

Appendix XI – Revised November 2019

Canadian Energy Regulator - Model Letter of Credit

Sample/Template LOC

Irrevocable Letter of Credit No.:

Date Issued:

BENEFICIARY:

Her Majesty the Queen in Right of Canada, as represented by
the Canadian Energy Regulator (CER) or any successor administrative body
Suite 210, 517 – 10th Avenue SW
Calgary, Alberta T2R 0A8
Canada

Applicant: [INSERT NAME OF CER-REGULATED COMPANY + ADDRESS]

Amount: [INSERT AMOUNT in Canadian dollars]

Pursuant to the *Canadian Energy Regulator Act* and decisions RH-2-2008, MH-001-2013, and [INSERT CANADIAN ENERGY REGULATOR LETTER DECISION APPROVING THE COMPANY'S ACE] (the Regulatory Requirements), we hereby authorize you to draw on Bank [INSERT SCHEDULE 1 CANADIAN CHARTERED BANK], for account of [INSERT PIPELINE COMPANY], up to an aggregate amount of X Million and 00/100's Canadian Dollars (CADX,000,000.00) available on demand.

Pursuant to the request of our customer, the said [INSERT PIPELINE COMPANY], we, Bank [INSERT SCHEDULE 1 CANADIAN CHARTERED BANK + ADDRESS OF MAIN CALGARY BRANCH], hereby establish in your favour our Irrevocable Letter of Credit (the Letter of Credit) in the total amount of [INSERT AMOUNT OF ACE] and 00/100's Canadian Dollars (CADX,000,000.00), which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you, which demand we shall honour without enquiring whether you have a right as between yourself and our said customer to make such demand, and without recognizing any claim of our said customer.

Partial and multiple drawings are permitted.

Your demand(s) may be presented to Bank [INSERT SCHEDULE 1 CANADIAN CHARTERED BANK] at [INSERT ADDRESS OF MAIN CALGARY BRANCH]. The original of this Letter of Credit must be presented for endorsement by us of the amount drawn or when the full amount of this Letter of Credit has been drawn for cancellation.

Alternatively, the presentation of documents by facsimile to our facsimile number xxx-xxx-xxxx is authorized where there is not a Calgary, Alberta bank branch for presentation. Such presentation is effective upon transmission of the facsimile by the Beneficiary. In the event of a presentation via facsimile transmission, no mail confirmation and presentation of the original of the Letter of Credit are necessary. The facsimile transmission will constitute the operative drawing documents.

The amount of this Letter of Credit may be reduced from time to time only by amounts drawn upon it by you or by formal notice in writing given to us by you if you desire such reduction or are willing that it be made.

This Letter of Credit will continue up to [INSERT DATE] (the Expiration Date), and you may call for payment of the full amount outstanding under this Letter of Credit at any time up to the close of business on that date, unless at that time, our business is interrupted by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond our control or by any strike or lockouts, in which case this Letter of Credit will not expire until the 30th day after the first day of business following resumption of our business.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended, without amendment, for one (1) year from the above Expiration Date or any future expiration date hereof, unless at least sixty (60) days before any such date we notify you in writing by registered mail/courier and fax, that we elect not to consider this Letter of Credit renewed for any such additional period.

We hereby agree that drawings under this Letter of Credit will be duly honoured upon presentation and shall state on their face that they are drawn under Bank [INSERT SCHEDULE 1 CANADIAN CHARTERED BANK + ADDRESS OF MAIN CALGARY BRANCH], Letter of Credit No. [INSERT INSTRUMENT NUMBER] dated [INSERT DATE AS MONTH DAY, YEAR].

Except insofar as otherwise expressly stated, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007) Revision, International Chamber of Commerce, Paris, France, Publication no. 600.

BANK NAME

Signing Officer

Authorized Signing Officer