

Spectra Energy Corp.
Form 11-K
June 29, 2009
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Years Ended December 31, 2008 and 2007

of

SPECTRA ENERGY RETIREMENT SAVINGS PLAN

Commission File Number 1-33007

Issuer of Securities held pursuant to the Plan is

SPECTRA ENERGY CORP

5400 Westheimer Court

Houston, Texas 77056

SPECTRA ENERGY

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RETIREMENT SAVINGS PLAN

Financial Statements as of and for the years ended December 31, 2008 and 2007,

Supplemental Schedules as of and for the year ended December 31, 2008, and

Report of Independent Registered Public Accounting Firm

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RETIREMENT SAVINGS PLAN
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NOTE: All other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of

Spectra Energy Retirement Savings Plan

Houston, Texas

We have audited the accompanying statements of net assets available for benefits of Spectra Energy Retirement Savings Plan (the Plan) as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets (held at end of year) as of December 31, 2008, and (2) transactions in excess of five percent of the current value of Plan assets for the year ended December 31, 2008, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2008 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Houston, Texas

June 29, 2009

Table of Contents**SPECTRA ENERGY****RETIREMENT SAVINGS PLAN****Statements of Net Assets Available for Benefits**

as of December 31, 2008 and 2007

| (in thousands) | 2008 | 2007 |
|------------------------------------------|-------------------|-------------------|
| ASSETS: | | |
| Cash | \$ 1,868 | \$ |
| Investments at fair value: | | |
| Participant-directed investments | 159,839 | 251,729 |
| Nonparticipant-directed investments | 190,367 | 283,067 |
| Total investments | 350,206 | 534,796 |
| Receivables: | | |
| Due from broker for securities sold | 11,229 | 13 |
| Accrued interest and dividends | 804 | 375 |
| Total assets | 364,107 | 535,184 |
| LIABILITIES: | | |
| Due to broker for securities purchased | 2,669 | 11 |
| Other payables | | 256 |
| Total liabilities | 2,669 | 267 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 361,438 | \$ 534,917 |

See notes to financial statements.

Table of Contents**SPECTRA ENERGY****RETIREMENT SAVINGS PLAN****Statement of Changes in Net Assets Available for Benefits****for the Year Ended December 31, 2008****(in thousands)**

| | |
|-----------------------------------------------|-------------------|
| Investment income (loss): | |
| Net depreciation in fair value of investments | \$ (153,833) |
| Dividends | 13,086 |
| Interest | 573 |
| Total investment loss | (140,174) |
| Contributions: | |
| Participant contributions | 15,795 |
| Employer contributions | 10,124 |
| Rollover contributions | 816 |
| Total contributions | 26,735 |
| Benefits paid to participants | 60,026 |
| Administrative expenses | 14 |
| Total deductions | 60,040 |
| DECREASE IN NET ASSETS | (173,479) |
| NET ASSETS AVAILABLE FOR BENEFITS: | |
| Beginning of year | 534,917 |
| End of year | \$ 361,438 |

See notes to financial statements.

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SPECTRA ENERGY

RETIREMENT SAVINGS PLAN

Notes to Financial Statements

as of December 31, 2008 and 2007 and for the Year Ended December 31, 2008

1. Description of the Plan

The following description of the Spectra Energy Retirement Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

Effective with the separation from Duke Energy Corporation (Duke Energy) on January 2, 2007, Spectra Energy Corp (the Company or Spectra Energy) established the Plan for the benefit of its employees. Benefits provided are substantially the same as those previously provided by the Duke Energy Retirement Savings Plan (the Duke RSP). The accounts of participants who were in the Duke RSP on December 31, 2006, and who became employees of the Company on January 2, 2007, were transferred to the Plan in 2007.

The U.S. Large Cap Growth Equity Fund, which was managed by Alliance Bernstein during 2008 was sold in December 2008. In January 2009, the participant balances impacted by the sale, were wholly invested in the Citigroup Institutional Trust Company Large Cap Growth Equity Fund managed by Rainier Investment Management. Participants were notified of sale and investment transfer prior to transaction date. The receivable for the sale of such securities at December 31, 2008 is \$11,229,015.

Participation and Purpose

The Plan is sponsored by Spectra Energy. Spectra Energy and each of its affiliated companies that is at least 80% owned and that participate in the Plan are collectively referred to as Participating Companies .

The purpose of the Plan is to provide an opportunity for eligible employees to enhance their long-range financial security through employee contributions, matching contributions from Participating Companies, and investment among certain investment funds, one of which provides an investment interest in Spectra Energy common stock. This is a defined contribution plan with an Employee Stock Ownership Plan (ESOP) feature and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Generally, employees of Participating Companies are eligible to enter and participate in the Plan if they 1) have attained the age of eighteen, and 2) are paid on the Participating Companies' U.S. payroll system.

Contributions

Participants may authorize payroll deductions from eligible earnings in the form of before-tax deferrals and/or after-tax deferrals. Participants may elect to contribute (subject to certain limitations) up to 75% of eligible earnings per pay period without regard to years of service. Various provisions of the Internal Revenue Code (IRC) may limit the deferrals of some highly compensated employees. The Plan is required to return contributions received during the Plan year in excess of IRC limits. All deferrals are exempt, up to the allowed maximum, from federal and state income tax withholding in the year they are deferred, but are subject to payroll taxes. Participant deferrals are intended to satisfy the requirements of Section 401(k) of the IRC. Participating Companies contribute (subject to certain limitations) an amount equal to 100% of before-tax contributions, excluding catch-up contributions, of up to 6% of eligible pay per pay period. Participant after-tax contributions and matching contributions are intended to satisfy the requirements of Section 401(m) of the IRC.

In 2008, the Plan was amended to provide that employees who are eligible to make before-tax deferrals under the plan and who have attained age 50 before the close of the Plan year shall be eligible to make catch-up contributions, in accordance with, and subject to certain limitations.

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For the ESOP portion of the Plan, matching contributions shall be invested in the Spectra Energy Company Stock Fund and shall thereafter be subject to participant direction. The Employer may contribute the matching contribution in company stock, valued as determined in accordance with procedures established by Fidelity Management Trust Company (Fidelity), the Plan Administrator and Trustee.

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Rollover Contributions to the Plan

Rollover contributions represent amounts recorded when participants elect to contribute amounts to their Plan accounts from other eligible, tax-qualified retirement plans or qualified individual retirement accounts. Rollover contributions of \$815,875 were made to the Plan in 2008.

Investments

Subject to limitations discussed below, participants may invest their Plan accounts in any or all of the investment funds offered in the Plan.

Participants under the Duke RSP who were transferred into the Plan may have a portion of their account invested in Duke Energy Common Stock Fund (prior ESOP account). However, no new amounts may be invested in this fund. The Duke Energy Common Stock Fund will no longer be available under the Plan, effective December 31, 2009. Matching contributions will initially be invested in the Spectra Energy Common Stock Fund; however, participants may transfer all or a portion of the matching contributions out of the Spectra Energy Common Stock Fund into any other fund as early as the next business day.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, Company contributions, and Plan earnings, and charged with benefit payments and allocations of Plan losses. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The selection from available investment funds is the sole responsibility of each participant.

Vesting and Payment of Benefits

Participants are 100% vested in their Plan accounts. Participants may elect to receive certain distributions from their Plan accounts during continuation of employment. The Plan provides for several different types of in-service withdrawals, including hardship and age 59 1/2 withdrawals. A hardship distribution must comply with Section 401(k) of the IRC.

On termination of employment for any reason, participants (or if deceased, their beneficiaries) may request the distribution of the balance of their Plan accounts. Distributions are made as soon as practicable after the occasion for the distribution, except that participants may elect that a distribution be delayed until no later than April 1 of the calendar year following the calendar year in which they attain age 70 1/2. A beneficiary of a deceased participant may elect that a distribution be delayed for up to one year following the date of death.

Participant Loans

Participants may borrow, with some limitations, from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of (i) \$50,000 minus the highest outstanding loan balance during the 12-month period prior to the new loan, or (ii) 50% of their account balances. Loan terms range up to 58 months or up to 15 years for the purchase of a primary residence. The loan is secured by the balance in the participant's Plan account and bears interest at a rate of 1% more than the prime interest rate in effect at the issuance of the loan, as determined by the Spectra Energy Benefits Committee. Principal and interest is paid ratably through payroll deductions. Loan receipts will be reinvested based on the participant's investment election for employee contributions at the time of repayment.

As amended in 2008, loans shall be available to each eligible employee who is actively employed by the Company, and whose balance in his account totals at least \$2,000; provided, however, that (1) if the eligible employee had a prior loan under the Plan that has been paid in full, the final payment on such loan was made at least seven days prior to the effective date of the new loan, and (2) any amounts in the prior ESOP account shall not be liquidated to fund such loan.

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2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Shares of registered investment funds are valued at quoted market prices, which represent the net assets value of shares held by the Plan at year end. Investments in common collective investment trust funds and separately managed funds (funds) are stated at fair values, which have been determined based on the unit values of the funds. Unit values are determined by the organization sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at each valuation date. Spectra Energy common stock and Duke Energy common stock are valued at quoted market prices. Money market funds are valued at cost, which approximates fair value. Participant loans are valued at the outstanding loan balance, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the common trust funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Administrative Expenses

Administrative expenses of the Plan are paid by the Plan or the Plan's Sponsor as provided in the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution

New Accounting Pronouncements

The financial statements reflect the adoption of FASB Statement 157, Fair Value Statement No. 157, Fair Value Measurements, as of the beginning of the year ended December 31, 2008. FASB Statement No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The effect of the adoption of FASB Statement No. 157 had no impact on the statement of net assets available for benefits and statement of changes in net assets available for benefits.

Table of Contents**3. Investments**

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2008 and 2007 are as follows (in thousands):

| | 2008 | | 2007 | |
|----------------------------------------------------|------------|---------------------|------------|---------------------|
| | | Equivalent Units | | Equivalent Units |
| Spectra Energy Corp Common Stock Fund** | \$ 124,764 | 14,934 | \$ 154,861 | 11,380 |
| Duke Energy Corp Common Stock Fund** | 63,400 | 8,049 | 128,206 | 12,076 |
| State Street Short Term Investment Fund | * | * | 65,150 | 43,168 |
| Barclay's Global Investors Russell 1000 Value Fund | * | * | 32,810 | 1,964 |
| Barclay's Global Investors Equity Index Fund | * | * | 28,322 | 562 |
| PIMCO Total Return Fund | 24,448 | 2,411 | * | * |
| Vanguard Prime Money Market Fund | 51,998 | 51,998 | * | * |

* Less than 5% at respective year-end.

** Nonparticipant-directed

During the year ended 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows (in thousands):

| | 2008 |
|--------------------------------------------------------|---------------------|
| Common stock funds | \$ (97,350) |
| Common collective trust funds: | |
| Equity funds | (30,848) |
| Balanced funds | (4,857) |
| Registered investment fund | (1,318) |
| Separately managed funds equity | (19,460) |
| Total depreciation in fair value of investments | \$ (153,833) |

4. Nonparticipant-directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows (in thousands) as of December 31, 2008 and 2007, and for the year ended December 31, 2008. The Spectra Energy Common stock fund and the Duke Energy Common stock fund are considered to be nonparticipant-directed for purposes of this disclosure as the participant-directed and nonparticipant-directed amounts cannot be separately determined.

| | 2008 | 2007 |
|----------------------------------|-------------------|-------------------|
| Net Assets: | | |
| Spectra Energy Corp Common Stock | \$ 124,764 | \$ 154,861 |
| Duke Energy Corp Common Stock | 63,400 | 128,206 |
| Interest bearing cash | 2,203 | |
| Accrued interest and dividends | 638 | 16 |
| Other payables | (1,849) | |
| Net assets | \$ 189,156 | \$ 283,083 |

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| | 2008 |
|-------------------------------------------------|-----------------|
| Changes in Net Assets: | |
| Net depreciation in fair value of investments | \$ (97,350) |
| Contributions | 16,554 |
| Dividends | 9,119 |
| Interest | 319 |
| Loan repayment | 1,640 |
| Loan issuances | (1,990) |
| Transfers from participant-directed investments | 229,062 |
| Transfers to participant-directed investments | (222,522) |
| Administrative expenses | (10) |
| Distributions to participants | (28,749) |
| Changes in net assets | \$ (93,927) |

5. Related Party Transactions

Participants typically receive distributions in cash, however, they may elect to receive the amount that is invested in the Spectra Energy Corp Common Stock Fund and/or the Duke Energy Corp Common Stock Fund as of the date of distribution in whole shares or Spectra Energy Corp common stock or Duke Energy Corp common stock, as applicable, and cash for any fractional shares. In kind distributions qualify as related party transactions. For the year ended December 31, 2008, in kind distributions were \$7,338,301 for Spectra Energy Corp common stock and \$10,776,548 for Duke Energy Corp common stock.

6. Exempt Party-in-Interest Transactions

Fidelity is the trustee as defined by the Plan and, therefore, transactions with Fidelity and the funds they manage qualify as party-in-interest transactions. Investment management fees and operating fees paid by the Plan were included as a reduction of the return earned on each fund. Administrative fees paid by the Plan were \$14,350 for the year ended December 31, 2008.

Included in the Plan's investments are shares of common stock of Spectra Energy, the Plan's sponsor. Transactions in shares of Spectra Energy common stock qualify as party-in-interest transactions. At December 31, 2008 and 2007, the Plan held 7,926,567 and 5,936,176 shares, respectively, which equates to 14,934,207 and 11,379,803 equivalent units, respectively, under the Plan's unitized recordkeeping approach, of Spectra Energy stock with a cost basis of \$166,364,078 and \$160,765,550, respectively. During the years ended December 31, 2008 and 2007, the Plan recorded related dividend income of approximately \$4,346,519 and \$5,263,299, respectively.

7. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their accounts.

8. Federal Income Tax Status

The Plan has applied for but has not received a determination letter from the Internal Revenue Service. During the year ended December 31, 2008, the Plan experienced operational errors. In order to prevent the Plan from incurring a qualification defect, the Plan's management will take necessary corrective actions. As a result, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

Table of Contents**9. Fair Value Measurements**

In accordance with FASB Statement No. 157, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. As required by FASB Statement No. 157, investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table sets forth by level within the fair value hierarchy a summary of the Plan's investments at fair value on a recurring basis at December 31, 2008.

Fair Value Measurements at December 31, 2008 (in thousands), Using

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|------------|
| Interest bearing cash | \$ 3,761 | | | \$ 3,761 |
| PIMCO Total Return Fund Institutional Class | 24,448 | | | 24,448 |
| Vanguard Prime Money Market Institutional Shares | 51,998 | | | 51,998 |
| State Street Global Advisory-Conservative Balanced Fund | | \$ 5,381 | | 5,381 |
| State Street Global Advisory-Moderate Balanced Fund | | 6,072 | | 6,072 |
| State Street Global Advisory-Aggressive Balanced Fund | | 5,511 | | 5,511 |
| Capital Guardian International Equity Fund | | 11,544 | | 11,544 |
| Barclay's Global Investors Russell 1000 Value Fund | | 17,960 | | 17,960 |
| Barclay's Global Investors Equity Index Fund | | 16,258 | | 16,258 |
| Duke Energy Corp Stock | | 63,400 | | 63,400 |
| Spectra Energy Corp Stock | | 124,764 | | 124,764 |
| US Small Cap Equity Fund | | 12,066 | | 12,066 |
| Participant Loans | | | \$ 7,043 | 7,043 |
| Total | \$ 80,207 | \$ 262,956 | \$ 7,043 | \$ 350,206 |

Fair Value Measurements Using**Significant Unobservable Inputs (Level 3)**

| | Participant Loans |
|-----------------------------------|-------------------|
| Beginning Balance January 1, 2008 | \$ 6,787 |
| Issuances and settlements (net) | 256 |
| Ending Balance December 31, 2008 | 7,043 |

Table of Contents**Spectra Energy****Retirement Savings Plan****Form 5500, Schedule H, Line 4i-Schedule of Assets (Held at End of Year)****as of December 31, 2008****(in thousands)**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Description of Investment including Maturity Date, Rate of Interest, Collateral, Par or | (d) Cost | (e) Current Value |
|-----|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------|----------------------|
| | Cash Account | Interest Bearing Cash | | 3,761 |
| | Vanguard Prime Money Market Fund | Money Market Fund | ** | 51,998 |
| | PIMCO Total Return Fund | Registered Investment Fund | ** | 24,448 |
| | Common collective trust funds: | | | |
| | Capital Guardian International Equity Fund | Common Collective Trust Fund | ** | 11,544 |
| | Barclay s Global Investors Equity Index Fund | Common Collective Trust Fund | ** | 16,258 |
| | State Street Global Advisory-Conservative Balanced Fund | Common Collective Trust Fund | ** | 5,381 |
| | State Street Global Advisory-Moderate Balanced Fund | Common Collective Trust Fund | ** | 6,072 |
| | State Street Global Advisory-Aggressive Balance Fund | Common Collective Trust Fund | ** | 5,511 |
| | Barclay s Global Investors Russell 1000 Value Fund | Common Collective Trust Fund | ** | 17,960 |
| | Total common and collective trust funds | | | 62,726 |
| | Common and company stock | | | |
| * | Spectra Energy Corp | Common Stock | 166,364 | 124,764 |
| * | Duke Energy Corp | Common Stock | 55,013 | 63,400 |
| | Total common and company stock | | | 188,164 |
| | Separately Managed Fund | | | |
| | US Small Cap Equity Fund | Separately Managed Fund | ** | |
| | ACTEL CORP | | | 11 |
| | ACUITY BRANDS INC | | | 13 |
| | ADVANCED MEDICAL OPTICS INC | | | 28 |
| | AECOM TECHNOLOGY CORP | | | 224 |
| | AGL RESOURCES INC | | | 11 |
| | AIR T INC | | | 1 |
| | AIRCASTLE LTD | | | 15 |
| | ALBANY INTERNATIONAL CORP CL A | | | 27 |
| | ALBANY MOLECULAR RESEARCH INC | | | 19 |

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| ALLIANT ENERGY CORPORATION | 139 |
| ALLIANT TECHSYSTEMS INC | 97 |
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| AMCON DISTRIBUTING CO | 2 |
| AMERICAN DENTAL PARTNERS INC | 3 |
| AMERICAN FINL GROUP INC OHIO | 120 |
| AMERICAN PHYSICIANS SVCS INC | 11 |
| AMERIGROUP CORP | 41 |
| ANDERSONS INC | 21 |
| ANIKA THERAPEUTICS INC | 2 |

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| ASTORIA FINANCIAL CORP | 43 |
| ASTRO MED INC | 3 |
| ATLAS AMERICA INC | 32 |
| AVOCENT CORP | 18 |
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| BANCFIRST CORP | 35 |
| BANCO LATINO AMERICANO EX CL E | 33 |
| BANCORPSOUTH INC | 40 |
| BANK HAWAII CORP | 35 |
| BARNES & NOBLE | 24 |
| BARNWELL INDUSTRIES INC | 2 |
| BEACON ROOFING SUPPLY INC | 4 |
| BERKSHIRE HILLS BANCORP INC | 6 |
| BIG LOTS INC | 89 |
| BLACK BOX CORPORATION | 50 |
| BLACK HILLS CORP | 65 |
| BLYTH INC | 5 |
| BOB EVANS FARMS INC | 47 |
| BOK FINANCIAL COMMON NEW | 12 |
| BOSTON BEER COMPANY CL A | 20 |
| BRITTON & KOONTZ CAPITAL CORP | 4 |
| C T S CORP | 14 |
| CAI INTERNATIONAL INC | 2 |
| CALIFORNIA FIRST NATL BANCORP | 3 |
| CAL-MAINE FOODS INC | 32 |
| CARACO PHARMACEUTICAL LABS LTD | 5 |
| CARDIAC SCIENCE CORP | 14 |
| CAROLINA BANK HOLDINGS INC | 2 |
| CARVER BANCORP INC | 2 |
| CASELLA WASTE SYS INC CL A | 8 |
| CASTLEPOINT HOLDINGS LTD | 7 |
| CB RICHARD ELLIS GROUP INC A | 6 |
| CBL & ASSOCIATES PPTYS INC | 33 |
| CDI CORP | 18 |
| CEC ENTERTAINMENT INC | 13 |
| CEDAR SHOPPING CTRS INC REIT | 22 |
| CELERA CORP | 5 |
| CENTRUE FINANCIAL CORP | 2 |
| CENTURYTEL INC | 208 |
| CEPHALON INC | 4 |
| CH ENERGY GROUP INC | 6 |
| CHATTEM INC | 23 |
| CHICAGO RIVET & MACHINE CO | 2 |
| CHILDRENS PL RETAIL STORES INC | 42 |
| CHIQUITA BRANDS INTL INC | 3 |
| CHURCH & DWIGHT CO INC | 197 |

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| CITY NATIONAL CORP | 37 |
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| CODORUS VALLEY BANCORP INC | 2 |
| COHERENT INC | 47 |
| COINSTAR INC | 29 |
| COLLECTIVE BRANDS INC | 9 |
| COMMERCE BANCSHARES INC | 60 |
| COMMUNICATIONS SYS INC | 5 |
| COMMUNITY CAPITAL CORP | 2 |
| COMPUTER TASK GROUP INC | 5 |
| COMPUWARE CORP | 26 |
| CONMED CORP | 20 |
| CONSTELLATION BRANDS INC CL A | 240 |
| CONVERGYS CORP | 49 |
| COOPER COMPANIES INC | 45 |
| CORN PRODUCTS INTL INC | 140 |
| CRACKER BARREL OLD CTRY ST INC | 35 |
| CSG SYSTEMS INTL INC | 22 |
| CSP INC | 1 |
| CSS INDUSTRIES INC | 10 |
| CULLEN FROST BANKERS INC | 51 |
| CYPRESS SEMICONDUCTOR CORP | 26 |
| DARDEN RESTAURANTS INC | 10 |
| DEAN FOODS CO | 94 |
| DELTA NATURAL GAS CO. INC. | 7 |
| DELUXE CORP | 50 |
| DOLLAR FINANCIAL CORP | 7 |
| DOLLAR TREE INC | 223 |
| DYNAMICS RESEARCH CORP | 6 |
| EARTHLINK INC | 59 |
| EL PASO ELECTRIC CO | 67 |
| ELIZABETH ARDEN INC | 25 |
| EMULEX CORP | 52 |
| ENDO PHARMACEUTICALS HLDGS INC | 49 |
| ENDURANCE SPECIALTY HLDGS LTD | 36 |
| ENERGY WEST INC | 1 |
| ENPRO INDUSTRIES INC | 39 |
| ENTERTAINMENT PPTYS TR REIT | 6 |
| ESB FINANCIAL CORP | 2 |
| ESTERLINE TECHNOLOGIES CORP | 14 |
| EV3 INC | 6 |
| EVANS BANCORP INC | 5 |
| EXIDE TECHNOLOGIES | 13 |
| FACET BIOTECH CORP | 15 |
| FAIR ISSAC CORP | 13 |
| FAIRCHILD SEMICON INTL INC | 28 |
| FAMILY DOLLAR STORES INC | 18 |
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| FIRST FINANCIAL HOLDINGS INC | 5 |
| FIRST NIAGARA FINL GROUP INC | 15 |
| FIRSTMERIT CORP | 53 |
| FISHER COMMUNICATIONS INC | 4 |
| FLEXSTEEL IND | 4 |
| FORCE PROTECTION INC | 6 |
| FOREST OIL CORP | 17 |
| FRIEDMAN INDS INC | 3 |
| GLACIER BANCORP INC | 15 |
| GLATFELTER | 5 |
| GP STRATEGIES CORP | 7 |
| GRAFTECH INTERNATIONAL LTD | 8 |
| GRIFFON CORP | 28 |
| GS FINANCIAL CORP | 2 |
| GSI COMMERCE INC | 16 |
| GTSI CORP | 4 |
| GULFMARK OFFSHORE INC | 6 |
| GYMBOREE CORP | 49 |
| HASBRO INC | 20 |
| HAVERTY FURNITURE COS INC | 11 |
| HAWK CORP CL A | 9 |
| HEWITT ASSOCIATES INC CL A | 190 |
| HOLOGIC INC | 197 |
| HORNBECK OFFSHORE SERVICES INC | 26 |
| HQ SUSTAINABLE MARITIME INDS | 4 |
| HUDSON HIGHLAND GROUP INC | 7 |
| IAC/INTERACTIVECORP | 84 |
| ICT GROUP INC | 2 |
| IDACORP INC | 5 |
| INDIANA COMMUNINTY BANCORP | 4 |
| INDUSTRIAL SVCS OF AMERICA INC | 2 |
| INNOPHOS HOLDINGS INC | 32 |
| INNOSPEC INC | 9 |
| INSIGHT ENTERPRISES INC | 24 |
| INTEGRATED DEVICE TECH INC | 79 |
| INTER PARFUMS INC | 9 |
| INTERNATIONAL BANCSHARES CORP | 9 |
| INTERNATIONAL FLAVORS & FRAGRA | 24 |
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| KBR INC | 25 |
| KELLY SERVICES INC CL A | 28 |
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| KINDRED HEALTHCARE INC | 28 |
| KING PHARMACEUTICALS INC | 108 |
| LAWSON PRODUCTS INC | 1 |
| LAWSON SOFTWARE INC NEW | 52 |
| LECG CORP | 9 |
| LECROY CORP | 3 |
| LEGGETT & PLATT INC | 59 |
| LIFE TECHNOLOGIES CORP | 153 |
| LIFE TIME FITNESS INC | 28 |
| LIVE NATION INC | 30 |
| LIZ CLAIBORNE INC | 18 |
| LSI CORP | 4 |
| MARTEK BIOSCIENCES | 66 |
| MASSEY ENERGY CORP | 7 |
| MAXIMUS INC | 60 |
| MAXYGEN INC | 15 |
| MCCORMICK & SCHMK SEA REST INC | 3 |
| MEASUREMENT SPECIALTIES INC | 8 |
| MEDIFAST INC | 5 |
| MENTOR GRAPHICS CORP | 36 |
| MERCER INSURANCE GROUP INC | 4 |
| MERCURY COMPUTER SYS INC | 12 |
| METAVANTE TECHNOLOGIES INC | 5 |
| MFRI INC | 2 |
| MINERALS TECHNOLOGIES INC | 29 |
| MISSION WEST PPTYS INC MD | 4 |
| MOLINA HEALTHCARE INC | 5 |
| MOTORCAR PARTS OF AMERICA INC | 4 |
| MYLAN INC | 93 |
| NASH-FINCH CO | 36 |
| NATIONAL DENTEX CORP | 2 |
| NATIONAL PRESTO INDS | 39 |
| NATIONAL TECHNICAL SYSTEMS | 3 |
| NATURAL ALTERNATIVES INTL INC | 4 |
| NESS TECHNOLOGIES INC | 14 |
| NET 1 UEPS TECHNOLOGIES INC | 8 |
| NETFLIX INC | 102 |
| NETSCOUT SYSTEMS INC | 21 |
| NEUROCRINE BIOSCIENCES INC | 11 |
| NEW JERSEY RESOURCES CORP | 78 |
| NEW YORK COMMUNITY BANCORP INC | 37 |
| NEWALLIANCE BANCSHARES INC | 91 |
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| NUTRACEUTICAL INTL CORP | 5 |
| NV ENERGY INC | 156 |
| OCEANFIRST FINANCIAL CORP | 8 |
| OGE ENERGY CORP | 11 |
| OLIN CORP | 17 |
| OMEGA PROTEIN CORP | 5 |
| OMNICARE INC | 9 |
| ON ASSIGNMENT INC | 6 |
| ONE LIBERTY PROPERTIES INC | 8 |
| ORTHOFIX INTL NV (NASDAQ) | 22 |
| OSI PHARMACEUTICALS INC | 21 |
| OSI SYSTEMS INC | 18 |
| OVERHILL FARMS INC | 4 |
| OVERSEAS SHIPHOLDING GROUP INC | 15 |
| PACER INTERNATIONAL INC | 31 |
| PACIFIC PREMIER BANCORP INC | 1 |
| PAMRAPO BANCORP INC | 3 |
| PANTRY INC | 32 |
| PAR PHARMACEUTICALS COS INC | 30 |
| PARAMETRIC TECHNOLOGY CORP | 86 |
| PAREXEL INTERNATIONAL CORP | 6 |
| PARKVALE FINANCIAL CORP | 5 |
| PC MALL INC | 3 |
| PDL BIOPHARMA INC | 48 |
| PENNICHUCK CORP | 5 |
| PEOPLES UNITED FINANCIAL INC | 72 |
| PEP BOYS-MANNY MOE & JACK | 15 |
| PEPCO HOLDINGS INC | 15 |
| PERKINELMER INC | 114 |
| PEROT SYSTEMS CORP CL A | 15 |
| PMA CAP CORP CL A | 4 |
| PORTLAND GENERAL ELECTRIC CO | 21 |
| PREMIER FINANCIAL BANCORP | 3 |
| PREMIERE GLOBAL SVCS INC | 18 |
| PRESIDENTIAL LIFE CORP | 5 |
| PRICELINE.COM INC | 59 |
| PROGRESS SOFTWARE CORP | 19 |
| PROSPERITY BANCSHARES INC | 27 |
| QAD INC | 5 |
| QUEST SOFTWARE INC | 38 |
| RADIOSHACK CORP | 106 |
| RAMCO-GERSHENSON PPTYS TR | 7 |
| REGIS CORPORATION | 40 |
| REINSURANCE GROUP OF AMERICA | 101 |
| REVLON INC CL A NEW | 20 |
| REX STORES CORP | 5 |
| RICHARDSON ELECTRONICS LTD | 3 |
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| RYDER SYSTEM INC | 32 |
| S1 CORP | 36 |
| SAIA INC | 9 |
| SCHIFF NUTRITION INTL INC | 5 |
| SCHWEITZER-MAUDUIT INTL INC | 25 |
| SCOTTS MIRACLE GRO CO CL A | 22 |
| SEACOR HOLDINGS INC | 87 |
| SHAW GROUP INC | 16 |
| SHULMAN A INC | 9 |
| SIGNET JEWELERS LTD (US) | 12 |
| SKYWEST INC | 25 |
| SKYWORKS SOLUTIONS INC | 74 |
| SL INDUSTRIES INC | 2 |
| SMART BALANCE INC | 5 |
| SMUCKER (J.M.) CO | 143 |
| SOLERA HOLDINGS INC | 103 |
| SONIC CORP | 34 |
| SONOSITE INC | 17 |
| SOUTH FINANCIAL GROUP INC | 5 |
| SOUTHERN MISSOURI BANCORP INC | 2 |
| SOUTHERN UNION COMPANY | 82 |
| SOUTHWEST GAS CORP | 61 |
| SOUTHWEST WATER CO | 6 |
| SPAN-AMERICA MED SYSTEMS INC | 3 |
| SPEEDWAY MOTORSPORTS | 19 |
| SPSS INC. | 44 |
| STANDEX INTL CORP | 2 |
| STARRETT L S CO CL A | 9 |
| STEELCASE INC CLASS A | 31 |
| STEPAN CO | 27 |
| SUMTOTAL SYSTEMS INC | 7 |
| SUPER MICRO COMPUTER INC | 3 |
| SUREWEST COMMUNICATIONS | 10 |
| SVB FINL GROUP | 12 |
| SYBASE INC | 238 |
| SYMMETRY MEDICAL INC | 2 |
| SYNNEX CORP | 4 |
| SYNOPSYS INC | 203 |
| SYSTEMAX INC | 9 |
| TAKE-TWO INTERACTV SOFTWR INC | 11 |
| TASTY BAKING COMPANY | 2 |
| TBS INTERNATIONAL LTD | 14 |
| TCF FINANCIAL CORPORATION | 14 |
| TECHTEAM GLOBAL INC | 5 |
| TEEKAY CORP | 98 |
| TELEFLEX INC | 195 |
| TESORO CORP | 25 |
| TESSCO TECHNOLOGIES INC | 3 |
| TETRA TECHNOLOGIES INC | 3 |
| TF FINANCIAL CORP | 5 |
| THOMAS & BETTS CORP | 39 |

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| TIMBERLAND BANCORP INC | 3 |
| TOLLGRADE COMMUNICATIONS INC | 5 |
| TRIQUINT SEMICONDUCTOR INC | 23 |
| TUPPERWARE BRANDS CORP | 86 |
| UIL HLDG CORP | 16 |
| UMB FINANCIAL CORP | 15 |
| UNICO AMERICAN CORPORATION | 4 |
| UNISOURCE ENERGY CORP | 109 |
| UNITED ONLINE INC | 42 |
| UNITED RENTALS INC | 6 |
| UNITED WESTERN BANCORP INC | 6 |
| UNIVERSAL AMERICAN CORP | 29 |
| UNIVERSAL FOREST PRODUCTS INC | 7 |
| USA MOBILITY INC | 19 |
| UTI WORLDWIDE INC | 51 |
| VALEANT PHARMACEUTICALS INTL | 13 |
| VALLEY NATL BANCORP | 55 |
| VARIAN INC | 110 |
| VEECO INSTRUMENT | 17 |
| VIAD CORP | 14 |
| VICON INDUSTRIES INC | 2 |
| VILLAGE SUPER MKT INC CL A NEW | 3 |
| VISHAY INTERTECHNOLOGY INC | 47 |
| WARNACO GROUP INC | 69 |
| WARNER CHILCOTT HLDGS CO LTD | 82 |
| WATSON PHARMACEUTICALS INC | 26 |
| WAUSAU PAPER CORP | 33 |
| WEBSense INC | 57 |
| WEST MARINE INC | 7 |
| WESTAMERICA BANCORPORATION | 26 |
| WESTERN REFINING INC | 5 |
| WILLIS LEASE FINANCE CORP | 6 |
| WILMINGTON TRUST CORP (DE) | 27 |
| WIND RIVER SYSTEMS INC | 55 |
| WINN DIXIE STORES INC | 52 |
| WINTRUST FINANCIAL CORP | 4 |
| WRIGHT EXPRESS CORP | 11 |
| WRIGHT MED GROUP INC | 11 |
| WSFS FINANCIAL CORP | 23 |
| ZALE CORP | 3 |
| ZOLL MEDICAL CORP | 34 |

| | |
|--------------------------------|--------|
| Total US Small Cap Equity Fund | 12,066 |
|--------------------------------|--------|

| | | | |
|-------------------------------------|------------------------------------------------------|----|-------|
| Spectra Loan Fund-Participant Loans | Interest rates 4.25% to 10.5%, maturing through 2023 | ** | 7,043 |
|-------------------------------------|------------------------------------------------------|----|-------|

350,206

* Party-in-Interest (Note 6)

** Cost information is not required for participant directed investments and therefore is not provided

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Spectra Energy

Retirement Savings Plan

Form 5500, Schedule H, Line 4j-Schedule of Reportable Transactions

for the Year Ended December 31, 2008

| (a) Identity of Party Involved | (b) Description of Asset | (c) Purchase Price | (d) Selling Price | (e) Cost of Asset | (f) Current Value of Asset on Transaction Date | (g) Net Gain / (Loss) |
|----------------------------------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------------------------|-----------------------|
| SINGLE TRANSACTIONS | | | | | | |
| SERIES TRANSACTIONS | | | | | | |
| * Fidelity Management Trust Company | Spectra Energy Stock Fund | | | | | |
| | (2,647 Sales) | | \$ 214,057,598 | \$ 213,713,104 | \$ 214,057,598 | \$ 344,494 |
| | (2,090 Purchases) | \$ 254,014,315 | | | \$ 254,014,315 | |
| * Fidelity Management Trust Company | Duke Energy Stock Fund | | | | | |
| | (2,047 Sales) | | \$ 41,277,383 | \$ 30,531,596 | \$ 41,277,383 | \$ 10,745,787 |
| | (40 Purchases) | \$ 4,775,183 | | | \$ 4,775,183 | |
| * Represents a party-in-interest to the Plan | | | | | | |

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Spectra Energy Corp Benefits Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Spectra Energy Retirement Saving Plan

Date June 29, 2009

By: /s/ Charlotte Wayland
Charlotte Wayland
VP Executive and US Benefits