

## NEW APPROACH TO MANAGING YOUR TRANSPORT ON TRANSGAS



### Shipper Balancing

As part of the Connection to Value initiative, TransGas is moving from a monthly to a daily-managed pipeline beginning November 01, of 2001. There will be no balancing penalties any longer. Using a model similar to that already applied in Alberta, each shipper on the TransGas system will have a gas imbalance account. TransGas will establish tolerance levels for these accounts primarily based on system conditions and the status of storage. A normal tolerance will be plus or minus 10% of the shipper's activity on the TransGas system. As an example, a Shipper that moves 16,000 GJ/day of gas through the TransGas Energy Pool (TEP):

Account activity =	16,000 Gjs
TransGas tolerance levels =	+/- 10 %
Account balance limits =	+/- 1,600 Gjs

If TransGas tolerance levels are + 20 % and 0 %:

Account balance limits =	+ 3,200 Gjs and 0 Gjs
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Note: Tolerances will set each day for the next gas day.

A Shipper Imbalance web application will be available for TransGas customers November 1, 2001. The secure Shipper Imbalance web application will provide shippers with the current status of their imbalance account(s) at 8:00 am each day. Shipper Imbalance account information is updated daily and will be based on metering information collected earlier that morning and predetermined allocation methodologies. Customers will have the most up to date account information available prior to reviewing or submitting nominations.

The Shipper Imbalance web application will also provide shippers with a current overall account balance (Gjs) and what the current overall account tolerance limits are (% and Gjs). TransGas will be working with those customers that are outside the tolerance limits to bring them back into tolerance as expeditiously as possible. There will be no balancing penalties any longer! This new model of operation will provide customers with increased flexibility and up to date information, thereby allowing customers to better manage their gas portfolios.

*Continued on Page 2*

### **Storage:**

A new **Storage web application** will also be available for customers as of November 1, 2001. Customers holding storage contracts will be able to use the Storage web application to review any storage transactions and current storage account balance(s). Current Injection and Withdrawal allowable limits will also be provided in the application. The Storage web application will be updated at 8:00 am daily.

### **Nominations:**

Effective November 1, 2001 Nominations will be submitted to Transport Management by Class of Service and Custody Transfer point. This new method of submitting nominations should simplify the nominations process for our customers as detailed contract information will not be required when submitting the nomination, as is current practice. We are currently working on the development of a Web Nomination application, which will allow users to submit nominations over the web. The Web Nomination application will be available for customer use early in 2002.

### **CSO Changes:**

Since March of this year Common Stream Operators (CSOs) have been receiving an e-mail or fax notification when nomination changes have occurred at their meter locations. Effective November 1, 2001 CSOs will be required to provide TransGas with feedback on their ability to meet the nominations for the next gas day. Consistent with industry nomination practice, the CSO will confirm their ability to meet the total nominations provided or, if there would be insufficient gas supply, to provide projected flow amounts for each party nominating at a given meter location. TransGas will contact Shippers in the event nominated quantities cannot be met.

### **CSO Inlines (Nominated Quantity for Operators):**

CSOs can view shipper nominated quantities for the various meter locations they are responsible for using the **CSO Inlines (Nominated Quantity for Operators) web application**. CSOs can also submit any shipper projected flow amounts to TransGas using the CSO Inlines Web application. Please contact your Key Account Manager or call the General Inquiries number (306-777-9900) for more information on signing up for CSO Inlines.



H A P P Y

F A L L



# Quarterly Report

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**Your Link To Success**

did you know

TransGas Key Account Managers will be a customer's primary point of contact becoming knowledgeable with your activity on the TransGas system, thus understanding the overall needs of your business. They will ensure a consistent and proactive approach to meet your service requirements by performing the role of customer advocate in the TransGas shop. Chris Uhren and Debbie Brown will be introducing themselves to you very soon - but make sure you come to our September workshops to meet them and find out about all of the changes at TransGas! TransGas shippers have subscribed to 87 000 GJ/day of Hatton Service effective November 1, 2001. All of this capacity was contracted under 5 and 10 year term agreements. This Hatton Service is gas transportation service from a defined "Hatton Tolling Zone" in Saskatchewan to one or more of TransGas' standard export points.

### Daily Allocations:

Effective November 1, 2001 measurement quantities for all receipt meter locations will be allocated on a daily basis in order to update Shipper Imbalance accounts. A predetermined allocation methodology, as chosen by the CSO, will be used to calculate the allocated energy amounts daily. A **Daily Allocation web application** will be available November 1, 2001. CSOs will be able to view and change allocated quantities at each of their meter locations on a daily basis.

### System Changes Update:

TransGas staff are currently busy testing all of the new customer web applications and also making the required changes to our internal billing systems. We are currently on schedule, and look forward to providing you with the various web information tools required to do business with TransGas in the near future.

## *Staffing Changes at TransGas*



Please join us in welcoming Chris Uhren to the TransGas team as Key Account Manager. Chris has an extensive background in the natural gas industry including experience in Contracts, Gas Supply, TransGas Operations and Human Resources. She comes to TransGas Customer Services from her position with SaskEnergy International where she played an integral role in the establishment of this business division.



Lillian Wilde : As of July 15th, Lillian Wilde is the Senior Business Analyst in the Customer Facility Requests area. Lillian has many years of experience in Customer Services and will be utilizing her skills and abilities in the new role focused on Customer Facility Requests.



Debbie Brown: Debbie joined the TransGas Customer Service team on a one year temporary basis starting in March of this year. Her appointment to the position of Key Account Manager means she will be staying on in a permanent capacity in this new role working with our TransGas customers.



Darlene Exner's responsibilities have changed. With the recent retirement of Elanna Gilbert, Darlene has taken on supervisory responsibility for Contracts, as well as Transport Management. Come November 01, when TransGas begins operating under the new policies and the new daily operating model, she will be responsible for contracts, nominations and daily balancing functions for TransGas.

## TARIFF CHANGES

Another facet of Connection to Value is to modify the TransGas Tariff to reflect the new and revised policies and procedures being implemented. Due to the extent of the policy changes being implemented, revisions were required to virtually every section of the Tariff. This spring TransGas prepared a first draft of the revised Tariff. In July the members of the Customer Dialogue Policy Workgroup reviewed this draft. As well as the members individually reviewing the Tariff, the Workgroup held two days of meetings to discuss the changes and provide feedback to TransGas. After the changes resulting from the Workgroup review were incorporated into the Tariff, all of the Customer Dialogue participants were provided a four week period to review the Draft Tariff prior to the September Customer Dialogue meeting where final Dialogue input on the Tariff was received.

TransGas would like to thank the Customer Dialogue participants, especially the members of the Policy Workgroup, for the time and effort they spent in reviewing the drafts of the Tariff. This will help ensure the document is understandable by customers and reflects the spirit of the policy changes as previously discussed at Dialogue.

TransGas plans to place the new Tariff on our web site in early October to provide all of our customers an opportunity to review the document and become familiar with it before it becomes effective on November 01, 2001. If you have any questions or comments on the Tariff during your review, please call Vern Gorr at (306) 777-9556 or Gary Johannsson at (306) 777-9560.

## TransGas Receives Environmental Award

Reducing greenhouse gas emissions is a priority for everyone. That's why TransGas, in conjunction with the Saskatchewan LDC, (SaskEnergy), set a collective goal to reduce our greenhouse gas emission levels by 6% over the next 12 years - the same amount set by the Kyoto Agreement for all of Canada in 1997. We are happy to report that we are nearly halfway in reaching our goal and are being recognized for our efforts in this area.

Bernie Ryma, Director of Environmental Affairs accepted an award for Leadership in the Pipelines and Natural Gas Distribution sector category recently in Ottawa, made possible through Canada's Voluntary Challenge and Registry Incorporated (VCR). We are proud to be recognized as one of three Saskatchewan companies to receive this honour.

VCR is a corporation that encourages public and private sector organizations from all areas of the Canadian economy to limit their net greenhouse gas emissions as a step towards meeting Canada's climate change goals. VCR also assesses and recognizes the effectiveness of these voluntary approaches.

Although we are only halfway toward reaching our goal, we are continuing to work diligently to reduce our country's greenhouse gas emissions.



did you know



There is a TransGas map indicating the meter codes on the web? Just go to [www.transgas.sk.ca](http://www.transgas.sk.ca) and click on "MAPS".

## Enhanced Firm Injection Service



Each storage customer who contracts for firm storage withdrawal is entitled to base injection rights. As of February 01, 2001, a storage customer had the option to subscribe for additional injection rights under four injection services. TransGas offered two new services to complement the two which were previously in place. The suite of injection services available to our storage customers is now as follows:

1. **Seasonal Biddable Injection Service** through a bidding process, allowed customers to hold additional monthly firm injection service for up to the entire injection season, April through October. The bid window for service closes on February 21 of each year.
2. **Monthly Biddable Injection Service** (again through a bidding process) allows customers to hold additional firm injection for a specific month. The bid window for service closes one week prior to the start of the injection month.
3. **Short-Term Firm Injection** allows customers additional injection service throughout a month, for a period of greater than one day but less than the whole month. A customer can request this service prior to or during the month required.
4. **Excess Injection Service** allows customers additional injection for the next day only. To request Excess Injection Service, the customer nominates for the excess injection through the standard nomination process.

TransGas allotted 20,000 GJ/day of Seasonal Biddable Injection Service through its bid process and the full amount was awarded following the close of the bid window. As well, Monthly Biddable Injection Service was offered and completely subscribed in July and September in amounts of 25,000 GJ/day and 20,000 GJ/day respectively. If you'd like to view biddable injections at your convenience, please check out the TransGas web site at [www.transgas.sk.ca](http://www.transgas.sk.ca) under Information Postings. Customers are finding TransGas' suite of additional firm injection to be a valuable service in managing their gas purchase portfolios. For further information on any of these Injection Services, please contact your Key Account Manager, Debbie Brown at (306) 777- 9687 or Chris Uhren at (306) 777-9501.

September  
Workshop



Connection to Value

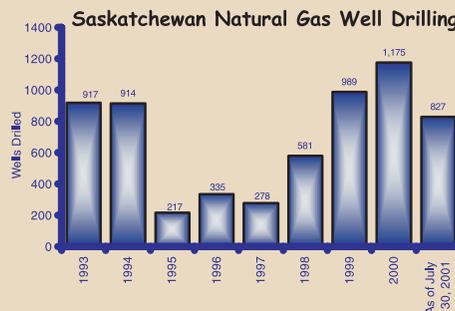
Lots is changing at TransGas so don't forget to register for our FREE workshop! Plan to attend either September 26th or 27th beginning at 10am at the Sheraton Suites Eau Claire in Calgary. We will also be holding a workshop in Saskatchewan in Saskatoon on October 3rd at the Saskatoon Inn. You can RSVP Kathy Milgaard by phoning her at (306) 777-9994, e-mailing Kathy at [kmilgaard@transgas.sk.ca](mailto:kmilgaard@transgas.sk.ca) Or register on line by visiting our web site - [transgas.sk.ca](http://transgas.sk.ca) and click on 'What's New', then on 'registration form'.

## Drilling Activity

The current upstream environment in Western Canada is supporting very strong natural gas drilling results to date in 2001. During the first seven months of 2001 6,142 gas wells have been drilled versus 4,181 during 2000. In addition to the high number of gas well completions to date in the Western Canadian Sedimentary Basin, there are two other key indicators that illustrate the increased focus on natural gas: proportion of exploratory wells that are natural gas (62%) and the proportion of total drilling that is targeted for natural gas (60%).

The 2001 results for Saskatchewan mirror this trend with over 46% of completed wells to date categorized as gas wells. Traditionally in Saskatchewan, about 30% of the drilling activity is directed at gas prone areas.

The bulk of the activity in Saskatchewan continues to be in the southwestern part of the province. During 1999 and 2000, activity in the southwest accounted for more than 90% of the gas wells drilled. 2001 looks to be following the same pattern with aggressive infilling in the Hatton area making up the majority of the drilling numbers.



The sale of Crown mineral rights in the province, a leading indicator for upcoming exploration drilling activity, has been strong to date. Natural gas-prone areas dominated both the April and June land sales this year. The June land sale results revealed the highest ever percentage of total sale revenues for gas-prone lands. As well, in June, two exploration licenses for a total of 14 419 hectares were sold near the Montana-Saskatchewan border for a total price of \$6.41 million. This indicates that companies are actively expanding their land base and exploring for natural gas in Saskatchewan.

## Upcoming Events



**September 26 & 27:** Customer Workshop  
Sheraton Eau Claire Suites  
255 Barclay Parade SW  
Calgary

**October 3rd:** Customer Workshop  
Saskatoon Inn  
2002 Airport Drive  
Saskatoon

**September 26th:** Customer Reception  
Sheraton Eau Claire Suites  
255 Barclay Parade SW  
Calgary

**October 3rd:** Customer Reception  
Saskatoon Inn  
2002 Airport Drive  
Saskatoon

For more information regarding these events please contact  
Kathy Milgaard at (306) 777-9994 or Email her at [kmilgaard@transgas.sk.ca](mailto:kmilgaard@transgas.sk.ca)

did you  
know



TransGas is now  
located at  
1777 Victoria Avenue,  
Regina, Saskatchewan  
S4P 4K5?

# TRANSGAS 2001 SYSTEM CAPACITY AVAILABLE

<u>Service</u>	<u>Location</u>	<u>Firm Status 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 (Unity, Cold Lake, Empress)	Yes
D. Delivery Transmission (Export)	TCPL (Bayhurst, Success & Herbert)	Yes
	Foothills (Piapot)	Yes
	Williston Basin (North Portal)	See Note 1
E. Delivery Transmission (Intra)	Various Saskatchewan Delivery Points	See Note 2
F. Storage (Volume and Deliverability)		
- Firm		No
- Summer Use		No

Notes:

- 1: Only interruptible available.
- 2: Some constrained delivery laterals exist that are currently fully contracted.

## TransGas Transport & Storage Update

The Gas Control operation has been relocated to the new building, SaskEnergy Place, and operating fully effective July 23. The move was successful, with no interruptions or complications.

As of August 21, the total volume injected into storage in 2001 is 21 PJ, giving an 81% of contracted storage position. Assuming all storage customers fill their contracted storage volume prior to November 1, 2001, the remaining storage injection requirement is 6 PJ.

The MIPL Loomis vs. TCPL Herbert 16-inch pipeline continues to transport nearly 100 TJ's daily, which is approximately 90% of current capacity. The transport on this pipeline has been steadily increasing during the past few years, as it primarily relates to increased producer receipts from the United States and Wymark, Saskatchewan receipt area.

To date, approximately 65% of the currently scheduled 2001 outages totaling over 110 have been completed. The majority of the completed and remaining outages do not impact shipper service, and are for scheduled compressor and storage maintenance, pipeline integrity inspections, and customer tie-ins. The largest outage this year in terms of customer curtailment, was recently completed August 30. The outage was a planned two-day outage of the entire 100 TJ/d transport on the MIPL Loomis-Herbert 16-inch for pipeline integrity program. TransGas will continue to communicate plans of any outages impacting a customer's service at least 7 days prior to the outage, and will make every effort to minimize the impact.

Bookmark "The Saskatchewan Connection" on your internet!



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

**— TransGas —**