



Media Release

For Immediate Release

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SaskEnergy requests commodity rate decrease: overall bill impact of 19%

SaskEnergy has applied to the Saskatchewan Rate Review Panel (SRRP) for a commodity rate decrease, effective April 1, 2009. The proposed commodity rate would be \$6.23 per Gigajoule (GJ), compared to SaskEnergy's existing rate of \$8.51/GJ, which was implemented October 1, 2008. If approved, this 27 per cent commodity rate decrease would result in a 19% overall rate decrease for the average residential customer, resulting in savings of approximately \$20 per month or \$240 annually.

This application is based upon the go-forward pricing in the natural gas market for the next 12 months. Commodities, including natural gas, have declined significantly with the slowdown in the North American economy. If approved, this proposed commodity rate of \$6.23/GJ will be the lowest SaskEnergy has had in place since April 2003.

"With the significant slowdown of the North American economy, commodity prices, including natural gas, have fallen, which is reflected in our application," said Doug Kelln, President and CEO of SaskEnergy. "Our goal is to deliver stable, competitive rates to consumers, and for seven of the last 10 years, including calendar year 2008, we have been very successful in delivering the lowest rates in the country."

SaskEnergy purchases its customers' natural gas on the open market, and commodity rates are set using the regulatory principle of no markup or profit. The Gas Cost Variance Account or GCVA tracks any differences between SaskEnergy's rate and its actual costs of buying gas, so that this can be factored into the next rate change.

"While last fall, the GCVA was in a deficit owing to SaskEnergy, as we enter spring, that deficit has been removed," explains Kelln. "This occurred because we were able to buy some additional gas at favorable pricing through this winter, accelerating the elimination of the deficit."

Although the commodity rate will be lower if this rate application is approved, SaskEnergy is still encouraging Saskatchewan natural gas consumers to take steps to keep improving the energy efficiency of their homes and businesses. The Corporation has helped 56,500 customers with programs such as the Saskatchewan EnerGuide for Houses and the Energy Star Prime Rate Loan Programs and in the past, Saskatchewan residents have led Canada in the take-up of these initiatives.

Further information on the rate review process, including a full copy of the SaskEnergy application, will be available at <http://www.saskratereview.ca>.

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