



Media Release

For Immediate Release

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Commodity rate unchanged; customers to pay lowest rates in 12 years this winter

SaskEnergy customers will continue benefiting from the lowest natural gas commodity rates since 2000, as market conditions will enable the Corporation to maintain its current rate of \$3.82/Gigajoule (GJ) through the upcoming winter. SaskEnergy adjusted its commodity rate this past spring by lowering it 16 per cent from \$4.55/GJ.

After reviewing recent market prices, SaskEnergy anticipates its overall natural gas costs during the winter months will remain within the range of the present commodity rate of \$3.82/GJ. SaskEnergy typically sets its commodity rate annually each fall using the forward 12-month price for natural gas, with an adjustment in April if natural gas prices are markedly different from its current rate.

“SaskEnergy’s price protection strategy will once again provide stability for our customers during the highest consumption period in the approaching winter months,” said Doug Kelln, President and Chief Executive Officer, SaskEnergy. “Our customers will remain shielded from continued volatility in commodity markets, providing certainty for home and business owners in budgeting their energy dollars.”

The difference between SaskEnergy's commodity rate and what it pays for natural gas on the open market is tracked in the Gas Cost Variance Account (GCVA). Any balance in the GCVA is then refunded to or collected from customers in the next rate application. SaskEnergy anticipates the GCVA balance to be at or near zero into 2013.

While SaskEnergy continually monitors the markets, it will review its commodity rate again this spring. SaskEnergy’s Delivery Service Rates, which recover the cost of maintaining a safe and reliable natural gas system, will remain the lowest in Canada, with no application for rate changes this fall.

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