

### 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 65:30 split between Alberta vs. SK receipts. Storage was approximately 40% full on June 6, 2018. 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

TransGas is fully contracted with 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.

### Empress Stand Alone

TransGas provided a summary of the Empress stand-alone service offering. This new one-year service was introduced for the upcoming gas year. It is currently available on an interruptible (IT) basis. The service will have no renewal rights and current Empress queue holders would have first rights.

### IT Services

TransGas provided a review of the various IT receipt services available during the winter of 2017/18. Based on 2017/18 there was a need for additional supply. TransGas wants to offer four standard IT receipt services: NTT, McNeil, Empress, SSDA, in that order. The toll for these services will be consistent with standard IT costs. The intent is to have these services available during the upcoming winter.

### Demand Relief

TransGas shared results from a survey of other pipelines that indicated demand relief is not provided during outages similar to how it is applied in Saskatchewan. TransGas facilitated a discussion about the value of demand relief and whether it should be maintained in the Tariff in its current form.

### Export

TransGas has been approached by customers requesting export service at Empress for the upcoming gas year. TransGas will issue an open season in the later part of the summer for the upcoming 2018-2019 gas year. Details of this open season will include an Empress point, must flow requirements and a Biddable toll. A one year (non-renewable) firm Export service will also be included in the open season. TransGas will offer as E19.0 service with standard IT tolls if there is additional Export available at Empress throughout the year.

### NIT to TEP Alternate Delivery Point

TransGas discussed the possibility of a NTT Alternative delivery point. TransGas presented requirements of keeping NTT as a bundled service.

### TEP Account Balancing

TransGas outlined the limitations in the Tariff regarding the enforcement of account balancing. Currently TransGas has Clause 4.5 in the tariff which reserves the right to restrict flows at receipts or deliveries to ensure compliance with shipper balancing obligations. TransGas introduced a new obligation enforcement clause for the tariff allowing TransGas to take corrective measures to customers keep their accounts within tolerance prior to shutting off supply.

### Infrastructure Expansion Plan

TransGas presented its infrastructure expansion plan including the development of Regina Storage. Some items that were highlighted include: a planned investment of \$430M over 5 years for growth capital and \$310M planned for risk and operational capital in urban areas. TransGas outlined an investment of up to \$1.3B over six years to manage growth, of which \$0.8B would be the base case. TransGas explained the benefit of storage as an effective means of reducing transportation costs by \$25M per year.

### Customer Satisfaction Survey

TransGas presented the findings from the customer satisfaction survey that was completed in February, 2018. The response rate to the survey was 11.7%. Findings were positive with an overall satisfaction of 84.6%. Individual responses included key account manager satisfaction of 93%, customer service administration satisfaction of 95%, and customer facility request satisfaction of 93%.

### System Operations and Constraints

TransGas presented an overview of current system operations including challenges being faced due to 70% of gas coming in from Alberta supply at TCPL, Foothills, Cold Lake and Unity. TransGas provided Information regarding upcoming NGTL and Foothills outages including dates and volume impact.

### Financial Update

TransGas provided an update on the financial position for 2018-19. TransGas net income was \$26M. This is driven by total revenue of \$184.2 (down \$2M from budget) and total expenses of \$159.7M (up \$.4M from budget). TransGas was able to lower salary and benefit expenses by \$3.9M from budget through efficiencies and restraint measures. Operational buy/sells and optimization resulted in an additional \$1.5M of revenue.

**Gas Appliance Study Results**

TransGas presented details of the Gas Interchangeability study completed including objectives, overview, participant selection, data collected, risk model, appliance type and, appliance location. Key findings include the validation of the new Wobbe limits of 46.75 – 50.60 MJ/M3 introduced into the tariff.

**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 or David Cundall at (306) 777-9016**