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SaskPower and SaskEnergy apply for rate adjustments

Average \$4.30/month increase for homeowners for 2016

SaskPower and SaskEnergy will be applying to the Saskatchewan Rate Review Panel (SRRP) in two separate applications to adjust their rates. The simultaneous applications will allow customers the opportunity to budget for utility bills going forward.

SaskPower is requesting a rate increase of five per cent effective July 1, 2016 and five per cent effective Jan. 1, 2017. The average residential customer will pay an additional \$6 per month in 2016 and \$6 per month in 2017 on their electricity bills, if the increases are approved.

“We understand our customers need reliable power, and in light of our challenges with aging infrastructure and keeping up with growing demand, we need additional funding to continue to provide that for the people of Saskatchewan,” said SaskPower President and CEO Mike Marsh.

SaskEnergy is proposing an adjustment to both its Commodity and Delivery Service rates, resulting in residential customers saving approximately \$1.70 per month on their heating bill beginning Nov. 1, 2016. SaskEnergy has applied to reduce its Commodity Rate by 14 per cent from \$4.30/Gigajoule (GJ) to \$3.65/GJ, the lowest rate in 16 years. The Commodity Rate was last decreased by 54 cents per GJ on Jan. 1, 2016 following a steady decline in natural gas prices. SaskEnergy is simultaneously applying for a Delivery Service Rate increase of 8.6 per cent, or approximately \$3.50 per month for residential customers, which is offset by Commodity savings.

Overall, the typical SaskEnergy residential customer will see annual savings of \$20 and small to large commercial customers will see decreases ranging from \$180 to \$3,000.

“SaskEnergy is facing many of the same challenges as other Canadian natural gas utilities to maintain the high safety standards our industry has set and our customers expect,” said Doug Kelln, President and Chief Executive Officer, SaskEnergy. “These rate changes, if approved, allow us to pass along lower market prices to reduce heating bills while continuing to invest in a safe natural gas system.”

Further information on the rate review process, including a full copy of the SaskPower and SaskEnergy applications, will be available at <http://www.saskratereview.ca>.

AT A GLANCE

- SaskPower requesting average 5% increase in 2016 and 5% increase in 2017
- SaskEnergy requesting overall 2.3% decrease in 2016
- Residential customers can expect an increase of \$4.30/month in 2016

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SaskEnergy Application Details

Overall Savings

- Residential customer savings of approximately \$1.70/month or \$20 annually.
- Typical residential customer will have the lowest natural gas bill in 16 years.
- Larger commercial/institutional customer savings of **6% to 8%**.
- **November 01, 2016** implementation for both rates.

Commodity Rate

- Recommended decrease of **\$4.30/GJ** to **\$3.65/GJ** proposed.
- If approved, this would be the second Commodity decrease in 2016 and the lowest Commodity Rate in 16 years.

Delivery Service Rate

- **Delivery Service Rate** average increase **8.6%** recommended.
- Total residential bill impact approximately **\$3.50** per month, offset by commodity savings.
- Primary driver for the Delivery Service Rate increase related to rise in safety and infrastructure renewal.
- Residential customers continue to have among the lowest Delivery Service Rates in Canada.
- From 2009-2015, SaskEnergy has achieved \$38 million in efficiency savings. Another \$4 million is planned for 2016.