

BY EMAIL and USPS Priority Mail

October 28, 2015

Ms. Patricia M. Rice  
Vice President and Corporate Secretary  
Spectra Energy Corp  
5400 Westheimer Court  
Houston, TX 77056  
trice@spectraenergy.com

Dear Ms. Rice:

The Unitarian Universalist Association, a holder of 9,087 shares of Spectra Energy Corp., is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. We urge the Board to authorize the preparation of a report, to be updated annually, disclosing company policy and procedures concerning lobbying.

The Unitarian Universalist Association (“UUA”) is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$171 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company’s common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders’ meeting.



Timothy Brennan  
Treasurer and  
Chief Financial Officer

Verification that we are beneficial owners of the requisite shares of Spectra Energy Corp. is enclosed. If you have questions or wish to discuss the proposal, please contact me at (617) 948-4305 or [tbrennan@uua.org](mailto:tbrennan@uua.org).

Yours very truly,



Timothy Brennan

Enclosure: Shareholder resolution on lobbying disclosure  
Proof of ownership

**Whereas**, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether our company's lobbying is consistent with Spectra Energy's expressed goals and in the best interests of shareholders.

**Resolved**, the shareholders of Spectra Energy request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Spectra Energy used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Spectra Energy's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Spectra Energy is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. Neither "lobbying" nor "grassroots lobbying communications" include efforts to participate or intervene in any political campaign or to influence the general public or any segment thereof with respect to an election or referendum.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Spectra Energy's website.

### **Supporting Statement**

We encourage transparency in Spectra Energy's use of corporate funds to influence legislation and regulation. Spectra Energy spent \$2.64 million in 2013 and 2014 on federal lobbying (opensecrets.org). These figures do not include lobbying expenditures to influence legislation in states, where Spectra Energy also lobbies but disclosure is uneven or absent. For example, Spectra Energy spent \$591,370 million lobbying in New York for 2014 (<http://jcope.ny.gov/>). Spectra Energy's lobbying on pipelines has attracted press attention ("Proposed Natural Gas Pipeline in Pennsylvania, New Jersey Touches off Debate," *Associated Press*, Oct. 3, 2015).

Spectra Energy lists memberships in the American Petroleum Institute and Interstate Natural Gas Association, which together spent over \$21 million on lobbying for 2013 and 2014. Spectra Energy does not disclose its payments to trade associations, or the amounts used for lobbying. Transparent reporting would reveal whether company assets are being used for objectives contrary to Spectra Energy's long-term interests.

And Spectra Energy does not disclose membership in tax-exempt organizations that write and endorse model legislation, such as its support for the American Legislative Exchange Council (ALEC). Spectra Energy's ALEC membership has drawn media scrutiny ("ALEC Sharpens Attack on Environmental Safeguards," *Huffington Post*, Dec. 22, 2014). Over 100 companies have publicly left ALEC, including BP, ConocoPhillips, Entergy, PG&E, Shell and Xcel Energy.