

NOW THEREFORE the National Energy Board, pursuant to subsection 20(4) of the Northern Pipeline Act, hereby amend Schedule III of the Northern Pipeline Act in accordance with the schedule attached hereto.

DATED at the City of Ottawa, in the Province of Ontario, this 2nd day of April, 1980.

NATIONAL ENERGY BOARD

Brian H. Whittle
Secretary

SCHEDULE

Condition 12 of Schedule III to the *Northern Pipeline Act* is rescinded and the following substituted therefore:

"12. (1) The company shall, before the commencement of construction of the pipeline,

(a) file with the Minister and the Board evidence that the company has been incorporated in Canada and is not a non-eligible person within the meaning of the *Foreign Investment Review Act* as that expression was defined in that Act on April 13, 1978;

(b) establish to the satisfaction of the Minister and the Board that financing has been obtained for that portion of the pipeline, hereinafter referred to as the pre-build sections, that will be used for the transmission of Canadian natural gas to the United States prior to the completion of the pipeline;

(c) establish to the satisfaction of the Minister and the Board that financing of that portion of the pipeline other than the pre-build sections, hereinafter referred to as the northern section, can be obtained to enable the pipeline to be completed before the end of 1985 and that protection can be provided against risk of non-completion of the pipeline and interruption of construction on a basis acceptable to the Minister and the Board; and

(d) file with the Minister and the Board documents relating to the financing obtained for the pre-build sections and such documents shall include all relevant contracts and instruments.

(2) The company shall, before commencing construction of that portion of the pipeline other than the pre-build sections,

(a) establish to the satisfaction of the Minister and the Board that financing has been obtained for the northern section and such financing includes protection against risk of noncompletion of the pipeline and interruption of construction on a basis acceptable to the Minister and the Board;

(b) file with the Minister and the Board all documents relating to the financing of the pipeline not already filed pursuant to 12(1)(d); and

(c) provide evidence to the Minister and the Board that debt instruments issued in connection with the financing of the pipeline do not contain a provision requiring the consent of the holders of those debt instruments to the financing of the construction of the Dempster Line referred to in the Agreement or any other provision, apart from normal trust indenture provisions generally applicable in the pipeline industry, that would prohibit, limit or inhibit the financing of the construction of the Dempster Line."

EXPLANATORY NOTE

This note is not part of Condition 12 but is intended for information purposes only

The amendment to Condition 12 of Schedule III to the Northern Pipeline Act requires that Foothills Pipe Lines (Yukon) Ltd. establish to the satisfaction of the Minister responsible for the Northern Pipeline Agency and the National Energy Board that financing has been obtained for "pre-build" facilities and can be obtained for the remainder of the pipeline in Canada so as to complete it by 1985.