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May 12, 2022

Saskatchewan Rate Review Panel
P.O. Box 1301
Saskatoon, Saskatchewan
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RE: Aleana Young submission on May 3, 2022.

SaskPower appreciates the submission from Aleana Young, Official Opposition Critic for SaskPower and the MLA for Regina University, regarding our 2022 and 2023 Rate Application. We are grateful for the opportunity to address the recommendations presented.

“I urge the Panel to reject this 4 and 4, this 8% increase to rates and implore you to recommend to cabinet the following:

- 1. That SaskPower freeze rates for Saskatchewan people, who cannot afford additional costs” (Aleana Young)***

SaskPower does not take rate applications lightly and we understand how rate increases can negatively impact families and businesses in Saskatchewan. The decision to file a rate application requires a careful balance between providing a reliable, sustainable source of electricity, reducing emissions, ensuring the financial health of the company, and being considerate of the impact of rate increases on our customers.

SaskPower has not raised rates since March 2018. Over the past four years SaskPower avoided the need for a rate increase through efficiency efforts, combined with low natural gas prices and above median hydroelectric generation availability.

The rate application request is driven by significant increases in our fuel and purchased power expense forecasts in 2022-23 and 2023-24. The increase in fuel and purchased power expense is largely driven by higher natural gas prices and the addition of renewable generation capacity in our fleet.

If the rate application is approved as presented, SaskPower is forecasting a net income of \$6 million in 2022-23. If rates are frozen and the rate increases are denied, SaskPower is forecasting losses in both 2022-23 and 2023-24.

2. And that CIC place a moratorium on SaskPower dividend payments – regardless of year-to-year profitability – until the challenges facing SaskPower’s power generation, transmission and distribution are addressed (Aleana Young).

SaskPower is subject to the Crown Investment Corporation (CIC) Subsidiary Crown Dividend Policy. As per the CIC Dividend Policy the annual dividend amount is to be determined by the CIC Board of Directors during its annual review of the Crown Performance Management and Capital Allocation Plans.

SaskPower appreciates the submission from Aleana Young, Official Opposition Critic for SaskPower and the MLA for Regina University. Our company values the participation of all stakeholders in the rate review process and welcomes continuing dialogue as we strive to provide our customers with reliable, sustainable and cost-effective power.