



# Media Release

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## **Panel recommends SaskEnergy rate reduction; cautions about future increases**

The Saskatchewan Rate Review Panel is recommending a decrease in the natural gas commodity rate SaskEnergy charges customers effective November 1, 2010.

The Panel's recommendation is in line with SaskEnergy's rate application in September that requested the commodity rate decrease from \$5.21/GJ (19.61 cents per cubic metre) to \$4.55/GJ (17.25 cents per cubic metre). The lowered rates reflect lower gas costs projected in the 12 months ahead and also clear any balance projected in SaskEnergy's gas cost variance account at the end of October.

The Panel's report also cautions that current rates may not be sustainable in a volatile North American natural gas marketplace.

"A SaskEnergy rate reduction for this year is no guarantee that customers won't face substantial increases in subsequent years," notes the report.

"Indeed, industry observers view current gas price levels as being relatively low from an historical perspective and anticipate higher rates in the years ahead."

In the face of potential future increases, the report recommends SaskEnergy increase customer awareness of:

- rates and billing, including options such as equalized monthly payments;
- the limitations of SaskEnergy's efforts to provide relatively stable rates and avoid rate shock in a volatile market; and
- the long-term benefits customers can achieve through energy conservation.

The panel has submitted its report to the Minister responsible for the Crown Investment Corporation and is making the report available to the public on the Panel's web site [www.saskratereview.ca](http://www.saskratereview.ca).

The provincial cabinet will make the final decision on the rate application.

The complete report of the Panel's review of the SaskEnergy rate application can be downloaded at [www.saskratereview.ca](http://www.saskratereview.ca).