



**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS.**

2400 College Avenue, Suite 101  
Regina, Saskatchewan S4P 1C8

February 7, 2014

## **Saskatchewan Rate Review Panel**

P.O. Box 1301  
Saskatoon, Saskatchewan  
S4K 3N1

Email: [input@saskratereview.ca](mailto:input@saskratereview.ca)

### **Re: Sask small business owners' views of SaskPower's First Multi- Year Rate Application**

On behalf of the Canadian Federation of Independent Business (CFIB) and our 5,250 members in Saskatchewan, I am writing to outline our members' views and concerns regarding SaskPower's first multi-year rate application.

It is our understanding that SaskPower's application requests a system-average rate increase of 5.5% to take effect January 1, 2014, with a 5% increase effective January 1, 2015 and a further 5% increase to take effect January 1, 2016. We also understand this represents the first time the utility has submitted a multi-year rate application.

While CFIB was unable to attend the public meetings held by the Saskatchewan Rate Review Panel, we have reviewed the transcript of some of the proceedings. SaskPower discussed the two things driving this rate increase, which are SaskPower's capital spending and fuel and purchased power costs.

To get some sense of the impact energy costs have on Saskatchewan small business owners, we would like to share results from CFIB's Saskatchewan January 2014 Monthly Business Barometer™. Thirty six per cent of Saskatchewan small business owners cite fuel/energy costs as a major cost pressure. Other significant cost pressures were wage costs (40 per cent), and tax/regulatory costs (39 per cent). We worry SaskPower's proposed 15.5 per cent increase over the next three years will dampen Saskatchewan business owners' optimism and limit their ability to grow and expand their business (see attached).

We share other stakeholders' concerns that historical records reveal that SaskPower overestimates costs as well as load forecast. We therefore question how SaskPower's multi-year application will improve its accuracy or provide more certainty in the Crown Corporation's ability to forecast loads or costs. CFIB recommends that should actual fuel costs be lower than the forecast provided in this application, that a rebate or future rate reductions be considered.

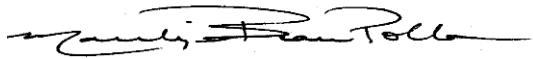
We also understand that the largest area of increase forecasted in the multi-year application is in the operations, maintenance and administration costs. During the public meetings, SaskPower outlined what it is doing to reduce the impact of rate increases on its customers. The Crown's

primary program is its business renewal program. To date, SaskPower has realized \$137 million of savings from this program at the end of 2012. We encourage SaskPower to continue to find efficiencies throughout its operations, which could further mitigate the proposed rate increases.

CFIB recognizes SaskPower's generation, transmission and distribution infrastructure is aging and will require SaskPower to rebuild, replace or renew it in its entirety over the next forty years. However, SaskPower must also continue to find efficiencies throughout its operations and ensure that the proposed system-average rate increases are not based on overestimated costs and load forecast.

Thank-you for the opportunity to share our views and we trust you will consider our small business members' concerns. If you have any questions please do not hesitate to contact our office at (306) 757-0000.

Sincerely,

A handwritten signature in black ink, appearing to read "Marilyn Braun-Pollon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Marilyn Braun-Pollon  
Vice-President, Prairie & Agri-business