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**Questions and
Answers
for Stockholders of
Spectra Energy**

Spectra Energy

QUESTIONS & ANSWERS

1. What is enclosed in this package?

We are sending you the shares of Spectra Energy that Duke Energy distributed to you as part of the spin-off of its natural gas businesses. Your shares are held in “book entry” or “Direct Registration” form on the record of our transfer agent, The Bank of New York. Included in this mailing is an advice form showing your ownership of our common stock. No stock certificates are being distributed and you do not need to request a certificate in order to maintain your ownership in Spectra Energy Corp.

2. How many Spectra Energy shares did Duke Energy distribute to me?

You received ONE HALF of a share of Spectra Energy common stock for each share of Duke Energy common stock you owned on the record date for the distribution. Duke Energy did not distribute partial or “fractional” shares. Instead, the fractional shares that otherwise would have been distributed to Duke Energy holders of record were aggregated and sold in the public market. The Bank of New York arranged the sale and will send you a check for your share of the proceeds of this sale in about one week.

3. What is the ticker symbol for Spectra Energy common stock?

The ticker symbol for Spectra Energy common stock is “SE”. The common stock is listed on the New York Stock Exchange.

4. What is the tax treatment of the spin-off?

Please consult the Tax Information included in this mailing for information about the tax consequences of the spin-off, including your receipt of cash in lieu of any fractional shares of Spectra Energy common stock.

5. What is Direct Registration?

Direct Registration (DRS) is a service provided by The Bank of New York that allows shares to be owned and tracked electronically without having a stock certificate issued.

Direct Registration means that instead of receiving a paper stock certificate to represent your Spectra Energy shares, your shares are held in your name and tracked electronically (in book-entry form) on the records of The Bank of New York, transfer agent for Spectra Energy. You retain full ownership of your shares as well as all of the traditional voting rights and privileges of being a stockholder.

6. Why did I receive shares in Direct Registration form?

We believe “direct registration” is more convenient than physical stock certificates because:

- If you lose your advice form, it can be replaced without the inconvenience and expense associated with replacing a physical stock certificate.
- Using the Direct Registration System, you can easily arrange to move your shares to your broker.
- You may be able to coordinate the movement of your shares more easily if you wish to execute a sale or transfer.

In addition, the Direct Registration System saves Spectra Energy money because it is more expensive to print and mail physical stock certificates.

7. How can I obtain a physical stock certificate(s)?

You don't need to hold a physical stock certificate and we hope that you will find the Direct Registration System more convenient than physical stock certificates. If, however, you would like to receive a physical stock certificate(s), you should tear off the detachable stub from the advice form, check the appropriate box to request a certificate, sign the request form and mail it to The Bank of New York. Alternatively, you may request a certificate by either logging on to The Bank of New York's website or by calling (866) 406-6840 or if outside the U.S. or Canada, call (212) 815-3700. You should expect to receive your certificate(s) 7-10 business days from the day The Bank of New York receives your request.

8. How do I transfer DRS shares?

The requirements for transferring DRS shares are the same as for shares represented by a certificate except that with DRS, there is no certificate to surrender. In order to transfer your Spectra Energy DRS shares, you will need to complete a Transfer Instruction Package. Visit The Bank of New York's Stock Transfer website at www.stockbny.com to download the form or call The Bank of New York toll-free at 1-866-406-6840 to request one. Remember, prior to submitting a transfer request, you must obtain a Medallion Guarantee for any transfer of shares. A Medallion Guarantee ensures that the individual signing the request for transfer is the owner, or authorized representative of the owner, of the shares to be transferred. A Medallion Guarantee can be obtained from a participating financial institution, including banks and brokerage firms.

9. How do I deliver my DRS shares to my broker/dealer

DRS allows you to authorize your broker/dealer to send an electronic instruction to The Bank of New York to debit DRS shares from your account and deliver them electronically to your account with your broker/dealer. To effect such transactions, your broker/dealer will need to include the following information, most of which can be found on your advice form: your DRS account number, your social security number or taxpayer ID number, the name on your DRS account and the number of DRS shares to be delivered. The Bank of New York will honor such requests from any broker/dealer participating in DRS. While a broker/dealer should have your authorization to debit such shares from your DRS account, The Bank of New York will have no way of verifying that you actually authorized the transaction because the instruction will come directly from the broker/dealer.

10. Will Spectra Energy have a Stock Purchase and Dividend Reinvestment Plan (the "Plan")?

Yes. You may enroll in the Spectra Energy Stock Purchase and Dividend Reinvestment Plan (the "Plan"), administered by The Bank of New York, after reviewing a Plan prospectus that will be delivered to you shortly and completing the enrollment form. *Even if you owned shares in the Duke Energy Investor Direct Choice Plan, you must still complete, sign, and return the enrollment form if you wish your shares to be in the Spectra Plan.* The plan will permit you to buy and sell shares of Spectra Energy common stock and reinvest your dividends if you choose. Participation in the plan is voluntary.

Contacting The Transfer Agent

The Bank of New York is the Transfer Agent and Registrar for Spectra Energy. You may contact The Bank of New York using the following methods:

- Call The Bank of New York's toll-free number:
1-866-406-6840
- Send email to: shareowners@bankofny.com
- To contact The Bank of New York in writing:

Spectra Energy
c/o The Bank of New York
Investor Service Department
P.O. Box 11258
New York, NY 10286-1258

Questions?

For more information about your Spectra Energy account, please contact The Bank of New York by telephone:

Toll-free:	1-866-406-6840
For International callers:	1-212-815-3700

<http://www.stockbny.com>

To access The Bank of New York's stock transfer website:

Log onto: <http://stockbny.com>

Using this website, you can view:

- Your account balance
- Execute transactions
- Transaction history
- Extensive Q & A
- Transfer instructions
- Frequently used forms

On-Line account Access

- ◆ First time users will have to enter their social security or taxpayer ID when prompted in order to establish a PIN.

NOTE: Your PIN will be sent to your email address. Once you receive your PIN you will be able to access your account.

- ◆ Upon receiving and entering your new PIN, you will be prompted to change it for security reasons. Please keep your new PIN in a safe place for future account access.



Stockholder Service Interactive Voice Response System

The Bank of New York's Interactive Voice Response (IVR) system is an easy way to verify account information and execute transactions. Follow this simple telephone keypad guide to expedite your inquiry.

General Instructions: Dial The Bank of New York toll-free at 1-866-406-6840, then enter your social security number or taxpayer ID when prompted. If your account does not participate in the Stock Purchase and Dividend Reinvestment Plan, some options/features may not be offered. The IVR is not available to callers from outside the U.S. or Canada. Please call 1-212-815-3700 to speak to a representative.

1 Account Information

- 1 Account balance & history
- 2 Check status
- 3 Replace 1099 tax forms

2 Executing Transactions

- 1 Sell shares**
- 2 Request certificate(s)

3 General Information

- 1 Enrollment packages
- 2 Transfer instructions
- 3 Instructions to replace lost certificate(s)

Press the # key at any time to repeat information

*** Press the * key at any time to return to the main menu**

0 Press the 0 at any time to speak to a Customer Service Representative

** Account number required.
The system will give you a confirmation number once the transaction is accepted.



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