



SASKATCHEWAN
**RATE REVIEW
PANEL**

Media Release

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Panel recommends conditional approval for SaskEnergy's multi-year rate proposal

The Saskatchewan Rate Review Panel's review of SaskEnergy's first multi-year rate proposal has resulted in recommendations to approve the rate increase proposed for 2013-14, and conditional approval of the increase proposed for 2014-15.

2013 Rates

In its report released today, the Panel is recommending approval of an average distribution delivery rate increase of 3.6% for SaskEnergy, to take effect September 1, 2013. The increase will range from 0% for small industrial customers to 4.1% for residential customers.

SaskEnergy's application pointed to increased spending on capital and operating costs due to public safety, system integrity and economic growth in the province. The Panel's recommendation is based on a thorough assessment of SaskEnergy's revenue requirements and how it compares with utilities in other jurisdictions. There was also public consultation.

The Panel recognizes that SaskEnergy has made and continues to make significant progress on its productivity and efficiency programs to mitigate the magnitude of this rate increase.

2014 Rates

The Panel recommends conditional approval of SaskEnergy's proposed average distribution delivery rate increase of 2.3% to take effect September 1, 2014. That increase would range from 0% for small industrial customers to 2.4% for residential customers.

The Panel's approval of the 2014 rates will be subject to the Panel's acceptance of a limited scope filing in June 2014. In its report, the Panel lists a number of requirements for the 2014 filing to allow the Panel to confirm the appropriateness of the rate increase for 2014 during an abbreviated public review process. Of particular concern to the Panel is the outcome of SaskEnergy's 2013 Depreciation Study that has not yet been finalized. A significant variance in depreciation expense could cause the proposed rate increase to be reconsidered.

Multi-year

"This is the first multi-year application the Panel has received," said Panel Chair Kathy Weber.

"It has to be properly monitored to determine impacts on the public, the Crown Corporation and its customers.

"At the same time, the Panel recognizes there are benefits to SaskEnergy and its ratepayers in knowing what the rates will be over a longer period of time."

