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SaskEnergy 19-2417

LOWEST SASKENERGY COMMODITY RATES IN 20 YEARS APPROVED BY GOVERNMENT; SAVINGS ELIMINATED BY FEDERAL CARBON TAX

The Government of Saskatchewan has approved changes recommended by the Saskatchewan Rate Review Panel to SaskEnergy's Commodity and Delivery Service Rates. SaskEnergy's Commodity Rate will be lowered from \$3.65/Gigajoule(GJ) to \$2.575/GJ, the lowest rate in 20 years, and the Delivery Service Rate will increase by 3.4 per cent to provide additional funding for safety and infrastructure investments.

On April 1, 2019, customers will see these changes to their bills, which would have provided estimated annual savings of \$90 per average residential customer. However, starting April 1, 2019, SaskEnergy is also required to begin collecting the Federal Carbon Tax, which will eliminate the anticipated savings from SaskEnergy's rate changes and result in a \$109 average increase this year, with a further \$54 annual increase each of the following three years.

"SaskEnergy customers should be able to take advantage of what would have been the lowest commodity rate in 20 years," Minister Responsible for SaskEnergy Bronwyn Eyre said. "Instead, the Federal Carbon Tax will wipe out those savings and raise heating costs for families and businesses across the province. The harsh winter we've just experienced reminds us how much we depend on SaskEnergy for safe and reliable natural gas service."

The winter of 2018-19 was colder than normal, and the month of February was 40 per cent colder than the 30-year average.

While the Saskatchewan Rate Review Panel was in the process of reviewing SaskEnergy's rate application, the government approved an interim SaskEnergy Commodity Rate of \$2.95/GJ, effective from November 1, 2018 to March 31, 2019, saving customers about \$50 over the past few winter months.

SaskEnergy's new Commodity Rate is the lowest since 1999. The adjustment to the Delivery Service Rate will provide additional funding for safety and system integrity programs, as well as infrastructure investments for projects such as the relocation of major pipeline infrastructure outside large urban centres.

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