

Waste Heat Recovery for Power Generation

TransGas is a company known for its transportation and storage of natural gas. However in 2009, TransGas embarked on a new line of business; small-scale waste heat recovery (WHR) for electricity generation at the Rosetown and Coleville compressor stations. This business opportunity is not only new to TransGas, it is also new to North America. TransGas is very excited about playing a key role in these projects, which will benefit the province both economically and environmentally.

The WHR process captures waste heat that is normally vented to atmosphere through the compressor engines' exhaust and converts it to usable electricity. A heat exchanger located in the compressor's exhaust stream is used to extract the thermal energy. The technology used to convert the thermal energy to mechanical work, and then to electrical power utilizes a process called the Organic Rankine Cycle (ORC).

(Continued on page 2)

| | |
|---|---|
| Waste Heat Recovery for Power Generation | 1 |
| 2010 Outage Scheduling | 3 |
| TransGas Upgrades E-Business System | 4 |
| Southeast Saskatchewan Transport Expansion..... | 5 |
| TransGas-Hosted Workshops Successful..... | 6 |
| TransGas Open House..... | 6 |
| TransGas Storage Status..... | 7 |
| Call Before You Dig..... | 7 |
| TransGas in the Community..... | 7 |

(Continued from page 1)

The ORC technology that TransGas will be using at Rosetown was developed by Turboden of Italy. Turboden has nearly 150 operational units overseas, and the technology has been proven effective for many types of applications. The installation at the Rosetown compressor station will be Turboden's first in North America and the first to use exhaust from a gas turbine as the waste heat energy source. The project will be managed by Found Energy, a subsidiary of Aecon Group Inc. Engineering of the project is currently in progress, with on-site construction planned for summer 2010. Commissioning, testing, and startup are planned for late 2010, and the technology is expected to be fully operational by December 2010.

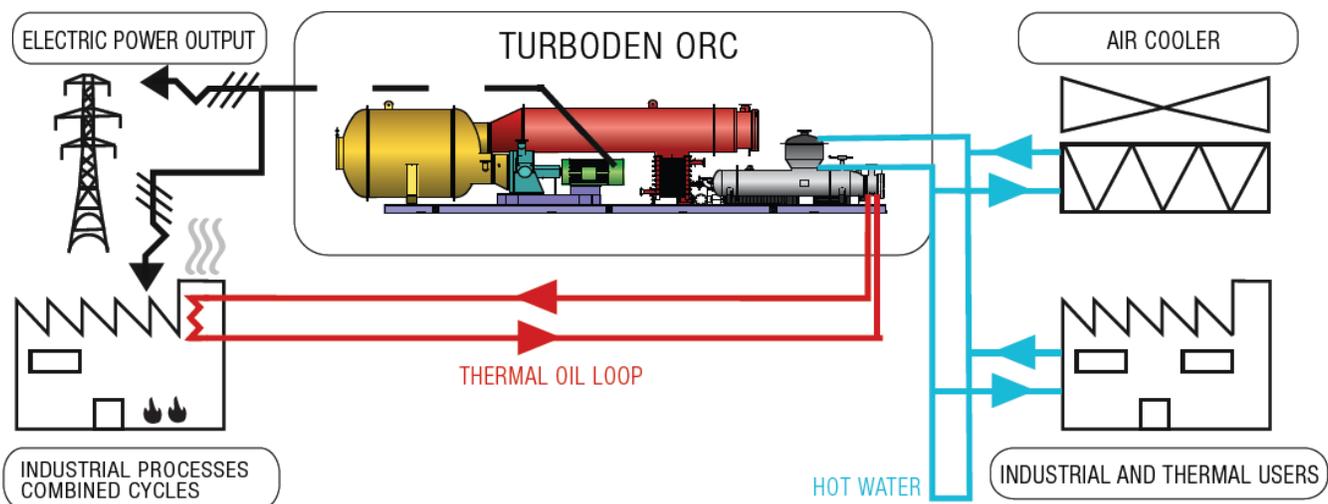
The Rosetown WHR unit has an expected generator output of approximately 900 kW and will produce roughly 7 million kWh per year - enough to power nearly 800 Saskatchewan

homes. This also equals approximately 25 percent of SaskEnergy and TransGas' total annual electrical consumption.

The Rosetown project will offset approximately 5,000 tonnes of Carbon Dioxide Equivalent (CO_{2e}) per year. Such a reduction would be comparable to that which would be achieved by planting approximately 78 square kilometres of carbon absorbing forest.

The Coleville project will also be developed and constructed by Found Energy. It will involve leading-edge technology developed specifically for small compressor engines (1,000 horsepower). The WHR unit is expected to generate approximately 100 kW net capacity. This project is very exciting because this new technology for small compressor engines makes a project of this size more economically viable. Once the

(Continued on page 3)





Organic Rankine Cycle (ORC) unit being lowered into place.

(Continued from page 2)

technology is proven effective, it can be applied to other TransGas compressor stations. In addition, this technology will be available industry-wide for the oil and natural gas industry. The potential environmental benefits are substantial because projects like these reduce the province's reliance on traditional electricity sources, significantly reducing Greenhouse Gas.

SaskEnergy and TransGas have set a goal to become net zero in electricity consumption in the next five years. Waste heat recovery will be one of the key factors in reaching this goal. These projects are about protecting the environment and implementing new business opportunities that will increase revenues and assist us in achieving long-term sustainability for the company.

2010 Outage Scheduling

Approximately 150 TransGas system outages have been scheduled for 2010. As in the past few years, the majority of the scheduled outages relate to the TransGas pipeline integrity program. As a result of effective outage planning and coordination, the outages planned will

have minimal impact on customers. TransGas continues to post on our website all planned outages that will impact customer service. The planned outages are updated at least monthly and can be viewed at: [www.transgas.com/Today in TransGas/Planned Outages](http://www.transgas.com/Today%20in%20TransGas/Planned%20Outages).



www.transgas.com

TransGas Upgrades E-Business System

Our customers are accustomed to doing business with us through our internet-based business applications accessible through *My TransGas*. They use the site daily to view their gas flows, transportation requirements, and storage usage, and to complete online transactions of buying, selling or marketing natural gas. The web applications are an extension of our internal *TransGasNet* application, which manages data as well as posts statements and invoices to our web, and generates email notifications, making it very convenient to transact business with TransGas.

TransGas relies on E-Business applications to help us provide customer service at the level of excellence our customers have come to expect.

TransGasNet has run for several years utilizing the Sybase database platform. Recently, TransGas implemented a database

upgrade project to change over to a SQL server platform. The two-phased, 18-month development and testing project was concluded on February 20 when the system change over was performed successfully and all systems were verified and made operational for business.

Although new features were not included in this upgrade, performance has been enhanced. Customers are now able to see shipper information earlier in the day. It is expected the system upgrade will provide many future benefits to TransGas and our customers. The new platform is more easily supported by our Information Services department, due to its greater compatibility with our other Microsoft products and toolsets. This will result in lower overall ownership costs and will position us for future enhancements, ensuring that our customers benefit from an even greater level of convenience and customer service for years to come.

DID YOU KNOW?

Information about Customer Dialogue can be found on the TransGas website - www.transgas.com.

[Click on Newsroom - Customer Dialogue.](#)

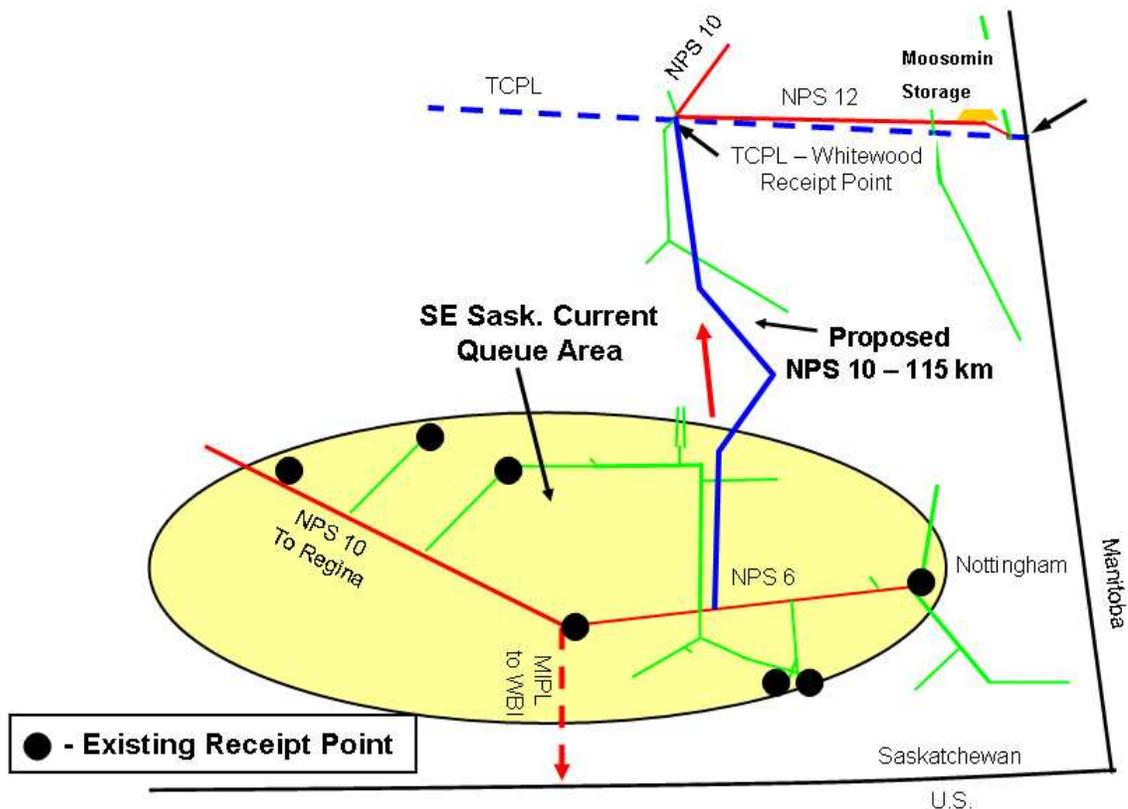
Click on "Summaries" to view a synopsis of past meetings. Click on "Participant List" to view the list of current Customer Dialogue members.

Welcome to our two newest members - Pat Borowski, BP Canada Energy Company and Brent McIntyre, Meadow Lake Mechanical Pulp Inc.

Southeast Saskatchewan Transport Expansion

The southeast Saskatchewan receipts of natural gas have steadily increased over the past decade, more than doubling to the current level of nearly 50 TJ/d. This supply is associated gas from oil production in the area. The increase in southeast Saskatchewan receipts over the past few years has been driven by associated gas production from Bakken formation oil production. As a result of this increasing receipt volume in the area, as well as and current queue for additional transport service, TransGas will be constructing a 115 km 10-inch gas transmission line from Alameda to

Whitewood. This new pipeline will add 35 TJ/d of transport capacity to the currently constrained receipt area of southeast Saskatchewan. The pipeline will satisfy 100 percent of the current queue of 19 TJ/d and will provide capacity for forecast future receipt volumes. This pipeline is scheduled to be in service by December 01, 2010. For 2010 summer operation, TransGas is not expecting any receipt volume restrictions in the southeast receipt area prior to the expansion being in service. TransGas has temporary compression which will assist in managing 2010 summer operations.



TransGas-Hosted Workshops Successful

The *Saskatchewan Natural Gas Advantage Workshop* was held in Calgary on February 24 and 25, 2010. This TransGas-hosted event was the 7th workshop held since its inception in 1999. TransGas extended this year's workshop by half a day to present the new *TransGas Getting You Connected Workshop*.

The first day focused on regulatory processes involved in doing business in the Saskatchewan gas patch. Representatives from TransGas, as well as the Saskatchewan government ministries of Energy and Resources, Agriculture and Municipal Affairs, gave presentations. Topics covered included: Saskatchewan's geology, mineral rights, royalties, regulations, licensing, land tenure and environmental processes.

The second day concentrated on TransGas and covered the processes of getting connected to our natural gas transmission system and our pipeline operation practices.

According to feedback received from workshop attendees, they were pleased with the presentations, materials and the opportunity to network with officials from the Saskatchewan government and TransGas staff.

Many of this year's attendees are not currently doing business in Saskatchewan. However, they came away from the workshops impressed with Saskatchewan's natural gas potential and the ease of doing business in our province.

Copies of the workshop presentations can be found on the TransGas website at <http://www.transgas.com/newsroom/workshop/default.asp>. Workshop materials may also be obtained free of charge by contacting Jim Perfect at jperfect@transgas.com or (306) 777-9436.

TransGas Open House

TransGas held an Open House in Carlyle, Saskatchewan on April 14, 2010 to share information regarding our Southeast Saskatchewan Expansion plans. The response was positive from those in attendance, which included land-owners and representatives from various levels of government. TransGas' Engineering and Environment departments provided information

regarding the routing of the proposed Alameda to Whitewood pipeline project.

Further information regarding the open house and other details will be posted on the TransGas website.

TransGas Storage Status

The actual TransGas storage customer inventory in storage at March 31 was 23 PJ, which is 57 percent of full based on currently contracted storage for the 2010/2011 storage year of 40.6 PJ.

To fill contracted storage, a 2010 summer net injection requirement of 18 PJ exists, with the injection assumed to occur between April and October.

The actual net storage customer withdrawal during the 2009/10 winter (November 01 to March 31) of 17 PJ was 43 percent of design withdrawal of 39 PJ for the past winter. The low TransGas storage withdrawal was partially driven by storage customers not making export sales from storage given lower gas pricing. The past winter in southern Saskatchewan is projected to be near normal based on total degree days.

Call Before You Dig

Construction season is fast approaching, and the TransGas Land and Public Awareness department would like to remind all ground disturbance personnel to call Sask 1st Call before excavating.

Contacting distribution or high pressure transmission gas lines can be dangerous, and we ask that you take care out there. Please call our toll-free number to request locates before digging.



TransGas in the Community

At SaskEnergy and TransGas, the flame represents our dedication to excellent customer service, providing customers from all over the province with comfort and warmth when the temperature starts to drop.

To athletes, the flame represents the burning passion and desire for excellence in their sport. As such, it seems rather fitting that SaskEnergy/TransGas was the sponsor of the 2010 Saskatchewan Winter Games Torch

Relay that took place on February 14 in Moose Jaw.

The event kicked off with the lighting of the torch at Peacock Collegiate. The torch was lit by TransGas' own Hugh Auchstaetter and his daughter, Amanda, who was competing with the Parkland Valley female Hockey team. Hugh is also involved with the games as a Coach for the Parkland Valley team.

(Continued on page 8)

(Continued from page 7)

Once the first torch was lit, the relay was on as the flame found its way from Peacock Collegiate down Main Street to its final destination, the SaskEnergy/TransGas cauldron at the Moose Jaw Civic Centre.

On its journey, the flame was passed on to nine people ranging in age from 12 to 93; witnessed a proposal, as one brave man got down on one knee to pop the question to his girlfriend after she passed on her torch (it was Valentines Day, after all); and was cheered on by crowds as the flame passed by them.

Employees that are active in the community – employees like Hugh – are the kind that makes TransGas proud to be a part of Saskatchewan. As long as there are dedicated people in the community, Saskatchewan will continue to thrive; and TransGas plans on being there every step of the way.



Hugh Auchstaetter (District Mechanic Operator, Melville) and his daughter, Amanda, lit the initial torch

DID YOU KNOW?

The TransGas 2010 Facilities Maps are now available. To request your copy, contact Christine Langford at (306) 777-9812 or by email at clangford@transgas.com.

Please indicate the size you would like: Small 18" x 23 ½ " or Large 34" x 43 ½ ".