

July 2011

How Things Have Changed!

Daryl Posehn, SaskEnergy Senior Vice President, Gas Supply and Business Development, recently announced plans to wrap up an impressive 35-year career, which saw him in a number of TransGas roles, including:

- ◆ Manager, Operations Planning and Control
- ◆ Director, Transport Control and Measurement
- ◆ Vice-President
- ◆ Senior Vice-President



When asked to point to an achievement or project that stands out in his career, Daryl has a ready answer. “The most exciting day occurred in 1988 when we created SaskEnergy and TransGas. We

were a part of SaskPower and the Gas System. We were given this great opportunity – to form a Crown corporation and build the business – to prove that we could *and we did.*” “What made that period interesting was that the business model changed, too. Deregulation had hit and you had to provide service to customers in

different ways. Our transmission volume tripled over the course of a few years as a result of the new environment where producers could not only sell gas directly to industrial customers, but also export it out of the province. So, we had to build pipeline infrastructure to manage this new volume, while thinking about the business, policies and customer service,” he recalls.

“There were so many things to consider, but we just hit the ground running — and that’s a compliment to everyone who was there — we kept moving and got things done.”

“A little bit later, we focused on storage. With capacity of approximately 20 PJ, storage had only basically been for Saskatchewan customers. We needed to think about this very competitively, yet as a service that other customers would want to contract. Today, it’s close to 50 PJ and continues to expand,” Daryl explains.

“It’s been an exciting career with lots of technical challenges and business opportunities to keep your mind active. But it’s the people and the relationships that keep you going.”

Congratulations on all your accomplishments, Daryl. Enjoy your retirement!

Make That Call - Have a Safe Construction Season!

Saskatchewan has had one of the wettest Spring seasons on record. Flooding and saturated soil conditions have delayed many construction projects throughout the province. As the flood waters recede and the soil begins to dry, many contractors will be rushing to the field to start their projects.

TransGas wants to remind everyone who is going to be involved in digging activity to make that first very important call to *Sask 1st Call* to ensure that they are working safely around underground infrastructure.

Sask 1st Call is a "Call Before You Dig" location screening and notification service for contractors and customers who are planning to dig or excavate. Calling *Sask 1st Call* will

proactively alert the *Sask 1st Call* subscriber companies of your plans to disturb the ground. *Sask 1st Call* will issue line locate request notifications to subscriber companies to ensure that underground facilities are clearly marked before work starts.

By ensuring that line locates occur before digging, you are preventing the possible delay of your project, disruption of services, environmental contamination and personal injury.

TransGas hopes that everyone has a safe and successful summer construction season. *Sask 1st Call* can be reached by calling 1-866-828-4888 or on the web at www.sask1stcall.com.

TransGas Storage - 2011 Summer Injection

As of June 30 TransGas storage customers had a total inventory in storage of 22 PJ, which is 48 percent of full based on currently contracted storage of 46 PJ. Last year, at the same time, TransGas storage customers were 72 percent of full. The net injection by customers during June was 4 PJ, which is well below what is normally expected given the current storage inventory position. Injection

year to date has also been relatively slow despite the record storage injection requirement by customers. The remaining TransGas storage injection requirement to fill contracted storage is significant at 24 PJ. It is expected by November 01 that all contracted storage will be full, but will require a significant increase in daily injection over the next few months.

Alberta Receipt Capacity Increase

During the month of May a new Alberta receipt interconnect with Foothills pipeline was placed in service near Piapot, Saskatchewan. This interconnect allows for up to 50 TJ/d of additional Alberta receipts from the McNeil Alberta border point. With the addition of this new interconnect, TransGas total Alberta receipt capacity is now 225 TJ/d, and will continue to be increased by TransGas to meet Saskatchewan requirements.

Alberta receipt capacity utilization averaged 42 percent during the month of June, with spare available averaging 130 TJ/d. The spare capacity available is expected to decline later this summer as TransGas storage injection increases.

DID YOU KNOW . . .

TransGas Limited's financial and operating highlights for the five-year period ending December 31, 2010 are available on the TransGas website under Newsroom.

TransGas Planned Outage Map Now Available On-line!

Early each calendar year TransGas issues its annual Outage Survey for use by TransGas for planned maintenance scheduling purposes. Wherever possible, TransGas strives to minimize service disruption to our customers by coordinating its outages with customer planned maintenance.

TransGas uses the best information possible to plan system outages. This includes the customer survey submissions *and subsequent revisions received*, as well as TransGas' own planned outage data. In addition, TransGas maintains a Planned Outages web page found at www.transgas.com/infopostings/plannedoutages.asp where TransGas

customers can view upcoming scheduled outages to determine the effect on their service. For the joint benefit of TransGas' employees and customers, a planned outage map was added to the website in early June to further enhance the outage communication.

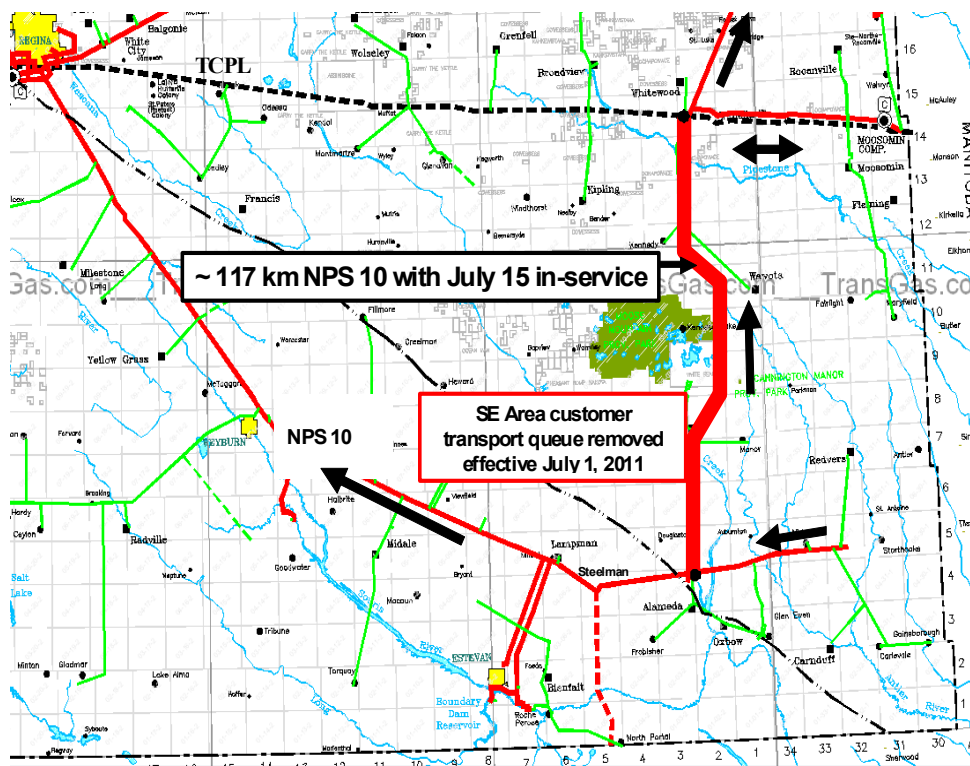
TransGas is projecting approximately 150 outages this year, with near 40 percent completed to date. The majority of these outages are related to the TransGas pipeline integrity program and will be completed with no customer impact – thereby maintaining a very high reliability of TransGas transport and storage services!

Southeast Saskatchewan Expansion

Over the past two years, TransGas has been working to complete the Southeast Saskatchewan expansion to provide for growing receipt transport requirements in the area. Construction of the 117 km Alameda to Whitewood NPS10 was recently completed with an expected in-service of July 15. This pipeline will

provide 35 TJ/d of incremental transport capacity, nearly doubling the current transport capacity out of the Southeast Saskatchewan receipt area. The customer queue for firm transport service was recently removed with the pipeline's pending in-service.

Alameda – Whitewood NPS 10 Pipeline Expansion



Transport Update

The energy transported by TransGas and Many Islands Pipe Lines (Canada) Limited for the first half of 2011 of 123 PJ is the same as the first half of 2010. The TransGas transition to

becoming a net importer is now well underway and as a result TransGas deliveries to TCPL for export during June averaged 10 TJ/d, a record low level similar to May.