

CUSTOMER DIALOGUE MEETING SUMMARY

Meeting No. 78

Regina, SK

November 25, 2009

Rate/Business Structure

The discussions on this topic over the past several months have centered on a potential new service, NIT to TEP, which would be offered by TransGas. At this meeting TransGas first provided updated NIT to TEP pricing information to that which had been provided at the September meeting. The recently proposed NGTL toll structure changes were incorporated. These would have some impacts but would not make fundamental changes for the potential NIT to TEP service.

After the September Customer Dialogue meeting TransGas initiated a series of one-on-one meetings with each of the Members to discuss the potential NIT to TEP service. TransGas provided a summary of the feedback received during these one-on-one meetings to the Members. This generated some further discussion among the Members. The TransGas desire to manage the flows coming from Alberta to minimize system costs was generally understood and supported. Some felt that the proposed service would also influence the pricing of gas in Saskatchewan creating winners and losers and that this should not be the role of a pipeline. Others felt that the way this service was now being considered would negatively impact low load factor customers. Still others felt there was not enough information for them to decide how the service would impact them.

In the end, it was generally felt that the concept of a NIT to TEP service, the way it has been discussed to date, to replace the traditional border receipt points to bring in Alberta gas may not necessarily be the best model. It was felt that other options should be explored to try and obtain the system operational benefits which TransGas was seeking. A smaller working group may be created to explore this prior to the next Customer Dialogue Meeting.

2009 Financial Update

TransGas updated Customer Dialogue on its 2009 financial performance for the first ten months. It appears at this point that TransGas may surpass its net income target. TransGas will review if any actions are warranted to reduce this potential variance.

Waste Heat Recovery

TransGas described the process that it has gone through to evaluate the potential for waste heat recovery projects on the system. It appears that there may be some potential applications which TransGas is still reviewing. Because of the uncertainties at this point, it is premature to consider the appropriate sharing of the risks and benefits of these projects between TransGas and its shippers.



2010 Customer Dialogue

There was a brief discussion about the 2010 Customer Dialogue season. The structure of the process, issues for the agenda next year, membership and 2010 meeting dates were discussed.

Business Update

The regular Business Update was provided. This information can be found on the TransGas Website (www.transgas.com) under "Newsroom" - "Business Update".

If you have any questions arising from this meeting, or of the TransGas Customer Dialogue Process in general, please contact Vern Gorr at (306) 777-9556.

