

IRREVOCABLE AND TRANSFERABLE STANDBY LETTER OF CREDIT

Letter of Credit No: _____

Date of Issue: _____, 20__

Date of Expiry: _____, 20__

Beneficiary: [Spectra Energy affiliate name and address]

Applicant: [Applicant name and address]

Issuer: [Name of Bank]

Issuer hereby establishes this irrevocable and transferable standby letter of credit in favor of Beneficiary for the account of Applicant for the aggregate amount of up to [dollar amount] available to Beneficiary by presenting sight draft(s) to Issuer when accompanied by a signed and dated statement by a purported officer of Beneficiary certifying one or more of the following, as applicable:

1. "The amount drawn herein is to satisfy obligations of Applicant between Beneficiary and Applicant. Wherefore, the undersigned Beneficiary does hereby demand payment of \$_____. Beneficiary further certifies that supporting documents when required were presented to Applicant and that Applicant has not satisfied its obligations." ; or,
2. "This Letter of Credit will expire in less than thirty (30) days and Beneficiary has not received an extension of said Letter of Credit or other acceptable replacement collateral from Applicant. Wherefore, the undersigned Beneficiary does hereby demand payment of \$_____. Upon timely receipt of an amendment extending this Letter of Credit, this drawing is to be considered automatically rescinded." ; or
3. "Issuer no longer has one of the following: an individual rating of at least "A-" from Fitch Investor Service, Inc., or a long-term senior unsecured debt rating of at least "A-" by Standard & Poor's Rating Group, or a long-term senior unsecured debt rating of at least "A3" by Moody's Investor Services, Inc., and Applicant has not caused a replacement Letter of Credit from an alternate financial institution acceptable to Beneficiary to be issued to Beneficiary. Wherefore, the undersigned Beneficiary does hereby demand payment of \$_____."

SPECIAL TERMS AND CONDITIONS

1. Partial and multiple drawings are allowed hereunder. The amount that may be drawn by Beneficiary under this Letter of Credit shall be automatically reduced by the amount of any payments made through Issuer referencing this Letter of Credit.
2. This Letter of Credit shall automatically extend without amendment for periods of one year each from the present or any future expiry date unless Issuer notifies Beneficiary in writing at least sixty (60) days prior to such present or future expiry date, as applicable, that Issuer elects not to further extend this Letter of Credit.
3. This Letter of Credit is transferable without charge any number of times, but only in the amount of the full unutilized balance hereof and not in part and with the approval of Applicant which consent shall not be unreasonably withheld, conditioned or delayed.
4. The term "Beneficiary" includes any successor by operation of law of the named beneficiary to this Letter of Credit, including, without limitation, any liquidator, any rehabilitator, receiver or conservator.
5. Presentations for drawing may be delivered in person, by mail, by express delivery, or by facsimile.
6. All Bank charges are for the account of Applicant.
7. Issuer shall honour Beneficiaries demand for payment without inquiring whether Beneficiary has a right between itself and Applicant to make such a demand.
8. This letter of credit may be cancelled prior to the expiry date upon receipt by Issuer of the original letter of credit and Beneficiary's signed letter addressed to Issuer requesting cancellation of the letter of credit. Such cancellation shall be effective on the date of receipt by Issuer.
9. Article 36 under UCP 600 is hereby deleted and replaced with the following: If the Letter of Credit expires while the place for presentation is closed due to events described in said Article, the expiry date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.
10. Issuer hereby agrees with Beneficiary that documents presented for drawing in compliance with the terms of this Letter of Credit will be duly honored upon presentation at Issuer's counters if presented on or before the expiry date.
11. Unless otherwise expressly stated herein, this Letter of Credit is subject to International Standby Practice 98 ("ISP98") as published by the International Chamber of Commerce and to the Uniform Customs and Practice for Documentary Credits ("UCP"), 2007 Revision, International Chamber of Commerce Publication No. 600, provided that in the event of a conflict, ISP98 shall prevail. Matters not covered by these two standards shall be governed and construed in accordance with the laws of the [state or province] of [country].

Issuer Signature: