

Minister of Crown Investments Corporation

Legislative Building Regina, Canada S4S 0B3

Minister's Directive

Pursuant to Section 7.2 of *The SaskEnergy Act*, the minister directs SaskEnergy Incorporated (SaskEnergy) to enter into a services agreement with the Provincial Crown in the Provincial Crown's capacity, effective January 1, 2024, as a registered distributor of marketable natural gas and non-marketable natural gas in Saskatchewan under Part 1 of the *Greenhouse Gas Pollution Pricing Act* (Canada) (GGPPA), to enable SaskEnergy in its sole capacity as a service provider to the Provincial Crown to undertake the physical distribution or delivery of marketable natural gas and non-marketable natural gas in Saskatchewan, together with customer invoicing and other activities that are considered necessary, incidental or conducive to the physical distribution and delivery of natural gas and to carrying out its powers under *The SaskEnergy Act*, as amended (Act), all on behalf of the Provincial Crown and in the limited role as a service provider to the Provincial Crown, and as may be further directed, described, defined or limited in a services agreement with the Provincial Crown.

For natural gas used, delivered or otherwise provided on or after January 1, 2024:

- (a) the Provincial Crown shall be responsible for all obligations related to registration, reporting periods, returns, payments or other obligations under Part 1 of the GGPPA, and all administration as it relates to Part 1 of the GGPPA, which were previously held and undertaken by SaskEnergy;
- (b) where (a) applies, SaskEnergy will collect the Carbon Levy and remit the Carbon Levy only to the Provincial Crown for deposit in the general revenue fund (Saskatchewan), for the following Rate classifications:
 - (i) Contract Industrial;
 - (ii) Small Commercial;
 - (iii) Small Industrial; and
 - (iv) Large Commercial.

- (c) where (a) applies, SaskEnergy will not collect the Carbon Levy and not remit the Carbon Levy to any person (including the Provincial Crown for deposit in the general revenue fund) (Saskatchewan), for the following Rate classifications:
 - (i) Residential.
- (d) where (a) applies, SaskEnergy will remit the Carbon Levy payable for gas used by SaskEnergy only to the Provincial Crown for deposit in the general revenue fund (Saskatchewan),
- (e) where (a) does not apply, SaskEnergy will continue to collect the Carbon Levy and to remit the Carbon Levy to the registered distributor under the GGPPA. This Directive does not impact or modify, and has no application to, any services agreement that currently or may exist between SaskEnergy and any third party that is a registered distributor, including an affiliate of SaskEnergy.

For natural gas used, delivered or otherwise provided on or before December 31, 2023, including without limitation gas consumed and not yet invoiced, SaskEnergy will continue to collect and remit the Carbon Levy to the Federal Receiver General pursuant to Part 1 of the GGPPA.

"Carbon Levy" means any charge, tax, levy, remittance, or other payment required by Part 1 of the GGPPA, and includes a carbon charge under SaskEnergy's Terms and Conditions of Service Schedule, enabled by Section 16 of the Act.

"Contract Industrial", "Small Commercial", "Small Industrial", "Large Commercial" and "Residential" shall have the meaning given in SaskEnergy's Terms and Conditions of Service Schedule.

Dated this 21st day of December, 2023

Minister Responsible for SaskEnergy