

IMMEDIATE RELEASE
Jan. 13, 2010

GOVERNMENT APPROVES SASKENERGY'S DELIVERY SERVICE RATE INCREASE

The Government of Saskatchewan today approved SaskEnergy's request for a delivery service rate increase of \$2.10 to the Basic Monthly Charge for residential customers. Even with this adjustment, the average residential customer's total bill has decreased 5.6 per cent or \$57 annually, as SaskEnergy's commodity rate was lowered to \$5.21/Gigajoule on Nov. 1, 2009.

The changes to the Basic Monthly Charge are effective Jan. 14, 2010 and reflect higher internal costs of running SaskEnergy's core business. The change to SaskEnergy's delivery service is only the third increase to the delivery rate in the past 12 years. The Provincial Government approved the delivery service rate changes, as recommended by the Saskatchewan Rate Review Panel (SRRP).

"Delivery rates reflect the cost of providing safe and reliable natural gas service to the people of Saskatchewan," Minister responsible for SaskEnergy Ken Cheveldayoff said. "SaskEnergy's delivery rate remains competitive with other major Canadian utilities and including this adjustment, is still the lowest residential delivery rate in Canada. Even with this adjustment, SaskEnergy customers had lower rates heading into this winter – rates that remain protected against the volatility we continue to see in the commodity markets, especially following the extremely cold weather that has gripped so much of North America these past few weeks."

As part of the panel's recommendation, SaskEnergy has reviewed its rate classes and amalgamated the residential and farm classes as they both experience similar costs. As a result, there will be no delivery rate change to the former farm customer class, as they have already been paying a Basic Monthly Charge of \$16.60 per month, a charge now paid by all customers in the new residential class.

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