

Safety Moment

TransGas (TGL) highlighted information regarding SaskEnergy/TransGas' Safety Stand Down process.

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. Supply on the system is a 65:35 split between Alberta vs. SK receipts.

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

Organizational Changes

TransGas has recently undergone some corporate realignment which is intended to result in efficiencies in decision making, operations, engineering and customer services. The reorganization will increase efficiencies by aligning functional groups such as those mentioned above.

2016/17 Financial Update

TGL provided an update on several key financial metrics. Receipt revenues were greater than forecast. Intra revenues were less than forecast primarily due to customer moving Intra deliveries to export. Operating expenses were lower than budget due to fiscal restraint. The net income for the fiscal year exceeded expectations.

2016/17 Revenue and Income Variance

After reviewing financial performance for 2016/17, it was determined that there would be a \$7.8 million positive variance of Net Income relative to what was budgeted. How this variance will be shared between TGL and its customers was proposed and will be determined at the September Customer Dialogue meeting.

Storage

Following the winter of 2013-14 there have been several discussions regarding storage. A decision was made to reduce deliverability to avoid a rate increase. In order to maintain currently deliverability commitments, TransGas would add assets which would result in an increase in rates. This information will be communicated to all storage customers and will be effective November 1, 2018.

Delivery Class Service Change

TransGas proposes to leave the D31 and D51 rate classes separate, but require all meters to have daily measurement and for these rate classes to now have a demand charge. Current revenue to cost ratio is less than 1 for the D51s, and this should move closer to a ratio of 1.

Customer Satisfaction Survey

The results of the annual Customer Satisfaction Survey were shared. Satisfaction for Key Account Managers, Customer Service Administrators and CFR went up, and TransGas is very proud of this. Overall satisfaction for E-Business went down (attributed to new QPTM system,

Gas Quality

Gas quality continues to be an important discussion point with customer dialogue. The intent was to implement three new parameters to the TransGas gas specification in the tariff. This requires further discussions in September.

Alberta Receipt Supply and Management

TransGas reviewed Saskatchewan receipts from Alberta since NIT to TEP's inception in 2011. TransGas' availability of firm has been 100% since inception with TransGas methods to mitigate NGTL outages.

Herbert Long Term Fixed Pricing (HLTFP)

HLTFP was approved by the National Energy Board. See link below for more details:

<https://apps.neb-one.gc.ca/REGDOCS/Item/Filing/A84788>

If you have any questions arising from this meeting or of the TransGas Customer Dialogue process in general, please contact Tanya Lang at (306) 777-9811.