

1. **Reference: 1<sup>st</sup> Round Information Request #1 [Delivery Service Rate Overview and Corporate Plan]**
  - a) A mid-application update is anticipated on September 29, 2022:
    - i. Where applicable, please provide responses to 2nd round questions based on the updated Application.
  - b) Please provide updated versions of all of the Application Schedules with 2021/22 Actual results.
  - c) Please update the tables in the following Application Tabs with 2021-22 Actual results:
    - i. Tab 8, Tables on pages 4, 5 and 8;
    - ii. Tab 10, Tables on page 2, 3 and 4;
    - iii. Tab 11, Tables on pages 2-10;
    - iv. Tab 12 – provide 2021/22 actuals for tables at page 23 and 24;
    - v. Tab 13, Table on page 2;
    - vi. Tab 14, Tables on page 4-8;
    - vii. Tab 15, Tables on pages 2-3;
    - viii. Tab 16, Table on page 2;
    - ix. Tab 17, Table on page 1-2
  - d) With reference to the table provided in response to Delivery 1<sup>st</sup> Round Information Request 1 (a):
    - i. Please confirm that the results provided in the table provided in Information Request 1(a) relate to the Distribution Division. If not confirmed, please provide a version of the table for the Distribution Division.

- ii. Please explain and reconcile differences in the expenses included in the table provided in the response to Information Request 1(a) with Application Schedule 1.0 (Delivery Revenue Requirement); Schedule 1.6 (Net Income); and Schedule 1.9 (Forecast Revenue) and explain any key differences. Please also comment specifically on the following:
- A. Please reconcile and explain differences in O&M Expense (e.g., \$188.9 million Forecast expense in 2021/22 in the response to 1(a) compared to \$129.5 million in Schedule 1.0).
  - B. Please explain in detail the reason for the material increase in actual Natural Gas Sales in 2021/22 compared to forecast (\$505.0 million compared to \$337.3 million).
  - C. Please explain and reconcile differences in net income from operations in the response to 1(a) compared to test year net earnings provided in Schedule 1.0.
  - D. Please explain and reconcile any differences in forecast ROE for 2021-22, 2022-23, 2023-24 and 2024-25 in the response to 1(a) compared to Tab 15 of the Application (e.g., 7.5% forecast ROE for 2021/22 in Tab 15 compared to 4.1% in the response to 1(a)).
  - E. With reference to the short-term debt reported in Tab 14, page 4, please reconcile the forecast short term debt amounts for 2021/22 (\$76.1 million compared to \$66.8 million), 2022/23 (\$168.5 million compared to \$141.4 million), 2023/24 (\$203.3 million compared to \$161.2 million), and 2024/25 (\$279.7 million compared to \$243.0 million).
- iii. Please provide a detailed explanation for the actual gain and/or loss of \$22.1 million noted in 2021/22.

- e) With reference to the response provided to Information Request 1(c) please provide a table illustrating the dollar impact for each of the updates noted (i.e., revision to distribution toll revenues, and revision to noted effective dates provided in the response) for each of the test years.
- f) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 1 (d):
- i. Please confirm that for each of the risks noted the dollar impact of the upside benefits would be proportionate to the dollar impact of the downside risk provided (e.g. risk associated with a colder than normal winter or lower than forecast interest rates or inflation). If not confirmed, please provide a detailed explanation.
  - ii. Please provide any updates to the response based on any changes in assumptions included in the mid-application update to be provided on September 29, 2022 and/or Q1 2022/23 actual results.
  - iii. With further reference to Delivery 1<sup>st</sup> Round Information Request 9(c), given the rising short-term interest rates and the larger forecast impact relative to rising long term rates, will SaskEnergy look to borrow more long-term debt than forecast over the next year?
- g) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 1 (e) (v), please provide the percentage rate increases which are necessary to achieve the 8.3% target ROE in each year.
- h) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 1(f) please provide the full Q1 report. Please provide a detailed discussion and explain in detail any variances regarding the Q1 2022/23 actual results compared to forecast.
- 2. Reference: 1<sup>st</sup> Round Information Request #2 [OM&A Costs]**
- a) With regard to the inflation assumptions described in Delivery 1<sup>st</sup> Round Information Request 2(b), please clarify:

- i. Whether the economic component provided relates to in-scope labour, out-of-scope labour or both.
  - ii. Whether or not the economic component includes step or merit increases for in-scope labour.
- b) If any adjustments to inflation assumptions are included in the mid-application update [compared to the response to Delivery 1<sup>st</sup> Round Information Request 2(b)], please provide a detailed explanation for the change and its impact on the revenue requirement forecasts for the test years.
- c) With reference to the responses provided to Delivery 1<sup>st</sup> Round Information Request 2 (c), 2(g), and to Schedule 10, page 5:
  - i. Please provide a detailed variance explanation and quantification of the changes in OM&A expense by Executive in a manner similar to the response provided in the 2018 Delivery 1<sup>st</sup> Round Information Request 2 (b). For each executive provide the dollar impact change, FTE change (if applicable), and details regarding any project/initiatives driving the change.
  - ii. Please provide a detailed business case for contractor conversions for each year noted in Schedule 10, page 5 (from 2018-19 to 2022-23). If applicable, please provide the detailed business case for contractor conversions relevant to construction contractors and for IT contractors.
  - iii. With reference to the response to Delivery 1<sup>st</sup> Round Information Request 2 (g), please provide a detailed breakdown and explanation of the increases in labour costs of \$6.8 million for 2021/22 forecast over 2020/21 actuals and increase of \$13.2 million for 2022/23 forecast over 2020/21 actuals [Tab 10, page 2].
    - i. Please detail and provide a breakdown of how the \$2.3 million and \$4.9 million amounts mentioned in the response are reflected in the labour cost increase of \$6.8 million for 2021/22

forecast over 2020/21 actuals and increase of \$13.2 million for 2022/23;

- ii. Please also detail and provide a breakdown of the other cost categories that contribute to the overall labour cost increases.
- iv. With reference to the response to Delivery 1<sup>st</sup> Round Information Request 3 (f), please provide a breakdown of the actual and forecast savings by year and contractor type related to contractor conversions for each year from 2018/19 to 2022/23.
  - i. Please identify key cost areas in the revenue requirement impacted by contractor conversions and quantify the change.
  - ii. Please provide a table showing the impact of contractor conversions to external service expense, base labour and total labour each year.
  - iii. Please quantify any forecast reductions to capital expenditures in each of the test years as a result of the contractor conversions and provide an estimate of the resulting reductions in interest expense and depreciation expense in each test year.
- d) With reference to the response Delivery 1<sup>st</sup> Round to Information Request 2 (d):
  - i. Please indicate in which rows in the table on page 5 of Tab 11 the forecast reduced bill print and postage costs are reflected in the forecast for 2022/23, 2023/24, and 2024/25 particularly given that bill printing and courier & mail service costs are higher in the test year forecasts than 2020-21 actuals and 2021-22 forecasts.
  - ii. Please quantify the number of customers going paperless since the inception of the customer portal and how a 15% increase in paperless billing over three years was determined.

- iii. When are the saving of \$123 thousand from enhanced pre-authorized payment plan (PPP) applications anticipated to be realized? In what row of the table on page 5 of Tab 11 would those reductions be reflected?
- e) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 2(e), please confirm if the anticipated technology enhancement savings have been included in the revenue requirement forecasts for 2021/22, 2022/23, 2023/24, and 2024/25. Please confirm which forecast years are impacted, the quantum of the impact and which revenue requirement accounts are affected
- f) With reference to the response to 2(i) – please provide a detailed explanation regarding why the \$0.3 million for TransGas Customer Information System is included in the third party hosting services costs noted.
- g) With respect to the response provided to 2(j):
  - i. Please provide a detailed breakdown of Sustenance and Transportation expense that includes forecast and actual costs from 2017-18 to 2021-22, as well as test year forecasts.
  - ii. Please discuss any updates based on Q1 2022/23 Actual Results. Are 2022-23 actual results expected to change from the 2022-23 forecasts provided?

**3. Reference: 1<sup>st</sup> Round Information Request #3 [Labour Costs]**

- a) With reference to Pre-Ask #2 (Net Labour Costs) provided for the 2018 Delivery and Commodity Application:
  - i. Please explain why actuals for 2016/17 (\$82.0 million compared to \$87.7 million) and 2017/18 (\$82.7 million compared to \$88.9 million) and forecasts for 2018/19 (\$88.0 million compared to \$95.3 million) and 2019/20 (\$92.2 million compared to \$101.0 million) differ from

the table provided in Tab 10, page 3. Please confirm which numbers are correct.

- ii. Please provide an updated version of Pre-Ask#2 from the 2018 Delivery and Commodity Application. Please include forecast and actual years from 2015/16 to 2021/22 and forecasts for 2022/23 to 2024/25.
- b) With reference to 1st Round Information Request 3(a) and 3(b) – please provide a table that itemizes by year (2020/21 to 2022/23):
- i. Shows the added FTEs for each position/ department by Executive Division;
  - ii. Shows reductions in FTEs for each position/ department by Executive Division; changes in position description/ allocation by Executive Division; and
  - iii. Shows vacancies for each year for each position/ department by Executive Division.
  - iv. Please provide a detailed narrative that explains year over year changes in added/ reduced FTEs and changes in vacancies compared to forecast and detail the related impacts on the forecast/ actual revenue requirement in each year.
- c) With reference to 1st Round Information Request 3(c) – please provide a detailed list and discussion of the projects and activities that necessitate the added FTEs. Please indicate related FTE additions by Executive Division and by year related to each project or activity.
- d) With reference to the response provided to 1st Round Information Request 3(d)(i) to (iii) – please provide a more detailed explanation and further context for each response provided.
- i. For part 3(d)(i), please quantify the specific factors driving changes in staffing levels noted on page 13 of the Application. Please

- describe and quantify the FTE impact and revenue requirement impact since 2017/18.
- ii. For part 3(d)(ii) please provide further detail and quantify the potential instability re: staffing level impacts in the test years. Please detail and quantify potential impacts on the revenue requirement, forecast FTEs, and forecast vacancy rates.
  - iii. How is SaskEnergy planning to address ongoing instability in staffing levels going forward? Please discuss in detail any potential impacts on test year FTE and vacancy forecasts.
  - iv. With reference to part 3(d)(iii) please confirm whether or not safety and integrity can be maintained at 2020/21 Actual staffing levels. Please provide a detailed explanation to support the response. What impact would there be on safety and integrity if 2020/21 Actual staffing levels were maintained?
- e) With reference to the response to 1<sup>st</sup> Round Information Request 3(i), please provide the following clarifications:
- i. Please confirm whether the response provided relates to the Distribution Division or to SaskEnergy Incorporated. If the response provided relates to SaskEnergy Incorporated please provide a similar table for the Distribution Division.
  - ii. Please update the table with 2021/22 actual results.
  - iii. Please include capitalization of labour. Please include a row showing the portion of gross labour that is capitalized.
  - iv. Please explain the “Budget Adjustment” line item and year over year changes in this line item with particular reference to the nature of the salary holdback referenced in the revised response.
  - v. Please explain the material increase in Severance Pay in 2020/21 actual compared to prior years.



- f) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 3 (j), please confirm and discuss if there is any ability to schedule staff outside of regular business hours to accommodate customer appointments and safety service calls which are after regular business hours to reduce the overtime hours.
- 4. Reference: 1<sup>st</sup> Round Information Request #4 [Communication, Public Relations, Fees, Dues and Community Contribution Costs]**
- a) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 4 (a)(i), please quantify how much of the increase to energy efficiency programs will be dedicated to increasing the rebates offered to customers.
- b) With reference to 1st Round Information Request 4(a)(i) please provide further context for the table provided in the response
- i. Please provide the source for the table and references to where the source data can be found;
  - ii. Please confirm if the data provided relates to province-wide spending or spending by utility.
- c) With reference to 1st Round Information Request 4(a)(ii) please explain in detail the types of changes based on “new information or direction” that could impact the forecast spending in the Application. Please quantify any potential impact and provide an assessment of the likelihood of the impact occurring in the test years.
- d) With reference to 1st Round Information Request 4(a) (iii) please provide a detailed explanation of how other utilities justify energy efficiency spending where there are potential adverse rate impacts/ adverse impacts on rate payers that are not able to participate in the programs. How are these methods for determining the business case for energy efficiency spending being assessed/ applied by SaskEnergy in determining which programs to proceed with in the test years/ going forward?

**5. Reference: 1<sup>st</sup> Round Information Request #5 and Tab 11 [External Services]**

- a) Please explain and quantify the increase in total external services costs in the test years (\$38.5 million in 2022-23) compared to the 2021-22 forecast (\$33.773 million) and 2020-21 actual (\$35.295 million).
- b) Please provide a breakdown and explanation for variance in forecast compared to actual contract services costs in 2019/20 (\$32.623 million forecast compared to \$27.963 million actual) and 2020/21 (\$32.561 million forecast compared to \$27.161 million actual). Please also provide the actual for 2021-22 and explain any variance from forecast.
- c) Please explain the increase in consultant services forecast in 2020/21 (\$5.007 million) and explain the variance compared to lower actual consulting services costs of \$3.012 in that year.
- d) Please explain and quantify the forecast increase in routine maintenance expected for the test years (2022-23 of \$4.982 million; 2023-24 of \$4.833 million; and 2024-25 of \$4.784 million) compared to the 2020-21 actuals of \$2.575 million and 2021-22 forecast of \$2.308 million. Please also provide the 2021-22 actuals and explain any variance compared to forecast.
- e) Please explain in detail and quantity the impact that contractor conversions have had on External Services expenses since 2018-19.

**6. Reference: 1<sup>st</sup> Round Information Request #6 [Intercompany Allocations]**

- a) Please provide a detailed discussion regarding the principles/ methodology developed and used by SaskEnergy for the Intercompany Allocations used in the Application. In the response please comment on the following:
  - i. Detail the basis/ rationale for using FTEs to determine the 73%/27% split.

- ii. Please discuss whether other factors may be applicable to determining Intercompany Allocations; how these are considered; and/or why they are not considered.
  - iii. Please detail any material changes in principles/ methodology that have occurred since 2017/18 regarding the allocation process.
  - iv. Has an independent review of the allocation process/ methodology ever been undertaken? If so, please provide the results. If not, please explain why not?
- b) With reference to the table provided in 1st Round Information Request 6(c) – please provide an updated version that includes the forecast and actual allocations used for the 2017/18 and 2018/19 delivery rate application test years.
- c) With reference to table provided in response to Delivery 1<sup>st</sup> Round Information Request 6(c), please confirm the first set of columns is for the 2022 Delivery Rate Application, as it says 2021 Delivery Rate Application Allocation %.
- 7. Reference: 1<sup>st</sup> Round Information Request #7 [Transportation and Storage Expense]**
- a) Please provide a table that updates the information provided in Pre-Ask #7 (Transportation and Storage Rate Changes) from the 2018 Delivery and Commodity Rate Application. Please include actuals since 2019, as well as test year forecasts.
- b) With reference to table provided in response to Delivery 1<sup>st</sup> Round Information Request 7 (c), please confirm the amounts noted are included in the total transportation and storage expense included in Schedule 1.1 of the current Application.
- 8. Reference: 1<sup>st</sup> Round Information Request #9 [Interest Expense]**
- a) Please provide the calculation of short-term debt interest expense in a format similar to the response provided to 2<sup>nd</sup> Round Information Request

- 9(b) from the 2018 Delivery and Commodity Rate Application. Please include 2021/22, 2022/23, 2023/24, and 2024/25.
- b) With reference to the response to Delivery 1st Round Information Request 9(i), please provide any updates since the application for forecasts to the sinking fund revenue.
- c) With reference to the response to Delivery 1st Round Information Request 9(g), please provide actuals and forecast amounts for 2018/19, 2019/20, and 2020/21.
- 9. Reference: 1<sup>st</sup> Round Information Request #10 [Tax Expense]**
- a) In a manner similar to 2<sup>nd</sup> Round 2018 Commodity and Delivery Service Rate Application Delivery Information Requests 10(b) and (c) please provide:
- i. A corporate tax calculation table that includes only the Distribution Division paid up capital amount, including removing expenses related to loans and advances for Holdco and subsidiaries.
  - ii. A corporate tax calculation table that provides net book value and undepreciated capital cost net of customer contributions.
- 10. Reference: 1<sup>st</sup> Round Information Request #11 [Other Revenue]**
- a) Please detail and explain any material variances in Other Revenue 2021/22 actuals compared to 2021/22 forecasts.
- b) Please provide an update for 2022/23 Other Revenues actuals to date and detail any material changes regarding expected actuals for 2022/23 compared to the test year forecast.
- c) With reference to the response to Delivery 1st Round Information Request 11 (c) regarding connect revenues, please discuss if in SaskEnergy's view using 2020/21 as a basis for the 2022-23 through 2024-25 forecasts is likely to result in a forecast of other revenues that is too low.

**11. Reference: 1<sup>st</sup> Round Information Request #12 [Tab 8: Capital Expenditure Program]**

- a) With reference to the response to 1st Round Information Request 12(b), please provide a similar table for 2018/19, 2020/21 and 2021/22 which provides: (1) actual spending and forecast spending each year; (2) the variance; and (3) an explanation for material variances.
- b) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 12(c), please provide an update on Distribution Customer Connect spending on New First Nations Reserves since 2019/20 and whether any of the gasification projects that did not proceed in 2019-20 have now been completed or are planned for the test years. If further delays are expected, please explain. Please explain how these costs are forecast.
- c) With reference to the table on Tab 8, page 8, please provide an update on 2022/23 actual results to date. Does SaskEnergy expect to spend the 2022/23 amounts forecast in the application? Please detail and explain any expected material variances from the forecast included in the Application.
- d) With reference to the Green Energy Initiatives described in the response to 1st Round Information Request 12(i):
  - i. Please detail the specific Vent Gas Reduction, Electricity Emissions Reduction and Optimization expenditures forecast in each year from 2022-23 to 2024-25 (i.e., spending by category and spending on any specific material initiatives for each category).
  - ii. Is spending on Green Energy Initiatives expected to be maintained at 2022-23 to 2024-25 levels or increase over the period from 2024-25 to 2030? Please explain in detail.
  - iii. Please provide the detailed road map SaskEnergy is initiating to meet the objective to reduce GHG emissions by 35% by 2030. Please provide the following in this regard:

- A. Actions/ plans implemented to date; spending incurred; and any quantifiable results (i.e., emissions reductions).
  - B. Programs/ plans that SaskEnergy plans to implement in each year to meet the 2030 target (specific actions and targets by year and expected results each year);
  - C. Current actual and forecast spending on programs/ plans each year to meet the 2030 target;
  - D. Current and forecast year over year reductions in GHG emissions.
- iv. With regard to the Green Energy Initiatives and climate change plans – to the extent a corporate plan or program is available please provide this. If an approved plan or program is not currently available, please indicate if this can be provided to the Panel once available.
- e) Please provide the actual and forecast customer connections by year from 2018-19 to 2021-22; and the forecast connections for the test years.
- f) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 12 (j): please provide any updates on progress regarding the new Saskatoon Service Centre. Are amounts forecast for 2022-23 to 2024-25 expected to be spent in those years?
- g) Please break out Building/ Furniture expense provided in Tab 8, page 8, by spending in major cost categories for each year (e.g., New Saskatoon Service Centre, Building Maintenance, Furniture, etc).
- h) Please explain and provide a breakdown of key Information Systems cost areas, provide key drivers for year over year variances in forecast and actual costs in these areas, and identify any risks should the spending in any cost area not proceed as forecast.
- i) With reference to the response to the 2018 Delivery 1<sup>st</sup> Round Information Request 14 (c), please provide an update regarding the work and projected capital requirements defined by the Major Growth Infrastructure (MGI)

program over the period from 2019/20 through 2025/26. Please identify, quantify and explain any material changes since the 2018 Delivery Service Rate Application review.

- j) With reference to the response to the 2018 Delivery 1<sup>st</sup> Round Information Request 14 (x), please provide an update and detail the impact of the annual safety and infrastructure renewal expenditures to rate increases and to capital structure [actual debt/ equity ratio] of the Corporation since 2017/18, including forecast for 2021/22, 2022/23, 2023/24, and 2024/25.

**12. Reference: 1<sup>st</sup> Round Information Request #13 [Tab 8: Planned Maintenance Program]**

- a) With reference to the response to 13(a)(i), please explain the lower forecast planned maintenance hours starting in 2018-19 compared to 2016-17 and 2017-18.
- b) With reference to 13(a)(ii), please provide an updated version of the table with correction to the Regulator Stations (\$) line (line error provides year where dollar totals by year should be).

**13. Reference: 1<sup>st</sup> Round Information Request #14 [Tab 9: Safety, Reliability and Environmental Issues]**

- a) Please provide a table which provides the total safety and awareness cost and the average number of customers for 2018/19, 2019/20, 2020/21, and 2021/22 actuals and the forecast for 2018/19, 2019/20, 2020/21, 2021/22, 2022/23, 2023/24, and 2024/25.
- b) With reference to the response to 14(d) – please provide the Capital Investment Governance Policy. Please describe core elements of the policy in detail and outline how it governs spending on asset integrity and reliability capital.
- c) With reference to 14(e), please provide an updated version of the table that includes:

- i. Both forecast and actual from 2019/20 to 2021/22 and forecasts for 2022-23 to 2024/25;
  - ii. Integrity Capital spending for each year
- d) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 14 (h):
  - i. Please update the information provided in response to Pre-Ask #16 from the 2018 Delivery and Commodity Consultant's Report (i.e., where there have been changes, reconcile information provided in 2018 to current reporting and explain any differences).
  - ii. Please provide the definitions and examples for classification of external interference, incorrect operation, natural forces, and MMC leak causes.
- e) Please provide a table that summarizes underground leaks from 2016/17 to 2021/22. If applicable, please break out line hits with escaping gas, line hits and Saskatoon Services in manner similar to the Power Point Presentation provided by SaskEnergy at the October 17, 2018 public meeting in Regina, Slide 15.
- f) How much of the service upgrade program activities and related spending is targeted on Regina? How much is targeted in Saskatoon or other areas? How does spending relate to total leaks or leak rate for these communities over the past 5 years. Please discuss

**14. Reference: 1<sup>st</sup> Round Information Request #15 [Net Income]**

- a) With reference to 1st Round Information Request 15(a), please provide the actual net income for 2021/22 and provide a detailed explanation for any material variances in 2021/22 actuals compared to forecast.
- b) With reference to the factors resulting in the higher net income in 2020-21 compared to forecast as noted in 1st Round Information Request 15(a), please explain what factors can be carried forward in order to reduce costs on an ongoing basis:



- i. Which factors also provided for savings in 2021/22.
  - ii. Can any of the factors that resulted in savings in 2020-21 or 2021-22 be applied in 2022-23 to reduce costs in that year. If not, please provide a detailed explanation why not.
  - iii. With reference to the \$10.4 million lower O&M expense noted in 2020-21 actuals in the response to 15(a) – please provide a breakdown of savings by the categories noted and indicate whether these are one time cost savings or programs that have or could feasibly be continued in subsequent years:
    - i. Lower labour costs driven by strategic vacancy management
    - ii. Lower external services driven by contractor conversion
    - iii. Operating cost management of training, travel, communication and professional fees
    - iv. Delays in implementation of technology enhancements.
  - c) Please provide an update regarding any expected changes in 2022-23 actual net income and ROE compared to forecast based on Q1 results. Please detail and describe any material expected variances.
  - d) With reference to 1st Round Information Request 15(d), please provide the response assuming the 8% rate increase as approved effective August 1, 2022, i.e., assuming the approved 2022/23 rate increase what would be required to achieve the long term ROE target in 2023-24 and 2024-25.
  - e) With reference to 1st Round Information Request 15(e) please provide the weather adjusted actual net income and ROE for 2021/22.
- 15. Reference: 1<sup>st</sup> Round Information Request #17 [Capital Structure and Cost of Capital]**
- a) With reference to the response to 1<sup>st</sup> Round Information Request 17 (a), please provide a detailed calculation showing how SaskEnergy calculated

- the increase of \$3.5 million. Please detail all assumptions and estimates used.
- b) Please provide a version of the table in Tab 16 that compares the restated rate base to reflect the inclusion of accumulated depreciation with the decommissioning assets and a version of the ratebase table assuming the prior treatment. Please quantify and explain the reasons for any differences between the two versions in each year.
  - c) Please provide an updated version of Pre-Ask #12 from the 2018 Delivery and Commodity Rate Application.
- 16. Reference: 1<sup>st</sup> Round Information Request #18 [Cost of Service Study]**
- a) With reference to the response to 1<sup>st</sup> Round Information Request 18(a) – please provide an update regarding the status of the heat value project being undertaken. If available, please provide the results of the study or an update on when such results will be available.
  - b) With reference to the response to 1<sup>st</sup> Round Information Request 18(a) please provide an update regarding whether SaskEnergy is proceeding to implement recommendation #5 (i.e., recover TransGas revenue through an annual fixed payment). Please provide any updates regarding when this recommendation would be implemented and details regarding how the recommendation would be implemented (i.e., under what arrangements with TransGas?).
  - c) With regard to the response to 1<sup>st</sup> Round Information Request 18(b) – please confirm whether or not an updated cost of service study that implements the Chymko recommendations would be part of the 2023-24 update filing?
  - d) Please explain why the total RC Ratio in 2022-23 is 102.1% (section 17.1 of Tab 17) and quantify the impact on net income and return on equity.

**17. Reference: 1<sup>st</sup> Round Information Request #19 [Customer Bill Impacts]**

- a) With reference to the response to the 2018 Delivery 1<sup>st</sup> Round Information Request 21 (b), please provide updated versions of the figures showing the commodity rate change and delivery rate change effective August 1, 2022 and the delivery rate changes effective June 1, 2023, and June 1, 2024, both with and without the commodity rate change.
- b) With reference to the response to 1<sup>st</sup> Round Information Request 19(e), please update the table and figure to include the impact of municipal surcharges, carbon tax and GST each year.
- c) Please provide an estimate of the number of customers who do not pay a municipal surcharge.

**18. Reference: 1<sup>st</sup> Round Information Request #20 [Competitiveness]**

- a) With reference to Tab 22, please:
  - i. Provide a table with comparisons of the basic monthly charge across jurisdictions for each rate class. Please separately indicate the impact of the proposed rate increase on the basic monthly charge on Aug 1, 2022, June 1, 2023, and June 1, 2024.
  - ii. Provide tables with comparisons of the commodity, delivery, and total bill impact for each rate class across jurisdictions with the impact of the rate increases on Aug 1, 2022, June 1, 2023, and June 1, 2024.

**19. Reference: Rate Design and 1<sup>st</sup> Round Information Request #22**

- a) Please confirm whether the “revenue at current rates” for 2023-24 and 2024-25 reflect rates in place prior to August 1, 2022, or rates proposed for the previous fiscal year (e.g., effective August 1, 2022 for 2023-24 and proposed for June 1, 2023 for 2024-25). If the latter, please provide versions of Schedule 1.9 where the “Delivery Revenue at Current Rates” for all years reflect rates in place prior to August 1, 2022.

- b) Please provide versions of schedule 1.9 that show the billing determinants (e.g., customer numbers and sales volumes) and rates that were used to calculate the class revenues for each month.
- c) With respect to the proportion of costs recovered through fixed versus variable portions of the rate structure, please provide a summary of any information on recent trends for utilities in other jurisdictions in Canada available to SaskEnergy. Are other gas distribution utilities increasing the fixed component of their rate structures?
- d) With respect to the statement on page 38 of the application that “For SaskEnergy to maintain financial integrity, it requires an additional \$16.8 million in revenue in year one, \$12.9 million in year two, and \$13.6 million year three, over the application period”, please provide a description of how SaskEnergy defines ‘financial integrity’. In particular, are there metrics such as interest coverage ratios, debt to equity ratios or other financial indicators SaskEnergy considers in evaluating rates that are sufficient to maintain financial integrity?
- e) With respect to the revenue to cost ratios by class provided on page 38 of the application, please confirm that the revenue to cost ratios are based on a full year of revenue at the proposed rates, while SaskEnergy is proposing to implement rate changes part way through each of the fiscal years. If not confirmed, please provide an explanation.
- f) With reference to the response to the 1<sup>st</sup> Round Information Request 22 (c), please provide the average bill impacts for each rate class if the rate increase is applied equally to all classes for each test year (i.e., 8% in 2022/23, 5% in 2023/24, and 5% in 2024/25).
- g) With reference to the response to 1<sup>st</sup> Round Information Request 22(e), please provide an update regarding the status of the external consultant report referenced and, if available, a summary of any preliminary results.

**20. Reference: 1<sup>st</sup> Round Information Request #24 [Heat Value]**

- a) With reference to the response to 1<sup>st</sup> Round Information Request 24 (a) to (d):
- i. Please confirm if the heat value in the 2018 Delivery and Commodity Rate application was updated in a mid-Application update provided November 26, 2018 (updated from 8.50 MJ/M<sup>3</sup> to 8.75 MJ/M<sup>3</sup>.)
  - ii. If (i) is confirmed please update the responses provided with reference to the updated forecast heat value for the 2018 Application.
  - iii. Please provide any updates to the 1<sup>st</sup> round responses for 25(a) through (d) based on the updated heat value provided in the mid-Application update (anticipated on September 29, 2022).

**21. Reference: 1<sup>st</sup> Round Information Request #25 [Productivity and Efficiency Update]**

- a) With reference to the response to 1st Round Information Request 25(a) and (c):
- i. Please identify and summarize the key programs/ activities that make up the actual and targeted productivity and efficiency savings in each year for each of the categories noted: Crown Collaboration, Innovation and Business Processes and Leveraging Technology. If possible, please quantify the anticipated savings for each activity/ program.
  - ii. Please identify which initiatives have been in place since the last application; and which initiatives are new (and the year in which the initiatives were initiated).
- b) With reference to the response to Delivery 1<sup>st</sup> Round Information Request 25 (c)(iii):
- i. Please provide a table which summarizes restraint measures in place each year from 2019/20 test year to 2021/22. Please provide

a format similar to the response to 1<sup>st</sup> Round Information Request 1 (i) from the 2018 Delivery and Commodity Rate Application.

- ii. Please provide any updates regarding restraint measures based on 2022/23 Q1 actuals. Please confirm the understanding that no vacancy management, operation cost management savings or savings from other restraint measures are expected for 2022/23, 2023/24 and 2024/25.