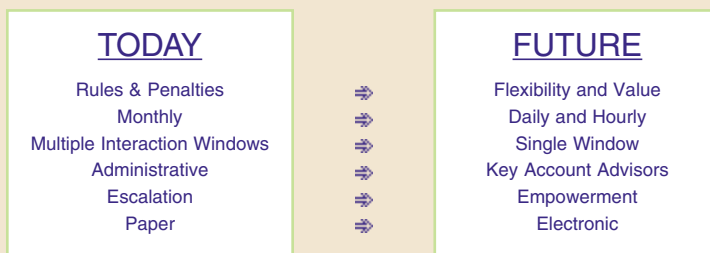


## A NEW AND IMPROVED TRANSGAS!

Every company talks about 'new' and 'improved' services for their customers, but at TransGas we really mean it! You already know us as the transmission company that is friendly and responds quickly to our clients' needs, but soon you'll know us as much, much more.

The Customer Dialogue process that started a few years ago has been very helpful both to our customers and our company. Through open and frank discussions, steps have been taken to meet some of your needs. But there's much more we want to do for you. The Customer Dialogue group has recently completed an extensive review and evaluation of TransGas business policies. The results of this review and the next steps we are taking at TransGas are exciting.

Starting immediately, TransGas has launched the "Connection to Value" Project, which is aimed at providing you with better daily information as well as a move to more electronic business applications. We are embarking upon a process that will enhance our capacity to provide you with the highest possible level of service. This means a thorough evaluation and examination of our systems, our processes and our resources. The end results of the "Connection to Value" Project will be: Your ability to manage your transportation and storage needs with better daily information; Additional customer flexibility; Enhancements to business policies; and New e-business applications.



Led by Dennis Orb, we have gathered together a team of dedicated individuals to undertake this project. Dennis' extensive knowledge of our customers, as well as his experience with our company's business policies and organization, mean he's the right person for the job. The rest of the team brings expertise from every area of the company including SCADA & Measurement Processes, Field Operation Processes, E:Business, TransGas Net, and so on.

Since "Connection to Value" is all about you - we'd love to hear your suggestions and comments on how to make this a successful project. Please feel free to phone Dennis Orb at (306) 777-9559, or e-mail him at [dorb@transgas.sk.ca](mailto:dorb@transgas.sk.ca), or fill out the following suggestion box insert on page 7 and fax it to us at (306) 525-3422. If you prefer to fill out the form on our website at [www.transgas.sk.ca](http://www.transgas.sk.ca), please look under the Quarterly Report section. We will be sending you regular updates on the progress of the project, but if you would like further information right away, please contact us.

We look forward to implementing all aspects of "Connection to Value" by November 1st. Our goal is to surpass your expectations - because that's what TransGas' "Connection to Value" is all about!

# Great Things About TransGas

Although our Connection to Value Project will mean new and improved services to our customers, TransGas already has some great service attributes that you can take advantage of right now. Many of you are familiar with these services, but for those of you who aren't, here's a glimpse of what we have to offer!

- There has been NO TransGas RATE INCREASE for more than two years - and our rates are frozen at least until the end of 2001.
- It costs only 24¢/GJ to move gas from even the most remote locations to exporting pipelines.
- TransGas interconnects with the TCPL, Foothills, and Williston Basin pipeline systems.
- TransGas will invest in the cost to build laterals right to your plant gate.
- Tie-in time for new receipt points is 90 days or less on the TransGas system.
- TransGas rolls-in the transport cost of the existing 10 Many Islands Pipe Lines (Canada) Limited interconnections with Alberta to move gas to the Saskatchewan market or to export.
- TransGas will roll-in the cost of a new or third party pipeline to bring new gas into Saskatchewan.
- TransGas conforms to virtually all Gas Industry Standards Board standards, including providing service in energy.
- TransGas is directly connected to storage service, with volumes equal to approximately 10 percent of annual throughput and deliverability equal to approximately 40 percent of system peak day.
- TransGas delivers gas into the TCPL system, downstream of Empress, with fuel gas savings on TCPL.
- TransGas provides access to Saskatchewan's growing gas market, including residential, commercial and industrial markets. Some diverse industrial markets include mining, processing, forest products, power generation, and chemicals.
- Most reserves in Saskatchewan are shallow, sweet gas requiring little processing and can be brought on stream quickly.
- TransGas is expanding our e:business applications to increase value to our customers.
- TransGas offers one year and 30 day receipt service and export service contracts.



# Q UARTERLY REPORT

The **TransGas Quarterly Report** is published quarterly to provide customers with up-to-date information on the transportation and storage services offered by TransGas Limited. If you have any comments or require additional copies of our **Quarterly Report**, please contact:

**Tracy Singer** Phone: (306) 777-9916 Fax: (306) 525-3422  
E-Mail: [tsinger@transgas.sk.ca](mailto:tsinger@transgas.sk.ca)  
1500 - 1945 Hamilton Street, Regina, SK S4P 2C7

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**Your Link To Success**

# It's All About Service

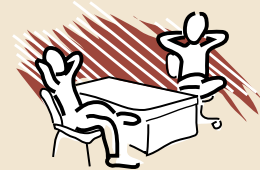
We've said it time and time again - it's all about service! That's what we believe at TransGas and that's why we work every day to provide even better service to our customers. But you don't need to hear it from us. Check out what some of our customers have to say:

## CHINOOK PIPELINE

Chinook Pipeline Company approached TransGas with a unique project in a remote area involving a Canada/U.S. border crossing, as well as connecting to a new pipeline from the U.S. On September 12, 2000 the contract between the two parties was signed. However, the project required TransGas' affiliate, Many Islands Pipe Lines (Canada) Limited to receive NEB approval and Chinook Pipeline to receive FERC approval prior to project completion. Many Islands Pipe Lines received NEB approval and proceeded with the tie-in that was completed on December 13, 2000. Just 92 days later! "What was amazing to me was that TransGas had completed the system and tie-in before Chinook Pipeline had received FERC approval," says Wade McGowen of Chinook. "The TransGas Customer Service staff has been more than helpful in meeting our business requirements."

## MERA PETROLEUMS LIMITED

Mera Petroleums came to TransGas with a slowly developing project that required cooperation from both parties. "We were asking for service right back to the wellhead which was out of the scope of TransGas business practices", comments Bob McLeay of Mera. "But what we were most impressed with was their assistance in finding a reliable consultant to make it happen. On top of that, TransGas even helped us with the environmental approval process that we required." The construction agreement was executed on July 5 and 99 days later Mera was up and running. McLeay adds, "All in all you could say that we were very pleased with the desire TransGas had to meet our business needs."



## Winter Operation Update

From December 9 to December 13 of 2000, deliveries on the TransGas system were greater than any single peak day experienced in the past two years. During these five consecutive days, 1.35 Petajoules of transportation deliveries were recorded; a real test of our system. Storage production played a critical role in our ability to meet these high requirements. In fact, actual production on December 11 and December 12 matched our historic TransGas storage peak of 0.5 PJ/d on February 6, 1994. However, in 1994 TransGas had an additional storage facility to assist in meeting that deliverability. The 2000 winter storage withdrawal was the highest on record, representing 94 % of our peak day design. By the end of December 2000 over 12 PJ had been produced out of storage, almost 2 PJ over design, which was more than 35% of our capacity.

Given the demands placed on the system through the cold weather in December, the system performed very well but not without some minor difficulties. Thirteen interruptible load customers were requested to reduce to firm load for one day due to transmission and supply problems. System pressure complications were also experienced in a northern community where 44 local distribution customers lost service for a few hours due to high loads on the lateral and general supply issues in the area. In the interim, the loads on this lateral have been met; however, longer term solutions will be investigated and implemented in 2001.

**DID  
YOU  
KNOW ?**

If you contact Tracy Singer at (306) 777-9916 or email [tsinger@transgas.sk.ca](mailto:tsinger@transgas.sk.ca) she will provide you with a comprehensive communications package which includes a facilities map.

Under this extreme operation, the TransGas system performed very well. However, this test has emphasized our need to be on top of our maintenance, planning and operation of the system so that we can continue to provide our customers with the safest and most reliable service possible.

The cold weather also highlighted some limitations in our measurement communications equipment that is used to provide information to our Daily Energy application. During the cold period in December, the system performance dropped to 60%, primarily due to the performance of some of the older temperature sensitive communications equipment. In January, with the milder temperatures and some system enhancements, Daily Energy performance has now increased to 95% for the 199 sites with remote read equipment installed. In order to expand and improve Daily Energy for 2001, a program to install remote read equipment at additional sites and to replace the outdated temperature sensitive equipment has been identified. TransGas is committed to improving the reliability and access to Daily Energy to better serve our customers.

Note: Daily Energy is the web application used by customers to access measurement data from our field locations. If you would like more information on Daily Energy please visit our website at [www.transgas.sk.ca](http://www.transgas.sk.ca) or call David Wark at (306) 777-9585.

## Daily Operations Reports Now on TransGas Web Page

TransGas' web site is expanding every day. The latest addition is the Daily Operations Report. Customers can use this report to obtain a daily summary of the energy moved through TransGas' transportation system and storage facilities. They can also find detailed historical information for the previous day, month-to-date, year-to-date and previous year-to-date energy movement. You can check out the Daily Operations Report on our web site at [www.TransGas.sk.ca](http://www.TransGas.sk.ca) under the Info Posting section.

## TransGas In-line Nominations to CSO's Web Application -CSO In-lines

One of our ongoing goals at TransGas is to provide our customers with information that will make it easier for them to run their businesses. CSO In-lines is one of many applications TransGas plans to roll out this year to help do just that!

The CSO (Common Stream Operator) In-line Web application provides a summary of the nominations at meter locations. More detailed information is also available through a daily breakdown of individual shipper amounts by meter. In addition, the CSO In-line Web application provides a history of the current month and one previous month of daily nominations to assist CSOs in administering their nominations. CSO In-line applications will be made available to CSOs in April of 2001. The application will have the ability to notify CSOs of all nomination changes at their receipt meter locations by 11:30am and again at 4:00pm daily for the current and next gas day nominations. The CSO can receive the CSO In-line notifications by either e-mail or fax. With an e-mail notification, the CSO is notified that a nomination change has occurred and will be directed to the secure TransGas CSO In-line Web application to view both details and summaries of all nominations, as well as the current changes. If the CSO chooses to be notified by fax, nomination information for receipt only locations where nomination changes have occurred for the day will be included in the fax.

Continued on Pg. 6

DID  
YOU  
KNOW ?

Our website has a Quick Links drop down box that takes you directly to one of the following selections:

- TransGas Tariff
- MIPL(C)L Tariff
- Storage Calculator
- Transport Calculator

Continued...

An enhancement, scheduled for June 2001, will enable CSOs to inform TransGas directly through the Web application if they will be able to match the nominated amounts at receipt locations. The CSO In-line Web application will be a valuable tool in assisting the CSO in providing the Transport Management department with projected flow amounts.

To ensure that CSOs have the opportunity to become familiar with the CSO In-line application before its release in April, TransGas will be holding workshops to review the workings and information on the system. These workshops will discuss how CSO In-lines will provide CSOs with information on how to access this application through the Internet and will demonstrate examples of its use.

CSO In-lines 2001 Workshops: March 21 in Calgary; March 27 in Lloydminster; March 28 in Kindersley and March 29 in Swift Current. Please note that the Saskatchewan locations will be subject to change based on the number of responses.

If you are interested in attending a workshop or would like more information, please contact Tracy Singer at [tsinger@transgas.sk.ca](mailto:tsinger@transgas.sk.ca) or call (306) 777-9916.

## 2000 TransGas Transport

Total transport deliveries were up by 8% for the year 2000 for TransGas. This was the first increase in transportation since 1995. Together, TransGas and Many Islands Pipe Lines accounted for total annual transport deliveries of 345 PJ. The Saskatchewan load of 200 PJ represented 58% of the 345 PJ total annual deliveries for the year 2000.

Total receipts for 2000 also showed an increase. Excluding storage, receipts were up by 6% over 1999 at 333 PJ.

Saskatchewan field production showed continued strength, with an actual 2000 production of 229 PJ's, 3% greater than 1999. Saskatchewan production, excluding storage, represented 69% of the total system receipts. The record level of gas drilling in the Hatton receipt area contributed to the 8% increase in Saskatchewan field receipts south of the TCPL mainline.

Gas receipts from Alberta interconnects were 80 PJ's, 9% greater than 1999 figures. While the TCPL (Alberta) interconnect receipts declined by 19%, the ATCO (Devonia Lake) and Alberta field direct connects increased by 31% and 11% respectively.

## Storage Renewal Update

TransGas' firm S-90 storage service was fully contracted for the contract year ending May 1, 2001. These Firm Storage contracts "evergreen" automatically for another 12-month term unless the customers decontract by serving notice prior to the renewal deadline.

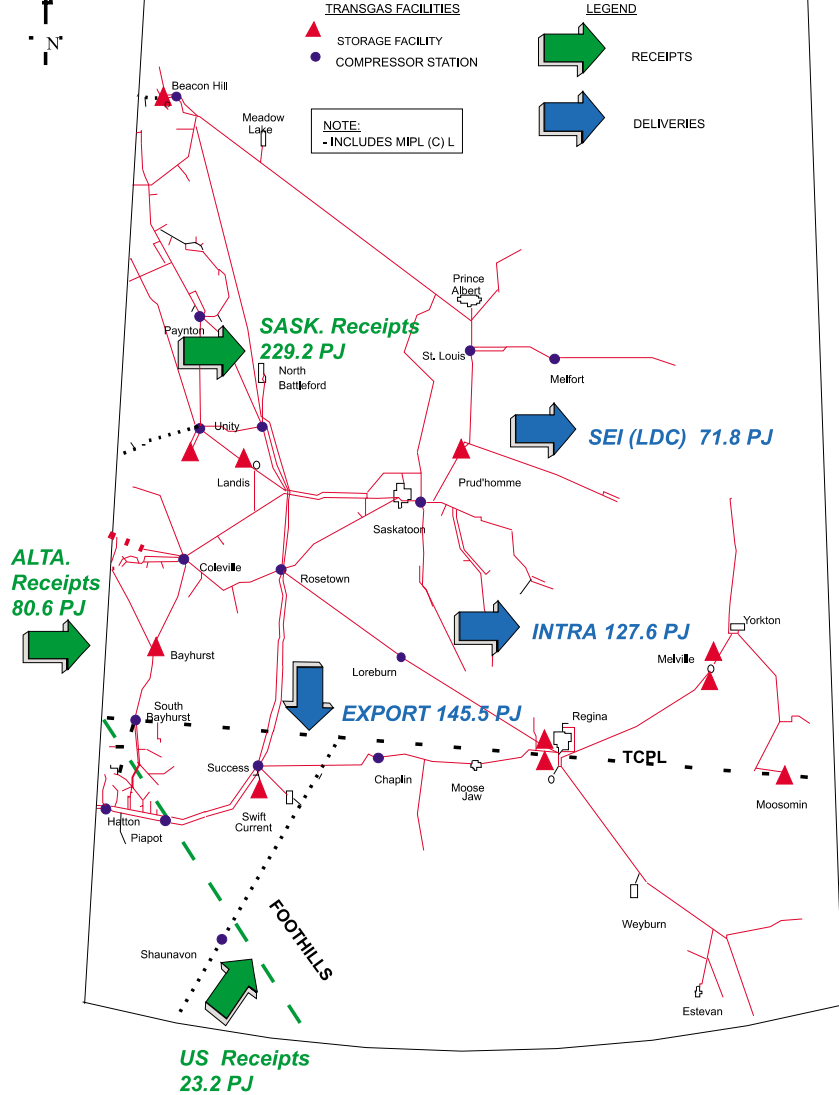
The renewal deadline of February 1, 2001 for TransGas storage contracts resulted in 23 storage customers renewing their firm S-90 storage service to approximately the same level as last year (31 PJ of volume and 512 TJ/day deliverability).

Some volume (2.0 PJ) and deliverability (21.9 TJ/day) was not renewed.

TransGas is currently determining the amount of volume and deliverability it will have available to offer to the storage queue waiting for service. The queue consists of customer requests totalling approximately 2.1 PJ of volume.

# TransGas

## 2000 Transport Summary (Actual)



H:\FREELANC\HIST\MAP2.PRE

DID YOU KNOW ?

Our website contains a "Biddable Storage Injection Update"

## "Connection to Value" Project Suggestion Box

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Suggestion: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# TRANSGAS

## 2001 SYSTEM CAPACITY AVAILABLE

| <u>Service</u>                                                   | <u>Location</u>                                   | <u>Firm Status<br/>And Interruptible</u> |
|------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|
| A. Compression                                                   | Coleville                                         | Yes                                      |
| B. Gathering                                                     | Coleville                                         | Yes                                      |
| C. Receipt Transmission                                          | Hatton-Success                                    | Yes                                      |
|                                                                  | Bayhurst Area                                     |                                          |
|                                                                  | Loomis-Cypress Area                               | Yes                                      |
|                                                                  | Estevan-Steelman Area                             | Yes                                      |
|                                                                  | Coleville-Unity Area                              | Yes                                      |
|                                                                  | John Lake, Beacon Hill Areas                      | Yes                                      |
|                                                                  | TCPL Interconnects<br>(Unity, Cold Lake, Empress) | Yes                                      |
| D. Delivery Transmission (Export)                                | TCPL (Bayhurst, Success & Herbert)                | Yes                                      |
|                                                                  | Foothills (Piapot)                                | Yes                                      |
|                                                                  | Williston Basin (North Portal)                    | Yes                                      |
| E. Delivery Transmission (Intra)                                 | Various Saskatchewan Delivery Points              | See Note 1                               |
| F. Storage (Volume and Deliverability)<br>- Firm<br>- Summer Use |                                                   | No<br>Yes                                |

Notes:

F: Some constrained delivery laterals exist that are currently fully contracted.



### Upcoming Events:



**March 19 & 20:** Sponsors and Exhibitors of the 6th Annual North American Pipeline Conference

**March 28:** Common Stream Operator Workshop  
Kindersley

**March 21:** Common Stream Operator Workshop  
Sheraton Suites - Calgary

**March 29:** Common Stream Operator Workshop  
Swift Current

**March 27:** Common Stream Operator Workshop  
Lloydminster

**April 9 & 10:** Exhibitors at the Calgary Gas Expo

Bookmark "The Saskatchewan Connection" on your internet!

[www.transgas.sk.ca](http://www.transgas.sk.ca)

**TransGas**

