# COMPLETE RESPONSES TO ROUND 2 INTERROGATORIES FROM THE SASKATCHEWAN RATE REVIEW PANEL

[2022 and 2023 Rate Application]

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q1** **Reference: Carbon Charges and SRRP Q8**

a) With reference to the response to SRRP Q8 (a), please confirm that SaskPower is subject to the federal Output-Based Pricing Regulation and that increases to the carbon charge rate is effective January 1st of each year. If not confirmed, please identify the effective date of carbon charge rate changes applicable to SaskPower.
b) Has SaskPower had any conversations with the provincial or federal governments about the possibility of returning carbon charge revenues to SaskPower to invest in or offset the cost of renewable generation, energy efficiency or other uses? If so, please provide a summary that can be made public of any such discussions to date.
c) Please provide a table showing the actual and forecast emissions intensity by electricity generation source for fiscal years 2018-19 to 2023-24 as well as calendar years 2018 through 2024.
d) With reference to the response to SRRP Q8 (a), please provide a link to the specific Government of Canada regulations setting the allowable thresholds for gas units and coal units, including the declining allowable threshold for new gas units.
e) With reference to the response to SRRP Q8 (a), please provide a table summarizing: the gas units subject to the declining allowable threshold, the threshold amounts applicable to each unit for calendar years 2018 through 2024, and the amount of actual or forecasted volume produced by each unit subject to the declining allowable threshold in calendar years 2018 through 2024.

**Response:**

a) Carbon prices for industrial emissions regulated by the Output-Based Pricing System (OBPS) are effective January 1 and apply to calendar year emissions. While Saskatchewan has submitted a proposal to Canada to assume control of carbon pricing, SaskPower's carbon tax obligations, whether provincially or federally regulated, will utilize the following rates per the updated federal benchmark for carbon pollution pricing systems in Canada (2023-2030):

| Calendar Year | $CO_2$ Tax Rate[1] ($/tonne $CO_2$) |
|---|---|
| **2022** | 50 |
| **2023** | 65 |
| **2024** | 80 |

[1] Update to the Pan-Canadian Approach to Carbon Pollution Pricing 2023-2030 - Canada.ca

b) Ongoing discussions are taking place between the Provincial and Federal governments on how the funding will be dispersed once it has been returned to the Province of Saskatchewan.

c) Emissions intensities from generation sources depend on the engineered capabilities of the technology and the fuel used, as well as mode of operation. The mode of operation may result in wide-ranging results for some generation sources, as the generators respond

to peak system load requirements and the availability of other electricity sources, such as hydro, wind, and solar. Accordingly, projections are based on the capability of the generation source and the characteristics of the fuel, which does not vary significantly from year to year, or for fiscal year versus calendar year. The relevant variable is the proportion of time the unit operates as baseload generation, which results in performance closest to its engineered capacity, versus as a load-following role, which results in greater emissions intensity on average. In the table below, conventional coal units, natural gas cogeneration units, and combined cycle gas turbines (CCGTs) typically operate in baseload mode, whereas simple cycle gas turbines (SCGTs) operate sometimes as baseload but most often as load support.

| **Generation Source** | **Low Range of Emission Rates** (tonne $CO_{2e}$/GWh) | **High Range of Emission Rates** (tonne $CO_{2e}$/GWh) | **Average Emission Rate[2]** (tonne $CO_{2e}$/GWh) |
|---|---|---|---|
| **Coal** | 1007 | 1141 | 1024 |
| **SCGT** | 394 | 840 | 609 |
| **CCGT** | 347 | 387 | 364 |
| **Cogeneration** | 484 | 530 | 509 |

[2] Emission rates are based on gross electricity produced and GHG calculated from fuel combustion.

d) Output-Based Pricing System Regulations (justice.gc.ca)
See Schedule 1 Item 38 and Section 36.1(2) for the relevant Output-based Standards.

e) Natural gas electricity generation facilities covered by carbon pricing regulations are subject to declining emission thresholds if generation begins on or after January 1, 2021. The first natural gas unit subject to this section of the federal regulations for SaskPower will be Great Plains Power Station, slated to become operational in 2024. Amendments to the OBPS Regulations effective January 1, 2021, removed an exemption for new facilities to produce for two calendar years following the date of first production before applying the compliance standard. New gas units will now be subject to carbon pricing as of the date of first production. As such, Great Plains Power Station will be subject to carbon pricing for emissions above 247 tonnes per gigawatt-hour for all production added to the grid when operationally available in 2024.

To illustrate the potential carbon pricing impact, consider the following example. Great Plains Power Station is expected to perform similarly to Chinook Power Station. Based on the performance characteristics of Chinook Power Station in 2021, Great Plains Power Station could produce emissions at a similar rate of 355.5 tonnes per gigawatt-hour, with 108.5 tonnes per gigawatt hour being above the threshold and subject to carbon pricing. Chinook Power Station produced 2,558 GWhs in 2021. If Great Plains Power Station produced a similar number of GWhs in 2024, at a price of $80/tonne of $CO_{2e}$, a full calendar year of operation in 2024 would result in a carbon tax of $22.2 million.

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**ROUND 2 SRRP Q2** **Reference: Carbon Charges**

a) With reference to the Compliance Options listed on pages 8 and 9 of the ECCC's Pan-Canadian Pricing Carbon Pollution: Interim Report (https://publications.gc.ca/collections/collection_2021/eccc/En4-423-1-2021-eng.pdf) please discuss:

i) If SaskPower has been able to utilize or plans to utilize surplus credits or offset credits as an alternative to paying the excess emissions charge for units that produce GHG emissions above their allowable thresholds.

ii) Whether there has been any cost saving realized as a result of the utilization of surplus credits or offset credits instead of paying the excess emissions charge.

**Response:**

i) SaskPower is responsible for regulatory charges incurred by its affiliated Independent Power Producers (IPPs), including annual carbon pricing obligations. However, for 2020 and 2021, the North Battleford Energy Centre (NBEC), operated by Northland Power, performed better than the pricing standard, resulting in 46,457 surplus credits in 2020 and 41,538 in 2021. By contract, SaskPower may claim these regulatory credits. This level of credit generation is very near the OBPS pricing threshold, so SaskPower cannot anticipate surplus credits in every year. However, these past surplus credits will be transferred to the SaskPower compliance account and will be retained for use in subsequent compliance years. SaskPower does not anticipate other sources of surplus credits from IPPs, however, Chinook Power Station may perform well enough to generate surplus credits in 2023, the year the facility would become subject to the federal OBPS.

No federal offset credits are yet available to regulated emitters under federal offset protocols, however, a modest quantity of offsets could be available from the Alberta emissions offset registry for use as "recognized units", if approved by Canada. Although the window for acquisition and transfer of Alberta offset credits to federally recognized units is closed for the current compliance year, SaskPower will explore this complex avenue of compliance to evaluate the financial risks and benefits for subsequent compliance years, if credits are available.

ii) To date, there has been only one opportunity to satisfy compliance obligations with an alternative form of credit. This was the 2020 surplus credits transferred to SaskPower from Northlands Power. Compliance for 2021 has not yet been finalized. As explained, the monetary value of these credits will grow with the escalating carbon charge rate and will be used in future years to substitute for cash payments on greater obligations. One limitation to this approach arises with the pending transfer of control of carbon pricing from the federal system to provincial control. As witnessed in Ontario and New Brunswick, credit accounts will be closed by Canada with the transfer to a provincial system. That would lead to using the accumulated balance of credits for compliance in the final year under the federal system, proposed to be 2022, when the carbon price is $50/tonne.

No offset credits have yet been acquired from Alberta Emission Offset System for conversion to recognized units under the federal OBPS.

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**ROUND 2 SRRP Q3** **Reference: Greenhouse Gas Emissions**

a) With reference to the Government of Canada's discussion paper on a clean electricity standard in support of a net-zero electricity sector (https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/achieving-net-zero-emissions-electricity-generation-discussion-paper.html#toc6) please discuss:
   i) Whether or not SaskPower's current integrated resource plan would achieve net-zero emissions by 2035. If not, please discuss when SaskPower intends to have a preliminary integrated resource plan developed that could achieve net-zero emissions by 2035.
   ii) Whether SaskPower has any preliminary estimates of the additional costs of achieving net-zero emissions by 2035.
   iii) Has SaskPower or the Province of Saskatchewan provided any submissions to the Government of Canada on the costs or feasibility of achieving net-zero emissions by 2035? If so, please provide a summary of the content of such submissions that can be made public.

**Response:**

i) SaskPower is completing a refresh of its long-term system plan in conjunction with public engagement on the future of electricity in Saskatchewan. See our public engagement page: Help Plan Our Power Future (saskpower.com) This plan is targeted for completion by mid-2023. It is currently anticipated that due to the Federal Clean Electricity Standard, a trajectory toward a net-zero GHG emissions electricity system by 2035 will be a focus of the long-term plan.

SaskPower engages in generation supply scenario planning on a regular basis. While our scenario planning was previously focused on a net-zero GHG electricity system for Saskatchewan by 2050, in response to the proposed Clean Electricity Standard our scenario work has pivoted to a target of 2035 in support of the refresh of our long-term system plan.

ii) As mentioned in response i), SaskPower is currently engaged in scenario planning related to a net-zero GHG electricity system by 2035. Analysis is not yet complete and verified on the incremental cost of advancing a net-zero GHG target from 2050 to 2035.

iii) Advancing a net-zero GHG target for Saskatchewan's electricity system from 2050 to 2035 will significantly compound the financial, logistical and technological challenges of developing a net-zero electricity system in our province. SaskPower and the Province of Saskatchewan continue to engage the Government of Canada to ensure there is an understanding of the potential impact of a net-zero GHG by 2035 requirement on electricity rates in Saskatchewan. To-date, detailed costing has

not been provided, as it is linked to the long-term system plan development and scenario analysis that is currently underway.

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**ROUND 2 SRRP Q4** **Reference: Greenhouse Gas Emissions and Response to SRRP Q100**

With reference to the response to SRRP Q100(a), please provide a table with the data used to create the "Annual GHG emissions" chart.

**Response:**

The data used to create the Annual GHG emissions chart provided in response to SRRP Q100 (a) is provided in the table below:

Annual GHG emissions
(millions of tonnes)

| Year | GHG | Target* |
|---|---|---|
| 2005 Actuals | 14.2 | |
| 2006 Actuals | 14.2 | |
| 2007 Actuals | 14.8 | |
| 2008 Actuals | 14.9 | |
| 2009 Actuals | 15.5 | |
| 2010 Actuals | 15.3 | |
| 2011 Actuals | 15.0 | |
| 2012 Actuals | 15.6 | |
| 2013 Actuals | 15.2 | |
| 2014 Actuals | 15.0 | |
| 2015 Actuals | 15.7 | |
| 2016 Actuals | 15.5 | |
| 2017 Actuals | 16.0 | |
| 2018 Actuals | 16.1 | |
| 2019 Actuals | 15.9 | |
| 2020 Actuals | 12.8 | |
| 2021 Forecast | 15.0 | |
| 2022 Busines Plan | 11.6 | |
| 2023 Busines Plan | 11.5 | |
| 2024 Busines Plan | 11.0 | |
| 2025 Busines Plan | 10.3 | |
| 2026 Busines Plan | 10.4 | |
| 2027 Busines Plan | 10.3 | |
| 2028 Busines Plan | 8.4 | |
| 2029 Busines Plan | 8.5 | |
| 2030 Busines Plan | 5.6 | 7.1 |

*50% of 2005 emission lev els by 2030

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**ROUND 2 SRRP Q5** **Reference: Greenhouse Gas Emissions SRRP Q100 and Paper Excellence Q3**

a) Please confirm the emissions target of 50% below 2005 levels by 2030 referenced on page 4 of the application refers to a target with reference to 2005 levels in absolute terms and not a target measured with reference to GHG intensity per MWh.
b) With reference to the response to SRRP Q100 (a) please provide a link to the specific provincial regulations setting out the scope for SaskPower GHG emissions described in the response.
c) With reference to the response to SRRP Q100 (b), please explain why the totals in the Business Plan years do not sum to 100%. Please also provide a revised table showing all the sources of SaskPower GHG emissions for each year by adding additional columns to the table as necessary such that each year sums to 100%.

**Response:**

a) SaskPower's emissions target of at least 50% below 2005 levels by 2030 is based on our company reducing its total greenhouse gas (GHG) emissions to at least 7.1 megatonnes in absolute terms — half of SaskPower's total 2005 GHG emissions of 14.2 megatonnes. There is no current corporate commitment or regulatory requirement to achieve a target level in terms of GHG intensity per unit of electricity generated.

b) Sections 2(1) and 2(2), 3(1) and 3(2), 4, 6(1) and 6(2), 9(1) and 9(2), 16(2), as well as Part 4 Table 1 describe the scope concerning SaskPower GHG emissions. The regulations may be accessed here: https://pubsaskdev.blob.core.windows.net/pubsaskprod/archived/37293/M2-01.pdf

c) In the response to SRRP Q100b), there was linking error in the formula that calculated the contribution to SaskPower's GHG emissions by generation type for the years 2023 through 2030. The forecasted tonnes of GHG emissions produced by coal and gas generation for 2023 through 2030 were divided by the 2022 forecasted total tonnes of GHG emissions rather than the forecasted total tonnes of GHG emission for each of these respective years.

The following table provides revised calculations of the contribution to SaskPower's GHG emissions by generation type for the years 2023 through 2030.

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## GHG emissions by generation type

| Year | Coal | Gas | Total |
|---|---|---|---|
| 2005 Actuals | 89.4% | 10.6% | 100.0% |
| 2006 Actuals | 87.1% | 12.9% | 100.0% |
| 2007 Actuals | 87.7% | 12.3% | 100.0% |
| 2008 Actuals | 86.7% | 13.3% | 100.0% |
| 2009 Actuals | 88.8% | 11.2% | 100.0% |
| 2010 Actuals | 87.8% | 12.2% | 100.0% |
| 2011 Actuals | 85.6% | 14.4% | 100.0% |
| 2012 Actuals | 83.3% | 16.7% | 100.0% |
| 2013 Actuals | 78.5% | 21.5% | 100.0% |
| 2014 Actuals | 77.6% | 22.4% | 100.0% |
| 2015 Actuals | 75.4% | 24.6% | 100.0% |
| 2016 Actuals | 72.6% | 27.4% | 100.0% |
| 2017 Actuals | 73.9% | 26.1% | 100.0% |
| 2018 Actuals | 68.5% | 31.5% | 100.0% |
| 2019 Actuals | 69.1% | 30.9% | 100.0% |
| 2020 Actuals | 63.9% | 36.1% | 100.0% |
| 2021 Forecast | 68.1% | 31.9% | 100.0% |
| 2022 Business Plan | 62.2% | 37.8% | 100.0% |
| 2023 Business Plan | 61.8% | 38.2% | 100.0% |
| 2024 Business Plan | 63.0% | 37.0% | 100.0% |
| 2025 Business Plan | 60.5% | 39.5% | 100.0% |
| 2026 Business Plan | 60.6% | 39.4% | 100.0% |
| 2027 Business Plan | 61.9% | 38.1% | 100.0% |
| 2028 Business Plan | 57.1% | 42.9% | 100.0% |
| 2029 Business Plan | 57.8% | 42.2% | 100.0% |
| 2030 Business Plan | 6.1% | 93.9% | 100.0% |

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**ROUND 2 SRRP Q6** **Reference: Greenhouse Gas Emissions Equivalency Agreement and Response to SRRP Q19**

a) With reference to the equivalency agreement attached as a response to SRRP Q19 (d), please confirm SaskPower is subject to the 77 Mt limit for carbon dioxide equivalent for the calendar years 2020 to 2024 described in section 4.1 (b) of the agreement.
b) With reference to the equivalency agreement provided in response to SRRP 19 (d), please discuss whether or not SaskPower is on track to achieve the targets set out in section 4.4 of the agreement and provide the actual results as of December 31, 2021.

**Response:**

a) Yes. The 77 Mt limit for the compliance period 2020-2024 calendar years is taken from Part 4 Table 1 Column 3 of the *Management and Reduction of Greenhouse Gases (General and Electricity Producer*) regulations, Chapter M-2.01 Reg 1.

b) SaskPower is on track for compliance with Section 4.4 of the Canada-Saskatchewan equivalency agreement, reporting an installed capacity of 26.4% qualifying sources by December 31, 2021. This preceded the commercial operation dates of Golden South (200 MW) and Blue Hill (175 MW) wind developments, the 8 MW MLTC Bioenergy Centre, and 20 MW of utility scale solar that were due to be commissioned by the milestone date. These developments have now been added or are in the process of being added to capacity that will contribute to compliance with the next milestone period.

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**ROUND 2 SRRP Q7** **Reference: Saskatchewan Electricity Sales and Customer Account Forecasts and Response to SRRP Q79**

a) With reference to the "Saskatchewan sales volumes" table in Section 7.1.1 of the application, what is the source of the variance between the total forecasted 2021-22 sales volume of 23,603 GWh and the total forecasted 2021-22 sales volume shown in Table A1 of the 2022F Q1 Total System Load Forecast of 23,185 GWh?
b) With reference to the response to SRRP Q79, what is the source of the variance between the customer accounts provided and those provided in Table A1 of the 2022F Q1 Total System Load Forecast.
c) Please provide a table showing 10 years of Electricity Sales and Customer Account forecasts from the load forecasts used to support each of the last three rate applications. The 10 years of forecasted data should start from the first test year of each Rate Application (t+10).

**Response:**

a) The difference in Saskatchewan sales volumes between the Q1 Total System Load Forecast and the numbers included in the rate application are due to the rate application incorporating 9 months of actuals (April through December) and then a projection for the remainder of the year. The numbers in the Load Forecast were a projection for all of 2021-22 Sales Volumes. The difference between the two sets of assumptions is shown in the table below:

| Customer Class | Load Forecast (GWh) | Rate Application (GWh) | Variance (GWh) |
|---|---|---|---|
| Residential | 3,221 | 3,289 | 68 |
| Farm | 1,340 | 1,271 | (69) |
| Commercial | 3,668 | 3,741 | 73 |
| Oilfield | 3,855 | 4,069 | 214 |
| Power Class | 9,930 | 10,062 | 132 |
| Reseller | 1,171 | 1,171 | 0 |
| **Total** | **23,185** | **23,603** | **418** |

b) SaskPower confirms that the information contained in our response to SRRP 79 is correct; however, the customer account values in Table A1 of the System Load Forecast were misstated and have been corrected in the attached table.

c) Please see the tables below:

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## 2018 Rate Application
## (Based on the 2017 FQ2 Forecast)

| | POWER | | OILFIELDS | | COMMERCIAL | | RESIDENTIAL | | FARM | | RESELLER | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts |
| 2017-2018 | 9,217.7 | 101 | 3,445.3 | 19,015 | 3,914.5 | 65,086 | 3,323.9 | 394,423 | 1,308.4 | 58,987 | 1,285.8 | 2 | 22,496 | 537,613 |
| 2018-2019 | 9,339.1 | 102 | 3,538.4 | 19,531 | 3,939.2 | 65,606 | 3,372.2 | 401,747 | 1,287.7 | 58,926 | 1,289.4 | 2 | 22,766 | 545,914 |
| 2019-2020 | 9,716.7 | 103 | 3,601.6 | 19,879 | 3,962.8 | 66,114 | 3,422.9 | 408,826 | 1,279.9 | 58,825 | 1,293.0 | 2 | 23,277 | 553,747 |
| 2020-2021 | 9,850.1 | 103 | 3,655.8 | 20,181 | 3,984.3 | 66,622 | 3,491.1 | 415,749 | 1,273.0 | 58,698 | 1,296.5 | 2 | 23,551 | 561,355 |
| 2021-2022 | 9,947.8 | 104 | 3,659.2 | 20,199 | 4,003.8 | 67,120 | 3,556.9 | 422,689 | 1,269.2 | 58,577 | 1,299.7 | 2 | 23,737 | 568,691 |
| 2022-2023 | 10,142.2 | 104 | 3,666.8 | 20,241 | 4,019.4 | 67,578 | 3,620.9 | 429,614 | 1,265.8 | 58,465 | 1,302.9 | 2 | 24,018 | 576,005 |
| 2023-2024 | 10,307.1 | 104 | 3,661.5 | 20,213 | 4,031.8 | 68,019 | 3,703.6 | 436,477 | 1,263.9 | 58,376 | 1,306.2 | 2 | 24,274 | 583,192 |
| 2024-2025 | 10,395.0 | 105 | 3,635.5 | 20,069 | 4,045.6 | 68,518 | 3,797.6 | 443,245 | 1,259.6 | 58,313 | 1,309.5 | 2 | 24,443 | 590,251 |
| 2025-2026 | 10,557.7 | 105 | 3,633.3 | 20,057 | 4,061.6 | 69,035 | 3,877.5 | 450,028 | 1,254.5 | 58,239 | 1,312.8 | 2 | 24,697 | 597,466 |
| 2026-2027 | 10,666.7 | 105 | 3,603.6 | 19,894 | 4,078.4 | 69,559 | 3,952.5 | 456,748 | 1,250.2 | 58,172 | 1,316.0 | 2 | 24,867 | 604,479 |
| 2027-2028 | 10,855.9 | 105 | 3,576.0 | 21,150 | 4,094.9 | 70,067 | 4,044.8 | 463,543 | 1,248.2 | 58,723 | 1,319.3 | 2 | 25,139 | 613,590 |

## 2016, 2017 Rate Application
## (Based on the 2015 Q4 Forecast)

| | POWER | | OILFIELDS | | COMMERCIAL | | RESIDENTIAL | | FARM | | RESELLER | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts |
| 2016-2017 | 9,190.4 | 105 | 3,478.9 | 19,093 | 3,844.8 | 61,026 | 3,282.0 | 386,714 | 1,331.9 | 60,578 | 1,290.9 | 2 | 22,419 | 527,518 |
| 2017-2018 | 9,467.3 | 105 | 3,551.1 | 19,486 | 3,875.4 | 61,643 | 3,312.1 | 393,138 | 1,327.3 | 60,411 | 1,294.7 | 2 | 22,828 | 534,785 |
| 2018-2019 | 9,620.2 | 105 | 3,651.1 | 19,648 | 3,903.0 | 62,348 | 3,354.1 | 400,477 | 1,307.7 | 60,244 | 1,298.5 | 2 | 23,135 | 542,824 |
| 2019-2020 | 10,071.8 | 107 | 3,769.8 | 19,977 | 3,927.8 | 63,067 | 3,404.7 | 407,958 | 1,303.3 | 60,077 | 1,302.2 | 2 | 23,780 | 551,188 |
| 2020-2021 | 10,245.5 | 108 | 3,868.9 | 20,099 | 4,071.5 | 63,794 | 3,599.1 | 415,474 | 1,299.5 | 59,582 | 1,305.4 | 2 | 24,390 | 559,059 |
| 2021-2022 | 10,268.8 | 108 | 3,931.2 | 20,414 | 4,120.0 | 64,521 | 3,677.4 | 423,038 | 1,294.0 | 59,415 | 1,308.6 | 2 | 24,600 | 567,498 |
| 2022-2023 | 10,535.5 | 109 | 3,931.1 | 20,542 | 4,168.6 | 65,247 | 3,760.3 | 430,604 | 1,288.4 | 59,247 | 1,311.9 | 2 | 24,996 | 575,751 |
| 2023-2024 | 10,712.7 | 110 | 3,926.7 | 20,943 | 4,217.1 | 65,976 | 3,855.0 | 438,188 | 1,286.2 | 59,080 | 1,315.2 | 2 | 25,313 | 584,300 |
| 2024-2025 | 10,938.5 | 111 | 3,907.8 | 21,344 | 4,265.7 | 66,708 | 3,956.4 | 445,804 | 1,284.9 | 58,913 | 1,318.5 | 2 | 25,672 | 592,883 |
| 2025-2026 | 11,173.0 | 111 | 3,915.0 | 21,745 | 4,314.3 | 67,452 | 4,066.0 | 453,550 | 1,283.9 | 58,746 | 1,321.8 | 2 | 26,074 | 601,606 |
| 2026-2027 | 11,475.2 | 112 | 3,915.3 | 22,146 | 4,362.8 | 68,148 | 4,157.5 | 460,792 | 1,281.8 | 58,579 | 1,325.1 | 2 | 26,518 | 609,779 |

## 2014, 2015, 2016 Rate Application
## (Based on the 2013 Q1 Forecast)

| | POWER | | OILFIELDS | | COMMERCIAL | | RESIDENTIAL | | FARM | | RESELLER | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts |
| 2014 | 8,233.6 | 100 | 3,685.7 | 17,992 | 3,609.2 | 57,534 | 3,013.5 | 362,882 | 1,305.3 | 60,630 | 1,264.1 | 2 | 21,111 | 499,140 |
| 2015 | 8,829.7 | 105 | 3,939.6 | 19,034 | 3,630.6 | 58,152 | 3,056.5 | 369,620 | 1,308.5 | 60,481 | 1,267.9 | 2 | 22,033 | 507,395 |
| 2016 | 9,796.2 | 107 | 4,016.9 | 19,608 | 3,673.7 | 58,779 | 3,102.1 | 376,449 | 1,298.3 | 60,341 | 1,271.6 | 2 | 23,159 | 515,287 |
| 2017 | 10,622.0 | 107 | 4,110.7 | 20,427 | 3,698.9 | 59,421 | 3,158.3 | 383,441 | 1,282.6 | 60,181 | 1,275.3 | 2 | 24,148 | 523,579 |
| 2018 | 11,115.3 | 109 | 4,132.3 | 20,752 | 3,721.2 | 60,078 | 3,200.6 | 390,594 | 1,269.4 | 60,005 | 1,278.5 | 2 | 24,717 | 531,540 |
| 2019 | 11,269.8 | 110 | 4,143.7 | 21,355 | 3,742.8 | 60,736 | 3,251.7 | 397,760 | 1,263.2 | 59,873 | 1,281.7 | 2 | 24,953 | 539,835 |
| 2020 | 11,600.1 | 110 | 4,149.7 | 21,543 | 3,763.8 | 61,402 | 3,307.2 | 405,019 | 1,257.5 | 59,752 | 1,284.9 | 2 | 25,363 | 547,828 |
| 2021 | 12,078.5 | 110 | 4,161.3 | 22,134 | 3,784.1 | 62,078 | 3,373.7 | 412,378 | 1,255.1 | 59,637 | 1,288.1 | 2 | 25,941 | 556,338 |
| 2022 | 12,469.0 | 110 | 4,181.1 | 22,725 | 3,803.5 | 62,771 | 3,459.0 | 419,927 | 1,249.1 | 59,460 | 1,291.4 | 2 | 26,453 | 564,994 |
| 2023 | 12,521.6 | 110 | 4,216.8 | 23,316 | 3,821.9 | 63,401 | 3,555.0 | 426,790 | 1,232.6 | 59,263 | 1,294.6 | 2 | 26,642 | 572,882 |
| 2024 | 12,693.4 | 110 | 4,236.2 | 23,907 | 3,839.3 | 63,791 | 3,756.3 | 431,047 | 1,262.8 | 60,787 | 1,297.8 | 2 | 27,086 | 579,644 |

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# TABLE A1

# 2022F Q1 TOTAL SYSTEM LOAD FORECAST

## ENERGY SALES AND NUMBER OF ACCOUNTS

| | POWER | | OILFIELDS | | COMMERCIAL | | RESIDENTIAL | | FARM | | RESELLER | | TOTAL SALES | | CORPORATE USE | | LOSSES & EXPORTS | TOTAL ENERGY REQUIREMENTS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | # of Accounts | GWh | GWh |
| 2010 | 6,932.0 | 98 | 2,872.0 | 15,098 | 3,386.0 | 55,711 | 2,882.0 | 340,508 | 1,292.0 | 61,577 | 1,254.0 | 3 | 18,618.0 | 472,995 | 108.6 | 212 | 2,032.4 | 20,759.0 |
| 2011 | 7,321.0 | 99 | 2,901.0 | 15,437 | 3,447.0 | 58,118 | 3,006.0 | 345,854 | 1,298.0 | 62,475 | 1,253.0 | 3 | 19,226.0 | 481,986 | 106.3 | 212 | 2,278.7 | 21,611.0 |
| 2012 | 7,448.0 | 108 | 3,177.0 | 16,894 | 3,532.0 | 58,435 | 2,937.0 | 353,435 | 1,149.0 | 61,737 | 1,254.0 | 3 | 19,497.0 | 490,612 | 117.7 | 212 | 2,514.3 | 22,129.0 |
| 2013 | 7,863.0 | 101 | 3,448.0 | 17,560 | 3,663.0 | 59,402 | 3,190.0 | 362,738 | 1,332.0 | 61,076 | 1,257.0 | 3 | 20,753.0 | 500,880 | 99.6 | 212 | 2,302.4 | 23,155.0 |
| 2014 | 8,179.0 | 102 | 3,503.0 | 18,662 | 3,788.0 | 60,274 | 3,281.0 | 373,109 | 1,364.0 | 59,792 | 1,274.0 | 3 | 21,389.0 | 511,942 | 100.3 | 212 | 1,934.7 | 23,424.0 |
| 2015 | 8,698.0 | 121 | 3,494.0 | 19,307 | 3,795.0 | 61,231 | 3,128.0 | 380,392 | 1,276.0 | 59,262 | 1,234.0 | 3 | 21,625.0 | 520,316 | 101.2 | 212 | 2,017.8 | 23,744.0 |
| 2016-2017 | 9,206.7 | 124 | 3,620.8 | 19,234 | 3,776.9 | 61,918 | 3,068.6 | 388,006 | 1,188.8 | 58,775 | 1,218.7 | 3 | 22,080.5 | 528,060 | 96.8 | 212 | 2,195.0 | 24,372.3 |
| 2017-2018 | 9,844.8 | 124 | 3,877.5 | 19,412 | 3,861.9 | 62,375 | 3,162.2 | 392,314 | 1,327.8 | 58,492 | 1,208.4 | 3 | 23,282.6 | 532,720 | 100.5 | 212 | 1,933.1 | 25,316.2 |
| 2018-2019 | 9,964.1 | 125 | 3,962.4 | 19,513 | 3,861.8 | 63,216 | 3,215.8 | 396,536 | 1,353.6 | 58,322 | 1,201.7 | 3 | 23,559.4 | 537,715 | 93.4 | 212 | 2,125.2 | 25,778.0 |
| 2019-2020 | 9,583.7 | 130 | 4,163.6 | 19,466 | 3,748.0 | 63,757 | 3,091.1 | 399,394 | 1,329.8 | 57,978 | 1,155.9 | 3 | 23,072.1 | 540,728 | 105.1 | 212 | 1,855.8 | 25,033.0 |
| 2020-2021 | 9,408.3 | 128 | 3,727.6 | 18,960 | 3,539.7 | 64,272 | 3,223.7 | 403,782 | 1,348.4 | 58,035 | 1,128.8 | 3 | 22,376.5 | 545,180 | 108.9 | 212 | 2,148.4 | 24,633.8 |
| 2021-2022 | 9,929.9 | 107 | 3,854.6 | 19,053 | 3,668.1 | 64,659 | 3,221.3 | 406,485 | 1,339.9 | 58,203 | 1,171.5 | 3 | 23,185.2 | 548,510 | 113.6 | 212 | 1,771.5 | 25,070.4 |
| 2022-2023 | 10,283.4 | 106 | 3,901.9 | 19,122 | 3,701.4 | 65,238 | 3,227.8 | 412,079 | 1,341.8 | 58,077 | 1,171.3 | 3 | 23,627.6 | 554,624 | 113.9 | 212 | 1,793.5 | 25,535.0 |
| 2023-2024 | 10,107.8 | 108 | 3,984.8 | 19,193 | 3,733.5 | 65,818 | 3,245.6 | 416,739 | 1,341.5 | 57,951 | 1,174.3 | 3 | 23,587.4 | 559,809 | 114.3 | 212 | 1,802.1 | 25,503.8 |
| 2024-2025 | 9,629.1 | 106 | 4,038.4 | 19,264 | 3,767.5 | 66,401 | 3,267.4 | 420,467 | 1,341.2 | 57,825 | 1,171.1 | 3 | 23,214.7 | 564,066 | 110.5 | 212 | 1,799.7 | 25,124.9 |
| 2025-2026 | 9,324.1 | 106 | 4,103.9 | 19,354 | 3,800.6 | 66,988 | 3,287.8 | 425,127 | 1,340.0 | 57,699 | 1,171.1 | 3 | 23,027.5 | 569,278 | 100.2 | 212 | 1,801.3 | 24,929.0 |
| 2026-2027 | 9,264.4 | 107 | 4,159.2 | 19,428 | 3,835.6 | 67,577 | 3,310.5 | 429,788 | 1,339.4 | 57,573 | 1,171.1 | 3 | 23,080.1 | 574,476 | 100.5 | 212 | 1,812.5 | 24,993.1 |
| 2027-2028 | 9,432.9 | 106 | 4,193.5 | 19,471 | 3,866.3 | 68,169 | 3,336.4 | 434,449 | 1,338.9 | 57,447 | 1,174.3 | 3 | 23,342.2 | 579,645 | 93.7 | 212 | 1,826.9 | 25,262.8 |
| 2028-2029 | 9,442.9 | 106 | 4,228.0 | 19,518 | 3,896.7 | 68,763 | 3,366.9 | 439,109 | 1,338.5 | 57,321 | 1,171.1 | 3 | 23,444.1 | 584,820 | 75.7 | 212 | 1,837.6 | 25,357.4 |
| 2029-2030 | 9,495.0 | 106 | 4,261.1 | 19,567 | 3,936.6 | 69,361 | 3,400.0 | 443,770 | 1,337.3 | 57,195 | 1,171.1 | 3 | 23,601.1 | 590,002 | 69.1 | 212 | 1,849.9 | 25,520.1 |
| 2030-2031 | 9,570.8 | 106 | 4,293.5 | 19,618 | 3,976.7 | 69,961 | 3,441.2 | 448,430 | 1,336.7 | 57,069 | 1,171.1 | 3 | 23,790.1 | 595,187 | 50.6 | 212 | 1,862.3 | 25,703.0 |
| 2031-2032 | 9,699.5 | 106 | 4,325.3 | 19,670 | 4,017.0 | 70,564 | 3,493.0 | 453,091 | 1,336.2 | 56,944 | 1,174.3 | 3 | 24,045.2 | 600,377 | 51.0 | 212 | 1,877.6 | 25,973.9 |
| **Growth Rates (%)** | | | | | | | | | | | | | | | | | | |
| 2021F-2020F | -1.8% | -1.5% | -10.5% | -2.6% | -5.6% | 0.8% | 4.3% | 1.1% | 1.4% | 0.1% | -2.3% | 0.0% | -3.0% | 0.8% | 3.6% | 0.0% | 15.8% | -1.6% |
| 2022F-2021F | 5.5% | -16.4% | 3.4% | 0.5% | 3.6% | 0.6% | -0.1% | 0.7% | -0.6% | 0.3% | 3.8% | 0.0% | 3.6% | 0.6% | 4.4% | 0.0% | -17.5% | 1.8% |
| 5 YR Historic | 1.6% | 1.1% | 1.3% | -0.4% | -1.4% | 1.0% | 0.6% | 1.2% | 1.1% | -0.4% | -1.8% | 0.0% | 0.7% | 0.9% | 1.5% | 0.0% | 1.3% | 0.7% |
| 10 YR Historic | 3.1% | 2.7% | 2.6% | 2.3% | 0.4% | 1.4% | 1.1% | 1.7% | 0.4% | -0.6% | -1.0% | 0.0% | 1.9% | 1.4% | 0.0% | 0.0% | 0.6% | 1.7% |
| 5 YR Forecast | -1.4% | 0.0% | 1.5% | 0.4% | 0.9% | 0.9% | 0.5% | 1.1% | 0.0% | -0.2% | 0.0% | 0.0% | -0.1% | 0.9% | -2.4% | 0.0% | 0.5% | -0.1% |
| 10 YR Forecast | -0.2% | -0.1% | 1.2% | 0.3% | 0.9% | 0.9% | 0.8% | 1.1% | 0.0% | -0.2% | 0.0% | 0.0% | 0.4% | 0.9% | -7.7% | 0.0% | 0.6% | 0.4% |

Notes:

1.) All forecasted energy values are normalized to reflect 30-year average weather patterns. Actuals reflect billed sales (non-normalized).

2.) The number of accounts is the average for the year as required for rate design and revenue forecasting.

3.) The forecast Total Energy Requirements forecast does not include exports, however, actual energy DOES include exports

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**ROUND 2 SRRP Q8** **Reference: Resource Planning and Response to SRRP Q102**

a) With reference to the response to SRRP Q102 (a), please confirm that total winter capacity is equivalent to the generation mix available to meet the system peak demand during the winter months for planning purposes. If not confirmed, please provide an explanation and the capacity considered available to meet the winter peak for planning purposes by generation type.

b) Please provide a table that compares the generation mix available to meet the winter peak and the generation mix available to meet the summer peak for planning purposes and describe the reasons for any differences in the seasonality of the planning capacity by generation type.

**Response:**

a) Yes, the winter capacity provided in response to SRRP Q102 (a) is equivalent to the generation mix available to meet the winter peak for planning purposes.

b) The following table compares the generation mix available to meet the winter peak and the generation mix available to meet the summer peak for planning purposes. There are three main differences in the seasonality of planning capacity by generation type:

   i. Wind capacity. It is expected that 20% of installed wind capacity will be available to meet winter peak. Only 10% of installed wind capacity is assumed to meet summer peak.

   ii. Solar capacity. It is expected that 50% of installed solar capacity will be available to meet summer peak. No solar capacity is assumed to be available to meet winter peak.

   iii. Derates. Most natural gas units are expected to experience temperature-related summer derates; as a result, total natural gas capacity available to meet summer peak is somewhat lower than the total natural gas capacity available to meet winter peak.

Renewable generation is assigned a firm capacity value to represent its capacity to serve firm peak load. Intermittent renewable energy is among the least cost options available to SaskPower, however, it is not able to meet the capacity needs on its own. With the addition of almost 400 MW of wind coming online in early 2022, more than doubling existing wind capacity, the amount of firm capacity is anticipated to change and may reduce. SaskPower currently considers 10% of wind capacity to be firm capacity in the summer and 20% in the winter. This value is assessed annually in July and adjusted as needed. SaskPower believes 50% or greater firm capacity could be assigned to solar in the summer daylight hours. This will be adjusted annually now that real time data will be available.

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# 2022 AND 2023 RATE APPLICATION
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## Capacity

| | 2022 | | | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | installed capacity | winter capacity | summer capacity | installed capacity | winter capacity | summer capacity | installed capacity | winter capacity | summer capacity | installed capacity | winter capacity | summer capacity |
| Coal | 1,389 | 1,389 | 1,389 | 1,389 | 1,389 | 1,389 | 1,389 | 1,389 | 1,389 | 1,249 | 1,249 | 1,249 |
| Natural Gas | 2,159 | 2,159 | 1,732 | 2,064 | 2,064 | 1,637 | 2,421 | 2,421 | 1,965 | 2,426 | 2,426 | 1,970 |
| Wind | 617 | 123 | 62 | 817 | 163 | 82 | 817 | 163 | 82 | 817 | 163 | 82 |
| Hydro | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 |
| Imports | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 |
| Other Renewable | 136 | 48 | 92 | 177 | 68 | 122 | 179 | 68 | 124 | 287 | 73 | 180 |
| Total Renewable | 1,908 | 1,326 | 1,308 | 2,148 | 1,386 | 1,358 | 2,151 | 1,386 | 1,359 | 2,258 | 1,391 | 1,416 |
| Total Non-Renewable | 3,548 | 3,548 | 3,121 | 3,453 | 3,453 | 3,026 | 3,811 | 3,811 | 3,355 | 3,675 | 3,675 | 3,219 |
| Total | 5,456 | 4,874 | 4,429 | 5,602 | 4,839 | 4,385 | 5,961 | 5,196 | 4,714 | 5,933 | 5,065 | 4,635 |

| | 2026 | | | 2027 | | | 2028 | | | 2029 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | installed capacity | winter capacity | summer capacity | installed capacity | winter capacity | summer capacity | installed capacity | winter capacity | summer capacity | installed capacity | winter capacity | summer capacity |
| Coal | 1,249 | 1,249 | 1,249 | 1,249 | 1,249 | 1,249 | 962 | 962 | 962 | 962 | 962 | 962 |
| Natural Gas | 2,426 | 2,426 | 1,970 | 2,471 | 2,471 | 2,003 | 2,375 | 2,375 | 1,919 | 2,384 | 2,384 | 1,919 |
| Wind | 817 | 163 | 82 | 817 | 163 | 82 | 807 | 161 | 81 | 807 | 161 | 81 |
| Hydro | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 |
| Imports | 290 | 290 | 290 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 |
| Other Renewable | 290 | 73 | 181 | 287 | 68 | 177 | 274 | 52 | 163 | 276 | 52 | 164 |
| Total Renewable | 2,261 | 1,391 | 1,417 | 2,758 | 1,885 | 1,913 | 2,735 | 1,868 | 1,898 | 2,737 | 1,868 | 1,899 |
| Total Non-Renewable | 3,675 | 3,675 | 3,219 | 3,720 | 3,720 | 3,252 | 3,336 | 3,336 | 2,881 | 3,345 | 3,345 | 2,881 |
| Total | 5,935 | 5,065 | 4,636 | 6,478 | 5,605 | 5,165 | 6,071 | 5,204 | 4,779 | 6,083 | 5,213 | 4,780 |

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**ROUND 2 SRRP Q9** **Reference: Financial Indicators and Response to SRRP Q10**

Can SaskPower provide a comparison of Interest Coverage Ratios for vertically integrated electric utilities in Canada that can be made public? If so, please provide such a comparison including a table showing the calculation of the Interest Coverage Ratios.

**Response:**

SaskPower tracks its EBITDA Interest Coverage Ratio, calculated as EBITDA divided by gross interest expense, where EBITDA = net income + gross finance charges (prior to netting with debt retirement fund earnings and interest income) + depreciation and amortization. SaskPower's taxes line is not added back as it does not pay corporate income taxes.

On page 2 of this response, SaskPower has provided a comparison of Interest Coverage Ratios for vertically integrated Canadian electric utilities based on publicly available financial information using simplified calculations of EBIT, EBITDA and gross interest expense. The table below provides the calculation of SaskPower's EBITDA Interest Coverage Ratio, organized to include a "simplified EBITDA" subtotal, which reconciles with SaskPower's "simplified EBITDA" in the comparison on page 2.

Further adjustments made by SaskPower in its calculation of its EBITDA Interest Coverage Ratio, as reported in SaskPower's *2022 and 2023 Rate Application*, are provided below "simplified EBITDA" subtotal.

SaskPower's EBITDA Interest Coverage Ratio

| | Actual 2020-21 | Forecast 2021-22 | Forecast 2022-23 | Forecast 2023-24 |
|---|---|---|---|---|
| **EBITDA Interest Coverage Ratio** | **2.7** | **2.5** | **2.6** | **2.7** |
| Where: | | | | |
| Net income | 160 | 10 | 33 | 109 |
| Add back | | | | |
| Finance charges | 426 | 398 | 370 | 366 |
| Taxes | 79 | 82 | 82 | 85 |
| Depreciation and amortization | 595 | 614 | 604 | 607 |
| **Simplified EBITDA** | **1,260** | **1,104** | **1,089** | **1,167** |
| Add back other | | | | |
| Debt retirement fund earnings | 23 | 17 | 17 | 18 |
| Interest income | 2 | 1 | 2 | 2 |
| Less taxes[1] | (79) | (82) | (82) | (85) |
| **EBITDA** | **1,206** | **1,040** | **1,026** | **1,102** |
| *1. SaskPower does not pay corporate income taxes.* | | | | |
| Interest on long-term debt | 296 | 278 | 251 | 258 |
| Interest on finance leases | 149 | 137 | 138 | 131 |
| Interest on short-term debt | 4 | 1 | 6 | 11 |
| Other interest | 1 | - | 1 | 1 |
| **Gross interest expense** | **450** | **416** | **396** | **401** |

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## DISLCAIMER

Information provided for vertically integrated Canadian electric utilities was obtained from publicly available financial statements and has been re-presented in a consistent format to enable recalculation of Interest Coverage Ratios. As such, the information in this response will differ in appearance from each utility's publicly available information.

Furthermore, the Interest Coverage Ratios provided below have been recalculated as EBIT (or EBITDA) divided by gross interest expense, using simplified calculations for EBIT, EBITDA and gross interest expense. These ratios will differ from, and are not intended to represent, the calculation methodologies used by these utilities.

| | BC Hydro | Manitoba Hydro | Hydro-Québec | Nfld & Labrador Hydro | New Brunswick Power | SaskPower |
|---|---|---|---|---|---|---|
| **Statement of Income** | **Actual Mar 31 2021** | **Actual Mar 31 2021** | **Actual Dec 31 2020** | **Actual Dec 31 2020** | **Actual Dec 31 2020** | **Actual Mar 31 2021** |
| Domestic electricity sales | 5,237 | 2,130 | 13,594 | 611 | 1,395 | 2,615 |
| Exports and trading | 1,177 | 611 | - | - | 368 | 53 |
| Other revenue | - | 80 | - | 26 | 71 | 103 |
| **Total revenue** | **6,414** | **2,821** | **13,594** | **637** | **1,834** | **2,771** |
| Fuel and purchased power | 2,269 | 589 | 2,204 | 301 | 802 | 807 |
| Operating, maintenance & administration | 1,229 | 608 | 3,146 | 136 | 508 | 700 |
| Depreciation and amortization | 1,009 | 563 | 2,694 | 79 | 321 | 595 |
| Finance charges | 224 | 822 | 2,109 | 90 | 144 | 426 |
| Taxes | 254 | 167 | 1,138 | - | 49 | 79 |
| Other (income) expenses | 137 | 80 | - | 4 | - | 4 |
| **Total expenses** | **5,122** | **2,829** | **11,291** | **610** | **1,824** | **2,611** |
| **Operating income** | **1,292** | **(8)** | **2,303** | **27** | **10** | **160** |
| Share of profit and joint arrangement | - | - | - | 25 | - | - |
| Preferred dividends | - | - | - | 8 | - | - |
| Non-operating income (loss) | - | - | - | 33 | - | - |
| Net movement in regulatory balances | (604) | 125 | - | 15 | (14) | - |
| **Net income (loss)** | **688** | **117** | **2,303** | **75** | **(4)** | **160** |
| *Sources in addition to Statements of Income:* | *Note 5* | | | | | |
| **Interest Coverage Ratio calculations** | | | | | | |
| Net income | 688 | 117 | 2,303 | 75 | (4) | 160 |
| Add back finance charges | 224 | 822 | 2,109 | 90 | 144 | 426 |
| Add back taxes | 254 | 167 | 1,138 | - | 49 | 79 |
| **Simplified EBIT** | **1,166** | **1,106** | **5,550** | **165** | **189** | **665** |
| Add back depreciation and amortization | 1,009 | 563 | 2,694 | 79 | 321 | 595 |
| **Simplified EBITDA** | **2,175** | **1,669** | **8,244** | **244** | **510** | **1,260** |
| Interest on long-term debt | 834 | 909 | 2,630 | 92 | 182 | 296 |
| Interest on finance leases | 48 | - | - | - | - | 149 |
| Interest on short-term debt | - | - | - | - | - | 4 |
| Other interest | 23 | | - | 4 | 32 | 1 |
| **Gross interest expense** | **905** | **909** | **2,630** | **96** | **214** | **450** |
| *Sources:* | *Note 6* | *Note 7* | *Note 6* | *Note 21* | *Note 25* | *Note 11* |
| **EBIT Interest Coverage Ratio** | **1.3** | **1.2** | **2.1** | **1.7** | **0.9** | **1.5** |
| **EBITDA Interest Coverage Ratio** | **2.4** | **1.8** | **3.1** | **2.5** | **2.4** | **2.8** |

*Note that federal carbon charge collected is included in domestic electricity sales and federal carbon charge is included in fuel and purchased power in this response.*

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**ROUND 2 SRRP Q10** **Reference: Finance Expense and Response to SRRP Q14**

a) With reference to the long-term debt schedule provided in the response to SRRP Q14 (a) please provide:
   i) A discussion on how SaskPower selects the term for each debt instrument and in particular, why the two debt instruments issued in April 2020 had relatively short terms.
   ii) The amount of the existing debt retirement funds that are forecast to be used in retiring the long-term debt instruments maturing in calendar year 2022.

b) With reference to the information in the table provided in the response to SRRP 10 (b), please confirm whether or not SaskPower's debt is reported net of sinking funds.

**Response:**

a) With reference to the long-term debt schedule provided in response to SRRP Q14(a):

i) SaskPower borrows through the Province of Saskatchewan and SaskPower has limited flexibility on term. The Province often borrows long term for 10 years or 30 years and these terms are appropriate since they match the longer-term nature of SaskPower's assets. SaskPower is also open to shorter-termed borrowing depending on how it fits within the cash flow forecast and the existing debt maturities.

In 2020, the pandemic caused significant disruption to the Canadian capital markets and it was more difficult for participants to raise funds from the debt markets. This resulted in the Bank of Canada initiating various asset purchase programs to improve liquidity in the debt markets. During this time SaskPower was raising funds to build up its cash position and reduce funding risk by borrowing through the Province under the borrowing terms that were available from the markets. At the time, shorter borrowing terms were more readily available to the Province resulting in SaskPower having shorter terms on its borrowings during this period.

ii) It is estimated that there will be about $77 million available to be used in retiring the long-term debt maturing in July 2022.

b) The information in the table is NOT reported net of sinking funds.

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**ROUND 2 SRRP Q11** **Reference: Exports and Response to Paper Excellence Q10**

a) With reference to the response to Paper Excellence Q10 (b), please provide the basis or rationale for the forecast decrease in export prices from 2022-23 to 2023-24.

**Response:**

The inputs forming the basis of the export forecast developed within the fuel forecast model are Alberta and relevant US market price forecasts, SaskPower load forecast, SaskPower natural gas price forecast, SaskPower unit outage dates, and posted intertie restrictions.

For the rate application the relevant forecasts are:

Factors impacting export prices:

- Alberta market prices: Market price forecasts from expert subscribed forecasters.
- US market prices: Market price forecasts from expert subscribed forecasters.

Factors impacting SaskPower's ability to export:

- Load forecast: SaskPower developed load forecast.
- Natural gas price forecast: SaskPower developed natural gas price forecast.
- SaskPower unit outage projections: SaskPower unit maintenance schedule.
- Intertie restrictions: Posted outages on SaskPower web site and on neighbouring transmission system operator web sites.

These inputs will be updated where applicable for the mid application update.

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**ROUND 2 SRRP Q12** **Reference: Imports and Response to Paper Excellence Q13 and CAPP Q1**

a) With reference to the response to Paper Excellence Q13, please provide that percentage of import volumes in each year that are:
   i) Economic opportunity imports (e.g. imports that can be acquired through spot market purchases at prices lower than SaskPower's marginal cost of generation.
   ii) Long-term contract imports (e.g. imports made pursuant to a long-term import contract).
   iii) Any other types of imports
b) Please confirm that SaskPower evaluates the business case for entering into long-term import contracts with reference to the marginal cost of alternative sources of new supply (including generation options owned by SaskPower or purchased through PPAs) among other criteria. If not confirmed, please provide an explanation.
c) With reference to the response to CAPP Q1, are there any minimum purchase requirements or take-or-pay provisions associated with SaskPower's import contracts? If so, please provide a description of such provisions that can be made public.

**Response:**

a)

| Fiscal Year | Economic Import (%) | Long-term Import (%) | Shortfall Imports (%) |
|---|---|---|---|
| 2021-22 | 2.9 | 90.9 | 6.2 |
| 2022-23 | 0.8 | 98.6 | 0.6 |
| 2023-24 | 0.7 | 98.8 | 0.5 |

b) SaskPower can confirm that all electricity import purchases are evaluated against both SaskPower options and market supplied options.

c) SaskPower long term import contracts are for both capacity and energy. The full value of delivered capacity is take or pay. SaskPower have committed to a minimum amount of delivered take or pay energy to the Saskatchewan border.

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**ROUND 2 SRRP Q13** **Reference: Generation expense and SRRP Q28**

a) With reference to the response to SRRP Q28, please expand the table to show OM&A broken out into one row for salaries and another row for other OM&A.

b) With reference to the response to SRRP Q28, please provide versions of the table for each of coal generation, natural gas generation, hydro generation and wind generation.

c) With reference to the response to SRRP Q28, please provide versions of the table for SaskPower owned generation and PPA/Import delivered generation.

d) Please discuss whether SaskPower incurs any internal administration or overhead costs to manage or administer PPAs and if so, please quantify the internal administration and/or overhead charges related to PPAs for each of the last three actual years and forecasts for 2021-22, 2022-23 and 2023-24.

**Response:**

a)

Generation expense

| (in millions) | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Fuel and purchased power | $ 691 | $ 669 | $ 715 | $ 886 | $ 902 | $ 952 |
| Federal carbon charge | 19 | 68 | 92 | 176 | 154 | 223 |
| Operating, maintenance and administration[1]: | | | | | | |
| Salaries and Wages | 80 | 82 | 83 | 85 | 88 | 90 |
| Other | 184 | 194 | 177 | 179 | 182 | 174 |
| Subtotal OM&A | 264 | 276 | 260 | 264 | 270 | 264 |
| Depreciation | 309 | 308 | 317 | 325 | 306 | 304 |
| Finance charges[2] | 277 | 291 | 288 | 266 | 254 | 249 |
| Taxes[1] | 21 | 22 | 22 | 24 | 23 | 24 |
| Other expenses[1] | 7 | 8 | 8 | 9 | 6 | 8 |
| Total generation expense | $ 1,588 | $ 1,642 | $ 1,702 | $ 1,950 | $ 1,915 | $ 2,024 |

1. The expenses presented in the above table exclude shared costs that are cannot be directly allocated to generation activities (i.e., costs for supporting business units such as human resources and safety, finance and business performance, etc.). OM&A consists of business unit costs for power production and purchased power agreements; taxes consist of an allocation of corporate capital tax; and other expenses includes amounts related to losses on asset retirements and costs of disposal.
2. Finance charges have been calculated based on the relative proportion of the asset acquisition value.

b)

Please see below for the table in response to SRRP Q28 broken down by coal generation, natural gas generation, hydro generation, and wind generation. Included in these costs are SaskPower owned generation and purchased power for the requested generation types.

## Generation expense - coal

| (in millions) | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Fuel and purchased power | $ 285 | $ 276 | $ 260 | $ 301 | $ 258 | $ 266 |
| Federal carbon charge | 11 | 53 | 85 | 153 | 136 | 191 |
| Operating, maintenance and administration[1] | 166 | 164 | 165 | 174 | 178 | 174 |
| Depreciation | 163 | 147 | 151 | 156 | 140 | 141 |
| Finance charges[2] | 76 | 77 | 76 | 74 | 66 | 67 |
| Taxes[1] | 13 | 12 | 12 | 13 | 13 | 13 |
| Other expenses[1] | 3 | - | 5 | 3 | 2 | 3 |
| Total generation expense - coal | $ 717 | $ 729 | $ 754 | $ 874 | $ 793 | $ 855 |

## Generation expense - natural gas

| (in millions) | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Fuel and purchased power | $ 299 | $ 293 | $ 313 | $ 396 | $ 311 | $ 294 |
| Federal carbon charge | 8 | 15 | 7 | 23 | 18 | 32 |
| Operating, maintenance and administration[1] | 73 | 87 | 70 | 64 | 66 | 64 |
| Depreciation | 116 | 130 | 137 | 138 | 136 | 132 |
| Finance charges[2] | 176 | 188 | 186 | 168 | 166 | 160 |
| Taxes[1] | 4 | 6 | 6 | 6 | 6 | 6 |
| Other expenses[1] | 4 | 8 | 3 | 6 | 4 | 5 |
| Total generation expense - natural gas | $ 680 | $ 727 | $ 722 | $ 801 | $ 707 | $ 693 |

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## Generation expense - hydro

| (in millions) | Actual 2018-19 | Actual 2019-20 | Actual 2020-21 | Forecast 2021-22 | Business Plan 2022-23 | Business Plan 2023-24 |
|---|---|---|---|---|---|---|
| Fuel and purchased power | $ 21 | $ 23 | $ 26 | $ 16 | $ 23 | $ 23 |
| Federal carbon charge | - | - | - | - | - | - |
| Operating, maintenance and administration[1] | 17 | 18 | 18 | 18 | 19 | 18 |
| Depreciation | 17 | 18 | 18 | 20 | 22 | 23 |
| Finance charges[2] | 20 | 21 | 21 | 20 | 18 | 18 |
| Taxes[1] | 3 | 3 | 3 | 4 | 3 | 4 |
| Other expenses[1] | - | - | - | - | - | - |
| Total generation expense - hydro | $ 78 | $ 83 | $ 86 | $ 78 | $ 85 | $ 86 |

## Generation expense - wind

| (in millions) | Actual 2018-19 | Actual 2019-20 | Actual 2020-21 | Forecast 2021-22 | Business Plan 2022-23 | Business Plan 2023-24 |
|---|---|---|---|---|---|---|
| Fuel and purchased power | $ 23 | $ 32 | $ 36 | $ 70 | $ 104 | $ 114 |
| Federal carbon charge | - | - | - | - | - | - |
| Operating, maintenance and administration[1] | 8 | 7 | 7 | 8 | 8 | 8 |
| Depreciation | 13 | 13 | 11 | 11 | 8 | 8 |
| Finance charges[2] | 5 | 5 | 5 | 4 | 4 | 4 |
| Taxes[1] | 1 | 1 | 1 | 1 | 1 | 1 |
| Other expenses[1] | - | - | - | - | - | - |
| Total generation expense - wind | $ 50 | $ 58 | $ 60 | $ 94 | $ 125 | $ 135 |

1. Consistent with the methodology used in SRRP Q28, the expenses presented in the above tables exclude shared costs that cannot be directly allocated to generation activities (i.e. costs for supporting business units such as human resources and safety, finance and business performance, etc.). OM&A consists of business unit costs for power production and purchased power agreements; taxes consist of an allocation of corporate capital tax; and other expenses include amounts related to losses on asset retirements and costs of disposal.

2. Consistent with the methodology used in SRRP Q28, finance charges have been allocated based on the relative proportion of the asset acquisition value.

3. Total fuel and purchased power expense in the tables above will not agree to the total submitted in SRRP Q28, as costs related to imports and other fuel sources have been excluded.

c) Please see below tables for SaskPower owned generations and IPP/PPA delivered generation.

## SaskPower-owned[1] - expenses

| *(in millions)* | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| **Expense** | | | | | | |
| Fuel and purchased power | $ 564 | $ 537 | $ 521 | $ 608 | $ 532 | $ 552 |
| Federal carbon tax | 17 | 62 | 97 | 175 | 153 | 221 |
| Operating, maintenance & administration | 251 | 265 | 250 | 253 | 259 | 253 |
| Depreciation | 262 | 260 | 269 | 277 | 258 | 256 |
| Finance charges | 125 | 141 | 139 | 129 | 116 | 118 |
| Taxes | 21 | 22 | 22 | 24 | 23 | 24 |
| Other | 7 | 8 | 8 | 9 | 6 | 8 |
| | $ 1,247 | $ 1,295 | $ 1,306 | $ 1,475 | $ 1,347 | $ 1,432 |

1. Cory Cogeneration Station has been included with SaskPower-owned generation in all years of the above table for comparative purposes; however, prior to July 11, 2019, this facility was classified as a Power Purchase Agreement (PPA) under the joint venture agreement between the Corporation's subsidiary, SaskPower International, and ATCO Power Canada Ltd. SaskPower International purchased the remaining ownership interest in the Cory Cogeneration Station Joint Venture on July 11, 2019, thereby dissolving the joint venture and terminating the PPA.

## IPP/PPA - expenses

| *(in millions)* | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| **Expense** | | | | | | |
| Fuel and purchased power | $ 127 | $ 132 | $ 194 | $ 278 | $ 370 | $ 400 |
| Federal carbon tax | 2 | 6 | (5) | 1 | 1 | 2 |
| Operating, maintenance & administration | 13 | 11 | 10 | 11 | 11 | 11 |
| Depreciation | 47 | 48 | 48 | 48 | 48 | 48 |
| Finance charges | 152 | 150 | 149 | 137 | 138 | 131 |
| Taxes | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| | $ 341 | $ 347 | $ 396 | $ 475 | $ 568 | $ 592 |

d)

SaskPower employs a small team of people to manage IPP accounts and administer the PPAs. Over the next decade, SaskPower intends to significantly increase the amount of generation sourced from the private sector which will directly impact PPA administration costs.

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# 2022 AND 2023 RATE APPLICATION
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## PPA administration costs

| | Actual 2018-19 | Actual 2019-20 | Actual 2020-21 | Forecast 2021-22 | Business Plan 2022-23 | Business Plan 2023-24 |
|---|---|---|---|---|---|---|
| PPA administration costs *($ thousands)* | $ 325 | $ 406 | $ 413 | $ 492 | $ 557 | $ 570 |

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SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q14** **Reference: Natural Gas and SRRP Q37**

a) With reference to the response to SRRP Q37, please discuss the rationale SaskPower has received from TransGas justifying the proposed 8% rate increases in 2022-23 and 2023-24.
b) Please provide the approximate percentage of TransGas's total transportation volumes represented by deliveries to SaskPower.
c) Is SaskPower subject to any balancing fees or penalties for variances between natural gas nominations and deliveries? If so, please provide details of how such fees or penalties are calculated and the actual amount of any such fees or penalties paid in the most recent three years available.

**Response:**

a) As per a recent TransGas announcement (TransGas Approved Transportation and Storage Service Rate Adjustment (Effective April 1, 2022) | TransGas), effective April 1, 2022, there is an average rate increase of 8.9% across all rate classes for transportation and storage services. The update indicates that TransGas has expanded its system including the completion of several large capital projects such as Rosetown-Vanscoy and Saskatoon South projects. More information regarding the capital additions is found on page 10 of 30 in the SaskEnergy third quarter report (Reports | SaskEnergy), and page 37 of 87 in the 2020-21 SaskEnergy Annual Report (Reports | SaskEnergy). Similarly, information pertaining to other expenses is found on page 35 of 87 of the 2020-21 SaskEnergy Annual Report (Reports | SaskEnergy). The 2021-22 SaskEnergy Annual Report will be publicly released in the spring 2022.

   Other contributing factors to the rate adjustment are rate rebalancing in addition to other corporate expenses and operational costs discussed at the TransGas Customer Dialogue meetings (Customer Dialogue Summaries | TransGas).

   For the past two consecutive years, TransGas has made rate adjustments effective April 1, which coincides with the fiscal year. Based on conversations at the TransGas Customer Dialogue meetings, a similar rate adjustment may be expected for fiscal year 2023/24.

b) The response is confidential and has been shared with the Saskatchewan Rate Review Panel.

c) As a shipper on TransGas' pipeline system, SaskPower is obligated to adhere to the TransGas Tariff. The Obligation Enforcement clause of the Tariff (Article 4.4 on page 35 Tariff | TransGas) requires all shippers ensure that the Customer Daily Energy Imbalance on the Shipper's Imbalance Account is within the Shipper's Allowable Daily Tolerance

(November 1, 2021 - Obligation Enforcement in Effect and Revision to Obligation Enforcement | TransGas). TransGas may use the Obligation Enforcement clause and settle the difference in quantity by purchasing or selling gas at the price specified in the TransGas Energy Pool Service Specifications.

**Cost of gas purchased:**
Actual Gas Cost + Incremental Transport Cost + Inventory Management Fee of $1.00/GJ

**Cost of gas sold:**
Credit Actual Gas Cost – Incremental Transport Cost – Inventory Management Fee of $1.00/GJ

SaskPower has not incurred any fees or penalties to date.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q15** **Reference: Operating, Maintenance and Administration (OM&A) and Response to SRRP Q47**

a) With reference to the response to SRRP Q47, please update the table to include either updated forecasts or preliminary actuals for 2021-22 compared to the original 2021-22 business plan.

**Response:**

OM&A per customer account

| | Actual **2017-18** | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Actual **2021-22** |
|---|---|---|---|---|---|
| OM&A (millions) | $ 680 | $ 708 | $ 705 | $ 700 | $ 711 |
| Total of customer accounts | 532,719 | 537,714 | 540,727 | 545,179 | 549,940 |
| OM&A per customer account | $ 1,276 | $ 1,317 | $ 1,304 | $ 1,284 | $ 1,293 |

| | Forecast **2017-18** | Forecast **2018-19** | Forecast **2019-20** | Forecast **2020-21** | Forecast **2021-22** |
|---|---|---|---|---|---|
| OM&A (millions) | $ 689 | $ 701 | $ 715 | $ 701 | $ 712 |
| Total of customer accounts | 532,928 | 538,793 | 544,969 | 545,824 | 548,494 |
| OM&A per customer account | $ 1,293 | $ 1,301 | $ 1,313 | $ 1,284 | $ 1,298 |

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q16** **Reference: Operating, Maintenance and Administration (OM&A) and Response to SRRP Q48**

a) With reference to the response to SRRP Q48, please provide versions of the table showing:
   i) The total salary costs by business unit in each actual and forecast year.
   ii) The total number of FTEs by business unit in each actual and forecast year.
b) With reference to the response to SRRP Q48, please provide an explanation for the forecast increase in President/Board costs.
c) With reference to the response to SRRP Q48, please provide an explanation for the forecast increase in insurance costs.
d) Please describe SaskPower's insurance policies and whether or not SaskPower undertakes any self-insurance.
e) Please provide an explanation for the variation in bad debt expense between 2019-20 and 2021-22.

**Response:**

a) Tables:

i.)

Operating, maintenance and administration
Salaries and Wages

| *(in millions)* | Actual **2017-18** | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Actual **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|---|
| **Salaries and Wages** | | | | | | | |
| President/Board | $ 1.4 | $ 1.4 | $ 1.5 | $ 1.5 | $ 1.5 | $ 1.6 | $ 1.6 |
| Power production | 78.2 | 80.3 | 81.7 | 83.1 | 85.1 | 88.2 | 90.8 |
| Distribution & Customer Services | 82.4 | 83.4 | 85.4 | 87.6 | 93.0 | 96.2 | 99.1 |
| Asset Mgmt, Planning & Sustainability | 23.4 | 23.1 | 24.5 | 26.4 | 28.4 | 30.3 | 31.2 |
| Finance | 12.0 | 11.9 | 12.0 | 12.8 | 12.4 | 13.7 | 14.1 |
| Transmission & Industrial Services | 40.7 | 42.2 | 42.2 | 43.4 | 45.2 | 47.5 | 49.0 |
| Corporate & Regulatory Affairs | 7.9 | 7.5 | 7.5 | 7.7 | 8.9 | 9.6 | 9.9 |
| Technology & Security | 24.6 | 26.7 | 27.5 | 28.0 | 28.3 | 29.7 | 30.6 |
| Human resources | 16.6 | 16.6 | 16.9 | 16.8 | 17.0 | 17.7 | 18.2 |
| Supply Chain | 19.5 | 20.2 | 20.5 | 21.1 | 22.4 | 22.5 | 23.1 |
| Total Salary | $ 306.7 | $ 313.4 | $ 319.5 | $ 328.4 | $ 342.3 | $ 356.9 | $ 367.7 |

ii.)

Operating, maintenance and administration
Full Time Equivalents (FTEs)

| | Actual 2017-18 | Actual 2018-19 | Actual 2019-20 | Actual 2020-21 | Actual 2021-22 | Business Plan 2022-23 | Business Plan 2023-24 |
|---|---|---|---|---|---|---|---|
| **FTEs** | | | | | | | |
| President/Board | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| Power production | 835.5 | 867.3 | 851.4 | 818.6 | 834.0 | 848.6 | 848.6 |
| Distribution & Customer Services | 1,007.3 | 1,037.5 | 1,034.7 | 1,023.5 | 1,079.6 | 1,101.7 | 1,101.7 |
| Asset Mgmt, Planning & Sustainability | 235.8 | 192.7 | 204.7 | 203.1 | 206.9 | 210.5 | 210.5 |
| Finance | 84.7 | 130.9 | 106.2 | 107.7 | 106.5 | 108.4 | 108.4 |
| Transmission & Industrial Services | 352.5 | 370.0 | 380.3 | 381.3 | 384.8 | 391.5 | 391.5 |
| Corporate & Regulatory Affairs | 71.5 | 66.9 | 68.8 | 69.7 | 78.0 | 79.4 | 79.4 |
| Technology & Security | 244.4 | 248.0 | 238.9 | 237.2 | 226.5 | 230.5 | 230.5 |
| Human resources | 147.7 | 150.6 | 144.1 | 142.4 | 133.7 | 136.0 | 136.0 |
| Supply Chain | 278.4 | 252.4 | 250.3 | 248.6 | 256.9 | 261.4 | 261.4 |
| CCS Knowledge Centre | 12.0 | 12.0 | 12.0 | - | - | - | - |
| Total FTEs | 3,278.8 | 3,337.3 | 3,300.4 | 3,241.1 | 3,315.9 | 3,377.0 | 3,377.0 |

Comments:

- 2016-17 results have been excluded from these tables due to a Corporate re-organization in 2016-17.
- Costs and FTE's associated with Gas & Electrical Inspections has been removed from all applicable prior year reporting actuals.
- CCS Knowledge Center secondments were excluded from FTE reporting in 2020-21.

b.) The increase in the President/Board expenses are generally inflation based. The increase from Fiscal 2017 to Fiscal 2018 is due to the addition of the Executive Administration Assistants via a corporate re-organization.

President/Board

| | Actual 2016-17 | Actual 2017-18 | Actual 2018-19 | Actual 2019-20 | Actual 2020-21 | Actual 2021-22 | Business Plan 2022-23 | Business Plan 2023-24 |
|---|---|---|---|---|---|---|---|---|
| President/Board | 1.4 | 2.2 | 2.4 | 2.5 | 2.5 | 2.5 | 2.6 | 2.6 |

c) Insurance rates in general have increased more rapidly than inflation and SaskPower has also suffered a number of losses which has resulted in increased insurance premiums. The cost of SaskPower's corporate insurance program is expected to increase 30% in the upcoming year due to the rising rates observed in the insurance market and SaskPower's loss history.

d) SaskPower carries the standard portfolio of property & casualty insurance policies appropriate for an electrical utility. The key policies cover property, business interruption, machinery breakdown and directors' & officers' liability. SaskPower self-insures environmental risks, powerlines, dams, spillways and penstocks.

e) SaskPower saw a significant decrease in bad debt expense during 2021-22 due to the partial reversal of credit losses previously allowed for as the collectability of payments from customers improved.

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SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q17** **Reference: Operating, Maintenance and Administration (OM&A) and Response to SRRP Q51**

a) With reference to the table provided in part (b) of the response to SRRP Q51, please expand the table to show the total salaries and wages expense for each category of employee (i.e. those covered by collective agreements and those not covered by collective agreements).

**Response:**

SaskPower Full-time Equivalents and Salaries and Wages

| | Actual | Actual | Actual | Forecast | Business Plan | Business Plan |
|---|---|---|---|---|---|---|
| | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **2023-24** |
| Employees not covered by collective agreements | 1,230.0 | 1,218.0 | 1,225.0 | 1,226.0 | 1,240.0 | 1,240.0 |
| Employees covered by collective agreements | 2,107.3 | 2,082.4 | 2,016.1 | 2,089.9 | 2,137.0 | 2,137.0 |
| Total FTEs | 3,337.3 | 3,300.4 | 3,241.1 | 3,315.9 | 3,377.0 | 3,377.0 |
| | | | | | | |
| (in millions) | | | | | | |
| Salaries (Out Of Scope) | $ 150.9 | $ 156.1 | $ 161.7 | $ 165.2 | $ 172.2 | $ 177.3 |
| Wages (Inscope) | $ 162.6 | $ 163.4 | $ 166.7 | $ 177.1 | $ 184.7 | $ 190.4 |
| Total Salaries and Wages | $ 313.4 | $ 319.5 | $ 328.4 | $ 342.3 | $ 356.9 | $ 367.7 |

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SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q18** **Reference: Operating, Maintenance and Administration (OM&A) and Response to SRRP Q54**

a) With reference to the response to SRRP Q54, please provide the actual amounts paid out under the Salary Holdback Program in each of the three most recent actual years and forecasts for 2021-22, 2022-23 and 2023-24.

b) Please provide the total number of employees who are eligible for the Salary Holdback Program in each of the three most recent actual years and forecasts for 2021-22, 2022-23 and 2023-24.

**Response:**

SaskPower has a robust Employee Performance Review process that determines an employee's eligibility for Salary Holdback. Only those employees who meet the criteria set out in the program are eligible.

Salary Holdback Program

| | Actual 2018-19 | Actual 2019-20 | Actual 2020-21 | Forecast 2021-22 | Business Plan 2022-23 | Business Plan 2023-24 |
|---|---|---|---|---|---|---|
| a) Actual amounts paid *(in millions)* | $ 8.1 | $ 8.8 | $ 9.4 | $ 9.6 | $ 9.8 | $ 10.0 |
| b) Number of eligible employees | 1,142 | 1,183 | 1,188 | 1,196 | 1,198 | 1,200 |

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q19** **Reference: Productivity and Efficiency and Response to SRRP Q64**

With reference to the contingency amounts included in the table in the response to SRRP Q64 (a), please elaborate on how the contingency forecasts are determined and how SaskPower anticipates achieving those savings.

**Response:**

As part of the budget finalization process for the 2022-23 and 2023-24 Operating, Maintenance and Administration (OM&A) budgets, management utilized a top-down approach to cap the year-over-year budget increase at 5% in 2022-23 and 3.5% in 2023-24.

Despite the increase in OM&A costs being largely driven by new or increased spending on initiatives such as Small Modular Reactor research, system reliability improvements, vegetation management and cloud computing, SaskPower will continue to pursue internal savings to minimize overall OM&A spending. By implementing a cap on the annual percentage increase in OM&A, SaskPower included savings targets of $18 million in 2022-23 and $11 million in 2023-24 to achieve the overall OM&A budget target in each of those years.

On a monthly basis, management will review OM&A spending levels with the Executive to determine where the savings will be achieved. Areas of emphasis will include salaries and benefits, external services (contractors and consultants) and general administrative costs.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q20** **Reference: Energy Efficiency and Response to SRRP Q84**

a) With reference to the response to SRRP Q84, please provide a summary of actual and forecast energy efficiency program spending by rate class and the estimated energy and capacity savings associated with each program.

b) Does SaskPower have any information with respect to the percentage of electricity sales being used to serve 'phantom loads' (i.e. electronic and electrical appliances while they are switched off or in standby mode). If so, please discuss.

**Response:**

a)

Program spending

| *($)* | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Online Energy Assessment for Homes | $ 180,724 | $ 91,052 | $ 136,984 | $ 90,000 | $ 90,000 | $ 90,000 |
| Energy Assistance Program | - | 191,064 | 175,884 | 313,194 | 1,033,190 | 750,000 |
| Northern First Nation Home Retrofit Program | - | - | 154,281 | 97,127 | 797,351 | 800,000 |
| Residential subtotal | 180,724 | 282,115 | 467,149 | 500,321 | 1,920,541 | 1,640,000 |
| Walk-Through Energy Assessment Program & Energy Management Professional Training | 234,726 | 25,030 | 141,671 | 34,835 | - | - |
| Municipal Ice Rink Program | 16,575 | 2,500 | - | - | - | - |
| Efficiency Partner Program | 3,771 | 108 | - | - | 5,000 | 5,000 |
| Commercial subtotal | 255,072 | 27,638 | 141,671 | 34,835 | 5,000 | 5,000 |
| Power Support Service (Pilot) | - | - | - | 45,293 | - | - |
| Industrial Energy Optimization Program | 2,132,907 | 2,135,690 | 1,340,427 | 63,051 | - | - |
| Industrial subtotal | 2,132,907 | 2,135,690 | 1,340,427 | 108,344 | 0 | 0 |
| **Total** | **$ 2,568,704** | **$ 2,445,443** | **$ 1,949,247** | **$ 643,500** | **$ 1,925,541** | **$ 1,645,000** |

Energy savings

| *(GWh)* | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Energy Assistance Program | - | - | 0.07 | 0.44 | 2.40 | 1.11 |
| Northern First Nation Home Retrofit Program | - | - | - | - | 1.49 | 1.49 |
| Online Energy Assessment for Homes | - | - | - | - | - | - |
| Walk-Through Energy Assessment Program & Energy Management Professional Training | - | - | - | - | - | - |
| Municipal Ice Rink Program | 0.24 | - | - | - | - | - |
| Efficiency Partner Program | - | - | - | - | - | - |
| Power Support Service (Pilot) | - | - | - | - | - | - |
| Industrial Energy Optimization Program | 18.84 | 19.96 | 11.14 | - | - | - |
| **Total** | 19.08 | 19.96 | 11.21 | 0.44 | 3.89 | 2.60 |

Capacity savings

| *(MW)* | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Energy Assistance Program | - | - | - | - | - | - |
| Northern First Nation Home Retrofit Program | - | - | - | - | - | - |
| Online Energy Assessment for Homes | - | - | - | - | - | - |
| Walk-Through Energy Assessment Program & Energy Management Professional Training | - | - | - | - | - | - |
| Municipal Ice Rink Program | 0.03 | - | - | - | - | - |
| Efficiency Partner Program | - | - | - | - | - | - |
| Power Support Service (Pilot) | - | - | - | - | - | - |
| Industrial Energy Optimization Program | 4.05 | 2.50 | 1.25 | - | - | - |
| **Total** | 4.08 | 2.50 | 1.25 | - | - | - |

b)

SaskPower shares energy efficiency information and tips, including 'phantom loads', on saskpower.com. It is estimated that 'phantom loads' can account for up to 10% of a residential household's electricity use. However, a detailed analysis to determine the percentage of electricity sales being used to serve 'phantom loads' has not been completed.

2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q21** **Reference: Demand Response Program and SRRP Q85**

a) With reference to the response to SRRP Q85, does SaskPower have an upper limit for subscriptions to these rate options? If so, please provide the subscription limits.

b) Please summarize any feedback SaskPower may have received from customers who are eligible for the program but have chosen not to subscribe.

**Response:**

a) SaskPower has Target Capacity amounts for each option; however, they are not a hard upper limit. The program target capacity is 85MW for Spinning Capacity Reserve and 40MW for Planned Operating Capacity Reserve.

b) Feedback has been received from Key Account Customers and the responses indicate that most potential providers are uninterested in participating in demand response. Customers felt that either the program does not align with their production business objectives, or the compensation did not offset the loss of production.

2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q22** **Reference: Rate Design and Paper Excellence Q20 and Q21**

a) For each customer class in each test year, please provide a table that compares the "ideal rates" calculated by the cost of service study for each of demand, energy, and customer with SaskPower's proposed energy, demand, and customer charges. Please comment on any material differences between proposed rates and ideal rates.

b) Please confirm SaskPower is proposing to maintain the differences in the energy blocks between urban and rural general service customers (for example E05 and E06). If confirmed, please explain if SaskPower has plans to levelize the size of the first energy block in the future and discuss why or why not.

c) With reference to the table provided in response to Paper Excellence 20 (a), please add rows for 2022-23 and 2023-24 showing the revenues that would be required for each of the basic monthly charge, energy, and demand rates to fully recover the costs classified to customer, energy, and demand in SaskPower's cost of service study.

d) With reference to the table provided in the response to Paper Excellence Q21 (a) please provide an updated table that adds a column showing revenues under SaskPower's proposed rates in the current application.

e) Please provide updated versions of the 2022-23 and 2023-24 Rate Change Impact tables from appendix C of the application for rate codes E22, E23, E24, and E84 that show the demand billing determinants used to calculate the rate impacts.

f) Please provide updated versions of the 2022-23 and 2023-24 Rate Change Impact tables from appendix C of the application for rate codes E22, E23, E24, and E84 assuming:
   i) All components of the rate structure are increased by the same percentage in each year.
   ii) Assuming SaskPower only increases the demand rate by 50% of the amount proposed in the application in each year, with the balance of the necessary revenue increase achieved by increasing the energy rates.

   Please provide SaskPower's view as to the reasonableness of implementing either of those scenarios.

g) With reference to the 2022-23 and 2023-24 rate change tables on pages 34 and 35 of the application, please explain:
   i) Why SaskPower is proposing a higher average rate increase for Farm customers than Residential customers when Residential customers have a lower R/RR ratio.
   ii) Why SaskPower is proposing a 4.4% rate increase for small commercial customers when their R/RR ratio is greater than 1.0.
   iii) Why SaskPower is proposing a 4.1% rate increase for Power-published rate customers when their R/RR ratio is greater than 1.0.

**Response:**

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# 2022 AND 2023 RATE APPLICATION
# SRRP ROUND 2 INTERROGATORIES

a) Please see the tables below showing a comparison between SaskPower's ideal and proposed rate structures for 2022-23 and 2023-24:

## SaskPower Ideal vs Proposed Rates
## 2022-23

| | IDEAL | | | | PROPOSED | | | |
|---|---|---|---|---|---|---|---|---|
| | BMC | Demand | Energy 1 | Energy 2 | BMC | Demand | Energy 1 | Energy 2 |
| **RESIDENTIAL** | | | | | | | | |
| E01 & E03 - Residential | $ 31.11 | | $ 13.939 | | $ 26.11 | | $ 14.705 | |
| **FARMS** | | | | | | | | |
| E34- Farms | $ 55.97 | $ 13.734 | $ 12.150 | $ 5.136 | $ 40.20 | $ 14.677 | $ 12.985 | $ 5.489 |
| E19 - Farm Irrigation | $ 711.57 | | $ 16.242 | | $ 552.27 | | $ 8.139 | |
| E41 - Industrial Irrigation | $ 2,637.62 | | $ 11.143 | | $ 1,041.31 | | $ 6.973 | |
| **STREETLIGHTS** | | | | | | | | |
| S17 | $ 15.41 | | | | $ 12.07 | | | |
| S18 | $ 15.80 | | | | $ 14.08 | | | |
| S19 | $ 16.14 | | | | $ 16.38 | | | |
| S20 | $ 19.23 | | | | $ 20.24 | | | |
| S21 | $ 17.68 | | | | $ 21.30 | | | |
| S22 | $ 21.99 | | | | $ 27.21 | | | |
| S23 | $ 21.33 | | | | $ 27.63 | | | |
| **RESELLERS** | | | | | | | | |
| E31 - 25 kV (Swift Current - Non Totalized) | $ 6,786.35 | $ 22.661 | | $ 5.144 | $ 6,479.52 | $ 19.765 | | $ 5.343 |
| E32 - 100 kV & Above (Swift Current - Non Totalized) | $ 7,721.17 | $ 18.586 | | $ 4.686 | $ 7,428.13 | $ 17.665 | | $ 5.177 |
| E33 - 100 kV & Above (Saskatoon - Totalized) | $ 15,658.78 | $ 19.177 | | $ 4.958 | $ 15,658.78 | $ 19.177 | | $ 4.945 |
| **COMMERCIAL** | | | | | | | | |
| E05 & E06 - SaskPower Transf. | $ 85.09 | $ 22.147 | $ 12.766 | $ 5.900 | $ 66.63 | $ 17.983 | $ 11.516 | $ 7.372 |
| E07 & E08 - < 25kV, Cust. Transf. | $ 115.76 | $ 20.606 | | $ 5.732 | $ 278.68 | $ 17.028 | | $ 7.388 |
| E10 - 72 kV, Cust. Transf. | $ 200.33 | $ 18.142 | | $ 5.438 | $ 288.26 | $ 11.830 | | $ 5.755 |
| E12 - 100 kV & Above, Cust. Transf. | $ 227.94 | $ 17.655 | | $ 5.306 | $ 327.57 | $ 11.512 | | $ 5.603 |
| E75 & E76 - Small Comm. SaskPower Transf. | $ 38.78 | $ 19.541 | $ 14.475 | $ 5.983 | $ 35.81 | $ 17.400 | $ 14.443 | $ 7.627 |
| E77 & E78 - Small Comm., Cust. Transf. | $ 38.78 | $ 18.857 | $ 14.475 | $ 5.983 | $ 35.81 | $ 16.791 | $ 14.443 | $ 7.627 |
| **POWER (Power, Oilfiled Power & Large Manuf.)** | | | | | | | | |
| E22 & E46 - 25 kV Power & Large Oil | $ 6,791.24 | $ 19.576 | | $ 5.218 | $ 6,791.23 | $ 13.429 | | $ 6.332 |
| E82 & E86 - 25 kV Power TOU | $ 6,791.24 | $ 19.576 | $ 5.791 | $ 4.791 | $ 6,791.23 | $ 13.429 | $ 6.904 | $ 5.904 |
| E23 & E47 - 72 kV Power & Large Oil | $ 7,682.75 | $ 16.065 | | $ 5.180 | $ 7,682.75 | $ 11.020 | | $ 6.286 |
| E83 & E87 - 72 kV Power TOU | $ 7,682.75 | $ 16.065 | $ 5.753 | $ 4.753 | $ 7,682.75 | $ 11.020 | $ 6.858 | $ 5.858 |
| E24 & E48- 100 kV & Above Power & Large Oil | $ 8,275.25 | $ 15.752 | | $ 5.053 | $ 8,275.25 | $ 9.738 | | $ 6.115 |
| E84 & E88 - 100 kV & Above Power TOU | $ 8,275.25 | $ 15.752 | $ 5.626 | $ 4.626 | $ 8,275.25 | $ 9.738 | $ 6.687 | $ 5.687 |
| **OILFIELD (Non-Power Oilfield)** | | | | | | | | |
| E43 - Standard Oilfield | $ 75.61 | $ 22.828 | | $ 5.565 | $ 70.59 | $ 15.425 | | $ 7.435 |

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# 2022 AND 2023 RATE APPLICATION
# SRRP ROUND 2 INTERROGATORIES

## SaskPower Ideal vs Proposed Rates
## 2023-24

| | IDEAL | | | | PROPOSED | | | |
|---|---|---|---|---|---|---|---|---|
| | BMC | Demand | Energy 1 | Energy 2 | BMC | Demand | Energy 1 | Energy 2 |
| **RESIDENTIAL** | | | | | | | | |
| E01 & E03 - Residential | $ 32.72 | | $ 14.451 | | $ 29.99 | | $ 14.895 | |
| **FARMS** | | | | | | | | |
| E34- Farms | $ 58.48 | $ 14.462 | $ 12.738 | $ 5.352 | $ 46.22 | $ 15.137 | $ 13.332 | $ 5.602 |
| E19 and E42 - Farm Irrigation | $ 754.75 | | $ 16.907 | | $ 635.06 | | $ 9.359 | |
| E41 - Industrial Irrigation | $ 2,861.06 | | $ 11.671 | | $ 1,197.40 | | $ 8.018 | |
| **STREETLIGHTS** | | | | | | | | |
| S17 | $ 16.03 | | | | $ 12.36 | | | |
| S18 | $ 16.32 | | | | $ 14.44 | | | |
| S19 | $ 16.88 | | | | $ 16.79 | | | |
| S20 | $ 20.00 | | | | $ 20.74 | | | |
| S21 | $ 18.34 | | | | $ 21.79 | | | |
| S22 | $ 22.59 | | | | $ 27.82 | | | |
| S23 | $ 22.16 | | | | $ 28.25 | | | |
| **RESELLERS** | | | | | | | | |
| E31 - 25 kV (Swift Current - Non Totalized) | $ 6,735.08 | $ 23.958 | | $ 5.317 | $ 6,842.37 | $ 20.872 | | $ 5.631 |
| E32 - 100 kV & Above (Swift Current - Non Totalized) | $ 7,826.45 | $ 19.554 | | $ 4.860 | $ 7,844.11 | $ 18.654 | | $ 5.467 |
| E33 - 100 kV & Above (Saskatoon - Totalized) | $ 16,365.85 | $ 20.154 | | $ 5.147 | $ 16,365.85 | $ 20.150 | | $ 5.121 |
| **COMMERCIAL** | | | | | | | | |
| E05 & E06 - SaskPower Transf. | $ 88.85 | $ 23.795 | $ 13.450 | $ 6.073 | $ 73.00 | $ 20.820 | $ 11.515 | $ 7.222 |
| E07 & E08 - < 25kV, Cust. Transf. | $ 120.37 | $ 22.082 | | $ 5.898 | $ 278.68 | $ 19.285 | | $ 7.014 |
| E10 - 72 kV, Cust. Transf. | $ 208.82 | $ 19.168 | | $ 5.635 | $ 288.26 | $ 14.920 | | $ 5.464 |
| E12 - 100 kV & Above, Cust. Transf. | $ 237.41 | $ 18.570 | | $ 5.495 | $ 327.57 | $ 14.455 | | $ 5.328 |
| E75 & E76 - Small Comm. SaskPower Transf. | $ 41.40 | $ 21.257 | $ 15.399 | $ 6.160 | $ 41.18 | $ 20.008 | $ 15.016 | $ 6.153 |
| E77 & E78 - Small Comm., Cust. Transf. | $ 41.40 | $ 20.513 | $ 15.399 | $ 6.160 | $ 41.18 | $ 19.308 | $ 15.016 | $ 6.153 |
| **POWER (Power, Oilfiled Power & Large Manuf.)** | | | | | | | | |
| E22 & E46 - 25 kV Power & Large Oil | $ 6,759.21 | $ 20.851 | | $ 5.416 | $ 6,759.21 | $ 17.998 | | $ 6.253 |
| E82 & E86 - 25 kV Power TOU | $ 6,759.21 | $ 20.851 | $ 5.989 | $ 4.989 | $ 6,759.21 | $ 17.998 | $ 6.825 | $ 5.825 |
| E23 & E47 - 72 kV Power & Large Oil | $ 7,845.52 | $ 16.952 | | $ 5.377 | $ 7,845.52 | $ 14.632 | | $ 6.208 |
| E83 & E87 - 72 kV Power TOU | $ 7,845.52 | $ 16.952 | $ 5.950 | $ 4.950 | $ 7,845.52 | $ 14.632 | $ 6.780 | $ 5.780 |
| E24 & E48- 100 kV & Above Power & Large Oil | $ 8,403.75 | $ 16.565 | | $ 5.242 | $ 8,403.75 | $ 11.586 | | $ 6.025 |
| E84 & E88 - 100 kV & Above Power TOU | $ 8,403.75 | $ 16.565 | $ 5.814 | $ 4.814 | $ 8,403.75 | $ 11.586 | $ 6.597 | $ 5.597 |
| **OILFIELD (Non-Power Oilfield)** | | | | | | | | |
| E43 - Standard Oilfield | $ 78.75 | $ 23.823 | | $ 5.708 | $ 78.57 | $ 17.796 | | $ 7.171 |

Comments:

1) Farm/Farm Irrigation:
   - The E34 rate is also currently subsidizing the Farm Irrigation rates (E19 & E41). We have applied the maximum allowable increase to the irrigation rates to reduce the subsidy as quickly as possible.

2) Streetlights:
    - SaskPower plans to rebalance the streetlight rates when the LED replacement program is complete, due to:
        i. Given the current supply chain and inflationary pressures, the rates may shift substantially from year to year until the LED conversion is compete.
        ii. The streetlights are not being converted at a uniform rate across all bulb types. It is therefore conceivable, that before the completion of the program, that the ideal rates for the higher wattage bulbs could be lower than those for the lower wattage. This would result in customers applying for higher wattage standards to be installed simply because they are less expensive, not because it meets their lighting requirements, resulting in increased costs to SaskPower.
    - Therefore, SaskPower chose to uniformly apply the savings from the lower energy consumption from the LED conversions to all rate codes in the streetlight class and will rebalance the rate codes once the program has been completed.
3) Commercial and Power Class:
    - The cause for the material differences is due to SaskPower transitioning to a conventional rate design over several applications. This results in the ideal energy and demand charges being substantially different from their current structures. Since SaskPower is limited to a 15% maximum increase to any single customer, limited progress can be made in any given single year of the transition.

b) SaskPower confirms that we are maintaining the difference in the energy blocks between urban and rural general service customers for this application but plan to equalize them in the future so there will eventually be no difference between the urban and rural rates. Under SaskPower's rate simplification project, the initial steps were to work towards equalizing the individual components of each rate code first, then address the energy blocks in subsequent applications to facilitate an easier transition and lessen potential impacts to customers.

c) Please see the table below:

## Revenue Impact Analysis by Rate Component (E24)

| | BMC | Energy | Demand | Total |
|---|---|---|---|---|
| Current Rate | $ 91,390 | $ 7,625,865 | $ 2,157,154 | $ 9,874,408 |
| 2022-23 Proposed Rate | $ 99,303 | $ 7,633,355 | $ 2,535,775 | $ 10,268,433 |
| 2022-23 Ideal Rate | $ 99,303 | $ 6,162,018 | $ 4,007,111 | $ 10,268,433 |
| *% Increase Proposed from Current* | *8.7%* | *0.1%* | *17.6%* | *4.0%* |
| *% Increase Ideal from Current* | *8.7%* | *-19.2%* | *85.8%* | *4.0%* |
| 2023-24 Proposed Rate | $ 100,845 | $ 7,521,008 | $ 3,016,994 | $ 10,638,847 |
| 2023-24 Ideal Rate | $ 100,845 | $ 6,351,259 | $ 4,186,743 | $ 10,638,847 |
| *% Increase Proposed from 2022-23* | *1.6%* | *-1.5%* | *19.0%* | *3.6%* |
| *% Increase Ideal from 2022-23* | *1.6%* | *3.1%* | *4.5%* | *3.6%* |
| *Total % Proposed Increase from Current* | *10.3%* | *-1.4%* | *39.9%* | *7.7%* |
| *Total % Ideal Increase from Current* | *10.3%* | *-16.7%* | *94.1%* | *7.7%* |

*Note: Calculations based on 25MVA customer at 60% load factor and 95% power factor*

d) Please see the table below:

**The Impact of a Conventional Rate Design Compared to the Existing Rate Design Methodology and Proposed Rates on a 30 MVA E24 Customer at Various Load Factors**

| | Calculated Annual Revenue | | |
|---|---|---|---|
| Load Factor (%) | Existing Rate Design | Conventional Rate (4% increase included) | Proposed Rate (4% increase included) |
| 50% | $ 10,207,425 | $ 10,644,013 | $ 10,659,900 |
| 60% | $ 11,831,012 | $ 12,037,824 | $ 12,302,259 |
| 70% | $ 13,454,598 | $ 13,431,635 | $ 13,944,617 |
| 80% | $ 15,078,185 | $ 14,825,445 | $ 15,586,975 |
| 90% | $ 16,701,772 | $ 16,219,256 | $ 17,229,334 |

Notes:
- Power Factor is set to 95%

e) Please see the attached file that contains updated versions of the 2022-23 and 2023-24 Rate Change Impact tables for rate codes E22, E23, E24 and E84 showing the demand billing determinants used to calculate the rate impacts.

f) Please see the attached files that contain updated versions of the 2022-23 and 2023-24 Rate Change Impact tables for rate codes E22, E23, E24 and E84, assuming:

i. All components of the rate structure are increased by the same percentage in each year.
   - SaskPower's comments – this scenario constitutes a "flat" increase, where all customer classes receive the same percentage revenue lift. Although flat increases have been conducted and approved in the past, SaskPower does not find this scenario reasonable for this application as it will not allow the opportunity to rebalance rates, which is essential to:
     1. Begin transitioning to a conventional rate design.
     2. Facilitate moving class R/RR ratios back to 0.98-1.02.
     3. Continue merging the urban and rural rates together under SaskPower's Rate Simplification Program.

     SaskPower has not undergone rebalancing maintenance since 2015, and although a flat increase will achieve SaskPower's desired revenue lift, it will not allow us to achieve any of our other objectives that we feel are essential to this application.

ii. Demand charges increased by 50% of the amount proposed in each year, with the balance of the revenue increase achieved by increasing energy rates
   - SaskPower's comments – This scenario would increase the number of applications required to transition the rates to a conventional design. It is conceivable that it may take more than 10 applications to fully redesign the rates under this scenario, requiring an amount of time SaskPower considers unreasonable given our rapidly evolving industry and growing customer expectations. The longer it takes SaskPower to redesign its rates, the harder it becomes for us to adapt and provide new rates/programs to our customers.

g) It should be noted that SaskPower does not set it R/RR ratios to 1.00 for all classes. Historically, we attempt to set our residential and farm customers to 0.98, Resellers to 1.00 and all other classes (except Power-Contracts) to 1.02, meaning that SaskPower traditionally has some the of the lowest levels of cross-subsidization among Canadian electric utilities, as the industry standard R/RR range is 0.95-1.05.

In determining the applied increases to each customer class for this application, SaskPower decided to take a longer-term approach to rebalancing its rates by utilizing the industry standard range of 0.95-1.05 while slowly narrowing the bandwidth to our historical 0.98-1.02 level over the next number of applications. To accomplish this, SaskPower first calculated the compounded rate increases required over the next 4 applications if all classes were fully rebalanced (i.e., 0.98-1.02) each year. From that, the average annual increase was determined. This is shown in the table below:

2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**Required Class Increase to Achieve Full Rebalancing**

**(Over 4 Applications)**

| Class of Service | Compounded Rate Change | Average Annual Rate Change |
|---|---|---|
| Residential | 17.9% | 4.2% |
| Farms | 19.5% | 4.5% |
| Small Commercial | 18.6% | 4.4% |
| General Service | 16.5% | 3.9% |
| **Total Commercial** | **17.5%** | **4.1%** |
| Power - Published Rates | 17.3% | 4.1% |
| Power - Contract Rates | 16.2% | 3.8% |
| **Total Power** | **17.0%** | **4.0%** |
| Oilfields | 14.1% | 3.4% |
| Streetlights | 10.3% | 2.5% |
| Reseller | 18.6% | 4.3% |
| **Total (System)** | **17.0%** | **4.0%** |

These average annual increases were then applied to each year of the proposed rate application:

| Class of Service | 2023F Rate Change | Adjusted 2023F R/RR Ratio | 2024F Rate Change | Adjusted 2024F R/RR Ratio |
|---|---|---|---|---|
| Residential | 4.2% | 0.97 | 4.2% | 0.96 |
| Farms | 4.5% | 0.96 | 4.5% | 0.97 |
| Small Commercial | 4.4% | 1.02 | 4.4% | 1.02 |
| General Service | 3.9% | 1.03 | 3.9% | 1.02 |
| **Total Commercial** | **4.1%** | **1.03** | **4.1%** | **1.02** |
| Power - Published Rates | 4.1% | 1.01 | 4.1% | 1.02 |
| Power - Contract Rates | 3.8% | 0.98 | 3.8% | 0.98 |
| **Total Power** | **4.0%** | **1.00** | **4.0%** | **1.01** |
| Oilfields | 3.4% | 1.04 | 3.4% | 1.03 |
| Streetlights | 2.5% | 0.93 | 2.5% | 0.97 |
| Reseller | 4.3% | 0.99 | 4.3% | 1.00 |
| **Total (System)** | **4.0%** | **1.00** | **4.0%** | **1.00** |

This explains why the applied percentages were not adjusted in subsequent applications even though the R/RR ratios vary slightly up or down each year, as all ratios are projected to reside within the 0.98-1.02 range by the fourth application. Since none of the ratios ever fall outside the 0.95-1.05 bandwidth during this timeframe (excluding

streetlights in year 1), no adjustments to the percentages were required. A summary of the proposed final R/RR ratios over the next 4 applications is shown in the table below:

**Proposed R/RR Schedule**
**(Full Rebalancing Achieved by 4th Application)**

| Class of Service | 1 Ending R/RR Ratio | 2 Ending R/RR Ratio | 3 Ending R/RR Ratio | 4 Ending R/RR Ratio |
|---|---|---|---|---|
| Residential | 0.97 | 0.96 | 0.97 | 0.98 |
| Farms | 0.96 | 0.97 | 0.97 | 0.98 |
| Small Commercial | 1.02 | 1.02 | 1.02 | 1.02 |
| General Service | 1.03 | 1.02 | 1.02 | 1.02 |
| **Total Commercial** | **1.03** | **1.02** | **1.02** | **1.02** |
| Power - Published Rates | 1.01 | 1.02 | 1.02 | 1.02 |
| Power - Contract Rates | 0.98 | 0.98 | 0.97 | 0.96 |
| **Total Power** | **1.00** | **1.01** | **1.00** | **1.00** |
| Oilfields | 1.04 | 1.03 | 1.03 | 1.02 |
| Streetlights | 0.93 | 0.97 | 1.00 | 1.02 |
| Reseller | 0.99 | 1.00 | 0.99 | 1.00 |
| **Total (System)** | **1.00** | **1.00** | **1.00** | **1.00** |

## Rate Change Impacts on E22 by Energy Intervals
## Power
### Customer Owned Transformation - 25kV

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.902** | **6.332** | |
| Demand Rate ($/kVA): | **10.906** | **13.429** | Based on Rate Class **4.008%** |
| Basic Charge ($/month): | **6,188.90** | **6,791.23** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Demand | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | | Average | Low | High |
| 2,000,000 | - | 1 | 21 | 84.0 | 204,155 | 61.1 | 482 | 61.6 | 806.66 | 1.0 | (1.3) | 5.2 |
| 2,000,000 to 5,000,000 | - | 2 | 4 | 16.0 | 129,925 | 38.9 | 301 | 38.4 | 979.49 | 0.4 | (1.5) | 2.1 |
| Total | | | 25 | 100.0 | 334,079 | 100.0 | 782 | 100.0 | 834.31 | 0.7 | (1.5) | 5.2 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E23 by Energy Intervals
## Power
### Customer Owned Transformation - 72kV

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.227** | **6.286** | |
| Demand Rate ($/kVA): | **8.405** | **11.020** | Based on Rate Class **4.008%** |
| Basic Charge ($/month): | **7,093.95** | **7,682.75** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Demand | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | | Average | Low | High |
| 0 to 2000000 | - | 1 | 9 | 47.4 | 109,754 | 10.3 | 301 | 14.0 | 8,482.13 | 9.0 | 6.7 | 12.3 |
| 2000000 to 5000000 | - | 2 | 7 | 36.8 | 290,153 | 27.3 | 584 | 27.2 | 20,817.56 | 7.4 | 6.4 | 9.1 |
| 5000000 to 20000000 | - | 3 | 2 | 10.5 | 380,300 | 35.7 | 727 | 33.9 | 89,176.04 | 7.1 | 7.1 | 7.2 |
| >20000000 | - | 4 | 1 | 5.3 | 284,163 | 26.7 | 533 | 24.8 | 130,669.18 | 7.0 | 7.0 | 7.0 |
| Total | | | 19 | 100.0 | 1,064,370 | 100.0 | 2,146 | 100.0 | 27,951.75 | 7.4 | 6.4 | 12.3 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E24 by Energy Intervals
## Power
### Customer Owned Transformation - 100kV & Above

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.109** | **6.115** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.284** | **9.738** | **4.008%** |
| Basic Charge ($/month): | **7,615.80** | **8,275.25** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Demand | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | | Average | Low | High |
| 0 to 2000000 | - | 1 | 6 | 13.6 | 35,485 | 0.8 | 390 | 4.1 | 8,565.26 | 10.4 | 6.8 | 14.8 |
| 2000000 to 5000000 | - | 2 | 21 | 47.7 | 883,686 | 19.1 | 1,973 | 20.6 | 12,255.07 | 4.3 | 3.4 | 8.0 |
| 5000000 to 20000000 | - | 3 | 8 | 18.2 | 750,330 | 16.2 | 1,571 | 16.4 | 24,920.71 | 4.0 | 3.1 | 5.4 |
| >20000000 | - | 4 | 9 | 20.5 | 2,964,124 | 64.0 | 5,641 | 58.9 | 78,251.54 | 3.7 | 3.0 | 4.6 |
| Total | | | 44 | 100.0 | 4,633,625 | 100.0 | 9,575 | 100.0 | 27,554.03 | 4.0 | 3.0 | 14.8 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E84 by Energy Intervals
## Power - Time of Use
### Customer Owned Transformation - 100kV & Above

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.682** | **6.687** | |
| Energy Off Peak Rate (cents/kW.h): | **5.682** | **5.687** | Based on Rate Class |
| Demand Rate ($/kVA): | **8.284** | **9.738** | **4.008%** |
| Basic Charge ($/month): | **7,615.80** | **8,275.25** | Based on 2020 Billing |

| Energy Intervals | | Number of Accounts | | Energy Use | | Demand | | Average Monthly | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (KWh/month) | Interval ID | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | Change ($) | Average | Low | High |
| >20000000 | 4 | 1 | 100.0 | 576,899 | 100.0 | 961 | 100.0 | 119,549.44 | 3.3 | 3.3 | 3.3 |
| Total | | 1 | 100.0 | 576,899 | 100.0 | 961 | 100.0 | 119,549.44 | 3.3 | 3.3 | 3.3 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E22 by Energy Intervals
## Power
### Customer Owned Transformation - 25kV

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.332** | **6.253** | |
| Demand Rate ($/kVA): | **13.429** | **17.998** | Based on Rate Class **3.998%** |
| Basic Charge ($/month): | **6,791.23** | **6,759.21** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Demand | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 21 | 84.0 | 204,155 | 61.1 | 482 | 61.6 | 8,060.53 | 9.6 | 7.2 | 13.7 |
| 2000000 to 5000000 | - | 2 | 4 | 16.0 | 129,925 | 38.9 | 301 | 38.4 | 26,452.80 | 10.1 | 7.6 | 12.5 |
| Total | | | 25 | 100.0 | 334,079 | 100.0 | 782 | 100.0 | 11,003.29 | 9.8 | 7.2 | 13.7 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E23 by Energy Intervals
## Power
### Customer Owned Transformation - 72kV

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.286** | **6.208** | |
| Demand Rate ($/kVA): | **11.020** | **14.632** | Based on Rate Class **3.998%** |
| Basic Charge ($/month): | **7,682.75** | **7,845.52** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Demand | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 9 | 47.4 | 109,754 | 10.3 | 301 | 14.0 | 9,444.67 | 9.2 | 4.0 | 12.4 |
| 2000000 to 5000000 | - | 2 | 7 | 36.8 | 290,153 | 27.3 | 584 | 27.2 | 22,594.73 | 7.5 | 6.2 | 9.6 |
| 5000000 to 20000000 | - | 3 | 2 | 10.5 | 380,300 | 35.7 | 727 | 33.9 | 97,251.75 | 7.3 | 7.3 | 7.3 |
| >20000000 | - | 4 | 1 | 5.3 | 284,163 | 26.7 | 533 | 24.8 | 142,069.21 | 7.2 | 7.2 | 7.2 |
| Total | | | 19 | 100.0 | 1,064,370 | 100.0 | 2,146 | 100.0 | 30,512.52 | 7.5 | 4.0 | 12.4 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E24 by Energy Intervals
## Power
### Customer Owned Transformation - 100kV & Above

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.115** | **6.025** | |
| Demand Rate ($/kVA): | **9.738** | **11.586** | Based on Rate Class **3.998%** |
| Basic Charge ($/month): | **8,275.25** | **8,403.75** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Demand | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 6 | 13.6 | 35,485 | 0.8 | 390 | 4.1 | 9,695.449 | 10.6 | 5.5 | 15.0 |
| 2000000 to 5000000 | - | 2 | 21 | 47.7 | 883,686 | 19.1 | 1,973 | 20.6 | 11,442.823 | 3.8 | 2.7 | 8.4 |
| 5000000 to 20000000 | - | 3 | 8 | 18.2 | 750,330 | 16.2 | 1,571 | 16.4 | 23,333.615 | 3.6 | 2.5 | 5.4 |
| >20000000 | - | 4 | 9 | 20.5 | 2,964,124 | 64.0 | 5,641 | 58.9 | 71,952.239 | 3.3 | 2.3 | 4.5 |
| Total | | | 44 | 100.0 | 4,633,625 | 100.0 | 9,575 | 100.0 | 25,743.433 | 3.6 | 2.3 | 15.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

## Rate Change Impacts on E84 by Energy Intervals
## Power - Time of Use
### Customer Owned Transformation - 100V & Above

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.687** | **6.597** | |
| Energy Off Peak Rate (cents/kW.h): | **5.687** | **5.597** | Based on Rate Class |
| Demand Rate ($/kVA): | **9.738** | **11.586** | **3.998%** |
| Basic Charge ($/month): | **8,275.25** | **8,403.75** | Based on 2020 Billing |

| Energy Intervals | | | Number of Accounts | | Energy Use | | Demand | | Average Monthly | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (KWh/month) | | Interval ID | Number | (%) | (MWh/year) | (%) | (mVA/year) | (%) | Change ($) | Average | Low | High |
| >20000000 | - | 4 | 1 | 100 | 576,899 | 100.0 | 961 | 100.0 | 105,056.59 | 2.8 | 2.8 | 2.8 |
| Total | | 4 | 1 | 100 | 576,899 | 100.0 | 961 | 100.0 | 105,056.59 | 2.8 | 2.8 | 2.8 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E22 by Energy Intervals**

**Power**

**Customer Owned Transformation - 25kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.902** | **7.180** | |
| Demand Rate ($/kVA): | **10.906** | **11.345** | Based on Rate Class **4.021%** |
| Basic Charge ($/month): | **6,188.90** | **6,437.76** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2,000,000 | - | 1 | 21 | 84.0 | 204,155 | 61.1 | 3,340.09 | 4.0 | 4.0 | 4.0 |
| 2,000,000 to 5,000,000 | - | 2 | 4 | 16.0 | 129,925 | 38.9 | 10,523.84 | 4.0 | 4.0 | 4.0 |
| Total | | | 25 | 100.0 | 334,079 | 100.0 | 4,489.49 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E23 by Energy Intervals**
**Power**
**Customer Owned Transformation - 72kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.227** | **6.477** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.405** | **8.743** | **4.021%** |
| Basic Charge ($/month): | **7,093.95** | **7,379.20** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 0 to 2000000 | - | 1 | 9 | 47.4 | 109,754 | 10.3 | 3,768.61 | 4.0 | 4.0 | 4.0 |
| 2000000 to 5000000 | - | 2 | 7 | 36.8 | 290,153 | 27.3 | 11,271.99 | 4.0 | 4.0 | 4.0 |
| 5000000 to 20000000 | - | 3 | 2 | 10.5 | 380,300 | 35.7 | 50,141.68 | 4.0 | 4.0 | 4.0 |
| >20000000 | - | 4 | 1 | 5.3 | 284,163 | 26.7 | 74,493.39 | 4.0 | 4.0 | 4.0 |
| Total | | | 19 | 100.0 | 1,064,370 | 100.0 | 15,136.75 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E24 by Energy Intervals**

**Power**

**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.109** | **6.355** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.284** | **8.617** | **4.021%** |
| Basic Charge ($/month): | **7,615.80** | **7,922.03** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 0 to 2000000 | - | 1 | 6 | 13.6 | 35,485 | 0.8 | 3,322.48 | 4.0 | 4.0 | 4.0 |
| 2000000 to 5000000 | - | 2 | 21 | 47.7 | 883,686 | 19.1 | 11,540.17 | 4.0 | 4.0 | 4.0 |
| 5000000 to 20000000 | - | 3 | 8 | 18.2 | 750,330 | 16.2 | 24,982.43 | 4.0 | 4.0 | 4.0 |
| >20000000 | - | 4 | 9 | 20.5 | 2,964,124 | 64.0 | 85,215.64 | 4.0 | 4.0 | 4.0 |
| Total | | | 44 | 100.0 | 4,633,625 | 100.0 | 27,933.61 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E84 by Energy Intervals**
**Power - Time of Use**
**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.682** | **6.927** | |
| Energy Off Peak Rate (cents/kW.h): | **5.682** | **5.927** | Based on Rate Class |
| Demand Rate ($/kVA): | **8.284** | **8.617** | **4.021%** |
| Basic Charge ($/month): | **7,615.80** | **7,922.03** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| >20000000 | - | 4 | 1 | 100.0 | 576,899 | 100.0 | 144,767.83 | 4.0 | 4.0 | 4.0 |
| Total | | | 1 | 100.0 | 576,899 | 100.0 | 144,767.83 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E22 by Energy Intervals**
**Power**
**Customer Owned Transformation - 25kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **7.180** | **7.469** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **11.345** | **11.802** | **4.025%** |
| Basic Charge ($/month): | **6,437.76** | **6,696.88** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 21 | 84.0 | 204,155 | 61.1 | 3,473.87 | 4.0 | 4.0 | 4.0 |
| 2000000 to 5000000 | - | 2 | 4 | 16.0 | 129,925 | 38.9 | 10,944.61 | 4.0 | 4.0 | 4.0 |
| Total | | | 25 | 100.0 | 334,079 | 100.0 | 4,669.18 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E23 by Energy Intervals**
**Power**
**Customer Owned Transformation - 72kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.477** | **6.738** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.743** | **9.095** | **4.025%** |
| Basic Charge ($/month): | **7,379.20** | **7,676.21** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 9 | 47.4 | 109,754 | 10.3 | 3,931.20 | 4.0 | 4.0 | 4.0 |
| 2000000 to 5000000 | - | 2 | 7 | 36.8 | 290,153 | 27.3 | 11,761.10 | 4.0 | 4.0 | 4.0 |
| 5000000 to 20000000 | - | 3 | 2 | 10.5 | 380,300 | 35.7 | 52,320.70 | 4.0 | 4.0 | 4.0 |
| >20000000 | - | 4 | 1 | 5.3 | 284,163 | 26.7 | 77,731.59 | 4.0 | 4.0 | 4.0 |
| Total | | | 19 | 100.0 | 1,064,370 | 100.0 | 15,793.77 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E24 by Energy Intervals**
**Power**
**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.355** | **6.611** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.617** | **8.964** | **4.025%** |
| Basic Charge ($/month): | **7,922.03** | **8,240.89** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts Number | (%) | Energy Use (MWh/year) | (%) | Average Monthly Change ($) | % Increase Average | Low | High |
|---|---|---|---|---|---|---|---|---|---|---|
| 2000000 | - | 1 | 6 | 13.6 | 35,485 | 0.8 | 3,460.23 | 4.0 | 4.0 | 4.0 |
| 2000000 to 5000000 | - | 2 | 21 | 47.7 | 883,686 | 19.1 | 12,013.10 | 4.0 | 4.0 | 4.0 |
| 5000000 to 20000000 | - | 3 | 8 | 18.2 | 750,330 | 16.2 | 26,005.74 | 4.0 | 4.0 | 4.0 |
| >20000000 | - | 4 | 9 | 20.5 | 2,964,124 | 64.0 | 88,704.08 | 4.0 | 4.0 | 4.0 |
| Total | | | 44 | 100.0 | 4,633,625 | 100.0 | 29,077.71 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E84 by Energy Intervals**
**Power - Time of Use**
**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.927** | **7.183** | |
| Energy Off Peak Rate (cents/kW.h): | **5.927** | **6.183** | Based on Rate Class |
| Demand Rate ($/kVA): | **8.617** | **8.964** | **4.025%** |
| Basic Charge ($/month): | **7,922.03** | **8,240.89** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| >20000000 | - | 4 | 1 | 100.0 | 576,899 | 100.0 | 151,334.53 | 4.0 | 4.0 | 4.0 |
| Total | | | 1 | 100.0 | 576,899 | 100.0 | 151,334.53 | 4.0 | 4.0 | 4.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E22 by Energy Intervals**

**Power**

**Customer Owned Transformation - 25kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.902** | **6.482** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **10.906** | **12.168** | **4.008%** |
| Basic Charge ($/month): | **6,188.90** | **6,791.23** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 21 | 84.0 | 204,154.8 | 61.1 | (388.24) | (0.5) | (1.9) | 3.3 |
| 2000000 to 5000000 | - | 2 | 4 | 16.0 | 129,924.6 | 38.9 | (2,860.09) | (1.1) | (2.1) | (0.2) |
| Total | | | 25 | 100.0 | 334,079.4 | 100.0 | (783.73) | (0.7) | (2.1) | 3.3 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E23 by Energy Intervals**

**Power**

**Customer Owned Transformation - 72kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.227** | **6.433** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.405** | **9.713** | **4.008%** |
| Basic Charge ($/month): | **7,093.95** | **7,682.75** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 0 to 2000000 | - | 1 | 9 | 47.4 | 109,754 | 10.3 | 6,330.53 | 6.7 | 5.8 | 8.3 |
| 2000000 to 5000000 | - | 2 | 7 | 36.8 | 290,153 | 27.3 | 16,803.33 | 6.0 | 5.6 | 6.7 |
| 5000000 to 20000000 | - | 3 | 2 | 10.5 | 380,300 | 35.7 | 72,865.45 | 5.8 | 5.8 | 5.8 |
| >20000000 | - | 4 | 1 | 5.3 | 284,163 | 26.7 | 107,446.77 | 5.8 | 5.8 | 5.8 |
| Total | | | 19 | 100.0 | 1,064,370 | 100.0 | 22,514.51 | 6.0 | 5.6 | 8.3 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E24 by Energy Intervals**

**Power**

**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.109** | **6.278** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **8.284** | **9.011** | **4.008%** |
| Basic Charge ($/month): | **7,615.80** | **8,275.25** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 0 to 2000000 | - | 1 | 6 | 13.6 | 35,485 | 0.8 | 5,430.48 | 6.6 | 5.7 | 8.3 |
| 2000000 to 5000000 | - | 2 | 21 | 47.7 | 883,686 | 19.1 | 12,278.37 | 4.3 | 4.0 | 5.5 |
| 5000000 to 20000000 | - | 3 | 8 | 18.2 | 750,330 | 16.2 | 25,764.54 | 4.2 | 3.8 | 4.6 |
| >20000000 | - | 4 | 9 | 20.5 | 2,964,124 | 64.0 | 85,015.17 | 4.0 | 3.8 | 4.3 |
| | | | | | | | | | | |
| Total | | | 44 | 100.0 | 4,633,625 | 100.0 | 28,674.58 | 4.1 | 3.8 | 8.3 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2022-23 Rate Change Impacts on E84 by Energy Intervals**
**Power - Time of Use**
**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.682** | **6.850** | |
| Energy Off Peak Rate (cents/kW.h): | **5.682** | **5.850** | Based on Rate Class |
| Demand Rate ($/kVA): | **8.284** | **9.011** | **4.008%** |
| Basic Charge ($/month): | **7,615.80** | **8,275.25** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| >20000000 | 4 | 1 | 100.0 | 576,899 | 100.0 | 139,668.42 | 3.9 | 3.9 | 3.9 |
| Total | | 1 | 100.0 | 576,899 | 100.0 | 139,668.42 | 3.9 | 3.9 | 3.9 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E22 by Energy Intervals**
**Power**
**Customer Owned Transformation - 25kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.482** | **6.458** | |
| Demand Rate ($/kVA): | **12.168** | **15.714** | Based on Rate Class **3.998%** |
| Basic Charge ($/month): | **6,791.23** | **6,759.21** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 21 | 84.0 | 204,155 | 61.1 | 6,550.88 | 7.9 | 5.9 | 11.2 |
| 2000000 to 5000000 | - | 2 | 4 | 16.0 | 129,925 | 38.9 | 21,532.79 | 8.3 | 6.4 | 10.2 |
| Total | | | 25 | 100.0 | 334,079 | 100.0 | 8,947.99 | 8.1 | 5.9 | 11.2 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E23 by Energy Intervals**
**Power**
**Customer Owned Transformation - 72kV**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.433** | **6.420** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **9.713** | **12.826** | **3.998%** |
| Basic Charge ($/month): | **7,682.75** | **7,845.52** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 9 | 47.4 | 109,754 | 10.3 | 8,713.42 | 8.7 | 3.8 | 11.5 |
| 2000000 to 5000000 | - | 2 | 7 | 36.8 | 290,153 | 27.3 | 21,368.75 | 7.2 | 6.0 | 9.0 |
| 5000000 to 20000000 | - | 3 | 2 | 10.5 | 380,300 | 35.7 | 92,431.12 | 7.0 | 7.0 | 7.0 |
| >20000000 | - | 4 | 1 | 5.3 | 284,163 | 26.7 | 135,305.17 | 6.9 | 6.9 | 6.9 |
| Total | | | 19 | 100.0 | 1,064,370 | 100.0 | 28,851.02 | 7.2 | 3.8 | 11.5 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E24 by Energy Intervals**
**Power**
**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.278** | **6.239** | |
| | | | Based on Rate Class |
| Demand Rate ($/kVA): | **9.011** | **10.662** | **3.998%** |
| Basic Charge ($/month): | **8,275.25** | **8,403.75** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| 2000000 | - | 1 | 6 | 13.6 | 35,485 | 0.8 | 8,879.66 | 10.1 | 5.3 | 14.3 |
| 2000000 to 5000000 | - | 2 | 21 | 47.7 | 883,686 | 19.1 | 11,688.67 | 3.9 | 2.9 | 8.0 |
| 5000000 to 20000000 | - | 3 | 8 | 18.2 | 750,330 | 16.2 | 24,096.16 | 3.7 | 2.7 | 5.3 |
| >20000000 | - | 4 | 9 | 20.5 | 2,964,124 | 64.0 | 75,659.78 | 3.4 | 2.6 | 4.5 |
| Total | | | 44 | 100.0 | 4,633,625 | 100.0 | 26,646.53 | 3.7 | 2.6 | 14.3 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

**2023-24 Rate Change Impacts on E84 by Energy Intervals**
**Power - Time of Use**
**Customer Owned Transformation - 100kV & Above**

| Rate Breakdown | Existing | Proposed | |
|---|---|---|---|
| Energy Rate (cents/kW.h): | **6.850** | **6.811** | |
| Energy Off Peak Rate (cents/kW.h): | **5.850** | **5.811** | Based on Rate Class |
| Demand Rate ($/kVA): | **9.011** | **10.662** | **3.998%** |
| Basic Charge ($/month): | **8,275.25** | **8,403.75** | Based on 2020 Billing |

| Energy Intervals (KWh/month) | | Interval ID | Number of Accounts | | Energy Use | | Average Monthly Change ($) | % Increase | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number | (%) | (MWh/year) | (%) | | Average | Low | High |
| >20000000 | - | 4 | 1 | 100.0 | 576,899 | 100.0 | 113,792.27 | 3.0 | 3.0 | 3.0 |
| Total | | | 1 | 100.0 | 576,899 | 100.0 | 113,792.27 | 3.0 | 3.0 | 3.0 |

Based on 2020 Billing. Rates developed based on forecasted customers and consumption.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q23** **Reference: Capacity Reservation Service – SRRP Q91**

With reference to the responses to SRRP Q91 (b) and (c), please provide an indication of what SaskPower's proposed CRS rates would be, subject to approval by Cabinet.

**Response:**

Please see the table below for SaskPower's proposed Capacity Reservation rates for both years of the application:

**SaskPower Proposed Power Standard - Capacity Reservation Service Rates**

**Current Rates**

| | N22 | N23 | N24 |
|---|---|---|---|
| Basic Monthly Charge | $6,188.90 | $7,093.95 | $7,615.80 |
| Demand Charge ($/kV.A) | $22.278 | $17.409 | $17.152 |
| Energy Charge (¢/kW.h) | 4.082 | 4.028 | 3.916 |

**2022-23**

| | N22 | N23 | N24 |
|---|---|---|---|
| Basic Monthly Charge | $6,791.23 | $7,682.75 | $8,275.25 |
| Demand Charge ($/kV.A) | $18.277 | $17.409 | $17.152 |
| Energy Charge (¢/kW.h) | 4.717 | 4.697 | 4.261 |

**2023-24**

| | N22 | N23 | N24 |
|---|---|---|---|
| Basic Monthly Charge | $6,759.21 | $7,845.52 | $8,403.75 |
| Demand Charge ($/kV.A) | $19.314 | $17.409 | $17.152 |
| Energy Charge (¢/kW.h) | 5.354 | 5.301 | 4.519 |

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q24** **Reference: Financial Statements**

Please file the most recent annual audited financial statements for all SaskPower subsidiaries wholly or partially owned including NorthPoint.

**Response:**

NorthPoint's 2020-21 annual report has been filed.

SaskPower International Inc, previously a wholly owned subsidiary, was dissolved under *The Business Corporations Act (Saskatchewan)* effective January 15, 2021.

2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q25** **Reference: Competitiveness and SRRP Q92**

With reference to the table on page 12 of the application, please discuss why SaskPower considers Newfoundland and Labrador Hydro a thermal utility and Newfoundland Power a hydro utility.

**Response:**

The charts on pages 11 and 12 in the rate application contain an error. Both Newfoundland and Labrador Hydro and Newfoundland Power should have been categorized as hydro utilities.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q26** **Reference: Other Rate Increase Scenarios and SRRP Q3**

Please explain why in Scenario "iv" of the response to SRRP Q3, the Saskatchewan sales revenue for 2023-24 is lower than the revenue for 2022-23, despite a 4.0% rate increase effective September 1, 2022.

**Response:**

There was a linking error in the calculation of the 2023-24 Saskatchewan sales (incl. rate increase) in Scenario "iv" of the response to SRRP Q3 that excluded the cumulative revenue lift to be comparable to 2022-23. Please see the revised 2023-24 Saskatchewan sales revenue, including the cumulative revenue lift, below:

| | iv. | |
|---|---|---|
| | **2022-23** | **2023-24** |
| Saskatchewan sales (incl. rate increase) | $ 2,639.1 | $ 2,685.4 |
| Net income | $ 32.6 | $ 1.6 |
| Return on equity | 1.1% | 0.1% |
| Per cent debt ratio | 72.9% | 73.5% |
| Cumulative revenue lift | $ 60.2 | $ 103.3 |
| Rate increase | 4.0% | 0.0% |

With the revision, Saskatchewan sales revenue for 2023-24 is $46.3 million higher than 2022-23.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q27** **Reference: Corporate Risks and SRRP Q7**

Please update the table provided in the response to include the potential impact of losing one of SaskPower's largest industrial customers.

**Response:**

The following sensitivity analysis has been updated to include the potential impact of losing one of SaskPower's largest industrial customers.

Business Plan sensitivity analysis

| | Assumptions | | | Net income impact | |
|---|---|---|---|---|---|
| **Item** | **2022-23** | **2023-24** | **Sensitivity analysis** | **2022-23** | **2023-24** |
| **Revenue** | | | | | |
| Rate increase (%) | 4.0% | 4.0% | 1% change in annualized rate increase assumption | $ 26 | $ 26 |
| Sask Sales Growth (%) | 0.1% | -0.2% | 100 GWh change in power customer consumption | 4 | 4 |
| | | | 100 GWh change in residential customer consumption | 14 | 14 |
| | | | 0% load growth | (2) | 1 |
| | | | 2% reduction in domestic sales | (38) | (38) |
| | | | Loss of one of SaskPower's largest industrial customers | (104) | (96) |
| **Fuel and purchased power** | | | | | |
| Natural gas price ($/GJ) | $ 4.01 | $ 3.80 | $1/GJ change in natural gas price assumption | 48 | 49 |
| Hydro generation (GWh) | 3,646.3 | 3,644.3 | 10% change in hydro generation assumption | 10 | 9 |
| Coal generation (GWh) | 7,031.1 | 7,015.7 | 10% change in coal generation assumption | 17 | 24 |
| **Capital** | | | | | |
| Capital spending ($ millions) | $ 1,053 | $ 906 | $100 million change in capital budget | 7 | 7 |
| Short-term interest rates | 0.9% | 1.3% | 1% change in short-term interest rates | 8 | 9 |
| Long-term interest rates | 3.2% | 3.4% | 1% change in long-term interest rate assumption | 5 | 4 |

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q28** **Reference: Corporate credits and Labour Credits, SRRP Pre-ask 7 and the response to SRRP Q48**

Please explain whether or not the Corporate Credits shown in the response to Pre-ask 7 include the Labour Credits shown in the response to SRRP Q48 and if so, provide a reconciliation between the two credits for 2018-19, 2019-20, and 2020-21 actuals as well as 2021-22, 2022-23 and 2023-24 forecasts.

**Response:**

Starting in the 2019-20 fiscal year, SaskPower began reporting labour credits as a separate line item in our Operating, Maintenance and Administration (OM&A) reporting. Prior to this, the labour credits were included in the applicable business units OM&A spending. In subsequent years, Material Returns and Vehicle Chargebacks were also included in this total, resulting in the line item being retitled Corporate Credits.

The following table provides a breakdown of the components of the line item titled "Labour credits" in SRRP Q48:

Corporate Credits

| *(in millions)* | Actual **2016-17** | Actual **2017-18** | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Actual **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|---|---|
| **Corporate Credits** | | | | | | | | |
| Labour Credits | $ (67) | $ (70) | $ (75) | $ (74) | $ (74) | $ (77) | $ (83) | $ (83) |
| Material Returns | (5) | (7) | (7) | (6) | (7) | (8) | (6) | (6) |
| Vehicle Chargebacks | (11) | (11) | (11) | (11) | (11) | (12) | (12) | (12) |
| Total Corporate Credits | $ (82) | $ (87) | $ (93) | $ (91) | $ (92) | $ (97) | $ (101) | $ (101) |

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q29** **Reference: Operating Cash Flow**

With reference to the response to round 1 SRRP Q9 (d) from the 2018 Rate Application please discuss if SaskPower tracks a free cash flow indicator? If yes, please provide the free cash flow indicator for each of the three most recent actual years and forecasts for 2021-22, 2022-23 and 2023-24. Please include a table showing the calculation of the metric and a discussion of how SaskPower uses the metric for business planning purposes.

**Response:**

SaskPower tracks its free cash flow performance as part of its annual business planning process.

The following table provides actual free cash flow and per cent free cash flow calculations for the 2018-19 through 2020-21, as well as forecasted amounts for 2021-22 through 2023-24.

Free cash flow indicators

| **Free cash flow** | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Operating cash flow | $ 671 | $ 866 | $ 814 | $ 662 | $ 622 | $ 732 |
| Capital expenditures | 833 | 696 | 693 | 938 | 1,053 | 906 |
| Free cash flow* | (162) | 170 | 121 | (276) | (431) | (174) |
| Per cent free cash flow** | 81% | 124% | 117% | 71% | 59% | 81% |

*Free cash flow is calculated as operating cash flow less capital expenditures.
**Per cent free cash flow is calculated as operating cash flow divided by capital expenditures.

SaskPower uses free cash flow indicators to assess its ability to fund capital investments through a combination of borrowings and cash generated from operations, to balance the needs to minimize requested rate increases and maintain reasonable debt levels.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q30** **Reference: Municipal Ice Rink Program**

With reference to the municipal ice rink program described on page 3 of the application, please discuss:

i) The actual or estimated total number of such facilities that are eligible for the program.
ii) Which rate schedules these facilities are served under.
iii) Are these facilities typically lower load factor customers than the average customer in their rate class?

**Response:**

i) The estimated number of facilities eligible for the program is approximately 250-300. SaskPower has already completed 120 ice rink audits as part of the Municipal Ice Rink Program.

ii) These facilities are served under the rate codes E05/E06 and E75/E76

iii) It is assumed that these facilities are lower load customers based on what is known about their operations. However, there has been no analysis completed to date to determine the load factors of these customers compared to the average in their rate class.

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2022 AND 2023 RATE APPLICATION
SRRP ROUND 2 INTERROGATORIES

**ROUND 2 SRRP Q31** **Reference: Return on Equity**

a) Please provide a table that shows the calculation of the return on equity percentage for each year shown in section 5.2 of the application.

b) Please confirm whether SaskPower calculates the return on equity on the basis of the equity portion of the ratebase or the equity portion of total capital structure and provide an explanation for why the two numbers might be different.

**Response:**

a) Return on equity is calculated as:

Net income / average equity, where equity = retained earnings + equity advances

Please see below for a table showing the details of this calculation for the years 2018-19 through 2023-24:

Return on equity

| *(in millions)* | Actual **2018-19** | Actual **2019-20** | Actual **2020-21** | Forecast **2021-22** | Business Plan **2022-23** | Business Plan **2023-24** |
|---|---|---|---|---|---|---|
| Net income | $ 197 | $ 206 | $ 160 | $ 10 | $ 33 | $ 109 |
| Opening equity | 2,421 | 2,564 | 2,716 | 2,828 | 2,835 | 2,858 |
| Closing equity | 2,564 | 2,716 | 2,828 | 2,835 | 2,858 | 2,934 |
| Average equity | $ 2,493 | $ 2,640 | $ 2,772 | $ 2,832 | $ 2,847 | $ 2,896 |
| Return on equity | 7.9% | 7.8% | 5.8% | 0.4% | 1.1% | 3.8% |

b) SaskPower calculates return on equity on the basis of the equity portion of total capital structure. This amount will differ from the equity portion of the rate base as only items related to the generation, transmission, distribution, or administration of electrical service are included in the calculated rate base for cost of service purposes.

Please see section G. *Financial Statements – Cost of Service to Business Plan Reconciliation* on page 8 of the *2023 Fiscal Test Embedded Cost of Service Results* report, which is included at tab 12 of the Minimum Filing Requirements, for more details.


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