



**COMPLETE ROUND 2
RESPONSES TO
INTERROGATORIES
FROM THE
SASKATCHEWAN RATE
REVIEW PANEL**

[2026 and 2027 Rate Application]



1. Reference: SaskPower Net Income

- a) With reference to the 2025-26 and 2026-27 Net income from Government Business Enterprises shown on page 20 of the Province of Saskatchewan 2026-27 budget available:
<https://budget.saskatchewan.ca/f/47i547mqkjc4xevocxv2v7hr9ptn36/2026-27-Budget-Document-WEB.pdf>
- i. Please reconcile the forecasted net income for SaskPower of \$186.6 million in 2025-26 and \$138.4 million in 2026-27, as shown in the provincial budget, with the forecasted net income of -\$147 million in 2025-26 and \$79 million in 2026-27 shown on page 19 of SaskPower's rate application. Please quantify and provide a description of each of the variances contributing to the differences between the amounts shown in the provincial budget and those presented in SaskPower's rate application.
 - ii. Please provide the dates when SaskPower's inputs to the provincial budget were prepared and discuss whether they were reviewed and approved by SaskPower's Board of Directors and/or the Crown Investments Corporation.
- b) Please update the response to First Round Information Request SRRP Q3 (a) for each scenario to include any adjustments included in the net income figures from the provincial budget described above as well as any other material changes SaskPower is aware of since the time the application was prepared.

2. Reference: First Round Information Request SRRP Q7 Affordability

- a) Has SaskPower ever investigated the possibility of delivering or partnering with government or non-profit organizations on bill assistance programs such as those implemented in British Columbia (e.g. BC Hydro's Customer Crisis Fund); Manitoba (e.g. the Neighbours Helping Neighbours Program coordinated with Manitoba Hydro and the Salvation Army); or Ontario (e.g. the Ontario Electricity Support Program). If so, please describe the results of any such work. If not, please explain why not.

- b) With reference to the response to part (c), please provide an explanation for the increase in forecast bad debt in 2026/27 compared to 2025/26.

3. Reference: First Round Information Request SRRP Q8 Payments to the Province

- a) Please update the response to part (a) of First Round Information Request SRRP Q8 to reflect the changes to the Corporate Capital Tax rate applicable to Crown corporations announced in the 2026-27 Saskatchewan Provincial Budget.
- b) With reference to the response to First Round Information Request SRRP Q8 (b), please clarify if it was the 2025-26 carbon tax expense that was unbudgeted, or that SaskPower's previous budget included carbon charge rider revenues that offset the carbon tax expense.

4. Reference: First Round Information Request SRRP Q10 Carbon Charges

- a) With reference to the response to SRRP Q10 part (a) and (b), please confirm:
- i. Total carbon tax payments to the federal government through 2025 have been \$496 million (as shown in part (a) (i)) and of that amount \$460 million has been or is forecast to be returned to SaskPower by 2026-27 (as shown in part (b)) with a difference of \$36 million.
 - ii. Total carbon tax payment and/or payables to the provincial government through 2025 have been \$618 million (as shown in part (a) (i)) and of that amount \$315 million has been or is forecast to be returned to SaskPower by 2026-27 (as shown in part (b)) with a difference of approximately \$303 million.

If not confirmed, please provide a detailed explanation and quantify any additional funds, either payments by or payment to SaskPower not included in the description above.

- b) With reference to part (a) above, please discuss if SaskPower anticipates there will be any further grants or other payments to SaskPower beyond 2026-27 that represent the return of previous carbon charge payments from each of the federal government and provincial government. If yes,

please provide a description of any such anticipated future payments. If not, please provide SaskPower's understanding of how the remaining carbon charge payments remitted to each level of government by SaskPower have been or will be spent.

- c) With reference to the statement on page 6 of the application that SaskPower anticipates the province will provide approximately \$187 million of funding in 2025-26 to partially mitigate the lost revenue from the rate rider and support affordability – please confirm if this funding of \$187 million represents repayment of carbon charge revenue previously remitted to the province or if this funding is provided from other provincial sources.
- d) With reference to the statement on page 6 of the application that “the loss of the CETG funding will create a financial shortfall for the corporation. To help SaskPower transition away from the CETG funding and minimize the rate increase request, SaskPower anticipates receiving \$175 million in grant funding from the province in 2026-27” please discuss:
- i. Has the provincial Clean Energy Transition Grant program been terminated?
 - ii. Is the \$175 million in grant funding to be provided in 2026-27 to SaskPower a refund of previously remitted carbon charge revenue or is it funded through some other source?
- e) With reference to SRRP Q10 part (b), and SaskPower's responses regarding provincial funding and grant support, please provide additional detail on the funding mechanisms used to return carbon charge revenues to SaskPower, as follows:
- i. Please identify, for each year in which carbon charge revenues were returned to SaskPower by the Province of Saskatchewan, the specific mechanism used to return those funds (e.g., grant funding, contribution agreements, offsets, or other mechanisms).
 - ii. For each mechanism identified in part (i), please provide:
 - the name of the grant program or funding arrangement; and
 - the amount of funding received.

- f) With reference to the response to SRRP Q10 part (c) and SaskPower's assumption regarding the application of carbon charges, please address the following:
- i. Please estimate the impact on net income in 2026-27 if a carbon charge were to apply at:
 - the carbon charge rate (expressed in \$/tonne CO₂e) specified under the current Saskatchewan Output-Based Performance Standards (OBPS) regulations; and
 - a hypothetical minimum effective price of \$130/tonne of CO₂e, using the Canada-Alberta Memorandum of Understanding as a benchmark scenario, noting that the timing of Alberta's ramp-up to this level under the Canada-Alberta Memorandum of Understanding is not specified (<https://www.pm.gc.ca/en/news/backgrounders/2025/11/27/canada-alberta-memorandum-understanding>).
 - ii. Please outline the options available to SaskPower should a carbon charge ultimately apply, including whether SaskPower would:
 - reintroduce or increase a rate rider;
 - seek additional provincial funding or grants;
 - absorb the carbon charges and accept a lower net income; or
 - pursue other mechanisms to recover carbon charge costs.
 - iii. For each option identified in part (ii), please discuss the potential impacts on ratepayers, including the magnitude and timing of any expected rate impacts and the extent to which these impacts could be mitigated or deferred.
- g) With reference to SaskPower's response to SRRP Q10 part (i), please confirm whether any OBPS carbon charge has been remitted to the Government of Saskatchewan following the stopping of the collection of the carbon tax rate rider effective April 1, 2025.

5. Reference: First Round Information Request SRRP Q10 Carbon Charges

- a) With reference to the response to SRRP Q10 (h) and (i), please provide, the following information for each fiscal year from 2018-19 to 2024-25 and forecasts for 2025-26 and 2026-27:
 - i. Total CO₂ emissions (tonnes);
 - ii. Taxable CO₂ tonnes after application of allowable thresholds;
 - iii. Emission intensity assumptions by generation type, including coal units, SPC gas units, IPP gas units, grandfathered gas units, and new gas units;
 - iv. Applicable allowable CO₂ thresholds by generation type; and
 - v. Applicable CO₂ tax rates used in the calculation.
- b) For 2026-27, please specifically include an estimate of the taxable tonnes of CO₂ for 2026-27 assuming the 2026-27 forecast of 12,577,799 tonnes of CO₂ and the 2026 thresholds for grandfathered gas unit, gas unit and coal unit provided in the response to part (h).
- c) For each actual or forecast year from 2018-19 to 2026-27, please provide the amount of electricity generation (GWh) attributable to:
 - i. grandfathered gas units; and
 - ii. new gas units.
- d) With reference to the responses to SRRP Q10 parts (e) and (f), please confirm whether SaskPower continues to plan to meet the target of 40% of the province's electricity generation capacity coming from non-emitting energy sources by December 31, 2030, as set out in the Equivalency Agreement terminating on December 31, 2026.

6. Reference: First Round Information Request SRRP Q18 Finance Charges

- a) With reference to the response to SRRP Q18 part (a) (iii) please confirm there is no legislated or policy basis for the debt retirement fund requirements. If not confirmed, please provide a detailed explanation.

- b) With reference to the response to SRRP Q18 part (a) (iv) please:
 - i. Confirm the market value losses exceeded the earnings in each year from 2020-21 through 2022-23. If not confirmed, please provide a detailed explanation.
 - ii. Provide the calculations of the installments in each year.
 - iii. Please reconcile the sinking fund earnings shown in part (iv) with the debt retirement fund earnings shown in the response to SRRP Q17.
- c) Does SaskPower include the installment payments to the Debt Retirement Fund in its revenue requirement for ratemaking purposes? If so, please explain where it is included in the Expenses shown in table 7.2 of the application.

7. Reference: First Round Information Request SRRP Q21 Export Revenues

- a) With reference to the response to SRRP Q21 (f) can SaskPower provide an update on the status of the McNeil Converter Station including whether it is currently operating and any plans SaskPower is aware of to increase the capacity of the interconnection either at this location or other locations on the Saskatchewan/Alberta border?

8. Reference: First Round Information Request SRRP Q32 Natural Gas costs

- a) With reference to the response to SRRP Q32 (a) please:
 - i. Please provide the delivery point for which the costs are reported.
 - ii. Confirm the reported costs are only commodity costs and do not include transportation, storage or other costs. If not confirmed, please provide a breakout showing the commodity cost only.
 - iii. Please describe the factors that contribute to the spread in unit prices between gas purchased in Saskatchewan and gas purchased outside of Saskatchewan. In particular please explain the factors contributing to the much larger spread in the forecast years (>\$1.7/GJ) than in the historical actuals (<\$08/GJ).

9. Reference: First Round Information Request SRRP Q36 Coal

- a) With reference to the statement in the response to SRRP Q36 (a) (ii) that:
- “The provincial Energy Security Strategy sought to strengthen and expand the reliability and capacity of Saskatchewan’s electricity system through a diversified, all-of-the-above approach to generation investment. This approach included weighing the value and cost of extending legacy generation assets against prevailing trends and constraints associated with new-build options. As part of this assessment, cost-benefit considerations incorporated temporal and system-specific factors, including the ability to maintain existing operating units, demand and supply-chain constraints affecting new natural gas generation, and the relative certainty associated with in situ fuel supplies available in Saskatchewan, including coal and uranium.”

Please provide any quantitative analysis undertaken by SaskPower, or its shareholder that SaskPower has reviewed, that weighed the value and cost of extending legacy generation assets against prevailing trends and constraints associated with new-build options including the temporal and system-specific factors described in the response.

- b) Has SaskPower conducted an analysis of the forecast long-term average cost of energy for the coal repowering program compared to other scenarios or resource portfolios being considered as part of the long-term supply plan SaskPower was in the process of completing as described here: <https://www.saskpower.com/our-power-future/creating-a-cleaner-power-future/future-supply-planning/future-supply-plan-2030-and-beyond>.
- i. If yes, please provide copies of any such analysis that can be made public.
 - ii. If not, please explain why not, and provide an estimate of the time and cost associated with producing such an analysis.

10. Reference: First Round Information Request SRRP Q37 Hydro

- a) With reference to the statement in the response to SRRP Q37 (a) (ii) that the Saskatchewan River hydro project costs are expected to be similar to

SMRs, please provide any quantitative analysis completed by SaskPower that supports this conclusion.

11. Reference: First Round Information Request SRRP Q52 Bonus or at-risk pay

- a) With reference to the statement in the response to SRRP Q52 on the Salary Holdback program, please provide:
- i. A copy of the Crown Investment Corporation policy governing the program.
 - ii. A comparison of the forecast and actual payments under the Salary Holdback program in aggregate (i.e. not broken out by the compensation levels shown in the response to SRRP Q52) in each of 2022-23, 2023-24 and 2024-25.

12. Reference: First Round Information Request SRRP Q71 Data Centre

With reference to the following news article dated April 6, 2026:

<https://www.ctvnews.ca/regina/article/planning-documents-reveal-layout-of-12-billion-data-centre-near-regina/>

and the response to SRRP Q71 (d) that states SaskPower “will only offer excess capacity for the data centre project”.

- a) Is the timing of the developing coming online in the first half of 2027 consistent with the revenue and sales forecasts included in the application? If not, please provide an estimate of the impact on SaskPower’s sales and revenue forecasts in the 2026-27 forecast.
- b) With reference to the news article statement that the facility will be a 300MW data centre with a renewable energy system and a future natural gas plant, please describe:
- i. What portion of the 300 MW load SaskPower anticipates it will be requested to serve as firm service versus stand-by or contingency service;
 - ii. How SaskPower expects the data centre’s on-site generation resources to interact with SaskPower-supplied service, including the

- circumstances under which SaskPower would be required to serve load when on-site resources are unavailable; and
- iii. Whether SaskPower anticipates that serving this load, on either a firm or non-firm basis, would require incremental generation, transmission, or distribution capacity beyond existing system capability, or whether SaskPower considers such service to be fully accommodated within existing “excess capacity”.
- c) Please elaborate on how SaskPower intends to ensure the service reflects only ‘excess capacity’, including any rules or provisions for curtailments or interruptions SaskPower intends to require.
 - d) Is the requirement that SaskPower will only use ‘excess capacity’ intended to mitigate potential rate increases to other customers?
 - e) Please confirm if SaskPower intends to provide service to the data centre through an existing customer class or a new customer class.
 - i. If an existing customer class, please specify which rate schedule would apply and any terms and conditions of service that would need to be modified to allow SaskPower to ensure it is only providing ‘excess capacity’ service to the data centre customer.
 - ii. If a new customer class, please provide the proposed rates and terms and conditions of service.
 - iii. If some other arrangement, including a special agreement or contract please describe the anticipated arrangement.
 - f) Please discuss how the incremental costs associated with serving the data centre will be allocated, including:
 - i. Whether SaskPower anticipates the data centre will require new or dedicated infrastructure, such as transmission lines, substations, or upgrades; and
 - ii. Whether the data centre customer will be required to pay for or directly fund any such dedicated infrastructure or system upgrades.
 - g) Given that SaskPower has indicated it will only offer excess capacity to the data centre project, please discuss how SaskPower views the rates it

proposes would not be ‘unjustly discriminatory’ particularly when compared to firm service offered to other large power customers. In particular, please discuss:

- i. Whether SaskPower views it has an obligation to provide service including the legal or policy basis for any such obligation as well as any limits to such obligations.
 - ii. Any potential issues surrounding the different standard or quality of service, such as curtailments or interruptibility, that SaskPower may require to ensure it is providing only ‘excess capacity’.
- h) Has SaskPower reviewed how other jurisdictions in the US or Canada are addressing the risks and costs associated with serving large data centre loads? If yes, please provide a summary of the risks, costs and benefits identified in other jurisdictions including any known cases where serving data centre loads led to demonstrable increases in rates for other customers.

13. Reference: First Round Information Request SRRP Q73 Energy Efficiency

- a) With reference to the program costs provided in the response to SRRP Q73, please confirm if SaskPower has accessed provincial, federal or other government sources of funding to offset the forecast costs. If yes, please explain what portion of the forecast costs in 2025-26 and 2026-27 are directly offset by government funding.
- b) Given that SaskPower has not identified any forecast energy or capacity savings for 2026-27, please discuss the objectives or metrics SaskPower uses to justify the programs. For example, does SaskPower view these programs as primarily targeted at customer communication and outreach rather than acquiring energy and capacity savings?

14. Reference: First Round Information Request SRRP Q76 Cost of Service Study

- a) With reference to the recommendation that SaskPower implement a plan for modest but frequent rate adjustments – has SaskPower presented such a plan to the Crown Investments Corporation? If so, please provide a copy of the plan.

15. Reference: First Round Information Request SRRP Q77 Proposed Rates and Revenue Requirement

- a) With reference to the information provided in part (b), please confirm that the proposed rate increases result in the Oilfields and Reseller classes having lower Revenue to Revenue Requirement (R/RR) ratios in 2026-27 than residential classes.
- b) Did SaskPower consider proposing higher rate increases for the Oilfields and Reseller classes to achieve R/RR ratios of 1.00 by 2026-27? If not, please explain why not.

16. Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 19, please expand the Consolidated Statement of Income table to include 2021-22 and 2022-23 actuals.

17. Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 25, please expand both the Fuel and Purchased Power and Fuel and Purchased Power Volume tables to include 2021-22 and 2022-23 actuals.

18. Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 21, please expand both the Saskatchewan Sales and Saskatchewan Sales Volume tables to include 2021-22 and 2022-23 actuals.

19. Reference: 2022 and 2023 Rate Application Second Round Information Request SRRP Q13 (d)

- a) With reference to the 2022 and 2023 Rate Application second round information request SRRP Q13 (d), please provide an update to the PPA administration costs table that shows actuals for 2021-22 through 2024-25, 2025-26 forecast, and 2026-27 business plan.

20. Reference: First Round Information Request SRRP Q26 Generation Expense

- a) With reference to the 2026 and 2027 Rate Application first round information request SRRP Q26, please expand the Generation Expense table to include 2021-22 actuals.
- b) With reference to the 2026 and 2027 Rate Application first round information request SRRP Q26, are there any fuel and purchased power costs associated with wind generation? If so, please provide a table like the one that is provided in the response to SRRP Q26 that includes wind generation costs.
- c) Please provide a table that breaks down the finance charges, taxes, and other expenses by generation type (i.e., natural gas, coal, wind, hydro, SaskPower – owned, and PPA), similar to what was provided in 2022 and 2023 Rate Application second round information request SRRP Q13 (a). Please document any assumptions or estimates used in preparing the response.
- d) With reference to 2022 and 2023 Rate Application second round information request SRRP Q13 (c), please provide an updated version of the SaskPower-owned – expenses table that shows actuals for 2021-22 through 2024-25, and 2025-26 and 2026-27 forecasts.

21. Reference: First Round Information Request SRRP Q44 OM&A

- a) With reference to 2026 and 2027 Rate Application first round information request SRRP Q44 (a), please expand the Operating, Maintenance and Administration Expense table to include 2021-22 actual, budget, and variance.
- b) With reference to 2026 and 2027 Rate Application first round information SRRP Q44 (c) (i), please expand the staff or employee compliment table to include 2021-22 actuals.

22. Reference: 2022 and 2023 Rate Application First Round Information Request SRRP Q50 OM&A

- a) With reference to 2022 and 2023 Rate Application first round information request Q50, please provide an updated version of the FTE vacancy rate

table that shows actuals from 2021-22 through 2024-25, and 2025-26 and 2026-27 forecasts.

23. Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 27, please expand the Depreciation and Amortization table to include 2021-22 and 2022-23 actuals.

24. Reference: First Round Information Request SRRP Q60 Debt and Equity

- a) With reference to 2026 and 2027 Rate Application first round information request SRRP Q60 (a), please expand the Capital Structure table to include 2021-22 actual and forecast.
- b) With reference to 2026 and 2027 Rate Application first round information request SRRP Q60 (b), please expand the Return on equity calculation table to include 2021-22 actuals.

25. Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 29, please expand the Taxes table to include 2021-22 and 2022-23 actuals.

26. Reference: First Round Information Request SRRP Q53 OM&A

- a) With reference to 2026 and 2027 Rate Application first round information request SRRP Q53 (a), please expand the table provided in the response to include OM&A per total customer account and the per customer account growth similar to what was provided in the response to 2022 and 2023 Rate Application pre-ask question 7 (d).

27. Reference: OM&A

- a) Please reconcile the difference in OM&A actuals for 2024-25 provided on page 19 of the 2026 and 2027 Rate Application as \$869M and in the response to 2026 and 2027 Rate Application 1st round information request SRRP Q46 (a) as \$865M.

28. Reference: Interest Rates

- a) With reference to 2022 and 2023 Rate Application second round information request SRRP Q27 and 2026 and 2027 Rate Application first round information request SRRP Q16, please reconcile the difference in short-term and long-term interest rate forecasts for 2023-24. SRRP Q16 from this rate application provides the 2023-24 forecast short-term interest rate as 3.90% and the long-term interest rate as 4.30% whereas SRRP Q27 from the 2nd round information request of the last rate application provides the 2023-24 forecast short-term interest rate as 1.30% and the long-term interest rate as 3.40%.

29. Reference: 2022 and 2023 Rate Application First Round Information Request SRRP Q93 Competitiveness

- a) With reference to 2022 and 2023 Rate Application first round information request SRRP Q93, please provide updated tables showing the calculation of bills before applicable taxes and after applicable taxes, including the carbon charge rider, municipal surcharges and any bill relief programs that may have been in place. Please also confirm which rate code would apply to each customer:
- i. A residential customer using 625 kWh in a month.
 - ii. A small commercial customer with demand of 14kW and using 2,000 kWh in a month.
 - iii. A large power customer using 5,000 kW demand and 3,060,000 kWh in a month.

Please provide the tables in the same format as in the response to 2022 and 2023 Rate Application first round information request SRRP Q93, showing actuals from 2021-22 through to 2024-25 and forecasts for rates effective February 1, 2026 and February 1, 2027.

30. Reference: Return on Equity

- a) With reference to 2022 and 2023 Rate Application page 11, please provide an updated version of the table titled 'Canadian utility comparison: net return on equity (ROE)' for the most current actual year ending available for the other utilities, SaskPower, and the forecast and business

plan years for SaskPower. Please provide the updated table in the same format as seen on page of 11 of the 2022 and 2023 Rate Application.

31. Reference: Debt Ratio

- a) With reference to 2022 and 2023 Rate Application page 12, please provide an updated version of the table titled ‘Canadian utility comparison: per cent debt ratio’ for the most current actual year ending available for the other utilities, SaskPower and the forecast and business plan years for SaskPower. Please provide the updated table in the same format as seen on page 12 of the 2022 and 2023 Rate Application.

32. Reference: Proposed Rate Revenue to Revenue Requirement Ratios

- a) Please present the response to 2026 and 2027 Rate Application first round information request SRRP Q77 in the exact same format as seen in the response to 2022 and 2023 Rate Application first round information request SRRP Q88. Be sure to disaggregate total commercial and total power and include streetlights as seen in 2022 and 2023 Rate Application first round information request SRRP Q88.
- b) Please update the tables presented in 2026 and 2027 Rate Application pages 35 and 36 to match the same format as seen on pages 34 and 35 of the 2022 and 2023 Rate Application. Be sure to disaggregate total commercial and total power and include streetlights as seen in 2022 and 2023 Rate Application pages 34 and 35.

33. Reference: System Energy & Capacity

- a) With reference to the 2022 and 2023 Rate Application, second round information request SRRP Q8(b), please provide an updated version of the “Capacity” table included in the response, with years aligned to the SaskPower 2025-26 Q1 Load Forecast.
- b) With reference to the 2022 and 2023 Rate Application, first round information request SRRP Q102(a), please provide an updated version of the “Energy” table included in the response, showing both percentage shares and MWh values, with years aligned to the SaskPower 2025-26 Q1 Load Forecast.

34. Reference: Rate Proposals

- a) With reference to Appendix B: Rate Proposals, please provide a brief explanation of:
 - i. How energy block sizes are determined for each customer class; and
 - ii. The rationale for the use of decreasing block energy rates for certain customer classes.

35. Reference: Major Capital Projects

- a) With reference to the 2026 and 2027 Rate Application pages 31-32, and the planned transmission projects, including the North/South Interconnection, Taylor Bay, Meadow Lake (ML3), and Timber Cove–La Ronge (TC5) projects, please describe:
 - i. The primary objectives and expected system benefits of each project (e.g., local or regional reliability, province-wide system reliability, support for industrial or mining development, or facilitation of interprovincial power transfers), including the customer classes expected to receive the primary benefits; and
 - ii. Any secondary objectives or benefits associated with each project, including the customer classes expected to benefit indirectly.

36. Reference: Utility Investment Criteria

- a) Please provide SaskPower's utility investment criteria that specify how much SaskPower will invest in transmission and distribution extensions before requiring customers to contribute to the cost of extensions.
- b) Please provide the details, including any cost-benefit or cash flow analyses, of how SaskPower calculates the customer contributions required for new distribution and transmission extensions.

37. Reference: Rate Design

- a) Please confirm SaskPower previously had separate rates defined by geographic zones, provide a discussion of the key elements of the

differences in the prior rates by geographic zone and discuss when and how those differences were phased out.

- b) Has SaskPower investigated the possibility of having lower rates for electric heating customers in areas without access to natural gas?.

Round 2 SRRP Q1 Reference: SaskPower Net Income

- a) With reference to the 2025-26 and 2026-27 Net income from Government Business Enterprises shown on page 20 of the Province of Saskatchewan 2026-27 budget available: <https://budget.saskatchewan.ca/f/47i547mqkjc4xevocxv2v7hr9ptn36/2026-27-Budget-Document-WEB.pdf>
- i. Please reconcile the forecasted net income for SaskPower of \$186.6 million in 2025-26 and \$138.4 million in 2026-27, as shown in the provincial budget, with the forecasted net income of -\$147 million in 2025-26 and \$79 million in 2026-27 shown on page 19 of SaskPower's rate application. Please quantify and provide a description of each of the variances contributing to the differences between the amounts shown in the provincial budget and those presented in SaskPower's rate application.
 - ii. Please provide the dates when SaskPower's inputs to the provincial budget were prepared and discuss whether they were reviewed and approved by SaskPower's Board of Directors and/or the Crown Investments Corporation.
- b) Please update the response to First Round Information Request SRRP Q3 (a) for each scenario to include any adjustments included in the net income figures from the provincial budget described above as well as any other material changes SaskPower is aware of since the time the application was prepared.

Response:

(a)

i.

Net income reconciliation	
	Forecast
<i>(in millions)</i>	2025-26
Original net income	\$ (146.7)
Variances:	
Saskatchewan electricity sales ¹	(33.0)
Exports ²	10.6
Carbon tax expense ³	(16.6)
Other	(0.9)
Revised net income	\$ (186.6)

1. Reduction due to lower Saskatchewan electricity sales volumes (381.4 GWh).
2. Increase due to higher export sales volumes (113.1 GWh).
3. Increase due to higher coal generation (283.8 GWh).

Net income reconciliation	
	Forecast
<i>(in millions)</i>	2026-27
Original net income	\$ 78.9
Variances:	
Saskatchewan electricity sales ¹	34.6
Fuel and purchased power ²	(14.8)
Corporate capital tax ³	37.4
Finance charges ⁴	2.2
Other	0.1
Revised net income	\$ 138.4

1. Additional sales volumes as a result of 150 MW Bell Data Centre forecasted to come online in December 2026.
2. Additional fuel generation to support the 150 MW Bell Data Centre forecasted to come online in December 2026.
3. Reduction of Corporate Capital Tax rate from 0.6% to 0.3%.

4. Reduced finance charges due to lower debt requirements as a result of increased net income.
- ii. The inputs for the provincial budget were revised on February 18, 2026, as directed and approved by Crown Investments Corporation (CIC). An update to SaskPower's Board of Directors will be presented at the next Board meeting in June to outline the revised assumptions and related financial impact based on CIC's direction.
- b) The following tables include updated information on the First Round Information Request SRRP Q3(a) to reflect the net income in the provincial budget as well as additional material changes since the application was first prepared.

The following assumptions apply for each scenario:

- i. Confirmation of the 3.9% average rate increases effective February 1, 2026, and February 1, 2027
- ii. Confirmation of 2.0% average rate increases effective February 1, 2026, and February 1, 2027
- iii. No rate increases in 2025-26 or 2026-27
- iv. Equal percentage rate increases effective February 1, 2026, and February 1, 2027, that achieve an ROE of 8.5% in the 2026-27 year
- v. Equal percentage rate increases effective February 1, 2026, and February 1, 2027, that achieve an ROE of 6.0% in the 2026-27 year
- vi. Equal percentage rate increases effective February 1st each year for five years that achieve the long-term ROE target of 8.5% by the final year
- vii. Equal percentage rate increases effective February 1, 2026, and February 1, 2027, that achieve a 75% debt ratio by 2026-27;
- viii. Equal percentage rate increases effective February 1st each year for five years that achieve a 75% debt ratio by the final year

<i>(in millions)</i>	i.		ii.		iii.		iv.	
	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27	2025-26	2026-27
Saskatchewan sales (incl. rate increase)	\$ 2,889.0	\$ 3,141.1	\$ 2,879.7	\$ 3,072.1	\$ 2,870.1	\$ 3,001.9	\$ 2,903.1	\$ 3,245.9
Net income	\$ (186.6)	\$ 138.4	\$ (195.9)	\$ 67.9	\$ (205.5)	\$ (2.2)	\$ (172.5)	\$ 244.4
Return on equity	(6.6%)	4.9%	(7.0%)	2.4%	(7.3%)	(0.1%)	(6.1%)	8.5%
Per cent debt ratio	79.5%	79.7%	79.5%	80.2%	79.6%	80.8%	79.4%	78.9%
Cumulative revenue lift	\$ 18.9	\$ 139.2	\$ 9.6	\$ 70.2	\$ -	\$ -	\$ 33.0	\$ 244.0
Rate increase	3.9%	3.9%	2.0%	2.0%	0.0%	0.0%	6.9%	6.9%

<i>(in millions)</i>	v.		vi.	
	2025-26	2026-27	2025-26	2026-27
Saskatchewan sales (incl. rate increase)	\$ 2,893.5	\$ 3,174.7	\$ 2,889.3	\$ 3,143.1
Net income	\$ (182.1)	\$ 171.7	\$ (186.3)	\$ 140.4
Return on equity	(6.5%)	6.0%	(6.6%)	5.0%
Per cent debt ratio	79.5%	79.4%	79.5%	79.7%
Cumulative revenue lift	\$ 23.4	\$ 172.8	\$ 19.2	\$ 141.2
Rate increase	4.9%	4.9%	4.0%	4.0%

<i>(in millions)</i>	vii.		viii.	
	2025-26	2026-27	2025-26	2026-27
Saskatchewan sales (incl. rate increase)	\$ 2,975.3	\$ 3,796.6	\$ 2,899.5	\$ 3,219.2
Net income	\$ (100.3)	\$ 799.6	\$ (176.1)	\$ 216.3
Return on equity	(3.5%)	24.9%	(6.3%)	7.5%
Per cent debt ratio	79.0%	75.0%	79.4%	79.1%
Cumulative revenue lift	\$ 105.2	\$ 794.7	\$ 29.4	\$ 217.3
Rate increase	22.0%	22.0%	6.2%	6.2%

Round 2 SRRP Q2 Reference: First Round Information Request SRRP Q7 Affordability

- a) Has SaskPower ever investigated the possibility of delivering or partnering with government or non-profit organizations on bill assistance programs such as those implemented in British Columbia (e.g. BC Hydro's Customer Crisis Fund); Manitoba (e.g. the Neighbours Helping Neighbours Program coordinated with Manitoba Hydro and the Salvation Army); or Ontario (e.g. the Ontario Electricity Support Program). If so, please describe the results of any such work. If not, please explain why not.
- b) With reference to the response to part (c), please provide an explanation for the increase in forecast bad debt in 2026/27 compared to 2025/26.

Response:

- a) SaskPower regularly reviews and benchmarks other utility affordability and efficiency programs and bill assistance approaches to inform program design and identify potential opportunities. Through our benchmarking work, we have found national alignment in supporting Indigenous Communities, low-income, and vulnerable populations. We are aware of the referenced programs and will assess the potential inclusion of a similar program in future updates, considering our budget and available funding.

SaskPower works with government and non-profit partners to help connect customers to available supports. Examples include, engaging community organizations to raise program awareness and refer eligible customers to the Energy Assistance Program, working with the Ministry of Social Services to accept bill payments on their clients' behalf, and collaborating with SaskEnergy on affordability programs (including using the Energy Assistance Program as an intake pathway for SaskEnergy's Heating Affordability Program).

Indigenous Customer Care provides dedicated, relationship-based, and culturally informed support to ensure Indigenous customers, communities, and organizations receive equitable service when account or billing questions arise. SaskPower assists customers who are supported by Jordan's Principle through Indigenous Services Canada or through the Metis Nation of Saskatchewan's Homelessness Prevention Program.

SaskPower is open to exploring additional partnership models with government and non-profit organizations to improve customer access to assistance, subject to program parameters, funding availability, and appropriate governance and oversight.

- b) Bad debt expense represents the change in SaskPower's expected credit loss allowance, which represents the expected credit losses on trade receivables and is based on a percentage of accounts outstanding.

As expected credit losses are calculated based on trade receivables, it is expected that as the balance of receivables increases, so will the expected credit loss allowance (and the related bad debt expense).

Trends in receivables and bad debt expense are shown below:

Bad debt expense

<i>(in millions)</i>	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Accounts receivable and unbilled revenue	\$ 415.4	\$ 469.5	\$ 490.8	\$ 502.2	\$ 600.7
Bad debt expense	5.5	8.4	3.8	4.0	5.0
Bad debt expense as a percentage of receivables	1.3%	1.8%	0.8%	0.8%	0.8%

Note:

Bad debt expense as a percentage of receivables is higher in 2022-23 and 2023-24 as pandemic-related accounts in arrears were written off in these years. Accounts receivable in arrears have been consistently dropping over the past three years, returning very close to pre-pandemic levels.

Round 2 SRRP Q3 Reference: First Round Information Request SRRP Q8 Payments to the Province

- a) Please update the response to part (a) of First Round Information Request SRRP Q8 to reflect the changes to the Corporate Capital Tax rate applicable to Crown corporations announced in the 2026-27 Saskatchewan Provincial Budget.
- b) With reference to the response to First Round Information Request SRRP Q8 (b), please clarify if it was the 2025-26 carbon tax expense that was unbudgeted, or that SaskPower's previous budget included carbon charge rider revenues that offset the carbon tax expense.

Response:

- a) In addition to revising Corporate Capital Tax, interest on long & short-term debt has been updated to reflect the decrease in borrowings (highlighted in yellow).

Direct Contributions to the Province of Saskatchewan

<i>(in millions)</i>	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Interest on long & short-term debt	\$ 285	\$ 290	\$ 319	\$ 353	\$ 389	\$ 426
OBPS carbon tax	-	-	267	276	365	-
Corporate capital tax	51	54	57	64	70	38
Grants in lieu GRF	27	28	31	31	30	33
Coal royalties	8	6	5	4	6	10
Water rentals	18	20	16	18	18	24
Dividends	3	-	18	-	-	-
Total	\$ 392	\$ 398	\$ 713	\$ 746	\$ 878	\$ 531

- b) Following the Government of Saskatchewan's announcement on March 27, 2025, regarding the removal of the Federal Carbon Tax from customer's bills, SaskPower updated its budget to reflect the removal of the carbon charge rate rider and the carbon tax expense. As rate rider revenues were assumed to equal the carbon tax expense, there was no impact to budgeted net income.

Ultimately, the decision to pause the federal carbon charge rate rider while continuing to remit the Output-Based Pricing System (OBPS) compliance payments, is driving SaskPower's forecasted net loss in 2025-26.

Round 2 SRRP Q4 Reference: First Round Information Request SRRP Q10 Carbon Charges

- a) With reference to the response to SRRP Q10 part (a) and (b), please confirm:
- i. Total carbon tax payments to the federal government through 2025 have been \$496 million (as shown in part (a) (i)) and of that amount \$460 million has been or is forecast to be returned to SaskPower by 2026-27 (as shown in part (b)) with a difference of \$36 million.
 - ii. Total carbon tax payment and/or payables to the provincial government through 2025 have been \$618 million (as shown in part (a) (i)) and of that amount \$315 million has been or is forecast to be returned to SaskPower by 2026-27 (as shown in part (b)) with a difference of approximately \$303 million.
- If not confirmed, please provide a detailed explanation and quantify any additional funds, either payments by or payment to SaskPower not included in the description above.
- b) With reference to part (a) above, please discuss if SaskPower anticipates there will be any further grants or other payments to SaskPower beyond 2026-27 that represent the return of previous carbon charge payments from each of the federal government and provincial government. If yes, please provide a description of any such anticipated future payments. If not, please provide SaskPower's understanding of how the remaining carbon charge payments remitted to each level of government by SaskPower have been or will be spent.
- c) With reference to the statement on page 6 of the application that SaskPower anticipates the province will provide approximately \$187 million of funding in 2025-26 to partially mitigate the lost revenue from the rate rider and support affordability – please confirm if this funding of \$187 million represents repayment of carbon charge revenue previously remitted to the province or if this funding is provided from other provincial sources.
- d) With reference to the statement on page 6 of the application that “the loss of the CETG funding will create a financial shortfall for the corporation. To help SaskPower transition away from the CETG funding and minimize the rate increase request, SaskPower anticipates receiving \$175 million in grant funding from the province in 2026-27” please discuss:
- i. Has the provincial Clean Energy Transition Grant program been terminated?
 - ii. Is the \$175 million in grant funding to be provided in 2026-27 to SaskPower a refund of previously remitted carbon charge revenue or is it funded through some other source?

- e) With reference to SRRP Q10 part (b), and SaskPower's responses regarding provincial funding and grant support, please provide additional detail on the funding mechanisms used to return carbon charge revenues to SaskPower, as follows:
- i. Please identify, for each year in which carbon charge revenues were returned to SaskPower by the Province of Saskatchewan, the specific mechanism used to return those funds (e.g., grant funding, contribution agreements, offsets, or other mechanisms).
 - ii. For each mechanism identified in part (i), please provide:
 - the name of the grant program or funding arrangement; and
 - the amount of funding received.
- f) With reference to the response to SRRP Q10 part (c) and SaskPower's assumption regarding the application of carbon charges, please address the following:
- i. Please estimate the impact on net income in 2026-27 if a carbon charge were to apply at:
 - the carbon charge rate (expressed in \$/tonne CO₂e) specified under the current Saskatchewan Output-Based Performance Standards (OBPS) regulations; and
 - a hypothetical minimum effective price of \$130/tonne of CO₂e, using the Canada-Alberta Memorandum of Understanding as a benchmark scenario, noting that the timing of Alberta's ramp-up to this level under the Canada-Alberta Memorandum of Understanding is not specified (<https://www.pm.gc.ca/en/news/backgrounders/2025/11/27/canada-alberta-memorandum-understanding>).
 - ii. Please outline the options available to SaskPower should a carbon charge ultimately apply, including whether SaskPower would:
 - reintroduce or increase a rate rider;
 - seek additional provincial funding or grants;
 - absorb the carbon charges and accept a lower net income; or
 - pursue other mechanisms to recover carbon charge costs.
 - iii. For each option identified in part (ii), please discuss the potential impacts on ratepayers, including the magnitude and timing of any expected rate impacts and the extent to which these impacts could be mitigated or deferred.
- g) With reference to SaskPower's response to SRRP Q10 part (i), please confirm whether any OBPS carbon charge has been remitted to the Government of Saskatchewan following the stopping of the collection of the carbon tax rate rider effective April 1, 2025.

Response:

a) Grant Funding

- i) Carbon tax payments made to the Federal Government total \$496 million. SaskPower is expecting to receive \$538 million in grant funding from the Federal Government through the Future Electricity Fund (FEF). The additional \$42 million (\$538 - \$496) was offered for four additional projects: Residential New Home Construction & Retro-fit, Non-Wire Solutions, Renewable Wind and Solar Interconnection Portfolio, and SaskPower Power Line Technician (PLT) Prep Program.
- ii) Refer to response to part g) below for carbon tax payments made to the Government of Saskatchewan. SaskPower has received \$315 million in grant funding from the Provincial Government through the Clean Electricity Transition Grant (CETG). No future CETG funding is expected to be received.

b) **Federal funding**

The Government of Canada, as represented by Environment and Climate Change Canada (ECCC), entered into a funding agreement with SaskPower to establish the terms and conditions that would allow for the return of any Output Based Pricing System (OBPS) payments to the corporation. The Future Electricity Fund (FEF) was created to support projects undertaken by SaskPower that would result in the production and provision of clean electricity and/or decrease the use of greenhouse gas (GHG) emitting energy sources. The Decarbonization Incentive Program (DIP) was also established by the federal government as a method to return federal OBPS payments to SaskPower. The DIP program supports projects to accelerate the deployment of commercially available and proven low-carbon technologies and processes that will further reduce GHG emissions.

Beyond 2026-27, SaskPower expects to receive an additional \$74 million in federal funding through the FEF program, which will support projects that produce low to no emissions.

Provincial funding

Through the Saskatchewan OBPS program, half of the compliance payments remitted by SaskPower were being returned to the Corporation through the Clean Electricity Transition Grant (CETG) to support clean electricity operating costs, including renewable power purchase agreements, demand-side management programs, and renewable power imports. The other half of the compliance payments have been set aside in the Small Modular Reactor Investment Fund (SMRIF) created by the provincial government. As per the 2026-27 Provincial Budget, the fund is expected to have a balance of

\$932 million as at March 31, 2027. The intention of this fund is to assist with the capital requirements related to the Province's electricity transition.

As discussions between the Government of Saskatchewan and the federal government are ongoing, it is uncertain what the direction will be on the OBPS program. Due to this uncertainty, the Crown Investments Corporation has directed that any OBPS amounts be removed from future years. With the removal of these payments, SaskPower is no longer eligible for CETG funding, and contributions to the SMRIF will cease.

- c) The government funding of \$187 million in 2025-26 does not represent repayment of carbon charge revenue previously submitted to the province. Rather, the province provided this grant to SaskPower through the General Revenue Fund (GRF) to support affordability relief for customers.

- d)
 - i. As discussions between the Government of Saskatchewan and the federal government are ongoing, it is uncertain what the direction will be on the OBPS program. Due to this uncertainty, the Crown Investments Corporation has directed that any OBPS amounts be removed from future years. As half of the compliance payments remitted by SaskPower were being returned to the Corporation through the Clean Electricity Transition Grant (CETG), SaskPower will no longer be eligible for these funds if it does not remit OBPS payments going forward.

 - ii. The grant funding of \$175 million in 2026-27 does not represent repayment of carbon charge revenue previously submitted to the province. Rather, Crown Investments Corporation (CIC) provided this Rate Affordability Grant to SaskPower to help ensure electricity costs remain as low as possible for customers.

- e) Part of the carbon charge revenues were returned to SaskPower by the Province of Saskatchewan, the specific mechanism used to return those funds was the Clean Energy Transition Grant Fund. For additional details please see SRRP Q11.

Carbon charge revenue return to SaskPower

(in millions)	Actual	Actual	Actual	Forecast	Forecast
	2022-23	2023-24	2024-25	2025-26	2026-27
Clean Electricity Transition Grant	\$ -	\$ -	\$ 140	\$ 175	\$ -

- f)
- i. As of April 1, 2025, the Government of Saskatchewan has paused its industrial carbon pricing system, effectively setting the price to zero for regulated emitters.
 - ii. The 2026-27 provincial budget confirmed that Saskatchewan is carbon tax free. This decision will result in \$500 million of savings for residents, hospitals, schools, farms and businesses this fiscal year alone.
 - iii. As per Section 92A, *Constitution Act, 1867*, electricity generation is exclusively within provincial authority. As Saskatchewan does not have a carbon tax applied to electricity, there would be no impact to ratepayers.
- g) The Federally imposed Output-Based Performance Standards (OBPS) Program, better known as the industrial carbon tax, on SaskPower was payable to the provincial government. See: <https://www.saskatchewan.ca/government/news-and-media/2022/november/22/federal-government-approves-saskatchewans-output-based-performance-standards-program>

Previous to the decision to remove the industrial carbon tax from electricity last year, the provincial government would return half the OBPS amount collected on electricity to SaskPower and the other half was put in the small modular reactor fund for the development of nuclear reactors in Saskatchewan.

There are no OBPS carbon tax amounts being collected by SaskPower today. There are also no OBPS payments due to the federal government.

Round 2 SRRP Q5 Reference: First Round Information Request SRRP Q10 Carbon Charges

- a) With reference to the response to SRRP Q10 (h) and (i), please provide, the following information for each fiscal year from 2018-19 to 2024-25 and forecasts for 2025-26 and 2026-27:
- i. Total CO₂ emissions (tonnes);
 - ii. Taxable CO₂ tonnes after application of allowable thresholds;
 - iii. Emission intensity assumptions by generation type, including coal units, SPC gas units, IPP gas units, grandfathered gas units, and new gas units;
 - iv. Applicable allowable CO₂ thresholds by generation type; and
 - v. Applicable CO₂ tax rates used in the calculation.
- b) For 2026-27, please specifically include an estimate of the taxable tonnes of CO₂ for 2026-27 assuming the 2026-27 forecast of 12,577,799 tonnes of CO₂ and the 2026 thresholds for grandfathered gas unit, gas unit and coal unit provided in the response to part (h).
- c) For each actual or forecast year from 2018-19 to 2026-27, please provide the amount of electricity generation (GWh) attributable to:
- i. grandfathered gas units; and
 - ii. new gas units.
- d) With reference to the responses to SRRP Q10 parts (e) and (f), please confirm whether SaskPower continues to plan to meet the target of 40% of the province's electricity generation capacity coming from non-emitting energy sources by December 31, 2030, as set out in the Equivalency Agreement terminating on December 31, 2026.

Response:

- a) Total regulated CO₂ emissions (tonnes) and taxable CO₂ tonnes after application of allowable thresholds are as follows:

Year	CO ₂ e Tonnes	Taxable Tonnes
2018	16,067,217	N/A
2019	15,701,980	2,814,770
2020	12,733,540	2,829,258
2021	14,943,289	4,079,427
2022	13,771,514	3,833,343
2023	14,247,055	3,859,948
2024	13,296,407	3,577,216
2025*	12,788,293	3,760,449
2025/26	11,213,496	3,727,889
2026/27	12,577,799	4,852,068

Note: Regulatory reporting requires the calendar year basis, therefore, historical verified calendar year numbers are provided. 2019 was the first compliance year for carbon tax. Because of the different ways of treating carbon capture and storage, a jump in total regulated emissions was seen from 2023.

*Pending Verification

- Emission intensity assumptions by generation type are as follows:

Emission Intensity (t CO ₂ e/GWh net)	Coal	Gas (grandfathered)	Gas (new)	SPC gas	IPP gas
2018	1064	460	N/A	498	426
2019	1095	454	N/A	479	417
2020	1032	412	N/A	426	387
2021	1052	422	N/A	446	382
2022	1067	424	N/A	447	389
2023	1062	427	N/A	447	392
2024	1058	422	449	438	395
2025*	1059	423	378	426	394
2025-26	1014	406	373	405	383
2026-27	1019	388	373	405	348

*Pending Verification

- Applicable allowable CO₂e thresholds by generation type are as follows:

Calendar Year	Allowable Threshold (tonnes CO ₂ e/GWh)		
	Gas Unit	Gas Unit*	Coal Unit
2019	370	370	800
2020	370	370	650
2021	370	370	622
2022	370	329	594
2023	370	288	566
2024	370	247	538
2025	370	206	510
2026	370	164	482
2027	370	123	454

*New gas units

- Applicable CO₂e tax rates used in the calculation are as follows:

Calendar Year	CO ₂ Tax Rate (\$/tonne CO ₂ e)
2019	20
2022	30
2021	40
2022	50
2023	65
2024	80
2025	95
2026	110
2027	125

- b) The estimate of the taxable tonnes of CO₂e for 2026-27 is 4,852,068 tonnes.

c) Actual or forecast net electricity generation (GWh) for 2018-19 to 2026-27:

- Grandfathered gas units:

Fiscal Year	Net Electricity Generation (GWh)
2018/19	10,603
2019/20	10,767
2020/21	10,551
2021/22	10,766
2022/23	10,575
2023/24	11,933
2024/25	11,487
2025/26	10,606
2026/27	8,738

- New gas units:

Fiscal Year	Net Electricity Generation (GWh)
2018/19	0
2019/20	0
2020/21	0
2021/22	0
2022/23	0
2023/24	0
2024/25	938
2025/26	2,429
2026/27	2,594

d) SaskPower is following the Saskatchewan First Energy Security Strategy and Supply Plan as directed by the province. All long-term targets will be revised as required under the new strategy.

Round 2 SRRP Q6 Reference: First Round Information Request SRRP Q18 Finance Charges

- a) With reference to the response to SRRP Q18 part (a) (iii) please confirm there is no legislated or policy basis for the debt retirement fund requirements. If not confirmed, please provide a detailed explanation.
- b) With reference to the response to SRRP Q18 part (a) (iv) please:
- i. Confirm the market value losses exceeded the earnings in each year from 2020-21 through 2022-23. If not confirmed, please provide a detailed explanation.
 - ii. Provide the calculations of the installments in each year.
 - iii. Please reconcile the sinking fund earnings shown in part (iv) with the debt retirement fund earnings shown in the response to SRRP Q17.
- c) Does SaskPower include the installment payments to the Debt Retirement Fund in its revenue requirement for ratemaking purposes? If so, please explain where it is included in the Expenses shown in table 7.2 of the application.

Response:

a)

Debt retirement funds are part of the Province of Saskatchewan's long-standing debt management approach. To SaskPower's knowledge, the requirement is not set out in legislation and SaskPower is not aware of a standalone formal policy document.

SaskPower's obligation to make DRF contributions is provided through the terms and conditions of its borrowing approvals (e.g., Orders in Council).

SaskPower borrows through the Province of Saskatchewan, which establishes the terms and conditions of SaskPower's borrowings. For debt issues with an original term to maturity greater than 10 years, SaskPower is required to contribute 1% of face value annually to a DRF. The DRF is administered by the Ministry of Finance on a consolidated basis and consists of cash deposits and bonds (Government of Canada, provincial and municipal).

SaskPower receives direction to contribute to the sinking fund through the borrowing approval process (including Orders in Council) approved by the Lieutenant Governor/Administrator on the recommendation of the Minister of Finance and the

Minister Responsible for SaskPower. An example Order in Council is provided below; section (d) includes the sinking-fund contribution requirement.

From the Province's perspective, maintaining a DRF demonstrates that funds are being set aside for future debt repayment. Credit rating agencies generally view a DRF favourably as a source of liquidity for maturing debt and contingencies. The DRF may also be used to support market liquidity for Saskatchewan bonds and to help smooth the timing of debt issuances as maturities occur.

Example Order in Council:



Province of Saskatchewan

Order in Council 69 / 2026

Approved and Ordered: MAR 04 2026

Lieutenant Governor/Administrator

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Minister of Finance of Saskatchewan is approved to advance to Saskatchewan Power Corporation ("the Corporation") from time to time as may be required by the Corporation the sum of \$99,817,000 plus accrued interest on \$100,000,000 principal amount of the Debentures from December 2, 2025 to the date of the advance, being the net sum realized from the issue and sale, pursuant to Your Honour's Order 332/2024 dated July 11, 2024 of Debentures of the Province of Saskatchewan of Series FD, maturing June 2, 2035 and bearing interest at 3.80% per annum (the "Debentures") in the principal amount of \$100,000,000 for the purposes of the Corporation under the following terms and conditions:

- (a) the Corporation shall on the 2nd day of June and 2nd day of December in each year of the currency of the Debentures pay to the Minister of Finance an amount equal to the amount of the interest due and attributable to the said Debentures issued for the purposes of the Corporation;
- (b) the Corporation shall on the 2nd day of June and the 2nd day of December in each year of the currency of the Debentures, or as soon thereafter as such charges may be ascertained, pay to the Minister of Finance all bank charges incurred in connection with the payment of interest attributable to the said Debentures issued for the purposes of the Corporation;
- (c) the Corporation shall reimburse the general revenue fund for all expenses incurred in connection with the issue and sale of the said Debentures issued for the purposes of the Corporation including printing costs and legal fees;

...2/

- (d) the Corporation shall, on or before the 1st day of June in each year of the currency of the Debentures, commencing on or before the 1st day of June, 2027, pay to the Minister of Finance a sum equal to not less than one per centum (1%) of the aggregate principal amount of the said Debentures issued for the purposes of the Corporation outstanding at the time of each such annual payment, with such payments to be deposited in a sinking fund to provide for payment of such Debentures and to be invested as the Lieutenant Governor in Council may determine;
- (e) the Corporation shall, when the said Debentures issued for the purposes of the Corporation are redeemed, pay to the Minister of Finance the amounts required to redeem such Debentures and the amount of all bank charges incurred in connection with such redemption, less the amount available for that purpose from the sinking fund referred to in clause (d); and
- (f) Notwithstanding the foregoing terms and conditions, the Corporation shall have the right at any time at or prior to the maturity of the said Debentures issued for the purposes of the Corporation to repay the advance or any part thereof to the Minister of Finance in a manner and on such terms and conditions as from time to time may be agreed between the Minister of Finance and the Corporation.


 Acting
 President of the Executive Council

(For administrative purposes only.)

Recommended by: Minister of Finance
 Minister Responsible for Saskatchewan Power Corporation

Authority: *The Financial Administration Act, 1993, sections 47 and 48*
The Power Corporation Act, section 39

JAG NK 11-02-26

b) With reference to the response to SRRP Q18 part (a) (iv) please:

- i. Confirm the market value losses exceeded the earnings in each year from 2020-21 through 2022-23. If not confirmed, please provide a detailed explanation.

The Market Value Gains (Losses) exceeded the realized earnings in each year from 2020-21 through 2022-23. Note that these losses were not realized and the associated debt held by SaskPower would have also experienced a decline in market value.

- ii. Provide the calculations of the installments in each year.

SaskPower borrows through the Province of Saskatchewan, which establishes the terms and conditions of SaskPower's borrowings. For debt issues with an original term to maturity greater than 10 years, SaskPower is required to contribute 1% of face value annually to a DRF.

The calculation for each year is 1% multiplied by the debt outstanding that requires an installment into the DRF. To determine the amount of debt that was subject to sinking funds multiple the installments by 100.

- iii. Please reconcile the sinking fund earnings shown in part (iv) with the debt retirement fund earnings shown in the response to SRRP Q17.

Table 1: SRRP Q17

Finance charges							
<i>(in millions)</i>	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Interest on long-term debt	\$ 296	\$ 284	\$ 270	\$ 286	\$ 326	\$ 363	\$ 387
Interest on lease liabilities	149	136	141	132	131	129	123
Interest on short-term advances	4	1	20	33	27	24	37
Interest on employee benefit plans	10	8	4	8	6	5	5
Interest on provisions	6	7	8	11	14	25	19
Interest capitalized	(10)	(16)	(30)	(39)	(47)	(48)	(70)
Amortization of debt premiums/discounts	(5)	(6)	(4)	(3)	-	1	4
Amortization of bond forward agreements	-	1	1	-	-	-	-
Other interest and charges	1	1	1	1	1	1	1
Finance expense	451	416	411	429	458	500	506
Debt retirement fund earnings	(21)	(15)	(8)	(14)	(32)	(32)	(42)
Debt retirement fund realized market value gains	(2)	1	7	-	-	-	-
Interest income	(2)	(1)	(4)	(6)	(8)	(5)	(6)
Finance income	(25)	(15)	(5)	(20)	(40)	(37)	(48)
TOTAL FINANCE CHARGES	\$ 426	\$ 401	\$ 406	\$ 409	\$ 418	\$ 463	\$ 458

Table 2: SRRP Q18

	2020-21 (actual)	2021-22 (actual)	2022-23 (actual)	2023-24 (actual)	2024-25 (actual)	2025-26 (forecast)	2026-27 (budget)
Debt Retirement Fund Schedule (millions):							
Opening	847.6	864.4	738.3	717.6	799.7	930.8	983.6
Earnings	23.2	13.9	1.0	14.4	32.1	31.5	42.0
Market Value Gains (Losses)	-26.8	-39.6	-10.0	-2.3	24.6	-5.0	0.0
Instalments	62.8	62.5	60.1	70.0	74.4	84.8	95.8
Redemptions	-42.4	-162.9	-71.8	0.0	0.0	-58.5	0.0
Closing	864.4	738.3	717.6	799.7	930.8	983.6	1,121.4
Debt Retirement Fund Returns:							
<u>Actual Unit Price-Based Return:</u>							
Opening Unit Price	\$1,291.28	\$1,286.32	\$1,244.35	\$1,231.79	\$1,250.28		
Closing Unit Price	\$1,286.32	\$1,244.35	\$1,231.79	\$1,250.28	\$1,334.49		
Unit Price Change	-\$4.96	-\$41.97	-\$12.56	\$18.49	\$84.21		
Return	-0.38%	-3.26%	-1.01%	1.50%	6.74%		
<u>Forecast Return (Based on Business Plan):</u>						2.77%	3.99%

Reconciliation

	2020-21 (actual)	2021-22 (actual)	2022-23 (actual)	2023-24 (actual)	2024-25 (actual)	2025-26 (forecast)	2026-27 (budget)
Q18 Earnings	23.2	13.9	1.0	14.4	32.1	31.5	42.0
Q17 Debt Retirement fund earnings	- 21	- 15	- 8	- 14	- 32	- 32	- 42
Q17 Debt retirement fund realized market value gains	- 2	- 1	- 7				
Q17 Negative Expense -->	- 23	- 14	- 1	- 14	- 32	- 32	- 42
Difference	-	-	-	-	-	-	-

The Debt retirement fund earnings plus the Debt retirement fund realized market gains in SRRP Q17 equals the Earnings listed in SRRP Q18. Note that SRRP Q17 reports the earnings as a negative expense.

The table in SRRP Q18 also reports Market Value Gains (Losses) that are unrealized.

- c) SaskPower includes Debt Retirement Fund installment payments in its revenue requirement for ratemaking, listed under 'Finance charges' in table 7.2 of the

application. Actual Debt Retirement Fund earnings are shown in table 7.2.3.2 on page 28.

Finance charges are recouped through the system return on rate base (RORB), as outlined in the table on page 7 of the "2026 Fiscal Test Embedded Cost of Service Results." For fiscal year 2026, the system RORB is calculated at 4.6%, with 3.6% allocated to recovering finance charges and the remaining 1.0% representing SaskPower's actual return. In fiscal year 2027, 3.4% of the total 4.7% will be used to recover finance charges, while 1.3% reflects SaskPower's actual return.

Round 2 SRRP Q7 Reference: First Round Information Request SRRP Q21 Export Revenues

- a) With reference to the response to SRRP Q21 (f) can SaskPower provide an update on the status of the McNeil Converter Station including whether it is currently operating and any plans SaskPower is aware of to increase the capacity of the interconnection either at this location or other locations on the Saskatchewan/Alberta border?

Response:

The McNeil Converter Station returned to commercial operations on October 29th, 2025, and is currently operating. The Alberta Electric System Operator (AESO) acknowledges increasing the capacity of the Saskatchewan/Alberta interconnection as part of the McNeil station's end-of-life replacement within its Long-Term Transmission Plan in alignment with Government of Alberta directives.

The AESO Long-Term Transmission Plan also acknowledges the investigation of alternative scenarios, including increased intertie connections. As referenced in the AESO's plan, potential opportunity locations have been identified at Fort McMurray, Lloydminster, and Hanna.

Round 2 SRRP Q8 Reference: First Round Information Request SRRP Q32 Natural Gas costs

- a) With reference to the response to SRRP Q32 (a) please:
- i. Please provide the delivery point for which the costs are reported.
 - ii. Confirm the reported costs are only commodity costs and do not include transportation, storage or other costs. If not confirmed, please provide a breakout showing the commodity cost only.
 - iii. Please describe the factors that contribute to the spread in unit prices between gas purchased in Saskatchewan and gas purchased outside of Saskatchewan. In particular please explain the factors contributing to the much larger spread in the forecast years (>\$1.7/GJ) than in the historical actuals (<\$08/GJ).

Response:

- a) In response to Round 1 SRRP Q32 (a), please find an updated table below. The previous response contained erroneous data for the forecasted years 2025-26 and 2026-27.

Fiscal Year	Gas Purchased in Saskatchewan			Gas Purchased Outside Saskatchewan		
	Volume (Million GJs)	Total Cost (\$ Millions)	\$/GJ	Volume (Million GJs)	Total Cost (\$ Millions)	\$/GJ
2022-23	11	59	\$ 5.24	47	211	\$ 4.46
2023-24	13	36	\$ 2.78	59	173	\$ 2.92
2024-25	16	29	\$ 1.80	61	140	\$ 2.30
2025-26*	16	36	\$ 2.18	57	136	\$ 2.40
2026-27*	12	39	\$ 3.38	47	134	\$ 2.87

* Forecasted volume and cost

i. A breakdown of costs per delivery point is shown below:

Fiscal Year	Cost of Gas Purchased in Saskatchewan by Delivery Point (\$ Millions)			Cost of Gas Purchased Outside Saskatchewan by Delivery Point (\$ Millions)		
	TransGas Energy Pool (TEP)	Field Gas Meters	Total	Nova Inventory Transfer (NIT)	Empress	Total
2022-23	\$ 16	\$ 44	\$ 59	\$ 211	\$ -	\$ 211
2023-24	\$ 11	\$ 25	\$ 36	\$ 170	\$ 2	\$ 173
2024-25	\$ 15	\$ 14	\$ 29	\$ 136	\$ 4	\$ 140
2025-26*	\$ 27	\$ 8	\$ 36	\$ 135	\$ 1	\$ 136
2026-27*	\$ 30	\$ 10	\$ 39	\$ 134	\$ -	\$ 134

* Forecasted cost

- ii. The reported costs are only commodity costs. They do not include transportation, storage or other costs.
- iii. Please see the revised table in part a). Factors that contribute to the spread in unit prices between gas purchased in Saskatchewan and gas purchased outside of Saskatchewan are:
- Annual and daily spot market natural gas purchases in Saskatchewan can contain a fixed price premium above the market price.
 - In a declining natural gas price environment, the difference in natural gas purchased in the spot market may be less than natural gas secured at a fixed price prior to the beginning of the fiscal year. SaskPower secures fixed price natural gas volumes outside of Saskatchewan ahead of the start of fiscal year.

Round 2 SRRP Q9 Reference: First Round Information Request SRRP Q36 Coal

With reference to the statement in the response to SRRP Q36 (a) (ii) that:

“The provincial Energy Security Strategy sought to strengthen and expand the reliability and capacity of Saskatchewan’s electricity system through a diversified, all-of-the-above approach to generation investment. This approach included weighing the value and cost of extending legacy generation assets against prevailing trends and constraints associated with new-build options. As part of this assessment, cost-benefit considerations incorporated temporal and system-specific factors, including the ability to maintain existing operating units, demand and supply-chain constraints affecting new natural gas generation, and the relative certainty associated with in situ fuel supplies available in Saskatchewan, including coal and uranium.”

- a) Please provide any quantitative analysis undertaken by SaskPower, or its shareholder that SaskPower has reviewed, that weighed the value and cost of extending legacy generation assets against prevailing trends and constraints associated with new-build options including the temporal and system-specific factors described in the response.
- b) Has SaskPower conducted an analysis of the forecast long-term average cost of energy for the coal repowering program compared to other scenarios or resource portfolios being considered as part of the long-term supply plan SaskPower was in the process of completing as described here: <https://www.saskpower.com/our-power-future/creating-a-cleaner-power-future/future-supply-planning/future-supply-plan-2030-and-beyond>.
 - i. If yes, please provide copies of any such analysis that can be made public.
 - ii. If not, please explain why not, and provide an estimate of the time and cost associated with producing such an analysis.

Response:

The decision to extend the life of existing coal-fired generation was a strategic public policy choice based on energy security, system reliability, affordability and the need to ensure electricity supply to support electricity demand and growth in Saskatchewan.

Based on government direction to life extend our coal assets, SaskPower, as part of regular business and supply planning processes incorporated this direction into its upcoming plan. During the planning period, preliminary analysis determined that approximately \$900 million in total capital expenditures would be required over the upcoming five-year period relating to the

coal life extension. In addition to the initial five-year estimate, SaskPower has worked with external consultants to provide an estimate beyond the five-year capital plan. Based on that work, the total cost of refurbishing SaskPower's 1500MW of existing coal facilities at approximately \$2.6 billion, while the cost of a new 370MW combined cycle gas generating plant is currently \$1.7 billion.

Supply planning is an ongoing, reoccurring process and is designed to adjust to changing internal and external factors. In alignment with the provincial Energy Security Strategy, SaskPower plans to continue to incorporate an all-of-the-above approach to generation investment. This ensures a diversified electrical grid and prioritizes certainty and security of supply to ensure ongoing system reliability.

Round 2 SRRP Q10 Reference: First Round Information Request SRRP Q37 Hydro

- a) With reference to the statement in the response to SRRP Q37 (a) (ii) that the Saskatchewan River hydro project costs are expected to be similar to SMRs, please provide any quantitative analysis completed by SaskPower that supports this conclusion.

Response:

SaskPower estimates the approximate cost range for new generation. The values reported are the levelized cost of energy per MWh. SaskPower incorporates industry data into its LCOE estimates where internal or primary data are not available. The nuclear cost range was developed using estimates from the Darlington New Nuclear Project, with operating costs and key assumptions sourced from third parties, including Ontario Power Generation, GE Hitachi, and external consultants. The hydroelectric cost range is based on capital cost estimates prepared by a third-party consultant for a new run-of-river project, while operating costs are derived from comparable SaskPower hydro facilities. These are preliminary, high-level estimates based on forward looking assumptions and remain under development. The cost ranges for new hydro and nuclear are similar.

Round 2 SRRP Q11 Reference: First Round Information Request SRRP Q52 Bonus or at-risk pay

- a) With reference to the statement in the response to SRRP Q52 on the Salary Holdback program, please provide:
- i. A copy of the Crown Investment Corporation policy governing the program.
 - ii. A comparison of the forecast and actual payments under the Salary Holdback program in aggregate (i.e. not broken out by the compensation levels shown in the response to SRRP Q52) in each of 2022-23, 2023-24 and 2024-25.

Response:

a)

i) The policy follows

ii)

(in \$ millions)	Actual payouts	Budgeted holdback	Variance
2022-23	\$ 8.0	\$ 11.2	\$ (3.2)
2023-24	\$ 10.4	\$ 11.4	\$ (1.0)
2024-25	\$ 11.9	\$ 12.9	\$ (1.0)

Out-of-Scope Salary Holdback Policy (excluding Executives)

Issue Date: January 14, 2014

Revised Date: December 4, 2019

Authority

The Crown Corporations Act, 1993
CIC Board Minute - #75/2012

Applicability

This policy is applicable to CIC and CIC subsidiary Crown corporation out-of-scope employees (i.e. permanent full and part time), excluding employees covered by the Crown Executive Compensation Framework.

Crowns are not obligated to implement a salary holdback plan.

Crown corporations may have both a salary holdback and a lump sum payment program; however no employee group/employee can be eligible for both. For example, a Crown corporation may deem it appropriate to have a salary holdback only for senior management/management, with a lump sum program for the remainder of the out-of-scope group.

Purpose

The purpose of this policy is to detail the process through which Crown corporations are to proceed should they choose to pursue the implementation of a salary holdback plan and the design and administration criteria that must be met to gain the necessary approvals.

There is an expectation that subsidiary Crown corporation salary holdback plans approved under this policy will be designed such that they do not provide the equivalent of across the board compensation adjustments. Salary holdbacks are a type of deferred salary/pay-for-performance plan and are intended to drive performance and productivity. As such, corporate/divisional and individual performance objectives must be met or exceeded to support payment.

Definitions

Eligible Employee - Permanent full and part-time out-of-scope employees (excluding executives) who have successfully completed an initial probationary period (where probationary periods are applicable to out-of-scope employees) with the employer and have been active in an eligible position for a minimum of six months in the performance period. Temporary and term employees are not eligible.

Stretch Target - A performance measure linked to corporate balanced scorecard goal/objective that requires focused, consistent and concerted effort to achieve over a period of time. Crown corporations are to consider industry sector trends and performance benchmarks in setting stretch targets.

Total Compensation - Defined as the value of base salary, salary holdback (at target) and employer contributions to pension and benefits combined.



Policy Statements

The Crown Sector Out-of-Scope Salary Holdback policy is the purview of the CIC Board of Directors.

- The Crown corporation must have a robust performance appraisal and management system in place prior to the establishment of a salary holdback plan.
- Out-of-scope salary holdback plans must be aligned with and designed and administered as an extension of the Executive salary holdback plan.
- Annual objectives tied to the salary holdback plan must have a corporate (tied to corporate balanced scorecard targets) and individual component with a requirement for threshold performance to be achieved for both to trigger a salary holdback payment. Crown corporations may choose to also include a business unit/divisional component to their plan.
- Management's corporate objectives must be directly linked to balanced scorecard targets, both financial and non-financial. Balanced scorecard objectives and associated targets are integral elements of strategic planning and must be reflected in each Crown corporation's Annual Performance Management submission presented to the CIC Board of Directors. Measures should include representation from all pillars in the Crown corporation's balanced scorecard.
- Salary holdbacks are not necessarily a fit and/or desired by all organizations. As a result, implementation of a salary holdback plan is not a requirement for CIC subsidiary Crown corporations.
- Implementation of a salary holdback plan must be done within the context of a total compensation model.
- To support the implementation of a salary holdback plan, Crown corporations must present data that indicates a lag to market on a total compensation basis, or in the absence of a lag, choose to reallocate resources from one or more compensation elements to make room for implementation of a salary holdback plan.

Employee Eligibility

- Employees must achieve a minimum of a "Fully Satisfactory/Meets Expectations" (or equivalent) performance rating on their annual individual objectives. Employees who are new to a role (minimum of 6 months in the role) and are assessed as developing as expected in the role are considered eligible.
- Employees are eligible to receive a payment regardless of the position of their base salary within their assigned salary range.
- Employees must have been active in an eligible position for a minimum of six months of the program year to be eligible for a salary holdback payment and be deemed a permanent employee (e.g. successfully completed an initial probation in an out-of-scope position with the employer, in cases where out-of-scope probationary periods are applicable). Salary holdback payments for periods of eligible employment of less than one year will be prorated.

Targets

- Salary holdback targets must be stretch goals and directly linked to corporate balanced scorecard targets. Targets and measures must be objective, quantifiable and within the influence of out-of-scope employees.
- Salary holdback targets may be more challenging than balanced scorecard targets and cannot be less than the balanced scorecard target.
- Crown corporations are to consider historical, actual trends and actual results, as well as industry sector trends and competitor performance benchmarks in setting stretch targets.

For example, if the historical pattern indicates results that have consistently exceeded targets, the Crown corporation board should make the target more challenging.

- Conversely, if a target has not been met and management recommends a lower target for the subsequent year, was the initial result an anomaly or an indicator of a fundamental change OR is the corporation measuring the right thing? Targets are not to be lowered to merely allow staff to achieve them.

One-Time Events

- Exceptional year-end results, either much higher or much lower than anticipated, should be reviewed and thoroughly analyzed. To what degree was the result within management's control? For the purposes of the salary holdback plan, the Crown corporation board retains some discretion to correct for one-time anomalies.
- The guiding principle to consider whether an adjustment is appropriate or not is to determine if the one-time event(s) was reasonably within management control or not, such as a public policy change. If the event is within management control, then there is no justification for an adjustment. The Crown corporation board should only consider an adjustment for significantly unique events. The Crown corporation board is encouraged to consult with CIC to assess whether a proposed one-time event warrants an adjustment to salary holdback result.

Scenario Planning - A Best Practice

Crown corporations are strongly encouraged to "scenario" plan. "Threshold", "meets" and "above" target performance scenarios should be clearly articulated. This will help minimize subjectivity and the perception of discretionary judgment when awarding below or above performance results. The use of statistical risk modeling and probability determination are recommended tools in the scenario planning process.

Component Thresholds

- The minimum threshold is 80% while the cap on any salary holdback payout is 125% of target. Crown corporations may set a more rigorous threshold if they see fit. The payout scale for an 80% threshold is illustrated in the table below:

Balanced Scorecard Average Corporate Results and Financial Results of Target	% of Weighted Salary Holdback Payout
Less than 80%	0%
80%	50%
90%	75%
100%	100%
105%	110%
110%	125%

- Given the requirement for thresholds, by the same context, Crown corporations are to cap individual salary holdback objective results at 110%. The purpose is to prevent one or more significantly exceeded objectives from distorting the entire salary holdback calculation and payout.



- It is common practice for organizations with a salary holdback to have decreasing target payments as one moves from the executive level positions at the top of an organization to support level positions. Considering the target payments within the salary holdback component of the Executive Compensation Framework, maximum target payments for the remainder of out-of-scope employee groups is as follows:

Employee Group	Salary Holdback at 100%
Senior Management/Management	8.0%
All Other Out-of-Scope	5.0%

- CIC will work with subsidiary Crown corporations in assigning their classification/salary levels within the above-noted categories to ensure reasonableness and consistency across Crown corporations.
- Crown corporations may choose to set target payments at rates lower than those in the chart above.
- The range of acceptable weightings of corporate/business unit and individual results is as follows:

Employee Group	Corporate/Divisional	Individual
Senior Management/Management	60-70%	30-40%
Professional/Technical	40-60%	40-60%
Administrative Support and Entry Professional/Technical	20-40%	60-80%

Treatment on Termination

When an out-of-scope employee voluntarily resigns or is terminated for cause, he or she is not eligible for a salary holdback for the year in which the resignation or termination takes place.

Should an out-of-scope employee retire or die during the year, the Crown corporation may provide for a pro-rata payment for the portion of the year the incumbent was employed, depending on the subsidiary Crown corporation's policy. However, no payment can be made until after March 31st and after all corporate results are approved by the Crown corporation's board.

When an out-of-scope employee transfers (i.e. mutual agreement between Crown corporations), the employee is entitled to receive a pro-rata share of the salary holdback payout for the position the employee left at the former Crown corporation. However, no salary holdback payout will be made until all corporate and individual targets are measured and known, and the employee continues to be employed by the Crown corporation or Ministry they transferred to, at the end of the salary holdback measurement period. For clarity no salary holdback payment will be made until after March 31st.

Normally, to be eligible for a salary holdback payment, an out-of-scope employee must be an active employee as at March 31st. When an out-of-scope employee is terminated without cause, consideration should be given to payment of earned entitlements, including salary holdback payments.

Board of Director & Out-of-Scope Employee Training

Crown corporations are to provide training to Crown board members and new out-of-scope employees on the salary holdback plan.

It is critical that board members fully understand the salary holdback policy, so that when assessing the merit of annual salary holdback plans, they have a solid foundation upon which to base their decisions. For out-of-scope employees, having a full understanding of the salary holdback plan is critical to retention, as well as providing ongoing motivation to achieve/exceed both corporate and individual performance objectives.

CIC Oversight

In order to ensure alignment with the intent and requirements of the salary holdback policy, Crown corporation's board approved out-of-scope salary holdback plans and in-year adjustments results are to be submitted to the CIC Crown Sector HR Unit for information purposes. Any issues related to compliance with the policy will be communicated to the Crown.

Salary holdback corporate result calculations must be submitted to the CIC Crown Sector HR Unit for review *prior* to communication to employees and *prior* to the processing of related payments.

Summary

- There is a dual hurdle with a threshold for each of the financial and overall corporate performance goals below which no salary holdback will be paid out.
- The threshold in both cases are set at a minimum of 80%. Crown corporation boards may choose a higher hurdle rate.
- Target caps or "regulators" at 110% of target result for each objective must be implemented.
- Each Crown corporation board has the responsibility to establish the appropriate weighting of each balanced scorecard goal selected for the salary holdback plan.
- Out-of-scope employees must have at least three (3) individual/personal goals each year.
- The type of termination will have an effect on the treatment of a salary holdback payment.
- Individual performance outcomes will impact the salary holdback payment.

Other Considerations

- The Crown corporation boards retain the discretion to withhold/cap any or all salary holdback payments in any given year should circumstances warrant it.
- Cabinet or the CIC Board of Director may provide direction regarding capping/withholding salary holdbacks.

Approval Process - Implementation and Subsequent Revisions

1. The Crown corporation submits a decision item to their Board of Directors.
2. Upon receipt of approval from their Board of Directors, the Crown corporation submits a request for approval/recommendation from their Board to the CIC Board. The request must detail the plan design policy.



3. The Crown corporation is to work with CIC in the development and finalization of the request, prior to submission to either Board. This approach is intended to expedite the process, reducing surprises and ensuring alignment with the CIC policy.
4. CIC will create and present a decision item for CIC Board of Directors consideration.
5. Upon receipt of CIC Board of Director's approval, the Crown corporation is authorized to implement their salary holdback plan.
6. Any proposed revisions to the plan in the future require presentation to and discussion with CIC, prior to implementation, to ensure continued compliance with the CIC policy. Depending on the nature of the proposed revision, CIC may require the submission of a decision item to the CIC Board of Directors.

Reporting

Crown corporations choosing to implement a salary holdback are required to report a summary of results and payouts on an annual basis as at March 31st, no later than June 30th of the following year.

Administrative Information

Contact:

Owner/Executive Sponsor: Executive Director, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Round 2 SRRP Q12 Reference: First Round Information Request SRRP Q71 Data Centre

With reference to the following news article dated April 6, 2026:

<https://www.ctvnews.ca/regina/article/planning-documents-reveal-layout-of-12-billion-data-centre-near-regina/>

and the response to SRRP Q71 (d) that states SaskPower “will only offer excess capacity for the data centre project”.

- a) Is the timing of the developing coming online in the first half of 2027 consistent with the revenue and sales forecasts included in the application? If not, please provide an estimate of the impact on SaskPower’s sales and revenue forecasts in the 2026-27 forecast.
- b) With reference to the news article statement that the facility will be a 300MW data centre with a renewable energy system and a future natural gas plant, please describe:
 - i. What portion of the 300 MW load SaskPower anticipates it will be requested to serve as firm service versus stand-by or contingency service;
 - ii. How SaskPower expects the data centre’s on-site generation resources to interact with SaskPower-supplied service, including the circumstances under which SaskPower would be required to serve load when on-site resources are unavailable; and
 - iii. Whether SaskPower anticipates that serving this load, on either a firm or non-firm basis, would require incremental generation, transmission, or distribution capacity beyond existing system capability, or whether SaskPower considers such service to be fully accommodated within existing “excess capacity”.
- c) Please elaborate on how SaskPower intends to ensure the service reflects only ‘excess capacity’, including any rules or provisions for curtailments or interruptions SaskPower intends to require.
- d) Is the requirement that SaskPower will only use ‘excess capacity’ intended to mitigate potential rate increases to other customers?

- e) Please confirm if SaskPower intends to provide service to the data centre through an existing customer class or a new customer class.
- i. If an existing customer class, please specify which rate schedule would apply and any terms and conditions of service that would need to be modified to allow SaskPower to ensure it is only providing 'excess capacity' service to the data centre customer.
 - ii. If a new customer class, please provide the proposed rates and terms and conditions of service.
 - iii. If some other arrangement, including a special agreement or contract please describe the anticipated arrangement.
- f) Please discuss how the incremental costs associated with serving the data centre will be allocated, including:
- i. Whether SaskPower anticipates the data centre will require new or dedicated infrastructure, such as transmission lines, substations, or upgrades; and
 - ii. Whether the data centre customer will be required to pay for or directly fund any such dedicated infrastructure or system upgrades.
- g) Given that SaskPower has indicated it will only offer excess capacity to the data centre project, please discuss how SaskPower views the rates it proposes would not be 'unjustly discriminatory' particularly when compared to firm service offered to other large power customers. In particular, please discuss:
- i. Whether SaskPower views it has an obligation to provide service including the legal or policy basis for any such obligation as well as any limits to such obligations.
 - ii. Any potential issues surrounding the different standard or quality of service, such as curtailments or interruptibility, that SaskPower may require to ensure it is providing only 'excess capacity'.
- h) Has SaskPower reviewed how other jurisdictions in the US or Canada are addressing the risks and costs associated with serving large data centre loads? If yes, please provide a summary of the risks, costs and benefits identified in other jurisdictions including any known cases where serving data centre loads led to demonstrable increases in rates for other customers.

Response:

- (a) The 2026-27 revenue and sales forecast included in the original Rate Application did not include the impact of the data centre. However, the provincial budget as well as the mid-application update reflect the data centre coming online in phases, with the first phase coming online in 2026-27 and the remainder in 2027-28.

The impact on the 2026-27 revenue and sales forecasts has been outlined below:

Revenue and sales forecasts

<i>(in millions)</i>	Forecast 2026-27
Original Saskatchewan electricity sales	\$ 3,106.5
Saskatchewan electricity sales - first phase	34.6
Revised Saskatchewan electricity sales	\$3,141.1

- (b) i) SaskPower's response to questions related to the Bell contract contain confidential information but full response has been provided to the Saskatchewan Rate Review Panel for their review.
- ii) Response contains confidential information.
- iii) Response contains confidential information.
- (c) Response contains confidential information.
- (d) Using excess supply will allow SaskPower to increase revenue by leveraging existing assets to serve this load. The decision to operate coal beyond its regulated end of life has allowed SaskPower to have supply available to accommodate the Bell data centre load.
- (e) i) SaskPower intends to provide firm service to the data centre through existing rates (rate code E24).
- ii) N/A
- iii) N/A
- (f) i) Bell data centre will interconnect into the grid via 2 new 230 kV services – one service will be from Regina South station, and second service will be from Rowatt station.

ii) Bell will pay 100% of the infrastructure (direct assigned facilities and any system upgrade) costs associated with their services.

(g)

i) SaskPower intends to provide service to the Bell data centre through existing rates (rate code E24). The rest of the response contains confidential information.

ii) The response contains confidential information.

(h) SaskPower has conducted internal research and has hired industry consultants to provide insights into the challenges and risks of data centre loads and advice on industry best practices.

Round 2 SRRP Q13 Reference: First Round Information Request SRRP Q73 Energy Efficiency

- a) With reference to the program costs provided in the response to SRRP Q73, please confirm if SaskPower has accessed provincial, federal or other government sources of funding to offset the forecast costs. If yes, please explain what portion of the forecast costs in 2025-26 and 2026-27 are directly offset by government funding.
- b) Given that SaskPower has not identified any forecast energy or capacity savings for 2026-27, please discuss the objectives or metrics SaskPower uses to justify the programs. For example, does SaskPower view these programs as primarily targeted at customer communication and outreach rather than acquiring energy and capacity savings?

Response:

- a) Yes. In 2025-26, SaskPower's program costs were covered by government funding. SaskPower utilized both federal and provincial funds – specifically from the Future Electricity Fund (FEF), Deep Retrofit Accelerator Initiative (DRAI), and Clean Electricity Transition Grant (CETG) to fully cover program costs. Looking ahead to 2026-27, SaskPower plans to use federal funding to cover the majority of program costs, with FEF and DRAI support already secured. Funding from the Canada Greener Homes and Affordability Program (CGHAP) is anticipated, pending the successful negotiation of a contribution agreement. The table below outlines the share of funding each program receives.

+	2022-23		2023-24		2024-25		2025-26		2026-27	
	Actuals	% Funded	Actuals	% Funded	Actuals	% Funded	Forecast	% Funded	Forecast	% Funded
Online Energy Assessment for Homes	\$ 54,000		\$ 54,000	50%	\$ 54,000	100%	\$ 54,000	100%	\$ 50,000	50%
Energy Assistance Program	648,000	50%	2,158,000	50%	2,472,000	100%	2,315,000	100%	3,300,000	100%
Northern First Nations Home Retrofit Program	1,319,000	70%	2,883,000	70%	3,551,000	100%	4,887,000	100%	6,500,000	100%
Northern Indigenous New Homes Program							78,000	100%	500,000	50%
Energy Efficiency Discounts Program			824,000	50%	1,686,000	100%	1,467,000	100%	1,000,000	50%
Home Efficiency Retrofit Rebate Program			169,000	50%	252,000	100%	115,000	100%	90,000	50%
Commercial Energy Optimization Program (CEOP)					1,149,000	100%	2,852,000	100%	2,843,000	100%
CEOP - Custom Incentive Services			38,000	50%	15,000	100%	151,000	100%	500,000	50%
Commercial Space and Water Heater Rebate Program					-	-	1,000	100%	50,000	50%
Residential Customer Engagement					158,000	0%	205,000	100%	280,000	100%
TOTAL	\$2,021,000		\$6,126,000		\$9,337,000		\$12,125,000		\$15,113,000	

- b) SaskPower has shifted the focus of these programs from energy and capacity savings to affordability in alignment with the provincial priorities. The objective is to help customers manage electricity costs through education, outreach, and practical energy efficiency programs and support. Program performance is assessed using metrics such as customer participation and reach, customer feedback, and estimated bill savings, in addition to energy and capacity savings when they can be quantified. Forecast metrics for 2026-27 are being finalized. SaskPower analysis of 2025-26 program delivery and results will inform the 2026-27 forecasts.

Round 2 SRRP Q14 Reference: First Round Information Request SRRP Q76 Cost of Service Study

- a) With reference to the recommendation that SaskPower implement a plan for modest but frequent rate adjustments – has SaskPower presented such a plan to the Crown Investments Corporation? If so, please provide a copy of the plan.

Response:

- a) Every year, SaskPower consults with Crown Investments Corporation on numerous possible scenarios for the rate strategy as part of the annual budget cycle. Analysis is provided at a high level, but a full set of financial statements is not prepared for each scenario.

For the 2026-27 Rate Application, two rate increases of 3.9% effective February 1, 2026, and February 1, 2027, were proposed as the plan for modest, frequent rate adjustments in the short-term.

Round 2 SRRP Q15 Reference: First Round Information Request SRRP Q77 Proposed Rates and Revenue Requirement

- a) With reference to the information provided in part (b), please confirm that the proposed rate increases result in the Oilfields and Reseller classes having lower Revenue to Revenue Requirement (R/RR) ratios in 2026-27 than residential classes.
- b) Did SaskPower consider proposing higher rate increases for the Oilfields and Reseller classes to achieve R/RR ratios of 1.00 by 2026-27? If not, please explain why not.

Response:

- a) SaskPower confirms that the revised Oilfield and Reseller Revenue to Revenue Requirement (R/RR) ratios for the fiscal year 2026-27, at 0.98 and 0.96 respectively, are lower than the ratio for Residential for said fiscal year, which is projected to be 0.99.
- b) No, SaskPower did not consider proposing higher rate increases for the Oilfields and Reseller classes to achieve R/RR ratios of 1.00 for those two rate classes during this application.

This rate application proposed flat, or equal, increases for all rate classes due to several factors previously discussed. SaskPower would only consider higher increases for certain classes during a rebalancing rate application, as applying a higher increase to one rate class would mean other classes would need to have a lower increase applied to them to achieve a System Total R/RR ratio of 1.00.

It should be noted that the revised R/RR ratios for all rate classes in the 2026-27 fiscal year are between 0.96 and 1.03, which signals that there is not a substantial amount of cross subsidization between the rate classes.

Round 2 SRRP Q16 Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 19, please expand the Consolidated Statement of Income table to include 2021-22 and 2022-23 actuals.

Response:**CONSOLIDATED STATEMENT OF INCOME**

	BUSINESS					
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FORECAST	PLAN
(in millions)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
REVENUE						
Saskatchewan electricity sales	\$2,568	\$2,673	\$2,856	\$2,842	\$ 2,922	\$3,107
Federal carbon charge rate rider	145	171	240	268	-	-
Government of Saskatchewan funding			-	-	187	175
Exports	77	139	129	28	52	65
Other revenue	95	84	154	116	132	179
	2,885	3,067	3,379	3,254	3,293	3,526
EXPENSE						
Fuel and purchased power	856	1,073	971	961	1,009	1,124
Clean Electricity Transition Grant		-	-	(140)	(175)	-
OBPS carbon charge	177	210	269	280	368	-
Operating, maintenance & administration	711	792	811	869	947	987
Depreciation	612	597	605	638	675	712
Finance charges	401	406	409	418	463	458
Taxes	81	86	92	100	105	113
Other expenses	36	75	38	52	48	53
	2,874	3,239	3,195	3,178	3,440	3,447
NET INCOME (LOSS)	\$ 11	\$ (172)	\$ 184	\$ 76	\$ (147)	\$ 79
RETURN ON EQUITY	0.4%	(6.3%)	6.7%	2.6%	(5.2%)	2.8%

* The table above was expanded from what was initially presented in the rate application document as requested. However, for the most recent 2026-27 forecast, please see the mid-application update or SaskPower's response to Q1 in the second round of questions.

Round 2 SRRP Q17 Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 25, please expand both the Fuel and Purchased Power and Fuel and Purchased Power Volume tables to include 2021-22 and 2022-23 actuals.

Response:

a)

FUEL AND PURCHASED POWER

	BUSINESS					
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FORECAST	PLAN
(in millions)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
FUEL AND PURCHASED POWER						
Gas	\$ 397	\$ 449	\$ 366	\$ 316	\$ 339	\$ 398
Coal	280	318	296	313	311	353
Imports	81	163	178	173	169	176
Wind	63	93	84	108	125	124
Hydro	18	20	16	18	18	24
Solar	1	5	6	8	11	13
Other	16	25	25	25	36	36
TOTAL FUEL AND PURCHASED POWER	\$ 856	\$1,073	\$ 971	\$ 961	\$ 1,009	\$1,124

FUEL AND PURCHASED POWER VOLUME

	BUSINESS					
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FORECAST	PLAN
(in GWh)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
FUEL AND PURCHASED POWER						
Gas	10,766	10,575	11,934	12,426	13,054	11,714
Coal	9,479	8,424	7,895	6,245	6,244	7,813
Imports	752	1,806	2,027	1,929	1,866	1,953
Wind	1,661	2,177	1,981	2,531	2,856	2,913
Hydro	2,850	3,244	2,490	2,769	2,727	3,582
Solar	14	55	71	94	125	146
Other	124	145	177	180	188	251
FUEL AND PURCHASED POWER VOLUME	25,646	26,426	26,575	26,174	27,060	28,372

* The table above was expanded from what was initially presented in the rate application document as requested. However, for the most recent 2026-27 forecast, please see the mid-application update or SaskPower's response to Q1 in the second round of questions.

Round 2 SRRP Q18 Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 21, please expand both the Saskatchewan Sales and Saskatchewan Sales Volume tables to include 2021-22 and 2022-23 actuals.

Response:

SASKATCHEWAN SALES

<i>(in millions)</i>	ACTUAL 2021-22	ACTUAL 2022-23	ACTUAL 2023-24	ACTUAL 2024-25	FORECAST 2025-26	BUSINESS PLAN 2026-27
SASKATCHEWAN SALES						
Residential	\$ 595	\$ 606	\$ 632	\$ 637	\$ 645	\$ 644
Farm	178	185	198	188	194	197
Commercial	504	528	557	557	576	560
Oilfield	416	440	469	477	476	496
Power	777	815	895	879	912	970
Reseller	98	99	105	104	100	104
	2,568	2,673	2,856	2,842	2,903	2,971
Revenue lift due to rate increase					19	136
	2,568	2,673	2,856	2,842	2,922	3,107
Federal carbon charge rate rider	145	171	240	268	-	-
Government of Saskatchewan funding			-	-	187	175
SASKATCHEWAN ELECTRICITY SALES	\$ 2,713	\$ 2,844	\$ 3,096	\$ 3,110	\$ 3,109	\$ 3,282

SASKATCHEWAN SALES VOLUME

<i>(in GWh)</i>	ACTUAL 2021-22	ACTUAL 2022-23	ACTUAL 2023-24	ACTUAL 2024-25	FORECAST 2025-26	BUSINESS PLAN 2026-27
SASKATCHEWAN SALES						
Residential	3,331	3,294	3,224	3,248	3,299	3,291
Farm	1,285	1,288	1,305	1,226	1,275	1,298
Commercial	3,690	3,776	3,749	3,744	3,886	3,768
Oilfields	4,013	4,211	4,320	4,395	4,361	4,498
Power	9,821	10,087	10,531	10,228	10,624	11,489
Reseller	1,160	1,162	1,150	1,143	1,106	1,145
TOTAL SASKATCHEWAN SALES	23,300	23,818	24,279	23,984	24,551	25,489

* The table above was expanded from what was initially presented in the rate application document as requested. However, for the most recent 2026-27 forecast, please see the mid-application update or SaskPower's response to Q1 in the second round of questions.

Round 2 SRRP Q19 Reference: 2022 and 2023 Rate Application Second Round Information Request SRRP Q13 (d)

- a) With reference to the 2022 and 2023 Rate Application second round information request SRRP Q13 (d), please provide an update to the PPA administration costs table that shows actuals for 2021-22 through 2024-25, 2025-26 forecast, and 2026-27 business plan.

Response:

a)

Year	Actuals/Forecast (\$)
2021/2022 Actual	\$492,000
2022/2023 Actual	\$615,000
2023/2024 Actual	\$742,000
2024/2025 Actual	\$778,000
2025/2026 Forecast	\$764,000
2026/2027 Forecast	\$837,000

Round 2 SRRP Q20 Reference: First Round Information Request SRRP Q26 Generation Expense

- a) With reference to the 2026 and 2027 Rate Application first round information request SRRP Q26, please expand the Generation Expense table to include 2021-22 actuals.
- b) With reference to the 2026 and 2027 Rate Application first round information request SRRP Q26, are there any fuel and purchased power costs associated with wind generation? If so, please provide a table like the one that is provided in the response to SRRP Q26 that includes wind generation costs.
- c) Please provide a table that breaks down the finance charges, taxes, and other expenses by generation type (i.e., natural gas, coal, wind, hydro, SaskPower – owned, and PPA), similar to what was provided in 2022 and 2023 Rate Application second round information request SRRP Q13 (a). Please document any assumptions or estimates used in preparing the response.
- d) With reference to 2022 and 2023 Rate Application second round information request SRRP Q13 (c), please provide an updated version of the SaskPower-owned – expenses table that shows actuals for 2021-22 through 2024-25, and 2025-26 and 2026-27 forecasts.

a) The table below relates to the first-round information request SRRP Q26 and is expanded to incorporate 2021-22 Generation Expense actuals:

Generation Expense

<i>(in millions)</i>	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Natural Gas	\$ 289	\$ 324	\$ 253	\$ 224	\$ 240	\$ 264
Coal	280	318	296	313	311	353
Hydro	18	20	16	18	18	24
PPA's & Imports	257	411	338	338	369	430
Other	38	50	50	42	51	51
CETG grant				(136)	(161)	-
Fuel and purchased power	882	1,123	953	799	828	1,122
Natural Gas	23	24	28	37	67	-
Coal	155	186	242	241	299	-
PPA's	(1)	-	(1)	2	2	-
Federal carbon charge	177	210	269	280	368	-
Natural Gas	49	56	60	66	86	90
Coal	157	160	163	180	187	184
Hydro	17	19	19	23	23	26
PPA's	11	11	13	13	19	19
Wind	7	8	6	6	7	7
Operating, maintenance and administration¹	241	254	261	288	322	326
Natural Gas	91	88	85	93	118	135
Coal	154	139	136	147	134	133
Hydro	20	21	21	22	23	25
PPA's	48	48	48	49	49	49
Wind	11	8	8	8	7	7
Depreciation	324	304	298	319	331	349
Finance charges ²	126	120	128	147	165	167
Taxes ²	23	24	25	29	31	33
Other expenses ¹	7	8	5	10	36	37
Total generation expense	\$ 1,780	\$ 2,043	\$ 1,939	\$ 1,872	\$ 2,081	\$ 2,034

1. The expenses presented in the above table exclude shared costs that cannot be directly allocated to generation activities (i.e., costs for supporting business units such as human resources and safety, finance, legal etc.) OM&A consists of business unit costs for generation and purchased power agreements; and other expenses includes amounts related to losses on asset retirements and costs of disposals.

2. Finance charges and taxes (corporate capital tax) have been calculated based on the relative proportion of the asset acquisition value

3. Based on the direction to extend the life of coal rather than follow the original Clean Electricity Regulations, SaskPower has reduced projected capital expenditures by more than \$21 billion to 2050.

- b) Costs related to wind PPAs are captured in the PPA category on the first round information request SRRP Q26 and there are no costs for SaskPower wind as SaskPower's fuel price for wind is \$0. The non-fuel components are captured in OM&A and capital-related expenses.
- c) The table below provides finance charges, taxes and other expenses by generation type.

Generation expense - Natural Gas

(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Fuel and purchased power	\$ 289	\$ 324	\$ 253	\$ 224	\$ 240	\$ 264
Federal carbon charge	23	24	28	37	67	-
Operating, maintenance and administration ¹	49	56	60	66	86	90
Depreciation	91	88	85	93	118	135
Finance charges ²	35	34	36	41	46	47
Taxes ¹	6	7	7	8	9	9
Other expenses ¹	2	5	4	4	10	10
Total generation expense	\$ 496	\$ 538	\$ 473	\$ 474	\$ 576	\$ 555

Generation expense - Coal

(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Fuel and purchased power	\$ 280	\$ 318	\$ 296	\$ 313	\$ 311	\$ 353
Federal carbon charge	155	186	242	241	299	-
Operating, maintenance and administration ¹	157	160	163	180	187	184
Depreciation	154	139	136	147	134	133
Finance charges ²	66	63	67	78	87	88
Taxes ¹	12	13	13	15	16	17
Other expenses ¹	5	3	1	5	19	20
Total generation expense	\$ 830	\$ 882	\$ 918	\$ 979	\$ 1,053	\$ 796

Generation expense - Hydro

(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Fuel and purchased power	\$ 18	\$ 20	\$ 16	\$ 18	\$ 18	\$ 24
Federal carbon charge	-	-	-	-	-	-
Operating, maintenance and administration ¹	17	19	19	23	23	26
Depreciation	20	21	21	22	23	25
Finance charges ²	20	19	20	23	26	27
Taxes ¹	4	4	4	5	5	5
Other expenses ¹	0	0	0	0	6	6
Total generation expense	\$ 79	\$ 83	\$ 81	\$ 91	\$ 101	\$ 113

Generation expense - PPA & Imports

(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Fuel and purchased power	\$ 257	\$ 411	\$ 338	\$ 338	\$ 369	\$ 430
Federal carbon charge	(1)	-	(1)	2	2	-
Operating, maintenance and administration ¹	11	11	13	13	19	19
Depreciation	48	48	48	49	49	49
Finance charges ²	136	141	132	131	129	123
Taxes ¹	-	-	-	-	-	-
Other expenses ¹	-	-	-	-	-	-
Total generation expense	\$ 451	\$ 611	\$ 530	\$ 533	\$ 568	\$ 621

Generation expense -Wind

(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Fuel and purchased power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal carbon charge	-	-	-	-	-	-
Operating, maintenance and administration ¹	7	8	6	6	7	7
Depreciation	11	8	8	8	7	7
Finance charges ²	4	4	4	5	5	5
Taxes ¹	1	1	1	1	1	1
Other expenses ¹	-	0	0	-	1	1
Total generation expense	\$ 23	\$ 21	\$ 19	\$ 20	\$ 21	\$ 21

- The expenses presented in the above tables exclude shared costs that cannot be directly allocated to generation activities (i.e. costs for supporting business units such as human resources and safety, finance and business performance, etc.). OM&A consists of business unit costs for generation and purchased power agreements; taxes consist of an allocation of corporate capital tax; and other expenses include amounts related to losses on asset retirements and costs of disposal.
- Finance charges have been allocated based on the relative proportion of the asset acquisition value.

3. Based on the direction to extend the life of coal rather than follow the original Clean Electricity Regulations, SaskPower has reduced projected capital expenditures by more than \$21 billion to 2050.

d)

SaskPower-owned - expenses						
(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Expense						
Fuel and purchased power	\$ 625	\$ 712	\$ 615	\$ 461	\$ 459	\$ 692
Federal carbon tax	178	210	270	278	366	-
Operating, maintenance and administration	230	243	248	275	303	307
Depreciation	276	256	250	270	282	300
Finance charges	126	120	128	147	165	167
Taxes	23	24	25	29	31	33
Other expenses	7	8	5	10	36	37
	\$ 1,465	\$ 1,573	\$ 1,541	\$ 1,470	\$ 1,642	\$ 1,536
IPP/PPA - expenses						
(in millions)	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Expense						
Fuel and purchased power	\$ 257	\$ 411	\$ 338	\$ 338	\$ 369	\$ 430
Federal carbon tax	(1)	-	(1)	2	2	-
Operating, maintenance and administration	11	11	13	13	19	19
Depreciation	48	48	48	49	49	49
Finance charges	136	141	132	131	129	123
Taxes	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	\$ 451	\$ 611	\$ 530	\$ 533	\$ 568	\$ 621

* All tables presented above were expanded from what was initially presented as requested. For SaskPower's most recent 2026-27 forecast, please see the mid-application update or SaskPower's response to Q1 in the second round of questions.

Round 2 SRRP Q21 Reference: First Round Information Request SRRP Q44 OM&A

- a) With reference to 2026 and 2027 Rate Application first round information request SRRP Q44 (a), please expand the Operating, Maintenance and Administration Expense table to include 2021-22 actual, budget, and variance.
- b) With reference to 2026 and 2027 Rate Application first round information SRRP Q44 (c) (i), please expand the staff or employee compliment table to include 2021-22 actuals.

a)

Operating, Maintenance and Administration Expense

<i>(in millions)</i>	Actual 2021-22	Budget 2021-22	Variance	Variance %
Salaries and wages	\$ 340	\$ 341	\$ (1)	(0.3%)
Benefits	73	73	-	0.0%
Salaries and benefits	413	414	(1)	(0.2%)
Premium pay	39	33	6	18.2%
Subtotal wages & salaries	452	447	5	1.1%
Materials and supplies	47	55	- 8	(14.5%)
Contract services	229	210	19	9.0%
Consulting services	12	12	-	0.0%
Advertising expenses	1	2	- 1	(50.0%)
External services	242	224	18	8.0%
Training expenses	2	2	-	0.0%
Travel expenses	8	9	- 1	(11.1%)
Administrative expenses	18	18	-	0.0%
Insurance expenses	12	9	3	33.3%
Bad debt expense	1	5	- 4	(80.0%)
Tools and Equipment Rental Expenses	4	3	1	33.3%
Vehicle expenses	23	20	3	15.0%
Property expenses	7	6	1	16.7%
Other	75	72	3	4.2%
Corporate credits	(95)	(93)	(2)	2.2%
Grants	(10)	-	-	0.0%
Total OM&A	\$ 711	\$ 705	\$ 6	0.9%

b)

i) Staff or employee complement

	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Total FTEs	3,318	3,416	3,544	3,643	3,679	3,767

Round 2 SRRP Q22 Reference: 2022 and 2023 Rate Application First Round Information Request SRRP Q50 OM&A

a) With reference to 2022 and 2023 Rate Application first round information request Q50, please provide an updated version of the FTE vacancy rate table that shows actuals from 2021-22 through 2024-25, and 2025-26 and 2026-27 forecasts.

FTE vacancy rate						
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Permanent FTE vacancy	2.2%	1.5%	0.6%	1.1%	3.0%	3.0%

Round 2 SRRP Q23 Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 27, please expand the Depreciation and Amortization table to include 2021-22 and 2022-23 actuals.

Response:

DEPRECIATION AND AMORTIZATION

<i>(in millions)</i>	ACTUAL 2021-22	ACTUAL 2022-23	ACTUAL 2023-24	ACTUAL 2024-25	FORECAST 2025-26	BUSINESS PLAN 2026-27
DEPRECIATION AND AMORTIZATION						
Depreciation	\$ 560	\$ 545	\$ 554	\$ 587	\$ 624	\$ 661
Amortization of right-of-use assets	52	52	51	51	51	51
TOTAL DEPRECIATION AND AMORTIZATION	\$ 612	\$ 597	\$ 605	\$ 638	\$ 675	\$ 712

* The table above was expanded from what was initially presented in the rate application document as requested. However, for the most recent 2026-27 forecast, please see the mid-application update or SaskPower's response to Q1 in the second round of questions.

Round 2 SRRP Q24 Reference: First Round Information Request SRRP Q60 Debt and Equity

- a) With reference to 2026 and 2027 Rate Application first round information request SRRP Q60 (a), please expand the Capital Structure table to include 2021-22 actual and forecast.
- b) With reference to 2026 and 2027 Rate Application first round information request SRRP Q60 (b), please expand the Return on equity calculation table to include 2021-22 actuals.

Response:

a)

Capital Structure

(in millions)	Actual	Forecast	2022-23 rate		2022-23 rate		Actual	Forecast	Forecast
	2021-22	2021-22	Actual 2022-23	2022-23 application	Actual 2023-24	2023-24 application	2024-25	2025-26	2026-27
Long-term debt	\$ 6,495	\$ 6,495	\$ 7,068	\$ 6,758	\$ 7,647	\$ 7,002	\$ 8,468	\$ 9,454	\$ 10,457
Short-term debt	599	664	790	836	910	876	809	1,109	1,259
Lease liabilities	949	946	903	902	850	848	984	944	893
Total debt	\$ 8,043	\$ 8,105	\$ 8,761	\$ 8,496	\$ 9,407	\$ 8,726	\$ 10,261	\$ 11,507	\$ 12,609
Debt retirement funds	738	789	717	786	799	867	931	984	1,121
Cash and cash equivalents	32	11	192	10	374	10	50	44	53
Total net debt	\$ 7,273	\$ 7,305	\$ 7,852	\$ 7,700	\$ 8,234	\$ 7,849	\$ 9,280	\$ 10,479	\$ 11,435
Retained earnings	2,243	2,242	2,071	2,265	2,237	2,341	2,313	2,166	2,245
Equity advances	593	593	593	593	593	593	593	593	593
Total Capital	\$ 10,109	\$ 10,140	\$ 10,516	\$ 10,558	\$ 11,064	\$ 10,783	\$ 12,186	\$ 13,238	\$ 14,273
Percent debt ratio	71.9%	72.0%	74.7%	72.9%	74.4%	72.8%	76.2%	79.2%	80.1%

b)

Return on equity (ROE) calculation

Return on equity = (net income)/(average equity), where equity = (retained earnings + equity advances)

<i>(in millions)</i>	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Forecast 2025-26	Forecast 2026-27
Total revenue	2,885	3,067	3,379	3,254	3,293	3,526
Total expense	2,874	3,239	3,195	3,178	3,440	3,447
Net Income	\$ 11	\$ (172)	\$ 184	\$ 76	\$ (147)	\$ 79
Equity						
Retained earnings	2,243	2,071	2,237	2,313	2,166	2,245
Equity advances	593	593	593	593	593	593
Total equity	\$ 2,836	\$ 2,664	\$ 2,830	\$ 2,906	\$ 2,759	\$ 2,838
Average equity	\$ 2,832	\$ 2,750	\$ 2,747	\$ 2,868	\$ 2,833	\$ 2,799
Return on equity	0.4%	(6.3%)	6.7%	2.6%	(5.2%)	2.8%

Round 2 SRRP Q25 Reference: Application

- a) With reference to the 2026 and 2027 Rate Application page 29, please expand the Taxes table to include 2021-22 and 2022-23 actuals.

Response:

TAXES							
<i>(in millions)</i>	ACTUAL 2021-22	ACTUAL 2022-23	ACTUAL 2023-24	ACTUAL 2024-25	FORECAST 2025-26	BUSINESS PLAN 2026-27	
TAXES							
Corporate capital tax	\$ 51	\$ 54	\$ 57	\$ 64	\$ 70	\$ 76	
Grants in lieu	29	31	34	35	34	36	
Other	1	1	1	1	1	1	
TOTAL TAXES	\$ 81	\$ 86	\$ 92	\$ 100	\$ 105	\$ 113	

* The table above was expanded from what was initially presented in the rate application document as requested. However, for the most recent 2026-27 forecast, please see the mid-application update or SaskPower's response to Q1 in the second round of questions.

Round 2 SRRP Q27 Reference: OM&A

- a) Please reconcile the difference in OM&A actuals for 2024-25 provided on page 19 of the 2026 and 2027 Rate Application as \$869M and in the response to 2026 and 2027 Rate Application 1st round information request SRRP Q46 (a) as \$865M.

Response:

As noted on page 19 of the 2026 and 2027 Rate Application, the Clean Electricity Transition Grant (CETG) was used to offset Fuel and Purchased Power (F&PP) and certain OM&A expenses. Of the \$140 million received in 2024-25, \$136 million was applied to F&PP and \$4 million was applied to OM&A.

The \$869 million included in the 2026 and 2027 Rate Application reflects OM&A expense before the application of the CETG, while the \$865 million in the SRRP Q46(a) response reflects OM&A after the application of the \$4 million CETG.

Operating, maintenance and administration expense

(in millions)	Actual 2024-25
OM&A per Rate Application	\$ 869
Clean Energy Transition Grant (CETG)	(4)
OM&A per SRRP Q46(a)	\$ 865

Round 2 SRRP Q28 Reference: Interest Rates

- a) With reference to 2022 and 2023 Rate Application second round information request SRRP Q27 and 2026 and 2027 Rate Application first round information request SRRP Q16, please reconcile the difference in short-term and long-term interest rate forecasts for 2023-24. SRRP Q16 from this rate application provides the 2023-24 forecast short-term interest rate as 3.90% and the long-term interest rate as 4.30% whereas SRRP Q27 from the 2nd round information request of the last rate application provides the 2023-24 forecast short-term interest rate as 1.30% and the long-term interest rate as 3.40%.

Response:

Table: 2022 and 2023 SRRP Q27

Business Plan sensitivity analysis

Item	Assumptions		Sensitivity analysis	Net income impact	
	2022-23	2023-24		2022-23	2023-24
Revenue					
Rate increase (%)	4.0%	4.0%	1% change in annualized rate increase assumption	\$ 26	\$ 26
Sask Sales Growth (%)	0.1%	-0.2%	100 GWh change in power customer consumption	4	4
			100 GWh change in residential customer consumption	14	14
			0% load growth	(2)	1
			2% reduction in domestic sales	(38)	(38)
			Loss of one of SaskPower's largest industrial customers	(104)	(96)
Fuel and purchased power					
Natural gas price (\$/GJ)	\$ 4.01	\$ 3.80	\$1/GJ change in natural gas price assumption	48	49
Hydro generation (GWh)	3,646.3	3,644.3	10% change in hydro generation assumption	10	9
Coal generation (GWh)	7,031.1	7,015.7	10% change in coal generation assumption	17	24
Capital					
Capital spending (\$ millions)	\$ 1,053	\$ 906	\$100 million change in capital budget	7	7
Short-term interest rates	0.9%	1.3%	1% change in short-term interest rates	8	9
Long-term interest rates	3.2%	3.4%	1% change in long-term interest rate assumption	5	4

Table: SRRP Q18

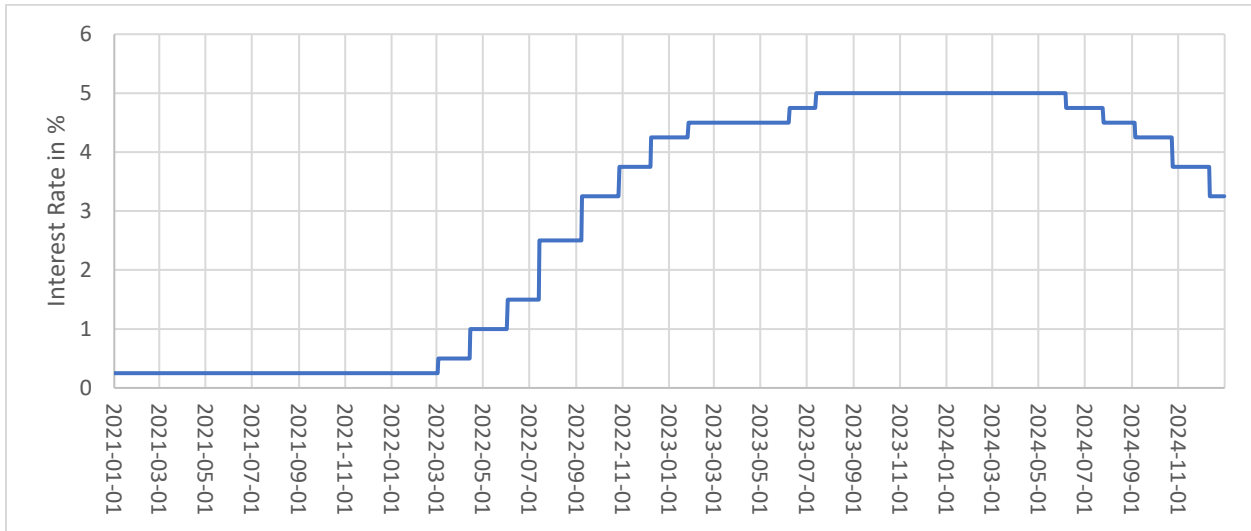
	2016	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Forecasts:										
Short-term Borrowings	0.80%	0.50%	0.80%	1.60%	2.30%	1.40%	0.50%	0.90%	3.90%	5.00%
Long-term Borrowings	3.10%	3.10%	3.30%	3.70%	3.70%	2.60%	2.20%	3.20%	4.30%	4.90%
Actuals:										
Short-term Borrowings	0.54%	0.53%	0.91%	1.63%	1.68%	0.29%	0.29%	3.39%	4.98%	3.70%
Long-term Borrowings	3.07%	3.09%	3.19%	3.15%	2.56%	1.64%	n/a	4.15%	3.97%	4.29%

Note: the long-term borrowing rate forecast is for a 30-year borrowing, which is SaskPower's preferred long-term borrowing term. However, the province may provide SaskPower with much shorter borrowing terms, based on market conditions and their borrowing plan, which reduces the actual long-term borrowing rate.

The difference in the 2023-24 forecasts relates to the timing of the forecast. The SRRP Q18 forecast was completed at a later date and includes updated values based on information observed in the market.

In 2022, the Bank of Canada began a series of interest rate increases. These rate increases resulted in a material increase in short term interest rates which leads to higher financing charges for SaskPower. To better reflect the market conditions and the potential impact on SaskPower the forecast was updated.

Chart 1: Bank of Canada Target for the Overnight Rate



Round 2 SRRP Q29 Reference: 2022 and 2023 Rate Application First Round Information Request SRRP Q93 Competitiveness

- a) With reference to 2022 and 2023 Rate Application first round information request SRRP Q93, please provide updated tables showing the calculation of bills before applicable taxes and after applicable taxes, including the carbon charge rider, municipal surcharges and any bill relief programs that may have been in place. Please also confirm which rate code would apply to each customer:
- i. A residential customer using 625 kWh in a month.
 - ii. A small commercial customer with demand of 14kW and using 2,000 kWh in a month.
 - iii. A large power customer using 5,000 kW demand and 3,060,000 kWh in a month.

Please provide the tables in the same format as in the response to 2022 and 2023 Rate Application first round information request SRRP Q93, showing actuals from 2021-22 through to 2024-25 and forecasts for rates effective February 1, 2026 and February 1, 2027.

Response:

Round 2 SRRP Q30 Reference: Return on Equity

- a) With reference to 2022 and 2023 Rate Application page 11, please provide an updated version of the table titled ‘Canadian utility comparison: net return on equity (ROE)’ for the most current actual year ending available for the other utilities, SaskPower, and the forecast and business plan years for SaskPower. Please provide the updated table in the same format as seen on page of 11 of the 2022 and 2023 Rate Application.

Response:

- a) Please see below for an updated version of the *Canadian utility comparison: net return on equity (ROE)* table, which also includes the forecast and business plan years for SaskPower:

Canadian utility comparison: net return on equity (ROE) (2024-25)

Rank	Utility	Year-End	ROE			Functions			Ownership		Generation Type		Owner
			PY	CY	BP	Dist	Trans	Gen	Gov't	Private	Hydro	Thermal	
			Actual	Fcst	Fcst*								
1	TransAlta	31-Dec-24	23.3%					Y		Y		Y	Investor
2	Capital Power Corporation	31-Dec-24	19.8%					Y		Y		Y	Investors
3	FortisAlberta Inc.	31-Dec-24	10.1%				Y			Y			Fortis Inc.
4	Hydro One	31-Dec-24	9.7%				Y	Y		Y		Y	Ontario
5	Hydro-Québec	31-Dec-24	9.6%				Y	Y	Y	Y		Y	Québec
6	Epcor	31-Dec-24	9.6%				Y	Y		Y			Edmonton
7	Newfoundland Power	31-Dec-24	8.3%				Y	Y	Y		Y	Y	Fortis Inc.
8	Nova Scotia Power Inc.	31-Dec-24	7.8%				Y	Y	Y		Y	Y	Emera Inc.
9	BC Hydro	31-Mar-25	7.3%				Y	Y	Y	Y		Y	BC
10	FortisBC Inc.	31-Dec-24	7.2%				Y	Y	Y		Y	Y	Fortis Inc.
11	Enmax	31-Dec-24	6.0%				Y	Y	Y	Y			Calgary
12	Ontario Power Generation	31-Dec-24	4.9%						Y	Y		Y	Ontario
13	New Brunswick Power	31-Mar-25	4.4%				Y	Y	Y	Y			New Brunswick
14	Newfoundland & Labrador Hydro	31-Dec-24	3.1%				Y	Y	Y	Y		Y	Newfoundland
15	SaskPower	31-Mar-25	2.6%	-5.2%	4.9%		Y	Y	Y	Y		Y	Saskatchewan
16	Manitoba Hydro	31-Mar-25	-1.8%				Y	Y	Y	Y		Y	Manitoba

*Note that the Business Plan Forecast (BP Fcst) ROE for SaskPower is reflective of the 2026-27 Provincial Budget and mid-application update.

Round 2 SRRP Q31 Reference: Debt Ratio

- a) With reference to 2022 and 2023 Rate Application page 12, please provide an updated version of the table titled 'Canadian utility comparison: per cent debt ratio' for the most current actual year ending available for the other utilities, SaskPower and the forecast and business plan years for SaskPower. Please provide the updated table in the same format as seen on page 12 of the 2022 and 2023 Rate Application.

Response:

- a) Please see below for an updated version of the *Canadian utility comparison: per cent debt ratio* table, which also includes the forecast and business plan years for SaskPower:

Canadian utility comparison: per cent debt ratio (2024-25)

Rank	Utility	Year-End	Debt Ratio			Functions			Ownership		Generation Type		Owner
			PY Actual	CY Fcst	BP Fcst*	Dist	Trans	Gen	Gov't	Private	Hydro	Thermal	
1	Ontario Power Generation	31-Dec-24	32.8%					Y		Y		Y	Ontario
2	Capital Power Corporation	31-Dec-24	48.2%							Y		Y	Investors
3	Epcor	31-Dec-24	52.8%			Y	Y			Y			Edmonton
4	Newfoundland Power	31-Dec-24	55.3%			Y	Y	Y			Y		Fortis Inc.
5	FortisBC Inc.	31-Dec-24	57.1%			Y	Y	Y		Y			Fortis Inc.
6	Enmax	31-Dec-24	57.8%			Y	Y	Y		Y		Y	Calgary
7	Hydro One	31-Dec-24	58.3%			Y	Y			Y			Ontario
8	Nova Scotia Power Inc.	31-Dec-24	61.2%			Y	Y	Y		Y		Y	Emera Inc.
9	FortisAlberta Inc.	31-Dec-24	61.4%			Y				Y			Fortis Inc.
10	Newfoundland & Labrador Hydro	31-Dec-24	63.3%			Y	Y	Y		Y			Newfoundland
11	TransAlta	31-Dec-24	65.4%					Y		Y		Y	Investor
12	Hydro-Québec	31-Dec-24	66.5%			Y	Y	Y		Y			Québec
13	SaskPower	31-Mar-25	76.2%	79.2%	79.7%	Y	Y	Y		Y		Y	Saskatchewan
14	BC Hydro	31-Mar-25	80.0%			Y	Y	Y		Y		Y	BC
15	Manitoba Hydro	31-Mar-25	87.5%			Y	Y	Y		Y			Manitoba
16	New Brunswick Power	31-Mar-25	91.6%			Y	Y	Y		Y		Y	New Brunswick

*Note that the Business Plan Forecast (BP Fcst) per cent debt ratio for SaskPower is reflective of the 2026-27 Provincial Budget and mid-application update.

Round 2 SRRP Q32 Reference: Proposed Rate Revenue to Revenue Requirement Ratios

- a) Please present the response to 2026 and 2027 Rate Application first round information request SRRP Q77 in the exact same format as seen in the response to 2022 and 2023 Rate Application first round information request SRRP Q88. Be sure to disaggregate total commercial and total power and include streetlights as seen in 2022 and 2023 Rate Application first round information request SRRP Q88.
- b) Please update the tables presented in 2026 and 2027 Rate Application pages 35 and 36 to match the same format as seen on pages 34 and 35 of the 2022 and 2023 Rate Application. Be sure to disaggregate total commercial and total power and include streetlights as seen in 2022 and 2023 Rate Application pages 34 and 35.

Response:

a) Please see the requested tables below:

2025-2026 Impacts

**Revenue to revenue requirement (R/RR) ratios breakdown
2025-26 rate increase impact with proposed flat increase**

(A)	(B)	(C)	(D = B * N)	(E = C + D)	(F)	(G = F / E)	(H)	(I = F * H)	(J = B * O)	(K = C + J)	(L = F + I)	(M = L / K)	
Class of Service	Allocated Rate Base (\$millions)	Allocated Expenses (\$millions)	2025-26 Revenue at Existing Rates				Revenue to Rev. Req. Ratio	Revenue Change (%)	Revenue Change (\$millions)	2025-26 Revenue at Adjusted Rates			
			Allocated Return (\$millions)	Allocated Rev. Req. (\$millions)	Revenue (\$millions)	Revenue to Rev. Req. Ratio				Allocated Return (\$millions)	Allocated Rev. Req. (\$millions)	Revenue (\$millions)	Revenue to Rev. Req. Ratio
Residential	\$ 3,173.5	\$ 539.5	\$ 117.7	\$ 657.2	\$ 645.4	0.98	3.9%	\$ 25.2	\$ 145.6	\$ 685.1	\$ 670.6	0.98	
Farms	\$ 1,055.5	\$ 163.2	\$ 39.1	\$ 202.4	\$ 193.5	0.96	3.9%	\$ 7.5	\$ 48.4	\$ 211.7	\$ 201.0	0.95	
Small Commercial	\$ 1,245.9	\$ 195.7	\$ 46.2	\$ 241.9	\$ 259.1	1.07	3.9%	\$ 10.1	\$ 57.1	\$ 252.9	\$ 269.2	1.06	
General Service	\$ 1,375.0	\$ 235.9	\$ 51.0	\$ 286.9	\$ 297.3	1.04	3.9%	\$ 11.6	\$ 63.1	\$ 299.0	\$ 308.9	1.03	
Total Commercial	\$ 2,620.9	\$ 431.6	\$ 97.2	\$ 528.8	\$ 556.4	1.05	3.9%	\$ 21.7	\$ 120.2	\$ 551.8	\$ 578.1	1.05	
Power	\$ 3,315.2	\$ 776.8	\$ 122.9	\$ 899.7	\$ 912.0	1.01	3.9%	\$ 35.6	\$ 152.1	\$ 928.8	\$ 947.6	1.02	
Oilfields	\$ 2,209.7	\$ 408.7	\$ 81.9	\$ 490.6	\$ 476.4	0.97	3.9%	\$ 18.6	\$ 101.4	\$ 510.1	\$ 495.0	0.97	
Streetlights	\$ 131.5	\$ 14.8	\$ 4.9	\$ 19.7	\$ 19.5	0.99	3.9%	\$ 0.8	\$ 6.0	\$ 20.8	\$ 20.3	0.97	
Reseller	\$ 381.6	\$ 90.7	\$ 14.1	\$ 104.8	\$ 100.0	0.95	3.9%	\$ 3.9	\$ 17.5	\$ 108.2	\$ 103.9	0.96	
Total (System)	\$ 12,888.0	\$ 2,425.3	\$ 477.9	\$ 2,903.2	\$ 2,903.2	1.00	3.9%	\$ 113.2	\$ 591.1	\$ 3,016.4	\$ 3,016.4	1.00	

	2025-26 Revenue at Existing Rates				2025-26 Revenue at Adjusted Rates			
	(B)	(C)	(F)	(N = (F-C)/B)	(B)	(C)	(L)	(O = (L-C)/B)
	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB
Return on Rate Base	\$ 12,888.0	\$ 2,425.3	\$ 2,903.2	3.71%	\$ 12,888.0	\$ 2,425.3	\$ 3,016.4	4.59%

2026-2027 Impacts

Revenue to revenue requirement (R/RR) ratios breakdown
2026-27 rate increase impact with proposed flat increase

(A)	(B)	(C)	(D = B * N)	(E = C + D)	(F)	(G = F / E)	(H)	(I = F * H)	(J = B * O)	(K = C + J)	(L = F + I)	(M = L / K)	
Class of Service	Allocated Rate Base (\$millions)	Allocated Expenses (\$millions)	2026-27 Revenue at Existing Rates				Revenue to Rev. Req. Ratio	Revenue Change (%)	Revenue Change (\$millions)	2026-27 Revenue at Adjusted Rates			
			Allocated Return (\$millions)	Allocated Rev. Req. (\$millions)	Revenue (\$millions)	Revenue				Allocated Return (\$millions)	Allocated Rev. Req. (\$millions)	Revenue (\$millions)	Revenue to Rev. Req. Ratio
Residential	\$ 3,271.4	\$ 549.2	\$ 97.1	\$ 674.3	\$ 668.7	0.99	3.9%	\$ 26.1	\$ 154.3	\$ 703.5	\$ 694.8	0.99	
Farms	\$ 1,059.3	\$ 171.3	\$ 31.4	\$ 211.8	\$ 205.1	0.97	3.9%	\$ 8.0	\$ 50.0	\$ 221.3	\$ 213.1	0.96	
Small Commercial	\$ 1,268.3	\$ 197.9	\$ 37.6	\$ 246.4	\$ 261.5	1.06	3.9%	\$ 10.2	\$ 59.8	\$ 257.7	\$ 271.7	1.05	
General Service	\$ 1,386.2	\$ 238.6	\$ 41.1	\$ 291.7	\$ 300.0	1.03	3.9%	\$ 11.7	\$ 65.4	\$ 304.0	\$ 311.8	1.03	
Total Commercial	\$ 2,654.5	\$ 436.5	\$ 78.8	\$ 538.1	\$ 561.6	1.04	3.9%	\$ 21.9	\$ 125.2	\$ 561.7	\$ 583.5	1.04	
Power	\$ 3,644.6	\$ 861.1	\$ 108.2	\$ 1,000.5	\$ 1,008.2	1.01	3.9%	\$ 39.3	\$ 171.9	\$ 1,033.0	\$ 1,047.5	1.01	
Oilfields	\$ 2,340.9	\$ 438.0	\$ 69.5	\$ 527.6	\$ 515.5	0.98	3.9%	\$ 20.1	\$ 110.4	\$ 548.4	\$ 535.6	0.98	
Streetlights	\$ 138.6	\$ 15.9	\$ 4.1	\$ 21.2	\$ 19.7	0.93	3.9%	\$ 0.8	\$ 6.5	\$ 22.4	\$ 20.5	0.91	
Reseller	\$ 400.8	\$ 97.7	\$ 11.9	\$ 113.0	\$ 107.7	0.95	3.9%	\$ 4.2	\$ 18.9	\$ 116.6	\$ 111.9	0.96	
Total (System)	\$ 13,510.0	\$ 2,569.6	\$ 401.0	\$ 3,086.5	\$ 3,086.5	1.00	3.9%	\$ 120.4	\$ 637.2	\$ 3,206.8	\$ 3,206.8	1.00	

	2026-27 Revenue at Existing Rates				2026-27 Revenue at Adjusted Rates			
	(B)	(C)	(F)	(N = (F-C)/B)	(B)	(C)	(L)	(O = (L-C)/B)
	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB
Return on Rate Base	\$ 13,510.0	\$ 2,569.6	\$ 3,086.5	3.83%	\$ 13,510.0	\$ 2,569.6	\$ 3,206.8	4.72%

2025-2026 Impacts

Revenue to revenue requirement (R/RR) ratios breakdown
2025-26 rate increase impact with rebalancing

(A)	(B)	(C)	(D = B * N)	(E = C + D)	(F)	(G = F / E)	(H)	(I = F * H)	(J = B * O)	(K = C + J)	(L = F + I)	(M = L / K)	
Class of Service	Allocated Rate Base (\$millions)	Allocated Expenses (\$millions)	2025-26 Revenue at Existing Rates				Revenue to Rev. Req. Ratio	Revenue Change (%)	Revenue Change (\$millions)	2025-26 Revenue at Adjusted Rates			
			Allocated Return (\$millions)	Allocated Rev. Req. (\$millions)	Revenue (\$millions)	Revenue				Allocated Return (\$millions)	Allocated Rev. Req. (\$millions)	Revenue (\$millions)	Revenue to Rev. Req. Ratio
Residential	\$ 3,173.5	\$ 539.5	\$ 117.7	\$ 657.2	\$ 645.4	0.98	3.3%	\$ 21.2	\$ 145.6	\$ 685.0	\$ 666.6	0.97	
Farms	\$ 1,055.5	\$ 163.2	\$ 39.1	\$ 202.4	\$ 193.5	0.96	4.5%	\$ 8.8	\$ 48.4	\$ 211.7	\$ 202.3	0.96	
Small Commercial	\$ 1,245.9	\$ 195.7	\$ 46.2	\$ 241.9	\$ 259.1	1.07	1.7%	\$ 4.4	\$ 57.1	\$ 252.9	\$ 263.5	1.04	
General Service	\$ 1,375.0	\$ 235.9	\$ 51.0	\$ 286.9	\$ 297.3	1.04	3.1%	\$ 9.3	\$ 63.1	\$ 299.0	\$ 306.6	1.03	
Total Commercial	\$ 2,620.9	\$ 431.6	\$ 97.2	\$ 528.8	\$ 556.4	1.05	2.5%	\$ 13.7	\$ 120.2	\$ 551.8	\$ 570.1	1.03	
Power	\$ 3,315.2	\$ 776.8	\$ 122.9	\$ 899.7	\$ 912.0	1.01	3.7%	\$ 33.9	\$ 152.1	\$ 928.8	\$ 945.9	1.02	
Oilfields	\$ 2,209.7	\$ 408.7	\$ 81.9	\$ 490.6	\$ 476.4	0.97	5.7%	\$ 27.1	\$ 101.4	\$ 510.1	\$ 503.5	0.99	
Streetlights	\$ 131.5	\$ 14.8	\$ 4.9	\$ 19.7	\$ 19.5	0.99	9.3%	\$ 1.8	\$ 6.0	\$ 20.8	\$ 21.3	1.02	
Reseller	\$ 381.6	\$ 90.7	\$ 14.1	\$ 104.8	\$ 100.0	0.95	6.1%	\$ 6.1	\$ 17.5	\$ 108.2	\$ 106.1	0.98	
Total (System)	\$ 12,888.0	\$ 2,425.3	\$ 477.9	\$ 2,903.2	\$ 2,903.2	1.00	3.9%	\$ 113.2	\$ 591.1	\$ 3,016.4	\$ 3,016.4	1.00	

	2025-26 Revenue at Existing Rates				2025-26 Revenue at Adjusted Rates			
	(B)	(C)	(F)	(N = (F-C)/B)	(B)	(C)	(L)	(O = (L-C)/B)
	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB
Return on Rate Base	\$ 12,888.0	\$ 2,425.3	\$ 2,903.2	3.71%	\$ 12,888.0	\$ 2,425.3	\$ 3,016.4	4.59%

2026-2027 Impacts

Revenue to revenue requirement (R/RR) ratios breakdown
2026-27 rate increase impact with rebalancing

(A) Class of Service	(B) Allocated Rate Base (\$millions)	(C) Allocated Expenses (\$millions)	2026-27 Revenue at Existing Rates				(H) Revenue Change (\$millions)	(I = F * H) Revenue Change (%)	2026-27 Revenue at Adjusted Rates			
			(D = B * N) Allocated Return (\$millions)	(E = C + D) Allocated Rev. Req. (\$millions)	(F) Revenue (\$millions)	(G = F / E) Revenue to Rev. Req. Ratio			(J = B * O) Allocated Return (\$millions)	(K = C + J) Allocated Rev. Req. (\$millions)	(L = F + I) Revenue (\$millions)	(M = L / K) Revenue to Rev. Req. Ratio
Residential	\$ 3,271.4	\$ 549.2	\$ 97.1	\$ 674.3	\$ 664.1	0.98	3.3%	\$ 21.9	\$ 154.3	\$ 703.5	\$ 686.0	0.98
Farms	\$ 1,059.3	\$ 171.3	\$ 31.4	\$ 211.8	\$ 206.4	0.97	4.5%	\$ 9.3	\$ 50.0	\$ 221.3	\$ 215.7	0.98
Small Commercial	\$ 1,268.3	\$ 197.9	\$ 37.6	\$ 246.4	\$ 256.1	1.04	1.7%	\$ 4.4	\$ 59.8	\$ 257.7	\$ 260.5	1.01
General Service	\$ 1,386.2	\$ 238.6	\$ 41.1	\$ 291.7	\$ 297.9	1.02	3.1%	\$ 9.3	\$ 65.4	\$ 304.0	\$ 307.2	1.01
Total Commercial	\$ 2,654.5	\$ 436.5	\$ 78.8	\$ 538.1	\$ 554.0	1.03	2.5%	\$ 13.7	\$ 125.2	\$ 561.7	\$ 567.7	1.01
Power	\$ 3,644.6	\$ 861.1	\$ 108.2	\$ 1,000.5	\$ 1,006.8	1.01	3.7%	\$ 37.3	\$ 171.9	\$ 1,033.0	\$ 1,044.0	1.01
Oilfields	\$ 2,340.9	\$ 438.0	\$ 69.5	\$ 527.6	\$ 524.5	0.99	5.7%	\$ 29.6	\$ 110.4	\$ 548.4	\$ 554.2	1.01
Streetlights	\$ 138.6	\$ 15.9	\$ 4.1	\$ 21.2	\$ 20.7	0.98	9.3%	\$ 1.9	\$ 6.5	\$ 22.4	\$ 22.6	1.01
Reseller	\$ 400.8	\$ 97.7	\$ 11.9	\$ 113.0	\$ 110.0	0.97	6.1%	\$ 6.7	\$ 18.9	\$ 116.6	\$ 116.6	1.00
Total (System)	\$ 13,510.0	\$ 2,569.6	\$ 401.0	\$ 3,086.5	\$ 3,086.5	1.00	3.9%	\$ 120.4	\$ 637.2	\$ 3,206.8	\$ 3,206.8	1.00

	2026-27 Revenue at Existing Rates				2026-27 Revenue at Adjusted Rates			
	(B)	(C)	(F)	(N = (F-C)/B)	(B)	(C)	(L)	(O = (L-C)/B)
	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB	Rate Base (\$millions)	Expenses (\$millions)	Revenue (\$millions)	RORB
Return on Rate Base	\$ 13,510.0	\$ 2,569.6	\$ 3,086.5	3.83%	\$ 13,510.0	\$ 2,569.6	\$ 3,206.8	4.72%

b) Please see the requested tables below:

2025-26 impacts

Revenue to Revenue Requirement (R/RR) Ratios 2025-26 rate increase impact

Class of Service	R/RR Ratio (Existing rates)	Rate increase	R/RR Ratio Revised rates
Residential	0.98	3.9%	0.98
Farms	0.96	3.9%	0.95
Small Commercial	1.07	3.9%	1.06
General Service	1.04	3.9%	1.03
Total Commercial	1.05	3.9%	1.05
Power	1.01	3.9%	1.02
Oilfields	0.97	3.9%	0.97
Streetlights	0.99	3.9%	0.97
Reseller	0.95	3.9%	0.96
Total (System)	1.00	3.9%	1.00

*Revenue-to-revenue-requirement ratio (R/RR ratio): The revenue collected from a customer class as a percentage of the total cost to serve that customer class. Our goal is to structure rates to fall within a R/RR ratio range of 0.95 to 1.05.

2025-26 revenue impacts

3.9% flat rate increase effective February 1, 2026

Customer class	Base revenue (existing rates) (\$ millions)	2026 rate increase (\$ millions)	Additional revenue from 2026 increase (annualized) (\$ millions)	Number of accounts	Average monthly revenue (per customer)	Monthly revenue increase (per customer)
Residential	\$ 645.4	3.9%	\$ 25.2	422,379	\$ 127	\$ 5
Farms	193.5	3.9%	7.5	57,594	280	11
Small Commercial	259.1	3.9%	10.1	56,373	383	15
General Service	297.3	3.9%	11.6	5,770	4,294	167
Total Commercial	556.4	3.9%	21.7	62,143	746	29
Power	912.0	3.9%	35.6	111	684,685	26,703
Oilfields	476.4	3.9%	18.6	18,806	2,111	82
Streetlights	19.5	3.9%	0.8	3,258	499	19
Reseller	100.0	3.9%	3.9	3	2,777,778	108,333
Total (System)	\$ 2,903.2	3.9%	\$ 113.2	564,294	\$ 429	\$ 17

Additional revenue from Feb 1, 2026 increase (prorated) (\$M)	\$ 18.9
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* Due to the effective date of February 1, 2026, increase, only 1/6, or approximately \$18.9M of the annualized revenue lift will be realized in 2025-26.

* Due to the effective date of February 1, 2026, only 1/6, or approximately \$18.9M of the annualized revenue lift will be realized in 2025-26

2026-27 impacts

Revenue to Revenue Requirement (R/RR) Ratios

2026-27 rate increase impact

Class of Service	R/RR Ratio (Existing rates)	Rate increase	R/RR Ratio Revised rates
Residential	0.99	3.9%	0.99
Farms	0.97	3.9%	0.96
Small Commercial	1.06	3.9%	1.05
General Service	1.03	3.9%	1.03
Total Commercial	1.04	3.9%	1.04
Power	1.01	3.9%	1.01
Oilfields	0.98	3.9%	0.98
Streetlights	0.93	3.9%	0.91
Reseller	0.95	3.9%	0.96
Total (System)	1.00	3.9%	1.00

*Revenue-to-revenue-requirement ratio (R/RR ratio): The revenue collected from a customer class as a percentage of the total cost to serve that customer class. Our goal is to structure rates to fall within a R/RR ratio range of 0.95 to 1.05.

2026-27 revenue impacts**3.9% flat rate increase effective February 1, 2027**

Customer class	Base revenue (existing rates) (\$ millions)	2027 rate increase (\$ millions)	Additional revenue from 2026 increase (annualized) (\$ millions)	Number of accounts	Average monthly revenue (per customer)	Monthly revenue increase (per customer)
Residential	\$ 668.7	3.9%	\$ 26.1	426,255	\$ 131	\$ 5
Farms	205.1	3.9%	8.0	58,879	290	11
Small Commercial	261.5	3.9%	10.2	56,976	383	15
General Service	300.0	3.9%	11.7	5,849	4,275	167
Total Commercial	561.6	3.9%	21.9	62,825	745	29
Power	1,008.2	3.9%	39.3	111	756,896	29,519
Oilfields	515.5	3.9%	20.1	18,832	2,281	89
Streetlights	19.7	3.9%	0.8	3,289	499	19
Reseller	107.7	3.9%	4.2	3	2,991,548	116,670
Total (System)	\$ 3,086.5	3.9%	\$ 120.4	570,193	\$ 451	\$ 18

Additional revenue from Feb 1, 2027, increase (prorated) (\$M)	\$ 20.1
Additional revenue from Feb 1, 2026, rate increase (\$M)	\$ 115.9
Total revenue due to rate increases in 2026-27 (\$M)	\$ 135.9

* Due to the effective date of February 1, 2027, only 1/6, or approximately \$20.1M of the annualized revenue lift will be realized in 2026-27.

** The ending revenue in 2025-26 does not equal the starting point in 2026-27 due to changes in the demand for electricity per class, number of customer accounts in the class and changes in usage per customer per class.

Round 2 SRRP Q33 Reference: System Energy & Capacity

- a) With reference to the 2022 and 2023 Rate Application, second round information request SRRP Q8(b), please provide an updated version of the “Capacity” table included in the response, with years aligned to the SaskPower 2025-26 Q1 Load Forecast.
- b) With reference to the 2022 and 2023 Rate Application, first round information request SRRP Q102(a), please provide an updated version of the “Energy” table included in the response, showing both percentage shares and MWh values, with years aligned to the SaskPower 2025-26 Q1 Load Forecast.

Response:

This response contains confidential information and cannot be shared publicly. However, a complete response has been submitted to the Saskatchewan Rate Review Panel for their review.

Round 2 SRRP Q34 Reference: Rate Proposals

- a) With reference to Appendix B: Rate Proposals, please provide a brief explanation of:
- i. How energy block sizes are determined for each customer class; and
 - ii. The rationale for the use of decreasing block energy rates for certain customer classes.

Response:

- i) For each customer class, the size of the energy block is based on the typical monthly usage of an average customer with a demand of 50 kVa.
- ii) SaskPower initiated its block energy rates in 1984. The average cost for a demand meter significantly exceeded that of an energy meter at the time. A 50kVa threshold was considered sufficiently small to justify the use of less costly energy meters, thereby reducing metering expenses for the utility.

This rate was designed to ensure adequate revenue recovery from all customers in the class, regardless of whether they are energy or demand metered. It is a hybrid structure that incorporates both blended energy charges — covering energy and demand-related costs for consumption up to the block threshold — and a demand charge for loads exceeding 50 kVa, accompanied by a reduced energy charge.

Round 2 SRRP Q35 Reference: Major Capital Projects

- a) With reference to the 2026 and 2027 Rate Application pages 31-32, and the planned transmission projects, including the North/South Interconnection, Taylor Bay, Meadow Lake (ML3), and Timber Cove–La Ronge (TC5) projects, please describe:
- i. The primary objectives and expected system benefits of each project (e.g., local or regional reliability, province-wide system reliability, support for industrial or mining development, or facilitation of interprovincial power transfers), including the customer classes expected to receive the primary benefits; and
 - ii. Any secondary objectives or benefits associated with each project, including the customer classes expected to benefit indirectly.

Response:

North/South Interconnection

i) Primary objectives and expected system benefits: Enable firm supply to Far North customers by connecting/strengthening transfer capability from the southern grid to the Far North system, where local generation is insufficient to meet forecast load. Expected benefits include improved regional reliability and capacity to serve forecast growth. Primary beneficiary customer classes are Far North mining/industrial loads and northern community customers served from the Far North system.

ii) Secondary objectives or benefits: Strengthen the backbone supply path to support future load additions and new connections in the Far North (including potential new mining developments and community growth), and reduce business risk associated with serving a significant part of the province via the Manitoba Hydro system.

Taylor Bay

i) Primary objectives and expected system benefits: Provide system reinforcements required in the Far North system to accommodate significant mining-sector load growth (expansions and new mine development) north of Taylor Bay. Expected benefits include improved regional reliability and sufficient capacity to serve increased industrial demand. Primary beneficiary customer classes are mining/industrial customers.

ii) Secondary objectives or benefits: Increase headroom for future customer connections and reduce the likelihood of operating constraints associated with rapid load growth.

Meadow Lake (ML3)

i) Primary objectives and expected system benefits: Sustain/maintain service by replacing end-of-life assets (wood pole line) with new steel structures. Expected benefits include improved local reliability for existing customers and reduced risk of asset failure/outages. Primary

beneficiary customer classes are the existing community and commercial customers served from the Meadow Lake area supply corridor.

ii) Secondary objectives or benefits: Provide incremental capability to facilitate moderate load increases (where applicable). Indirect beneficiary customer classes include broader regional customers to the extent improved reliability reduces restoration time and operating risk. Wildfire risk mitigation is also improved due to the use of steel structures.

Timber Cove–La Ronge (TC5)

i) Primary objectives and expected system benefits: Sustain/maintain service by replacing end-of-life assets (wood pole line) with new steel structures. Expected benefits include improved local/regional reliability for existing customers supplied via the Timber Cove–La Ronge corridor and reduced risk of asset failure/outages due to condition. Primary beneficiary customer classes are the existing community and commercial customers served in the La Ronge area, including other local customers supplied from this corridor.

ii) Secondary objectives or benefits: Provide incremental capability to facilitate moderate load increases and future customer connections in the corridor (where applicable) by improving asset condition/performance and reducing constraints associated with deteriorated infrastructure. Indirect beneficiary customer classes include other regional customers to the extent improved reliability reduces restoration time and operational risk. Wildfire risk mitigation is also improved due to the use of steel structures.

Round 2 SRRP Q36 Reference: Utility Investment Criteria

- a) Please provide SaskPower's utility investment criteria that specify how much SaskPower will invest in transmission and distribution extensions before requiring customers to contribute to the cost of extensions.
- b) Please provide the details, including any cost-benefit or cash flow analyses, of how SaskPower calculates the customer contributions required for new distribution and transmission extensions.

Response:

- a) SaskPower's Electric Service Facilities Guidelines that follows specify how much SaskPower will invest in:
 - (i) construction for new Electric Service Facilities.
 - (ii) alterations to existing Electric Service Facilities; and
 - (iii) repairs to Electric Service Facilities

b) Investment Policy Methodology – Distribution

Background

SaskPower's investment into new distribution service extensions is based on the principle that an investment can be made up to the level at which the addition of the new customer does not burden any existing customers. This concept benefits everyone involved since, as there become more customers on the system, there are more customers that share in all the embedded costs, thus bringing the costs down for everyone. Any costs more than the corporate investment are paid for by the new service applicant, thus ensuring that the existing customers are not adversely affected by the addition of that new customer onto the system. All line extension costs are based upon normal design and construction standards, so all new services extensions are designed and priced in the same manner. However, should the customer request any customer preferred optional extras, the additional costs associated with the premium design or construction are the responsibility of the customer regardless of the investment available.

Methodology

The method used to determine the maximum amount of investment into a new service extension, is the net present value analysis of the marginal (or additional) revenue associated with adding the new customer load, compared to the marginal costs associated with adding that new customer load. Applying this methodology, provided the marginal costs do not exceed the marginal revenue, will result in existing customers

not being adversely affected, and the rates paid by those existing customers will be the same or lower with the newer customer than they would have been without them.

The net present value analysis brings all future cash flows into current dollars, and accordingly, a positive net present value would indicate that SaskPower would benefit financially. The difference between the present value of the revenue and the present value of the costs will indicate the maximum amount that SaskPower can invest into a new service extension before existing customers become negatively affected. The time frame used for this analysis is five years, meaning that all identifiable costs and revenues up to five years into the future will be used. The outcome is the number of years (or months) of anticipated revenue SaskPower would be willing to invest towards the distribution extension.

Marginal Costs

To calculate the marginal costs for an average customer, the following components were used:

1. Energy Cost:
 - Marginal Energy Cost of Generation (\$/MWh)
 - Marginal Energy cost was applied to an average customer's energy consumption (including losses)
2. Demand Cost:
 - Generation Capacity Cost (\$/kW)
 - T&D Capacity Cost (\$/kW)
 - Calculated using the deferred benefit methodology from Marginal Energy Cost of Generation, adapted to suit the T&D Capital Budget. This methodology defers a project by one year to arrive at a PV benefit for the deferral. Each year of the T&D Capital Budget was treated as a separate "project" to come up with a deferral benefit.
3. Other Costs:
 - Customer Service Costs
 - Marginal Customer Service costs were calculated as 20% of the average cost per customer rate code. These values were chosen because they were most closely associated with supervisor estimates of marginal costs.
 - T&D Maintenance Costs:
 - Calculated using the average cost per new customer connect multiplied by the estimated OM&A portion of all T&D capital costs.
 - Grants-In-Lieu:
 - Estimated at 5% of energy and demand revenues, and included only with applicable rate codes (i.e. urban residential, etc.)

Marginal Revenues

Marginal Revenues were calculated based on an average anticipated customer load and energy consumption, applying published rates to determine total revenue for the year. All projected rate increases (as approved by the current Business Plan) are applied in future years.

Anticipated Revenue

Anticipated Revenue is then calculated taking the NPV of Marginal Revenues less Marginal Costs, divided by the PV of the first year's revenue. The outcome is the number of years (or months) of anticipated revenue SaskPower is willing to invest towards the distribution extension.

Investment Policy Methodology - Transmission

SaskPower does not invest in the cost of transmission extensions requested by customers. Transmission customers are solely responsible for these costs as they are the main beneficiary.

Electric Service Facilities Investment Guidelines

Guidelines Statement

SaskPower will invest in (i) construction costs for new Electric Service Facilities; (ii) alterations to existing Electric Service Facilities; and (iii) the repair of damage to Electric Service Facilities in accordance with these Guidelines.

Eligibility

These Guidelines are applicable to all SaskPower Customers.

Conditions/Prerequisites

N/A

SaskPower Investment in Electric Service Facilities

Notwithstanding anything in these Guidelines:

- (i) SaskPower will only invest in Electric Service Facilities meeting Basic Design Standards;
- (ii) SaskPower will not invest in the cost of any Customer Preferred Optional Extras unless otherwise indicated in these Guidelines;
- (iii) an Electric Service Facility investment by SaskPower will at no time exceed the actual costs of the Electric Service Facility construction;
- (iv) except in the case of Customer-owned streetlights, SaskPower will retain ownership of all Electric Service Facilities up to the Point of Delivery whether or not an investment in such Electric Service Facilities is provided by SaskPower; and
- (v) all Customer-owned facilities must comply with the Canadian Electric Code and, unless otherwise agreed to by SaskPower, SaskPower's Electric Service Requirements.

A. Residential Service

Subject to the conditions listed in this Section A, SaskPower will invest up to \$1,300.00 per new Residential Premise towards the installation cost of permanent single-phase Electric Service Facilities meeting Basic Design Standards ("Residential Premises Investment").

1. **New Subdivision Developments**

If SaskPower, in its sole discretion, believes a relatively high density of housing construction is unlikely to occur in a subdivision within the two construction seasons following the date of a Customer Service Application, SaskPower may elect to defer its investment, in whole or in part, until significant housing construction activities commence in the subdivision.

2. **Established (but Unserviced) Communities**

All costs in excess of the Residential Premise Investment required to extend Electrical Service to

an established but un-serviced community will be borne by the Customer(s) requesting Electric Service. If 65% or more of the potential Customer(s) in the area have applied for Electric Service, the allocation of costs will be based on an assumption of full potential Customer Electric Service. If fewer than 65% of the potential Customer(s) have applied, the costs will be divided among the Customer(s) who have subscribed for Electric Service at that time (e.g. if 7 out of 10 potential Customer(s) apply, each of the 7 Customer(s) will only be responsible to pay one-tenth of the costs. If 6 out of 10 potential Customer(s) apply, each of the 6 Customer(s) will be responsible to pay for one-sixth of the costs).

3. **Apartment Buildings**

In addition to SaskPower's Residential Premise Investment for each Customer in an apartment building, SaskPower will invest two years of anticipated House Meter revenue of the apartment building toward the cost of the extension of Electric Service Facilities to that apartment building.

B. General Service

Subject to the conditions listed in this Section B, SaskPower will provide the following Electric Service Facility investments for General Services:

1. **Distribution Connected Electric Service not exceeding 2000 kVA**

SaskPower will invest an amount not to exceed two years of anticipated revenue to be derived from that General Service toward the cost of a permanent distribution connected Electric Service not exceeding 2000 kVA ("General Services Investment").

2. **Distribution Connected Services Exceeding 2,000 kVA**

SaskPower will invest an amount, as determined by an individual discounted cash flow analysis (i.e. the difference between the net present value of the incremental value derived from Electric Service less incremental costs of adding the Customer) towards the cost of all permanent Electric Service Facilities which meet Basic Design Standards to any General Service load in excess of 2000 kVA in size.

3. **Large Irrigation Services in excess of 1000 kVA but not exceeding 2000 kVA**

SaskPower will invest an amount not to exceed two years of anticipated revenue to be derived from that General Service toward the cost of all large irrigation services in excess of 1000 kVA but not exceeding 2000 kVA.

Subdivision Development - SaskPower will make no initial investment towards the cost of permanent Primary Distribution Facilities where no actual Electric Service connections are requested at the time of the developer's Customer Service Application, but will defer any investment until service development occurs for individual Customers, at which time the subdivision developer may be eligible for a construction charge rebate in accordance with Section I.4 of these Guidelines.

C. Farm Service

Subject to the conditions listed in this Section C, SaskPower will provide the following Electric Service Facility investments for Farm Services:

1. Permanent Single-phase Electric Service Facilities

SaskPower will invest up to \$1,300.00 towards the cost of any permanent single-phase Electric Service Facilities meeting Basic Design Standards to any farm site with an anticipated demand of 50kVA or less ("Farm Premises Investment").

2. New Three-Phase Electric Service

In addition to the Farm Premises Investment, where a new three-phase Electric Service is requested, SaskPower will invest an amount not to exceed three years of anticipated revenue to be derived from that portion of the three-phase Electric Service Load which, in SaskPower's judgment, could not be adequately served by single-phase Electric Service.

3. Conversion from Single-Phase Electric Service to Three-Phase Electric Service

Where a single-phase Electric Service is being converted to a three-phase Electric Service, SaskPower will invest an amount not to exceed three years of anticipated revenue to be derived from that portion of the three-phase Electric Service Load which, in SaskPower's judgment, could not be adequately served by a single-phase Electric Service. SaskPower will also invest an amount equal to the cost of any single phase capacity increase which might otherwise have been required. A Farm Premises Investment will not be provided for this conversion.

4. Farms with a Demand Greater than 50 kVA

For farms with a demand greater than 50 kVA, SaskPower will invest an amount not to exceed 18 months of anticipated revenue to be derived from that farm towards the cost of any permanent Electric Service Facilities.

5. Non-Utility Wind or Solar Power Supply

In lieu of an investment into a grid line extension to a farm livestock watering facility, SaskPower will provide a grant equal to 50% of any costs exceeding \$500, to a maximum investment amount of \$500, towards a Customer's purchase and installation of a wind or solar powered pumping unit from a Saskatchewan based supplier.

6. Farm Irrigation

SaskPower will invest an amount not to exceed two years of anticipated revenue towards the cost of a permanent Electric Service Facility installation to any Customer of 1000 kVA or less in size for farm irrigation purposes.

7. Splitter Compartment

(i) Farm Power Centre - Where a farm Customer with a single-phase Electric Service not exceeding 200 amps capacity installs underground distribution that requires a splitter box for the connection of the underground circuits, SaskPower will provide and install a pole mounted Farm Power Centre at no charge.(ii) Farm Power Centre With Standby - Where a farm Customer with a single-phase Electric Service not exceeding 200 amps installs a standby power system

that requires a double-pole, double-throw transfer switch for its safe operation SaskPower will install a Farm Power Centre with Standby. The Customer will be assessed an amount equal to the cost difference between the Farm Power Centre With Standby and the Farm Power Centre.

D. Streetlight Service

1. **SaskPower-Owned Streetlights**

SaskPower will invest an amount not to exceed two years of anticipated revenue for any SaskPower-owned streetlight. In addition, where a Customer requests lighting that has been in service for less than 20 years be removed the Customer will be assessed an amount equal to the undepreciated value of SaskPower's original capital investment for such lighting (i.e. if a light being removed had been installed 12 years earlier, the Customer would be assessed a charge amounting to $8/20 \times$ applicable investment). Where such installations are at seasonally operated summer resorts, the standard investment shall be reduced proportionally based on the seasonal usage.

2. **Customer-Owned Streetlights**

Where the streetlight installation is privately owned, SaskPower will invest an amount in accordance with Section B of this Policy.

E. System Improvement Investment For Distribution Connected Electric Services

In addition to the above noted investment(s), SaskPower will invest a System Improvement Investment toward distribution connected Electric Services as follows:

- a) to cover the cost of any upgrades to Electric Service Facilities to serve a new or increased Electric Service Load that would not be required if the Customer making the application was the only Electric Service Load on that SaskPower line;
- b) to cover the cost of a SaskPower capital system upgrade approved prior to the Customer Service Application;
- c) to cover the cost of an Electric Service Facilities upgrade approved prior to the Customer Service Application, less the cost of advancing such upgrade from a future year to a current year;
- d) to cover the cost of any SaskPower preferred routing, design or construction methods that exceed minimum Customer needs and/or SaskPower's Basic Design Standards.

F. Transmission Connected Domestic Load Electric Services

The Customer charge for transmission connected domestic Load Electric Service is based on the cost to interconnect to the closest SaskPower transmission facility capable of serving the proposed Customer Load based on pre-established Load limits for each transmission voltage. If SaskPower elects to serve the Customer Load from any other transmission facility, SaskPower will invest the additional cost.

G. Customer Contribution Determination

Customers will be required to contribute any amount by which the total estimated Electric Service Facility costs (as communicated by SaskPower to the Customer) exceed SaskPower's investment under these Guidelines, unless otherwise outlined in these Guidelines.

H. Customer Deposits

Unless otherwise agreed to by SaskPower, Customers will be required to make a cash deposit for construction charges as determined in accordance with SaskPower Customer deposit guidelines.

I. Construction Charge Rebates

1. **Individual Applicants**

A basic construction charge (i.e. for a construction charge that is not a "Customer Preferred Optional Extra") for the construction of a permanent Electric Service Facility is eligible for a rebate, in whole or in part, should the Electric Service Facilities be utilized by another SaskPower Customer within a period of ten years from the date of Electric Service installation. The rebate amount will be calculated on a "shared cost of shared line" principle, proportional to the individual Loads of the new and existing Customers.

2. **New Residential Subdivision Developments**

A developer's construction contributions toward the electrification of a new subdivision development are generally ineligible for rebates as such projects are considered stand-alone projects due to the unlikeliness of another developer sharing the Electric Service Facilities in the future. Individual circumstances such as the extension of a primary line up to the location of the subdivision may, however, warrant a rebate if another Customer utilizes any portion or all of that line. Where a deferred SaskPower investment constitutes all or a portion of an original construction charge, rebates of the deferred investment will be made annually for a maximum period of five years from the date of Electric Service installation based on actual housing development.

3. **Established (but Unserviced) Residential Communities**

Any construction contributions for Electric Service Facilities within a community's designated boundaries for which an investment under Section A.2 of these Guidelines is provided are ineligible for rebate. Individual circumstances such as the extension of a primary line up to the location of the community may, however, warrant a rebate if another Customer utilizes any portion or all of that line within a period of ten years from the date of its installation.

4. **General Service Subdivision Developments**

Where a construction charge is applied to pre-service a subdivision with Primary Distribution Facilities, such construction charge is eligible for rebate, in whole or in part, when the extension is utilized by individual Customers within a period of ten years from the date of its installation. The rebates will be equivalent to the amount by which SaskPower's basic investment exceeds the cost to serve the individual Customers, but in no case will the total rebated amount exceed the original contribution.

J. Capacity Increase

1. **Residential Service**

Where additional Load added to an existing Residential Premise(s) requires an increase in the capacity of Electric Service Facilities with no change in such facilities' Electrical Characteristics, SaskPower will absorb the cost of such capacity increase.

2. **General Service**

Where additional Load added to an existing General Service installation requires an increase in the capacity of Electric Service Facilities with no change in the Electrical Characteristics of the Electric Service Facilities or main panel size, SaskPower will absorb the cost of such capacity increase.

3. **Farm**

Where additional Load added to an existing Farm Service installation requires an increase in capacity not involving a change in Electrical Characteristics of the Electric Service Facilities, SaskPower will absorb the cost of such capacity increase. Should the location of the additional Load dramatically alter the location of the Farm Yard Load centre, thus requiring a relocation of the SaskPower supply transformer, the cost of such relocation (excluding alterations to Customer-owned distribution, which shall be the responsibility of the Customer) shall be shared equally by SaskPower and the Customer. Additional Load that (i) involves a change in the Electrical Characteristics; or (ii) is located beyond the practical electrical limits of a single Point of Delivery, will be considered a new Customer Service Application.

K. Alterations to Electric Service Facilities

SaskPower will invest in alterations to Electric Service Facilities as follows:

Road Construction

1.1 Ministry of Highways and Infrastructure

Where alterations are required to Electric Service Facilities due to Ministry of Highways and Infrastructure Road Projects, SaskPower will invest in alteration costs to Electric Service Facilities in accordance with SaskPower's formal cost sharing agreement with the Ministry of Highways and Infrastructure.

1.2 Rural Municipalities (overhead lines)

For the purposes of this subsection K.1.2 only, transmission lines shall be defined as circuits of 72kV or greater connecting SaskPower Stations. All other power lines shall be considered distribution circuits.

Where alterations are required to power lines due to Road Projects and:

a) the power line carries transmission circuits or distribution circuits 72 kV and higher on double pole structures and:

(i) the poles are (and were originally) located on a public right-of-way, SaskPower will invest 50% of the labour cost and all material cost (except pole bandages) to complete the alterations.

(ii) the poles are (or were originally) located on private property, SaskPower will invest none of the alteration costs.

b) the power line carries distribution circuits 72 kV and higher on single pole structures, has been in place 10 years or less and:

(i) the poles are (and were originally) located on a public right-of-way, SaskPower will invest 50% of the labour cost and all material cost (except pole bandages) to complete the alterations.

(ii) the poles are (or were originally) located on private property, SaskPower will invest none of the alteration costs.

c) the power line carries distribution circuits 72 kV and higher on single pole structures, has been in place more than 10 years and:

(i) the poles are (and were originally) located on a public right-of-way, SaskPower will invest the entire cost of the alterations.

(ii) the poles are (or were originally) located on private property, SaskPower will invest none of the alteration costs.

d) the power line carries circuits 34.5 kV and lower, and has been in place 5 years or less and:

(i) the poles are (and were originally) located on a public right-of-way, SaskPower will invest the total cost of alterations to oilfield service facilities.

(ii) the poles are (and were originally) located on a public right-of-way, SaskPower will invest 50% of the labour cost and all material cost of alterations to facilities other than oilfield service facilities.

(iii) the poles are (or were originally) located on private property, SaskPower will invest none of the alteration costs.

e) the power line carries circuits 34.5 kV and lower, has been in place more than 5 years and:

(i) the poles are (and were originally) located on a public right-of-way, SaskPower will invest the total cost of the alterations.

(ii) the poles are (or were originally) located on private property, SaskPower will invest none of the alteration costs.

1.3 Rural Municipalities (underground Electric Service Facilities)

Where alterations to underground Electric Service Facilities are required to permit rural municipal road widening or reconstruction and the Electric Service Facilities are:

- a) located on and crossing the road allowance, SaskPower will invest the entire cost of the alterations, including that portion of the crossing located on private property on either side of the right-of-way.
- b) located on and paralleling the road allowance, SaskPower will invest the entire alteration costs.
- c) located on private property, SaskPower will invest none of the cost of Electric Service Facility alterations (unless the Electric Service Facilities are part of a road crossing alteration as outlined in K.1.3(a) above).

1.4 Urban Municipalities

Where alterations are required due to:

- a) all Road Projects excluding street diversions and:
 - (i) the Electric Service Facilities are (and were originally) located on a public right-of-way, SaskPower will invest 50% of the labour cost and all material cost (except pole bandages) to complete the alterations.*
 - (ii) the Electric Service Facilities are (or were originally) located on private property, SaskPower will invest none of the alteration costs.*
- b) street diversions, SaskPower will invest none of the alteration costs.

Joint Use of Electric Service Facilities

Where alterations are required to Electric Service Facilities to allow for the joint use of Electric Service Facilities with communication/cable companies, SaskPower will invest costs as specified in the applicable joint use agreement.

Power Line Clearance Correction

3.1 Buildings, Work Areas and Irrigation Equipment

Where alterations to Electric Service Facilities are required to eliminate power line clearance encroachments resulting from existing or proposed buildings, work areas and/or irrigation equipment (as defined in the SaskPower clearance standards), SaskPower will invest in alteration costs as follows: If the power line clearance encroachment was caused by:

- a) the location of a temporary or portable structure, SaskPower will invest none of the alteration costs.
- b) the location of a permanent structure, SaskPower will invest all costs associated with the alteration of Electric Service Facilities, except as follows:
 - (i) Single Phase Power Lines in Electrified Farm Yards - the Customer will be responsible for 25% of the first \$8,000.00 of the cost to eliminate the power line clearance encroachment;*
 - (ii) Multi-Phase Power Lines of 34.5 kV or Less in an Electrified Farm Yard in which the Customer is the Recipient of a Three Phase Service - the Customer will be responsible for 25% of the first \$8,000.00 of the cost to eliminate the power line clearance encroachment*

(iii) Multi-Phase Power Lines of 34.5 kV or Less in an Electrified Farm Yard in which the Customer is the Recipient of a Single Phase Service - the Customer will be responsible for 25% of the first \$8,000.00 of the cost to eliminate an equivalent single phase power line clearance encroachment;

(iv) Single Phase Power Lines in an Unelectrified Farm Yard or Outside an Electrified Farm Yard - the Customer will be responsible for 50% of the cost to eliminate the power line clearance encroachment;

(v) Multi-Phase Power Lines of 34.5 kV or Less in an Un-Electrified Farm Yard or Outside an Electrified Farm Yard - the Customer will be responsible for 50% of the cost to eliminate an equivalent single phase power line clearance encroachment.

c) the original construction of Electric Service Facilities, or any new power line clearance standard that is required to be applied retroactively and the existing power line clearances meet the standard applicable at the time of construction, SaskPower will invest the entire alteration cost.

Customer contributions required in accordance with subsection K.3.1(b) will be calculated based on SaskPower's lowest cost alteration option.

SaskPower must address a power line clearance encroachment upon becoming aware of the power line clearance encroachment by whatever means is deemed most appropriate by SaskPower in each situation.

3.2 Aerodromes

SaskPower shall notify Aerodrome operators in writing of any situation(s) SaskPower is aware of where Electric Service Facilities are potentially hazardous to the Aerodrome users.

Upon request of an Aerodrome operator, SaskPower shall install aerial warning markers or relocate Electric Service Facilities. In the event of such installation or relocation, SaskPower shall:

- a) invest all costs in excess of 50% of the alteration costs involving a single phase power line; and
- b) invest all costs in excess of 50% of the alteration cost of an equivalent single phase power line when it involves a multi-phase power line.

3.3 Flight Paths (Other than Aerodromes)

Upon request of a third party, SaskPower shall install aerial markers or relocate Electric Service Facilities in the vicinity of flight paths. The third party is responsible for all costs associated with such installation or relocation.

Customer/Third Part Requests

4.1 Line Alterations

Where alterations to Electric Service Facilities are required to accommodate a request by a Customer and/or third party respecting such party's private land use decisions not involving SaskPower's Farm

Yard Line Relocation Program or a power line clearance encroachment, and the Electric Service Facilities are:

a) located on public right-of-way or on private property by right of registered easement or Service Contract, SaskPower will invest none of the alteration costs.

b) located on reserve land by means of a Band Council Resolution or on private property by right of statutory easement legislation, SaskPower will invest in the alterations as follows:

(i) Single Phase Power Lines - all costs in excess of 50% of the alteration costs;

(ii) Multi-Phase Power lines of 34.5 kV or Less in a Farm Yard in which the Customer is the Recipient of a Three Phase Service - all costs in excess of 50% of the alteration costs;

(iii) Multi-Phase Power lines of 34.5 kV or Less in which the Customer is the Recipient of a Single Phase Service or in an Unelectrified Farm Yard or Outside of an Electrified Farm Yard - all costs in excess of 50% of the single phase equivalent alteration costs. Where the applicant's actions will result in a line clearance encroachment SaskPower's investment will be as outlined in Section K.3.

4.2 Farm Yard Line Relocation Program

Where a request is received from a Customer to bury a power line, not involving a power line clearance encroachment, in an electrified Farm Yard and any immediately adjacent work areas, SaskPower will invest as follows:

a) Single Phase Power Lines - the Customer will be responsible for 25% of the first \$8,000.00 of the cost to bury the single phase power line;

b) Multi-Phase Power Lines of 34.5 kV or Less in a Farm Yard in which the Customer is the Recipient of a Single Phase Service - the Customer will be responsible for 25% of the first \$8,000.00 of the cost to bury an equivalent single phase power line;

c) Multi-Phase Power Lines of 34.5 kV or Less in a Farm Yard in which the Customer is the Recipient of a Three Phase Service - the Customer will be responsible for 25% of the first \$8,000.00 of the cost to bury the three phase power line.

Customer contributions required in accordance with subsection K.4.2 will be calculated based on SaskPower's lowest cost alteration option.

Structure Damage

5.1 Farm Incidents

Where Electric Service Facilities located on or adjacent to Farm Land are damaged during normal farming operations (including aerial crop spraying) by unlicensed vehicles or machinery, SaskPower will invest the entire cost of repairs to SaskPower Facilities, except in the case of gross negligence or willful misconduct by a party other than SaskPower.

For the purposes of the subsection K.5 of these Guidelines, gross negligence will include more than one occurrence of a similar incident.

Where damaged Electric Service Facilities are located in a Farm Yard or where the damage was caused by a licensed vehicle, SaskPower will invest none of the repair costs.

5.2 Non-Farm Related Incidents or Willful Damage

Where damage occurs to Electric Service Facilities resulting from nonfarm related incidents, gross negligence or willful damage, SaskPower will invest none of the associated repair costs.

Customer Contribution Determination

In all circumstances requiring alterations to Electric Service Facilities, all costs in excess of the SaskPower investments indicated in section K shall be borne by those responsible for SaskPower's undertaking action.

Customer contributions shall be calculated on the following basis:

7.1 Damage to Electric Service Facilities

Customers will be responsible for the actual cost to repair the damaged Electric Service Facilities.

7.2 Alteration to Electric Service Facilities

Customer contributions will be based on estimated costs, except for situations where, in the sole opinion of SaskPower, timing, scheduling and/or total extent of alterations is difficult to predetermine, in which case actual costs will be assessed.

Definitions

For the purposes of the Electric Service Facilities Investment Guidelines, the terms below shall have the following meanings:

Aerodrome – means any area of land, water (including frozen surface thereof) or other supporting surface used or designed, prepared, equipped or set apart for use either in whole or in part for arrival and departure, movement or servicing of aircraft and includes any building, installations and equipment in connection therewith.

Basic Design Standards – means the basic design of Electric Service Facilities SaskPower requires to provide Electric Service to a Customer.

Band Council Resolution – means a written resolution of the band council adopted at a duly convened meeting of the band council.

Customer Preferred Optional Extras – means Electric Service Facilities which, in the opinion of SaskPower, are not reasonably required to provide Electric Service to a Customer.

Customer – means a person, persons, partnership, company or agent who is receiving, intends to receive, or has received electrical energy or Electric Service from SaskPower. If such Customer receives Electric Service at more than one Premise, or for more than one business, such Customer shall be considered a separate Customer at each separate Premise and business.

Customer Service Application – means a request made by a Customer to SaskPower to receive Electric Service from SaskPower.

Electrical Characteristics – means the voltage and phase of an Electric Service.

Electric Service – means the delivery of electrical energy, and the service associated with such electrical energy delivery, by SaskPower to its Customers.

Electric Service Facilities – means SaskPower owned physical facilities required for the purpose of delivering Electric Service to a Customer, including without limitation, transmission and distribution lines, power lines, wires, transformers, meters, meter reading devices and other electrical apparatus.

Farm – means a rural land holding, located outside the corporate limits of a city, town, village or within the boundaries of an area legally zoned for agricultural use, where the use and development of the land holding is exclusively for purposes of agricultural production.

The use or uses of the land holding described by the owner or occupant shall be exclusively for the purposes of agricultural production when (a) one or more of the following types of agricultural production are now being produced; and (b) the type or types of agricultural production described by, and in which the owner or occupant is presently engaged, is considered capable of yielding an income sufficient to constitute the chief, or anticipated chief source of the owner or occupant's income.

Types of agricultural production are - grain, fruit, vegetables, greenhouses and/or nursery products, forage products, livestock (includes beef and dairy cattle), sheep, hogs, horses, poultry for eggs or meat, animals for fur protection, and keeping of bees for honey.

Community pasture headquarters, houses, barns, sheds, water pumps, etc. operated by or under the jurisdiction of the Federal Government, P.F.R.A., Provincial Department of Agriculture or Lands Branch or a Co-operative headquarters shall also be deemed a farm.

Farm Land – means cultivated land, pasture land, unusable land, and treed or heavy bush areas.

Farm Power Centre – means a specific type of SaskPower supplied meter box complete with a splitter compartment.

Farm Power Centre With Standby – means a Farm Power Centre complete with a transfer switch for the disconnection of Customer Load from SaskPower's transmission grid to enable connections of a Customer's generator.

Farm Service – means Electric Service to any farmstead, large Farm, greenhouse, feedlot or other qualified farm operation, including those located on Indian reserves, livestock watering facilities or

seasonally operated irrigation systems of 1000 kVA or less in size used exclusively for agricultural purposes.

Farm Yard – means non-Farm Land around or enclosed by farm buildings.

General Service – means Electric Service to any distribution or transmission connected Premises used primarily for non-residential or non-agricultural purposes on a permanent or seasonal basis, oilfield production, processing and "in-field" pumping facilities, seasonally operated non-agricultural irrigation systems up to 1000 kVA in size and large irrigation in excess of 1000 kVA.

House Meter – means the meter that measures the electrical energy used by all occupants of a multiple occupancy facility (i.e. parking lot lighting, sign service, corridor and walkway lighting, etc.).

Load – means the amount of electrical power or energy consumed by a particular Customer or group of Customers or by the devices connected at an electric system or delivered at a given point and expressed in kW, HP or kilovolt-amperes.

Point of Delivery – means, unless otherwise provided for by agreement, the point(s) at which electrical energy passes from Electric Service Facilities to a Customer's facilities.

Premises – means a dwelling, building or piece of machinery located on land.

Primary Distribution Facilities – means SaskPower distribution facilities operating at voltages greater than, or equal to, 4,160V.

Residential Service – means Electric Service to any residential Premises or residential subdivision that will be used primarily for domestic purposes on a permanent or seasonal basis, including domestic outbuildings, but not including commercially operated self-contained rental units in resort areas.

Residential Premise – means a dwelling that is for domestic or household purposes, including seasonal occupancy and domestic out-buildings, but not including the Farm site residences of Farm Customers.

Road Projects – means road construction undertaken by the Ministry of Highways and Infrastructure or an urban or rural municipality including, but not limited to, widening, diversions, grade build up, paving and sidewalk construction

SaskPower Stations – means Electric Service Facilities used to tie together two or more electric circuits through switches.

SaskPower's Electric Service Requirements – means "SaskPower's Electric Service Requirements" document as amended from time to time.

Service Contract – means an implied contract between SaskPower and a Customer that owns land. Service contracts cover secondary Electric Service which is dedicated solely for and located on a single property to serve a premise/building/load on that property. The Service Contract is implied since the Customer would have requested that SaskPower provide Electric Service to such Customer's

premise/building/load on that Customer's property, and thus the reason Electric Service Facilities exist on that property is only to serve that Customer.

Streetlight Service – means Electric Service for the illumination of streets, highways and pedestrian walkways and to any outdoor lighting application such as parks, parking lots, school yards, etc., provided that the area to be lit has adequate accessibility and that SaskPower stock coded and inventoried material is used in the supply of this lighting.

System Improvement Investment – means an investment toward a modification to an existing distribution system that is made for purposes of improving system operating characteristics such as safety, reliability or power quality or for relieving system capacity constraints resulting, for example, from general load growth.

Temporary Service – means Electric Service where energy will only be required for less than 2 years.

Round 2 SRRP Q37 Reference: Rate Design

- a) Please confirm SaskPower previously had separate rates defined by geographic zones, provide a discussion of the key elements of the differences in the prior rates by geographic zone and discuss when and how those differences were phased out.
- b) Has SaskPower investigated the possibility of having lower rates for electric heating customers in areas without access to natural gas?

Response:

- a) Historically, SaskPower has not defined separate rates by geographical zones such as North and South. Starting in the mid-1980s, SaskPower differentiated residential and commercial customers based on being urban or rural. The primary factor differentiating these rates was distribution costs, as serving rural customers is inherently more expensive due to their low population density and wide geographic dispersion. In 2022, SaskPower equalized the urban and rural rates — urban and rural residential or commercial customers pay the same rates.
- b) SaskPower conducted an evaluation of alternative rate solutions to support customers lacking access to natural gas. The equalization of the urban and rural rates was introduced in part to help customers who do not have access to natural gas.

In addition to urban and rural rate equalization, SaskPower also launched a Northern First Nations Home Retrofit Program for customers who use electric heat as their primary heating source. Eligible customers receive no-cost home retrofits, including upgraded insulation, insulating pipes, upgraded windows and door, and installation of LED lights.

The Northern Indigenous New Homes Program is another program that offers financial support to eligible Indigenous communities who use electric heat as their primary heating source to help make new home builds more energy efficient. Homes constructed with the Indigenous New Homes Rebate could save between \$1,000 to \$3,000 annually on their power bills.



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