



2018 FISCAL TEST
EMBEDDED COST OF SERVICE STUDY
**(5% System Increase –
Effective March 1, 2018)**

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❖ **BASED ON 2015 AUDITED ANNUAL FINANCIAL STATEMENTS**

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I. INTRODUCTION

A. Purpose

The SaskPower 2018 Fiscal (2018F) Test Cost of Service study provides an in-depth, detailed account of the annual cost to serve each of SaskPower's customer classes at the end of the fiscal year (March 31, 2018). The primary purpose is to provide an indication of the extent by which revenues contributed by a particular class, recover the allocated costs of serving that customer class.

SaskPower, in order to remain viable, must be given the opportunity to recover its incurred costs of providing electric service to its various classes of customers. Cost of service is usually defined to include all of a utility's operating expenses, plus a reasonable return on its investment ("rate base") devoted to the service of the rate paying public. These stakeholders and their interests are as follows:

- 1. Saskatchewan Rate Review Panel (SRRP):** The Saskatchewan Rate Review Panel is interested in assuring that SaskPower only includes costs and returns that are related to SaskPower's core business. They are also interested in assuring that SaskPower applies methodologies that are reasonable and acceptable. Since the SRRP is not an expert in cost of service methodology and rate design, they rely on the opinion of an external consultant to report on the reasonableness of the embedded cost of service study.
- 2. SaskPower Management / Executive / Board:** SaskPower's Executive, Management, and Board are interested in ensuring that the corporation's financial targets are achieved. The cost of service model is vital to the development of rates and achieving SaskPower's revenue requirement.
- 3. Customers:** The cost of service provides documentation to these stakeholders in terms of how much of the cost to provide them with service is recovered through the rates they pay.

B. Scope

A cost of service study is a study of the costs incurred by SaskPower in producing, transmitting, and distributing electricity to its customers, by customer class, in relation to revenues collected from each class under existing rates. For this report the costs analyzed are the actual historical "embedded" cost of the existing plant and expenses in the calendar "**test year**" of **2018 Fiscal**.

SaskPower owns two subsidiary companies: NorthPoint Energy Solutions and Shand Greenhouse. The financial assets and expenses from these subsidiaries have been included in this year's cost of service study. Best practices from other utilities across Canada have shown it is prudent to rate payers for a utility to include subsidiary financial results in years when the subsidiary achieves a net gain. In years of net loss, subsidiaries will not be included in the cost of service study.

C. Objectives

Cost of service studies are among the basic tools of rate-making. While non-cost concepts and principles can modify the cost-based standard, cost of service methodology remains the primary factor in determining the reasonableness of rates. SaskPower's key objectives of the cost of service study and resulting rate design are as follows:

1. Meeting revenue requirement
2. Fairness and equity
3. Economic efficiency
4. Conservation of resources
5. Simplicity and administrative ease
6. Stability and gradualism

1. Meeting Revenue Requirement

Meeting the revenue requirement suggests that SaskPower's customer rates are designed with the purpose to provide sufficient revenue in order to cover both the utility's forecasted annual costs and return on rate base. Annual costs and the return on rate base are further explained within step 1 of the Identification section of the cost of service methodology.

2. Fairness and Equity

Fairness and equity implies that SaskPower's cost of service methodology and rate design is applied to the various customer classes, based on cost behaviour drivers and cost causality, while projecting no undue discrimination between customers.

3. Economic Efficiency

Economic efficiency refers to SaskPower's objective of utilizing assets and expenses in a manner that is operationally effective for developing a power system, while the rates charged for electrical service provide the appropriate price signals to customers that will allow SaskPower to maintain a power system that continues to be efficient over time.

4. Conservation of Resources

Conservation of resources relies on asset and cost allocations that provide appropriate price signals to consumers, so that they will utilize power in a reasonable manner while taking into account SaskPower's cost of providing power and the value placed on that power by the various customer classes.

5. Simplicity and Administrative ease

Simplicity and administrative ease objectives for rate-making rely on concepts of allocation that are logical, transparent to stakeholders and customers, and easily implementable.

6. Stability and Gradualism

Stability and gradualism objectives aspire to employ cost allocations and rate-making standards that are steady over longer periods. Stability and gradualism goals avoid non-typical volatility of rates to any customer classes at any given time.

Since the above objectives do not always agree with the concept that service should be provided on a cost basis, SaskPower must use judgement and the advice of our shareholder and Cabinet as to the appropriate courses of action.

D. Financial Reporting Changes during 2015

A number of reporting changes within departments occurred in 2015. They are as follows:

- 1. The Operations department has now been separated into its core areas as follows:**
 - Power Production
 - Transmission Services
 - Distribution
- 2. Commercial & Industrial Operations is a new department within SaskPower. It is made up of the following areas:**
 - Customer Relations (previously reported in Customer Services).
 - Coal Combustion Products (previously called Flyash Operations, which was previously reported in Operations).
 - Fuel Supply (previously reported to both NorthPoint and Resource Planning).
 - NorthPoint expenses (previously reported within Operations) are now reported in Commercial & Industrial Operations.
- 3. Procurement and Supply Chain is a new department, containing the following areas:**
 - Logistics (previously reported within the Distribution area within Operations.)
 - Properties & Shared Services.
 - Contract Management (previously reported within Operations.)
- 4. Resource Planning has added 2 areas within its portfolio:**
 - Environment (previously reported in Human Resources).
 - Shand Greenhouse (previously reported alongside Environment in Human Resources) expenses are now reported within Resource Planning. Shand Greenhouse assets continue to be reported as a separate line item within the Cost of Service report, functionalized within Generation.
- 5. Purchased Power Agreement (PPA's) assets are reported as a separate line item within the Cost of Service report, functionalized within Generation.**

II. SUMMARY OF RESULTS

Tables 1, 2, and 3 outline the summary results from the 2018 Fiscal Test Cost of Service Study, including a 5% rate increase effective March 1, 2018.

- **Table 1 – Summary of Functionalized Revenue Requirement**

This table identifies the cost of service by function (Generation, Transmission, Distribution, and Customer Service).

- **Table 2 – Summary of Classified Revenue Requirement**

This table identifies the cost of service by billing component for each customer class. The breakdown mimics the rate structure for all customer classes.

- **Table 3 – Summary of Revenue to Revenue Requirement Ratios**

This table displays the breakdown of Revenue to Revenue Requirement Ratio by customer class.

Table 1 – Summary of Functionalized Revenue Requirement

Summary of Functionalized Revenue Requirement by Customer Class 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Customer Class	Total Company	Generation		Transmission		Distribution		Customer Service	
		(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Urban Residential	470.6	260.6	55.4%	47.6	10.1%	128.0	27.2%	34.4	7.3%
Rural Residential	146.6	72.9	49.7%	14.1	9.6%	53.5	36.5%	6.1	4.2%
Farms	192.4	110.9	57.6%	19.2	10.0%	56.0	29.1%	6.4	3.3%
Urban Commercial	364.0	237.9	65.3%	37.0	10.2%	83.6	23.0%	5.6	1.5%
Rural Commercial	143.2	86.7	60.6%	14.2	9.9%	40.6	28.4%	1.7	1.2%
Power - Published Rates	525.0	450.5	85.8%	67.3	12.8%	4.8	0.9%	2.3	0.4%
Power - Contract Rates	200.3	172.7	86.2%	27.2	13.6%	0.1	0.0%	0.4	0.2%
Oilfields	365.5	246.5	67.4%	35.0	9.6%	78.9	21.6%	5.1	1.4%
Streetlights	21.1	4.5	21.4%	0.6	3.0%	15.8	74.6%	0.2	0.9%
Reseller	110.7	98.7	89.2%	11.8	10.6%	0.2	0.1%	0.1	0.1%
Total	2,539.4	1,741.9	68.6%	273.9	10.8%	461.3	18.2%	62.3	2.5%

Table 2 – Summary of Classified Revenue Requirement

Summary of Classified Revenue Requirement by Customer Class 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Customer Class	Total Company	Demand Related		Energy Related		Customer Related	
		(\$)	(%)	(\$)	(%)	(\$)	(%)
Urban Residential	470.6	268.5	57.1%	129.8	27.6%	72.3	15.4%
Rural Residential	146.6	86.7	59.1%	34.1	23.2%	25.9	17.6%
Farms	192.4	115.4	60.0%	58.3	30.3%	18.7	9.7%
Urban Commercial	364.0	200.4	55.1%	136.4	37.5%	27.2	7.5%
Rural Commercial	143.2	81.7	57.1%	47.7	33.3%	13.8	9.6%
Power - Published Rates	525.0	246.9	47.0%	275.3	52.4%	2.7	0.5%
Power - Contract Rates	200.3	97.7	48.8%	102.2	51.0%	0.4	0.2%
Oilfields	365.5	191.3	52.3%	151.0	41.3%	23.2	6.3%
Streetlights	21.1	3.5	16.6%	2.8	13.1%	14.9	70.3%
Reseller	110.7	58.3	52.7%	52.3	47.2%	0.1	0.1%
Total	2,539.4	1,350.5	53.2%	989.8	39.0%	199.2	7.8%

Table 3 – Summary of Revenue to Revenue Requirement Ratios

Summary of Revenue to Revenue Requirement Ratios 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)			
Customer Class	Revenue (\$)	Revenue Requirement (\$)	Revenue to Revenue Requirement Ratio
Urban Residential	462.0	470.6	0.98
Rural Residential	135.0	146.6	0.92
Farms	186.3	192.4	0.97
Urban Commercial	372.4	364.0	1.02
Rural Commercial	143.4	143.2	1.00
Power - Published Rates	539.8	525.0	1.03
Power - Contract Rates	198.5	200.3	0.99
Oilfields	375.0	365.5	1.03
Streetlights	17.9	21.1	0.85
Reseller	109.2	110.7	0.99
Total (System)	2,539.4	2,539.4	1.00

III. COST OF SERVICE METHODOLOGY

The study follows a six step process:

- The first step is to **identify** in detail the accounting costs that are to be allocated to customer classes.
- The second step is to **functionalize** the costs between generation, transmission, distribution and customer services functions.
- The third step is to **classify** each set of functionalized costs into demand, energy and customer components.
- The fourth step is to **allocate** the functionally classified costs among the several customer classes.
- The fifth step is to **compare** between the allocated costs and the revenues collected from the customer classes to arrive at the revenue to cost ratios.
- The sixth step is to **create** ideal rates for each class of customers so that the appropriate amount of revenue is collected based on the class's costs.

STEP 1: IDENTIFICATION

The initial step is to identify the accounting costs to be included in the Cost of Service Study. SaskPower Finance has supplied the 2018 Fiscal Year End Consolidated Financial Summary.

Three types of accounts are separately identified in detail:

1. Rate Base Items – investments and liabilities as reported in SaskPower's Balance Sheet. Please refer to **Schedule 1.0** for summary of these items as well as the actual data for the 2018 Fiscal Test Year. Data is reported for the year end in the following categories:

- Plant in service
- Accumulated Depreciation
- Allowance for Working Capital
- Inventories
- Other Assets

Plant in service is reported in more detail by function: Generation - by type of generation, Transmission - by voltage level, Distribution Plant - by type of plant, and General & Intangible Plant - by primary usage (unused land, buildings, office furniture and equipment, vehicles & equipment, computer development & equipment, communication, protection & control, and tools and equipment).

Contributions in Aid of Construction were previously netted against Fixed Assets as part of the Rate Base and amortized over the estimated service life of the related asset. The amortization of these contributions was netted against

Depreciation Expense under GAAP. However, with the adoption of IFRS accounting standards in 2011, Contributions in Aid of Construction is recognized immediately as Other Income when the related fixed asset is available for use.

2. Revenue Requirement – this is a calculation of annual costs (from SaskPower's Income Statement) plus the Return on Rate Base (calculated as Rate Base multiplied by the system average Return on Rate Base percentage). The system average Return on Rate Base is equal to total revenue minus total expenses divided by the total rate base. Please refer to **Schedule 1.0** for a summary of these items as well as the actual data for the 2018 Fiscal Test Year. Data is reported for the year end in the following categories:

- Fuel
- Purchased Power
- Export Revenue (Credit)
- Operating, Maintenance, & Administrative
- Depreciation and Depletion
- Corporate Capital Tax
- Grants In Lieu of Taxes
- Miscellaneous Tax
- Other Operating Revenues (Credit)
- Return on Rate Base (Rate Base multiplied by the system average Return on Rate Base)

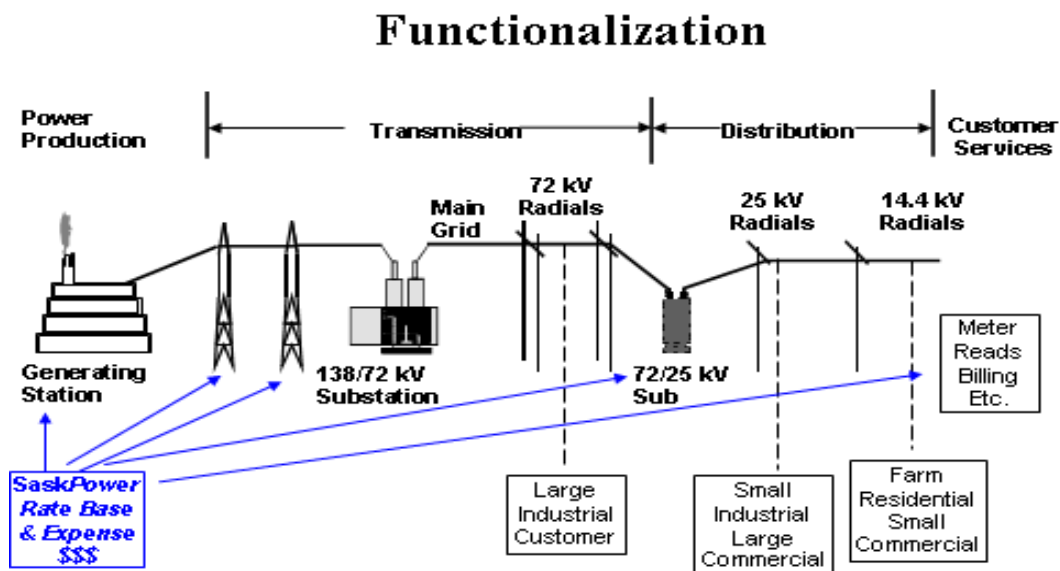
3. Revenue Items - annual domestic sales revenues as reported on SaskPower's Income Statement. The SaskPower Load & Revenue Forecasting department provides a projection of net sales within Saskatchewan. **Schedule 7.0** provides a summary by customer class of the actual revenues for the 2018 Fiscal Test Year.

STEP 2: FUNCTIONALIZATION

The second step is to functionalize all accounting costs, in terms of plant and expenses into the major functions of SaskPower's integrated electric system. Please refer to Figure 1 for a schematic of the process. Rate base and expenses are assigned to the following functions and sub functions:

<p>1. Generation</p> <ul style="list-style-type: none"> Load Losses Scheduling & Dispatch Regulation & Frequency Response Spinning Reserve Supplementary Reserve Planning Reserve Reactive Supply Grants in Lieu of Taxes 	<p>3. Distribution</p> <ul style="list-style-type: none"> Area Substations Distribution Mains Urban Laterals Rural Laterals Transformers Services Instrument Transformers Meters Streetlights Customer Contributions
<p>2. Transmission</p> <ul style="list-style-type: none"> Main Grid 138kv Lines Radials 138/72kv Substations 72kv Lines Radials 	<p>4. Customer Service</p> <ul style="list-style-type: none"> Metering Services Meter Reading Billing & Customer Accounts Customer Collecting Customer Service Marketing & Sales

Figure 1: Functionalization Schematic



Please refer to **Schedules 2.00 through to 2.36** for the functionalization of the financial accounting details. A summary of the functionalization methodology is summarized below for rate base and revenue requirement which includes annual expense items from the income statement and return on rate base.

1. Rate Base Items

1.1 - Plant in Service & Accumulated Depreciation

- **SaskPower Generation, Transmission, and Distribution:**
All of the rate base accounts are functionalized on the basis of the plant designation; generation plant is functionalized entirely to the generation function, transmission plant is functionalized to transmission and distribution plant is functionalized entirely to distribution. The plant in service and accumulated depreciation for Wind Projects are included within SaskPower generation. The sub-functionalization is relatively straightforward using SaskPower's detailed accounting records. The sub-functionalization of generation assets to ancillary service which is required for SaskPower's OATT tariffs is more complicated. It is important to note, however, that the generation load and losses sub-functions and all ancillary services sub-functions are allocated to all full-service customers.
- **Coal Reserves:**
SaskPower coal reserves are functionalized to the load and losses sub-functions within the generation function.
- **Shand Greenhouse:**
The Shand Greenhouse assets are functionalized to generation. The sub-functionalization is the same as the total for all SaskPower generation.
- **Purchased Power Agreements:**
The assets associated with Purchased Power Agreements are functionalized to generation.
- **Meters and Instrument Transformers:**
Meters and instrument transformers are included in the meters and instrument transformers sub-function within distribution.
- **General Plant - Unused Land:**
The functionalization and sub-functionalization of unused land is done using Operations, Maintenance and Administration expense (OM&A).
- **General Plant – Buildings:**
The functionalization of the SaskPower head office building is based on floor space analysis. All other buildings are functionalized using the square footage attached to each cost centre. The asset values for buildings are then prorated to sub-functions within each function using Operations, Maintenance and Administration (OM&A) expense.

- **General Plant - Office Furniture & Equipment:**
The functionalization and sub-functionalization is the same as for buildings.
- **General Plant - Vehicles & Equipment:**
The functionalization of the Vehicles and Equipment is based on the vehicles and equipment asset summary report by profit center. The asset values for vehicles and equipment are then prorated to sub-functions within each function using Operations, Maintenance and Administration (OM&A) expense.
- **General Plant - Computer Development & Equipment:**
The functionalization of the computer development and equipment is done in two steps. In the first step the asset value for computer development and equipment is divided into mainframe systems and desktop. In the second step the main frame assets (software and hardware) is functionalized on an application by application basis and desktop assets (hardware and software) are functionalized using the number of employees. The asset values for computer development and equipment are then prorated to sub-functions within each function using Operations, Maintenance and Administration (OM&A) expense.
- **General Plant - Communication, Protection & Control Equipment:**
Communication, Protection & Control Equipment is functionalized to generation, transmission, distribution and customer services based on an evaluation of each type of asset and using advice from SaskPower's Transmission Services staff.
- **General Plant - Tools & Equipment:**
The functionalization of the Tools and Equipment is based on the asset history by function report. The asset values for tools and equipment are then prorated to sub-functions within each function using Operations, Maintenance and Administration (OM&A) expense.

1.2 - Allowance for Working Capital

- The allowance for working capital is consistent with Cost of Service methodology that a utility should sustain a suitable level of working capital to meet its current obligations such as payroll, taxes etc. The allowance for working is calculated as 12.5% of the sum of Operations, Maintenance and Administration (OM&A) expense, corporate capital tax, grants in lieu of taxes and miscellaneous tax expense and is prorated to functions and sub-functions using the sum of these expense items.

1.3 - Inventories

- SaskPower accounting records summarizes inventory cost by Power Production and Transmission and Distribution. The inventories are then prorated to sub-functions within the generation, transmission and distribution functions using Operations, Maintenance and Administration expense (OM&A).

1.4 - Other Assets

- Other assets (deferred assets and prepaid expenses) are grouped into 4 categories as follows:
 - **Natural gas / coal related:**
Functionalized to generation.
 - **Employee related:**
Functionalized using head count by Business Unit / Support Group.
 - **Insurance expense related:**
Functionalized using information provided from SaskPower's Risk management staff.
 - **Miscellaneous:**
Prorated to sub-functions within each function using Operations, Maintenance and Administration (OM&A) expense.

2. Revenue Requirement Items

A summary of the functionalization methodology for expense plus the return on rate base items is provided below:

2.1 - Fuel Expense SaskPower Units

- The fuel expense for SaskPower units is functionalized 100% to generation.

2.2 - Purchased Power and Import

- The purchased power expense is functionalized 100% to generation.

2.3 - Export & Net Electricity Trading Revenue

- Export revenue is treated as an offset to fuel expense and as such is functionalized 100% to generation.

2.4 - Operating, Maintenance & Administration (OM&A) Expense

- **Power Production Business Unit:**

The OM&A expenses for the Power Production Business Unit and Purchased Power Agreements (PPA's) are functionalized to generation.

- **Transmission & Distribution Business Unit:**

A small amount of the Transmission and Distribution Business Unit's OM&A expense relating to the transmission planning, scheduling & dispatch and generation regulation and frequency response are functionalized to generation. The remainder of the OM&A expense for the Business Unit is split to transmission and distribution using cost centre reports.

- Transmission OM&A is sub-functionalized by separating transmission OM&A expense into line and station related. The line related OM&A is sub-functionalized to main grid, 138 & 72 kV radials using line lengths by sub-function. The station related OM&A expense is sub-functionalized using station assets plant in service by sub-function.
- Distribution OM&A is functionalized to distribution and customer services using a combination of staff input and detailed cost centre OM&A reports. The same analysis provides the sub-functionalization within the distribution and customer services functions.
- The Electrical and Gas inspections OM&A was transferred to General Council/Land in 2014 but is still functionalized to Customer Services as previously done. Similarly, Metering Services OM&A was moved from Customer Services to Transmission & Distribution in 2013 but is still functionalized to Customer Services.

- **Customer Services Business Unit:**

The OM&A expense for the Customer Services Business Unit is functionalized to customer services. The sub-functionalization is provided directly from cost centre Operation, Maintenance and Administration (OM&A) reports.

- **Customer Services - Bad Debt Expense:**

The bad debt expense is assigned to the customer collections sub-function with the Customer Services function.

- **President / Board:**

Assigned to functions and sub-functions based on the functionalization and sub-functionalization of the sum of the OM&A expense for the Power Production, Transmission and Distribution, and Customer Service business units and support groups.

- **Corporate & Financial Services:**
Functionalized based on employee head count by Business Unit and Support Group.
- **Corporate & Financial Services – Insurance Premiums & Insurable Losses:**
Functionalized based on Breakdown from SaskPower Risk Management & Insurance department staff.
- **Resource Planning:**
Resource Planning was previously called Planning and Regulatory Affairs (PERA). Resource Planning is made up of 3 cost Centers: Planning and Regulatory Affairs, Environment, and Shand Greenhouse. The Planning cost center is assigned to functions and sub-functions based on the functionalization and sub-functionalization of the sum of the OM&A expense for the three Business Units and Support Groups. The Environment cost center moved to Resource Planning from Human Resources in 2015 and is allocated based on an employee analysis which was done by SaskPower Environment department staff. The Shand Greenhouse moved to Resource Planning from Power Production in 2015 and is functionalized to Generation.
- **General Council / Land:**
Assigned to functions and sub-functions based on the functionalization and sub-functionalization of the sum of the OM&A expense for the three Business Units and Support Groups. The Electrical and Gas inspections OM&A was moved to General Council/Land from Transmission and Distribution in 2014 and is functionalized to Customer Services.
- **Clean Coal Project:**
The OM&A expense for the Clean Coal Project is functionalized to Generation.
- **Safety:**
Is functionalized based on the safety department staff assignments to the Business Units and Support Groups and then sub-functionalized using the OM&A sub-functionalization within each function.
- **Corporate Information & Technology (CI & T):**
CI&T operations, maintenance and administration expense is separated into personal computer related and Business Unit related. The personal computer related is functionalized using employee headcount. The Business Unit related is functionalized using information from the cost centre report. Sub-functionalization is completed using OM&A within each function.

- **Human Resources:**
Functionalized based on the employee head count by Business Unit and then sub-functionalized using the OM&A sub-functionalization within each function.
- **Commercial & Industrial Operations:**
Commercial & Industrial Operations is a newly formed department made up of 4 cost centers: Customer Relations, Coal Combustion Products, Fuel Supply and NorthPoint. The Customer Relations cost center was previously reported in Customer Services and continues to be functionalized to Customer Service. Coal Combustion was previously reported in the Power Production business unit and continues to be functionalized to Generation. The Fuel Supply cost center was previously reported in Resource Planning and continues to be functionalized to Generation. NorthPoint previously was reported in Operations and continues to be functionalized to Generation.
- **Procurement & Supply Chain**
Procurement & Supply chain is made up of 3 cost centers: Supply Chain, Properties & Shared Services, and Contract Management. Supply Chain and Properties & Shared Services are functionalized based on the employee head count by Business Unit and then sub-functionalized using the OM&A sub-functionalization within each function. Contract Management is functionalized to Generation. The Logistics area was moved to Procurement & Supply Chain in 2015 from Distribution, however, based on Logistics' close relation to Distribution; their OM&A is still being calculated and functionalized within Distribution.

2.5 - Depreciation & Depletion

- The functionalization of depreciation and depletion is the same as for plant in service and accumulated depreciation above.

2.6 - Corporate Capital Tax

- Corporate capital tax is prorated to functions and sub-functions using resultant rate base functionalization.

2.7 - Grants in Lieu of Taxes

- Grants in lieu of taxes are assigned to the grants in lieu of taxes sub-function within the generation function.

2.8 – Miscellaneous Tax

- The miscellaneous tax expenses have been grouped into the following categories using cost center reports:
 - **Power production related:**
Functionalized to generation.
 - **Fuel supply related:**
Functionalized to generation.
 - **Gas & electric inspections related:**
Functionalized to customer services.
 - **Vehicles and equipment related:**
Functionalized using the vehicles and equipment plant functionalization as reported in Section 1.1.
 - **Buildings related:**
Functionalized using the buildings plant functionalization as reported in Section 1.1.
 - **Corporate related:**
Functionalized using total OM&A expense.

2.9 - Other Income

- Other income is treated as an offset to expenses in the cost of service model. Other income has been grouped into the following categories using accounting records.
 - **Customer services payment income:**
Assigned to the billing, customer accounts and collections sub-functions within customer services.
 - **Meter reading income:**
Assigned to the meter reading sub-function within the customer services function.
 - **Gas & electric inspections income:**
Assigned to the Customer Service sub-function within the customer services function.
 - **Transmission related income:**
Assigned to sub-functions within the transmission function using transmission OM&A expense.
 - **Distribution related income:**
Assigned to sub-functions within the distribution function using distribution OM&A expense.

- **Clean Coal Test Facility Revenue:**
Assigned to the load and losses sub-functions within generation using fuel expense.
- **Clean Coal Project Credits:**
Assigned to the load and losses sub-functions within generation using fuel expense.
- **CO₂ Sales & Penalties:**
Assigned to the load and losses sub-functions within generation using fuel expense.
- **Miscellaneous Other Income:**
Assigned to functions and sub-functions based on the functionalization and sub-functionalization of the sum of the OM&A expense for the three Business Units and Support Groups.
- **Customer Contribution Revenue**
As per adoption of IFRS, contributions in aid of construction and reconstruction are now recognized immediately as Other Income when the related fixed asset is available for use and is functionalized to transmission and distribution.
- **Green power premium:**
Assigned to the load and losses sub-functions within generation using fuel expense.
- **NorthPoint:**
Assigned to the load and losses sub-functions within generation using fuel expense.
- **Flyash & Wind Power Sales:**
Assigned to the load and losses sub-functions within generation using fuel expense.
- **Consulting & Contracting Services:**
Assigned to functions and sub-functions based on the functionalization and sub-functionalization of the sum of the OM&A expense for the Power Production, Transmission and Distribution, and Customer Service business units and support groups.

2.10 - Return on Rate Base

- The functionalization and sub-functionalization of return on rate base is determined by the functionalization of rate base above as the RORB is the simple calculation of rate base multiplied by the return on rate base in percent.

STEP 3: CLASSIFICATION

The classification process splits the functionalized costs into the parameters of service, which are:

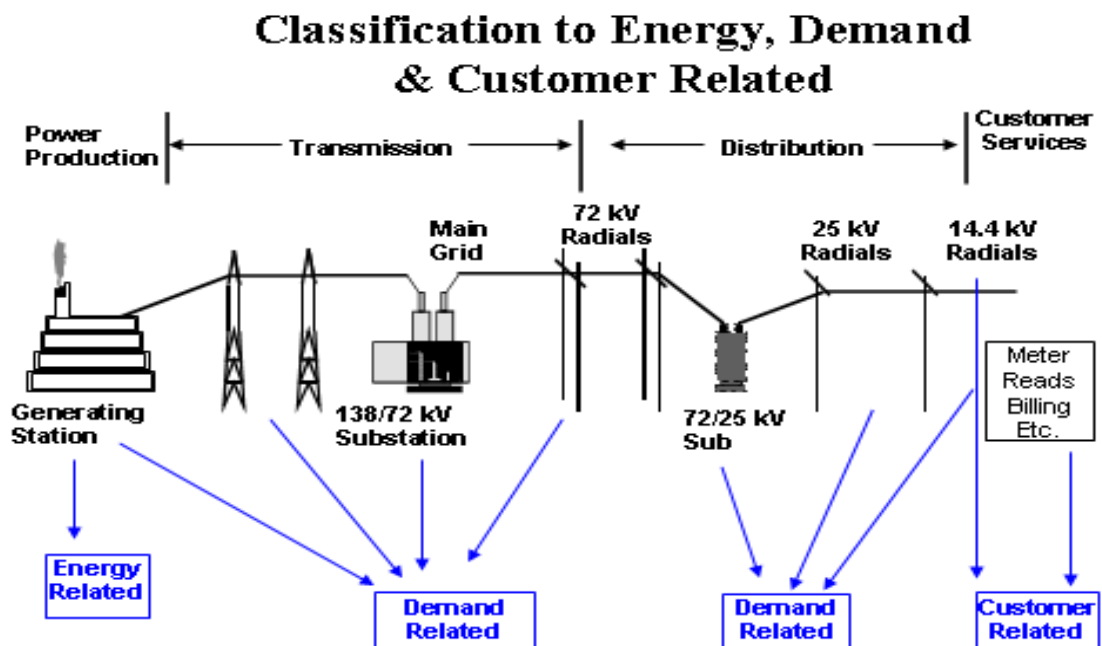
Demand – costs that vary with the kilowatt demand imposed on the system, such as the demand component of production, transmission and distribution systems.

Energy – costs that vary with the energy or kilowatt-hours provided by the utility, such as the cost of fuel and variable generation costs.

Customer – costs related to the number of customers served, such as customer billing, meter reading, customer service and the capital costs of meters and services.

Figure 2 below presents a schematic of the classification process.

Figure 2: Classification Schematic



A discussion of the classification of each of the functionalized costs is as follows:

- **Generation:**

SaskPower generation rate base and expense is classified as either demand or energy related. The classification methodology currently used by SaskPower for generation rate base and depreciation expenses is the Equivalent Peaker method, based on the NARUC Electric Utility Cost Allocation manual. This approach uses the ratio of the unit cost of new peaking capacity to the new cost of base load capacity for different generation types to classify rate base and depreciation to demand and energy.

The assets and expenses associated with Purchased Power Agreements (PPA's) are classified to demand and energy using the capacity and energy payments for each plant.

The fuel expense for SaskPower units is classified 100% to energy. The classification of purchased power and import expense to demand and energy is done using the capacity and energy payments to suppliers. The classification of export and net electricity trading revenue is classified 100% to energy. Generation operating, maintenance and administrative (OM&A) expenses are classified using an analysis of fixed and variable OM&A by type of generating plant.

The expenses and income associated with fly-ash sales (now called Coal Combustion Products) are classified as energy related.

The classification of all wind power rate base and expense are classified 80% to energy based on the results of SaskPower's most recent planning study regarding the capacity value of wind generation. This is a change from previous years, when SaskPower planning staff did not attach any capacity value to wind generation.

- **Coal Reserves:**

SaskPower coal reserves are classified energy related.

- **Shand Greenhouse:**

The Shand Greenhouse assets, OM&A and depreciation expenses are classified using the classification of all SaskPower generation.

- **NorthPoint:**

The OM&A expense and other revenue associated with NorthPoint are classified 100% to energy related.

- **Transmission:**

Transmission facilities are built to meet the maximum system coincident demand requirements of customers and are classified 100% to demand.

- **Distribution:**
Substations are classified 100% to demand-related cost. Three phase feeders are classified 100% to demand-related cost. Both urban and rural single-phase primary lines are classified 65% to demand-related and 35% to customer-related cost. Line transformers are classified 70% to demand-related and 30% to customer-related cost based upon industry data. All secondary lines, services, and meters are classified 100% as customer-related cost. Streetlighting is directly assigned as customer-related.
- **Customer:**
Customer related costs are classified 100% to customer.

The results of the functionalization and classification (or functional classification) of rate base, expense, return on rate base, and revenue requirement are summarized in **Schedules 2.00 through to 2.36**.

STEP 4: ALLOCATION

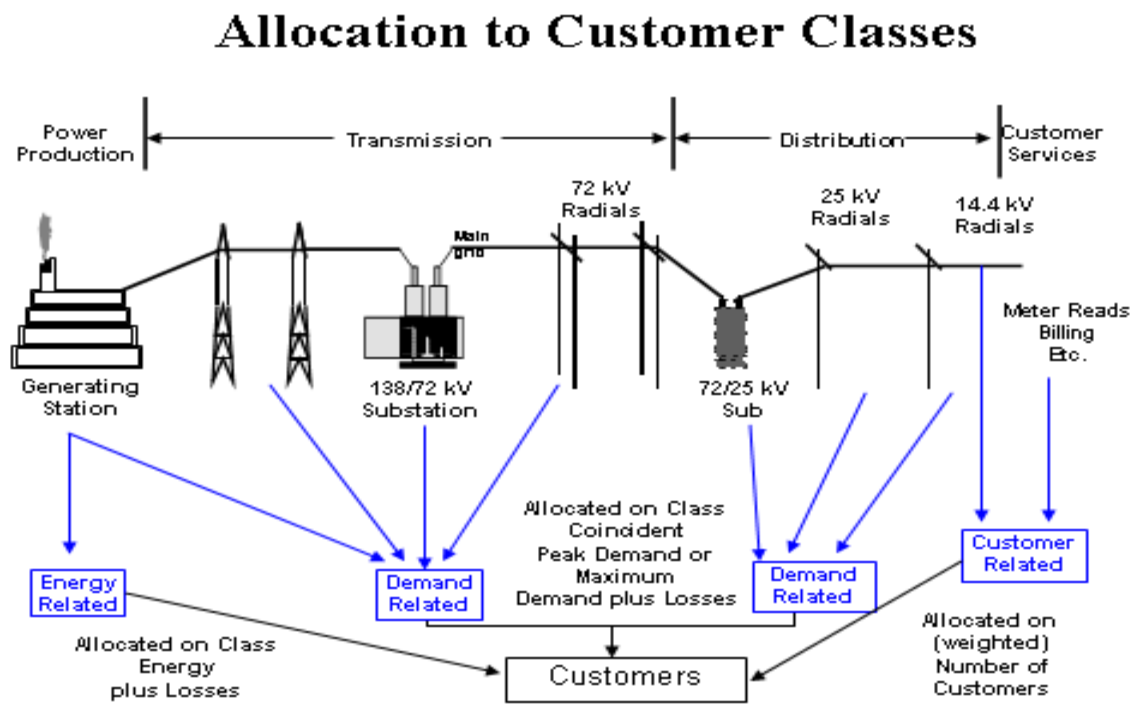
Allocation is the apportioning of functionalized and classified rate base and expense to customer classes.

Customer Classes: The following is a list of the customer classes currently served by SaskPower, to which the functionally classified rate base and expense are allocated.

- Urban Residential
- Rural Residential
- Farms
- Urban Commercial
- Rural Commercial
- Power - Published Rates
- Power - Contract Rates
- Oilfields
- Streetlights
- Reseller

Figure 3 presents a schematic of the allocation process. The methodologies chosen by SaskPower for allocation are summarized in **Schedule 3.0**. The core data used in the development of allocation factors can be found in **Schedule 4.0**.

Figure 3: Allocation Schematic



An explanation of the allocation process by function is as follows:

- **Generation:**

The energy related rate base and expenses such as fuel and cost of coal are allocated to the customer classes by the energy consumed by each class plus an estimate of losses. The demand related rate base and expenses are allocated by the 2CP (coincident peak) method, plus an estimate of losses. The 2CP method allocates costs to customer classes based upon the contribution which the respective customer class makes to the average of SaskPower's winter and summer seasonal peaks. The winter seasonal peak load is SaskPower's largest demand calculated on an hourly interval basis during the months of November to February. The summer seasonal peak load is SaskPower's largest demand calculated on an hourly interval basis during the months of June to September. The months of March, April, May and October are considered "shoulder" months and do not contribute to the seasonal peak periods. Allocation factors are developed as the ratio of the class load at the time of the average seasonal peak to the total load.

- **Transmission:**

All of the transmission functions are classified as demand and are allocated using the 2CP (coincident peak) method as aforementioned.

- **Distribution:**

The demand functions within distribution use a combination of the 2CP method and the Maximum Diversified Class Demands (MDD) method. The MDD method allocates rate base and expense responsibilities based on the ratio of the sum of the maximum demand of a rate class, regardless of when it occurs, during a specified period, to the sum of all the class peaks, similarly determined. Only the transformers function uses the MDD methodology, all other functions use the 2CP methodology.

The customer functions within distribution use a combination of methodologies depending on the sub-function. Urban and rural laterals are allocated to customer classes based on the number of urban and rural customers supplied through laterals. Customer related transformers are allocated using the number of customers supplied through transformers. Distribution services are allocated directly to customer classes. Meters are allocated by the number of metered customers weighted by the installed cost of a meter. Streetlight related rate base and expenses are allocated directly to streetlights.

- **Customer Services:**

The customer services functions are allocated to customer classes based on the weighted number of customers in the class. This weighting is based on annual surveys of how much time departments spend working with each customer class.

- **Customer Contributions:**

These contributions are allocated back directly to the customer classes which made the contribution.

- **Load Data**

Customer load data is obtained for each class from the best available sources. Hourly Residential, Farm, Commercial, and Oilfield load data were obtained from a statistically valid sample size of meter readings from actual customer's interval metered sites. The results for the customer types in each of these classes are then extrapolated to the entire class in proportion to the classes' billing determinants. Typical load shapes for the Streetlight class were gathered from a neighbouring utility.

Power Class loads were analyzed based on hourly meter readings from actual customer's interval metered sites.

- **Loss Study**

The purpose of a loss study is to properly quantify and assign to the appropriate customer class the electrical energy and demand losses in the various segments of the system. The starting point is the total energy loss in GWh, calculated as the difference between input to the system measured at the generator and output measured at the customer's meter.

The loss analysis relies, to a significant extent, upon the loss analysis prepared by the Network Planning department, which includes a load-flow analysis of the transmission system. The load-flow analysis provides both energy and demand losses.

Distribution system losses are apportioned to the various components in proportion to loss percentages generally associated with those elements of the distribution system.

A spreadsheet program is used to apportion the energy losses to the various class loads, recognizing that losses at one level of the system increase losses at another level.

- **Allocators**

The allocation factors are summarized in **Schedules 5.0 to 5.3**. The functionalization and classification of the revenue requirement is summarized in **Tables 1 and 2** (Summary of Results section), and the details are in **Schedules 6.0 to 6.3**.

STEP 5: COMPARE

The allocated rate base, allocated expenses and class revenue are the foundation for calculating the revenue to revenue requirement (R/RR) ratio by class. A R/RR measure of 1.00 indicates that the revenues received from a customer class exactly matches the costs of providing it electrical service; or, to put it simply, a customer is paying the amount it costs SaskPower to provide them with service. An R/RR below 1.00 indicates that a customer class is paying less than the cost to serve while an R/RR above 1.00 indicates that a customer class is paying more than the cost to serve. On a system-wide basis, the ratio must equal 1.00.

In response to comments of cross-subsidization between SaskPower's customer classes, external consultants have advised SaskPower that R/RR ratios close to 1.00 are deemed to be reasonable. Cost allocation studies of shared assets utilized by various customer groups represents the best and most current information available but is subject to fluctuations and uncertainty from year to year. A range of acceptable R/RR ratios of 0.95 to 1.05 is used in many jurisdictions as being acceptable for cost allocation studies and is considered to reflect that a customer is paying their fair share of costs. As a result, an R/RR ratio that is slightly above or below 1.00 does not demonstrate that one customer class materially subsidizes or receives a material subsidy from other customer classes as long as it falls within the acceptable range. In conclusion, if the R/RR ratios are within the acceptable range, the results are deemed to be reasonable and there is no refutable evidence of cross-subsidization.

SaskPower uses the 0.95-1.05 range and, whenever possible, attempts to exceed industry standards by setting a narrower range of 0.98 to 1.01 at each rate application in order to keep the levels of cross-subsidization between customer classes to a minimum. SaskPower currently sets the R/RR ratios for Residential and Farms to 0.98, the Cities of Saskatoon and Swift Current (Resellers) to 1.00 and all remaining classes slightly above 1.00, with the exception of the Power – Contract class, whose escalations are determined under the terms and conditions of their respective ESA. This practice has been exercised, with the approval of the SRRP, since 2001 under the following rationale:

1. Meets current industry standards:

As mentioned above, many jurisdictions use a range of 0.95 to 1.05, or 0.90 to 1.10 as acceptable revenue to revenue requirement ratios when establishing revenue responsibilities by customer class. SaskPower conducts an annual R/RR ratio survey of Canadian electrical utilities, which shows that SaskPower is well within Canadian electrical industry standards with regards to its R/RR ratio range and that many utilities (5 out of 6 surveyed in 2016) set the Residential class R/RR ratio below 1.00 (0.84 to 0.99).

2. Mitigates the potential for small energy users inadvertently subsidizing larger energy users:

R/RR ratios fluctuate year to year based on a variety of factors (i.e., changes in weather, consumption, costs). During rate applications, SaskPower attempts to set the R/RR ratios between 0.98-1.01 using assumptions based on a “most likely” scenario, to stabilize rate designs and protect all customers from outlying or anomalous conditions that may occur, especially to the most vulnerable, including fixed and low income households, Farms and First Nations communities.

3. Reduces Stranded Asset Risk:

The Power and Oilfield sectors account for 71% of SaskPower's forecasted growth in energy sales over the next 10 years, requiring substantial investments in capital infrastructure on SaskPower's behalf. A customer's failure to achieve their forecasted energy requirements that the system was subsequently designed and built for would result in millions of dollars in stranded assets for SaskPower, whose costs would then be absorbed by the remaining rate base. To mitigate this risk, SaskPower sets their R/RR ratio slightly above 1.00 in order to recover its capital costs over a shorter timeframe should the customer become insolvent or fail to meet their forecasted load. When Residential and Farm customers move or close their accounts, there is a very low probability that the assets associated with serving their former premises will not be used by a subsequent customer. This lower stranded asset risk is reflected in their lower R/RR ratio.

Revenue to revenue requirement (R/RR) ratios are determined by comparing the revenue collected from each class to the revenue required to serve the customer class. The revenue requirement for each customer class is calculated as the allocated rate base multiplied by the system return on rate base plus allocated expenses. Please refer to **Table 3** in the Summary of Results section for an R/RR ratio breakdown by customer class.

Note: Since SaskPower is applying the system average increase across all classes for the 2018 Fiscal rate application, no rebalancing maintenance for this application will be undertaken as a result.

As mentioned previously, it is important to note that R/RR ratios are not static. Each year SaskPower rebuilds the cost of service model using the latest annual financial information and customer revenue and load data. As such, cost of service results vary from year to year for a number of reasons, including:

1. Class Revenue Changes

2. Class Revenue Requirement Changes, due to:

- a) *Non-uniform escalation of generation, transmission, distribution & customer services costs (e.g., capital expenditures, fuel & purchased power, OM&A and depreciation expense)*
- b) *Changes to cost of service methodology*
- c) *Changes to class demand (e.g., customer load factors) at system peak, due to:*
 - I. Economic conditions
 - II. Mechanical failures
 - III. Unforeseen shutdowns
 - IV. Operational changes
 - V. Variations in weather patterns

R/RR ratios in Base (actual) years are dependent on the actual annual revenue and the calculated revenue requirement derived from the cost of service study which may reflect any, or all, of the above conditions.

In Test (forecast) years, SaskPower attempts to set the R/RR ratios between 0.98-1.01 using assumptions based on a “most likely” scenario, to stabilize rate designs and protect all customers from outlying or anomalous conditions that may occur.

STEP 6: DEVELOP “IDEAL” RATES

Each of SaskPower's customer classes is made up of one or more rate codes. A rate code outlines the specific price paid by a group of customers with similar characteristics. Separate rate codes may be required for location (urban or rural), size, the voltage level the customer is supplied at, or the type of load served i.e. streetlights. SaskPower currently has approximately 60 rate codes.

As discussed above, one of the primary objectives of rate design is fairness and equity. To satisfy this objective, SaskPower designs rates to recover the appropriate amount of revenue from each rate code within a class. Rates are also designed to collect the appropriate revenue from each customer within the rate code regardless of the customer's size or load factor. Essentially this means if a class has a R/RR ratio of 1.01, then the rate will be designed such that the overall rate code and each customer belonging to that rate code provides the same R/RR of 1.01.

Customer size is measured as the maximum customer demand in kW. Customer annual load factor is defined as:

Load factor = annual energy / (maximum demand * 8760 hours).

A high load factor customer has a steady load which does not vary much from hour to hour. Oilfield and Power customers typically have high load factors. A low load factor customer has high peak loads relative to the amount of energy consumed. Residential customers typically have low load factors.

The cost of service model provides the energy, demand and customer related revenue requirement for each class of customers (see Table 2), as well as for each rate code within a class. The energy, demand, and customer revenue requirement by rate code provides the basis for rate design.

Energy (Only) Metered Customers

All Residential, small Farm, and small Commercial customers have a simple energy meter. These meters cost much less than the demand and energy meter used for larger customers. The rate for energy metered customers includes an energy charge and a basic monthly charge. The combination of energy charge and basic monthly charge will collect the appropriate revenue for customers regardless of size. The energy charge and basic monthly charge will not, however, collect the appropriate revenue for customers of all load factors. It will collect the appropriate revenue for customers at the average load factor for the rate code. This is the trade-off for the less costly meter.

The energy charge is calculated as the energy plus demand revenue requirements divided by the rate code energy consumption. The basic monthly charge is calculated as the customer revenue requirement divided by the number of customer accounts in the rate code divided by 12 months.

Demand & Energy Metered Customers

Commercial and Farm customers over 50 kVA demand and all Power customers have a meter which measures both energy consumed in kWh and maximum monthly demand in kVA. The rates for demand & energy metered customers have separate charges for energy, demand and the basic monthly charge. The combination of energy, demand and basic monthly charge is intended to collect the appropriate revenue for each customer regardless of size or load factor.

SaskPower rates for demand & energy metered customers are designed using the cost of service model. Rates are designed by first determining the revenue requirement for a wide range of customer sizes and load factors. Then the rate is designed such that the appropriate revenue is collected for each combination of customer size and load factor.

Once the energy only and the demand & energy rates are designed for all rate codes, they are tested in SaskPower's revenue model. This is done to ensure SaskPower collects the appropriate revenue overall (meets revenue requirements) and from each customer class (fairness and equity). A check is also made to ensure that no one customer receives more than the maximum allowable rate increase of 15%. The adjusted rates are finalized, approved by the Saskatchewan Rate Review Panel and Cabinet, and then published for each individual rate code.

IV. SUPPORTING SCHEDULES

Schedule 1.0: Summary of the Functionalization of Financial Account Details

Summary of the Functionalization of Financial Account Details									
2018 Fiscal Test Embedded Cost of Service Study									
(\$ Millions)									
Rate Base and Expense Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Rate Base									
Plant In Service (Schedule 1.1)	15,372.0	8,398.1	54.6%	2,568.5	16.7%	4,297.0	28.0%	108.5	0.7%
Accumulated Depreciation (Schedule 1.2)	(6,283.8)	(3,729.9)	59.4%	(722.3)	11.5%	(1,785.6)	28.4%	(45.9)	0.7%
Allowance For Working Capital	95.2	52.6	55.3%	9.5	10.0%	23.5	24.7%	9.6	10.1%
Inventories (Schedule 1.3)	213.7	88.9	41.6%	33.0	15.5%	91.6	42.9%	0.1	0.0%
Other Assets (Schedule 1.3)	2.0	1.2	58.7%	0.2	8.7%	0.5	22.8%	0.2	9.7%
Total Rate Base	9,399.1	4,810.8	51.2%	1,888.8	20.1%	2,627.0	27.9%	72.4	0.8%
Revenue Requirement									
Fuel Expense SaskPower Units	427.1	427.1	100.0%	-	0.0%	-	0.0%	-	0.0%
Purchased Power & Import	232.2	232.2	100.0%	-	0.0%	-	0.0%	-	0.0%
Export & Net Electricity Trading Revenue (Credit)	(10.0)	(10.0)	100.0%	-	0.0%	-	0.0%	-	0.0%
Operating, Maintenance & Administration (Schedule 1.4)	689.1	370.8	53.8%	66.5	9.6%	175.1	25.4%	76.7	11.1%
Depreciation & Depletion (Schedule 1.5)	570.0	350.8	61.6%	77.5	13.6%	134.8	23.6%	6.9	1.2%
Corporate Capital Tax	46.0	23.6	51.4%	9.3	20.3%	12.7	27.6%	0.3	0.7%
Grants in Lieu of Taxes	26.0	26.0	100.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous Tax	0.5	0.4	84.6%	0.0	0.7%	0.0	1.6%	0.1	13.2%
Other Income (Credit) (Schedule 1.6)	(113.9)	(23.3)	20.5%	(14.5)	12.8%	(49.2)	43.2%	(26.8)	23.6%
Return on Rate Base @ 7.15%	672.4	344.2	51.2%	135.1	20.1%	187.9	27.9%	5.2	0.8%
Total Revenue Requirement	2,539.4	1,741.9	68.6%	273.9	10.8%	461.3	18.2%	62.3	2.5%

Schedule 1.1: Functionalization of Financial Account Details – Plant in Service

Functionalization of Financial Account Details PLANT IN SERVICE 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Asset Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Generation Assets									
Power Production	6,661.1	6,661.1	100.0%	-	0.0%	-	0.0%	-	0.0%
Power Production - PPA	1,233.2	1,233.2	100.0%	-	0.0%	-	0.0%	-	0.0%
Coal Reserves	66.8	66.8	100.0%	-	0.0%	-	0.0%	-	0.0%
Shand Greenhouse	5.5	5.5	100.0%	-	0.0%	-	0.0%	-	0.0%
Total Generation Assets	7,966.6	7,966.6	100.0%	-	0.0%	-	0.0%	-	0.0%
Transmission Assets									
Transmission Assets	2,370.4	8.4	0.4%	2,334.1	98.5%	27.8	1.2%	-	0.0%
Total Transmission Assets	2,370.4	8.4	0.4%	2,334.1	98.5%	27.8	1.2%	-	0.0%
Distribution Assets									
Distribution Assets	3,827.6	-	0.0%	-	0.0%	3,827.6	100.0%	-	0.0%
Meters	93.9	-	0.0%	-	0.0%	93.9	100.0%	-	0.0%
Instrument Transformers	15.6	-	0.0%	-	0.0%	15.6	100.0%	-	0.0%
Total Distribution Assets	3,937.1	-	0.0%	-	0.0%	3,937.1	100.0%	-	0.0%
General Plant Assets									
Unused Land	2.3	1.3	53.8%	0.2	9.6%	0.6	25.4%	0.3	11.1%
Buildings	260.7	81.0	31.1%	42.7	16.4%	99.5	38.2%	37.5	14.4%
Office Furniture & Equipment	38.1	11.8	31.1%	6.2	16.4%	14.5	38.2%	5.5	14.4%
Vehicles & Equipment	248.8	36.3	14.6%	58.0	23.3%	132.6	53.3%	21.9	8.8%
Computer Development & Equipment	354.5	229.7	64.8%	27.3	7.7%	57.0	16.1%	40.4	11.4%
Communication, Protection & Control	161.8	50.9	31.4%	89.7	55.4%	19.1	11.8%	2.1	1.3%
Tools & Equipment	31.8	12.1	38.0%	10.1	31.8%	8.7	27.5%	0.8	2.7%
Total General Plant Assets	1,097.9	423.0	38.5%	234.3	21.3%	332.1	30.2%	108.5	9.9%
Total Plant In Service	15,372.0	8,398.1	54.6%	2,568.5	16.7%	4,297.0	28.0%	108.5	0.7%

Schedule 1.2: Functionalization of Financial Account Details – Accumulated Depreciation

Functionalization of Financial Account Details ACCUMULATED DEPRECIATION 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Asset Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Generation Assets									
Power Production	(2,987.0)	(2,987.0)	100.0%	-	0.0%	-	0.0%	-	0.0%
Power Production - PPA	(462.9)	(462.9)	100.0%	-	0.0%	-	0.0%	-	0.0%
Coal Reserves	(32.0)	(32.0)	100.0%	-	0.0%	-	0.0%	-	0.0%
Shand Greenhouse	(3.3)	(3.3)	100.0%	-	0.0%	-	0.0%	-	0.0%
Total Generation Assets	(3,485.1)	(3,485.1)	100.0%	-	0.0%	-	0.0%	-	0.0%
Transmission Assets									
Transmission Assets	(629.7)	(3.2)	0.5%	(614.7)	97.6%	(11.8)	1.9%	-	0.0%
Total Transmission Assets	(629.7)	(3.2)	0.5%	(614.7)	97.6%	(11.8)	1.9%	-	0.0%
Distribution Assets									
Distribution Assets	(1,580.6)	-	0.0%	-	0.0%	(1,580.6)	100.0%	-	0.0%
Meters	(51.9)	-	0.0%	-	0.0%	(51.9)	100.0%	-	0.0%
Instrument Transformers	(10.1)	-	0.0%	-	0.0%	(10.1)	100.0%	-	0.0%
Total Distribution Assets	(1,642.5)	-	0.0%	-	0.0%	(1,642.5)	100.0%	-	0.0%
General Plant Assets									
Unused Land	(0.0)	(0.0)	53.8%	(0.0)	9.6%	(0.0)	25.4%	(0.0)	11.1%
Buildings	(29.1)	(11.4)	39.3%	(4.2)	14.6%	(9.8)	33.7%	(3.6)	12.4%
Office Furniture & Equipment	(14.1)	(5.6)	39.3%	(2.1)	14.6%	(4.8)	33.7%	(1.7)	12.4%
Vehicles & Equipment	(112.3)	(17.8)	15.8%	(25.9)	23.1%	(59.2)	52.7%	(9.4)	8.4%
Computer Development & Equipment	(256.8)	(168.7)	65.7%	(19.1)	7.4%	(39.7)	15.5%	(29.3)	11.4%
Communication, Protection & Control	(102.2)	(33.9)	33.2%	(53.8)	52.6%	(13.1)	12.8%	(1.4)	1.4%
Tools & Equipment	(12.0)	(4.3)	35.7%	(2.6)	21.6%	(4.7)	39.0%	(0.4)	3.7%
Total General Plant Assets	(526.5)	(241.6)	45.9%	(107.7)	20.5%	(131.3)	24.9%	(45.9)	8.7%
Total Accumulated Depreciation	(6,283.8)	(3,729.9)	59.4%	(722.3)	11.5%	(1,785.6)	28.4%	(45.9)	0.7%

Schedule 1.3: Functionalization of Financial Account Details – Inventories/Other Assets

Functionalization of Financial Account Details
INVENTORIES
 2018 Fiscal Test Embedded Cost of Service Study
 (\$ Millions)

	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Inventories									
Power Production - Repair Stores	65.4	65.4	100.0%	-	0.0%	-	0.0%	-	0.0%
Power Production - Fuel	23.1	23.1	100.0%	-	0.0%	-	0.0%	-	0.0%
Transmission & Distribution	124.4	-	0.0%	33.0	26.5%	91.4	73.5%	-	0.0%
Miscellaneous (Computers, Power Shop)	0.7	0.4	53.8%	0.1	9.6%	0.2	25.4%	0.1	11.1%
Total Inventories	213.7	88.9	41.6%	33.0	15.5%	91.6	42.9%	0.1	0.0%

Functionalization of Financial Account Details
OTHER ASSETS
 2018 Fiscal Test Embedded Cost of Service Study
 (\$ Millions)

	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Other Assets									
Deferred Assets / Prepaid Expenses - Coal Mine / Natural Gas	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Intangible Assets	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Prepaid Expenses - Insurance	0.3	0.2	90.0%	0.0	2.9%	0.0	6.5%	0.0	0.6%
Miscellaneous Prepaid Expenses	1.7	0.9	53.8%	0.2	9.6%	0.4	25.4%	0.2	11.1%
Total Generation Expenses	2.0	1.2	58.7%	0.2	8.7%	0.5	22.8%	0.2	9.7%

Schedule 1.4: Functionalization of Financial Account Details – OM&A Expense

Functionalization of Financial Account Details									
OM&A EXPENSES									
2018 Fiscal Test Embedded Cost of Service Study									
(\$ Millions)									
Expense Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Generation Expenses									
Power Plant Operation	190.4	190.4	100.0%	-	0.0%	-	0.0%	-	0.0%
Power Production Overhead	23.5	23.5	100.0%	-	0.0%	-	0.0%	-	0.0%
Purchase Power Agreements (PPA)	27.2	27.2	100.0%	-	0.0%	-	0.0%	-	0.0%
Total Generation Expenses	241.1	241.1	100.0%	-	0.0%	-	0.0%	-	0.0%
Transmission & Distribution Expenses									
Planning Support	16.8	9.5	56.5%	7.1	42.5%	0.0	0.1%	0.2	0.9%
Transmission Including 138 & 72 kV Radials	36.7	-	0.0%	36.7	100.0%	-	0.0%	-	0.0%
Distribution	121.6	-	0.0%	-	0.0%	121.6	100.0%	-	0.0%
Customer Services	7.3	-	0.0%	-	0.0%	-	0.0%	7.3	100.0%
Metering Services	4.0	-	0.0%	-	0.0%	-	0.0%	4.0	100.0%
Total Transmission & Distribution Expenses	186.4	9.5	5.1%	43.8	23.5%	121.6	65.2%	11.5	6.2%
Customer Services Expenses									
Meter Reading	6.6	-	0.0%	-	0.0%	-	0.0%	6.6	100.0%
Billing Services	3.7	-	0.0%	-	0.0%	-	0.0%	3.7	100.0%
Collections/Special Collections	2.4	-	0.0%	-	0.0%	-	0.0%	2.4	100.0%
Bad Debt Expense	4.8	-	0.0%	-	0.0%	-	0.0%	4.8	100.0%
Marketing & Sales	1.0	-	0.0%	-	0.0%	-	0.0%	1.0	100.0%
Demand Side Management	12.6	12.6	100.0%	-	0.0%	-	0.0%	-	0.0%
Customer Service	11.5	-	0.0%	-	0.0%	-	0.0%	11.5	100.0%
Total Customer Services Expenses	42.7	12.6	29.6%	-	0.0%	-	0.0%	30.0	70.4%
Support Group Expenses									
President / Board	6.8	3.7	53.8%	0.7	9.6%	1.7	25.4%	0.8	11.1%
Corporate & Financial Services (C&FS)	10.6	4.2	39.4%	1.0	9.6%	2.4	22.6%	3.0	28.3%
C&FS - Insurance Premiums & Insurable Losses	4.5	4.1	90.0%	0.1	2.9%	0.3	6.5%	0.0	0.6%
Resource Planning	17.3	9.0	52.0%	1.9	11.0%	4.8	27.5%	1.6	9.4%
Carbon Capture & Storage Initiatives	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
General Council / Land	25.4	9.7	38.1%	0.9	3.4%	2.3	8.9%	12.6	49.6%
Safety	7.5	4.0	53.8%	0.8	10.1%	1.9	25.0%	0.8	11.1%
Corporate Information & Technology	82.7	40.9	49.4%	9.7	11.7%	22.5	27.2%	9.7	11.7%
Human Resources	15.6	5.5	35.1%	2.6	16.8%	6.1	38.9%	1.4	9.2%
Commercial & Industrial Operations	10.1	9.1	90.7%	-	0.0%	-	0.0%	0.9	9.3%
Procurement & Supply Chain	38.4	17.5	45.6%	5.0	12.9%	11.6	30.3%	4.3	11.2%
Total Support Group Expenses	219.0	107.6	49.2%	22.7	10.3%	53.5	24.4%	35.2	16.1%
Total OM&A Expenses	689.1	370.8	53.8%	66.5	9.6%	175.1	25.4%	76.7	11.1%

Schedule 1.5: Functionalization of Financial Account Details – Depreciation & Depletion Expense

Functionalization of Financial Account Details DEPRECIATION & DEPLETION EXPENSE 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Asset Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Generation Assets									
Power Production	266.1	266.1	100.0%	-	0.0%	-	0.0%	-	0.0%
Purchase Power Agreements (PPA)	56.3	56.3	100.0%	-	0.0%	-	0.0%	-	0.0%
Coal Reserves	2.2	2.2	100.0%	-	0.0%	-	0.0%	-	0.0%
Shand Greenhouse	0.1	0.1	100.0%	-	0.0%	-	0.0%	-	0.0%
Total Generation Assets	324.8	324.8	100.0%	-	0.0%	-	0.0%	-	0.0%
Transmission Assets									
Transmission Assets	62.8	0.2	0.3%	61.8	98.4%	0.8	1.3%	-	0.0%
Total Transmission Assets	62.8	0.2	0.3%	61.8	98.4%	0.8	1.3%	-	0.0%
Distribution Assets									
Distribution Assets	103.4	-	0.0%	-	0.0%	103.4	100.0%	-	0.0%
Meters	7.5	-	0.0%	-	0.0%	7.5	100.0%	-	0.0%
Instrument Transformers	0.7	-	0.0%	-	0.0%	0.7	100.0%	-	0.0%
Total Distribution Assets	111.6	-	0.0%	-	0.0%	111.6	100.0%	-	0.0%
General Plant Assets									
Unused Land	0.0	0.0	53.8%	0.0	9.6%	0.0	25.4%	0.0	11.1%
Buildings	6.9	2.0	28.9%	1.2	17.0%	2.7	39.5%	1.0	14.6%
Office Furniture & Equipment	3.2	0.9	28.9%	0.5	17.0%	1.3	39.5%	0.5	14.6%
Vehicles & Equipment	14.0	1.8	12.9%	3.3	23.7%	7.6	54.2%	1.3	9.1%
Computer Development & Equipment	33.8	17.3	51.1%	3.8	11.3%	8.8	26.0%	3.9	11.6%
Communication, Protection & Control	9.9	3.0	30.2%	5.6	56.8%	1.2	11.7%	0.1	1.3%
Tools & Equipment	2.9	0.9	30.8%	1.2	39.8%	0.8	26.8%	0.1	2.6%
Total General Plant Assets	70.7	25.9	36.6%	15.6	22.1%	22.3	31.6%	6.9	9.7%
Total Depreciation Expense	570.0	350.8	61.6%	77.5	13.6%	134.8	23.6%	6.9	1.2%

Schedule 1.6: Functionalization of Financial Account Details – Other Income

Functionalization of Financial Account Details OTHER INCOME 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Expense Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Other Income									
Customer Services Payment Charges	(7.0)	-	0.0%	-	0.0%	-	0.0%	(7.0)	100.0%
Meter Reading	(2.6)	-	0.0%	-	0.0%	-	0.0%	(2.6)	100.0%
Inspections	(17.3)	-	0.0%	-	0.0%	-	0.0%	(17.3)	100.0%
Transmission	(2.2)	(0.4)	17.5%	(1.8)	82.5%	-	0.0%	-	0.0%
Distribution	(6.9)	-	0.0%	-	0.0%	(6.9)	100.0%	-	0.0%
Clean Coal Project Credits	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Clean Coal Test Facility Revenue	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous Other Income	0.0	0.0	53.8%	0.0	9.6%	0.0	25.4%	0.0	11.1%
Customer Contribution Revenue	(55.0)	-	0.0%	(12.7)	23.0%	(42.3)	77.0%	-	0.0%
Green Power Premium	(0.2)	(0.2)	100.0%	-	0.0%	-	0.0%	-	0.0%
Flyash Sales	(7.2)	(7.2)	100.0%	-	0.0%	-	0.0%	-	0.0%
Consulting & Contracting Services	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
CO2 Sales & Penalties	(15.5)	(15.5)	100.0%	-	0.0%	-	0.0%	-	0.0%
Total Other Income	(113.9)	(23.3)	20.5%	(14.5)	12.8%	(49.2)	43.2%	(26.8)	23.6%

Schedule 2.00: Functional Classification of Financial Account Details – Generation

Functionalization and Classification of Financial Account Details																
GENERATION Related Costs																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Rate Base and Expense Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Basis of Classification	Load	Load	Losses	Losses	Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes	
					Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Energy	
Rate Base																
Plant In Service (Schedule 2.01)	15,372.0	8,398.1	54.6%	Functional Class of PIS	2,899.9	3,997.0	291.1	337.6	36.6	72.2	168.1	252.1	194.8	148.7	-	
Accumulated Depreciation (Schedule 2.02)	(6,283.8)	(3,729.9)	59.4%	Functional Class of Accum. Depr'n	(1,295.5)	(1,797.9)	(130.1)	(151.9)	(24.0)	(32.5)	(66.3)	(99.5)	(76.9)	(55.4)	-	
Allowance For Working Capital	95.2	52.6	55.3%	12.50% of OM&A and Taxes	28.3	13.0	2.7	1.0	1.2	0.3	0.6	0.9	0.7	0.7	3.3	
Inventories (Schedule 2.03)	213.7	88.9	41.6%	Functional Class of Inventories	43.9	33.1	4.4	2.8	0.0	0.3	0.9	1.3	1.0	1.0	-	
Other Assets (Schedule 2.03)	2.0	1.2	58.7%	Functional Classification of Other Assets	0.7	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	
Total Rate Base	9,399.1	4,810.8	51.2%		1,677.3	2,245.5	168.2	189.5	13.9	40.3	103.3	154.9	119.7	95.0	3.3	
Revenue Requirement																
Fuel Expense SaskPower Units	427.1	427.1	100.0%	Functional Class of Fuel Exp.	-	393.6	-	33.4	-	-	-	-	-	0.1	-	
Purchased Power & Import	232.2	232.2	100.0%	Functional Class of PP, Import & NP Fee	111.3	101.1	11.2	8.6	-	-	-	-	-	0.0	-	
Export & Net Electricity Trading Revenue (Credit)	(10.0)	(10.0)	100.0%	Functional Class of Exports	-	(9.2)	-	(0.8)	-	-	-	-	-	(0.0)	-	
Operating, Maintenance & Administration (Schedule 2.04)	689.1	370.8	53.8%	Functional Class of OM&A	217.8	92.7	20.7	6.8	9.6	2.0	4.4	6.6	5.1	5.0	-	
Depreciation & Depletion (Schedule 2.05)	570.0	350.8	61.6%	Functional Class of Depr'n & Depletion	132.4	160.3	13.3	13.5	2.2	2.8	5.7	8.6	6.7	5.4	-	
Corporate Capital Tax	46.0	23.6	51.4%	Functional Class of Corp. Capital Tax	8.1	11.1	0.8	0.9	0.1	0.2	0.5	0.8	0.6	0.5	-	
Grants in Lieu of Taxes	26.0	26.0	100.0%	Functional Class of Grants in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	26.0	
Miscellaneous Tax	0.5	0.4	84.6%	Functional Class of Misc. Tax	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	
Other Income (Credit) (Schedule 2.06)	(113.9)	(23.3)	20.5%	Functional Class of Other Income	0.0	(21.1)	0.0	(1.8)	(0.4)	(0.0)	0.0	0.0	0.0	(0.0)	-	
Return on Rate Base @ 7.15%	672.4	344.2	51.2%	Rate Base	120.0	160.6	12.0	13.6	1.0	2.9	7.4	11.1	8.6	6.8	0.2	
Total Revenue Requirement	2,539.4	1,741.9	68.6%		589.8	889.4	58.1	74.2	12.5	7.8	18.0	27.1	20.9	17.8	26.2	

Schedule 2.01: Functional Classification of Financial Account Details – Generation Plant in Service

Functionalization and Classification of Financial Account Details														
GENERATION PLANT IN SERVICE														
2018 Fiscal Test Embedded Cost of Service Study														
(\$ Millions)														
Asset Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load	Load	Losses	Losses	Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes
				Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Demand
Generation Assets														
Power Production	6,661.1	6,661.1	100.0%	2,152.4	3,334.8	217.3	282.8	-	47.5	138.1	207.1	160.1	121.2	-
Power Production - PPA	1,233.2	1,233.2	100.0%	501.5	512.8	50.6	43.5	-	8.8	25.6	38.3	29.6	22.4	-
Coal Reserves	66.8	66.8	100.0%	-	61.5	-	5.2	-	-	-	-	-	0.0	-
Shand Greenhouse	5.5	5.5	100.0%	2.0	3.1	0.2	0.3	-	-	-	-	-	-	-
Total Generation Assets	7,966.6	7,966.6	100.0%	2,655.9	3,912.3	268.1	331.7	-	56.2	163.6	245.5	189.7	143.6	-
Transmission Assets														
Transmission Assets	2,370.4	8.4	0.4%	7.6	-	0.8	-	-	-	-	-	-	-	-
Total Transmission Assets	2,370.4	8.4	0.4%	7.6	-	0.8	-	-	-	-	-	-	-	-
Distribution Assets														
Distribution Assets	3,827.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Meters	93.9	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Instrument Transformers	15.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Assets	3,937.1	-	-	-	-	-	-	-	-	-	-	-	-	-
General Plant Assets														
Unused Land	2.3	1.3	53.8%	0.7	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Buildings	260.7	81.0	31.1%	49.6	20.3	4.4	1.2	0.8	0.3	0.9	1.4	1.1	1.0	-
Office Furniture & Equipment	38.1	11.8	31.1%	7.2	3.0	0.6	0.2	0.1	0.1	0.1	0.2	0.2	0.2	-
Vehicles & Equipment	248.8	36.3	14.6%	23.4	7.9	2.2	0.5	0.1	0.2	0.4	0.7	0.5	0.5	-
Computer Development & Equipment	354.5	229.7	64.8%	147.3	51.1	14.1	3.7	(1.1)	1.3	2.8	4.2	3.2	3.2	-
Communication, Protection & Control	161.8	50.9	31.4%	-	-	-	-	36.7	14.1	-	-	-	-	-
Tools & Equipment	31.8	12.1	38.0%	8.1	2.2	0.8	0.2	-	0.1	0.2	0.2	0.2	0.2	-
Total General Plant Assets	1,097.9	423.0	38.5%	236.3	84.7	22.2	5.8	36.6	16.0	4.4	6.7	5.1	5.1	-
Total Plant In Service	15,372.0	8,398.1	54.6%	2,899.9	3,997.0	291.1	337.6	36.6	72.2	168.1	252.1	194.8	148.7	-

Schedule 2.02: Functional Classification of Financial Account Details – Generation Accumulated Depreciation

Functionalization and Classification of Financial Account Details														
GENERATION ACCUMULATED DEPRECIATION														
2018 Fiscal Test Embedded Cost of Service Study														
(\$ Millions)														
Asset Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load		Losses		Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes
				Demand	Energy	Demand	Energy							
Generation Assets														
Power Production	(2,987.0)	(2,987.0)	100.0%	(1,008.5)	(1,484.2)	(101.8)	(125.9)	-	(19.0)	(55.3)	(82.9)	(64.0)	(45.4)	-
Power Production - PPA	(462.9)	(462.9)	100.0%	(149.7)	(236.6)	(15.1)	(20.1)	-	(2.9)	(8.6)	(12.8)	(9.9)	(7.0)	-
Coal Reserves	(32.0)	(32.0)	100.0%	-	(29.5)	-	(2.5)	-	-	-	-	-	(0.0)	-
Shand Greenhouse	(3.3)	(3.3)	100.0%	(1.2)	(1.8)	(0.1)	(0.2)	-	-	-	-	-	-	-
Total Generation Assets	(3,485.1)	(3,485.1)	100.0%	(1,159.5)	(1,752.1)	(117.0)	(148.6)	-	(21.9)	(63.8)	(95.7)	(74.0)	(52.5)	-
Transmission Assets														
Transmission Assets	(629.7)	(3.2)	0.5%	(2.9)	-	(0.3)	-	-	-	-	-	-	-	-
Total Transmission Assets	(629.7)	(3.2)	0.5%	(2.9)	-	(0.3)	-	-	-	-	-	-	-	-
Distribution Assets														
Distribution Assets	(1,580.6)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Meters	(51.9)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Instrument Transformers	(10.1)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Assets	(1,642.5)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
General Plant Assets														
Unused Land	(0.0)	(0.0)	53.8%	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-
Buildings	(29.1)	(11.4)	39.3%	(7.3)	(2.6)	(0.7)	(0.2)	(0.1)	(0.0)	(0.1)	(0.2)	(0.2)	(0.2)	-
Office Furniture & Equipment	(14.1)	(5.6)	39.3%	(3.5)	(1.2)	(0.3)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	-
Vehicles & Equipment	(112.3)	(17.8)	15.8%	(11.5)	(3.8)	(1.1)	(0.3)	(0.0)	(0.1)	(0.2)	(0.3)	(0.3)	(0.2)	-
Computer Development & Equipment	(256.8)	(168.7)	65.7%	(107.9)	(37.5)	(10.4)	(2.7)	0.6	(1.0)	(2.0)	(3.1)	(2.4)	(2.3)	-
Communication, Protection & Control	(102.2)	(33.9)	33.2%	-	-	-	-	(24.5)	(9.4)	-	-	-	-	-
Tools & Equipment	(12.0)	(4.3)	35.7%	(2.9)	(0.8)	(0.3)	(0.1)	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	-
Total General Plant Assets	(526.5)	(241.6)	45.9%	(133.1)	(45.8)	(12.7)	(3.3)	(24.0)	(10.6)	(2.5)	(3.8)	(2.9)	(2.9)	-
Total Accumulated Depreciation	(6,283.8)	(3,729.9)	59.4%	(1,295.5)	(1,797.9)	(130.1)	(151.9)	(24.0)	(32.5)	(66.3)	(99.5)	(76.9)	(55.4)	-

Schedule 2.03: Functional Classification of Financial Account Details – Generation Inventories/Other Assets

Functionalization and Classification of Financial Account Details															
GENERATION INVENTORIES															
2018 Fiscal Test Embedded Cost of Service Study															
(\$ Millions)															
Asset Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load		Losses		Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes	
				Demand	Energy	Demand	Energy							Demand	Energy
Inventories															
Power Production - Repair Stores	65.4	65.4	100.0%	43.7	11.7	4.4	1.0	-	0.3	0.9	1.3	1.0	1.0	-	-
Power Production - Fuel	23.1	23.1	100.0%	-	21.3	-	1.8	-	-	-	-	-	0.0	-	-
Transmission & Distribution	124.4	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous (Computers, Power Shop)	0.7	0.4	53.8%	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Total Inventories	213.7	88.9	41.6%	43.9	33.1	4.4	2.8	0.0	0.3	0.9	1.3	1.0	1.0	-	-

Functionalization and Classification of Financial Account Details															
GENERATION OTHER ASSETS															
2018 Fiscal Test Embedded Cost of Service Study															
(\$ Millions)															
Asset Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load		Losses		Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes	
				Demand	Energy	Demand	Energy							Demand	Energy
Other Assets															
Deferred Assets / Prepaid Expenses - Coal Mine / Natural Gas	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses - Insurance	0.3	0.2	90.0%	0.2	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	-	-
Miscellaneous Prepaid Expenses	1.7	0.9	53.8%	0.5	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Total Other Assets	2.0	1.2	58.7%	0.7	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-

Schedule 2.04: Functional Classification of Financial Account Details – Generation OM&A Expenses

Functionalization and Classification of Financial Account Details															
GENERATION OM&A EXPENSES															
2018 Fiscal Test Embedded Cost of Service Study															
(\$ Millions)															
Expense Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load	Load	Losses	Losses	Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes	
				Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Demand	Energy
Generation Expenses															
Power Plant Operation	190.4	190.4	100.0%	127.3	34.1	12.8	2.9	-	0.9	2.6	3.9	3.0	3.0	-	
Power Production Overhead	23.5	23.5	100.0%	15.7	4.2	1.6	0.4	-	0.1	0.3	0.5	0.4	0.4	-	
Purchase Power Agreements (PPA)	27.2	27.2	100.0%	7.2	16.0	0.7	1.4	-	0.1	0.4	0.6	0.4	0.4	-	
Total Generation Expenses	241.1	241.1	100.0%	150.2	54.3	15.2	4.6	-	1.1	3.3	4.9	3.8	3.7	-	
Transmission & Distribution Expenses															
Planning Support	16.8	9.5	56.5%	0.1	0.1	0.0	0.0	8.9	0.4	-	-	-	-	-	
Transmission Including 138 & 72 kV Radials	36.7	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Distribution	121.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Customer Services	7.3	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Metering Services	4.0	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Total Transmission & Distribution Expenses	186.4	9.5	5.1%	0.1	0.1	0.0	0.0	8.9	0.4	-	-	-	-	-	
Customer Services Expenses															
Meter Reading	6.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Billing Services	3.7	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Collections/Special Collections	2.4	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Bad Debt Expense	4.8	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Marketing & Sales	1.0	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Demand Side Management	12.6	12.6	100.0%	6.3	6.3	-	-	-	-	-	-	-	-	-	
Customer Service	11.5	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
Total Customer Services Expenses	42.7	12.6	29.6%	6.3	6.3	-	-	-	-	-	-	-	-	-	
Support Group Expenses															
President / Board	6.8	3.7	53.8%	2.2	0.9	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.0	-	
Corporate & Financial Services (C&FS)	10.6	4.2	39.4%	2.5	1.2	0.2	0.1	0.0	0.0	0.0	0.1	0.0	0.0	-	
C&FS - Insurance Premiums & Insurable Losses	4.5	4.1	90.0%	2.7	0.7	0.3	0.1	-	0.0	0.1	0.1	0.1	0.1	-	
Resource Planning	17.3	9.0	52.0%	5.5	2.1	0.5	0.2	0.2	0.0	0.1	0.2	0.1	0.1	-	
Carbon Capture & Storage Initiatives	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	
General Council / Land	25.4	9.7	38.1%	5.2	3.6	0.3	0.1	0.1	0.0	0.1	0.1	0.1	0.1	-	
Safety	7.5	4.0	53.8%	2.5	0.9	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.1	-	
Corporate Information & Technology	82.7	40.9	49.4%	25.9	9.2	2.5	0.6	0.1	0.2	0.5	0.7	0.6	0.6	-	
Human Resources	15.6	5.5	35.1%	3.5	1.2	0.3	0.1	0.0	0.0	0.1	0.1	0.1	0.1	-	
Commercial & Industrial Operations	10.1	9.1	90.7%	0.2	8.3	-	0.7	-	-	-	-	-	0.0	-	
Procurement & Supply Chain	38.4	17.5	45.6%	11.1	3.9	1.1	0.3	0.1	0.1	0.2	0.3	0.2	0.2	-	
Total Support Group Expenses	219.0	107.6	49.2%	61.3	32.0	5.5	2.2	0.8	0.4	1.1	1.7	1.3	1.3	-	
Total OM&A Expenses	689.1	370.8	53.8%	217.8	92.7	20.7	6.8	9.6	2.0	4.4	6.6	5.1	5.0	-	

Schedule 2.05: Functional Classification of Financial Account Details – Generation Depreciation & Depletion

Functionalization and Classification of Financial Account Details														
GENERATION DEPRECIATION & DEPLETION														
2018 Fiscal Test Embedded Cost of Service Study														
(\$ Millions)														
Asset Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load	Load	Losses	Losses	Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes
				Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Demand
Generation Assets														
Power Production	266.1	266.1	100.0%	93.3	130.1	9.4	11.0	-	1.5	4.5	6.8	5.2	4.2	-
Purchase Power Agreements (PPA)	56.3	56.3	100.0%	24.3	22.9	2.5	1.9	-	0.3	1.0	1.4	1.1	0.9	-
Coal Reserves	2.2	2.2	100.0%	-	2.0	-	0.2	-	-	-	-	-	-	-
Shand Greenhouse	0.1	0.1	100.0%	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-
Total Generation Assets	324.8	324.8	100.0%	117.7	155.1	11.9	13.2	-	1.9	5.5	8.2	6.3	5.1	-
Transmission Assets														
Transmission Assets	62.8	0.2	0.3%	0.2	-	0.0	-	-	-	-	-	-	-	-
Total Transmission Assets	62.8	0.2	0.3%	0.2	-	0.0	-	-	-	-	-	-	-	-
Distribution Assets														
Distribution Assets	103.4	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Meters	7.5	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Instrument Transformers	0.7	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Assets	111.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
General Plant Assets														
Unused Land	0.0	0.0	53.8%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Buildings	6.9	2.0	28.9%	1.2	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Office Furniture & Equipment	3.2	0.9	28.9%	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Vehicles & Equipment	14.0	1.8	12.9%	1.2	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Computer Development & Equipment	33.8	17.3	51.1%	11.0	3.9	1.0	0.3	0.0	0.1	0.2	0.3	0.2	0.2	-
Communication, Protection & Control	9.9	3.0	30.2%	-	-	-	-	2.1	0.8	-	-	-	-	-
Tools & Equipment	2.9	0.9	30.8%	0.6	0.2	0.1	0.0	-	0.0	0.0	0.0	0.0	0.0	-
Total General Plant Assets	70.7	25.9	36.6%	14.5	5.2	1.4	0.4	2.2	0.9	0.3	0.4	0.3	0.3	-
Total Depreciation & Depletion	570.0	350.8	61.6%	132.4	160.3	13.3	13.5	2.2	2.8	5.7	8.6	6.7	5.4	-

Schedule 2.06: Functional Classification of Financial Account Details – Generation Other Income

Functionalization and Classification of Financial Account Details														
GENERATION OTHER INCOME														
2018 Fiscal Test Embedded Cost of Service Study														
(\$ Millions)														
Expense Categories	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load	Load	Losses	Losses	Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes
				Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Demand
Other Income														
Customer Services Payment Charges	(7.0)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Meter Reading	(2.6)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Inspections	(17.3)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Transmission	(2.2)	(0.4)	17.5%	-	-	-	-	(0.4)	(0.0)	-	-	-	-	-
Distribution	(6.9)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Clean Coal Project Credits	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Clean Coal Test Facility Revenue	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Other Income	0.0	0.0	53.8%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Customer Contributions Revenue	(55.0)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
Green Power Premium	(0.2)	(0.2)	100.0%	-	(0.2)	-	(0.0)	-	-	-	-	-	(0.0)	-
Flyash Sales	(7.2)	(7.2)	100.0%	-	(6.7)	-	(0.6)	-	-	-	-	-	(0.0)	-
Consulting & Contracting Services	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-
CO2 Sales & Penalties	(15.5)	(15.5)	100.0%	-	(14.3)	-	(1.2)	-	-	-	-	-	(0.0)	-
Total Other Income	(113.9)	(23.3)	20.5%	0.0	(21.1)	0.0	(1.8)	(0.4)	(0.0)	0.0	0.0	0.0	(0.0)	-

Schedule 2.10: Functional Classification of Financial Account Details – Transmission

Functionalization and Classification of Financial Account Details TRANSMISSION Related Costs 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)								
Rate Base and Expense Categories	SaskPower Total	Transmission Total	Transmission as a % of SaskPower Total	Basis of Classification	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
					Demand	Demand	Demand	Demand
Rate Base								
Plant In Service (Schedule 2.11)	15,372.0	2,568.5	16.7%	Functional Class of PIS	1,472.4	693.9	144.2	258.1
Accumulated Depreciation (Schedule 2.12)	(6,283.8)	(722.3)	11.5%	Functional Class of Accum. Depr'n	(407.9)	(163.3)	(56.4)	(94.7)
Allowance For Working Capital	95.2	9.5	10.0%	12.50% of OM&A and Taxes	5.4	1.9	0.6	1.6
Inventories (Schedule 2.13)	213.7	33.0	15.5%	Functional Class of Inventories	18.7	6.1	2.1	6.1
Other Assets (Schedule 2.13)	2.0	0.2	8.7%	Functional Classification of Other Assets	0.1	0.0	0.0	0.0
Total Rate Base	9,399.1	1,888.8	20.1%		1,088.6	538.6	90.5	171.1
Revenue Requirement								
Fuel Expense SaskPower Units	427.1	-	0.0%	Functional Class of Fuel Exp.	-	-	-	-
Purchased Power & Import	232.2	-	0.0%	Functional Class of PP, Import & NP Fee	-	-	-	-
Export & Net Electricity Trading Revenue (Credit)	(10.0)	-	0.0%	Functional Class of Exports	-	-	-	-
Operating, Maintenance & Administration (Schedule 2.14)	689.1	66.5	9.6%	Functional Class of OM&A	37.6	12.4	4.3	12.2
Depreciation & Depletion (Schedule 2.15)	570.0	77.5	13.6%	Functional Class of Depr'n & Depletion	36.7	28.3	4.3	8.2
Corporate Capital Tax	46.0	9.3	20.3%	Functional Class of Corp. Capital Tax	5.4	2.7	0.4	0.8
Grants in Lieu of Taxes	26.0	-	0.0%	Functional Class of Grants in Lieu of Taxes	-	-	-	-
Miscellaneous Tax	0.5	0.0	0.7%	Functional Class of Misc. Tax	0.0	0.0	0.0	0.0
Other Income (Credit) (Schedule 2.16)	(113.9)	(14.5)	12.8%	Functional Class of Other Income	(1.2)	(12.1)	(0.1)	(1.1)
Return on Rate Base @ 7.15%	672.4	135.1	20.1%	Rate Base	77.9	38.5	6.5	12.2
Total Revenue Requirement	2,539.4	273.9	10.8%		156.4	69.7	15.4	32.4

Schedule 2.11: Functional Classification of Financial Account Details – Transmission Plant in Service

Functionalization and Classification of Financial Account Details TRANSMISSION PLANT IN SERVICE 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Asset Categories	SaskPower Total	Transmission Total	Transmission as % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Generation Assets							
Power Production	6,661.1	-	0.0%	-	-	-	-
Power Production - PPA	1,233.2	-	0.0%	-	-	-	-
Coal Reserves	66.8	-	0.0%	-	-	-	-
Shand Greenhouse	5.5	-	0.0%	-	-	-	-
Total Generation Assets	7,966.6	-	0.0%	-	-	-	-
Transmission Assets							
Transmission Assets	2,370.4	2,334.1	98.5%	1,339.7	650.3	128.9	215.2
Total Transmission Assets	2,370.4	2,334.1	98.5%	1,339.7	650.3	128.9	215.2
Distribution Assets							
Distribution Assets	3,827.6	-	0.0%	-	-	-	-
Meters	93.9	-	0.0%	-	-	-	-
Instrument Transformers	15.6	-	0.0%	-	-	-	-
Total Distribution Assets	3,937.1	-	0.0%	-	-	-	-
General Plant Assets							
Unused Land	2.3	0.2	9.6%	0.1	0.0	0.0	0.0
Buildings	260.7	42.7	16.4%	24.2	7.9	2.8	7.8
Office Furniture & Equipment	38.1	6.2	16.4%	3.5	1.2	0.4	1.1
Vehicles & Equipment	248.8	58.0	23.3%	32.9	10.8	3.8	10.6
Computer Development & Equipment	354.5	27.3	7.7%	15.4	5.1	1.8	5.0
Communication, Protection & Control	161.8	89.7	55.4%	50.8	16.7	5.8	16.4
Tools & Equipment	31.8	10.1	31.8%	5.7	1.9	0.7	1.9
Total General Plant Assets	1,097.9	234.3	21.3%	132.6	43.6	15.2	42.9
Total Plant In Service	15,372.0	2,568.5	16.7%	1,472.4	693.9	144.2	258.1

Schedule 2.12: Functional Classification of Financial Account Details – Transmission Accumulated Depreciation

Functionalization and Classification of Financial Account Details TRANSMISSION ACCUMULATED DEPRECIATION 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Asset Categories	SaskPower Total	Transmission Total	Transmission as % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Generation Assets							
Power Production	(2,987.0)	-	0.0%	-	-	-	-
Power Production - PPA	(462.9)	-	0.0%	-	-	-	-
Coal Reserves	(32.0)	-	0.0%	-	-	-	-
Shand Greenhouse	(3.3)	-	0.0%	-	-	-	-
Total Generation Assets	(3,485.1)	-	0.0%	-	-	-	-
Transmission Assets							
Transmission Assets	(629.7)	(614.7)	97.6%	(347.0)	(143.3)	(49.4)	(74.9)
Total Transmission Assets	(629.7)	(614.7)	97.6%	(347.0)	(143.3)	(49.4)	(74.9)
Distribution Assets							
Distribution Assets	(1,580.6)	-	0.0%	-	-	-	-
Meters	(51.9)	-	0.0%	-	-	-	-
Instrument Transformers	(10.1)	-	0.0%	-	-	-	-
Total Distribution Assets	(1,642.5)	-	0.0%	-	-	-	-
General Plant Assets							
Unused Land	(0.0)	(0.0)	9.6%	(0.0)	(0.0)	(0.0)	(0.0)
Buildings	(29.1)	(4.2)	14.6%	(2.4)	(0.8)	(0.3)	(0.8)
Office Furniture & Equipment	(14.1)	(2.1)	14.6%	(1.2)	(0.4)	(0.1)	(0.4)
Vehicles & Equipment	(112.3)	(25.9)	23.1%	(14.7)	(4.8)	(1.7)	(4.7)
Computer Development & Equipment	(256.8)	(19.1)	7.4%	(10.8)	(3.5)	(1.2)	(3.5)
Communication, Protection & Control	(102.2)	(53.8)	52.6%	(30.4)	(10.0)	(3.5)	(9.9)
Tools & Equipment	(12.0)	(2.6)	21.6%	(1.5)	(0.5)	(0.2)	(0.5)
Total General Plant Assets	(526.5)	(107.7)	20.5%	(60.9)	(20.0)	(7.0)	(19.7)
Total Accumulated Depreciation	(6,283.8)	(722.3)	11.5%	(407.9)	(163.3)	(56.4)	(94.7)

Schedule 2.13: Functional Classification of Financial Account Details – Transmission Inventories/Other Assets

Functionalization and Classification of Financial Account Details TRANSMISSION INVENTORIES 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Asset Categories	SaskPower Total	Transmission Total	Transmission as % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Inventories							
Power Production - Repair Stores	65.4	-	0.0%	-	-	-	-
Power Production - Fuel	23.1	-	0.0%	-	-	-	-
Transmission & Distribution	124.4	33.0	26.5%	18.7	6.1	2.1	6.0
Miscellaneous (Computers, Power Shop)	0.7	0.1	9.6%	0.0	0.0	0.0	0.0
Total Inventories	213.7	33.0	15.5%	18.7	6.1	2.1	6.1

Functionalization and Classification of Financial Account Details TRANSMISSION OTHER ASSETS 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Asset Categories	SaskPower Total	Transmission Total	Transmission as % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Other Assets							
Deferred Assets / Prepaid Expenses - Coal Mine / Natural Gas	-	-	0.0%	-	-	-	-
Intangible Assets	-	-	0.0%	-	-	-	-
Prepaid Expenses - Insurance	0.3	0.0	2.9%	0.0	0.0	0.0	0.0
Miscellaneous Prepaid Expenses	1.7	0.2	9.6%	0.1	0.0	0.0	0.0
Total Other Assets	2.0	0.2	8.7%	0.1	0.0	0.0	0.0

Schedule 2.14: Functional Classification of Financial Account Details – Transmission OM&A Expenses

Functionalization and Classification of Financial Account Details							
TRANSMISSION OM&A EXPENSE							
2018 Fiscal Test Embedded Cost of Service Study							
(\$ Millions)							
Expense Categories	SaskPower Total	Transmission Total	Transmission as a % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Generation Expenses							
Power Plant Operation	190.4	-	0.0%	-	-	-	-
Power Production Overhead	23.5	-	0.0%	-	-	-	-
Purchase Power Agreements (PPA)	27.2	-	0.0%	-	-	-	-
Total Generation Expenses	241.1	-	0.0%	-	-	-	-
Transmission & Distribution Expenses							
Planning Support	16.8	7.1	42.5%	4.1	2.0	0.4	0.7
Transmission Including 138 & 72 kV Radials	36.7	36.7	100.0%	20.7	6.2	2.5	7.4
Distribution	121.6	-	0.0%	-	-	-	-
Customer Services	7.3	-	0.0%	-	-	-	-
Metering Services	4.0	-	0.0%	-	-	-	-
Total Transmission & Distribution Expenses	186.4	43.8	23.5%	24.8	8.1	2.8	8.0
Customer Services Expenses							
Meter Reading	6.6	-	0.0%	-	-	-	-
Billing Services	3.7	-	0.0%	-	-	-	-
Collections/Special Collections	2.4	-	0.0%	-	-	-	-
Bad Debt Expense	4.8	-	0.0%	-	-	-	-
Marketing & Sales	1.0	-	0.0%	-	-	-	-
Demand Side Management	12.6	-	0.0%	-	-	-	-
Customer Service	11.5	-	0.0%	-	-	-	-
Total Customer Services Expenses	42.7	-	0.0%	-	-	-	-
Support Group Expenses							
President / Board	6.8	0.7	9.6%	0.4	0.1	0.0	0.1
Corporate & Financial Services (C&FS)	10.6	1.0	9.6%	0.6	0.2	0.1	0.2
C&FS - Insurance Premiums & Insurable Losses	4.5	0.1	2.9%	0.1	0.0	0.0	0.0
Resource Planning	17.3	1.9	11.0%	1.1	0.4	0.1	0.4
Carbon Capture & Storage Initiatives	-	-	0.0%	-	-	-	-
General Council / Land	25.4	0.9	3.4%	0.5	0.2	0.1	0.2
Safety	7.5	0.8	10.1%	0.4	0.1	0.0	0.1
Corporate Information & Technology	82.7	9.7	11.7%	5.5	1.8	0.6	1.8
Human Resources	15.6	2.6	16.8%	1.5	0.5	0.2	0.5
Commercial & Industrial Operations	10.1	-	0.0%	-	-	-	-
Procurement & Supply Chain	38.4	5.0	12.9%	2.8	0.9	0.3	0.9
Total Support Group Expenses	219.0	22.7	10.3%	12.8	4.2	1.5	4.1
Total OM&A Expenses	689.1	66.5	9.6%	37.6	12.4	4.3	12.2

Schedule 2.15: Functional Classification of Financial Account Details – Transmission Depreciation & Depletion

Functionalization and Classification of Financial Account Details TRANSMISSION DEPRECIATION & DEPLETION 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Asset Categories	SaskPower Total	Transmission Total	Transmission as a % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Generation Assets							
Power Production	266.1	-	0.0%	-	-	-	-
Purchase Power Agreements (PPA)	56.3	-	0.0%	-	-	-	-
Coal Reserves	2.2	-	0.0%	-	-	-	-
Shand Greenhouse	0.1	-	0.0%	-	-	-	-
Total Generation Assets	324.8	-	0.0%	-	-	-	-
Transmission Assets							
Transmission Assets	62.8	61.8	98.4%	27.8	25.4	3.3	5.3
Total Transmission Assets	62.8	61.8	98.4%	27.8	25.4	3.3	5.3
Distribution Assets							
Distribution Assets	103.4	-	0.0%	-	-	-	-
Meters	7.5	-	0.0%	-	-	-	-
Instrument Transformers	0.7	-	0.0%	-	-	-	-
Total Distribution Assets	111.6	-	0.0%	-	-	-	-
General Plant Assets							
Unused Land	0.0	0.0	9.6%	0.0	0.0	0.0	0.0
Buildings	6.9	1.2	17.0%	0.7	0.2	0.1	0.2
Office Furniture & Equipment	3.2	0.5	17.0%	0.3	0.1	0.0	0.1
Vehicles & Equipment	14.0	3.3	23.7%	1.9	0.6	0.2	0.6
Computer Development & Equipment	33.8	3.8	11.3%	2.2	0.7	0.2	0.7
Communication, Protection & Control	9.9	5.6	56.8%	3.2	1.0	0.4	1.0
Tools & Equipment	2.9	1.2	39.8%	0.7	0.2	0.1	0.2
Total General Plant Assets	70.7	15.6	22.1%	8.9	2.9	1.0	2.9
Total Depreciation & Depletion	570.0	77.5	13.6%	36.7	28.3	4.3	8.2

Schedule 2.16: Functional Classification of Financial Account Details – Transmission Other Income

Functionalization and Classification of Financial Account Details TRANSMISSION OTHER INCOME 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)							
Expense Categories	SaskPower Total	Transmission Total	Transmission as a % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Other Income							
Customer Services Payment Charges	(7.0)	-	0.0%	-	-	-	-
Meter Reading	(2.6)	-	0.0%	-	-	-	-
Inspections	(17.3)	-	0.0%	-	-	-	-
Transmission	(2.2)	(1.8)	82.5%	(1.0)	(0.3)	(0.1)	(0.3)
Distribution	(6.9)	-	0.0%	-	-	-	-
Clean Coal Project Credits	-	-	0.0%	-	-	-	-
Clean Coal Test Facility Revenue	-	-	0.0%	-	-	-	-
Miscellaneous Other Income	0.0	0.0	9.6%	0.0	0.0	0.0	0.0
Customer Contribution Revenue	(55.0)	(12.7)	23.0%	(0.1)	(11.8)	-	(0.7)
Green Power Premium	(0.2)	-	0.0%	-	-	-	-
Flyash Sales & Wind Power	(7.2)	-	0.0%	-	-	-	-
Consulting & Contracting Services	-	-	0.0%	-	-	-	-
CO2 Sales & Penalties	(15.5)	-	0.0%	-	-	-	-
Total Other Income	(113.9)	(14.5)	12.8%	(1.2)	(12.1)	(0.1)	(1.1)

Schedule 2.20: Functional Classification of Financial Account Details – Distribution

Functionalization and Classification of Financial Account Details																	
DISTRIBUTION Related Costs																	
2018 Fiscal Test Embedded Cost of Service Study																	
(\$ Millions)																	
Rate Base and Expense Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Basis of Classification	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetlights
					Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Rate Base																	
Plant In Service (Schedule 2.21)	15,372.0	4,297.0	28.0%	Functional Class of PIS	401.6	1,188.8	280.4	151.0	522.5	281.4	342.3	146.7	763.5	15.6	-	93.9	109.3
Accumulated Depreciation (Schedule 2.22)	(6,283.8)	(1,785.6)	28.4%	Functional Class of Accum. Depr'n	(146.8)	(529.4)	(152.8)	(82.3)	(283.8)	(152.8)	(116.3)	(49.9)	(159.4)	(10.1)	-	(51.9)	(50.3)
Allowance For Working Capital	95.2	23.5	24.7%	12.50% of OM&A and Taxes	2.0	7.2	2.2	1.2	4.0	2.2	1.9	0.8	0.9	0.0	-	0.0	1.0
Inventories (Schedule 2.23)	213.7	91.4	42.9%	Functional Class of Inventories	7.8	28.6	8.7	4.7	16.2	8.7	7.5	3.2	2.4	-	-	-	3.9
Other Assets (Schedule 2.23)	2.0	0.5	22.8%	Functional Classification of Other Assets	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-	-	-	0.0
Total Rate Base	9,399.1	2,627.0	27.9%		264.6	695.4	138.5	74.6	259.1	139.5	235.4	100.9	607.5	5.5	-	42.1	63.9
Revenue Requirement																	
Fuel Expense SaskPower Units	427.1	-	0.0%	Functional Class of Fuel Exp.	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Power & Import	232.2	-	0.0%	Functional Class of PP, Import & NP Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Export & Net Electricity Trading Revenue (Credit)	(10.0)	-	0.0%	Functional Class of Exports	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating, Maintenance & Administration (Schedule 2.24)	689.1	175.1	25.4%	Functional Class of OM&A	14.9	54.6	16.6	8.9	31.0	16.7	14.3	6.1	4.5	-	-	-	7.5
Depreciation & Depletion (Schedule 2.25)	570.0	134.8	23.6%	Functional Class of Depr'n & Depletion	12.7	36.9	8.9	4.8	16.5	8.9	12.8	5.5	16.2	0.7	-	7.5	3.6
Corporate Capital Tax	46.0	12.7	27.6%	Functional Class of Corp. Capital Tax	1.3	3.3	0.6	0.3	1.2	0.7	1.1	0.5	3.1	0.0	-	0.2	0.3
Grants in Lieu of Taxes	26.0	-	0.0%	Functional Class of Grants in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Tax	0.5	0.0	1.6%	Functional Class of Misc. Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0
Other Income (Credit) (Schedule 2.26)	(113.9)	(49.2)	43.2%	Functional Class of Other Income	(0.6)	(7.1)	(3.6)	(1.9)	(4.3)	(2.3)	(0.6)	(0.2)	(0.2)	-	(24.9)	-	(3.3)
Return on Rate Base @ 7.15%	672.4	187.9	27.9%	Rate Base	18.9	49.8	9.9	5.3	18.5	10.0	16.8	7.2	43.5	0.4	-	3.0	4.6
Total Revenue Requirement	2,539.4	461.3	18.2%		47.2	137.5	32.4	17.5	62.8	33.8	44.5	19.1	67.0	1.2	(24.9)	10.7	12.6

Schedule 2.21: Functional Classification of Financial Account Details – Distribution Plant in Service

Functionalization and Classification of Financial Account Details																
DISTRIBUTION PLANT IN SERVICE																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Asset Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetslights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer
Generation Assets																
Power Production	6,661.1	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Production - PPA	1,233.2	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Coal Reserves	66.8	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Shand Greenhouse	5.5	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Generation Assets	7,966.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Assets																
Transmission Assets	2,370.4	27.8	1.2%	27.8	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Assets	2,370.4	27.8	1.2%	27.8	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Assets																
Distribution Assets	3,827.6	3,827.6	100.0%	345.6	1,085.2	248.9	134.0	463.8	249.7	315.2	135.1	755.0	-	-	-	95.1
Meters	93.9	93.9	100.0%	-	-	-	-	-	-	-	-	-	-	-	93.9	-
Instrument Transformers	15.6	15.6	100.0%	-	-	-	-	-	-	-	-	-	15.6	-	-	-
Total Distribution Assets	3,937.1	3,937.1	100.0%	345.6	1,085.2	248.9	134.0	463.8	249.7	315.2	135.1	755.0	15.6	-	93.9	95.1
General Plant Assets																
Unused Land	2.3	0.6	25.4%	0.1	0.2	0.1	0.0	0.1	0.1	0.0	0.0	0.0	-	-	-	0.0
Buildings	260.7	99.5	38.2%	8.4	31.0	9.4	5.1	17.6	9.5	8.1	3.5	2.6	-	-	-	4.3
Office Furniture & Equipment	38.1	14.5	38.2%	1.2	4.5	1.4	0.7	2.6	1.4	1.2	0.5	0.4	-	-	-	0.6
Vehicles & Equipment	248.8	132.6	53.3%	11.3	41.4	12.6	6.8	23.4	12.6	10.8	4.6	3.4	-	-	-	5.7
Computer Development & Equipment	354.5	57.0	16.1%	4.8	17.8	5.4	2.9	10.1	5.4	4.6	2.0	1.5	-	-	-	2.4
Communication, Protection & Control	161.8	19.1	11.8%	1.6	6.0	1.8	1.0	3.4	1.8	1.6	0.7	0.5	-	-	-	0.8
Tools & Equipment	31.8	8.7	27.5%	0.7	2.7	0.8	0.4	1.5	0.8	0.7	0.3	0.2	-	-	-	0.4
Total General Plant Assets	1,097.9	332.1	30.2%	28.2	103.6	31.5	17.0	58.7	31.6	27.1	11.6	8.5	-	-	-	14.2
Total Plant in Service	15,372.0	4,297.0	28.0%	401.6	1,188.8	280.4	151.0	522.5	281.4	342.3	146.7	763.5	15.6	-	93.9	109.3

Schedule 2.22: Functional Classification of Financial Account Details – Distribution Accumulated Depreciation

Functionalization and Classification of Financial Account Details																
DISTRIBUTION ACCUMULATED DEPRECIATION																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Asset Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetslights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Generation Assets																
Power Production	(2,987.0)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Production - PPA	(462.9)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Coal Reserves	(32.0)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Shand Greenhouse	(3.3)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Generation Assets	(3,485.1)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Assets																
Transmission Assets	(629.7)	(11.8)	1.9%	(11.8)	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Assets	(629.7)	(11.8)	1.9%	(11.8)	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Assets																
Distribution Assets	(1,580.6)	(1,580.6)	100.0%	(123.8)	(488.4)	(140.3)	(75.5)	(260.6)	(140.3)	(105.6)	(45.3)	(156.0)	-	-	-	(44.7)
Meters	(51.9)	(51.9)	100.0%	-	-	-	-	-	-	-	-	-	-	-	(51.9)	-
Instrument Transformers	(10.1)	(10.1)	100.0%	-	-	-	-	-	-	-	-	-	(10.1)	-	-	-
Total Distribution Assets	(1,642.5)	(1,642.5)	100.0%	(123.8)	(488.4)	(140.3)	(75.5)	(260.6)	(140.3)	(105.6)	(45.3)	(156.0)	(10.1)	-	(51.9)	(44.7)
General Plant Assets																
Unused Land	(0.0)	(0.0)	25.4%	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	(0.0)
Buildings	(29.1)	(9.8)	33.7%	(0.8)	(3.1)	(0.9)	(0.5)	(1.7)	(0.9)	(0.8)	(0.3)	(0.3)	-	-	-	(0.4)
Office Furniture & Equipment	(14.1)	(4.8)	33.7%	(0.4)	(1.5)	(0.5)	(0.2)	(0.8)	(0.5)	(0.4)	(0.2)	(0.1)	-	-	-	(0.2)
Vehicles & Equipment	(112.3)	(59.2)	52.7%	(5.0)	(18.5)	(5.6)	(3.0)	(10.5)	(5.6)	(4.8)	(2.1)	(1.5)	-	-	-	(2.5)
Computer Development & Equipment	(256.8)	(39.7)	15.5%	(3.4)	(12.4)	(3.8)	(2.0)	(7.0)	(3.8)	(3.2)	(1.4)	(1.0)	-	-	-	(1.7)
Communication, Protection & Control	(102.2)	(13.1)	12.8%	(1.1)	(4.1)	(1.2)	(0.7)	(2.3)	(1.2)	(1.1)	(0.5)	(0.3)	-	-	-	(0.6)
Tools & Equipment	(12.0)	(4.7)	39.0%	(0.4)	(1.5)	(0.4)	(0.2)	(0.8)	(0.4)	(0.4)	(0.2)	(0.1)	-	-	-	(0.2)
Total General Plant Assets	(526.5)	(131.3)	24.9%	(11.1)	(41.0)	(12.5)	(6.7)	(23.2)	(12.5)	(10.7)	(4.6)	(3.4)	-	-	-	(5.6)
Total Accumulated Depreciation	(6,283.8)	(1,785.6)	28.4%	(146.8)	(529.4)	(152.8)	(82.3)	(283.8)	(152.8)	(116.3)	(49.9)	(159.4)	(10.1)	-	(51.9)	(50.3)

Schedule 2.23: Functional Classification of Financial Account Details – Distribution Inventories/Other Assets

Functionalization and Classification of Financial Account Details																
DISTRIBUTION INVENTORIES																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Asset Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetlights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Inventories																
Power Production - Repair Stores	65.4	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Production - Fuel	23.1	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Distribution	124.4	91.4	73.5%	7.8	28.5	8.7	4.7	16.2	8.7	7.5	3.2	2.4	-	-	-	3.9
Miscellaneous (Computers, Power Shop)	0.7	0.2	25.4%	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0
Total Inventories	213.7	91.6	42.9%	7.8	28.6	8.7	4.7	16.2	8.7	7.5	3.2	2.4	-	-	-	3.9

Functionalization and Classification of Financial Account Details																
DISTRIBUTION OTHER ASSETS																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Asset Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetlights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Other Assets																
Deferred Assets / Prepaid Expenses - Coal Mine / Natural Gas	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses - Insurance	0.3	0.0	6.5%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0
Miscellaneous Prepaid Expenses	1.7	0.4	25.4%	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-	-	-	0.0
Total Other Assets	2.0	0.5	22.8%	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-	-	-	0.0

Schedule 2.24: Functional Classification of Financial Account Details – Distribution OM&A Expenses

Functionalization and Classification of Financial Account Details																
DISTRIBUTION OM&A EXPENSES																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Expense Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetlights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Generation Expenses																
Power Plant Operation	190.4	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Production Overhead	23.5	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase Power Agreements (PPA)	27.2	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Generation Expenses	241.1	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Distribution Expenses																
Planning Support	16.8	0.0	0.1%	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-
Transmission Including 138 & 72 kV Radials	36.7	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution	121.6	121.6	100.0%	10.3	37.9	11.5	6.2	21.5	11.6	9.9	4.2	3.1	-	-	-	5.2
Customer Services	7.3	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Metering Services	4.0	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission & Distribution Expenses	186.4	121.6	65.2%	10.3	37.9	11.5	6.2	21.5	11.6	9.9	4.2	3.1	-	-	-	5.2
Customer Services Expenses																
Meter Reading	6.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Billing Services	3.7	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Collections/Special Collections	2.4	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	4.8	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Sales	1.0	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Demand Side Management	12.6	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Service	11.5	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Customer Services Expenses	42.7	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Group Expenses																
President / Board	6.8	1.7	25.4%	0.1	0.5	0.2	0.1	0.3	0.2	0.1	0.1	0.0	-	-	-	0.1
Corporate & Financial Services (C&FS)	10.6	2.4	22.6%	0.2	0.8	0.2	0.1	0.4	0.2	0.2	0.1	0.1	-	-	-	0.1
C&FS - Insurance Premiums & Insurable Losses	4.5	0.3	6.5%	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-	-	-	0.0
Resource Planning	17.3	4.8	27.5%	0.4	1.5	0.5	0.2	0.8	0.5	0.4	0.2	0.1	-	-	-	0.2
Carbon Capture & Storage Initiatives	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
General Council / Land	25.4	2.3	8.9%	0.2	0.7	0.2	0.1	0.4	0.2	0.2	0.1	0.1	-	-	-	0.1
Safety	7.5	1.9	25.0%	0.2	0.6	0.2	0.1	0.3	0.2	0.2	0.1	0.0	-	-	-	0.1
Corporate Information & Technology	82.7	22.5	27.2%	1.9	7.0	2.1	1.1	4.0	2.1	1.8	0.8	0.6	-	-	-	1.0
Human Resources	15.6	6.1	38.9%	0.5	1.9	0.6	0.3	1.1	0.6	0.5	0.2	0.2	-	-	-	0.3
Commercial & Industrial Operations	10.1	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Procurement & Supply Chain	38.4	11.6	30.3%	1.0	3.6	1.1	0.6	2.1	1.1	0.9	0.4	0.3	-	-	-	0.5
Total Support Group Expenses	219.0	53.5	24.4%	4.5	16.7	5.1	2.7	9.5	5.1	4.4	1.9	1.4	-	-	-	2.3
Total OM&A Expenses	689.1	175.1	25.4%	14.9	54.6	16.6	8.9	31.0	16.7	14.3	6.1	4.5	-	-	-	7.5

Schedule 2.25: Functional Classification of Financial Account Details – Distribution Depreciation & Depletion

Functionalization and Classification of Financial Account Details																
DISTRIBUTION DEPRECIATION & DEPLETION																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Asset Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetslights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Generation Assets																
Power Production	266.1	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase Power Agreements (PPA)	56.3	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Coal Reserves	2.2	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Shand Greenhouse	0.1	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Generation Assets	324.8	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Assets																
Transmission Assets	62.8	0.8	1.3%	0.8	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Assets	62.8	0.8	1.3%	0.8	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Assets																
Distribution Assets	103.4	103.4	100.0%	10.0	29.9	6.7	3.6	12.5	6.7	11.0	4.7	15.6	-	-	-	2.6
Meters	7.5	7.5	100.0%	-	-	-	-	-	-	-	-	-	-	-	7.5	-
Instrument Transformers	0.7	0.7	100.0%	-	-	-	-	-	-	-	-	-	0.7	-	-	-
Total Distribution Assets	111.6	111.6	100.0%	10.0	29.9	6.7	3.6	12.5	6.7	11.0	4.7	15.6	0.7	-	7.5	2.6
General Plant Assets																
Unused Land	0.0	0.0	25.4%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0
Buildings	6.9	2.7	39.5%	0.2	0.9	0.3	0.1	0.5	0.3	0.2	0.1	0.1	-	-	-	0.1
Office Furniture & Equipment	3.2	1.3	39.5%	0.1	0.4	0.1	0.1	0.2	0.1	0.1	0.0	0.0	-	-	-	0.1
Vehicles & Equipment	14.0	7.6	54.2%	0.6	2.4	0.7	0.4	1.3	0.7	0.6	0.3	0.2	-	-	-	0.3
Computer Development & Equipment	33.8	8.8	26.0%	0.7	2.7	0.8	0.4	1.6	0.8	0.7	0.3	0.2	-	-	-	0.4
Communication, Protection & Control	9.9	1.2	11.7%	0.1	0.4	0.1	0.1	0.2	0.1	0.1	0.0	0.0	-	-	-	0.0
Tools & Equipment	2.9	0.8	26.8%	0.1	0.2	0.1	0.0	0.1	0.1	0.1	0.0	0.0	-	-	-	0.0
Total General Plant Assets	70.7	22.3	31.6%	1.9	7.0	2.1	1.1	3.9	2.1	1.8	0.8	0.6	-	-	-	1.0
Total Depreciation & Depletion	570.0	134.8	23.6%	12.7	36.9	8.9	4.8	16.5	8.9	12.8	5.5	16.2	0.7	-	7.5	3.6

Schedule 2.26: Functional Classification of Financial Account Details – Distribution Other Income

Functionalization and Classification of Financial Account Details																
DISTRIBUTION OTHER INCOME																
2018 Fiscal Test Embedded Cost of Service Study																
(\$ Millions)																
Expense Categories	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetlights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Other Income																
Customer Services Payment Charges	(7.0)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Meter Reading	(2.6)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Inspections	(17.3)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission	(2.2)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution	(6.9)	(6.9)	100.0%	(0.6)	(2.1)	(0.7)	(0.4)	(1.2)	(0.7)	(0.6)	(0.2)	(0.2)	-	-	-	(0.3)
Clean Coal Project Credits	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Clean Coal Test Facility Revenue	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Other Income	0.0	0.0	25.4%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0
Customer Contribution Revenue	(55.0)	(42.3)	77.0%	(0.0)	(5.0)	(3.0)	(1.6)	(3.1)	(1.7)	-	-	-	-	(24.9)	-	(3.0)
Green Power Premium	(0.2)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Flyash Sales	(7.2)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Consulting & Contracting Services	-	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
CO2 Sales & Penalties	(15.5)	-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	(113.9)	(49.2)	43.2%	(0.6)	(7.1)	(3.6)	(1.9)	(4.3)	(2.3)	(0.6)	(0.2)	(0.2)	-	(24.9)	-	(3.3)

Schedule 2.30: Functional Classification of Financial Account Details – Customer Service

Functionalization and Classification of Financial Account Details CUSTOMER SERVICE Related Costs 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)										
Rate Base and Expense Categories	SaskPower Total	Customer Service Total	Customer Service as a % of SaskPower Total	Basis of Classification	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
					Customer	Customer	Customer	Customer	Customer	Customer
Rate Base										
Plant In Service (Schedule 2.31)	15,372.0	108.5	0.7%	Functional Class of PIS	11.0	21.0	9.4	27.5	36.1	3.4
Accumulated Depreciation (Schedule 2.32)	(6,283.8)	(45.9)	0.7%	Functional Class of Accum. Depr'n	(4.3)	(9.0)	(4.1)	(11.6)	(15.4)	(1.5)
Allowance For Working Capital	95.2	9.6	10.1%	12.50% of OM&A and Taxes	0.7	1.9	0.9	2.4	3.3	0.3
Inventories (Schedule 2.33)	213.7	0.1	0.0%	Functional Class of Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Other Assets (Schedule 2.33)	2.0	0.2	9.7%	Functional Classification of Other Assets	0.0	0.0	0.0	0.0	0.1	0.0
Total Rate Base	9,399.1	72.4	0.8%		7.4	14.0	6.3	18.4	24.1	2.2
Revenue Requirement										
Fuel Expense SaskPower Units	427.1	-	0.0%	Functional Class of Fuel Exp.	-	-	-	-	-	-
Purchased Power & Import	232.2	-	0.0%	Functional Class of PP, Import & NP Fee	-	-	-	-	-	-
Export & Net Electricity Trading Revenue (Credit)	(10.0)	-	0.0%	Functional Class of Exports	-	-	-	-	-	-
Operating, Maintenance & Administration (Schedule 2.34)	689.1	76.7	11.1%	Functional Class of OM&A	5.8	15.4	7.4	19.3	26.6	2.3
Depreciation & Depletion (Schedule 2.35)	570.0	6.9	1.2%	Functional Class of Depr'n & Depletion	0.7	1.3	0.6	1.8	2.3	0.2
Corporate Capital Tax	46.0	0.3	0.7%	Functional Class of Corp. Capital Tax	0.0	0.1	0.0	0.1	0.1	0.0
Grants in Lieu of Taxes	26.0	-	0.0%	Functional Class of Grants in Lieu of Taxes	-	-	-	-	-	-
Miscellaneous Tax	0.5	0.1	13.2%	Functional Class of Misc. Tax	0.0	0.0	0.0	0.0	0.0	0.0
Other Income (Credit) (Schedule 2.36)	(113.9)	(26.8)	23.6%	Functional Class of Other Income	0.0	(2.5)	(4.2)	(2.8)	(17.3)	0.0
Return on Rate Base @ 7.15%	672.4	5.2	0.8%	Rate Base	0.5	1.0	0.4	1.3	1.7	0.2
Total Revenue Requirement	2,539.4	62.3	2.5%		7.1	15.2	4.2	19.7	13.4	2.7

Schedule 2.31: Functional Classification of Financial Account Details – Customer Services Plant in Service

Functionalization and Classification of Financial Account Details CUSTOMER SERVICES PLANT IN SERVICE 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Asset Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Generation Assets									
Power Production	6,661.1	-	0.0%	-	-	-	-	-	-
Power Production - PPA	1,233.2	-	0.0%	-	-	-	-	-	-
Coal Reserves	66.8	-	0.0%	-	-	-	-	-	-
Shand Greenhouse	5.5	-	0.0%	-	-	-	-	-	-
Total Generation Assets	7,966.6	-	0.0%	-	-	-	-	-	-
Transmission Assets									
Transmission Assets	2,370.4	-	0.0%	-	-	-	-	-	-
Total Transmission Assets	2,370.4	-	0.0%	-	-	-	-	-	-
Distribution Assets									
Distribution Assets	3,827.6	-	0.0%	-	-	-	-	-	-
Meters	93.9	-	0.0%	-	-	-	-	-	-
Instrument Transformers	15.6	-	0.0%	-	-	-	-	-	-
Total Distribution Assets	3,937.1	-	0.0%	-	-	-	-	-	-
General Plant Assets									
Unused Land	2.3	0.3	11.1%	0.0	0.1	0.0	0.1	0.1	0.0
Buildings	260.7	37.5	14.4%	3.3	7.4	3.4	9.5	12.8	1.1
Office Furniture & Equipment	38.1	5.5	14.4%	0.5	1.1	0.5	1.4	1.9	0.2
Vehicles & Equipment	248.8	21.9	8.8%	4.4	3.7	1.2	5.9	6.3	0.5
Computer Development & Equipment	354.5	40.4	11.4%	1.9	8.4	4.3	10.0	14.6	1.3
Communication, Protection & Control	161.8	2.1	1.3%	0.6	0.2	-	0.5	0.4	0.3
Tools & Equipment	31.8	0.8	2.7%	0.3	0.1	-	0.2	0.2	0.0
Total General Plant Assets	1,097.9	108.5	9.9%	11.0	21.0	9.4	27.5	36.1	3.4
Total Plant in Service	15,372.0	108.5	0.7%	11.0	21.0	9.4	27.5	36.1	3.4

Schedule 2.32: Functional Classification of Financial Account Details – Customer Services Accumulated Depreciation

Functionalization and Classification of Financial Account Details CUSTOMER SERVICES ACCUMULATED DEPRECIATION 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Asset Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Generation Assets									
Power Production	(2,987.0)	-	0.0%	-	-	-	-	-	-
Power Production - PPA	(462.9)	-	0.0%	-	-	-	-	-	-
Coal Reserves	(32.0)	-	0.0%	-	-	-	-	-	-
Shand Greenhouse	(3.3)	-	0.0%	-	-	-	-	-	-
Total Generation Assets	(3,485.1)	-	0.0%	-	-	-	-	-	-
Transmission Assets									
Transmission Assets	(629.7)	-	0.0%	-	-	-	-	-	-
Total Transmission Assets	(629.7)	-	0.0%	-	-	-	-	-	-
Distribution Assets									
Distribution Assets	(1,580.6)	-	0.0%	-	-	-	-	-	-
Meters	(51.9)	-	0.0%	-	-	-	-	-	-
Instrument Transformers	(10.1)	-	0.0%	-	-	-	-	-	-
Total Distribution Assets	(1,642.5)	-	0.0%	-	-	-	-	-	-
General Plant Assets									
Unused Land	(0.0)	(0.0)	11.1%	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Buildings	(29.1)	(3.6)	12.4%	(0.3)	(0.7)	(0.3)	(0.9)	(1.2)	(0.1)
Office Furniture & Equipment	(14.1)	(1.7)	12.4%	(0.2)	(0.3)	(0.2)	(0.4)	(0.6)	(0.1)
Vehicles & Equipment	(112.3)	(9.4)	8.4%	(2.0)	(1.6)	(0.5)	(2.5)	(2.7)	(0.2)
Computer Development & Equipment	(256.8)	(29.3)	11.4%	(1.3)	(6.1)	(3.1)	(7.2)	(10.6)	(0.9)
Communication, Protection & Control	(102.2)	(1.4)	1.4%	(0.4)	(0.2)	-	(0.4)	(0.3)	(0.2)
Tools & Equipment	(12.0)	(0.4)	3.7%	(0.2)	(0.1)	-	(0.1)	(0.1)	(0.0)
Total General Plant Assets	(526.5)	(45.9)	8.7%	(4.3)	(9.0)	(4.1)	(11.6)	(15.4)	(1.5)
Total Accumulated Depreciation	(6,283.8)	(45.9)	0.7%	(4.3)	(9.0)	(4.1)	(11.6)	(15.4)	(1.5)

Schedule 2.33: Functional Classification of Financial Account Details – Customer Services Inventories/Other Assets

Functionalization and Classification of Financial Account Details
CUSTOMER SERVICES INVENTORIES
 2018 Fiscal Test Embedded Cost of Service Study
 (\$ Millions)

Asset Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Inventories									
Power Production - Repair Stores	65.4	-	0.0%	-	-	-	-	-	-
Power Production - Fuel	23.1	-	0.0%	-	-	-	-	-	-
Transmission & Distribution	124.4	-	0.0%	-	-	-	-	-	-
Miscellaneous (Computers, Power Shop)	0.7	0.1	11.1%	0.0	0.0	0.0	0.0	0.0	0.0
Total Inventories	213.7	0.1	0.0%	0.0	0.0	0.0	0.0	0.0	0.0

Functionalization and Classification of Financial Account Details
CUSTOMER SERVICES OTHER ASSETS
 2018 Fiscal Test Embedded Cost of Service Study
 (\$ Millions)

Asset Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Other Assets									
Deferred Assets / Prepaid Expenses - Coal Mine / Natural Gas	-	-	0.0%	-	-	-	-	-	-
Intangible Assets	-	-	0.0%	-	-	-	-	-	-
Prepaid Expenses - Insurance	0.3	0.0	0.6%	0.0	0.0	-	0.0	0.0	0.0
Miscellaneous Prepaid Expenses	1.7	0.2	11.1%	0.0	0.0	0.0	0.0	0.1	0.0
Total Other Assets	2.0	0.2	9.7%	0.0	0.0	0.0	0.0	0.1	0.0

Schedule 2.34: Functional Classification of Financial Account Details – Customer Services OM&A Expenses

Functionalization and Classification of Financial Account Details									
CUSTOMER SERVICES OM&A EXPENSES									
2018 Fiscal Test Embedded Cost of Service Study									
(\$ Millions)									
Expense Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Generation Expenses									
Power Plant Operation	190.4	-	0.0%	-	-	-	-	-	-
Power Production Overhead	23.5	-	0.0%	-	-	-	-	-	-
Purchase Power Agreements (PPA)	27.2	-	0.0%	-	-	-	-	-	-
Total Generation Expenses	241.1	-	0.0%	-	-	-	-	-	-
Transmission & Distribution Expenses									
Planning Support	16.8	0.2	0.9%	-	-	-	-	-	0.2
Transmission Including 138 & 72 kV Radials	36.7	-	0.0%	-	-	-	-	-	-
Distribution	121.6	-	0.0%	-	-	-	-	-	-
Customer Services	7.3	7.3	100.0%	-	1.5	-	3.3	2.5	-
Metering Services	4.0	4.0	100.0%	4.0	-	-	-	-	-
Total Transmission & Distribution Expenses	186.4	11.5	6.2%	4.0	1.5	-	3.3	2.5	0.2
Customer Services Expenses									
Meter Reading	6.6	6.6	100.0%	-	6.6	-	-	-	-
Billing Services	3.7	3.7	100.0%	-	-	3.7	-	-	-
Collections/Special Collections	2.4	2.4	100.0%	-	-	-	2.4	-	-
Bad Debt Expense	4.8	4.8	100.0%	-	-	-	4.8	-	-
Marketing & Sales	1.0	1.0	100.0%	-	-	-	-	-	1.0
Demand Side Management	12.6	-	0.0%	-	-	-	-	-	-
Customer Service	11.5	11.5	100.0%	-	-	-	-	11.5	-
Total Customer Services Expenses	42.7	30.0	70.4%	-	6.6	3.7	7.3	11.5	1.0
Support Group Expenses									
President / Board	6.8	0.8	11.1%	0.1	0.2	0.1	0.2	0.3	0.0
Corporate & Financial Services (C&FS)	10.6	3.0	28.3%	0.1	0.6	0.3	0.7	1.1	0.1
C&FS - Insurance Premiums & Insurable Losses	4.5	0.0	0.6%	0.0	0.0	-	0.0	0.0	0.0
Resource Planning	17.3	1.6	9.4%	0.2	0.3	0.1	0.4	0.5	0.0
Carbon Capture & Storage Initiatives	-	-	0.0%	-	-	-	-	-	-
General Council / Land	25.4	12.6	49.6%	0.1	2.7	1.5	3.0	4.8	0.4
Safety	7.5	0.8	11.1%	0.1	0.2	0.1	0.2	0.3	0.0
Corporate Information & Technology	82.7	9.7	11.7%	0.7	1.9	0.9	2.4	3.3	0.3
Human Resources	15.6	1.4	9.2%	0.2	0.3	0.1	0.4	0.5	0.0
Commercial & Industrial Operations	10.1	0.9	9.3%	-	0.2	0.1	0.2	0.4	0.0
Procurement & Supply Chain	38.4	4.3	11.2%	0.4	0.8	0.4	1.1	1.5	0.1
Total Support Group Expenses	219.0	35.2	16.1%	1.8	7.3	3.7	8.7	12.6	1.1
Total OM&A Expenses	689.1	76.7	11.1%	5.8	15.4	7.4	19.3	26.6	2.3

Schedule 2.35: Functional Classification of Financial Account Details – Customer Services Depreciation & Depletion

Functionalization and Classification of Financial Account Details CUSTOMER SERVICES DEPRECIATION & DEPLETION 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Asset Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Generation Assets									
Power Production	266.1	-	0.0%	-	-	-	-	-	-
Purchase Power Agreements (PPA)	56.3	-	0.0%	-	-	-	-	-	-
Coal Reserves	2.2	-	0.0%	-	-	-	-	-	-
Shand Greenhouse	0.1	-	0.0%	-	-	-	-	-	-
Total Generation Assets	324.8	-	0.0%	-	-	-	-	-	-
Transmission Assets									
Transmission Assets	62.8	-	0.0%	-	-	-	-	-	-
Total Transmission Assets	62.8	-	0.0%	-	-	-	-	-	-
Distribution Assets									
Distribution Assets	103.4	-	0.0%	-	-	-	-	-	-
Meters	7.5	-	0.0%	-	-	-	-	-	-
Instrument Transformers	0.7	-	0.0%	-	-	-	-	-	-
Total Distribution Assets	111.6	-	0.0%	-	-	-	-	-	-
General Plant Assets									
Unused Land	0.0	0.0	11.1%	0.0	0.0	0.0	0.0	0.0	0.0
Buildings	6.9	1.0	14.6%	0.1	0.2	0.1	0.3	0.3	0.0
Office Furniture & Equipment	3.2	0.5	14.6%	0.0	0.1	0.0	0.1	0.2	0.0
Vehicles & Equipment	14.0	1.3	9.1%	0.3	0.2	0.1	0.3	0.4	0.0
Computer Development & Equipment	33.8	3.9	11.6%	0.3	0.8	0.4	1.0	1.4	0.1
Communication, Protection & Control	9.9	0.1	1.3%	0.0	0.0	-	0.0	0.0	0.0
Tools & Equipment	2.9	0.1	2.6%	0.0	0.0	-	0.0	0.0	0.0
Total General Plant Assets	70.7	6.9	9.7%	0.7	1.3	0.6	1.8	2.3	0.2
Total Depreciation & Depletion	570.0	6.9	1.2%	0.7	1.3	0.6	1.8	2.3	0.2

Schedule 2.36: Functional Classification of Financial Account Details – Customer Services Other Income

Functionalization and Classification of Financial Account Details CUSTOMER SERVICES OTHER INCOME 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)									
Expense Categories	SaskPower Total	Customer Services Total	Customer Services as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
				Customer	Customer	Customer	Customer	Customer	Customer
Other Income									
Customer Services Payment Charges	(7.0)	(7.0)	100.0%	-	-	(4.2)	(2.8)	-	-
Meter Reading	(2.6)	(2.6)	100.0%	-	(2.6)	-	-	-	-
Inspections	(17.3)	(17.3)	100.0%	-	-	-	-	(17.3)	-
Transmission	(2.2)	-	0.0%	-	-	-	-	-	-
Distribution	(6.9)	-	0.0%	-	-	-	-	-	-
Clean Coal Project Credits	-	-	0.0%	-	-	-	-	-	-
Clean Coal Test Facility Revenue	-	-	0.0%	-	-	-	-	-	-
Miscellaneous Other Income	0.0	0.0	11.1%	0.0	0.0	0.0	0.0	0.0	0.0
Customer Contribution Revenue	(55.0)	-	0.0%	-	-	-	-	-	-
Green Power Premium	(0.2)	-	0.0%	-	-	-	-	-	-
Flyash Sales	(7.2)	-	0.0%	-	-	-	-	-	-
Consulting & Contracting Services	-	-	0.0%	-	-	-	-	-	-
CO2 Sales & Penalties	(15.5)	-	0.0%	-	-	-	-	-	-
Total Other Income	(113.9)	(26.8)	23.6%	0.0	(2.5)	(4.2)	(2.8)	(17.3)	0.0

Schedule 3.0: SaskPower Allocation Methodology Summary

SaskPower Functionalization	SaskPower Classification	SaskPower Sub-Functionalization	Allocation Methodology	# of Years of Data For Large Customer (s)
GENERATION	Demand (Facilities)		Coincident Peak Method (2CP)	5
	Energy (Facilities)		Actual Energy Costs Plus Losses	
	Energy (Fuel Expense)		Actual Energy Costs Plus Losses	N/A
TRANSMISSION	DEMAND	Main Grid	Coincident Peak Method (2CP) - Coincident Peak at output of transmission.	5
		138kv Radials	Coincident Peak Method (2CP) - at output of common 138kv Radials.	5
		138/72kv Substations	Coincident Peak Method (2CP) - at output of substations.	5
		72kv Radials	Coincident Peak Method (2CP) - at output of common 72kv radials.	5
DISTRIBUTION	DEMAND	Area Substations - Demand	Coincident Peak Method (2CP) - at output of substations.	5
		Distribution Mains - Demand	Coincident Peak Method (2CP) - at output of distribution mains.	5
		Urban Laterals - Demand	Coincident Peak Method (2CP) - at output of urban laterals.	5
		Rural Laterals - Demand	Coincident Peak Method (2CP) - at output of rural laterals.	N/A
		Transformers - Demand	Non Coincident Peak (NCP) - at output of rural laterals.	5
	CUSTOMER	Urban Laterals - Customer	Number of urban customers supplied through laterals.	N/A
		Rural Laterals - Customer	Number of rural customers supplied through laterals.	5
		Transformers - Customer	Number of customers supplied through laterals.	N/A
		Services - Customer	Direct to classes which are using services.	N/A
		Meters - Customer	Number of metered customers weighted by installed cost of a meter.	N/A
		Streetlights - Customer	Direct to Streetlight Class.	N/A
CUSTOMER SERVICES	CUSTOMER	Customer Service	Weighted number of customers.	N/A
CUSTOMER CONTRIBUTIONS	CUSTOMER	Customer Contributions	Direct to classes which made contribution.	N/A
INTERRUPTIBLE ADJUSTMENT	DEMAND	Interruptible Adjustment	Coincident Peak Method (2CP)	5

2CP METHOD

The 2CP (coincident peak) method, allocates costs to rate classes based upon the contribution which the respective customer class makes to the average of SaskPower's winter and summer seasonal peak. Allocation factors are developed as the ratio of the class load at the time of the average seasonal peak to the total load.

NCP METHOD

The non-coincident peak (NCP) method allocates responsibilities based on the ratio of the sum of the maximum demands of all customers within a class whenever they occur, to the sum of all the class peaks, similarly determined.

Schedule 4.0: Customer Data for Cost Allocation

Customer Data for Cost Allocation
2018 Fiscal Test Embedded Cost of Service Study

Customer Class	Energy Sales GWH	NCP Demand KW	CP Demand KW	NCP Load Factor ¹	CP Load Factor ²
Urban Residential	2,560	2,477,403	540,217	11.80%	54.10%
Rural Residential	764	738,884	161,120	11.80%	54.10%
Farms	1,308	811,831	218,146	18.40%	68.47%
Urban Commercial	2,777	939,651	419,847	33.73%	75.49%
Rural Commercial	1,076	375,885	162,611	32.69%	75.56%
Power - Published Rates	6,719	1,156,746	794,655	66.31%	96.52%
Power - Contract Rates	2,499	492,331	320,515	57.94%	89.00%
Oilfields	3,445	611,556	402,647	64.31%	97.68%
Streetlights	62	14,939	7,282	47.10%	96.61%
Reseller	1,286	245,373	212,579	59.82%	69.05%
Total	22,495	7,864,598	3,239,619	32.65%	79.27%

1 - NCP Load Factor is calculated as follows: $(\text{Energy Sales} * 1,000,000) / (\text{NCP Demand} * 8,760)$

2 - CP Load Factor is calculated as follows: $(\text{Energy Sales} * 1,000,000) / (\text{CP Demand} * 8,760)$

Schedule 5.0: Allocation Factors by Customer Class – Generation

**Allocation Factors by Customer Class
GENERATION Related Costs
2018 Fiscal Test Embedded Cost of Service Study**

Customer Class	Load ¹	Load ²	Losses ³	Losses ⁴	Scheduling & Dispatch ³	Regulation & Frequency Response ³	Spinning Reserve ³	Supplementary Reserve ³	Planning Reserve ³	Reactive Supply ³	Grants in Lieu of Taxes ³	Interruptible Adjustment ³
	Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Energy	Demand
Urban Residential	16.7%	11.4%	24.6%	18.9%	17.4%	17.4%	17.4%	17.4%	17.4%	17.4%	55.5%	17.4%
Rural Residential	5.0%	3.4%	7.1%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	0.0%	5.2%
Farms	6.7%	5.8%	9.6%	8.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	0.0%	7.0%
Urban Commercial	13.0%	12.3%	18.9%	20.1%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	44.5%	13.5%
Rural Commercial	5.0%	4.8%	6.8%	6.9%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	0.0%	5.2%
Power - Published Rates	24.5%	29.9%	11.0%	13.0%	23.2%	23.2%	23.2%	23.2%	23.2%	23.2%	0.0%	23.2%
Power - Contract Rates	9.9%	11.1%	4.1%	4.6%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	0.0%	9.3%
Oilfields	12.4%	15.3%	15.4%	20.0%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	0.0%	12.7%
Streetlights	0.2%	0.3%	0.3%	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%	0.2%
Reseller	6.6%	5.7%	2.3%	2.0%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	0.0%	6.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Based on Coincident Peak (2CP) at the meter.

² Based on actual energy consumption at the meter.

³ Based on Coincident Peak (2CP) & losses.

⁴ Based on energy losses.

Schedule 5.1: Allocation Factors by Customer Class – Transmission

**Allocation Factors by Customer Class
TRANSMISSION Related Costs
2018 Fiscal Test Embedded Cost of Service Study**

Customer Class	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
	Demand	Demand	Demand	Demand
Urban Residential	17.4%	12.2%	24.7%	24.7%
Rural Residential	5.2%	3.6%	7.4%	7.4%
Farms	7.0%	5.0%	9.9%	9.9%
Urban Commercial	13.5%	9.5%	19.2%	19.2%
Rural Commercial	5.2%	3.5%	7.6%	7.6%
Power - Published Rates	23.2%	37.3%	10.4%	10.4%
Power - Contract Rates	9.3%	15.7%	3.5%	3.5%
Oilfields	12.7%	10.2%	16.7%	16.7%
Streetlights	0.2%	0.2%	0.3%	0.3%
Reseller	6.1%	2.8%	0.4%	0.4%
Total	100.0%	100.0%	100.0%	100.0%

Note: All allocation factors based on Coincident Peak (2CP) & losses.

Schedule 5.2: Allocation Factors by Customer Class – Distribution

Allocation Factors by Customer Class DISTRIBUTION Related Costs 2018 Fiscal Test Embedded Cost of Service Study													
Customer Class	Area Substations ¹	Distribution Mains ¹	Urban Laterals ¹	Urban Laterals ²	Rural Laterals ¹	Rural Laterals ³	Transformers ⁴	Transformers ⁵	Services ⁶	Instrument Transformers ⁷	Amorization Customer Contributions ⁸	Meters ⁹	Streetlights ¹⁰
	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Urban Residential	28.5%	28.6%	55.9%	84.4%	0.0%	0.0%	43.2%	60.2%	19.5%	0.0%	19.2%	32.1%	0.0%
Rural Residential	8.5%	8.5%	0.0%	0.0%	19.6%	38.9%	12.9%	11.2%	11.4%	0.0%	15.4%	6.0%	0.0%
Farms	11.3%	11.4%	0.0%	0.0%	26.3%	37.2%	13.9%	10.7%	2.2%	0.5%	17.9%	5.9%	0.0%
Urban Commercial	22.1%	22.2%	43.4%	12.0%	0.0%	0.0%	15.7%	8.6%	26.3%	57.6%	13.3%	27.3%	0.0%
Rural Commercial	7.9%	7.9%	0.0%	0.0%	18.2%	9.3%	5.8%	2.7%	15.6%	22.6%	13.3%	9.1%	0.0%
Power - Published Rates	2.3%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.4%	0.0%	2.4%	0.0%
Power - Contract Rates	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	0.4%	0.0%
Oilfields	18.8%	18.8%	0.0%	0.0%	35.8%	12.0%	8.3%	3.4%	25.0%	2.1%	21.0%	16.6%	0.0%
Streetlights	0.4%	0.4%	0.7%	3.5%	0.1%	2.5%	0.3%	3.2%	0.0%	0.0%	0.0%	0.0%	100.0%
Reseller	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.2%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Based on Coincident Peak (2CP) & losses.

² Based on the number of urban customers in each customer class. Urban streetlights are based on 6 lights per circuit.

³ Based on the number of rural customers in each customer class. Rural streetlights are based on 3 lights per circuit.

⁴ Based on Non Coincident Peak (NCP) & losses.

⁵ Based on the number of customers with transformer-related equipment in each customer class. Streetlights are based on 6(urban) & 3(rural) lights per circuit.

⁶ Based on the number of customers in each customer class supplied through services weighted by installed cost of a service.

⁷ Based on the number of customers with transformer-related equipment in each customer class.

⁸ Based on customer contributions in each customer class.

⁹ Based on the new capital cost of meters and instrument transformers multiplied by the number of customers in the customer class.

¹⁰ Direct to the streetlight class.

Schedule 5.3: Allocation Factors by Customer Class – Customer Service

Allocation Factors by Customer Class
CUSTOMER SERVICE Related Costs
 2018 Fiscal Test Embedded Cost of Service Study

Customer Class	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing & Sales
	Customer	Customer	Customer	Customer	Customer	Customer
Urban Residential	17.0%	61.2%	41.3%	71.7%	56.6%	14.4%
Rural Residential	3.2%	9.4%	7.7%	13.3%	10.4%	4.4%
Farms	3.5%	14.4%	10.2%	8.0%	13.0%	7.7%
Urban Commercial	20.8%	7.0%	12.2%	4.6%	8.7%	17.0%
Rural Commercial	6.8%	2.3%	3.8%	1.4%	2.6%	3.6%
Power - Published Rates	18.2%	0.0%	5.5%	0.0%	1.7%	22.1%
Power - Contract Rates	2.9%	0.0%	0.9%	0.0%	0.3%	3.6%
Oilfields	26.9%	5.6%	17.3%	1.0%	5.7%	25.5%
Streetlights	0.0%	0.0%	1.0%	0.0%	0.9%	1.1%
Reseller	0.6%	0.0%	0.2%	0.0%	0.1%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: All allocation factors based on the department responsible's estimate of labour time spent on each customer class.

Schedule 6.0: Functional Classification of Revenue Requirement by Customer Class – Generation

Functionalized & Classified Revenue Requirement by Customer Class GENERATION Related Costs 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)															
Customer Class	SaskPower Total	Generation Total	Generation as a % of SaskPower Total	Load		Losses		Scheduling & Dispatch	Regulation & Frequency Response	Spinning Reserve	Supplementary Reserve	Planning Reserve	Reactive Supply	Grants in Lieu of Taxes	Interruptible Adjustment
				Demand	Energy	Demand	Energy	Demand	Demand	Demand	Demand	Demand	Demand	Energy	Demand
Urban Residential	470.6	260.6	55.4%	98.3	101.2	14.3	14.0	2.2	1.4	3.1	4.7	3.6	3.1	14.6	-
Rural Residential	146.6	72.9	49.7%	29.3	30.2	4.1	3.9	0.6	0.4	0.9	1.4	1.1	0.9	-	-
Farms	192.4	110.9	57.6%	39.7	51.7	5.6	6.6	0.9	0.5	1.3	1.9	1.5	1.2	-	-
Urban Commercial	364.0	237.9	65.3%	76.4	109.8	11.0	14.9	1.7	1.1	2.4	3.7	2.8	2.4	11.7	-
Rural Commercial	143.2	86.7	60.6%	29.6	42.6	4.0	5.2	0.7	0.4	0.9	1.4	1.1	0.9	-	-
Power - Published Rates	525.0	450.5	85.8%	144.7	265.6	6.4	9.6	2.9	1.8	4.2	6.3	4.9	4.1	-	-
Power - Contract Rates	200.3	172.7	86.2%	58.4	98.8	2.4	3.4	1.2	0.7	1.7	2.5	2.0	1.7	-	-
Oilfields	365.5	246.5	67.4%	73.3	136.2	8.9	14.8	1.6	1.0	2.3	3.4	2.7	2.3	-	-
Streetlights	21.1	4.5	21.4%	1.3	2.4	0.2	0.3	0.0	0.0	0.0	0.1	0.0	0.0	-	-
Reseller	110.7	98.7	89.2%	38.7	50.8	1.3	1.5	0.8	0.5	1.1	1.7	1.3	1.1	-	-
Total	2,539.4	1,741.9	68.6%	589.8	889.4	58.1	74.2	12.5	7.8	18.0	27.1	20.9	17.8	26.2	-

Schedule 6.1: Functional Classification of Revenue Requirement by Customer Class – Transmission

Functionalized & Classified Revenue Requirement by Customer Class
TRANSMISSION Related Costs
2018 Fiscal Test Embedded Cost of Service Study
(\$ Millions)

Customer Class	SaskPower Total	Transmission Total	Transmission as a % of SaskPower Total	Main Grid	138 kV Lines Radials	138/72 kV Substations	72 kV Lines Radials
				Demand	Demand	Demand	Demand
Urban Residential	470.6	47.6	10.1%	27.3	8.5	3.8	8.0
Rural Residential	146.6	14.1	9.6%	8.1	2.5	1.1	2.4
Farms	192.4	19.2	10.0%	11.0	3.5	1.5	3.2
Urban Commercial	364.0	37.0	10.2%	21.2	6.6	3.0	6.2
Rural Commercial	143.2	14.2	9.9%	8.1	2.4	1.2	2.4
Power - Published Rates	525.0	67.3	12.8%	36.3	26.0	1.6	3.4
Power - Contract Rates	200.3	27.2	13.6%	14.6	10.9	0.5	1.1
Oilfields	365.5	35.0	9.6%	19.9	7.1	2.6	5.4
Streetlights	21.1	0.6	3.0%	0.4	0.1	0.1	0.1
Reseller	110.7	11.8	10.6%	9.6	2.0	0.1	0.1
Total	2,539.4	273.9	10.8%	156.4	69.7	15.4	32.4

Schedule 6.2: Functional Classification of Revenue Requirement by Customer Class – Distribution

Functionalized & Classified Revenue Requirement by Customer Class DISTRIBUTION Related Costs 2018 Fiscal Test Embedded Cost of Service Study (\$ Millions)																
Customer Class	SaskPower Total	Distribution Total	Distribution as a % of SaskPower Total	Area Substations	Distribution Mains	Urban Laterals	Urban Laterals	Rural Laterals	Rural Laterals	Transformers	Transformers	Services	Instrument Transformers	Amortization Customer Contributions	Meters	Streetlights
				Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
Urban Residential	470.6	128.0	27.2%	13.5	39.3	18.1	14.7	-	-	19.2	11.5	13.1	-	(4.8)	3.4	-
Rural Residential	146.6	53.5	36.5%	4.0	11.7	-	-	12.3	13.2	5.7	2.1	7.7	-	(3.8)	0.6	-
Farms	192.4	56.0	29.1%	5.4	15.6	-	-	16.5	12.6	6.2	2.0	1.4	0.0	(4.5)	0.6	-
Urban Commercial	364.0	83.6	23.0%	10.4	30.5	14.1	2.1	-	-	7.0	1.6	17.6	0.7	(3.3)	2.9	-
Rural Commercial	143.2	40.6	28.4%	3.7	10.8	-	-	11.4	3.2	2.6	0.5	10.5	0.3	(3.3)	1.0	-
Power - Published Rates	525.0	4.8	0.9%	1.1	3.2	-	-	-	-	-	-	-	0.2	-	0.3	-
Power - Contract Rates	200.3	0.1	0.0%	-	-	-	-	-	-	-	-	-	0.0	-	0.0	-
Oilfields	365.5	78.9	21.6%	8.9	25.9	-	-	22.5	4.1	3.7	0.7	16.7	0.0	(5.2)	1.8	-
Streetlights	21.1	15.8	74.6%	0.2	0.5	0.2	0.6	0.1	0.9	0.1	0.6	-	-	-	-	12.6
Reseller	110.7	0.2	0.1%	0.1	-	-	-	-	-	-	-	-	0.0	-	0.0	-
Total	2,539.4	461.3	18.2%	47.2	137.5	32.4	17.5	62.8	33.8	44.5	19.1	67.0	1.2	(24.9)	10.7	12.6

Schedule 6.3: Functional Classification of Revenue Requirement by Customer Class – Customer Service

Functionalized & Classified Revenue Requirement by Customer Class
CUSTOMER SERVICE Related Costs
2018 Fiscal Test Embedded Cost of Service Study
(\$ Millions)

Customer Class	SaskPower Total	Customer Service Total	Customer Service as a % of SaskPower Total	Metering Services	Meter Reading	Billing & Customer Accounts	Customer Collections	Customer Service	Marketing
				Customer	Customer	Customer	Customer	Customer	Customer
Urban Residential	470.6	34.4	7.3%	1.2	9.3	1.7	14.1	7.6	0.4
Rural Residential	146.6	6.1	4.2%	0.2	1.4	0.3	2.6	1.4	0.1
Farms	192.4	6.4	3.3%	0.3	2.2	0.4	1.6	1.7	0.2
Urban Commercial	364.0	5.6	1.5%	1.5	1.1	0.5	0.9	1.2	0.5
Rural Commercial	143.2	1.7	1.2%	0.5	0.4	0.2	0.3	0.4	0.1
Power - Published Rates	525.0	2.3	0.4%	1.3	-	0.2	-	0.2	0.6
Power - Contract Rates	200.3	0.4	0.2%	0.2	-	0.0	-	0.0	0.1
Oilfields	365.5	5.1	1.4%	1.9	0.9	0.7	0.2	0.8	0.7
Streetlights	21.1	0.2	0.9%	-	-	0.0	-	0.1	0.0
Reseller	110.7	0.1	0.1%	0.0	-	0.0	-	0.0	0.0
Total	2,539.4	62.3	2.5%	7.1	15.2	4.2	19.7	13.4	2.7

Schedule 7.0: Customer Data for Rate Design

Customer Data 2018 Fiscal Test Embedded Cost of Service Study
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Customer Class	Average Annual # of Accounts	Annual Revenue (\$)	Annual Sales @ Meter (MWh)	Annual Billing Demand @ Meter (kVa)
Urban Residential	332,725	461,994,392	2,560,286	-
Rural Residential	61,698	134,973,153	763,604	-
Farms	58,987	186,280,436	1,308,360	953,281
Urban Commercial	47,422	372,424,531	2,776,509	6,509,268
Rural Commercial	14,778	143,386,491	1,076,329	2,936,744
Power - Published Rates	87	539,830,198	6,718,850	13,301,869
Power - Contract Rates	14	198,481,062	2,498,808	3,450,458
Oilfields	19,015	375,029,217	3,445,340	7,942,332
Streetlights	2,886	17,870,873	61,632	-
Reseller	3	109,154,646	1,285,754	2,510,113
Total	537,614	2,539,425,000	22,495,472	37,604,065