

### 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 63:37 split between Alberta vs. SK receipts. Storage was 48.8% full on January 31. NIT to TEP utilization continues to be high.

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

### NIT to TEP & NGTL Update

NGTL’s open season closed on January 31, 2018 and TransGas secured NTT transport to meet customer requirements up to and including November 1, 2022. This transport includes increased amounts at various locations gas is brought in from Alberta. Total customers holding NTT will also increase from 8 customers to 22 customers over the next two years.

### Alberta Receipt Service

TransGas reviewed how TEP prices compared to other trading hubs gas prices. There was a divergence starting July 2017 and a large spike in January 2018 that was of concern. TGL provided a significant amount of IT services in January 2018. This was not always utilized but it was available.

### Facilities for Growth

TransGas discussed the winter peak day experienced on December 29, 2017. TransGas also presented its updated firm demand growth forecast through 2027 and its average day demand forecast/supply mix through 2046. TransGas presented its short, medium and long term plans in order to bring additional capacity onto the system and the capital requirements for the system upgrades.

### Alberta Receipt Supply and Management

TransGas outlined its firm curtailment plan along with the interconnecting pipelines curtailment notification process. TransGas presented graphs on its interconnecting receipt points and the restrictions it has seen since September 2017. During all of these outages, TransGas was only forced to curtail customers on two separate occasions for a total of 7 days.

TransGas will continue to strive to deliver high reliability of NTT services, however, due to the amount of maintenance required by both TransGas and interconnecting pipelines, it anticipates customers will experience firm restrictions at times going forward.

### Producer Pressure Limits

TransGas has undergone a system review of customer maximum pressure limits as well as the system maximum operating pressures (MOP’s) and has determined pressure limits in certain areas require adjustments. The main driver for this is related to operational safety. Operational upsets can cause spikes in the pressure and TransGas needs to ensure the safety/integrity of its pipeline. Without these controls in place, producers may overpressure the system. TGL anticipates limited impact to customers.

### TransGas Measurement

Customer Dialogue had requested a better understanding of how TransGas’ measurement worked. TransGas Gas Measurement Integrity group presented on how the measurement gets from the field into TransGas’ business system

### TransGas’ Storage Plan 2023+

TransGas compared the cost of adding additional TCPL transport vs the cost of building additional storage in the Regina area.

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

Capital spending for the period April 1 – Dec 31 was \$77.6 million with the projection for the fiscal year showing approximately \$10 million over budget. Revenue and Expenses for the period April 1 – Dec 31 was \$22.9 million Net Income, with the projection for the fiscal year showing approximately \$25.8 million, which is \$0.3 million below budget. Breakdown shows revenue at \$3.4 million below budget offset by Expenses \$3.1 million below budget.

### 2018/2019 Rates

TransGas is still waiting for Board and CIC approval for the proposed 5.9% rate increase. This is set to happen late March. If approved, these will be implemented April 1, 2018. TransGas will advise customers as soon as these are approved. If TGL is unable to meet this date, it will be pushed back to May 1, 2018.

TransGas is also engaging a consultant in order to review the current rate design. Customer Dialogue members will be requested to participate in those discussions.

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.