

IMMEDIATE RELEASE

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SaskEnergy 17-1383

SASKENERGY INCREASE APPROVED FOR PUBLIC SAFETY AND INFRASTRUCTURE INVESTMENTS

Today the Government of Saskatchewan approved an increase to SaskEnergy's Delivery Service Rate of 3.6 per cent to begin November 1, 2017. On average, the increase to residential customers will be an additional \$1.65 per month or about \$20 annually. The Delivery Service Rate is made up of two components – a fixed Basic Monthly Charge and a charge based on customer usage.

"Government accepted a majority of the Saskatchewan Rate Review Panel's recommendations on SaskEnergy's Delivery Service Rate, which will increase fairness amongst customers," Minister Responsible for SaskEnergy Joe Hargrave said. "Government felt a slightly higher increase was necessary for SaskEnergy to meet its targets for investing in safety and infrastructure, so the rate change will reflect the original application amount of 3.6 per cent."

The approved rate will have a fixed 75-cents per month increase applied to a customer's Basic Monthly Charge, with the remainder placed on the volume charge, so that customers who use less natural gas, will pay less. The delivery charge will be slightly higher than recommended by the panel to account for a higher interest rate outlook.

This is expected to generate more than \$9 million annually for the Crown Corporation, to support customer growth and public safety by allowing for additional investment in major capital and system integrity projects across the province.

"The increase will support core operations that keep our natural gas system operating safely and reliably through preventative maintenance and pipeline integrity programs, including leak surveys, service connection upgrades and transmission pipeline inspections," SaskEnergy President and CEO Ken From said. "SaskEnergy has steadily added more dollars into these budgets since 2011, and the results are positive with the lowest pipeline leak rate in history last fiscal year and a significant decrease in infrastructure damage."

Customer growth has added more than 54,000 new residential, business and industrial customers for SaskEnergy since 2008, with another 4,500 new customers planned in 2017-18. Planned infrastructure investments will focus on expanding and moving pipeline infrastructure away from developments occurring particularly in the cities of Saskatoon and Regina.

SaskEnergy is projecting to achieve \$4.4 million in efficiency savings this year. Since 2009, SaskEnergy has realized \$42 million in efficiencies.

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The remaining portion of the bill – the Commodity Rate – will remain unchanged at \$3.65/GJ.

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