

New Direction

Starting in 2007, the TransGas Coleville Low Pressure System will see some subtle changes. TransGas will be able to be more flexible in its service offerings to its customers using this system.

The Coleville Low Pressure System was first developed in the late 1950s and was one of the first areas of natural gas development in the province. The Low Pressure System is centered at the Coleville site where there is 8,800 HP of compression available to boost gas pressures from the gathering level to transmission levels. Also, there is a gas processing facility which ensures the quality of the gas will meet transmission quality specifications. In addition, it removes natural gas liquids (propane, butane, etc.) and allows them to be marketed separately. TransGas has nearly 100 km of gathering lines bringing natural gas to the Coleville site. There are four other pipelines also bringing gas to the site for processing and compression.

At the end of 2006, some of the existing long-term contractual commitments which TransGas has at Coleville will be coming to an end. This will allow TransGas to be more flexible in the way it can structure its low pressure services for its customers. This should provide some opportunities for producers in the Coleville area to take advantage of this increased flexibility.

Our Key Account Managers will be contacting a number of our customers in the Coleville area who may be able to benefit from this increased service flexibility. If you would like some additional information on this, and have not already been contacted, please call us as your Key Account Manager will be happy to discuss this with you.

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SE Saskatchewan

Over the past year, TransGas has seen increased activity in southeast Saskatchewan. This includes the completion of the Mission Oil & Gas Incorporated gas processing plant south of Stoughton, and the current construction by Crescent Point Energy Trust of a gas processing plant near the town of Oxbow. The construction of these facilities is great news for this area, as it helps to capture what would otherwise be flare gas. In particular, Mission's new facility has been built to capture associated gas from the newly developed Bakken formation. Capture of flare gas in this area is of particular interest, as it is estimated that in excess of 3 PJs of associated gas is flared yearly in this part of Saskatchewan. Capture of this gas has economic and environmental benefits to Saskatchewan, TransGas, our customers, and in particular area residents.

The purpose of Mission's facility, which went into service on August 30, is to process associated gas in conjunction with its oil operations in the area. As the associated gas is sour (contains H₂S), and rich in hydrocarbon liquids, Mission constructed a gas plant to transform the associated gas to a condition acceptable for receipt on the TransGas System, - this facility will sweeten the gas (remove the H₂S) and remove the hydrocarbon liquids. The addition of Mission's facility increases the natural gas processing capacity in the area, resulting in more associated gas being collected and sold than being flared - which is great for our environment and all of us!

TransGas was involved in Mission's project through the installation of an 18.4 km pipeline to connect the new plant to our main system line. This included the installation of a meter station, complete with H₂S monitoring and shut-in equipment. Pipeline routing and mainline tap location were designed to follow an existing pipeline route to minimize surface disturbance and make use of existing pipeline easements in the area.

Customer commitment to proceed with this project was received in February 2006, with the TransGas facilities completed by August 18, 2006. TransGas worked closely with Mission to ensure in-service timing for the TransGas portion of the project was co-ordinated with Mission's start up plans.

We are excited to be involved in a project that has so many positives - adding value for our customers, reducing flared gas, investment in Saskatchewan and increased flows on the TransGas system. Congratulations to all involved in both projects.

Did You Know?

Since inception of TransGas storage service in 1990, no firm storage curtailment has occurred to-date.

High Priority At TransGas

TransGas places a very high priority on gas measurement as it transports approximately 350 PJs of energy annually, with a market value of about \$2.5 billion. The accurate, timely, and reliable measurement of this energy as it's transported is a critical function within TransGas. Gas Measurement of shippers' energy consists of measuring both volume and heating value. The volume is measured by various types of meters, with orifice runs primarily used by TransGas at producer receipt points. For measurement of heating value, three methods are used by TransGas: spot sampling; continuous sampling; and on-line gas chromatographs. The decision of which type of gas sampling to be used is based on receipt and delivery volume, and variance in

volume and heating value. The measured energy is available daily for all TransGas receipt points, and for all TransGas delivery points over 1 TJ/d, on the TransGas shipper website "Daily Energy". Currently 201 receipt meters and 128 intra-delivery meters are included in Daily Energy.

TransGas has many programs in place to continue accurate gas measurement. These programs include upsize or downsize of meters which ensures accurate measurement and processes to ensure meter calibrations are done at optimum frequency.

Mark Your Calendars Now!

It's time for the FREE Saskatchewan Natural Gas Advantage Workshop.

TransGas is hosting the 4th annual one day workshop on **November 21, 2006** at the Metropolitan Centre in Calgary. We will walk customers, potential customers and interested parties through every step of doing business in Saskatchewan from land acquisition, royalties to tie-ins. Plus, you'll receive a binder loaded with information you need to know.

Don't miss this opportunity to learn everything you've wanted to know about how to explore the Saskatchewan Natural Gas Advantage.

For more information contact Lillian at 306.777.9563.

[Registrations available on-line](#) at www.transgas.com or by contacting Bonnie at 306.777.9553.

Warm up for Winter

With helping hands and generous hearts, TransGas employees from around the province will participate in SaskEnergy's Share the Warmth Home Energy Efficiency Project throughout September and October. This major event, kick-started in Regina on September 7, saw more than 100 employees, as well as local high school and post-secondary students improve the energy efficiency of 100 homes in the city.

The Share the Warmth Home Energy Efficiency Project is offered to homeowners with a combined household income of no more than \$45,000 a year. Families will benefit from up to \$200 worth

of home improvements including - preparing windows and doors for winter, replacing furnace filters, installing gaskets around light switches and plug ins, replacing standard light bulbs with compact fluorescent lights and installing programmable thermostats. These improvements, on average, will result in \$150 worth of annual savings for the participating home owners. TransGas employees will be out and about helping hundreds of families in Moose Jaw, Yorkton, Swift Current, Maple Creek, Melfort, Tisdale, Nipawin, Prince Albert, Meadow Lake, Saskatoon and Estevan. The goal is to help 2,500 families across the province over the next five years.



(l. to r.) A-Jay Medwid, Josh Verity, Derek Leach, Andrew Urquhart, Debbie Brown and Myron Dressler donated their time, energy and home improvement skills during this year's SaskEnergy Home Energy Efficiency Project in Regina.

Regina Open Door Society

In 2001, Brian Torgunrud, Acting Executive Director, Engineering and Technology, TransGas, was accepted into the SaskEnergy/TransGas Leadership Development Program. As part of the program, candidates were required to develop a number of personal development plans. Brian decided to do something he'd always wanted to do, but had never done, and chose volunteering. "I had always wanted to volunteer, but it was just too easy to put off," says Brian. "Once I'd submitted my PLP I was committed and couldn't put it off."

Brian found out about the Regina Open Door Society (RODS) through TransGas co-worker Donna Peake, who had hosted a Cambodian family in the past. RODS is an agency that helps newly arrived immigrants from all over the world (RODS calls them "newcomers") get their bearings in Regina. One of the volunteer opportunities is called the Host Program, which matches up a newcomer family with a host. The host commits to be a friend to the family for one year and to spend approximately one hour per week with the family.

"I committed to the host program in February 2002, and was matched up with a family who

had arrived in Regina two months earlier. My newcomer family consisted of Mom and Dad, three daughters (aged 17, 24 and 26) and three sons (aged 2, 12 and 22). The parents were born in Iraq but all of the children were born in Syria. The first time I met them, I was accompanied by the Host



Program coordinator from RODS, along with an interpreter. The youngest daughter, Waf-faa, spoke a little English but the others spoke none. As I found out later, they were quite disappointed that their host was a man – they were very much hoping

for a woman. This has been an ongoing joke between my family and me ever since they told me," Brian says.

After that meeting things really took off. Brian's newcomer family lived very close to the TransGas Head Office for their first year in Regina. Brian would stop in most days on his way home from work and in a very short time, says he forgot about his role as a "host" – and instead found new friends. "My one year commitment ended without fanfare

and I was having way too much fun to end the relationship.

“In the early days of our friendship, they needed help to understand how to pay bills, how to separate junk mail from important mail (this was a big one), how to get a driver’s license, how to access the health care system, where to get groceries, and all kinds of other things that we take for granted but are a mystery to someone coming from another country. The role I played was not to do things *for* them, but rather to show them *how* to do things for themselves. My newcomer family is Muslim, so they don’t eat pork and any other meat they eat must be halal (prepared in a manner specified by their religion).” A number of times during the first year of our friendship, we drove out to a sheep ranch, bought a sheep and butchered it on the spot. “Now I’m a city boy, so this was an adventure for me and, of course, a great photo opportunity!”

As time went by, Brian’s family learned to speak English, got jobs and became more and more self sufficient - he was no longer needed for the day to day things, so his focus switched to helping them wade through the bureaucracy faced by people without citizenship. Brian says, “Not only did they have no Canadian citizenship – they had essentially *no* citizenship at all. Per-

haps the biggest undertaking was, after the eldest son got married to an Iraqi girl, figuring out what had to be done in order for him to sponsor his new wife and bring her to Canada. This involved talking to others who had gone through the process, gathering the documentation and filling out a stack of forms. This is ongoing, but seems to be progressing very well and I look forward to meeting his new wife.”

Brian related that he has learned a lot, with more yet to learn, about what it means to be a newcomer in Canada and especially what it means to be a Muslim in Canada. “I consider myself very lucky to have been given this opportunity. My newcomer family has a fabulous sense of humour, doesn’t mind laughing at themselves, never misses an opportunity to laugh at me and is happy to answer all of my naive questions about their religion, their customs and how they view the world. Having been allowed into their lives has given me a whole new perspective on *my* life. I no longer take being Canadian for granted; I realize how precious my citizenship is, the freedoms and privileges it gives me, and how lucky I am to have been born in Canada,” Brian says.

This fall Brian hopes to start a new relationship through RODS – a mentor for an immigrant with a technical background. “I’m not sure exactly what that will involve but, based on my experience as a host, it can be whatever I make it.”

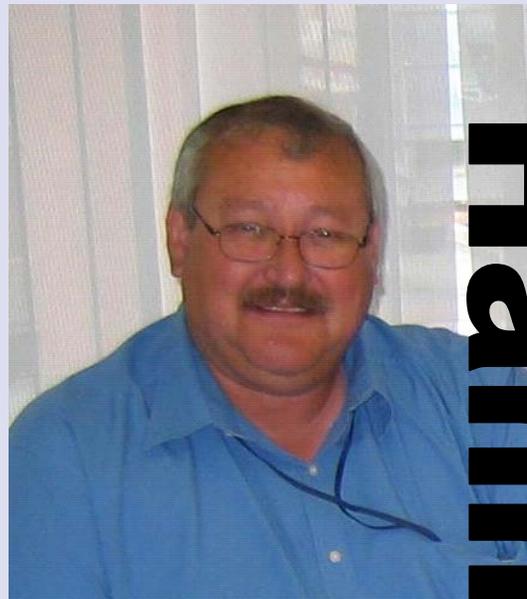
Congratulations!

After 35 years of service, Randy Hahn, Executive Director of Transmission Operations, bid a fond farewell to TransGas. This long-standing and dedicated employee joined SaskPower's Swift Current Office in 1971 – back when Sonny and Cher's Comedy Hour show began, and ABBA embarked on their legendary music career.

From Swift Current, Randy moved on to other positions in the 1970s and 1980s, such as Compressor Station Operator at Hatton and Success and Gas Dispatcher in Regina. Throughout the 1990s he was the Manager and then Director of Gas Control for TransGas, and rounded out his career by holding the Executive Director of Transmission Operations role for more than six years.

Perhaps one of the greatest opportunities for Randy was his role as Executive Director of the company's Workplace Renewal Strategies – a position he assumed earlier this year. As SaskEnergy and TransGas prepare for changes in the workplace, Randy was helping lead the development of key ideas and plans to help strengthen the company's position for the future.

Randy officially retired at the end of July, and is wished all the best by his friends and former colleagues at SaskEnergy and TransGas!



Randy
Hahn

New Chapter

A new chapter has been written into the history of the TransGas Melville Storage Facility. The original compressor and production equipment was installed back in 1962 and consisted of an 800 BHP electric motor and a Cooper Bessmer compressor. This equipment was used to inject into one cavern well until an additional three caverns were purchased from Amoco.

After serving the company for forty four years it was becoming increasingly difficult to find replacement parts for the compressor. It was also time to upgrade the electrical facilities and bring the control system of the station up to today's standards to allow for unattended operation.

A new gas-driven engine and compressor (Waukesha / Superior) was delivered to site on May 26 by Premay Trucking.



'A' Plant
Compressor
Building



Compressor
Package
En-Route

Old 'A' Plant
Compressor



Positioning Package for Off Loading

The unit was offloaded using the jack and roll technique.



Jack & Roll

The new compressor package is rated at 1675 BHP and will allow TransGas to fill the caverns in a shorter duration and at a higher pressure. The increased storage pressure will provide approximately 0.27 PJs of additional storage. The scheduled in-service date for the new compressor is mid-October 2006.



'B' Plant Compressor Building alongside
'A' Plant Compressor Building



New 'B' Plant Compressor

Did You Know?

TransGas will once again discontinue charging back to customers the TCPL IT costs incurred when nominating Interruptible Receipt Transportation from Empress to the TransGas Energy Pool (TEP) during winter months (November 01 to March 31). Watch for the detailed Operational Alert in October.



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Transport & Storage

The TransGas and MIPL(C)L transportation is projected to be 356 PJs in 2006, unchanged from 2005.

As of September 15, TransGas storage customers are 99% of full of total contracted storage at October 1, 2006 of 36.1 PJs. As a result of TransGas storage customers being near full the past few months, TransGas export deliveries to TCPL (mainline) increased.

The average day TCPL export deliveries in August were 535 TJ/d, the highest monthly deliveries to TCPL in 12 years. On August 10, the TransGas export deliveries to TCPL were 627 TJ/d, the highest daily deliveries to TCPL in 9 years.

SW Queue Satisfied

TransGas is pleased to announce that we have been able to fulfill all requests for transportation in the southwest area of the province. The queue that had existed since April 2004 was due primarily to a capacity constraint on the Many Islands Pipeline Canada Limited line that runs from the Montana/Saskatchewan border to the interconnect at Herbert on TransCanada Pipelines. The service TransGas has now been able to offer is a result of a combination of some decontracting, as well as a review of the capacity modelling allowing more firm service to be offered.

