

**1. Reference: General**

- a) Please provide all schedules included in the application in MS excel format with all formulae intact.
- b) Please provide a schedule that compares the current actual and forecast balances in the gas cost variance account from the previous application with the actual and forecast balances in the current application. Please quantify the factors that have contributed to the changes since the last commodity application.
- c) Please provide versions of Schedule 2.0, 2.1, 2.2, 3.0 and 3.1 for the most recent 24 months of actuals.
- d) Please provide a version of Schedule 1.0 with and without taxes/ surcharges.

**2. Reference: Proposed Commodity Rate**

- a) Section 2.4 of the application (page 52 of the application) states the proposed commodity rate is based on \$4.10/GJ while the heading in the table in section 2.5 (page 52 of the application) states the proposed commodity rate increase is based on \$4.20/GJ. Please confirm which figure is correct.
- b) Please provide the data used to calculate the assumed heating value of 39.90 MJ/m<sup>3</sup> in Schedule 4.0 of the Application.
- c) Please provide heating values by region and the impact to customer bills in each region if the commodity rates are approved based on 39.90 MJ/m<sup>3</sup>.

**3. Customer Bill impacts**

- a) 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.
- b) What is SaskEnergy's understanding of the impact of the proposed rate to commercial/ small industrial customers? Has SaskEnergy communicated with these customers groups on potential impacts from the proposed rate increase?

**4. Reference: Forecast Cost of Gas Sold**

- a) Please provide the transportation cost per GJ for the last five years and explain the reasons for each change.
- b) Please provide details of the calculation, including volumes and rates, of “cost upstream of TEP” amounts in Schedule 2.0 and “Receipt Transport” \$/GJ shown in Schedule 2.1. Please provide these calculations in MS excel format with all formulae intact.
- c) The figure on page 47 of the Application [AECO Monthly Index Historical Prices] shows the average price from 2015 to present was \$2.34/GJ. Please provide the average cost of purchases [excluding transportation cost and losses] for SaskEnergy for the same period, separately showing Alberta and Saskatchewan purchases.
- d) Please provide details regarding how Saskatchewan Purchases, Alberta Purchases, Price Risk Management (inflows)/Outflows, and Costs upstream of TEP in Schedule 2.0 are calculated for the period from November 2022 to October 2023 showing volumes, applicable rates and other adjustments, if any, used to arrive each cost item. Please provide calculations in MS excel format.
- e) Please provide details of the following:
  - i. How are Cost of Purchase Gas in Schedule 2.1 derived? Please provide a version of Schedule 2.1 that itemizes the add-ons, premiums or adjustments between the AECO forward price and the Cost of Purchase Gas before financial hedges.
  - ii. Please provide details on how “change in price due to Financial Hedges” in Schedule 2.1. are derived.
- f) Please clarify the source for “forward price at May 18, 2022” in Schedule 2.1 and compare it with the most recently available AECO Forward Prices. Please indicate the approximate impact on the proposed commodity rate of updating for the most recently available AECO Forward Prices, if applicable.

**5. Reference: Interest and Operating Expenses**

- a) Please explain the increase in OM&A shown on page 1 of Tab 20 for 2022-23 compared to 2020-21 actuals. In particular, please discuss the degree to which changes are driven by overall increases in costs compared to changes in allocation methods or assumptions.
- b) Please explain the increase in bad debt expense forecasts for 2022-23 compared to 2021-22 forecasts.
- c) On page 1 of tab 20 SaskEnergy states “bad debt expense was increased in the 2022-23 forecast as it is remaining higher than originally forecast” – please provide a revised forecast or preliminary actuals for bad debt for 2021-22 and a comparison with the 2021-22 forecast provided in Tab 20.

**6. Gas Cost Variance Account**

- a) Please provide a version of Schedule 3.0 of the application showing forecasts through October 2023 based on current gas price forecasts and assuming the requested commodity rate is approved.
- b) Please provide the actual heat value for the last two years and provide the estimated impact of the actual heat value [compared to heat value in rates] to the GCVA balance.
- c) Please provide details regarding how the Cost of Internal Usage is calculated on both an actual and forecast basis including an explanation for how internal usage volumes can be negative.
- d) Please provide the interest rate used to calculate the interest on the GCVA for each month in Schedule 3.0.
- e) Please provide the impact on the commodity rate increase if the GCVA balance was cleared over a two- year period; and the impact if the GCVA balance was cleared over a three-year period.
- f) Please provide a version of Schedule 3.0 that assumes the GCVA balance is cleared over a two-year period; and a version of Schedule 3.0 that assumes the GCVA balance is cleared over a three-year period.

**7. Commodity Price Risk Management - Confidential**

- a) 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 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.
- b) Page 1 of Tab 19 of the Application notes that in the current natural gas price environment, SaskEnergy has been executing fixed price swaps and fixed price physical gas purchases rather than using options. Please discuss what specifically about the current price environment has influenced this approach and the benefits of executing fixed price swaps and fixed price physical gas purchases rather than using options.
- c) Please confirm and demonstrate to the Panel that SaskEnergy has complied with its Commodity Price Risk Management Strategy; the Commodity Risk Management Policy; and the Commodity Risk Management Procedures. Please provide a summary of any internal or external audits that have been completed.
- d) Are SaskEnergy's Commodity Price Risk Management Strategy; Commodity Risk Management Policy; and Commodity Risk Management Procedures reviewed and/or approved by Crown Investments Corporation and the Minister of Finance?