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SaskEnergy

RECORD CUSTOMER GROWTH AND INCREASED SYSTEM INTEGRITY SPENDING HIGHLIGHT
SASKENERGY 2013 ANNUAL REPORT

Customer growth was again a highlight for SaskEnergy in 2013, as evidenced by a record level of distribution customers and strong industrial demand for natural gas within Saskatchewan. SaskEnergy, which tabled its annual report in the Saskatchewan Legislature today, saw its system grow by nearly 7,700 distribution customers throughout the year, marking the highest annual figure in more than two decades.

Safety remained the core focus of the company's operations, with efforts to ensure alignment with industry best practices and an increased budget for system integrity activities (\$94 million in 2013, up from \$79 million in 2012).

"SaskEnergy continued to support Saskatchewan's growth in 2013 by providing safe and reliable service while realizing meaningful gains in productivity and efficiency," Minister responsible for SaskEnergy Tim McMillan said. "With increasingly higher safety standards throughout the energy industry and a growing system and customer base, SaskEnergy made substantial investments to ensure the infrastructure was in place to safely enable that growth."

SaskEnergy recorded operational net earnings (income before unrealized market value adjustments) of \$79 million in 2013, compared to operational net earnings of \$74 million in 2012. The corporation declared a dividend of \$30 million to Crown Investments Corporation (CIC), based on 2013 operational net earnings, compared to \$27 million in 2012.

The level of economic growth in Saskatchewan is reflected through SaskEnergy's distribution customer base, which now exceeds 373,000 customers and has grown by nine per cent since 2008. Considerable industrial load growth also occurred in 2013, with transmission volume increasing by 27 Petajoules, or 11.4 per cent, from the previous year, driven by power production, potash mining and enhanced oil recovery.

"SaskEnergy has made a number of significant investments in its transmission system in order to meet increasing natural gas demand and to connect customers," McMillan said. "The company will continue to leverage its existing pipeline infrastructure, as well as other pipelines, to manage and support the economic growth we are seeing in the province."

As SaskEnergy adds new customers to its system, overall provincial natural gas usage grows as well. The extreme temperatures in December contributed to a new record for daily natural gas consumption in a 24-hour period. The record 1.24 PetaJoules of natural gas was delivered in the 24-hour period between December 6 and 7, 2013, a five per cent increase over the previous record which was set on January 18, 2012.

Other 2013 operational highlights include:

- As part of its commitment to safety and system integrity initiatives, SaskEnergy completed 2,851 service upgrades under its multi-year distribution service integrity enhancement program, which upgrades services in areas of the province that are most susceptible to ground shifting when excessive soil moisture conditions are present.
- Productivity and efficiency savings of \$5.5 million, bringing total savings in this area to \$27 million since 2009.

To view a copy of the 2013 SaskEnergy Annual Report, please visit:
http://www.saskenergy.com/about_saskenergy/annual_report/default.asp.

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