

## 2023 SaskEnergy Commodity Rate Application Interrogatories

- The application states the cost of gas sold for the application period starting October 1, 2023, through 2025 is forecasted to be \$ 485.1 million with closing prices as of May 18, 2023. Please update schedule 1.1 to reflect the most current forward pricing.

Schedule 1.1 - Page 1 of 3

**SaskEnergy Incorporated**  
**Forecast Gas Prices for**  
**October 1, 2023 - September 30, 2024**  
**Closing Prices as of July 13, 2023**  
**\$/Gigajoule**

Line	Description	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
1	AECO Forward Prices	\$ 2.325	\$ 2.975	\$ 2.975	\$ 2.975	\$ 2.975	\$ 2.975	\$ 2.560	\$ 2.560	\$ 2.560	\$ 2.560	\$ 2.560	\$ 2.560
	<b>COST OF PURCHASE GAS</b>												
2	Cost of Purchase Gas - Fixed Price	\$ 2.831	\$ 2.251	\$ 2.251	\$ 2.251	\$ 2.251	\$ 2.251	\$ 2.743	\$ 2.743	\$ 2.743	\$ 2.743	\$ 2.743	\$ 2.743
3	Cost of Purchase Gas - Floating Price	\$ 2.754	\$ 3.079	\$ 3.079	\$ 3.079	\$ 3.079	\$ 3.079	\$ 2.802	\$ 2.802	\$ 2.802	\$ 2.802	\$ 2.802	\$ 2.802
4	Cost of Purchase Gas Before Financial Hedges	\$ 2.823	\$ 2.627	\$ 2.627	\$ 2.627	\$ 2.627	\$ 2.627	\$ 2.755	\$ 2.755	\$ 2.755	\$ 2.755	\$ 2.755	\$ 2.755
5	Change in Price due to Financial Hedges	\$ -	\$ (0.314)	\$ (0.314)	\$ (0.314)	\$ (0.314)	\$ (0.314)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Receipt Transport	\$ 0.566	\$ 0.532	\$ 0.532	\$ 0.532	\$ 0.533	\$ 0.532	\$ 0.573	\$ 0.573	\$ 0.573	\$ 0.573	\$ 0.573	\$ 0.573
7	Forecast Cost of Purchase Gas	\$ 3.389	\$ 2.845	\$ 2.845	\$ 2.845	\$ 2.845	\$ 2.845	\$ 3.328	\$ 3.328	\$ 3.328	\$ 3.328	\$ 3.328	\$ 3.328
8	Volume Adjusted Cost of Purchase Gas <sup>1</sup>	\$ 3.420	\$ 2.861	\$ 2.861	\$ 2.861	\$ 2.861	\$ 2.861	\$ 3.355	\$ 3.354	\$ 3.355	\$ 3.354	\$ 3.354	\$ 3.355
	<b>COST OF GAS SOLD</b>												
9	Purchase Price	\$ 3.420	\$ 2.861	\$ 2.861	\$ 2.861	\$ 2.861	\$ 2.861	\$ 3.355	\$ 3.354	\$ 3.355	\$ 3.354	\$ 3.354	\$ 3.355
10	% of Sales met with Purchases	\$ 1.000	\$ 0.707	\$ 0.543	\$ 0.490	\$ 0.557	\$ 0.721	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
11	Inventory Withdrawal Price	\$ 3.463	\$ 3.463	\$ 3.463	\$ 3.463	\$ 3.463	\$ 3.463	\$ 3.448	\$ 3.414	\$ 3.396	\$ 3.385	\$ 3.379	\$ 3.376
12	% of Sales met with Inventory	\$ -	\$ 0.293	\$ 0.457	\$ 0.510	\$ 0.443	\$ 0.279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Cost of Gas Sold before OM&A	\$ 3.420	\$ 3.037	\$ 3.136	\$ 3.168	\$ 3.128	\$ 3.029	\$ 3.355	\$ 3.354	\$ 3.355	\$ 3.354	\$ 3.354	\$ 3.355
14	Interest, OM&A and Bad Debt Expense Less Late Payment Charges <sup>2</sup>	\$ 0.066	\$ 0.053	\$ 0.043	\$ 0.038	\$ 0.041	\$ 0.046	\$ 0.072	\$ 0.132	\$ 0.200	\$ 0.242	\$ 0.255	\$ 0.161
15	Forecast Cost of Gas Sold	\$ 3.485	\$ 3.091	\$ 3.179	\$ 3.206	\$ 3.169	\$ 3.075	\$ 3.426	\$ 3.487	\$ 3.554	\$ 3.597	\$ 3.609	\$ 3.515

<sup>1</sup> The volume of purchase gas has been adjusted for Fuel Gas and Line Loss.

<sup>2</sup> Interest, OM&A, Bad Debt Expense and Late Payment Charges are budgeted annually and calculated as equal monthly expenses. Due to the varying monthly sales volumes, the impact on the Cost of Gas Sold will be minimal during months where sales volumes are high and considerably greater when sales volumes are low.

## 2023 SaskEnergy Commodity Rate Application Interrogatories

**Schedule 1.1 - Page 2 of 3**

**SaskEnergy Incorporated**  
**Forecast Gas Prices for**  
**October 1, 2024 to September 30, 2025**  
**Closing Prices as of July 13, 2023**  
**\$/Gigajoule**

Line	Description	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
1	AECO Forward Prices	\$ 2.560	\$ 3.660	\$ 3.660	\$ 3.660	\$ 3.660	\$ 3.660	\$ 3.175	\$ 3.175	\$ 3.175	\$ 3.175	\$ 3.175	\$ 3.175
	<b>COST OF PURCHASE GAS</b>												
2	Cost of Purchase Gas - Fixed Price	\$ 2.743	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440	\$ 2.440
3	Cost of Purchase Gas - Floating Price	\$ 2.802	\$ 3.803	\$ 3.803	\$ 3.803	\$ 3.803	\$ 3.803	\$ 3.305	\$ 3.305	\$ 3.305	\$ 3.305	\$ 3.305	\$ 3.305
4	Cost of Purchase Gas Before Financial Hedges	\$ 2.755	\$ 2.881	\$ 2.881	\$ 2.881	\$ 2.881	\$ 2.881	\$ 2.776	\$ 2.776	\$ 2.776	\$ 2.776	\$ 2.776	\$ 2.776
5	Change in Price due to Financial Hedges	\$ -	\$ (0.224)	\$ (0.224)	\$ (0.224)	\$ (0.224)	\$ (0.224)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Receipt Transport	\$ 0.573	\$ 0.528	\$ 0.527	\$ 0.527	\$ 0.528	\$ 0.527	\$ 0.573	\$ 0.573	\$ 0.573	\$ 0.573	\$ 0.573	\$ 0.573
7	Forecast Cost of Purchase Gas	\$ 3.328	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.349	\$ 3.349	\$ 3.349	\$ 3.349	\$ 3.349	\$ 3.349
8	Volume Adjusted Cost of Purchase Gas <sup>1</sup>	\$ 3.354	\$ 3.207	\$ 3.207	\$ 3.207	\$ 3.207	\$ 3.207	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369
	<b>COST OF GAS SOLD</b>												
9	Purchase Price	\$ 3.355	\$ 3.207	\$ 3.207	\$ 3.207	\$ 3.207	\$ 3.207	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369
10	% of Sales met with Purchases	100.0%	71.3%	54.7%	49.3%	54.1%	72.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
11	Inventory Withdrawal Price	\$ 3.375	\$ 3.375	\$ 3.375	\$ 3.375	\$ 3.375	\$ 3.375	\$ 3.374	\$ 3.373	\$ 3.372	\$ 3.371	\$ 3.371	\$ 3.370
12	% of Sales met with Inventory	0.0%	28.7%	45.3%	50.7%	45.9%	27.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Cost of Gas Sold before OM&A	\$ 3.355	\$ 3.255	\$ 3.283	\$ 3.292	\$ 3.284	\$ 3.253	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369	\$ 3.369
14	Interest, OM&A and Bad Debt Expense <sup>2</sup> Less Late Payment Charges	\$ 0.079	\$ 0.047	\$ 0.038	\$ 0.034	\$ 0.036	\$ 0.040	\$ 0.060	\$ 0.109	\$ 0.164	\$ 0.201	\$ 0.212	\$ 0.136
15	Forecast Cost of Gas Sold	\$ 3.434	\$ 3.302	\$ 3.321	\$ 3.326	\$ 3.320	\$ 3.292	\$ 3.429	\$ 3.478	\$ 3.534	\$ 3.570	\$ 3.581	\$ 3.505

<sup>1</sup> The volume of purchase gas has been adjusted for Fuel Gas and Line Loss.

<sup>2</sup> Interest, OM&A, Bad Debt Expense and Late Payment Charges are budgeted annually and calculated as equal monthly expenses. Due to the varying monthly sales volumes, the impact on the Cost of Gas Sold will be minimal during months where sales volumes are high and considerably greater when sales volumes are low.

## 2023 SaskEnergy Commodity Rate Application Interrogatories

### Schedule 1.1 - Page 3 of 3

**SaskEnergy Incorporated**  
**Forecast Gas Prices for**  
**October 1, 2025 to December 31, 2025**  
**Closing Prices as of July 13, 2023**  
**\$/Gigajoule**

Line	Description	Oct-25	Nov-25	Dec-25
1	AECO Forward Prices	\$ 3.175	\$ 4.000	\$ 4.000
	<b>COST OF PURCHASE GAS</b>			
2	Cost of Purchase Gas - Fixed Price	\$ 2.440	\$ 2.895	\$ 2.895
3	Cost of Purchase Gas - Floating Price	\$ 3.305	\$ 4.329	\$ 4.329
4	Cost of Purchase Gas Before Financial Hedges	\$ 2.776	\$ 3.093	\$ 3.093
5	Change in Price due to Financial Hedges	\$ -	\$ -	\$ -
6	Receipt Transport	\$ 0.573	\$ 0.528	\$ 0.528
7	Forecast Cost of Purchase Gas	\$ 3.350	\$ 3.620	\$ 3.620
8	Volume Adjusted Cost of Purchase Gas <sup>1</sup>	\$ 3.369	\$ 3.652	\$ 3.652
	<b>COST OF GAS SOLD</b>			
9	Purchase Price	\$ 3.369	\$ 3.652	\$ 3.652
10	% of Sales met with Purchases	100.0%	71.2%	54.6%
11	Inventory Withdrawal Price	\$ 3.370	\$ 3.370	\$ 3.370
12	% of Sales met with Inventory	0.0%	28.8%	45.4%
13	Cost of Gas Sold before OM&A	\$ 3.369	\$ 3.571	\$ 3.524
14	Interest, OM&A and Bad Debt Expense Less Late Payment Charges <sup>2</sup>	\$ 0.068	\$ 0.045	\$ 0.037
15	Forecast Cost of Gas Sold	\$ 3.440	\$ 3.620	\$ 3.560

<sup>1</sup> The volume of purchase gas has been adjusted for Fuel Gas and Line Loss.

<sup>2</sup> Interest, OM&A, Bad Debt Expense and Late Payment Charges are budgeted annually and calculated as equal monthly expenses. Due to the varying monthly sales volumes, the impact on the Cost of Gas Sold will be minimal during months where sales volumes are high and considerably greater when sales volumes are low.

## 2023 SaskEnergy Commodity Rate Application Interrogatories

2. Please file forward looking Schedules 2.0 on the gas cost variance account for the period October 2023-September 2025 - one based on the commodity cost stated in the application and the second based on the most current forward pricing noted in b) above.

Based on May 18, 2023 Forward Pricing (Original Application)

**SaskEnergy Incorporated**  
**Gas Cost Variance Account (\$000's)**  
**October 1, 2023 - September 30, 2024**

Line	Description	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
1	GCVVA Balance Forward at October 1, 2023	(\$12,361)												(\$12,361)
2	Opening Cumulative GCVVA Balance - Under/(Over) Recovery	(\$12,361)	(\$11,612)	(\$12,955)	(\$13,963)	(\$14,807)	(\$15,822)	(\$17,307)	(\$16,687)	(\$16,279)	(\$15,930)	(\$15,584)	(\$15,236)	
3	Purchases - Alberta	\$13,165	\$12,932	\$13,363	\$13,363	\$12,501	\$13,363	\$12,142	\$12,547	\$12,142	\$12,547	\$12,547	\$12,142	\$152,755
4	Purchases - Saskatchewan	\$1,287	\$1,853	\$1,915	\$1,915	\$1,791	\$1,915	\$1,560	\$1,612	\$1,560	\$1,612	\$1,612	\$1,560	\$20,191
5	Less Purchase of Other Gas Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Price Risk Management (Inflows)/Outflows	\$0	(\$2,317)	(\$2,394)	(\$2,394)	(\$2,240)	(\$2,394)	\$0	\$0	\$0	\$0	\$0	\$0	(\$11,739)
7	Transportation	\$2,903	\$2,810	\$2,903	\$2,903	\$2,716	\$2,903	\$2,810	\$2,903	\$2,810	\$2,903	\$2,903	\$2,810	\$34,277
8	Cost of Purchase Gas	\$17,356	\$15,278	\$15,787	\$15,787	\$14,769	\$15,787	\$16,512	\$17,062	\$16,512	\$17,062	\$17,062	\$16,512	\$195,485
9	Storage Withdrawal (Injection)	(\$2,445)	\$7,467	\$15,656	\$19,329	\$13,744	\$7,157	(\$2,362)	(\$9,915)	(\$11,721)	(\$13,051)	(\$13,144)	(\$9,973)	\$742
10	Gas in Storage Interest Expense	\$127	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$2,117
11	Gas Supply Operating Maintenance & Admin Expenses	\$133	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$1,559
12	Gas Supply Related Bad Debt Expense	\$72	\$122	\$163	\$181	\$148	\$122	\$68	\$34	\$23	\$19	\$19	\$32	\$1,003
13	Less Gas Supply Related Late Payment Charges	(\$45)	(\$37)	(\$48)	(\$70)	(\$91)	(\$92)	(\$84)	(\$71)	(\$57)	(\$46)	(\$39)	(\$34)	(\$714)
14	Less Cost of Internal Usage	(\$57)	(\$97)	(\$154)	(\$199)	(\$247)	(\$222)	(\$204)	(\$111)	(\$83)	(\$26)	(\$47)	(\$48)	(\$1,495)
15	<b>Cost of Gas Sold</b>	<b>\$15,141</b>	<b>\$23,042</b>	<b>\$31,714</b>	<b>\$35,337</b>	<b>\$28,633</b>	<b>\$23,063</b>	<b>\$14,240</b>	<b>\$7,310</b>	<b>\$4,985</b>	<b>\$4,269</b>	<b>\$4,162</b>	<b>\$6,799</b>	<b>\$198,697</b>
16	Commodity Sales Revenue (\$3.30/GJ)	\$14,360	\$24,337	\$32,668	\$36,126	\$29,593	\$24,485	\$13,564	\$6,846	\$4,583	\$3,877	\$3,768	\$6,314	\$200,521
17	Gain (loss) on other gas sales	0	0	0	0	0	0	0	0	0	0	0	0	\$0
18	Period GCVVA Balance	\$781	(\$1,294)	(\$953)	(\$789)	(\$960)	(\$1,423)	\$676	\$464	\$402	\$393	\$394	\$485	(\$1,824)
19	Asset Optimization Earnings - 50% Share	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Period GCVVA Interest	(\$32)	(\$49)	(\$55)	(\$55)	(\$54)	(\$63)	(\$56)	(\$56)	(\$53)	(\$47)	(\$46)	(\$43)	(\$609)
21	Closing Cumulative GCVVA Balance (Line 2+18+19)	(\$11,612)	(\$12,955)	(\$13,963)	(\$14,807)	(\$15,822)	(\$17,307)	(\$16,687)	(\$16,279)	(\$15,930)	(\$15,584)	(\$15,236)	(\$14,794)	(\$14,794)

## 2023 SaskEnergy Commodity Rate Application Interrogatories

**SaskEnergy Incorporated**  
**Gas Cost Variance Account (\$000's)**  
**October 1, 2024 - September 30, 2025**

Line	Description	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
1	GCVA Balance Forward at October 1, 2024	(\$14,794)												(\$14,794)
2	Opening Cumulative GCVA Balance - Under/(Over) Recovery	(\$14,794)	(\$14,070)	(\$13,768)	(\$13,193)	(\$12,509)	(\$12,003)	(\$11,769)	(\$10,760)	(\$10,162)	(\$9,691)	(\$9,251)	(\$8,811)	
3	Purchases - Alberta	\$12,547	\$13,787	\$14,246	\$14,246	\$12,868	\$14,246	\$12,297	\$12,707	\$12,297	\$12,707	\$12,707	\$12,297	\$156,950
4	Purchases - Saskatchewan	\$1,612	\$2,165	\$2,237	\$2,237	\$2,020	\$2,237	\$1,915	\$1,979	\$1,915	\$1,979	\$1,979	\$1,915	\$24,191
5	Less Purchase of Other Gas Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Price Risk Management (Inflows)/Outflows	\$0	(\$1,539)	(\$1,590)	(\$1,590)	(\$1,436)	(\$1,590)	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,744)
7	Transportation	\$2,903	\$2,810	\$2,903	\$2,903	\$2,623	\$2,903	\$2,810	\$2,903	\$2,810	\$2,903	\$2,903	\$2,810	\$34,184
8	Cost of Purchase Gas	\$17,062	\$17,223	\$17,797	\$17,797	\$16,075	\$17,797	\$17,022	\$17,589	\$17,022	\$17,589	\$17,589	\$17,022	\$207,580
9	Storage Withdrawal (Injection)	(\$1,972)	\$7,224	\$15,293	\$18,916	\$14,020	\$6,916	(\$2,433)	(\$10,201)	(\$12,060)	(\$13,429)	(\$13,525)	(\$10,264)	(\$1,514)
10	Gas in Storage Interest Expense	\$181	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$135	\$1,667
11	Gas Supply Operating Maintenance & Admin Expenses	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$1,555
12	Gas Supply Related Bad Debt Expense	\$73	\$122	\$163	\$181	\$148	\$123	\$68	\$34	\$23	\$20	\$19	\$32	\$1,005
13	Less Gas Supply Related Late Payment Charges	(\$34)	(\$37)	(\$48)	(\$70)	(\$92)	(\$92)	(\$84)	(\$71)	(\$57)	(\$46)	(\$39)	(\$34)	(\$704)
14	Less Cost of Internal Usage	(\$56)	(\$104)	(\$162)	(\$207)	(\$260)	(\$238)	(\$209)	(\$114)	(\$84)	(\$27)	(\$47)	(\$49)	(\$1,558)
15	<b>Cost of Gas Sold</b>	<b>\$15,384</b>	<b>\$24,692</b>	<b>\$33,308</b>	<b>\$36,880</b>	<b>\$30,156</b>	<b>\$24,769</b>	<b>\$14,628</b>	<b>\$7,502</b>	<b>\$5,108</b>	<b>\$4,372</b>	<b>\$4,262</b>	<b>\$6,971</b>	<b>\$208,033</b>
16	Commodity Sales Revenue (\$3.30/Gj)	\$14,621	\$24,353	\$32,696	\$36,162	\$29,621	\$24,504	\$13,590	\$6,877	\$4,612	\$3,907	\$3,798	\$6,342	\$201,081
17	Gain (loss) on other gas sales	0	0	0	0	0	0	0	0	0	0	0	0	\$0
18	Period GCVA Balance	\$764	\$338	\$612	\$719	\$536	\$265	\$1,038	\$625	\$496	\$465	\$464	\$630	\$6,952
19	Asset Optimization Earnings - 50% Share	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Period GCVA Interest	(\$40)	(\$37)	(\$37)	(\$35)	(\$30)	(\$32)	(\$29)	(\$27)	(\$25)	(\$25)	(\$23)	(\$21)	(\$359)
21	Closing Cumulative GCVA Balance (Line 2+18+19)	(\$14,070)	(\$13,768)	(\$13,193)	(\$12,509)	(\$12,003)	(\$11,769)	(\$10,760)	(\$10,162)	(\$9,691)	(\$9,251)	(\$8,811)	(\$8,202)	(\$8,202)

\* Based on May 18, 2023 Forward Pricing

## 2023 SaskEnergy Commodity Rate Application Interrogatories

**SaskEnergy Incorporated**  
**Gas Cost Variance Account (\$000's)**  
**October 1, 2025 - December 31, 2025**

Line	Description	Oct-25	Nov-25	Dec-25	TOTAL
1	GCVA Balance Forward at October 1, 2025	(\$8,202)			(\$8,202)
2	Opening Cumulative GCVA Balance - Under/(Over) Recovery	(\$8,202)	(\$7,064)	(\$4,521)	
3	Purchases - Alberta	\$12,707	\$14,304	\$14,781	\$41,792
4	Purchases - Saskatchewan	\$1,979	\$2,160	\$2,232	\$6,371
5	Less Purchase of Other Gas Sales	\$0	\$0	\$0	\$0
6	Price Risk Management (Inflows)/Outflows	\$0	\$0	\$0	\$0
7	Transportation	\$2,903	\$2,810	\$2,903	\$8,616
8	Cost of Purchase Gas	\$17,589	\$19,274	\$19,916	\$56,779
9	Storage Withdrawal (Injection)	(\$2,031)	\$7,372	\$15,603	\$20,943
10	Gas in Storage Interest Expense	\$135	\$126	\$126	\$386
11	Gas Supply Operating Maintenance & Admin Expenses	\$130	\$130	\$130	\$389
12	Gas Supply Related Bad Debt Expense	\$73	\$119	\$159	\$351
13	Less Gas Supply Related Late Payment Charges	(\$34)	(\$36)	(\$47)	(\$117)
14	Less Cost of Internal Usage	(\$57)	(\$113)	(\$174)	(\$345)
15	<b>Cost of Gas Sold</b>	<b>\$15,805</b>	<b>\$26,870</b>	<b>\$35,712</b>	<b>\$78,387</b>
16	Commodity Sales Revenue (\$3.30/GJ)	\$14,648	\$24,313	\$32,651	\$71,612
17	Gain (loss) on other gas sales	0	0	0	\$0
18	Period GCVA Balance	\$1,157	\$2,557	\$3,061	\$6,775
19	Asset Optimization Earnings - 50% Share	\$0	\$0	\$0	\$0
20	Period GCVA Interest	(\$19)	(\$14)	(\$7)	(\$39)
21	Closing Cumulative GCVA Balance (Line 2+18+19)	(\$7,064)	(\$4,521)	(\$1,466)	(\$1,466)

\* Based on May 18, 2023 Forward Pricing

# 2023 SaskEnergy Commodity Rate Application Interrogatories

Based on July 13, 2023 Forward Pricing (Market Update)

**SaskEnergy Incorporated**  
**Gas Cost Variance Account (\$000's)**  
**October 1, 2023 - September 30, 2024**

Line	Description	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
1	GCUA Balance Forward at October 1, 2023	(\$12,339)												(\$12,339)
2	Opening Cumulative GCUA Balance - Under/(Over) Recovery	(\$12,339)	(\$11,346)	(\$12,577)	(\$13,348)	(\$13,898)	(\$14,703)	(\$16,078)	(\$15,409)	(\$14,973)	(\$14,604)	(\$14,241)	(\$13,876)	
3	Purchases - Alberta	\$13,169	\$12,194	\$12,601	\$12,601	\$11,788	\$12,601	\$12,043	\$12,444	\$12,043	\$12,444	\$12,444	\$12,043	\$148,413
4	Purchases - Saskatchewan	\$1,313	\$1,668	\$1,724	\$1,724	\$1,612	\$1,724	\$1,469	\$1,518	\$1,469	\$1,518	\$1,518	\$1,469	\$18,724
5	Less Purchase of Other Gas Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Price Risk Management (Inflows)/Outflows	\$0	(\$1,659)	(\$1,714)	(\$1,714)	(\$1,603)	(\$1,714)	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,403)
7	Transportation	\$2,903	\$2,810	\$2,903	\$2,903	\$2,716	\$2,903	\$2,810	\$2,903	\$2,810	\$2,903	\$2,903	\$2,810	\$34,277
8	Cost of Purchase Gas	\$17,386	\$15,013	\$15,514	\$15,514	\$14,513	\$15,514	\$16,321	\$16,865	\$16,321	\$16,865	\$16,865	\$16,321	\$193,011
9	Storage Withdrawal (Injection)	(\$2,449)	\$7,473	\$15,670	\$19,346	\$13,756	\$7,163	(\$2,335)	(\$9,800)	(\$11,585)	(\$12,900)	(\$12,992)	(\$9,858)	\$1,489
10	Gas in Storage Interest Expense	\$127	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$181	\$2,118
11	Gas Supply Operating Maintenance & Admin Expenses	\$133	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$1,559
12	Gas Supply Related Bad Debt Expense	\$71	\$120	\$161	\$178	\$146	\$121	\$67	\$34	\$23	\$19	\$19	\$31	\$987
13	Less Gas Supply Related Late Payment Charges	(\$45)	(\$37)	(\$47)	(\$69)	(\$90)	(\$91)	(\$82)	(\$70)	(\$56)	(\$45)	(\$38)	(\$34)	(\$704)
14	Less Cost of Internal Usage	(\$57)	(\$96)	(\$153)	(\$197)	(\$245)	(\$219)	(\$202)	(\$110)	(\$82)	(\$26)	(\$46)	(\$47)	(\$1,481)
15	<b>Cost of Gas Sold</b>	<b>\$15,166</b>	<b>\$22,785</b>	<b>\$31,455</b>	<b>\$35,081</b>	<b>\$28,391</b>	<b>\$22,798</b>	<b>\$14,079</b>	<b>\$7,230</b>	<b>\$4,931</b>	<b>\$4,224</b>	<b>\$4,118</b>	<b>\$6,724</b>	<b>\$196,981</b>
16	Commodity Sales Revenue (\$3.30/Gj)	\$14,142	\$23,968	\$32,173	\$35,579	\$29,145	\$24,114	\$13,359	\$6,742	\$4,513	\$3,818	\$3,711	\$6,218	\$197,482
17	Gain (loss) on other gas sales	0	0	0	0	0	0	0	0	0	0	0	0	\$0
18	Period GCUA Balance	\$1,024	(\$1,183)	(\$718)	(\$498)	(\$754)	(\$1,316)	\$721	\$487	\$418	\$406	\$407	\$506	(\$502)
19	Asset Optimization Earnings - 50% Share	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Period GCUA Interest	(\$31)	(\$48)	(\$53)	(\$52)	(\$51)	(\$58)	(\$52)	(\$51)	(\$48)	(\$43)	(\$42)	(\$39)	(\$569)
21	Closing Cumulative GCUA Balance (Line 2+18+19)	(\$11,346)	(\$12,577)	(\$13,348)	(\$13,898)	(\$14,703)	(\$16,078)	(\$15,409)	(\$14,973)	(\$14,604)	(\$14,241)	(\$13,876)	(\$13,410)	(\$13,410)

\* Based on July 13, 2023 Forward Pricing

## 2023 SaskEnergy Commodity Rate Application Interrogatories

**SaskEnergy Incorporated**  
**Gas Cost Variance Account (\$000's)**  
**October 1, 2024 - September 30, 2025**

Line	Description	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
1	GCVA Balance Forward at October 1, 2024	(\$13,410)												(\$13,410)
2	Opening Cumulative GCVA Balance - Under/(Over) Recovery	(\$13,410)	(\$12,635)	(\$12,285)	(\$11,617)	(\$10,819)	(\$10,227)	(\$9,945)	(\$9,234)	(\$8,785)	(\$8,413)	(\$8,057)	(\$7,698)	
3	Purchases - Alberta	\$12,444	\$13,351	\$13,796	\$13,796	\$12,461	\$13,796	\$11,848	\$12,243	\$11,848	\$12,243	\$12,243	\$11,848	\$151,915
4	Purchases - Saskatchewan	\$1,518	\$1,997	\$2,063	\$2,063	\$1,864	\$2,063	\$1,764	\$1,823	\$1,764	\$1,823	\$1,823	\$1,764	\$22,329
5	Less Purchase of Other Gas Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Price Risk Management (Inflows)/Outflows	\$0	(\$1,192)	(\$1,232)	(\$1,232)	(\$1,113)	(\$1,232)	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,000)
7	Transportation	\$2,903	\$2,810	\$2,903	\$2,903	\$2,623	\$2,903	\$2,810	\$2,903	\$2,810	\$2,903	\$2,903	\$2,810	\$34,184
8	Cost of Purchase Gas	\$16,865	\$16,965	\$17,530	\$17,530	\$15,834	\$17,530	\$16,422	\$16,969	\$16,422	\$16,969	\$16,969	\$16,422	\$202,428
9	Storage Withdrawal (Injection)	(\$1,949)	\$7,157	\$15,153	\$18,743	\$13,892	\$6,853	(\$2,348)	(\$9,841)	(\$11,635)	(\$12,956)	(\$13,048)	(\$9,902)	\$120
10	Gas in Storage Interest Expense	\$181	\$134	\$134	\$134	\$134	\$134	\$134	\$134	\$134	\$134	\$134	\$134	\$1,655
11	Gas Supply Operating Maintenance & Admin Expenses	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$1,555
12	Gas Supply Related Bad Debt Expense	\$72	\$120	\$161	\$178	\$146	\$121	\$67	\$34	\$23	\$19	\$19	\$31	\$990
13	Less Gas Supply Related Late Payment Charges	(\$33)	(\$37)	(\$47)	(\$69)	(\$90)	(\$91)	(\$82)	(\$70)	(\$56)	(\$45)	(\$38)	(\$34)	(\$693)
14	Less Cost of Internal Usage	(\$55)	(\$102)	(\$160)	(\$205)	(\$257)	(\$235)	(\$202)	(\$110)	(\$82)	(\$26)	(\$46)	(\$47)	(\$1,527)
15	<b>Cost of Gas Sold</b>	<b>\$15,210</b>	<b>\$24,367</b>	<b>\$32,901</b>	<b>\$36,441</b>	<b>\$29,789</b>	<b>\$24,441</b>	<b>\$14,120</b>	<b>\$7,245</b>	<b>\$4,936</b>	<b>\$4,225</b>	<b>\$4,119</b>	<b>\$6,734</b>	<b>\$204,529</b>
16	Commodity Sales Revenue (\$3.30/Gj)	\$14,399	\$23,984	\$32,200	\$35,614	\$29,172	\$24,132	\$13,384	\$6,773	\$4,542	\$3,848	\$3,741	\$6,245	\$198,035
17	Gain (loss) on other gas sales	0	0	0	0	0	0	0	0	0	0	0	0	\$0
18	Period GCVA Balance	\$811	\$383	\$701	\$827	\$617	\$309	\$736	\$473	\$393	\$378	\$379	\$488	\$6,494
19	Asset Optimization Earnings - 50% Share	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Period GCVA Interest	(\$36)	(\$33)	(\$32)	(\$30)	(\$25)	(\$27)	(\$24)	(\$24)	(\$22)	(\$21)	(\$20)	(\$18)	(\$312)
21	Closing Cumulative GCVA Balance (Line 2+18+19)	(\$12,635)	(\$12,285)	(\$11,617)	(\$10,819)	(\$10,227)	(\$9,945)	(\$9,234)	(\$8,785)	(\$8,413)	(\$8,057)	(\$7,698)	(\$7,228)	(\$7,228)

\* Based on July 13, 2023 Forward Pricing



## 2023 SaskEnergy Commodity Rate Application Interrogatories

**SaskEnergy Incorporated**  
**Gas Cost Variance Account (\$000's)**  
**October 1, 2025 - December 31, 2025**

Line	Description	Oct-25	Nov-25	Dec-25	TOTAL
1	GCVA Balance Forward at October 1, 2025	(\$7,228)			(\$7,228)
2	Opening Cumulative GCVA Balance - Under/(Over) Recovery	(\$7,228)	(\$6,414)	(\$3,726)	
3	Purchases - Alberta	\$12,243	\$14,304	\$14,781	\$41,328
4	Purchases - Saskatchewan	\$1,823	\$2,160	\$2,232	\$6,215
5	Less Purchase of Other Gas Sales	\$0	\$0	\$0	\$0
6	Price Risk Management (Inflows)/Outflows	\$0	\$0	\$0	\$0
7	Transportation	\$2,903	\$2,810	\$2,903	\$8,616
8	Cost of Purchase Gas	\$16,969	\$19,274	\$19,916	\$56,159
9	Storage Withdrawal (Injection)	(\$1,959)	\$7,148	\$15,129	\$20,318
10	Gas in Storage Interest Expense	\$134	\$122	\$122	\$378
11	Gas Supply Operating Maintenance & Admin Expenses	\$130	\$130	\$130	\$389
12	Gas Supply Related Bad Debt Expense	\$72	\$120	\$161	\$353
13	Less Gas Supply Related Late Payment Charges	(\$33)	(\$37)	(\$47)	(\$117)
14	Less Cost of Internal Usage	(\$55)	(\$112)	(\$172)	(\$339)
15	<b>Cost of Gas Sold</b>	<b>\$15,257</b>	<b>\$26,644</b>	<b>\$35,239</b>	<b>\$77,140</b>
16	Commodity Sales Revenue (\$3.30/GJ)	\$14,426	\$23,945	\$32,156	\$70,527
17	Gain (loss) on other gas sales	0	0	0	\$0
18	Period GCVA Balance	\$831	\$2,700	\$3,083	\$6,613
19	Asset Optimization Earnings - 50% Share	\$0	\$0	\$0	\$0
20	Period GCVA Interest	(\$17)	(\$12)	(\$5)	(\$34)
21	Closing Cumulative GCVA Balance (Line 2+18+19)	(\$6,414)	(\$3,726)	(\$648)	(\$648)

\* Based on July 13, 2023 Forward Pricing

## 2023 SaskEnergy Commodity Rate Application Interrogatories

3. Please refile schedule 3.0 reflecting the most recent forward-looking pricing noted in b) above.

### SaskEnergy Incorporated

#### Determination of Commodity Rate for October 1, 2023 to December 31, 2025

Line	Description	Amount	Ref.
1	Estimated Balance of GCVA at September 30, 2023	(\$12,338,660)	Schedule 3.0, Col. 13, Line 20
2	October 2023 to December 2025 Gas Cost Forecast	\$ 478,649,793	Schedule 2.0, SUM Col. 13, Line 12
3	Total Forecast Costs to Recover	\$ 466,311,133	Line 1 plus Line 2
4	October 2023 to December 2025 Forecast Sales (Gjs)	143,398,140	Schedule 2.0, SUM Col. 13, Line 13
5	October 2023 to December 2025 Monthly Weighted Cost per Unit of Sales	\$3.252	Line 3 divided by Line 4
6	Indicative Commodity Rate	\$3.25	
7	Customer Commodity Rate Equivalent (Heating Value = 39.50 MJ/m <sup>3</sup> )	12.84	cents per cubic metre

**Notes:**

1. Numbers might not add precisely due to rounding.
2. SaskEnergy purchases natural gas on an energy basis (Gjs) and bills its customers on a volume basis (cubic metres). The Heating Value used to convert energy to volume is a forecast based on the previous average volume-weighted twelve months.
3. The methodology is designed to maintain a GCVA balance within a \$20.0 million threshold from October 1, 2023 to December 31, 2025.

## 2023 SaskEnergy Commodity Rate Application Interrogatories

4. Commodity, OM&A charges, Bad Debt Expense and Late payment charges Tab 3, please detail the reasons and for the substantial changes in bad debt expense and late payment revenue forward forecasts 2022-23 and 2023-24 and expected 2024-2025. Additionally, please provide a forecast for each of those expenditures for the 2024-2025 fiscal year.

*In 2022-23 accounts receivable increased by \$36.0 million over the prior year primarily due an increase to the carbon charge at April 1, 2022, increases to the commodity rate at November 1, 2021 and August 1, 2022, and colder than normal weather in November (17%), December (20%) and March (29%) leading to higher consumption.*

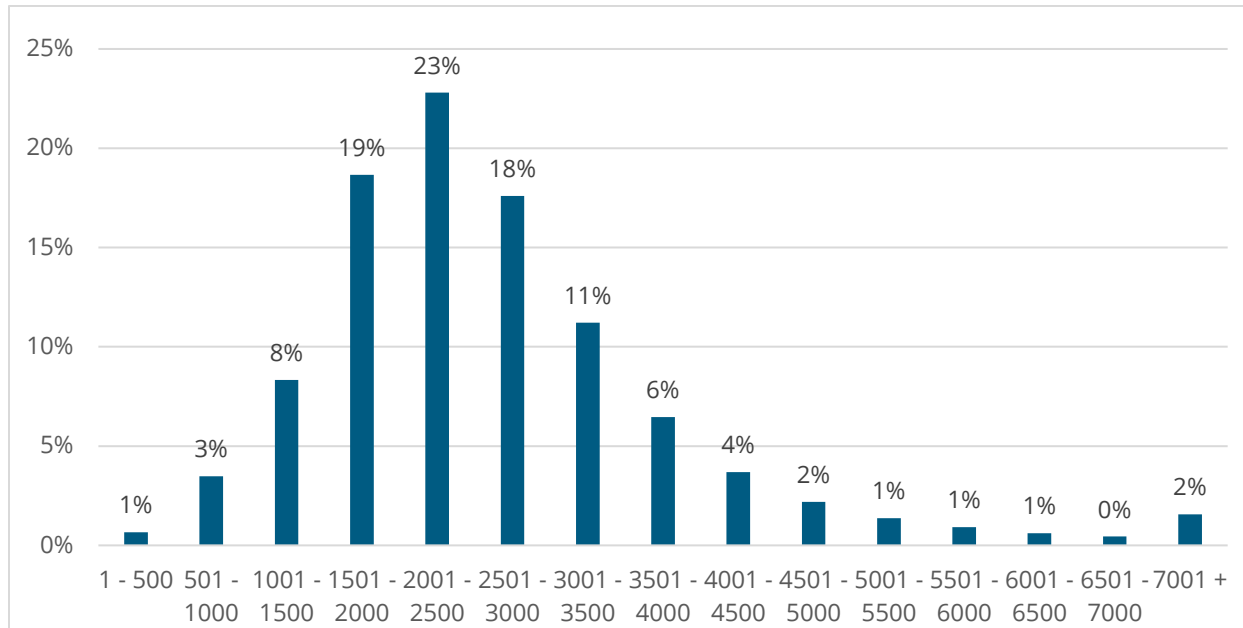
*In 2023-24 and 2024-25, SaskEnergy is assuming weather will be normal and/or consistent to the 30-year average, the commodity rate will decrease from \$4.20/GJ to \$3.30/GJ therefore a lower accounts receivable balance is forecast in both years.*

*The forecast in 2024-25 is \$1.5 million for bad debt expense and \$967 thousand for late payment charge revenue.*

## 2023 SaskEnergy Commodity Rate Application Interrogatories

5. To better understand the distribution of potential customer bill impacts, please provide a frequency distribution chart showing the percentage of residential customers at annual consumption intervals of 0-500 cubic meters, 501-1000 cubic meters, etc. at 500 cubic meter intervals up to 7001 or greater cubic meters for both years of the application.

### Distribution by Annual Consumption – Residential



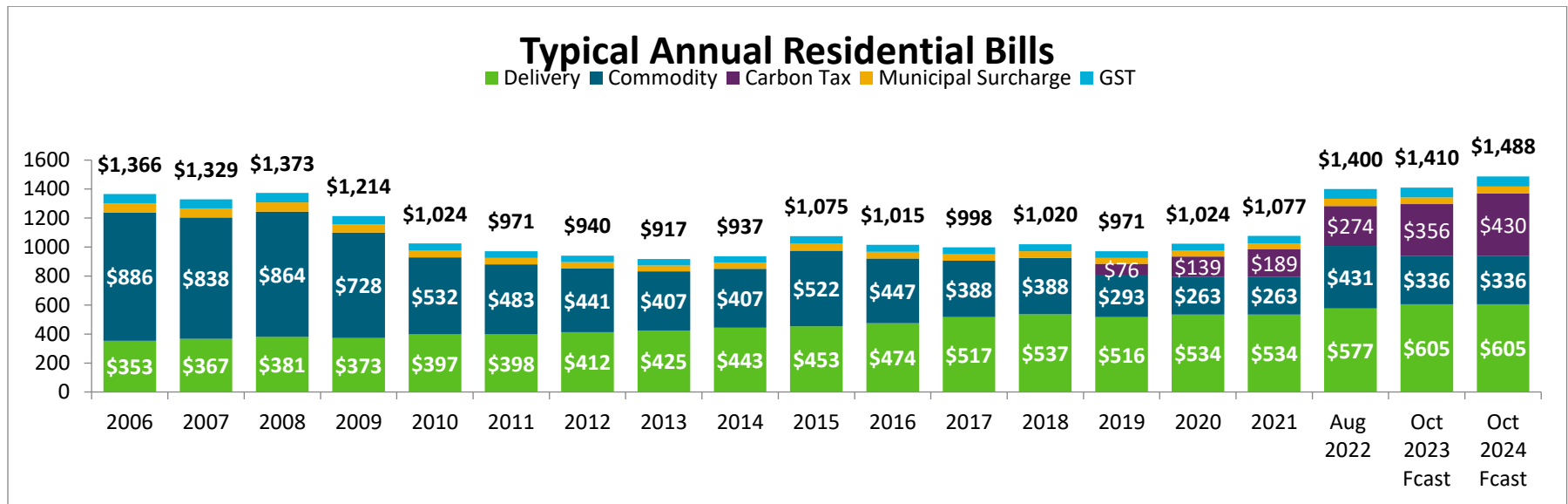
*\* Data for 2021-22. SaskEnergy does not forecast segmented data in this manner. However, based on an analysis of historical segmented data, year-over-year changes are generally immaterial.*

## 2023 SaskEnergy Commodity Rate Application Interrogatories

6. Please provide the actual heat value for the last two years and provide the estimated impact of the actual heat value [compared to forecasted heat value in rates] to the GCVA balance.

*The actual heat value for the last two years is 39.43 MJ/m<sup>3</sup>. The estimated impact of the heat value variance to the GCVA balance is \$4.9 million owing to SaskEnergy.*

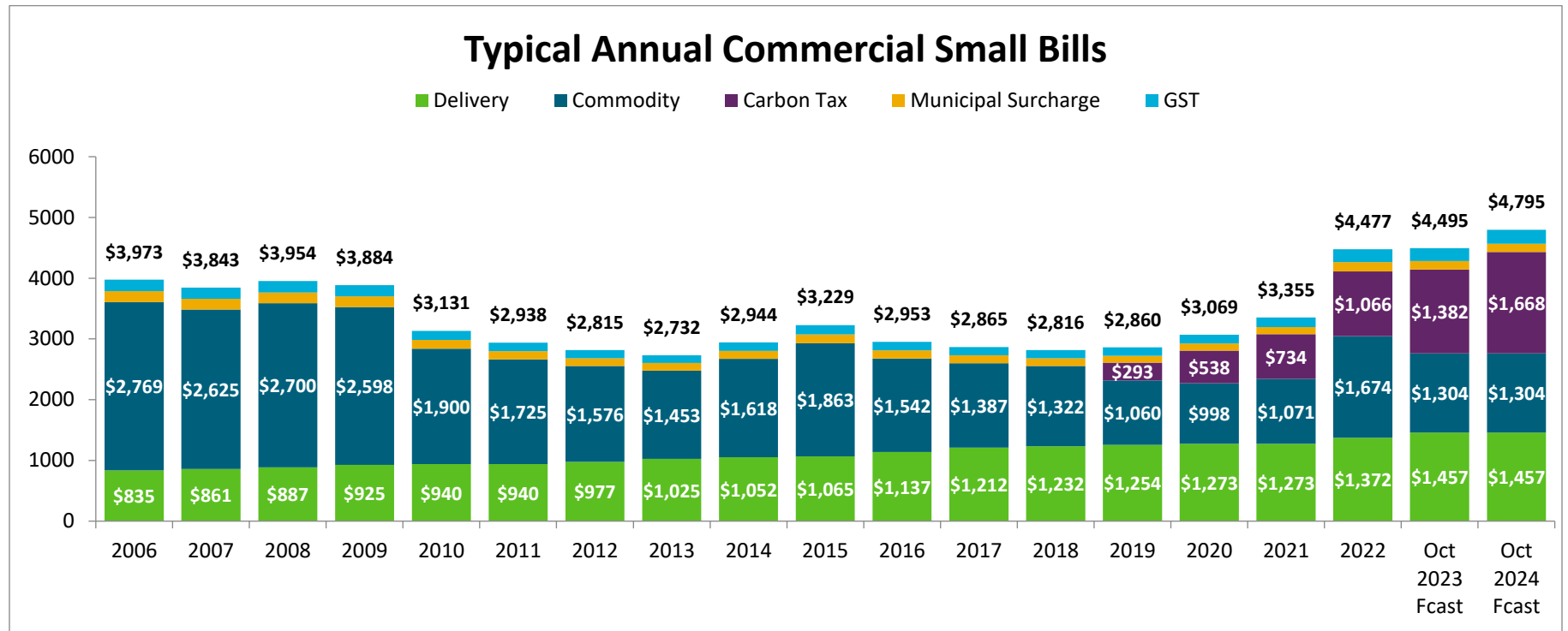
7. Please update the tables in a similar format as those in the panel’s report dated December 16<sup>th</sup>, 2022, on page 16 and 17.



*The chart above assumes an annual consumption of 2,800 cubic meters up to 2018 and 2,575 cubic meters thereafter for residential customers. The carbon tax rate is assumed to be:*

- *\$0.1382 per cubic meter usage effective October 2023. This represents the average carbon tax rate between October 2023 to September 2024.*
- *\$0.1668 per cubic meter usage effective October 2024. This represents the average carbon tax rate between October 2024 to September 2025.*

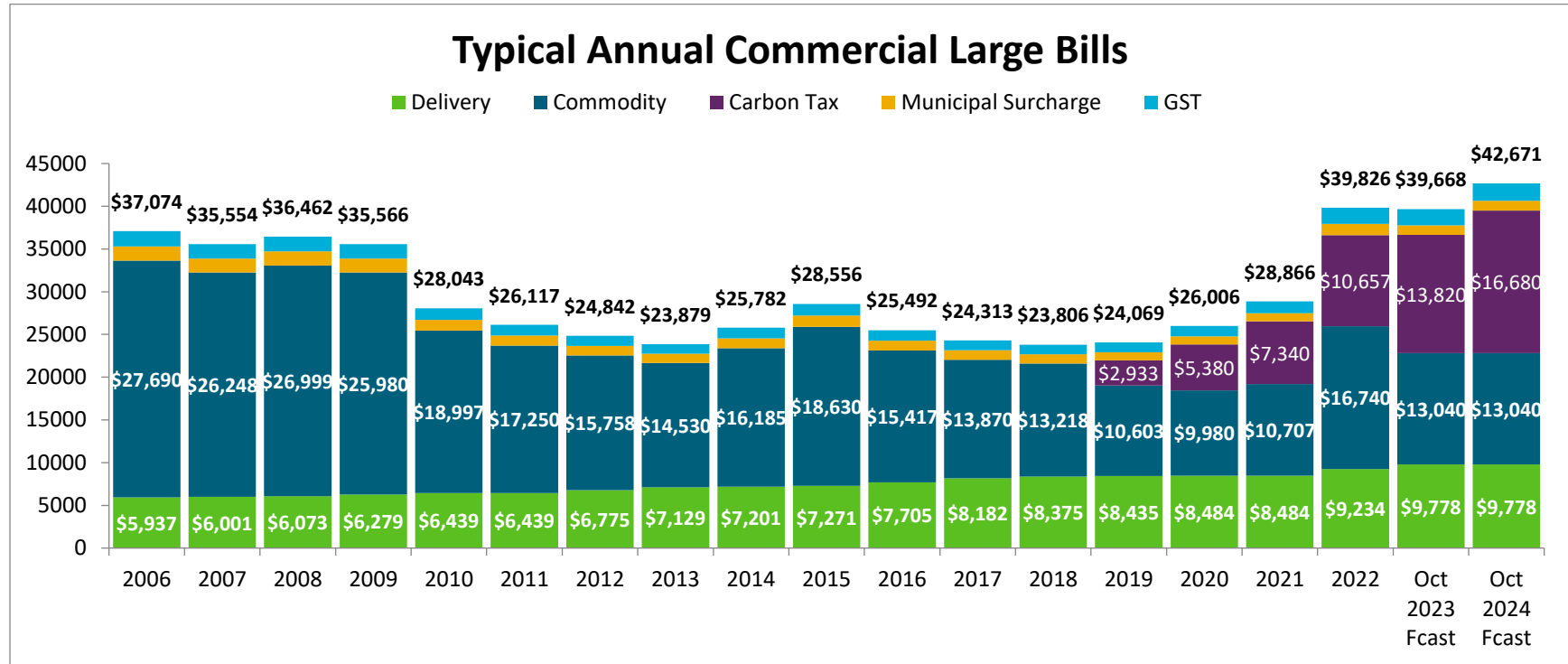
## 2023 SaskEnergy Commodity Rate Application Interrogatories



The chart above assumes an annual consumption of 10,000 cubic meters for commercial small customers and is based on a carbon tax rate of:

- *\$0.1382 per cubic meter usage effective October 2023. This represents the average carbon tax rate between October 2023 to September 2024.*
- *\$0.1668 per cubic meter usage effective October 2024. This represents the average carbon tax rate between October 2024 to September 2025.*

## 2023 SaskEnergy Commodity Rate Application Interrogatories



The chart above assumes an annual consumption of 100,000 cubic meters for commercial large customers and is based on a carbon tax rate of:

- \$0.1382 per cubic meter usage effective October 2023. This represents the average carbon tax rate between October 2023 to September 2024.
- \$0.1668 per cubic meter usage effective October 2024. This represents the average carbon tax rate between October 2024 to September 2025.

## 2023 SaskEnergy Commodity Rate Application Interrogatories

8. Please address the progress made relative to recommendation 5 of the Panel's last report.

*SaskEnergy will continue to advance its efforts to bill in energy as higher priority rate matters and higher priority capital projects are completed.*

9. Please provide a summary of any material changes to the Commodity Price Risk Management Strategy; the Commodity Risk Management Policy; and the Commodity Risk Management Procedures (confidentially if necessary) since the time of the last commodity rate application. Please include a description of the change, the reason the change was made and the date the revisions were approved by SaskEnergy's Board of Directors.

### **CONFIDENTIAL**

*Question 9 relates to:*

- *SaskEnergy's Gas Purchase and Price Risk Management Strategy*
- *SaskEnergy's Commodity Risk Management Policy*
- *SaskEnergy's Risk Management Procedures*

*These are confidential documents.*

10. Please file the most recent audit report (confidentially if necessary), on the corporation's commodity price risk management program.

### **CONFIDENTIAL**

*Question 10 relates to SaskEnergy's Commodity Price Risk Management Program and related Audit report. These are confidential documents.*

11. Under Tab 5, with respect to the competitiveness table "Competitive with Alternative Fuels" and the Table "Water and Space Heating Annual Costs" do the numbers represented include carbon tax, if not, please refile with carbon taxes duly noted.



# 2023 SaskEnergy Commodity Rate Application Interrogatories

## Competitiveness with Alternative Fuels

### Average Household Energy Cost Based on 2800 m<sup>3</sup> Natural Gas Water Heater and Furnace Usage

#### Fuel Rates - June 28, 2023 (Includes Carbon Tax)

natural gas (per m <sup>3</sup> )	\$0.3620	
electricity (per kWh)	\$0.1591	
propane (per litre)	\$0.9949	(12 month average)
fuel oil (per litre)	\$1.8188	(12 month average)

#### CONVERSIONS

1 m <sup>3</sup> natural gas	=	37,439	Btu
1 m <sup>3</sup> natural gas	=	1.5992	litres propane
1 m <sup>3</sup> natural gas	=	1.0340	litres fuel oil
1 m <sup>3</sup> natural gas	=	10.9727	kWh
1 kWh	=	3,412	Btu
1 litre propane	=	23,411	Btu
1 litre fuel oil No 2	=	36,207	Btu

1 GJ = 947,817 Btu

Natural Gas Heat Value = 0.0395 GJ/m<sup>3</sup>

natural gas	\$9.16	per GJ
electricity	\$44.19	per GJ
propane	\$40.28	per GJ
fuel oil	\$47.61	per GJ

Recommended SaskEnergy Rates	Basic Monthly Charge	Delivery Charge	Commodity Charge	Cost per m <sup>3</sup>
Residential	\$26.50	\$0.1113	\$0.1268	\$0.2381
Commercial Small	\$47.50	\$0.0887	\$0.1268	\$0.2155
Commercial Large	\$171.50	\$0.0772	\$0.1268	\$0.2040

#### Water Heating Natural Gas (600 m<sup>3</sup>)

Fuel	Natural Gas	Electricity	Propane	Fuel Oil
Efficiency	60%	94%	60%	60%
Average Annual Cost	\$217.20	\$668.48	\$954.66	\$1,128.41

#### Space Heating Natural Gas (2200 m<sup>3</sup>)

Fuel	Natural Gas	Electricity	Propane	Fuel Oil
Efficiency	86%	100%	86%	82%
Average Annual Cost	\$796.40	\$3,302.45	\$3,500.40	\$4,339.32

<b>Total Annual Cost</b>	<b>\$1,331.60</b>	<b>\$3,970.93</b>	<b>\$4,455.06</b>	<b>\$5,467.72</b>
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#### Notes:

1. The Total Annual Cost for natural gas also includes 12 months of the Residential Basic Monthly Charge, which totals \$318.
2. SaskPower Basic Monthly Charge of \$29.99 not included in Annual Cost. This is assuming a power service will be required regardless of heating choice.
3. Consumers may incur additional costs with regards to delivery and storage of Propane and Fuel oil. These costs have not been included in this analysis.

## 2023 SaskEnergy Commodity Rate Application Interrogatories

