

Media Release

For Immediate Release

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Rate Review Panel announces recommendation for SaskEnergy's proposed commodity rate

This morning the Saskatchewan Rate Review Panel presented its report to the Minister of the Crown Investments Corporation regarding the fairness and reasonableness of SaskEnergy's proposed commodity rate change, considering the interests of the customer, the Crown corporation and the public.

The Panel is offering one recommendation:

- **That SaskEnergy's commodity rate be decreased to \$5.21/GJ (19.61 cents per cubic metre), effective November 1, 2009.**

In making this recommendation the Panel concurs with its independent technical consultants that the proposed commodity rate reduction is fair and reasonable.

On September 28, 2009 SaskEnergy applied for a decrease in the commodity rate to \$5.21/GJ (19.61 cents per cubic metre) to:

- reflect lower forecast costs for gas for the period November 1, 2009 to October 31, 2010; and
- clear any balance projected in the Gas Cost Variance Account (GCVA) at the end of October 2009.

The recommended rate reduction will result in a decrease of 12.6% from the previous rate. Residential customers will save \$81 annually, on average, with the recommended lower rate. All customer classes will benefit from the new rate, although the impact on all customer bills will vary, since the other two components of the bill – the Basic Monthly Charge and the Delivery Charge – are different for different customer classes.

Bill impacts by customer class are shown in the table on the following page.

**SaskEnergy Hi-Average-Low Customer Bill Impacts
(with Former Farm Customer Class)**

**Customer Class Impacts
Intra Class Rate Increase**

Customer Class	Total Annual Bill			Annualized Bill	
	Annual Usage m ³ /year	Current Rate \$/year	Proposed Rates \$/year	Change \$/year	Percentage %/year
Residential (Former)					
Low	2,500	911	842	(69)	-7.6%
System Average	2,834	1,010	931	(79)	-7.8%
High	9,000	2,827	2,580	(249)	-8.8%
Farm (Former)					
Low	2,500	936	867	(69)	-7.4%
System Average	3,941	1,361	1,252	(109)	-8.0%
High	9,000	2,852	2,603	(249)	-8.7%
General Service II					
Low	5,000	1,739	1,600	(139)	-8.0%
System Average	12,831	4,001	3,645	(355)	-8.9%
High	80,000	23,406	21,190	(2,216)	-9.5%
General Service III					
Low	100,000	28,659	25,889	(2,770)	-9.7%
System Average	190,372	53,864	48,591	(5,273)	-9.8%
High	660,000	184,843	166,561	(18,282)	-9.9%

Note: Dollars may not cross-add due to rounding.

Based on the current approved delivery rates.

The recommended rate decrease will not affect SaskEnergy's profits or dividends, since the cost of gas passes through to the customer at cost. As shareholders in SaskEnergy, the people of Saskatchewan are not affected by the recommended decrease, since there is no profit component in the sale of gas.

The Panel's and consultant's reports will be posted on the Panel's website: www.saskratereview.ca.

Saskatchewan Rate Review Panel

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