

SASKENERGY – PRE ASK RESPONSES

SASKENERGY –PRE-ASK RESPONSES

#1. Revenue Requirement Comparison

- (a) Please provide a summary table [similar to Table 3-3 of the September 2017 Consultant's Report excerpted below that compares the 2017/18 test year forecast and 2017/18 actual results [November 1 to October 31]. Please also include 2016/17 Test Year Forecast and actual results in the table.

Revenue Requirement Comparison: Forecast vs Actuals (\$'000s)

Component	2016-17 Test	2016-17	Diff.	Diff%	2017-18	2017-18	Diff.	Diff%
	Year	Test Year			Test Year	Test Year		
	November 1 to October 31	November 1 to October 31			November 1 to October 31st	November 1 to October 31st		
	Forecast	Actual			Forecast	Actual*		
Operating and Maintenance Expense	124,404	115,078	(9,326)	-7.50%	125,913	120,672	(5,241)	-4.16%
Transportation and Storage Expense	51,964	49,879	(2,085)	-4.01%	52,028	51,630	(398)	-0.76%
Depreciation Expense	42,130	40,174	(1,956)	-4.64%	46,207	43,772	(2,435)	-5.27%
Tax Expense	5,578	5,032	(546)	-9.79%	5,948	5,914	(34)	-0.58%
Interest Expense	26,284	24,516	(1,768)	-6.73%	26,882	25,748	(1,134)	-4.22%
Net Earnings	28,302	27,373	(929)	-3.28%	30,435	29,066	(1,369)	-4.50%
Total Delivery Revenue Requirement	278,662	262,052	(16,610)	-5.96%	287,413	276,802	(10,611)	-3.69%
Other Revenue	(24,096)	(29,255)	(5,159)	21.41%	(24,223)	(40,541)	(16,318)	67.37%
Net Delivery Revenue Requirement	254,565	232,797	(21,768)	-8.55%	263,190	236,260	(26,930)	-10.23%

*Actual Results are included from November 1, 2017 to July 31, 2018

- (b) Please provide a separate table similar to Table 3-3 that provides the same breakout of information for the current test year.

	2019/20 Fiscal Year April 1 to Mar 31 Forecast
Component	
Operating and Maintenance Expense	136,229
Transportation and Storage Expense	53,919
Depreciation Expense	48,186
Tax Expense	7,362
Interest Expense	31,450
Net Earnings	33,459
Total Delivery Revenue Requirement	310,605
Other Revenue	(30,411)
Net Delivery Revenue Requirement	280,194

SASKENERGY –PRE-ASK RESPONSES

#2. Net Labour Costs

Please provide a table in a similar format to Table 3-9 from the September 2017 Consultant's Report [excerpted below] that shows net labour cost and total labour cost by category [base labour cost, overtime, etc]. Please include information for prior years [actual fiscal and forecast fiscal results as well as prior test year and current test year forecasts].

	Net Labour Costs (\$000s)								
	2013	2014	2015	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast
Gross Labour	86,912	91,439	89,856	88,882	87,666	88,900	95,258	100,965	102,636
Less: Allocations to Non-Delivery Business	(5,588)	(5,592)	(5,923)	(5,570)	(5,672)	(6,219)	(7,231)	(8,757)	(9,038)
Net Labour Costs	81,324	85,847	83,933	83,312	81,994	82,681	88,028	92,208	93,598
Base Labour Costs	67,720	71,293	71,816	71,552	72,027	71,795	76,971	81,070	82,353
Overtime	9,468	9,605	7,982	7,601	6,120	6,653	6,685	6,724	6,784
Substitution	404	350	284	268	265	321	326	351	354
Holiday Extra Item/Vacation Pay	1,094	1,876	1,172	1,141	870	1,125	1,127	1,148	1,156
Premiums	117	107	91	79	85	83	82	108	109
Standby	1,983	2,062	2,055	2,059	2,070	2,129	2,164	2,254	2,273
Inconvenience Pay/Shift Differential	538	554	532	611	557	574	672	553	568
Net Labour Costs	81,324	85,847	83,933	83,312	81,994	82,681	88,028	92,208	93,598
Annual Change		4,523	(1,914)	(621)	(1,318)	687	5,347	4,181	1,389
Annual Change %		5.6%	-2.2%	-0.7%	-1.6%	0.8%	6.5%	4.7%	1.5%

SASKENERGY – PRE-ASK RESPONSES

#3. Labour Cost per FTE

Please provide a table that summarizes labour cost per FTE similar to Table 3-10 from the September 2017 Consultant's Report [excerpted below]. Please include information for prior years [actual fiscal and forecast fiscal results as well as prior test year and current test year forecasts].

Average Labour Costs per Full Time Equivalent

	2013	2014	2015	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast
Base Labour Costs (000's)	67,720	71,293	71,816	71,552	72,027	71,795	76,971	81,070	82,353
Total Net Labour Costs (000's)	81,324	85,847	83,933	83,312	81,994	82,681	88,028	92,208	93,598
Full Time Equivalents	773	797	782	775	762	744	794	805	805
Avg Base Labour/FTE (\$/FTE)	87,572	89,472	91,869	92,326	94,519	96,504	96,881	102,039	103,654
Avg Net Labour/FTE (\$/FTE)	105,164	107,737	107,370	107,500	107,598	111,137	110,797	116,059	117,807
Annual Change		2,573	(367)	131	98	3,539	(340)	5,262	1,748
Annual Change %		2.4%	-0.3%	0.1%	0.1%	3.3%	-0.3%	4.7%	1.5%

SASKENERGY – PRE-ASK RESPONSES

#4. Full-Time Equivalent Vacancies

Please provide a table similar to Table 3-11 from the September 2017 Consultant's Report that includes vacancy rates, including labour cost adjustments to remove provision for vacancy rate. Please include information for prior years [actual fiscal and forecast fiscal results as well as prior test year and current test year forecasts]. Please also include information as outlined in the excerpted table below that includes vacancy rate adjustments.

Full-Time Equivalent Vacancies from 2013-15 (calendar) and 2015-16 to 2019-20 (fiscal)

	2013	2014	2015	2015-16	2016-17	2017-18	2018-19	2019-20
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast
Full Time Equivalents (FTEs)	773	797	782	775	762	744	794	805
Vacant FTEs	16	16	22	22	38	34	40	45
Calculated Vacancy Rate	2.1%	2.0%	2.8%	2.8%	5.0%	4.6%	5.0%	5.6%
Total Labour Cost Before Vacancy Rate Adjustment	69,160	72,733	73,795	73,533	75,447	74,855	80,571	85,120
Vacancy Rate Adjustment	1,440	1,440	1,980	1,980	3,420	3,060	3,600	4,050
Total Labour Cost After Vacancy Rate Adjustment	67,720	71,293	71,815	71,553	72,027	71,795	76,971	81,070

SASKENERGY – PRE-ASK RESPONSES

#5. Communication, Public Relations, Fees, Dues and Community Contributions

Please provide a detailed breakdown of the costs for Communication, Public Relations, Fees, Dues and Community Contributions in format similar to Table 3-12 from the September 2017 Consultant's Report. Please include information for prior years [actual fiscal and forecast fiscal results as well as prior test year and current test year forecasts].

Communication, Public Relations, Fees, Dues and Community Contributions (\$000's)

	Actual 2013	Actual 2014	Actual 2015	Actual 2015/16	Actual 2016/17	Actual 2017/18	Forecast 2018/19	Forecast 2019/20
General Advertising and Marketing	382	296	186	186	179	143	287	346
Safety and Awareness	587	462	373	350	620	816	559	785
Energy Efficiency Programs and Awareness	2,716	1,833	1,473	1,448	1,098	1,830	1,900	2,172
Professional Membership and Dues	711	717	674	723	739	736	879	864
Sponsorships and Donations	1,219	983	427	342	330	411	432	463
Scholarships	105	105	105	105	105	105	105	105
Training and Conferences	605	804	321	299	388	407	763	805
Damage Claims and Other	206	369	330	322	100	74	84	98
Business Telephones, Cellular and Network Services	2,224	2,509	2,189	2,149	2,531	2,188	2,325	2,330
Total	8,754	8,077	6,078	5,925	6,088	6,711	7,335	7,967
Annual Change		(677)	(1,999)	(153)	163	623	624	632
Annual Change %		-7.7%	-24.8%	-2.5%	2.8%	10.2%	9.3%	8.6%

#6. Intercompany Allocation

Please provide a table that shows a detailed breakdown of the costs for Intercompany Allocations in similar format to Table 3-13 from the September 2017 Consultant’s report. Please include information for prior years [actual fiscal and forecast fiscal results as well as prior test year and current test year forecasts].

SASKENERGY – PRE-ASK RESPONSES

Intercompany Allocation (2015-16 to 2019-20)

BU	BU Description	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Service Groups						
31	ABORIGINAL RELATIONS	50.0%	50.0%	50.0%	50.0%	50.0%
32	MANAGEMENT	56.7%	56.7%	56.7%	56.7%	57.5%
34	GAS SUPPLY	99.0%	99.0%	90.5%	70.0%	79.3%
39	AUDIT SERVICES	42.2%	60.0%	17.0%	17.0%	20.0%
40	BOARD OF DIRECTORS	65.0%	65.0%	70.0%	70.0%	75.0%
41	LEGAL	60.4%	60.4%	60.4%	60.4%	58.0%
42	LAND	35.0%	37.0%	37.0%	35.0%	35.0%
44	CORPORATE AFFAIRS	83.0%	83.0%	83.0%	83.0%	83.0%
48	HEALTH AND SAFETY	30.0%	30.0%	30.0%	35.0%	50.0%
49	HUMAN RESOURCES	0.0%	0.0%	0.0%	0.0%	0.0%
55	PRESIDENT'S OFFICE	0.0%	0.0%	0.0%	0.0%	0.0%
Corporate Support						
201	ADMINISTRATION AND RECORDS MANAGEMENT	0.0%	0.0%	0.0%	0.0%	0.0%
203	INFORMATION SYSTEMS	20.0%	21.9%	21.9%	21.7%	19.5%
211	FLEET & CORPORATE SERVICES	80.0%	80.0%	80.0%	80.0%	80.0%
213	STORES AND SALVAGE	0.0%	0.0%	0.0%	0.0%	0.0%
214	BUILDINGS & SECURITY	0.0%	0.0%	0.0%	0.0%	0.0%
216	PURCHASING	44.0%	52.0%	52.0%	40.0%	40.0%
Finance						
220	VP, FINANCE AND CFO	0.0%	0.0%	7.9%	0.0%	0.0%
222	PAYMENT SERVICES	0.0%	0.0%	100.0%	100.0%	75.0%
223	BUSINESS MGR. BILLING & SUPPORT	100.0%	100.0%	100.0%	100.0%	100.0%
224	TREASURY	78.3%	85.6%	84.9%	84.9%	84.9%
225	DISTN ACCTG, BILLING SERVICES	100.0%	100.0%	100.0%	100.0%	100.0%
226	DISTN ACCTG, C&C/PAY SERV	100.0%	100.0%	100.0%	100.0%	100.0%
227	DISTRIBUTION ACCOUNTING	35.8%	37.0%	37.0%	37.0%	35.2%
230	PAYROLL	0.0%	0.0%	0.0%	0.0%	0.0%
232	CORPORATE ACCOUNTING - A/P	0.0%	0.0%	0.0%	0.0%	0.0%
233	FINANCIAL PLANNING	8.5%	8.5%	8.5%	8.5%	8.5%
Distribution Utility						
210	DOWNSTREAM SERVICE OFFERINGS	100.0%	100.0%	100.0%	100.0%	100.0%
240	NGV STATIONS	0.0%	0.0%	0.0%	0.0%	100.0%
1200	VP, SEI CST SRV, GAS SUPPLY & RATES	100.0%	100.0%	100.0%	97.9%	97.9%
2000	VP, OPERATIONS	100.0%	100.0%	100.0%	83.3%	83.3%
2100	OPERATIONS TRAINING	100.0%	100.0%	100.0%	100.0%	100.0%
2200	CUSTOMER SERVICE TRAINING/DEV	100.0%	100.0%	100.0%	100.0%	100.0%
2300	CUSTOMER SERVICES NORTH	100.0%	100.0%	100.0%	100.0%	100.0%
2333	CUSTOMER SERVICES - SASKATOON DISTRICT	100.0%	100.0%	100.0%	100.0%	100.0%
2343	CUSTOMER SERVICES - NB/PA DISTRICT	100.0%	100.0%	100.0%	100.0%	100.0%
2400	CUSTOMER SERVICES SOUTH	100.0%	100.0%	100.0%	100.0%	100.0%
2411	CUSTOMER SERVICES - REGINA DISTRICT	100.0%	100.0%	100.0%	100.0%	100.0%
2417	CUSTOMER SERVICES - YORKTON DISTRICT	100.0%	100.0%	100.0%	100.0%	100.0%
2425	CUSTOMER SERVICES - MJ/SC DISTRICT	100.0%	100.0%	100.0%	100.0%	100.0%
2011	REGINA AREA GENERAL	0.0%	0.0%	0.0%	81.7%	82.5%
1100-1110, 2511-2514	REGINA AREA	100.0%	100.0%	100.0%	100.0%	100.0%
2017	SOUTH EAST AREA GENERAL	0.0%	0.0%	0.0%	81.7%	77.7%
1700-1722, 1109	SOUTH EAST AREA	100.0%	100.0%	100.0%	100.0%	100.0%
2025	SOUTH WEST AREA GENERAL	0.0%	0.0%	0.0%	81.7%	41.4%
2500-2528	SOUTH WEST AREA	100.0%	100.0%	100.0%	100.0%	100.0%
2033	SASKATOON AREA GENERAL	0.0%	0.0%	0.0%	81.7%	78.1%
3300-3312	SASKATOON AREA	100.0%	100.0%	100.0%	100.0%	100.0%
2043	NORTH AREA GENERAL	0.0%	0.0%	0.0%	81.7%	66.6%
4300-4319	NORTH AREA	100.0%	100.0%	100.0%	100.0%	100.0%
4000	OPERATIONS PLANNING & MTCE	100.0%	100.0%	100.0%	100.0%	100.0%
4500	CUSTOMER SOLUTIONS	100.0%	100.0%	100.0%	100.0%	100.0%
4600	DISTRIBUTION INFORMATION SYSTEMS	100.0%	100.0%	94.8%	94.6%	94.6%
5100	SASKATOON CONSTRUCTION	100.0%	100.0%	100.0%	100.0%	100.0%
5200	DISTRIBUTION ENGINEERING	100.0%	100.0%	100.0%	100.0%	100.0%
5300	REGINA CONSTRUCTION	100.0%	100.0%	100.0%	100.0%	100.0%
5400	DISTRIBUTION INTEGRITY	100.0%	100.0%	100.0%	100.0%	100.0%
5450	I-TECH NORTH	0.0%	0.0%	55.6%	69.3%	50.0%
5460	I-TECH SOUTH	0.0%	0.0%	55.6%	69.8%	50.0%
5410	GIS - LDC	0.0%	100.0%	100.0%	0.0%	0.0%
37	METER SHOP	92.2%	92.2%	92.2%	92.0%	92.0%

SASKENERGY – PRE-ASK RESPONSES

BU	BU Description	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
BU39	Alloc Corp BU 39-Audit	0.0%	0.0%	35.7%	44.4%	46.8%
BU48	Alloc Corp BU 48-Health and Safety	14.4%	14.4%	14.3%	14.6%	14.4%
BU49	Alloc Corp BU 49-Human Res.	72.0%	72.2%	71.3%	72.8%	72.0%
BU55	Alloc Corp BU 55-President's Office	72.0%	72.2%	71.3%	72.8%	72.0%
BU201	Alloc Corp BU 201-Infor.Sys	72.0%	72.2%	71.3%	72.8%	72.0%
BU203	Alloc Corp BU 203	57.0%	55.7%	55.1%	54.8%	54.0%
BU213	Alloc Corp BU 213	72.0%	72.2%	71.3%	72.8%	72.0%
BU214	Alloc Corp BU 214	72.0%	72.2%	71.3%	72.8%	72.0%
BU226&BU222	Alloc Corp BU 226&222	72.0%	72.2%	0.0%	0.0%	0.0%
BU227	Alloc Corp BU 227	17.3%	16.7%	16.5%	17.4%	16.7%
BU220	Alloc Corp BU 220 - VP Fin & Admin	72.0%	72.2%	8.4%	72.8%	72.0%
BU230	Alloc Corp BU230 - Payroll	72.0%	72.2%	71.3%	72.8%	72.0%
BU232	Alloc Corp BU232 - Accounts Payable	72.0%	72.2%	71.3%	72.8%	72.0%
BU233	Alloc Corp BU233 - Financial Planning	59.7%	59.9%	59.1%	60.4%	59.8%
BU40	Alloc Corp BU40 - Board of Directors	0.0%	0.0%	0.0%	0.0%	0.0%
BU2011	Alloc Corp BU2011 - Regina Area General	0.0%	0.0%	0.0%	0.0%	0.7%
BU2017	Alloc Corp BU2017 - SouthEast Area General	0.0%	0.0%	0.0%	0.0%	0.7%
BU2025	Alloc Corp BU2025 - SouthWest Area General	0.0%	0.0%	0.0%	0.0%	0.7%
BU2033	Alloc Corp BU2033 - Saskatoon Area General	0.0%	0.0%	0.0%	0.0%	0.7%
BU2043	Alloc Corp BU2043 - North Area General	0.0%	0.0%	0.0%	0.0%	0.7%
300	VP ENGINEERING, INTEGRITY & CONSTRUCTION	7.0%	17.0%	17.0%	17.0%	11.9%
330	ENVIRONMENT	36.0%	36.0%	36.0%	36.0%	36.0%
140	TGL MARKET SERVICES AND SYSTEM MANAGEMENT	1.0%	1.0%	1.0%	0.0%	0.0%
142	TRANSGAS CUSTOMER SERVICES	0.0%	0.0%	0.6%	0.0%	0.0%
147	POLICIES, RATES & REGULATIONS	0.0%	0.0%	0.0%	0.0%	0.0%
323	FACILITY PLANNING	0.0%	0.0%	0.0%	0.0%	0.0%
320	SYSTEM CONTROL	20.0%	20.0%	20.0%	20.0%	20.0%
325	SCADA	31.8%	32.0%	31.9%	0.0%	0.0%
Engineering & Technology & System Integrity and Standards						
305	ENGINEERING & TECHNOLOGY	9.3%	10.7%	10.4%	5.8%	7.2%
306	DIVISIONAL OVERHEAD	12.6%	10.1%	10.4%	0.0%	0.0%
307	SYSTEM INTEGRITY PROGRAMS	15.8%	20.7%	20.2%	21.1%	21.1%
308	PIPELINE ENGINEERING	25.0%	0.0%	0.0%	0.0%	0.0%
315	MEASUREMENT ENGINEERING AND OP SUPPORT	20.0%	20.0%	20.0%	19.7%	23.5%
310	ELECTRICAL AND AUTOMATION ENGINEERING	0.0%	2.0%	9.0%	18.0%	16.5%
312	SUPPORT SERVICES	4.0%	4.0%	14.0%	22.8%	23.4%
313	COSTS CAPITALIZED	0.0%	0.0%	0.0%	0.0%	0.0%
314	SYSTEM INTEGRITY & STANDARDS	36.6%	39.4%	38.1%	44.2%	43.9%
Transmission Operations						
53110	MOBILE COMPRESSORS	0.0%	0.0%	0.0%	0.0%	0.0%
56001	EXEC DIR TRANSMISSION OPERS	0.0%	0.0%	0.0%	2.0%	0.0%
56100	PLANT MAINTENANCE	0.0%	0.0%	0.0%	0.0%	0.0%
84001	OPERATIONS TRAINING	0.0%	0.0%	0.0%	0.0%	0.0%
	SOUTH DISTRICT	0.0%	0.0%	0.0%	0.0%	0.0%
	NORTH DISTRICT	0.0%	0.0%	0.0%	0.0%	0.0%
	REGINA AREA	0.0%	0.0%	0.0%	0.0%	0.0%
	SOUTH EAST AREA	0.0%	0.0%	0.0%	0.0%	0.0%
	SOUTH WEST AREA	0.0%	0.0%	0.0%	0.0%	0.0%
	SASKATOON AREA	0.0%	0.0%	0.0%	0.0%	0.0%
	NORTH AREA	0.0%	0.0%	0.0%	0.0%	0.0%
	Alloc Corp BU56001-Dir Trans Ops	4.8%	1.1%	1.1%	1.1%	1.4%
	Alloc Corp BU56100-Plant Maintenance	0.0%	0.0%	0.0%	0.0%	1.4%
	Alloc Corp BU62001-North District	0.0%	0.7%	0.7%	0.7%	0.0%
	Alloc Corp BU71001-South District	0.0%	0.7%	0.7%	0.7%	0.0%
	Alloc Corp-Regina Area	0.0%	0.0%	0.0%	0.0%	1.4%
	Alloc Corp-South East Area	0.0%	0.0%	0.0%	0.0%	1.4%
	Alloc Corp-South West Area	0.0%	0.0%	0.0%	0.0%	1.4%
	Alloc Corp-Saskatoon Area	0.0%	0.0%	0.0%	0.0%	1.4%
	Alloc Corp-North Area	0.0%	0.0%	0.0%	0.0%	1.4%

SASKENERGY – PRE-ASK RESPONSES

#7. Transportation and Storage Rate Changes

Please provide a table similar to Table 3-17 from the September 2017 Consultant’s Report that shows changes in the transportation and storage rates. Please show year-over-year changes, as well as forecast changes in transportation and storage rates.

Transportation and Storage Rate Changes

Effective Date	L11 Delivery Transportation				Storage		
	Demand Charge, \$ per GJ/d per month	% Change	Impact on Expenses, \$ million	Withdrawal Charge, \$ per GJ/d per month	Capacity Charge, \$ per GJ/d per month	% Change	Impact on Expenses, \$ million
February 1, 2009	\$3.7976			\$1.3943	0.0295		
February 1, 2012	\$4.0830	7.5%	\$1.8	\$1.6939	0.0250	1.0%	\$0.2
March 1, 2013	\$4.1405	1.4%	\$0.3	\$1.8026	0.0266	6.4%	\$0.8
January 1, 2014	\$4.2813	3.4%	\$1.0	\$1.8855	0.0278	4.6%	\$0.7
January 1, 2015	\$4.4269	3.4%	\$1.0	\$1.9579	0.0289	3.9%	\$0.7
January 1, 2016	\$4.4269	0.0%	\$0.0	\$1.7955	0.0352	5.8%	\$1.0
January 1, 2017	\$4.4269	0.0%	\$0.0	\$1.7955	0.0352	0.0%	\$0.0
May 1, 2018	\$4.6881	5.9%	\$1.9	\$1.9014	0.0373	5.9%	\$0.8

2019-20 Forecast	3% - 5%	\$1.0 - \$1.7		3% - 5%	\$0.7 - \$1.2
2020-21 Forecast	3% - 5%	\$1.1 - \$1.8		3% - 5%	\$0.8 - \$1.3
2021-22 Forecast	3% - 5%	\$1.1 - \$1.8		3% - 5%	\$0.8 - \$1.3

Please note that the April 1, 2018 numbers included in the September 2017 Consultant’s Report were an estimate. The new Transportation and Storage rates were effective May 1, 2018.

SASKENERGY – PRE-ASK RESPONSES

#8. Plant in Service Continuity Schedule

Please provide a table similar to format provided below that includes a continuity schedule of the total plant in service, including accumulated amortization.

Plant in Service Continuity Schedule (\$000s)

	2013	2014	2015	2016/17	2017-18	2018-19	2019-20
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Description							
Plant In Service At Cost Opening Balance	1,022,326	1,114,850	1,231,420	1,385,025	1,488,512	1,593,480	1,723,615
Customer Contributions - Opening Balance	(162,976)	(181,654)	(203,335)	(228,515)	(249,189)	(269,874)	(291,154)
Additions - Plant in Service	102,528	123,996	139,202	111,462	112,951	137,302	177,695
Disposals and Adjustments - Plant In Service	(10,004)	(7,426)	(10,845)	(7,975)	(7,983)	(7,168)	-
Additions Customer Contributions	(18,678)	(21,682)	(20,537)	(20,674)	(20,686)	(21,280)	(24,146)
Plant In Service At Cost Ending Balance	1,114,850	1,231,420	1,359,777	1,488,512	1,593,480	1,723,615	1,901,310
Customer Contributions - Ending Balance	(181,654)	(203,335)	(223,872)	(249,189)	(269,874)	(291,154)	(315,301)
Plant in Service at Cost Ending Balance (net)	933,196	1,028,084	1,135,905	1,239,323	1,323,606	1,432,460	1,586,009
Accumulated Depreciation - Opening Balance	386,366	414,958	436,255	471,072	503,329	537,114	576,446
Amortization of Customer Contributions - Opening Balance	(37,470)	(41,472)	(46,001)	(52,260)	(57,810)	(63,800)	(70,230)
Depreciation Expense	38,501	28,723	37,830	40,232	42,396	46,500	48,720
Disposals & Adjustments - Accumulated Depreciation	(9,909)	(7,426)	(10,785)	(7,975)	(8,612)	(7,168)	-
Amortization of Customer Contributions	(4,002)	(4,529)	(4,946)	(5,550)	(5,990)	(6,429)	(6,926)
Accumulated Depreciation - Closing Balance	414,958	436,255	463,301	503,329	537,114	576,446	625,165
Amortization of Customer Contributions Closing Balance	(41,472)	(46,001)	(50,947)	(57,810)	(63,800)	(70,230)	(77,156)
Accumulated Depreciation (net)	373,486	390,255	412,355	445,519	473,314	506,216	548,009
Net Book Value	559,710	637,830	723,550	793,804	850,292	926,244	1,038,000

*The opening balance in the 2016-17 Actual incorporated March 2016 actual results as a opening balance not December 2015 actual results

*Plant and Service and Depreciation expense detail within ratebase excludes decommissioning assets as the asset is a non-cash asset and is not subject to a return on investment.

*Opening and closing balances are based on a 13 month average

SASKENERGY – PRE-ASK RESPONSES

#9. Calculation of Depreciation Expense

Please provide a table that shows the calculation of the depreciation expense for the test year in format similar to the table provided below.

Calculation of Depreciation Expense (\$000s)

	Mid Year 2019-20 Plant in Service	Avg. Depreciation Rates	Calculated 2019/20 Depreciation Expense	Decommissioning Asset Depreciation	Total 2019/20 Depreciation Expense
Distribution Plant					
Land Costs	\$ 468	0.0%	\$ -	\$ -	\$ -
Land Rights	13,068	2.0%	257	-	257
Bldg & Site Improvements	87,836	2.9%	2,575	73	2,648
Services	491,933	2.1%	10,169	3,153	13,322
Meter & Regulatory Stations	110,600	2.1%	2,288	-	2,288
Mains	715,413	1.7%	12,501	955	13,456
Measuring & Regulation Equipment	67,310	2.3%	1,570	136	1,706
Meters	118,541	2.9%	3,419	-	3,419
Other Distribution Equipment	24,907	2.8%	704	29	734
					-
General Plant					
Land	\$ 5,043	0.0%	\$ -	\$ -	\$ -
Buildings and Improvements	72,099	4.4%	3,159	-	3,159
Office Furniture and Equipment	9,673	5.4%	520	-	520
Transportation Vehicles	26,210	6.8%	1,789	-	1,789
Heavy Work Equipment	28,357	3.9%	1,117	-	1,117
Tools and Equipment	12,965	6.2%	798	-	798
Information System Assets	116,886	8.7%	10,156	-	10,156
Total	1,901,310		51,022	4,347	55,369
	\$ -				
Amortization of Customer Contributions					(7,183)
Depreciation Expense for the Revenue Requirement					<u>48,186</u>

*Plant and Service and Depreciation expense detail within ratebase excludes decommissioning assets as the asset is a non-cash asset and is not subject to a return on investment.

**Depreciation on additions into the rate base each year begins mid year and the asset base may be higher than the average at that time.

SASKENERGY – PRE-ASK RESPONSES

#10. Corporate Tax Expense

Please provide a table that shows the calculation of the corporate tax expenses in format similar to Table 3-20 from the September 2017 Consultant's Report. Please include information for prior years [actual fiscal and forecast fiscal results as well as prior test year and current test year forecasts].

SaskEnergy does not calculate corporate capital tax on a test year. In past applications, SaskEnergy provided fiscal year forecasts, than inserted the total for the test year in between based on a sum of the months included.

Corporate Tax Expense Forecast Compared to Actuals (\$000s)

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>
Net Book Value	1,023,455	1,099,944	1,204,287	1,323,817
less UCC (1)	655,880	706,848	781,777	885,190
Income Tax Deduction	367,575	393,096	422,510	438,627
Retained Earnings and Equity	392,738	465,178	519,658	548,130
Loans and Advances	1,288,690	1,337,817	1,440,754	1,576,054
Interest Payable	10,769	11,601	12,620	16,056
less: Income Tax Deduction	(367,575)	(393,096)	(422,510)	(438,627)
Total Paid up Capital	1,324,622	1,421,501	1,550,521	1,701,613
less: Standard Exemption	(10,788)	(10,762)	(10,788)	(10,788)
Taxable Paid up Capital	1,313,834	1,410,739	1,539,733	1,690,825
less Investment Allowance	(526,281)	(537,043)	(526,281)	(526,281)
Taxable Paid up Capital	787,553	873,697	1,013,452	1,164,544
Rate	0.6%	0.6%	0.6%	0.6%
Corporate Capital Tax Expense	<u>4,725</u>	<u>5,242</u>	<u>6,081</u>	<u>6,987</u>

Note: UCC refers to Undepreciated Capital Cost

SASKENERGY – PRE-ASK RESPONSES

#11. Calculation of Average Cost of Debt

Please provide a table that shows the calculation of the average cost of debt in format similar to the sample table provided below.

Calculation of Average Cost of Debt

	Issue Date	Maturity Date	Outstanding Balance	Interest Rate	Interest Expense
Bond #34	4-Dec-98	5-Mar-29	25,000,000	5.75%	1,437,500
Bond #35	24-Mar-99	5-Mar-29	25,000,000	5.60%	1,400,000
Bond #36	2-May-00	2-May-20	11,814,000	6.67%	787,994
Bond #37	2-Jun-00	2-Jun-20	13,572,000	6.70%	909,324
Bond #38	3-Jul-00	3-Jul-20	8,585,000	6.57%	564,035
Bond #40	8-Aug-01	5-Sep-31	50,000,000	6.40%	3,200,000
Bond #52	14-Nov-08	1-Jun-40	75,000,000	5.19%	3,892,500
Bond #56	12-Mar-12	3-Feb-42	25,000,000	3.40%	850,000
Bond #57 -1	17-Jan-14	2-Jun-45	50,000,000	3.90%	1,950,000
Bond #57 - 2	17-Jan-14	2-Jun-45	50,000,000	3.90%	1,950,000
Bond #58	28-Mar-14	3-Jun-24	50,000,000	3.20%	1,600,000
Bond #60	13-Feb-15	2-Jun-45	10,000,000	3.90%	390,000
Bond #63	20-Oct-16	2-Dec-46	50,000,000	2.75%	1,375,000
Bond #65	16-May-17	2-Jun-48	50,000,000	3.30%	1,650,000
Bond #65B	31-May-18	2-Jun-48	50,000,000	3.30%	1,650,000
Avg. Forecast	1-May-19	1-May-49	75,000,000	3.89%	2,677,705
Total Long Term Debt			618,971,000		26,284,058
Amortization of Debt Costs			(5,130,713)		226,878
Debt Retirement Funds			(65,062,000)		(2,360,790)
Total as at Mar 31, 2020			548,778,287		24,150,146
Calculated Average Cost of Long Term Debt				4.40%	

SASKENERGY – PRE-ASK RESPONSES

#12. Continuity Schedule of Decommissioning Liability

Please provide a continuity schedule for the Decommissioning Liability in format similar to the table provided below.

Please also illustrate how decommissioning liability is removed from rate base or if the accumulated balance of accretion expense included as no cost capital which reduces the weighted average cost of capital. See for example, Newfoundland and Labrador Hydro (NLH) which provides a continuity schedule for Funded Asset Retirement Obligation in the rate application [NLH's 2017 GRA, Schedule 4-II, Page 9 of 9].

Continuity Schedule of Decommissioning Liability (\$000)

	Continuity Schedule of Decommissioning Liability (\$000s)					
	2013	2014	2015	2015/2016*	2016/17	2017/18
	Actual	Actual	Actual	Actual	Actual	Actual
Opening Balance	\$ -	\$ 53,018	\$ 73,560	\$ 89,113	\$ 104,292	\$ 100,089
Additions/Disposals	51,240	18,621	13,526	14,650	(6,269)	(2,088)
Accretion	1,778	1,921	2,027	530	2,066	2,428
Ending Balance	<u>\$ 53,018</u>	<u>\$ 73,560</u>	<u>\$ 89,113</u>	<u>\$ 104,292</u>	<u>\$ 100,089</u>	<u>\$ 100,428</u>

	Continuity Schedule of Decommissioning Asset (\$000s)					
	2013	2014	2015	2015/2016*	2016/17	2017/18
	Actual	Actual	Actual	Actual	Actual	Actual
Opening Balance	\$ -	\$ 50,453	\$ 69,354	\$ 81,467	\$ 96,383	\$ 88,436
Additions/Disposals	53,035	21,457	15,472	15,804	(3,652)	1,744
Depreciation	(2,582)	(2,556)	(3,360)	(887)	(4,296)	(4,025)
Ending Balance	<u>\$ 50,453</u>	<u>\$ 69,354</u>	<u>\$ 81,467</u>	<u>\$ 96,383</u>	<u>\$ 88,436</u>	<u>\$ 86,155</u>

*2015-16 Actual reflects a three month period between Mar 2016 and Dec 2015 as it was at this time that reporting changed from calendar year (Jan to Dec) to fiscal year (Apr to Mar)

SASKENERGY – PRE-ASK RESPONSES

#13. Actual and Weather Normalized Return on Equity

Please provide a table that illustrates actual and weather normalized ROE in format similar to Table 3-27 from the September 2017 Consultant's Report [excerpted below]. Please include additional actual fiscal year results for 2016/17.

Actual and Weather Normalized Return on Equity

SaskEnergy Incorporated - Distribution Utility Return on Equity - 13 Years Historical															
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	5 Year Average	10 Year Average
Actual ROE	7.7%	7.2%	8.5%	8.5%	10.6%	7.9%	8.3%	12.4%	10.2%	3.3%	0.6%	9.1%	20.8%	8.8%	9.2%
Weather Normalized ROE	8.0%	9.5%	8.2%	2.4%	10.6%	6.3%	9.7%	9.0%	4.5%	8.0%	7.0%	11.4%	18.6%	9.9%	8.7%

SaskEnergy Incorporated - Consolidation Return on Equity - 13 Years Historical															
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	10.3%	11.1%
Actual ROE	14.7%	15.4%	12.5%	13.5%	10.8%	13.6%	11.0%	11.0%	6.5%	12.3%	11.6%	8.8%	12.2%	10.3%	11.1%
Weather Normalized ROE	14.8%	16.3%	12.4%	11.2%	10.8%	13.1%	11.4%	10.0%	2.4%	14.2%	13.9%	9.6%	11.4%	10.3%	10.8%

SASKENERGY – PRE-ASK RESPONSES

#14. Total Actual and Forecast Capital Spending

Please provide a table that shows actual and forecast capital spending by categories by year in format similar to Table 5-1 from the September 2017 Consultant’s Report. Please include actual results for fiscal years 2015/16 and 2016/17 and fiscal year forecast for 2017/18 through to 2022/23.

	Total Actual and Forecast Capital Spending (\$ millions)								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	
DISTRIBUTION									
Customer Connections	\$ 48.3	\$ 37.7	\$ 37.2	\$ 53.8	\$ 55.6	\$ 31.8	\$ 31.8	\$ 31.8	
System Improvements	40.2	52.8	53.1	56.8	67.6	68.9	68.3	73.2	
Gas Measurement	14.1	6.4	8.0	7.7	6.8	9.2	8.7	8.7	
Tools/ Stations/GIS	0.9	1.0	1.0	1.4	1.6	1.2	1.4	1.1	
Sub-Total	\$ 103.6	\$ 97.8	\$ 99.2	\$ 119.7	\$ 131.6	\$ 111.0	\$ 110.2	\$ 114.8	
GENERAL PLANT									
Information Systems	\$ 8.9	\$ 10.5	\$ 10.5	\$ 21.9	\$ 25.7	\$ 23.6	\$ 28.3	\$ 12.0	
Vehicles	4.6	3.2	6.3	5.3	4.9	5.0	5.0	5.0	
Building/Furniture	0.9	1.7	2.1	22.8	12.1	4.8	16.5	11.3	
Regulators	0.7	0.5	0.5	0.7	0.7	0.7	0.7	0.7	
Sub-Total	\$ 15.1	\$ 15.9	\$ 19.5	\$ 50.6	\$ 43.3	\$ 34.0	\$ 50.4	\$ 28.9	
Total Capital Expenditures	\$ 118.8	\$ 113.7	\$ 118.7	\$ 170.2	\$ 174.9	\$ 145.0	\$ 160.7	\$ 143.7	
Customer Contributions	\$ (21.9)	\$ (20.2)	\$ (25.0)	\$ (23.1)	\$ (24.4)	\$ (14.1)	\$ (14.1)	\$ (14.1)	
Net Capital Expenditures	\$ 96.9	\$ 93.6	\$ 93.6	\$ 147.1	\$ 150.5	\$ 131.0	\$ 146.6	\$ 129.7	
Annual Change		(3.4)	0.1	53.5	3.4	(19.6)	15.6	(17.0)	
Annual Change %		-3%	0%	57%	2%	-13%	12%	-12%	

SASKENERGY – PRE-ASK RESPONSES

#15. Target and Actual Leak Rate

Please provide a table that shows target and actual leak rates per 1000 km of main in format similar to Table 6-1 of the September 2017 Consultant's Report. Please provide an explanation for year over year changes in 2016 (over 2015) and in 2017 (over 2016).

Target vs. Actual Combined Leak Rate per 1000 km of Main (2013 to 2017)

Year	Actual Leak Rate	Target Leak Rate	Explanation for Increase/Decrease
2013	5.99	7.7	Material and construction defects showed up in leak statistics, adding 20 additional leaks by this factor. These related to a type of fitting no longer used by SaskEnergy. A high snowmelt and wet year also resulted in more pulled services
2014	5.99	6.9	Geotechnical leaks at Last Mountain Lake increased substantially due to wet weather, high snow fall and snow melt, and extreme cold weather throughout winter months. Wet and freezing conditions caused a high reported geotechnical leak rate.
2015	5.88	6.0	Line hits increased outside of the two major centres causing an increased in leaks.
2016	5.32	5.8	All categories are down, credited to dry year, service upgrade program and damage prevention efforts.
2017	6.34	5.7	This number is above target due to the increased external interference leaks related to the long dry digging season. The pulled services/natural forces leaks were also up due to the start of a curb valve issue in Saskatoon late in 2017 that continued in 2018.

SASKENERGY – PRE-ASK RESPONSES

#16. Total Leaks and Leak Cause

Please provide a table that shows the actual leak rates per 1000 km of main by leak cause and total annual spending each year in format similar to Table 6-2 and Table 6-3 from the September 2017 Consultant's Report.

Total Leaks and Leak Cause: 2013 to 2017

Year	Leaks / 1,000 km of Mains	KMs of Main	Pulled Service	Material Defects	Corrosion	Other*	Total Leaks**	Spending included in OM&A***
2013	5.99	68,092	134	20	10	244	408	\$2.5 Million
2014	5.99	68,613	142	28	14	227	411	\$2.2 Million
2015	5.88	69,027	86	35	14	271	406	\$3.1 Million
2016	5.32	69,547	73	33	17	247	370	\$3.2 Million
2017	6.34	70,180	88	50	16	291	445	\$3.3**** Million

*Other includes lightening, rodents, grease plugs, flange gaskets

** Total Underground Leaks Reported includes customer and line hits

***Safety and Integrity Spending included in OM&A for cathodic protection and leak surveys

**** OM&A spending after 2016 is for split fiscal year. All other years are calendar

Other Leaks Category from 2013 to 2017

	2013	2014	2015	2016	2017
Pulled Service/Natural Forces	134	142	86	73	88
Material Manufacturing or Construction Defect	20	0	35	33	50
Corrosion/Degradation	10	14	14	17	16
Other	244	227	271	247	291
Equipment Malfunction	6	15	19	30	30
External Interference	192	189	217	154	194
Incorrect Operation	43	17	19	23	14
Unable to classify	3	6	16	40	53
Total Leaks	408	383	406	370	445

SASKENERGY – PRE-ASK RESPONSES

#17. Actual Average Response Time and Location of Safety Calls

Please provide a table that shows the actual average response time for the safety calls as well as other statistical information in format similar to Tables 6-5 and Table 6-6 from the September 2017 Consultant's Report [excerpted below].

Actual Average Response Time and Location of Safety Calls

	Response Time Minutes	Response		
		Time (All Safety Calls)	Rural Response Time	Urban Response Time
2011	39	24	34	16
2012	40	24	34	16
2013	44	24	33	16
2014	45	23	32	16
2015		22	29	15
2016		23	33	17
2017		25	39	24
2018 *		24	40	22

* January to June

Actual Lost Time Injuries, Medical Aid and Preventable Vehicle Collisions

	2010	2011	2012	2013	2014	2015	2016	2016/17	2017/18
Lost Time Injuries	13	20	13	11	10	7	12	11	13
Medical Aids (MA)	11	11	15	13	12	11	6	4	9
Preventable Vehicle Collisions (PVC)	33	23	39	30	22	20	26	22	27
Total Recordable Injury Frequency Rate*	2.51	3.24	2.91	2.46	2.22	1.86	1.93	1.63	2.43
PVC Frequency Rate**	2.69	1.83	2.94	2.35	1.69	1.47	2.04	1.74	2.12

*Corporate Total Recordable Injury Frequency Rate is the sum of the Lost Time Injuries and Medical Aid multiplied by 200,000 and divided by total hours worked

**Corporate PVC Frequency Rate is the number of Preventable Vehicle Collisions multiplied by 1 million and divided by the total KMs driven