



## *Media Release*

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For Immediate Release

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### **SaskEnergy applies for first commodity rate increase since 2008, due to higher market prices and additional gas purchases this past winter**

SaskEnergy customers used more natural gas than anticipated this past winter, due to extreme cold that lasted well into March. To meet the additional demand, SaskEnergy purchased additional gas at market prices higher than its current Commodity Rate.

This factor, along with forward market prices remaining elevated, has resulted in SaskEnergy applying to the Saskatchewan Rate Review Panel (SRRP) for its first Commodity Rate increase in six years. The proposed Commodity Rate of \$4.84/Gigajoule (GJ), from the current rate of \$3.82/GJ, would increase the average residential customer's bill by \$9.57/month.

As it does for a normal winter, SaskEnergy secured 20 million Gigajoules of natural gas supply as well as 18 million Gigajoules in storage. Increased demand from Saskatchewan homes and businesses due to the significant cold required an additional eight million Gigajoules of gas to be purchased, enough to heat 100,000 more homes the entire winter.

SaskEnergy's Commodity Rate is a pass-through of market costs, with no profit or loss factored in. SaskEnergy's last Commodity Rate increase saw rates set at \$8.51/GJ for November 1st, 2008, which was followed by four consecutive rate decreases.

"We appreciate it was difficult for homeowners to face higher heating bills from coping with one of the coldest winters in decades, but SaskEnergy kept rates stable during the highest consumption months," said Doug Kelln, President and Chief Executive Officer, SaskEnergy. "At \$4.84/GJ, our rate in Saskatchewan will be competitive as one of the lowest Commodity Rates in comparison to other regions across the country."

Kelln said customer feedback received over the past few weeks indicated that if a rate increase was required, it should be kept as low as possible. SaskEnergy waited to set its Commodity Rate until markets across North America stabilized from the volatility of this past winter.

If approved, the proposed rate would take effect July 1<sup>st</sup>, 2014. Additional information on the rate review process, including a full copy of SaskEnergy's Commodity Rate application, will be available at [www.saskratereview.ca](http://www.saskratereview.ca).

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