



Media Release

For Immediate Release
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Panel recommends approval of SaskEnergy commodity rate increase

The Saskatchewan Rate Review Panel has recommended the provincial government approve SaskEnergy's application to increase the natural gas commodity rate charged to customers.

The Panel also suggests that in future SaskEnergy bring forward its need for increases earlier, so that deficits do not grow as large before rates are revised. SaskEnergy passes on the price of gas to consumers without discount or mark-up.

The proposed increase from \$3.82/GJ to \$4.84/GJ would be effective July 1, 2014.

The rate request is based on several factors, including eliminating the balance in SaskEnergy's Gas Cost Variance Account (GCVA), and forecasted gas costs and projected sales volumes from 2014 to 2016.

"The recommended increase would enable SaskEnergy to discharge the projected \$34 million deficit in its Gas Cost Variance Account over 24 months, spreading the cost to consumers over a longer period of time, and providing greater rate stability," said Panel Chair Kathy Weber.

Weber also said the Panel is concerned that the deficit in the GCVA (the amount that consumers had underpaid because of rising gas prices since the last rate application took effect) was allowed to grow to \$34 million. The Panel suggests SaskEnergy consider a policy that would trigger a rate application if the surplus or deficit in the GCVA exceeds \$20 million.

The Panel's recommendation, which follows a review of the application and other documentation, as well as input from the public, is consistent with the analysis and recommendation made by the Panel's independent technical experts.

The Panel has submitted its report to the Minister responsible for Crown Investments, and is making the report and the independent technical report available on the Panel's website at www.saskratereview.ca.

The Provincial Cabinet will make the final decision on the rate application.

