

### Safety Moment

The list of eligible equipment for TransGas (TGL) investment has increased and now includes H2S equipment. This reflects TransGas' priority in proactively providing safe and reliable service and recognizing that new gas supply in the Province is from associated gas. This will also lower the costs for receipt gas.

### Business Update

TGL provided a current report on various business aspects, which included drilling, land sales, gas supply, projects, new connects and other perceived trends.

Key statistical information from this update can be found on the TransGas Website ([www.transgas.com](http://www.transgas.com)) under "Newsroom"—"Business Update."

### TransGas Next Update

The TransGas Next System went live on June 1<sup>st</sup> 2016. The new system has some issues that TransGas is actively working to resolve. TGL continues strive to provide invoices in a timelier manner to meet customer's needs, and has been improving every month.

### Financial Update

The year-end has change from Dec. 31<sup>st</sup> to March 31<sup>st</sup>. Capital spending is limited but still targeted to stay on budget. TGL is finding the current marketplace rates for capital spending favorable. The net income for the fiscal year is expected to exceed expectations.

### 2017/2018 Rates

Budget for April 1<sup>st</sup> 2017-March 31<sup>st</sup> 2018 is currently awaiting executive/board approval. The overall rate increase is estimated to be between 0% - 3% targeted for April 1<sup>st</sup> 2017.

### Discussion Priorities

TGL continues to work towards identifying and prioritizing any outstanding issues/opportunities. TransGas reviewed the list of previously identified items and a number of these outstanding items have now been deemed resolved. The remaining items have been assigned to corresponding groups. A subcommittee has been formed to address the strategic direction of Storage.

### Storage Sub-Committee Update

TransGas is seeking input from internal and external sources towards the strategic direction of storage. The contracted amount of deliverability unfavorably varies from the shrinking physical capabilities of the storage assets. The storage subcommittee discussed several broad solutions such as doing nothing, examining policy changes to adjust the nature of the storage service and capital investment in storage assets.

### System Update

TGL expects customer tie-ins to continue to increase, associated gas additions to continue to grow and storage capacity to continue to decrease. Transport capacity will increase with more NIT to TEP and TCPL mainline contracted volumes. NIT to TEP is contracted firm for 100% of TransGas' requirements and it ensures the physical capability of the system is well above contracted requirements for receipts.

### Other Business

TransGas is still moving towards offering the Infrastructure Access Fee (IAF) which will be an additional option within the Investment Policy as a means for customers to access the pipeline system.

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.