

IMMEDIATE RELEASE

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SASKENERGY RATE REDUCTION TO LOWEST LEVEL IN 19 YEARS COULD BE WIPED OUT BY FEDERAL CARBON TAX

Starting today, Saskatchewan homeowners and businesses will see their natural gas rates reduced. However, the savings may be only temporary if the federal carbon tax is imposed on SaskEnergy customers.

SaskEnergy's commodity rate drops from \$3.65/Gigajoule (GJ) to \$2.95/Gigajoule (GJ) today, which is the lowest rate offered to customers since 1999. SaskEnergy has applied to the Saskatchewan Rate Review Panel for an even lower rate of \$2.65/GJ, which would come into effect on April 1, 2019. The Government of Saskatchewan approved SaskEnergy's request for an interim November 1 rate to allow customers to take advantage of lower rates during the peak winter heating season.

"One of the largest commodity rate reductions in SaskEnergy's 30-year history could be short-lived, due to the Trudeau government's plan to impose a fuel levy this spring on every home, farm, and business served by natural gas," Minister responsible for SaskEnergy Bronwyn Eyre said. "While SaskEnergy has been able to pass along savings this winter, the corporation could be forced into several years of large, uncalled-for increases due to the federal carbon tax."

Eyre said the total SaskEnergy rate reduction is designed to save customers about \$80/year, while the federal carbon tax will see a \$1/GJ increase April 1, 2019. This would increase an average residential natural gas bill by approximately 12 per cent or \$100-\$120 annually.

SaskEnergy's rate application includes both the commodity rate reduction to \$2.65/GJ, as well as a modest delivery service rate increase of 3.7 per cent, which will fund safety and system integrity programs.

SaskEnergy is currently analyzing the impact of the federal carbon tax on its internal operations to determine whether it will need to amend its delivery service rate application.

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