

# Media Release

For Immediate Release

March 23, 2009

## Rate Review Panel announces recommendation for SaskEnergy's proposed commodity rate

This morning the Saskatchewan Rate Review Panel presented its report to the Minister of the Crown Investments Corporation regarding the fairness and reasonableness of SaskEnergy's proposed commodity rate change, considering the interests of the customer, the Crown corporation and the public.

The Panel respectfully offers the following recommendation:

- **That SaskEnergy's commodity rate be decreased to \$5.96/GJ (22.38 cents per cubic metre), effective April 1, 2009.**

In making this recommendation the Panel concurs with Energy Consultants International Inc. (ECI), its independent technical consultants, that the proposed commodity rate reduction is fair and reasonable.

On February 17, 2009 SaskEnergy applied for a decrease in the commodity rate from \$8.51/GJ to \$6.23/GJ (23.39 cents per cubic metre) to reflect lower forecast costs for gas for the period April 1, 2009 to March 31, 2010; and to clear any balance projected in the Gas Cost Variance Account (GCVA) at the end of March 2009. SaskEnergy submitted a revised price forecast of \$5.96/GJ, or 22.38 cents per cubic metre on March 6, 2009, at the request of the Panel.

Bill impacts by customer class, including the annualized impact of the originally proposed commodity rate and the updated rate recommended by the Panel, are shown in the following table.

The recommended rate decrease will not affect SaskEnergy's profits or dividends, since the cost of gas passes through to the customer at cost. The people of Saskatchewan, as shareholders in SaskEnergy, are also not negatively affected by the recommended decrease.

<b>Customer Class Impacts - Intra-Class Rate Changes</b>								
	<b>Total Annual Bill</b>		<b>Original Annualized Bill Impact</b>			<b>Updated Annualized Bill Impact</b>		
<b>Customer Class</b>	<b>Annual Usage m<sup>3</sup>/year</b>	<b>Current Rate \$/year</b>	<b>Proposed Rates \$/year</b>	<b>Change \$/year</b>	<b>Percentage %/year</b>	<b>Proposed Rates \$/year</b>	<b>Change \$/year</b>	<b>Percentage %/year</b>
<b>Residential</b>								
Low	2,500	1,150	936	(214)	(18.6%)	911	(239)	(20.8%)
Average	2,842	1,284	1,041	(243)	(18.9%)	1,012	(272)	(21.2%)
High	9,000	3,689	2,918	(770)	(20.9%)	2,827	(861)	(23.4%)
<b>Farm</b>								
Low	2,500	1,175	961	(214)	(18.2%)	936	(239)	(20.4%)
Average	3,943	1,739	1,401	(338)	(19.4%)	1,362	(377)	(21.7%)
High	10,000	4,104	3,248	(856)	(20.9%)	3,147	(957)	(23.3%)
<b>General Service II</b>								
Low	5,000	2,207	1,779	(428)	(19.4%)	1,729	(479)	(21.7%)
Average	11,333	4,630	3,660	(970)	(21.0%)	3,545	(1,085)	(23.4%)
High	80,000	30,902	24,054	(6,848)	(22.2%)	23,246	(7,656)	(24.8%)
<b>General Service III</b>								
Low	100,000	38,229	26,669	(8,560)	(22.4%)	28,659	(9,570)	(25.0%)
Average	180,069	68,223	52,809	(15,414)	(22.6%)	50,990	(17,233)	(25.3%)
High	660,000	248,005	191,509	(56,496)	(22.8%)	184,843	(63,162)	(25.5%)

Table of Customer Impacts provided by Energy Consultants International Inc.

The Panel's and consultant's reports will be posted on the Panel's website: [www.saskratereview.ca](http://www.saskratereview.ca).

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**Saskatchewan Rate Review Panel**

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