



500 – 1777 Victoria Avenue
Regina, SK S4P 4K5

June 25, 2020

To: Interested Parties

UPDATE #1: Binding Turnback / Binding New Capacity Open Seasons for NIT-to-TEP (NTT) Service

TransGas (TGL) is aware of the burdens being faced by the businesses of Saskatchewan as a result of the COVID-19 pandemic. TGL has already made efforts to prudently defer capital spending in anticipation of changing Customer demand and the challenges of construction in a world of physical distancing. This Open Season seeks to accommodate individual Customer needs while still providing a fair and equitable service by matching over-contracted and under-contracted Customers. In an attempt to assist Customers in the capacity management of their NTT Service, and to ensure the long-term appropriateness of TGL capital projects, TGL is soliciting:

(1) Requests for turnback of NTT capacity; and

(2) Requests for new NTT capacity.

(1) Turnback of NTT Capacity

A turnback of a contract effectively moves the expiry date to an earlier point in time. Customers may request turnback of all or a portion of the volume associated with active or future-dated NTT contracts. Customers may request that the turnback be effective as of October 31st or March 31st of any year preceding the existing NTT expiry date. If possible, multiple preferred effective dates should be indicated in order of declining preference on the request form. If accepted, the effective date would become the new expiry date, or the date when contract volume is reduced. Customers should also include a minimum and maximum volume requested for turnback.

As with a transfer of firm demand, if the contract subject to an accepted turnback required Customer Specific Facilities, the Customer must reimburse TransGas for any remaining portion of the TransGas Investment paid out to the Customer.

(2) New NTT Capacity

In order to facilitate turnback requests without adversely impacting tolls, TGL is also soliciting requests for new NTT capacity. In addition to new NTT capacity requests, TGL is soliciting requests to convert future dated Empress-to-TEP (ETT) long term YAIT service with start dates of November 1, 2021 and beyond, into NTT service.

Customers may request new capacity effective any November 1st or April 1st of any year starting November 1, 2020. If possible, multiple preferred start dates should be indicated in order of declining preference on the request form. Customers should also include a minimum and maximum volume requested. Any new capacity will be awarded as YAIT with a 5-year term.

Open Season Process

Turnback or new capacity requests must be submitted by July 24, 2020 at 4:00 p.m. Saskatchewan time. At that time, all requests are irrevocable and binding on the Customer. TGL is not obligated to accept any request for turnback or new capacity. Accepted requests may use any of the indicated effective dates and any volume between the minimum and maximum, inclusive.

TGL would like to provide flexibility to Customers at this time, but must do so in a way that is fair to all shippers – rate neutral and fair access to capacity. All turnback and new capacity requests will be considered together, and TGL will determine, in its sole discretion, whether acceptance of any combination of requests can be accommodated without adversely impacting TGL's system or customers.

Example:

Customer A currently holds a 10,000 GJ/d NTT contract which expires October 31, 2024; they would like to terminate as much volume as possible, as soon as possible. A request may look like the following:

Turnback Request

Minimum Volume: 0 GJ/d

Maximum Volume: 10,000 GJ/d

Preferred Effective Dates:

Oct 31, 2020

Mar 31, 2021

Oct 31, 2021

Mar 31, 2022

Customer B would like to acquire 5000 GJ/d of NTT effective November 2021 or 2022; only a full volume would be acceptable. A request may look like the following:

New Capacity Request

Minimum Volume: 5,000 GJ/d

Maximum Volume: 5,000 GJ/d

Preferred Effective Dates:

Nov 1, 2021

Nov 1, 2022

In this case, TGL would be able to match these requests and provide relief to Customer A (contract would be amended to 5,000 GJ/d after October 2021), and new capacity to Customer B (5,000 GJ/d effective November 2021).

In the event of multiple offsetting requests, proration will occur proportional to maximum requests – if a Customer’s prorated allocation is less than their minimum request, that allocation will be zero. Where a mutually preferable start date is not clear, preference will go to the earlier date.

TransGas shall notify Customers with successful requests by August 7, 2020. TransGas will enter the new or amended contract terms into the TransGas Electronic Business System (QPTM) on the Customers’ behalf.

Requests may be submitted via e-mail or mail to TransGas at the following address:

Attention: Tanya Lang, Director, TransGas Customer Services
TransGas Limited
500-1777 Victoria Avenue
Regina, Saskatchewan
S4P 4K5

E-mail: tglcustomerservices@transgas.com
CC: aschmidt@transgas.com; atulloch@transgas.com

If you have any questions, please contact myself directly at (306) 777-9811, or Key Account Managers Alexis Schmidt at (306) 777-9687 or Adam Tulloch at (306) 777-9501.

Sincerely,

Tanya Lang

Director, TransGas Customer Services
Phone: (306) 777-9811
Cellular: (306) 531-6240
tlang@transgas.com

Attachments