



## Media Release

For Immediate Release

September 9, 2010

### Rate application will mean lower natural gas bills for customers this winter; commodity rates now comparable to those a decade ago

SaskEnergy today filed an application with the Saskatchewan Rate Review Panel (SRRP) to adjust its commodity rates reflecting lower market costs for natural gas. If implemented, this change will reduce annual average bills for residential consumers by \$66, while typical small and medium business customers will see average savings of \$272 annually.

SaskEnergy is proposing to reduce its commodity rate from \$5.21/Gigajoule (GJ) to \$4.55/GJ, effective November 1, 2010, recognizing continuing lower natural gas prices in the open market. This 13% decline in the commodity rate follows two reductions in 2009 and is comparable to the rate of \$4.52/GJ implemented for the winter of 2000/2001.

| Rate Class          | Commodity Rate Decrease<br>\$4.55/GJ |                              |                           |
|---------------------|--------------------------------------|------------------------------|---------------------------|
|                     | \$/Month                             | Commodity Rate<br>% Decrease | Annual Bill<br>% Decrease |
| Residential         |                                      |                              |                           |
| General Service II  |                                      |                              |                           |
| - restaurants       | (\$5.50)                             | (13%)                        | (7.0%)                    |
| - curling rinks     |                                      |                              |                           |
| - small schools     | (\$22.70)                            | (13%)                        | (8.2%)                    |
| General Service III |                                      |                              |                           |
| - hotels            |                                      |                              |                           |
| - high schools      | (\$354.25)                           | (13%)                        | (9.2%)                    |
| - hospitals         |                                      |                              |                           |
| Average             |                                      |                              | (7.5%)                    |

“Stable and competitive rates allow our customers to budget for their energy costs – something particularly important for the winter heating season, when most natural gas consumption occurs,” said Doug Kelln, President and Chief Executive Officer, SaskEnergy. “Once again, SaskEnergy’s Gas Price Management Strategy will ensure this new rate is price protected against market volatility throughout the winter.”

SaskEnergy purchases its customers’ natural gas on the open market, with no markup or profit factored into commodity rates. The Gas Cost Variance Account (GCVA) tracks any differences between SaskEnergy’s rate and its actual costs of buying gas, so that this difference can be factored into the next rate change. The new rate recognizes an amount owing to customers in the GCVA.

The other components of the new proposed commodity rate are cost of gas in storage, gas already price-protected for use during the upcoming year and anticipated forward market prices for the period of November 2010 to October 2011.

Kelln indicated the corporation will be working with SRRP to communicate the results of customer research undertaken early this year which showed that customers are continuing to place value around rate stability.

“As an organization, we need to continually analyze how we can best meet our customers’ desires to have rate stability and price competitiveness in all natural gas pricing environments,” Kelln concluded.

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

-30-

For further information, please call:

Dave Burdeniuk  
Manager, Communications  
SaskEnergy  
Phone: (306) 777-9842  
Cell: (306) 535-6569  
Email: [dburdeniuk@saskenergy.com](mailto:dburdeniuk@saskenergy.com)