

TransGas

2018 May 1

TO: NIT TO TEP CUSTOMERS
NIT TO TEP ALBERTA RECEIPT SERVICE UPDATE
ADDITIONAL COST RECOVERY (Effective May 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 **May 1, 2018** has decreased from last quarter as outlined below:

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	\$5.330	-	¢17.52	¢18.71
	3 - 4 years	\$5.064	-	¢16.65	¢17.77
	5 + years	\$4.797	-	¢15.77	¢16.84
Short Term Firm		\$5.330	-	¢17.52	¢18.71
Interruptible		-	\$0.1927	¢19.27	¢20.58

These charges are a blended rate over the next 3 to 6 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 February 1, 2018 to April 30, 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 Wendy Uytterhagen, at (306) 777-9687 or Key Account Manager Alyssa Stoeck at 306-777-9503

We apologize for the delay in sending this notification.

Tanya Lang

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