



RESPONSES TO PRE- ASK QUESTIONS

For SRRP Website
[2022 and 2023 Rate Application]



2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 1**Reference: Application**

Please summarize any changes to SaskPower's chart of accounts or accounting treatments since the last rate application and advise of any resulting issues in comparability of figures between the last rate application and the current rate application.

Response:Financial Instruments

In prior periods the Corporation presented unrealized market value adjustments as a separate line item below revenue net of expenses (operating income). Upon adoption of IFRS 9, *Financial Instruments*, effective April 1, 2017, SaskPower implemented hedge accounting for its natural gas hedges and reclassified its debt retirement funds from fair value through profit and loss to fair value through other comprehensive income. As such the market value changes related to the natural gas hedges are recognized in other comprehensive income. Any market value gains or losses on the debt retirement funds are now also recorded in other comprehensive income.

A review of the classification of the remaining unrealized market value adjustments, which included the natural gas inventory revaluation and market value changes related to electricity derivative contracts, indicated that these items would be more appropriately presented with the related line item in net income to which they relate (i.e., fuel and purchased power and electricity trading revenue respectively). Therefore, as a result of these changes operating income now equals net income.

Revenue

Effective April 1, 2018, SaskPower adopted IFRS 15, *Revenue from Contracts with Customers*. The adoption of these new revenue standards did not have a material impact on the Corporation's revenue reporting practices and there was not a cumulative effect on net earnings that required restatement.

Leases

Effective April 1, 2019, SaskPower adopted new Lease accounting standards (IFRS 16). Certain take-or-pay power purchase agreements (PPA) relating to natural gas-fired facilities (i.e., Meridian Cogeneration Station, Spy Hill Generating Station, and the North Battleford Generating Station) which give the company the exclusive right to use specific production assets were classified as finance/capital leases under IAS 17 (old lease accounting standards). For these PPA leases, the carrying amount of the right-to-use assets and related lease liabilities under IAS 17 continued to be reported as separate line items on the balance sheet under the new IFRS 16 standards. Any new PPA entered after April 1, 2019, is assessed as to whether it meets the definition of a lease under the new IFRS 16 standards. To date all new renewable power purchase agreements (i.e., wind and solar) have been determined to not meet the definition of

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a lease and as a result remain off-balance sheet. All expenses related to these renewable PPAs are recorded in fuel and purchased power costs only when the energy is delivered.

In addition, under the new lease standards SaskPower began recognizing land and building leases on the balance sheet as well.

Federal Carbon Charge

Effective January 1, 2019, the Government of Canada introduced a federal carbon tax that is applied to SaskPower's fossil fuel emissions, including those from coal- and natural gas-fired generating stations. SaskPower began recovering the expense associated with the federal carbon tax from its customers through a rate rider effective April 1, 2019. The revenue associated with the federal carbon charge rate rider is being set aside and used to fund the federal carbon tax payments.

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Pre-ask 2

Reference: Forecast Sales Revenues

Please provide a proof of revenue schedule for each of the test years showing:

- a) The forecast billing determinants (e.g. number of customers, billed demand, energy), for each rate class;
- b) SaskPower's existing rates and proposed rates for each rate class
- c) Forecast revenues at existing rates and at proposed rates for each rate class.

Response:

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Proof of Revenue - 2022-23 fiscal basis

		Existing Rates		Revenue with		Difference		Blended Rate		Revenue				
Determinant		Revenue (\$ millions)		Blended Rate		Proposed Rates (\$ millions)		Blended Rate		(% difference)				
Residential Urban and Rural														
	Basic (Customers)	412,079	\$	120.3	\$	24.32	\$	129.1	\$	26.11	\$	9	7.3%	7.3%
	Energy (Gwh)	3,227.8	\$	459.3	\$	0.14228	\$	474.7	\$	0.14705	\$	15	3.4%	3.4%
	Total Residential		\$	579.5			\$	603.8			\$	24		4.2%
Commercial Urban and Rural														
	General Service Basic (Customers)	2,976	\$	2.5	\$	70.59	\$	2.7	\$	74.80	\$	0	6.0%	6.0%
	Energy (Gwh)	2,123.1	\$	176.2	\$	0.08301	\$	172.3	\$	0.08114	\$	(4)	-2.2%	-2.2%
	Demand (kVa)	6,569,483	\$	75.7	\$	11.52	\$	88.5	\$	13.47	\$	13	16.9%	16.9%
	Demand Block 1	2,374,568	\$	-	\$	-	\$	-	\$	-				
	Demand Block 2	4,194,915	\$	75.7	\$	18.05	\$	88.5	\$	21.09	\$	13	16.9%	16.9%
	Miscellaneous Basic (Customers)	2,743	\$	2.0	\$	60.94	\$	2.1	\$	63.20	\$	0	3.7%	3.7%
	Energy (Gwh)	11.6175	\$	0.5	\$	0.04581	\$	0.5	\$	0.04501	\$	(0)	-1.7%	-1.7%
	Small Commer Basic (Customers)	56,375	\$	22.9	\$	33.79	\$	24.2	\$	35.81	\$	1	6.0%	6.0%
	Energy (Gwh)	1,536.9	\$	200.5	\$	0.13044	\$	209.3	\$	0.13621	\$	9	4.4%	4.4%
	Demand (kVa)	3,017,136	\$	5.0	\$	1.64	\$	5.7	\$	1.87	\$	1	14.1%	14.1%
	Demand Block 1	2,692,163	\$	-	\$	-	\$	-	\$	-				
	Demand Block 2	324,973	\$	5.0	\$	15.25	\$	5.7	\$	17.40	\$	1	14.1%	14.1%
Streetlights	Basic (Customers)	3,144	\$	18.2	\$	481.33	\$	18.6	\$	493.27	\$	0	2.5%	2.5%
	Energy (Gwh)	29.8312												
	Demand	40,527												
	Total Commercial		\$	503.5			\$	523.8			\$	20		4.0%
Farm														
	Basic (Customers)	58,077	\$	24.6	\$	35.33	\$	28.3	\$	40.61	\$	4	15.0%	15.0%
	Energy (Gwh)	1,341.8	\$	150.5	\$	0.11216	\$	154.1	\$	0.11488	\$	4	2.4%	2.4%
	Demand (kVa)	1,219,489	\$	6.5	\$	5.32	\$	7.4	\$	6.07	\$	1	14.2%	14.2%
	Demand Block 1	715,001	\$	-	\$	-	\$	-	\$	-				
	Demand Block 2	504,488	\$	6.5	\$	12.85	\$	7.4	\$	14.68	\$	1	14.2%	14.2%
	Total Farm		\$	181.6			\$	189.8			\$	8		4.5%
Oilfield														
	Basic (Customers)	19,089	\$	14.1	\$	61.49	\$	16.2	\$	70.59	\$	2	14.8%	14.8%
	Energy (Gwh)	3,185.0	\$	241.0	\$	0.07566	\$	236.8	\$	0.07435	\$	(4)	-1.7%	-1.7%
	Demand (kVa)	7,516,562	\$	100.7	\$	13.402	\$	115.9	\$	15.43	\$	15	15.1%	15.1%
	Basic (Customers)	33	\$	2.5	\$	6,302.80	\$	2.7	\$	6,908.19	\$	0	9.6%	9.6%
	Energy (Gwh)	716.9	\$	46.5	\$	0.06484	\$	44.7	\$	0.06229	\$	(2)	-3.9%	-3.9%
	Demand (kVa)	1,167,264	\$	11.2	\$	9.63	\$	13.7	\$	11.72	\$	2	21.7%	21.7%
	Total Oilfield		\$	416.0			\$	430.0			\$	14		3.4%
Reseller														
	Basic (Customers)	3	\$	0.3	\$	9,269.24	\$	0.4	\$	9,855.47	\$	0	6.3%	6.3%
	Energy (Gwh)	1,171.3	\$	53.9	\$	0.04606	\$	58.3	\$	0.04973	\$	4	8.0%	8.0%
	Demand (kVa)	2,196,464	\$	42.0	\$	19.13	\$	41.9	\$	19.07	\$	(0)	-0.3%	-0.3%
	Total Reseller		\$	96.3			\$	100.5			\$	4		4.3%
Power														
	Basic (Customers)	105	\$	8.6	\$	6,841.94	\$	9.3	\$	7,414.59	\$	1	8.4%	8.4%
	Energy (Gwh)	10,283.4	\$	639.9	\$	0.06222	\$	646.3	\$	0.06285	\$	6	1.0%	1.0%
	Demand (kVa)	19,356,302	\$	153.6	\$	7.93	\$	178.5	\$	9.22	\$	25	16.2%	16.2%
	Total Power		\$	802.0			\$	834.2			\$	32		4.0%
Total														
	Basic (Customers)	554,624	\$	216.0	\$	32.45	\$	233.6	\$	35.10	\$	18	8.2%	8.2%
	Energy (Gwh)	23,627.6	\$	1,968.3	\$	0.08330	\$	1,997.0	\$	0.08	\$	29	1.5%	1.5%
	Demand (kVa)	41,083,227	\$	394.7	\$	9.61	\$	451.5	\$	10.99	\$	57	14.4%	14.4%
	Total		\$	2,579.0			\$	2,682.1				103		4.0%

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Proof of Revenue - 2023-24 fiscal basis

		Existing Rates		Revenue with		Difference		Blended Rate		Revenue			
Determinant		Revenue (\$ millions)		Blended Rate		Proposed Rates (\$ millions)		Blended Rate		Blended Rate (% difference)		Revenue (% difference)	
Residential Urban and Rural													
	Basic (Customers)	416,739	\$	130.6	\$	26.11	\$	150.0	\$	29.99	\$	19	14.9%
	Energy (Gwh)	3,245.6	\$	477.3	\$	0.14705	\$	483.4	\$	0.14895	\$	6	1.3%
	Total Residential		\$	607.8		0	\$	633.4		0	\$	26	4.2%
Commercial Urban and Rural													
	General Servc Basic (Customers)	3,003	\$	2.7	\$	74.80	\$	2.9	\$	80.93	\$	0	8.2%
	Energy (Gwh)	2,143.7	\$	174.0	\$	0.08114	\$	170.8	\$	0.07967	\$	(3)	-1.8%
	Demand (kV a)	6,614,965	\$	89.0	\$	13.460	\$	103.3	\$	15.616	\$	14	16.0%
	Demand Block 1	2,391,530	\$	-	\$	-	\$	-	\$	-			
	Demand Block 2	4,223,435	\$	89.0	\$	21.08	\$	103.3	\$	24.46	\$	14	16.0%
	Miscellaneous Basic (Customers)	2,766	\$	2.1	\$	62.98	\$	2.2	\$	65.31	\$	0	3.7%
	Energy (Gwh)	11.7	\$	0.5	\$	0.04500	\$	0.5	\$	0.04665	\$	0	3.7%
	Small Commer Basic (Customers)	56,895	\$	24.4	\$	35.81	\$	28.1	\$	41.18	\$	4	15.0%
	Energy (Gwh)	1,551.9	\$	211.4	\$	0.13621	\$	216.4	\$	0.13947	\$	5	2.4%
	Demand (kV a)	3,038,125	\$	5.7	\$	1.871	\$	6.5	\$	2.151	\$	1	15.0%
	Demand Block 1	2,711,421	\$	-	\$	-	\$	-	\$	-			
	Demand Block 2	326,704	\$	5.7	\$	17.398	\$	6.5	\$	20.006	\$	1	15.0%
	Streetlights Basic (Customers)	3,153	\$	18.8	\$	497.99	\$	19.3	\$	510.34	\$	0	2.5%
	Energy (Gwh)	26.2											
	Demand	35,423											
	Total Commercial		\$	528.7			\$	550.1			\$	21	4.1%
Farm													
	Basic (Customers)	57,951	\$	28.2	\$	40.61	\$	32.5	\$	46.69	\$	4	15.0%
	Energy (Gwh)	1,341.5	\$	154.1	\$	0.11488	\$	158.3	\$	0.11799	\$	4	2.7%
	Demand (kV a)	1,215,451	\$	7.4	\$	6.090	\$	7.6	\$	6.281	\$	0	3.1%
	Demand Block 1	711,094	\$	-	\$	-	\$	-	\$	-			
	Demand Block 2	504,357	\$	7.4	\$	14.677	\$	7.6	\$	15.137	\$	0	3.1%
	Total Farm		\$	189.7	\$	-	\$	198.4	\$	-	\$	9	4.6%
Oilfield													
	Basic (Customers)	19,160	\$	16.2	\$	70.59	\$	18.1	\$	78.57	\$	2	11.3%
	Energy (Gwh)	3,265.9	\$	242.8	\$	0.07435	\$	234.2	\$	0.07171	\$	(9)	-3.6%
	Demand (kV a)	7,691,484	\$	118.6	\$	15.425	\$	136.9	\$	17.796	\$	18	15.4%
	Basic (Customers)	33	\$	2.7	\$	6,908.19	\$	2.7	\$	6,891.80	\$	(0)	-0.2%
	Energy (Gwh)	718.8	\$	44.8	\$	0.06229	\$	44.2	\$	0.06145	\$	(1)	-1.3%
	Demand (kV a)	1,167,264	\$	13.7	\$	11.718	\$	17.6	\$	15.087	\$	4	28.7%
	Total Oilfield		\$	438.9	\$	-	\$	453.7	\$	-	\$	15	3.4%
Reseller													
	Basic (Customers)	3	\$	0.4	\$	9,855.48	\$	0.4	\$	10,350.78	\$	0	5.0%
	Energy (Gwh)	1,174.3	\$	58.4	\$	0.04973	\$	60.6	\$	0.05161	\$	2	3.8%
	Demand (kV a)	2,196,072	\$	41.9	\$	19.066	\$	44.0	\$	20.045	\$	2	5.1%
	Total Reseller		\$	100.6	\$	-	\$	105.0	\$	-	\$	4	4.3%
Power													
	Basic (Customers)	105	\$	10.0	\$	7,950.81	\$	10.2	\$	8,063.95	\$	0	1.4%
	Energy (Gwh)	10,107.8	\$	636.4	\$	0.06296	\$	637.9	\$	0.06311	\$	2	0.2%
	Demand (kV a)	19,163,993	\$	173.5	\$	9.052	\$	204.2	\$	10.654	\$	31	17.7%
	Total Power		\$	819.9	\$	-	\$	852.2	\$	-	\$	32	4.0%
Total													
	Basic (Customers)	559,809	\$	236.2	\$	35.17	\$	266.3	\$	39.64	\$	30	12.7%
	Energy (Gwh)	23,587.4	\$	1,999.6	\$	0.08477	\$	2,006.4	\$	0.09	\$	7	0.3%
	Demand (kV a)	41,122,777	\$	449.8	\$	10.938	\$	520.2	\$	12.649	\$	70	15.6%
	Total		\$	2,685.6			\$	2,792.8				107	4.0%

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Pre-ask 3 Reference: Sales and Revenues

Please provide a comparison of the sales and revenue forecasts by customer class for 2017/18 and 2018/19 from the last rate application and the actual sales and revenues by customer class and current forecasts for the test years. Please discuss the reasons for any material variances.

Response:

2017-18

Saskatchewan electricity sales

<i>(in millions)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Saskatchewan sales				
Residential	\$ 549	\$ 569	\$ (20)	(3.5%)
Farm	180	178	2	1.1%
Commercial	501	511	(10)	(2.0%)
Oilfield	395	359	36	10.0%
Power	758	708	50	7.1%
Reseller	97	104	(7)	(6.7%)
Total Saskatchewan sales	\$ 2,480	\$ 2,429	\$ 51	2.1%

Saskatchewan sales volumes

<i>(in GWh)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Saskatchewan sales				
Residential	3,162	3,324	(162)	(4.9%)
Farm	1,328	1,308	20	1.5%
Commercial	3,862	3,915	(53)	(1.4%)
Oilfields	3,877	3,445	432	12.5%
Power	9,845	9,218	627	6.8%
Reseller	1,208	1,286	(78)	(6.1%)
Total Saskatchewan sales	23,282	22,496	786	3.5%

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Variance explanations:

Saskatchewan electricity sales were \$51 million over budget due to increased sales of 786 GWh, offset by the approved 2018 rate increase being 1.5% less than budgeted. As the rate increase was effective March 1, 2018, this reduction only impacted the final month of the fiscal year.

Most of the above-budget sales volumes were in the oilfield and power customer categories, offset by below forecast sales volumes in residential, reseller and commercial classes. The power customer class was above forecast due to increased sales in sectors such as pipelines, potash and pulp and paper, offset by below forecast sales to sectors such as refineries, steel and northern mines.

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2018-19

Saskatchewan electricity sales

(in millions)	Actual 2018-19	2018 rate application 2018-19	Variance	Variance (%)
Saskatchewan sales				
Residential	\$ 576	\$ 606	\$ (30)	(5.0%)
Farm	188	183	5	2.7%
Commercial	519	537	(18)	(3.4%)
Oilfield	416	381	35	9.2%
Power	784	751	33	4.4%
Reseller	100	109	(9)	(8.3%)
Total Saskatchewan sales	\$ 2,583	\$ 2,567	\$ 16	0.6%

Saskatchewan sales volumes

	Actual	2018 rate application		
(in GWh)	2018-19	2018-19	Variance	Variance (%)
Saskatchewan sales				
Residential	3,216	3,372	(156)	(4.6%)
Farm	1,353	1,288	65	5.0%
Commercial	3,862	3,939	(77)	(2.0%)
Oilfields	3,962	3,538	424	12.0%
Power	9,964	9,339	625	6.7%
Reseller	1,202	1,289	(87)	(6.7%)
Total Saskatchewan sales	23,559	22,765	794	3.5%

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Variance explanations:

Saskatchewan electricity sales were \$16 million over budget due to a favourable volume variance because of increased sales (794 GWh). The increase in electricity sales was offset by a decrease in sales resulting from the approved 2018 rate increase being 1.5% lower than what was requested and budgeted.

Sales volumes were above forecast due to increases in the power and oilfield customer classes. This was offset by below forecast results in the residential, reseller and commercial customer classes.

Increases in the power class were largely due to sectors such as pipeline and potash, offset by below forecast results in pulp and paper, northern mines, steel and refineries sectors.

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Saskatchewan electricity sales

	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
<i>(in millions)</i>			
Saskatchewan sales			
Residential	\$ 589	\$ 579	\$ 583
Farm	176	182	182
Commercial	511	504	508
Oilfield	423	416	425
Power	791	802	788
Reseller	98	96	96
	2,588	2,579	2,582
Revenue lift due to rate increase		60	211
Total Saskatchewan sales	\$ 2,588	\$ 2,639	\$ 2,793

Saskatchewan sales volumes

	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
<i>(in GWh)</i>			
Saskatchewan sales			
Residential	3,289	3,228	3,246
Farm	1,271	1,342	1,341
Commercial	3,741	3,701	3,733
Oilfields	4,069	3,902	3,985
Power	10,062	10,284	10,108
Reseller	1,171	1,171	1,174
Total Saskatchewan sales	23,603	23,628	23,587

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Pre-ask 4 Reference: Fuel and Purchased Power

Please provide a comparison of the 2017/18 and 2018/19 forecasts by generation type from the last Rate Application and actual fuel and purchased power expense and current forecasts for the test years. Please discuss the reasons for any material variances.

Response:

Fuel and purchased power expense

<i>(in millions)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Fuel and purchased power				
Gas	\$ 289	\$ 260	\$ 29	11.2%
Coal	275	283	(8)	(2.8%)
Wind	24	22	2	9.1%
Hydro	22	26	(4)	(15.4%)
Imports	30	28	2	7.1%
Other	20	26	(6)	(23.1%)
Total fuel and purchased power	\$ 660	\$ 645	\$ 15	2.3%

Fuel and purchased power volume

<i>(in GWh)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Fuel and purchased power				
Gas	9,144	7,936	1,208	15.2%
Coal	10,864	10,918	(54)	(0.5%)
Wind	765	751	14	1.9%
Hydro	3,873	4,530	(657)	(14.5%)
Imports	515	637	(122)	(19.2%)
Other	156	176	(20)	(11.4%)
	25,317	24,948	369	1.5%

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Variance explanations

Fuel expense was \$15 million above budget. The increase in fuel expense was due to increased volumes to serve additional demand. In addition, hydro availability was lower than forecast, and SaskPower saw an increase in natural gas generation in part to make up the hydro availability shortfall.

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Fuel and purchased power expense

	Actual	2018 rate		
(in millions)	2018-19	application	Variance	Variance (%)
		2018-19		
Fuel and purchased power				
Gas	\$ 299	\$ 275	\$ 24	8.7%
Coal	285	300	(15)	(5.0%)
Wind	23	26	(3)	(11.5%)
Hydro	21	21	0	0.0%
Imports	44	31	13	41.9%
Other	19	29	(10)	(34.5%)
Total fuel and purchased power	\$ 691	\$ 682	\$ 9	1.3%

Fuel and purchased power volume

	Actual	2018 rate		
(in GWh)	2018-19	application	Variance	Variance (%)
		2018-19		
Fuel and purchased power				
Gas	10,603	8,616	1,987	23.1%
Coal	10,286	11,137	(851)	(7.6%)
Wind	659	803	(144)	(17.9%)
Hydro	3,591	3,634	(43)	(1.2%)
Imports	490	565	(75)	(13.3%)
Other	148	215	(67)	(31.2%)
	25,777	24,970	807	3.2%

Variance explanations

Fuel and purchased power expense was \$9 million above budget. The increase in fuel and purchased power expense was due to increased volumes to serve additional demand. In addition, lower coal and wind was replaced with additional natural gas generation.

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Fuel and purchased power expense

		Forecast	Business Plan	Business Plan
(in millions)		2021-22	2022-23	2023-24
Fuel and purchased power				
Gas	\$	396	\$ 311	\$ 294
Coal		301	258	266
Wind		70	104	114
Hydro		16	23	23
Imports		76	147	165
Other		27	59	90
Total fuel and purchased power	\$	886	\$ 902	\$ 952

Fuel and purchased power volume

		Forecast	Business Plan	Business Plan
(in GWh)		2021-22	2022-23	2023-24
Fuel and purchased power				
Gas		11,044	10,550	10,280
Coal		9,453	7,031	7,016
Wind		1,714	2,386	2,685
Hydro		2,732	3,646	3,644
Imports		725	1,751	1,964
Other		161	576	1,024
		25,829	25,940	26,613

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Pre-ask 5

Reference: Natural Gas

Please provide a table showing natural gas purchases within Saskatchewan and outside Saskatchewan including total volumes; average unit costs; and total natural gas expense for each of the three most recent actual years and forecasts for the test years.

Response:

Fiscal Year	Gas Purchased in Saskatchewan			Gas Purchased Outside Saskatchewan		
	Volume (Million GJs)	Total Cost (\$ Millions)	\$/GJ	Volume (Million GJs)	Total Cost (\$ Millions)	\$/GJ
2018-19	17	36	\$ 2.19	48	145	\$ 2.99
2019-20	13	32	\$ 2.45	50	138	\$ 2.79
2020-21	14	44	\$ 3.10	43	142	\$ 3.31
2021-22*	13	52	\$ 4.16	50	193	\$ 3.83
2022-23*	10	28	\$ 2.66	42	129	\$ 3.09
2023-24*	10	27	\$ 2.69	40	117	\$ 2.91

* Forecasted volume and cost

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Pre-ask 6

Reference: Hydro

- a) Please discuss the basis of the specific flow conditions forecast for the test years.
- b) Please provide the date of the water flow forecasts used in the application and provide any updates to the expected flow conditions in the test years that were not available at the time the business plan and the application were prepared.

Response:

- a) For fiscal year 2021-22 the flow conditions were predominantly determined by lower decile spring and mountain inflows on the South Saskatchewan River, by lower Quartile spring and mountain inflows on the North Saskatchewan River, and by upper decile flows on the Churchill River.

For fiscal year 2022-23 and 2023-24 median flow conditions are projected.

- b) The water flow forecasts were developed at the end of August 2021. Even with year to date hydro conditions being well below median, inflows for the remainder of the winter on the South and North Saskatchewan Rivers are both expected to be near median, while on the Churchill River they are expected to be near upper quartile. Discharges from Lake Diefenbaker through the Coteau Creek generation facility will be less than median this winter to properly manage Lake Diefenbaker elevation for 2022 spring and mountain runoff. There is no change to the median flow conditions projected for fiscal year 2022-23 and 2023-24.

2022 AND 2023 RATE APPLICATION
SRRP INTERROGATORIES

Pre-ask 7

Reference: Operating, Maintenance and Administration (OM&A)

- a) Please provide a schedule that breaks out actual and forecast total OM&A costs for the three most recent actual fiscal years and forecasts for the test years in a format similar to the response to SRRP Q69 from the 2016 and 2017 Rate Application.
- b) Please provide a comparison of the 2017/18 and 2018/19 forecasts from the last Rate Application and actual OM&A spending for 2017/18 and current forecasts for 2018/19. Please discuss the reasons for any material variances.
- c) Please provide an explanation for year over year changes in actual and forecast salaries and wage expenses noting changes driven by:
 - i. staff or employee complement
 - ii. average salary costs per position
 - iii. overtime costs
 - iv. vacancy rates
 - v. labour credits
- d) Please provide a schedule of OM& A cost per customer for the last 3 years together with the years covered by the rate application.

Response:

- a.) The OM&A budgets that were included in the last rate application were prepared at the business unit level only. The comparative figures reported in a.) below are the actual OM&A budgets for the years 2018-19 through to 2020-21.

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Operating, maintenance and administration

<i>(in millions)</i>	Actual 2018-19	Budget 2018-19	Variance	Variance (%)
Salaries and wages	\$ 323	\$ 332	\$ (9)	(2.7%)
Benefits	70	72	(2)	(2.8%)
Salaries and benefits	393	404	(11)	(2.7%)
Premium pay	39	35	4	11.4%
Subtotal wages & salaries	432	439	(7)	(1.6%)
Material and supplies	43	39	4	10.3%
Contract services	219	205	14	6.8%
Consulting services	20	18	2	11.1%
Advertising	2	3	(1)	(33.3%)
External services	241	226	15	6.6%
Training	2	4	(2)	(50.0%)
Travel	12	11	1	9.1%
Administrative expenses	21	21	0	0.0%
Insurance expenses	5	5	0	0.0%
Bad debt expense	5	6	(1)	(16.7%)
Tools and equipment	3	3	0	0.0%
Vehicles	9	8	1	12.5%
Property expenses	10	10	0	0.0%
Other	67	68	(1)	(1.5%)
Corporate credits	(75)	(71)	(4)	5.6%
Total OM&A	\$ 708	\$ 701	\$ 7	1.0%

2022 AND 2023 RATE APPLICATION
SRRP INTERROGATORIES

Operating, maintenance and administration

<i>(in millions)</i>	Actual 2019-20	Budget 2019-20	Variance	Variance (%)
Salaries and wages	\$ 329	\$ 343	\$ (14)	(4.1%)
Benefits	72	75	(3)	(4.0%)
Salaries and benefits	401	418	(17)	(4.1%)
Premium pay	36	35	1	2.9%
Subtotal wages & salaries	437	453	(16)	(3.5%)
Material and supplies	39	50	(11)	(22.0%)
Contract services	215	208	7	3.4%
Consulting services	11	11	0	0.0%
Advertising	2	2	0	0.0%
External services	228	221	7	3.2%
Training	2	3	(1)	(33.3%)
Travel	12	12	0	0.0%
Administrative expenses	24	21	3	14.3%
Insurance expenses	7	6	1	16.7%
Bad debt expense	9	5	4	80.0%
Tools and equipment	3	3	0	0.0%
Vehicles	22	21	1	4.8%
Property expenses	7	7	0	0.0%
Other	86	78	8	10.3%
Corporate credits	(85)	(87)	2	(2.3%)
Total OM&A	\$ 705	\$ 715	\$ (10)	(1.4%)

2022 AND 2023 RATE APPLICATION
SRRP INTERROGATORIES

Operating, maintenance and administration

<i>(in millions)</i>	Actual 2020-21	Budget 2020-21	Variance	Variance (%)
Salaries and wages	\$ 336	\$ 344	\$ (8)	(2.3%)
Benefits	75	74	1	1.4%
Salaries and benefits	411	418	(7)	(1.7%)
Premium pay	36	34	2	5.9%
Subtotal wages & salaries	447	452	(5)	(1.1%)
Material and supplies	54	45	9	20.0%
Contract services	202	196	6	3.1%
Consulting services	12	9	3	33.3%
Advertising	2	2	0	0.0%
External services	216	207	9	4.3%
Training	2	4	(2)	(50.0%)
Travel	7	12	(5)	(41.7%)
Administrative expenses	19	20	(1)	(5.0%)
Insurance expenses	9	9	0	0.0%
Bad debt expense	7	12	(5)	(41.7%)
Tools and equipment	4	3	1	33.3%
Vehicles	21	21	0	0.0%
Property expenses	6	7	(1)	(14.3%)
Other	75	88	(13)	(14.8%)
Corporate credits	(92)	(91)	(1)	1.1%
Total OM&A	\$ 700	\$ 701	\$ (1)	(0.1%)

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Operating, maintenance and administration

<i>(in millions)</i>	Forecast 2021-22	Businss Plan 2022-23	Business Plan 2023-24
Salaries and wages	\$ 342	\$ 357	\$ 368
Benefits	73	78	80
Salaries and benefits	415	435	448
Premium pay	39	37	38
Subtotal wages & salaries	454	472	486
Material and supplies	50	51	52
Contract services	229	227	236
Consulting services	10	10	10
Advertising	2	2	2
External services	241	239	249
Training	2	2	2
Travel	8	8	8
Administrative expenses	17	17	18
Insurance expenses	12	12	12
Bad debt expense	1	6	6
Tools and equipment	3	3	3
Vehicles	22	22	23
Property expenses	7	7	7
Other	72	78	80
Power Grid Renewal Grant	(10)		
Corporate credits	(97)	(101)	(101)
Total OM&A	\$ 710	\$ 740	\$ 765

2022 AND 2023 RATE APPLICATION
SRRP INTERROGATORIES

b)

Operating, maintenance and administration

<i>(in millions)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Total OM&A	\$ 680	\$ 689	\$ (9)	(1.3%)

Operating, maintenance and administration

<i>(in millions)</i>	Actual 2018-19	2018 rate application 2018-19	Variance	Variance (%)
Total OM&A	\$ 708	\$ 703	\$ 5	0.7%

No material variances.

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

c)

i) Staff or employee complement

FTE complement

	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Total FTEs	3,337.3	3,300.4	3,241.1	3,315.9	3,377.0	3,377.0

ii) Average salary costs per position

Average salary costs per position

	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Salaries and benefits	\$ 381,165	\$ 389,016	\$ 401,427	\$ 414,981	\$ 435,000	\$ 448,050
Total FTEs	3,337.3	3,300.4	3,241.1	3,315.9	3,377.0	3,377.0
average salaries and benefits per FTE	\$ 114,214	\$ 117,869	\$ 123,855	\$ 125,150	\$ 128,813	\$ 132,677
Year over year change		3.2%	5.1%	1.0%	2.9%	3.0%

Material variances:

On February 1, 2021, the Gas and Electrical Inspections Division was transferred to the Technical Safety Authority of Saskatchewan as part of a government initiative to consolidate inspection and licensing functions within a single regulatory body. The salaries and wages for 2018-19, 2019-20 and 2020-21 and associated FTEs have been adjusted in response 7 (c) to remove the impact of the Gas and Electrical Inspections Division from the actual results for comparative purposes.

iii) Overtime costs

Overtime costs

(\$ millions)	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Overtime costs	\$ 39	\$ 36	\$ 36	\$ 39	\$ 37	\$ 38

iv) Vacancy rates

SaskPower's vacancy rates vary. SaskPower budgets 3% vacancy rates for workforce planning purposes.

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

v) Labour credits

Labour credits

(\$ millions)	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Labour credits	75	85	92 \$	97 \$	101 \$	101

d)

OM&A per customer account

	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24	Annual growth rate
OM&A (in millions)	\$ 708	\$ 705	\$ 700	\$ 710	\$ 740	\$ 765	1.6%
Customer accounts	537,720	540,729	545,184	548,510	554,624	559,809	0.8%
OM&A per customer account	1,317	1,304	1,284	1,294	1,333	1,367	0.8%
Year-over-year change		(1.0%)	(1.5%)	0.8%	3.0%	2.5%	

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 8 Reference: Operating, Maintenance and Administration (OM&A)

- a) Please provide a schedule that breaks out spending on advertising, communications, marketing, donations and sponsorships for the three most recent actual years and forecasts for the test years.
- b) Please provide the dollar values and recipients of SaskPower's five largest donations or sponsorships for each of the three most recent actual years.

Response:

a)

Community investment

	Actual		Actual		Actual		Forecast		Forecast		Forecast	
	2018-19		2019-20		2020-21		2021-22		2022-23		2023-24	
Community Partnerships & Investment	\$	1,735,609	\$	1,654,604	\$	2,100,397	\$	1,900,500	\$	1,700,500	\$	1,700,500
Environmental regulatory requirements and strategic investment		224,675		224,458		159,787		432,266		291,000		143,000
Post-secondary education funding		-		3,000,000		-		25,000		-		-
Indigenous partnerships and strategic investment		555,532		520,252		395,849		581,416		370,000		300,000
Total investment	\$	2,515,816	\$	5,399,314	\$	2,656,033	\$	2,939,182	\$	2,361,500	\$	2,143,500

b)

Top 5 largest donations or sponsorships

2018-19

Shock Trauma Air Rescue Service (STARS) Foundation	\$	400,000
Saskatchewan Science Centre Inc.		302,118
United Way		96,490
University of Regina		92,500
University of Saskatchewan		91,920

2019-20

University of Regina	\$	1,049,800
University of Saskatchewan		1,091,000
Saskatchewan Polytechnic		471,750
Shock Trauma Air Rescue Service (STARS) Foundation		400,000
Saskatchewan Science Centre Inc.		307,814

2020-21

Shock Trauma Air Rescue Service (STARS) Foundation	\$	400,000
Saskatchewan Science Centre Inc.		310,224
City of Estevan		200,000
Town of Coronach		200,000
Saskatchewan Roughrider football club Inc.		198,875

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 9 Reference: Finance Expense

Please provide a comparison of the 2017/18 and 2018/19 forecasts from the last Rate Application and actual finance expense. Please discuss the reasons for any material variances.

Response:

Finance expense

<i>(in millions)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Finance expense				
Interest on borrowings	\$ 437	\$ 443	\$ (6)	(1.4%)
Interest capitalized	(21)	(23)	2	(8.7%)
Debt retirement fund earnings	(13)	(13)	-	-
Other interest and charges	14	10	4	40.0%
	\$ 417	\$ 417	\$ -	-

Finance expense

	Actual 2018-19	2018 rate application 2018-19	Variance	Variance (%)
Finance expense				
Interest on borrowings	\$ 459	\$ 463	\$ (4)	(0.9%)
Interest capitalized	(36)	(34)	(2)	5.9%
Debt retirement fund earnings	(17)	(17)	-	-
Other interest and charges	10	12	(2)	(16.7%)
	\$ 416	\$ 424	\$ (8)	(1.9%)

There were no material variances with respect to finance expense.

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 10 Reference: Depreciation Expense

Please provide a comparison of the 2017/18 and 2018/19 forecasts from the last Rate Application and actual depreciation expense for 2017/18 and current forecasts for 2018/19. Please discuss the reasons for any material variances.

Response:

Depreciation and amortization

<i>(in millions)</i>	Actual 2017-18	2018 rate application 2017-18	Variance	Variance (%)
Depreciation and amortization				
Depreciation and amortization	\$ 487	\$ 486	\$ 1	0.2%
Finance lease depreciation	56	56	-	0.0%
	\$ 543	\$ 542	\$ 1	0.2%

Depreciation and amortization

<i>(in millions)</i>	Actual 2018-19	2018 rate application 2018-19	Variance	Variance (%)
Depreciation and amortization				
Depreciation and amortization	\$ 497	\$ 515	\$ (18)	(3.5%)
Finance lease depreciation	56	57	\$ (1)	(1.8%)
	\$ 553	\$ 572	\$ (19)	(3.3%)

In 2017-18, actual depreciation and amortization was very close to forecast and there were no material variances.

For 2018-19, depreciation and amortization was \$19 million below forecast. When capital projects are completed, they go in service and a depreciation schedule begins. In 2017-18, actual capital investment was less than forecast which reduces depreciation expense in 2018-19.

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 11 Reference: Debt and Equity

Please provide a schedule showing SaskPower's actual and forecast capital structure (long-term debt; short-term debt, equity, other sources of financing) for the three most recent years of actuals and forecasts for the test years.

Response:

Capital structure

(in millions)	Actual 2018-19	2018 rate application 2018-19	Actual 2019-20	2018 rate application 2019-20	Actual 2020-21	2018 rate application 2020-21
Long-term debt	\$ 6,004	\$ 6,224	\$ 6,309	\$ 6,568	\$ 6,741	\$ 6,733
Short-term debt	996	1,213	946	1,296	299	1,517
Lease liabilities	1,105	1,131	1,008	1,142	982	2,128
Total debt	8,105	8,568	8,263	9,006	8,022	10,378
Debt retirement funds	748	739	848	815	865	852
Cash and cash equivalents	10	-	236	-	98	-
Total net debt	7,347	7,829	7,179	8,191	7,059	9,526
Retained earnings	1,938	1,912	2,123	2,116	2,235	2,323
Equity advances	626	660	593	660	593	660
Total capital	\$ 9,911	\$ 10,401	\$ 9,895	\$ 10,967	\$ 9,887	\$ 12,509
Per cent debt ratio	74.1%	75.3%	72.6%	74.7%	71.4%	76.1%

Capital structure

(in millions)	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Long-term debt	\$ 6,495	\$ 6,758	\$ 7,002
Short-term debt	664	836	876
Lease liabilities	946	902	848
Total debt	8,105	8,496	8,726
Debt retirement funds	789	786	867
Cash and cash equivalents	11	10	10
Total net debt	7,305	7,700	7,849
Retained earnings	2,242	2,265	2,341
Equity advances	593	593	593
Total capital	\$ 10,140	\$ 10,558	\$ 10,783
Per cent debt ratio	72.0%	72.9%	72.8%

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 12 Reference: Debt and Equity

Please provide the calculation of the operating return on equity percentage for each the three most recent years of actuals and forecasts for the test years showing;

- a) the calculation of the operating income
- b) the calculation of the equity component of SaskPower's total capital structure and the equity component of ratebase.

Response:

Return on equity (ROE) calculation

Return on equity = (net income)/(average equity), where equity = (retained earnings + equity advances)

(in millions)	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Total revenue	2,725	2,771	2,771	2,920	2,919	3,149
Total expense	2,528	2,566	2,611	2,909	2,886	3,040
Net income	\$ 197	\$ 205	\$ 160	\$ 10	\$ 33	\$ 109
Equity						
Retained earnings	\$ 1,938	\$ 2,123	\$ 2,235	\$ 2,242	\$ 2,265	\$ 2,341
Equity advances	626	593	593	593	593	593
Total 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%

2022 AND 2023 RATE APPLICATION SRRP INTERROGATORIES

Pre-ask 13 Reference: Tax Expense

Please provide a table showing the detailed calculation of SaskPower's corporate capital tax obligation for the three most recent actual years and forecasts for the test years.

Response:

Corporate capital tax

<i>(in millions)</i>	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Business Plan 2022-23	Business Plan 2023-24
Equity/surpluses	\$ 2,442	\$ 2,768	\$ 2,868	\$ 2,943	\$ 2,900	\$ 2,900
Loans and advances	1,008	933	290	653	500	500
Reserves	465	507	543	500	500	500
Indebtedness	5,291	5,294	5,833	5,738	5,900	6,100
Excess of net book value and undepreciated capital cost	(1,450)	(1,400)	(1,250)	(1,200)	(1,200)	(1,300)
Total Paid up Capital	7,756	8,102	8,284	8,634	8,600	8,700
Less: Total exemptions and allowances	(21)	(21)	(21)	(21)	(21)	(21)
Total taxable Paid Up Capital	7,735	8,081	8,263	8,613	8,579	8,679
Tax rate	0.006	0.006	0.006	0.006	0.006	0.006
Total Corporate Capital Tax	\$ 46	\$ 48	\$ 50	\$ 52	\$ 51	\$ 52

2022 AND 2023 RATE APPLICATION
SRRP INTERROGATORIES

Pre-ask 14 **Reference: Capital Program**

Please each capital project or program with final costs in excess of \$10 million for each of the last three actual years please provide:

- a) The justification for the project (e.g. capacity or system growth requirements; infrastructure renewal; operating efficiencies/savings)
- b) the original budget allocation
- c) the final actual project direct costs
- d) capitalized interest, overheads, and other charges;
- e) an explanation for any variances of more than 10% from the original budget

Response:

The following reports summarize the information above.

Capital Project >\$20M as at September 30, 2021

(in thousands)	Project-to-date actuals	Project forecast	Approved CPA
Generation			
ER/YH GE GT Component Replacement	23,062	25,228	32,000
QE C U#4-9 Hitachi GT Component Replace	17,972	28,182	30,000
Coteau Creek Life Extension	3,438	51,125	59,000
EBC Units #1-6 Life Extension	119,492	239,819	300,000
Great Plains Power Station	253,359	682,240	810,000
Transmission			
Blue Hill Wind Gen Interconn - 230-kV - New	22,546	23,065	26,418
Pasqua to Rowatt - 230-kV - New	1,246	65,862	70,062
QE Transformer Replacement - 230/138-kV	31,530	31,643	42,384
Battery Energy Storage System - 13.8-kV - New	100	20,928	25,983
Boundary Dam - 230-kV PST - Exp	24,276	28,095	28,292
Rowatt Station Development - 230-kV - New	4,712	21,765	23,484
GL7 Line Sustainment - 72-kV - Mod	108	19,442	21,020
Y1P Line Sustainment - 138-kV - Mod	7,577	22,825	27,593
Distribution			
Customer Connects	55,283	110,000	110,000
Rural Rebuild and Improvement Program	9,548	26,200	26,200
Buildings			
2101 Scarth Upgrades & Fit-Out	18,404	24,029	24,058
Head Office Refurbishment	79,181	121,980	124,000
Logistic Warehouse Complex	13,585	186,485	220,000

Ermine/Yellowhead General Electric Gas Turbine Component Replacement

The scope of this project is to perform hot section and major inspections on a total of six LM6000PD dry load emission gas turbine engines located at the Ermine and Yellowhead Power Stations, in order to sustain safe and reliable operation.

Queen Elizabeth C Units #4-9 Hitachi Gas Turbine Component Replacement

The scope of this project is to perform hot gas path and major inspections for QE Units #4-9 by long term service agreement contractor.

Coteau Creek Life Extension

The scope of this project is to complete a full assessment of the plant equipment, evaluate alternatives and implement a solution that will restore the original reliability of the plant while correcting operating, maintenance and safety issues.

E.B. Campbell Units #1 to 6 Life Extension

The scope of this project is to replace turbines, generators, head gates, trash racks, step up transformers and balance-of-plant electrical and mechanical equipment for Units #1-6 at the E.B. Campbell Hydroelectric Station.

Great Plains Power Station

The scope of this project is to construct a 350-MW natural gas-fired combined cycle generating station using an engineering, procurement and construction (EPC) contract. The Great Plains Power Station will be located in Moose Jaw.

Blue Hill Wind Generation 230-kV Interconnection

The scope of this project is to construct a new 230-kV switching station near Herbert that sectionalizes the 230-kV Pasqua to Swift Current line, 23 kilometers (km) 230-kV radial line from the switching station to the main substation of the Blue Hill Wind Energy Facility, and installation of associated communication, protection and control facilities.

Pasqua to Rowatt – 230-kV Line

The scope of this project is to construct a new 230-kV transmission line between Pasqua Station and Rowatt Station, new line position at Pasqua Station, and associated protection, automation and control facilities. This project is required to facilitate west to east power transfer and generation deliverability out of the Pasqua area.

Queen Elizabeth Switching Station (QESS) Transformer Replacement

The scope of this project is to upgrade capability and install a 230-kV ring bus to interconnect them along with associated upgrades to the station service transformers and the control schemes. This complex multi-stage project replaces three 50-year-old transformers at QESS that are the terminus for three major lines.

Battery Energy Storage System – 13.8-kV

The scope of this project is to procure and integrate a utility-scale 20-MW/20-MWh Battery Energy Storage System at Fleet Street Switching Station. This project is required to address unscheduled flows on the tie-lines that connect the SaskPower system to Manitoba and North Dakota.

Boundary Dam 230-kV Phase Shifting Transformer (PST) Upgrade

The scope of this project is to add a new PST at Boundary Dam. Stage 1 includes the re-termination of the existing 230-kV Boundary Dam to Shand line (S3B) to a new line position and the creation of space for the new PST. Stage 2 includes supply and putting the new PST in service.

Rowatt Station Development – 230 kV

The scope of this project is to construct a new 230-kV Rowatt Station. This project is required to facilitate full generation dispatch from the southwest area of the province, including Great Plains CCGT Power Station located in Moose Jaw.

Glaslyn to Spiritwood (GL7) Line Sustainment

The scope of this project is to construct a new 138-kV (operating at 72-kV) line from Glaslyn Switching Station to Spiritwood Substation on an offset right of way to replace the existing line which is at the end of its' useful life.

Yorkton to Peebles (Y1P) Line Sustainment

The scope of this project is to replace 735 structures and upgrade 136 kilometers of overhead shield wire to maintain acceptable reliability for Y1P 138-kV transmission line.

Distribution Customer Connects

The scope of this program is to provide for the connection of new electrical services in the SaskPower system and upgrade existing customer services.

Rural Rebuild and Improvement Program

The scope of this program is to provide for the strategic replacement of the aging rural electrical distribution system.

2101 Scarth Street Upgrades & Fit-Out

The scope of this project is to purchase and renovate the building located at 2101 Scarth Street in Regina.

Head Office Refurbishment

The scope of this project is to renovate SaskPower's Head Office building located at 2025 Victoria Avenue in Regina.

Logistic Warehouse Complex

The scope of this project is to construct a new Logistics Warehouse Complex (LWC) at the Global Transportation Hub (GTH). The new LWC will result in a new 97-acre facility consolidating SaskPower operations currently at Regina Service Center, Federal Pioneer, Regina Maintenance Center, Lumsden field office, Broder St. furniture warehouse, and White City Pole Yard to one site. It will replace current SaskPower building assets which are at the end of their effective lifecycle and facilitate multiple operational efficiencies.

Capital Project >\$20M as at March 31, 2021

(in thousands)	Project-to-date actuals	Project forecast	Approved CPA
Generation			
BD Waste Water Management Phase V	21,691	21,691	22,100
PR Ash Lagoon 4E Construction	28,474	28,474	28,635
ER/YH GE GT Component Replacement	22,797	25,644	32,000
QE C U #4-9 Hitachi GT Component Replace	16,437	28,247	30,000
Coteau Creek Life Extension	2,923	50,822	59,000
EBC Units # 1-6 Life Extension	95,386	240,626	300,000
Great Plains Power Station	98,927	691,400	810,000
Transmission			
Tantallon to Birtle - 230-kV - New	20,135	20,170	23,877
Blue Hill Wind Gen Interconn - 230-kV - New	19,770	21,918	26,418
TCP Grassy Creek to SC - 138-kV - New	38,674	38,674	38,758
TCP Piapot to Swift Current - 138-kV - New	21,806	21,806	21,480
Spruce Lake & Paradise Hill - 138/25-kV - New	63,288	64,011	64,324
Transformer Replacement - 230/138-kV - QESS	30,772	32,970	42,384
Boundary Dam - 230-kV - PST - Exp	24,074	28,079	28,292
Circuit Breaker Replacement Program	21,527	21,527	21,908
Distribution			
Customer Connects	96,805	96,805	110,000
Rural Rebuild and Improvement Program	15,022	15,022	20,107
Buildings			
2101 Scarth Upgrades & Fit-Out	11,528	24,058	24,058
Head Office Refurbishment	62,759	116,646	124,000
Logistic Warehouse Complex	11,370	187,614	220,000

Boundary Dam Waste Water Management Phase V

The scope of this project is to divert water from the lagoons where possible and provide sufficient capacity to the ash lagoons until end of life; as waste water management at Boundary Dam relies heavily on the ash lagoons, however, the ash lagoons were designed to store ash, not water.

Poplar River Ash Lagoon 4E Construction

The scope of this project is to install two new ash lagoons to store the ash produced by the unit along with new pumps and piping to transport ash to the new lagoons.

Ermine/Yellowhead General Electric Gas Turbine Component Replacement

The scope of this project is to perform hot section and major inspections on a total of six LM6000PD dry load emission gas turbine engines located at the Ermine and Yellowhead Power Stations, in order to sustain safe and reliable operation.

Queen Elizabeth C Units #4-9 Hitachi Gas Turbine Component Replacement

The scope of this project is to perform hot gas path and major inspections for QE Units #4-9 by long term service agreement contractor.

Coteau Creek Life Extension

The scope of this project is to complete a full assessment of the plant equipment, evaluate alternatives and implement a solution that will restore the original reliability of the plant while correcting operating, maintenance and safety issues.

E.B. Campbell Units #1 to 6 Life Extension

The scope of this project is to replace turbines, generators, head gates, trash racks, step up transformers and balance-of-plant electrical and mechanical equipment for Units #1-6 at the E.B. Campbell Hydroelectric Station.

Great Plains Power Station

The scope of this project is to construct a 350-MW combined cycle gas turbine facility using an engineering, procurement and construction contract.

Tantallon to Birtle 230-kV Line

The scope of this project is to build a 230 kilovolts (kV) transmission line between Tantallon (Saskatchewan) and Birtle (Manitoba) required by NorthPoint Energy Solutions to facilitate the transmission of 190 megawatts (MW) of power from Manitoba into Saskatchewan.

Blue Hill Wind Generation 230-kV Interconnection

The scope of this project is to construct a new 230-kV switching station near Herbert that sectionalizes the 230-kV Pasqua to Swift Current line, 23 kilometers (km) 230-kV radial line from the switching station to the main substation of the Blue Hill wind farm, and installation of associated communication, protection and control facilities.

TransCanada Pipeline Grassy Creek to Swift Current 138-kV Line

The scope of this project is to construct a transmission line connecting Swift Current switching station to TransCanada pumping station #8 at Grassy Creek site including network, Supervisory Control and Data Acquisition, Metering, and Protection and Control work.

TransCanada Pipeline Piapot to Swift Current 138-kV Line

The scope of this project is to construct a transmission line connecting Swift Current to Piapot where TransCanada's Pumping Station #7 will be built. About two-thirds of the first section of the line coming out of Swift Current will be double circuited with the 138-kV line going to Grassy Creek. A new termination structure and associated breaker will be added to the Swift Current substation. Remaining construction involves approximately 49 km of single circuit line and the line termination bay in the station. Also included are the final connections at Grassy Creek and Fox Valley.

Spruce Lake and Paradise Hill 138/25-kV Station expansion

The scope of this project is to extend the existing Lloydminster Station adding 138-kV line bay and construction of the new Paradise Hill & Spruce Lake substation, 138-kV transmission line from Lloydminster to Paradise Hill, 138-kV transmission line from Paradise Hill to Spruce Lake, feeders for current loads from the Paradise Hill and Bolney substations, and feeders from Spruce Lake substation.

Transformer Replacement – Queen Elizabeth Switching Station (QESS)

The scope of this project is to upgrade capability and installs a 230-kV ring bus to interconnect them along with associated upgrades to the station service transformers and the control schemes. This complex multi-stage project replaces three 50-year-old transformers at QESS that are the terminus for three major lines.

Boundary Dam 230-kV Phase Shifting Transformer (PST) Upgrade

The scope of this project is to add a new PST at Boundary Dam. Stage 1 includes the re-termination of the existing 230-kV Boundary Dam to Shand line (S3B) to a new line position and the creation of space for the new PST. Stage 2 includes supply and putting the new PST in service.

Circuit Breaker Replacement Program

The scope of this program is to replace specific 72-kV, 138-kV and 230-kV circuit breakers at 12 switching stations that have been identified as no longer maintainable.

Distribution Customer Connects

The scope of this program is to provide for the connection of new electrical services in the SaskPower system, as well as to upgrade existing customer services.

Rural Rebuild and Improvement Program

The scope of this program is to provide for the strategic replacement of the aging rural electrical distribution system.

2101 Scarth Street Upgrades & Fit-Out

The scope of this project is to purchase and renovate the building located at 2101 Scarth Street in Regina.

Head Office Refurbishment

The scope of this project is to renovate SaskPower's Head Office building located at 2025 Victoria Avenue in Regina.

Logistic Warehouse Complex

The scope of this project is to construct a new Logistics Warehouse Complex (LWC) at the Global Transportation Hub (GTH). The new LWC will result in a new 97-acre facility consolidating SaskPower operations currently at Regina Service Center, Federal Pioneer, Regina Maintenance Center, Lumsden field office, Broder St. furniture warehouse, and White City Pole Yard to one site. It will replace current SaskPower building assets which are at the end of their effective lifecycle and facilitate multiple operational efficiencies.

Capital Project >\$20M as at March 31, 2020

(in thousands)	Project-to-date actuals	Project forecast	Approved CPA
Generation			
PR Ash Lagoon 4E Construction	28,223	28,502	28,616
BD Waste Water Management Phase V	16,918	20,786	22,100
ER/YH GE GT/COMP Replacement	15,769	24,867	32,000
QEC U4-9 Hitachi GT Comp Repl	8,401	29,228	30,000
Transmission			
Spruce Lake & Paradise Hill 138-25kV - New	58,787	63,152	62,719
Tantallon to Birtle - 230kV - New	19,733	21,000	23,877
TCP Grassy Creek to SC - 138kV - New	38,674	38,758	38,758
TCP Piapot to SC - 138kV - New	21,838	45,726	45,701
B4P and PA4 - 138kV - Exp	29,705	29,860	29,886
Pasqua to Swift Current - 230kV-138kV - New	183,401	185,984	230,780
Transformer Replacement - 230-138kV - QESS	23,564	34,784	42,384
Boundary Dam - 230kV - PST - Exp	13,491	27,031	28,292
Circuit Breaker Replacement Program	20,517	21,733	21,813
Condie to Belle Plaine Area - 230kV - New	33,993	34,031	36,286
Relay Replacement Program	13,303	14,388	20,482
Distribution			
Customer Connects	118,697	118,557	112,300
DIST LN Underground Primary Cable Mitigation	16,394	16,394	22,500
Buildings			
2101 Scarth Upgrades & Fit-Out	5,630	20,118	20,713
Head Office Refurbishment	32,450	116,236	124,000

Poplar River Ash Lagoon 4E Construction

The scope of this project is to install two new ash lagoons to store the ash produced by the unit along with new pumps and piping to transport ash to the new lagoons.

Boundary Dam Waste Water Management Phase V

The scope of this project is to divert water from the lagoons where possible and provide sufficient capacity to the ash lagoons until end of life; as waste water management at Boundary Dam relies heavily on the ash lagoons, however, the ash lagoons were designed to store ash, not water.

Ermine/Yellowhead General Electric Gas Turbine Component Replacement

The scope of this project is to perform hot section and major inspections on a total of six LM6000PD dry load emission gas turbine engines located at the Ermine and Yellowhead Power Stations, in order to sustain safe and reliable operation.

Queen Elizabeth C Units #4-9 Hitachi Gas Turbine Component Replacement

The scope of this project is to perform hot gas path and major inspections for QE Units #4-9 by long term service agreement contractor.

Spruce Lake and Paradise Hill 138/25-kV Station expansion

The scope of this project is to extend the existing Lloydminster Station adding 138-kV line bay and construction of the new Paradise Hill & Spruce Lake substation, 138-kV transmission line from Lloydminster to Paradise Hill, 138-kV transmission line from Paradise Hill to Spruce Lake, feeders for current loads from the Paradise Hill and Bolney substations, and feeders from Spruce Lake substation.

Tantallon to Birtle 230-kV Line

The scope of this project is to build a 230 kilovolts (kV) transmission line between Tantallon (Saskatchewan) and Birtle (Manitoba) required by NorthPoint Energy Solutions to facilitate the transmission of 190 megawatts (MW) of power from Manitoba into Saskatchewan.

TransCanada Pipeline Grassy Creek to Swift Current 138-kV Line

The scope of this project is to construct a transmission line connecting Swift Current switching station to TransCanada pumping station #8 at Grassy Creek site including network, Supervisory Control and Data Acquisition, Metering, and Protection and Control work.

TransCanada Pipeline Piapot to Swift Current 138-kV Line

The scope of this project is to construct a transmission line connecting Swift Current to Piapot where TransCanada's Pumping Station #7 will be built. About two-thirds of the first section of the line

coming out of Swift Current will be double circuited with the 138-kV line going to Grassy Creek. A new termination structure and associated breaker will be added to the Swift Current substation. Remaining construction involves approximately 49 km of single circuit line and the line termination bay in the station. Also included are the final connections at Grassy Creek and Fox Valley.

B4P and P4A

The scope of this project is to provide improved system performance, higher future load serving capability, and reliability of supply for the Prince Albert and Timber Cove area loads. The scope of work includes the B4P and PA4 line re-builds and station modifications required at the Beatty and PA Switching Stations to terminate the re-built line.

Pasqua to Swift Current – 230/138kV

The scope of this project is to construct a 230 kV double circuit line between PQSS and SWSS, relocate the existing C1S line at SWSS and expand the PQSS. This project also includes communications systems including the addition of a new teleprotection channel and adjustment of fibre pedestal.

Transformer Replacement – 230/138kV – QESS

The scope of this project is to relace three 50-year-old transformers at QESS that are terminus for three major lines. It also upgrades capability and installs a 230kV ring bus to interconnect them along with associated upgrades to the station service transformers and the control schemes.

Boundary Dam 230-kV Phase Shifting Transformer (PST) Upgrade

The scope of this project is to add a new PST at Boundary Dam. Stage 1 includes the re-termination of the existing 230-kV Boundary Dam to Shand line (S3B) to a new line position and the creation of space for the new PST. Stage 2 includes supply and putting the new PST in service.

Circuit Breaker Replacement Program

The scope of this program is to replace specific 72-kV, 138-kV and 230-kV circuit breakers at 12 switching stations that have been identified as no longer maintainable.

Condie to Belle Plaine Area – 230kV

This scope of this project is to construct approximately 44km of new 230 kV single circuit transmission line between Condie and Belle Plaine and expand the existing Condie Switching Station to

accommodate the new line. It also includes the station siting of a future 230 kV Belle Plaine Switching Station.

Relay Replacement Program

The scope of this program is to replace specific 72kV, 138kV, and 230kV relays at 21 SS and substations.

Distribution Customer Connects

The scope of this program is to provide for the connection of new electrical services in the SaskPower system, as well as to upgrade existing customer services.

DIST LN Underground Primary Cable Mitigation

The scope of this program is to replace or extend the life of underground primary cable due to deterioration of insulation and reliability performance.

2101 Scarth Street Upgrades & Fit-Out

The scope of this project is to purchase and renovate the building located at 2101 Scarth Street in Regina.

Head Office Refurbishment

The scope of this project is to renovate SaskPower's Head Office building located at 2025 Victoria Avenue in Regina.