

### 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 continues to be 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](http://www.transgas.com)) under “Newsroom”–“Business Update.”

### Customer Dialogue – Goals and Roles

TransGas completed a detailed survey with Dialogue members regarding the purpose and structure of TransGas Customer Dialogue. General consensus was the current discussions and membership diversity allow for a successful process.

### Storage Update

TransGas provided information on the reorganization of storage assets between TransGas and its subsidiaries. This reorganization will result in the availability of Summer Use Storage for the upcoming gas year and will be offered through an Open Season.

### D31/D51 Type of Service

An update on the analysis of these service class changes was provided. TransGas will continue to review and provide recommendations at a future meeting.

### Gas Quality

TransGas re-evaluated the proposed gas quality specifications changes and will continue to have discussions with producers. A new proposal will be brought forward at a future meeting.

### Urban Growth Infrastructure Plan

This was developed as a long term strategic plan to ensure reliability of transmission and distributed supply to existing and new delivery customer in and around the major urban centers, Regina and Saskatoon.

### Income Variance

The financial performance for 2016/2017 was a \$7.8 million positive variance of Net Income relative to the budget. The sharing of this variance was determined to be \$4.4 million to TransGas and \$3.4 million to customers. This \$3.4 was added to the previous Carry Forward positive variance of \$4.0 resulting in a positive Income Variance of \$7.8 million as of March 31, 2017. This positive variance will be used to help offset future rate increases.

### Financial Update – YTD and 2017/2018 Forecast

The first four months of the fiscal year, April 1 – July 31 2017 show revenue \$1.6 million below budget and expenses \$5.8 million below budget. Projection for the remainder of the fiscal year indicated revenue \$8.5 million below budget and expenses flat to budget, resulting in an overall projected Net Income of \$8.5 million under budget.

### 2018/2019 Business Plan Load and Revenue

A preliminary view of load and revenues planned for 2018/2019 and beyond were presented to customers. Key assumptions feeding the financial model were summarized. Overall, Saskatchewan supplies are expected to continue to decline and additional supplies will need to be imported From Alberta to balance supply requirements.

### Alberta Receipts

TransGas introduced several topics related to Alberta supply including the current NIT to TEP service, East Gate (Empress/McNeill) stand-alone service, the allocation of Third Party Transportation costs, availability of Interruptible service and new supply opportunities. This was an initial discussion and will be looked at in more detail in upcoming meetings.

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.