

File: OF-Gen-06 FR

VIA ONLINE SUBMISSION

April 28, 2023

Canada Energy Regulator
210 - 517 Tenth Avenue S.W.
Calgary, AB T2R 0A8

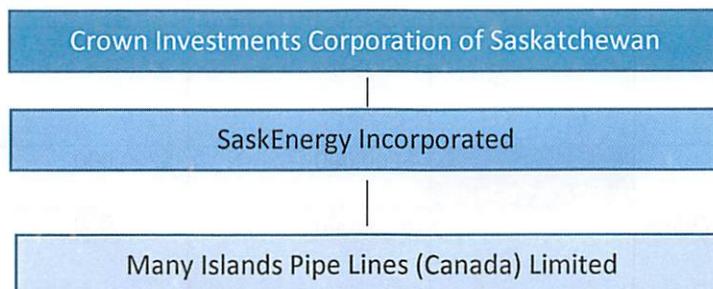
Attention: Secretary of the Commission

Re: Many Islands Pipe Lines (Canada) Limited Financial Resources Plan

Many Islands Pipe Line (Canada) Limited ("MIPL") will outline in this letter for the Canada Energy Regulator ("CER"), its financial plan to comply with all aspects of the Pipeline Financial Requirements Regulations ("Regulations"). Under the Regulations, MIPL is a Gas Class 1 company and will outline a financial plan to address an Absolute Liability Limit of \$200 million and a Readily Accessible Resource Level of \$10 million.

Corporate Structure

The corporate structure diagram for MIPL is as follows:



MIPL was incorporated on July 2, 1972 under *The Canada Business Corporations Act*. The Corporation was acquired by and is a wholly owned subsidiary of SaskEnergy Incorporated ("SaskEnergy"), a Saskatchewan provincially owned Crown Corporation continued under *The SaskEnergy Act*. MIPL owns and operates natural gas transmission lines crossing the Saskatchewan border into Alberta, Manitoba, and the United States.

By virtue of *The Crown Corporations Act, 1993*, SaskEnergy is a "designated subsidiary" of the Crown Investments Corporation of Saskatchewan ("CIC"). In its oversight role of the Crown

sector, CIC is responsible for the development and oversight of broad policy initiatives, directing investment and providing dividends to the provincial government's General Revenue Fund.

As a wholly owned subsidiary of SaskEnergy, MIPL is deemed an agent of the Provincial Crown, and all of its property is property of the Provincial Crown.¹ Under the governance structure of SaskEnergy and MIPL, the two companies have common Executive team members and Directors. MIPL does not have any employees and is staffed under contract by employees of SaskEnergy.

Financial Resources Plan

<i>Authorization Holder Name:</i>	Many Islands Pipe Lines (Canada) Limited			
<i>Capacity/Risk Value:</i>	Risk Value at least 1,000,000			
<i>Absolute Liability Limit:</i>	\$200,000,000			
<i>\$000's CAD (as at most recent year-end Audited Financial Statements)</i>	Parent Company	Authorization Holder	Total	Timing of Access (business days)
<i>Cash</i>	-	-	-	
<i>Lines of Credit (undrawn portion)</i>	\$240,000		\$240,000	One-Five days
<i>Total Short Term</i>	\$240,000		\$240,000	
<i>Insurance</i>		\$200,000	\$200,000	To be determined
<i>Parent Guarantee</i>		\$200,000	\$200,000	
<i>Total Other</i>		\$400,000	\$400,000	

* Figures as of March 31, 2022 and obtained from unaudited financial statements

SaskEnergy maintains an overall borrowing limit with the Ministry of Finance of Saskatchewan. The limit provided by the Province to SaskEnergy is currently set at \$2.5 billion.² The undrawn portion of this limit as of April 30, 2023 is \$.543 billion according to unaudited financial statements. Effective July 11, 2019, SaskEnergy entered into a Credit Facility Agreement ("CFA") with MIPL in the amount of \$10 million Canadian Dollars. A copy of this CFA has been filed with the CER

¹ The SaskEnergy Act, s. 6.

² See The SaskEnergy Act, s. 42.

and can be found at the following link: [\[C04601-3\]](#). This CFA includes a restricted use of proceeds clause, such that any funds drawn under the agreement may only be used to satisfy MIPL's liability obligations under *Canadian Energy Regulator Act* and the associated regulations or any successor legislation. MIPL utilizes a March 31 fiscal year end,³ and SaskEnergy has statutory obligations for submission of financial statements.⁴ The 2021/2022 financial statement can be found at the following link [\[C20019-3\]](#). MIPL expects the most recent SaskEnergy audited financial statements to be publically available on or before July 30, 2023 and shall provide a copy to the Commission when available. Financial statements are also made available at www.saskenergy.com.

Further, effective July 11, 2019, SaskEnergy entered into a Parental Guarantee Agreement ("PG") with MIPL in the amount of \$200 million Canadian Dollars. A copy of this fully executed PG has been filed with the CER and is found at the following link: [\[C04601-2\]](#). Guaranteed funds are for any amounts that may be due by MIPL, its successors and assigns, relating to MIPL's absolute liability under the *Canadian Energy Regulator Act*. The PG expressly names Her Majesty the Queen in Right of Canada (as represented by CER or any successor administrative body) as the beneficiary.

Finally, SaskEnergy and MIPL each have access to liability insurance, in the amount of \$200 million, as named insureds. While the time to receive payment under a claim on the policy would be determined based on the facts of an incident, these policies provide additional financial resources under the Regulations. A copy of the applicable insurance certificate was submitted to the CER on July 6, 2022, along with an explanatory letter from Marsh Canada Limited, detailing respective financial strength ratings for the insurers. A copy of these documents have been filed with the CER and are found at the following link: [\[C20019-2, C20019-4\]](#). Policies described in this insurance certificate are effective to June 30, 2023. MIPL expects to renew these policies effective July 1, 2023 until June 30, 2024 and shall provide updated documentation to the Commission on completion of the renewal.

MIPL is confident that the plan highlighted above is adequate to provide the assurances under the Pipeline Financial Requirements Regulations. If any further information is required for the plan, please contact the writer at your earliest convenience.

Yours truly,

MANY ISLANDS PIPE LINES (CANADA) LIMITED



Cory Little
Controller

cc: Terry Jordan
Darren Janke

³ See The SaskEnergy Act, s. 45.

⁴ The SaskEnergy Act, s. 47; The Crown Corporations Act, 1993, Section 34.

Annual Financial Resources Requirements Reporting Form

Company Information		
Authorization Holder (entity which holds certificate/order).	Many Islands Pipeline (Canada) Limited	
Filed by (company name) if different from Authorization Holder.		
Pipeline name(s) and associated order numbers or certificates.	Cold Lake–Beacon Hill Pipeline XG-5-77; XGM-15-88; XGM-12-89 Pierceland Supply Pipeline and Compressor Station XG-017-2020 Bronson Lake Pipeline XG-9-87 Frog Lake Pipeline XG-15-90 (AO-001-XG-15-90) Marwayne Pipeline XG-M29-61-94; AO-001-XG-M29-61-94; MO-040-2017; Lloydminster XG-29-92; MO-11-92 Lloydminster Loop XG-M182-032-2015 Loomis Herbert Pipeline GC-47; MO-5-88 MO-7-88; AO-003-GC-47 Steelman-North Portal Pipeline XG-M29-58-93 Swan River XG-M029-24-2000 Macklin-Unity Pipeline and Compressor Station GC-28; AO-002-MO-050-2017; MO-11-72; XG-M182-002-2018; MO-050-2017; Shaunavon Interconnect Order XG-091-2020	
Financial Resources Plan (FR Plan) approval link.	CER – 2021–22 Annual Report of the Commission of the Canada Energy Regulator – Appendix H: Financial Resources Requirements (cer-rec.gc.ca) C04198-1 CER - Letter - Many Islands - Financial Resource Requirements - A7C7J3.pdf (cer-rec.gc.ca)	
Exempt from Financial Resources Requirements.	<input checked="" type="radio"/> No	If yes, provide associated approval
Has the Commission granted confidential treatment for any part of the FR Plan?	<input checked="" type="radio"/> No	Yes
Have there been any changes in ownership in the last year or planned changes in ownership for the pending year?	<input checked="" type="radio"/> No	Yes
Have any of the company's pipelines been deactivated, decommissioned or abandoned in the past year?	No	If yes, provide associated order(s) C22522-3 - Order AO-001-ZO-005-2022
Have there been any additions to the company's pipeline system(s) in the past year?	<input checked="" type="radio"/> No	If yes, provide information about additions
Financial Resources Information		

Capacity/Risk Value.	Risk Value at least 1,000,000	
Has the Capacity/Risk Value changed since last report?	<input checked="" type="radio"/> No	If yes, file how your capacity/risk value was calculated, providing the individual numbers for each pipeline.
Absolute Liability Limit.	\$200,000,000	
Has the absolute liability limit changed since last filing?	<input checked="" type="radio"/> No	If yes, submit new FR Plan
Financial Resources Plan		
Is an updated Table 1 – Financial Resource Plan attached?	<input type="radio"/> No	<input checked="" type="radio"/> Yes
Are there any material changes to the FR Plan since the last report?	<input checked="" type="radio"/> No	If yes, file all supporting evidence as required by the Guidelines

Provide a description of what is to be treated as confidential, and the date and filing number of the Commission's decision granting confidential treatment.
If the capacity or risk value has increased/decreased due to changes, provide new capacity/risk value and calculations.

Have there been any material changes to the Authorization Holder's financial position?	<input checked="" type="radio"/> No	If yes, file relevant information	
Have there been any material changes to the parent company's (if applicable) financial position or corporate structure?	<input checked="" type="radio"/> No	If yes, file relevant information	Not applicable
Has there been any change to insurance (if applicable)?	<input checked="" type="radio"/> No	If yes, file an explanation and any relevant information	Not applicable
Payment of fees for financial instruments are up-to-date (if applicable)	No	<input checked="" type="radio"/> Yes	
Have there been any changes to the terms of any of the financial resources agreements (i.e., line of credit, parental guarantee, etc.)	<input checked="" type="radio"/> No	If yes, file new agreement	
Any other relevant information	Attach		
Authorized Signature			
Print name of individual	Cory Little		
Position	Controller		
Signature			
Date (YYYY, MM, DD)	2023, 04, 28		

See section 8.2 of the Guidelines for examples of what may constitute material changes that could impact the approved FR Plan.

Material changes that could impact the approved FR Plan.

⁵ If yes, provide the most recent audited financial statements, as well as any subsequently completed unaudited financial statements and, if available, the most recent credit ratings for parent company.

This information would be in addition to filing the most recent certificate of insurance, as required in section 8.1 of the Guidelines.