

**DIVIDEND OF \$39 MILLION DECLARED AS SAFETY, RELIABILITY AND GROWTH HIGHLIGHT**  
**SASKENERGY'S 2017-18 ANNUAL REPORT**

Safety remained a core focus in 2017-18 as the corporation dedicated \$109 million toward increasing safety across its more than 85,000 kilometres of pipelines. SaskEnergy continued to upgrade service connections, and its damage prevention program resulted in a 3.5 per cent reduction in pipelines damaged by unsafe digging — part of a 37 per cent reduction in incidents since 2013.

In 2017-18, SaskEnergy invested in projects to move high pressure transmission pipelines away from cities, while significantly increasing capacity to serve the growing number of homes, businesses and industries that rely on natural gas.

"SaskEnergy is making significant investments in expanded pipeline capacity and in the additional gas supply needed to fill those lines, in order to meet rising customer demands for natural gas into the future," Minister responsible for SaskEnergy Bronwyn Eyre said. "The company's focus on reliability means most homes or businesses have never had an unplanned loss of natural gas service, something we all depended upon this past winter when three new natural gas consumption records were set during cold snaps."

In 2017-18, SaskEnergy recorded income before unrealized market value adjustments of \$110 million, compared to \$70 million for the 12-month period ending March 31, 2017. The corporation declared a dividend of \$39 million to Crown Investments Corporation (CIC), based on 2017-18 income before unrealized market value adjustments. Unrealized market value adjustments were favourable in 2017-18, resulting in a consolidated net income of \$144 million.

Accounting standards require SaskEnergy to report its natural gas purchase and sales contracts at their market price on the financial statement reporting date. The difference between the contract price and the price on the financial statement reporting date is recorded as an unrealized market value adjustment on the statement of comprehensive income. These adjustments are non-cash items and therefore they do not result in any cash inflow or outflow to the corporation.

SaskEnergy added more than 3,700 new customers to its distribution system, bringing its total customer base to more than 394,000. SaskEnergy has added more than 58,000 new customers during the last 10 years. At the same time, a continued focus on efficiency gains resulted in \$4.2 million in cost reductions throughout 2017-18, bringing efficiency savings to \$48 million since 2009.

Annual transmission volumes totaled 350 Petajoules (PJ) an increase of 24 PJ, or seven per cent, from a year ago. This growth was supported by significant system investments to connect customers in a wide range of key industries, including power production and enhanced oil recovery.

"Natural gas is the fuel of choice for new businesses and homes, as well as for major industry, and by providing the pipeline infrastructure for these investments, SaskEnergy will continue to support strong economic growth for Saskatchewan," Eyre said.

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Other 2017-18 operational highlights include:

- Provided competitive residential delivery rates to customers, offering among the lowest rates in the country and the lowest delivery rate in Western Canada.
- The corporation obtained an overall audit score of 90 per cent in the Energy Safety Canada Certificate of Recognition program, which evaluates an organization's safety programs against provincial and industry standards.
- SaskEnergy developed a standard for installing technology on new mobile compressor units to reduce greenhouse gas emissions and operating costs.
- The installation of an additional 31,773 Advanced Metering Infrastructure modules throughout the province, bringing the total to 94 per cent of SaskEnergy distribution meters.

To view a copy of the 2017-18 SaskEnergy Annual Report, please visit [www.saskenergy.com/about\\_saskenergy/annual\\_report/default.asp](http://www.saskenergy.com/about_saskenergy/annual_report/default.asp).

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