



## *Media Release*

For Immediate Release

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### **A strong operational year for SaskEnergy with customer growth above the 10-year average**

SaskEnergy is reporting a strong year of customer growth in 2010, which saw nearly 5,000 new residential, business and industrial customers added to its natural gas distribution system in communities across Saskatchewan. This level of growth is well above the 10-year average and will bring SaskEnergy's customer base to its highest level ever, at more than 352,000 customers.

"We continue to support the growing energy needs of Saskatchewan through increased customer growth, as well as higher demand from key sectors such as potash and new natural gas electrical generation," said Doug Kelln, President and Chief Executive Officer, SaskEnergy. "Our employees remained committed this year to providing safe and reliable service, through the challenges created by such a high level of construction activity, combined with extremely wet conditions for excavation and pipeline installation work."

Kelln said SaskEnergy has balanced the increased cost pressures associated with its system expansion by stressing productivity improvements and internal cost reductions throughout the organization.

"In 2010, we met that reality within our existing rate structure through sharpening our focus on productivity. Building off nearly \$11 million of efficiency gains realized in 2009/2010, we have identified a further \$5 million of new cost savings initiatives in 2011. The productivity improvements were achieved through strong employee leadership throughout the province."

Kelln acknowledged that SaskEnergy's customer commitment included providing competitive rates, with its current Commodity Rate of \$4.55/Gigajoule (GJ) at the lowest level since 2001, while Delivery Rates for SaskEnergy residential customers remain the lowest in Canada.

"We plan to advance some of our natural gas price management strategies, given these low historical open market levels, to capture some advantageous current market pricing for 2011," Kelln added.

SaskEnergy's 2010 Operational Highlights include:

- Nearly 5,000 new customer connections, bringing SaskEnergy's customer base to 352,000
- Commodity Rate reduced to \$4.55/Gigajoule as of Nov. 1, 2010, the lowest rate offered to SaskEnergy's customers since 2001. Delivery Rates remain the lowest in Canada.
- Efficiency gains of nearly \$11 million realized in 2009/2010, with a further \$5 million of new cost saving initiatives identified in 2011.
- Responded to more than 70,000 requests for line locates by contractors and homeowners prior to starting excavation projects

- Natural gas delivered on SaskEnergy's system is projected to be 190 Petajoules (PJs) in 2010, well above the 10-year average of 174 PJs, with further significant growth projected for 2011

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