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SASKENERGY DECLARES \$29 MILLION DIVIDEND IN YEAR HIGHLIGHTED BY SAFETY, EFFICIENCIES AND GROWTH

In 2016-17, SaskEnergy recorded income before unrealized market value adjustments of \$70 million, compared to \$86 million for the 12-month period ending March 31, 2016. The corporation declared a dividend of \$29 million to Crown Investments Corporation (CIC), based on 2016-17 income before unrealized market value adjustments. Unrealized market value adjustments were favourable in 2016-17 resulting in a consolidated net income of \$146 million.

Safety remained the core focus of SaskEnergy's operations in 2016-17, as the corporation dedicated \$91 million toward increasing safety across its more than 85,000 kilometres of buried infrastructure.

"In 2016-17, SaskEnergy made a number of important and meaningful investments to maintain the safety of its customers, employees and the communities it serves," Minister Responsible for SaskEnergy Dustin Duncan said. "At the same time, the corporation expanded its system and provided the infrastructure required to meet current and future growth requirements."

System integrity initiatives included a continuation of the service upgrade program, which, together with enhanced leak survey processes and damage prevention initiatives, resulted in the lowest leak rates in company history and an 11 per cent reduction in third-party line hits — part of a 35 per cent reduction in damage incidents since 2013.

A continued focus on efficiency gains resulted in \$4.0 million in cost reductions throughout 2016-17, bringing efficiency savings to \$42 million since 2009. These efficiencies were achieved while the corporation continued to experience growth, adding 4,000 new customers to its distribution system and bringing its total customer base to more than 390,000.

Transmission volumes totaled 326 Petajoules (PJ) by March 31, 2017, which is an increase of 22 PJ, or seven per cent, from March 31, 2016. A PetaJoule (PJ) is a unit of measurement equivalent to one million GigaJoules (GJs) of natural gas. The average home in Saskatchewan uses about 102 GJs of natural gas annually. This growth was supported by significant system investments to connect customers in a wide range of key industries, including enhanced oil recovery, power production and potash mining.

"Major industry is choosing natural gas as its fuel source," Duncan said. "The industrial sector plays a vital role in the provincial economy and SaskEnergy will continue to provide the infrastructure required to support economic growth and community development in Saskatchewan."

Other 2016-17 operational highlights include:

- The corporation achieved its best-ever employee safety performance, which builds on SaskEnergy's commitment to the provincial Mission: Zero target.
- A number of environmental efficiencies were achieved — SaskEnergy exceeded its target for compressor emission reductions by nearly 20 per cent. In addition, work completed as part of the compressor station leak detection and repair program will save SaskEnergy nearly \$159,000 of lost gas per year and reduce greenhouse gas emissions by 18,000 tonnes.
- TransGas added four mobile compressors to its fleet, as well as one docking station, bringing the system total to 17 mobile units and 20 docking stations. Mobile compressors provide the flexibility to move compression where it is required and to quickly respond to requests from industrial clients without large capital investments.
- To enhance employee and public safety, SaskEnergy implemented a root cause analysis solution to systematically improve operating and reporting procedures.

To view a copy of the 2016-17 SaskEnergy Annual Report, please visit www.saskenergy.com/about_saskenergy/annual_report/default.asp.

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