

IMMEDIATE RELEASE

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**CABINET APPROVES SASKENERGY RATE CHANGES FOR NOVEMBER 1; SECOND BILL DECREASE FOR NATURAL GAS CUSTOMERS IN 2016**

The Government of Saskatchewan today approved SaskEnergy's adjustments to both its Commodity and Delivery Service rates, as recommended by the Saskatchewan Rate Review Panel. Starting November 1st, 2016, residential customers will see an overall decrease of nearly two per cent per month or \$15 annually to their heating bills. This follows a decrease of \$53 annually, which came into effect January 1st, 2016.

"When you add the savings from earlier this year to this latest decrease, residential customers will see their natural gas bill shrink by \$68 annually," Minister Responsible for SaskEnergy Dustin Duncan said. "I'm pleased we're able to pass on savings to customers as we head into the winter heating season. SaskEnergy also offers price protection, which shields customers against market volatility at a time of year when they're using most of their natural gas."

Lower market prices have provided the opportunity for a Commodity Rate decrease from \$4.30/GJ to \$3.65/GJ, now the lowest in 16 years. The Rate Review Panel's recommendation to the government mainly supported SaskEnergy's application, with a minor adjustment to the Commodity Rate (13 per cent decrease instead of the original 14 per cent SaskEnergy applied for in May 2016). The panel's recommendation reflects changes in the heat value factor of natural gas supply purchased by SaskEnergy.

SaskEnergy will also implement an 8.6 per cent increase to its Delivery Service Rate, remaining competitive with other utilities and providing one of the lowest residential delivery charges in Canada. The primary purpose for the Delivery Service increase is related to costs for safety and infrastructure renewal.

"SaskEnergy continues to invest in safety technology, as well as proactive infrastructure programs, such as the service tee upgrades in areas of the province prone to ground shifting from excessive soil moisture," Duncan said. "Over the past five years, SaskEnergy has upgraded over 13,000 pipeline connections to reduce potential for underground leaks."

SaskEnergy will continue to look for further efficiencies, and has achieved more than \$38 million in efficiencies since 2009, with another \$4 million planned this fiscal year.

The Panel Report also noted future billing of customers in energy rather than volume. This will be further reviewed and analyzed by SaskEnergy and the Government of Saskatchewan.

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