

Media Release

For Immediate Release

December 29, 2009

Contact: Alison Renny, Chair, 306.374.8097
After Jan. 1, 2010 Bill Barzeele, Vice Chair, 306.426.2177

Rate Review Panel announces recommendation for SaskEnergy's proposed delivery rate

The Saskatchewan Rate Review Panel presented its report to the Minister of Crown Investments Corporation about the fairness and reasonableness of SaskEnergy's proposed delivery rate, considering the interests of the customer, the Crown corporation and the public.

Having reviewed the rate change application, supplemental information from SaskEnergy, input from the public and the analysis provided by its technical consultants, the Panel offers one recommendation:

That the delivery service rate be changed as submitted by SaskEnergy in its application, effective January 1, 2010; and that the Residential and Farm Customer Classes be amalgamated into a single Residential class.

In making its recommendation the Panel concurs with its independent technical consultants that the requested increase is fair and reasonable.

The recommended increase applies only to the Basic Monthly Charge portion of SaskEnergy's delivery service. The increase applies to all customer classes, with the exception of the Small Industrial class, which will see no change. No increase was requested for the Small Industrial class because it is not within the target range for revenue to cost ratios.

The recommended increase equates to a 1.5% overall annualized average increase on customers' total natural gas bill, but the impact on each class will be different. Customer impacts, in monthly and annual dollar amounts, are shown in the table.

Customer impact

Residential Class customers will experience the largest increase of 2.5% for typical customers on an annualized basis. Typical customers in the General Service II and General Service III classes will experience annualized bill increases of 0.4% and 0.3%, respectively.

The increases will be:

- Residential Class: \$2.10
- General Service II Class: \$1.25
- General Service III Class: \$13.30

The following table indicates the increase in bills for typical users within each class:

Class	Annual Use	Bill	Proposed Bill	Change	Percentage
		(as of Dec 31/09)	(Jan 1/10)		
Residential	2,500	\$844	\$867	\$23	2.8%
	2,915	\$954	\$978	\$23	2.5%
	9,000	\$2580	\$2603	\$23	0.9%
GS II	5,000	\$1590	\$1605	\$15	0.9%
	12,831	\$3620	\$3635	\$15	0.4%
	80,000	\$21,030	\$21,045	\$15	0.1%
GS III	100,000	\$25,889	\$26,049	\$160	0.6%
	190,372	\$48,591	\$48,750	\$160	0.3%
	660,000	\$166,561	\$166,721	\$160	0.1%
Small Industrial	660,001	\$156,732	\$156,732	\$0	0%
	715,578	\$169,482	\$169,482	\$0	0%
	1,320,000	\$308,136	\$308,136	\$0	0%

The Panel's and consultant's reports will be posted on the Panel's website: www.saskratereview.ca

Saskatchewan Rate Review Panel

P.O. Box 1301, Saskatoon, SK S7K 3N1 • Toll-Free: 1-877-368-7075 (Saskatoon: 934-1948) • Email: input@saskratereview.ca