

### SaskWater Rate Increase Backgrounder

SaskWater directly and indirectly services approximately 50,000 people or 5% of Saskatchewan's population. Because this increase only affects a portion of SaskWater's customers, the percentage of the Province affected would be approximately 3%.

Municipalities and rural pipeline groups determine final residential water rates, not SaskWater. What municipalities and pipelines groups charge their customers is at their discretion. There are costs associated with owning and operating distribution systems that form part of the residential water rate.

The recommended increase will result in the average household bill increasing anywhere from \$4.14 to \$6.24 a month for SaskWater's direct connection rural customers. Whether our increase is directly and equally transferred to our municipal and rural pipeline groups' customers is at their discretion.

#### **Average Household Monthly Bill Payment Increase**

Service Area	Proposed Increase (% per Sales Unit)	Average Bill Increase (\$/month)
Saskatoon Region	9%	\$5.04
Buffalo Pound	9%	\$5.04
Diefenbaker	9%	\$4.14
Qu'Appelle	9%	\$4.35
Regina Region	9%	\$5.93
Saskatoon/Tower Hills (TH)	9%	\$6.24

SaskWater's municipal rate increases are consistent with other municipalities across Saskatchewan. This year, rate increases in Moose Jaw, Regina and Saskatoon averaged 9.2%. In 2009 and 2008, the increases averaged 8.8% and 9.8% respectively for a total of 27.8% over three years.

Supplier	% Rate Adjustment 2008	% Rate Adjustment 2009	% Rate Adjustment 2010	Total
Regina	8	9	9	26
Moose Jaw	10	10	7	27
Saskatoon	11.5	7.5	11.5	30.5
SaskWater	0	0	9	9

\*based on water use of 7,000 imperial gallons per month.