

# CORPORATE HIGHLIGHTS

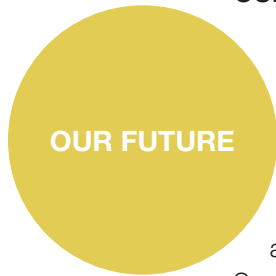


**SaskEnergy**





## OUR FUTURE



### Hydrogen Fuel Demonstration Project

Finding ways to reduce GHG emissions and our impact on the environment are important components of

SaskEnergy's commitment to

environmental sustainability. For nearly 20 years, SaskEnergy and the Saskatchewan Research Council (SRC) have worked with alternative fuel vehicles to create sustainable vehicles for the environment. These efforts are highlighted by the 166 SaskEnergy service vehicles that utilize compressed natural gas for fuel. This year, SaskEnergy and SRC studied the benefits of the world's first dual-fuel hydrogen/gasoline powered vehicles. These vehicles produce 50 per cent less GHG emissions than standard gasoline powered vehicles and produce water-vapour exhaust when operating on hydrogen. This two-year pilot project is intended to set the framework for commercial introduction of this technology.

### Melville Compressor Station Dehydrator Remediation Project

SaskEnergy and TransGas employees completed an important environmental project at the Melville Compressor Station this year. TransGas replaced the dehydrator, a device used to strip natural gas of

moisture and contaminants. To ensure adherence to environmental standards, TransGas employees worked within strict environmental protocols when removing old equipment, solid wastes and building structures. This project also provided an opportunity to collaborate with SaskEnergy's young employee network, Generation Energy (Gen-E), on a wetland creation project. Volunteers from the company planted nearly 2,000 plant species in the wetland area. The work completed at the site will have a valuable ecological impact for years to come.

### Natural Gas Marketing

SaskEnergy's Gas Marketing business is helping to secure the financial future of the Corporation. SaskEnergy's province-wide network of transmission and storage facilities, combined with the Corporation's industry expertise in gas marketing, have been effectively utilized to deliver customer rate benefits and contribute \$28.9 million in net income in 2009. That is roughly equivalent to the financial performance of SaskEnergy's distribution and transmission utilities. Through the use of buy/sell transactions, which allow the Corporation to use off-peak storage capacity to capture margins between the current and future price of natural gas, as well as the supply of natural gas to larger end-use customers through contracted sales, SaskEnergy continues to make maximum use of its infrastructure for the benefit of Saskatchewan people, both as shareholders and customers.



## OUR GROWTH

### Waste Heat Recovery



In 2009, SaskEnergy set its sights on a very ambitious environmental goal: to be net zero for electricity consumption by 2020 through energy conservation and the capture of Waste Heat Recovery (WHR).

To help achieve this goal, TransGas is working with private sector partners on WHR technology. This innovative technology uses the energy emitted from the exhaust stack of a compressor unit to produce electricity. Two projects are currently underway at the Rosetown and Coleville compressor stations, and preliminary plans to implement the WHR technology at 12 additional compressor station locations are in progress. These efforts are being conducted in collaboration with SaskPower. With 14 potential projects in operation, TransGas could have the capacity to exceed power needs for all SaskEnergy and TransGas facilities.

### Natural Gas Flows to La Ronge

SaskEnergy, TransGas and the Anglin Lake – La Ronge Natural Gas Committee celebrated the completion of the final phase of bringing natural gas service to Highway #2 northern communities. The last 147 km of four-inch transmission pipeline extending from Montreal Lake to La Ronge were

placed into service in September 2009. This second phase of the project included two years of challenging construction work that required special care and attention to environmentally sensitive areas. Residential and business customers located in these northern communities, including the Lac La Ronge Indian Band, are now able to access the many benefits of natural gas. Northern businesses and residential customers began converting their appliances and activating their natural gas service over the fall period of 2009. Over the next number of years, a total of 800 customers are expected to enjoy the benefits of natural gas in this region of the Province.

### A Fresh, New Look



After nearly 15 years, SaskEnergy implemented a new corporate identity in 2009. The ultimate goal of this rebranding process was to find a visual identity that would connect with customers and strengthen SaskEnergy's reputation and visibility in Saskatchewan. SaskEnergy's new visual identity expresses the warmth and friendliness of the company along with its commitment to environmental stewardship for current and future operations. Over the next few years, you will increasingly see SaskEnergy's new look on marketing and communication materials, vehicles and buildings across the Province as it is cost-effectively rolled out.



## OUR SERVICE

### Innovative Call Center Technology



In 2009, SaskEnergy implemented a new call center technology called the Hosted Contact Centre (HCC). This new technology provides increased functionality for users, enhanced call recording capabilities and significant coaching and quality service applications. The HCC helps SaskEnergy provide improved customer service and offers the flexibility to adapt to the changing and increasing needs of its customers. This technology establishes a foundation for the future as the system provides streamlined processes for managing customer service operations.

### Meeting High Customer Demand

At SaskEnergy, customer satisfaction is paramount. In 2009, the Corporation saw a steady increase in the number of new service requests, therefore putting increased demand on the distribution system. With 4,700 new customer connections this year, SaskEnergy is proud to provide top quality service. Whether it was on the phone, on-line or in person, this year alone SaskEnergy was in contact with its customers on approximately one million occasions. With such a large number of customer interactions, the Corporation is proud to achieve very positive results from its provincial market research survey. In the 2009, 88 per cent of respondents indicated that SaskEnergy provided above average customer service.

### TransGas Energy to Store 2

The significant “Energy to Store” storage development project, which expanded TransGas’ storage capacity by 25 per cent to approximately 41,000,000 GJ, neared completion in 2009. This project will be capable of storing an estimated \$200 million of natural gas based on a \$5.00 per GJ market price. The Corporation initiated a second phase of the project, which could bring to market an additional 15 per cent of new storage availability. Storage is evolving to be a strategic service in all cycles of the natural gas market for our customers, while being both a critical financial component and operational tool for our company. In 2009, an overall project scope was developed for the next phase of expansion. In 2010, operational developments will confirm the scope of expansion at existing storage facilities.



## OUR PEOPLE

### Engaged and Productive Workforce



For the second consecutive year, SaskEnergy was named by *Maclean's* magazine as one of Canada's Top 100 Employers. SaskEnergy is credited with creating a strong corporate culture that attracts and retains employees over the long term. The Corporation is committed to ensuring a positive and challenging career experience through learning and development initiatives for all employees across the Province.

### Fostering a Safe Environment

At SaskEnergy, safety is more than a priority; it is a condition of employment. Since 2005, SaskEnergy and TransGas have participated in the industry-based Enform Safety Audit, which reviews SaskEnergy's employee safety program. Over the past four years, SaskEnergy has seen a steady improvement in its results, leading up to the Corporation's best result yet, a score of 95 per cent in 2009. The Corporation's efforts in hazard and risk identification helped achieve such a high rating in the survey. Each year, employees are encouraged to submit potential hazards through an on-line reporting system. This system is a way to communicate potential hazards or safety concerns to all employees throughout the Province and is a positive step towards achieving a safe work environment. The practice of hazard identification extends beyond the workplace and can positively affect employees in all aspects of their lives.

### Representative Workforce

SaskEnergy and TransGas recognize that competitiveness and success in the industry rely heavily on the ability to employ a representative workforce. When an organization achieves this diversity, it also fosters a culture of perspective, ideas, creativity and a stronger, more cohesive company. SaskEnergy/TransGas is committed to achieving a workforce that reflects the provincial population, including First Nations and Métis people, persons with disabilities, visible minority members and women, at all levels of the Corporation. In 2009, the Corporation's diversity hires totaled approximately 30 per cent, which assisted in realizing a First Nations and Métis ancestry representation in the company of almost 14 per cent.

