

**TO: All TransGas Customers**  
**January 17, 2019**

**INTERRUPTIBLE DELIVERIES DURING AN INTERRUPTIBLE DELIVERY SERVICE  
 RESTRICTION ANNOUNCEMENT**

**D-11.0 Interruptible Delivery Curtailment and Overconsumption Surcharge during Interruptible Delivery Service Restrictions**

Effective February 1, 2019 TransGas will be implementing surcharges that will be applied to D11 delivery transportation customers within an impacted zone that flow interruptible delivery demand during an interruptible delivery restriction. The Interruptible Delivery Curtailment Surcharge is \$0.7466/GJ which will be charged for all interruptible delivery demand consumed above a customer’s firm contracted D11 delivery transportation for the duration of the interruptible delivery restriction. If interruptible delivery demand at a D11 delivery meter continues beyond a three day grace period, a further Overconsumption Surcharge of \$10.10/GJ will be applied to interruptible delivery demand that exceeds 110% of the firm demand.

**Background**

TransGas’ transmission system is designed to provide firm transportation service to customers, and allows interruptible delivery demand when available. Since 2010, Saskatchewan delivery demand for natural gas has increased by over 70%. With increasing delivery demand, and decreasing Saskatchewan production, the TransGas transmission system is becoming more constrained in some areas. This means there is sufficient pipeline to meet all customer firm demand, but in some areas interruptible delivery service can only be available when firm delivery contracts are not being fully utilized. In recent years, the utilization of interruptible delivery demand has increased. At times TransGas has had to produce additional volumes from storage in order to meet interruptible delivery demand, which poses a risk in meeting future firm delivery demand requirements later in the winter season. TransGas imposed an interruptible delivery restriction in the northern area of the province in November 2018, during which numerous customers did not comply. The Interruptible Delivery Curtailment and Overconsumption Surcharge and associated procedure will provide TransGas with a mechanism to assist in ensuring compliance during future interruptible delivery service restrictions. The focus is currently on D11 customers, as this customer segment is the largest user of interruptible delivery demand.

**Procedure**

TransGas will provide notification of an interruptible delivery restriction for all meters within the impacted zone. During an interruptible delivery restriction an Interruptible Delivery Curtailment Surcharge of \$0.7466/GJ will be applied to all D11 meters consuming interruptible demand for the duration of the restriction. TransGas recognizes that some customers may flow small amounts of interruptible demand inadvertently during a restriction. To help customers address this, customers will be given three days to monitor and reduce their demand if necessary prior to the application of the Overconsumption Surcharge. On the fourth day after the interruptible delivery restriction began, any meter that continues to flow greater than 10% above their firm contracted demand will begin incurring the Overconsumption Surcharge of \$10.10/GJ. If a customer continues to consume interruptible delivery demand beyond the 110% threshold, TransGas will issue a formal letter to the customer’s corporate officers informing them that their company is contravening the interruptible delivery curtailment and is incurring financial costs as a result. If overconsumption continues, TransGas may take whatever steps necessary to reduce the overconsumption, including a safe and orderly shut-in of the meter station. Please see the [Overconsumption Procedure](#) on the TransGas website for further information.

**Summary of Charges to D11 Meters within Impacted Zone during an Interruptible Delivery Service Restriction**

<b>Cost</b>	<b>Day 1-3</b>	<b>Day 4 and Beyond</b>
D11.0 Basic Transportation \$0.1975/GJ	Standard cost for firm delivery demand	
D19.0 Interruptible Transportation \$0.2634/GJ	Standard cost for all interruptible delivery demand	
Interruptible Delivery Curtailment Surcharge \$0.7466/GJ	Applied to all interruptible delivery demand	Applied to interruptible delivery demand up to 110% of firm demand
Overconsumption Surcharge \$10.10/GJ	Not applicable	Applied to interruptible delivery demand that exceeds 110% of firm demand

### **D11 Delivery Transportation Open Season**

Customers are encouraged to review their natural gas requirements and determine if interruptible service meets their business model. TransGas expects some D11 customers may request additional firm D11 delivery transportation service. In order to allow TransGas to evaluate all of the requests and to ensure incremental firm service is awarded in a fair and equitable manner, a D11 delivery transportation open season is attached. If TransGas is unable to fulfill all incremental firm delivery requests, bids will be allocated on a prorated basis. If new facilities are required to meet the incremental demand at a specific meter TransGas will proceed with its standard Customer Facility Request process.

If you have any questions, please contact TransGas at:

Alexis Schmidt  
Key Account Manager  
(306) 777-9687  
aschmidt@transgas.com

Alyssa Stoeck  
Key Account Manager  
(306) 777-9501  
astoeck@transgas.com

Tanya Lang  
Director, TransGas Customer Service  
(306) 777-9811  
tlang@transgas.com

**TO: All TransGas Customers**  
**January 17, 2019**

**TRANSGAS LIMITED**  
**BINDING OPEN SEASON FOR D11 DELIVERY TRANSPORTATION SERVICE OFFERING**  
**OPEN SEASON CLOSING JANUARY 28, 2019**

TransGas Limited (TransGas) hereby announces a Binding Open Season for D11 Delivery Transportation service. This Binding Open Season is being conducted pursuant to the terms and conditions contained within [the TransGas Comprehensive Tariff](#) and the terms and conditions set out herein.

The cost for this service is the D-11.0 Basic Delivery Transportation service; current TransGas rates available on the [TransGas website](#) and are subject to change. Effective date will be February 1, 2019, and minimum term length will be one year. Customers will indicate their requested volume and term length.

<b>Service Type</b>	<b>Toll</b>	<b>Renewal Rights</b>	<b>Effective Date</b>
D11.0 Delivery Transportation	D11.0	Yearly After Initial Term (YAIT)	February 1, 2019

Additional terms governing this service include:

- Bid durations must be for a minimum of one year.
- Queue deposit is not required.

The requests received will be evaluated and awarded based on the following:

- TransGas will evaluate Requests for Service until such time as the availability left in the Open Season has been awarded.
- If oversubscribed, bids will be allocated on a prorated basis.

Interested Customers are invited to complete the following attached Request for Service below and return it to TransGas via email by **12:00 p.m. Saskatchewan time, January 28, 2019.**

Immediately following the close of the Binding Open Season, TransGas will evaluate the service requests received, allocate the service quantities and contact interested parties regarding the amount of service allocated to their service request. Customers can then enter the request for service contracts into the TransGas Business System, QPTM.

Requests for incremental firm delivery demand submitted after the closer of this Binding Open Season will be awarded through submission of a Request For Service within QPTM on a first come first serve basis.

If you have any questions or would like to discuss the implications of this Binding Open Season offering for your natural gas transportation portfolio, please contact TransGas at:

Alexis Schmidt  
Key Account Manager  
(306) 777-9687  
aschmidt@transgas.com

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**Request for Service**  
**BINDING OPEN SEASON FOR D11 DELIVERY TRANSPORTATION SERVICE OFFERING**

In addition to the following terms and conditions, the Binding Open Season will be subject to the TransGas Tariff.

**ELIGIBILITY:** All TransGas Shippers  
**EFFECTIVE DATE:** February 1, 2019  
**SERVICE:** D11 Delivery Transportation

Service Type	Toll	Renewal Rights	Effective Date
D11.0 Delivery Transportation	D11.0	Yearly After Initial Term (YAIT)	February 1, 2019

**CUSTOMER TO COMPLETE AND RETURN THE FOLLOWING SECTION:**

<b>Company Name:</b>	
<b>Bidder Name:</b>	

Effective Date	Service Type	Meter Code	Meter Name	Requested Incremental Firm Capacity (GJ/d)	Effective End Date (minimum term 1 year)
February 1, 2019	D11.0				
February 1, 2019	D11.0				
February 1, 2019	D11.0				
February 1, 2019	D11.0				

By signing below I accept the terms described in this Binding Open Season letter dated January 17, 2019 and commit to a formal request position for the above described service and understand **no changes can be made to the Binding Open Season Request for Service after 12:00 p.m. Saskatchewan time on January 28, 2019.**

Per: \_\_\_\_\_  
**Signature** **Date**

Completed Request for Service Open Season bid forms can be submitted via email to TransGas at the following addresses:

E-mail: [custserv@transgas.com](mailto:custserv@transgas.com) and cc: [aschmidt@transgas.com](mailto:aschmidt@transgas.com)  
[astoeck@transgas.com](mailto:astoeck@transgas.com)

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