in the open market or otherwise, in each case without any restriction under the Indenture. We are not required to make mandatory redemption or sinking fund payments with respect to the notes.

Certain Covenants

The Indenture provides for the following covenants:

Limitation on Liens. While any of the notes remain outstanding, the Partnership will not, and will not permit any of its Principal Subsidiaries to, create, or permit to be created or to exist, any Lien upon any Principal Property of the Partnership or any of its Principal Subsidiaries, or upon any equity interests of any Principal Subsidiary, whether such Principal Property is, or equity interests are, owned on or acquired after the date of the Indenture, to secure any Debt, unless the notes then outstanding are equally and ratably secured by such Lien for so long as any such Debt is so secured, other than:

(1) purchase money mortgages, or other purchase money Liens of any kind upon property acquired by the Partnership or any Principal Subsidiary after the date of the Indenture, or Liens of any kind existing on any property or any equity interests at the time of the acquisition thereof (including Liens that exist on any property or any equity interests of a Person that is consolidated with or merged with or into the Partnership or any Principal Subsidiary or that transfers or leases all or substantially all of its properties or assets to the Partnership or any Principal Subsidiary), or conditional sales agreements or other title retention agreements and leases in the nature of title retention agreements with respect to any property hereafter acquired, so long as no such Lien shall extend to or