



**2014 RATE APPLICATION
WEBSITE COMMENTS**

October 25, 2013 – Feedback Form

Hi I was intrested in knowing if there is a way to over rull the rate review board by getting signatures or something because if another rate increase happens for Sask Power of 15% over 5 years somone is going to have to stand up and say enough is enough? So if you could lead,me in right direction that would help me alot Thank You

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. While the SRRP is mandated to provide an objective evaluation of each rate application to the Government of Saskatchewan, the responsibility to approve any proposed rate changes rests with provincial cabinet. During its review process, the SRRP commissions a detailed technical study conducted by outside independent experts. Following a review of this study, a series of public meetings, a review of stakeholder submissions and interrogatories, the Panel will submit a report outlining its recommendations to provincial cabinet by April 28th, 2014, and cabinet will decide if any rate changes are appropriate.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

October 29, 2013 – Feedback Form

I would like submit my opinion on the latest application by Saskpower for a 5.5% increase. I don't believe anybody deserves that kind of increase with the economy the way it is. We have 10% more retired people than 5 years ago and with the number of baby boomers retiring in the near future we will not be able to support it. Then the next thing you know the unions are going to want their 5% and go on strike and here we go again.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. In addition to meeting growing peak demand for electricity in Saskatchewan, our company must refurbish our aging generation, transmission and distribution infrastructure. While SaskPower is always working to find more efficient ways to do business, in order to fund infrastructure investments of an estimated \$1 billion per year for the long term we will still need to increase the price of providing electricity to our customers. Whenever we propose a rate change, our goal is to balance the need to maintain the financial stability of SaskPower with the need to continue supporting Saskatchewan as a competitive place to live and do business.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

October 29, 2013 – Feedback Form

Hi My name is *****. So hiking the cost in which you did a few years ago. Now you are hiking the rates again over 3 years to cover expenses from building shand and boundary dam power plants?! So after these power plants are built and running upon completion will the tax hike go down after saskpower is dine paying off their expansion bill? If you have straight answers for me please respond if not then continue on with the tax hike. Sincerely Concerned citizen

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. SaskPower is requesting a rate increase for the next three years, largely to help cover the costs of replacing and reburbishing old infrastructure as well as constructing new infrastructure to meet increasing electricity demand. Increases to the cost of the fuels used to produce electricity are also a significant factor.

Increases to rates due to capital projects --- such as power plants and transmission and distribution infrastructure --- are essentially smoothed over the expected life of the projects through depreciation. This means rates will be affected over the projects' life. When a power generating asset is retired, the depreciation expense from that power plant is no longer included in the rate calculation. However, unless there is a decrease in the need for power, replacement power will still be necessary. As a result, any reduction in rates from the retirement of an old plant will likely be offset by its replacement.



2014 RATE APPLICATION WEBSITE COMMENTS

November 5, 2013 – Feedback Form

Saskatchewan Rate Review Panel, The proposed rate increase requested by SaskPower is unacceptable. They have already been granted substantial rate increases in recent years. "The final forecasts show the project approximately nine per cent over budget, or \$115 million." This is a reference to the carbon capture and power plant refurbishment project at Boundary Dam, only one example of the company's inability to be accountable to the rate payers. The company operates extremely inefficient and is passing the cost of their budget failure and poor business planning on to their own customers. Customers without a choice of service as SaskPower has the monopoly for power delivery in Saskatchewan. The only safe hold that customers do have is the Saskatchewan Rate Review Panel. It is the panel's responsibility to hold SaskPower accountable and ensure that any request for a rate increase is justified and FAIR. When the recent rate increases are taken into consideration it is obvious that SaskPower has the intent to charge as much as possible at all times, and will continue to apply for a rate increases whenever they think they may get it. They do not wish to provide good service for a fair price but wish to make as much profit as possible so they can continue to fund their currently very wasteful business. Annual increases of around 5% is NOT fair. I urge the panel to stop this negligent company from taking advantage of their subjugated customers.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. At SaskPower, we recognize that the price of electricity has a direct impact on Saskatchewan's competitive position as well as quality of life for residents. As a result, our company has a target of ensuring SaskPower's system average rates are less than or equal to the system average rates for customers served by utilities dependent on thermal generation (using coal, natural gas, oil or biomass). Our company has consistently met this target, demonstrating SaskPower's competitiveness with its peers. Nonetheless, we continue to aggressively evaluate opportunities to increase efficiency and effectiveness within SaskPower so that costs can be eliminated, controlled or avoided. The \$137 million in savings realized to date by our Business Renewal Program is discussed in our 2014, 2015, 2016 Rate Application.



2014 RATE APPLICATION WEBSITE COMMENTS

November 7, 2013 - Email

The capital cost for the Tazi Twe hydropower project being developed by SaskPower was not included in the SaskPower rate increase application, please provide this? Reference to the Tazi Twe Project was made in the rate increase application by SaskPower as one of the reasons for the need for a rate increase. My understanding is current SaskPower power projects which are owned by the utility are much more expensive than Saskatchewan power projects developed and/or owned by the private sector where power is sold to SaskPower. For example Boundary Dam was well over budget (115 M), Tazi Twe (?), Queen Elizabeth upgrade, transmission line construction (Island Falls to Key Lake). Please provide price comparisons for new generation and new transmission on a per MW and per km basis, comparing private sector development and/or ownership and SaskPower development and/or ownership? ***** Saskatoon

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. The capital cost of SaskPower-owned projects compared to private sector-owned projects would be fairly similar. One of the main reasons for this is that SaskPower uses 3rd party contractors to construct most of its large assets and thus benefit from the efficiencies of the private sector.

The main difference between SaskPower build and the private sector build is found in the payment of income taxes and financing costs for the project. As a provincial crown corporation, SaskPower is not subject to corporate income taxes. In addition, SaskPower has the advantage of having access to low cost financing as a result of the strong credit rating of the Province of Saskatchewan. The benefit of the avoided corporate income taxes and this low cost financing for SaskPower built assets must be weighed against the benefits of the potential for innovation and risk transfer that comes with private sector construction of the asset. All of these factors are considered carefully when determining if a new asset should be built by SaskPower or by the private sector.

SaskPower has provided the Saskatchewan Rate Review Panel with two documents that discuss the levelized cost of new generation resources. They are:

[US Energy Information Administration Report on Levelized Cost of New Generation Resources in the Annual Energy Outlook 2013](#)

[SaskPower Estimated Generation Costs within a Saskatchewan Context](#)

Both of these documents are available on the Saskatchewan Rate Review Panel Website.



2014 RATE APPLICATION WEBSITE COMMENTS

November 11, 2013 - Email

Can SaskPower please indicate the process which was undertaken to select the Tazi Twe hydro project as the lowest cost base load generation option chosen for the Far North? What is the latest cost (\$/MWhr) of Tazi Twe versus alternative base load generation options in the Far North? Are there other hydro projects in the Far North being currently developed by the private sector together with First Nation communities where the cost of energy to the ratepayer (\$/MWhr) for these Project(s) are lower than Tazi Twe? Please explain in detail your competitive procurement process? Our understanding is there was no competitive procurement process undertaken, and Tazi Twe was not the lowest cost hydro generation option compared to private/sector First Nation hydro projects located in the Far North. Please use your most recent \$ MWhr estimates from Nov. 2013.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. SaskPower maintains information on numerous potential hydroelectric sites in the province. Compared to other Far North hydroelectric sites, the Tazi Twé site has been identified for several decades as a premier location in terms of environmental impact level and cost. Hydroelectric power generation, compared to other baseload options such as diesel engines, liquefied natural gas-fired turbines or biofuel-fired generation, is currently more cost effective. SaskPower is also investigating other alternatives to provide energy into the North, including through Manitoba by way of purchases from Manitoba Hydro or wheeling power from SaskPower's Southern system.

At present, private sector organizations are partnering with First Nations communities to investigate potential development opportunities but they do not disclose their costs to the public.

SaskPower chose to pursue the Tazi Twé option based on numerous factors such as: option pre-feasibility studies; system requirements and costs (location and timing of demand growth, interconnection, transmission system upgrade costs, line losses); environmental impacts; and associated risks. Competitive procurement for equipment, materials and services will be part of the process if the project is selected to proceed.

SaskPower is currently working to advance the design of the Tazi Twe project to 70% complete. Environmental studies and development of the partnership agreement between SaskPower and Black Lake First Nation are currently in progress. They will lead to final pricing of the project. The contract price and terms of the agreement will be confidential.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 21, 2013 – Feedback Form

If they knew they had to upgrade the infrastructure why have they not been putting money aside to pay for it? My wages are not increasing by 5%. Why not increase our costs by 3% over 5 years? I could afford that better.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. SaskPower applies for rate changes based on its financial requirements for the upcoming business planning cycle (calendar year). Revenues that are earned in the calendar year are used to cover SaskPower's current operational expenses with the remaining funds invested back into the Corporation's capital infrastructure. Over the past decade, SaskPower has had to supplement its annual operating earnings with additional borrowings to fund the necessary capital expenditures. As a result, SaskPower has not been able to put money aside to pay for upcoming capital expenditures.

SaskPower submitted a three-year rate application for two main reasons. One, customers have been asking for multi-year applications to help with their future planning. Secondly, it allows SaskPower to smooth out rate increases over a 3-year period to reduce the potential for rate shock.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 23, 2013 - Email

1st of all saskpower already charge way to much and should be forced to decrease their rate by at least 20percent. We are continuing to pay more and more for worsening service and that is wrong. It is time to tern power generation over to the private sector. From. *****

Response:

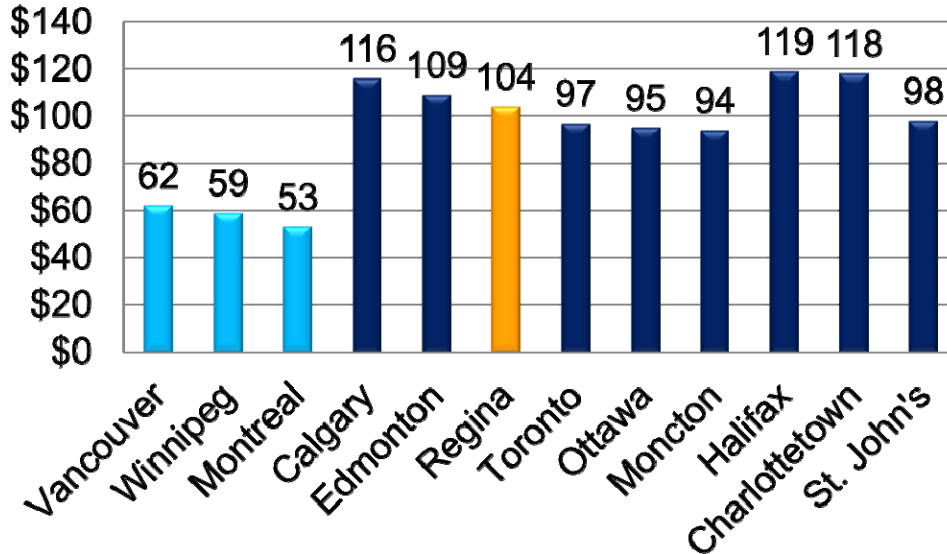
Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. At SaskPower, we recognize that the price of electricity has a direct impact on Saskatchewan's competitive position as well as quality of life for residents. As a result, our company has a target of ensuring SaskPower's system average rates are less than or equal to the system average rates for customers served by utilities dependent on thermal generation (using coal, natural gas, oil or biomass). Our company has consistently met this target, demonstrating SaskPower's competitiveness with its peers.

Attached below is a graph that shows how SaskPower compares nationally to other electricity providers. The light blue bars represent cities that are served by utilities that are serviced primarily by low cost hydro generation (BC, Manitoba and Quebec). SaskPower's average cost is higher than those provinces as Saskatchewan has limited hydro capacity. However, the Corporation does compare favourably to other cities that are served by utilities that are largely dependent upon thermal generation like we are here in Saskatchewan. Those thermal based utilities are represented by the dark blue bars.



2014 RATE APPLICATION
WEBSITE COMMENTS

\$/Month (April 1, 2013)



Nonetheless, we continue to aggressively evaluate opportunities to increase efficiency and effectiveness within SaskPower so that costs can be eliminated, controlled or avoided. The \$137 million in savings realized to date by our Business Renewal Program is discussed in our 2014, 2015, 2016 Rate Application.

When it comes to service, we measure customer satisfaction through an annual survey. While our performance remains strong, we have noted customer concerns about response times to outages, reliability, new connection service times, and communication. In order to respond, a number of activities are underway and include: Advanced Metering Infrastructure (smart meter installation); social media outage communication; new service changes; and infrastructure renewal and maintenance programs.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 23, 2013 – Feedback Form

re your proposed rate hike of 5% for ea of the next 3 yrs: I, along with a large portion of the population of this province, am on a fixed income. My yearly increases do not come even close to 5%, that is why this proposed increase concerns me. I do not want to spend my senior yrs eating dog food beside my little shit tzu, because my grocery budget has gone to pay my utilities.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower recognizes the direct impact that the price of electricity has on the quality of life of our customers. This was taken into consideration when developing the rate application as SaskPower attempted to balance its financial needs with the ability of our customers to absorb the rate increases.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 23, 2013 - Email

SaskPower Rate application of 15% over the next 3 years is absolutely ludicrous and the supreme year and the powers to be don't do something about it and I won't be voting for the premier again. Thank you."

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.



2014 RATE APPLICATION WEBSITE COMMENTS

November 23, 2013 – Feedback Form

Are you kidding me? a 15% increase over 3 years? How about the Sask govt. reducing my taxes by 15% over 3 years or increasing my wages by 15% over 3 years or my pension by 15% over 3 years? This is outrageous! Tie the rate increase to the rate of inflation over the next 3 years and I can live with that. Our population is increasing so more people are needing power and paying power bills. This should be enough to pay for improving infrastructure.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. It is correct that SaskPower will be earning additional revenue as a result of the growth in the population of Saskatchewan as well as from a growing economy. However, the additional revenues from the growth will not be sufficient to cover the increasing cost of electricity.

In addition to meeting growing peak demand for electricity in Saskatchewan, our company must refurbish our aging generation, transmission and distribution infrastructure. This means that we are required to replace assets that were built 30 to 50 years ago with new infrastructure that is substantially more expensive than the original assets.

While SaskPower is always working to find more efficient ways to do business, in order to fund infrastructure investments of an estimated \$1 billion per year for the long term we will still need to increase the price of providing electricity to our customers. Whenever we propose a rate change, our goal is to balance the need to maintain the financial stability of SaskPower with the need to continue supporting Saskatchewan as a competitive place to live and do business.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 23, 2013 - Voicemail

You know you people you want ___ to say I'm going home so this is the ___ it doesn't keep going up. The ___ the taxes now yes you know I don't know what you guys think of you better start building now the singles home is because there isn't gonna be enough money to go around by this and it's getting done closer right now thank you very much for nothing. Next time I wait for this ___ I won't I have."

Response:

Thank you for participating in the Saskatchewan Rate Review Panel process. Your feedback is appreciated.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 23, 2013 – Feedback Form

I am a senior citizen on a fixed income. Could my CPP, and OAC increase by 5% for the next 3 years? I live in the country and am having one of your large power lines cross my land, so my land will devalue. I had no choice in the matter and I will have little choice in this matter.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. At SaskPower, we recognize that the price of electricity has a direct impact on Saskatchewan's competitive position as well as quality of life for residents. As a result, our company has a target of ensuring SaskPower's system average rates are less than or equal to the system average rates for customers served by utilities dependent on thermal generation (using coal, natural gas, oil or biomass). Our company has consistently met this target, demonstrating SaskPower's competitiveness with its peers. Nonetheless, we continue to aggressively evaluate opportunities to increase efficiency and effectiveness within SaskPower so that costs can be eliminated, controlled or avoided. The \$137 million in savings realized to date by our Business Renewal Program is discussed in our 2014, 2015, 2016 Rate Application.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 24, 2013 - Email

I have been over charged for a number of yrs due to faulty meeters. Saskpower knows of the problem yet they openly refuse to fix it. In 1954 my father paid to have power sevice put in his yard. Saskpower stole it and gave it to someone else. That is realy wrong. From:*****

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process.
Your feedback is appreciated.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 24, 2013 - Email

Our province has the best people working as sask power . Our rates are some of the highest and I would like to lower them by reviewing my rate history as hints changed in my house and how I can improve. But at a cost of billing review if \$20 a month , are you kidding? To look back at the last 3 decades (which would give a most realistic stat). It would cost me..... You do the math!!!!M. Absolutely ridiculous ! In this age of technology. Crazy stupid!

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. At SaskPower, we recognize that the price of electricity has a direct impact on Saskatchewan's competitive position as well as quality of life for residents. As a result, our company has a target of ensuring SaskPower's system average rates are less than or equal to the system average rates for customers served by utilities dependent on thermal generation (using coal, natural gas, oil or biomass). Our company has consistently met this target, demonstrating SaskPower's competitiveness with its peers.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



2014 RATE APPLICATION WEBSITE COMMENTS

November 25, 2013 – Feedback Form

The residences of Saskatchewan have a quality corporation which supplies us our power day in and day out with very little, if any, interruptions. For that we are thankful and give kudos to the corporation. And it seems the rate review board have been competent in holding the corporation to minimal rate hikes. I will comment further on this point later. This afternoon I have reviewed the history since 2001 of the rate applications and board review recommendations. The common theme for increases is rate rebalancing programs, rate design element, repair & modernization, consolidated return on equity, paying dividends at a reasonable rate of return for shareholder equity, aging infrastructure, power generating costs, fuel purchase costs etc. Where have the benefits of the rate increases from 2001 to 2004 been applied when in 2006 the request is again for similar reasons? It is quite interesting that in 2006 panel recommendation states ".....4.9% system wide weighted average increase is justified to continue to rebuild aging infrastructure and initiate measures to mitigate future rate increases". Here we are in 2013 and SaskPower is asking for 5.5%. Mitigate means to make less harsh or alleviate is it not? SaskPower collectively requested rate increases of 8.7% in 2004 and 1.7% in 2005. The review board allowed a 6% increase for 2004 and requested another separate submission at another date for 2005. Eventually a 4.9% increase was allowed for that request. I wondered why they didn't grant the 6% for 2004 and 1.7% for 2005 rather than requesting SaskPower to submit another application and then allowing a 4.5% increase which to my understanding was a bigger increase. I have noted that from 2004 up to the present year, the review panel has been using the services of a consulting firm. I would be interested to know the reason for this and at what cost to the Saskatchewan taxpayer. I presume that we pay each panel member of the review board and that we should expect that they are qualified to collectively review and make recommendations based on their evidence findings without a consulting firm feeding them the information. Another expense which I think the Saskatchewan taxpayer could be spared. My husband lived & worked in northern Saskatchewan for many years and remembers that \$1.00 was collected from each business and resident on each SaskPower bill for building infrastructure. Apparently that is no longer collected. My husband & I are retired pensioners living on a fixed income which makes us vulnerable to the cost hikes that SaskPower implements. The ripple effect is transmitted to goods & services provided by the business community ending at the last link of the chain, which is the residential customer who has already experienced the increase on his/her own SaskPower invoice. In summary, I think we should allow SaskPower to automatically increase our rates to 5% per year as it seems each year they ask for and are granted a rate hike. We should retire the rate review board and no longer use the services of a consulting firm. The taxpayer would not be footing the bill for consultant fees nor would we be paying to have a rate review board. SaskPower would save a huge amount of money because they would no longer need to do all the paperwork for submission to the review board.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 26, 2013 – Feedback Form

The rate increase you are proposing is outrageous.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process.
Your feedback is appreciated.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 27, 2013 – Feedback Form

I am a Health care worker in the Cupe Union and I find it interesting that Sask Power wants to raise their rates by 5% in each of the next three years while the Saskatchewan Government is offering me 8.5% over a 5 year contract with a bunch of concessions to our contract. Something is not adding up here. If my bills are going up by 15% in three years then shouldn't my wage keep up? I am against this rate increase.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.



2014 RATE APPLICATION WEBSITE COMMENTS

November 28, 2013 – Feedback Form

name=****, Ph.D. Saskatchewan has one of the highest greenhouse gas emission rates of any jurisdiction in the world, at over 70 tonnes per capita per year, and electricity generation is a large contributor. California has done much better. It has a per capita consumption of electricity that is about 50% of that in Canada. The California Energy Commission has the following policy in place: "The state, in meeting its energy needs, would invest first in energy efficiency and demand side resources, followed by renewable resources, and only then in conventional electricity supply." California has a modern economy and yet has been able to stabilize its electricity consumption per capita through its energy policy. Saskatchewan should look to California as a role model.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower is trying to reduce its environmental footprint by shifting away from traditional coal generation to cleaner sources of generation such as the Boundary Dam Integrated Carbon Capture and Storage Demonstration Project and the planned expansion of wind generation within our system.

Federal carbon dioxide emissions regulations will prevent SaskPower from relying on conventional coal generation in the future. This will lead to further reductions in greenhouse gas emissions as those older coal plants are retired. SaskPower also encourages customers to reduce their electricity usage and offers many demand side management (DSM) programs to help achieve that goal.

The comparisons to California's per capita consumption of electricity are interesting. However, it is important to note that Saskatchewan residents have significantly different electricity requirements than the average California resident, such as winter home heating costs and the need to plug in vehicle block heaters. Another important difference to note between Saskatchewan and California customers is the rate each one pays for electricity. The 2013 Hydro Quebec Rate Comparison Study calculates that the average cost of electricity for a Regina residential customer is 13.15 cents/kWh, versus a cost of 22.94 cents/kWh for the average San Francisco residential customer.



2014 RATE APPLICATION WEBSITE COMMENTS

November 29, 2013 – Feedback Form

The proposed SaskPower rate increase is excessive. They indicate more money is required to provide new infrastructure for all the new homes and business being built. No, that wrong. Collect the cost of servicing new homes and business from those building or developing the areas, not existing customers. SaskPower wages are already 20 - 30% higher then any other Crown. Many of the crowns have highly skilled employees, not just SaskPower. No increase in rates is required for employee pay. Stop wasting money on advertisements. SaskPower is not in a competitive industry, they have a monopoly. They do not need to advertise how great they are! A reasonable rate increase would be something equal to, or less then what the Provincial Government is offering as wage increases to many of it's employees. I guess that means 1%.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.

In respect to your comments regarding charging new customers more than existing customers, it is true that SaskPower's load growth is impacting rates. New customers pay part of the costs to connect to the system, but once connected, pay the same rates as other customers.

The methodology SaskPower uses to allocate costs and design rates does not differentiate between when a customer connects to the system. This approach is similar to what is used by other electric utilities across Canada and is used for the following reasons:

- Existing customers benefit from the infrastructure improvements.
- Existing customers didn't pay higher rates when they came on to the system.
- The costs attributed to new customers changes over time - this could lead to several different rates as the cost of serving the new load changes.
- Charging higher rates to new customers can impact the competitive position of companies within the same industry and could discourage industrial growth and economic development in the province.

The current approach is reflected in SaskPower's approved cost of service and rate design methodology. This methodology was recommended by an independent expert in cost of service and rate design methodology, through a stakeholder consultation process. Any change to this approach would require significant stakeholder consultations.

In respect to SaskPower's wages, the Corporation is experiencing unprecedented system growth and requirements to refurbish aging infrastructure to ensure system reliability and sustainment for current and future customer needs. Due to these dynamics, ensuring SaskPower has the right people, in the right place at the right time, and at the right price

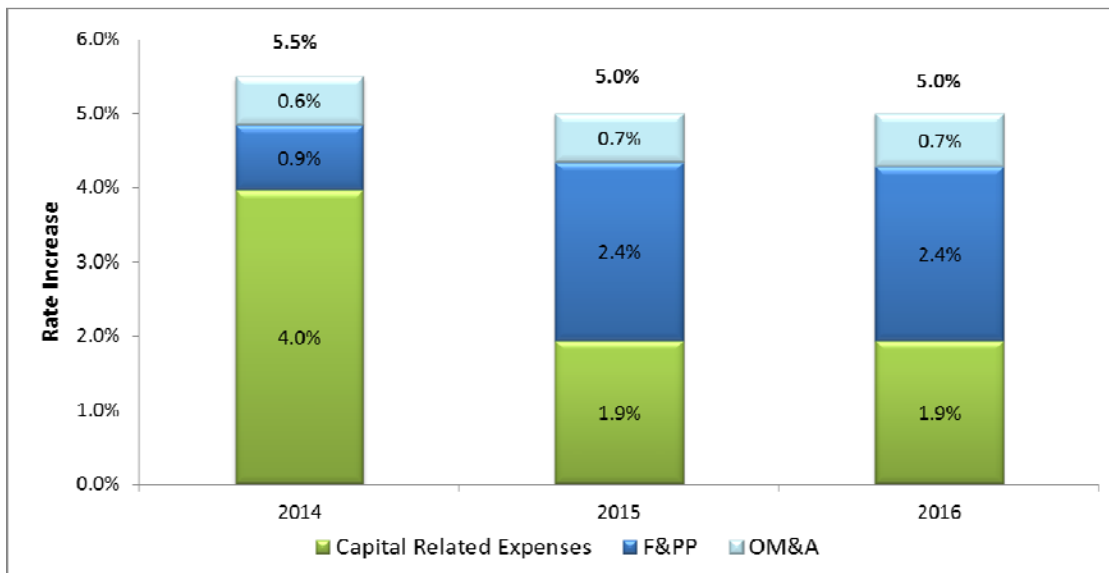


2014 RATE APPLICATION WEBSITE COMMENTS

is paramount. In addition, SaskPower expects that within the next 5 to 7 years, 1/3 of its workforce will retire.

SaskPower competes for skills in the following sectors: mining, oil and gas and manufacturing, which differentiates our business needs for talent from other Crowns. Additionally, competition for skills is stiff in key areas of SaskPower's business, such as engineering, trades, professionals (information technology, finance, etc.). To address this situation and ensure SaskPower was appropriately compensating its employees, SaskPower implemented a market-based pay philosophy in 2013.

SaskPower's wages and salaries are included as part of its operating, maintenance and administration (OM&A) expense. Also included in OM&A are the cost of externally hired consultants and contractors, materials and supplies, building maintenance costs, tools & equipment, vehicles, insurance, and other administrative expenses. OM&A costs have a small impact on the current rate application. As demonstrated in the graph below, OM&A expense is responsible for only 0.6% of the requested 5.5% rate increase in 2014 and 0.7% of the 5% rate increase in both 2015 and 2016.





2014 RATE APPLICATION WEBSITE COMMENTS

November 29, 2013 - Email

I think the rate review panel needs to do some provincial comparisons on electric rates. Saskatchewan is already one of the highest kw/hr rates in Canada and Saskpower wants a 5% annual rate increase over the next 3 years? Maybe internal efficiencies should be looked at with Saskpower. Their employees are some of the highest paid within the provincial gov't crowns. Compare Sasktel wages to Saskpower and you will see a big difference. This constant rate increase has become a norm at Saskpower and we need to push back. 1-2% is reasonable but 5% year over year is greed or poor business management.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.

Hydro Quebec publishes an annual comparison of North American electricity rates that is available on the Hydro Quebec website. In the 2013 report, SaskPower's rate for residential customers was slightly below average at 13.8 cents/kWh compared to the Canadian thermal average of 14.1 cents/kWh (excluding municipal charges and taxes). Even with the proposed rate increase, SaskPower feels its rates will still be competitive as every jurisdiction is feeling similar pressures related to infrastructure spending.

SaskPower's Business Renewal Program is an ongoing initiative dedicated to finding internal efficiencies at SaskPower. In 2010 - 11, SaskPower brought in third party consultants – KPMG, UMS and Deloitte – to review all of the Corporation's expenses and identify areas for potential efficiencies / cost savings. Those recommendations have formed the basis of SaskPower's Business Renewal Program.

To the end of 2012, the Corporation has realized \$137 million in savings and is discussed in the 2014 – 2016 Rate Application. Further details of the savings initiatives can be found on the SRRP website in the document entitled [Minimum Filing Requirements SaskPower 2014 to 2016 Rate Application](#). The Business Renewal Scorecard can be found starting on page 151 of that report.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

November 30, 2013 – Feedback Form

Why should we pay higher rates to fund infrastructure replacement. The provincial government should fund this replacement from our booming economy. In addition if the provincial government hadn't pulled saskpowers profit each year over the last number of decades saskpower would have an accumulated amount of revenue to pay for the infrastructure replacement.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.

SaskPower has paid dividends to the Crown Investment Corporation of Saskatchewan only one time in the last 5 years (2009 – 2013). In 2012, the Corporation paid a dividend of \$120 million as a result of extraordinary profits earned during 2011. No dividends are forecast to be paid during the rate application period.



2014 RATE APPLICATION WEBSITE COMMENTS

November 30, 2013 – Feedback Form

Sask Power is wanting to increase power rates by 15.5% over the next three years ! The cost of living increases on an average of 5% per year that's another 15% in the next three years! How can the Gov't keep seniors in their own homes at this rate on a minimum fixed income, were we get a modist 1% increase per year on our Old Age Pensions?

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower recognizes the direct impact that the price of electricity has on the quality of life of our customers. This was taken into consideration when developing the rate application as SaskPower attempted to balance its financial needs with the ability of our customers to absorb the rate increases.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



2014 RATE APPLICATION WEBSITE COMMENTS

November 30, 2013 – Feedback Form

Hello. I had sent in a message a few days ago but I did think of something else. I wondered why with a population boom such as we are having in Saskatchewan that there should be such a large rate increase proposed? It would seem to me that with so many more people now paying for power that the rates should stay the same or perhaps even go down because there is that much more income from the added population. Just a thought! Thanks for your time!

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower's need for a rate increase is largely driven by capital spending and increased fuel costs. Part of this is to accommodate growth, as you noted, and another significant part of capital spending is to replace or refurbish the current infrastructure. A lot of SaskPower's system was built 30 to 40 years ago and needs to be replaced. It was built at a significantly lower cost than what it will cost to replace it today. Since rates are based on the actual cost of assets, as older, less expensive assets are replaced or refurbished at today's dollars, SaskPower's expenses also increase. This creates part of the need for a rate increase.

Saskatchewan's electricity generation mix is also undergoing a change. Federal emissions regulations do not permit the construction or straight refurbishment of the conventional coal generation that our province has relied on for decades. As a result, SaskPower must shift away from cheaper conventional coal generation. At present, new and replacement generation is primarily fuelled by natural gas. Although more environmentally friendly, natural gas-fired generation fuel costs are significantly more expensive than coal.

Meanwhile, it is important to note that even without the recent growth in population SaskPower would still be facing very significant pressures on rates because of aging infrastructure.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

December 1, 2013 – Feedback Form

Too big a increase, my cost of living index can not keep up, now this? My pension goes up a bit over a dollar per month, there are many worse off than I.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower recognizes the direct impact that the price of electricity has on the quality of life of our customers. This was taken into consideration when developing the rate application as SaskPower attempted to balance its financial needs with the ability of our customers to absorb the rate increases.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

December 1, 2013 – Feedback Form

I find it unbelievable that increases over 5% are pondered when teachers are only given increases just over 1%. When these increases are combined over a period of 3 years, Sask energy's increase is over 15% while teachers salaries increase just over 5%. Thus this proposed rate increase is totally unacceptable to me and my family.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

December 2, 2013 - Voicemail

"Hello, it's **** at **** on West Mountain Lake and telephone *****. A comment for the Rate Review Board are that if the economy in Saskatchewan as it is with the business places housing receiving operating full out and refusing substantial income but seniors in Saskatchewan are tied to ordering security benefits that receive a 1 point 2 increase my kind of pension plan about 1 point 2 also and my Saskatchewan government retirement pension at 70 percent of the provincial CPI rate which is the neighbourhood of point 9 of 1 percent this is not at all comparable to the (more)"-

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

December 2, 2013 – Feedback Form

As a customer I disagree with the increase you are proposing. As a land owner I have a high line running over my east 1/4 of land. Have yet to receive an increase for that. As for all the commercials that you are putting on the TV this is totally unnecessary. Cut out the advertising. Money you could be saving right there and sponsoring curling etc. Thanks you

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.



2014 RATE APPLICATION WEBSITE COMMENTS

December 5, 2013 - Voicemail

"Oh hi this is **** and I live in Moose Jaw Saskatchewan and I have a concern about our increases with Power that's gonna be coming in affect in January and then again the following January. I'm a single mum waiting 2 daughter's I work in a child care sector like I'm a child care worker and my wages only increase a nickel per year and I just feel that the people like myself making a minimum wage like its all want and I just don't I understand that you're increase have to occur but I just don't understand why you're happening frequently and what we can do about it.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated.

The single biggest driver for the rate increase is the need to invest in the Corporation's capital program. SaskPower is planning to invest approximately \$1 billion / year each year for the long-term to renew and replace our entire electrical system. Much of our system was built 30-50 years ago. In order to ensure reliability and minimize the number and frequency of outages, we must invest in our system.

The second major driver for the rate increase is rising fuel & purchased power costs. This is due not only from an increase in load growth, but as a consequence of using more environmentally friendly fuel sources such as natural gas. Although more environmentally friendly, these fuel costs have a higher cost than SaskPower's base load fuels – coal and hydro.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

December 6, 2013 - Voicemail

"I guess yeah I can't get a hold of you bye. His voice answering my voice. What I'm saying I wanna say my piece about the rate. The power is going up in there in January. I know it's gonna help but I see why can you ___ and then every Euro is going up up and up and ___ where are the line and then I can't afford any more specially on the ___ a budget can't afford nothing. So I said enough enough of this. This is going up and up and up. We're not aware of it and then and so ___ off so I don't know what to do about this and when I just talk to a live person but always always leave a message ___ leave a message. What's going on. Why ___ going up and up and I'm not aware of it. And so I'd like to be aware it even and known coming in the mail but ___ but get the bill. That's not fair and what's going ___ so much as a feedback ___. I said power is power but enough is enough. So let me what's ___ is gonna help but (more)

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process.
Your feedback is appreciated.



2014 RATE APPLICATION WEBSITE COMMENTS

December 6, 2013 - Email

December 6, 2013 Attention: Rate Review Panel - SaskPower Rate Application A 15.5% rate increase over the next 3 years will fiscally hurt many seniors/peoples on fixed income. The province may be growing and fiscally many might be reaping these benefits, but not ALL. More and more baby boomers, (along with existing seniors in this province), are retiring, and living on fixed incomes. We do not get raises in our pensions, if we are lucky enough to have them, and as is painfully evident, returns on safe investments are meager at best! We can decrease our spending of disposable income on entertainment, food and vacations. We cannot decrease our power needs any more than most of us already do. We live in a cold climate where light and heat are essential, not luxuries. SaskPower must learn to manage scarce resources in a more responsible way, and do some belt tightening or lessening of expectations as many citizens of this province are forced to do. Costs for senior management and workers should be closely examined, to ensure their compensations are not beyond what this province and it's peoples can afford. Thank you for your consideration.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower recognizes the direct impact that the price of electricity has on the quality of life of our customers. This was taken into consideration when developing the rate application as SaskPower attempted to balance its financial needs with the ability of our customers to absorb the rate increases.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



**2014 RATE APPLICATION
WEBSITE COMMENTS**

December 23, 2013 - Voicemail

Hello I'm calling in reference to the increase in the right application(?). I feel it's far too much. I did a calculation on what I would be paying it would work out to about a hundred dollars a year which is considerable So if you're taking notes on who's for or getting I'm definitely again. Thank you.

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower recognizes the direct impact that the price of electricity has on the quality of life of our customers. This was taken into consideration when developing the rate application as SaskPower attempted to balance its financial needs with the ability of our customers to absorb the rate increases.

SaskPower offers a number of energy efficiency programs and energy saving tips that can help our customers reduce their electricity bill. These programs can be found on the SaskPower website at <http://www.saskpower.com/efficiency-programs-and-tips/>.



**2014 RATE APPLICATION
WEBSITE INTERROGATORIES ROUND ONE**

January 27, 2014 - Email

When you make your assessment you might want to include citizens on fixed incomes and the effect these rate increases would have on them. As a former gov't employee who gave up an over-paid job to enjoy retirement on a fixed pension I would like you to include all impacts, not just those that may affect the 'Corporation'. This would be another slap in the face following the millions of dollars they gave out last year in the name of community support... Who do you think makes up the community? If I want to support a local entity then I would like to make that decision, not indirectly through higher bills... They could consider a lower wage increase for their employees... this race to the top will leave a higher percentage of the population at the bottom... but, who cares?

Response:

Thank you for participating in the Saskatchewan Rate Review Panel (SRRP) process. Your feedback is appreciated. SaskPower is requesting rate increases during the next three years largely to help cover the costs of replacing and refurbishing old infrastructure as well as constructing new infrastructure to meet increasing electricity demand in our province. SaskPower recognizes the direct impact that the price of electricity has on the quality of life of our customers. This was taken into consideration when developing the rate application, as our company attempted to balance its financial needs with the ability of our customers to absorb the rate increases.

SaskPower is hopeful that a multi-year application will assist customers in budgeting household expenses in advance. If approved, urban residential customers will see average increases of \$5 per month in 2014, \$4 per month in 2015 and \$4 per month in 2016, while rural residential customers will see average increases of \$8, \$7 and \$8.

SaskPower is taking significant steps to operate our company efficiently and prudently manage or reduce costs. Through an efficiency and effectiveness program known as Business Renewal, SaskPower has yielded significant costs savings of \$137 million through 2012. Payroll expense, which is budgeted at 17% of total expenses in 2013, is not driving the need for increased revenue. We plan our workforce needs carefully to control staffing expenses and ensure the right employees with the right skills are available to keep the Saskatchewan electricity system running.

When it comes to community investment, SaskPower is a member of Imagine Canada's Caring Company Program. To enhance the communities in which we work and live, our company commits 1% of net income to fund a community investment program. It focuses on education in the areas of conservation and efficiency; safety; and workforce excellence.



**2014 RATE APPLICATION
WEBSITE INTERROGATORIES ROUND ONE**

To help offset the impact of rate increases, SaskPower is continuing to help customers reduce their electricity use through efficiency and conservation programs. Information is available at saskpower.com.