Good afternoon,

I’m Aleana Young, and I’m the Official Opposition Critic for SaskPower, and the MLA for Regina University.

I’m here to offer comment on the submission that SaskPower has made to the Rate Review Panel.

SaskPower is essentially asking for an 8% rate increase in the next calendar year. In addition, the shift in it’s Revenue to Revenue Required ratios will change rates for each class of service. Residential customers will see a rate change of 5%, farms of 6.3%, small commercial of 3.6%, and contract rates of 4.3%. The goal of changing rates to reflect a revenue to revenue required ration to 1 is understood to apply only to customers who pay separate demand and energy charges. However - at a time with such uncertainty, the need for true economic recovery, industrial competitiveness, and cost of living relief, an 8% increase is unacceptable.

What I’m here to say tonight is that while SaskPower is facing pressures – cost of fuel, changing emissions standards, aging infrastructure, and a need for investment – it is uneconomic and illegitimate to pass this pressure on to customers, while providing $15M this year in a dividend payment to the province. The customers the Corporation serves are struggling with these self-same pressures. There is an affordability crisis in this province, made worse by COVID, but one that existed prior to the pandemic. Mortgage arrears, late payments of bills, credit card debt, child poverty and hunger, food and fuel costs – Saskatchewan is a woeful leader in these tragic indicators.

It is not the time to raise rates. It is a time to ensure that life, business, and operations remain as affordable as possible for Saskatchewan people. Our Crowns should work for us.

This 4 and 4, or 8% increase will represent the third – or third and fourth – increase in power rates since 2016.

Rates increased 5% in July 2016. In March 2018, they increased 3.5%, after a 5% rate increase application was met with historic pushback.

Then in November 2020 to be fair – rates were reduced for a single year, by a flat 10%, at a cost of 262M from GRF. Of that, $58.9M was rebated to residential customers, $48.1M to commercial, 17.4M to farm, 42.9M to oilfield, 77.7M to power class, and 17.7M to reseller classes, the cities of saskatoon and swift current. As we know, this rebate ended in November 2021. Saskatchewan people received a small temporary rebate, only to be asked for it back, in perpetuity, 3 months later.

But to the here and now. SaskPower is requesting an increase 4% in September and 4% in April of 2023. This will represent an 16 % increase in power rates since 2016.

Back in 2018, the rate review panel said that 5% was too steep, citing concerns with impacts on individuals and businesses, and noting that the “trend line was up”. An 16% increase in 6 years, is significant for all classes of customers, especially during a period of critical economic recovery.

This awareness exists within the government. On April 4th, in the Standing Committee on the Economy, the Ministry for Trade and Export spoke extensively on Saskatchewan's capital investments, and tax incentives being utilized to attract them. Tax credits can be successful economic tools, but the Minister cited them not as optional, but as a necessity for attracting investment, due to Saskatchewan's uncompetitive power rates.

SaskPower has also spoken about the increased cost of cleaner generation. Last night, I had the opportunity to participate in the Budgetary estimates for SaskPower at the Committee on Crown and Central Agencies. While Hansard is not yet available, there were discussions about power-purchase agreements, independent power producers, and ongoing challenges associated with the heightened cost SaskPower pays per kWh. During discussions, officials spoke to power purchasing agreements, supporting new generators – IPPS, at a higher cost to support them – not pursuing the lowest cost power. We certainly need an 'all of the above' approach to power generation, but citing increased costs when they're paid by choice, is not reason to raise rates on families and customers, by 8%

As you are all aware, the provincial government ran the largest deficit in the history of our province over the 2020-21 fiscal year. Under the summary financial reporting system that the provincial government adopted in 2014, all Crown corporation revenues are treated as income on the province's books. Higher rates may mean higher revenues which may mean higher dividend payments

Contributions from Crown corporations may be politically and economically expedient for a government facing a historic level of debt and deficit, however, SaskPower is obligated to consider the economic realities of the province and its customers.

There is no justification for raising rates, when $15M is being taken as a dividend, as SaskPower is projecting a $28M loss being in 2022/23 should they not acquire this 8% rate increase.

Our Crown corporation cannot be forced to come cap in hand to the Rate Review panel, asking families and working people, seniors on fixed incomes to add 8% to their power bills, while the utility has to contribute nearly $50M to the general revenue fund.

The bottom line is that SaskPower is being challenged. Spending choices over the past decade are an albatross, and federal regulations mean choices will have to be made.

But as a Crown corporation, dedicated to providing steady, reliable, affordable power to the province of Saskatchewan, the challenges they seek to address are being created by an over-reliance by uneconomic power purchase agreements, past misspending, stranded assets, and the over-utilization of dividend payments by CIC and the provincial government.

Without a freeze on dividend payouts and responsible generation planning, the debt of SaskPower, and the province may balloon. With a potential – albeit highend – cost of $5B per unit, the four SMRs being proposed by the Minister will double the government's net debt and undermine the cost of electricity to levels that will undermine the economy and families.

There will be submissions from organizations and individuals, representing different customer classes, and interests. I look forward to reading them and know the panel will take them all into consideration.

At this time, Saskatchewan people are facing an affordability crisis. By the government's own numbers, inflation is up 3.6%; food costs are skyrocketing; phone, natural gas, filling up your tank, PST – all through the roof. According to the CFIB, 2/3s of small businesses are still struggling to recover. Saskatchewan families and customers cannot bear an 8% rate increase in the next calendar year.

So in closing - I urge the panel to reject this 4 and 4, this 8% increase to rates, and implore you to recommend to cabinet the following:

That SaskPower freeze rates for Saskatchewan people, who cannot afford additional costs.

and that CIC place a moratorium on SaskPower dividend payments – regardless of year-to-year profitability – until the challenges facing Saskatchewan's power generation, transmission and distribution are addressed.