

TransGas

2018 January 29

TO: NIT TO TEP CUSTOMERS
NIT TO TEP ALBERTA RECEIPT SERVICE UPDATE
ADDITIONAL COST RECOVERY (Effective February 1, 2018)

TransGas' NIT to TEP Alberta Receipt Service is for receipt points that initiate at Nova Inventory Transfer (NIT) with TransGas being responsible to contract and transport natural gas through the Nova Gas Transmission Ltd. (NGTL) system in Alberta.

Customers utilizing this specific service are:

- Charged TransGas' standard receipt transportation rates; and
- Subject to an Additional Cost Recovery (ACR) charge related to the transportation of gas to the Saskatchewan border.

The ACR charge to be recovered from customers utilizing the NIT to TEP Receipt Service effective **February 1, 2018** has increased from last quarter as outlined below:

Effective February 1, 2018					
Service Type	Term	Demand Charge (per GJ/D per month)	Commodity Charge (per GJ)	Proposed Rate 100% Load Factor Equivalent (¢/GJ)	Previous Rate 100%LF Equivalent (¢/GJ)
Long Term Firm	1 - 2 years	\$5.690	-	¢18.71	¢12.14
	3 - 4 years	\$5.406	-	¢17.77	¢11.54
	5 + years	\$5.121	-	¢16.84	¢11.11
Short Term Firm		\$5.690	-	¢18.71	¢12.14
Interruptible		-	\$0.2058	¢20.58	¢13.40

These charges are a blended rate over the next 6 to 9 months based on actual historic costs, historic liquid credits, NGTL transport optimization and third party transport costs to create a stable rate. TransGas will continue to review and update the ACR charge on a quarterly basis to minimize any cumulative imbalance between costs and recoveries.

Information related to the current ACR charge in effect from November 1, 2017 to January 31, 2018 and historical ACR charges can also be found on the TransGas website under Services.

If you have any questions please call me, Tanya Lang, or Key Account Manager Nicole Sali at 306-777-9503 or Key Account Manager Wendy Uytterhagen, at (306) 777-9687

Tanya Lang

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