



RESPONSES TO
INTERROGATORIES
FROM THE
SASKATCHEWAN
INDUSTRIAL ENERGY
CONSUMERS
ASSOCIATION

[2016 and 2017 Rate Application]



2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q1:

Please provide a fully functioning Excel spreadsheet version of each of the schedules in the 2017 Fiscal Test Embedded Cost of Service Study complete with all cell formulas and links.

Response:

SaskPower is unable to provide a fully functioning Excel spreadsheet version of each of the schedules in the 2017 Fiscal Test Embedded Cost of Service Study with all links and formulae intact, as the Cost of Service model is confidential.

SaskPower undertakes a public review of its Cost of Service methodologies every five years, under the guidance of the Saskatchewan Rate Review Panel and external consultants, to ensure the models are functioning within industry standards. The Saskatchewan Rate Review Panel has full access to SaskPower's Cost of Service model.

Please refer to the *2017 Fiscal Test Embedded Cost of Service Results* report, which is included in the Minimum Filing Requirements SaskPower previously submitted.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q2:

Please provide a single Excel spreadsheet showing the hourly power consumption and hourly peak demand of each customer class for each hour during 2015.

Response:

Please see the attached Excel spreadsheet titled, "SIECA Q2 - table."

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q3:

Please provide a fully functioning Excel spreadsheet showing the calculations and results of Equivalent Peaker ratio calculation.

Response:

As per SIECA Q1, SaskPower's Cost of Service model is confidential, reviewed every five years by an external consultant. The Saskatchewan Rate Review Panel has full access to SaskPower's Cost of Service model.

Commercially sensitive information limits our response to the information present in the table below, which was previously provided to the Saskatchewan Rate Review Panel in response to interrogatory *SRRP Q121*.

Capital costs used to determine the ratio calculations under the Equivalent Peaker Method have been provided to the Saskatchewan Rate Review Panel.

2014 Summary of Classification of SaskPower Generating Assets			
Generating Asset Type	Average Demand Related	Average Energy Related	Total Average Related
Single Cycle Gas Plants a)	100.0%	0.0%	100.0%
Conventional Coal b)	51.9%	48.1%	100.0%
Clean Coal c)	19.2%	80.8%	100.0%
Combined Cycle Gas d)	81.5%	18.5%	100.0%
Hydro e)	18.6%	81.4%	100.0%
Wind	20.0%	80.0%	100.0%
Diesel	100.0%	0.0%	100.0%
Total All Units %	42.5%	57.5%	100.0%
Total All Units \$	\$ 3,500,082,901	\$ 4,739,336,708	\$ 8,239,419,609
a) Single Cycle Gas Plants - Landis, Success, Meadow Lake, Ermine, Yellowhead			
b) Conventional Coal - Boundary Dam (1,2,4-6), Shand & Poplar River			
c) Clean Coal - Boundary Dam #3			
d) Combined Cycle Gas - All QE Units			
e) Hydro - Coteau Creek, Island Falls, EB Campbell, Nipawin & Athabasca			

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q4:

Please provide an Excel spreadsheet showing the following for each of SaskPower's power generation facilities:

- a. Plant Name
- b. Plant type
- c. Fuel type
- d. Heat Rate
- e. Plant maximum generating capacity
- f. Plant average annual (2015) power production
- g. Date plant went on-line.
- h. Capacity or power produced during the system winter peak hour
- i. Capacity or power produced during the system summer peak hour.
- j. 2015 fuel consumption.
- k. 2015 fuel cost.

Response:

Fuel contract confidentiality clauses or commercially sensitive information limits our response to the information provided in the table below. Data at a unit level concerning heat rates, fuel consumption and fuel costs have been provided to the Saskatchewan Rate Review Panel.

Please note that in addition to coal consumption there was a total of 634,008 gigajoules (GJ) of gas consumed at Boundary Dam and Shand Power Stations for flame stabilization and for unit start up procedures. The associated gas fuel cost for the two plants was \$3,128,673. Gas metering reconciliation with TransGas is not done at a unit level, thus gas consumption and gas costs are recorded by plant.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

	4 a.	4 b.	4 c.	4 d.	4 e.	4 f.	4 g.	4 h.	4 i.	4 j. *	4 k.	
Unit	Plant Name	Type	Fuel	Net Heat Rates Design kJ/kWh	Net Capacity (MW)	2015 Net Power Generated (MWh)	In-Service Date	2015 Winter Peak Hour (MWh)	2015 Summer Peak Hour (MWh)	2015 Fuel Consumption	2015 Fuel Costs (\$,000)	
BD3	Boundary Dam	Fossil (Steam)	Lignite	11,099	110	933,619	12/1/1969	102.7	102.1	8,846,528	\$221,599	
BD4					139	1,032,576	8/1/1970	129.5	140.2			
BD5					139	1,113,991	8/1/1973	137.7	132.6			
BD6					284	2,149,096	12/1/1977	109.5	0.0			
PR1					Poplar River	291	2,049,854	7/15/1983	286.0			278.4
PR2						291	1,917,828	5/31/1981	292.6			286.0
SH1	Shand	276	1,925,556	7/14/1992	275.1	239.9	19,585,083	\$80,402				
QE "A"	QE	Gas	59	304,611	11/1/1958	47.4			54.0			
QE3			95	199,556	11/15/1972	29.9			75.0			
QE16			96	188,297	9/28/2015	n/a			n/a			
QE4		Combustion Turbine	28	157,340	2/1/2002	27.0			19.1			
QE5			28	162,078	2/1/2002	27.0			19.6			
QE6			28	142,879	2/28/2002	0.0			19.4			
QE7			28	124,297	5/31/2002	25.8			19.5			
QE8			28	140,099	4/30/2002	25.8			19.5			
QE9			28	96,979	3/31/2002	24.9			19.4			
QE10			36	78,996	3/15/2010	4.5			0.0			
QE11			36	79,982	3/25/2010	4.0			0.0			
QE12			36	65,523	5/1/2010	4.2			0.0			
QE13			36	71,774	9/28/2015	n/a			n/a			
QE14			36	63,990	9/28/2015	n/a			n/a			
QE15			36	66,276	9/28/2015	n/a	n/a					
ER1	Ermine	46	134,779	12/1/2009	41.9	28.2	2,966,883	\$12,432				
ER2		46	143,680	12/1/2009	42.7	29.6						
LD1	Landis	79	47,847	11/1/1975	26.0	45.6	756,254	\$3,768				
ML1	Meadow Lake	44	20,856	12/11/1984	27.5	24.7	301,610	\$1,288				
YH1	Yellowhead	46	112,284	12/1/2010	44.7	29.3	3,317,724	\$15,177				
YH2		46	110,727	12/1/2010	44.2	30.2						
YH3		46	96,194	12/1/2010	42.7	30.1						

* Coal consumption is in tonnes and gas consumption is in GJ's.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q5:

Reference 2017 Fiscal Test Embedded Cost of Service Study, page 5, first paragraph.
What are the beginning and ending dates of the period referred to as “the “test year”
of 2017 Fiscal”?

Response:

The beginning date for the 2017 Fiscal Test Embedded Cost of Service is April 1, 2016, and the ending date is March 31, 2017.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q6:

Are the costs shown in the schedules attached to the 2017 Fiscal Test Embedded Cost of Service Study actual incurred costs? If not, please provide a fully functioning Excel spreadsheet version of each of the schedules in the 2017 Fiscal Test Embedded Cost of Service Study showing the actual costs incurred for the most recent available 12 month period.

Response:

No, these are forecasted costs based on SaskPower's current Business Plan. As noted in SIECA Q1, SaskPower's Cost of Service model is confidential. Please reference the attached 2014 Base Cost of Service report (see file titled, "SIECA Q6 - 2014 Base Embedded Cost of Service Study.pdf").

2016 and 2017 RATE APPLICATION SIECA QUESTIONS

SIECA Q7:

Please provide a fully functioning Excel spreadsheet showing the calculation of the allocation percentages shown on schedules 5.0 through 5.3.

Response:

The allocation methodology is based on the classifications of demand, energy and customer-related costs within the generation, transmission, distribution and customer functions (see table below).

Class of Service	Average Annual # of Accounts	Annual Sales @ Meter (MWh)	2 CP Demand (KW)
Urban Residential	330,207	2,545,003	522,705
Rural Residential	56,507	736,967	151,362
Total Residential	386,714	3,281,969	674,067
Farms	60,578	1,331,884	221,149
Urban Commercial	44,735	2,763,282	414,447
Rural Commercial	13,450	1,018,671	155,236
Total Commercial	58,185	3,781,953	569,684
Power - Published Rates	89	6,749,735	815,879
Power - Contract Rates	14	2,440,673	321,364
Total Power	103	9,190,407	1,137,243
Oilfields	19,093	3,478,942	404,976
Streetlights	2,841	62,888	7,475
Resellers	3	1,290,917	210,075
Total System	527,517	22,418,961	3,224,668

- Within the generation function, the energy-related rate base and expenses are allocated based on annual sales. The demand-related rate base and expenses are allocated using the 2CP (coincident peak) method.
- Within the transmission function, all rate base and expenses are demand-related and are allocated using the 2CP method.
- Within the distribution function, the demand-related functions use the 2CP methodology. The customer-related functions within distribution utilize weighted averages of customers within each class.
- Within the customer service function, the customer-related functions are allocated by the weighted number of customers in each class.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q8:

Please provide an Excel spreadsheet showing the amount of Shand Greenhouse cost and revenue assigned or allocated to each customer class.

Response:

Please see the table below detailing Shand Greenhouse's allocated rate base, expense and revenue requirement by customer class. The rate base, expenses, and revenue allocated to the Shand Greenhouse are based on existing rates.

Class of Service	Shand Allocation		
	Rate Base	Expenses	Existing Revenue
Urban Residential	335,455	114,353	130,398
Rural Residential	96,442	32,773	37,386
Total Residential	431,897	147,126	167,783
Farms	159,765	50,480	58,121
Urban Commercial	321,396	99,643	115,015
Rural Commercial	117,948	36,614	42,256
Total Commercial	439,344	136,257	157,270
Power - Published Rates	670,455	196,699	228,767
Power - Contract Rates	248,094	75,681	87,547
Total Power	918,549	272,380	316,313
Oilfields	364,453	101,559	118,990
Streetlights	6,724	1,309	1,631
Reseller	141,002	47,285	54,029
Total	2,461,734	756,396	874,138

Return on Rate Base	4.78%
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2016 and 2017 RATE APPLICATION SIECA QUESTIONS

SIECA Q9:

Please provide an Excel spreadsheet showing the amount of NorthPoint Energy Solutions cost and revenue assigned or allocated to each customer class.

Response:

Please see the table below detailing NorthPoint's allocated rate base, expense and revenue requirement by customer class:

NORTHPOINT COST & REVENUE									
Class of Service	Exports and Trading Revenue			NorthPoint OMA			Totals		
	Change to Rate Base	Expense Change	Change in Rev. Req.	Change to Rate Base	Expense Change	Change in Rev. Req.	Change to Rate Base	Expense Change	Change in Rev. Req.
Urban Residential	-	2,174,211	2,174,211	(100,694)	(775,317)	(780,199)	(100,694)	1,398,894	1,394,202
Rural Residential	-	623,529	623,529	(28,763)	(220,833)	(222,228)	(28,763)	402,696	401,355
Total Residential	-	2,797,740	2,797,740	(129,457)	(996,150)	(1,002,427)	(129,457)	1,801,589	1,795,557
Farms	-	1,126,183	1,126,183	(53,539)	(419,899)	(422,495)	(53,539)	706,284	703,789
Urban Commercial	-	2,355,164	2,355,164	(115,092)	(919,515)	(925,095)	(115,092)	1,435,648	1,430,286
Rural Commercial	-	857,579	857,579	(41,637)	(331,234)	(333,253)	(41,637)	526,344	524,404
Total Commercial	-	3,212,743	3,212,743	(156,729)	(1,250,750)	(1,258,349)	(156,729)	1,961,993	1,954,690
Power - Published Rates	-	5,241,738	5,241,738	(262,716)	(2,133,411)	(2,146,149)	(262,716)	3,108,326	3,096,085
Power - Contract Rates	-	1,886,788	1,886,788	(94,483)	(766,831)	(771,411)	(94,483)	1,119,958	1,115,555
Total Power	-	7,128,526	7,128,526	(357,199)	(2,900,242)	(2,917,560)	(357,199)	4,228,284	4,211,640
Oilfields	-	2,895,925	2,895,925	(142,928)	(1,149,316)	(1,156,246)	(142,928)	1,746,608	1,739,949
Streetlights	-	53,603	53,603	(2,178)	(15,079)	(15,185)	(2,178)	38,524	38,423
Reseller	-	993,923	993,923	(49,587)	(401,506)	(403,910)	(49,587)	592,417	590,106
Total	-	18,208,642	18,208,642	(891,618)	(7,132,943)	(7,176,171)	(891,618)	11,075,699	11,034,155
Original RORB	4.77%			4.77%			4.77%		
Revised RORB	4.58%			4.85%			4.66%		

- NorthPoint's revenue is made up of exports and electricity trading, which total \$18.209M. Removing NorthPoint's revenue represents an equal increase to fuel costs, which also reduces the return on rate base (RORB = 4.58%) and revenue requirement.
- NorthPoint's OMA totals \$7.133M. Removing NorthPoint's OMA impacts total expenses as well as working capital, which is part of the rate base. Both the expense changes and rate base changes impact revenue requirement.
- NorthPoint's change in revenue requirement, totaling \$11.034M, represents their reduction to required revenue to SaskPower.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q10:

Please explain the difference between Power-Published Rates customers and Power-Contract Rates customers including the difference, if any, in each customer class's cost causing behavior that justifies a significantly lower cost allocation percentage.

Response:

Contract customers' increases are calculated using the escalation factors contained in their respective Electrical Service Agreement (ESA). The nature and type of these escalation factors varies by contract and can be dependent upon outlying factors beyond SaskPower's control.

Depending on the nature of the stipulated escalation, it is possible that some contract customers will not receive increases sufficient enough to recover their calculated revenue requirement. This has occurred in this application, as the contract class' R/RR ratio has dropped below its starting point of 1.00 to 0.99 after the proposed increases.

SaskPower's long-term objective is to eliminate the contract class and have all customers on published rates.

2016 and 2017 RATE APPLICATION SIECA QUESTIONS

SIECA Q11:

Please provide an Excel spreadsheet showing the actual number of customers and number of meters included in the 2017 Fiscal Test Embedded Cost of Service Study for each customer class.

Response:

With the exception of the power and reseller classes, SaskPower does not forecast the actual number of customers, only the number of active meters. The active meter count is required for determining SaskPower's revenue forecast and, therefore, the information requested for the mass market (residential, farm, commercial and oilfield) customers is not available.

However, since the power and reseller classes are forecasted individually, the table below shows the difference between the number of customers and meters for the 2017 fiscal year.

Class of Service	2017F Number of Accounts	2017F Number of Customers	Difference
Urban Residential	330,207	330,207	-
Rural Residential	56,507	56,507	-
Total Residential	386,714	386,714	-
Farms	60,578	60,578	-
Urban Commercial	44,735	44,735	-
Rural Commercial	13,450	13,450	-
Total Commercial	58,185	58,185	-
Power - Published Rates	89	54	35
Power - Contract Rates	14	2	12
Total Power	103	56	47
Oilfields	19,093	19,081	12
Streetlights	2,841	2,841	-
Reseller	3	2	1
Total (System)	527,517	527,457	60

Note: Large oilfield customers are considered power class customers and forecasted individually, but they are included with standard oilfield customers in the oilfield class.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q12:

Please provide a fully functioning Excel spreadsheet showing the calculation of the weighted number of customers included in the 2017 Fiscal Test Embedded Cost of Service Study for each customer class.

Response:

Please see the table below that summarizes the weighted customer allocations within the 2017 Fiscal Test Cost of Service Study. SaskPower's methodology for calculating weighted customers was reviewed by external consultants during the last cost of service review in 2012-13 and was found to meet industry standards.

Class of Service	Average
Urban Residential	21.5%
Rural Residential	9.6%
Total Residential	31.2%
Farms	3.1%
Urban Commercial	28.2%
Rural Commercial	14.4%
Total Commercial	42.6%
Power - Published Rates	2.3%
Power - Contract Rates	0.4%
Total Power	2.7%
Oilfields	20.3%
Streetlights	0.1%
Reseller	0.2%
Total (System)	100.0%

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q13:

Please provide any and all data and information that explains and/or supports the difference between the 5.92% return on rate base in the 5% case and the 7.13% return on rate base in the 5% + 5% case.

Response:

The only difference is the requested revenue increase in each of the rate cases. SaskPower's corporate return on equity (ROE) target determines the annual revenue required and from that the return on rate base (RORB) is derived from cost of service. The allocated rate base and expenses remain unchanged under both cases. This is illustrated in the table below:

	Existing Rates	5% Jul 1, 2016	5% Jan 1, 2017
A Total Rate Base	\$ 9,642,731,579	\$ 9,642,731,579	\$ 9,642,731,579
B Total Expenses	\$ 1,755,724,907	\$ 1,755,724,907	\$ 1,755,724,907
C Total Revenue	\$ 2,216,051,862	\$ 2,326,854,500	\$ 2,443,200,000
D Revenue Increase		\$ 110,802,638	\$ 116,345,500
E Return (C-B)	\$ 460,326,955	\$ 571,129,593	\$ 687,475,093
F RORB (E/A)	4.77%	5.92%	7.13%

Please note that finance charges are included in SaskPower return (E).

The occurrence of two rate increases in the same year drives the higher RORB because the rate base and expenses remain unchanged while the total return increases.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q14:

Please provide an Excel spreadsheet showing the amount of power produced by each of SaskPower's power generation facilities for each hour during 2015.

Response:

An Excel file is provided.

2016 and 2017 RATE APPLICATION SIECA QUESTIONS

SIECA Q15:

Please provide an Excel spreadsheet showing a Summary of the Functionalization of Financial Account Details (as per Schedule 1.0 in the 2017 Fiscal Test Embedded Cost of Service Study) based on actual costs for each of the calendar years 2013, 2014 and 2015.

Response:

Please see the tables below. Please note the 2015 base cost of service study has not been completed so a corresponding schedule for 2015 is not available at this time.

Schedule 1.0 – 2013 Base Cost of Service Study

Summary of the Functionalization of Financial Account Details 2013 Base Embedded Cost of Service Study									
Summary of the Functionalization of Financial Account Details 2013 Base Embedded Cost of Service Study (\$ Millions)									
Rate Base and Expense Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Rate Base									
Plant In Service (Schedule 1.1)	10,407.0	5,818.1	55.9%	1,263.1	12.1%	3,271.7	31.4%	54.1	0.5%
Accumulated Depreciation (Schedule 1.2)	(4,431.1)	(2,553.2)	57.6%	(513.2)	11.6%	(1,346.4)	30.4%	(18.3)	0.4%
Allowance For Working Capital	84.6	46.7	55.2%	8.0	9.4%	19.7	23.3%	10.2	12.1%
Inventories (Schedule 1.3)	186.8	82.8	44.3%	28.8	15.4%	75.0	40.2%	0.1	0.1%
Other Assets (Schedule 1.3)	91.6	51.4	56.2%	8.3	9.1%	20.5	22.4%	11.3	12.3%
Total Rate Base	6,338.9	3,445.9	54.4%	795.0	12.5%	2,040.6	32.2%	57.4	0.9%
Revenue Requirement									
Fuel Expense SaskPower Units	359.7	359.7	100.0%	-	0.0%	-	0.0%	-	0.0%
Purchased Power & Import	189.9	189.9	100.0%	-	0.0%	-	0.0%	-	0.0%
Export & Net Electricity Trading Revenue (Credit)	(64.6)	(64.6)	100.0%	-	0.0%	-	0.0%	-	0.0%
Operating, Maintenance & Administration (Schedule 1.4)	621.3	332.8	53.6%	59.7	9.6%	147.4	23.7%	81.5	13.1%
Depreciation & Depletion (Schedule 1.5)	394.2	224.0	56.8%	45.1	11.4%	118.9	30.2%	6.2	1.6%
Corporate Capital Tax	31.4	17.2	54.6%	3.9	12.5%	10.1	32.2%	0.2	0.6%
Grants in Lieu of Taxes	22.8	22.8	100.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous Tax	0.9	0.7	83.3%	0.0	0.4%	0.0	1.0%	0.1	15.3%
Other Income (Credit) (Schedule 1.6)	(99.2)	(14.2)	14.3%	(6.8)	6.8%	(51.1)	51.5%	(27.2)	27.4%
Return on Rate Base @ 6.66%	422.5	229.7	54.4%	53.0	12.5%	136.0	32.2%	3.8	0.9%
Total Revenue Requirement	1,878.8	1,298.0	69.1%	154.9	8.2%	361.3	19.2%	64.6	3.4%



2016 and 2017 RATE APPLICATION SIECA QUESTIONS

Schedule 1.0 – 2014 Base Cost of Service Study

Summary of the Functionalization of Financial Account Details 2014 Base Embedded Cost of Service Study (\$ Millions)									
Rate Base and Expense Categories	SaskPower Total	Functional Breakdown							
		Generation		Transmission		Distribution		Customer Service	
Rate Base									
Plant In Service (Schedule 1.1)	12,181.1	7,106.3	58.3%	1,470.2	12.1%	3,558.7	29.2%	45.9	0.4%
Accumulated Depreciation (Schedule 1.2)	(4,685.7)	(2,692.7)	57.5%	(545.5)	11.6%	(1,434.1)	30.6%	(13.3)	0.3%
Allowance For Working Capital	90.3	50.4	55.9%	8.7	9.7%	21.8	24.2%	9.3	10.3%
Inventories (Schedule 1.3)	217.6	88.4	40.6%	35.4	16.3%	93.7	43.1%	0.1	0.0%
Other Assets (Schedule 1.3)	89.8	50.1	55.8%	8.5	9.5%	21.5	24.0%	9.6	10.7%
Total Rate Base	7,893.1	4,602.6	58.3%	977.4	12.4%	2,261.6	28.7%	51.5	0.7%
Revenue Requirement									
Fuel Expense SaskPower Units	368.5	368.5	100.0%	-	0.0%	-	0.0%	-	0.0%
Purchased Power & Import	269.3	269.3	100.0%	-	0.0%	-	0.0%	-	0.0%
Export & Net Electricity Trading Revenue (Credit)	(5.7)	(5.7)	100.0%	-	0.0%	-	0.0%	-	0.0%
Operating, Maintenance & Administration (Schedule 1.4)	662.9	358.7	54.1%	65.4	9.9%	164.8	24.9%	74.1	11.2%
Depreciation & Depletion (Schedule 1.5)	434.5	244.3	56.2%	42.9	9.9%	142.0	32.7%	5.3	1.2%
Corporate Capital Tax	35.3	20.8	58.9%	4.4	12.3%	10.0	28.3%	0.2	0.4%
Grants in Lieu of Taxes	23.8	23.8	100.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous Tax	0.4	0.3	83.6%	0.0	0.7%	0.0	1.6%	0.1	14.0%
Other Income (Credit) (Schedule 1.6)	(107.1)	(14.6)	13.6%	(10.0)	9.3%	(49.1)	45.9%	(33.4)	31.2%
Return on Rate Base @ 4.57%	361.0	210.5	58.3%	44.7	12.4%	103.4	28.7%	2.4	0.7%
Total Revenue Requirement	2,042.8	1,475.8	72.2%	147.4	7.2%	371.0	18.2%	48.5	2.4%

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q16:

Please provide an Excel spreadsheet showing Allocations by Customer Class for Generation, Transmission, Distribution and Customer Service related Costs (as per Schedules 5.0 through 5.3 in the 2017 Fiscal Test Embedded Cost of Service Study) based on actual costs for each of the calendar years 2013, 2014 and 2015.

Response:

Please see the Excel file titled "SIECA Q16-tables.xls" to view schedules 5.0 to 5.3 for 2013 & 2014.

Also note that the corresponding schedules for 2015 are not available at this time.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q17:

Please provide an Excel spreadsheet showing Functionalized and Classified Revenue Requirement by Customer Class for Generation, Transmission, Distribution and Customer Service related Costs (as per Schedules 6.0 through 6.3 in the 2017 Fiscal Test Embedded Cost of Service Study) based on actual costs for each of the calendar years 2013, 2014 and 2015.

Response:

Please see the Excel file titled "SIECA Q17 - tables.xls" to view schedules 5.0 to 5.3 for 2013 & 2014.

Please note that the corresponding schedules for 2015 are not available at this time.

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q18:

Please provide an Excel spreadsheet showing actual Customer Data for Cost Allocation (as per Schedule 4.0 in the 2017 Fiscal Test Embedded Cost of Service Study) for each of the calendar years 2013, 2014 and 2015.

Response:

Please see the tables below showing Schedule 4.0 for 2013 and 2014.

Please note that the 2015 Base Cost of Service Study has not been completed so a corresponding schedule for 2015 is not available at this time.

Schedule 4.0 – 2013 Base Cost of Service Study

Customer Data for Cost Allocation 2013 Base Embedded Cost of Service Study					
Customer Class	Energy Sales GWH	NCP Demand KW	CP Demand KW	NCP Load Factor 1	CP Load Factor 2
Urban Residential	2,461	2,263,463	536,141	12.41%	52.40%
Rural Residential	729	670,467	158,812	12.41%	52.40%
Farms	1,332	833,534	283,436	18.24%	53.66%
Urban Commercial	2,653	851,364	374,362	35.57%	80.89%
Rural Commercial	952	333,879	138,084	32.56%	78.73%
Power - Published Rates	6,315	1,082,033	777,025	66.62%	92.77%
Power - Contract Rates	1,548	350,657	212,153	50.38%	83.27%
Oilfields	3,448	627,221	440,107	62.76%	89.44%
Streetlights	58	14,170	14,010	47.12%	47.66%
Reseller	1,257	242,650	201,666	59.13%	71.14%
Total	20,753	7,269,438	3,135,796	32.59%	75.55%

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

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

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

Schedule 4.0 – 2014Base Cost of Service Study

Customer Data for Cost Allocation
2014 Base Embedded Cost of Service Study

Customer Class	Energy Sales GWH	NCP Demand KW	CP Demand KW	NCP Load Factor 1	CP Load Factor 2
Urban Residential	2,520	2,316,225	518,866	12.42%	55.44%
Rural Residential	761	699,759	156,756	12.42%	55.44%
Farms	1,364	826,395	229,195	18.84%	67.93%
Urban Commercial	2,725	881,684	403,390	35.28%	77.12%
Rural Commercial	1,004	350,534	152,758	32.69%	75.01%
Power - Published Rates	6,409	1,079,673	724,375	67.76%	101.00%
Power - Contract Rates	1,770	386,381	216,056	52.28%	93.50%
Oilfields	3,503	742,812	415,389	53.84%	96.27%
Streetlights	59	14,366	7,032	47.12%	96.26%
Reseller	1,274	236,754	209,383	61.42%	69.45%
Total	21,389	7,534,584	3,033,199	32.41%	80.50%

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

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

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q19:

On Page 12 of the SaskPower 2016 and 2017 Rate application there is a table that outlines an exact \$1 Billion reduction in capital spending over four fiscal periods from 2015 through fiscal 2018-19. Please provide the specific projects and amounts for each project that were deferred in each of the fiscal periods. Also, please provide an explanation of the rationale for deferral of each project identified above.

Response:

The \$1 billion in savings targeted by SaskPower was calculated by adding the actual savings achieved in 2015 (\$210 million) to the forecasted savings projected for the fiscal years 2016-17, 2017-18 and 2018-19 (\$790 million), as compared to the prior year business plan.

Appendix A outlines the methodology used to come up with the \$790 million targeted savings for the fiscal years 2016-17, 2017-18 and 2018-19. Management is now working towards developing a detailed capital budget that incorporates these savings targets.

For a detailed breakdown of the individual projects contributing to the \$210 million savings in 2015, please refer to the Round 1 Saskatchewan Rate Review Panel Interrogatory *SRRP Q93*.

Appendix A
SaskPower
Capital Expenditures Budget Submission

	Dec-16	March 2017	March 2018	March 2019	Revised 2017-19	Original 2017-19	Variance	Comments
Capital Sustainment Investment								
Transmission	80	88	97	106	291	298	(7)	10% Annual Growth until Mar. 2019; \$114.7 million thereafter.
Distribution	50	60	72	86	218	278	(60)	20% Annual Growth until Mar. 2021; \$133.7 million thereafter.
Generation	126	132	139	146	417	450	(33)	5% Annual Growth in Mar. 2017; \$150 million thereafter.
Carbon Capture Projects	45	38	25	-	63	-	63	
IT&S	37	44	36	35	115	110	5	
Buildings & Furniture	11	20	20	20	60	75	(15)	Annual Reduction of \$5 million
Mining Land	1	6	5	5	16	17	(1)	
Meter Purchases	22	23	5	6	34	16	18	
Vehicles & Tools	23	23	23	23	69	69	0	
Total Sustainment Investment	396	435	422	427	1,283	1,313	(30)	
Growth & Compliance Investment								
Transmission	164	223	187	245	656	841	(185)	2017 = Actual Request; 2018-19 = 70% of Non Contingent Request
Distribution	80	32	41	47	120	121	(1)	2017 - 19 = Actual Request of Non-Contingent Projects
	244	255	228	292	776	962	(186)	
Transmission Connects	45	53	78	95	226	254	(28)	2017-2019: 70% of Non Contingent Request; Prior Year Business Plan thereafter.
Distribution Connects	125	100	100	100	300	405	(105)	Revised Forecast for Mar 2017-19; 3% Annual Growth thereafter
	170	153	178	195	526	659	(133)	
New Generation								
- QE Expansion	167	7	-	-	7	7	-	
- Tazi Twe	5	10	82	148	240	475	(235)	Total capital cost increased to \$630 million - project deferred 1 year.
- Ermine Simple Cycle		-			-	61	(61)	Removed from current supply plan
- New Gas Interconnection		2	7	6	15	-	15	
	173	19	89	154	262	543	(281)	
Total Growth & Compliance	587	427	495	641	1,564	2,164	(600)	
Strategic & Other Investments								
AMI Meters	4			16	16	35	(19)	No change to total - program pushed back 2 years.
Mining Equipment		30	16	4	50	68	(18)	
Logistics Warehouse Complex	1	-	4	3	7	82	(75)	
Head Office Refurbishment	1	3	10	20	33	46	(13)	
Information Technology & Security		5	5	5	15	21	(6)	Reduced strategic IT initiatives from \$7.1 million to \$5 million per annum
Other	1				-	28	(28)	Critical care center
Total Strategic & Other Investments	7	38	35	48	121	281	(160)	
Total Capital Budget	990	900	952	1,116	2,968	3,758	(790)	

2016 and 2017 RATE APPLICATION
SIECA QUESTIONS

SIECA Q20:

On Page 35 of the SaskPower 2016 and 2017 Rate application there is a table that provides a summary of actual and planned capital spending from 2014 through fiscal 2018-19 period. Please confirm whether the annual capital spending amounts shown for customer connects are net of customer contributions or gross and exclude customer contributions. Also, please provide an Excel spreadsheet detailing the following:

- a. total number of customers connected or forecast to be connected in each year
- b. the number of customers connected or forecast to be connected in each year in by customer class
- c. If the capital spending cited is gross and excludes customer contribution, please provide the annual estimated amounts for customer contribution during each year or fiscal period.

Response:

The annual capital spending amounts included in the table on page 35 do not include amounts received as customer contributions.

The following table is a summary of the number of customers connected in the years 2014 through fiscal 2017-18 as per the Q4 2015 load forecast as well as the rate application assumptions for customer connects revenue.

Customer Connects Summary

Class (# of customers)			2016/17	2017/18
	2014	2015	Forecast	Forecast
Residential	7,942	9,485	6,135	7,294
Farm	(2,370)	1,380	(167)	(167)
Commercial	636	152	590	700
Oilfield	1,183	42	494	81
Total - Distribution	7,391	11,059	7,052	7,908
Transmission	-	(2)	3	2
Total Customer Connects	7,391	11,057	7,055	7,910
Customer Connects Revenue (in \$millions)	\$ 47	\$ 93	\$ 50	\$ 50

Note - Customer information as per SaskPower's Q4 Load Forecast.



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