



## *Media Release*

**For Immediate Release**

**March 1, 2011**

### **Market conditions and solid gas price management keep SaskEnergy bills lowest in a decade**

SaskEnergy confirmed today its customers will continue to benefit from the lowest natural gas commodity rate since 2001. The Corporation will not be applying to the Saskatchewan Rate Review Panel (the Panel) for an adjustment to its commodity rate, as market conditions allow SaskEnergy to maintain its current low rate of \$4.55/Gigajoule (GJ).

“SaskEnergy’s price protection strategy has again achieved success and provided stability for our customers during the highest consumption months of this winter,” said Doug Kelln, President and Chief Executive Officer, SaskEnergy. “Despite continued uncertainty in commodity markets, our gas price management strategy will help shield home and business owners against market volatility through 2011.”

SaskEnergy uses the forward 12-month price for natural gas in setting its future rates. Looking at the current market prices, SaskEnergy anticipates its overall natural gas costs for this summer will be close to the current commodity rate of \$4.55/GJ, a reduction of 13 per cent from \$5.21/GJ on November 1, 2010.

SaskEnergy typically determines its commodity rate annually at the beginning of the winter season, with an adjustment in spring if natural gas prices are substantially different than its current rate. Considering natural gas prices are currently at 10-year lows, SaskEnergy has advanced its Gas Price Management Strategy for next year, which will further shield customers from natural gas price volatility into 2012.

SaskEnergy will also not be applying to the Panel for a change to its delivery service rates this spring. The Corporation has identified productivity improvements and cost-containment initiatives of \$5 million for 2011, adding to more than \$11 million in efficiencies from 2009/2010. SaskEnergy’s residential delivery service rates currently remain the lowest in Canada.

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