



RATE APPLICATION

[2018]



Our company

SaskPower is a Crown corporation governed by *The Power Corporation Act*. The President and Chief Executive Officer of SaskPower reports to a Board of Directors appointed by the Lieutenant Governor in Council. Through the Chair, our company's Board of Directors is accountable to the Minister Responsible for SaskPower. The Minister functions as a link between SaskPower and provincial cabinet, as well as the Saskatchewan Legislative Assembly. The Crown holding company, Crown Investments Corporation of Saskatchewan, provides broad direction to SaskPower, including the establishment of appropriate financial targets (such as the expected rate of return), dividend rates, and the setting of public policy.

With one of the largest service areas in Canada, SaskPower is dedicated to providing electricity generation, transmission, distribution and retail services to over 528,000 customer accounts throughout a geographic service area of approximately 652,000 square kilometres. SaskPower manages more than \$11 billion in assets to supply electricity to our customers.

To ensure reliability of services, SaskPower operates three coal-fired power stations, seven hydroelectric stations, five natural gas stations and two wind facilities. Combined, they generate 3,542 megawatts (MW) of electricity. SaskPower also buys power from various independent power producers, including the North Battleford Generating Station, Red Lily Wind Energy Facility, SunBridge Wind Power Facility, Morse Wind Energy Facility, Spy Hill Generating Station, Meridian Cogeneration Station, and Cory Cogeneration Station. SaskPower's total available generation capacity, from its own fleet and independent power producers, is 4,491 MW.

SaskPower operates and maintains one of the largest grids in Canada. It is comprised of almost 159,000 kilometres of transmission and distribution lines throughout Saskatchewan. Our transmission system is made up of more than 14,000 kilometres of power lines and 55 high voltage switching stations located across Saskatchewan. Transmission lines are high voltage lines that transport large volumes of electricity from generating stations to load centres — cities, towns or large industrial or commercial customers. Our distribution system consists of more than 144,000 km of power lines, 195 distribution substations and almost 185,000 pole, pad-mounted and step transformers. Distribution lines are lower voltage lines that take electricity in smaller quantities to residential users and smaller commercial customers.

SaskPower has interconnections at the Manitoba, Alberta and North Dakota borders. These provide our company with the capability to import or export electricity to meet higher internal demand or take advantage of export market opportunities. Under normal system conditions, the import capability is up to 250 MW from Manitoba, 147 MW from Alberta, and 80 MW from North Dakota. The export capability is up to 90 MW to Manitoba, 153 MW to Alberta, and 150 MW to North Dakota. These interconnection capabilities vary with system conditions, including generation and load level. In compliance with the Open Access Transmission Tariff (OATT), SaskPower is required to compete with other suppliers for access to these interconnections. The OATT enables competitors to schedule access to our company's transmission system, allowing them to wheel power through Saskatchewan or sell to SaskPower's wholesale (Reseller) customers.



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1.0 Executive summary

At SaskPower, we are committed to supporting economic growth and enhancing quality of life in Saskatchewan. With a history of innovation spanning more than 85 years, our company remains focused on achieving our mission of ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

We work around the clock to provide power generation, transmission and distribution services to more than 528,000 customer accounts. We have one of the largest service areas in Canada — a geographic region of approximately 652,000 square kilometres. Meanwhile, we have one of the lowest customer densities of any electric utility in the country — about three customers are served per circuit kilometre of power lines. That means we face the challenge of maintaining and growing an extensive power system with a financial return from a comparatively small revenue base.

Like other many other Canadian electric utilities, in recent years SaskPower has been seeking rate increases largely out of the need to fund capital investments in the province's electricity system. These targeted expenditures have two primary purposes: maintaining reliable service for our customers and keeping up with the growing demand for power.

In the past five years, SaskPower has spent over \$6 billion on our company's infrastructure growth and renewal program. Going forward, our company is forecasting the need to keep making capital investments, including power purchase agreements, of about \$1.4 billion a year.

Why is SaskPower applying for a rate increase and what is the impact on customers?

SaskPower's intensive infrastructure renewal and growth program is largely responsible for this application for a rate increase. Our company is requesting a rate increase of 5.0% effective March 1, 2018. For the average residential customer, this means an increase of \$6/month. The average farm customer will see an increase of \$13/month.

We're investing in our system to replace and upgrade aging infrastructure

Although SaskPower has made substantial investments in both the generation fleet and grid in recent years, much work is still required. Significant portions of our company's generation, transmission and distribution infrastructure are old by Canadian utility standards.

As a result, SaskPower is continuing to make investments to sustain our existing infrastructure and ensure it operates efficiently in the future. In 2007, our company's total growth and sustainment spending on the transmission and distribution grid was \$54 million. Sustainment spending on the grid alone is forecast to be \$174 million in 2017-18 and \$172 million in 2018-19. Meanwhile, generation sustainment spending was \$102 million in 2007. It is forecast to be \$132 million in 2017-18 and \$139 million in 2018-19.



We're investing in our system to meet growing demand

Demand for power in our province continues to grow and SaskPower is doing its part to ensure all of Saskatchewan has access to reliable, sustainable and cost-effective power. The province continues to witness record-setting power consumption, highlighting the need to source more generation capacity.

In January 2017, SaskPower marked a new peak load record of 3,747 megawatts (MW). During 2016-17, our company also marked a record for electricity generated, with 24,374 gigawatt hours (GWh) produced. Meanwhile, in July 2017 SaskPower marked a new summer peak load record of 3,419 MW.

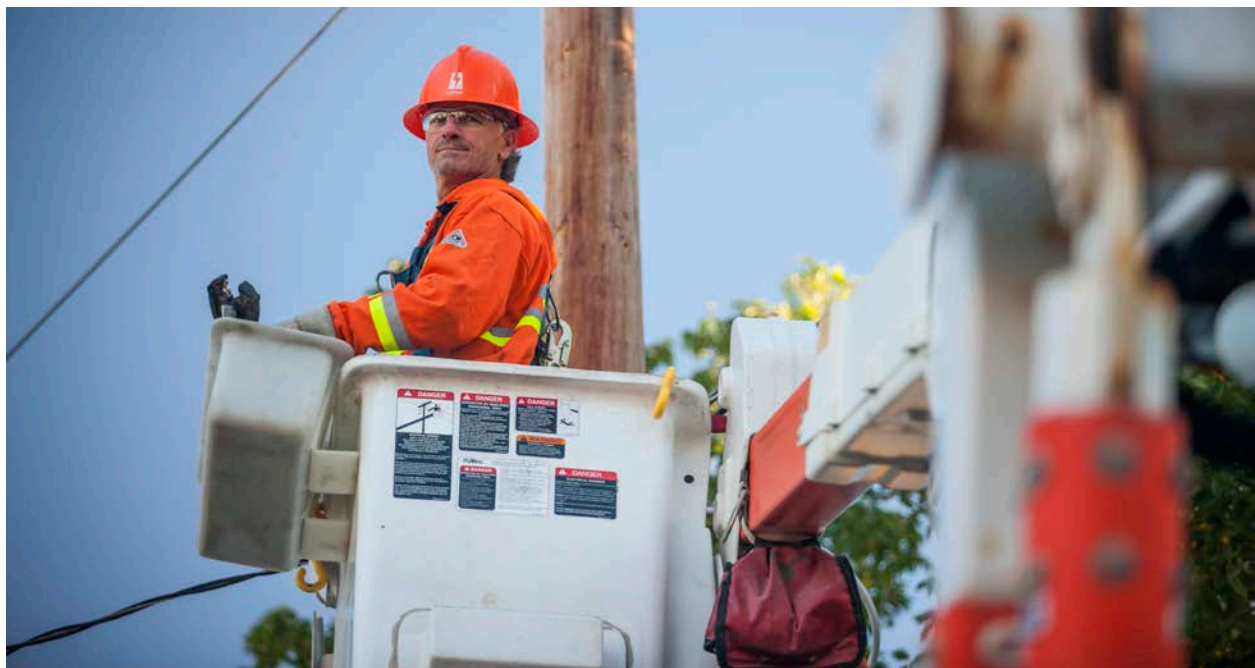
While the rate of electricity demand growth is expected to decrease relative to the growth rate experienced during Saskatchewan's accelerated economic development over the past five years, SaskPower's generation system will still require significant investment. Major capacity upgrades to our transmission and distribution system are also required.

We're managing our costs

Restraint and optimization remain top priorities at SaskPower to reduce the size of required rate increases and support an improvement in financial results. As a result, the SaskPower 2018 Rate Application accounts for a continuation of our company's multi-year strategy to maintain an ongoing reduction of operating, maintenance and administration (OM&A) and capital budgets.

In 2015, SaskPower reduced its budgeted OM&A spending by \$38 million. Our company also made OM&A reductions of \$8 million in the first three months of 2016 and another \$27 million in fiscal 2016-17. The SaskPower 2018 Rate Application recommends reducing budgeted OM&A spending by an additional \$142 million over the next three years. This represents a total savings of \$215 million over the five-year period from 2015 to 2019-20.

In 2015, SaskPower reduced its budgeted capital spending by \$210 million, and saved another \$69 million over the first three months of 2016. In fiscal 2016-17, our company reduced its capital spending by an additional \$205 million. The SaskPower 2018 Rate Application recommends reducing budgeted capital spending, including power purchase agreements, by an additional \$1.9 billion over the next three years. This will lead to a total reduction or deferral of \$2.4 billion over the five-year period from 2015 to 2019-20.



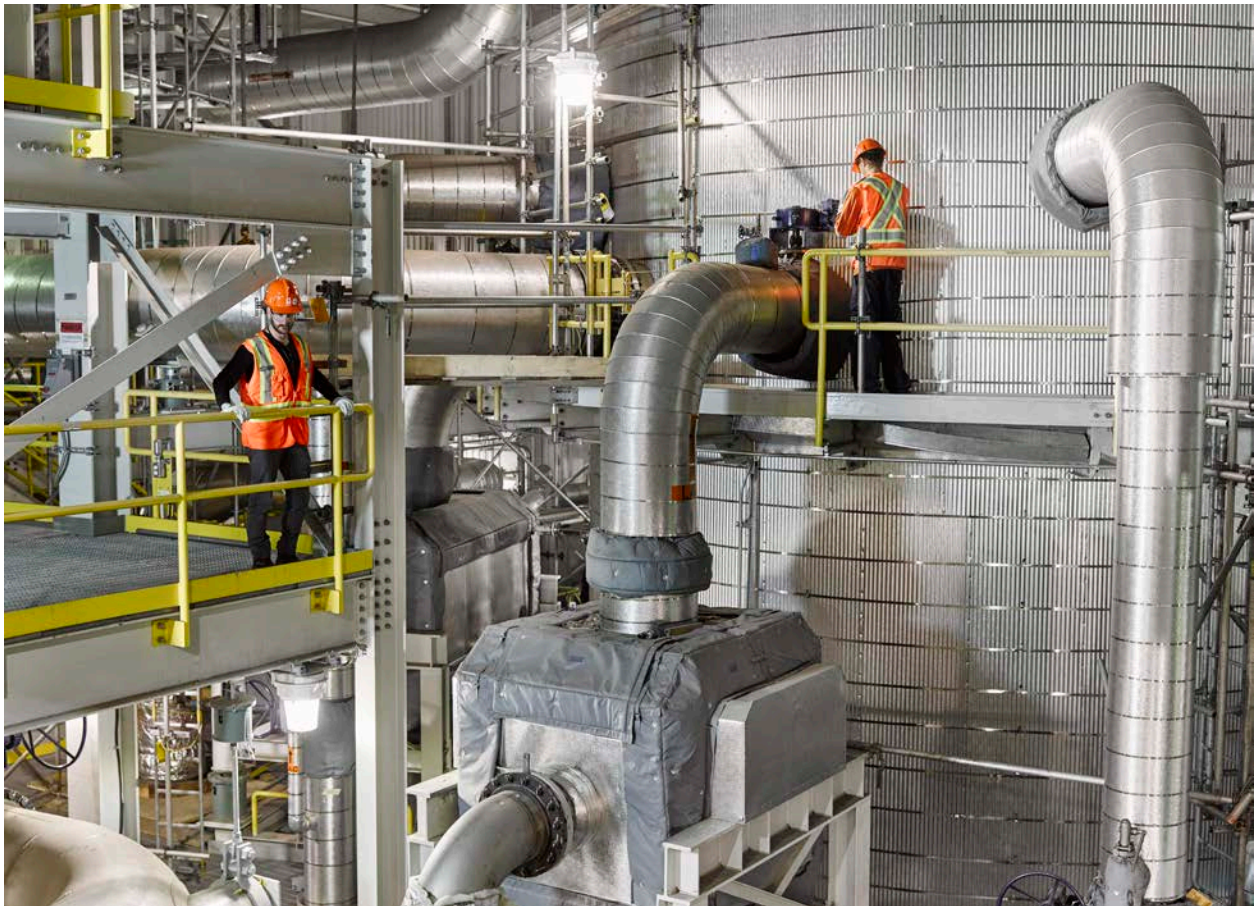
We're managing our debt

In recent years, SaskPower requested rate increases that fell short of meeting financial targets in order to keep rate increases more manageable for rate payers. This has meant SaskPower has not earned its targeted return on equity (ROE) of 8.5% since 2011. As a result, sacrificing earnings has created additional upward pressure on our company's debt ratio. To minimize the impact of an increased investment in capital, we took advantage of our company's strong balance sheet by allowing SaskPower's debt ratio to climb from the bottom of the target range to the top. Now that our debt ratio has climbed to the top of the long-term target range of 60-75%, SaskPower must request rate increases that provide enough cash flow to prevent our company from further exceeding the range.

We are implementing a flat rate increase

This rate application recommends a flat 5% rate increase across all customer classes (except for contract customers). SaskPower recently completed the 2017 Cost of Service Methodology Review. During this public process an independent consultant assessed our company's rate setting methodology to ensure it is fair and reasonable.

After receiving public feedback, the consultant released a report that confirmed SaskPower's cost of service methodology and provided a set of recommendations for enhancement (available on saskpower.com). SaskPower is currently assessing the impact of each recommendation and will provide a response outlining our company's plans once an in-depth analysis is complete. Due to the need to complete this evaluation, SaskPower has delayed plans to rebalance rates and implement a rate simplification strategy to a future rate application.



2.0 The bottom line for customers

Within the current application, our company is recommending a 5.0% rate increase on March 1, 2018. The following table illustrates the impact of the rate changes for an average customer in each customer class:

Rate increase by customer class				
Class of service	Revenue to revenue requirement ratio (current rates)	March 1, 2018 proposed rate change	Monthly increase due to proposed rate change	Revenue to revenue requirement ratio (after rate increase)
	(R/RR ratio)	(%)	(\$)	(R/RR ratio)
Urban residential	0.98	5.1%	6	0.98
Rural residential	0.93	5.1%	9	0.92
Residential	0.97	5.1%	6	0.97
Farm	0.97	5.1%	13	0.97
Urban commercial	1.02	5.1%	32	1.02
Rural commercial	1.01	5.1%	39	1.00
Commercial	1.02	5.1%	33	1.02
Power - published rates	1.02	5.1%	24,995	1.03
Power - contract rates	1.00	4.1%	46,220	0.99
Power	1.02	4.8%	27,937	1.02
Oilfield	1.03	5.1%	79	1.03
Streetlight	0.85	5.1%	25	0.85
Reseller	0.98	5.1%	219,851	0.99

2.1 Helping customers deal with rate increases

Demand Side Management (DSM) — SaskPower's portfolio of energy efficiency and conservation programs — plays an important and growing role in securing Saskatchewan's electricity supply. Our company supports the adoption of energy-efficient technologies and provides conservation and efficiency education to customers with the long-term goal of transforming our province into a more sustainable energy efficient market.

Through our programs, we help reduce the need for new infrastructure and support the deferral of capital investments in new generation while realizing environmental and economic benefits. In 2016-17, SaskPower achieved a 17.7 MW reduction in peak demand, exceeding the 2016-17 target of 10 MW by over 75%. SaskPower also achieved energy savings of 75.8 gigawatt hours (GWh), well above the target of 50 GWh. Since its initial launch, on a cumulative basis our portfolio of DSM programs has saved enough electricity to power 45,400 homes for a year. Meanwhile, the reduction in carbon emissions is equivalent to taking 72,000 cars off the road or planting 34 million new trees.

SaskPower's DSM programs portfolio is designed to serve a wide range of segments in our base: residential, farm, commercial (small and medium business), oilfield and power (industrial) customers. Through these programs, SaskPower is committed to educating customers in making informed decisions on energy efficiency. This assists with providing them with greater control and choice over their power use, and presenting them with opportunities to minimize the impact of rate increases.

Programs in the portfolio include (please note that the following programs are currently available but are subject to change, suspension or cancellation at SaskPower's discretion):

Residential customers

Programs within the residential segment utilize a multi-pronged approach which includes financial incentives, technical assistance and education.

Retail Discount Program: Twice a year, SaskPower partners with local retailers to offer point-of-purchase discounts on a variety of energy efficient products, including ENERGY STAR® LED bulbs, fixtures, lighting controls, smart power bars, smart LEDs, smart thermostats and more. Since the program's launch in 2008 until March 2017, through various program iterations, the program has saved almost 60 MW of peak demand.

Online Home Energy Assessment Tool: This tool provides residential customers with insight into their power and natural gas consumption. It illustrates the factors that contribute to their consumption and provides recommendations that are based on building and appliance information.

Home Assistance Pilot Program: This is an ongoing pilot program designed to assist low income households in Saskatchewan reduce their electricity needs and save money on their power bills. The program is currently executed in collaboration with the Saskatchewan Housing Authority, which assists with the delivery and installation of energy efficiency kits. The first phase of the pilot was launched in early 2015 in seven northern communities, with a follow up in 2016 in six additional communities. This year, SaskPower is exploring partnerships with other community organizations – including food banks – to deliver kits to low income customers.

Saskatchewan Science Centre Home & Community Exhibit: In 2015, SaskPower played a leadership role in developing the Building Connections exhibit at the Saskatchewan Science Centre. This permanent display focuses on sustainable home construction and power conservation in homes and the community. Children and families are encouraged to learn more about balancing their needs with the needs of a sustainable future in an engaging and interactive way.



Commercial (small & medium business) customers

Recognizing the unique needs of small and medium businesses customers across the province, the DSM portfolio offers programs that help provide greater control over power use and opportunities to minimize the impact of rate increases.

Commercial Lighting Incentive Program: This is a year-round program that provides business customers with qualified energy efficient lighting equipment at discounted prices. The program is offered through more than 80 participating electrical distributors across Saskatchewan. Commercial customers who switch to energy efficient lighting can save up to 40% on their annual lighting electricity costs, as well as lower the need for maintenance. In 2016-17, the program was updated after a review to better reflect the current Saskatchewan market.

Online Energy Assessment for Small & Medium Business: Similar to the residential online assessment tool, this initiative provides small & medium businesses customers with insight into their power and natural gas consumption. It illustrates the factors that contribute to their consumption and provides recommendations that will help reduce power consumption based on physical building and equipment information. It will also provide comparisons to buildings of similar size and similar business equipment set-ups.

Walk-Through Assessment: This year-round program provides qualifying business customers with an in-person energy assessment of their facilities. Participants receive a facility-specific power consumption report, a comparison to similar facilities, a list of the top savings opportunities and information about available SaskPower incentive programs. Our company covers 90% of the costs associated with the assessment.

Commercial Energy Optimization Program: This is a year-round program for SaskPower's large commercial customers that will provide incentives for the development and implementation of custom projects.

Commercial Refrigeration Incentive Program: This is a year-round program that provides business customers incentives to purchase qualified energy efficient refrigerators, freezers, or refrigeration products (i.e. LED lights, night covers, etc.). Rebates of up to 50% of a product's purchase price are provided.

Compressed Air Program: This is a year-round program that provides business customers financial incentives to help cover the costs associated with performing audits of compressed air systems. Additional financial incentives may be available if customers implement specific audit recommendations.

Parking Lot Controller Program: This is a year-round program that offers business customers a \$50/controller incentive toward the purchase of intelligent parking lot controllers (controllers that govern the flow of electricity to cars based on the temperature). This program is provided through electrical contractors and can help customers save up to 50% on the cost of parking lot electricity use.

Municipal Ice Rink Program: This is a year-round program open to qualifying artificial ice rinks in Saskatchewan. It provides financial incentives (prescriptive and customized) and facility energy audits in an effort to ensure that municipal ice rinks are being operated as efficiently as possible.

Commercial HVAC Program: This program is offered in partnership with SaskEnergy and provides incentives based on the incremental price of qualified energy efficient natural gas boilers, furnaces, rooftop units, unit heaters and infrared radiant heaters in new construction as well as retrofit applications. Incentives are based on the type, size, and number of units installed.

Power (industrial) customers

Programs within this segment engage and explore energy efficiency projects through customized technical assistance and financial incentives for the identification, development and implementation of energy management and energy efficiency capital projects.

Industrial Energy Optimization Program: This program is offered year round to SaskPower's largest industrial and manufacturing customers. It assists with the identification of energy waste in facilities, with the goal of reducing the costs associated with electrical energy use during the production process. It provides personalized support that improves the efficiency of process operations and offers financial incentives for the identification, development and implementation of energy management and capital projects.

Demand Response Program: The Demand Response Program provides SaskPower with another tool to respond to peak demand, which can help defer capital projects and provides operational and economic benefits. The program consists of two streams. DR1 works with large, high-demand customers that have consistent load characteristics and are able to contribute a minimum of 5 MW within 12 minutes. They are compensated based on their average use over a given month. DR2 arrangements are with customers that have high demand and can still contribute a minimum of 5 MW, but operate much more intermittently or need more time to respond. These customers are compensated at a lower rate. Within the contracts, there are very specific terms regarding how long an event is, how many events can be called adjacent to one another in a given day and how many events can be called over a one-year term.

Customer self generation

Net Metering Program: This program allows residents, farms and businesses to generate electricity to offset their own needs while also delivering their excess electricity to SaskPower's electrical grid. Participants use approved environmentally preferred technologies up to 100 kilowatts (kW) of nominal (nameplate) generating capacity. The Net Metering Program also offers customers a one-time rebate, equivalent to 20% of eligible costs to a maximum payment of \$20,000 for a new grid-connected net metering project. A bi-directional meter keeps track of the electricity to and from the grid for billing purposes.

Small Power Producers Program: This program allows individual customers and businesses to generate their own electricity for the purpose of offsetting power that would otherwise be purchased from SaskPower or for selling all of the power generated to our company. Generation must be through approved environmentally preferred technologies with up to 100 kilowatts (kW) of nominal (nameplate) generating capacity.

Energy efficiency education and outreach

Education and outreach focuses on providing current and future customers with information and tools which allow them to be in control of their power use and to make informed decisions. The education programs also support in-market initiatives.

Residential Retail Customer Engagement: The DSM portfolio includes a residential outreach component, which features in-store education events with representatives located across the province. These representatives provide customers with efficiency information and online tools with the aim of helping customers choose the right energy efficient products to save power and money.

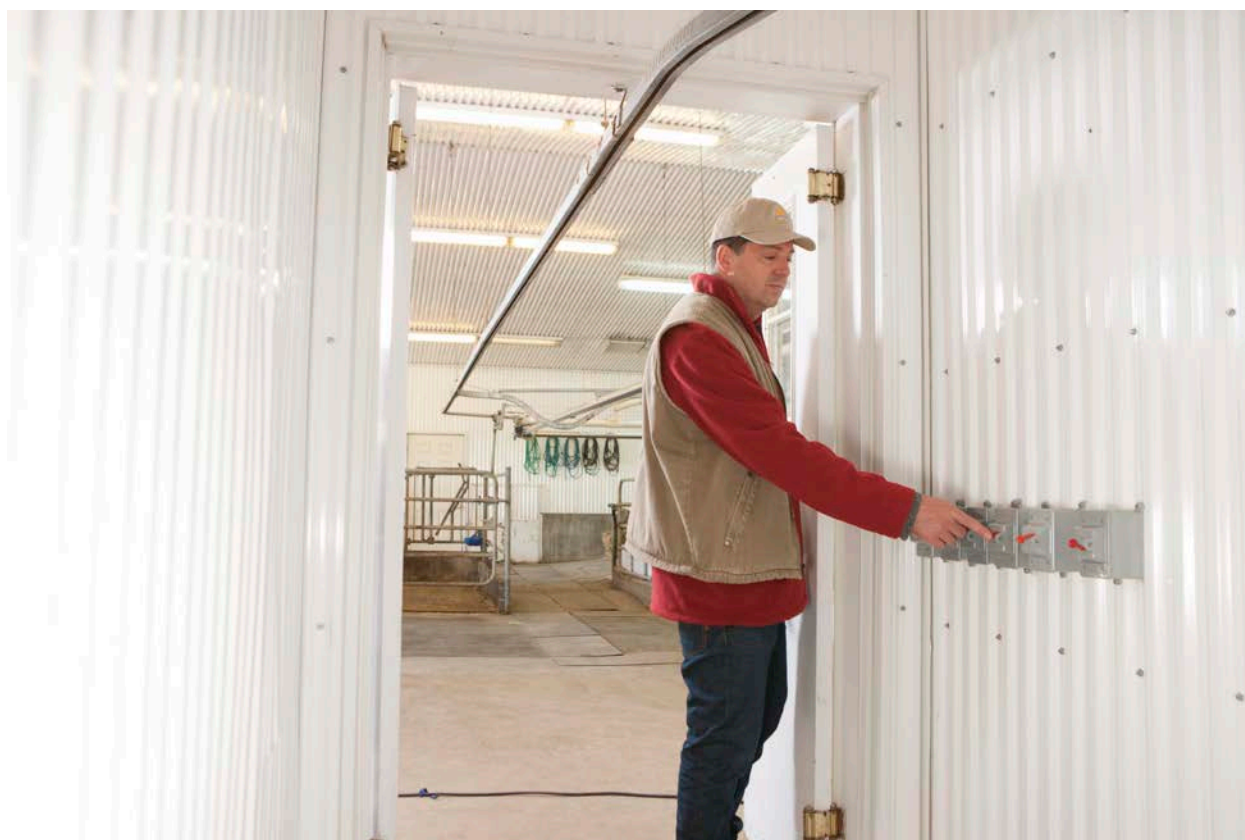
Efficiency Partners Program: The Efficiency Partners Program is made up of a network of organizations that work with SaskPower to help customers make energy efficient choices around products and services. Partners get the latest information on emerging trends and technologies, have the opportunity to network with each other and gain in-depth knowledge about our company's new and existing energy saving programs. Open to all program partners, the initiative features semi-annual workshops which provide further insight into electricity efficiency as well as current and future program offerings.

Small & Medium Business Education and Outreach Program: The DSM portfolio also includes a Small & Medium Business Education and Outreach Program focused on providing information about SaskPower's DSM programs and energy-efficient business practices for different industries and business sectors. A strategic partnership with various trade groups and business associations across the province helps maximize outreach through seminars, AGMs, lunch and learns, and newsletters.

Pilot projects

New pilot projects within both the residential and small & medium business (commercial) sectors are an opportunity for our company to assess energy savings and the market potential of emerging technologies. SaskPower is currently operating:

Residential Demand Response Pilot: In partnership with Honeywell, this is an initiative to explore the potential benefits of a residential demand response program. Fifty homeowners in Regina's Lakeview area have been recruited to participate. Test events will occur between May and August of 2017.



3.0 Why do we need a rate increase?

SaskPower's mission is to provide reliable, sustainable and cost-effective power for our customers and the communities we serve. This requires striking a balance between ensuring a reliable system while minimizing the impact of rate increases on households, farms and businesses. The main driver of SaskPower's need for a rate increase is our capital program, designed to address: aging infrastructure; growth in demand for electricity; and our transition to cleaner generation sources.

3.1 Aging infrastructure

In 2012, SaskPower's annual capital investment approached \$1 billion for the first time in our company's history, and it has remained at or near that level ever since. Each \$1 billion in capital investment requires approximately a 3% rate increase to cover the associated increases to depreciation and borrowing costs.

Annual capital spending since 2006

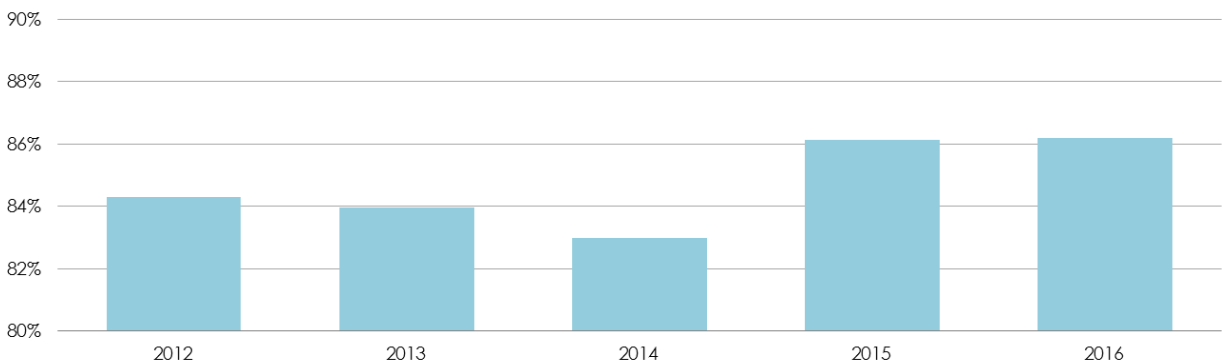


A critical element of our corporate mission statement is the provision of reliable power to the people of Saskatchewan. Today, system reliability continues to be recognized as one of the top risks facing our company. Significant portions of our company's generation, transmission and distribution infrastructure will need to be rebuilt, replaced or renewed in the coming decades. Most of SaskPower's conventional coal units were built in the 1970s and early 1980s. Most of our hydro capacity was constructed in the late 1950s through the 1960s, with some facilities constructed as far back as the 1930s. Today, as a result of regular sustainment investments, these units continue to form the backbone of SaskPower's system and perform reliably despite their age. However, retirements and/or major refurbishments are on the horizon.

To measure generation reliability, SaskPower calculates the Equivalent Availability Factor (EAF). A common electricity industry metric, EAF measures the generation system's overall availability while factoring in planned outages, forced outages and derates, and is calculated as follows:

$$EAF = \frac{\text{Number of hours in period} - \text{equivalent outage time}}{\text{Number of hours in the period}} \times 100$$

SaskPower system equivalent availability factor (EAF)



Unlike transmission and distribution outages, a generation outage generally does not directly impact customers as secondary sources are usually available and a system reserve margin is maintained. However, reliability is vital to effective generation planning. If reliability decreases, more generation capacity will be required to meet the same level of demand compared to a smaller but more reliable generation system. After decreasing in 2009-2014, our company's system EAF began to recover in 2015 and 2016.

Coal and hydroelectric generation make up approximately half of SaskPower's generation capacity. Many hydroelectric units are in need of extensive refurbishments. In 2016-17, a total of \$20 million was invested in hydroelectric generation sustainment projects. Work has already begun on life-extending Units #1 through #6 of E.B. Campbell Hydroelectric Station, a 289-MW facility near Nipawin. Plans to refurbish the 186-MW Coteau Creek Hydroelectric Station, located on the South Saskatchewan River near Elbow, have also started. These projects are budgeted at over \$440 million and will take eight or nine years to complete, but will extend the lives of these renewable electricity sources for the next generation.

Our coal fleet is also aging. Other than the unit with carbon capture and storage that was installed at Boundary Dam Power Station, the newest conventional coal-fired generation addition to the fleet was the Shand Power Station, commissioned in 1992. Although federal regulations will require the phase out of conventional coal-fired generation, the coal fleet provides an important bridge of baseload capacity as SaskPower moves towards its goal of up to 50% renewable capacity by 2030.



More electricity was generated by coal than any other source in 2016-17, and it remains a cost-effective supply. During the year, SaskPower invested significantly in refurbishing its coal fleet, including \$47 million at Poplar River Power Station, \$47 million at Boundary Dam Power Station, and \$18 million at Shand Power Station. Meanwhile, investment in the natural gas fleet was \$11 million in 2016-17. In the future, reliance on gas generation is expected to grow, providing the flexibility of both baseload and peak generation as more intermittent sources of renewable generation are added to the system.

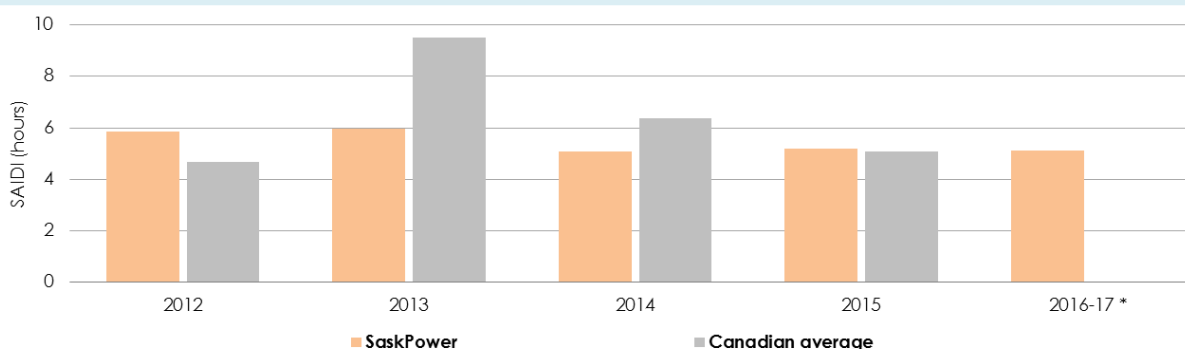
When it comes to the electricity grid, although recent sustainment investments have improved its performance, it still requires significant investment to maintain reliability. Transmission and distribution reliability is assessed using two industry standard metrics: the System Average Interruption Duration Index (SAIDI), and the System Average Interruption Frequency Index (SAIFI). SAIDI allows us to track our performance restoring service in response to outages, while SAIFI represents the number of outages that an average customer experiences in one year.

In general, SAIDI and SAIFI will increase as a grid ages. To combat this problem, SaskPower has launched a variety of annual maintenance programs to ensure that grid components are evaluated, and then refurbished or replaced as necessary. A comprehensive grid renewal program has been underway for a number of years to maintain reliability, but significant work will continue to be needed in the future.

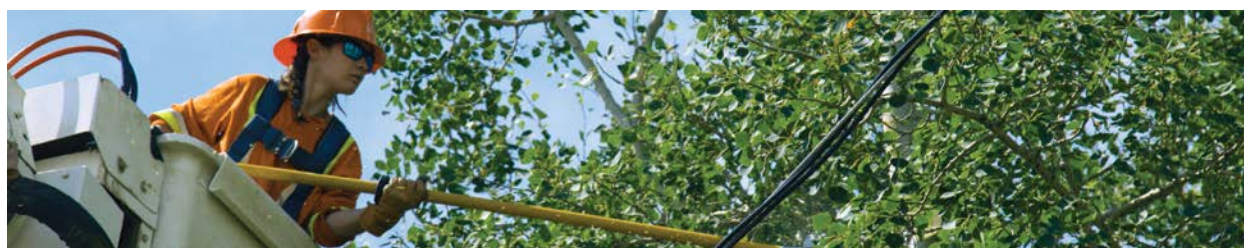
The majority of SaskPower's rural distribution system was built between 1950 and 1965 and was designed to minimize construction costs. Nearly 70% of more than one million distribution poles were installed prior to 1990, and have an average age of approximately 38 years. Our company would need to replace 36,000 poles per year for 10 years to reach an industry standard average age of 25 years. A 10-year wood pole replacement program is ongoing, where approximately 10% of poles are systematically inspected annually so that a decision to life extend or replace the pole can be made.

SaskPower's underground distribution systems are also aging. As a result, our company is investing in the life extension and replacement of urban cable systems to improve reliability. Overall, despite numerous challenges our company is generally competitive with the Canadian average regarding the duration and frequency of distribution outages.

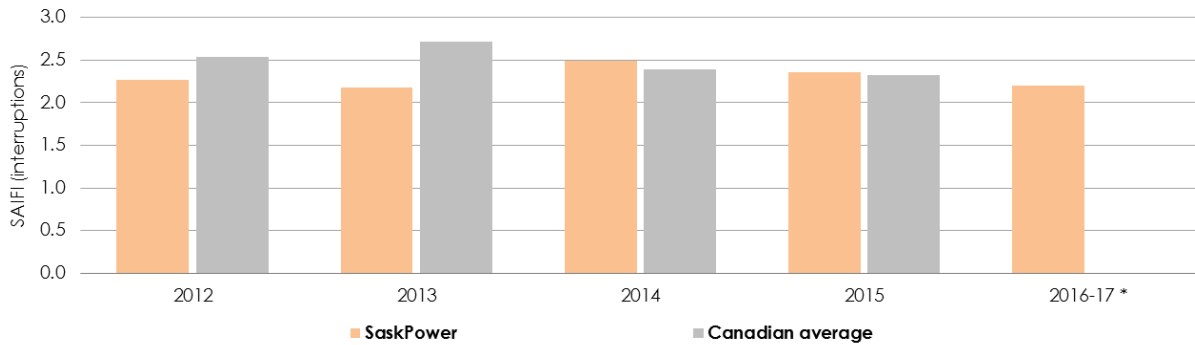
Distribution five-year SAIDI history



* 2016-17 Canadian average not available.



Distribution five-year SAIFI history

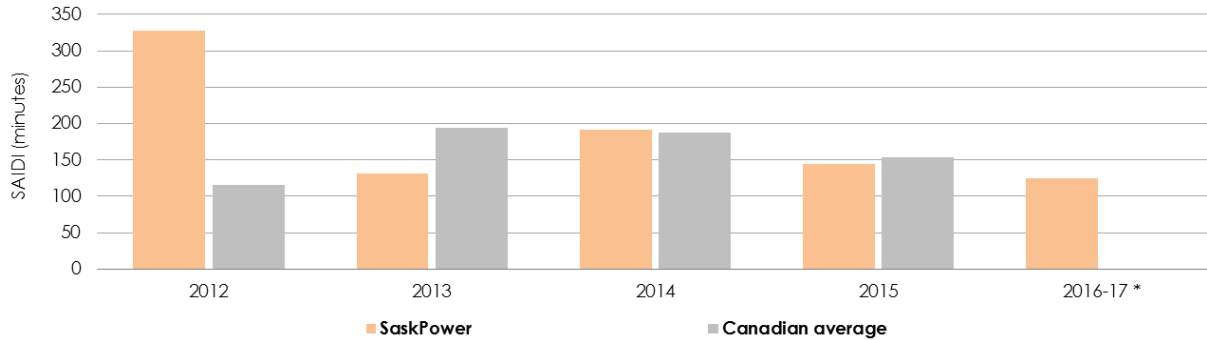


* 2016-17 Canadian average not available.

Most of SaskPower’s transmission infrastructure is old by international standards and was designed to minimize construction costs. The average age of SaskPower’s 230-kilovolt (kV) system is 32 years, while the average age of our 138-kV system is 43 years. Because of its age, the cost of operating and maintaining our transmission system is increasing.

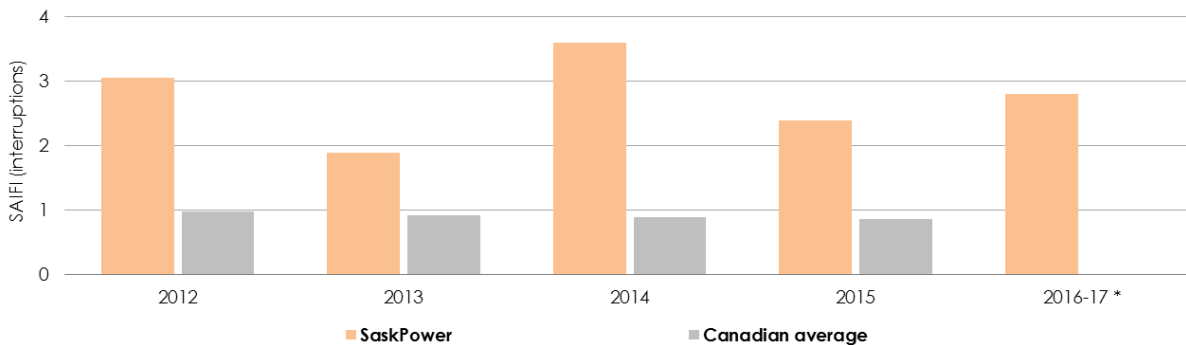
SaskPower’s transmission system experiences significantly more outages than the Canadian average, but our company is competitive when it comes to outage duration. SaskPower continues to implement enhanced construction and maintenance standards to reduce the number of outages, while also focusing on improvements in contingency planning for critical assets and the targeted implementation of transmission asset sustainment programs.

Transmission five-year SAIDI history



* 2016-17 Canadian average not available.

Transmission five-year SAIFI history



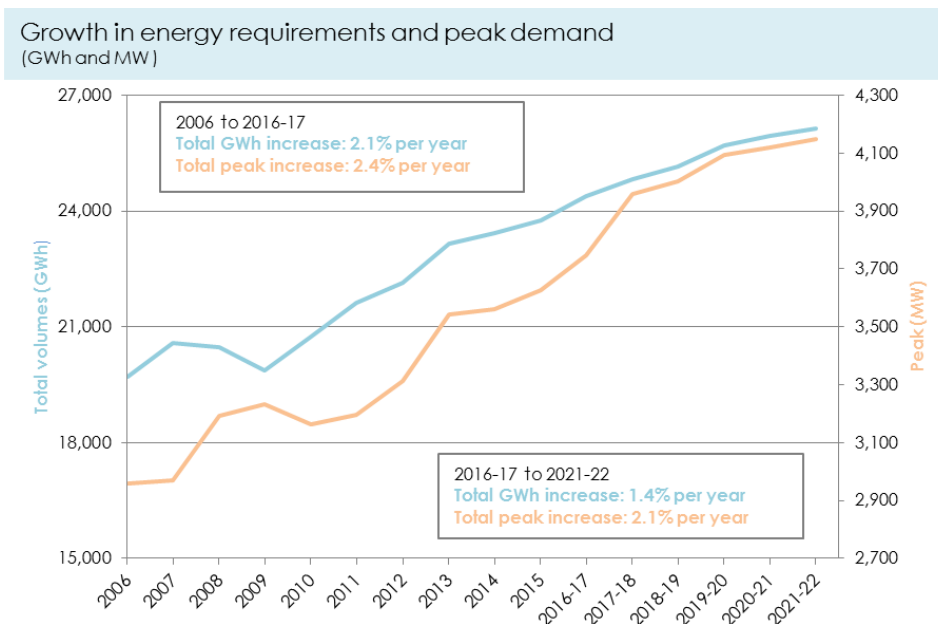
* 2016-17 Canadian average not available.

Overall, with the exception of the frequency of transmission outages, SaskPower's reliability results are comparable with the rest of the country. However, a few pockets throughout the province experience more reliability issues than others. Work is prioritized so that the limited capital budget is invested in the best way possible. SaskPower's investment in reliability is a significant factor in this rate application. For example, SaskPower's total capital budget was \$280 million in 2007. In 2017-18, total capital spending is budgeted at \$1,121 million, with \$425 million budgeted for sustainment spending alone.

3.2 Electricity demand growth

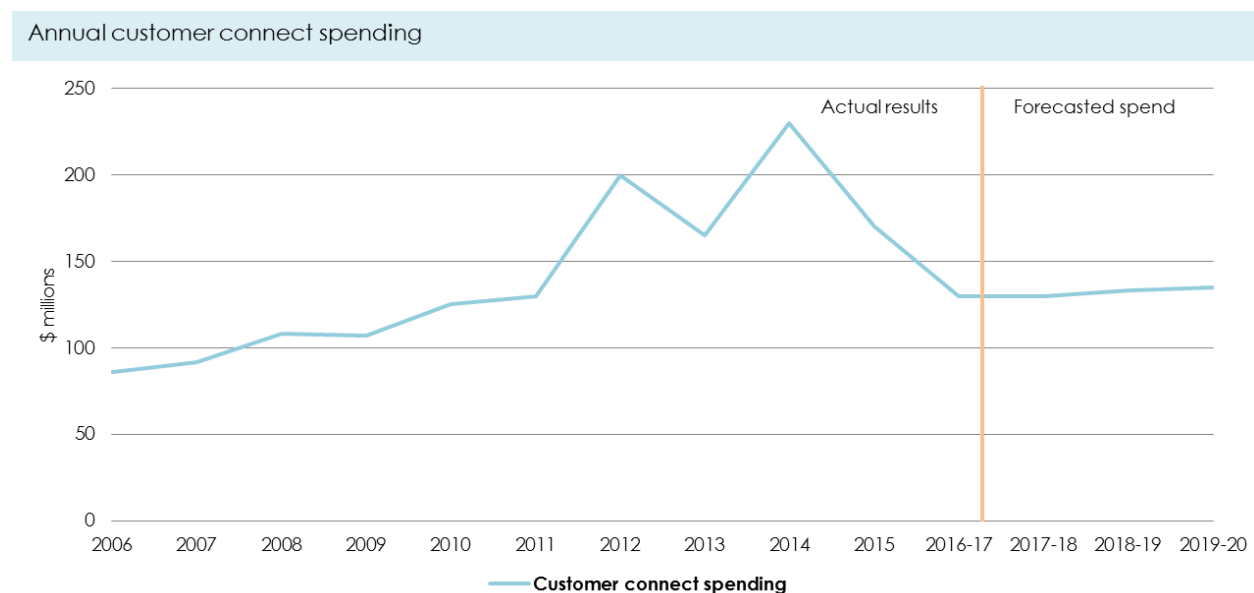
SaskPower is projecting peak demand to increase 2.1% annually over the next five years. This is a slower pace of growth relative to the previous decade, during which peak demand grew annually at 2.4%. Our company continues to set new records for the amount of power required for customers at a single time — a new annual record peak demand of 3,747 MW was set in January 2017 and a new summer peak demand record of 3,419 MW was set in July 2017. In comparison, in 2006 the annual peak demand was 2,960 MW and the summer peak demand was 2,706 MW. The 2017 peak records reflect increases of 26.6% and 26.3% respectively over the past decade.

To ensure adequate capacity and a reserve to accommodate demand growth, SaskPower's generation capacity (including independent power producers) increased at a similar rate — from 3,668 MW in 2006 to 4,491 MW today (increase of 22.4%). Our company produced a record of 24,374 GWh in fiscal 2016-17, up from 19,714 GWh in 2006 (increase of 23.6%). Moving forward, SaskPower is forecasting a more moderate growth of electricity production of 1.4% annually over the next five years.

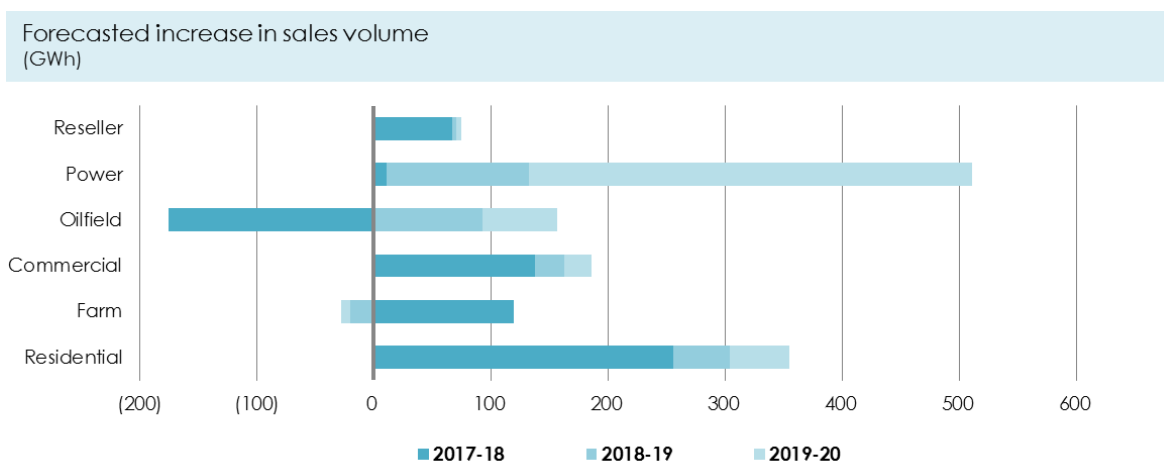


During 2010-2015, unprecedented economic and population expansion in the province strained financial and human resources that may have otherwise been directed to system refurbishment. While Saskatchewan's growth is tapering off, the echo of significant increases in both the number of new customers added annually and the capital investment required to connect those customers continues to have an impact on our business.

After averaging approximately 9,500 new customer accounts annually since 2010, SaskPower's customer connects declined to just over 6,300 in 2016-17. Our company is forecasting annual spending of approximately \$135 million on customer connects over the next few years, down from a high of \$230 million in 2014.



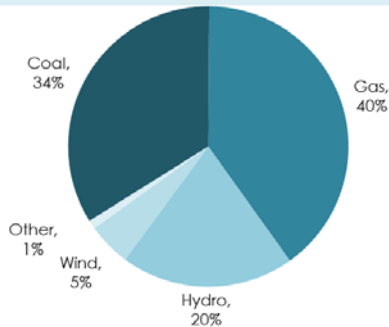
Almost all customer classes are expected to experience growth in electricity demand over the next three years with the exception of the oilfield class. Power (industrial) customers account for 43% of the growth, followed by the residential class at 30%, and the commercial (small & medium business) class at 16%.



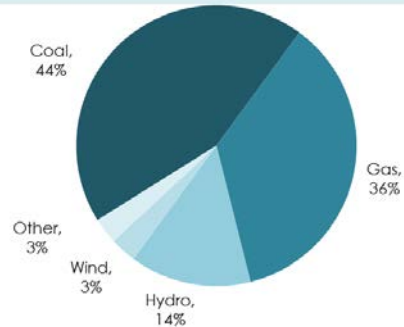
3.3 Climate change and associated regulations

A new and evolving regulatory climate change-related framework continues to challenge SaskPower. Since 2015, regulations have been in place that will eliminate our company's primary baseload electricity source — conventional coal-fired generation. SaskPower's coal fleet has been shrinking due to retirements, but still has a total generating capacity of 1,530 MW as of March 31, 2017. This represents 34% of total generation capacity. Of note, 110 MW of this coal capacity is fitted with carbon capture and storage technology.

2016-17 available generating capacity (MW)



2016-17 gross electricity supplied (GWh)



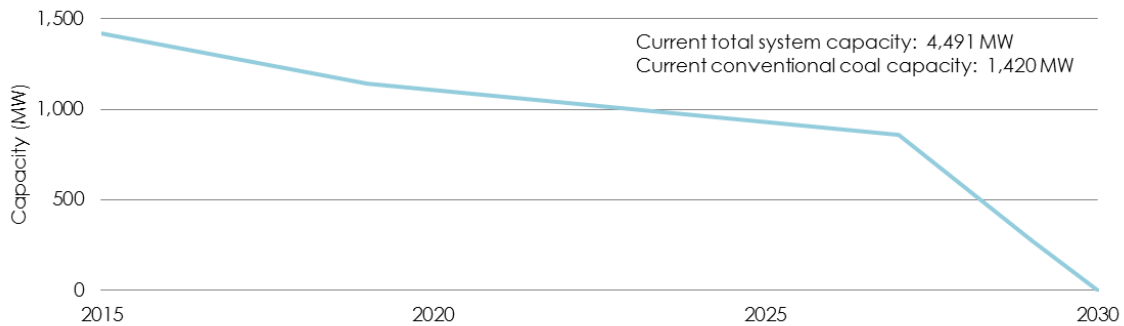
Changing regulations regarding fossil fuel generation have been identified as the top corporate risk SaskPower faces. Federal regulations prevent the development of any new conventional coal generation facilities and set timelines and conditions for the shutdown of conventional coal units. Specifically, any unit that does not meet the standard of 420 tonnes of CO₂ per GWh will have to be retired or refurbished using the following guidelines:

- 1) For units commissioned prior to 1975, the end-of-life status is reached on the earliest of December 31 of its 50th year of service or December 31, 2019. This guideline applies to Boundary Dam Power Station Units #4 and #5, which have a total generation capacity of 278 MW. Both units will need to be retired by December 31, 2019, unless the 420 tonnes of CO₂ per GWh emissions standard is reached, such as a through a retrofit with carbon capture technology or an Equivalency Agreement with the Government of Canada which could provide retirement date flexibility.
- 2) For units commissioned between and including 1975 and 1985, the end-of-life status is reached at the earliest of the 50th year of service or December 31, 2029. This applies to Boundary Dam Power Station Unit #6 and Poplar River Power Station Units #1 and #2, which have a total capacity of 866 MW. Unless retrofitted with carbon capture technology, Boundary Dam Power Station Unit #6 must retire by the end of 2027, while Poplar River Power Station Units #1 and #2 must retire by the end of 2029.
- 3) For all other cases, Environment and Climate Change Canada (ECCC) has recently pledged to move up end-of-life coal units to the end of 2029. There is a possibility that this might be bumped to the end of 2030. In either scenario, this will mean a much earlier retirement for Shand Power Station, whose end-of-life was originally scheduled for 2042.

Impact of federal emission regulations on SaskPower's coal fleet

Coal unit	Capacity (MW)	Commissioned	End-of-life status date
Boundary Dam Power Station Unit #4	139	1970	2019
Boundary Dam Power Station Unit #5	139	1973	2019
Boundary Dam Power Station Unit #6	284	1977	2027
Poplar River Power Station Unit #1	291	1981	2029
Poplar River Power Station Unit #2	291	1983	2029
Shand Power Station Unit #1	276	1992	2029/2030

Conventional coal capacity



Without an Equivalency Agreement with the Government of Canada or the use of carbon capture and storage, SaskPower would experience major retirements at coal-fired Boundary Dam, Poplar River and Shand Power Stations in 2019, 2027 and 2029-30.

In addition to ensuring that SaskPower has enough capacity to handle the growing demand for electricity in Saskatchewan, our company will also have to replace the entire conventional coal fleet by 2029 or 2030. This represents approximately one third of the current system electricity generating capacity.

SaskPower is continuing to work with the Saskatchewan Ministry of Environment and Environment & Climate Change Canada (ECCC) to set carbon dioxide CO₂ emissions levels which would form the basis for a CO₂ reductions Equivalency Agreement (EA) between the Province of Saskatchewan and Government of Canada. The EA will require the adoption of provincial regulations that have equivalent outcomes to the federal coal-fired regulations, but will allow flexibility on how those outcomes are achieved. The EA would allow Saskatchewan to achieve or surpass emissions targets as set by the federal government in a more cost-effective way than would have been strictly prescribed under the federal regulations.

40% greenhouse gas (GHG) emissions reduction by 2030 from 2005 levels

Replacing significant portions of our aging infrastructure and adding generation to accommodate growth gives SaskPower an opportunity to substantially change its generation mix and reduce its impact on the environment. SaskPower has committed to reduce our company's GHG emissions by 40% from 2005 levels by 2030.

To do so, SaskPower is planning to replace conventional coal with cleaner energy sources including natural gas and possibly coal with carbon capture and sequestration technology. In addition, SaskPower will invest significantly to meet its goal of increasing renewable generation capacity to up to 50% of total generation capacity by 2030. Most of the increase in renewables will be in the form of additional wind generation, as well as some solar power. Geothermal, biomass, flare gas and additional hydro and hydro imports will also be considered.



4.0 What are we doing to minimize rate increases?

4.1 Finding efficiencies

As our company's capital spending needs remain at historical highs, it is more essential than ever to execute effective prioritization to meet the needs of growing electricity demand and renew an aging system while managing costs; keep our debt level within the target range; maintain acceptable reliability and power quality levels; and demonstrate rate competitiveness.

As a result, SaskPower will need to rely on effective cost management and increasing efficiencies. In 2015, SaskPower reduced its budgeted OM&A spending by \$38 million, \$8 million for the first three months of 2016, and another \$27 million in 2016-17. The Application recommends reducing budgeted OM&A spending by an additional \$142 million over the next 3 years for a total savings of \$215 million from the 2016-17 approved Business Plan over the five-year period from 2015 to 2019-20.

OM&A budget reductions (\$ millions)

	Twelve months December 31	Three months March 31	Twelve months March 31	Twelve months March 31	Twelve months March 31	Twelve months March 31	Total
	2015	2016	2016-17	2017-18	2018-19	2019-20	
Original Business Plan	\$ 672	\$ 167	\$ 702	\$ 721	\$ 748	\$ 783	\$ 3,793
2018 Rate Application	\$ 634	\$ 159	\$ 675	\$ 689	\$ 703	\$ 718	\$ 3,578
OM&A budget reduction	\$ 38	\$ 8	\$ 27	\$ 32	\$ 45	\$ 65	\$ 215

Also in 2015, SaskPower reduced its budgeted capital spending by \$210 million, and saved another \$69 million over the first three months of 2016. In 2016-17, SaskPower reduced its capital spending by an additional \$205 million. The Application recommends reducing budgeted capital spending by an additional \$1.9 billion over the next three years for a total savings of \$2.4 billion over the five-year period from 2015 to 2019-20.

Capital budget reductions - including power purchase agreements (\$ millions)

	Twelve months December 31	Three months March 31	Twelve months March 31	Twelve months March 31	Twelve months March 31	Twelve months March 31	Total
	2015	2016	2016-17	2017-18	2018-19	2019-20	
Original Business Plan	\$ 1,200	\$ 256	\$ 1,091	\$ 1,312	\$ 1,859	\$ 2,198	\$ 7,915
2018 Rate Application	\$ 990	\$ 187	\$ 886	\$ 1,121	\$ 1,147	\$ 1,169	\$ 5,500
Capital budget reduction	\$ 210	\$ 69	\$ 205	\$ 191	\$ 712	\$ 1,029	\$ 2,415

During 2016-17, we introduced the new Business Optimization Initiative. It will review our company from top to bottom, challenging the way we currently do business. The initiative is focused on streamlining, refining and prioritizing our high value work, as well as improving our company's ability to evolve along with the ever-changing regulatory requirements, technological standards and service expectations inherent in our industry.

The Business Optimization Initiative was launched with the intent of identifying sustainable process improvements and cost reductions that will provide benefits to both SaskPower and the Province of Saskatchewan well into the future. Our company is expecting to achieve savings in a number of ways: continuing the management and streamlining of our workforce – both employees and contractors; prioritizing all requests for new initiative spending; and deferring some projects to future years.

Crown Collaboration

SaskPower continues to collaborate with SaskEnergy, SaskTel, SGI and other Government of Saskatchewan Crowns to identify and pursue opportunities that enhance customer experience; increase operational efficiencies and productivity; and reduce costs and administration. Opportunities which were fully assessed, implemented or completed during the past year include: the new entrants to Saskatchewan package, insurance efficiencies, and coordination of infrastructure installation, including the Regina Bypass Project.

A Crown collaboration working committee is identifying new collaboration opportunities, evaluate their viability, and move them through implementation if appropriate. Its mandate is also to foster a collaborative culture within and between the Crowns and entrench collaboration into existing business processes. The working group has been successful in identifying a number of potential new opportunities, including smarthome/customer efficiency programs; security; training content and delivery; hazardous and non-hazardous waste management; and environmental screening.

4.2 Demand Side Management (DSM)

SaskPower's DSM initiatives help our company avoid costs associated with building new generation sources. By the end of 2016-17, SaskPower had accumulated peak demand savings of 125 MW through energy efficiency and conservation initiatives since 2008. In addition, demand response initiatives targeting Power (industrial) customers provide 85 MW of capacity value. The DSM portfolio has targeted an additional 12 MW in savings in 2017-18. As the market and programs change, targets for each initiative are continually re-assessed.

4.3 Rate increase relief through lower ROE and increased debt

In recent years, SaskPower had attempted to limit rate increases and cap any at 5% per year. The result has been that our company has absorbed some of the required rate adjustments through increased debt rather than passing costs on immediately to our customers. Combined with SaskPower's capital program, these constraints on rate increases have resulted in SaskPower's debt level surpassing the upper limit of our 60-75% target range.

Return on equity (ROE)

ROE measures the profit relative to the equity invested in the utility. Achieving an adequate return is a prerequisite for our company to maintain a reasonable capital structure through increases in retained earnings. SaskPower's long-term ROE target is 8.5%, which is comparable to that of other regulated utilities in Canada.



Canadian utility comparison: return on equity (ROE) (2015-16)

Rank	Utility	Year-end	ROE	Functions			Generation type	Ownership type	Owner	Accounting standards
1	BC Hydro	31-Mar-16	15.1%	Dist	Trans	Gen	Hydro	Government	BC	IFRS (modified)
2	Hydro Québec	31-Dec-15	14.9%	Dist	Trans	Gen	Hydro	Government	Québec	US GAAP
3	Nova Scotia Power Inc.	31-Dec-15	12.6%	Dist	Trans	Gen	Thermal	Investor	Emera Inc.	US GAAP
4	FortisAlberta	31-Dec-15	11.0%	Dist				Investor	Fortis Inc.	US GAAP
5	Epcor	31-Dec-15	10.7%	Dist	Trans			Government	Edmonton	IFRS
6	Newfoundland Power	31-Dec-15	8.6%	Dist	Trans	Gen	Hydro	Investor	Fortis Inc.	US GAAP
7	Hydro One	31-Dec-15	8.1%	Dist	Trans		Hydro	Government	Ontario	US GAAP
8	FortisBC Inc.	31-Dec-15	6.1%	Dist	Trans	Gen	Hydro	Investor	Fortis Inc.	US GAAP
9	Newfoundland & Labrador Hydro	31-Dec-15	5.4%	Dist	Trans	Gen	Hydro	Government	Newfoundland	IFRS
10	New Brunswick Power	31-Mar-16	4.4%	Dist	Trans	Gen	Thermal	Government	New Brunswick	IFRS
11	Ontario Power Generation	31-Dec-15	4.1%			Gen	Thermal	Government	Ontario	US GAAP
12	Manitoba Hydro	31-Mar-16	2.4%	Dist	Trans	Gen	Hydro	Government	Manitoba	IFRS
13	ENMAX	31-Dec-15	2.1%	Dist	Trans	Gen	Thermal	Government	Calgary	IFRS
14	SaskPower	31-Dec-15	1.8%	Dist	Trans	Gen	Thermal	Government	Saskatchewan	IFRS
15	TransAlta	31-Dec-15	(1.2%)			Gen	Thermal	Investor	Investor	IFRS

SaskPower regularly reviews its ROE target with respect to peer electric utilities, relevant regulatory decisions and market expectations. In 2015, our company had a net income return on equity of 1.8%, well below the long-term target. This performance ranks SaskPower's ROE as the 2nd worst out of the 15 utilities listed above. Our company is anticipating that this rate application will allow SaskPower to return to its ROE target of 8.5% in 2018-19.

Per cent debt ratio

The per cent debt ratio provides a measure of total debt to total corporate financing structure, expressed as a percentage. It can be interpreted as the proportion of a company's assets that are financed by debt. The higher the ratio, the more leveraged the company and the greater its financial risk.

SaskPower's target debt ratio target range is 60-75%. In comparison to other utilities across Canada, our company's per cent debt ratio ranks fourth worst compared to the utilities listed below. It is important to note that upon adoption of International Financial Reporting Standards (IFRS), SaskPower began recognizing capital finance leases related to its power purchase agreements (PPAs) and includes these lease obligations as part of its debt when calculating its per cent debt ratio.

Canadian utility comparison: per cent debt ratio (2015-16)

Rank	Utility	Year-end	Debt ratio	Functions			Generation type	Ownership type	Owner	Accounting standards
1	Ontario Power Generation	31-Dec-15	34.3%			Gen	Thermal	Government	Ontario	US GAAP
2	ENMAX	31-Dec-15	40.6%	Dist	Trans	Gen	Thermal	Government	Calgary	IFRS
3	Epcor	31-Dec-15	45.3%	Dist	Trans			Government	Edmonton	IFRS
4	TransAlta	31-Dec-15	50.3%			Gen	Thermal	Investor	Investor	IFRS
5	Hydro One	31-Dec-15	50.7%	Dist	Trans		Hydro	Government	Ontario	US GAAP
6	Newfoundland Power	31-Dec-15	54.5%	Dist	Trans	Gen	Hydro	Investor	Fortis Inc.	US GAAP
7	FortisBC Inc.	31-Dec-15	57.5%	Dist	Trans	Gen	Hydro	Investor	Fortis Inc.	US GAAP
8	Newfoundland & Labrador Hydro	31-Dec-15	57.6%	Dist	Trans	Gen	Hydro	Government	Newfoundland	IFRS
9	FortisAlberta	31-Dec-15	57.7%	Dist				Investor	Fortis Inc.	US GAAP
10	Nova Scotia Power Inc.	31-Dec-15	68.7%	Dist	Trans	Gen	Thermal	Investor	Emera Inc.	US GAAP
11	Hydro Québec	31-Dec-15	69.9%	Dist	Trans	Gen	Hydro	Government	Québec	US GAAP
12	SaskPower	31-Dec-15	74.8%	Dist	Trans	Gen	Thermal	Government	Saskatchewan	IFRS
13	BC Hydro	31-Mar-16	80.0%	Dist	Trans	Gen	Hydro	Government	BC	IFRS (modified)
14	Manitoba Hydro	31-Mar-16	83.0%	Dist	Trans	Gen	Hydro	Government	Manitoba	IFRS
15	New Brunswick Power	31-Mar-16	96.0%	Dist	Trans	Gen	Thermal	Government	New Brunswick	IFRS

5.0 Competitiveness

5.1 Rates – Canada

Increased levels of capital spending and their associated cost pressures are common across the electrical industry in Canada. So are the resulting impacts on rates. Utilities that rely largely on hydro generation typically have the lowest electricity rates in Canada. However, even hydro utilities with low input costs have begun to face significant cost pressures as the cost to replace or refurbish existing infrastructure far exceeds the initial cost to build infrastructure many decades ago. Transmission and distribution costs have also increased significantly.

It is difficult to draw meaningful conclusions by simply comparing rates from jurisdiction to jurisdiction. Comparison with some jurisdictions — such as Ontario and Alberta — are difficult because their markets are deregulated. Rather than one company providing all electrical services, competing entities provide generation, transmission and distribution services with varying pricing and service options.

Direct comparisons are also difficult in similarly structured markets. Some utilities use deferral accounts, which can take a cost which would normally be expensed in the current period and allocate that cost over a number of years. Others use a rate rider on top of rates to collect additional revenue for a specified period of time outside of the base rate. SaskPower does not use deferral accounts or rate riders.

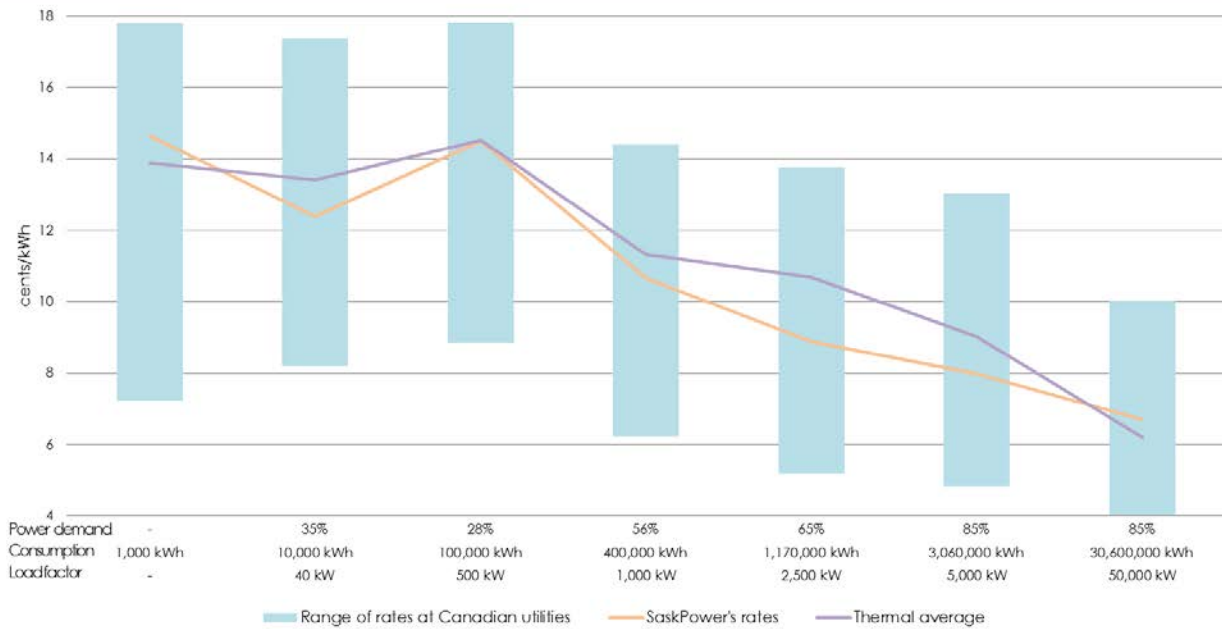
Further complicating comparisons, utilities are inconsistent across Canada with respect to acceptable levels of debt, return on equity and other financial targets for rate-setting purposes. Also, each province has natural advantages and disadvantages — including viable generation options, service area size, population and regulatory environment — which make comparisons strictly based on rates somewhat incomplete. Overall, our company has an extensive system and fewer customers to bear the costs of service in comparison to most utilities in Canada.

In the most recent Hydro Québec *Comparison of Electricity Prices in Major North American Cities* (at April 1, 2016), SaskPower's rates are competitive with other thermal jurisdictions at certain demand and consumption levels but among the highest in Canada at other levels. Thermal utilities use coal, natural gas, oil or nuclear, as opposed to supplying most of the utility's load with low-cost hydro generation.

SaskPower did not request a rate increase in 2011 or 2012, but since that time has been granted rate increases of 5.0% in 2013, 5.5% in 2014, 5.0% in 2015, 5.0% in 2016, and 3.5% in 2017. The chart below shows the cost in cents/kilowatt hour (kWh) at various demand and consumption levels. A more thorough comparison can be found in Appendix A. Please note that the 2016 Hydro Québec report uses rates as of April 1, 2016, and does not include SaskPower's 2016 or 2017 rate increases, nor any other utility's increases since the survey.



SaskPower's rates within the range of rates of other Canadian utilities
cents/kWh (April 1, 2016)



This comparison includes the basic charge and the energy charge, but not municipal charge or taxes.

Neighbouring jurisdictions

Alberta

Despite being a predominately thermal generation jurisdiction, rates in Alberta are at 15- to 20-year lows, and are actually competitive with some hydro generation jurisdictions in Canada. Alberta's rates have a very volatile history, largely due to its deregulated market structure. Based on Hydro Québec's annual survey of electricity prices, rates in Calgary and Edmonton were among the highest in Canada in 2013, with industrial rates more than double the rates in Saskatchewan. By 2015, a recession contributed to a large decrease in the demand for electricity in Alberta. This decrease in demand caused a decrease in the price of electricity due to the market being over-supplied.

In Alberta, lower power prices have created a profit margin concern for generators while also prompting questions around the future of electricity supply. The Alberta government announced a plan to reduce its dependence on conventional coal generation by eliminating all coal-fired generation by 2030. Some are concerned that the current low prices will affect the province's attempt to entice private investment for new renewable and gas-fired power projects. Replacement supply will need to be in place when the economy rebounds and demand for electricity increases.

To alleviate these concerns, Alberta's government announced that it will partially regulate the electricity market. The plan is to move from the current energy-only market to a capacity market by 2021. While the energy-only market only pays companies for the electricity they generate, the capacity market pays companies both for the electricity they generate plus the capacity they could offer the market even if the facilities are not selling electricity.

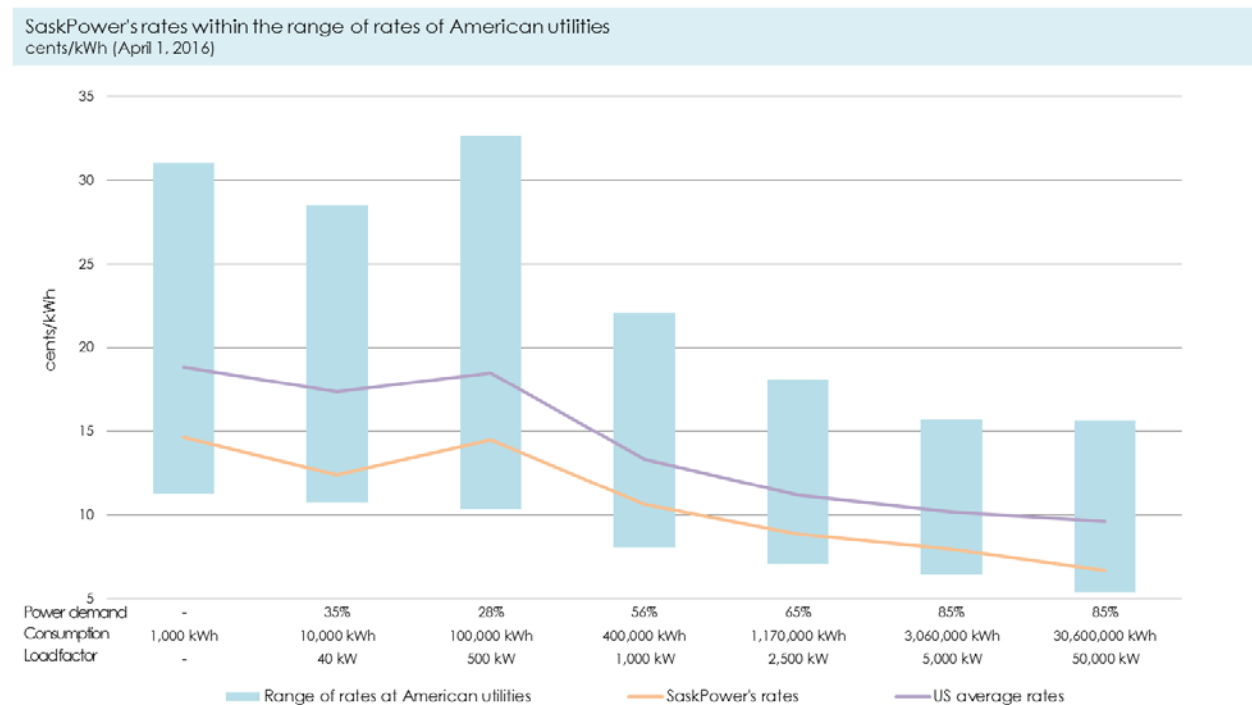
This added stability in revenue for generators should encourage the construction of additional generation capacity in Alberta to help meet future electricity demand and environmental goals. In addition to encouraging private investment in electricity generation, a capacity market usually brings more stable electricity pricing, which would also benefit rate payers in Alberta.

Manitoba

Manitoba Hydro is a predominantly hydro-generating utility and its rate payers enjoy some of the lowest rates in Canada. However, the utility is facing some financial concerns due to mounting debt. As such, Manitoba Hydro submitted a rate application to the Public Utility Board in May 2017, requesting rate increases of 7.9% August 1, 2017, and another 7.9% April 1, 2018. Manitoba Hydro also added that it intends to raise rates almost 8% per year for the next five years. Cumulatively, rates would rise 46.3% between 2016 and 2021. The company cites financing the debt from two major projects – the Keeyask Generating Station and the Bipole III Transmission Line – as the main reason for the rate application. Upon completion of both projects, Manitoba Hydro's debt is projected to increase from \$11 billion to \$23 billion.

5.2 Rates – United States

The Hydro Québec electricity price survey also includes 10 major US cities: Boston, Chicago, Detroit, Houston, Miami, Nashville, New York, Portland, San Francisco and Seattle. SaskPower's rates compare favourably. (The Hydro Québec survey converted the US electricity rates to Canadian dollars as of noon, April 1, 2016: CA\$1 = US\$0.7665.)

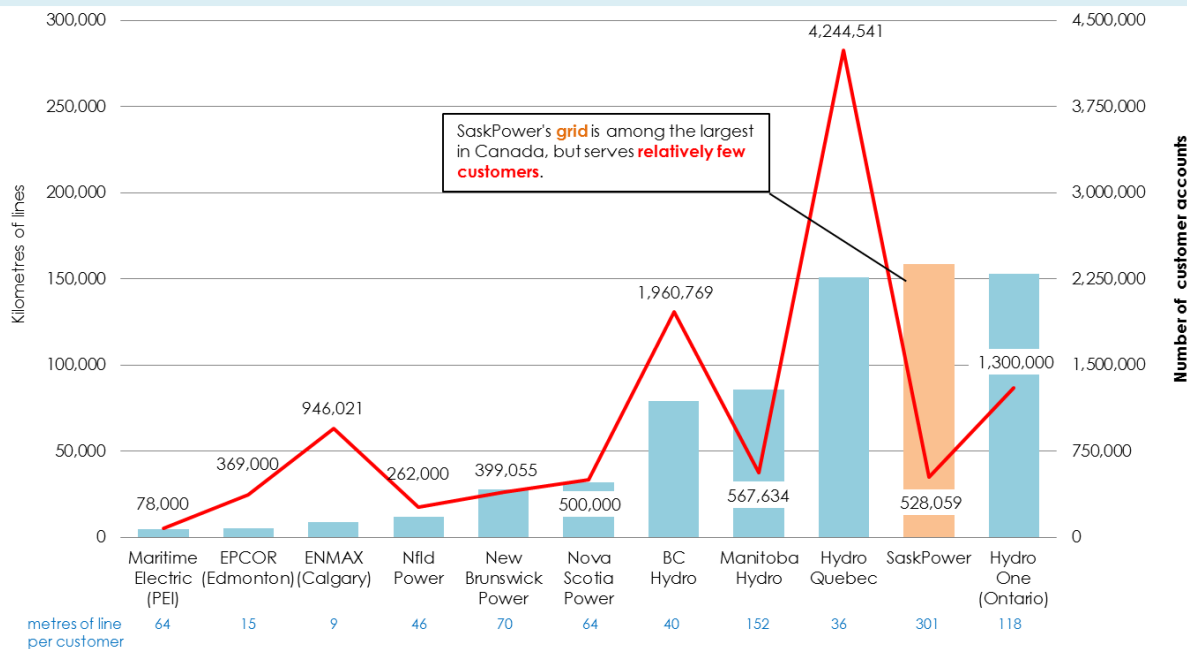


5.3 Jurisdictional comparisons

The geography of Saskatchewan, sparsely populated rural areas, and the location of major generation facilities at great distances from major demand centres contributes to SaskPower's cost structure. Our company has an extensive system and fewer customers to bear the costs of service in comparison to its neighbours.

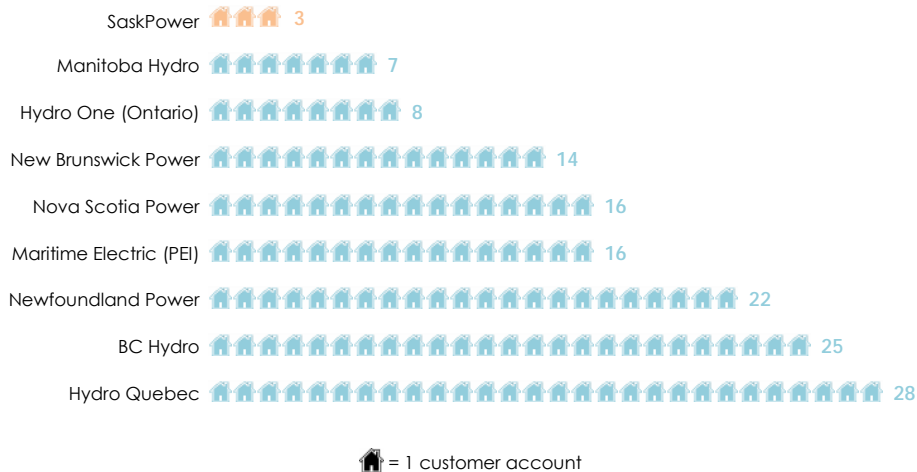
Jurisdictions such as Québec, Manitoba and British Columbia have the capability of generating lower-cost electricity through the use of extensive hydro generation, while SaskPower's ability to generate electricity using low-cost hydro is limited. Also, rates in Québec, Manitoba and British Columbia are heavily subsidized by substantial hydro export earnings.

Kilometres of transmission & distribution lines vs. number of customer accounts (2015-2016)



SaskPower serves an extremely large service area and operates one of the most extensive networks of transmission and distribution lines of any Canadian utility.

Number of customer accounts per one km of transmission/distribution line (2015-16)



At three customers per circuit kilometre, SaskPower has the lowest customer density in Canada compared to the Canadian average of twelve customers per circuit kilometre of line.

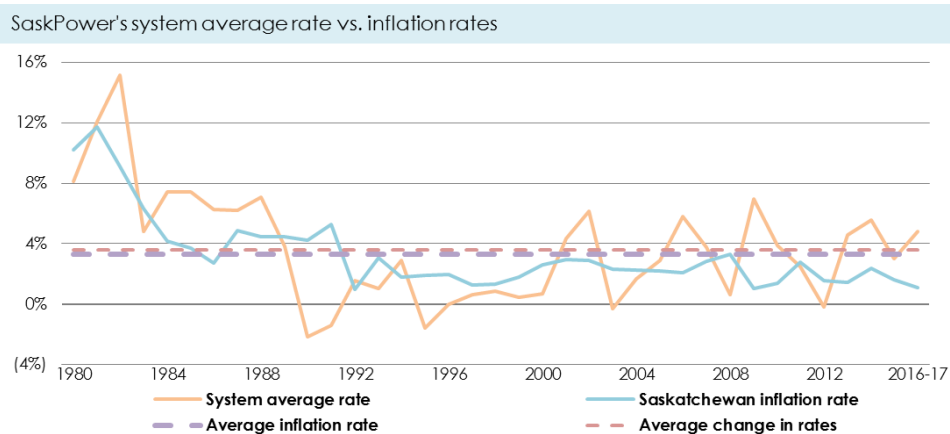
Customer satisfaction

Customer satisfaction is a key component to competitiveness. In a national survey of residential customers conducted through the Canadian Electricity Association in 2017, SaskPower had the highest overall satisfaction results among all major Canadian utilities surveyed. Our company was ranked above the national average in all measured attributes for the ninth year in a row.

Meanwhile, in SaskPower's most recent customer experience survey, 65% of small & medium business (Commercial) customers rated their experience with SaskPower as "excellent." SaskPower's key & major account (Power/industrial and large commercial) customer experience score of 8.0 was very positive, beating the annual target of 7.7 for 2016-17, and also beating last year's score of 7.6. The positive performance was attributed to a focus on improving customer service delivery; efforts to understand customers' businesses; and increased communication regarding topics that matter, such as power rates, system reliability and our company's long-term plans.

Rates vs. inflation

Overall, SaskPower's system average rates have increased at slightly more than the rate of inflation since 1980 (3.6% vs. 3.3% respectively).

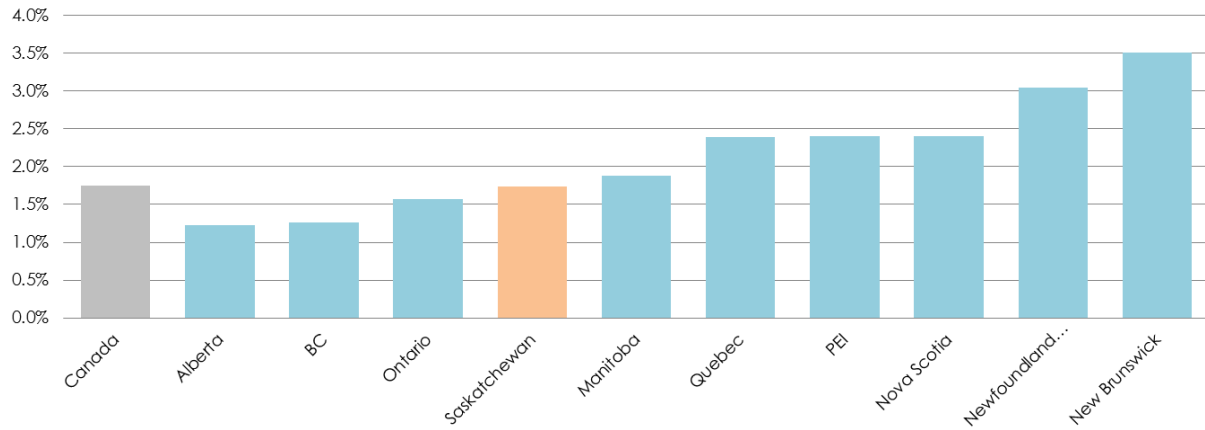


As shown above, our company's rate increases have often been sporadic. This is partially due to SaskPower's need to occasionally invest in large capital projects, such as a generating station or lengthy transmission line. A rate increase is sometimes required to recoup the cost of the project, and then that increase is followed by a period of low rate increases. In recent years, SaskPower has attempted to smooth out the volatility in its rates by requesting moderate increases that will reduce potential rate shock caused by spikes.

How much does electricity cost relative to other household costs?

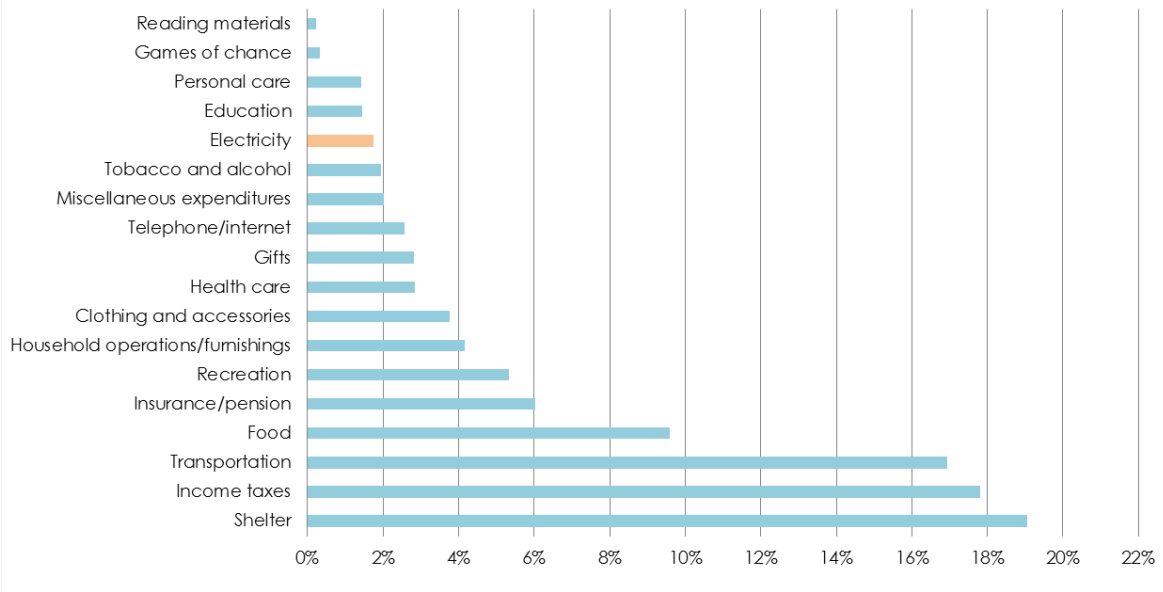
Based on information from Statistics Canada, as a percentage of total household expenditures Saskatchewan's electricity component declined from 2011 to 2015. Per capita, the expense moved from 1.77% of total household expenditures to 1.74% of household expenditures. Saskatchewan's electricity spending relative to household expenditures compares favourably with the rest of Canada, as shown below.

Electricity spending as a percentage of household expenditures
(from Statistics Canada - 2015)



When compared to other household products in Saskatchewan, electricity as a percentage of household expenses is as follows:

Comparison of Saskatchewan household expenses
(Statistics Canada - 2015)



6.0 SaskPower's financial requirements

The key principle behind the requested rate increase is that SaskPower requires the opportunity to recover prudently incurred costs for providing electrical services to customers while also obtaining an appropriate ROE. Similar to most electrical utilities in North America, SaskPower establishes the rates it charges customers on a prospective basis by forecasting customer demand and estimating what its costs will be in the following year to meet that load.

SaskPower is requesting a rate increase of 5.0% effective March 1, 2018. This application will help SaskPower return to meeting its long-term ROE target of 8.5% by 2018-19. It will also allow our company's debt to fall back to within our long-term target range of 60-75% by 2019-20.

Please note that although financial information is provided through 2019-20, this rate application will focus on 2017-18 and 2018-19, the two years most affected by the rate increase request. The outer year forecast is provided in response to customer requests to provide more long-term information. Like any forecast, it is subject to change.

Financial summary

Consolidated statement of income

<i>(in millions)</i>	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Revenue					
Saskatchewan electricity sales	\$ 2,132.2	\$ 2,276.7	\$ 2,428.7	\$ 2,566.6	\$ 2,646.1
Export	7.8	5.4	9.2	14.3	20.8
Net sales from trading	(1.8)	(2.8)	0.5	0.5	0.5
Other	165.6	123.2	117.7	116.2	117.0
	2,303.8	2,402.5	2,556.1	2,697.6	2,784.4
Expense					
Fuel and purchased power	652.2	661.4	645.3	681.6	716.6
Operating, maintenance & administration	637.6	674.8	689.1	703.2	718.2
Depreciation	465.6	493.8	542.3	572.0	575.8
Finance charges	384.4	416.0	417.0	423.7	436.7
Taxes	63.5	72.5	72.5	77.4	80.9
Other	37.3	37.7	30.0	30.0	30.0
	2,240.6	2,356.2	2,396.2	2,487.9	2,558.2
Operating income	\$ 63.2	\$ 46.3	\$ 159.9	\$ 209.7	\$ 226.2
Return on equity (operating)	2.9%	2.1%	6.9%	8.5%	8.5%

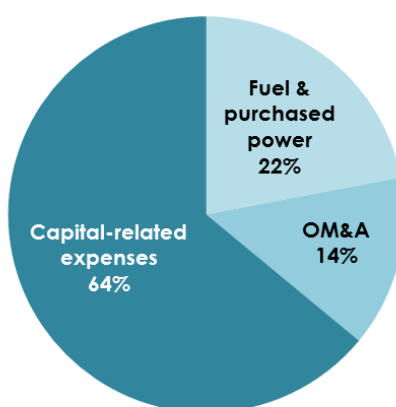
SaskPower is forecasting an operating income of \$159.9 million in 2017-18 and \$209.7 million in 2018-19. The increased revenue from the rate increase is required to offset increases in almost all expense categories. However, the largest cost driver is the increase in capital-related expenses: depreciation, finance charges, taxes and other expenses. Including power purchase agreements, SaskPower is forecasting to invest \$1.121 billion in the electricity system in 2017-18, \$1.147 billion in 2018-19 and \$1.169 billion in 2019-20.

The capital investments are required to maintain and upgrade our existing infrastructure, connect new customers to SaskPower's network, and to add new generation, transmission and distribution capacity to ensure safe and reliable service for the future. With the proposed rate increases, our company is forecasting to fall short of its ROE target of 8.5% in 2017-18, but return to target in 2018-19.

SaskPower's expenses by category can fluctuate year to year depending on many factors, including the level of capital spending, fuel prices and maintenance cycles. A better picture of our company's cost drivers can be obtained over a longer period of time.

The following graph looks at our company's cost drivers since 2013 — the first year we started requesting annual rate increases — through 2018-19. It illustrates that 64% of the increase in SaskPower's expenses is attributable to capital-related expenses. Increases in fuel and purchased power costs are responsible for 22% of the growth in expense, while OM&A costs account for 14% of the growth.

Increase in SaskPower's cost drivers 2013 - 2018-19



Total expense growth: \$610 million (32% increase)

6.1 Revenues

The following table shows SaskPower's revenue forecast, including the financial impact of the proposed rate increase:

Revenue					
	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
<i>(in millions)</i>					
Saskatchewan electricity sales	\$ 2,132.2	\$ 2,276.7	\$ 2,428.7	\$ 2,566.6	\$ 2,646.1
Export	7.8	5.4	9.2	14.3	20.8
Net sales from trading	(1.8)	(2.8)	0.5	0.5	0.5
Other	165.6	123.2	117.7	116.2	117.0
Total Revenue	\$ 2,303.8	\$ 2,402.5	\$ 2,556.1	\$ 2,697.6	\$ 2,784.4

6.1.1 Saskatchewan customer revenues

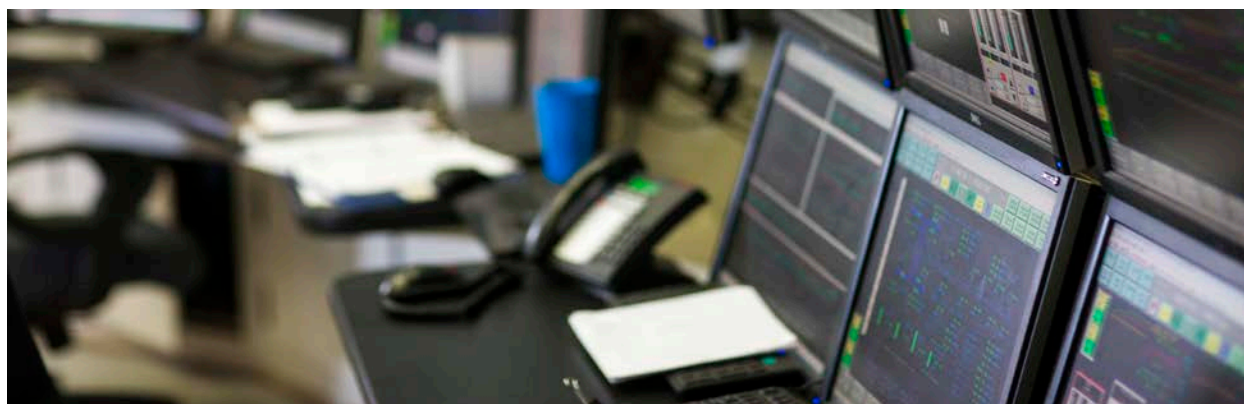
Saskatchewan sales represent the sale of electricity to all customer classes within Saskatchewan. The sales are subject to the effects of general economic conditions, number of customers, weather and electricity rates. An increase or decrease in sales volume will affect revenues accordingly. Saskatchewan sales are expected to grow from \$2.277 billion in 2016-17 to \$2.429 billion in 2017-18 and \$2.567 billion in 2018-19. The revenue growth is driven by both the rate increases and an anticipated 3.1% increase in Saskatchewan sales from 2016-17 to the end of 2018-19.

Saskatchewan sales

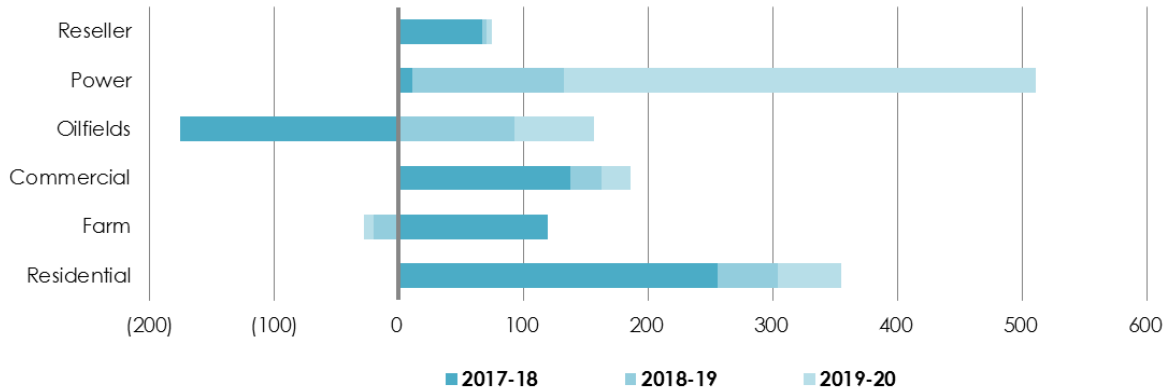
(in millions)	Actual	Actual	Forecast	Forecast	Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Saskatchewan sales					
Residential	\$ 484.9	\$ 513.8	\$ 568.5	\$ 605.5	\$ 622.4
Farm	157.3	158.2	178.3	183.5	184.8
Commercial	447.0	472.3	510.6	536.8	546.5
Oilfields	329.6	356.9	358.8	380.9	391.3
Power customers	624.1	681.0	708.1	750.6	790.1
Reseller	89.3	94.5	104.4	109.3	111.0
Total Saskatchewan sales	\$ 2,132.2	\$ 2,276.7	\$ 2,428.7	\$ 2,566.6	\$ 2,646.1

Saskatchewan sales volumes

(in GWh)	Actual	Actual	Forecast	Forecast	Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Saskatchewan sales					
Residential	3,066.6	3,068.6	3,323.9	3,372.0	3,423.0
Farm	1,255.5	1,188.8	1,308.4	1,288.0	1,280.0
Commercial	3,768.2	3,776.9	3,914.5	3,939.0	3,963.0
Oilfields	3,453.4	3,620.8	3,445.3	3,538.0	3,602.0
Power customers	8,876.5	9,206.7	9,217.7	9,339.0	9,717.0
Reseller	1,222.7	1,218.7	1,285.7	1,289.0	1,293.0
Total Saskatchewan sales	21,642.9	22,080.5	22,495.5	22,765.0	23,278.0



Forecasted increase in sales volume
(in GWhs)



Increases in demand are forecast in all customer classes, with the exception of the oilfield class. The power (industrial) class leads the growth, followed by the residential class and the Commercial (small & medium business) class.

SaskPower's load forecast is developed annually to determine the long-term energy requirements and peak demand for SaskPower's customers. These forecasts form the basis for capacity additions, maintenance schedules, power plant operations, fuel budgets, operational budgets and revenue. Forecasting takes a number of factors into consideration:

- Historical load and weather data;
- Economic variables from the provincial economic model (potash and oil production, population, number of households and commercial gross domestic product (GDP) growth data);
- Residential end-use data; and
- Forecasts provided by industrial customers.

SaskPower regularly undertakes external reviews of its load forecasting methodology. The most recent review was completed in October 2010 by Itron Inc., which provided verification of SaskPower's methodology using its own forecasting expertise as well as an in-depth industry survey. Itron then provided recommendations for enhancements to SaskPower's methodology. Our company has implemented new software which is widely used for load forecasting in North America. The switch in load forecasting software has delayed the next independent load forecasting methodology review. However, our company will undertake a review in the near future once the new tool is in full use.

SaskPower develops both a base and a DSM-adjusted load forecast. Once the base forecast is completed using the information described above, the DSM energy and peak demand savings are removed, resulting in the DSM-adjusted load forecast which is used for the rate application.

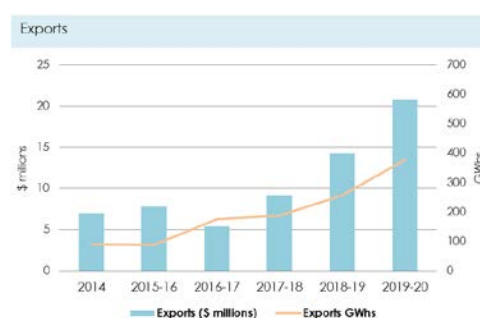
SaskPower is forecasting moderate growth in energy demand within the province over the next three years, with total Saskatchewan sales increasing to 22,765 GWh for 2018-19. Increases are expected to be greatest in the Power (industrial) customer class, particularly in the potash and pipeline sectors.

The load forecast is vital to SaskPower's budgeting and planning processes. Because they are our largest customers, the accuracy of the forecasts for our Oilfield and large-scale Power (industrial) and Commercial customers has the greatest impact on the total provincial load forecast. The demand of these customers is also the most difficult to forecast as the group is primarily made up of commodity producers and short-term plans are affected by price fluctuations and market conditions worldwide.

To ensure SaskPower is up-to-date on the load requirements for these customers, our company contacts each key account customer regularly to acquire short- and long-term expansion plans. The information provided by customers indicates growth in a number of areas. In the potash sector, while most expansions at existing mine sites have been completed there are two new mines under construction. In the pipeline sector, loads are increasing as Alberta oil sands production and conventional oil production in Alberta and Saskatchewan is shipped through our province to markets in eastern Canada and the United States. Growth is also attributable to the steel sector, universities, and seed crushing. Whenever possible, these forecasts are then cross-referenced to market information to ensure that SaskPower is developing its plan using the best information available.

6.1.2 Export revenues

Exports represent the sale of SaskPower's surplus generation to other provinces in Canada and the United States. The bulk of SaskPower's exports sales are made to the neighbouring Alberta and Midwest Independent Transmission System Operator markets over interconnections with export capacities of 153 MW to Alberta and 150 MW to North Dakota. Export pricing is not subject to the rate review process, but is determined based on market conditions in other jurisdictions. Export sales volumes are dependent on the availability of surplus SaskPower generation, market conditions in other jurisdictions and transmission availability.



Sales to Saskatchewan-based customers will always be the priority for SaskPower, but our company does take advantage of opportunities to sell surplus generating capacity into neighbouring jurisdictions for profit. Export revenues may enhance SaskPower's financial performance and reduce the level of rate increases required from our company's customers. However, export revenues can be extremely volatile and difficult to forecast as export transactions have numerous economic drivers and are influenced by a number of external and internal factors outside of SaskPower's control.

Export revenue

	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
SaskPower exports (in millions)	\$ 7.8	\$ 5.4	\$ 9.2	\$ 14.3	\$ 20.8
SaskPower exports (in GWh)	88.6	175.7	187.5	258.1	377.1
\$/MWh	\$ 88.04	\$ 30.73	\$ 49.07	\$ 55.41	\$ 55.16

In previous years, export revenue was a much more important revenue category for SaskPower. From 2011 through 2013, annual export revenue averaged \$50 million. Since 2013, exports have been limited, largely through depressed market conditions in Alberta, our company's primary export market. SaskPower is forecasting modest increases over the next three years, from \$5.4 million in 2016-17 to \$9.2 million in 2017-18, \$14.3 million in 2018-19 and \$20.8 million in 2019-20. The increases are based on an expected recovery in the Alberta Electric System market price and growth in the US markets.

6.1.3 Net sales from electricity trading

Electricity trading activities include the purchase and resale of electricity and other electricity-related commodities in regions outside Saskatchewan. The trading activities include both real time as well as short- to long-term physical and financial trades in the North American market. The trading activities are intended to deliver positive gross margins to SaskPower's bottom line while operating within an acceptable level of risk.



Trading revenue is the revenue from electricity and natural gas bought in external markets and sold in other external markets. Net sales from trading represents the net contribution from trading activities, which is calculated as revenues less trading costs.

Net sales from trading

(in millions)	Actual		Forecast		Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Net sales from trading	\$ (1.8)	\$ (2.8)	\$ 0.5	\$ 0.5	\$ 0.5

SaskPower suffered a small loss on net sales in 2015-16 and 2016-17, but expects trading to profit \$0.5 million each of the next three years. SaskPower's net trading revenues are largely dependent on market conditions in Alberta.

6.1.4 Other revenues

Other revenues include various non-electricity products and services, including gas and electrical inspection permit fees, meter reading fees, late payment charges, custom work charges and other non-energy related charges.

Other revenue

(in millions)	Actual		Forecast		Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Gas and electrical inspections	\$ 19.2	\$ 17.4	\$ 19.2	\$ 17.3	\$ 17.3
Customer contributions	91.1	52.7	54.1	55.0	55.0
CO ₂ sales	6.6	13.6	14.2	15.3	15.6
CO ₂ test facility revenue	12.5	12.5	-	-	-
MRM equity investment	1.2	1.1	2.7	1.5	1.6
Miscellaneous revenue	35.0	25.9	27.5	27.1	27.5
	\$ 165.6	\$ 123.2	\$ 117.7	\$ 116.2	\$ 117.0

In 2016-17, SaskPower saw a decrease in other revenue. This is largely due to a spike in customer contributions in 2015-16 at \$91.1 million, before decreasing to a more historically average result of \$52.7 million in 2016-17. This decline is offset by increased carbon dioxide (CO₂) sales from the Boundary Dam Integrated Carbon Capture and Storage Demonstration Project. In 2017-18 SaskPower is forecasting slight increases in CO₂ sales and miscellaneous revenue, offset by the elimination of revenue from the Carbon Capture Test Facility. Overall, other revenues are expected to decrease from \$123 million in 2016-17 to \$118 million in 2017-18, and then remain relatively flat at \$116 million in 2018-19 and \$117 million in 2019-20.

6.2 Expenses

The following table presents SaskPower's actual operating costs by major category:

Expenses					
	Actual	Actual	Forecast	Forecast	Forecast
(in millions)	Twelve months	Twelve months	Twelve months	Twelve months	Twelve months
	2015-16	2016-17	2017-18	2018-19	2019-20
Expense					
Fuel and purchased power	\$ 652.2	\$ 661.4	\$ 645.3	\$ 681.6	\$ 716.6
Operating, maintenance & administration	637.6	674.8	689.1	703.2	718.2
Depreciation	465.6	493.8	542.3	572.0	575.8
Finance charges	384.4	416.0	417.0	423.7	436.7
Taxes	63.5	72.5	72.5	77.4	80.9
Other	37.3	37.7	30.0	30.0	30.0
	\$ 2,240.6	\$ 2,356.2	\$ 2,396.2	\$ 2,487.9	\$ 2,558.2

6.2.1 Fuel and purchased power (F&PP)

Our company's F&PP costs include the fuel charges associated with the electricity generated from SaskPower-owned facilities, energy purchased through power purchase agreements (PPAs), as well as electricity imported from markets outside Saskatchewan. Our company operates a mix of power generation sources in order to meet the electricity demand of our domestic customers, maximize the efficiency of its generation fleet and reduce fuel risk.

Purchased power includes the cost of electricity obtained through PPAs with the Meridian and Cory Cogeneration Stations, the Spy Hill Generating Station, the North Battleford Generating Station, the SunBridge Wind Power Facility, Red Lily and Morse Wind Energy Facilities, and various Environmentally Preferred Power projects with Independent Power Producers (IPPs) located in Saskatchewan.

Imported power is the cost of electricity purchased from suppliers that have power plants located outside Saskatchewan, such as Manitoba Hydro, utilities in Alberta and Basin Electric in North Dakota.

F&PP costs can vary significantly from year to year, depending on the volume, price and generation mix of fuel sources. SaskPower manages its fleet of generation and supply options carefully in an effort to minimize annual fuel and purchased power expense. The more energy that is generated from lower cost units, the more favourable the impact on fuel and purchased power costs.

SaskPower's fuel cost management strategy focuses on the economic dispatch of the generating units. Units that have the lowest incremental cost are brought on stream first. Hydro and coal generation, which have a low incremental cost per unit of generation, are maximized. However, hydro generation is dependent upon water levels and river flow at SaskPower's hydro facilities and coal generation is a product of the availability of coal plants. Wind generation cannot be dispatched on a planned basis as it is dependent upon wind conditions. Additional load must be supplied from sources with higher incremental costs, such as natural gas generation, purchased power, or imports.

Net F&PP expenses were \$661 million in 2016-17, and are forecast to decrease to \$645 million in 2017-18. Moving forward, 2018-19 and 2019-20 are expected to see increases to \$682 million and \$717 million respectively.

Fuel and purchased power expense

(in millions)	Actual	Actual	Forecast	Forecast	Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Fuel and purchased power					
Gas	\$ 290.0	\$ 298.8	\$ 260.4	\$ 274.8	\$ 289.9
Coal	286.4	275.0	282.7	300.1	301.9
Wind	18.6	21.5	22.0	25.6	36.4
Hydro	16.8	19.2	25.7	21.3	21.8
Imports	22.4	28.0	28.1	31.0	29.3
Other	18.0	18.9	26.4	28.8	37.3
	\$ 652.2	\$ 661.4	\$ 645.3	\$ 681.6	\$ 716.6

Fuel and purchased power volume

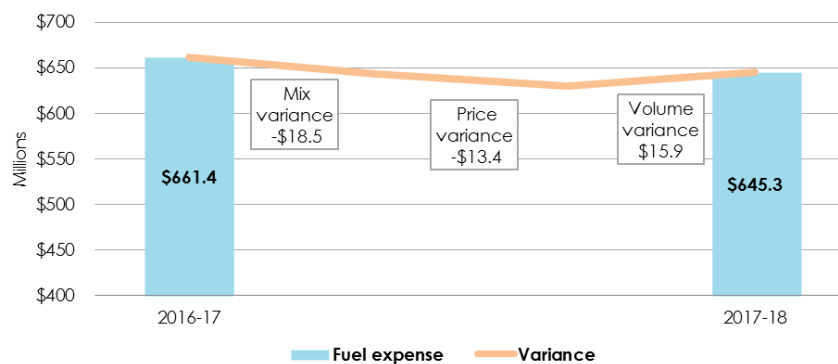
(in GWh)	Actual	Actual	Forecast	Forecast	Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Fuel and purchased power					
Gas	8,379	8,729	7,936	8,616	9,529
Coal	10,967	10,759	10,918	11,137	10,824
Wind	682	740	751	803	894
Hydro	3,213	3,525	4,530	3,634	3,634
Imports	375	478	637	565	465
Other	139	143	176	215	333
	23,755	24,374	24,948	24,970	25,679

Fuel and purchased power price per generation source

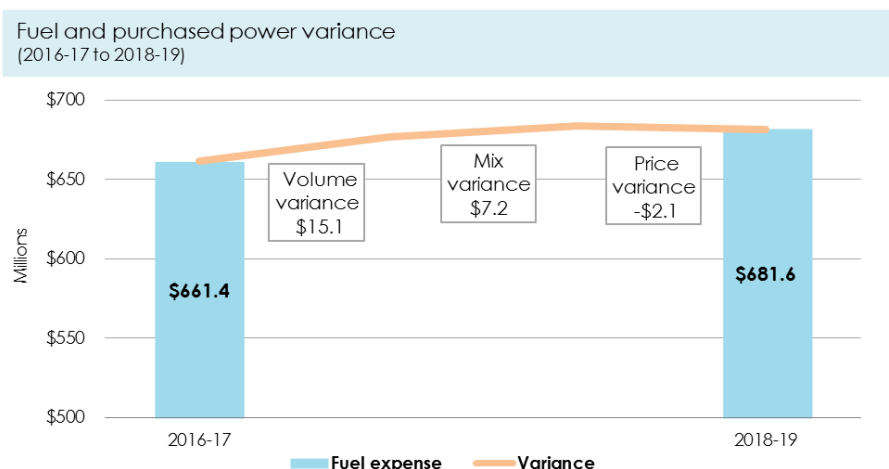
(in \$/MWh)	Actual	Actual	Forecast	Forecast	Forecast
	Twelve months 2015-16	Twelve months 2016-17	Twelve months 2017-18	Twelve months 2018-19	Twelve months 2019-20
Fuel and purchased power					
Gas	\$ 34.61	\$ 34.23	\$ 32.81	\$ 31.89	\$ 30.42
Coal	26.11	25.56	25.89	26.95	27.90
Wind	96.93	98.79	99.10	102.13	106.37
Hydro	5.24	5.45	5.67	5.86	5.99
Imports	59.70	58.27	44.16	54.87	62.92
Weighted average fuel price	\$ 27.45	\$ 27.24	\$ 25.87	\$ 27.30	\$ 27.90

In 2017-18, F&PP expense is expected to decrease by \$16 million compared to 2016-17. The decrease is due to favourable variances in mix and price of \$19 million and \$13 million respectively. Natural gas generation costs are forecasted to decrease from \$34.23/MWh in 2016-17 to \$32.81/MWh in 2017-18, while the favourable mix variance is due to above average availability of low cost hydro generation, which SaskPower is forecasting as 4,530 GWh compared to 3,525 GWh in 2016-17. These favourable variances are expected to be partially offset by an unfavourable volume variance of \$16 million due to an additional 574 GWh of generation in 2017-18 relative to 2016-17.

Fuel and purchased power variance
(2016-17 to 2017-18)



Comparing 2016-17 to 2018-19, F&PP costs are expected to increase \$20.2 million. The forecast includes an unfavourable volume variance of \$15 million due to an expected increase in load — 596 GWh — from 2016-17 to 2018-19 to supply further growth in electricity sales. An unfavourable mix variance of \$7 million is also included in the forecast due to an increase in imports and renewable generation. These unfavourable variances are forecasted to be partially offset by a favourable price variance of \$2 million resulting from a decrease in forecasted natural gas prices.



Natural gas

SaskPower's natural gas generation is supplied by nine natural gas facilities that have 1,824 MW of generation capacity — 987 MW of capacity is SaskPower-owned and our company has long-term PPAs for an additional 837 MW of natural gas-fired capacity. The Chinook Power Station near Swift Current is expected to provide an additional 350 MW of natural gas generation in 2019. SaskPower is also considering where to locate the province's next natural gas plant, which could be needed as early as 2022. Due to the recent addition of natural gas generation and retirements in SaskPower's coal fleet, our company now has more capacity from natural gas than any other generation source.

Natural gas is purchased on the spot market and prices are subject to significant volatility. SaskPower manages that price volatility by hedging a portion of our anticipated natural gas consumption through long-term physical and financial hedges. In addition to providing price stability, the long-term physical contracts provide some security of supply to meet SaskPower's gas-fired facility requirements. Hedging less than our full natural gas requirements allows our company to take advantage of some upside potential if prices should fall.

SaskPower is anticipating consuming 63.0 million gigajoules (GJ) of natural gas in 2017-18 and 70.8 million GJ in 2018-19. Our company's hedging program reduces our exposure to the volatility of natural gas prices. As at March 31, 2017, our company had hedged 63.8% of its anticipated natural gas consumption for fiscal 2017-18 and 55.6% for fiscal 2018-19.

Coal

SaskPower has three coal-fired generation facilities that provide 1,530 MW of generation capacity, including 110 MW with carbon capture and storage technology. Although coal capacity was recently supplanted by natural gas generation as the largest capacity option in SaskPower's fleet, coal generation is still a vital component. Our company prioritizes the dispatch of our generation units by fuel cost. Since coal's fuel cost is cheaper than many options (including natural gas), it accounted for over 44% of actual generation in 2016-17 and is forecasted to generate well over 40% of total GWh produced by SaskPower in each of the next three years. Coal contracts are generally long-term in nature, which provide a stable price and supply.

The federal emissions regulations will gradually eliminate conventional coal generation and will cause a significant shift in SaskPower's fuel mix. A decision concerning the future operation of Boundary Dam Power Station Units #4 and #5 will need to be confirmed in the medium term. SaskPower is currently optimizing the carbon capture technology on Boundary Dam Power Station Unit #3 while we continue to analyze options for Units #4 and #5 with or without a federal emissions Equivalency Agreement.

Hydro

SaskPower has seven hydro facilities with a combined generating capacity of 864 MW, as well as an additional PPA with Manitoba Hydro for 25 MW of hydro capacity. Hydro is a low-cost generation source with stable pricing. For SaskPower-owned hydro generation, our company pays a fee to rent water from the Saskatchewan Water Security Agency. The challenge with hydro generation is not cost, but availability; generation can fluctuate significantly as it is largely dependent on water levels that are difficult to forecast. Hydro's cost-effectiveness and its unpredictability make it a significant factor with respect to fuel expense volatility. SaskPower maximizes hydro generation because of its excellent cost effectiveness. In planning, our company uses median hydro levels from the past 40 years as a basis for forecasting hydro availability.

Wind

SaskPower owns two wind facilities that provide 161 MW of generation capacity and has three long-term PPAs for the supply of an additional 60 MW of generation. There is no marginal cost for energy produced by SaskPower-owned wind facilities. The cost of wind purchased through PPAs is stable as it is governed by a long-term contract. However, generation is obviously dependent on wind conditions.

In Saskatchewan, wind generation has a relatively high annual capacity factor of over 40%, meaning the annual wind generation averages over 40% of nameplate capacity. However, the generation is intermittent and must be backed up by a more predictable source of generation.

Wind generation will expand significantly over the next few years as SaskPower seeks to achieve its goal of up to 50% renewable capacity by 2030. A competitive process to add 200 MW of wind from independent power producers is underway. In future years SaskPower anticipates adding 100-200 MW of wind capacity every two years to meet the renewable capacity goal.

Imports

SaskPower has interconnections at the Manitoba, Alberta and North Dakota borders. These provide our company with the capability to import (or export) electricity to meet higher internal demand or take advantage of prices that are lower than the marginal cost of our next unit of generation. Under normal conditions, the import capability is up to 250 MW from Manitoba, 147 MW from Alberta and 80 MW from North Dakota.

Import prices can be volatile and forecasts are based on expected market prices. SaskPower has been negotiating with Manitoba Hydro seeking long-term import contracts for firm capacity. A memorandum of understanding was signed which will allow for up to 500 MW of imported power for Saskatchewan.

SaskPower began importing 25 MW of firm capacity from Manitoba in 2015. A further 100 MW will be imported from Manitoba Hydro from 2020 to 2040.

Other

This category is made up of PPAs with environmentally preferred power and small IPPs. This includes electricity obtained from heat recovery facilities, small wind generation, flare gas, geothermal and the cost of demand response programs. These sources currently provide 27 MW of generation capacity. The competitive process for Saskatchewan's first 10 MW utility-scale solar project has begun. SaskPower plans to add 60 MW of solar power to the province's power grid by 2021.

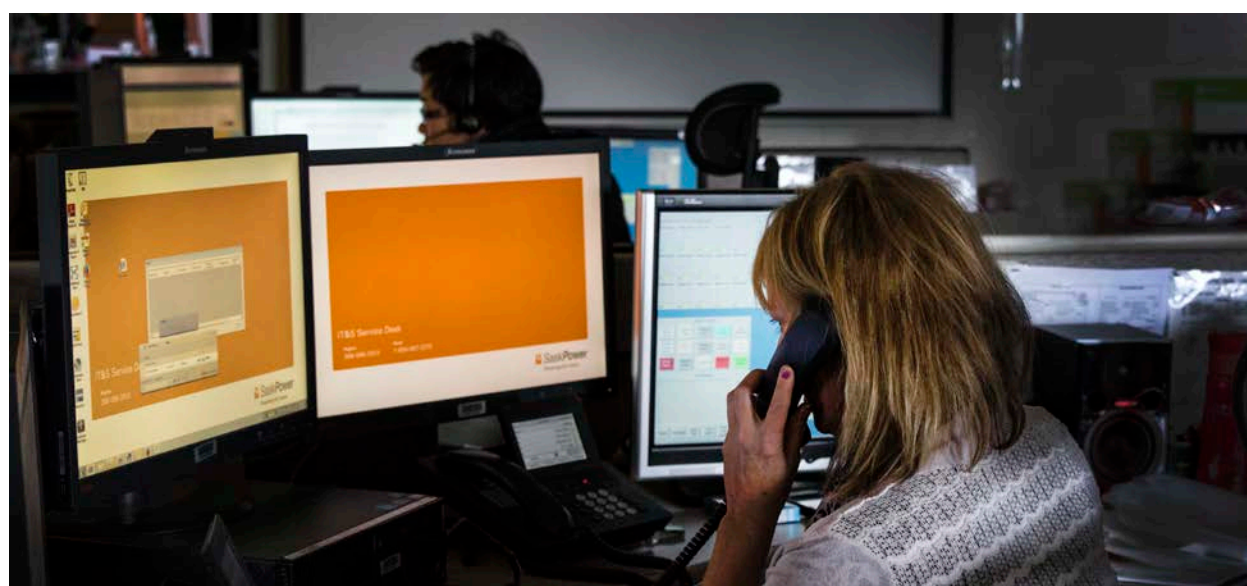
6.2.2 Operating, maintenance & administration (OM&A)

OM&A expenses include the expenditures required to run a large electrical utility in a safe, reliable and responsible manner and deliver electricity to customers through our generation, transmission and distribution system. OM&A includes administrative costs like wages and salaries, as well as contractor and consulting fees. It is influenced by many factors, including staff levels, changes to wages and benefits, general inflation, assets that require maintenance or support, and non-capital projects. Inflation is assumed to be 2% annually.

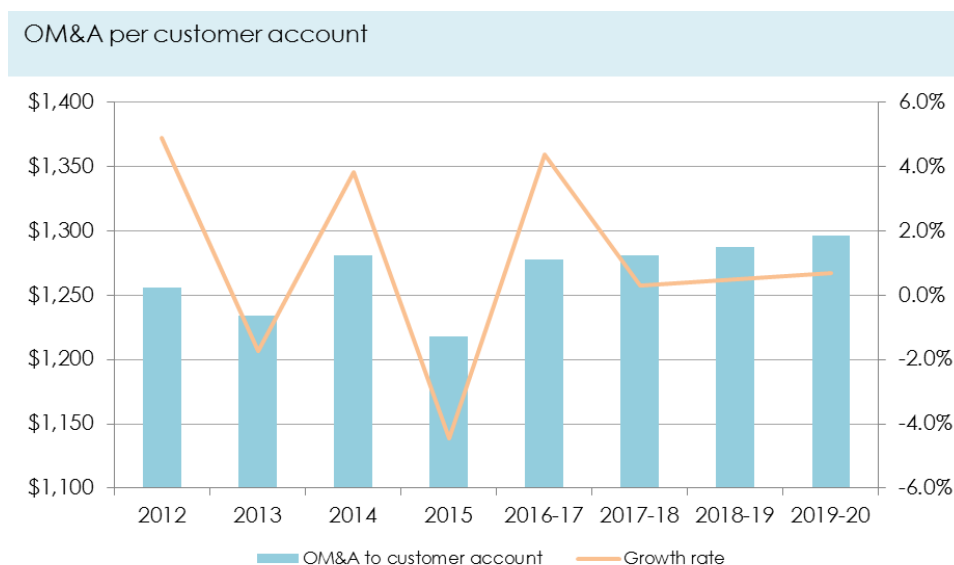
SaskPower's OM&A increased from \$638 million in 2015-16 to \$675 million in 2016-17. OM&A is forecast to increase to \$689 million in 2017-18, \$703 million in 2018-19 and \$718 million in 2019-20. SaskPower has placed a priority on controlling OM&A costs while still allowing SaskPower to expand where necessary to keep up with the forecasted growth in electricity demand.

Operating, maintenance and administration

<i>(in millions)</i>	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Total OM&A	\$ 637.6	\$ 674.8	\$ 689.1	\$ 703.2	\$ 718.2
Year over year increase (%)		5.8%	2.1%	2.0%	2.1%



At the conclusion of the 2016 and 2017 Rate Application, the Saskatchewan Rate Review Panel (SRRP) recommended that SaskPower limit OM&A per customer account growth at a rate of half of the rate of inflation. Over the next three years, SaskPower's plan will achieve the SRRP recommendation.



OM&A per customer account growth rate

	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
OM&A (in millions)	\$ 674.8	\$ 689.1	\$ 703.2	\$ 718.2
Customer accounts	528,248	537,825	546,126	553,959
OM&A per customer account	1,277	1,281	1,288	1,296
Growth rate		0.3%	0.5%	0.7%
Inflation rate assumption		2.0%	2.0%	2.0%
Half the rate of inflation		1.0%	1.0%	1.0%
Growth rate compared to half the rate of inflation		-0.7%	-0.5%	-0.3%

6.2.3 Capital related expenses

SaskPower's capital expenditures were \$886 million in 2016-17 and are forecasted to increase to \$1,121 million in 2017-18 and \$1,147 million in 2018-19, including PPAs. These capital investments are required to maintain and upgrade our existing infrastructure, connect new customers to SaskPower's network, and to add new generation, transmission and distribution capacity to ensure safe, reliable service for the future.

Depreciation, finance charges, taxes and other expenses are considered capital-related expenses as they are driven primarily by capital spending. Depreciation expense increases as capital investments are put into service. Finance charges increase due to increased borrowings to pay for capital investments. A large portion of tax expense is corporation capital tax, which increases as capital spending increases. Other expenses include gains and losses on the disposal of assets as well as environmental and decommissioning expenses related to the operation of our assets. Cumulatively these categories of expenses are expected to increase by \$41.8 million in 2017-18 and an additional \$41.3 million in 2018-19.

6.2.3.1 Finance charges

Finance charges include the net amount of interest on SaskPower's long- and short-term borrowings and capital leases offset by interest capitalized and debt retirement fund earnings. Finance charges increased from \$384 million in 2015-16 to \$416 million in 2016-17. They are forecasted to continue to increase to \$417 million in 2017-18 and \$424 million in 2018-19.

Finance expense					
(in millions)	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Finance expense					
Interest on borrowings	\$ 417.7	\$ 432.8	\$ 443.5	\$ 463.5	\$ 478.4
Interest capitalized	(24.9)	(14.4)	(23.0)	(33.9)	(32.1)
Debt retirement fund earnings	(17.8)	(13.7)	(13.0)	(17.4)	(19.0)
Other interest and charges	9.4	11.3	9.5	11.5	9.4
	\$ 384.4	\$ 416.0	\$ 417.0	\$ 423.7	\$ 436.7

The overall trend of increasing finance charges is due in large part to increased borrowing required to finance SaskPower's capital program. SaskPower's debt including lease obligations will increase from \$7.2 billion in 2015-16 to \$8.6 billion in 2018-19. Using market forecasts, SaskPower is also anticipating an increase in interest rates over the next three years that will contribute to higher finance charges.

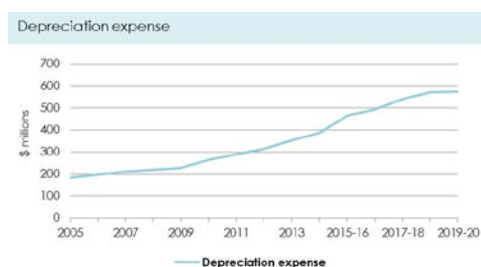
Although SaskPower's long-term debt interest is fixed, increases to interest rates will affect floating short-term debt as well as any new long-term borrowings. Overall, interest rates remain at historically favourable levels. SaskPower's strategy is to take advantage of short-term rates, as well as lock in long-term rates where appropriate. Significant savings have been secured from the adoption of this strategy.

Interest capitalized represents the deferral of interest expense on capital assets under construction. During the construction period the interest on money used to fund the project is capitalized as a cost of construction and is netted against finance charges. Interest capitalized fluctuates from \$25 million in 2015-16 to \$14 million in 2016-17, \$23 million in 2017-18 and \$34 million in 2018-19.

Debt retirement funds are monies that are set aside to retire outstanding debt upon maturity. The funds are held and invested on behalf of SaskPower by the Government of Saskatchewan. The debt retirement fund earnings represent interest earned on those funds. SaskPower is forecasting that debt retirement earnings will decrease slightly from \$18 million in 2015 to \$14 million in 2016-17 and \$13 million in 2017-18 before climbing to \$17 million by 2018-19.

6.2.3.2 Depreciation & amortization

Depreciation represents a charge to income for the capital expenditures of SaskPower. The capital expenditures are amortized to income on a straight-line basis over the estimated life cycle of the asset group. Depreciation rates are established based on depreciation studies and are reviewed annually. In 2010, SaskPower retained Gannett Fleming Inc. to conduct an independent study in response to a recommendation by the Saskatchewan Rate Review Panel to review depreciation rates. The consultant did not recommend any major changes.



Depreciation

<i>(in millions)</i>	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Depreciation					
Depreciation	\$ 409.3	\$ 437.5	\$ 486.0	\$ 514.5	\$ 516.9
Capital lease amortization	56.3	56.3	56.3	57.5	58.9
	\$ 465.6	\$ 493.8	\$ 542.3	\$ 572.0	\$ 575.8

Depreciation expense is also driven by capital spending. As our company adds to its asset base, depreciation will increase accordingly. An asset begins its depreciation schedule when the capital project is brought into service. Depreciation expense increased from \$466 million in 2015-16 to \$494 million in 2016-17, and is forecasted to continue to increase to \$542 million in 2017-18 and \$572 million in 2018-19.

6.2.3.3 Taxes

Taxes represent the payment of corporate capital tax and grants-in-lieu of taxes. Corporate capital tax is based on SaskPower's capital structure and increases as the size of our company grows. Steady increases in capital taxes are expected as a result of SaskPower's capital program. Meanwhile, grants-in-lieu are based on electricity sales in 13 communities across Saskatchewan.

Taxes increased from \$64 million in 2015-16 to \$73 million in 2016-17, and are forecasted to remain flat at \$73 million in 2017-18 before increasing to \$77 million in 2018-19.

Taxes

<i>(in millions)</i>	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Taxes					
Corporate capital tax	\$ 39.3	\$ 46.9	\$ 46.3	\$ 51.0	\$ 53.9
Grants in lieu	24.2	25.6	26.2	26.4	27.0
	\$ 63.5	\$ 72.5	\$ 72.5	\$ 77.4	\$ 80.9

6.2.3.4 Other expenses

The other expense category includes gains or losses on asset disposals and retirements that were previously classified as part of the depreciation expense. It also includes environmental and decommissioning expenses related to the operation of our assets. Other expenses increased from \$37 million in 2015-16 to \$38 million in 2016-17, however it is forecasted to remain at \$30 million over each of the next three years.

Other

<i>(in millions)</i>	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Other expense	\$ 37.3	\$ 37.7	\$ 30.0	\$ 30.0	\$ 30.0

6.3 Capital

SaskPower has invested almost \$8.7 billion in Saskatchewan's electricity infrastructure over the past decade, compared to only \$2.8 billion spent the decade before. A high rate of capital investment is expected in order to continue to maintain current levels of reliability while also meeting the growth in demand for electricity. Substantial capital expenditures are expected to continue through both direct investment and strategic partnerships with IPPs that benefit SaskPower. Complicating infrastructure investment, our company has the second-largest service area and one of the biggest grids in Canada. Due to the relatively sparse population, there are relatively fewer rate payers in our province to share the cost burden required to maintain the system.

Capital spending					
(in millions)	Actual Twelve months 2015-16	Actual Twelve months 2016-17	Forecast Twelve months 2017-18	Forecast Twelve months 2018-19	Forecast Twelve months 2019-20
Capital sustainment investment					
Generation	\$ 133	\$ 140	\$ 132	\$ 139	\$ 139
Carbon capture	28	26	37	-	-
Transmission	98	67	106	90	92
Distribution	54	76	68	82	83
Other	85	106	82	70	73
Total sustainment investment	398	415	425	381	387
Growth & compliance investment					
Generation	103	179	319	287	288
Transmission	156	119	167	173	177
Distribution	79	21	18	25	25
Customer connects	149	130	134	132	135
Total growth & compliance investment	487	449	637	617	625
Total strategic & other investments	46	22	59	114	121
Total capital spending	931	886	1,121	1,112	1,133
Total power purchase agreement spending	-	-	-	35	36
Total capital spending and PPAs	\$ 931	\$ 886	\$ 1,121	\$ 1,147	\$ 1,169



Forecasted major capital sustainment spending

Capital sustainment investments include generation, transmission and distribution projects that involve renewing, refurbishing or replacing existing infrastructure, either through an annual program or one-time project. Select major sustainment investments are described below.

TRANSMISSION			
TRANSMISSION WOOD POLE REMEDIATION		CIRCUIT BREAKER AND RELAY REPLACEMENTS	
IN-SERVICE	TOTAL COST (MILLIONS)	IN-SERVICE	TOTAL COST (MILLIONS)
ON-GOING PROGRAM	\$320 (NEXT 5 YEARS)	ON-GOING PROGRAM	\$38 (NEXT 5 YEARS)
<p>Transmission wood pole assets are being life-extended through an assessment and treatment process. Poles are evaluated and then treated or replaced as necessary. Cross-arm and spar replacement are also included as part of this program.</p>		<p>Our company is replacing breakers and relays that are obsolete or at the end of their useful lives. Circuit breakers and relays protect the electrical system by interrupting any short circuits or overload currents that may occur by turning off the power. Once breakers and relays are replaced, maintenance is substantially reduced and the quality of output increases.</p>	

DISTRIBUTION			
RURAL REBUILD AND IMPROVEMENT PROGRAM		DISTRIBUTION WOOD POLE REMEDIATION	
IN-SERVICE	TOTAL COST (MILLIONS)	IN-SERVICE	TOTAL COST (MILLIONS)
ON-GOING PROGRAM	\$104 (NEXT 5 YEARS)	ON-GOING PROGRAM	\$150 (NEXT 5 YEARS)
<p>The Rural Rebuild and Improvement Program is focused on the strategic replacement of the aging rural electrical distribution system. It replaces lines with poor reliability performance and facilitates removal of power lines from farm fields while taking into account safety considerations and the optimization of line loss savings.</p>		<p>This program involves the inspection, life extension, reinforcement and replacement of aging distribution wood asset infrastructure, including poles and cross-arms. The application of additional wood preservative treatment during the testing procedure is also used to reduce the frequency of future pole reinforcement and replacement. Benefits include increased safety, system security and increased life of distribution assets.</p>	

GENERATION			
ISLAND FALLS DAM REHABILITATION		E.B. CAMPBELL LIFE EXTENSION	
IN-SERVICE	TOTAL COST (MILLIONS)	IN-SERVICE	TOTAL COST (MILLIONS)
2021	\$45	2025	\$300
<p>This project will address deficiencies that impose major risks to the long-term integrity of the Island Falls Powerhouse and Main Dam and flow control equipment. It includes rehabilitation work to ensure that this facility satisfies the guidelines of the Canadian Dam Association.</p>		<p>SaskPower is life-extending Units #1 through #6 at E.B. Campbell Hydroelectric Station. Located on the Saskatchewan River near Nipawin, the first six units at E.B. Campbell were commissioned in 1963/1964, with an additional two units commissioned in 1966. E.B. Campbell has a net capacity of 289 MW.</p>	

Forecasted major growth and compliance spending

Growth and compliance investments include new generation, transmission or distribution additions to accommodate growth in demand, customer connections and other projects. Select major growth and compliance investments are described below

TRANSMISSION					
REGINA BYPASS PROJECT			KENNEDY TO TANTALLON TRANSMISSION LINE		
IN-SERVICE	TOTAL COST (MILLIONS)	YTD (MILLIONS)	IN-SERVICE	TOTAL COST (MILLIONS)	YTD (MILLIONS)
2017-19	\$32	\$18.5	2017	\$113	\$81
<p>In order to support the expansion of the Regina area highway system, SaskPower is required to modify or move 13 transmission lines, 55-60 distribution lines, seven fibre communication lines and many street lighting services as part of the Saskatchewan Ministry of Highways and Infrastructure's project.</p>			<p>A new 230-kV line – approximately 100 kilometres – and other facilities are required to facilitate load growth and reinforcement due to new potash developments and expansions in the area.</p>		

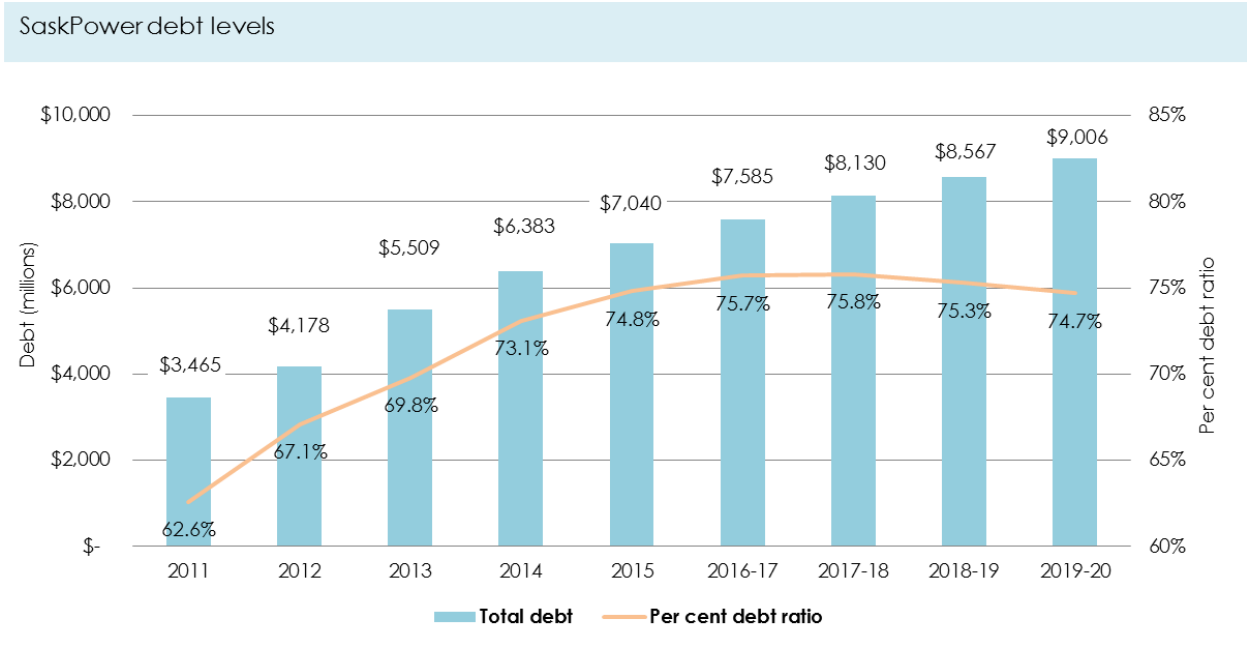
PASQUA TO SWIFT CURRENT TRANSMISSION LINE		AUBURNTON TO KENNEDY LINE	
IN-SERVICE	TOTAL COST (MILLIONS)	IN-SERVICE	TOTAL COST (MILLIONS)
2019	\$223	2021	\$61
<p>A new 230/138-kV double circuit line and other facilities are required to facilitate transmission service from SaskPower's planned gas-fired power plant near Swift Current, supply expected load growth in Swift Current and mitigate other lines' end-of-life issues.</p>		<p>A new 230-kV line between the Auburnton and Kennedy switching stations to provide transmission reinforcement and comply with system performance requirements. The new line will be approximately 70 kilometres in length.</p>	

DISTRIBUTION	
CUSTOMER CONNECTS	
IN-SERVICE	TOTAL COST (MILLIONS)
ON-GOING PROGRAM	\$520 (NEXT 5 YEARS)
<p>The objective of this program is to provide for the connection of new electrical services to the SaskPower grid, as well as to upgrade existing customer services. SaskPower is mandated by <i>The Power Corporation Act</i> to provide service as requested by the customer.</p>	



GENERATION				
CHINOOK POWER STATION			BLUE HILLS WIND ENERGY PROJECT (FORMERLY CHAPLIN WIND)	
IN-SERVICE 2019	TOTAL COST (MILLIONS) \$680.5	YTD (MILLIONS) \$166	IN-SERVICE 2020-21	TOTAL COST (MILLIONS) TBD
<p>SaskPower was chosen as the most economic option to build the new natural gas-fired combined cycle generating station with a capacity of up to 350 MW. The facility is required to meet growing electricity demand and to support intermittent renewable energy generation, and will be located near Swift Current. The project is expected to cost \$680.5 million, not including transmission costs.</p>			<p>SaskPower has entered into a partnership with Algonquin Power Company to purchase approximately 177 MW of wind-generated electricity from a facility located south of Morse. This project is expected to be in service in 2020-21, and will increase SaskPower's wind generation capacity to 400 MW.</p>	

6.4 Per cent debt ratio



The per cent debt ratio measures the extent a company is leveraged. It is defined as the ratio of total debt to total corporate financing structure, expressed as a percentage and can be interpreted as the proportion of a company's assets that are financed by debt. The higher the ratio, the more leveraged the company and the greater its financial risk.

SaskPower's target debt ratio target range is 60-75%. In 2011, the debt ratio was much closer to the minimum debt ratio target. Since 2011, our company has borrowed significantly as we balanced a significant increase in the capital program with the need to maintain moderate rate increases. SaskPower has focused on reducing the impact of the capital program on rates by pursuing applications that did not deliver the ROE target, which resulted in an even greater need to borrow.

Now that SaskPower has reached the upper level of its debt ratio target range, our company must raise rates and pursue the appropriate ROE target. This will ensure that we have sufficient revenue to levelize our debt ratio at the upper end of the target range while also providing the necessary cash flow to continue to invest in infrastructure.

6.5 Financial/productivity indicators

The following assumptions were used to create the three-year forecast. Forecasted key financial indicators are also included below for quick reference.

Financial/productivity indicators					
	Twelve months March 31	Twelve months March 31	Twelve months March 31	Twelve months March 31	Twelve months March 31
	2015-16	2016-17	2017-18	2018-19	2019-20
Operating income (\$ millions)	63.2	46.2	159.9	209.7	226.2
Net income (\$ millions)	-19.3	56.3	159.6	209.7	226.2
Return on equity (operating) (%)	2.9	2.1	6.9	8.5	8.5
Debt ratio including capital leases (%)	75.7	75.7	75.8	75.3	74.7
OM&A/PP&E (%)	6.9	7.1	6.8	6.6	6.3
Dividend declared (\$ millions)	-	-	-	21.0	22.6

Business plan assumptions			
	Twelve months March 31	Twelve months March 31	Twelve months March 31
	2017-18	2018-19	2019-20
Inflation rate (%)	2.0	2.0	2.0
Annual load growth (%)	2.0	1.2	2.3
Short-term borrowing rate (%)	0.5	0.8	0.8
Long-term borrowing rate (%)	3.1	3.3	3.3
Weighted average natural gas price (\$/GJ)	4.1	3.9	3.8
Gas consumption (millions of GJ)	63.0	70.8	76.8
Capital expenditures (including capital leases) (\$ millions)	1,121	1,147	1,169



7.0 SaskPower's cost of service & rate design

The fundamental building block for rates is our company's overall revenue requirement. Once this has been established for the system as a whole, it is necessary to allocate various cost components to each group of customers in a fair and reasonable manner.

The principles underlying cost of service and rate design are well established within the industry. These principles attempt to ensure that those who receive electrical services — whether they are Residential, Farm, Commercial (small & medium business), Power (industrial), Oilfield or Streetlight customers — pay rates that are fair and reasonable. Each customer class is attributed a share of the costs that accurately reflects the cost of providing electrical service to each customer class.

SaskPower uses the revenue to revenue requirement ratio (R/RR) to measure if a customer class is being subsidized or subsidizing other customer classes. A ratio of less than 1.0 means a customer class is receiving a subsidy, a ratio above 1.0 means the customer class is subsidizing other classes, while a ratio of 1.0 means the customer class is neither receiving nor paying a subsidy. However, it should be noted that because cost of service modelling is based on imperfect forecasts, the industry standard is that no customer class is receiving or paying a subsidy if their R/RR falls within 0.95 to 1.05.

It is important to note that R/RRs are not static. Each year, SaskPower rebuilds the cost of service model using the latest financial information and customer revenue and load data. Cost of service model results vary from year to year for a number of reasons, including: class revenue and revenue requirement changes; non-uniform escalation of generation, transmission, distribution and customer services costs; changes to class demand at system peak; and changes to cost of service methodology.

SaskPower acquires an independent review of its cost of service and rate design methodology approximately every five years to ensure it is fair and reasonable. This is accomplished through the use of an external consultant with experience in cost of service modelling and rate design. In 2017, our company chose Canadian firm Elenchus Research Associates Inc. to lead a public review of our company's cost of service methodology.



After receiving public feedback, Elenchus released a report confirming SaskPower's cost of service methodology is in line with industry standards and outlined a set of recommended enhancements (available on saskpower.com). SaskPower is currently assessing the impact of each recommendation and will provide a response outlining our company's plans once an in-depth analysis is complete. Due to the need to complete this evaluation, SaskPower has delayed plans to rebalance rates and implement a rate simplification strategy to a future rate application. This rate application recommends a flat 5% rate increase across all customer classes (except for contract customers). The impact on each customer class' revenue to revenue requirement ration is shown below:

Rate increase by customer class

Class of service	Revenue to revenue requirement ratio (current rates)	March 1, 2018 proposed rate change	Monthly increase due to proposed rate change	Revenue to revenue requirement ratio (after rate increase)
	(R/RR ratio)	(%)	(\$)	(R/RR ratio)
Urban residential	0.98	5.1%	6	0.98
Rural residential	0.93	5.1%	9	0.92
Residential	0.97	5.1%	6	0.97
Farm	0.97	5.1%	13	0.97
Urban commercial	1.02	5.1%	32	1.02
Rural commercial	1.01	5.1%	39	1.00
Commercial	1.02	5.1%	33	1.02
Power - published rates	1.02	5.1%	24,995	1.03
Power - contract rates	1.00	4.1%	46,220	0.99
Power	1.02	4.8%	27,937	1.02
Oilfield	1.03	5.1%	79	1.03
Streetlight	0.85	5.1%	25	0.85
Reseller	0.98	5.1%	219,851	0.99

The proposed rates for SaskPower's rate codes spread among the ten customer classes are attached as Appendix B.

For Commercial (small & medium business) customers with approved time-of-day metering, SaskPower will be adjusting the calculation for the customer's recorded demand, which is currently either the maximum demand registered during the on-peak period of the current month or 80.0% of the maximum demand registered at any other time during the current month. This percentage will increase to 85.0% on March 1, 2018, as SaskPower continues to shift its time-of-day incentive from demand to energy-related. Minimum bills for Farm and Commercial demand billed customers will be increased by the system average increase on March 1, 2018.

8.0 Summary

SaskPower respectfully submits that the request contained in this application is justified and represents a fair and reasonable approach to providing reliable electrical service to its many customers at the lowest possible cost.

SaskPower is requesting a 5.0% rate increase effective March 1, 2018. With the approval of this application, our company will achieve an operating income of \$159.9 million in 2017-18 and \$209.7 million in 2018-19. The requested rate increase will achieve an ROE of 6.9% in 2017-18. It will also allow SaskPower to return to its long-term ROE target of 8.5% in 2018-19.

APPENDIX A:

Summary of *Comparison of Electricity Prices in Major North American Cities* – Hydro Québec

Comparison of power electricity costs

Monthly net bill (before municipal surcharges and taxes) - at April 1, 2016

	Residential	Small Power	Medium Power			Large Power	
Power demand	-	40 kW	500 kW	1,000 kW	2,500 kW	5,000 kW	50,000 kW
Consumption	1,000 kWh	10,000 kWh	100,000 kWh	400,000 kWh	1,170,000 kWh	3,060,000 kWh	30,600,000 kWh
Load factor	-	35%	28%	56%	65%	85%	85%
Canadian cities:							
Thermal utilities							
Calgary, AB	\$ 104	\$ 819	\$ 8,860	\$ 24,894	\$ 60,775	\$ 147,545	\$ 1,469,424
Edmonton, AB	\$ 104	\$ 987	\$ 14,030	\$ 37,674	\$ 100,982	\$ 207,432	\$ 1,230,495
Toronto, ON	\$ 178	\$ 1,737	\$ 17,816	\$ 57,596	\$ 160,524	\$ 399,158	\$ 1,526,728
Ottawa, ON	\$ 162	\$ 1,576	\$ 15,293	\$ 52,883	\$ 156,329	\$ 394,959	\$ 1,381,902
Moncton, NB	\$ 125	\$ 1,317	\$ 14,154	\$ 46,404	\$ 131,389	\$ 232,564	\$ 2,218,680
Halifax, NS	\$ 159	\$ 1,521	\$ 16,919	\$ 50,622	\$ 132,540	\$ 306,633	\$ 3,066,354
Charlottetown, PE	\$ 160	\$ 1,670	\$ 17,658	\$ 57,073	\$ 161,148	\$ 279,050	\$ 2,790,500
St. John's, NL	\$ 120	\$ 1,103	\$ 11,537	\$ 35,262	\$ 96,995	\$ 241,145	\$ 1,498,150
Hydro utilities							
Vancouver, BC	\$ 107	\$ 1,119	\$ 11,256	\$ 33,899	\$ 92,439	\$ 224,920	\$ 1,859,723
Winnipeg, MB	\$ 84	\$ 826	\$ 9,146	\$ 25,467	\$ 62,902	\$ 148,452	\$ 1,278,750
Montreal, QC	\$ 72	\$ 983	\$ 12,000	\$ 31,677	\$ 78,520	\$ 158,318	\$ 1,498,275
Thermal average	\$ 139	\$ 1,341	\$ 14,533	\$ 45,301	\$ 125,085	\$ 276,061	\$ 1,897,779
Canadian average	\$ 125	\$ 1,242	\$ 13,515	\$ 41,223	\$ 112,231	\$ 249,107	\$ 1,801,726
Regina, SK	\$ 146	\$ 1,240	\$ 14,504	\$ 42,613	\$ 104,022	\$ 243,810	\$ 2,052,428
SaskPower rank (out of 12 utilities)	8	7	8	7	7	8	9
SaskPower comparison							
Compared to thermal average	105%	92%	100%	94%	83%	88%	108%
Compared to Canadian average	117%	100%	107%	103%	93%	98%	114%
American cities:							
Boston, MA	\$ 277	\$ 2,853	\$ 27,493	\$ 77,788	\$ 211,535	\$ 480,084	\$ 4,798,054
Chicago, IL	\$ 152	\$ 1,283	\$ 11,729	\$ 32,263	\$ 83,333	\$ 196,792	\$ 1,651,154
Detroit, MI	\$ 202	\$ 1,492	\$ 14,773	\$ 42,190	\$ 103,137	\$ 239,573	\$ 2,330,870
Houston, TX	\$ 113	\$ 1,075	\$ 12,295	\$ 39,463	\$ 100,484	\$ 243,181	\$ 2,306,469
Miami, FL	\$ 117	\$ 1,190	\$ 13,399	\$ 37,789	\$ 100,527	\$ 238,569	\$ 2,097,066
Nashville, TN	\$ 143	\$ 1,510	\$ 17,018	\$ 49,641	\$ 140,557	\$ 339,263	\$ 2,707,858
New York, NY	\$ 295	\$ 2,781	\$ 30,888	\$ 88,353	\$ 185,213	\$ 431,633	\$ 4,315,106
Portland, OR	\$ 139	\$ 1,359	\$ 14,153	\$ 41,748	\$ 106,780	\$ 259,366	\$ 2,513,733
San Francisco, CA	\$ 310	\$ 2,720	\$ 32,658	\$ 86,371	\$ 173,852	\$ 417,277	\$ 4,149,618
Seattle, WA	\$ 136	\$ 1,106	\$ 10,320	\$ 37,681	\$ 107,527	\$ 277,794	\$ 2,607,258
North American average	\$ 155	\$ 1,467	\$ 15,814	\$ 46,789	\$ 120,523	\$ 277,614	\$ 2,334,027
SaskPower rank (out of 22 utilities)	13	10	13	13	11	12	10
SaskPower comparison							
Compared to N.A. average	94%	85%	92%	91%	86%	88%	88%

Comparison of power electricity rates

Monthly net bill (before municipal surcharges and taxes) - at April 1, 2016
cents/kWh

	Residential	Small Power	Medium Power			Large Power	
Power demand	-	40 kW	500 kW	1,000 kW	2,500 kW	5,000 kW	50,000 kW
Consumption	1,000 kWh	10,000 kWh	100,000 kWh	400,000 kWh	1,170,000 kWh	3,060,000 kWh	30,600,000 kWh
Load factor	-	35%	28%	56%	65%	85%	85%
Canadian cities:							
Thermal utilities							
Calgary, AB	10.4	8.2	8.9	6.2	5.2	4.8	4.8
Edmonton, AB	10.4	9.9	14.0	9.4	8.6	6.8	4.0
Toronto, ON	17.8	17.4	17.8	14.4	13.7	13.0	5.0
Ottawa, ON	16.2	15.8	15.3	13.2	13.4	12.9	4.5
Moncton, NB	12.5	13.2	14.2	11.6	11.2	7.6	7.3
Halifax, NS	15.9	15.2	16.9	12.7	11.3	10.0	10.0
Charlottetown, PE	16.0	16.7	17.7	14.3	13.8	9.1	9.1
St. John's, NL	12.0	11.0	11.5	8.8	8.3	7.9	4.9
Hydro utilities							
Vancouver, BC	10.7	11.2	11.3	8.5	7.9	7.4	6.1
Winnipeg, MB	8.4	8.3	9.2	6.4	5.4	4.9	4.2
Montreal, QC	7.2	9.8	12.0	7.9	6.7	5.2	4.9
Thermal average	13.9	13.4	14.5	11.3	10.7	9.0	6.2
Canadian average	12.5	12.4	13.5	10.3	9.6	8.1	5.9
Regina, SK	14.7	12.4	14.5	10.7	8.9	8.0	6.7
SaskPower rank (out of 12 utilities)	8	7	8	7	7	8	9
SaskPower comparison							
Compared to thermal average	106%	92%	100%	94%	83%	88%	108%
Compared to Canadian average	117%	100%	107%	103%	93%	98%	114%
American cities:							
Boston, MA	\$ 28	\$ 29	\$ 27	\$ 19	\$ 18	\$ 16	\$ 16
Chicago, IL	\$ 15	\$ 13	\$ 12	\$ 8	\$ 7	\$ 6	\$ 5
Detroit, MI	\$ 20	\$ 15	\$ 15	\$ 11	\$ 9	\$ 8	\$ 8
Houston, TX	\$ 11	\$ 11	\$ 12	\$ 10	\$ 9	\$ 8	\$ 8
Miami, FL	\$ 12	\$ 12	\$ 13	\$ 9	\$ 9	\$ 8	\$ 7
Nashville, TN	\$ 14	\$ 15	\$ 17	\$ 12	\$ 12	\$ 11	\$ 9
New York, NY	\$ 30	\$ 28	\$ 31	\$ 22	\$ 16	\$ 14	\$ 14
Portland, OR	\$ 14	\$ 14	\$ 14	\$ 10	\$ 9	\$ 8	\$ 8
San Francisco, CA	\$ 31	\$ 27	\$ 33	\$ 22	\$ 15	\$ 14	\$ 14
Seattle, WA	\$ 14	\$ 11	\$ 10	\$ 9	\$ 9	\$ 9	\$ 9
North American average	\$ 15	\$ 15	\$ 16	\$ 12	\$ 10	\$ 9	\$ 8
SaskPower rank (out of 22 utilities)	13	10	13	13	11	12	10
SaskPower comparison							
Compared to N.A. average	95%	85%	92%	91%	86%	88%	88%

APPENDIX B:
Rate proposals

SaskPower Rate Proposal RESIDENTIAL

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL
E01 Existing	City	22.01	N/A	N/A	13.740	N/A	N/A	N/A	N/A	22.01	
E01 Proposed		23.13	N/A	N/A	14.438	N/A	N/A	N/A	N/A	23.13	
E02 Existing	Town, Village, Urban Resort	22.01	N/A	N/A	13.740	N/A	N/A	N/A	N/A	22.01	
E02 Proposed		23.13	N/A	N/A	14.438	N/A	N/A	N/A	N/A	23.13	
E03 Existing	Rural, Rural Resort	31.77	N/A	N/A	13.741	N/A	N/A	N/A	N/A	31.77	
E03 Proposed		33.38	N/A	N/A	14.439	N/A	N/A	N/A	N/A	33.38	

SaskPower Rate Proposal DIESEL

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL
E04 Existing	Residential Diesel	31.77	650	13.741	50.733	N/A	N/A	N/A	N/A	31.77	
E04 Proposed		33.38	650	14.439	53.310	N/A	N/A	N/A	N/A	33.38	
E35 Existing	General Service	40.07	650	13.905	47.892	N/A	N/A	N/A	N/A	40.07	
E35 Proposed		42.11	650	14.611	50.325	N/A	N/A	N/A	N/A	42.11	
E36 Existing	General Service - Federal & Provincial	40.07	N/A	N/A	97.014	N/A	N/A	N/A	N/A	40.07	
E36 Proposed		42.11	N/A	N/A	101.942	N/A	N/A	N/A	N/A	42.11	
E38 Existing	General Service - Local Community	40.07	N/A	N/A	88.165	N/A	N/A	N/A	N/A	40.07	
E38 Proposed		42.11	N/A	N/A	92.643	N/A	N/A	N/A	N/A	42.11	

SaskPower Rate Proposal FARM

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	DEMAND	MINIMUM BILL *	NOTES
E34 Existing	Farm	33.77	16000	12.224	5.300	50.000	0.000	12.408	33.77	4.702	/KV.A max demand over 50	
E34 Proposed		35.49	16000	12.845	5.569	50.000	0.000	13.038	35.49	4.941	/KV.A max demand over 50	

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable in the preceding 11 months.

SaskPower Rate Proposal IRRIGATION

RATE CODE	DESCRIPTION	BASIC (\$/season)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/hp)	Demand Balance	BASIC DEMAND	MINIMUM BILL	NOTES
E19 Existing E19 Proposed	Farm - SaskPower Supplied Transformation	463.82 487.38	N/A N/A	N/A N/A	6.835 7.182	N/A N/A	N/A N/A	N/A N/A		463.82 487.38		
E37 Existing E37 Proposed	General Service - SaskPower Supplied Transformation	245.27 257.73	N/A N/A	N/A N/A	9.306 9.779	N/A N/A	N/A N/A	24.676 25.929		245.27 257.73	24.676 25.929	/KV.A max demand /KV.A max demand
E41 Existing E41 Proposed	Mains - Interruptible - closed to new customers	874.53 918.95	N/A N/A	N/A N/A	5.856 6.153	N/A N/A	N/A N/A	N/A N/A		874.53 918.95		

E41 basic charge is a monthly charge applied in every month a customer in this rate code consumes energy. (Not a seasonal charge)

SaskPower

Rate Proposal

GENERAL SERVICE - STANDARD

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	DEMAND	MINIMUM BILL *	NOTES
E05 Existing	Urban - SaskPower Supplied Transformation	55.95	16750	11.576	7.411	50.000	0.000	15.065	55.95	4.702	/KV.A max demand over 50	
E05 Proposed		58.79	16750	12.164	7.787	50.000	0.000	15.830	58.79	4.941	/KV.A max demand over 50	
E06 Existing	Rural - SaskPower Supplied Transformation	62.80	15500	11.576	7.021	50.000	0.000	15.065	62.80	4.702	/KV.A max demand over 50	
E06 Proposed		65.99	15500	12.164	7.378	50.000	0.000	15.830	65.99	4.941	/KV.A max demand over 50	
E07 Existing	Urban - Customer Owned Transformation	234.04	N/A	N/A	7.004	N/A	N/A	13.475	234.04	4.702	/KV.A max demand	
E07 Proposed		245.93	N/A	N/A	7.360	7.360	N/A	14.159	245.93	4.941	/KV.A max demand	
E08 Existing	Rural - Customer Owned Transformation	288.88	N/A	N/A	7.004	N/A	N/A	13.475	288.88	4.702	/KV.A max demand	
E08 Proposed		303.55	N/A	N/A	7.360	7.360	N/A	14.159	303.55	4.941	/KV.A max demand	
E10 Existing	Customer Owned Transformation	688.57	N/A	N/A	5.506	N/A	N/A	8.228	688.57	4.702	/KV.A max demand	
E10 Proposed		723.55	N/A	N/A	5.786	5.786	N/A	8.646	723.55	4.941	/KV.A max demand	
E12 Existing	Customer Owned Transformation	316.75	N/A	N/A	5.406	N/A	N/A	8.109	316.75	4.702	/KV.A max demand	
E12 Proposed		332.84	N/A	N/A	5.681	5.681	N/A	8.521	332.84	4.941	/KV.A max demand	

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable in the preceding 11 months.

SaskPower Rate Proposal GENERAL SERVICE - SMALL

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL * DEMAND	NOTES
E75 Existing E75 Proposed	Urban - SaskPower Supplied Transformation	30.07 31.60	14500 14500	13.200 13.870	6.971 7.325	50.000 50.000	0.000 0.000	14.629 15.372	30.07 31.60	4.702 4.941	/KVA max demand over 50 /KVA max demand over 50
E76 Existing E76 Proposed	Rural - SaskPower Supplied Transformation	40.07 42.11	13000 13000	13.905 14.611	7.152 7.515	50.000 50.000	0.000 0.000	14.945 15.704	40.07 42.11	4.702 4.941	/KVA max demand over 50 /KVA max demand over 50
E77 Existing E77 Proposed	Urban - Customer Owned Transformation	30.07 31.60	14500 14500	13.200 13.870	6.971 7.325	50.000 50.000	0.000 0.000	14.117 14.834	30.07 31.60	4.702 4.941	/KVA max demand over 50 /KVA max demand over 50
E78 Existing E78 Proposed	Rural - Customer Owned Transformation	40.07 42.11	13000 13000	13.905 14.611	7.152 7.515	50.000 50.000	0.000 0.000	14.411 15.143	40.07 42.11	4.702 4.941	/KVA max demand over 50 /KVA max demand over 50

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable in the preceding 11 months.

SaskPower

Rate Proposal

GENERAL SERVICE - UNMETERED

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL
E15 Existing E15 Proposed	Unmetered - Miscellaneous	N/A N/A	N/A N/A	N/A N/A	4.060 4.266	/100 Watts /100 Watts				18.96 19.92	
E16 Existing E16 Proposed	Unmetered - Power Supply Units	70.58 74.17	Power Supply Unit Power Supply Unit							70.58 74.17	
E17 Existing E17 Proposed	Unmetered - Cable Television Rectifiers	N/A N/A	N/A N/A	N/A N/A	1.480 1.555	/10 Watts /10 Watts				29.36 30.85	
E18 Existing E18 Proposed	Unmetered - X-rays	N/A N/A	N/A N/A	N/A N/A	N/A N/A	4.049 4.255	/kV.A installed capacity /kV.A installed capacity				

SaskPower Rate Proposal OILFIELD

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC DEMAND	MINIMUM BILL * DEMAND	NOTES
E43 Existing	Standard Oilfield	59.37	N/A	N/A	7.306	N/A	N/A	12.933	12.933	59.37	12.933	/KV.A max demand
E43 Proposed		62.40	N/A	N/A	7.679	N/A	N/A	13.593	13.593	62.40	13.593	/KV.A max demand

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable to 60% of the maximum billing demand in the preceding 11 months.

**SaskPower
Rate Proposal
POWER - OILFIELD**

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL * DEMAND	NOTES
E46 Existing E46 Proposed	25kV - Customer Owned Transformation	5,976.74 6,280.32	N/A N/A	N/A N/A	6.665 7.004	N/A N/A	N/A N/A	10.532 11.067	10.532 11.067	5,976.74 6,280.32	10.532 11.067	/KV.A max demand /KV.A max demand
E47 Existing E47 Proposed	72kV - Customer Owned Transformation	6,850.77 7,198.75	N/A N/A	N/A N/A	6.014 6.319	N/A N/A	N/A N/A	8.117 8.529	8.117 8.529	6,850.77 7,198.75	8.117 8.529	/KV.A max demand /KV.A max demand
E48 Existing E48 Proposed	138kV - Customer Owned Transformation	7,354.73 7,728.31	N/A N/A	N/A N/A	5.900 6.200	N/A N/A	N/A N/A	8.000 8.406	8.000 8.406	7,354.73 7,728.31	8.000 8.406	/KV.A max demand /KV.A max demand

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable to 75% of the maximum billing demand in the preceding 11 months.

**SaskPower
Rate Proposal
POWER - OILFIELD TIME OF USE**

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	On-Peak Energy Rate (cents/kW.h)	Off-Peak Energy Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL * DEMAND	NOTES
E86 Existing E86 Proposed	25kV - Customer Owned Transformation	5,976.74 6,280.32	N/A N/A	7.238 7.577	6.238 6.577	N/A N/A	N/A N/A	10.532 11.067	10.532 11.067	5,976.74 6,280.32	10.532 11.067	/KV.A max demand /KV.A max demand
E87 Existing E87 Proposed	72kV - Customer Owned Transformation	6,850.77 7,198.75	N/A N/A	6.587 6.892	5.587 5.892	N/A N/A	N/A N/A	8.117 8.529	8.117 8.529	6,850.77 7,198.75	8.117 8.529	/KV.A max demand /KV.A max demand
E88 Existing E88 Proposed	138kV - Customer Owned Transformation	7,354.73 7,728.31	N/A N/A	6.473 6.773	5.473 5.773	N/A N/A	N/A N/A	8.000 8.406	8.000 8.406	7,354.73 7,728.31	8.000 8.406	/KV.A max demand /KV.A max demand

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable to 75% of the maximum billing demand in the preceding 11 months.

SaskPower Rate Proposal POWER - STANDARD

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL * DEMAND	NOTES
E22 Existing E22 Proposed	25kV - Customer Owned Transformation	5,976.74 6,280.32	N/A N/A	N/A N/A	6.665 7.004	N/A N/A	N/A N/A	N/A N/A	10.532 11.067	5,976.74 6,280.32	10.532 11.067	/KV.A max demand /KV.A max demand
E23 Existing E23 Proposed	72kV - Customer Owned Transformation	6,850.77 7,198.75	N/A N/A	N/A N/A	6.014 6.319	N/A N/A	N/A N/A	N/A N/A	8.117 8.529	6,850.77 7,198.75	8.117 8.529	/KV.A max demand /KV.A max demand
E24 Existing E24 Proposed	138kV - Customer Owned Transformation	7,354.73 7,728.31	N/A N/A	N/A N/A	5.900 6.200	N/A N/A	N/A N/A	N/A N/A	8.000 8.406	7,354.73 7,728.31	8.000 8.406	/KV.A max demand /KV.A max demand
E25 Existing E25 Proposed	230kV - Customer Owned Transformation	7,707.38 8,098.87	N/A N/A	N/A N/A	5.900 6.200	N/A N/A	N/A N/A	N/A N/A	8.000 8.406	7,707.38 8,098.87	8.000 8.406	/KV.A max demand /KV.A max demand

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable to 75% of the maximum billing demand in the preceding 11 months.

SaskPower Rate Proposal POWER - TIME OF USE

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	On-Peak Energy Rate (cents/kW.h)	Off-Peak Energy Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC	MINIMUM BILL * DEMAND	NOTES
E82 Existing E82 Proposed	25kV - Customer Owned Transformation	5,976.74 6,280.32	N/A N/A	7.238 7.577	6.238 6.577	N/A N/A	N/A N/A	N/A N/A	10.532 11.067	5,976.74 6,280.32	10.532 11.067	/KV.A max demand /KV.A max demand
E83 Existing E83 Proposed	72kV - Customer Owned Transformation	6,850.77 7,198.75	N/A N/A	6.587 6.892	5.587 5.892	N/A N/A	N/A N/A	N/A N/A	8.117 8.529	6,850.77 7,198.75	8.117 8.529	/KV.A max demand /KV.A max demand
E84 Existing E84 Proposed	138kV - Customer Owned Transformation	7,354.73 7,728.31	N/A N/A	6.473 6.773	5.473 5.773	N/A N/A	N/A N/A	N/A N/A	8.000 8.406	7,354.73 7,728.31	8.000 8.406	/KV.A max demand /KV.A max demand
E85 Existing E85 Proposed	230kV - Customer Owned Transformation	7,707.38 8,098.87	N/A N/A	6.473 6.773	5.473 5.773	N/A N/A	N/A N/A	N/A N/A	8.000 8.406	7,707.38 8,098.87	8.000 8.406	/KV.A max demand /KV.A max demand

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable to 75% of the maximum billing demand in the preceding 11 months.

SaskPower Rate Proposal RESELLER

RATE CODE	DESCRIPTION	BASIC (\$/month)	Energy Block 1 Size (kW.h/month)	Energy Block 1 Rate (cents/kW.h)	Energy Balance Rate (cents/kW.h)	Demand Block 1 Size (kVA)	Demand Block 1 Rate (\$/kVA)	Demand Block 1 Rate (\$/kVA)	Demand Balance Rate (\$/kVA)	BASIC DEMAND	MINIMUM BILL *	NOTES
E31 Existing E31 Proposed	Swift Current 25 kV (Non-Totalized)	5,925.57 6,226.56	N/A N/A	N/A N/A	4.887 5.135	N/A N/A	N/A N/A	N/A N/A	18,075 18,993	5,925.57 6,226.56	18,075 18,993	/KV.A max demand /KV.A max demand
E32 Existing E32 Proposed	Swift Current 138 kV - (Non-Totalized)	6,793.08 7,138.13	N/A N/A	N/A N/A	4.734 4.974	N/A N/A	N/A N/A	N/A N/A	16,155 16,976	6,793.08 7,138.13	16,155 16,976	/KV.A max demand /KV.A max demand
E33 Existing E33 Proposed	Saskatoon 138kV - (Totalized)	14,135.83 14,853.85	N/A N/A	N/A N/A	4.410 4.634	N/A N/A	N/A N/A	N/A N/A	18,713 19,664	14,135.83 14,853.85	18,713 19,664	/KV.A max demand /KV.A max demand

* Minimum Bill = Basic Monthly Charge plus the Demand Charge applicable to 60% of the maximum billing demand in the preceding 11 months.

SaskPower Rate Proposal STREETLIGHTS

RATE CODE	DESCRIPTION	Existing Monthly (\$/month)	Proposed Monthly (\$/month)
S05	Mercury Vapor - 125 W	14.94	15.70
S06	Mercury Vapor - 175 W	16.50	17.34
S13	Low Pressure Sodium Vapor - 90 W	14.16	14.88
S14	Low Pressure Sodium Vapor - 90 W Continuous	16.54	17.38
S15	Low Pressure Sodium Vapor - 135 W	15.20	15.97
S16	Low Pressure Sodium Vapor - 180 W	16.83	17.69
S17	High Pressure Sodium Vapor - 70 W	11.89	12.50
S18	High Pressure Sodium Vapor - 100 W	13.27	13.95
S19	High Pressure Sodium Vapor - 150 W	15.43	16.22
S20	High Pressure Sodium Vapor - 150 W Continuous	19.07	20.04
S21	High Pressure Sodium Vapor - 250 W	20.07	21.09
S22	High Pressure Sodium Vapor - 250 W Continuous	25.64	26.95
S23	High Pressure Sodium Vapor - 400 W	26.03	27.35
S24	Metal Halide - 100 W	16.34	17.17
S25	Metal Halide - 175 W	19.45	20.44
S26	Metal Halide - 250 W	22.86	24.02
S30	Induction - 165 W	16.01	16.82
S31	LED - 70 W	11.37	11.95

APPENDIX C:
Rate change impacts

2018 Rates based on January 1, 2018 Rate increase

Minimum and Maximum Rate Impacts for Any One Customer

Class of Service	Minimum Increase for Any One Customer (%)	Average Rate Change (%)	Maximum Increase for Any One Customer (%)
Urban Residential	5.1	5.1	5.1
Rural Residential	5.1	5.1	5.1
Farms (see note)	5.1	5.1	5.1
Urban Commercial	5.1	5.1	5.1
Rural Commercial	5.1	5.1	5.1
Power - Published Rates	5.1	5.1	5.1
Oilfields	5.1	5.1	5.1

Note: Farm class results do not include irrigation customers.

**Rate Change Impacts on E01 by Energy Intervals
Urban Residential - City**

Rate Breakdown	Existing	Proposed	Based on Rate Class
Energy Rate: (cents/kW.h)	13.740	14.438	Increase of 5.1%
Basic Charge: (\$/month)	22.01	23.13	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 100	- 1	3,328	2.06	2,620	0.22	3.21	5.1	5.1	5.1
100 to 200	- 2	11,382	7.03	21,318	1.77	3.76	5.1	5.1	5.1
200 to 300	- 3	16,716	10.33	50,535	4.19	4.35	5.1	5.1	5.1
300 to 400	- 4	19,549	12.08	82,271	6.81	4.95	5.1	5.1	5.1
400 to 500	- 5	20,481	12.65	110,673	9.17	5.56	5.1	5.1	5.1
500 to 600	- 6	19,838	12.25	130,719	10.83	6.17	5.1	5.1	5.1
600 to 700	- 7	17,781	10.98	138,406	11.46	6.77	5.1	5.1	5.1
700 to 800	- 8	14,197	8.77	127,513	10.56	7.38	5.1	5.1	5.1
800 to 900	- 9	11,087	6.85	112,781	9.34	7.99	5.1	5.1	5.1
900 to 1000	- 10	7,969	4.92	90,587	7.50	8.60	5.1	5.1	5.1
1000 to 1100	- 11	5,755	3.55	72,334	5.99	9.21	5.1	5.1	5.1
1100 to 1200	- 12	3,993	2.47	54,954	4.55	9.82	5.1	5.1	5.1
1200 to 1300	- 13	2,831	1.75	42,342	3.51	10.43	5.1	5.1	5.1
1300 to 1400	- 14	1,945	1.20	31,431	2.60	11.04	5.1	5.1	5.1
1400 to 1500	- 15	1,392	0.86	24,152	2.00	11.64	5.1	5.1	5.1
1500 to 2000	- 16	2,684	1.66	54,313	4.50	13.11	5.1	5.1	5.1
2000 to 2500	- 17	567	0.35	14,924	1.24	16.21	5.1	5.1	5.1
2500 to 3000	- 18	168	0.10	5,430	0.45	19.27	5.1	5.1	5.1
3000 to 3500	- 19	61	0.04	2,363	0.20	22.53	5.1	5.1	5.1
3500 to 4000	- 20	33	0.02	1,454	0.12	25.24	5.1	5.1	5.1
4000 to 4500	- 21	21	0.01	1,055	0.09	28.39	5.1	5.1	5.1
4500 to 5000	- 22	11	0.01	622	0.05	31.60	5.1	5.1	5.1
5000 to 6000	- 23	9	0.01	599	0.05	36.69	5.1	5.1	5.1
6000 to 7000	- 24	7	0.00	548	0.05	42.67	5.1	5.1	5.1
7000 to 8000	- 25	13	0.01	1,175	0.10	48.83	5.1	5.1	5.1
8000 to 9000	- 26	9	0.01	916	0.08	54.61	5.1	5.1	5.1
9000 to 10000	- 27	4	0.00	461	0.04	61.49	5.1	5.1	5.1
>10000		64	0.04	30,941	2.56	252.81	5.1	5.1	5.1

**Rate Change Impacts on E02 by Energy Intervals
Urban Residential - Town, Village & Urban Resort**

Rate Breakdown	Existing	Proposed	Based on Rate Class
Energy Rate: (cents/kW.h)	13.740	14.438	Increase of 5.1%
Basic Charge: (\$/month)	22.01	23.13	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 100	- 1	2,290	3.16	1,564	0.26	1.52	5.1	5.1	5.1
100 to 200	- 2	4,424	6.10	8,230	1.37	2.20	5.1	5.1	5.1
200 to 300	- 3	6,271	8.65	18,976	3.16	2.88	5.1	5.1	5.1
300 to 400	- 4	7,407	10.21	31,205	5.20	3.57	5.1	5.1	5.1
400 to 500	- 5	8,226	11.34	44,457	7.41	4.26	5.1	5.1	5.1
500 to 600	- 6	8,010	11.05	52,883	8.81	4.96	5.1	5.1	5.1
600 to 700	- 7	7,267	10.02	56,619	9.43	5.65	5.1	5.1	5.1
700 to 800	- 8	6,246	8.61	56,104	9.35	6.34	5.1	5.1	5.1
800 to 900	- 9	5,038	6.95	51,279	8.54	7.04	5.1	5.1	5.1
900 to 1000	- 10	3,961	5.46	45,070	7.51	7.74	5.1	5.1	5.1
1000 to 1100	- 11	2,885	3.98	36,289	6.04	8.44	5.1	5.1	5.1
1100 to 1200	- 12	2,356	3.25	32,413	5.40	9.12	5.1	5.1	5.1
1200 to 1300	- 13	1,734	2.39	25,962	4.32	9.83	5.1	5.1	5.1
1300 to 1400	- 14	1,337	1.84	21,627	3.60	10.53	5.1	5.1	5.1
1400 to 1500	- 15	1,044	1.44	18,112	3.02	11.21	5.1	5.1	5.1
1500 to 2000	- 16	2,589	3.57	52,824	8.80	12.99	5.1	5.1	5.1
2000 to 2500	- 17	864	1.19	22,788	3.80	16.46	5.1	5.1	5.1
2500 to 3000	- 18	343	0.47	11,128	1.85	19.99	5.1	5.1	5.1
3000 to 3500	- 19	108	0.15	4,181	0.70	23.64	5.1	5.1	5.1
3500 to 4000	- 20	48	0.07	2,123	0.35	26.85	5.1	5.1	5.1
4000 to 4500	- 21	19	0.03	954	0.16	30.33	5.1	5.1	5.1
4500 to 5000	- 22	7	0.01	399	0.07	34.30	5.1	5.1	5.1
5000 to 6000	- 23	11	0.02	702	0.12	38.24	5.1	5.1	5.1
6000 to 7000	- 24	3	0.00	242	0.04	47.97	5.1	5.1	5.1
7000 to 8000	- 25	5	0.01	451	0.08	53.57	5.1	5.1	5.1
8000 to 9000	- 26	2	0.00	207	0.03	61.37	5.1	5.1	5.1
9000 to 10000	- 27	1	0.00	110	0.02	65.38	5.1	5.1	5.1
>10000		19	0.03	3,448	0.57	110.11	5.1	5.1	5.1

**Rate Change Impacts on E03 by Energy Intervals
Rural Residential - Rural & Rural Resort**

Rate Breakdown	Existing	Proposed	Based on Rate Class
Energy Rate: (cents/kW.h)	13.741	14.439	Increase of 5.1%
Basic Charge: (\$/month)	31.77	33.38	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 100	- 1	803	2.34	529	0.11	1.99	5.1	5.1	5.1
100 to 200	- 2	910	2.66	1,630	0.35	2.65	5.1	5.1	5.1
200 to 300	- 3	1,078	3.15	3,258	0.70	3.37	5.1	5.1	5.1
300 to 400	- 4	1,378	4.02	5,836	1.25	4.07	5.1	5.1	5.1
400 to 500	- 5	1,800	5.26	9,758	2.09	4.76	5.1	5.1	5.1
500 to 600	- 6	2,179	6.36	14,427	3.09	5.46	5.1	5.1	5.1
600 to 700	- 7	2,394	6.99	18,688	4.00	6.15	5.1	5.1	5.1
700 to 800	- 8	2,483	7.25	22,341	4.78	6.84	5.1	5.1	5.1
800 to 900	- 9	2,393	6.99	24,412	5.23	7.54	5.1	5.1	5.1
900 to 1000	- 10	2,331	6.81	26,565	5.69	8.24	5.1	5.1	5.1
1000 to 1100	- 11	2,157	6.30	27,153	5.81	8.93	5.1	5.1	5.1
1100 to 1200	- 12	1,904	5.56	26,261	5.62	9.63	5.1	5.1	5.1
1200 to 1300	- 13	1,669	4.87	25,019	5.36	10.33	5.1	5.1	5.1
1300 to 1400	- 14	1,398	4.08	22,645	4.85	11.03	5.1	5.1	5.1
1400 to 1500	- 15	1,249	3.65	21,711	4.65	11.72	5.1	5.1	5.1
1500 to 2000	- 16	4,044	11.81	83,430	17.86	13.61	5.1	5.1	5.1
2000 to 2500	- 17	2,104	6.14	56,254	12.04	17.16	5.1	5.1	5.1
2500 to 3000	- 18	1,009	2.95	32,926	7.05	20.59	5.1	5.1	5.1
3000 to 3500	- 19	511	1.49	19,723	4.22	24.06	5.1	5.1	5.1
3500 to 4000	- 20	229	0.67	10,264	2.20	27.68	5.1	5.1	5.1
4000 to 4500	- 21	96	0.28	4,877	1.04	31.16	5.1	5.1	5.1
4500 to 5000	- 22	52	0.15	2,947	0.63	34.57	5.1	5.1	5.1
5000 to 6000	- 23	46	0.13	2,969	0.64	39.15	5.1	5.1	5.1
6000 to 7000	- 24	16	0.05	1,244	0.27	46.82	5.1	5.1	5.1
7000 to 8000	- 25	6	0.02	522	0.11	52.24	5.1	5.1	5.1
8000 to 9000	- 26	4	0.01	415	0.09	61.98	5.1	5.1	5.1
9000 to 10000	- 27	2	0.01	223	0.05	66.61	5.1	5.1	5.1
>10000		6	0.02	1,099	0.24	130.40	5.1	5.1	5.1

**Rate Change Impacts on E04 by Energy Intervals
Rural Residential - Residential Diesel**

Rate Breakdown	Existing	Proposed	Based on Rate Class
First Block Size (kW.h/month)	650	650	Increase of 5.1%
Energy Rate (cents/kW.h): First Block	13.741	14.439	
Balance	50.733	53.310	
Basic Charge: (\$/month)	31.77	33.38	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
300 to 400	- 1	1	16.67	4	7.41	3.86	5.1	5.1	5.1
400 to 500	- 2	1	16.67	5	9.26	4.81	5.1	5.1	5.1
500 to 600	- 3	1	16.67	6	11.11	5.58	5.1	5.1	5.1
800 to 900	- 4	1	16.67	10	18.52	11.16	5.1	5.1	5.1
> 1000	- 5	2	33.33	29	53.70	21.00	5.1	5.1	5.1

**Rate Change Impacts on E34 by Energy Intervals
Farm**

Rate Breakdown	Existing	Proposed	
First Block Size (kW.h/month)	16,000	16,000	
Energy Rate (cents/kW.h): First Block	12.224	12.845	
Balance	5.300	5.569	Based on Rate Class
Demand Rate (\$/kVA): First 50kVA	0	0	Increase of 5.1%
Balance	12.408	13.038	
Basic Charge (\$/month):	33.77	35.49	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 100	- 1	258	2.38	132	0.03	1.99	5.1	5.1	5.1
100 to 200	- 2	181	1.67	327	0.08	2.65	5.1	5.1	5.1
200 to 300	- 3	168	1.55	508	0.13	3.29	5.1	5.1	5.1
300 to 400	- 4	197	1.82	828	0.21	3.92	5.1	5.1	5.1
400 to 500	- 5	242	2.23	1,298	0.33	4.51	5.1	5.1	5.1
500 to 600	- 6	290	2.67	1,927	0.49	5.17	5.1	5.1	5.1
600 to 700	- 7	344	3.17	2,697	0.69	5.80	5.1	5.1	5.1
700 to 800	- 8	360	3.32	3,248	0.83	6.39	5.1	5.1	5.1
800 to 900	- 9	436	4.02	4,449	1.14	7.00	5.1	5.1	5.1
900 to 1000	- 10	434	4.00	4,961	1.27	7.64	5.1	5.1	5.1
1000 to 1100	- 11	446	4.11	5,616	1.44	8.24	5.1	5.1	5.1
1100 to 1200	- 12	437	4.03	6,044	1.55	8.98	5.1	5.1	5.1
1200 to 1300	- 13	408	3.76	6,112	1.57	9.49	5.1	5.1	5.1
1300 to 1400	- 14	450	4.15	7,295	1.87	10.13	5.1	5.1	5.1
1400 to 1500	- 15	401	3.70	6,979	1.79	10.81	5.1	5.1	5.1
1500 to 1600	- 16	377	3.47	6,999	1.80	11.34	5.1	5.1	5.1
1600 to 1700	- 17	367	3.38	7,262	1.86	12.03	5.1	5.1	5.1
1700 to 1800	- 18	377	3.47	7,911	2.03	12.59	5.1	5.1	5.1
1800 to 1900	- 19	335	3.09	7,442	1.91	13.24	5.1	5.1	5.1
1900 to 2000	- 20	299	2.76	6,997	1.80	13.85	5.1	5.1	5.1
2000 to 2500	- 21	1,176	10.84	31,599	8.11	15.69	5.1	5.1	5.1
2500 to 3000	- 22	832	7.67	27,258	7.00	18.75	5.1	5.1	5.1
3000 to 3500	- 23	500	4.61	19,379	4.97	21.85	5.1	5.1	5.1
3500 to 4000	- 24	312	2.88	13,985	3.59	25.02	5.1	5.1	5.1
4000 to 4500	- 25	221	2.04	11,241	2.88	28.02	5.1	5.1	5.1
4500 to 5000	- 26	166	1.53	9,412	2.42	31.16	5.1	5.1	5.1
5000 to 10000	- 27	509	4.69	40,780	10.47	43.25	5.1	5.1	5.1
10000 to 15000	- 28	112	1.03	16,399	4.21	77.27	5.1	5.1	5.1
15000 to 20000	- 29	46	0.42	9,623	2.47	108.04	5.1	5.1	5.1
20000 to 25000	- 30	30	0.28	8,126	2.09	136.21	5.1	5.1	5.1
>25000		140	1.29	112,842	28.96	344.71	5.1	5.1	5.1

**Rate Change Impacts on E05 by Energy Intervals
General Service - Large
Urban - SaskPower Supplied Transformation (Over 75 kVA)**

Rate Breakdown	Existing	Proposed	
First Block Size (kW.h/month)	16,750	16,750	
Energy Rate (cents/kW.h): First Block	11.576	12.164	
Balance	7.411	7.787	Based on Rate Class
Demand Rate (\$/kVA): First 50kVA	0.000	0.000	Increase of 5.1%
Balance	15.065	15.830	
Basic Charge (\$/month):	55.95	58.79	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 5000	- 1	81	5.79	1,817	0.19	21.86	5.1	5.1	5.1
5000 to 10000	- 2	61	4.36	5,747	0.62	70.19	5.1	5.1	5.1
10000 to 15000	- 3	69	4.93	10,474	1.12	100.23	5.1	5.1	5.1
15000 to 20000	- 4	118	8.43	25,065	2.69	123.97	5.1	5.1	5.1
20000 to 25000	- 5	138	9.86	37,197	3.99	145.83	5.1	5.1	5.1
25000 to 30000	- 6	168	12.00	55,094	5.91	173.53	5.1	5.1	5.1
30000 to 35000	- 7	111	7.93	43,372	4.65	195.82	5.1	5.1	5.1
35000 to 40000	- 8	107	7.64	48,167	5.16	228.48	5.1	5.1	5.1
40000 to 45000	- 9	71	5.07	36,200	3.88	249.43	5.1	5.1	5.1
45000 to 50000	- 10	52	3.71	29,646	3.18	289.47	5.1	5.1	5.1
50000 to 55000	- 11	43	3.07	27,096	2.90	311.85	5.1	5.1	5.1
55000 to 60000	- 12	44	3.14	30,400	3.26	364.27	5.1	5.1	5.1
60000 to 65000	- 13	25	1.79	18,855	2.02	364.69	5.1	5.1	5.1
65000 to 70000	- 14	21	1.50	16,997	1.82	401.65	5.1	5.1	5.1
70000 to 75000	- 15	25	1.79	21,724	2.33	432.12	5.1	5.1	5.1
75000 to 80000	- 16	12	0.86	11,198	1.20	462.79	5.1	5.1	5.1
80000 to 85000	- 17	18	1.29	17,883	1.92	471.97	5.1	5.1	5.1
85000 to 90000	- 18	10	0.71	10,521	1.13	482.56	5.1	5.1	5.1
90000 to 95000	- 19	14	1.00	15,521	1.66	523.46	5.1	5.1	5.1
95000 to 100000	- 20	15	1.07	17,521	1.88	556.71	5.1	5.1	5.1
100000 to 125000	- 21	57	4.07	75,732	8.12	635.32	5.1	5.1	5.1
125000 to 150000	- 22	25	1.79	41,295	4.43	773.83	5.1	5.1	5.1
150000 to 175000	- 23	30	2.14	58,318	6.25	906.98	5.1	5.1	5.1
175000 to 200000	- 24	22	1.57	48,772	5.23	1,011.83	5.1	5.1	5.1
200000 to 250000	- 25	26	1.86	67,365	7.22	1,216.58	5.1	5.1	5.1
250000 to 300000	- 26	11	0.79	35,664	3.82	1,469.94	5.1	5.1	5.1
300000 to 400000	- 27	18	1.29	75,743	8.12	1,911.64	5.1	5.1	5.1
>400000		8	0.57	49,566	5.31	7,073.28	5.1	5.1	5.1

Rate Change Impacts on E06 by Energy Intervals
General Service - Large
Rural - SaskPower Supplied Transformation (Over 75 kVA)

Rate Breakdown		Existing	Proposed	
First Block Size (kW.h/month)		15,500	15,500	
Energy Rate (cents/kW.h): First Block		11.576	12.164	
	Balance	7.021	7.378	Based on Rate Class Increase of 5.1%
Demand Rate (\$/kVA): First 50kVA		0.000	0.000	
	Balance	15.065	15.830	
Basic Charge (\$/month):		62.80	65.99	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 5000	- 1	49	9.42	1,685	0.37	32.52	5.1	5.1	5.1
5000 to 10000	- 2	39	7.50	3,536	0.77	74.07	5.1	5.1	5.1
10000 to 15000	- 3	30	5.77	4,570	0.99	102.03	5.1	5.1	5.1
15000 to 20000	- 4	40	7.69	8,525	1.85	147.71	5.1	5.1	5.1
20000 to 25000	- 5	40	7.69	10,801	2.35	154.21	5.1	5.1	5.1
25000 to 30000	- 6	37	7.12	12,215	2.66	188.19	5.1	5.1	5.1
30000 to 35000	- 7	30	5.77	11,644	2.53	218.38	5.1	5.1	5.1
35000 to 40000	- 8	36	6.92	16,155	3.51	240.13	5.1	5.1	5.1
40000 to 45000	- 9	19	3.65	9,734	2.12	363.35	5.1	5.1	5.1
45000 to 50000	- 10	19	3.65	10,880	2.37	327.84	5.1	5.1	5.1
50000 to 55000	- 11	15	2.88	9,387	2.04	354.73	5.1	5.1	5.1
55000 to 60000	- 12	22	4.23	15,142	3.29	382.81	5.1	5.1	5.1
60000 to 65000	- 13	14	2.69	10,457	2.27	426.64	5.1	5.1	5.1
65000 to 70000	- 14	11	2.12	8,875	1.93	447.31	5.1	5.1	5.1
70000 to 75000	- 15	10	1.92	8,653	1.88	545.51	5.1	5.1	5.1
75000 to 80000	- 16	7	1.35	6,457	1.40	673.56	5.1	5.1	5.1
80000 to 85000	- 17	5	0.96	4,931	1.07	563.07	5.1	5.1	5.1
85000 to 90000	- 18	9	1.73	9,412	2.05	581.64	5.1	5.1	5.1
90000 to 95000	- 19	1	0.19	1,097	0.24	464.18	5.1	5.1	5.1
95000 to 100000	- 20	6	1.15	7,012	1.52	594.43	5.1	5.1	5.1
100000 to 125000	- 21	16	3.08	21,427	4.66	666.25	5.1	5.1	5.1
125000 to 150000	- 22	11	2.12	18,033	3.92	825.66	5.1	5.1	5.1
150000 to 175000	- 23	9	1.73	17,853	3.88	951.81	5.1	5.1	5.1
175000 to 200000	- 24	6	1.15	13,292	2.89	1,084.72	5.1	5.1	5.1
200000 to 250000	- 25	11	2.12	30,045	6.53	1,212.16	5.1	5.1	5.1
250000 to 300000	- 26	4	0.77	13,615	2.96	1,425.68	5.1	5.1	5.1
300000 to 400000	- 27	7	1.35	28,858	6.28	1,847.32	5.1	5.1	5.1
>400000		17	3.27	145,589	31.66	4,336.65	5.1	5.1	5.1

**Rate Change Impacts on E07 by Energy Intervals
General Service - Large
Urban - Customer Owned Transformation - 25kV and Less (Over 75 kVA)**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	7.004	7.360	
Demand Rate (\$/kVA):	13.475	14.159	Based on Rate Class Increase of 5.1%
Basic Charge (\$/month):	234.04	245.93	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 50000	- 1	6	10.34	2,589	1.85	234.94	5.1	5.1	5.1
50000 to 100000	- 2	12	20.69	9,676	6.90	382.96	5.1	5.1	5.1
100000 to 200000	- 3	13	22.41	23,441	16.72	810.89	5.1	5.1	5.1
200000 to 300000	- 4	18	31.03	56,113	40.03	1,369.70	5.1	5.1	5.1
300000 to 400000	- 5	5	8.62	19,826	14.14	1,677.44	5.1	5.1	5.1
>400000		4	6.90	28,536	20.36	5,004.41	5.1	5.1	5.1

Rate Change Impacts on E08 by Energy Intervals
General Service - Large
Rural - Customer Owned Transformation - 25kV and Less (Over 75 kVA)

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	7.004	7.360	Based on Rate Class
Demand Rate (\$/kVA):	13.475	14.159	Increase of 5.1%
Basic Charge (\$/month):	288.88	303.55	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 50000	- 1	2	18.18	1,044	2.56	312.76	5.1	5.1	5.1
50000 to 100000	- 2	1	9.09	914	2.24	425.48	5.1	5.1	5.1
100000 to 200000	- 3	2	18.18	3,423	8.40	845.83	5.1	5.1	5.1
300000 to 400000	- 4	2	18.18	7,474	18.35	1,673.79	5.1	5.1	5.1
> 400000	- 5	4	36.36	27,876	68.44	3,945.05	5.1	5.1	5.1

Rate Change Impacts on E10 by Energy Intervals
General Service - Large
Customer Owned Transformation - 72kV and Less (Over 75 kVA)

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	5.506	5.786	
Demand Rate (\$/kVA):	8.228	8.646	Based on Rate Class Increase of 5.1%
Basic Charge (\$/month):	688.57	723.55	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 200000	- 1	2	15.38	756	0.72	191.65	5.1	5.1	5.1
200000 to 400000	- 2	2	15.38	7,520	7.18	1,358.85	5.1	5.1	5.1
400000 to 600000	- 3	1	7.69	5,025	4.80	1,668.54	5.1	5.1	5.1
>600000		8	61.54	91,452	87.30	3,935.35	5.1	5.1	5.1

**Rate Change Impacts on E12 by Energy Intervals
General Service - Large
Customer Owned Transformation - 138kV and Less (Over 75 kVA)**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	5.406	5.681	
Demand Rate (\$/kVA):	8.109	8.521	Based on Rate Class Increase of 5.1%
Basic Charge (\$/month):	316.75	332.84	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 200000	-	1	-	-	-				
200000 to 400000	-	2	66.67	6,962	46.59	1,222.47	5.1	5.1	5.1
400000 to 600000	-	3	-						
> 600000	-	4	33.33	7,981	53.41	2,678.15	5.1	5.1	5.1

**Rate Change Impacts on E75 by Energy Intervals
General Service - Small Commercial
Urban - SaskPower Supplied Transformation (75 kVA and Less)**

Rate Breakdown	Existing	Proposed	
First Block Size (kW.h/month)	14,500	14,500	
Energy Rate (cents/kW.h): First Block	13.200	13.870	
Balance	6.971	7.325	Based on Rate Class
Demand Rate (\$/kVA): First 50kVA	0	0	Increase of 5.1%
Balance	14.629	15.372	
Basic Charge (\$/month):	30.07	31.60	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
> 20000	- 11	331	1.27	114,570	13.74	207.25	5.1	5.1	5.1
0 to 2000	- 1	17,259	66.37	146,943	17.63	6.29	5.1	5.1	5.1
10000 to 12000	- 6	420	1.62	55,065	6.60	74.84	5.1	5.1	5.1
12000 to 14000	- 7	293	1.13	45,584	5.47	87.52	5.1	5.1	5.1
14000 to 16000	- 8	182	0.70	32,600	3.91	98.70	5.1	5.1	5.1
16000 to 18000	- 9	175	0.67	35,525	4.26	108.62	5.1	5.1	5.1
18000 to 20000	- 10	112	0.43	25,510	3.06	118.23	5.1	5.1	5.1
2000 to 4000	- 2	4,042	15.54	138,125	16.57	20.67	5.1	5.1	5.1
4000 to 6000	- 3	1,636	6.29	95,718	11.48	34.33	5.1	5.1	5.1
6000 to 8000	- 4	928	3.57	76,776	9.21	48.08	5.1	5.1	5.1
>20000		628	2.41	67,275	8.07	61.38	5.1	5.1	5.1

**Rate Change Impacts on E76 by Energy Intervals
General Service - Small Commercial
Rural - SaskPower Supplied Transformation (75 kVA and Less)**

Rate Breakdown	Existing	Proposed	
First Block Size (kW.h/month)	13,000	13,000	
Energy Rate (cents/kW.h): First Block	13.905	14.611	
Balance	7.152	7.515	Based on Rate Class
Demand Rate (\$/kVA): First 50kVA	0	0	Increase of 5.1%
Balance	14.945	15.704	
Basic Charge (\$/month):	40.07	42.11	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 2000	- 1	5,411	68.28	43,764	19.15	6.81	5.1	5.1	5.1
2000 to 4000	- 2	1,258	15.87	42,852	18.75	22.19	5.1	5.1	5.1
4000 to 6000	- 3	483	6.09	28,525	12.48	36.97	5.1	5.1	5.1
6000 to 8000	- 4	286	3.61	23,641	10.34	50.54	5.1	5.1	5.1
8000 to 10000	- 5	137	1.73	14,793	6.47	65.77	5.1	5.1	5.1
10000 to 12000	- 6	110	1.39	14,501	6.34	77.09	5.1	5.1	5.1
12000 to 14000	- 7	64	0.81	10,022	4.38	90.35	5.1	5.1	5.1
14000 to 16000	- 8	50	0.63	9,017	3.95	99.37	5.1	5.1	5.1
16000 to 18000	- 9	29	0.37	5,847	2.56	109.52	5.1	5.1	5.1
18000 to 20000	- 10	28	0.35	6,362	2.78	122.24	5.1	5.1	5.1
>20000		69	0.87	29,237	12.79	258.15	5.1	5.1	5.1

**Rate Change Impacts on E77 by Energy Intervals
General Service - Small Commercial
Urban - Customer Owned Transformation (75 kVA and Less)**

Rate Breakdown		Existing	Proposed	
First Block Size (kW.h/month)		14,500	14,500	
Energy Rate (cents/kW.h): First Block		13.200	13.870	
	Balance	6.971	7.325	Based on Rate Class
Demand Rate (\$/kVA): First 50kVA		0	0	Increase of 5.1%
	Balance	14.117	14.834	
Basic Charge (\$/month):		30.07	31.60	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 5000	- 1	17	60.71	193	12.44	7.87	5.1	5.1	5.1
5000 to 10000	- 2	6	21.43	555	35.78	53.55	5.1	5.1	5.1
10000 to 15000	- 3	3	10.71	390	25.15	72.44	5.1	5.1	5.1
>15000		2	7.14	413	26.63	214.25	5.1	5.1	5.1

**Rate Change Impacts on E78 by Energy Intervals
General Service - Small Commercial
Rural - Customer Owned Transformation (75 kVA and Less)**

Rate Breakdown	Existing	Proposed	
First Block Size (kW.h/month)	13,000	13,000	
Energy Rate (cents/kW.h): First Block	13.905	14.611	
Balance	7.152	7.515	Based on Rate Class
Demand Rate (\$/kVA): First 50kVA	0	0	Increase of 5.1%
Balance	14.411	15.143	
Basic Charge (\$/month):	40.07	42.11	Based on 2016 Billing

Energy Intervals (KWh/month)			Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
			Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 5000	-	1	8	61.54	204	12.83	17.08	5.1	5.1	5.1
5000 to 10000	-	2	3	23.08	206	12.96	42.39	5.1	5.1	5.1
10000 to 15000	-	3	1	7.69	132	8.30	77.88	5.1	5.1	5.1
> 15000	-	4	1	7.69	1,048	65.91	435.68	5.1	5.1	5.1

**Rate Change Impacts on E43 by Energy Intervals
Oil Fields**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	7.306	7.679	Based on Rate Class
Demand Rate (\$/kVA):	12.933	13.593	Increase of 5.1%
Basic Charge (\$/month):	59.37	62.40	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0 to 1000	1	2,012	15.24	8,372	0.35	6.67	5.1	5.1	5.1
1000 to 2000	2	1,174	8.89	20,973	0.89	13.99	5.1	5.1	5.1
2000 to 3000	3	1,042	7.89	31,469	1.33	19.60	5.1	5.1	5.1
3000 to 4000	4	956	7.24	39,962	1.69	24.49	5.1	5.1	5.1
4000 to 5000	5	856	6.48	46,259	1.96	29.57	5.1	5.1	5.1
5000 to 6000	6	718	5.44	47,138	1.99	34.74	5.1	5.1	5.1
6000 to 7000	7	603	4.57	46,958	1.98	39.87	5.1	5.1	5.1
7000 to 8000	8	496	3.76	44,601	1.89	45.15	5.1	5.1	5.1
8000 to 9000	9	468	3.55	47,622	2.01	50.41	5.1	5.1	5.1
9000 to 10000	10	390	2.95	44,423	1.88	55.07	5.1	5.1	5.1
10000 to 15000	11	1,434	10.86	212,208	8.97	69.86	5.1	5.1	5.1
15000 to 20000	12	874	6.62	182,335	7.71	94.62	5.1	5.1	5.1
20000 to 25000	13	510	3.86	136,887	5.79	119.64	5.1	5.1	5.1
25000 to 30000	14	331	2.51	108,389	4.58	144.08	5.1	5.1	5.1
30000 to 40000	15	395	2.99	164,867	6.97	183.14	5.1	5.1	5.1
40000 to 50000	16	220	1.67	117,589	4.97	230.74	5.1	5.1	5.1
50000 to 75000	17	306	2.32	225,044	9.51	317.17	5.1	5.1	5.1
75000 to 100000	18	144	1.09	149,613	6.32	440.50	5.1	5.1	5.1
100000 to 200000	19	170	1.29	280,753	11.87	711.57	5.1	5.1	5.1
>200000		101	0.77	410,593	17.35	2,886.74	5.1	5.1	5.1

**Rate Change Impacts on E46 by Energy Intervals
Power - Oilfield
Customer Owned Transformation - 25kV**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	6.665	7.004	Based on Rate Class
Demand Rate (\$/kVA):	10.532	11.067	Increase of 5.1%
Basic Charge (\$/month):	5,976.74	6,280.32	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0	- 2000000	3	9.1%	2,768	0.5%	\$ 1,937	5.1	5.1	5.1
2000000	- 5000000	4	12.1%	14,445	2.6%	\$ 6,494	5.1	5.1	5.1
5000000	- 20000000	21	63.6%	224,582	40.8%	\$ 86,995	5.1	5.1	5.1
>20000000		5	15.2%	308,935	56.1%	\$ 117,945	5.1	5.1	5.1

**Rate Change Impacts on E47 by Energy Intervals
Power - Oilfield
Customer Owned Transformation -72kV**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	6.014	6.319	
Demand Rate (\$/kVA):	8.117	8.529	Based on Rate Class Increase of 5.1%
Basic Charge (\$/month):	6,850.77	7,198.75	Based on 2016 Billing

Energy Intervals (KWh/month)	Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
	Number	(%)	(MWh/year)	(%)		Average	Low	High
>2000000	1	100.00	51,264	100.00	16,057.24	5.1	5.1	5.1

**Rate Change Impacts on E48 by Energy Intervals
Power - Oilfield
Customer Owned Transformation -138kV**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	5.900	6.200	
Demand Rate (\$/kVA):	8.000	8.406	Based on Rate Class Increase of 5.1%
Basic Charge (\$/month):	7,354.73	7,728.31	Based on 2016 Billing

Energy Intervals (KWh/month)	Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
	Number	(%)	(MWh/year)	(%)		Average	Low	High
>20000000	2	100.00	330,007	100.00	50,125.28	5.1	5.1	5.1

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

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	6.665	7.004	Based on Rate Class
Demand Rate (\$/kVA):	10.532	11.067	Increase of 5.1%
Basic Charge (\$/month):	5,976.74	6,280.32	Based on 2016 Billing

Energy Intervals (KWh/month)			Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
			Number	(%)	(MWh/year)	(%)		Average	Low	High
0	-	2000000	1	4%	-	0.0%	\$ 303.6	5.1	5.1	5.1
2000000	-	5000000	3	12%	12,052.3	3.3%	\$ 5,757.0	5.1	5.1	5.1
5000000	-	20000000	16	64%	199,819.1	54.3%	\$ 81,062.4	5.1	5.1	5.1
>20000000			5	20%	156,016.6	42.4%	\$ 61,121.4	5.1	5.1	5.1

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

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	6.014	6.319	
Demand Rate (\$/kVA):	8.117	8.529	Based on Rate Class Increase of 5.1%
Basic Charge (\$/month):	6,850.77	7,198.75	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase			
		Number	(%)	(MWh/year)	(%)		Average	Low	High	
0	-	2000000	1	5.3%	53	0.01%	\$ 369	5.1	5.1	5.1
2000000	-	5000000	0	0.0%	-	0.00%	-	-	-	-
5000000	-	20000000	4	21.1%	52,352	4.98%	\$ 4,836	5.1	5.1	5.1
>20000000			14	73.7%	999,681	95.02%	\$ 23,180	5.1	5.1	5.1

**Rate Change Impacts on E24 by Energy Intervals
Power
Customer Owned Transformation - 138kV**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	5.900	6.200	Based on Rate Class
Demand Rate (\$/kVA):	8.000	8.406	Increase of 5.1%
Basic Charge (\$/month):	7,354.73	7,728.31	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0	- 2000000	4	11.4%	26,520	0.7%	\$ 10,670	5.1	5.1	5.1
2000000	- 5000000	13	37.1%	446,732	11.4%	\$ 150,169	5.1	5.1	5.1
5000000	- 20000000	12	34.3%	1,258,119	32.0%	\$ 410,290	5.1	5.1	5.1
>20000000		6	17.1%	2,199,259	56.0%	\$ 680,792	5.1	5.1	5.1

**Rate Change Impacts on E25 by Energy Intervals
Power
Customer Owned Transformation - 230kV**

Rate Breakdown	Existing	Proposed	
Energy Rate (cents/kW.h):	5.900	6.200	Based on Rate Class
Demand Rate (\$/kVA):	8.000	8.406	Increase of 5.1%
Basic Charge (\$/month):	7,707.38	8,098.87	Based on 2016 Billing

Energy Intervals (KWh/month)		Number of Accounts		Energy Use		Average Monthly Change (\$)	% Increase		
		Number	(%)	(MWh/year)	(%)		Average	Low	High
0	- 50000000	3	50.00%	94,238	12.2%	\$ 10,939	5.1	5.1	5.1
50000000	200000000	1	16.67%	70,266	9.1%	\$ 21,955	5.1	5.1	5.1
>200000000		2	33.33%	608,831	78.7%	\$ 95,954	5.1	5.1	5.1



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