

Debbie McKague: Looking Back on 36 Years



On August 2, 2013, 36 years after joining our company, Debbie McKague, Vice President, TransGas Business Services, will be retiring. She started with SaskPower and came over to SaskEnergy on June 1, 1988.

their work mattered and that they were valued.

What did you enjoy the most about coming into work each day?

This sounds cliché but I love the people, whether it's the people that I work with, and their energy and enthusiasm, or when I was more on the front line, the customers. I have such respect for this organization and its values and the work ethic. In so many of the areas of the company that I have worked in, people work hard and I constantly saw examples of compassion for our customers and creativity to find solutions rather than just follow policies and rules.

What follows is a brief interview with Debbie about her career with TransGas/SaskEnergy.

What has been your proudest accomplishment since joining our company?

What stands out the most, what touches my heart the most, is when I've been able to make a difference for someone else. Whether that was career coaching and mentoring and helping them be successful, or letting them know

What is something you've learned about yourself during your career?

I'm an introvert – big time. And while I hate labels and the stereotyping that goes with them, it is really helpful to put some logic and

(Continued on page 2)

(Continued from page 1)

reasoning to behaviours. Understanding what that really means and the implications for how I work, think and then react to situations has helped me cope and be more effective.

What is something you've learned about success in the workplace during your career?

Don't be afraid to move laterally, breadth of knowledge is especially valuable in the more senior positions; it certainly wasn't my brilliance that landed me this job! You need to be confident or at least project confidence, but without arrogance. A little humble pie goes a long way. And it is important at all levels to develop those around you. We should all be working to create such a strong team that we put ourselves out of a job.

What are your plans for retirement?

With my first paycheque 36 years ago I bought myself a sewing machine. Last year I decided it was time to retire the old gal and get a new one. When I walked into Northgate Sewing to purchase a machine and saw all the quilts and quilt fabric, I knew right then that was going to become at least one of my retirement hobbies. As well, there are some non-profit community based organizations that I want to put some of my volunteer time and energy into. Between that, and taking life at a bit slower pace, I think I'll just see where the road takes me.

Congratulations on your retirement Debbie, and thank you for your service, leadership and many contributions to our team.

DID YOU KNOW . . .

The Additional Cost Recovery (ACR) charge to be recovered from customers utilizing the NIT to TEP Receipt Service effective July 1, 2013 is being decreased.

Information related to the current ACR charge in effect on July 1, 2013 and historical ACR charges can also be found on the TransGas website under Services.

Staff Announcements

Cindy Ziola retired effective July 2. Cindy joined TransGas in October 2011 as Director, Policies, Rates and Regulations.

Prior to this position, she worked as a Chartered Accountant and spent 19 years in the Finance Division at SaskEnergy. Her

previous participation in several regulatory filings for SaskEnergy provided her with excellent experience to take on the lead role for TransGas in its rates and regulatory proceedings. All the best in wherever your retirement road leads you!



By the time this issue is published, **Jim Perfect** will be out riding his motorcycle somewhere warm and sunny! Jim was the Manager, Transmission and Storage Marketing and has been working on customer tie-in projects for the past few years. After 33 years of service, Jim announced his retirement. His last day at the office was Friday, June 14.

Jim started with SaskPower as a Systems Analyst in 1983 and moved to SaskEnergy in 1998 as Supervisor of Gas Contracts. From there, Jim held positions in Gas Supply, TransGas Transmission and Storage Marketing, Human Resources, Transmission Operations and TransGas Customer Services.

Congratulations on your accomplishments, Jim, and enjoy your retirement!



With Debbie McKague's departure as Vice President, TransGas Business Services, we want to welcome **Dennis Terry** to the position.

Dennis joined SaskEnergy as Vice President, Finance and Chief Financial Officer in 2009. Prior to SaskEnergy, Dennis was Chief Financial Officer for Yara Belle Plaine Inc. Within this role he contributed to the negotiation of the \$1.6 billion sale of the Belle Plaine facility from Saskferco to the Yara group. Dennis has had experience in Gas

Price Management strategy development and oversight within Yara Belle Plaine operations related to significant natural gas commodity purchases. He has provided direct accountability for the Yara Belle Plaine Finance team including financial reporting, accounting functions, treasury, budget leadership and financial due diligence for business development activities. Prior to this, Dennis held business and finance positions at SaskTel, as well as an external audit role with Deloitte and Touche.

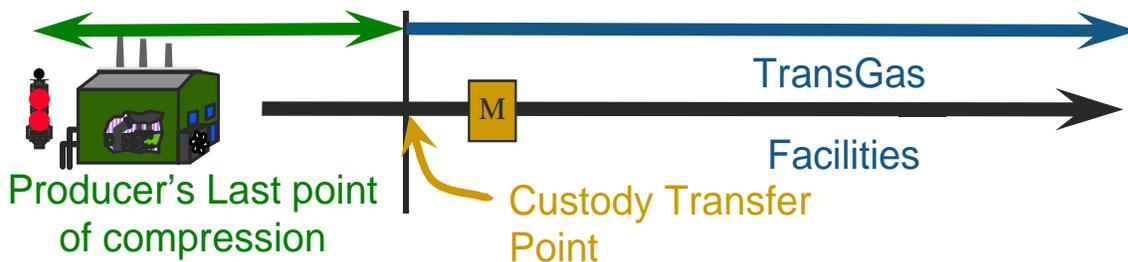
Welcome to TransGas, Dennis!

Getting Connected to TransGas

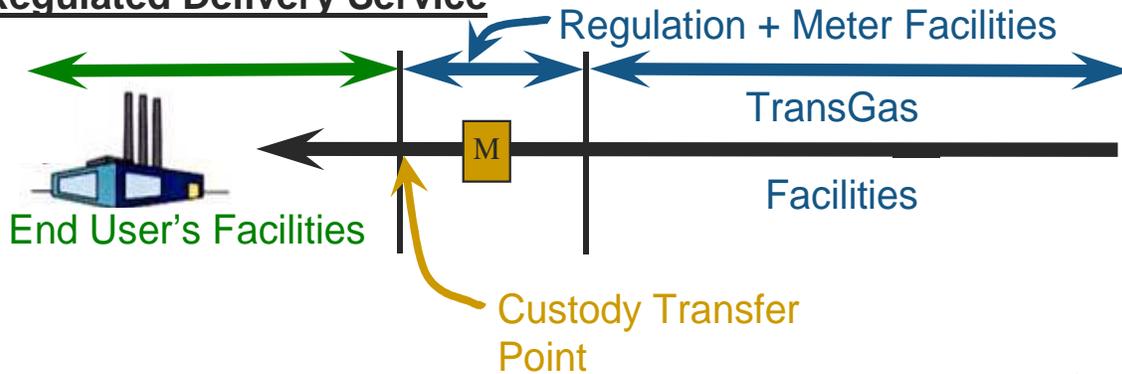
The Customer Facility Connection process starts with a delivery or receipt service request from a customer that requires a new or altered facility. The process begins with the development of a conceptual estimate based on the customer requirements. It is a high-level cost estimate, with limited detailed engineering, to be used for running preliminary economics, and dependent on the scope of work, can generally be provided within four to eight weeks of a request. A conceptual estimate does not include any commitments between the Customer and TransGas.

A customer will then advise TransGas whether they wish to proceed with a Final Quote to provide gas service for their project, which will include costs for budgeting, anticipated in-service timing for the requested gas service and require a customer's commitment to begin construction, including payment terms. Customers should allow about four to eight weeks for a final quotation dependent on scope of work, level of capital required and type of service requested. For projects that require significant capital and a larger work scope, the final quote process will involve a series of staged final quotes using information gained from each stage to refine

Receipt Service



Regulated Delivery Service



(Continued on page 5)

(Continued from page 4)

the overall project requirements, scope and cost. These staged final quotes require customer commitment and payment at each stage, but permit the customer to provide commitment in stages as opposed to proving commitment to the whole project up front.

A Customer Specific Facilities Construction Schedule of Service is issued for execution by the customer as part of the final quote. When a customer commits to the project, the process of designing, ordering materials, construction and project management is conducted. This includes planning, survey and land, engineering, materials, third-party approvals, construction, commissioning the project and updating the anticipated in-servicing timing for the work.

The time frame of the project is dependent on the overall scope of work for the requested gas service. For smaller capital and work scope projects the project may take between six to 18 months as the overall work scope has fewer variables that could affect the project. For a larger project with a larger work scope and a significant capital expenditure, the time frame could typically take from 12 to 36 months as the project can have more variables that will affect the overall project schedule. These variables include environmental approvals requiring surveys during specific times of the year, winter construction requirements, and additional monitoring during construction, but can also include obtaining a greater number of landowner approvals, crossing approvals and Duty to Consult requirements.

TransGas Transport Update

The energy transported by TransGas and MIPL during the first half of 2013 (135 PJ) is 13 per cent greater than first half of 2012 transport. The significant increase in 2013 year to date transport is driven by the

combination of Saskatchewan load growth and well below normal temperatures for the months of January to April.

Alberta Receipt Capacity Update

At the end of June, a second Foothills Pipeline receipt interconnect at Golden Prairie was placed in service. This receipt interconnect has a current capacity of 40 TJ/d and will be increased to 100 TJ/d in September 2013, once the permanent TransGas facilities are completed. The total capacity to receive gas from the Foothills system in Saskatchewan, including the existing Crane Lake point, will be 155 TJ/d later this summer. All of the Foothills receipts are received via the McNeill NGTL Alberta border point.

The other three major Alberta interconnects that also tie to the NGTL system are at

Unity, Cold Lake and Empress. The Unity and Cold Lake points directly tie to the TransGas system, and the Empress receipts are received via the TCPL Mainline system transport. The current total capacity for TransGas to receive supply at these three points is approximately 240 TJ/d. Including the aforementioned Foothills capacity, by the end of 2013 summer, TransGas will have total Alberta interconnect receipt capacity of near 400 TJ/d.

Currently the majority of the major interconnect Alberta supply is contracted under TransGas NIT to TEP service.

DID YOU KNOW . . .

TransGas has Storage Capacity and Storage Deliverability available. These services are available on a first-come basis.

If you have questions regarding this service, please contact Wendy Uytterhagen at (306) 777-9687 or John Law at (306) 777-9501.

TransGas Storage Update

As of July 1, TransGas storage customers have a total inventory in storage of 32 PJ, which is 66 per cent of full based on currently contracted storage of 48.4 PJ. As of July 1, the remaining TransGas storage net

injection requirement is 16 PJ, assuming storage customers 100 per cent fill contracted storage. TransGas storage customers typically fill their storage by the end of October.

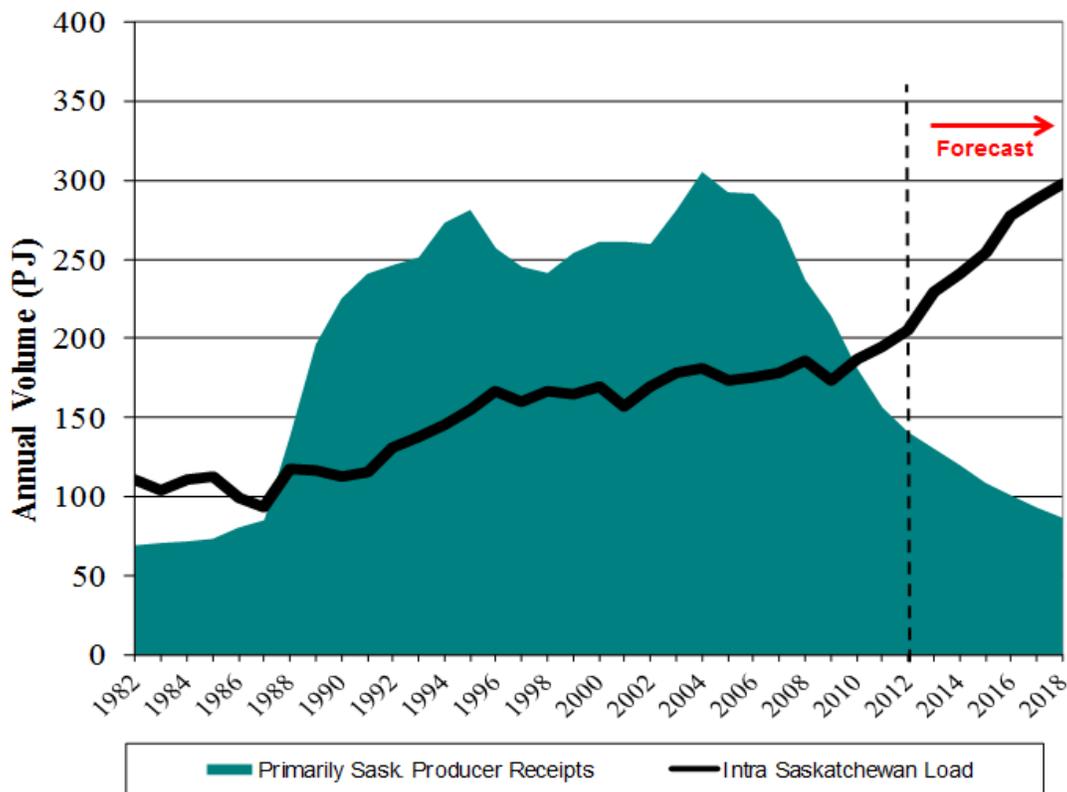
TransGas Changing Supply versus Demand

In 2011 TransGas became a net importer of natural gas. Prior to 2011, for a period of 23 years, TransGas was a net exporter, with significant volumes exported out of the province. During this 23 year period, high natural gas well drilling occurred in the province versus the past few years in which very minimal drilling for natural gas in the province. Since 2011, TransGas has steadily increased the import of volumes from Alberta. TransGas has had to manage the

combination of declining Saskatchewan natural gas production and rapidly increasing Saskatchewan load.

The graph below identifies how the Saskatchewan intra load has significantly increased during the past few years, and is forecast to continue to increase along with the need for import of gas supply from outside Saskatchewan.

**TransGas Supply versus Demand Balance
1982—2018**



Making Mission Zero a Reality

“We never compromise the safety of our employees and the public.” This is the Corporate Value at the center of everything we do. It is only fitting, then, that TransGas would enter into a partnership with Safe Saskatchewan and the Saskatchewan Workers’ Compensation Board to promote the Mission: Zero initiative throughout the Province.

The foundation of Mission: Zero is that injuries, on one level or another, are predictable and preventable. The only acceptable goal to strive for provincially is zero deaths, zero injuries and zero suffering. On June 10, 2010, SaskEnergy/TransGas was one of 128 organizations to sign the first Provincial Health and Safety Leadership Charter, which was developed to support the continued improvement of healthy and safe workplaces. Those who signed the charter made a pledge to accept and encourage the Mission: Zero Campaign and make Saskatchewan the safest province in which to work and play.

In 2012, TransGas/SaskEnergy was the first Crown corporation to enter into a Mission: Zero Partnership Agreement and take on a larger role in promoting the Mission: Zero

concept — not only in work activities, but also off the job, at home and at play. This is an important progression because ultimately, injuries do not differentiate between activities on or off the job; all injuries are costly and have an impact on our families, our peers and the communities in which we live. This was the key message delivered at Safety Stand Down 2013 by our Executive team. We were also fortunate to have a number of guest speakers — including David Eberle, Chairperson, Saskatchewan Workers’ Compensation Board (WCB), Gord Moker, CEO, Safe Saskatchewan and Peter Federko, CEO, Saskatchewan WCB — speak to our employees about injury prevention, personal health and safety accountability and what we can do to promote a healthier and safer Saskatchewan. To further demonstrate our commitment, the Mission: Zero logo will be displayed on the tailgate of all our corporate vehicles for a 12-month period.



Collectively and individually we can make a difference and make Saskatchewan a safer place to live, work and play.

What is your safety pledge to make Mission: Zero a reality?