

Safety Moment

TransGas (TGL) highlighted the importance of safety and the interdependencies between other public utilities and the gas transmission system with an example of an incident in California where a large leak was detected at a storage field. In this example, there were several safety and environmental concerns and the event is likely to trigger electrical blackouts for the local population.

Business Update

TransGas provided a current report on various business aspects, which included drilling, number of tie-ins, storage, receipts and other perceived trends.

Key statistical information from this update can be found on the TransGas Website (www.transgas.com) under “Newsroom” – “Business Update.”

Financial Update

TGL provided an update on 2015 financial performance. At the end of December 2015, capital spending was slightly below planned expenditures. Revenues exceeded budgeted revenues due to greater than expected volumes on the system, particularly in the area of receipts. Expenses were slightly in excess of budget, larger due to higher variable costs to accommodate greater than expected volumes. Net income compared to the 2015 plan was a favorable variance of \$6.9. This will be shared with Customers and factored into future rate design.

Customer Satisfaction Survey

The results of the annual Customer Satisfaction Survey were shared. While the 2015 results showed a decrease from 2014, TGL still boasts an overall Customer Satisfaction score of 90%.

TransGas Next – System Update and Upcoming Tariff Changes

TGL provided a progress update on the implementation of a new Commercial Off the Shelf information technology solution that will replace the existing TransGas Net system. Implementing this new solution will have an impact on several areas including: Contracts;

Nominations; Allocations; Invoicing; and Shipper Tolerance. Training for this system was completed in Regina and Calgary in early April. The anticipated Go Live date is June 1st, 2016.

Implementation of this new system will result in a number of tariff changes to accommodate changes in the business.

2016/2017 Business Plan and Capital Budget

Gross capital spending for 2016/2017 is anticipated to be \$135.9 million. Significant areas of capital spending include increasing market access via spending on projects designed to increase market access.

System Operations Update

TGL provided a system performance update for the 2015/2016 Winter. Mild weather combined with low prices led to customers maximizing NIT to TEP receipt services resulting in a well-supplied system. Increasing Alberta receipt capacity remains a focus of operations who have been working closely with interconnected pipelines to manage risk surrounding gas supplies.

Other Business

TLG continues to work towards identifying and prioritizing any outstanding issues/opportunities that have previously gone unresolved. Key items discussed included the potential to change its rate class offerings as well as an overview of current system operations and the growing importance of non-domestic gas supplies.

A change to the tariff surrounding the 120% Rule was agreed to by members of the dialogue committee.

An Infrastructure Access Fee (IAF) was proposed. This is a non-standard service being implemented as an enhancement to the TGL investment policy.

If you have any questions arising from this meeting or of the TransGas Customer Dialogue process in general, please contact Ty Gillies at (306) 777-9985.