

Review of SaskPower 2026 and 2027 Rate Application

Consultants Report August 2026



InterGroup
CONSULTANTS

Executive Summary

The Saskatchewan Rate Review Panel hired InterGroup Consultants Ltd. to independently review SaskPower's rate application for rate increases effective February 1, 2026, and February 1, 2027. This review was conducted based on guidelines set by the Minister of the Crown Investments Corporation (CIC). To complete this evaluation, the Consultant examined SaskPower's original application, its mid-application update, responses to formal questions, and public and stakeholder feedback.

Current Financial Position

SaskPower last increased its rates on April 1, 2023. SaskPower's current application asks for two increases:

3.9%

an average increase of 3.9 per cent on February 1, 2026 (which was implemented on an interim basis)

3.9%

a second average increase of 3.9 per cent on February 1, 2027

For a typical residential customer, each increase adds about \$5 per month to their bill – meaning a combined total increase of \$10 per month if both are approved. Even with these adjustments, SaskPower's rates are expected to stay competitive with similar electric utilities in Canada that rely primarily on thermal generation.¹

Once fully implemented, these rate increases are forecast to generate an extra \$18.9 million in 2025-26 and a further \$139.0 million in 2026-27² in electricity revenue.³ However, SaskPower's updated forecasts show its expenses, before any allowance for net income, reaching \$3.422 billion in 2026-27. This represents an increase of \$496 million since 2023-24 (\$2.926 billion).⁴ These increases reflect the need for both higher operations and maintenance spending and higher capital investment. Capital spending is projected to grow from \$1.2 billion in 2023-24 to \$1.7 billion in 2026-27.⁵

			2024-25			2025-26			2026-27		
	2022-23 Actual	2023-24 Actual	Change over 2023-24 Actual			Change over 2024-25 Actual			Change over 2025-26 Forecast		
			Actual	\$	%	Forecast	\$	%	Business Plan	\$	%
Fuel and purchased power	1,073	971	961	(10)	(1.0%)	1,001	40	4.2%	1,138	137	13.7%
OM&A	792	811	869	58	7.2%	944	75	8.6%	987	43	4.6%
Depreciation	597	605	638	33	5.5%	680	42	6.6%	712	32	4.7%
Finance Charges	406	409	418	9	2.2%	465	47	11.2%	456	(9)	(1.9%)
Taxes	86	92	100	8	8.7%	106	6	6.0%	76	(30)	(28.3%)
Other	75	38	52	14	36.8%	53	1	1.9%	53	0	0.0%
Sub-total expenses	3,029	2,926	3,038	112	3.8%	3,249	211	6.9%	3,422	173	5.3%
Saskatchewan Electricity Sales Revenue	2,673	2,856	2,842	(14)	(0.5%)	2,889	47	1.7%	3,141	252	8.7%
Other Revenue	223	283	144	(139)	(49.1%)	196	52	36.1%	244	48	24.5%
Saskatchewan Electricity Revenue Lift	-	-	-	-	-	18.9	-	-	139.0	-	-
Sub-total revenues	2,896	3,139	2,986	(153)	(4.9%)	3,104	118	3.9%	3,524	420	13.5%

¹ See figure 13-2 of the Consultant's report.

²Forecasted revenue lift shown is a partial year estimate. \$18.9 million is forecasted to be realized in fiscal year 2025-26 based on the effective date of the rate increase. \$139.0 million is forecasted to be realized in fiscal 2026-27 based on the effective date of the second rate increase. The estimated revenue increase once fully implemented is \$236 million, but may vary slightly based on the mid-application update.

³Page 2. SaskPower 2026 and 2027 rate application.

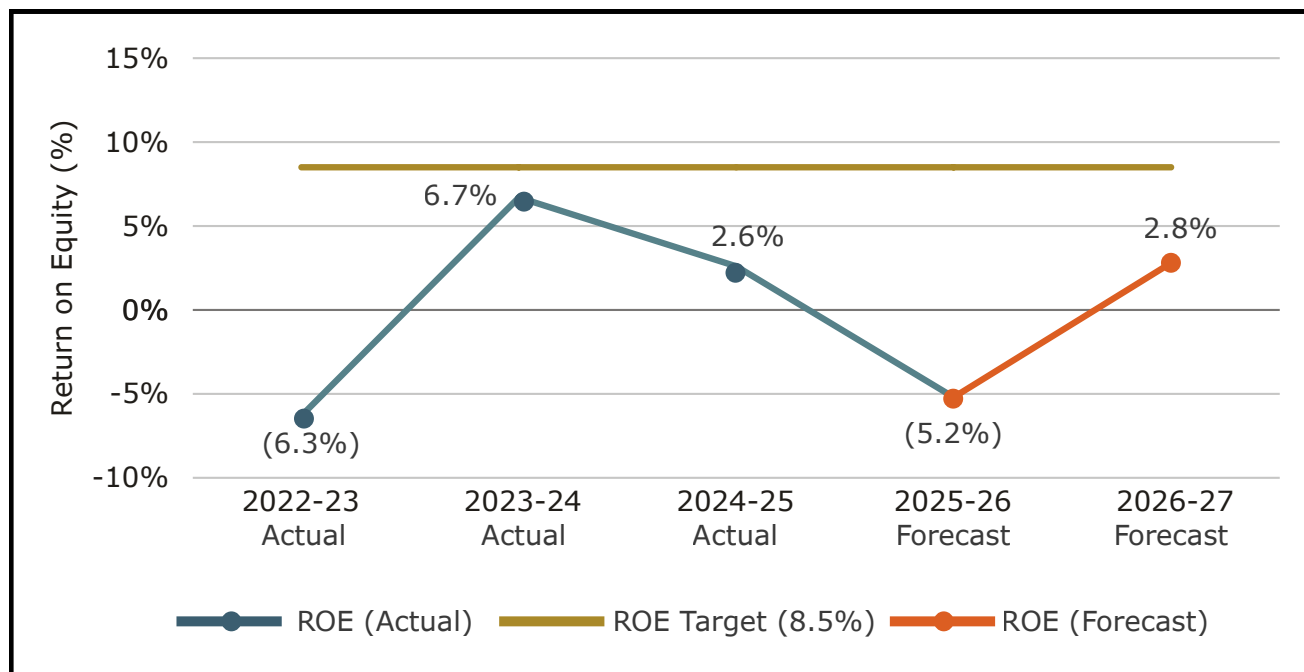
⁴Excludes carbon charges and clean energy transition grant.

⁵Page 30. SaskPower 2026 and 2027 rate application.

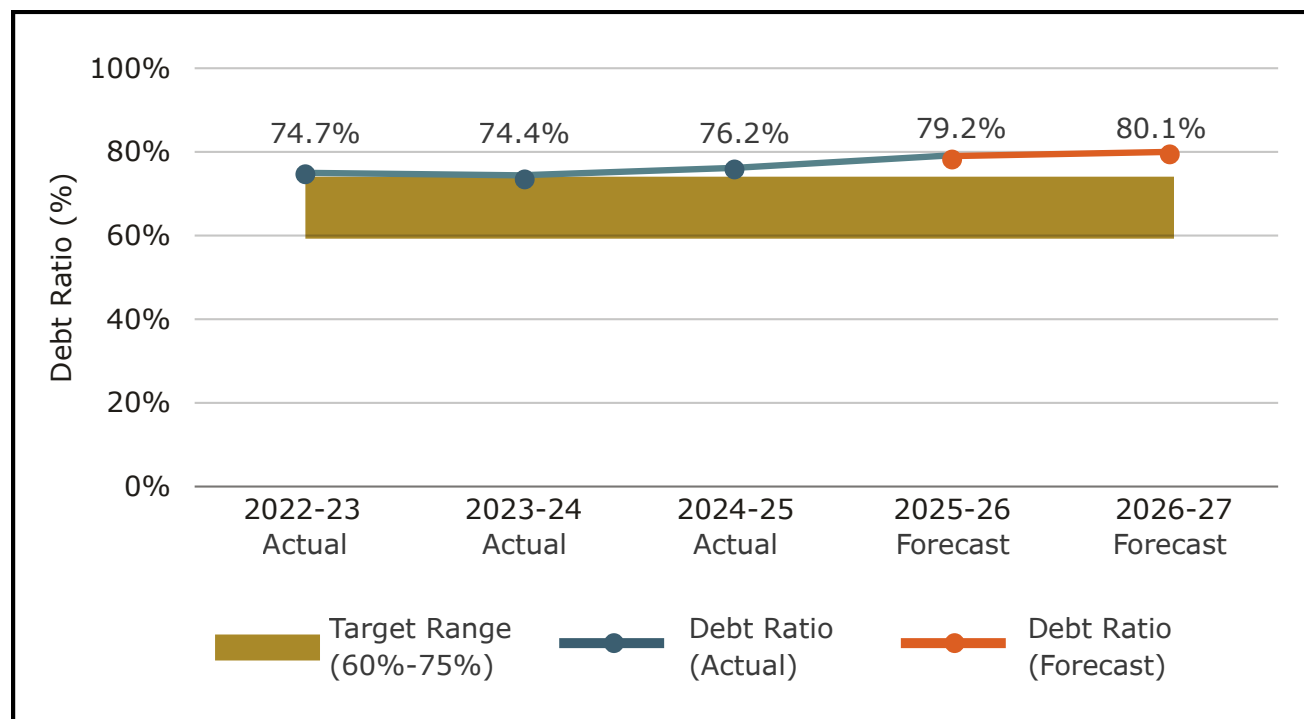
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As a result, the proposed rate increases are not sufficient for SaskPower to meet its long-term financial targets for return on equity (ROE), debt ratio or interest coverage ratio in 2026-27. To achieve its ROE of 8.5 per cent and a debt ratio of 75 per cent by 2029/30 would require annual rate increases between 4.0 per cent to 6.2 per cent.⁶

Actual and Forecast Return on Equity (ROE)

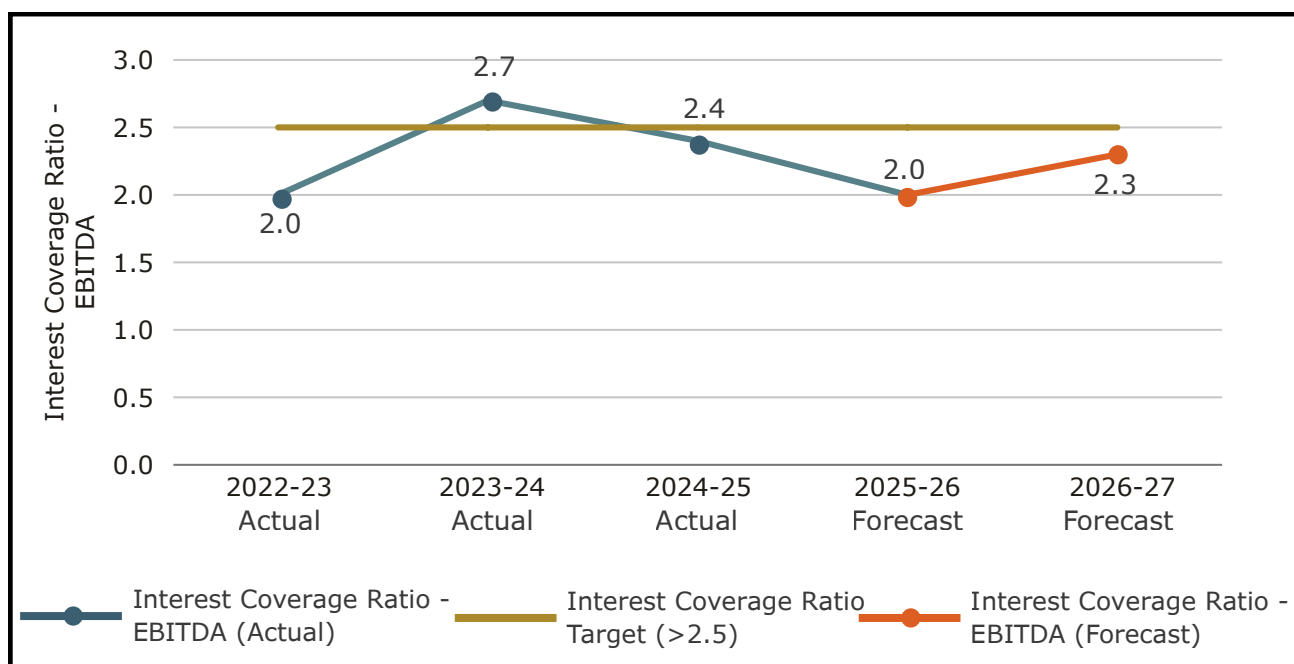


Actual and Forecast Debt Ratio



⁶ 2nd round information request SRRP Q1(b).

Actual and Forecast Interest Coverage Ratio



Uncertainty and Risks

SaskPower's financial performance is influenced by a number of external risks, including natural gas price changes, interest rate volatility, rising construction costs and broader economic performance that can affect electricity sales volumes. The utility must also navigate changing federal and provincial policy directives.

Need for Long-term planning

In 2025, the provincial government directed SaskPower to extend the operation of up to 1,530 megawatts (MW) of its coal-fired power plants past 2030 and potentially running them as late as 2050.⁷ No quantitative analysis of the forecast long-term average cost of energy for the coal repowering program compared to other scenarios or resource portfolios was provided publicly during the review process and a response to an information request stated the decision to extend the life of existing coal 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.⁸ Furthermore, SaskPower noted the Crown Investments Corporation directed it to exclude any forecast costs related to the Output Based Pricing System (OBPS) program (i.e. carbon pricing) from future years because negotiations between the Government of Saskatchewan and the federal government are ongoing and the future direction of the OBPS program is uncertain.⁹

⁷ Page 4. Saskatchewan First Energy Security Strategy and Supply Plan.

⁸ 2nd round information request SRRP Q9 (b).

⁹ Response to first round information request SRRP Q10 (f).

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In the Consultant's experience, utilities typically publish a detailed comparison of the long-term capital and operating costs for all supply options as part of a formal long-term power supply plan. This transparent process is critical for building public trust and ensuring that power plans serve the best interests of customers.

For example, in 2018, the Manitoba government commissioned an independent review of Manitoba Hydro's expansion plan led by former Saskatchewan Premier Brad Wall. In his final report, Commissioner Wall endorsed regular, comprehensive reviews of Manitoba Hydro's integrated resource plan and stated

"Manitoba Hydro's mandate should be to provide the most economic and efficient electric system within the boundaries of the Province's energy policy (which should not pre-determine projects or resource options). Manitoba Hydro should pursue and choose projects based on lowest cost and technical performance, not based on socio-economic development benefits. Issues of socio-economic development are broader matters of public policy and the responsibility of Government. It is the Government that is the custodian of the economy and pursues social policies in the collective interest.

*If the Government decides that Manitoba Hydro should pursue and choose a project based on socio-economic development benefits, rather than lowest cost to ratepayers, the Government must be publicly transparent about that decision so that it can be held accountable, and taxpayers should be responsible for the incremental costs of that policy decision, not ratepayers."*¹⁰

The Consultant agrees that a thorough, public review of SaskPower's long-term power supply options, including energy efficiency and demand-management programs, is essential to guide future spending and build public confidence. SaskPower stated it did not know when it would be a position to provide a public version of its Long-term Supply Plan.¹¹

New data center loads

Bell Canada has announced plans to develop a 300MW data centre in the Rural Municipality of Sherwood Saskatchewan, near Regina with construction scheduled to begin in 2026 and operations beginning in 2027. SaskPower stated it will only offer excess capacity for the data centre¹² and that the decision to extend the operating life of its coal fleet has provided the necessary power to accommodate the additional load.¹³

During its own recent long-term resource plan review, BC Hydro noted that data centres present unique planning challenges compared to traditional industrial customers, largely because of the magnitude of the loads and how quickly they can be built. Other provinces and regions are creating rules to manage these risks, such as limiting the total power data centres can draw and setting up rate structures to ensure data centres pay their fair share without driving up costs for other customers.

¹⁰ Page 70. Economic Review of Bipole III and Keeyask. Volume 1. November 2020. Available: https://www.manitoba.ca/asset_library/en/proactive/2020_2021/ERBK-Report-Volume1.PDF

¹¹ Response to first round information request SRRP Q82 (a).

¹² 1st round information request SRRP Q71(d), 2026 and 2027 Rate Application.

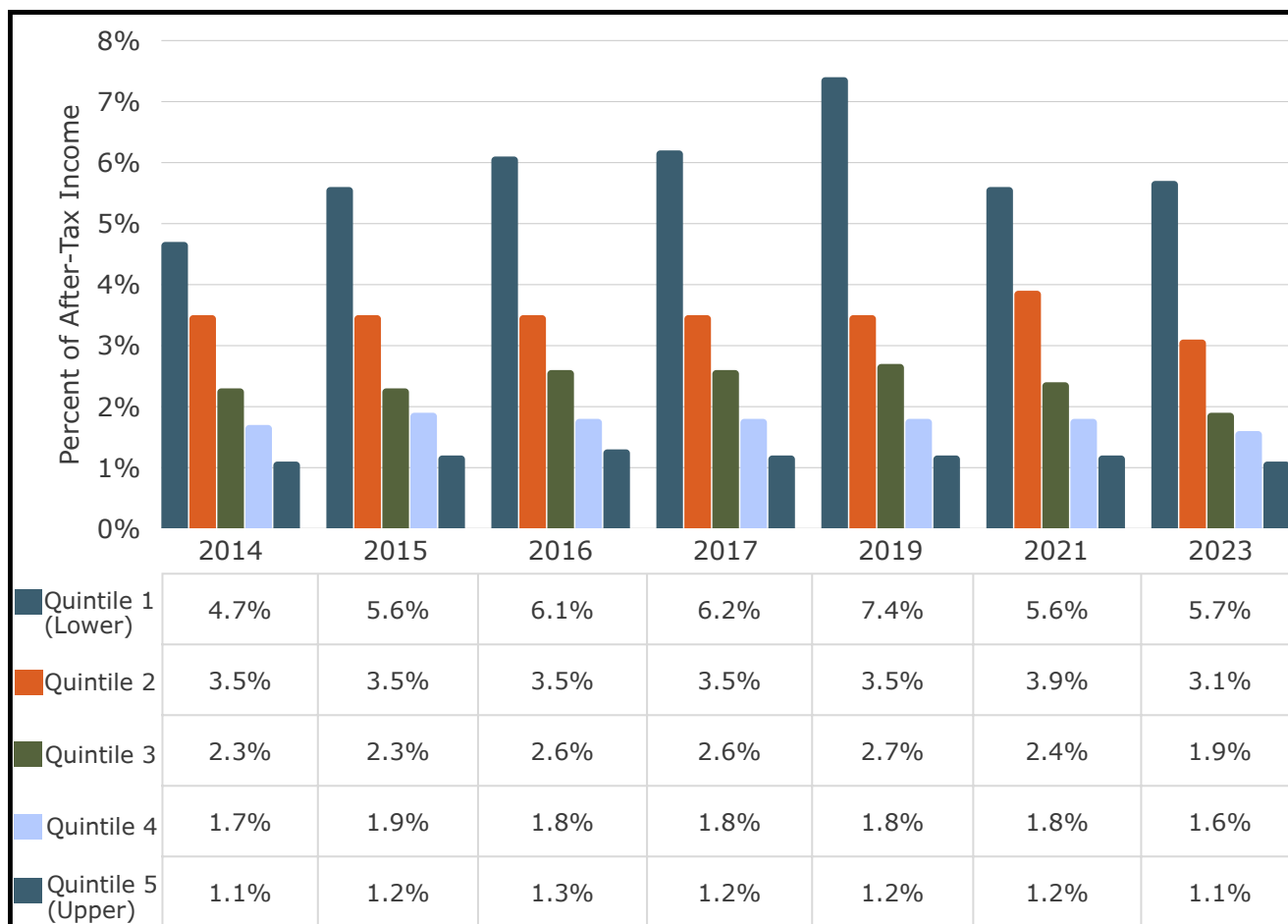
¹³ 2nd round information request SRRP Q12, 2026 and 2027 Rate Application.

Affordability, Stability and Predictability

SaskPower acknowledges affordability is a key priority for the utility and states its rate application seeks to find the right balance between keeping rates affordable while being mindful of the financial stability of the utility.¹⁴

Electricity is a core expense in a typical household budget. Households in Saskatchewan and across Canada have been affected by higher inflation. Spending on electricity as a percent of after-tax income has increased since 2014, particularly for the lowest income households. Affordability was a dominant theme in public comments submitted to the Panel.¹⁵

Saskatchewan spending on electricity as a percent of household after-tax income by quintile



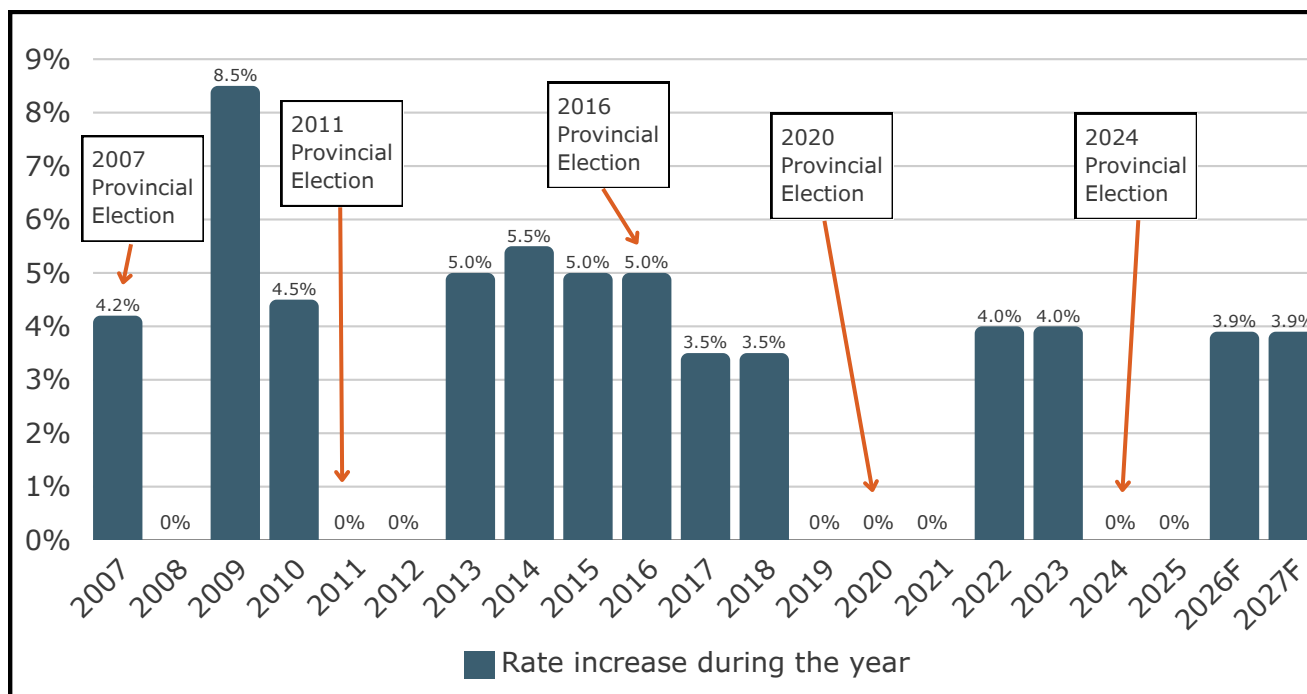
Public feedback also highlighted the need for predictable, transparent rate adjustments. An independent third-party review of SaskPower's cost allocation and rate design recommended SaskPower implement a plan for modest but frequent rate adjustments rather than relying on infrequent larger adjustments.¹⁶ The Consultant is concerned by the recent pattern of freezing rates during election cycles and following up with above-inflation rate hikes, especially given SaskPower's current financial needs and the upcoming provincial election in 2028.

¹⁴ SaskPower 2026 and 2027 rate application. Page 11.

¹⁵ See section 14 of the Consultant's report.

¹⁶ See response to 1st round information request SRRp Q76 (b).

SaskPower rate increases by calendar year



Recommendations

The Consultant recognizes the genuine financial strain that rate increases place on Saskatchewan households, particularly low-income families already dealing with high inflation. Recommending higher power rates is not done lightly. However, deferring rate adjustments during periods of rising operating costs and growing infrastructure needs only delays the problem, creating larger financial pressures that require sharper rate increases in the future. To balance the immediate need for customer affordability with the long-term reliability and financial stability of the utility, the Consultant makes the following recommendations for the Panel to consider with respect to the proposed rate increases:

01 With respect to the 3.9 per cent increase implemented on an interim basis effective February 1, 2026, the Consultant recommends the Panel confirm that increase as reasonable and necessary.

02 With respect to the 3.9 per cent rate increase requested for February 1, 2027, the Consultant notes the Panel will be required to review and confirm the requested rate increase by December 1, 2026. The Consultant recommends the Panel request SaskPower include in the updated financial material:

- a. a comparison of revised forecasts for 2026-27 compared both to the original application and the mid-application update;
- b. an update on the anticipated timing of revenues from the data centre project; and
- c. options for a higher than 3.9 per cent rate increase for the oilfields and reseller classes effective February 1, 2027 and a somewhat lower than 3.9 per cent rate increase for small commercial customers to move their revenue to revenue requirement ratio closer to the target range for the reasons discussed in section 9 and 10 of this report. The Consultant recommends that SaskPower not reduce the proposed rates to other customers to accomplish this, but rather increase the forecast net income for the year.

- 03** The Consultant recommends the Panel consider requesting that SaskPower prepare an analysis and recommendation on the merits of an additional rate increase of 2.0 per cent in the 2027-28 fiscal year. The Consultant recognizes such a recommendation is outside the scope of the Minister's terms of reference, but the Consultant believes such a recommendation is prudent given SaskPower's current financial position.

The Consultant also makes recommendations for future rate applications to improve transparency, rate stability and predictability.

- 04** The Consultant recommends the Panel consider requesting SaskPower provide publicly available information, consistent with the level of information typically provided in a utility integrated resource plan, at the time of its next rate application. The IRP should show how SaskPower is meeting provincial policy objectives and directives, while also considering what mix of other supply-side and demand-side resources, would be available to meet future electricity requirements and provide secure and cost-effective service to customers.

- 05** The Consultant recommends the Panel request SaskPower and the provincial government consider preparing a 10-year rate plan to improve SaskPower's financial metrics including interest coverage ratio, debt ratio and return on equity that is made public at the time of the next rate application and commit to regular 2 to 3 year rate applications to implement and adjust the rate plan going forward.

- 06** The Consultant recommends the Panel encourage SaskPower to continue to focus on limiting the growth in operations, maintenance, and administration per customer to the rate of inflation or lower.

- 07** The Consultant recommends SaskPower work with the provincial government develop a policy for data centres rates that addresses tools both to limit obligation to serve these loads and pricing structure that ensures they pay full costs.

- 08** The Consultant recommends the Panel work with CIC to revisit the material that must be considered confidential with the intent to expand the material available on the public record in future rate applications, including SaskPower's business plan, resource plan, and depreciation study.

Ultimately, these recommendations are provided to the Panel with the intent to support SaskPower as it navigates a complex and rapidly shifting energy landscape. The utility faces the cost pressures of sustaining and growing its infrastructure to meet new demand while keeping its power supply safe, reliable and affordable. SaskPower's commitment to addressing these challenges has been evident throughout the review process, and the recommendations made here are intended to help give the utility and its customers a clearer, more predictable path forward.

Glossary and Abbreviations

Term	Definition
2CP	Two Coincident Peak
AACE	Association for the Advancement of Cost Engineering
AED	Average and Excess Demand
AESO	Alberta Electric System Operator
AI	Artificial Intelligence
AMI	Advanced Metering Infrastructure
ASL	Average Service Life
AUC	Alberta Utilities Commission
BCUC	British Columbia Utilities Commission
CCS	Carbon Capture and Storage
CER	Clean Electricity Regulations
CFIB	Canadian Federation of Independent Business
CIC	Crown Investments Corporation
CPI	Consumer Price Index
CPR	Conservation Potential Review
DRF	Debt Retirement Fund
EAF	Equivalent Availability Factor
EBITDA	Earnings Before Interest, Taxes, and Depreciation
EPCM	Engineering, Procurement, and Construction Management
EUE	Expected Unserved Energy
EV	Electric Vehicle
F&PP	Fuel and Purchase Power
FNPA	First Nation Power Authority
FTE	Full-Time Equivalents
GDP	Gross Domestic Product
GJ	Gigajoules
GST	Goods and Services Tax

Glossary and Abbreviations

Term	Definition
GWh	Gigawatt-hours
IBEW	International Brotherhood of Electrical Workers
IPP	Independent Power Producer
IRP	Integrated Resource Plan
kV	Kilovolt
kWh	Kilowatt-hours
LICO	Low-Income Cut-Off
LIM	Low-Income Measure
LNG	Liquid Natural Gas
LTIFR	Lost-Time Injury Frequency Rate
LTISR	Lost-Time Injury Severity Rate
MBM	Market Based Measure
MDD	Maximum Diversified Demand
MEDs	Major Event Days
MISO	Midcontinent Independent System Operator
MSM	Minimum System Method
MW	Megawatt
NBEUB	New Brunswick Energy and Utilities Board
NSEB	Nova Scotia Energy Board
NSPI	Nova Scotia Power Incorporated
NTPC	Northwest Territories Power Corporation
OBPS	Output Based Pricing System
OEB	Ontario Energy Board
OM&A	Operations, Maintenance, and Administration
PPA	Purchase Power Agreement
PST	Provincial Sales Tax
PUB	Public Utilities Board

Glossary and Abbreviations

Term	Definition
RFSP	Request for Supplier Qualifications
ROE	Return on Equity
R/RR	Revenue to Revenue Requirement
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SARM	Saskatchewan Association of Rural Municipalities
SES	Saskatchewan Environmental Society
SIECA	Saskatchewan Industrial Energy Consumer Association
SMR	Small Modular Reactor
SPP	Southwest Power Pool
SRRP or The Panel	Saskatchewan Rate Review Panel
The Consultant	InterGroup Consultants Ltd.
TIER	Technology, Innovation, and Emissions Reduction
TOU	Time-of-Use
TRC	Total Resource Cost
UCT	Utility Cost Test
UPC	Use-Per-Customer

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1.0 INTRODUCTION

1.1 TERMS OF REFERENCE AND CONSULTANT'S MANDATE

The Saskatchewan Rate Review Panel ("SRRP" or "the Panel") is a Ministerial Advisory Committee established by a Minister's Order dated December 11, 2023, pursuant to Section 15 of *The Executive Government Administration Act*. The Panel's general mandate and operational terms of reference are specified in the Minister's Order. Specifically with respect to this Application, the Panel is charged with providing an opinion on the fairness and reasonableness of proposed rate changes while giving consideration to the following:

- i. The interests of the SaskPower, its customers and the public;
- ii. Consistency with the SaskPower's mandate, objectives and methodologies;
- iii. Relevant industry practices and principles; and
- iv. The effect of the proposed rate changes on the competitiveness of SaskPower related to other jurisdictions.

On January 2, 2026, the Minister of the Crown Investments Corporation issued Terms of Reference to the Panel for SaskPower's 2026 and 2027 Rate Application. The Panel was requested to conduct a review of SaskPower's proposal for increases to its electricity rates to be implemented on February 1, 2026 and February 1, 2027.

In conducting its review of the proposed electricity rate changes, the Terms of Reference require the Panel to consider:

- A) The reasonableness of the proposed change(s) to the rates in the context of SaskPower's forecasted cost of service over the period(s) 2025-26 and 2026-27, comprised of:
 - i. anticipated fuel costs;
 - ii. anticipated hydro facilities availability;
 - iii. load forecast;
 - iv. planned maintenance programs;
 - v. operating, administrative, maintenance, depreciation and finance expenses; and
 - vi. corporate capital tax.
- B) The revenue requirement resulting from the cost of service.
- C) The reasonableness of the proposed rate structure and all components (basic charge, energy charge and demand charge) comprising the rate.
- D) The future impact of the proposed rate change(s) on different customer groups.
- E) The Panel shall consider the following parameters as given:
 - i. the budgeted capital allocation, rate base, and established corporate policies over the period 2025-26 to 2026-27 inclusive;
 - ii. the long-term return on equity (ROE) target of 8.5 per cent;

- iii. existing service levels; and
- iv. any existing supply contracts.

A copy of the Minister's Order is included in Appendix A to this report.

The Panel retained InterGroup Consultants Ltd. ("the Consultant") to assist in the review of SaskPower's application and prepare an independent report summarizing observations and recommendations. This report summarizes the Consultant's analysis of the application; observations on the reasonableness of the revenue requirement, rate design, forecasts, and other matters; and recommendations to the Panel.

1.2 REVIEW PROCESS AND TIMELINE

In preparing this report, the following information was reviewed by the Consultant:

- SaskPower's 2026 and 2027 rate change application for proposed rates effective on February 1, 2026, and February 1, 2027;
- Responses to two rounds of information requests from the Panel and other stakeholders to SaskPower;
- Videos from public meetings held by the Panel;
- Submissions made by the public to the Panel; and
- Other publicly available material from previous delivery rate applications and other regulatory tribunals.

Sources are cited in footnotes throughout this report.

Key activities undertaken as part of the review process are summarized in Table 1-1.

Table 1-1: Key Activities in Review of SaskPower Rate Application

Review Process Activity	Date
SaskPower provides the application to the Panel.	January 2, 2026
The Consultant met with the Panel and SaskPower to discuss preliminary issues and potential concerns in the application.	February 11, 2026
The Consultant provided first round information requests to SaskPower on behalf of the Panel.	February 18, 2026
SaskPower filed responses to first round information requests.	March 10, 2026
The Consultant, Panel Chair and Vice-Chair met with SaskPower to review specific topics in the application and first round information request responses.	March 23, 2026
The Consultant met with the Panel to review first round information responses and related issues.	March 24, 2026
The Panel hosted a public meeting in Saskatoon.	April 9, 2026
The Consultant provided second round information requests to SaskPower on behalf of the Panel.	April 14, 2026
SaskPower filed responses to second round information requests.	May 25, 2026
SaskPower filed its Mid-Application Update with the Panel.	May 25, 2026
The Consultant and Panel met with SaskPower to review the mid-application update and second round information request responses.	June 2, 2026
The Consultant and Panel met to review second 2 nd information request responses, the Mid-Application Update and initial findings and recommendations.	June 4, 2026
The Consultant provided a draft report to the Panel.	July 14, 2026
The Consultant met with the Panel to review the draft report.	July 28, 2026
The Consultant submitted the final report to the Panel.	August 10, 2026
The Panel presents its report to the Minister.	August 28, 2026

1.3 CONFIDENTIALITY

In preparing this report, the Consultant had access to certain confidential information provided by SaskPower to the Panel. Treatment of confidential information is governed by the confidentiality guidelines that are available on the Panel's website.¹

1.4 CONSULTANT OBSERVATIONS

A number of reports and responses to information requests were provided to the Consultant and the Panel on a confidential basis. The Consultant accepts that there are reasonable requirements for SaskPower to maintain some information as confidential. However, in the

¹ Available: <https://saskratereview.ca/the-panel/overview/confidentiality-guidelines>

Consultant's view, the review process would benefit from having public versions of certain key documents available.

Utility regulators in Canada typically adhere to the open-court principle that presumes information should be public unless there is significant harm associated with public release of the information, for example:

- The Alberta Utilities Commission (AUC) issued a practice direction in 2025 that states, subject to very limited exceptions, all documents filed in a proceeding must be placed on the public record.² The AUC's rules of practice state it may grant confidential treatment if granting the request is necessary to prevent a serious risk to an important public interest because reasonable alternative measures will not prevent the risk and the benefits of granting the request outweigh its harmful effects, including the effects on the public interest in open and accessible proceedings.³
- The Ontario Energy Board (OEB) practice direction on confidential filings sets out considerations it uses in determining requests for confidentiality to find a balance between the general public interest in transparency and openness and the need to protect confidential information. The OEB's practice direction indicates considerations include the potential harm that could result from disclosure of the information.⁴
- The British Columbia Utilities Commission (BCUC)'s rules of practice indicate that in determining whether documents should be kept confidential it will consider whether public disclosure of the information could reasonably be expected to result in undue material financial loss or gain, significant harm or prejudice to a competitive or negotiating position or harm to public safety or to the environment.⁵

The Consultant notes that SaskPower provided substantive public information during the review process. However, the Consultant notes the transparency of the review process would be improved if the volume of information, including responses to information requests, subject to confidential treatment in the current proceeding was reduced. In particular, the Consultant believes that public versions, omitting any commercially sensitive or customer specific information, of SaskPower's business plan, resource plans, and depreciation study would be valuable to the public review process.

1.4.1 Consultant Recommendation

The Consultant recommends the Panel work with CIC to revisit the material that must be considered confidential with the intent to expand the material available on the public record in future rate applications, including SaskPower's business plan, resource plan, and depreciation study.

² Alberta Utilities Commission practice direction on confidentiality motions. Available: https://media.auc.ab.ca/prd-wp-uploads/regulatory_documents/Reference/PracticeNote-ConfidentialityMotions.pdf

³ Paragraph 30.7. AUC Rule 001. Available: https://media.auc.ab.ca/prd-wp-uploads/regulatory_documents/Consultations/2025-07-01-Rule001.pdf

⁴ OEB practice direction on confidential filings. Available: <https://www.oeb.ca/sites/default/files/uploads/documents/regulatorycodes/2021-12/Practice-Direction-Confidential-Filings-20211217.pdf>.

⁵ BUCU rules of practice and procedures. Paragraph 25. Available: <https://docs.bcuc.com/documents/Guidelines/BCUC-Rules-of-Practice-and-Procedure.pdf>

2.0 APPLICATION OVERVIEW AND CONTEXT

2.1 REQUESTED RATES

SaskPower is applying for a 3.9 per cent rate increase effective February 1, 2026 and a further 3.9 per cent increase effective February 1, 2027.⁶ SaskPower is proposing equal percentage increases to all customer classes and all elements of the rate structure such that the percentage bill increases will be the same for all customers.

SaskPower's application is based on its fiscal 2026 Q1 load forecast which was finalized in April 2025. The remaining elements of the revenue and expense categories were based on the 2026-27 business plan which was finalized in December 2025.⁷ Throughout the review process SaskPower provided certain updates to its revenue and expense forecasts that are described throughout this report. These changes to forecasts did not result in SaskPower revising its proposed rate increases.

Table 2-1 compares the 2024-25 actual revenues and revenues requirements with 2025-26 and 2026-27 forecasts. Revenues from Saskatchewan electricity sales, exports and other revenues are all forecast to increase in 2025-26 and 2026-27 compared to 2024-25 actuals. Most expense categories are also forecast to increase in each year leading to a forecast operating loss of \$147 million in 2025-26 followed by a positive operating income of \$79 million in 2026-27.

SaskPower's revenue and expense forecasts are influenced by a number of provincial policy decisions, including:

1. The Provincial Government's Saskatchewan First Energy Security Strategy and Supply Plan which resulted in SaskPower beginning its coal modernization program to extend the operation of its coal generating units to 2050.
2. The decision to stop the rate rider collecting revenue to fund SaskPower's federal carbon charge obligations effective April 1, 2025.⁸ This contributed to the forecast operating loss in 2025-26 as SaskPower forecast a \$368 million expense related to its federal carbon charge obligation in 2025-26.
3. The decision not to include any forecast of federal carbon charge expense in 2026-27. SaskPower stated negotiations between the Government of Saskatchewan and the federal government were ongoing and that in the development of the rate application it assumed no carbon charge obligation would apply beginning in 2026-27.⁹
4. A variety of funding sources from the provincial government to SaskPower.

⁶ PDF page 5 of the 2026 and 2027 SaskPower Rate Application.

⁷ Response to first round information request SRRP Q1 (a).

⁸ Response to first round information request SRRP Q10 (c).

⁹ PDF page 10. 2026 and 2027 SaskPower Rate Application.

Table 2-1: Actual and Forecast SaskPower Revenue Requirement, 2024-25 to 2026-27¹⁰

	2024-25	2025-26	change from 2024-25 actuals to 2025-26 forecast		2026-27	change from 2025-26 test year to 2026-27 test year	
	Actuals (\$ millions)	Forecast (\$ millions)	(\$ millions)	(%)	Business Plan (\$ millions)	(\$ millions)	(%)
Revenues							
Saskatchewan Electricity Sales	2,842	2,922	80	3%	3,107	185	6%
Federal Carbon Charge Collected	268	-	(268)	-100%	-	-	
Government of Saskatchewan Funding	-	187	187		175	(12)	-6%
Exports and Electricity Trading	28	52	24	86%	65	13	25%
Other Revenue	116	132	16	14%	179	47	36%
Sub-total Revenues	\$ 3,254	\$ 3,293	\$ 39	1%	\$ 3,526	\$ 233	7%
Expenses							
Fuel and Purchased Power	961	1,009	48	5%	1,124	115	11%
Clean Electricity Transition Grant	(140)	(175)	(35)	25%	-	175	
Federal Carbon Charge	280	368	88	31%	-	(368)	
OM&A	869	947	78	9%	987	40	4%
Depreciation	638	675	37	6%	712	37	5%
Finance Charges	418	463	45	11%	458	(5)	-1%
Taxes	100	105	5	5%	113	8	8%
Other Expenses	52	48	(4)	-8%	53	5	10%
Sub-total Expenses	\$ 3,178	\$ 3,440	\$ 262	8%	\$ 3,447	\$ 7	0%
Operating Income	\$ 76	(\$ 147)	(\$ 223)	-293%	\$ 79	\$ 226	-154%
Total Revenue Requirement	\$ 3,254	\$ 3,293	\$ 39	1%	\$ 3,526	\$ 233	7%

As a result, provincial policy decisions have a substantial impact on SaskPower's revenues and expenses and implications for the need for the rate increases proposed in the current application, and going forward for future rate applications.

2.2 PROVINCIAL ECONOMIC CONTEXT

2.2.1 Economic Indicators and Outlook

This section provides an overview of changes to the following key economic indicators for Saskatchewan:

- Nominal gross domestic product (GDP) at market prices;
- Total employment;
- Unemployment rate; and
- Change in the Consumer Price Index (CPI).

Table 2-2 summarizes the indicators for actuals from 2022 to 2025 and forecasts for 2026 to 2028.

¹⁰ Summarized from PDF page 23 of the 2026 and 2027 Rate Application.

Nominal GDP declined from 2022 to 2023 and remained relatively unchanged in 2024. Growth is forecast to resume in 2025 and continue through 2028, with annual increases between approximately 3.8 per cent and 4.5 per cent over the forecast period.

Employment is forecast to continue growing through 2028, increasing from 577,800 in 2022 to 638,300 in 2028. At the same time, the unemployment rate is expected to remain relatively stable at approximately 5.1 per cent from 2026 onward. Employment growth averaged approximately 2.5 per cent annually between 2022 and 2025 and is forecast to moderate to approximately 1.1 per cent annually between 2026 and 2028.

Table 2-2: Actual and Forecast Saskatchewan Economic Indicators, 2022 to 2028^{11,12}

Indicator	Actual				Forecast		
	2022	2023	2024	2025	2026	2027	2028
Nominal GDP at Market Prices (millions) ¹	\$ 117,286	\$ 112,895	\$ 112,839	\$ 115,773*	\$ 119,593	\$ 124,736	\$ 129,601
Change from prior year	32.7%	(3.7%)	(0.0%)	2.6%	3.3%	4.3%	3.9%
Employment (thousands) ²	577.8	587.0	602.2	617.4	625.7	631.9	638.3
Change from prior year	3.5%	1.6%	2.6%	2.5%	1.3%	1.0%	1.0%
Unemployment Rate ³	4.6%	4.7%	5.4%	5.2%	5.1%	5.1%	5.1%
Change from prior year	(29.2%)	2.2%	14.9%	(3.7%)	(1.9%)	0.0%	0.0%
Inflation (Change in CPI ⁴) (%)	6.6%	4.0%	1.4%	2.1%	2.3%	2.1%	2.0%

*Forecast

Inflation has exhibited considerable variability in recent years. Saskatchewan experienced a prolonged period of relatively low and stable inflation from 2012 to 2020, with annual inflation ranging from 1.1 per cent to 2.4 per cent.¹³ Figure 2-1 illustrates actual and forecast annual changes in the CPI from 2011 to 2028. Inflation declined from 2.3 per cent in 2018 to 0.6 per cent in 2020.

Inflation declined from 6.6 per cent in 2022 to 1.4 per cent in 2024 before increasing modestly to 2.1 per cent in 2025. Inflation is forecast to remain close to 2 per cent over the remainder of the forecast period, within the Bank of Canada's target range of 1 to 3 per cent.¹⁴

¹¹ Definitions:

- 1) Nominal GDP- the total value of goods and services produced in the economic territory of a country or region within a given time period, unadjusted for inflation.
- 2) Market Prices - the amount of money buyers are willing to pay to acquire goods, services, or assets from sellers. It includes all taxes, retail, wholesale, transportation and other margins less subsidies.
- 3) Employment - consists of those people who did any work for pay or profit and those who had a job but were absent.
- 4) Unemployment rate - accounts for people who were temporarily layed off and those who were without work but were available to work.
- 5) Consumer Price Index (CPI) - represents changes in prices as experienced by Canadian consumers.

¹² Sources:

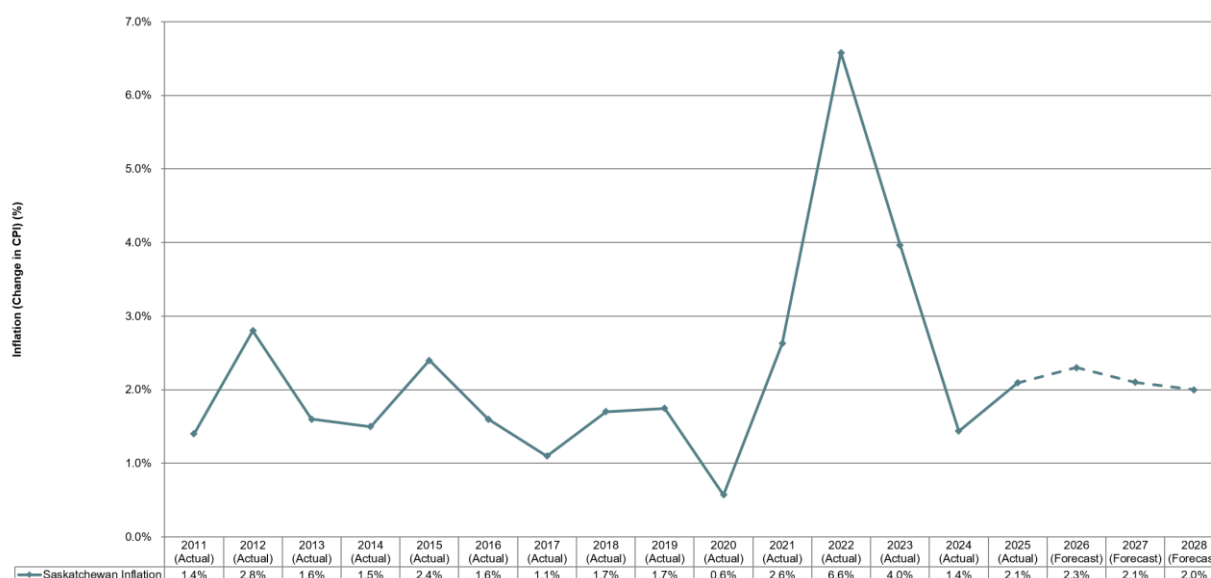
- 1) Gross domestic product at market prices, Table 36-10-0222-01, Statistics Canada (November 6, 2025); Forecast: Private-sector forecast at a glance, Saskatchewan Budget 2026-27, Saskatchewan Ministry of Finance (March 18, 2026)."
- 2) Employment, Both sexes, 15 years and over, Total, all industries, Table 14-10-0023-01, Statistics Canada (January 9, 2026); Forecast: Private-sector forecast at a glance, Saskatchewan Budget 2026-27, Saskatchewan Ministry of Finance (March 18, 2026)."
- 3) Unemployment rate, Both sexes, 15 years and over, Total, all industries, Table 14-10-0023-01, Statistics Canada (January 9, 2026). Forecast: Private-sector forecast at a glance, Saskatchewan Budget 2026-27, Saskatchewan Ministry of Finance (March 18, 2026)."
- 4) Consumer Price Index, All-items, annual average, Table 18-10-0005-01, Statistics Canada (January 19, 2026). Forecast: Private-sector forecast at a glance, Saskatchewan Budget 2026-27, Saskatchewan Ministry of Finance (March 18, 2026)."
- 5) Glossary, Statistics Canada. (March 1, 2019).

¹³ All-items, annual average, Table 18-10-0005-01, Statistics Canada (January 19, 2026).

¹⁴ Inflation-control target, Bank of Canada. <https://www.bankofcanada.ca/rates/indicators/key-variables/inflation-control-target/>

Overall, the provincial outlook indicates continued growth in nominal GDP and employment through 2028. Employment growth is forecast to moderate relative to recent years, while the unemployment rate is expected to remain relatively stable at approximately 5.1 per cent. Inflation has declined substantially from its 2022 peak and is forecast to remain near 2 per cent over the forecast period.

Figure 2-1: Actual and Forecast Saskatchewan Inflation (%), 2011 to 2028¹⁵



It is important to note that for utilities, inflation can often be higher. While inflation averaged 2.7 per cent in Saskatchewan from 2019 to 2025, inflation for non-residential building construction in Saskatchewan over the same period averaged approximately 4.6 per cent and inflation for power, distribution and other transformers in Canada was approximately 9.1 per cent.^{16,17}

Figure 2-2 presents Saskatchewan weekly earnings in 2025 dollars. Inflation-adjusted earnings increased from \$1,190 per week in 2011 to \$1,255 in 2014. Between 2014 and 2019, earnings fluctuated within a relatively narrow range of approximately \$1,220 to \$1,245 per week, remaining below the 2014 level for most of the period. Earnings then increased to \$1,286 in 2020, the highest level observed in the series. This increase should be interpreted with caution, as COVID-19 disproportionately reduced employment among lower-wage workers, which increased average weekly earnings through compositional effects rather than broad-based wage growth.¹⁸ At the same time, government support programs offset much of the lost employment income and, in many cases, exceeded earnings losses for affected households.¹⁹

¹⁵ Consumer Price Index, All-items, annual average, Table 18-10-0005-01, Statistics Canada (January 19, 2026).

Forecast: Private-sector forecast at a glance, Saskatchewan Budget 2026-27, Saskatchewan Ministry of Finance (March 18, 2026)."

¹⁶ Building construction price indexes, by type of building and division, Table 18-10-0289-01, Statistics Canada (July 24, 2026).

¹⁷ Machinery and equipment price index, by commodity, monthly, Table 18-10-0283-01, Statistics Canada (July 31, 2026).

¹⁸ Beyond the averages: Measuring underlying wage growth using Labour Force Survey microdata, Staff analytical notes, Bank of Canada. October 2024. <https://www.bankofcanada.ca/2024/10/staff-analytical-note-2024-23/>

¹⁹ Household economic well-being during the COVID-19 pandemic, experimental estimates, first quarter to third quarter of 2020, The Daily, Statistics Canada. March 1, 2021. <https://www150.statcan.gc.ca/n1/daily-quotidien/210301/dq210301b-eng.htm>

From 2021 to 2023, earnings declined to \$1,209, the lowest level since 2011. As inflation moderated and nominal wage growth continued, earnings increased to \$1,242 in 2024 and \$1,267 in 2025, recovering much of the decline observed during the 2021 to 2023 period. Despite this recovery, earnings in 2025 remained below the 2020 peak.

Figure 2-2: Saskatchewan Average Weekly Earnings (2025 \$), 2011 to 2025²⁰

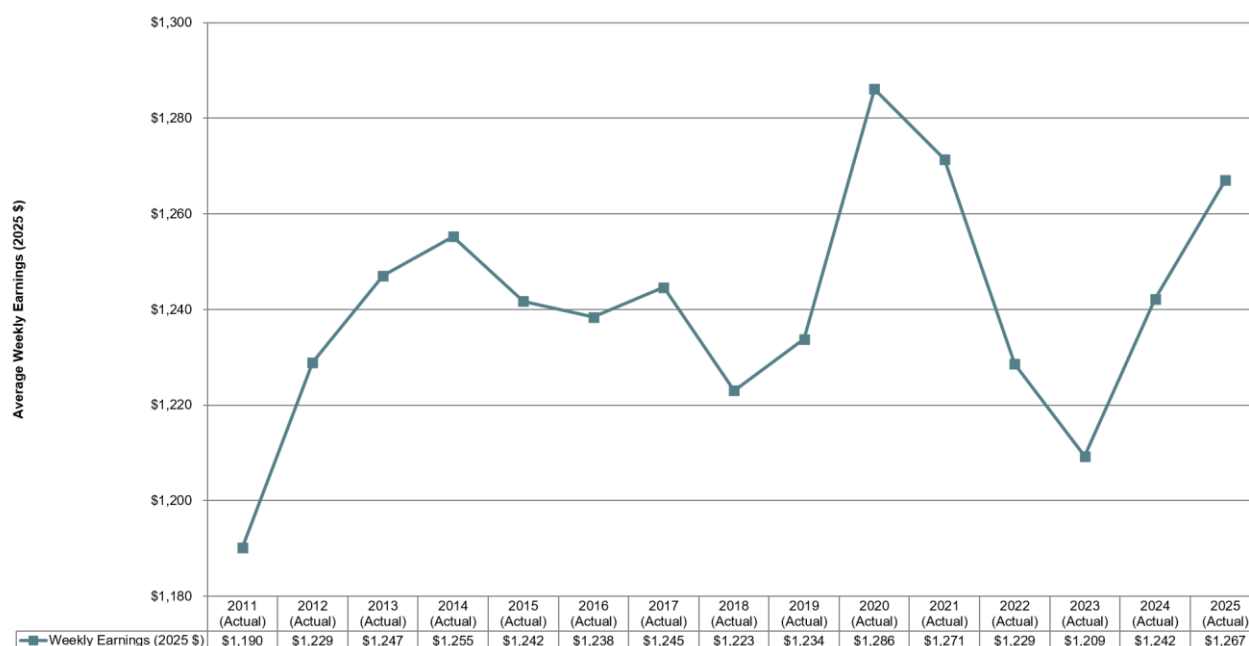
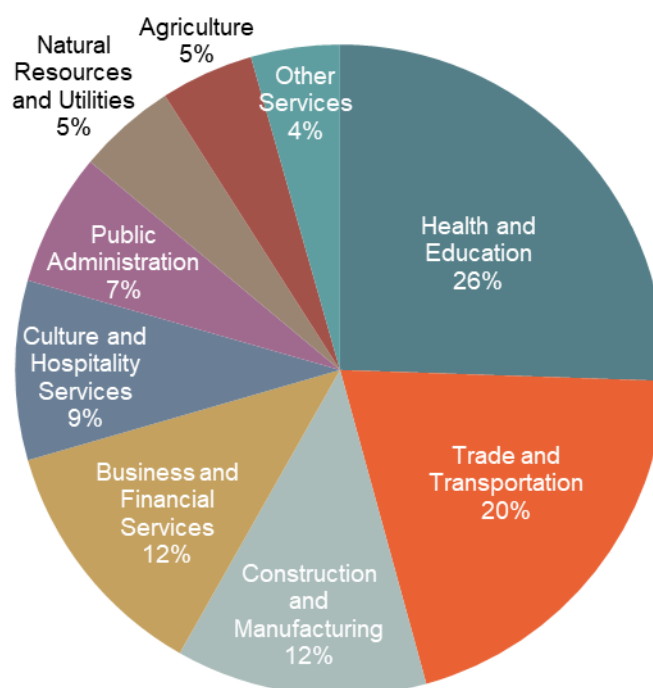


Figure 2-3 illustrates employment by industry in Saskatchewan in 2025. Health and Education was the largest employment grouping at 157,600 workers, followed by Trade and Transportation at 124,600 workers. Together, these sectors accounted for approximately 44.2 per cent of employment across the industries shown. Construction and Manufacturing (77,100 workers) and Business and Financial Services (76,000 workers) were the next largest employment groupings, while Natural Resources and Utilities (30,200 workers), Agriculture (28,600 workers), and Other Services (27,300 workers) accounted for smaller shares of employment.

²⁰ Average weekly earnings by industry, annual, Table 14-10-0204-01, Statistics Canada (March 26, 2026); Adjusted for inflation using: Consumer Price Index, All-items, annual average, Table 18-10-0005-01, Statistics Canada (January 19, 2026).

Figure 2-3: Saskatchewan Employment By Industry, 2025²¹

2.2.2 Affordability

SaskPower notes that affordability is a key priority, and the 2026-27 rate application aims to balance the need to maintain reasonable rates with the impacts on customers.²² This section discusses affordability considerations including income distribution and the percentage of after-tax household income spent on electricity.

In 2025, the income gap in Canada, defined as the difference in the share of disposable income between households in the top 40 per cent and bottom 40 per cent of the income distribution, increased to 46.7 percentage points from 46.4 in 2024. In 2025, households in the top 40 per cent of the income distribution earned approximately 66.5 per cent of total income, while households in the bottom 40 per cent earned approximately 19.8 per cent. The increase in the income gap was driven primarily by weakened labour market conditions among lower-income households and strong growth in equity markets benefiting high-income households.²³

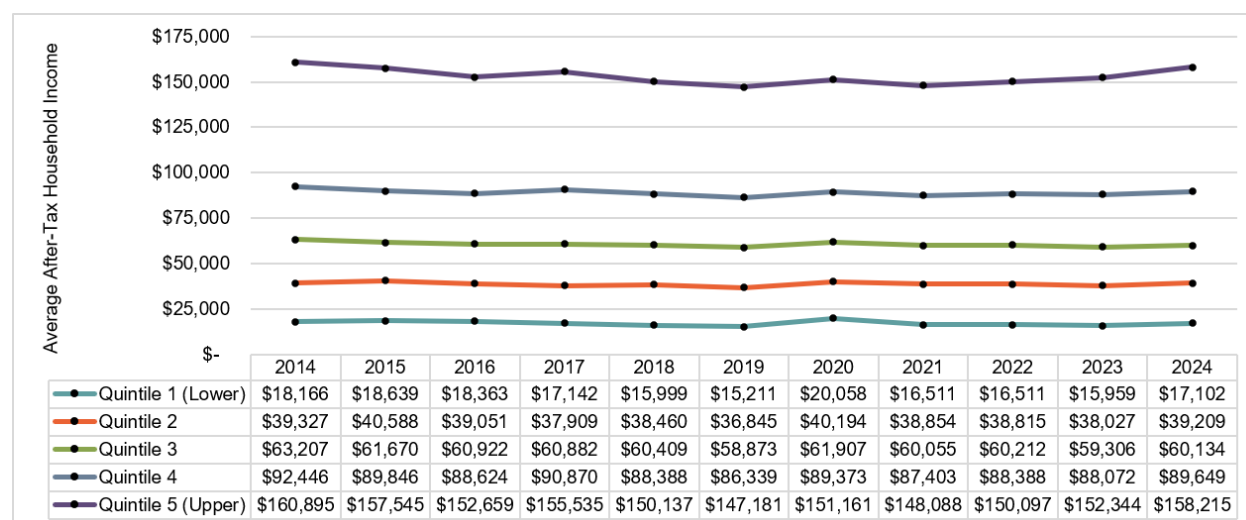
Figure 2-4 presents inflation-adjusted average after-tax household income in Saskatchewan by quintile from 2014 to 2024. Each quintile represents 20 per cent of households. Household income values are deflated to 2014 Canadian dollars using the CPI. As a result, differences across years reflect changes in income rather than changes in the value of the dollar.

²¹ Table 14-10-0466-02, Employment by industry and economic region, annual, Statistics Canada (January 1, 2026).

²² Page 11, 2026 and 2027 Rate Application, SaskPower.

²³ Distributions of household economic accounts for income, consumption, saving and wealth of Canadian households, fourth quarter 2025, Statistics Canada (retrieved from: <https://www150.statcan.gc.ca/n1/daily-quotidien/260413/dq260413a-eng.htm>).

Figure 2-4: Saskatchewan Average Household After-Tax Income by Quintile, 2014 to 2024 (Inflation Adjusted to 2014 CAD)²⁴



From 2014 through 2024, the income gap between the lowest and highest quintiles ranges from approximately 7.5 to 9.7 times, indicating that the gap has remained relatively stable over the decade. The lowest income quintile shows a notable spike in 2020, likely reflecting increased government transfers during the COVID-19 pandemic. The most notable feature in Figure 2-4 is the gap between the 3rd and 4th quintile and the 4th and 5th quintile – indicating a widening in income distribution gaps between the 60-80 per cent of households and the 80-100 per cent of household quintiles.

Energy poverty is a metric used to describe the financial burden of energy costs on households and the challenges some households face in meeting their basic needs. Statistics Canada defines a household as energy poor if 10 per cent or more of household after-tax income is spent on energy bills (i.e., electricity and fuel).²⁵

Figure 2-5 presents the share of average after-tax household income spent on electricity and household energy in Saskatchewan from 2014 to 2023 by income quintile.

²⁴ Table 11-10-0192-01, Upper income limit, income share and average income by economic family type and income decile, Statistics Canada, accessed April 14, 2026; Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted. Statistics Canada accessed April 14, 2026; Income quintiles and inflation adjustment calculated by InterGroup Consultants.

²⁵ Dionne-Laforest, Heisel, and Situ, Estimation of Energy Poverty Rates Using the 2021 Census of Population, Government of Canada. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/46-28-0001/2024001/article/00001-eng.htm>

Figure 2-5: Saskatchewan Share of Average After-Tax Household Income Spent on Electricity and Energy by Quintile, 2014 to 2023^{26,27}



Figure 2-5 demonstrates that electricity costs make up a disproportionate share of after-tax income for the lowest income households. The lowest income quintile consistently spends between approximately 5 and 7 per cent of after-tax income on electricity, compared to only about 1 to 1.3 per cent for the highest quintile. When considering all energy expenditures, the lowest income quintile spends between approximately 7 to 11 per cent of after-tax income on energy compared to only about 2 per cent for the highest income quintile. An analysis prepared

²⁶ Table 11-10-0223-01, Household spending by household income quintile, Canada, regions, and provinces. Statistics Canada accessed April 14, 2026; Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted. Statistics Canada accessed April 14, 2026; Household spending inflation adjustment calculated by InterGroup Consultants.

²⁷ Energy expenditure includes electricity, natural gas, and other fuels. Statistics Canada reported some values for the "other fuels" category as "F" for certain income quintiles during the study period, indicating that the data were considered too unreliable for publication. Consequently, household energy expenditure presented in Figure 2-4 may underestimate actual spending, as some expenditures on other fuels could not be included in the analysis.

by Statistics Canada based on the 2021 Census of Population estimated the rate of energy-poor non-farm households in Saskatchewan at 6.9 per cent.²⁸

This data indicates the need for relief from electricity costs is not uniform across incomes and households. Further, data suggests that simply maintaining low electricity prices could provide relatively greater benefits to higher income households, who tend to use more electricity. For example, in 2021 Statistics Canada reported that Saskatchewan households with incomes of \$150,000 and over consumed approximately 34 gigajoules (approximately 9,445 kilowatt-hours [kWh])²⁹ of electricity per household annually, the highest of any income group and more than three times the consumption of households earning less than \$20,000 (10.9 gigajoules [GJ]).³⁰ A report prepared by Dr. Runa Das for the Manitoba Consumers Coalition, suggested that income-based programs may provide a more equitable approach to energy affordability, as low-income households face substantially higher energy burdens than higher-income households.³¹

Affordability measures exist in nearly all Canadian jurisdictions, but many are limited in scope, short-term in design, or fragmented across housing, energy, and climate policy areas.³² Energy efficiency programs also exist, however, Efficiency Canada notes that they often prioritize cost-effectiveness over equity, resulting in shallow retrofits that frequently fail to reach the most vulnerable populations.³³

Canadian utilities and energy-affordability programs commonly use a range of income-based eligibility tools to identify households for targeted support. These include Statistics Canada's Low-Income Cut-Off (LICO), Low Income Measure (LIM) and Market Based Measure (MBM). For example, Efficiency Manitoba uses LICO-125, which is a household income threshold that is exactly 125 per cent of the LICO, Ontario's Electricity Support Program uses household size adjusted income criteria, and northern jurisdictions like Nunavut and Northwest Territories used Canadian Mortgage and Housing Corporation's Core Housing Need Income Threshold, which represents the amount of income a household needs to afford to own and operate a home without government assistance.³⁴

A report prepared by Dr. Runa Das for the Manitoba Consumers Coalition stated the effectiveness of low-income programs should be assessed not only on cost effectiveness or energy savings, but also on equity outcomes, namely, whether they reach those in need, alleviate household financial burdens, and avoid exclusion or unintended consequences, such as scenarios in which one low-income ratepayer unintentionally subsidizes another.³⁵

²⁸ Dionne-Laforest, Heisel, and Situ, Estimation of Energy Poverty Rates Using the 2021 Census of Population, Government of Canada. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/46-28-0001/2024001/article/00001-eng.htm>

²⁹ 1 gigajoule = approximately 277.8 kWh.

³⁰ Table 25-10-0062-01, Household energy consumption, by household income, Canada and provinces. Statistics Canada accessed July 13, 2026.

³¹ An Independent report for The Consumers Coalition in Manitoba Hydro's Fiscal 2026-2028 GRA, Deepening the Gap: Energy Poverty in Manitoba and the Way Forward, Dr. Runa Das, page 42.

³² An Independent report for The Consumers Coalition in Manitoba Hydro's Fiscal 2026-2028 GRA, Deepening the Gap: Energy Poverty in Manitoba and the Way Forward, Dr. Runa Das, page 17.

³³ An Independent report for The Consumers Coalition in Manitoba Hydro's Fiscal 2026-2028 GRA, Deepening the Gap: Energy Poverty in Manitoba and the Way Forward, Dr. Runa Das, page 14.

³⁴ Efficiency for All: A review of provincial/territorial low-income energy efficiency programs with lessons for federal policy, Efficiency Canada, page 28-32.

³⁵ An Independent report for The Consumers Coalition in Manitoba Hydro's Fiscal 2026-2028 GRA, Deepening the Gap: Energy Poverty in Manitoba and the Way Forward, Dr. Runa Das, page 30.

2.2.3 Consultant Observations

Inflation remains an important factor shaping the economic outlook. After declining toward the Bank of Canada's 2 per cent target, inflation increased modestly in early 2026 as higher global oil prices contributed to higher energy costs.³⁶ While inflation has remained within the Bank of Canada's 1-3 per cent target range, elevated energy and food prices continue to reduce household purchasing power and increase costs for businesses. Over the next year, inflation is expected to ease, returning to 2 per cent by early 2027, assuming oil prices decrease as expected.³⁷ Recent private sector forecasts indicate that inflation in Saskatchewan will remain between 2.5 per cent and 3.0 per cent until 2027.³⁸

Labour market conditions remain relatively strong in Saskatchewan.³⁹ Nationally, employment growth has moderated, and the unemployment rate has remained in the 6.5 per cent to 7 per cent range, reflecting a gradual easing in labour market tightness rather than a significant deterioration.⁴⁰ Saskatchewan has outperformed other provinces, recording the highest employment rate and lowest unemployment rate among all provinces in 2025.⁴¹ The province's unemployment rate is expected to remain among the lowest in Canada through 2027, ranging from the high-4 per cent to mid-5 per cent range.^{42,43,44}

Overall, the Saskatchewan economy is expected to remain stable through the forecast period.⁴⁵ Although ongoing tariff disputes and shifting global trade policies continue to create uncertainty for Canadian businesses, Saskatchewan is one of the least exposed Canadian provinces due to its industrial composition.⁴⁶ Recent reductions in certain Chinese tariffs on agricultural products may also lead to improved trade conditions.^{47,48} Against this backdrop, the Bank of Canada forecasts national real GDP growth of 1.2 per cent in 2026 and 1.6 per cent in 2027,⁴⁹ while private sector forecasts suggest that Saskatchewan will outperform the national average.⁵⁰ Moderate economic growth, contained inflation, and stable labour market conditions are expected to characterize the province's economic environment over the near term.

With respect to affordability challenges, research conducted for this report indicates that programs and supports targeted to those most in need may achieve better outcomes for households most impacted by rising energy costs.

2.3 ENVIRONMENTAL REGULATIONS

Environmental regulations remain a significant source of uncertainty for SaskPower's long-term planning and financial forecasts. Prior resource plans were based on federal requirements that would have effectively required the retirement or conversion of conventional coal-fired

³⁶ Page 8, Bank of Canada Monetary Policy Report. April 2026.

³⁷ Page 2, Bank of Canada Monetary Policy Report. April 2026.

³⁸ Provincial forecast tables, RBC Economics. June 2026.

³⁹ Page 36, The Saskatchewan Economy, 2026-27 Saskatchewan Budget.

⁴⁰ Page 7, Bank of Canada Monetary Policy Report. April 2026.

⁴¹ Page 36, The Saskatchewan Economy, 2026-27 Saskatchewan Budget.

⁴² Provincial forecast tables, RBC Economics. June 2026.

⁴³ Page 9, The Provinces, Scotiabank's Provincial Outlook. January 19, 2026.

⁴⁴ Page 30, Private-sector forecast at a glance, The Saskatchewan Economy, 2026-27 Saskatchewan Budget.

⁴⁵ Page 4, Provincial Economic Forecast, TD Economics. June 19, 2026.

⁴⁶ Pages 1-2 & Chart 2, Scotiabank's Provincial Outlook. January 19, 2026.

⁴⁷ Page 36, The Saskatchewan Economy, 2026-27 Saskatchewan Budget.

⁴⁸ Page 6, Scotiabank's Provincial Outlook. January 19, 2026.

⁴⁹ Page 23, Bank of Canada Monetary Policy Report. April 2026.

⁵⁰ RBC Economics, TD Economics, Scotiabank Global Economics.

generation by 2030.⁵¹ SaskPower's current supply plan instead assumes coal units can continue operating to 2050 through its Coal Modernization Program, reflecting more recent provincial policy directions.⁵²

The regulatory environment is also evolving. While the federal *Clean Electricity Regulations* remain in force, the federal government has recently signalled a more flexible approach to electricity-sector regulation through its *National Electricity Strategy*.⁵³ Recent federal announcements have focused on maintaining the role of natural gas generation to support reliability and electrification;⁵⁴ however, the Consultant is not aware of any similar policy changes being announced for coal-fired generation. As a result, the regulatory framework applicable to SaskPower's proposed long-term operation of coal facilities remains uncertain.

Carbon pricing assumptions are also important to the application. SaskPower's financial forecasts do not include any amounts related to provincial OBPS charges beginning in 2026-27, which SaskPower states is a result of uncertainty due to ongoing discussions between Saskatchewan and the federal government. Due to this uncertainty, the CIC has directed that any OBPS amounts be removed from future-year forecasts.⁵⁵

Although federal benchmark carbon prices are scheduled to increase from \$95/t CO₂e in 2026 to \$100/t CO₂e in 2027,⁵⁶ actual compliance costs under output-based systems may differ materially from these headline values. In Alberta, compliance obligations have often been met using emissions-performance credits that trade below the benchmark carbon price, although a minimum credit price is scheduled to be introduced beginning in 2030.⁵⁷

Compliance costs can also vary significantly across jurisdictions because of differences in regulatory design. For example, Nova Scotia's equivalency agreement permits an electricity-sector emissions intensity of approximately 665 g CO₂e/kWh in 2025, compared to Saskatchewan's 580 g CO₂e/kWh.⁵⁸ Nova Scotia also applies less stringent OBPS performance standards to coal-fired generation, resulting in substantially lower carbon compliance costs despite continued reliance on coal generation.^{59,60}

As a result, actual carbon compliance costs depend not only on the benchmark carbon price, but also on the applicable emissions standards, emissions caps, and the availability and market

⁵¹ Page 1, 2022 and 2023 Rate Application, SaskPower.

⁵² Page 5, 2026 and 2027 Rate Application, SaskPower.

⁵³ Prime Minister Carney announces forthcoming National Electricity Strategy, News Releases, Prime Minister of Canada. May 14, 2026. <https://www.pm.gc.ca/en/news/news-releases/2026/05/14/prime-minister-carney-announces-forthcoming-national-electricity>

⁵⁴ Powering Canada Strong: A National Strategy for an Electrified Canadian Economy, Government of Canada. May 2026 <https://natural-resources.canada.ca/energy-sources/electricity-infrastructure/powering-canada-strong-national-strategy-electrified-canadian-economy>

⁵⁵ SRRP Q4 b), SRRP Round 2 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁵⁶ Carbon pricing systems across Canada, Industrial Carbon Pricing. Government of Canada. May 19, 2026. <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

⁵⁷ Implementation Agreement for the Canada-Alberta Memorandum of Understanding of November 27, 2025. May 15, 2026. <https://www.pm.gc.ca/en/news/backgrounders/2026/05/15/implementation-agreement-canada-alberta-memorandum-understanding>

⁵⁸ Calculations based on data from Table 25-10-0015-01, Statistics Canada.

⁵⁹ Table 2: The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023, Government of Saskatchewan. January 1, 2023; Table 3: Performance Standards for Electricity Generation, Output-Based Pricing System Reporting and Compliance Regulations made under Section 112ZJ of the Environment Act, Government of Nova Scotia. January 1, 2023.

⁶⁰ Attachment FO-06, Nova Scotia Power 2026-2027 Generation Rate Application. (Exhibit N-12, Matter M12451, Nova Scotia Energy Board)

value of compliance credits. More information is provided in Appendix C: Environmental Regulations.

2.4 CONSULTANT OBSERVATIONS

Saskatchewan's approach to emissions-based performance standards and carbon pricing reflects a distinct policy path that differs materially from other fossil-fuel-reliant provinces. SaskPower, under direction from the Government of Saskatchewan, is planning to refurbish and continue operating coal-fired generating units into the 2030s.

The Consultant notes that emissions-based performance standards are currently the dominant regulatory driver of long-term generation planning for SaskPower. Under provincial government direction, SaskPower is pursuing a Coal Modernization Program that would refurbish and extend the operation of coal units into the 2030s and potentially to 2050.

Saskatchewan's current equivalency agreement provides a pathway for coal operations through 2030, but uncertainty remains regarding the regulatory and compliance requirements that may apply thereafter. As a result, customers may be exposed to longer-term regulatory and financial risks associated with investments in coal assets expected to operate beyond 2030.

Carbon Pricing and Customer Impacts

With respect to carbon pricing, the Consultant notes that SaskPower is not currently recovering carbon pricing costs from customers. This reflects a policy decision following the removal of the consumer carbon price and the absence, to date, of a settled agreement regarding the application of industrial carbon pricing to electricity in Saskatchewan. While SaskPower continues to monitor carbon pricing developments⁶¹, the form, timing, and magnitude of any future carbon charges applicable to electricity customers remain uncertain.

Historically, Saskatchewan's electricity sector has been subject to relatively stringent emissions-intensity standards under output-based pricing systems, particularly for coal-fired generation. When carbon charges were being applied and recovered through rate riders, these more stringent standards meant that Saskatchewan customers were likely exposed to higher carbon costs per unit of electricity than customers in some other provinces with more permissive benchmarks, regardless of overall emissions intensity or fuel mix.

The Consultant notes the current absence of a carbon charge in electricity rates reflects a period of regulatory transition, rather than a settled long-term outcome. At present, the form, timing, and application of industrial carbon pricing to Saskatchewan's electricity sector have not been finalized. The resolution of ongoing intergovernmental discussions may result in a different carbon pricing approach or other another type of compliance arrangement. Each approach would have distinct implications for electricity costs, though the nature and magnitude of any such impacts cannot be determined at this time.

Inter-Provincial Context

The Consultant notes that carbon pricing and emissions-based standards are not uniform across Canada's electricity systems. These differences result in materially different obligations for utilities and, by extension, their customers.

⁶¹ SRRP Q9 e), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

Saskatchewan's electricity customers face a combination of higher-than-average electricity emissions intensity due to its generation mix and shorter-term regulatory certainty compared to some other thermal-reliant provinces whose equivalency agreements extend further into the future.

At the same time, Saskatchewan customers have benefited from regulatory flexibility that allows continued use of existing generation assets and avoids early capital replacement costs.

3.0 LOAD FORECAST

SaskPower prepares a load forecast annually to determine the long-term energy requirements and peak demands it must be prepared to meet. The 2026 and 2027 Rate Application is based on the 2025-26 Q1 Load Forecast. The forecast incorporates economic data, historical energy consumption, electrification trends, and behind-the-meter generation.

3.1 LOAD FORECAST METHODS

SaskPower commissions an independent, third-party review of its load forecasting methodology approximately every five years to ensure it remains consistent with industry standards. The last external review was conducted by iTron in 2024,⁶² who identified some areas of improvement that SaskPower has incorporated in the 2025-26 Q1 Load Forecast.⁶³

Since the previous rate application, SaskPower has made several changes to its load forecasting methodology including:⁶⁴

Forecast inputs and assumptions

- Adoption of 15-year rather than 30-year weather normals.
- Incorporation of electric vehicle (EV) forecasts within the farm and commercial sectors.
- Revision of residential price-sensitivity inputs.
- Recognition of the completion of the streetlight LED conversion, with no further forecast adjustments required.
- Elimination of the separate demand side management (DSM)-adjusted forecast, as no DSM programs are reflected in the current forecast.⁶⁵

Modelling enhancements

- Conversion of residential, farm, and commercial energy forecasts from annual to monthly models.
- Addition of a commercial statistically adjusted end-use model.
- Increased use of end-use variables in commercial and farm forecasts.
- Transition of commercial and farm energy forecasts to use-per-customer (UPC)-based approaches.
- Revision of customer forecasting models for the residential, commercial, and oilfield sectors.
- Shift of oilfield forecasting from a regional to a provincial basis.

⁶² Page 13, 2025-26 Q1 SaskPower Load Forecast.

⁶³ Page 21, SaskPower 2026 and 2027 Rate Application.

⁶⁴ SRRP Q70 a), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁶⁵ Pages 8-9, 2025-26 Q1 SaskPower Load Forecast.

Other refinements

- Segmentation of photovoltaic (PV) forecasts into farm, commercial, oilfield, and internal-use categories.
- Revision of streetlight sales and customer forecasting methodologies.

The large customer forecasting methodology remains largely unchanged. However, SaskPower introduced a probability-based decision matrix to evaluate prospective customer expansions and new entrants, incorporating factors such as technical feasibility, financial viability, supply-chain considerations, stakeholder support, and market conditions.

Advanced Metering Infrastructure (AMI)

SaskPower is currently in the process of installing AMI. As of February 17, 2026, SaskPower has deployed 46 per cent of its total planned deployment and is targeting full deployment by December 2028.⁶⁶

The use of AMI allows for more accurate modeling of emerging technologies such as electric vehicles, net metering systems, and battery storage. Following recommendations from Itron's 2024 review, SaskPower is transitioning toward a bottom-up peak demand forecasting approach that combines customer-class and technology-specific load profiles, including electric vehicles, net-metering systems, and battery storage.⁶⁷

SaskPower has also noted that AMI deployment is expected to improve the accuracy of system loss forecasts. Over the past ten years, annual forecast variances averaged (0.55 per cent) for energy sales and (1.26 per cent) for total energy requirements, while system losses differed from actuals by an average of (11.03 per cent). According to SaskPower, these variances are partly attributable to timing differences between energy generation and customer billing.⁶⁸

3.2 HISTORIC LOAD FORECAST ANALYSIS

Figure 3-1 compares actual and forecast customer account numbers alongside projections from prior rate applications over the period 2016-17 to 2026-27. Customer accounts increased steadily from 528,059 in 2016-17 to 562,233 in 2024-25, and are forecast to reach 570,193 by 2026-27. This represents total growth of 42,134 accounts (approximately 8.0 per cent) over the full period. Annual growth rates remain consistently below 1 per cent, generally ranging from 0.6 per cent to 0.9 per cent.

The 2022 forecast tracks actual customer counts closely in the near term, with deviations of approximately +1.1 per cent in 2022-23, +0.9 per cent in 2023-24, and +0.8 per cent in 2024-25, indicating a slight but consistent upward bias. In contrast, the 2017 forecast materially overestimated growth, with the gap widening over time (e.g., 576,005 forecast vs. 553,850 actual in 2022-23, and 590,251 vs. 562,233 in 2024-25).

⁶⁶ SRRP Q68 a), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁶⁷ SRRP Q72 b)-d), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁶⁸ SRRP Q71 a), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

Figure 3-1: Actual and Forecast Number of Customer Accounts, 2016-17 to 2026-27^{69,70}

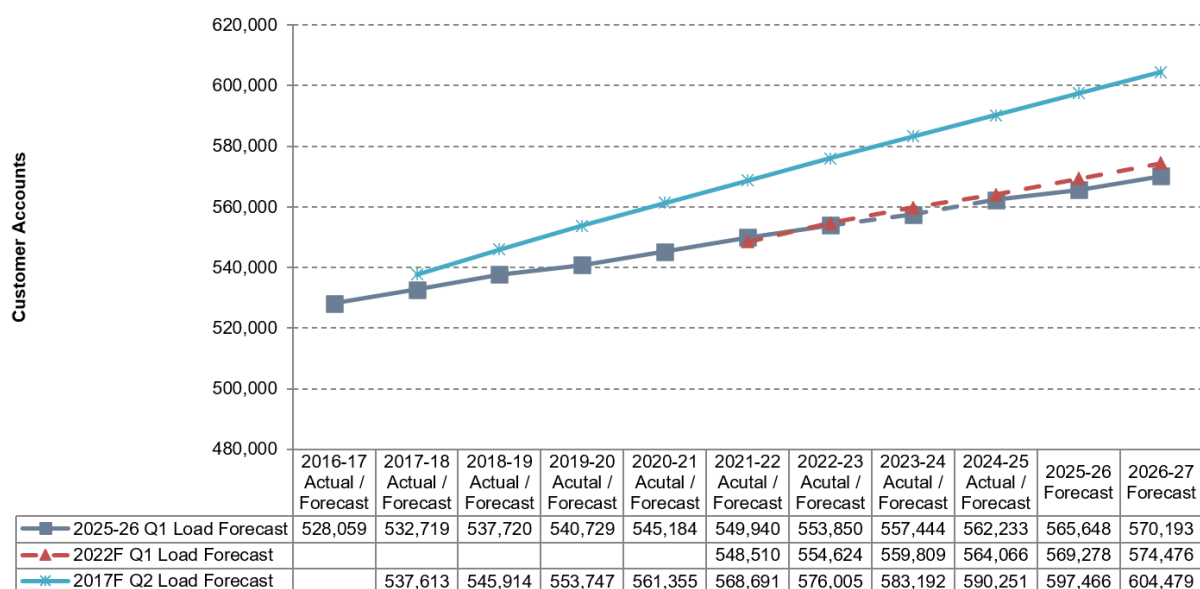


Figure 3-2 compares actual and forecast UPC with projections from prior rate applications for 2016-17 to 2026-27. UPC increased from 41.8 in 2016-17 to a peak of 43.8 in 2018-19, before declining to 41.0 in 2020-21. It subsequently recovered to 43.6 by 2023-24, and then declined again to 42.7 in 2024-25. Forecasts project renewed increases to 44.7 by 2026-27. This is led by a number of classes who are experiencing increases in UPC:

- The power class is expecting an increase due to factors such as higher potash and northern mine energy sales, and partially offset by decreases in the mining sector.⁷¹

⁶⁹ 2017F & 2022F Forecast: 2022 and 2023 Application, SRRP Round 2 Q7

2025-26 Q1 Forecast: SaskPower Load Forecast 2025-26 Q1, Table 1, Energy Sales and Number of Accounts

⁷⁰ Does not include corporate use, losses, and exports.

⁷¹ Page 13, 2025-26 Q1 SaskPower Load Forecast.

Figure 3-2: Actual and Forecast Average Use Per Customer (UPC), 2016-17 to 2026-27^{72,73}

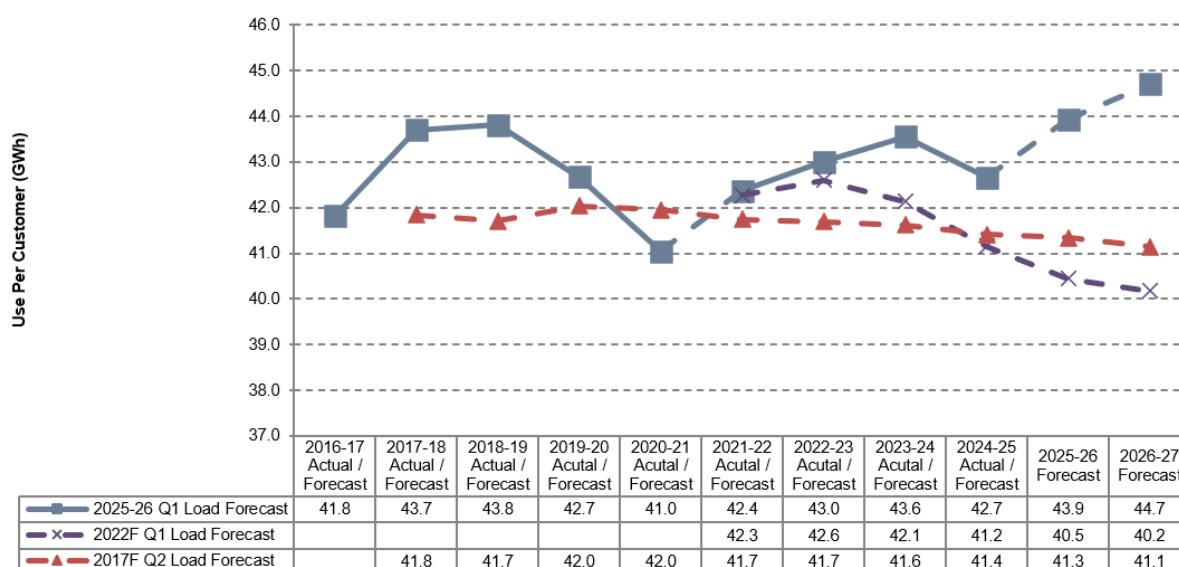


Figure 3-3 compares actual and forecast domestic (Saskatchewan) sales with projections from prior load forecasts for 2016-17 to 2026-27. Domestic sales increased from 22,080 gigawatt-hours (GWh) in 2016-17 to 23,559 GWh in 2018-19, before declining to 22,377 GWh in 2020-21. Sales then increased steadily to a peak of 24,279 GWh in 2023-24, before declining slightly to 23,984 GWh in 2024-25. In its GRA submission, SaskPower forecast sales reaching 24,854 GWh in 2025-26 and 25,489 GWh in 2026-27.

Forecast sales in the 2025-26 Q1 Load Forecast are higher than those in the 2022 Q1 Load Forecast throughout the forecast period. While the 2022 Q1 Load Forecast projected sales to remain relatively flat, below 24,000 GWh, the current forecast projects continued growth through 2026-27.

In its Mid-Application Update, SaskPower reduced its Saskatchewan sales forecast by 382 GWh, from 24,551 GWh to 24,169 GWh in 2025-26, largely due to lower forecast sales in the power customer and commercial classes, reducing forecast revenues by \$33 million. For 2026-27, SaskPower increased its sales forecast by 404 GWh, from 25,489 GWh to 25,893 GWh, attributing the increase to a data centre near Regina coming online toward the end of the year.⁷⁴

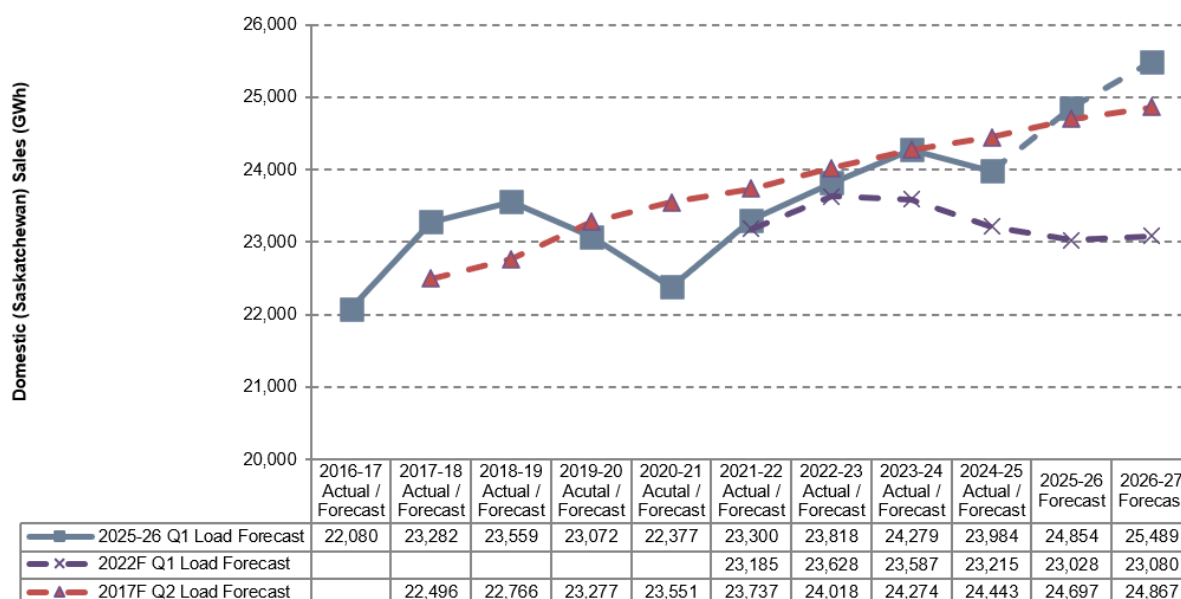
⁷² 2017F & 2022F Forecast: 2022 and 2023 Application, SRRP Round 2 Q7.

2025-26 Q1 Forecast: SaskPower Load Forecast 2025-26 Q1, Table 1, Energy Sales and Number of Accounts.

⁷³ Does not include corporate use, losses, and exports.

⁷⁴ Page 4, SaskPower Mid-Application Update 2026 and 2027 Rate Application.

Figure 3-3: Actual and Forecast Domestic Sales, 2016-17 to 2026-27 (GWh)^{75,76}



3.3 TEST YEAR RESULTS

Table 3-1 shows SaskPower's sales outlook from 2024-25 to 2026-27, highlighting a near-term dip followed by increases led primarily by the Power class.

In 2024-25, total sales declined by 1.2 per cent, driven largely by a material drop in power class sales. The farm class, commercial and reseller classes also experienced declines. The residential and oilfield classes experienced modest increases.

Sales are forecast to rebound in 2025-26 (+2.4 per cent), with growth across most classes. The power class is the largest contributor to the increases, with commercial also forecasting a noticeable increase. The farm class is projected to have a 4 per cent increase, but it represents a relatively small share of total system growth.

By 2026-27, sales growth is projected to continue (3.8 per cent increase) with the power class again contributing the most to the increasing sales. Power class sales are forecast to increase by approximately 519 GWh, accounting for more than half of total forecast sales growth.

SaskPower attributes this growth primarily to increased electricity consumption in the potash sector and higher northern mining loads.⁷⁷ The oilfield, reseller and farm classes are also forecast to experience sales growth. In contrast, commercial is projected to decline and residential remains essentially flat.

Residential sales remain relatively flat during the test period despite population growth. SaskPower's longer-term forecast anticipates increased electricity use per customer, driven in

⁷⁵ 2017F & 2022F Forecast: 2022 and 2023 Application, SRRP Round 2 Q7

2025-26 Q1 Forecast: SaskPower Load Forecast 2025-26 Q1, Table 1, Energy Sales and Number of Accounts

⁷⁶ Does not include corporate use, losses, and exports.

⁷⁷ Page 20, SaskPower Load Forecast 2025-26 Q1.

part by electric vehicle adoption, but these effects are not yet material in the 2025-26 and 2026-27 test years.⁷⁸ Reseller sales also remain relatively stable within the test years, reflecting limited growth opportunities within the municipal franchise boundaries served by Saskatoon and Swift Current.⁷⁹

Overall, the outlook forecasts that a large portion of the increases will be due to the power class, with other customer classes playing more limited or variable roles and contributing less consistently to system-wide increases.

Table 3-1: Actual and Forecast SaskPower Sales Volumes, 2024-25 to 2026-27⁸⁰

	2024-25			2025-26			2026-27		
	change over			change over			change over		
	2023-24 actuals			2024-25 actuals			2025-26 forecast		
	Actuals	GWh	%	Forecast	GWh	%	Business Plan	GWh	%
Volumes (GWh)									
Residential	3,248	24.0	0.7%	3,299	51.0	1.6%	3,291	(8.0)	(0.2%)
Farm	1,226	(79.0)	(6.1%)	1,275	49.0	4.0%	1,298	23.0	1.8%
Commercial	3,744	(5.0)	(0.1%)	3,886	142.0	3.8%	3,768	(118.0)	(3.0%)
Oilfield	4,395	75.0	1.7%	4,361	(34.0)	(0.8%)	4,498	137.0	3.1%
Power	10,228	(303.0)	(2.9%)	10,624	396.0	3.9%	11,489	865.0	8.1%
Reseller	1,143	(7.0)	(0.6%)	1,106	(37.0)	(3.2%)	1,145	39.0	3.5%
Total	23,984	(295.0)	(1.2%)	24,551	567.0	2.4%	25,489	938.0	3.8%

3.4 CONSULTANT OBSERVATIONS

The sales outlook shows higher growth projections than experienced recently with the power class being the largest driver. SaskPower forecasts continued industrial load growth driven primarily by potash production expansion and increased northern mining activity. Potash loads are forecast to increase by approximately 836 GWh between 2025-26 and 2034-35, while northern mining loads are forecast to increase by approximately 59 GWh over the same period. SaskPower's forecast describes potential industrial load from projects in the potash, mining, agriculture, grain processing, and data centre sectors, although the timing and realization of these projects remain uncertain.⁸¹

The outlook for the residential and reseller classes differs noticeably. SaskPower forecasts increasing residential electricity use over the longer term as a result of both growth in customer accounts and increasing use per customer driven by electrification trends such as electric vehicle adoption. In contrast, the reseller forecast, which is based largely on projections provided by Saskatoon and Swift Current, assumes virtually no change in customer counts or

⁷⁸ Page 33 & 34, SaskPower Load Forecast 2025-26 Q1.

⁷⁹ Page 39 & 40, SaskPower Load Forecast 2025-26 Q1.

⁸⁰ Page 21, 2026 and 2027 Rate Application, SaskPower.

⁸¹ Page 20, SaskPower Load Forecast 2025-26 Q1.

electricity use per customer. SaskPower notes the load growth opportunities for the municipal resellers are constrained by their franchise boundaries.^{82,83}

SaskPower indicates it is transitioning toward a bottom-up peak demand forecasting methodology supported by data from its Advanced Metering deployment. However, the evidence provides only a high-level description of the approach and does not include details regarding the methodology, underlying assumptions, data inputs, or model validation processes. As a result, there is limited information available to assess how the approach will be implemented and how it may affect forecast outcomes.

3.5 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel request SaskPower provide additional information on its bottom-up peak demand forecasting methodology at the time of its next rate application. This information should include the key data sources, technology adoption assumptions, load profile development process, model structure, calibration and validation procedures, and any sensitivity analyses performed. Providing this information would improve transparency and enable a more comprehensive assessment of the forecasting approach and its resulting demand projections.

⁸² Page 33 & 34, SaskPower Load Forecast 2025-26 Q1.

⁸³ Page 39 & 40, SaskPower Load Forecast 2025-26 Q1.

4.0 SYSTEM OPERATION AND RESOURCE PLANNING

4.1 SYSTEM OPERATION

SaskPower operates its electricity system using an hourly economic dispatch framework. This approach determines, for each hour, what the lowest cost generating resources are to meet the generation requirement while also pursuing export opportunities if market prices in other jurisdictions will allow SaskPower to profit.⁸⁴

The system dispatch framework includes the following steps:^{85,86,87}

1. Must run generation is determined first. This includes generation that cannot be economically or operationally reduced, such as:
 - a. minimum required hydro generation (including run of river plants or minimum environmental flow requirements);
 - b. forecast wind generation, which cannot be dispatched and is used when available;
 - c. take or pay portions of power purchase agreement (PPA) generation;
 - d. contracted import obligations; and
 - e. minimum stable operating levels of SaskPower's baseload generating units.
2. Dispatchable generation requirements are calculated. For each hour, the difference between projected system load and total must-run generation represents the amount of electricity that must be supplied by dispatchable generating units.
3. Available dispatchable units are committed in order of increasing incremental cost. Typically, SaskPower uses the following dispatch order:
 - a. dispatchable hydro generation,
 - b. coal fired generation, and
 - c. natural gas fired generation, until hourly demand is fully met.
4. Imports are evaluated against domestic generation. The incremental cost of the last unit dispatched (the marginal unit) is compared to real-time import prices from neighbouring jurisdictions. If import prices are lower and transmission capacity is available, imports are scheduled to displace higher-cost domestic generation.
5. Export opportunities are then assessed. The marginal cost of domestic supply is compared to export prices in neighbouring markets. Where export prices exceed

⁸⁴ Page 24, SaskPower 2026 and 2027 Rate Application.

⁸⁵ Q39, SRRP Round 1 Interrogatories, 2018 Rate Application, SaskPower.

⁸⁶ Q96, SRRP Round 1 Interrogatories, 2022 and 2023 Rate Application, SaskPower.

⁸⁷ Q80 a), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

marginal cost and transmission capacity is available, generation may be increased to support profitable exports.

Natural gas units are dispatched based on their variable incremental cost, which is calculated using:⁸⁸

- projected natural gas commodity prices;
- gas heating values;
- unit-specific heat rates; and
- variable operation and maintenance costs.

Overall natural gas fuel efficiency is calculated as total electricity generated by gas-fired units divided by the total fuel consumed by those units. This efficiency measure affects both fuel cost forecasts and dispatch decisions.⁸⁹

SaskPower's export revenue forecast is developed alongside its annual fuel and purchased power budget. An optimized dispatch model is used to estimate fuel costs, purchased power costs, and export revenues under a range of assumptions, including electricity demand, available generation, transmission constraints, and commodity prices. Export transactions are included in the forecast when market conditions are expected to result in net financial benefit.⁹⁰

This dispatch framework is central to fuel expense forecasting, purchased power forecasting, and resource planning, as it determines which generating units operate under different load and market conditions.

4.2 RESOURCE PLANNING

While system operation focuses on short-term dispatch decisions, SaskPower's resource planning addresses whether sufficient capacity is available to meet future demand reliably. Resource planning informs decisions related to new generation, retirements, refurbishments, and infrastructure investments.

SaskPower indicated the release of its 2024 Long-Term Supply Plan has been postponed indefinitely.⁹¹ Prior to the postponement, SaskPower conducted an extensive public engagement process that involved more than 60,000 participants⁹² and released a draft Long-Term Supply Plan in March 2024.⁹³ The draft supply plan contemplated additional investment in wind and solar generation, new natural gas generation with carbon capture, and a potential small modular reactor. The draft was developed under assumptions that coal-fired generation would be retired by 2030,⁹⁴ assumptions that changed with the introduction of the *Saskatchewan First Energy Security Strategy*.

SaskPower states it is currently focused on evaluating and implementing the *Saskatchewan First Energy Security Strategy and Supply Plan*, with its resulting change in generation supply mix,

⁸⁸ Q13, SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁸⁹ Q34 c), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁹⁰ Q21 c), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁹¹ <https://www.saskpower.com/our-power-future/creating-a-cleaner-power-future/future-supply-planning/future-supply-plan-2030-and-beyond>

⁹² Panel recommendations from 2022 and 2023 Rate Application, Section 10, Minimum Filing Requirements.

⁹³ Long-Term Supply Plan Draft Summary, SaskPower. March 2024.

⁹⁴ Page 4, Long-Term Supply Plan Draft Summary, SaskPower. March 2024.

and no definitive timeline has been provided for publication of a revised public long-term plan.⁹⁵ The *Saskatchewan First Energy Security Strategy* is based on extending the life of Saskatchewan's existing coal-fired generating units to 2050 while evaluating nuclear generation as a long-term electricity supply option.⁹⁷ The strategy also includes expanded transmission development to support future resource projects and potential electricity exports,⁹⁸ while continuing to assess the role of natural gas, wind, and solar generation in the province's future supply mix.⁹⁹ The Saskatchewan government has stated that extending the life of the coal fleet will help maintain reliable baseload generation and system flexibility while avoiding significant near-term replacement costs, providing additional time to evaluate and develop nuclear generation as a future source of carbon-neutral electricity.¹⁰⁰

4.2.1 Capacity Adequacy Planning

SaskPower uses reliability metrics to assess whether SaskPower's generation portfolio has sufficient capacity to reliably meet forecast customer demand under a broad range of operating conditions, including equipment outages, fuel supply disruptions, and extreme weather events.

A key input to capacity adequacy planning is SaskPower's forecast of system peak demand. SaskPower develops forecasts for both instantaneous and interval peak demand. Instantaneous peak demand represents the maximum system demand at the moment of greatest load, whereas interval peak demand represents the maximum system demand averaged over a specified period, typically 60 minutes.¹⁰¹

SaskPower also prepares potential and most likely peak demand forecasts. The potential peak forecast represents the highest level of demand that could be placed on the system if typical Christmas lighting loads occur, large industrial customers operate at normal levels, and weather conditions are colder than average. This forecast is used for planning purposes and reflects the maximum demand SaskPower must be prepared to serve if these conditions occur simultaneously. By contrast, the most likely peak forecast represents the highest expected system demand assuming typical lighting loads, normal operations by large customers, and weather conditions consistent with a five-year average.¹⁰²

The primary metrics SaskPower uses are:¹⁰³

- Expected Unserved Energy (EUE): EUE measures the portion of total forecast electricity demand that may not be supplied due to insufficient available generation. SaskPower targets an EUE level of 0.02 per cent of forecast energy.
- Planning Reserve Margin: The planning reserve margin represents surplus generating capacity above expected peak load. SaskPower has a planning reserve margin of 15 to 17 per cent above forecast peak demand.

⁹⁵ Q82 a), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁹⁶ Section 10: Report on implementation of previous Panel recommendations, Recommendation 1, 2026 and 2027 Rate Application, SaskPower.

⁹⁷ Page 6, "Nuclear Power as the Future", Saskatchewan First Energy Security Strategy and Supply Plan. October 2025.

⁹⁸ Page 10, "Transmission Infrastructure", Saskatchewan First Energy Security Strategy and Supply Plan. October 2025.

⁹⁹ Page 4, "An All-of-the-Above Approach", Saskatchewan First Energy Security Strategy and Supply Plan. October 2025.

¹⁰⁰ Page 5, "Coal as a Secure Bridge to Nuclear", Saskatchewan First Energy Security Strategy and Supply Plan. October 2025.

¹⁰¹ Page 15, SaskPower Load Forecast 2025-26 Q1.

¹⁰² Page 15, SaskPower Load Forecast 2025-26 Q1.

¹⁰³ Page 146, 2024 Report – Volume 2, Provincial Auditor of Saskatchewan.

4.2.2 Saskatchewan First Energy Security Strategy and Supply Plan

The Government of Saskatchewan released the *Saskatchewan First Energy Security Strategy and Supply Plan* in October 2025.¹⁰⁴ The Government of Saskatchewan has described this document as representing a significant shift in policy direction for SaskPower, with an explicit focus on energy security, system reliability, and provincial control over electricity supply.^{105,106}

Rather than prioritizing accelerated retirement of coal generation, the strategy emphasizes continued use of existing assets where feasible. Following the release of the *Saskatchewan First Energy Security Strategy and Supply Plan*, a new SaskPower supply plan was approved by the Board in November 2025.¹⁰⁷ SaskPower states it is currently focussing on evaluating and implementing the actions outlined in the strategy.

In response to the *Saskatchewan First Energy Security Strategy and Supply Plan*, SaskPower developed the *Coal Fleet Repowering Initiative (Coal Modernization Program)*. The Coal Modernization Program aims to extend the life of seven SaskPower coal-fired generating units to 2050. As part of this approach, SaskPower has stated that it removed several previously planned natural-gas-fired generation projects from its capital plan.^{108,109} SaskPower has stated that extending the operating life of the coal fleet materially reduces future capital requirements, estimating a reduction in planned capital expenditures of approximately \$21 billion through 2050 compared to earlier plans that assumed earlier coal retirement and replacement.¹¹⁰

The *Coal Modernization Program* encompasses both generation assets and the infrastructure required to support their continued operation. The scope of the program includes the following facilities and supporting assets:

- Boundary Dam Power Station (4 units) = 750 MW total
- Shand Power Station (1 unit) = 300 MW total
- Poplar River Power Station (2 units) = 600 MW total
- Coal mines near Estevan and Coronach.
- Transmission infrastructure at all coal-fired power stations.

4.2.3 2024 Supply Plan

The Draft 2024 Supply Plan,¹¹¹ released in March 2024 for consultation, set out a long-term electricity planning framework through 2050 based on regulatory and policy assumptions prevailing at that time. The draft plan assumed a post-coal electricity system and focused on identifying the generation additions and infrastructure required to replace coal-fired capacity while maintaining system reliability and complying with anticipated federal emissions requirements.

¹⁰⁴ Page 5, 2026 and 2027 Rate Application, SaskPower.

¹⁰⁵ Page 3, Saskatchewan First Energy Security Strategy and Supply Plan, Government of Saskatchewan.

¹⁰⁶ Page 1, 2026 and 2027 Rate Application, SaskPower.

¹⁰⁷ Q19 d), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

¹⁰⁸ Page 11, 2026 and 2027 Rate Application, SaskPower.

¹⁰⁹ Q36, SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

¹¹⁰ Q36, SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

¹¹¹ Long-Term Supply Plan Draft Summary, March 2024, SaskPower.

Under the draft plan, natural gas was the primary replacement for coal-fired generation and served as the main source of firm capacity during the transition period. This included bringing the Great Plains Power Station into service in 2024 and the Aspen Power Station by 2027, along with additional gas-fired facilities, some incorporating carbon capture and storage. The plan also relied on increased imports and expanded interconnections to provide system flexibility and manage reliability risks as coal units were retired.

While both the draft 2024 plan and the current strategy identify nuclear generation as a long-term option for achieving carbon neutrality by 2050, the transition pathways differ. The draft 2024 plan relied on new natural gas capacity and imports following coal retirement, whereas the current strategy positions the life-extended coal fleet as the primary source of firm capacity bridging to future nuclear deployment.

4.2.4 SaskPower's Current Resource Plan and Load Forecast

This section summarizes SaskPower's recent and planned changes to installed generating capacity and electricity generation and places those changes in the context of forecast load growth. Together, the capacity and generation results describe how SaskPower's energy needs are evolving and what resources are expected to be used to meet customer demand and reliability requirements.

Table 4-1 summarizes SaskPower's actual and planned net installed capacity additions by generation type. Between the 2021-22 rate application period and 2024-25, SaskPower added approximately 942 MW of net capacity, reflecting significant expansion of the provincial generation fleet. The largest additions came from wind generation (585 MW) and natural gas (275 MW), along with smaller additions from hydro imports, solar generation, and biomass. These additions were partially offset by the retirement of 141 MW of coal-fired capacity at Boundary Dam Unit 4.

Between 2025-26 and 2028-29, SaskPower plans to add a further 1,312 MW of net capacity. Planned additions are led by natural gas generation (587 MW), wind generation (400 MW), and solar generation (320 MW), with smaller additions from geothermal resources (5 MW). Natural gas accounts for approximately 45 per cent of planned capacity additions, reflecting SaskPower's continued reliance on dispatchable generation to support reliability and peak demand requirements.

Although SaskPower's longer-term supply strategy has evolved significantly, the utility's short-term supply plan through 2028-29 remains largely consistent with the plan presented in its 2024-25 Annual Report.^{112, 113} The principal change is the addition of the 100 MW Mino Giizis Solar Project, awarded through a competitive procurement conducted by the First Nations Power Authority (FNPA).¹¹⁴

Earlier supply plans developed in 2020-21 and 2021-22 generally aligned with actual outcomes through 2024-25,^{115,116} although several projects were delayed or deferred. In particular, the Foxtail Grove Solar Energy Facility (10 MW) and Prairie Green Renewable Energy Facility (40

¹¹² Section 4: Current supply plan, Minimum Filing Requirements, 2026 and 2027 Rate Application, SaskPower.

¹¹³ Page 44, 2024-25 Annual Report, SaskPower.

¹¹⁴ Q41, SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

¹¹⁵ Page 44, 2021-22 Annual Report, SaskPower.

¹¹⁶ Page 44, 2021-22 Annual Report, SaskPower.

MW) were not constructed as originally scheduled, while the Flying Dust (Kopahawakenum) flare gas project was deferred to the 2028-29 period.

Table 4-1: Net Actual and Forecast Capacity Changes, 2021-22 to 2028-29¹¹⁷

Generation Type	Change in Actual and Forecast Installed Capacity Changes (MW)	
	2021-22 to 2024-25 (Actual)	2025-26 to 2028-29 (Forecast)
Natural Gas	275 MW	587 MW
Coal	-141 MW	0 MW
Wind	585 MW	400 MW
Hydro	165 MW	0 MW
Solar	50 MW	300 MW
Biomass	8 MW	0 MW
Flare Gas	0 MW	20 MW
Geothermal	0 MW	5 MW
Total	942 MW	1,312 MW

Figure 4-1 compares SaskPower's total installed generation capacity, available winter capacity, and system peak load from 2020 to 2032. Installed capacity increases from 4,987 MW in 2020 to a peak of 7,278 MW in 2029 before declining modestly to 6,794 MW by 2032. Winter capacity follows a more moderate trajectory, rising from 4,792 MW to a peak of 5,606 MW in 2028 and 2029 before falling to 5,317 MW by 2032. In contrast, peak load grows steadily throughout the period, increasing from 3,722 MW in 2020 to 4,358 MW in 2032.

The figure highlights that growth in installed capacity substantially outpaces growth in winter capacity, due to the intermittent nature of added resources, resulting in a widening gap between the two measures over time. Winter capacity remains above system peak load throughout the period, with the reserve margin narrowing through 2026 as demand grows, increasing with major capacity additions in 2028 and 2029, and then gradually declining through 2032.

¹¹⁷ Actuals - Natural Gas: SaskPower 2024-25 Annual Report, page 6 and SaskPower 2023-24 Annual Report, page 28; Coal: SaskPower 2021-22 Annual Report, page 118; Wind: SaskPower 2021-22 Annual Report, page 6, SaskPower 2024-25 Annual Report, page 6; Hydro: SaskPower 2022-23 Annual Report, page 30; Solar: SaskPower 2021-22 Annual Report, page 30, SaskPower 2022-23 Annual Report, page 30; Biomass: SaskPower 2022-23 Annual Report, page 30. Forecast - Natural Gas: SaskPower 2024-25 Annual Report, page 8 and 44; Wind: SaskPower 2024-25 Annual Report, page 44; Solar: SaskPower 2024-25 Annual Report, page 44, 2026 and 2027 Rate Application, page 31; Flare Gas: 2024 Long-term Supply Plan: Draft Summary, page 13, MFR Tab 4: Current Supply Plan; Geothermal: SaskPower 2024-25 Annual Report, page 44.

Figure 4-1: Actual and Forecast System Peak Load and Winter Capacity Compared to Total Installed Capacity, 2020 to 2032^{118,119}

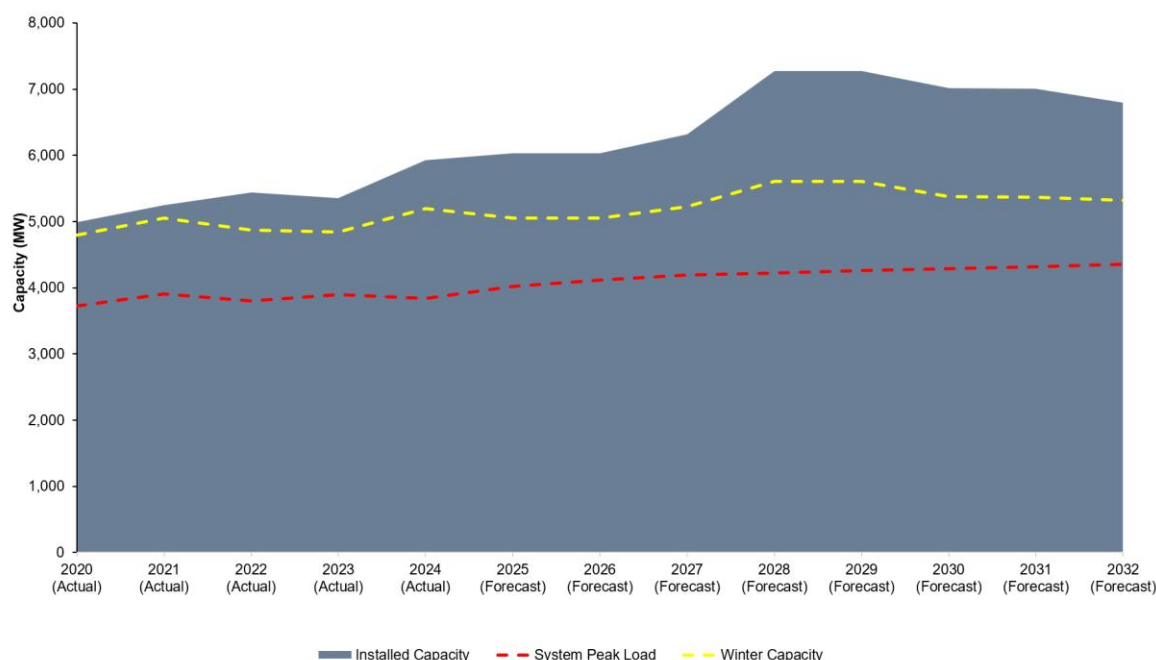


Figure 4-2 shows the evolution of SaskPower's installed generation portfolio from 2020 to 2032. Total installed capacity increases by approximately 1,800 MW over the period, driven primarily by additions of natural gas, wind, and other renewable resources. Most of this growth occurs between 2027 and 2029, when installed capacity increases by nearly 1,000 MW as several major projects enter service.

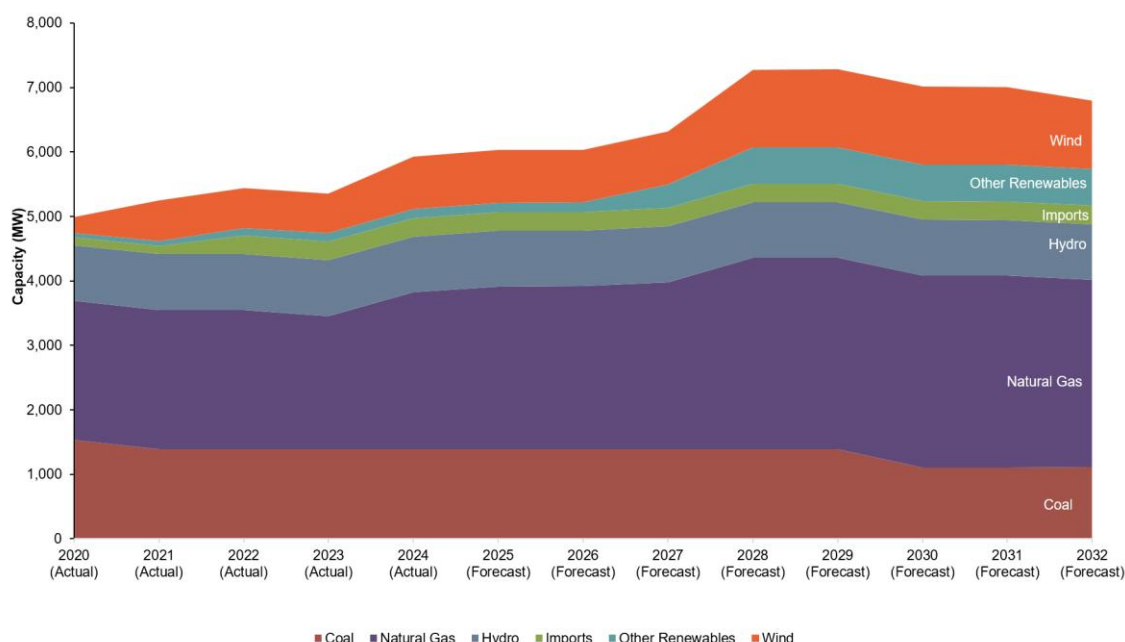
Natural gas remains SaskPower's largest source of installed capacity throughout the planning horizon, increasing from 2,160 MW in 2020 to approximately 2,900 MW by 2032. Wind experiences the largest proportional growth, expanding from 241 MW in 2020 to more than 1,200 MW by 2028, while other renewable resources grow from 67 MW to 567 MW over the same period. Together, wind and other renewables increase from roughly 6% of installed capacity in 2020 to nearly one-quarter by 2032. At the same time, coal capacity remains largely unchanged through 2029 before declining by roughly 20% beginning in 2030.

¹¹⁸ Note 1: SaskPower's 2021–22 to 2024–25 Annual Reports present hydro and import capacity differently than earlier reports. In this figure, import capacity is represented using the Annual Report's combined owned and imported hydro capacity, while owned hydro capacity is assumed to remain at 864 MW, as no additional owned hydro capacity additions were identified after the 2020–21 Annual Report.

Note 2: System Peak is fiscal years.

¹¹⁹ 2021–22 to 2024–25 Actuals: Page 117, 2024–25 Annual Report, SaskPower. Actual Winter Capacity: Q8 (B), SRRP Round 2 Interrogatories, 2022 and 2023 Rate Application, SaskPower. 2025–26 to 2028–29 Forecast System Peak: Page 17, 2025–26 Q1 Load Forecast Report, SaskPower. 2025 to 2035 Installed & Winter Capacity: Round 2 SRRP Q33 Public Revised.

Figure 4-2: Actual and Forecast Installed Capacity by Generation Type, 2020 to 2032^{120,121}



4.3 CONSULTANT OBSERVATIONS

The Consultant notes that, although SaskPower's long-term supply planning direction has changed, the short-term supply plan through 2028–29 remains largely similar to earlier filings, with only limited adjustments. As a result, near-term generation additions and retirements continue as previously planned, notwithstanding the adoption of the *Saskatchewan First Energy Security Strategy and Supply Plan*.

When combining natural-gas-fired capacity additions with the return and retention of coal-fired capacity, SaskPower is adding approximately 850 MW of dispatchable thermal capacity between 2021–22 period and 2027–28. Over the same period, SaskPower is also adding more than 1,000 MW of wind and solar capacity, increasing total installed capacity across both dispatchable and intermittent resources.

These capacity additions are occurring over a period of relatively modest forecast load growth. SaskPower's system peak is forecast to increase from approximately 3,910 MW in 2021–22 (a

¹²⁰ Note 1: SaskPower's 2021–22 to 2024–25 Annual Reports present hydro and import capacity differently than earlier reports. In this figure, import capacity is represented using the Annual Report's combined owned and imported hydro capacity, while owned hydro capacity is assumed to remain at 864 MW, as no additional owned hydro capacity additions were identified after the 2020–21 Annual Report.

Note 2: System Peak is fiscal years.

¹²¹ 2021–22 to 2024–25 Actuals: Page 117, 2024–25 Annual Report, SaskPower. Actual Winter Capacity: Q8 (B), SRRP Round 2 Interrogatories, 2022 and 2023 Rate Application, SaskPower. 2025–26 to 2028–29 Forecast System Peak: Page 17, 2025–26 Q1 Load Forecast Report, SaskPower. 2025 to 2035 Installed & Winter Capacity: Round 2 SRRP Q33 Public Revised.

record peak) to 4,189 MW in 2027–28, an increase of 279 MW. As a result, the rate of installed capacity growth exceeds the rate of forecast peak demand growth over the planning horizon.

The Consultant further notes that the retention of coal-fired generation under the *Coal Modernization Program*, combined with new natural gas and renewable additions, may result in surplus installed capacity in the near to medium term, depending on actual load growth, unit availability, and export conditions. At the same time, the additional firm capacity provided by retained coal units contributes to system adequacy and reserve margins, which is relevant in the context of operational risk and extreme weather events.

In this regard, the Consultant notes that the NERC Long-Term Reliability Assessment indicates that SaskPower had an estimated reserve margin of 35.0 per cent in 2023, reflecting a level of capacity above forecast peak demand.

The Consultant understands the *Coal Modernization Program* appears to be driven in response to government policy considerations. SaskPower states the decision to extend the life of existing coal-fired generation was a strategic public policy choice directed by the provincial government.¹²² SaskPower did not provide the type of quantitative analysis of life-cycle costs of different generation options that is typical in electricity integrated resource planning processes in Canada. While policy objectives such as energy security and supporting provincial economic growth can be reasonable considerations in an integrated resource planning process, the lack of detailed, public, life-cycle cost analyses that consider both the long-term capital and operations and maintenance costs, does not in the Consultant's view provide the evidence needed to confirm the plan represents a reasonable, cost-effective plan for ratepayers.

Other jurisdictions in Canada have committed to public review processes of electric utility integrated resources plans (IRPs). The BCUC published guidelines for utility resource planning in 2025.¹²³ The BCUC's guidelines provide instructions for utilities required to file long-term resource plans under the British Columbia *Utilities Commissions Act*. In 2018, the Minister of Crown Services of Manitoba developed terms of reference for a review into Manitoba Hydro's development of the Keeyask Generating Station and the Bipole III transmission line, including reviewing the statutory mandate of Manitoba Hydro and making recommendations on transparency and accountability for decisions for future projects.¹²⁴ In November 2019 Brad Wall, the former premier of Saskatchewan, was appointed as the Commissioner tasked with completing a report based on that terms of reference.¹²⁵

In his report to the Minister, Commissioner Wall made a number of findings and recommendations to improve future decision making, including:

Finding #1.14: The lack of a robust IRP process precluded Manitoba Hydro from effectively weighing DSM (demand side management) and other energy options equally with hydroelectric generation.¹²⁶

Recommendation #1.7: The Commissioner concurs with the PUB's call for a comprehensive and regularly occurring IRP process in which DSM

¹²² 2nd round information request SRRP Q9.

¹²³ BCUC Resource Planning Guidelines. Available: <https://docs.bcuc.com/documents/Guidelines/Resource-Planning-Guidelines.pdf>

¹²⁴ Manitoba Order in Council 301/2018.

¹²⁵ Manitoba Order in Council 333/2019.

¹²⁶ Page 50. Economic Review of Bipole III and Keeyask. Volume 1. November 2020. Available: https://www.manitoba.ca/asset_library/en/proactive/2020_2021/ERBK-Report-Volume1.PDF Accessed July 13, 2026.

will be evaluated as a stand-alone resource and placed on an equal footing with other energy resource options. The Commissioner acknowledges that IRP is part of Manitoba Hydro's new management plan, which marks an improvement to the previous resource planning process, and that Bill 35 will mandate IRP. In the Commissioner's view, this IRP process should be led by Manitoba Hydro based on criteria set by the Government but developed through a public process involving independent experts and overseen by an independent regulator such as the PUB.¹²⁷

Recommendation #2.11: Manitoba Hydro's statutory mandate should be amended to provide clarity in terms of its objectives and priorities. In the Commissioner's view, Manitoba Hydro's statutory mandate should not include socio-economic development. Rather, Manitoba Hydro's mandate should be to provide the most economic and efficient electric system within the boundaries of the Province's energy policy (which should not pre-determine projects or resource options). Manitoba Hydro should pursue and choose projects based on lowest cost and technical performance, not based on socio-economic development benefits. Issues of socio-economic development are broader matters of public policy and the responsibility of Government. It is the Government that is the custodian of the economy and pursues social policies in the collective interest.

If the Government decides that Manitoba Hydro should pursue and choose a project based on socio-economic development benefits, rather than lowest cost to ratepayers, the Government must be publicly transparent about that decision so that it can be held accountable, and taxpayers should be responsible for the incremental costs of that policy decision, not ratepayers.¹²⁸

In the Consultant's view, these recommendations are also reasonable for SaskPower and the Saskatchewan provincial government to consider. To the extent the coal-repowering plan is justified on the basis of policy objectives beyond the lowest cost to ratepayers, the province should consider how to insulate ratepayers from any added costs resulting from the policy direction.

4.4 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel consider requesting SaskPower provide publicly available information, consistent with the level of information typically provided in a utility integrated resource plan, at the time of its next rate application. The IRP should show how SaskPower is meeting provincial policy objectives and directives, while also considering what mix of other supply-side and demand-side resources, would be available to meet future electricity requirements and provide secure and cost-effective service to customers.

¹²⁷ Page 50. Economic Review of Bipole III and Keeyask. Volume 1. November 2020. Available: https://www.manitoba.ca/asset_library/en/proactive/2020_2021/ERBK-Report-Volume1.PDF Accessed July 13, 2026.

¹²⁸ Page 70. Economic Review of Bipole III and Keeyask. Volume 1. November 2020. Available: https://www.manitoba.ca/asset_library/en/proactive/2020_2021/ERBK-Report-Volume1.PDF Accessed July 13, 2026.

5.0 DEMAND SIDE MANAGEMENT

5.1 OVERVIEW OF SASKPOWER'S DSM PROGRAMS

Demand Side Management (DSM) or energy efficiency programs are developed by utilities to encourage or incentivize customers to modify their electricity consumption. This can include programs that help customers reduce their total level of electricity consumption or alter the pattern of their consumption, such as shifting consumption away from peak periods. Typically, these programs are justified on the basis of their cost-effectiveness in reducing consumption compared to the cost of acquiring new supply-side resources including new generation, transmission and distribution assets. However, utilities also sometimes implement energy efficiency programs to help achieve customer service objectives.¹²⁹

SaskPower completed a Conservation Potential Review (CPR) in 2018 to inform its DSM planning, support the development of new energy efficiency programs and provide inputs into the integrated resource planning process.¹³⁰ CPRs help identify the achievable savings from different energy efficiency programs and allow utilities to understand and prioritize their DSM program options. In the 2018 Rate Application, SaskPower provided information on the total costs, and forecast energy (GWh) and demand (MW) savings by DSM program. SaskPower also provided the results of the Total Resource Cost (TRC) test and Utility Cost Test (UCT) which are common metrics used to evaluate the cost effectiveness of different energy efficiency programs.

¹²⁹ Adapted from the U.S. Energy Information Administration. Available: [Electric Utility Demand-Side Management](#). Accessed June 11, 2026.

¹³⁰ Section 1.4. SaskPower Conservation Potential Review. Provided in response to First Round Information Request SRRP Q83 from the 2022 and 2023 SaskPower Rate Application.

Table 5-1: 2017-18 Demand Side Management Program Costs¹³¹

	\$s	GWh	MW	TRC (ratio)	UCT (\$/kWh)
Residential Programs					
Retail Discount Program	\$ 3,400,000	24.0	9.8	3.20	0.01
HVAC	\$ 60,000	0.3	0.1	1.22	0.02
Commercial Programs					
Commercial Lighting Program	\$ 1,600,000	10.0	1.3	1.64	0.02
Municipal Ice Rink Program	\$ 120,000	0.4	0.1	0.12	0.04
Commercial HVAC	\$ 100,000	0.3	0.0	0.24	0.04
Parking Lot Controller	\$ 30,000	0.2	-	3.25	0.01
Refrigeration Program	\$ 150,000	2.4	0.3	0.83	0.01
Compressed Air Program	\$ 40,000	0.1	0.0	1.70	0.04
Commercial Optimization	\$ 150,000	0.8	0.1	2.40	0.03
Industrial Programs					
Energy Optimization Program	\$ 2,400,000	14.0	2.0	3.12	0.01
Portfolio Results - Weighted by Program Energy Savings (GWh)		52.4	13.7	2.71	0.01

Note:

- \$s do not include salaries/benefits, office administration or projects.
- Forecasts are an estimate based on expected customer uptake and are subject to change.

Legend:

\$s – Annual incremental budget dollars.

GWh – The energy savings attributed to the energy efficiency program.

MW – Peak reduction attributed to the energy efficiency program.

Total Resource Cost Test (TRC) – Measures total costs and benefits of implementing energy efficiency programs from the combined perspective of all utility customers (whether they are participants or not) and the utility itself. When a program/portfolio passes the TRC, it indicates that the energy efficient program(s) are cost effective overall for the utility and both participant and nonparticipant, and indicates total resource costs will decrease and energy costs for the average customer will fall.

Utility Cost Test (UCT) – Measures costs and benefits of implementing energy efficient programs from the perspective of the utility. UCT provides a comparison of how the energy efficient program compares with supply side investments. When the program/portfolio passes the UCT, it indicates that the total costs to save energy are less than the costs of the utility delivering the same power. When this happens, average bills will be reduced.

In the 2026 and 2027 rate application, SaskPower provided its actual and forecast costs for Demand Side Management program spending and energy and capacity savings for 2022-23 through 2026-27. Summarized in Table 5-2. SaskPower indicated it has not yet forecast any energy or capacity savings associated with the program spending for 2026-27. All of the programs receive some level of federal or provincial funding with the largest programs receiving 100 per cent funding in most years.¹³²

¹³¹ Response to Q112. SRRP Round 1 Interrogatories, 2018 Rate Application.

¹³² Response to Q13. SRRP Round 2 Interrogatories, 2026 and 2027 Rate Application.

Table 5-2: Actual and Forecast Demand Side Management Program Costs, 2022-23 to 2026-27¹³³

Program Costs

	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	

Note: SaskPower has leveraged the Future Electricity Fund and Clean Electricity Transition Grant to fund most of this programming. The costs listed in the table above reflect the full cost of the program.

Program Energy and Capacity Savings

	2022-23		2023-24		2024-25		2025-26		2026-27	
	Actuals		Actuals		Actuals		Forecast		Forecast	
	GWh	MW	GWh	MW	GWh	MW	GWh	MW	GWh	MW
Online Energy Assessment for Homes										
Energy Assistance Program	0.9	0.1	2.2	0.4	2.2	0.4	2.8	0.5	TBD	TBD
Northern First Nations Home Retrofit Program	0.1	0.0	0.7	0.2	0.5	0.1	0.6	0.1	TBD	TBD
Northern Indigenous New Homes Program							-	-	TBD	TBD
Energy Efficiency Discounts Program			2.1	0.4	5.6	1.0	0.9	0.2	TBD	TBD
Home Efficiency Retrofit Rebate Program			0.0	-	0.3	0.1	0.2	0.0	TBD	TBD
Commercial Energy Optimization Program (CEOP)										
CEOP - Custom Incentive Services					0.3	0.1	1.6	0.2	TBD	TBD
Commercial Space and Water Heater Rebate Program					-	-	0.0	0.0	TBD	TBD
Residential Customer Engagement										
TOTAL	1.0	0.1	5.0	1.0	8.9	1.7	6.1	1.0	TBD	TBD

Note: 2026-27 energy and capacity savings are dependent on the amount and sources of funding, which will be finalized in Q1 of 2026-27.

SaskPower confirmed it has not conducted a more recent CPR study than the 2018 study and does not have a timeline for commissioning a new study. SaskPower further stated it has shifted the focus of its DSM programs from energy and capacity savings to affordability objectives in alignment with provincial priorities. DSM program performance is assessed using metrics including customer participation and reach, customer feedback and estimated bill savings.¹³⁴

In addition to the programs listed in Table 5-2, SaskPower notes it operates a net-metering program that allows customers to install their own environmentally preferred generation equipment and deliver surplus energy to the grid. Customers are compensated at 7.5 cents/kWh for the surplus energy they deliver to the grid in excess of their own consumption.¹³⁵ SaskPower states it has not made any changes to the net metering program since the time of the last rate application. SaskPower notes that as of January 31, 2026 it had approximately 4,200 customers subscribed to the net metering program with total installed capacity of 54 MW

¹³³ Response to Q73. SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application.

¹³⁴ Response to Q13. SRRP Round 2 Interrogatories, 2026 and 2027 Rate Application.

¹³⁵ 2026 and 2027 Rate Application. Page 4.

that delivered 36 GWh to the grid. SaskPower states that customers report bill savings as the key motivator for their participation in the program.¹³⁶

SaskPower also operates Demand Response programs for large industrial customers. These programs provide payments to customers to interrupt their load during high demand periods.¹³⁷ SaskPower stated it had four customers and a total of 123 MW subscribed to its different demand response program options.¹³⁸

5.2 CONSULTANT OBSERVATIONS

The Consultant notes that SaskPower appears to have shifted the focus of its DSM programs from achieving cost-effective energy and capacity savings to primarily customer experience and affordability objectives. The Consultant agrees with SaskPower that it can be reasonable for utilities to implement some DSM programs developed primarily to assist customers in paying their bills and achieve other social objectives, rather than being cost-competitive alternatives to other generation sources, particularly where funding is provided by governments. However, SaskPower's DSM objectives contrast with other electric utilities that place more emphasis on DSM programs as cost-effective resource options, for example:

1. Manitoba Hydro's recommended development plan includes 860 MW of DSM programs of the 1,760 MW to total new resources required by 2035.¹³⁹
2. BC Hydro's 2025 Integrated Resource Plan includes as a near-term action a plan to pursue higher levels of demand-side measures to provide greater flexibility in responding to external factors that could cause loads to be higher or lower than forecast.¹⁴⁰

While SaskPower at present has a different load and resource balance than Manitoba Hydro or BC Hydro, the Consultant is concerned that without a more current CPR study, SaskPower may not be able to develop and implement cost-effective DSM programs as part of a suite of potential options to address volatility in electricity demand.

5.3 CONSULTANT RECOMMENDATIONS

The Consultant recommends SaskPower complete an updated CPR study by the time of its next rate application to inform the development of future DSM programs and resource plans.

¹³⁶ Response to Q75. SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application.

¹³⁷ SaskPower Demand Response Information Package. Available: <file:///C:/Users/andrew/Downloads/InfoPackage-Efficiency-DemandResponseProgram.pdf>. Accessed June 11, 2026.

¹³⁸ Response to Q74. SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application.

¹³⁹ Manitoba Hydro 2025 Integrated Resource Plan executive summary. Page 16. Available: <https://www.hydro.mb.ca/docs/corporate/irp/2025-irp-report-final.pdf>. Accessed June 11, 2026.

¹⁴⁰ BC Hydro 2025 Integrated Resource Plan. Page 1-3. Available: https://docs.bccub.com/documents/proceedings/2025/doc_84202_b-1-bch-2025-irp-application.pdf. Accessed June 11, 2026.

6.0 REVENUE FORECAST

Electricity sales to customers in Saskatchewan accounted for approximately 95 per cent of total revenue in 2024-25. Revenue from export sales and electricity trading, CO₂ sales, customer contributions, and miscellaneous revenue, collectively made up the other 5 per cent of total revenue. Table 6-1 summarizes actual revenue for 2023-24 and 2024-25 as well as forecast revenue for 2025-26 and 2026-27 at existing rates as shown in SaskPower's 2026 and 2027 Rate Application.

- Revenue from Saskatchewan electricity sales is forecast to increase by \$61 million (2.1 per cent) in 2025-26, and a further \$68 million (2.3 per cent) in 2026-27. The changes in revenue are a result of changes in sales volumes.
- Revenue from other sources is forecast to increase by \$40 million in 2025-26 (27.8 per cent) and a further increase of \$60 million (32.6 per cent) in 2026-27.

Table 6-1: Actual and Forecast Revenue, 2023-24 to 2026-27 (\$ millions)¹⁴¹

	2023-24 Actuals (\$ millions)	2024-25				2025-26				2026-27			
		Actuals (\$ millions)	change over 2023-24 actuals		Forecast (\$ millions)	change over 2024-25 actuals		Bus. Plan (\$ millions)	change over 2025-26 forecast		Bus. Plan (\$ millions)	change over 2025-26 forecast	
			(\$ millions)	(%)		(\$ millions)	(%)		(\$ millions)	(%)		(\$ millions)	(%)
Saskatchewan Sales													
Residential	632	637	5	0.8%	645	8	1.3%	644	(1)	(0.2%)			
Farm	198	188	(10)	(5.1%)	194	6	3.2%	197	3	1.5%			
Commercial	557	557		0.0%	576	19	3.4%	560	(16)	(2.8%)			
Oilfields	469	477	8	1.7%	476	(1)	(0.2%)	496	20	4.2%			
Power	895	879	(16)	(1.8%)	912	33	3.8%	970	58	6.4%			
Reseller	105	104	(1)	(1.0%)	100	(4)	(3.8%)	104	4	4.0%			
Total Saskatchewan Electricity Sales Revenue	2856	2842	(14)	-0.5%	2903	61	2.1%	2971	68	2.3%			
Non-Saskatchewan Sales													
Export sales and electricity trading	129	28	(101)	(78.3%)	52	24	85.7%	65	13	25.0%			
CO ₂ sales	26	19	(7)	(26.9%)	17	(2)	(10.5%)	18	1	5.9%			
Customer contributions	90	58	(32)	(35.6%)	80	22	37.9%	124	44	55.0%			
Miscellaneous revenue	38	39	1	2.6%	35	(4)	(10.3%)	37	2	5.7%			
Total Non-Saskatchewan Sales Revenue	283	144	(139)	-49.1%	184	40	27.8%	244	60	32.6%			
Total Revenues	3139	2986	(153)	-4.9%	3087	101	3.4%	3215	128	4.1%			

¹⁴¹ Page 21-23, 2026 and 2027 SaskPower Rate Application.

6.1 DOMESTIC SALES REVENUE

Domestic sales revenue includes revenue from basic monthly charges, energy charges, and demand charges. SaskPower's domestic sales revenue in Table 6-1 is based on the load forecast described in Section 3 and the rates in place prior to the rate application.

Revenue from sales to Power class customers is the largest category of revenue at approximately 33 per cent of total forecast revenue in 2026-27. Revenue from sales to residential class customers represents about 19 per cent of forecast revenue. Sales to commercial customers comprises 18 per cent of forecast revenue.

Table 6-2 shows the forecast increase in revenues from the proposed rate increases in each of 2025-26 and 2026-27.

Table 6-2: Forecast Revenue Lift from Rate Increase, 2025-26 to 2026-27¹⁴²

	2025-26			2026-27				
	Forecast Revenue at Current Rates (\$ millions)	Annualized Revenue Lift from Feb. 1, 2026 Increase (\$ millions)	Revenue Lift Realized in 2025-26 (\$ millions)	Forecast Revenue at Current Rates (\$ millions)	Revenue from 2026 Increase Realized in 2026-27 (\$ millions)	Annualized Revenue Lift from Feb. 1, 2027 Increase (\$ millions)	Revenue Lift Realized in 2026-27 from 2027 Increase (\$ millions)	Total Realized Revenue Lift in 2026-27 (\$ millions)
Saskatchewan Sales								
Residential	645	25.2	4.2	644	25.1	26.1	4.4	29.5
Farm	194	7.5	1.3	197	7.7	8.0	1.3	9.0
Commercial	576	22.5	3.8	560	21.8	22.7	3.8	25.6
Oilfields	912	35.6	5.9	970	37.8	39.3	6.6	44.4
Power	476	18.6	3.1	496	19.3	20.1	3.4	22.7
Reseller	100	3.9	0.7	104	4.0	4.2	0.7	4.7
Total Saskatchewan Electricity Sales Revenue	2903	113.3	18.9	2971	115.7	120.4	20.1	135.8

The realized revenue lift reflects the portion of the annualized revenue increase that is recognized within the fiscal year, based on the effective date of the rate change. Since each proposed rate increase becomes effective on February 1, the implementation year captures only the revenue associated with February and March billing periods. Therefore, the realized revenue lift is approximately 1/6th of the annualized revenue lift.¹⁴³ The remaining revenue lift is carried forward and fully reflected in the subsequent revenue lift. SaskPower notes that the ending revenue for 2025-26 does not equal the starting point in 2026-27 due to changes in demand per customer class, number of customers in each customer class, and changes in usage per customer class.¹⁴⁴

6.2 EXPORT REVENUE

SaskPower derives export revenue from sales of its surplus generation. SaskPower has export connections¹⁴⁵ to the Alberta Electric System Operator (AESO); the Southwest Power Pool (SPP), which includes all or parts of 17 US states;¹⁴⁶ and the Midcontinent Independent System Operator (MISO), which includes part or all of 15 US states as well as Manitoba.¹⁴⁷ SaskPower

¹⁴² Page 2, 2026 and 2027 Rate Application, SaskPower.

¹⁴³ Page 2, 2026 and 2027 Rate Application, SaskPower.

¹⁴⁴ Page 2, 2026 and 2027 Rate Application, SaskPower.

¹⁴⁵ Q21 (b). SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁴⁶ Fast Facts, About Us, Southwest Power Pool. (April 2026). Accessed May 5, 2026. Available at: <https://www.spp.org/about-us/fast-facts/>

¹⁴⁷ About MISO, MISO. Accessed May 4, 2026.) Available at: <https://www.misoenergy.org/meet-miso/about-miso/>

indicates its export sales are almost always spot market sales and it has not entered into any short-term or long-term export contracts as of February 2026.¹⁴⁸ SaskPower has transmission rights on export paths within Saskatchewan which includes 153 MW to AESO, 150 MW to SPP, as well as 125 MW to Manitoba.¹⁴⁹

Export revenues are dependent on the availability of surplus energy in Saskatchewan as well as the margin between the export market price and SaskPower's cost of supply. Table 6-3 summarizes actual export revenues for 2023-24 and 2024-25 as well as the forecasts for 2025-26 and 2026-27.

Table 6-3: Actual and Forecast Export Revenues, 2023-24 to 2026-27¹⁵⁰

	2023-24 Actuals (\$ millions)	2024-25 change over 2023-24 actuals			2025-26 change over 2024-25 actuals			2026-27 change over 2025-26 forecast		
		Actuals (\$ millions)	(\$ millions)	(%)	Forecast (\$ millions)	(\$ millions)	(%)	Bus. Plan (\$ millions)	(\$ millions)	(%)
Exports										
Revenues (\$ millions)	129	28	(26)	(48.1%)	52	24	85.7%	65	13	25.0%

A review of Table 6-3 indicates SaskPower is forecasting export revenues of \$52 million (an 85.7 per cent annual increase) in 2025-26, \$65 million (a further 25.0 per cent increase) in 2026-27. SaskPower states it prepares its export revenue forecast using an optimized dispatch model that accounts for a variety of factors including system load, import requirements, and commodity prices.¹⁵¹

SaskPower states the change in export revenues in 2025-26 relative to 2023-24 reflects higher average export prices in 2023-24 (\$169/MWh) followed by a significant drop in 2024-25 before settling at \$62/MWh in 2025-26. SaskPower attributes this drop in average export price to increased supply and new regulations in Alberta. In addition¹⁵², SaskPower notes export volumes fluctuated from 763 GWh in 2023-24 to 438 GWh in 2024-25 as the transmission intertie connecting Alberta and Saskatchewan was unavailable for the latter portion of the year due to a failure on Alberta's portion of the line. SaskPower has since reported that the McNeill Converter Station returned to commercial operation on October 29, 2025, and is currently operating.¹⁵³

SaskPower provided information indicating that its actual export revenues materially exceeded forecasts each year from 2020-21 through 2023-24.¹⁵⁴ In the 2022 and 2023 rate application, SaskPower stated it had observed volatility of energy volumes increase in electricity markets due to a higher level of wind power utilization and that it expected a higher supply of exports when wind is available but that over time, the amount of surplus energy should remain approximately the same.¹⁵⁵

6.3 OTHER REVENUE

Other revenue includes non-electricity services such as carbon dioxide sales, charges to customers for connections to the SaskPower grid, late payments charges and miscellaneous

¹⁴⁸ Q21 (b), SRRP Round 1 Interrogatories, SaskPower 2026 and 2027 Rate Application.

¹⁴⁹ Q21 (b), SRRP Round 1 Interrogatories, SaskPower 2026 and 2027 Rate Application.

¹⁵⁰ Page 22, SaskPower 2026 and 2027 Rate Application.

¹⁵¹ Q21(c), SRRP Round 1 Interrogatories, SaskPower 2026 and 2027 Rate Application.

¹⁵² Q21(d), SRRP Round 1 Interrogatories, SaskPower 2026 and 2027 Rate Application.

¹⁵³ Q7, SRRP Round 2 Interrogatories, SaskPower 2026 and 2027 Rate Application.

¹⁵⁴ Q21(d), SRRP Round 1 Interrogatories, SaskPower 2026 and 2027 Rate Application.

¹⁵⁵ Q21(G), SRRP Round 1 Interrogatories, 2022 and 2023 Rate Application, SaskPower.

revenue. Table 6-4 summarizes actual other revenue for 2023-24 and 2024-25 as well as forecast values for 2025-26 and 2026-27. SaskPower is forecasting other revenue to increase by \$16 million (13.8 per cent) in 2025-26 and a further \$47 million (35.6 per cent) in 2026-27.

Table 6-4: Actual and Forecast Other Revenue, 2023-24 to 2026-27 (\$ millions)¹⁵⁶

	2023-24 Actuals (\$ millions)	2024-25			2025-26			2026-27		
		Actuals (\$ millions)	change over 2023-24 actuals		Forecast (\$ millions)	change over 2024-25 actuals		Bus. Plan (\$ millions)	change over 2025-26 forecast	
			(\$ millions)	(%)		(\$ millions)	(%)		(\$ millions)	(%)
Other Revenues										
CO ₂ sales	26	19	(7)	(26.9%)	17	(2)	(10.5%)	18	1	5.9%
Customer contributions	90	58	(32)	(35.6%)	80	22	37.9%	124	44	55.0%
Miscellaneous revenue	38	39	1	2.6%	35	(4)	(10.3%)	37	2	5.7%
Total Other Revenues	154	116	(38)	(24.7%)	132	16	13.8%	179	47	35.6%

The largest source of variances in other revenues are customer contributions which are funds SaskPower receives from customers related to service extensions, including distribution and transmission customer connects. These funds are used to off set the costs SaskPower incurs to build new distribution and transmission extensions. SaskPower has indicated these contributions are recognized immediately in profit or loss as other revenue when the related property, plant, and equipment are available for use.¹⁵⁷ SaskPower indicates distribution customer contribution forecasts are based on historical average. Transmission customer contributions reflect historical averages as well as updates received from customers on anticipated changes in their short- and long-term energy requirements. The difference in forecasted contributions between 2025-26 and 2026-27 relates to the expected completion of various large transmission projects.¹⁵⁸

Miscellaneous revenue includes a variety of revenue sources including late payment charges, joint use charges and fly ash revenues.¹⁵⁹

6.4 CONSULTANT OBSERVATIONS

The Consultant notes that approximately 95 per cent of SaskPower's total revenue is forecast to arise from sales to domestic customers in Saskatchewan. While export and other revenues make up a small proportion of overall revenues, many of these categories of revenue are difficult to forecast and have a larger degree of volatility. The Consultant notes that therefore they can have noticeable impacts on SaskPower's net income when variations arise.

6.5 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel accept SaskPower's revenue forecast for the current rate application.

¹⁵⁶ Page 22, SaskPower 2026 and 2027 Rate Application.

¹⁵⁷ Q23, SRRP Round 1 Interrogatories, 2022 and 2023 Rate Application, SaskPower.

¹⁵⁸ Q22, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁵⁹ Q24, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

7.0 REVENUE REQUIREMENT

A utility's revenue requirement includes all costs necessary to provide safe and reliable service to customers including an allowance for net income. Table 7-1 summarizes SaskPower's actual 2024-25 revenue requirement, forecast 2025-26 revenue requirement, and 2026-27 Business Plan revenue requirement.

- SaskPower's total expenses before an allowance for operating income decreased slightly from \$3.195 billion in 2023-24 to \$3.178 billion in 2024-25 because the Clean Energy Transition Grant more than offset other increases in operating expenses. SaskPower also had a lower operating income in 2024-25 compared to 2023-24 such that its total revenue requirement including an allowance for operating income was \$3.254 billion in 2024-25 compared to \$3.379 billion in 2023-24.
- The revenue requirement increases modestly to \$3.293 billion in 2025-26 (up \$39 million or 1.2 per cent). Higher operation, maintenance, and administration (OM&A) expenses (\$78 million), OBPS carbon charges (\$88 million), fuel and purchased power costs (\$48 million), and finance charges (\$45 million) are partially offset by a larger Clean Energy Transition Grant. SaskPower is also forecasting a negative net income for 2025-26, which has the effect of reducing the overall revenue requirement.
- The revenue requirement increases to \$3.526 billion in 2026-27 (up \$233 million or 7.1 per cent). The largest drivers are higher fuel and purchased power costs (\$114 million), the elimination of the Clean Energy Transition Grant (\$175 million), increased OM&A expenses (\$40 million), higher depreciation expense (\$37 million) and an allowance for a positive net come.
- Fuel and purchased power costs, OM&A expenses, and depreciation are the primary sources of underlying cost growth over the forecast period. Collectively, these components increase by \$435 million between 2023-24 and 2026-27.
- Operating income declines from \$184 million in 2023-24 to \$76 million in 2024-25 and is forecast to be negative \$147 million in 2025-26 before recovering to \$79 million in 2026-27. Despite the recovery, 2026-27 forecast operating income remains below 2023-24 actual levels.

Table 7-1: Actual and Forecast Revenue Requirement, 2023-24 to 2026-27 (\$ millions)¹⁶⁰

	2023-24 Actual	2024-25 Change over 2023-24 Actual			2025-26 Change over 2024-25 Actuals			2026-27 Change over 2025-26 Forecast		
		Actual	\$	%	Forecast	\$	%	Business Plan	\$	%
Fuel and purchased power	971	961	(10)	(1.0%)	1,009	48	5.0%	1,123	114	11.3%
Clean Energy Transition Grant	0	(140)	(140)	-	(175)	(35)	25.0%	0	175	(100.0%)
OBPS Carbon Charge	269	280	11	4.1%	368	88	31.4%	0	(368)	(100.0%)
OM&A	811	869	58	7.2%	947	78	9.0%	987	40	4.2%
Depreciation	605	638	33	5.5%	675	37	5.8%	712	37	5.5%
Finance Charges	409	418	9	2.2%	463	45	10.8%	458	(5)	(1.1%)
Taxes	92	100	8	8.7%	105	5	5.0%	114	9	8.6%
Other	38	52	14	36.8%	48	(4)	(7.7%)	53	5	10.4%
Sub-total expenses	3,195	3,178	(17)	(0.5%)	3,440	262	8.2%	3,447	7	0.2%
Operating Income	184	76	(108)	(58.7%)	(147)	(223)	(293.4%)	79	226	(153.7%)
Total Revenue Requirement	3,379	3,254	(125)	(3.7%)	3,293	39	1.2%	3,526	233	7.1%

7.1 FUEL AND PURCHASE POWER EXPENSE AND FEDERAL CARBON CHARGE

SaskPower's fuel and purchased power (F&PP) expense includes fuel costs associated with SaskPower-owned generation facilities, electricity purchased under PPAs, and electricity imports from other jurisdictions. F&PP costs can vary from year to year due to changes in generation requirements, fuel prices, generation mix, and market conditions. SaskPower manages its F&PP costs based on an hourly dispatch approach as described in Section 4.

Table 7-2 summarizes SaskPower's actual F&PP expenses, generation volumes, and average unit costs for 2024-25, along with forecast amounts for 2025-26 and the 2026-27 Business Plan.

- Total generation requirements decline slightly from 26,575 GWh in 2023-24 to 26,174 GWh in 2024-25 (down 1.5 per cent), before increasing to 27,040 GWh (3.3 per cent increase) in 2025-26 and 28,372 GWh (4.9 per cent increase) in 2026-27.
- Growth in generation volumes over the forecast period is served primarily by renewable resources. Between 2023-24 and 2026-27, wind generation increases by 932 GWh (47.0 per cent) and hydro generation increases by 1,092 GWh (43.9 per cent), while solar generation more than doubles from 71 GWh to 146 GWh.
- Together, gas and coal continue to account for the majority of SaskPower's generation over the forecast period. Gas generation increases in 2024-25 and 2025-26 but declines sharply in 2026-27, while coal generation falls in 2024-25 before increasing substantially in 2026-27.
- Total F&PP expense decreases slightly from \$971 million in 2023-24 to \$961 million in 2024-25 (down \$10 million or 1.0 per cent), reflecting lower gas unit costs and lower import costs that more than offset increases in coal, wind, hydro, and solar expenses.

¹⁶⁰ Page 19, 2026 and 2027 Rate Application.

- F&PP expense increases to \$1.009 billion in 2025-26 (up \$48 million or 5.0 per cent) and to \$1.123 billion in 2026-27 (up \$114 million or 11.3 per cent). The increase in 2026-27 is primarily attributable to higher gas costs (\$58 million) and coal costs (\$42 million).
- The weighted average F&PP cost increases from \$36.54/MWh in 2023-24 to \$36.72/MWh in 2024-25, \$37.32/MWh in 2025-26, and \$39.58/MWh in 2026-27. This represents an overall increase of 8.3 per cent between 2023-24 and 2026-27.
- Changes in unit costs vary significantly by resource. Gas unit costs decline in 2024-25 before increasing to \$33.89/MWh in 2026-27, while coal unit costs increase sharply in 2024-25 and 2025-26 before declining somewhat in 2026-27. Import, wind, hydro, and solar unit costs remain relatively stable throughout the forecast period.

Overall, the forecast increase in F&PP expense is driven by both higher generation requirements and rising average unit costs, with gas and coal generation remaining the largest contributors to total F&PP costs.

Table 7-2: Actual and Forecast Fuel and Purchased Power, 2023-24 to 2026-27¹⁶¹

	2023-24 Actual	2024-25			2025-26			2026-27		
		Change over 2023-24 Actual			Change over 2024-25 Actual			Change over 2025-26 Forecast		
		Actual		%	Forecast		%	Business Plan		%
Expense (\$ millions)										
Gas	366	316	(50)	(13.7%)	339	23	7.3%	397	58	17.1%
Coal	296	313	17	5.7%	311	(2)	(0.6%)	353	42	13.5%
Imports	178	173	(5)	(2.8%)	169	(4)	(2.3%)	176	7	4.1%
Wind	84	108	24	28.6%	125	17	15.7%	124	(1)	-0.8%
Hydro	16	18	2	12.5%	18	0	0.0%	24	6	33.3%
Solar	6	8	2	33.3%	11	3	37.5%	13	2	18.2%
Other	25	25	0	0.0%	36	11	44.0%	36	0	0.0%
Total	\$ 971	\$ 961	(\$ 10)	(1.0%)	\$ 1,009	\$ 48	5.0%	\$ 1,123	\$ 114	11.3%
Volumes (GWh)										
Gas	11,934	12,426	492	4.1%	13,034	608	4.9%	11,714	(1,320)	(10.1%)
Coal	7,895	6,245	(1,650)	(20.9%)	6,244	(1)	(0.0%)	7,813	1,569	25.1%
Imports	2,027	1,929	(98)	(4.8%)	1,866	(63)	(3.3%)	1,953	87	4.7%
Wind	1,981	2,531	550	27.8%	2,856	325	12.8%	2,913	57	2.0%
Hydro	2,490	2,769	279	11.2%	2,727	(42)	(1.5%)	3,582	855	31.4%
Solar	71	94	23	32.4%	125	31	33.0%	146	21	16.8%
Other	177	180	3	1.7%	188	8	4.4%	251	63	33.5%
Total	26,575	26,174	(401)	(1.5%)	27,040	866	3.3%	28,372	1,332	4.9%
Unit prices (\$/MWh)										
Gas	30.67	25.43	(5.24)	(17.1%)	26.01	0.58	2.3%	33.89	7.88	30.3%
Coal	37.49	50.12	12.63	33.7%	49.81	(0.31)	(0.6%)	45.18	(4.63)	(9.3%)
Imports	87.81	89.68	1.87	2.1%	90.57	0.88	1.0%	90.12	(0.45)	(0.5%)
Wind	42.40	42.67	0.27	0.6%	43.77	1.10	2.6%	42.57	(1.20)	(2.7%)
Hydro	6.43	6.50	0.07	1.2%	6.60	0.10	1.5%	6.70	0.10	1.5%
Solar	84.51	85.11	0.60	0.7%	88.00	2.89	3.4%	89.04	1.04	1.2%
Weighted Avg	\$ 36.54	\$ 36.72	\$ 0.18	0.5%	\$ 37.32	\$ 0.60	1.6%	\$ 39.58	\$ 2.27	6.1%

¹⁶¹ Page 25, 2026 and 2027 Rate Application. Unit prices calculated by InterGroup Consultants Ltd.

Table 7-3 incorporates the federal carbon charge within F&PP costs, which SaskPower records separately from its F&PP costs as reported in the rate application. As a result, total F&PP expenses including the carbon charges are substantially higher in 2023-24, 2024-25, and 2025-26 than those shown in Table 7-2.

- The inclusion of the carbon charge primarily affects coal and, to a lesser extent, gas generation costs. Coal expense increases from \$296 million in Table 7-2 to \$538 million in Table 7-3 in 2023-24, while gas expense increases from \$366 million to \$394 million.
- Similarly, unit costs are considerably higher when the carbon charge is included. In 2023-24, the weighted average F&PP cost increases from \$36.54/MWh in Table 7-2 to \$46.70/MWh in Table 7-3. The difference widens further in 2025-26, when the weighted average cost reaches \$50.85/MWh.
- As SaskPower has not included any carbon charge revenues in its 2026-27 forecasts, total F&PP expense declines from \$1.375 billion in 2025-26 to \$1.123 billion in 2026-27, a reduction of \$252 million (18.3 per cent).
- The removal of the carbon charge is most evident in coal costs. Coal expense decreases from \$610 million in 2025-26 to \$353 million in 2026-27 (down \$257 million or 42.1 per cent), while the coal unit cost falls from \$97.69/MWh to \$45.18/MWh (down 53.8 per cent).
- The removal of the carbon charge for budgeting purposes in 2026-27 reduces the weighted average F&PP cost from \$50.85/MWh in 2025-26 to \$39.58/MWh in 2026-27 (down 22.2 per cent), the same as reported in Table 7-2.

Table 7-3: Actual and Forecast F&PP Expense and Federal Carbon Charge, 2023-24 to 2026-27^{162,163}

	2023-24 Actual	2024-25 Change over 2023-24 Actual		2025-26 Change over 2024-25 Actual			2026-27 Change over 2024-25 Forecast		
		Actual	%	Forecast	%		Business Plan	%	
Expense (\$ millions)									
Gas	394	353	(41) (10.4%)	406	53 15.0%		397	(9) (2.2%)	
Coal	538	554	16 3.0%	610	56 10.1%		353	(257) -42.1%	
Imports	178	173	(5) (2.8%)	169	(4) (2.3%)		176	7 4.1%	
Wind	84	108	24 28.6%	125	17 15.7%		124	(1) -0.8%	
Hydro	16	18	2 12.5%	18	0 0.0%		24	6 33.3%	
Solar	6	8	2 33.3%	11	3 37.5%		13	2 18.2%	
Other	25	25	0 0.0%	36	11 44.0%		36	0 0.0%	
Total	\$ 1,241	\$ 1,239	(\$ 2) (0.2%)	\$ 1,375	\$ 136 11.0%		\$ 1,123	(\$ 252) -18.3%	
Unit prices (\$/MWh)									
Gas	33.01	28.41	(4.61) (14.0%)	31.15	2.74 9.6%		33.89	2.74 8.8%	
Coal	68.14	88.71	20.57 30.2%	97.69	8.98 10.1%		45.18	(52.51) (53.8%)	
Imports	87.81	89.68	1.87 2.1%	90.57	0.88 1.0%		90.12	(0.45) (0.5%)	
Wind	42.40	42.67	0.27 0.6%	43.77	1.10 2.6%		42.57	(1.20) (2.7%)	
Hydro	6.43	6.50	0.07 1.2%	6.60	0.10 1.5%		6.70	0.10 1.5%	
Solar	84.51	85.11	0.60 0.7%	88.00	2.89 3.4%		89.04	1.04 1.2%	
Weighted Avg	\$ 46.70	\$ 47.34	\$ 0.64 1.4%	\$ 50.85	\$ 3.51 7.4%		\$ 39.58	(\$ 11.27) -22.2%	

Natural Gas

Natural gas provides SaskPower's largest source of electricity generation, with a total capacity of 2,434 MW across eight power stations.¹⁶⁴ The 370-MW Great Plains Power Station in Moose Jaw was completed and began delivering power to the grid in December 2024.¹⁶⁵ Additionally, the Aspen Power Station is currently under construction near Lanigan and is expected to add another 370 MW of capacity when it comes into service in 2027.¹⁶⁶ SaskPower is also expanding the Ermine and Yellowhead Power Stations by adding a 46-MW simple cycle gas turbine to each facility by the end of 2025.¹⁶⁷ SaskPower forecasts natural gas generation to remain its largest generation source, providing between 41 per cent and 48 per cent of the Corporation's total electrical needs in the 2025-26 and 2026-27 test years.¹⁶⁸

The majority of SaskPower's natural gas volumes continue to be purchased from outside the province, with forecasts of 57 million GJs in 2025-26 and 47 million GJs in 2026-27.¹⁶⁹ Natural gas purchases from inside Saskatchewan are forecasted to be 16 million GJs in 2025-26 and 12 million GJs in 2026-27. SaskPower contracts firm transportation service with TransGas to transport gas into and within Saskatchewan and for storage capacity and withdrawal capability,

¹⁶² Fuel and Purchased Power: Page 25, 2026 and 2027 Rate Application.

¹⁶³ Federal carbon charges: 2nd round information request SRRP Q20.

¹⁶⁴ Page 120, 2024-25 Annual Report.

¹⁶⁵ "ON THE COVER: GREAT PLAINS POWER STATION", 2024-25 Annual Report.

¹⁶⁶ Page 8, 2024-25 Annual Report.

¹⁶⁷ Page 15, 2024-25 Annual Report.

¹⁶⁸ Q9, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁶⁹ Q8, SRRP Round 2 Interrogatories. SaskPower 2026 and 2027 Rate Application.

paying the posted tariff rates. SaskPower has assumed a 3 per cent increase in TransGas rates for 2026-27.¹⁷⁰

SaskPower eliminated the price hedging element of its natural gas exposure policy in 2019¹⁷¹. This increased SaskPower's exposure to volatility in natural gas prices.¹⁷² Following panel recommendations, SaskPower analyzed the effects of eliminating the hedging strategy and provided a new hedging strategy to the Panel.¹⁷³ SaskPower states that natural gas hedging helps manage fuel price risk by locking in a portion of its gas costs while maintaining exposure to market prices on the remaining volumes. It indicated that the program is intended to reduce fuel cost and earnings volatility, improve cost certainty, and support more stable customer rates.¹⁷⁴

SaskPower has hedges in place to fix the price of natural gas on up to 50 per cent of its forecasted natural gas purchases in the coming calendar year.¹⁷⁵ As of March 31, 2025, SaskPower had entered into natural gas contracts to price manage approximately 48 per cent of its budgeted natural gas exposures for fiscal 2026, 32 per cent for fiscal 2027, 17 per cent for fiscal 2028, and 5 per cent for fiscal 2029.¹⁷⁶

SaskPower indicates that natural gas prices continue to represent one of its largest business risks due to significant market volatility. SaskPower estimates that a \$1/GJ change in the price of natural gas would impact its fuel and purchased power costs by \$50 million in 2025-26 and \$47 million in 2026-27.¹⁷⁷ The current rate application assumes a weighted average cost of natural gas of \$3.33/GJ in 2025-26 and \$4.66/GJ in 2026-27.¹⁷⁸

Coal

SaskPower had stated in its 2022 and 2023 Rate Application that it was in the process of eliminating conventional coal as a generation source by 2030 due to federal emissions regulations.¹⁷⁹ In response to the *Saskatchewan First Energy Security Strategy and Supply Plan*, SaskPower launched the *Coal Modernization Program*. This program will extend the operation of all seven of its coal-fired generating units, totaling 1,530MW, to 2050.^{180,181} SaskPower states it views coal generation as a bridge to small modular reactor (SMR) nuclear generation which is anticipated to come online in the mid-to-late 2030s.¹⁸²

In the test years, coal is forecast to generate 6,244 GWh in 2025-26 and 7,813 GWh in 2026-27. Based on the forecasted gross electricity supplied, coal will contribute approximately 23 per cent of total generation requirements in 2025-26 and approximately 28 per cent in 2026-27.

Hydro

¹⁷⁰ Q35, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁷¹ 1st round information request SRRP Q33 from the 2022 and 2023 rate application review process.

¹⁷² Page 68, Review of SaskPower 2022 and 2023 Rate Application.

¹⁷³ Minimum Filing Requirements - Section 10: Report on implementation of previous Panel recommendations.

¹⁷⁴ Q33, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁷⁵ Q9, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁷⁶ Page 90, 2024-25 Annual Report.

¹⁷⁷ Q9, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁷⁸ Page 33, SaskPower 2026 and 2027 Rate Application.

¹⁷⁹ Page 24, SaskPower 2022 and 2023 Rate Application.

¹⁸⁰ Q36, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁸¹ Page 1, SaskPower 2026 and 2027 Rate Application.

¹⁸² Q36, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

SaskPower has seven hydro facilities with a combined generation capacity of 865 MW.¹⁸³ SaskPower is currently refurbishing the 292MW E.B. Campbell hydroelectric station, forecast to be completed in 2026,¹⁸⁴ which will extend the life of the facility by 50-60 years.¹⁸⁵

Hydro generation is the least expensive marginal cost source of electricity in SaskPower's fleet.¹⁸⁶ Fuel and purchased power expenses for hydro generation are comprised primarily of water rentals.^{187,188}

SaskPower states it has changed its hydro forecasting methods from using the median hydro levels from the past 40 years for forecasting hydro availability,¹⁸⁹ to using historical hydro generation data over the last 30 years to derive estimated hydro availability. The percentiles are evaluated and calibrated based on current hydrological conditions and water management operations to develop a generation projection.¹⁹⁰ Hydro generation is forecast to provide between 10 per cent and 13 per cent of SaskPower's generation needs in 2025-26 and 2026-27.¹⁹¹

Variations from expected flows are seen as a risk to SaskPower, as SaskPower estimates that a 10 per cent change in the level of hydro generation would have a \$5 million impact on SaskPower's fuel and purchased power budget in 2025-26 and \$8 million in 2026-27.¹⁹²

Wind

SaskPower owns two wind facilities that provide 161 MW of generation capacity and has agreements with Independent Power Producers (IPPs) to purchase additional wind generation. SaskPower expanded its wind generating capacity to 818 MW in 2024, with the addition of the Bekevar Wind Power Facility.^{193,194} SaskPower plans to increase wind generation in the near term with the addition of the 200MW Rose Valley and 200MW Seven Stars projects by 2027-28.¹⁹⁵ SaskPower is forecasting wind generation to provide 2,856 GWh in 2025-26 and 2,913 GWh in 2026-27. This represents approximately 10 per cent of the total expected generation volumes in the test years.

Average unit F&PP prices for wind reflect a blended average of SaskPower-owned wind and wind PPAs. There is no marginal F&PP cost for wind generation owned by SaskPower (its fuel price is zero), as non-fuel components are captured in OM&A and capital-related expenses. The F&PP cost of wind purchased through PPAs is higher because it includes capital recovery and O&M costs in the price, with PPA prices averaging \$54/MWh in 2024-25.¹⁹⁶

Imports

¹⁸³ Page 120, 2024-25 Annual Report.

¹⁸⁴ Q37, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁸⁵ Q68, SRRP Round 1 Interrogatories. SaskPower 2022 and 2023 Rate Application.

¹⁸⁶ Q9, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁸⁷ Q26, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁸⁸ Q8, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁸⁹ Page 24, SaskPower 2022 and 2023 Rate Application.

¹⁹⁰ Q39, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁹¹ Q9, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁹² Q9, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

¹⁹³ Page 120, 2024-25 Annual Report.

¹⁹⁴ Page 6, 2024-25 Annual Report.

¹⁹⁵ Minimum Filing Requirements - Section 4: Current supply plan, SaskPower 2026 and 2027 Rate Application.

¹⁹⁶ Q29, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

SaskPower has interconnections with Manitoba, Alberta, and North Dakota.¹⁹⁷ SaskPower currently has firm import power purchase agreements with Manitoba Hydro totaling 290 MW,¹⁹⁸ providing a source of baseload energy. SaskPower also uses non-firm imports (energy trading) over the immediate or short term to supplement its generation when required. This strategy is meant to take advantage of favorable market prices in situations where electricity can be acquired at a cost lower than SaskPower's own marginal cost of generation.¹⁹⁹

SaskPower states it is expanding its intertie capacity with the United States SPP from 150 MW to 650 MW by 2027.²⁰⁰

SaskPower is forecasting imports to provide 1,866 GWh in 2025-26 and 1,953 GWh in 2026-27.²⁰¹ This represents approximately 7 per cent of the total expected generation volumes in the test years.

Solar

SaskPower's available utility and customer-generated solar capacity reached 103 MW in 2024-25, the majority of which is coming from customer-generated solar.²⁰²

SaskPower is forecasting an increase in solar generation by 2028, with the addition of the 100-MW Turning Sun Solar Facility, the 100-MW Iyuhána Solar Energy Project, and 100-MW Southern Springs Solar Energy Project.²⁰³ The First Nations Power Authority recently completed a competitive solicitation resulting in a PPA for the 100-MW Mino Giizis solar facility, expected to be operational by the fourth quarter of 2028.²⁰⁴

SaskPower forecasts solar generation to provide 125 GWh in 2025-26 and 146 GWh in 2026-27, representing approximately 0.5 per cent of the total generation volumes in the test years.

Other

SaskPower forecasts that generation from PPAs and customer generation programs using waste heat, biomass, landfill gas, flare gas, customer-generated wind, and liquid natural gas (LNG) will provide 188 GWh in 2025-26 and 251 GWh in 2026-27, or approximately less than 1 per cent of total gross electricity supplied during the test years.²⁰⁵

SaskPower has contracted 125 MW of flare gas generation across five sites in Saskatchewan, with energy purchases expected to begin as early as 2027.²⁰⁶ In addition, SaskPower holds a PPA for the 5-MW DEEP Geothermal Energy Project, which is expected to be commissioned in 2028-29.²⁰⁷

SaskPower has also placed a 20-MW utility-scale battery energy storage system into service in Regina in July 2024.²⁰⁸

¹⁹⁷ Page 12, 2024-25 Annual Report.

¹⁹⁸ Page 120, 2024-25 Annual Report.

¹⁹⁹ Page 12, 2024-25 Annual Report.

²⁰⁰ Page 9, SaskPower 2026 and 2027 Rate Application.

²⁰¹ Page 25, SaskPower 2026 and 2027 Rate Application.

²⁰² Page 120, 2024-25 Annual Report.

²⁰³ Minimum Filing Requirements - Section 4: Current supply plan, SaskPower 2026 and 2027 Rate Application.

²⁰⁴ Q41, SRRP Round 1 Interrogatories. SaskPower 2026 and 2027 Rate Application.

²⁰⁵ Page 25, SaskPower 2026 and 2027 Rate Application.

²⁰⁶ Page 15, 2024-25 Annual Report.

²⁰⁷ Minimum Filing Requirements - Section 4: Current supply plan, SaskPower 2026 and 2027 Rate Application.

²⁰⁸ Page 15, 2024-25 Annual Report.

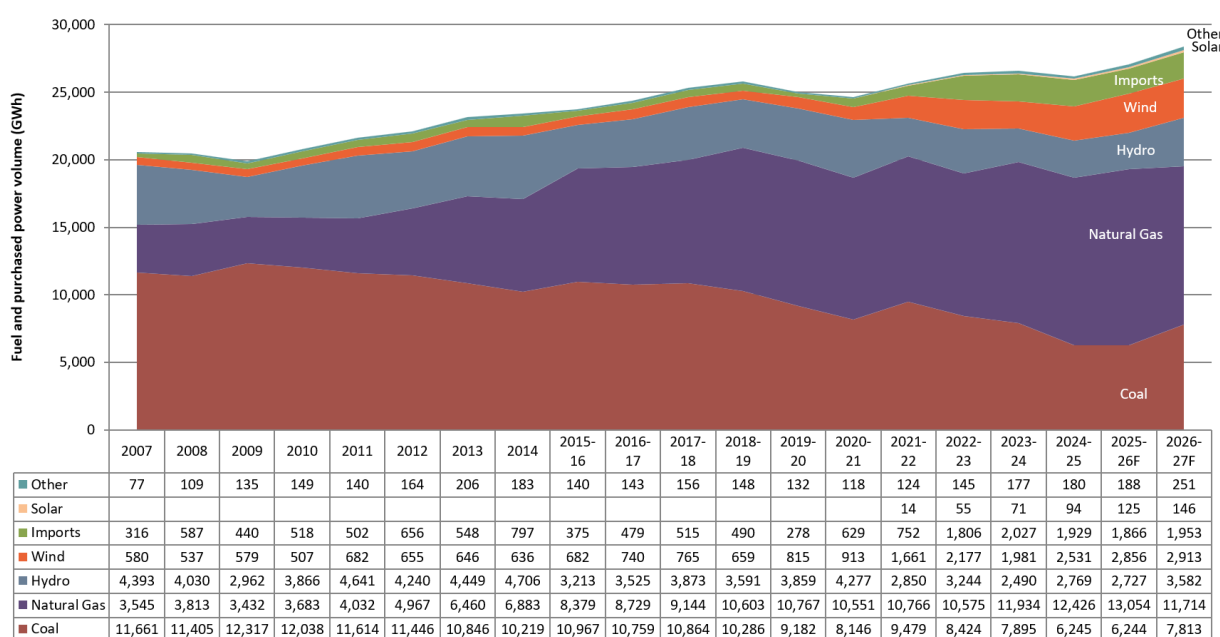
7.1.1 Generation Volumes

Figure 7-1 shows SaskPower's electricity generation volumes and generation mix from 2007 through 2026-27. Total generation increased from 24,634 GWh in 2020-21 to 26,575 GWh in 2023-24 and is forecast to continue growing, reaching 28,372 GWh by 2026-27.

Over this period, SaskPower's generation mix shifted away from coal, towards natural gas, wind, and imports. Natural gas has become SaskPower's largest source of generation, increasing from 42.8 per cent of total generation in 2020-21 to a forecast 48.2 per cent in 2025-26. Coal generation declined from 33.1 per cent of total generation in 2020-21 to a forecast of 24 per cent in 2025-26. It is forecast to increase to 28 per cent in 2026-27, reversing the previous trend.

Wind generation and imports have become a larger portion of SaskPower's supply portfolio. Wind's share of total generation is forecast to increase from 4 per cent in 2020-21 to more than 10 per cent by 2026-27, while imports are forecast to increase from 3 per cent to 7 per cent over the same period. As a result, the share of generation provided by natural gas, coal, and hydro combined is expected to decline from 93 per cent in 2020-21 to 81 per cent by 2026-27.

Figure 7-1: Actual and Forecast Generation Production Volumes by Source, 2007 to 2026-27 (GWh)²⁰⁹



SaskPower continues to use an optimized dispatch model to forecast its fuel and purchased power costs, which accounts for a variety of factors including system load, import requirements, and commodity prices. The model first incorporates "must-run" and non-dispatchable resources, including hydro generation, wind and solar generation when available, generation under take-

²⁰⁹ 2007 to 2016-17 from SaskPower 2018 Rate Application, 1st round information request SRRP Q41.

2017-18 from SaskPower 2022 and 2023 Rate Application, SaskPower response to SRRP Pre-ask 4.

2021-22 to 2022-23 from 2026 and 2027 2nd round information request SRRP Q17.

2021-22 to 2022-23 from 2026 and 2027 2nd round information request SRRP Q17.

or-pay power purchase agreements, contracted imports, and the minimum operating levels of baseload units. Once these requirements, along with transmission constraints, reserve margins, and other reliability requirements, have been satisfied, any additional generation needed to meet forecast demand is dispatched in order of lowest variable incremental cost. Depending on market prices and tie-line availability, imports may be selected ahead of SaskPower generation when they represent the least-cost supply option. Variable costs are based on factors such as fuel prices, unit heat rates, operating costs, and applicable carbon compliance costs.²¹⁰

7.1.2 Unit Costs of Generation

SaskPower's fuel and purchased power unit costs (\$/MWh) are influenced by a number of factors depending on the generation resource. For example, coal unit costs typically increase based on contractual inflationary mechanisms, hydro unit costs increase in accordance with water rental rates, gas unit costs change with variations in the commodity price, wind unit costs change with the weighted change in contracted capacity and contracted price, and import unit costs change based on market prices and the timing and volume of imported electrical energy.

SaskPower's fuel and purchased power unit costs (\$/MWh) have exhibited different trends across generation sources over the period shown in Figure 7-2. Hydro unit costs remained relatively stable throughout the period, increasing modestly from approximately \$3/MWh in 2007 to \$6-7/MWh in recent years.

With the exception of hydro, all major generation sources experienced significant changes in unit costs. Wind unit costs increased from \$4/MWh in 2010 to approximately \$42-44/MWh in recent years and have remained relatively stable since 2020-21. Natural gas unit costs declined from a peak of \$81/MWh in 2008 to \$30/MWh in 2020-21, increased to \$42/MWh in 2022-23, and subsequently declined to \$31/MWh in 2023-24. Coal unit costs increased from \$15/MWh in 2007 to \$32/MWh in 2020-21 and reached \$37/MWh in 2023-24, with costs forecast to increase further to \$50/MWh in 2024-25 and 2025-26. Import costs increased from approximately \$40-60/MWh through much of the historical period to more than \$100/MWh in 2020-21 and 2021-22, and are forecast to remain near \$90/MWh thereafter.

Reflecting these trends, SaskPower's weighted-average fuel and purchased power cost increased from \$23/MWh in 2007 to \$29/MWh in 2020-21, peaked at \$41/MWh in 2022-23, and declined to \$37/MWh in 2023-24. The weighted-average cost is forecast to remain relatively stable through 2025-26 before increasing to \$40/MWh in 2026-27.

²¹⁰ Summarized from 1st round information request SRRP Q39 from the 2018 rate application. SaskPower confirmed in 1st round information request SRRP Q80 from the current proceeding that there have been no changes to the dispatch policies or rules since the 2018 rate application.

Figure 7-2: Actual and Forecast Fuel and Purchased Power Unit Cost, 2007 to 2026-27 (\$/MWh)²¹¹

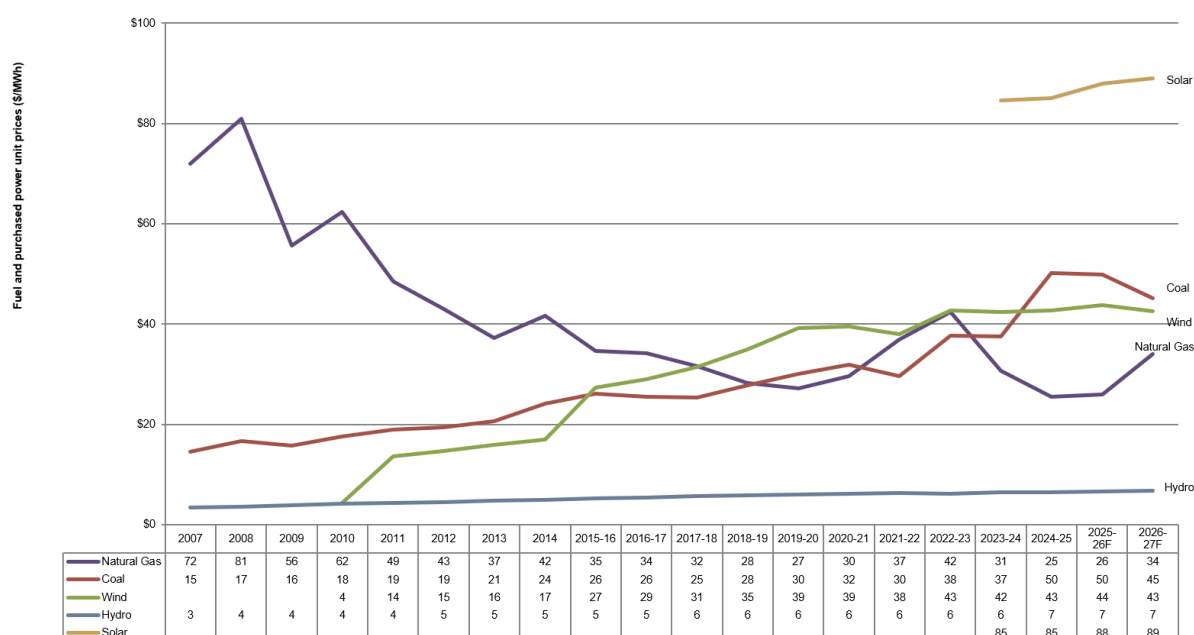
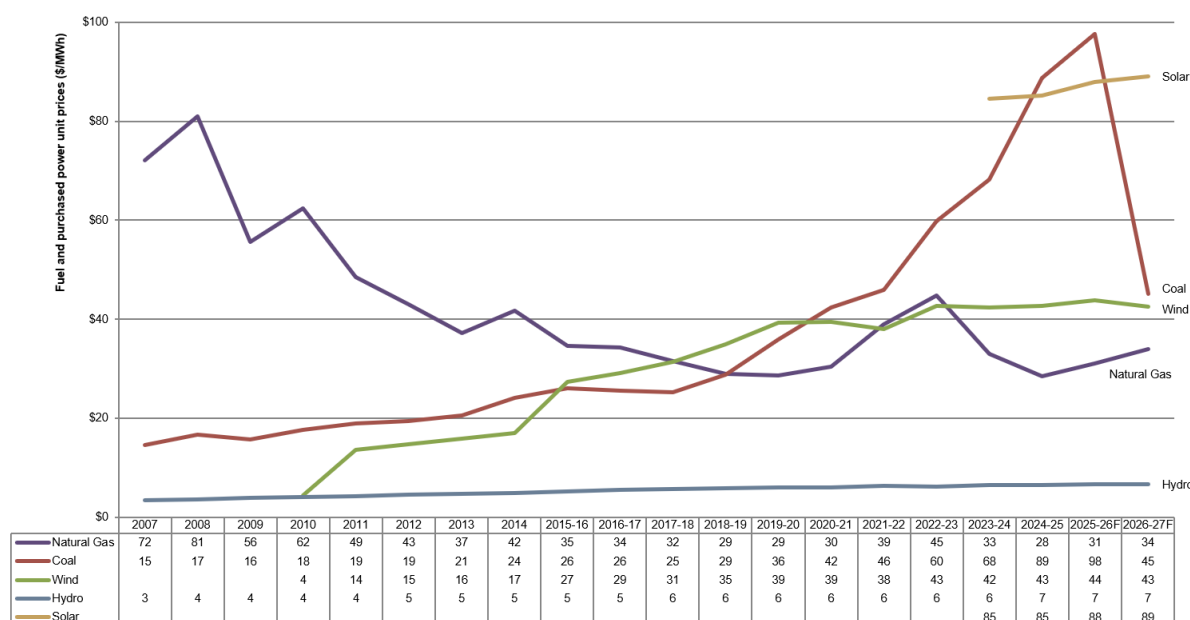


Figure 7-3 shows fuel and purchased power unit costs with carbon charges included. Relative to Figure 7-2, the most significant impact is on coal generation costs, which increase substantially in the later years. Coal unit costs rise from \$42/MWh in 2020-21 to \$68/MWh in 2023-24 and are forecast to reach \$98/MWh in 2025-26, compared to \$32/MWh, \$37/MWh, and \$50/MWh, respectively, without carbon compliance costs. Natural gas, hydro, wind, and import unit costs are largely unchanged. As a result, SaskPower's weighted-average fuel and purchased power cost increases from \$29/MWh in 2020-21 to \$33/MWh when carbon compliance costs are included, rises to \$49/MWh in 2022-23 and \$47/MWh in 2023-24, and is forecast to reach \$51/MWh in 2025-26. The carbon charge not being applied in 2026-27 leads to a large drop in unit costs for coal generation, with the portfolio average dropping down to \$40/MWh in 2026-27.

²¹¹ 2007 to 2016-17 from SaskPower 2018 Rate Application, 1st round information request SRRP Q41.
 2017-18 from SaskPower 2022 and 2023 Rate Application, SaskPower response to SRRP Pre-ask 4.
 2021-22 to 2022-23 from 2026 and 2027 2nd round information request SRRP Q17.
 2021-22 to 2022-23 from 2026 and 2027 2nd round information request SRRP Q17.

Figure 7-3: Actual and Forecast Fuel and Purchased Power Unit Cost (Including Carbon Charges), 2007 to 2026-27 (\$/MWh)^{212,213}



SaskPower notes that comparing the cost of generation options can be complex, as generation resources have different operating characteristics and cost structures.

Some generation sources can be dispatched when needed (e.g., natural gas and coal), while others are intermittent and must be taken when available (e.g., wind and solar). SaskPower therefore requires resources that can support system reliability when intermittent generation output changes. In addition to traditional dispatchable generation, SaskPower placed its first utility-scale battery energy storage system into service in 2024. The 20 MW battery facility is designed to support intermittent renewable generation and help balance the power system during short-term fluctuations in supply and demand.²¹⁴

Most of SaskPower's renewable generation capacity is delivered through PPAs. For PPAs, the costs recorded as fuel and purchased power expense include not only the cost of energy, but also the independent power producer's capital recovery and OM&A costs. By contrast, SaskPower-owned generation records only fuel-related costs within fuel and purchased power expenses, while OM&A and capital costs are recovered through other expense categories. As a result, fuel and purchased power costs for PPA resources are not directly comparable to those of SaskPower-owned generation.

Prior to 2026-27, carbon compliance costs were considered in SaskPower's dispatch modelling, as they affect the incremental cost of generation and therefore the economic dispatch order of

²¹² 2007 to 2016-17 from SaskPower 2018 Rate Application, 1st round information request SRRP Q41.

2017-18 from SaskPower 2022 and 2023 Rate Application, SaskPower response to SRRP Pre-ask 4.

2021-22 to 2022-23 from 2026 and 2027 2nd round information request SRRP Q17.

2021-22 to 2022-23 from 2026 and 2027 2nd round information request SRRP Q17.

²¹³ Federal carbon charges from 2nd round information request SRRP Q13.

²¹⁴ Page 8, SaskPower 2024-25 Annual Report.

available resources. In July 2023, the federal carbon pricing system for industrial emitters was replaced by Saskatchewan's OBPS program.²¹⁵ Effective April 1, 2025, SaskPower ceased collecting carbon costs from customers through a separate rate rider. For purposes of the 2026-27 test year, SaskPower has assumed no OBPS compliance obligation.²¹⁶

Figure 7-4 compares SaskPower's total generation unit costs, including fuel and purchased power costs, carbon compliance costs, OM&A expenses, depreciation, finance charges, taxes, and other costs. As a result, the figure reflects both variable operating costs and fixed costs associated with generation assets and is more useful for evaluating longer-term cost trends than short-term dispatch decisions.

Coal generation costs increased significantly from \$70/MWh in 2018-19 to \$116/MWh in 2023-24 and are forecast to peak at \$169/MWh in 2025-26 before declining to \$102/MWh in 2026-27. In contrast, natural gas generation costs declined from approximately \$68/MWh in 2020-21 to \$40/MWh in 2023-24 and are forecast to remain relatively stable at \$44/MWh in 2025-26 and \$47/MWh in 2026-27.

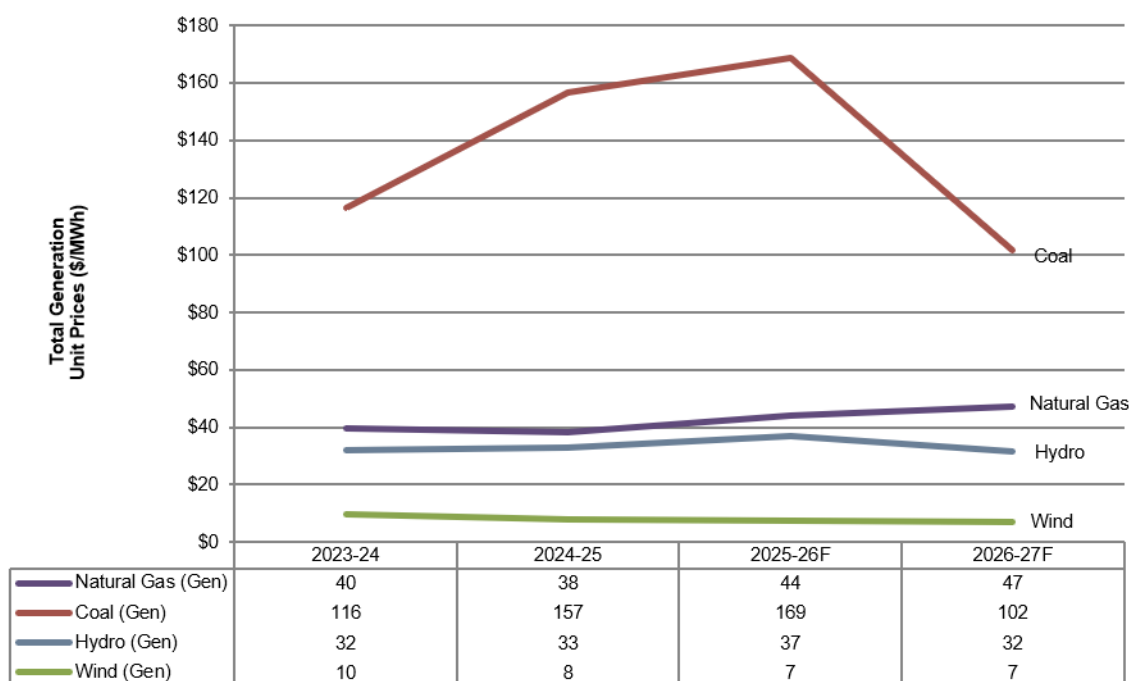
Wind generation costs exhibit the largest decline over the period, decreasing from \$76/MWh in 2018-19 to \$10/MWh in 2023-24 and a forecast \$7/MWh in both 2025-26 and 2026-27. Hydro generation costs have remained comparatively stable, fluctuating between \$20/MWh and \$37/MWh throughout the period.

In 2025-26, forecast generation costs range from \$7/MWh for wind and \$37/MWh for hydro to \$44/MWh for natural gas and \$169/MWh for coal. In 2026-27, with carbon charges no longer being applied, coal costs decline substantially to \$102/MWh, while natural gas, hydro, and wind costs remain relatively stable. Overall, SaskPower's weighted-average generation cost is forecast to increase from \$72/MWh in 2024-25 to \$77/MWh in 2025-26 before declining to \$72/MWh in 2026-27.

²¹⁵ Page 34, SaskPower 2024-25 Annual Report.

²¹⁶ Page 6, SaskPower 2026 and 2027 Rate Application.

Figure 7-4: Actual and Forecast Generation and Fuel and Purchased Power Unit Cost including Carbon Charges, 2023-24 to 2026-27 (\$/MWh)²¹⁷



7.1.3 Consultant Observations

SaskPower manages a generation portfolio that includes a mixture of coal, gas, hydro, wind, imports, and other sources. These resources have different characteristics in terms of fuel prices and operating characteristics. In the Consultant's view, SaskPower's methods for managing the dispatch order of its different generation resources is consistent with good utility practice.

The Consultant notes that, based on the information available in this proceeding, coal generation appears to have a higher average unit cost of fuel and purchased power (Figure 7-2) than natural gas and wind, even before carbon charges are considered (Figure 7-3). The estimated total generation cost including capital costs and non-fuel OM&A for coal is also higher, even in 2026-27 when SaskPower has forecast no carbon charge expenses. The Consultant understands coal generation has more stable fuel costs than natural gas and is dispatchable rather than intermittent like wind.

Comprehensive Cost of Generation: Total generation expenses are experiencing upward pressure. When factoring in comprehensive costs (F&PP, carbon charges, OM&A, depreciation, finance charges, and taxes), the generation expense for natural gas is \$555 million in 2026-27²¹⁸, while PPAs and imports will cost \$621 million.²¹⁹

²¹⁷ Generation volumes from 2026 and 2027 Rate Application, page 25.

Expenses from 1st round information request SRRP Q26 and 2nd round Q20.

2021-22 to 2026-27 PPA administrations costs administration costs from 2026 and 2027 2nd round information request SRRP Q19.

²¹⁸ 1st round information request SRRP Q26 and 2nd round information request SRRP Q20(c).

²¹⁹ 2nd round information request SRRP Q20(c).

7.2 OPERATING, MAINTENANCE AND ADMINISTRATION

Operations, maintenance and administration expense (OM&A) includes SaskPower's salary and wage expenses, materials and supplies, external contractor services, and other expenses such as training and travel. OM&A represents approximately 29 per cent of SaskPower's total revenue requirement in 2026-27.²²⁰ Figure 7-5 compares SaskPower's forecast OM&A and actual OM&A for the 10 most recent actual years (2015-16 to 2024-25) and forecasts for 2025-26 and 2026-27.

Figure 7-5: Actual and Forecast Operations, Maintenance and Administration, 2015-16 to 2026-27 (\$ millions)²²¹

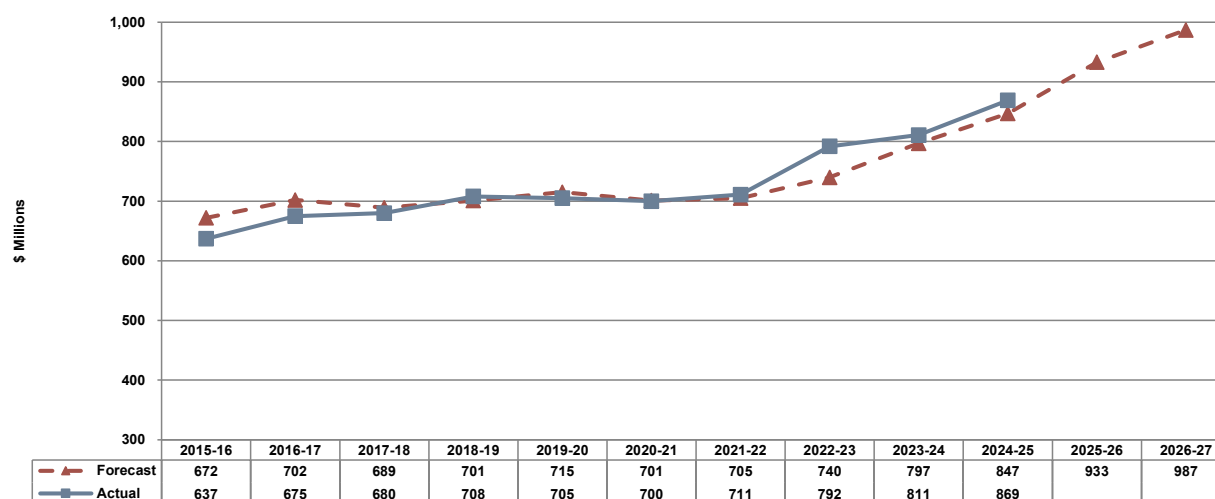


Figure 7-5 shows that from 2015-16 through 2021-22 SaskPower's OM&A spending was relatively flat and actuals were very close to forecasts. However, since 2022-23 SaskPower's OM&A costs have been increasing, and actuals have been higher than forecasts in each year from 2022-23 through 2024-25. SaskPower attributed the ²²²higher than forecast OM&A costs in 2022-23 to greater emergency maintenance required due to severe weather, additional generating station overhauls and higher spending on SMR feasibility costs. For 2023-24, SaskPower attributed the higher than forecast OM&A costs to emergency maintenance in response to flooding at the Poplar River Power Station, and increased spending on transmission and distribution maintenance and transformation initiatives.

SaskPower's application notes its OM&A costs have increased from \$811 million in 2023-24 to a forecast of \$987 million in 2026-27, an increase of 22 per cent²²³ or approximately 7 per cent on average annually. Over the same period, average annual inflation in Saskatchewan is

²²⁰ \$987 million of \$3,526 million.

²²¹ 2016-18 from 2nd round information request SRRP Q24, 2018 Rate Application; 2017-18 to 2020-21 from 1st round information request SRRP Q41, 2022 and 2023 Rate Application; 2021-22 to 2024-25 1st round information request SRRP Q46(a), 2026 and 2027 Rate Application; and Total OM&A actuals for 2023-24 to 2024-25, 2025-26 forecast and 2026-27 business plan from page 16, SaskPower 2026 and 2027 Rate Application and 2nd round information request SRRP Q26.

²²² 1st round information request SRRP Q44 (b).

²²³ PDF page 30. SaskPower 2026 and 2027 rate application.

forecast at approximately 2 per cent.²²⁴ SaskPower attributes these increases in OM&A to a number of factors, including²²⁵:

- Increased generation overhaul expenses;
- Additional transmission and distribution maintenance costs;
- Increased resources to run SaskPower's nuclear SMR development program;
- New resources to plan and execute on the Coal Fleet Repowering Initiative;
- Additional costs to staff and operate the new Great Plains and Aspen Generation Stations;
- New resources to modernize and maintain SaskPower's distribution grid; and
- Changes in the accounting treatment of information technology costs.²²⁶

SaskPower based its OM&A forecasts on an assumption of 2 per cent inflation per year but noted volatility in input costs were expected to result in certain expense categories increasing at a higher rate than 2 per cent.²²⁷ Inflation is forecasted to be approximately 2 per cent annually over the test years.²²⁸

SaskPower reports its average OM&A per customer as a metric to provide additional context for changes in OM&A over time. Figure 7-6 compares SaskPower's forecast and actual OM&A per customer account for the 10 most recent actual years (2015-16 to 2024-25) and forecasts for 2025-26 and 2026-27. Generally, SaskPower's actual OM&A per customer account were close to forecasts, through 2021-22. However, beginning in 2022-23, OM&A per customer actuals began trending higher than forecasts. SaskPower is also forecasting OM&A per customer to increase in 2025-26 and 2026-27. In contrast to the 22 per cent increase in OM&A forecast between 2023-24 and 2026-27, SaskPower's customer counts are forecast to increase by only 2 per cent over the same period.²²⁹

²²⁴ Gross domestic product at market prices, Table 36-10-0222-01, Statistics Canada and Forecast: Private-sector at a glance, Saskatchewan Budget 2025-26.

²²⁵ PDF page 30. SaskPower 2026 and 2027 rate application.

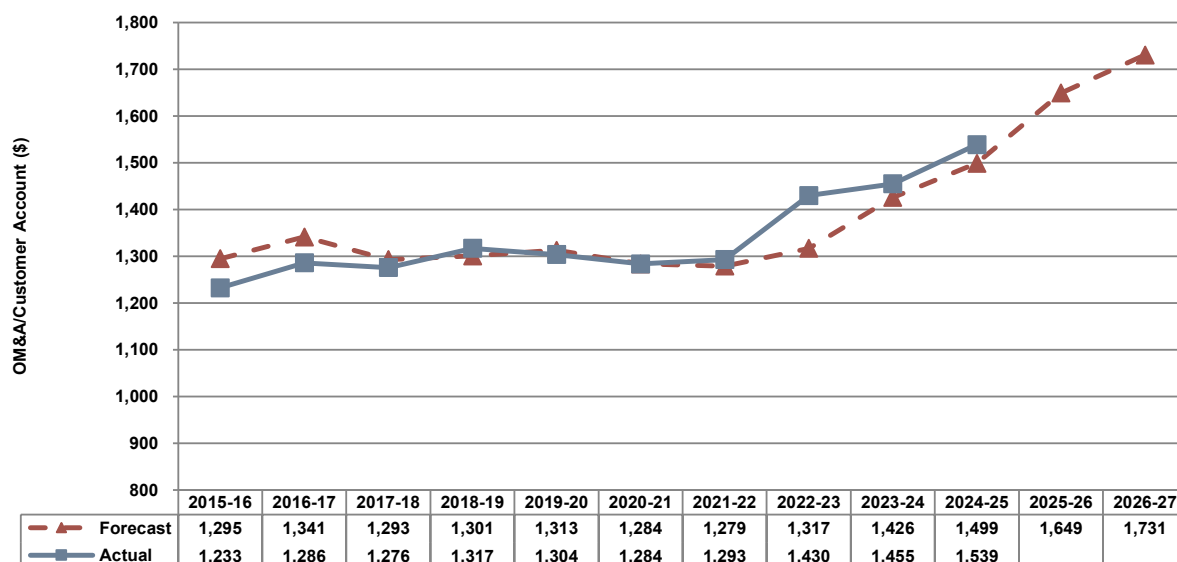
²²⁶ SaskPower noted in response to 1st round information request SRRP Q 1(c) that between \$13 to \$15 million of Software as a Service or cloud computing costs were included in OM&A between 2022-23 actuals and 2026-27 forecasts. Prior to the accounting standard changes all or a portion of these costs may have been capitalized. However, those costs have been relatively stable since 2022-23 so do not appear to contribute substantially to the increases from 2023-24 to 2026-27.

²²⁷ Response to 1st round information request SRRP 13(a).

²²⁸ See section of this report.

²²⁹ 557,000 accounts in 2023-24 compared to 570,000 accounts in 2026-27.

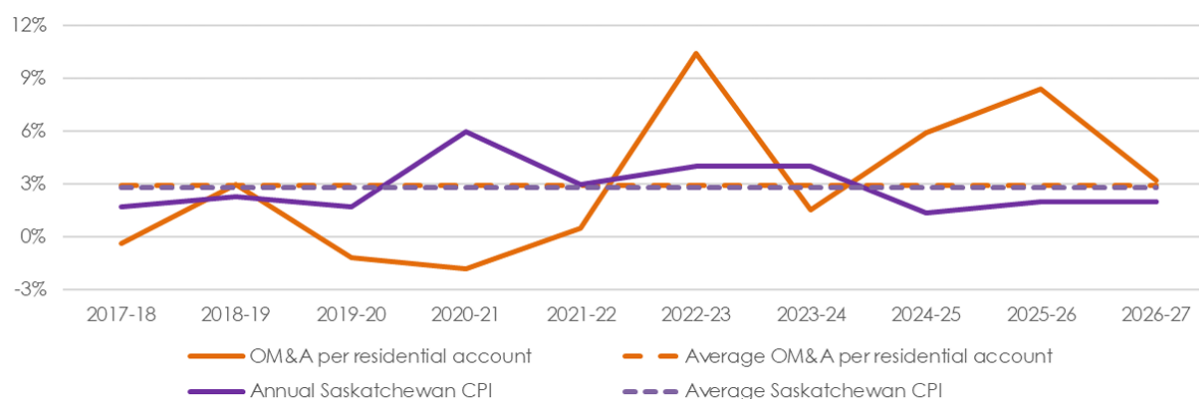
Figure 7-6: Actual and Forecast Operations, Maintenance and Administration costs per customer, 2015-16 to 2026-27 (\$) ²³⁰



SaskPower also presented information on growth in OM&A per residential customer account compared to inflation, as previously recommended by the Panel. Figure 7-7 reproduces the information provided by SaskPower. Figure 7-7 shows that over a ten-year period from 2017-18 through 2026-27, the growth in SaskPower's OM&A costs per customer are very similar to inflation. However, the Consultant notes that the more recent trend over the period since 2021-22 has been for the growth rate in OM&A per residential account to exceed inflation in most years.

²³⁰ 2016-18 from 2nd round information request SRRP Q24, 2018 Rate Application; 2017-18 to 2020-21 from 1st round information request SRRP Q41, 2022 and 2023 Rate Application; 2021-22 to 2024-25 1st round information request SRRP Q46(a), 2026 and 2027 Rate Application; and Total OM&A actuals for 2023-24 to 2024-25, 2025-26 forecast and 2026-27 business plan from page 16, SaskPower 2026 and 2027 Rate Application and 2nd round information request SRRP Q26.

Figure 7-7: Actual and Forecast OM&A Growth Compared to Inflation 2017-18 to 2026-27²³¹



The Panel has previously recommended that SaskPower limit the growth in OM&A per customer account to half the rate of inflation and SaskPower previously indicated that it intended to continue to try to achieve this target in the future.²³² Table 7-4 shows the actual and forecast increases in OM&A per customer for 2021-22 through 2024-25. SaskPower successfully constrained OM&A per customer increases to less than 2 per cent in 2021-22 and 2023-24 but had substantially higher than inflation increases in 2022-23 and 2024-25. For 2025-26 and 2026-27 SaskPower is forecasting increases in OM&A per customer that are higher than the inflation forecast of 2 per cent.

SaskPower states its 2024-25 and 2025-26 business plans included a 1 per cent efficiency target that involved vacancy management, reductions in contract and external services and reducing discretionary spending. SaskPower indicates these reductions were also incorporated into the 2026-27 budgets.²³³

²³¹ PDF page 30. SaskPower 2026 and 2027 rate application.

²³² SRRP, Report to the Minister Responsible for Crown Investments Corporation of Saskatchewan, Regarding the SaskPower 2017 Rate Application, Effective Date March 1, 2018. Pages 22-23.

²³³ Response to first round information request SRRP Q44 (d).

Table 7-4: Actual and Forecast Operations, Maintenance and Administration Expense per Customer, 2021-22 to 2026-27 (\$/customer) ²³⁴

	Actual				Average Annual 2021-22 - 2024-25	Forecast 2025-26	Business Plan 2026-27	Average Annual 2021-22 - 2026-27
	2021-22	2022-23	2023-24	2024-25				
Total OM&A (\$ millions)	711	792	811	869		933	987	
Percent Change	1.6%	11.4%	2.4%	7.2%	6.9%	7.4%	5.8%	6.8%
Total Customer Accounts	549,940	553,849	557,443	562,232		565,648	570,193	
Percent Change	0.9%	0.7%	0.6%	0.9%	0.7%	0.6%	0.8%	0.7%
OM&A/Customer (\$/Customer)	1,293	1,430	1,455	1,539		1,649	1,731	
Percent Change	0.7%	10.6%	1.7%	5.8%	6.0%	7.2%	4.9%	6.0%

Table 7-5 summarizes SaskPower's OM&A expenses by major category from 2023-24 actuals through 2026-27 forecasts. Salaries and wages make up the largest portion of OM&A expenses in the test years (55 per cent) followed by external services (36 per cent) and other expenses (11 per cent).

²³⁴ 2021-22 to 2024-25 total customer accounts and 2021-22 to 2022-23 total OM&A from 1st round information request SRRP Q46(a); 2023-24 to 2024-25 actual total OM&A and 2025-26 to 2026-27 forecast total OM&A from page 19, SaskPower, 2026 and 2027 Rate Application.

Table 7-5: Actual and Forecast Operations, Maintenance and Administration Expense by Category, 2023-24 to 2026-27 (\$ millions) ²³⁵

	2023-24 Actual	2024-25 Change over 2023-24 Actual			2025-26 Change over 2024-25 Actual			2026-27 Change over 2025- 26 Forecast		
		Actual	\$	%	Forecast	\$	%	Business Plan	\$	%
Salaries and Wages										
Salaries and Wages	379	415	36	9.5%	434	19	4.6%	467	33	7.6%
Premium Pay	43	46	3	7.0%	49	3	6.5%	44	(5)	(10.2%)
Benefits	84	93	9	10.7%	95	2	2.2%	102	7	7.4%
Labour Credits	(57)	(62)	(5)	8.8%	(67)	(5)	8.1%	(68)	(1)	1.5%
Subtotal Salaries and Wages	449	492	43	9.6%	511	19	3.9%	545	34	6.7%
Materials and Supplies	58	68	10	17.2%	78	10	14.7%	76	(2)	(2.6%)
External Services										
Contract Services	247	278	31	12.6%	324	46	16.5%	341	17	5.2%
Consulting Services	24	17	(7)	(29.2%)	16	(1)	(5.9%)	15	(1)	(6.3%)
Advertising	2	2	0	0.0%	3	1	50.0%	3	0	0.0%
Subtotal External Services	273	297	24	8.8%	343	46	15.5%	359	16	4.7%
Other										
Training	3	3	0	0.0%	3	0	0.0%	4	1	33.3%
Travel	14	15	1	7.1%	15	0	0.0%	15	0	0.0%
Administrative	20	22	2	10.0%	26	4	18.2%	26	0	0.0%
Insurance	18	18	0	0.0%	19	1	5.6%	20	1	5.3%
Bad Debt Expense	8	4	(4)	(50.0%)	4	0	0.0%	5	1	25.0%
Tools and Equipment	4	4	0	0.0%	4	0	0.0%	4	0	0.0%
Vehicle Expenses	27	26	(1)	(3.7%)	26	0	0.0%	26	0	0.0%
Property Expenses	6	5	(1)	(16.7%)	5	0	0.0%	5	0	0.0%
Other	100	97	(3)	(3.0%)	102	5	5.2%	105	3	2.9%
Power Grid Renewal Grant (Grants)	(22)	(36)			(43)	(7)		(40)		
Corporate Credits, excl. Labour	(47)	(53)	(6)	12.8%	(58)	(5)	9.4%	(58)	0	0.0%
Total OM&A	811	865	74	9.1%	933	68	7.9%	987	51	5.5%

The primary drivers of increases in OM&A in 2025-26 and 2026-27 over prior years include:

- External services (primarily contract services) are forecast to increase by \$46 million (16 per cent) in 2025-26 and a further \$16 million (5 per cent) in 2026-27.
- Labour costs are forecast to increase by \$19 million (3.9 per cent) in 2025-26 and a further \$34 million (6.7 per cent) in 2026-27.

Labour costs include salaries and wages; premium pay and benefits offset by labour credits such as capitalized salaries. Labour costs make up approximately 55 per cent of SaskPower's OM&A expenses in the test years. Total labour costs are forecast to have increased by \$96 million from 2023-24 to 2026-27. Both of SaskPower's collective bargaining agreements expired at the end of 2025.²³⁶ SaskPower and International Brotherhood of Electrical Workers (IBEW) reached a new collective bargaining agreement effective January 1, 2026 which effects approximately 45 per cent of SaskPower's workforce. The new deal carries a three-year term and includes general wage increases of 2 per cent per year of the agreement.²³⁷ Unifor is not yet ratified.

Approximately 60 per cent of SaskPower's employees in 2025-26 were forecast to be subject to collective agreements.²³⁸ Labour costs are influenced by the number of budgeted full-time

²³⁵ 1st round information request SRRP Q44.

²³⁶ 1st round information request SRRP 49 (a).

²³⁷ SaskPower, IBEW reach New CBA, SaskPower New Release, July 16, 2026. <https://www.saskpower.com/about-us/media-information/news-releases/2026/saskpower-ibew-reach-new-cba>

²³⁸ 1st round information request SRRP 49 (b).

equivalent positions (FTEs) and vacancy rates. Table 7-6 summarizes actual and forecast FTEs and vacancy rates for 2022-23 through 2026-27.

Table 7-6: Actual and Forecast FTEs and Vacancy Rates, 2022-23 to 2026-27²³⁹

	Actual			Forecast	Business Plan
	2022-23	2023-24	2024-25	2025-26	2026-27
Total FTEs	3,416.0	3,544.0	3,643.0	3,679.0	3,767.0
Permanent FTE Vacancy	5.1%	5.0%	4.9%	5.1%	3.0%

SaskPower is forecasting an increase of 124 FTEs by 2026-27 compared to 2024-25. SaskPower's forecast vacancy rate in 2026-27 is also higher than the last several years of actuals, which reduces labour expenses, all else being equal.

SaskPower is also forecasting an increase in the Power Grid Renewal Grant to \$43 million in 2025-26 and \$40 million in 2026-27 that is an offset to OM&A expense.

7.2.1 Consultant Observations

OM&A represents a substantial component of SaskPower's revenue requirement in 2025-26 and 2026-27 at approximately 28 per cent. The Consultant completed a comparison of SaskPower's actual and forecast OM&A for the 10-year period from 2015-16 through 2024-25 and found that in recent years, SaskPower's OM&A spending had been higher than forecast. Some of the higher spending was driven by responses to severe weather that is generally beyond the ability of the utility to forecast accurately. However, the upward trend in OM&A is a notable contributor to the need for higher rates. SaskPower is forecasting an increase in OM&A of \$122 million (14 per cent) in 2026-27 compared to 2024-25 actuals.

In previous reviews the Panel has recommended that SaskPower limit the growth in OM&A per customer account to half the rate of inflation. Given the cost pressures facing SaskPower related to the coal repowering initiative and SMR development, as well as the need to maintain aging distribution and transmission infrastructure, that target may not be achievable. However, in the Consultant's view it will be important for SaskPower to continue to seek ways to limit the growth in its OM&A budgets.

7.2.2 Consultant Recommendations

The Consultant recommends the Panel encourage SaskPower to continue to focus on limiting growth in OM&A per customer to the rate of inflation or lower.

7.3 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation expense is the charge to income related to SaskPower's capital expenditures. SaskPower's policy is to calculate depreciation on a straight-line basis over the estimated average service life (ASL) of its assets. Forecast depreciation expense is \$675 million in 2025-

²³⁹ 2022-23 to 2026-27 total FTEs from 1st round information request SRRP Q44; 2022-23 to 2026-27 permanent FTE vacancies from 1st round information request SRRP Q45(a).

26 and \$712 million in 2026-27 as shown in Table 7-7. Depreciation expense accounts for approximately 20 per cent of SaskPower's total revenue requirement in each test year.²⁴⁰

Table 7-7: Actual and Forecast Depreciation Expense, 2023-24 to 2026-27 (\$ millions)²⁴¹

	2023-24 Actual	2024-25			2025-26			2026-27		
		Actual	Change over 2023-24 Actual		Forecast	Change over 2024-25 Actual		Business Plan	Change over 2025-26 Business Plan	
			\$	%		\$	%		\$	%
Expense										
Depreciation Expense	554	587	33	6.0%	624	37	6.3%	661	37	5.9%
Capital Lease Amortization	51	51	0	0.0%	51	0	0.0%	51	0	0.0%
Total	605	638	33	5.5%	675	37	5.8%	712	37	5.5%

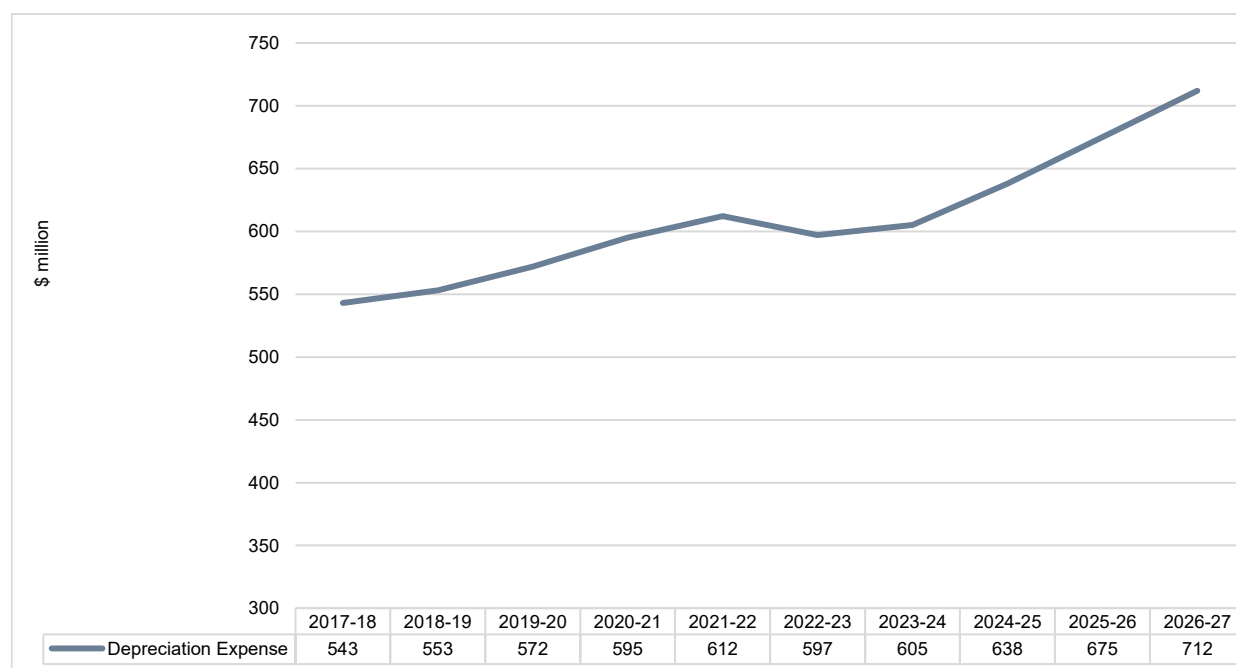
Depreciation expense has grown from \$543 million in 2017-18 to a forecast of \$712 million by 2026-27 (approximately 3.1 per cent on average annually). SaskPower attributes the increases in depreciation expense to higher capital spending.²⁴² SaskPower's gross plant in service has grown from approximately \$15 billion in 2017-18 to a forecast approximately \$23.5 billion in 2026-27.²⁴³ The gross plant in service from 2017-18 to forecasted 2026-27 is approximately a 56 per cent increase over this period compared to an approximate 31 per cent increase in depreciation expense.

²⁴⁰ Page 19, SaskPower 2026 and 2027 Rate Application.

²⁴¹ Page 27, SaskPower 2026 and 2027 Rate Application.

²⁴² Page 27, SaskPower 2026 and 2027 Rate Application.

²⁴³ 2017-18 gross plant in service from 1st round information request SRRP Q4, 2018 Rate Application; 2026-27 from 1st round information request SRRP Q4, 2026 and 2027 Rate Application.

Figure 7-8: Actual and Forecast Depreciation Expense, 2017-18 to 2026-27²⁴⁴

SaskPower conducts an external depreciation study approximately every five years. SaskPower last commissioned an external depreciation study in 2022-23 and states it plans to complete a new study in 2027-28.²⁴⁵ In addition to periodic external reviews, SaskPower's finance department annually reviews depreciation rates to confirm their continued appropriateness and proposes adjustments when necessary.²⁴⁶ The largest changes to depreciation rates since the last rate application affected depreciation expense for coal generation assets. SaskPower reported an estimated \$7.2 million increase in coal depreciation in 2023-24.²⁴⁷

SaskPower indicates the impacts of the coal generation life extension plan are not reflected in its current depreciation rates. SaskPower states the new supply plan was approved by its Board in November 2025, and at the time Round 1 information request responses were completed in March 2026, SaskPower management was still in the process of assessing the impacts of extending the operational life of the conventional coal-fired units. Therefore, the depreciation rates for these units have not been adjusted to align with the new supply plan.²⁴⁸

7.3.1 Consultant Observations

The Consultant notes that the coal repowering plan represents a substantial shift in SaskPower's supply plan and may have material implications for future depreciation expense. At the time of SaskPower's 2018 rate application, adjustments to the retirement dates of SaskPower's coal facilities consistent with the terms of an equivalency agreement in principle between the governments of Saskatchewan and Canada had a material impact on depreciation expense,

²⁴⁴ 2017-18 to 2020-21 from page 17, SaskPower 2022 and 2023 Rate Application; 2021-22 to 2026-27 from 2nd round information request Q23.

²⁴⁵ 1st round information request SRRP Q19(a).

²⁴⁶ 1st round information request SRRP Q19(g).

²⁴⁷ 1st round information request SRRP Q19(f).

²⁴⁸ 1st round information request SRRP Q19(d).

approximately \$12 million annually.²⁴⁹ The Consultant notes that SaskPower intends to complete a new depreciation study in 2027-28. In the Consultant's view it will be important for the external depreciation study to include a detailed review of depreciation parameters for coal generation assets in light of the new supply plan.

The Consultant notes that SaskPower's depreciation study has been provided on a confidential basis. In the Consultant's experience, utility depreciation studies are typically included in publicly available rate filings.

7.3.2 Consultant Recommendations

The Consultant recommends that the Panel request SaskPower consider making its next external depreciation study publicly available at the time of its next rate application.

7.4 FINANCE CHARGES

Finance charges reflect interest on SaskPower's long-term and short-term borrowings and lease liabilities, less capitalized interest and debt retirement fund earnings.²⁵⁰ Table 7-8 summarizes SaskPower's actual interest expense for 2023-24 through 2024-25 and forecasts for 2025-26 and 2026-27. Total finance charges are forecast to increase from \$409 million in 2023-24 to \$458 million in 2026-27. SaskPower attributes the increase in finance charges largely to higher capital spending, resulting in additional borrowings. Over this period, SaskPower is expecting interest on long-term debt to increase by \$101 million.²⁵¹

Table 7-8: Actual and Forecast Finance Charges, 2023-24 to 2026-27 (\$ millions)²⁵²

	2023-24 Actual	2024-25 Change over 2023-24 Actual			2025-26 Change over 2024-25 Actual			2026-27 Change over 2025-26 Forecast		
		Actual	\$	%	Forecast	\$	%	Business Plan	\$	%
Expense										
Interest on long-term debt	286	326	40	14.0%	363	37	11.3%	387	24	6.6%
Interest on lease liabilities	132	131	(1)	(0.8%)	129	(2)	(1.5%)	123	(6)	(4.7%)
Interest on short-term advances	33	27	(6)	(18.2%)	24	(3)	(11.1%)	37	13	54.2%
Interest on employee benefit plans	8	6	(2)	(25.0%)	5	(1)	(16.7%)	5	0	0.0%
Interest on provisions	11	14	3	27.3%	25	11	78.6%	19	(6)	(24.0%)
Interest capitalized	(39)	(47)	(8)	20.5%	(48)	(1)	2.1%	(70)	(22)	45.8%
Amortization of debt premiums/discounts	(3)	3	3	(100.0%)	1	1		4	3	300.0%
Amortization of bond forward agreements		0	0		0	0		0	0	
Other interest and charges	1	1	0	0.0%	1	0	0.0%	1	0	0.0%
Finance Expense	429	458	29	6.8%	500	42	9.2%	506	6	1.2%
Income										
Debt retirement fund earnings	(14)	(32)	(18)	128.6%	(32)	0	0.0%	(42)	(10)	31.3%
Debt retirement fund realized market value gain		0	0		0	0		0	0	
Interest income	(6)	(8)	(2)	33.3%	(5)	3	(37.5%)	(6)	(1)	20.0%
Finance Income	(20)	(40)	(20)	100.0%	(37)	3	(7.5%)	(48)	(11)	29.7%
Total Finance Charges	409	418	9	2.2%	463	45	10.8%	458	(5)	(1.1%)

Table 7-9 presents SaskPower's actual net debt for 2023-24 through 2024-25 and forecast for 2025-26 and 2026-27. Total net debt is forecast to increase from approximately \$8.2 billion in

²⁴⁹ Page 7-20. Review of SaskPower's 2018 Rate Application. InterGroup Consultants. Available: <https://saskratereview.ca/storage/316/01JHXSYSRSXA9E60VDWXMNG74Y8.pdf>

²⁵⁰ Page 28. SaskPower 2026 and 2027 rate application.

²⁵¹ Page 28, SaskPower 2026 and 2027 rate application.

²⁵² 1st round information request SRRP Q17.

2023-24 to approximately \$11.4 billion in 2026-27. SaskPower's debt is forecast to account for approximately 26 per cent of provincial debt in 2026-27.²⁵³

SaskPower states it contributes at least 1 per cent of certain outstanding debts to a debt retirement fund (DRF) annually.²⁵⁴ SaskPower's requirement to make DRF contributions is included in the terms and conditions of its borrowing approvals through Orders in Council.²⁵⁵ SaskPower notes it has never contributed more than 1 per cent of the face value to a DRF.²⁵⁶

During the review of its 2022 and 2023 rate application, SaskPower was asked if it had evaluated the difference in finance expense if its debt retirement contributions had instead been used to pay down debt principle. SaskPower identified that the DRF invests for a shorter time horizon than SaskPower borrows, and depending on the portfolio mix could result in a potential cost of approximately 0.15 per cent based on a 10-year term. SaskPower noted the cost will vary with the composition of the DRF's holdings, the term of SaskPower's borrowings, and the interest rate credit and term spreads observed in the market.²⁵⁷ SaskPower also notes the DRF reduces refinancing risk and the DRF is viewed positively by bond rating agencies. Costs incurred through the DRF are therefore potentially offset by lower borrowing costs (lower credit spread) on new debt issuances. SaskPower has not updated its analysis conducted during the 2022 and 2023 rate application.²⁵⁸

SaskPower notes there have been no changes to its debt strategy with respect to how much short-term versus long-term debt it takes on and the mixture of floating rate debt versus fixed rate debt it considered to be optimal since the time of its last rate application.²⁵⁹ SaskPower maintains up to 15 per cent of total debt equivalent obligations (including capital leases) in floating rate debt.²⁶⁰

Table 7-9: Actual and Forecast Net Debt, 2023-24 to 2026-27 (\$ millions)²⁶¹

	2023-24 Actual	2024-25				2025-26				2026-27			
		Change over 2023-24 Actual				Change over 2024-25 Actual				Change over 2025-26 Forecast			
		Actual	\$	%	Forecast	\$	%	Business Plan	\$	%			
Debt													
Long-term debt	7,647	8,468	821	10.7%	9,454	986	11.6%	10,457	1,003	10.6%			
Short-term debt	910	809	(101)	(11.1%)	1,109	300	37.1%	1,259	150	13.5%			
Lease liabilities	850	984	134	15.8%	944	(40)	(4.1%)	893	(51)	(5.4%)			
Debt retirement funds	(799)	(931)	(132)	16.5%	(984)	(53)	5.7%	(1,121)	(137)	13.9%			
Cash and cash equivalents	(374)	(50)	324	(86.6%)	(44)	6	(12.0%)	(53)	(9)	20.5%			
Total Net Debt Level	8,234	9,280	1,046	12.7%	10,479	1,199	12.9%	11,435	956	9.1%			
Percent Debt Ratio	74.4%	76.2%			79.2%			80.1%					

SaskPower is forecasting short-term interest rates of 2.5 per cent for both 2025-26 and 2026-27, and long-term interest rates of 4.6 per cent over the same period.²⁶² This compares to

²⁵³ Calculated by InterGroup Consultant's using SaskPower's 2026-27 forecasted net debt retrieved from 1st round information request SRRP Q60 of \$11.435 billion and Saskatchewan Provincial budgeted debt retrieved from the 2026-27 Provincial Budget, page 72 of \$43.518 billion.

²⁵⁴ Page 28, SaskPower 2026 and 2027 Rate Application.

²⁵⁵ 2nd round information request SRRP Q6 (a).

²⁵⁶ 1st round information request SRRP Q18.

²⁵⁷ 2022 and 2023 Rate Application, 1st round information request SRRP Q18(b).

²⁵⁸ 1st round information request SRRP Q18(b).

²⁵⁹ 1st round information request SRRP Q14.

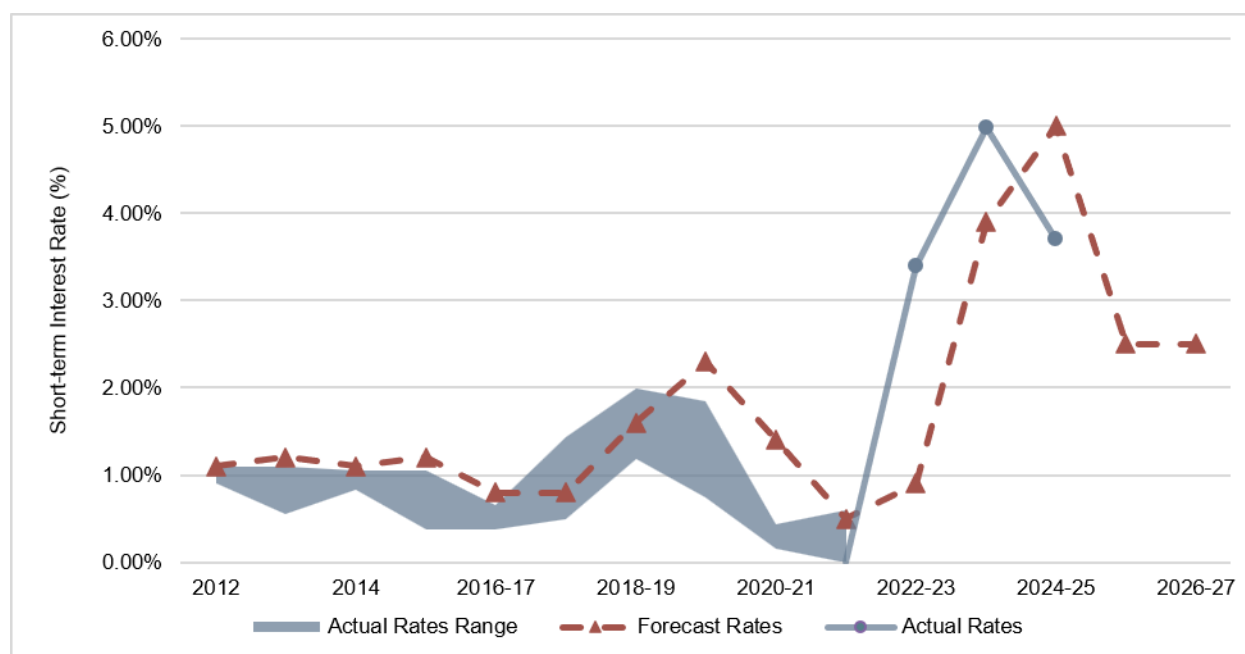
²⁶⁰ 2022 and 2023 Rate Application, 1st round information request SRRP Q13.

²⁶¹ 1st round information request SRRP Q60.

²⁶² 1st round information request SRRP Q9(a).

actual interest rates of 3.7 per cent for short-term debt and 4.29 per cent for long-term debt in 2024-25.²⁶³ Figure 7-9 compares SaskPower's actual short-term debt rates to forecasts for 2012 through 2026-27 and Figure 7-10 compares actual and forecast long-term debt rates for the same period.

Figure 7-9: Actual and Forecast SaskPower Short-term Debt Interest Rates, 2012 to 2026-27²⁶⁴



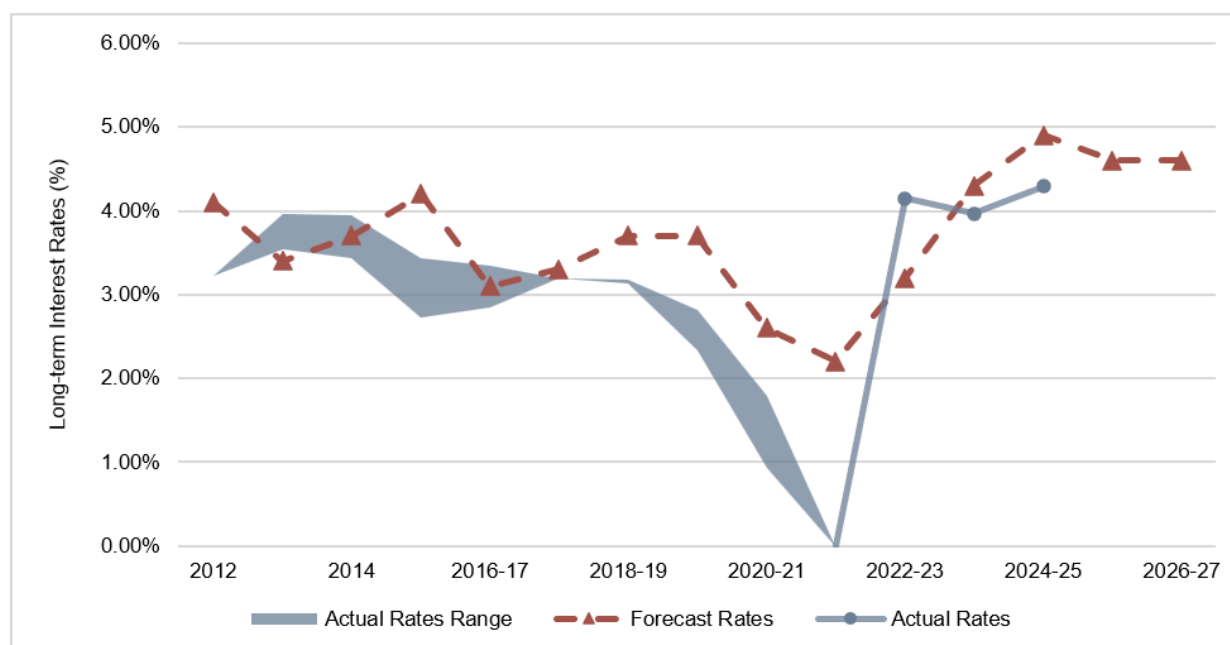
Note: 2015-16 period is 15 months.

SaskPower's interest rate forecasts have generally been close to actual interest rates. Where actuals have varied from the forecasts, SaskPower's forecasts have generally been higher than actual results before 2021-22 and varied after this period.

²⁶³ 1st round information requests SRRP Q9 and Q16.

²⁶⁴ 2012 to 2021-22 from 1st round information request SRRP Q15, 2022 and 2023 Rate Application; 2022-23 to 2024-25 from 1st round information request SRRP Q16, 2026 and 2027 Rate Application; 2025-26 to 2026-27 from 1st round information request SRRP Q9, 2026 and 2027 Rate Application.

Figure 7-10: Actual and Forecast SaskPower Long-term Debt Interest Rates, 2012 to 2026-27²⁶⁵



Note: 2015-16 period is 15 months. The actual interest rate for 2021-22 was not 0.²⁶⁶

7.4.1 Consultant Observations

The Consultant notes SaskPower is forecasting its finance expense to increase over the test years due to an increase in capital spending, resulting in additional borrowings. SaskPower interest rate forecasts have generally been close to actual rates with variances being both slightly higher and lower.

SaskPower is forecasting the short-term and long-term interest rates to decrease slightly and hold steady during both test years. The Consultant notes the Bank of Canada's overnight rate target remained the same at 2.25 per cent in June 2026. The Bank of Canada has noted that inflation has increase in recent months driven by the conflict in the Middle East and increasing oil prices, but that CPI inflation is forecasted to moderately decrease into 2027.²⁶⁷ On that basis, the Consultant concludes that SaskPower's interest rate forecasts appear reasonable for rate-making purposes.

7.4.2 Consultant Recommendations

The Consultant recommends the Panel accept SaskPower's finance expenses forecasts for the current application.

²⁶⁵ 012 to 2021-22 from 1st round information request SRRP Q15, 2022 and 2023 Rate Application; 2022-23 to 2024-25 from 1st round information request SRRP Q16, 2026 and 2027 Rate Application; 2025-26 to 2026-27 from 1st round information request SRRP Q9, 2026 and 2027 Rate Application.

²⁶⁶ As per 2022 and 2023 Rate Application 1st round SRRP Q15, SaskPower notes that there were no borrowings of this type in that year, so no data point is available.

²⁶⁷ Bank of Canada Press Release dated June 10, 2026 and Monetary Policy Report, April 2026. Available at: <https://www.bankofcanada.ca/2026/06/fad-press-release-2026-06-10/> and <https://www.bankofcanada.ca/publications/mp/2026-04-29/projections/>

7.5 TAX EXPENSE

SaskPower incurs tax expenses related to corporate capital tax obligations and grants in lieu of taxes. Tax expenses are forecast to be \$105 million in 2025-26 and \$113 million in 2026-27, as summarized in Table 7-10.

Table 7-10: Actual and Forecast Tax Expense, 2023-24 to 2026-27 (\$ millions)²⁶⁸

	2023-24 Actual	2024-25 Change over 2023-24 Actual			2025-26 Change over 2024-25 Actual			2026-27 Change over 2025- 26 Forecast		
		Actual	\$	%	Forecast	\$	%	Business Plan	\$	%
Corporate capital tax	57	64	7	12.3%	70	6	9.4%	76	6	8.6%
Grants in lieu	34	35	1	2.9%	34	(1)	(2.9%)	36	2	5.9%
Other	1	1	0	0.0%	1	0	0.0%	1	0	0.0%
Total	92	100	8	8.7%	105	5	5.0%	113	13	7.6%

SaskPower's Corporate Tax expense is calculated based on SaskPower's paid-up capital. SaskPower's forecast taxable paid-up capital is increasing during the test years from 2024-25 actuals. SaskPower notes it pays grants in lieu of taxes based on electricity revenues and forecasts modest growth in these expenses over the test years.²⁶⁹

The Saskatchewan 2026 provincial budget included an amendment to reduce the rate applied to Crown corporations in 2026-27 and to eliminate it effective April 1, 2027.²⁷⁰ These changes are not reflected in Table 7-10 as the rate application was submitted prior to the provincial budget being release. However, the effects of the amendments to SaskPower's corporate capital tax obligations are described in Section 7.8 on the mid-application update.

Table 7-11 summarizes total actual payments from SaskPower to the province of Saskatchewan for 2018-19 through 2024-25 and forecasts for 2025-26 through 2026-27. Water rentals and coal royalties are included in SaskPower's fuel expense. Corporate capital tax and grants in lieu of taxes are included in tax expense. SaskPower is forecasting no dividends in 2025-26 and 2026-27 as dividends reflect a portion of its net income for a particular year. Table 7-11 indicates that total payments to the province are forecast to increase from \$393 million in 2024-25 to \$489 million in 2025-26 before decreasing in 2026-27 to \$143 million.²⁷¹ The large reduction in 2026-27 is attributed ongoing discussions between the Government of Saskatchewan and the federal government in which there is uncertainty surrounding the future direction of the OBPS carbon charge. As a result, the CIC has directed that any OBPS amounts be removed from future years.²⁷²

²⁶⁸ Page 29, SaskPower 2026 and 2027 Rate Application.

²⁶⁹ Page 29, SaskPower 2026 and 2027 Rate Application.

²⁷⁰ Page 16-17, Saskatchewan Provincial Budget 2026-27.

²⁷¹ 1st round information request SRRP Q8.

²⁷² 1st round information request SRRP Q4(d).

Table 7-11: Actual and Forecast Payments to Saskatchewan, 2018-19 to 2026-27 (\$ millions)²⁷³

	Actual						2025-26 Forecast	Business Plan 2026-27
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Water rentals	21	23	26	18	20	16	18	24
Coal royalties	7	7	9	8	6	5	4	10
Corporate capital tax	46	48	49	51	54	57	64	76
Grants in lieu of taxes	25	26	26	27	28	31	31	33
Dividends	20	20	48	3		18		
OBPS carbon tax						267	276	
Total	119	124	158	107	108	394	393	143

7.5.1 Consultant Observations

The Consultant notes that corporate capital taxes and grants-in-lieu of taxes are legislated requirements. These types of charges are typically recovered through rates for electric utilities. The removal of the corporate capital tax obligation will reduce SaskPower's revenue requirement by approximately \$76 million in 2026-27. The Consultant notes uncertainty around what, if any, level of OBPS carbon charge or equivalent will apply in 2026-27 represents a material risk to SaskPower and its ratepayers.

7.5.2 Consultant Recommendations

The Consultant recommends the Panel accept SaskPower's tax expense forecasts for the current application.

7.6 OTHER EXPENSES

SaskPower's other expenses category includes gains or losses on asset disposals and retirements that were previously classified as part of depreciation expense as well as environmental and decommissioning expenses related to the operation of SaskPower assets.²⁷⁴ Other expenses are forecast to decrease slightly in 2025-26 and increase in 2026-27 as shown in Table 7-12. Other expenses comprise approximately 1 per cent of SaskPower's forecast revenue requirement during the test years.

Table 7-12: Actual and Forecast Other Expenses, 2023-24 to 2026-27 (\$ millions)²⁷⁵

	2023-24 Actual	2024-25 Change over 2023-24 Actual			2025-26 Change over 2024-25 Actual			2026-27 Change over 2025- 26 Actual		
		Actual	\$	%	Forecast	\$	%	Business Plan	\$	%
Loss on asset retirements	19	18	(1)	(5.3%)	18	0	0.0%	18	0	0.0%
Cost of asset disposals	16	17	1	6.3%	18	1	5.9%	19	1	5.6%
Inventory variance adjustments		9	9	-	4	(5)	(55.6%)	5	1	25.0%
Other environmental costs	3	7	4	133.3%	8	1	14.3%	11	3	37.5%
Settlement claims ⁽¹⁾		1	1	-						
Total	38	52	14	36.8%	48	(4)	(7.7%)	53	5	10.4%

²⁷³ 1st round information request SRRP Q8.

²⁷⁴ Page 29, SaskPower 2026 and 2027 Rate Application.

²⁷⁵ 1st round information request SRRP Q59.

7.6.1 Consultant Observations

The Consultant notes the changes in other expenses are relatively small compared to SaskPower's total revenue requirement.

7.6.2 Consultant Recommendations

The Consultant recommends the Panel accept SaskPower's forecasts of other expenses for the current application.

7.7 KEY FINANCIAL AND PRODUCTIVITY INDICATORS

SaskPower lists several key financial indicators in its application including net income, ROE, per cent debt ratio, interest coverage ratio and dividends declared.²⁷⁶ SaskPower states it has long-term targets of 8.5 per cent ROE, 60-75 per cent for debt ratio, and 2.5 per cent for its interest coverage ratio. SaskPower states they do not have a target for a specific net income amount and that any dividends are based on the rate directed by the CIC. SaskPower has previously indicated that it uses these indicators in the decision-making process on how to balance costs, expenses and finance capital investments.²⁷⁷ SaskPower has noted that return on equity and per cent debt ratio are commonly used by other Canadian electric utilities and allow SaskPower to benchmark its profitability and long-term solvency against other utilities. SaskPower has also stated these indicators are considered by counterparties with which SaskPower transacts and are reporting requirement of the CIC.²⁷⁸

7.7.1 Net Income, Return on Equity and Debt Ratio

The calculation of SaskPower's actual and forecast return on equity and debt ratios are shown in Table 7-13.

²⁷⁶ Page 33, SaskPower 2026 and 2027 Rate Application.

²⁷⁷ Page 19 and 32, SaskPower 2026 and 2027 Rate Application and 2022 and 2023 Rate Application 1st round information request SRRP Q10.

²⁷⁸ 2018 Rate Application 1st round information request SRRP Q9(b).

Table 7-13: Actual and Forecast Debt Ratio and Return on Equity Calculations, 2018-19 to 2026-27 (\$ millions)²⁷⁹

	Actual							Forecast	Business Plan
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Total Capital	9,911	9,895	9,887	10,109	10,516	11,064	12,186	13,238	14,273
Debt									
Long-Term Debt	6,004	6,309	6,741	6,495	7,068	7,647	8,468	9,454	10,457
Short-Term Debt	996	946	299	599	790	910	809	1,109	1,259
Lease Liabilities	1,105	1,008	982	949	903	850	984	944	893
Debt Retirement Funds	(748)	(848)	(865)	(738)	(717)	(799)	(931)	(984)	(1,121)
Cash and Cash Equivalents	(10)	(236)	(98)	(32)	(192)	(374)	(50)	(44)	(53)
Total Net Debt	7,347	7,179	7,059	7,273	7,852	8,234	9,280	10,479	11,435
Net Income	197	205	160	11	(172)	184	76	(147)	79
Equity									
Equity Advances	626	593	593	593	593	593	593	593	593
Retained Earnings	1,938	2,123	2,235	2,243	2,071	2,237	2,313	2,166	2,245
Total Equity	2,564	2,716	2,828	2,836	2,664	2,830	2,906	2,759	2,838
Average Equity	2,493	2,640	2,772	2,832	2,748	2,747	2,868	2,833	2,799
Return on Equity (ROE)	7.9%	7.8%	5.8%	0.4%	(6.3%)	6.7%	2.6%	(5.2%)	2.8%
Percent Debt Ratio	74.1%	72.6%	71.4%	71.9%	74.7%	74.4%	76.2%	79.2%	80.1%

SaskPower's net income is the residual of annual revenues less expenses.²⁸⁰ SaskPower's net income has been inconsistent over the horizon of Table 7-13. SaskPower is forecasting an operating loss of \$147 million in 2025-26 and positive net income of \$79 million in 2026-27.

The debt ratio is a measure of total debt to capital structure expressed as a percentage. SaskPower's debt ratio has generally increased from 2021-22 through 2024-25 and is forecast to continue increasing in 2025-26 and 2026-27. The 2025-26 forecast assumes that the interim rate increase, effective February 1, 2026, remains in place. The 2026-27 forecast assumes that the requested rate increase, effective February 1, 2027 is approved. SaskPower's forecasts indicate the debt ratio is expected to remain above the long-term target range of 60-75 per cent. SaskPower identified that affordability is a key priority and this application aims to find the right balance between keeping rates affordable while being mindful of the utility's financial stability.²⁸¹ SaskPower states it plans to allow the debt ratio to remain outside the target in the short term to help reduce the need for rate increases.²⁸² SaskPower maintains its balance sheet is adequately positioned to handle the financial pressures and increased capital spending requirements of the next decade.²⁸³

SaskPower has not earned its full ROE target of 8.5 per cent for many years. Actual ROE for 2018-19 and 2019-20 were close to the target (7.9 per cent and 7.8 per cent respectively) but have steadily declined in 2020-21 through 2022-23. ROE rose in 2023-24 before again decreasing in 2024-25. SaskPower is forecasting a negative ROE in 2025-26 of 5.2 per cent followed by a positive ROE of 2.8 per cent in 2026-27. SaskPower states it is prioritizing

²⁷⁹ 2018-19 through 2020-21 from 2022 and 2023 Rate Application SRRP Pre-Ask Q11 and 12, 2021-22 from 2nd round information request SRRP Q24, and 2022-23 to 2026-27 from 1st round information request SRRP Q60.

²⁸⁰ As shown on page 19 of the 2026 and 2027 Rate Application.

²⁸¹ Page 11, SaskPower 2026 and 2027 rate application.

²⁸² Page 32, 2026 and 2027 SaskPower rate application.

²⁸³ Page 11-12, SaskPower 2026 and 2027 rate application.

affordability over its need to earn the target ROE and recognizes that it has not achieved this target through the past decade.²⁸⁴

7.7.2 Interest Coverage Ratio

SaskPower calculates an interest coverage ratio based on earnings before interest, taxes, and depreciation (EBITDA) as a financial performance measure. SaskPower indicates it does not add back its taxes to the calculation because SaskPower does not pay corporate income taxes.²⁸⁵ SaskPower's calculation of its EBITDA interest coverage ratio is shown in Table 7-14. SaskPower is forecasting its interest coverage ratio to be below its long-term target of 2.5 throughout the test years.

Table 7-14: Actual and Forecast EBITDA Interest Coverage Ratio, 2018-19 to 2026-27²⁸⁶

	Actual							Forecast	Business Plan
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
EBITDA									
Operating Income	197	205	160	11	(172)	184	76	(147)	79
Finance Charges	416	431	426	401	406	409	418	463	458
Debt retirement fund earnings	17	23	23	15	8	14	32	32	42
Interest Income	3	2	2	1	4	6	8	5	6
Depreciation	553	572	595	612	597	605	638	675	712
Total EBITDA	\$ 1,186	\$ 1,233	\$ 1,206	\$ 1,040	\$ 843	\$ 1,218	\$ 1,172	\$ 1,028	\$ 1,297
Interest Expense									
Interest on long-term debt	277	297	291	284	270	286	325	364	391
Interest on finance lease	17	16	4	136	141	132	131	129	123
Interest on short-term debt	165	155	149	1	20	33	27	24	37
Other interest & Charges	1	1	1	1	1	1	2	1	1
Total Interest Expense	\$ 460	\$ 469	\$ 445	\$ 422	\$ 432	\$ 452	\$ 485	\$ 519	\$ 552
Interest Coverage Ratio - EBITDA	2.6	2.6	2.7	2.5	2.0	2.7	2.4	2.0	2.3

7.7.3 Consultant Observations

The Consultant notes the Minister's Terms of Reference states the Panel is to consider the long-term ROE target of 8.5 per cent as given.²⁸⁷ The Terms of Reference do not provide guidance on a specific annual ROE target. SaskPower's application indicates it is seeking to strike a balance between minimizing rate increases and ensuring the utility maintains solid financial footing.²⁸⁸ In the longer-term, the target debt ratio of 60-75 per cent and ROE target of 8.5 per cent are reasonable objectives consistent with normal utility practice in Canada. The Consultant recognizes these targets may not be achieved in every year, particularly during times of major capital expansion or other significant economic or financial downturns. The Consultant recognizes the pace for achieving these financial targets needs to be considered alongside the impacts on customers of short-term, substantial rate increases.

²⁸⁴ Page 12, SaskPower 2026 and 2027 Rate Application.

²⁸⁵ 2022 and 2023 Rate Application 2nd round information request SRRP Q9.

²⁸⁶ 2018-19 through 2020-21 from 2022 and 2023 Rate Application 1st round information request SRRP Q11, 2022-23 through 2023-24 from SaskPower 2023-24 Annual Report, and 2024-25 through 2026-27 from 1st round information request SRRP Q12.

²⁸⁷ Page 3, Minister's Terms of Reference dated January 2, 2026.

²⁸⁸ Page 1, SaskPower 2026 and 2027 rate application.

However, the Consultant is concerned SaskPower's performance is below the target for all three financial targets in both test years. This is not sustainable in the long-term and in the Consultant's view is an indication that a longer business planning horizon should be considered in future rate applications.

7.8 MID-APPLICATION UPDATE

SaskPower provided its Mid-Application update in May 2026, including updates to reflect the implications of the 2026 provincial budget. Table 7-15 summarizes the changes to forecast 2025-26 and 2026-27 revenues and revenue requirements. Overall, the updated forecasts indicate a larger operating loss of \$187 million in 2025-26 compared to the initial forecast (\$40 million higher). This represents a negative 2025-26 ROE of -6.6 per cent compared to the original forecast of negative 5.2 per cent. Revenues in 2025-26 are forecast to be \$21 million lower compared to the initial filing, primarily as a result of lower power (\$20 million lower) and commercial (\$11 million lower) sales. These are offset to a degree by higher export revenue forecasts (\$11 million higher). Expenses in 2025-26 are forecast to be \$19 million higher driven primarily by higher carbon tax forecast expense.

Operating income and ROE for 2026-27 has improved compared to the original application forecast. Revenues in 2026-27 are forecast to be \$34 million higher, driven primarily by increased sales to the data centre project. Expenses in 2026-27 are forecast to be \$25 million lower than the initial filing driven primarily by the amendments to corporate capital taxes, offset by somewhat higher fuel and purchased power costs to support the additional forecast energy sales. SaskPower notes that based on the mid-application update it continues to recommend that the rate increased by approved as requested in the initial filing.²⁸⁹

²⁸⁹ Page 12, SaskPower Mid-Application Update 2026 and 2027 Rate Application.

Table 7-15: Mid-Application Update to Revenues and Revenue Requirement (\$ millions)²⁹⁰

	2025-26				2026-27																																																																																																																																																																														
	Initial	Update	Change		Initial	Update	Change																																																																																																																																																																												
			\$	%			\$	%																																																																																																																																																																											
Revenue																																																																																																																																																																																			
Residential	645	644	(1)	(0.2%)	644	644	0	0.0%																																																																																																																																																																											
Farm	194	195	1	0.5%	197	197	0	0.0%																																																																																																																																																																											
Commercial	576	565	(11)	(1.9%)	560	560	0	0.0%																																																																																																																																																																											
Oilfield	476	473	(3)	(0.6%)	496	496	0	0.0%																																																																																																																																																																											
Power	912	892	(20)	(2.2%)	970	1,001	31	3.2%																																																																																																																																																																											
Reseller	100	101	1	1.0%	104	104	0	0.0%																																																																																																																																																																											
Revenue lift due to rate increase	19	19	0	0.0%	136	139	3	2.2%																																																																																																																																																																											
Federal carbon charge collected	0	0	0	0.0%	0	0	0	0.0%																																																																																																																																																																											
Government of Saskatchewan Revenue	187	187	0	0.0%	175	175	0	0.0%																																																																																																																																																																											
Exports	52	63	11	21.2%	41	65	24	58.5%																																																																																																																																																																											
Other revenue	132	133	1	0.8%	179	179	0	0.0%	Total Revenue	3,293	3,272	(21)	(0.6%)	3,502	3,560	58	1.7%	Expenses									Gas	339	336	(3)	(0.9%)	397	412	15	3.8%	Coal	311	314	3	1.0%	353	353	0	0.0%	Imports	169	165	(4)	(2.4%)	176	176	0	0.0%	Wind	125	121	(4)	(3.2%)	124	124	0	0.0%	Hydro	18	18	0	0.0%	24	24	0	0.0%	Solar	11	10	(1)	(9.1%)	13	13	0	0.0%	Other	36	37	1	2.8%	36	36	0	0.0%	Clean Energy Electricity Transition Grant	(175)	(175)	0	0.0%	0	0	0	0.0%	Federal carbon charge	368	385	17	4.6%	0	0	0	0.0%	Operating, maintenance & administration	947	944	(3)	(0.3%)	987	987	0	0.0%	Depreciation	675	680	5	0.7%	712	712	0	0.0%	Finance charges	463	465	2	0.4%	458	456	(2)	(0.4%)	Taxes	105	106	1	1.0%	114	76	(38)	(33.3%)	Other expenses	48	53	5	10.4%	53	53	0	0.0%	Total Expenses	3,440	3,459	19	0.6%	3,447	3,422	(25)	(0.7%)	Operating Income	(147)	(187)	(40)	27.2%	55	138	83	150.9%	Return on Equity	(5.2%)	(6.6%)	(1.4%)		2.8%	4.9%	2.1%	
Total Revenue	3,293	3,272	(21)	(0.6%)	3,502	3,560	58	1.7%																																																																																																																																																																											
Expenses																																																																																																																																																																																			
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Coal	311	314	3	1.0%	353	353	0	0.0%																																																																																																																																																																											
Imports	169	165	(4)	(2.4%)	176	176	0	0.0%																																																																																																																																																																											
Wind	125	121	(4)	(3.2%)	124	124	0	0.0%																																																																																																																																																																											
Hydro	18	18	0	0.0%	24	24	0	0.0%																																																																																																																																																																											
Solar	11	10	(1)	(9.1%)	13	13	0	0.0%																																																																																																																																																																											
Other	36	37	1	2.8%	36	36	0	0.0%																																																																																																																																																																											
Clean Energy Electricity Transition Grant	(175)	(175)	0	0.0%	0	0	0	0.0%																																																																																																																																																																											
Federal carbon charge	368	385	17	4.6%	0	0	0	0.0%																																																																																																																																																																											
Operating, maintenance & administration	947	944	(3)	(0.3%)	987	987	0	0.0%																																																																																																																																																																											
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Other expenses	48	53	5	10.4%	53	53	0	0.0%	Total Expenses	3,440	3,459	19	0.6%	3,447	3,422	(25)	(0.7%)	Operating Income	(147)	(187)	(40)	27.2%	55	138	83	150.9%	Return on Equity	(5.2%)	(6.6%)	(1.4%)		2.8%	4.9%	2.1%																																																																																																																																																	
Total Expenses	3,440	3,459	19	0.6%	3,447	3,422	(25)	(0.7%)																																																																																																																																																																											
Operating Income	(147)	(187)	(40)	27.2%	55	138	83	150.9%																																																																																																																																																																											
Return on Equity	(5.2%)	(6.6%)	(1.4%)		2.8%	4.9%	2.1%																																																																																																																																																																												

7.8.1 Consultant Observations

The Consultant notes SaskPower's revised forecast for 2025-26 indicates a worse outlook for both operating income and ROE. The updated forecast for 2026-27 shows improved operating income and ROE driven primarily by additional sales from the data centre project. However, the Consultant understands the timing of the data centre revenues remains uncertain. The Consultant notes that Bell identified in a May 2026 news release that the first data hall for the project is expected to come online in the first half of 2027.²⁹¹ An earlier project update from Bell in March 2026 indicated that project revenue is expected to begin in the second half of 2027 as initial phases of the project come online.²⁹² On that basis the Consultant views that the revenue projections for 2026-27 related to the data centre may be optimistic.

²⁹⁰ SaskPower, Mid-Application Update 2026 and 2027 Rate Application.

²⁹¹ BCE press release dated May 4, 2026. Available: <https://www.bce.ca/news-and-media/newsroom?article=bell-engages-saskatchewan-contractors-for-early-phases-of-300mw-ai-data-centre-build>. Accessed July 7, 2026.

²⁹² Slide 3, Bell, Transformational Announcement for Bell AI Fabric, March 16, 2026. Available: <https://www.bce.ca/cs-assets/Bell-AI-Fabric.pdf-b1t3f7cbf3754b033a2>. Accessed July 7, 2026.

7.9 REVENUE REQUIREMENT SENSITIVITY

During the review process SaskPower identified a number of financial risks it faces. Table 7-16 summarizes the estimated impacts on SaskPower's net income of certain variations from the assumptions included in the business plan.

Table 7-16: SaskPower Business Plan Sensitivity Analysis²⁹³

	2025-26 Forecast	2026-27 Forecast	Sensitivity Analysis	2025-26 Net Income Impact (\$ millions)	2026-27 Net Income Impact (\$ millions)
Revenue					
Rate Increase (%)	3.9%	3.9%	1% change in Annualized Rate Increase	30	31
Domestic Sales Growth (%)	2.4%	3.8%	100 GWh change in Power Class	5	5
			100 GWh change in Residential Class	16	16
			Loss of one of SaskPower's largest Industrial Customers	(133)	(126)
Fuel and Purchased Power					
Natural Gas Price (\$/GJ)	3.33	4.66	\$1/GJ in Natural Gas Price	(50)	(47)
Hydro Generation (GWh)	2,727	3,582	10% change in Hydro Generation	5	8
Capital					
Capital Spending (\$ millions)	1,787	1,692	\$100 million change in Capital Budget	(8)	(8)
Short-term Interest Rates	2.5%	2.5%	1% change in Short-term Interest Rates	(11)	(13)
Long-term Interest Rates	4.6%	4.6%	1% change in Long-term Interest Rates	(12)	(10)

Key observations from a review of Table 7-16 include:

- A \$1/GJ increase in natural gas prices would reduce SaskPower's net income by approximately \$50 million in 2025-26 and \$47 million in 2026-27.
- The loss of one of SaskPower's largest industrial customers would reduce SaskPower's net income by \$133 million in 2025-26 and \$126 million in 2026-27.
- A one per cent decrease in the requested rate increase would reduce SaskPower's net income by approximately \$30 million annually.
- A one per cent increase in either short-term or long-term interest rates would reduce SaskPower's net income by between \$10 and \$13 million annually.

7.9.1 Consultant Observations

The Consultant notes that unlike utilities in other jurisdictions such as British Columbia, Alberta, Nova Scotia and Newfoundland, SaskPower does not maintain deferral accounts to insulate its net income from variables outside its ability to control such as natural gas price variances, interest rate volatility or export price fluctuations. As a result, changes in these variables accrue directly to SaskPower's net income in the form of positive or negative variances. While SaskPower manages some of its risks through tools like its natural gas hedging program²⁹⁴, SaskPower maintains material risks that must effectively be managed through its net income and retained earnings.

²⁹³ 1st round information request SRRP Q9.

²⁹⁴ 1st round information request SRRP Q33, 2026 and 2027 Rate Application.

7.10 IMPLICATIONS OF POTENTIAL RATE CHANGES

During its review, the Panel canvassed the potential impact of changes to the requested rate increase. Table 7-17 summarizes the results of these scenarios.

Table 7-17: Effect of Alternative Rate Scenarios on SaskPower's Financial Results²⁹⁵

	2025-26		2026-27	
	2025-26 Forecast	change compared to rate application	2026-27 Forecast	change compared to rate application
Rate Application				
Avg customer rate increase	3.9%		3.9%	
Domestic sales revenue (millions \$)	\$ 2,889.0		\$ 3,141.1	
Operating net income (millions \$)	\$ (186.6)		\$ 138.4	
Return on equity	(6.6%)		4.9%	
Debt ratio	79.5%		79.7%	
2% rate increases February 1, 2026 and February 1, 2027				
Avg customer rate increase	2.0%	(1.9%)	2.0%	(1.9%)
Domestic sales revenue (millions \$)	\$ 2,879.7	\$ (9.3)	\$ 3,072.1	\$ (69.0)
Operating net income (millions \$)	\$ (195.9)	\$ (9.3)	\$ 67.9	\$ (70.5)
Return on equity	(7.0%)	(0.4%)	2.4%	(2.5%)
Debt ratio	79.5%	0.0%	80.2%	0.5%
No rate increase				
Avg customer rate increase	0.0%	(3.9%)	0.0%	(3.9%)
Domestic sales revenue (millions \$)	\$ 2,870.1	\$ (18.9)	\$ 3,001.9	\$ (139.2)
Operating net income (millions \$)	\$ (205.5)	\$ (18.9)	\$ (2.2)	\$ (140.6)
Return on equity	(7.3%)	(0.7%)	(0.1%)	(5.0%)
Debt ratio	79.6%	0.1%	80.8%	1.1%
8.5% ROE in 2026/27 Fiscal Year				
Avg customer rate increase	6.90%	3.0%	6.90%	3.0%
Domestic sales revenue (millions \$)	\$ 2,903.1	\$ 14.1	\$ 3,245.9	\$ 104.8
Operating net income (millions \$)	\$ (172.5)	\$ 14.1	\$ 244.4	\$ 106.0
Return on equity	(6.1%)	0.5%	8.5%	3.6%
Debt ratio	79.4%	(0.1%)	78.9%	(0.8%)
6.0% ROE in 2026/27 Fiscal Year				
Avg customer rate increase	4.90%	1.0%	4.90%	1.0%
Domestic sales revenue (millions \$)	\$ 2,893.5	\$ 4.5	\$ 3,174.7	\$ 33.6
Operating net income (millions \$)	\$ (182.1)	\$ 4.5	\$ 171.7	\$ 33.3
Return on equity	(6.5%)	0.1%	6.0%	1.1%
Debt ratio	79.5%	0.0%	79.4%	(0.3%)
8.5% ROE in 2029/30 Fiscal Year				
Avg customer rate increase	4.00%	0.1%	4.00%	0.1%
Domestic sales revenue (millions \$)	\$ 2,889.3	\$ 0.3	\$ 3,143.1	\$ 2.0
Operating net income (millions \$)	\$ (186.3)	\$ 0.3	\$ 140.4	\$ 2.0
Return on equity	(6.6%)	0.0%	5.0%	0.1%
Debt ratio	79.5%	0.0%	79.7%	0.0%
75% debt ratio by end of 2026/27				
Avg customer rate increase	22.0%	18.1%	22.0%	18.1%
Domestic sales revenue (millions \$)	\$ 2,975.3	\$ 86.3	\$ 3,796.6	\$ 655.5
Operating net income (millions \$)	\$ (100.3)	\$ 86.3	\$ 799.6	\$ 661.2
Return on equity	(3.5%)	3.1%	24.9%	20.0%
Debt ratio	79.0%	(0.5%)	75.0%	(4.7%)
75% debt ratio by end of 2029/30				
Avg customer rate increase	6.20%	2.3%	6.20%	2.3%
Domestic sales revenue (millions \$)	\$ 2,899.5	\$ 10.5	\$ 3,219.2	\$ 78.1
Operating net income (millions \$)	\$ (176.1)	\$ 10.5	\$ 216.3	\$ 77.9
Return on equity	(6.3%)	0.3%	7.5%	2.6%
Debt ratio	79.4%	(0.1%)	79.1%	(0.6%)

²⁹⁵ 2nd round information request SRRP Q1(b), 2026 and 2027 Rate Application.

7.11 CONSULTANT OBSERVATIONS

The Consultant notes the Panel's terms of reference require it to provide an opinion on the fairness and reasonableness of the proposed rate changes. In particular, the Consultant notes the following aspects of the terms of reference:

- The Panel shall consider the effect of the proposed rate change on the competitiveness of SaskPower related to other jurisdictions.
- The Panel shall consider the reasonableness of the forecasted cost of service including fuel costs, hydro facilities availability; load forecast; planned maintenance programs; operating, administrative and maintenance expenses; depreciation and finance expense; and corporate capital tax.
- The future impact of the proposed rate change on different customer groups.
- The Panel is instructed to consider the targeted long-term ROE of 8.5 per cent as given.
- Prior to the implementation of a rate change in 2027, SaskPower will provide current financial statements and an update on any material changes to business factors vital to the rate application for the Panel's review by November 2, 2026. The Panel will provide a recommendation to confirm or revise the initial 2027 rate change no later than December 1, 2026.²⁹⁶

With respect to these considerations, the Consultant provides the following observations:

- Section 13 of this report compares bills for typical customers of SaskPower to other jurisdictions. The Consultant notes that in general, SaskPower's average rates are lower than the thermal utility average before taxes.
- The Consultant has generally found that SaskPower's operations, maintenance and administration expense, fuel expense, finance expense, load forecast and corporate capital tax forecasts are reasonable for rate-making purposes, but noted the timing of the revenue related from the data centre project remains uncertain and that data centre loads are difficult to forecast reliably.
- SaskPower is forecasting that its debt ratio will exceed the 60-75 per cent target range, even with the requested rate increases.

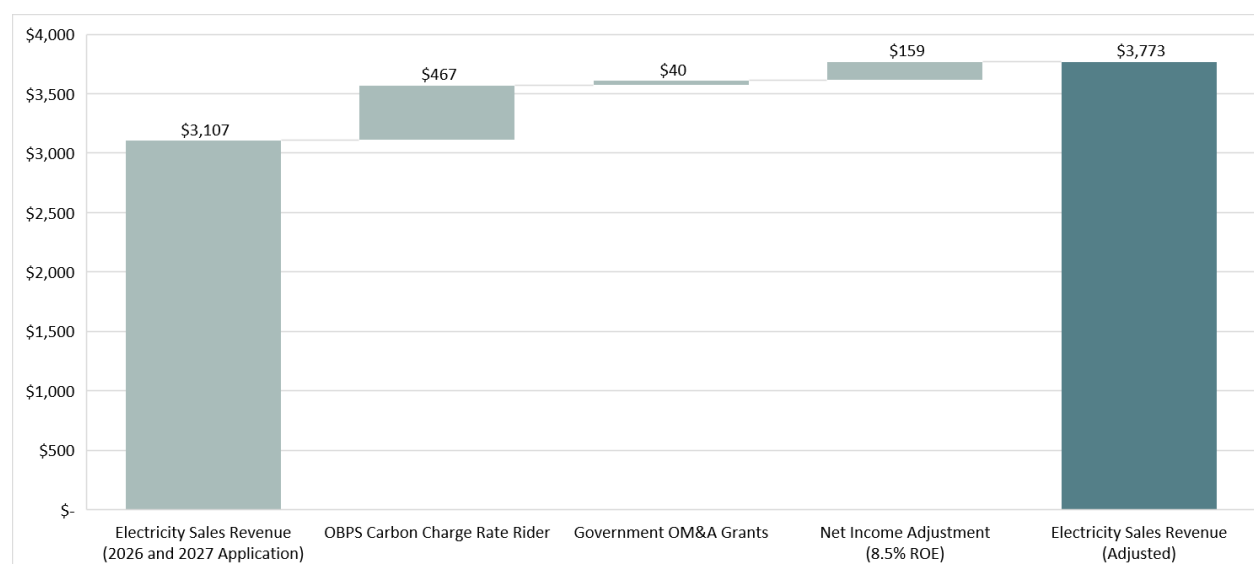
The Consultant notes that in its 2022 and 2023 rate application, SaskPower indicated the need for ongoing rate increases in excess of basic inflation to address environmental regulations and the transition to a net-zero electricity sector.²⁹⁷ Since that time, as discussed in section 7.2, SaskPower's OM&A per customer has increased by approximately 6.0 per cent on average and SaskPower is forecasting continued upward pressure on OM&A from drivers including the coal repowering initiative, SMR development and the need to maintain aging distribution and transmission infrastructure. In addition, the Consultant notes that natural gas prices, inflation and interest rates can be volatile and could materially affect costs compared to the forecasts included with the application.

²⁹⁶ Summarized from Minister's Terms of Reference dated January 2, 2026.

²⁹⁷ Page 16. 2022 and 2023 Rate Application.

The Consultant is concerned the rate revenues proposed by SaskPower may embed some structural deficits that would be difficult to climb out of with future rate increases. A key uncertainty is the degree to which SaskPower may incur future carbon charge obligations, as discussed in section 2 and section 4. While the Consultant understands there is some uncertainty, it presents a substantial potential future liability to SaskPower and its customers. SaskPower's revenues also include approximately \$40 million in government grants that are used to offset its OM&A expenses. Finally, the Consultant estimates earning the full 8.5 per cent ROE would require revenues to be approximately \$159 million higher. Figure 7-11 shows that adjusting the proposed revenues to consider these factors would increase SaskPower's revenues from rates from \$3.1 billion to \$3.8 billion. While the magnitude of this gap is uncertain (particularly the future OBPS carbon charge obligation) and may not need to be made up all in one year (such as the net income required to earn a full ROE of 8.5 per cent).

Figure 7-11: Illustrative Impact of Changes to SaskPower Required Revenues, 2026-27²⁹⁸



Similar to SaskPower, other jurisdictions in Canada are also proposing rate increases in excess of inflation. For example, as discussed in section 13.1, the Manitoba Public Utilities Board approved rate increases ranging between 3.0 and 4.0 per cent in each of 2026, 2027 and 2028. New Brunswick Power received approval for a 4.75 per cent increase for its fiscal year ending March 31, 2027. Nova Scotia Power received approval for average rate increases of approximately 2.0 per cent in each of 2026 and 2027 but this does not include the impact of Nova Scotia Power's proposed securitization treatment of certain assets, which is expected to result in an additional securitization rider being levied on top of the 2.0 per cent average rate increases. Nova Scotia Power has estimated the additional revenue requirement due to the

²⁹⁸ Rate increases: SaskPower 2010 Rate Application, page 6; 2013 Rate Application, page 8; 2018 Rate Application, page 20; 2022 and 2023 Rate Application, page 13; Government of Saskatchewan, 2022 (<https://www.saskatchewan.ca/government/news-and-media/2022/july/28/government-accepts-rate-review-panel-recommendations-on-saskpower-rates>); and 2026 and 2027 Rate Application, page 11; Election years retrieved from: Election Results, Elections Saskatchewan, Accessed July 7, 2026 (retrieved from: <https://www.elections.sk.ca/reports-data/election-results/>).

securitization to be approximately \$85 million over the test years; it has stated that it currently does not have the information to quantify what the securitization rider would be.²⁹⁹

In the Consultant's view it will be important to prepare a longer-term rate forecast for SaskPower to assist customers with planning for higher electricity costs. Consumers would benefit from predictable annual rate increases going forward. The Consultant is concerned that periods with no rate increases (as experienced in Saskatchewan from 2018 through 2022 and again in 2024-25) will not help the financial stability of SaskPower nor the ability of customers to plan for bill increases.

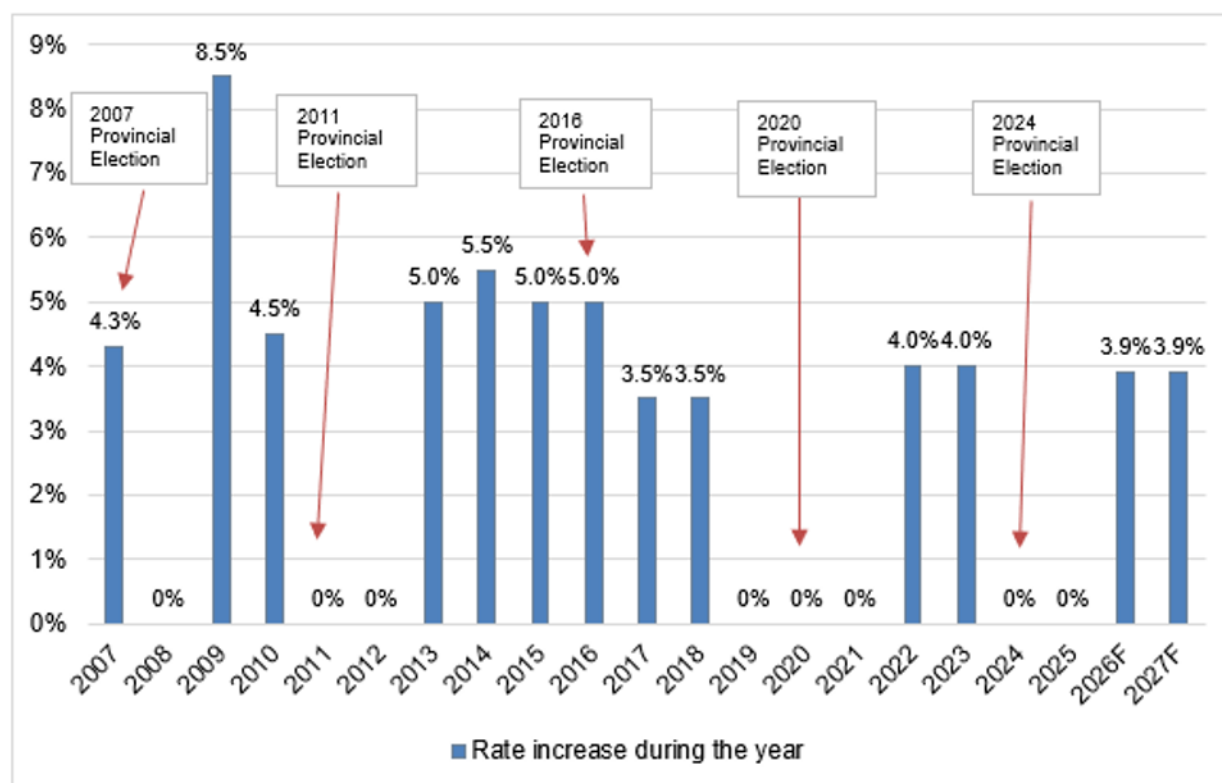
Figure 7-12 shows the rate increases implemented in each year for 2007 through 2024-25 and proposed for 2025-26 and 2026-27. The Consultant notes the recent pattern has been for SaskPower to forego rate increases during provincial election years and frequently the following year (as in 2011 and 2012, 2020 and 2021 and 2024 and 2025). Rate increases were implemented during election years in 2007 (rate change effective February 1, 2007³⁰⁰ with the election on November 7, 2007) and 2016 (rate change effective July 1, 2016 with the election on April 4, 2016).³⁰¹ SaskPower has not applied for a rate increase in 2028 as part of the current application. The Consultant is concerned that avoiding a rate increase in 2028, at least of a basic inflationary amount, would cause SaskPower's financial metrics to further erode.

²⁹⁹ Nova Scotia Power, Hearing Transcript from January 8, 2026 in M12452; Nova Scotia Energy Board decision 2026 NSEB 8 in M12451.

³⁰⁰ Saskatchewan Rate Review Panel, SaskPower. Retrieved from: <https://saskratereview.ca/rate-reviews/saskpower/archive>

³⁰¹ Report to the Minister Responsible for Crown Investments Corporation of Saskatchewan regarding the SaskPower Application Effective Date July 1, 2016 and January 1, 2017.

Figure 7-12: Actual and Forecast SaskPower Rate Increases and Provincial Elections, 2007 to 2027³⁰²



7.11.1 Consultant Recommendations

With respect to the 3.9 per cent rate increase implemented on an interim basis effective February 1, 2026, the Consultant recommends the Panel confirm that increase as necessary and reasonable.

With respect to the 3.9 per cent rate increase requested for February 1, 2027, the Consultant notes the Panel will be required to review and confirm the requested rate increase by December 1, 2026. The Consultant recommends the Panel request SaskPower include in the updated financial material:

- a comparison of revised forecasts for 2026-27 compared both to the original application and the mid-application update;
- an update on the anticipated timing of revenues from the data centre project; and
- options for a higher than 3.9 per cent rate increase for the oilfields and reseller classes effective February 1, 2027 and a somewhat lower than 3.9 per cent rate increase for small commercial customers to move their revenue to revenue requirement ratio closer

³⁰² Rate increases: SaskPower 2010 Rate Application, page 6; 2013 Rate Application, page 8; 2018 Rate Application, page 20; 2022 and 2023 Rate Application, page 13; Government of Saskatchewan, 2022 (<https://www.saskatchewan.ca/government/news-and-media/2022/july/28/government-accepts-rate-review-panel-recommendations-on-saskpower-rates>); and 2026 and 2027 Rate Application, page 11; Election years retrieved from: Election Results, Elections Saskatchewan, Accessed July 7, 2026 (retrieved from: <https://www.elections.sk.ca/reports-data/election-results/>)

to the target range for the reasons discussed in section 9 and 10 of this report. The Consultant recommends that SaskPower not reduce the proposed rates to other customers to accomplish this, but rather increase the forecast net income for the year.

The Consultant is concerned that SaskPower has recently not requested rate increases in the same fiscal year as a provincial election. In the Consultant's view, absent a material change in circumstances, forgoing rate increases at least commensurate with inflation for a year would not be in the interests of SaskPower nor its customers. On that basis, the Consultant recommends the Panel consider requesting that SaskPower prepare an analysis and recommendation on the merits of an additional rate increase of 2.0 per cent in the 2027-28 fiscal year. The Consultant recognizes such a recommendation is outside the scope of the Minister's terms of reference, but the Consultant believes such a recommendation is prudent given SaskPower's current financial position.

Finally, the Consultant recommends the Panel request SaskPower and the provincial government consider preparing a 10-year rate plan to improve SaskPower's financial metrics including interest coverage ratio, debt ratio and return on equity that is made public at the time of the next rate application and commit to regular 2 to 3 year rate applications to implement and adjust the rate plan going forward.

8.0 CAPITAL PLANNING AND EXPENDITURES

8.1 SASKPOWER'S CAPITAL PLAN

Table 8-1 summarizes actual capital spending for 2021-22 through 2024-25 and forecast capital spending for 2025-26 and 2026-27. Total capital spending increased from \$922 million in 2021-22 to \$1.423 billion in 2024-25. Most of this increase was due to higher Growth and Compliance Investment, which rose from \$490 million to \$855 million. The largest increases in this category were in generation projects, which increased from \$294 million to \$590 million, and Customer Connects, which increased from \$142 million to \$192 million. Capital Sustainment Investment also increased from \$425 million to \$555 million, mainly due to higher spending on generation and distribution assets.

Total capital spending is forecast to increase to \$1.787 billion in 2025-26. The increase is mainly driven by Growth and Compliance Investment, which is forecast to rise from \$855 million to \$1.137 billion. Growth and Compliance generation spending is forecast to increase from \$590 million to \$728 million, while transmission spending is forecast to increase from \$51 million to \$150 million. Capital Sustainment Investment is also forecast to increase from \$555 million to \$688 million, with increases across generation, transmission, and distribution.

Total capital spending is forecast to decrease to \$1.692 billion in 2026-27. Growth and Compliance Investment is forecast to decrease from \$1.137 billion to \$1.057 billion, mainly because generation spending declines from \$728 million to \$487 million. This decrease is partly offset by an increase in Growth and Compliance transmission spending from \$150 million to \$359 million. Capital Sustainment Investment is forecast to increase from \$688 million to \$710 million, mainly due to higher distribution sustainment spending, which increases from \$219 million to \$304 million.

Table 8-1: Actual and Forecast Capital Spending, 2021-22 to 2026-27 (\$ millions)³⁰³

	Actual				Forecast	Business Plan
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Sustainment Investment						
Generation	113	100	155	182	224	155
Transmission	89	75	92	90	140	139
Distribution	137	145	163	177	219	304
Other	86	101	110	106	105	112
Subtotal Sustainment Investment	425	421	520	555	688	710
Growth and Compliance Investment						
Generation	294	233	389	590	728	487
Transmission	39	121	39	51	150	359
Distribution	15	15	16	22	17	20
Customer Connects	142	183	177	192	242	191
Subtotal Growth & Compliance Investment	490	552	621	855	1,137	1,057
Strategic and Other Investments	47	92	72	87	114	73
Contingency						
Power Grid Renewal Grant	(40)					
Future Electricity Fund		(7)	(44)	(72)	(149)	(128)
Other Funding		(11)	(5)	(2)	(3)	(20)
Total Capital Spending	922	1,047	1,164	1,423	1,787	1,692

³⁰³ 1st round information request SRRP Q65.

8.2 CAPITAL PLANNING AND MANAGEMENT PROCESSES

SaskPower provided a summary of its capital planning process³⁰⁴:

1. Project scopes are defined by SaskPower's Asset Management teams to meet business needs. SaskPower indicated that it has increased the involvement of project execution teams in shaping project scope during the planning process to improve project achievability. Budgets are developed by the corporate estimating office using historical data, industry information, market analysis, and other information. SaskPower noted that its estimating team continues to align its practices with industry standards, including the development and allocation of contingency funding and the alignment of estimate accuracy with project maturity.
2. Capital projects move through SaskPower's capital approval process, which forms part of SaskPower's Business Plan approval process at the corporate level and follows SaskPower's Governance Manual for individual project approvals. SaskPower indicated that there have been no significant changes to the approval process since the last rate application.
3. Capital plans are paced and prioritized by SaskPower's Asset Management teams. Capital required to support system development, economic growth, and asset sustainment is assessed and aligned with the capacity of project delivery teams. SaskPower's project delivery model includes formal phase gates that provide opportunities to reassess project priorities within the capital portfolio.
4. SaskPower manages and monitors its capital portfolio through standardized project delivery, reporting, and oversight processes. SaskPower indicated that oversight of the capital portfolio has been centralized within the Corporate Project Management Office, which is responsible for developing project delivery standards, monitoring portfolio performance, and supporting portfolio reporting. SaskPower has also established a Portfolio Board to oversee the development, authorization, and execution of the capital portfolio and to help ensure capital investments remain aligned with corporate priorities.

³⁰⁴ 1st round information request SRRP Q64.

SaskPower organizes its capital investments based on the following categories:

- i. Growth and compliance investments;
- ii. Capital sustainment investments; and
- iii. Strategic and other investments.

The following includes recently completed or planned capital projects or programs over \$100 million.

8.2.1 Growth and Compliance Investments

This category represents the vast majority of SaskPower's capital budget, encompassing new generation, transmission, and distribution additions. Spending in this category is forecasted at approximately \$1.1 billion in 2025–26 and 2026–27.

- **Aspen Power Station:** This project involves the construction of a new 370-megawatt (MW) combined-cycle natural gas-fired power station near Lanigan. SaskPower justifies the facility as a necessary addition to serve increasing load growth, meet the requirements of the supply plan, and support the integration of intermittent renewable energy sources like wind and solar power.^{305,306} It has a total approved capital cost of approximately \$1.7 billion and an in-service date of 2027-28.³⁰⁷
- **Great Plains Power Station:** Brought into commercial operation in December 2024, this is a new 370-MW natural gas-fired combined-cycle generation facility located in Moose Jaw. This power station is meant to provide baseload generation to serve increased customer load and support the integration of renewable generation on the power grid.³⁰⁸ It has a total approved capital cost of approximately \$808 million.³⁰⁹
- **Southwest Power Pool (SPP) Interconnection:** This project is meant to expand its intertie capacity with the SPP from 150 MW to 650 MW.³¹⁰ This transmission project includes the construction of two new 230-kV international transmission lines to the southwest power pool, a new switching station, and various system reinforcements in the Estevan and Rowatt areas.^{311,312} This project is meant to take advantage of import and export opportunities with the USA.³¹³ The government of Saskatchewan has also spoken about the need to expand transmission infrastructure to enhance the resilience of the provincial grid.³¹⁴ It has a total expected cost of \$533 million and an in-service date of 2027-28.³¹⁵
- **Ermine Unit #3 & Yellowhead Unit #4 Expansion:** This expansion project involves the installation of a new 46-MW simple cycle natural gas turbine at both the Ermine and Yellowhead Power Stations to increase load growth and meet the requirements of the

³⁰⁵ Page 44, SaskPower 2024-25 Annual Report.

³⁰⁶ Page 31, SaskPower 2026 and 2027 Rate Application.

³⁰⁷ 1st round information request SRRP Q66.

³⁰⁸ Page 43, SaskPower 2024-25 Annual Report.

³⁰⁹ 1st round information request SRRP Q66.

³¹⁰ Page 9, SaskPower 2026 and 2027 Rate Application.

³¹¹ Page 43, SaskPower 2024-25 Annual Report.

³¹² Page 32, SaskPower 2026 and 2027 Rate Application.

³¹³ Page 9, SaskPower 2026 and 2027 Rate Application.

³¹⁴ Page 10, Saskatchewan First Energy Security Strategy and Supply Plan. October 2025.

³¹⁵ Page 43, SaskPower 2024-25 Annual Report.

supply plan.³¹⁶ This project has a total approved capital cost of \$379 million and an in-service date of 2025-26.³¹⁷

- **Distribution Customers Connects (Annual Programs):** This represents SaskPower's ongoing, annual capital programming dedicated to connecting new customers to the provincial distribution grid. Actual yearly costs were \$151 million in 2023-24 and \$159 million in 2024-25. Costs are forecast to be \$170 million in 2025-26 and \$172 million in 2026-27.³¹⁸
- **Transmission Customers Connects:** SaskPower incurs costs annually to connect new customers to the provincial transmission grid. Actual yearly costs were \$26 million in 2023-24 and \$33 million in 2024-25. Costs are forecast to be \$72 million in 2025-26 and \$19 million in 2026-27.³¹⁹ A major transmission connection project was the 78km long 138kV transmission line from the existing line near Pelican Narrows to the site of Foran Mining Corporation's McIlvenna Bay project.³²⁰ This project has a total capital budget of \$122 million.³²¹

8.2.2 Sustainment Investments

Capital sustainment involves renewing, replacing, or refurbishing existing generation, transmission, and distribution infrastructure that is nearing or beyond its expected useful life. Sustainment spending is forecasted at \$688 million in 2025-26 and \$710 million in 2026-27. This spending is driven by transmission and distribution rebuilds.

- **Coal Modernization Program (Coal Fleet Repowering Initiative):** This program is designed to refurbish and extend the operating lives of all seven of SaskPower's coal-fired generating units to 2050.³²² The preliminary five-year plan estimates approximately \$900 million in capital expenditures for the program, with the long-term total cost of refurbishing the 1,500 MW coal fleet estimated by external consultants at \$2.6 billion.³²³

Coal Repowering Initiative

As shown in Figure 8-1, SaskPower plans to refurbish all seven coal-fired generating units at the Boundary Dam, Poplar River, and Shand power stations between 2030 and 2036 to extend their operating lives to 2050.³²⁴ The proposed refurbishments include major work on boilers, turbines and generators, steam-cycle systems, emissions-control equipment, electrical and control systems, transformers, and water-treatment facilities.³²⁵

SaskPower is currently undertaking procurement activities for the program and has issued a Request for Supplier Qualifications (RFSQ) to identify Engineering, Procurement and Construction Management (EPCM) contractors. The selected contractor will support detailed design, procurement, construction management, commissioning, scheduling, and cost-control activities. Detailed condition assessments have not yet been completed for several generating

³¹⁶ Page 31, SaskPower 2026 and 2027 Rate Application.

³¹⁷ 1st round information request SRRP Q66.

³¹⁸ 1st round information request SRRP Q69.

³¹⁹ 1st round information request SRRP Q69.

³²⁰ <https://www.saskpower.com/our-power-future/infrastructure-projects/construction-projects/planning-and-construction-projects/pelican-narrows-to-mcilvenna-bay-transmission-line>

³²¹ 1st round information request SRRP Q66.

³²² 1st round information request SRRP Q36.

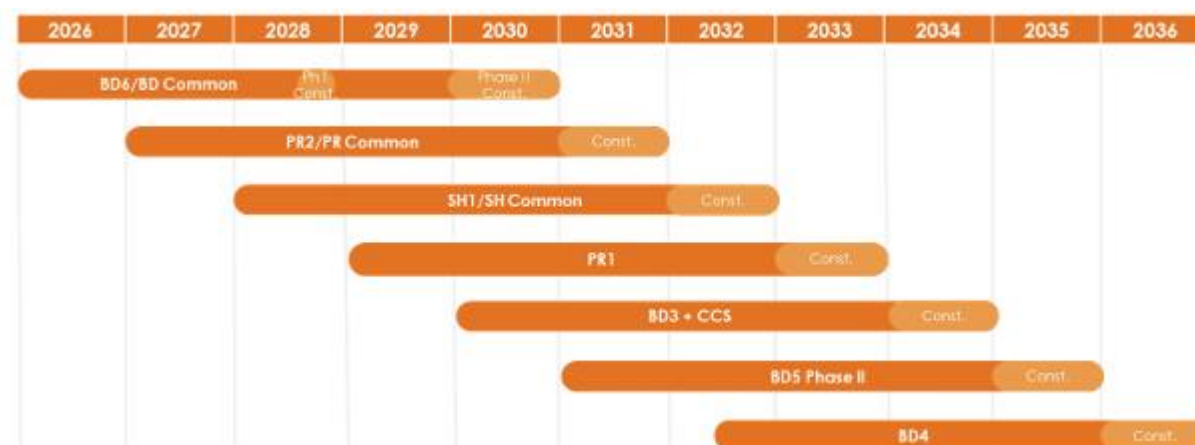
³²³ 2nd round information request SRRP Q9.

³²⁴ Page 1 & 2, EPCM Prequalification Scope of Services, Inquiry #1018360 - Coal Life Extension Program EPCM – RFSQ.

³²⁵ Page 7 to 10, EPCM Prequalification Scope of Services, Inquiry #1018360 - Coal Life Extension Program EPCM – RFSQ.

units.³²⁶ SaskPower has advised that current cost estimates are order-of-magnitude estimates with an expected accuracy range of approximately +100%/-50%,³²⁷ with SaskPower expecting the selected EPCM contractor to develop more detailed cost estimates using Association for the Advancement of Cost Engineering (AACE) estimating standards.³²⁸

Figure 8-1: Coal Repowering Timeline³²⁹



8.2.3 Strategic and Other Investments

This category includes facility upgrades, technology and security improvements, and supply chain investments. It makes up the smallest portion of the capital budget, forecasted at \$114 million in 2025-26 and \$73 million in 2026-27.

8.3 CONSULTANT OBSERVATIONS

The Minister's order instructs the Panel to consider the budgeted capital allocation as a given. However, as capital spending ultimately results in increases to revenue requirement through depreciation expense, finance expense, and return on equity, an understanding of the capital plan is necessary. The Consultant notes SaskPower's average annual capital spending is anticipated to be approximately \$1.79 billion in 2025-26 and \$1.69 billion in 2026-27. This is approximately \$500 million per year higher than the average of \$1.14 billion from 2021-22 through 2024-25. SaskPower notes that for every \$100 million spent on capital, the company incurs an eight million dollar increase in expenses.³³⁰

The Consultant notes the capital costs for the coal repowering program and future SMR development in particular remain uncertain.^{331,332} The Consultant understands this will impact future capital plans and the need for future rate increases.

³²⁶ Page 2, EPCM Prequalification Scope of Services, Inquiry #1018360 - Coal Life Extension Program EPCM - RFSQ.

³²⁷ 1st round information request SRRP Q36.

³²⁸ Page 5, EPCM Prequalification Scope of Services, Inquiry #1018360 - Coal Life Extension Program EPCM - RFSQ.

³²⁹ Page 2, EPCM Prequalification Scope of Services, Inquiry #1018360 - Coal Life Extension Program EPCM - RFSQ.

³³⁰ 1st round information request SRRP Q 9(a).

³³¹ Coal repowering: current estimates are classified as order-of-magnitude estimates with an expected accuracy range of +100%/-50%. Several generating units remain in the early stages of condition assessment, with assessments for BD3, BD4, and BD5 not yet begun. See 1st round information request SRRP Q36.

³³² SMR: SaskPower notes that the LCOE estimates for SMR generation are "preliminary, high-level estimates based on forward looking assumptions and remain under development". See 2nd round information request SRRP Q10.

9.0 COST OF SERVICE STUDY

A cost of service study is an analytical tool used by utilities and regulators to determine a fair allocation of the utility's costs to its customer classes. Some of the uses of a cost of service study that are relevant for SaskPower include:³³³

- To attribute a utility's costs to different categories of customers based on how those customers cause costs to be incurred.
- To determine how costs will be recovered from customers within each customer class.
- To calculate costs of individual types of services based on the costs each service requires the utility to expend.

SaskPower's cost of service study is calculated on a prospective (or forward-looking) basis and uses test year forecast information. Inputs to the cost of service study include SaskPower's revenue requirement (which itself includes operating, maintenance and administration expenses, fuel and purchased power, depreciation, finance charges, taxes, and a return on rate base) for the test year, as well as the load forecast, which includes projected energy sales, peak demand, and customer forecasts. SaskPower's 2026 and 2027 Fiscal Test Embedded Cost of Service Studies analysed the forecasted annual costs to serve each of SaskPower's customer classes for the years ending March 31, 2026, and March 31, 2027. Based on these models, SaskPower provides information to support revenues for proposed rates effective February 1, 2026, and February 1, 2027.

In the cost of service study, costs that are incurred to serve only one customer class are directly assigned to that class. Costs that are incurred jointly by several customer classes or that are common to all customer classes are allocated to multiple classes based on cost causation principles. There is no single industry-accepted allocation method as each utility's operating circumstances and cost drivers are different. The utility's operating circumstances also change over time, so that methods that may once have been appropriate should be revisited in light of new circumstances.

Cost of service model results involve a number of estimates and vary from year-to-year due to non-uniform cost increases in different business areas and changes in customer load profiles. The primary metric used to evaluate fairness is the Revenue to Revenue Requirement (R/RR) ratio, which measures the revenue collected from a customer class as a percentage of the total allocated cost to serve that class.

9.1 COST OF SERVICE STUDY RESULTS

Table 9-1 summarizes the results of SaskPower's 2025-26 and 2026-27 cost of service studies under both existing and proposed rates. The studies allocate the full revenue requirement among customer classes such that total allocated revenue requirement equals total annual revenue. Under existing rates, some classes contribute more than their allocated revenue requirement while others contribute less. SaskPower generally considers R/RR ratios in the range of 0.95 to 1.05 to be reasonable.³³⁴

³³³ Adapted from the National Association of Regulatory Utility Commissioners (NARUC), Electric Utility Cost Allocation Manual, January, 1992, page 12 – 13.

³³⁴ Page 35, SaskPower 2026 and 2027 Rate Application.

Table 9-1: 2025-26 and 2026-27 Cost of Service Study Results (\$ millions)³³⁵

	Annual Revenue (Existing Rates)	Allocated Revenue Req.	Rev. to Rev. Req. Ratio	Annual Revenue (Proposed Rates)	Allocated Revenue Req.	Rev. to Rev. Req. Ratio
2025-26						
Residential	645.4	657.2	0.98	670.6	685.1	0.98
Farms	193.5	202.4	0.96	201.0	211.7	0.95
Small Commercial	259.1	241.9	1.07	269.2	252.6	1.06
General Service	297.3	286.9	1.04	308.9	299.0	1.03
Total Commercial	556.4	528.8	1.05	578.1	551.8	1.05
Power	912.0	899.7	1.01	947.6	928.8	1.02
Oilfields	476.4	490.6	0.97	495.0	510.1	0.97
Streetlights	19.5	19.7	0.99	20.3	20.8	0.97
Reseller	100.0	104.8	0.95	103.9	108.2	0.96
Total	\$2,903.2	\$2,903.2	1.00	\$3,016.5	\$3,016.3	1.00
2026-27						
Residential	668.7	674.3	0.99	694.8	703.5	0.99
Farms	205.1	211.8	0.97	213.1	221.3	0.96
Small Commercial	261.5	246.4	1.06	271.7	257.7	1.05
General Service	300.0	291.7	1.03	311.8	304.0	1.03
Total Commercial	561.6	538.1	1.04	583.5	561.7	1.04
Power	1,008.2	1,000.5	1.01	1,047.5	1,033.0	1.01
Oilfields	515.5	527.6	0.98	535.6	548.4	0.98
Streetlights	19.7	21.2	0.93	20.5	22.4	0.91
Reseller	107.7	113.0	0.95	111.9	116.6	0.96
Total	\$3,086.4	\$3,086.5	1.00	\$3,206.9	\$3,206.9	1.00

For 2025-26, residential customers have an R/RR ratio of 0.98 under both existing and proposed rates, indicating that revenues remain slightly below allocated costs. Farm customers have R/RR ratios of 0.96 and 0.95 under existing and proposed rates respectively, while oilfields and reseller classes remain below full cost recovery with ratios ranging from 0.95 to 0.97. By contrast, small commercial, general service, and total commercial classes contribute revenues above their allocated revenue requirements, with R/RR ratios between 1.03 and 1.07. The power class remains close to full cost recovery with ratios of 1.01 to 1.02.

Similar results are observed in 2026-27. Residential customers remain slightly below cost recovery with an R/RR ratio of 0.99, while farm, oilfields, streetlights, and reseller classes remain below full cost recovery with ratios between 0.91 and 0.98. Commercial classes continue to contribute revenues above allocated costs, with R/RR ratios ranging from 1.03 to 1.06. The Power class remains near cost of service with a ratio of approximately 1.01.

SaskPower also provided “ideal rate” calculations showing the rates that would fully recover the customer-, demand-, and energy-related costs allocated to each customer class. These ideal rates effectively rebalance classes so that R/RR ratios fall within approximately 0.98 to 1.01 in each year.³³⁶

9.2 COST OF SERVICE METHODOLOGY

SaskPower’s cost of service study is prepared using the Average and Excess Demand (AED) method to classify generation-related assets and costs, and the Minimum System Method (MSM)

³³⁵ Data from 1st round information request SRRP Q77 & 2nd round information request SRRP Q32.

³³⁶ 1st round information request SRRP Q78 e).

to classify distribution transformers and urban and rural single-phase primary distribution lines. Under the current updated methodology, SaskPower classifies all wind generation rate base and operating expenses using the AED method. The classification of wind generation assets was previously based on planning studies that estimated the capacity value of wind resources.³³⁷

SaskPower applies the MSM to classify distribution transformers as 65 per cent demand-related and 35 per cent customer-related, and to classify urban and rural single-phase primary distribution lines as 30 per cent demand-related and 70 per cent customer-related.³³⁸ These classification approaches were recommended by Elenchus Research Associates during its most recent independent review of SaskPower's cost of service and rate design methodology, which was conducted between January and June 2023 and have since been incorporated into SaskPower's current cost of service studies.

SaskPower continues to utilize Maximum Diversified Demands (MDD) for allocation purposes; however, the application of the MDD methodology is now limited to the distribution transformer function. All other distribution demand-related functions are allocated using the Two Coincident Peak (2CP) methodology.³³⁹

SaskPower's current rate design and revenue allocation analyses are based on the 2024 Fiscal Base Embedded Cost of Service Study and the forecast 2026 and 2027 Fiscal Test Embedded Cost of Service Studies, which reflect the updated classification and allocation methodologies adopted following the 2023 Elenchus review.

During the previous 2022–23 rate application, the external consultant recommended that SaskPower undergo its next external review of its cost-of-service methodology in 2023.

SaskPower successfully completed this independent review in 2023 with Elenchus Research Associates.

SaskPower confirms that the cost allocation methodology used in the 2026 and 2027 Rate Application is unchanged from the approach reviewed and approved by Elenchus.

Elenchus recommended a number of changes which SaskPower has implemented:

- **Continued Phase-Out of the Bary Correction:** Elenchus recommended that SaskPower continue removing the Bary Correction from existing rates. Historically, the correction shifted a portion of demand-related costs into energy charges, resulting in rates that did not accurately reflect underlying costs and potentially encouraging uneconomic grid defection by self-generating customers.
- **Minimum System Method (MSM):** Elenchus recommended implementing the results of the Minimum System Method within the cost of service model for the classification of distribution transformers and distribution line assets. The resulting customer- and demand-related classifications have been incorporated into SaskPower's current cost of service studies.
- **Time-of-Use (TOU) Rates:** Elenchus recommended that SaskPower consider TOU rates as a demand-management tool if future system conditions result in greater

³³⁷ Page 28, 2024 Fiscal Base Embedded Cost of Service Results.

³³⁸ Page 28, 2024 Fiscal Base Embedded Cost of Service Results.

³³⁹ Page 31, 2024 Fiscal Base Embedded Cost of Service Results.

marginal cost differentials. SaskPower continues to monitor system costs and operating conditions to evaluate the potential role of TOU pricing in the future.

- **Rate Design for Non-Demand Classes:** Elenchus recommended maintaining the current rate design for customer classes without demand charges, including the residential class, rather than shifting additional demand-related costs into the monthly customer charge until more detailed AMI data become available.
- **Future Rate Structures Using AMI Data:** Elenchus recommended evaluating alternative rate structures for non-demand customer classes once enhanced AMI billing data are available, including options to improve cost recovery and rate design using smart meter data.
- **Carbon Tax Treatment:** Elenchus reviewed SaskPower's use of rate riders to recover federal carbon tax costs and concluded that the approach remains appropriate, providing transparency in the recovery of carbon-charge-related expenses.
- **Transmission Asset Classification and Functionalization:** Elenchus supported SaskPower's existing classification of transmission assets and expenses. The review also recommended future functionalization refinements, including separating the current Load function into more discrete functions and transferring certain system operator activities, such as Scheduling and Dispatch and Regulation and Frequency services, to the transmission function.

9.3 CONSULTANT OBSERVATIONS

The Consultant notes the revenue to revenue requirement ratios at proposed rates for the oilfields and reseller classes are lower than 1.00 and lower than the revenue to revenue requirement ratios for the residential class. Small commercial customers have the highest revenue to revenue requirement ratio at 1.05.

9.4 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel consider adjustments to the proposed rate increases for the oilfields, reseller and small commercial classes effective February 1, 2027 to move them closer to the range of ratios for other customer classes.

10.0 RATE DESIGN

Rate design is the process used to determine the specific rates to be charged to each customer class to recover the revenue requirement. While cost causation (as measured by the Cost of Service study) is a key primary factor, rate design is guided by a set of generally accepted ratemaking principles.

10.1 RATE DESIGN OVERVIEW

SaskPower states its rate design considers six key objectives:

- **Meeting Revenue Requirement:** Rates must be set to yield sufficient revenues for the utility to recover its approved, forecasted annual costs (such as operating, maintenance, and administration expenses, including amortization) and provide a return on rate base that ensures the utility remains financially sound
- **Fairness and Equity:** Rates must be apportioned fairly based on cost behaviour drivers and cost causality. This ensures there is no undue discrimination, arbitrariness, or cross-subsidization between different customers or customer classes
- **Economic Efficiency and Conservation of Resources:** The utility's assets should be utilized effectively, and rates should provide appropriate price signals. This encourages consumers to use power in a manner that maintains a reasonable balance between the cost of supplying power and its value, allowing SaskPower to maintain a dynamically efficient system over time
- **Simplicity, Administrative Ease, Stability, and Gradualism:** Rate structures should be logical, transparent, understandable by stakeholders, and easily implementable by the utility. Furthermore, rate allocations should be relatively steady over time; when circumstances justify significant cost changes, they should be phased in gradually to avoid "rate shock" or non-typical bill volatility for any customer class.

10.1.1 Elenchus's Assessment of SaskPower's Rate Design

In its 2023 review, Elenchus determined that SaskPower's rate design objectives successfully encompass all ten of the widely accepted Bonbright principles. Based on its independent evaluation, Elenchus concluded the rate design methodology currently used by SaskPower is consistent with accepted ratemaking principles, standard industry practices, and the methodologies commonly used by other North American electric utilities.

Elenchus observed that SaskPower actively meets these criteria by adhering to the standard utility practice of aligning each rate component (basic monthly charges, demand charges, and energy charges) directly with its corresponding classified costs. Elenchus noted that because ratemaking requires balancing competing principles, SaskPower correctly applies judgment to its models; for example, SaskPower will appropriately pause or phase-in strict cost alignment to avoid violating the principle of "stability and gradualism" (avoiding rate shock for consumers). Ultimately, Elenchus affirmed that SaskPower's methodology is not only theoretically sound but also highly reflective of, and appropriate for, SaskPower's specific operational circumstances.

10.2 PROPOSED RATE ADJUSTMENTS AND CLASS REVENUES

In the current application, SaskPower is proposing flat 3.9 per cent system-average rate increases to all components of the rates across all customer classes, effective February 1, 2026, and February 1, 2027.

Because SaskPower is applying this increase equally across the board, all customers and rate classes will experience the same percentage increases in their bills. The financial impacts of these proposed flat increases are as follows:

- **2025–26 Impacts:** The 3.9 per cent increase will generate an annualized \$113.2 million in additional revenue. The average monthly increases are \$5 for residential, \$11 for farms, \$29 for commercial, \$82 for oilfields, \$26,703 for power, and \$108,333 for resellers.
- **2026–27 Impacts:** The subsequent 3.9 per cent increase will generate an additional \$120.4 million in annualized revenue, representing a further average monthly bill increase of \$18 per customer.

10.2.1 Revenue to Revenue Requirement Ratios

SaskPower uses the R/RR ratio to measure whether revenues generated by SaskPower's rates accurately reflect the cost to serve a specific customer class. The R/RR measures the revenue collected from a customer class as a percentage of the total allocated cost to serve that class. A ratio below 1.00 indicates that SaskPower is not collecting enough revenue from the class to cover its allocated costs, meaning the class is receiving a subsidy from other ratepayers. Conversely, a ratio above 1.00 indicates the class is paying a premium and subsidizing other classes. A ratio of exactly 1.00 means the customer class is neither receiving nor paying a subsidy.

Cost of service model results involve numerous estimates and are not static over time. Costs vary from year-to-year for several reasons, including non-uniform cost increases across different business areas, changes in customer load factors, mechanical failures, and variations in weather patterns. As a result, many utilities and regulators target a range of 0.95 to 1.05 as being acceptable for cost allocation studies, which is considered evidence that a customer is paying their fair share without refutable cross-subsidization. While SaskPower's long-term goal is to set R/RR ratios within a tighter "ideal" band of 0.98 to 1.02, it accepts the industry standard of 0.95 to 1.05.

Table 10-1 summarizes the R/RR ratios based on the rate increases requested in the application using SaskPower's current Cost of Service study.

Table 10-1: Class Revenue to Revenue Requirement Ratios, 2025-26 to 2026-27³⁴⁰

	2025-26			2026-27		
	R-RR Ratio - Existing Rates	Proposed Rate Increase	R-RR Ratio after rate increases (current COS methods)	R-RR Ratio - Existing Rates	Proposed Rate Increase	R-RR Ratio after rate increases (current COS methods)
Residential	0.98	3.9%	0.98	0.99	3.9%	0.99
Farms	0.96	3.9%	0.95	0.97	3.9%	0.96
Small Commercial	1.07	3.9%	1.06	1.06	3.9%	1.05
General Service	1.04	3.9%	1.03	1.03	3.9%	1.03
Total Commercial	1.05	3.9%	1.04	1.04	3.9%	1.03
Power	1.01	3.9%	1.02	1.01	3.9%	1.01
Oilfields	0.97	3.9%	0.97	0.98	3.9%	0.98
Streetlights	0.99	3.9%	0.97	0.93	3.9%	0.91
Reseller	0.95	3.9%	0.96	0.95	3.9%	0.96

SaskPower notes that the only customer class projected to fall outside of the standard 0.95 to 1.05 target range is the Streetlights class, which drops to 0.91 under the proposed 2026–27 rates. SaskPower states that the Streetlight class varies from its targets because it appears the costs of the recent LED conversion program outweighed the energy and peak savings. With the conversion program now finished, SaskPower is monitoring future streetlight costs before executing further targeted rate adjustments.

10.2.2 Rate Alignment and Conventional Rate Design

Historically, SaskPower has proposed flat rate increases and differential (varying) rate increases across customer classes depending on the specific objectives of the application.

³⁴⁰ 2026 and 2027 Rate Application page 35-36; 2nd round information request SRRP Q32.

Table 10-2: Historical and Proposed Rate Rebalancing, 2013 to 2027³⁴¹

Rate Application Year	System Average Increase	Rate Design Approach	Range of Increases by Class
2013	5.0%	Differential	4.9% to 6.1% (Power - Contract)
2014	5.5%	Differential	-4.8% (Streetlights) to 7.0% (Urban Commercial & Reseller)
2015	5.0%	Differential	-4.8% (Streetlights) to 7.3% (Reseller)
2016	5.0%	Differential	-4.8% (Streetlights) to 7.3% (Reseller)
2016	5.0%	Flat	5.0% for all classes (excluding existing Power-Contracts)
2017	5.0%	Flat	5.0% for all classes (excluding existing Power-Contracts)
2018	5.0%	Flat	5.0% for all classes
2022	4.0%	Differential	2.5% (Streetlights) to 4.8% / 4.9% (Residential / Farms)
2023	4.0%	Differential	2.5% (Streetlights) to 4.8% / 4.9% (Residential / Farms)
2026 (Proposed)	3.9%	Flat	3.9% for all classes
2027 (Proposed)	3.9%	Flat	3.9% for all classes

SaskPower's rebalancing of rate components revolves around transitioning the utility to a "Conventional Rate Design" (also referred to as Cost Based Rate Design), where each specific rate component—the basic monthly charge, demand charge, and energy charge—directly reflects its corresponding allocated costs. Historically, SaskPower utilized a mechanism known as the "Bary correction," which intentionally shifted a significant portion of fixed, demand-related capacity costs into the variable energy charge. While this was originally done to account for varying load factors among customers, the unintended result was artificially understated demand charges and overstated energy charges. This imbalance created distorted price signals that could incentivize customers to defect from the grid or self-generate electricity simply to avoid the inflated energy costs, shifting the financial burden to remaining ratepayers. To correct this, SaskPower began a long-term strategy in its 2022–2023 application to gradually phase out the Bary correction by applying higher increases to demand charges and lower increases (or decreases) to energy charges.

In the current 2026 and 2027 rate application, SaskPower has decided to temporarily pause this component rebalancing. Rather than continuing to adjust the energy and demand charges at different rates, SaskPower is proposing a flat 3.9 per cent system-average increase across all classes and rate components. The utility explained that due to the number of years since its last rebalancing effort, it had to exercise discretion and utilize a flat increase to avoid "rate shock" for certain customer classes. Despite pausing the transition in this specific filing, SaskPower explicitly stated that it still agrees with independent consultants who recommended the continued removal of the Bary correction, and the utility anticipates completing the full phase-out of this adjustment over its next three to five rate applications.

10.3 TIME-OF-USE RATES AND DEMAND MANAGEMENT

During the 2023 methodology review, Elenchus recommended that if marginal cost differentials increase in Saskatchewan, SaskPower should consider implementing TOU rates as a demand management tool to offset the need for building new capacity.

³⁴¹ 2013 Rate Application, page 31; 2014–2016 Rate Application, page 46; 2016 and 2017 Rate Application, page 4; 2018 Rate Application, page 47; 2022 and 2023 Rate Application, page 34; 1st round information request SRRP Q3, 2022 and 2023 Rate Application; 2026 and 2027 Rate Application, page 35–36.

While TOU rates are not proposed in the 2026 and 2027 application, SaskPower confirmed it is continuing to evaluate TOU options that may benefit both the corporation and customers as AMI is deployed. SaskPower noted that its backend systems are currently ready to be configured to produce demand response and TOU rates for residential and small commercial customers. SaskPower estimates it will take 5 to 6 months to complete this process.

10.4 NORTHERN RATES

A number of northern municipalities and communities³⁴² submitted feedback on SaskPower's proposed rate increases and raised concerns regarding the affordability of electricity service in northern Saskatchewan. Common themes included requests for a dedicated northern electricity rate, concerns regarding the lack of access to alternative heating fuels, and questions regarding the allocation of costs associated with northern system expansion.

The majority of northern communities advocated for the introduction of a dedicated northern rate of approximately \$0.10/kWh, matching rates available in Northern Manitoba.³⁴³ These stakeholders argued that northern customers face unique circumstances, particularly the absence of natural gas infrastructure, which results in a greater reliance on electricity for residential heating. These communities submitted that province-wide rate increases have a disproportionate impact on northern customers because electricity is often the only practical heating option available.

Stakeholders also questioned whether customers should bear costs associated with transmission infrastructure expansions that are being undertaken, in part, to support future mining developments in northern Saskatchewan. Additional concerns were raised regarding ongoing service limitations in some communities, including the availability of three-phase service and the costs associated with extending service to remote customers.

The issue of differentiated northern rates was raised through the information request process. SaskPower stated that it has not historically established separate rates based on geographic regions such as northern and southern Saskatchewan. Rather, historical differences in rates reflected distinctions between urban and rural service areas, which were intended to recognize differences in the cost of providing service, specifically distribution rates.³⁴⁴ Denser urban areas tended to have lower average distribution costs than less dense rural areas.

SaskPower further indicated that it had evaluated alternative rate approaches for customers without access to natural gas. Rather than implementing a geographically differentiated rate, SaskPower elected to equalize urban and rural rates in 2022. SaskPower noted that this change was introduced, in part, to benefit customers in rural and remote areas where natural gas service is unavailable.³⁴⁵

With respect to affordability for customers who rely on electric heating, SaskPower identified several targeted programs intended to reduce electricity consumption and customer bills, including the Northern First Nations Home Retrofit Program and the Northern Indigenous New Homes Program.³⁴⁶

³⁴² These communities included Northern Village of Beauval, Northern Village of Denare Beach, Northern Village of Ile-a-la Crosse, Village of Air Ronge, Northern Hamlet of St. George's Hill, and Northern Village of Cumberland House. This section uses a summary of the topics they made submissions on. See Section 14.0 for a full summary of Public and Stakeholder submissions.

³⁴³ Submission of Northern Village of Denare Beach, May 2026.

³⁴⁴ SRRP Round 2 Q37 a).

³⁴⁵ SRRP Round 2 Q37 b).

³⁴⁶ SRRP Round 2 Q37 b).

10.5 RATES FOR DATA CENTRES

Bell Canada has announced plans to develop a 300MW AI data centre in the Rural Municipality of Sherwood Saskatchewan, near Regina. Construction is scheduled to begin in 2026 and to come online in phases beginning in the second half of 2027.³⁴⁷ The site was selected partially due to its proximity to an existing SaskPower substation.³⁴⁸ SaskPower is forecasting that the Bell data centre project will increase its electricity sales by \$34.6 million in 2026-27 as a result of the phase one and increase its fuel and purchased power expense by \$14.8 million as a result of additional generation requirements.³⁴⁹

SaskPower stated it will only offer excess capacity for the data centre³⁵⁰ and that the decision to operate coal beyond its regulated end of life has provided the necessary supply to accommodate the additional load.³⁵¹ SaskPower confirmed that the data centre load will be served with both firm and interruptible service. Firm service is intended to be provided through existing rate code E24. The data centre will interconnect to the grid by 2 new 230 kilovolt (kV) services, one from Regina South station and second service from the Rowatt station. SaskPower has stated Bell will pay for 100 per cent of the infrastructure costs associated with serving the load.³⁵²

Data centre loads present a unique challenge to utilities compared to other large industrial loads. BC Hydro noted during its recent Integrated Resource Planning review that data centres operate in a relatively new market meaning there is limited expertise in forecasting data centre loads and a lack of available tools to assess profitability or viability of projects. Data centre developers have incentives to duplicate requests in different jurisdictions for interconnection for the same project, making it increasingly difficult to evaluate the validity of individual projects and forecast their loads.³⁵³ Data centre projects have fewer observable milestones, such as requirements for environmental impact assessment reviews, faster development timelines meaning the loads can require service relatively quickly compared to other large industrial loads such as mining or oil and gas processing and transmission.³⁵⁴

Other jurisdictions in Canada are developing policies and tools to guide the evaluation, selection and pricing frameworks for data centre projects. InterGroup undertook a review of recent developments in other Canadian jurisdictions. A detailed summary of the review is provided in Appendix B.

In BC, Bill 31, the *Energy Statutes Amendment Act*, introduced a competitive selection process for all prospective Artificial Intelligence (AI) and data centre projects. Bill 31 provides the province the ability to select the projects that provide the greatest long-term economic development to the province. Projects are assessed based on the electricity rate and commercial terms they are willing to accept, their economic, community, data sovereignty, and environmental benefits. BC Hydro has an allocation target of 400MW extending to 2028,

³⁴⁷ Bell AI Fabric – Saskatchewan Data Centre Project Overview (Investor Presentation, March 16, 2026), slide 3.

³⁴⁸ Bell AI Fabric – Saskatchewan Data Centre Project Overview (Investor Presentation, March 16, 2026), slide 4.

³⁴⁹ 2nd round information request SRRP Q1(a) and Q12, 2026 and 2027 Rate Application.

³⁵⁰ 1st round information request SRRP Q71(d), 2026 and 2027 Rate Application.

³⁵¹ 2nd round information request SRRP Q12, 2026 and 2027 Rate Application.

³⁵² 2nd round information request SRRP Q12, 2026 and 2027 Rate Application.

³⁵³ *Uncertainty and upwards bias are inherent in data centre electricity demand projections*, prepared for Southern Environmental Law Centre by London Economics LLC, Page 14.

³⁵⁴ BC Hydro 2025 IRP Exhibit B-9, Workshop on Key Issues – BC Hydro Workshop Slide Deck, slide 23-24.

comprising of 300MW for data centres specializing in AI, and 100MW for other data centre projects.³⁵⁵

Manitoba Hydro, as of June 2026, does not have specific policies for data centre connections.³⁵⁶ However, Bill 28, the *Manitoba Hydro Amendment Act*, removes the automatic right to obtain power in Manitoba.³⁵⁷ This amendment grants Manitoba Hydro and the Minister responsible for Manitoba Hydro discretion to reject large power requests that are not feasible, prioritize certain types of projects, impose infrastructure costs on customers, and define eligibility through future regulations. Large power requests refer to a threshold amount prescribed by the regulation or, if none is prescribed, 5MW.³⁵⁸

In Québec, any new project or load addition with a capacity greater than or equal to 5MW must obtain authorization from the Québec Minister of Economy, Innovation, and Energy prior to connection.³⁵⁹ Hydro-Québec has applied to the Régie de l'énergie to establish a new data centre tariff, Rate Schedule CD. The proposed rate is intended to ensure data centres bear more of the costs associated with their demand. Rates charged to data centres will be set at levels that reflect the marginal costs of serving this load.³⁶⁰

The proposed structure of the CD tariff and the rates that existing data centre's fall under are provided in Table 10-3.³⁶¹

Table 10-3: Proposed and Current Hydro-Québec Data Centre Tariffs³⁶²

	Proposed CD Tariff	Tariff M	Tariff LG
Demand Charge, per kW	\$32.704/kW	\$18.242/kW	\$16.571/kW
Energy Consumption, per kWh	8.710 cents/kWh	6.292 cents/kWh	4.325 cents/kWh
Remaining Energy Consumption, per kWh	n/a	4.666 cents/kWh	n/a

Two key themes emerge from this review:

1. Several jurisdictions are implementing tools to either explicitly cap the volume of electricity available to data centres (e.g. British Columbia) or introduce the ability for the government and the utility to limit access to electricity (e.g. Quebec and Manitoba).
2. A number of utilities are implementing rates for data centre that are higher than rates for other industrial customers and are developed to minimize or avoid the costs and

³⁵⁵ BC Government News, BC launching competitive process for clean power in high-demand sectors, retrieved from: <https://news.gov.bc.ca/releases/2026ECS0005-000095>

³⁵⁶ Manitoba Hydro 2026-2028 GRA, first round information request PUB/MH-I-40(g).

³⁵⁷ Bill 28 – The Manitoba Hydro Amendment Act, S. 49.2(2), retrieved from: <https://web2.gov.mb.ca/bills/43-2/b028e.php>

³⁵⁸ Bill 28 – The Manitoba Hydro Amendment Act, retrieved from: <https://web2.gov.mb.ca/bills/43-2/b028e.php>

³⁵⁹ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 8. Translated from French.

³⁶⁰ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 6. Translated from French.

³⁶¹ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 10. Translated from French.

³⁶² Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 9-10. Translated from French; Electricity Rates 2026, Hydro-Québec, page 43; Electricity Rates 2026, Hydro-Québec, page 63.

risks to other customers associated with the additional data centre load and ensure these costs are borne by data centre projects.³⁶³

10.6 CONSULTANT OBSERVATIONS

The Consultant is concerned the proposed equal percentage rate increases result in revenue to revenue requirement ratios for several rate classes that are below the residential class of 0.99. SaskPower has provided an explanation for the lower revenue to revenue requirement ratios for streetlights related to the LED conversion program and that the farm rate class would ideally have a higher basic monthly charge by approximately 23 per cent, but other rate components remain within acceptable limits.³⁶⁴ The Consultant accepts these explanations as reasonable.

SaskPower also provided information indicating the oilfields and reseller classes would require 5.7 per cent and 6.1 per cent rate increases in each of the test years to achieve revenue to revenue requirement targets of 1.01 and 1.00 respectively. The Consultant is concerned with deferring that scale of rate increase to a future date, particularly when there is no current proposal for a 2028 rate increase. The Consultant notes SaskPower is not proposing to earn its full ROE in 2026/27. In the Consultant's view, a higher than the average rate increase to each of these classes effective February 1, 2027 would be fair and reasonable. The Consultant is not recommending that SaskPower lower proposed rates to other customers to accomplish this, but expects the change to result is a somewhat higher net income for 2026-27, all else being equal.

With respect to the issue of rates for northern customers, the Consultant notes in Order 59/18, the Manitoba Public Utilities Board directed Manitoba Hydro to establish a First Nations On-Reserve customer class that would receive a lower rate increase than other customer classes. The Board stated Manitoba Hydro would be kept whole by factoring the lower rate increase for the new customer class into the level of the average increase granted to other customer classes. The Board stated the rate class was justified by the need to address energy poverty on-reserve, poor housing stock and the lack of access to natural gas for heating.³⁶⁵ Manitoba Hydro appealed the PUB's decision to the Manitoba Court of Appeal. In its decision the Court of Appeal found that while the PUB is entitled to consider social policy in fulfilling its mandate,³⁶⁶ the ability to consider social policy and bill affordability does not equate to the authority to direct the creation of customer classifications implementing broader social policy which have the effect of redistributing Manitoba Hydro's funds and revenues to alleviate such conditions. The Court of Appeal agreed with the dissenting member of the PUB that the directive constitutes "a realm that is reserved for the federal and provincial governments."³⁶⁷

While Saskatchewan has a different legal and regulatory framework for setting electricity rates than Manitoba, in the Consultant's view many of the principles articulated in the Manitoba case are relevant to Saskatchewan. Setting a lower rate for northern customers to achieve social policy objectives, that must result in higher rates for other customers to keep the utility whole, is more appropriately a subject for government policy and programs.

With respect to the proposed rates for the data centre, the Consultant is concerned that the proposed rates based on the existing rate schedule, for a mix of firm and interruptible service,

³⁶³ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 17, Dunskey February 2026. Translated from French.

³⁶⁴ 1st round information request SRRP Q78 (e).

³⁶⁵ Pages 231-232. Manitoba Public Utilities Board Order 59/18. May 1, 2018.

³⁶⁶ Paragraph 81. Court of Appeal of Manitoba. Docket AI18-230-09116. June 9, 2020.

³⁶⁷ Paragraphs 85-87. Court of Appeal of Manitoba. Docket AI18-230-09116. June 9, 2020.

may not be consistent with the policy direction being taken in other jurisdictions in Canada. The Consultant understands the practical need for such a solution given the project timing and that in the near term there may be no other credible option. However, the Consultant's view is that the rate should be considered a temporary approach, to be revised and informed by additional analysis and policy development by SaskPower and the provincial government.

10.7 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel request SaskPower provide options for a higher than 3.9 per cent rate increase for the oilfields and reseller rate classes effective February 1, 2027 as part of the material to be provided in order for the Panel to confirm the February 1, 2027 rate increase by December 1, 2026. The Consultant recommends that SaskPower not reduce the proposed rates to other customers to accomplish this, but rather increase the forecast net income for the year.

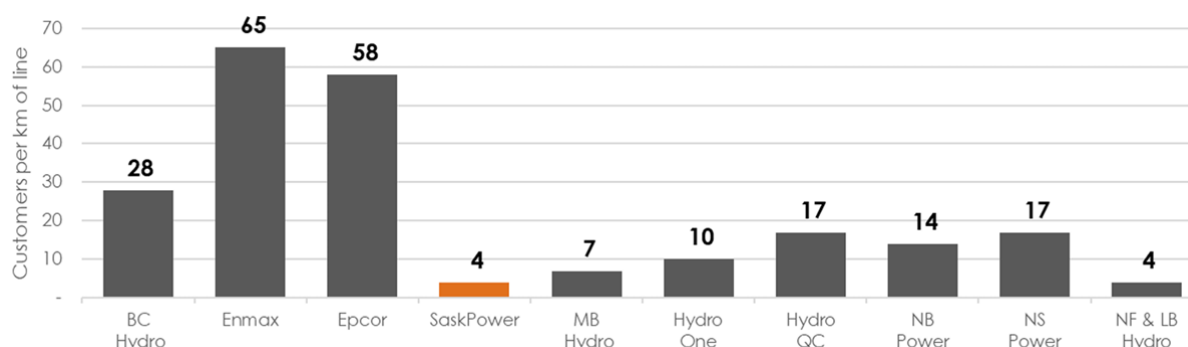
The Consultant recommends SaskPower work with the provincial government develop a policy for data centres rates that addresses tools both to limit obligation to serve these loads and pricing structure that ensures they pay full costs.

11.0 RELIABILITY AND SAFETY

11.1 RELIABILITY

SaskPower notes that it maintains one of the largest service areas and distribution grids in Canada with one of the lowest customer densities in the country.³⁶⁸ As a result, the cost of delivering electricity is spread across a relatively small customer base over a large geographic area. Figure 11-1 compares the number of customer accounts and total kilometers of transmission and distribution lines for several Canadian utilities.

Figure 11-1: Customer Accounts per Kilometer of Distribution and Transmission Lines³⁶⁹



SaskPower measures transmission and distribution reliability using industry standard metrics: the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI). SAIDI tracks performance by measuring the average duration of outages and the time required to restore service, while SAIFI represents the number of outages that an average customer experiences in one year.³⁷⁰ SaskPower also tracks an equivalent availability factor (EAF) as an indication of generation reliability.³⁷¹

SaskPower excludes Major Event Days (MEDs) when reporting reliability statistics both internally and externally, consistent with the industry standards. An MED is an outage event that is beyond what a utility's infrastructure is built to withstand. Such events can include severe storms and other unusual weather events. Including MEDs in reliability indicators can cause significant fluctuations in results and may not accurately reflect system performance under normal operating conditions.³⁷²

SaskPower states that it prioritizes its capital expenditures based on several criteria and objectives including providing a reliable energy supply to meet forecasted load requirements, maintaining system reliability, ensuring security and power quality, and minimizing the cost of electricity for customers.³⁷³

³⁶⁸ 2026 and 2027 Rate Application, page 16.

³⁶⁹ 2026 and 2027 Rate Application, page 17.

³⁷⁰ 1st round information request SRRP Q81(b).

³⁷¹ 1st round information request SRRP Q81(e).

³⁷² 1st round information request SRRP Q81(b).

³⁷³ 1st round information request SRRP Q81(c).

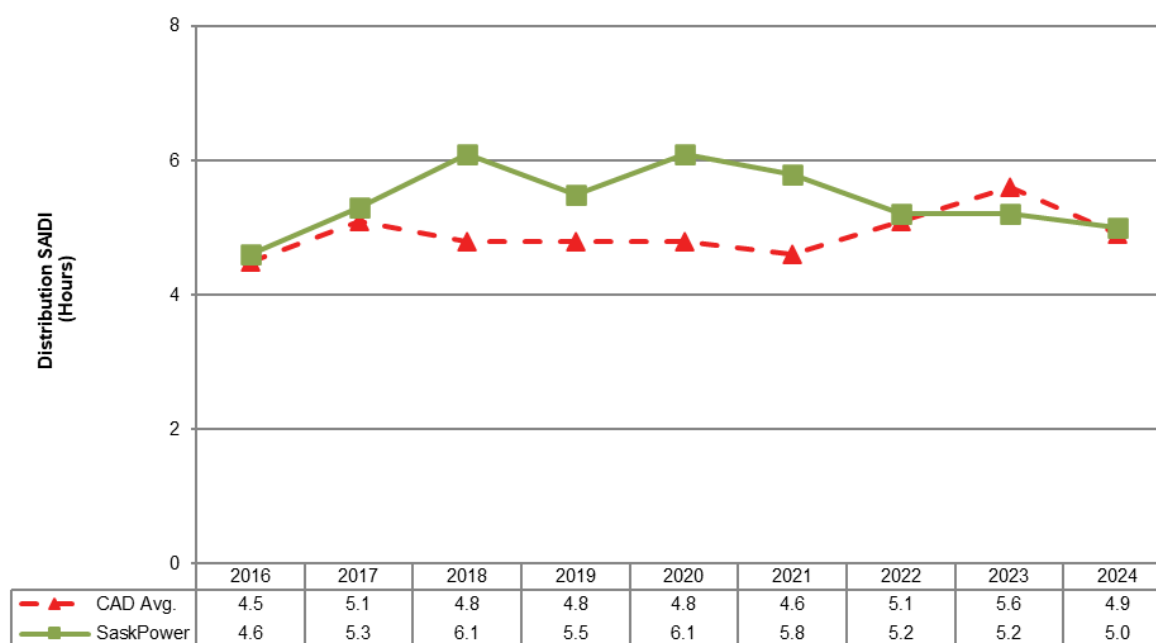
SaskPower states that key drivers of the proposed rate increases include additional investment in transmission projects and increased OM&A costs associated with maintenance of the transmission and distribution systems. This results in an annual capital spending increase from \$1.164 billion in 2023-24 to a forecasted \$1.692 billion in 2026-27.³⁷⁴ In 2024-25, SaskPower spent nearly \$1.5 billion to modernize, grow and sustain the electricity system.³⁷⁵ SaskPower identified the need for up to 101 and 108 full-time equivalent employees in 2025-26 and 2026-27 respectively at an additional cost of \$22 million per year to modernize and maintain its distribution grid. These positions and associated costs are primarily related to AMI Deployment and Operations, the Distribution Control Office and the Distribution Asset Management Grid Modernization project planning team.³⁷⁶

11.1.1 Distribution Reliability

Distribution SAIDI

Figure 11-2 shows SaskPower's distribution SAIDI (duration hours) from 2016 to 2024 compared to the Canadian utility average.

Figure 11-2: Actual Distribution SAIDI (Hours) SaskPower and Canadian Utility Average, 2016 to 2024^{377,378}



SaskPower's distribution SAIDI performance was similar to the Canadian average in 2016 and 2017 before beginning to diverge in 2018, with SaskPower performing worse than the Canadian average until the two converge again in 2022. SaskPower performed better than the Canadian average in 2023 and returned to similar performance in 2024. Between 2022-23 and 2024-25,

³⁷⁴ 2026 and 2027 Rate Application, page 7.

³⁷⁵ SaskPower 2024-25 Annual Report, page 9.

³⁷⁶ 1st round information request SRRP Q55.

³⁷⁷ 2016 to 2020 from 2022 and 2023 Rate Application, 1st round information request SRRP 97(a).

³⁷⁸ 2021 to 2024 from 1st round information request SRRP Q81(a).

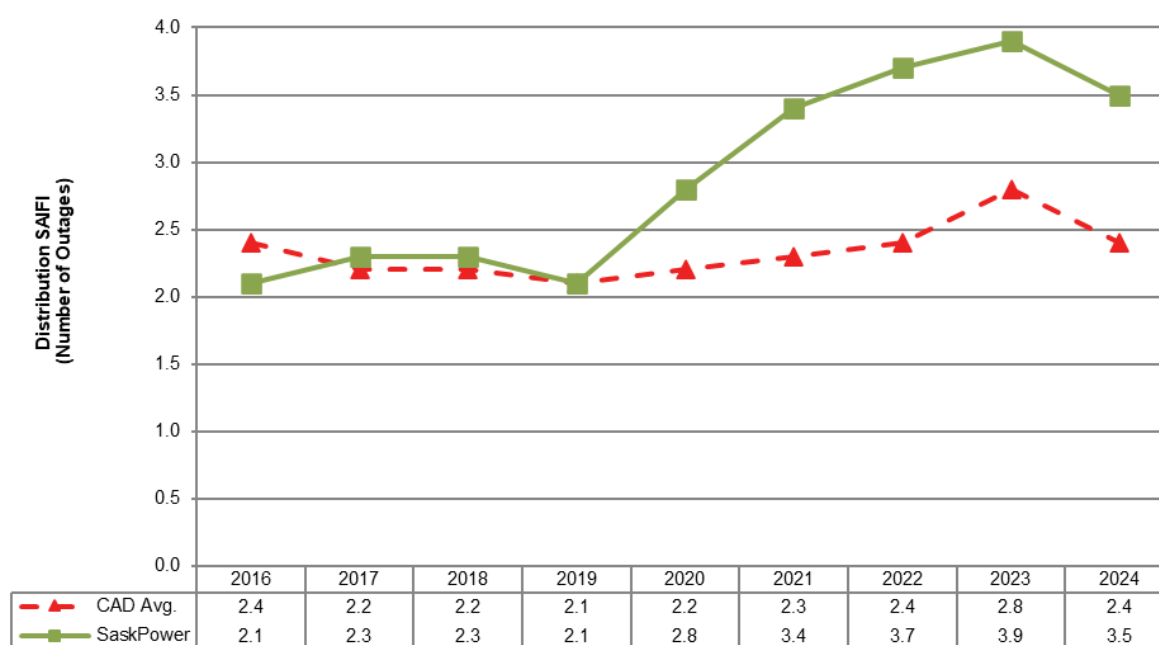
planned outages accounted for between 14 per cent and 19 per cent of outage durations. Other common contributors to outage durations included loss of transmission supply, faulty equipment, and weather events.³⁷⁹

SaskPower's target for distribution SAIDI for the test years is 5.1 with a long-term target of 3.8.³⁸⁰

Distribution SAIFI

Figure 11-3 shows SaskPower's distribution SAIFI (number of outages) from 2016 to 2024 compared to the Canadian utility average.

Figure 11-3: Actual Distribution SAIFI (Number of Outages) SaskPower and Canadian Utility Average, 2016 to 2024^{381,382}



SaskPower's distribution SAIFI performance was generally in line with the Canadian average from 2016 to 2019, but has exceeded the Canadian average since 2020. Planned outages accounted for approximately 10 to 11 per cent of total outages between 2022-23 to 2024-25. Over the same period, the primary cause of outages was loss of transmission supply, representing about 50 to 55 per cent of outages, followed by faulty equipment and weather events.³⁸³

SaskPower's target for distribution SAIFI for the test years is 3.5 with the long-term goal of 2.3.³⁸⁴ SaskPower has outlined two programs, the Underground Primary Cable Mitigation and

³⁷⁹ 1st round information request SRRP Q81(d).

³⁸⁰ SaskPower 2024-25 Annual Report, page 29.

³⁸¹ 2016 to 2020 from 2022 and 2023 Rate Application, 1st round information request SRRP 97(a).

³⁸² 2021 to 2024 from 1st round information request SRRP Q81(a).

³⁸³ 1st round information request SRRP Q81(d).

³⁸⁴ SaskPower 2024-25 Annual Report, page 29.

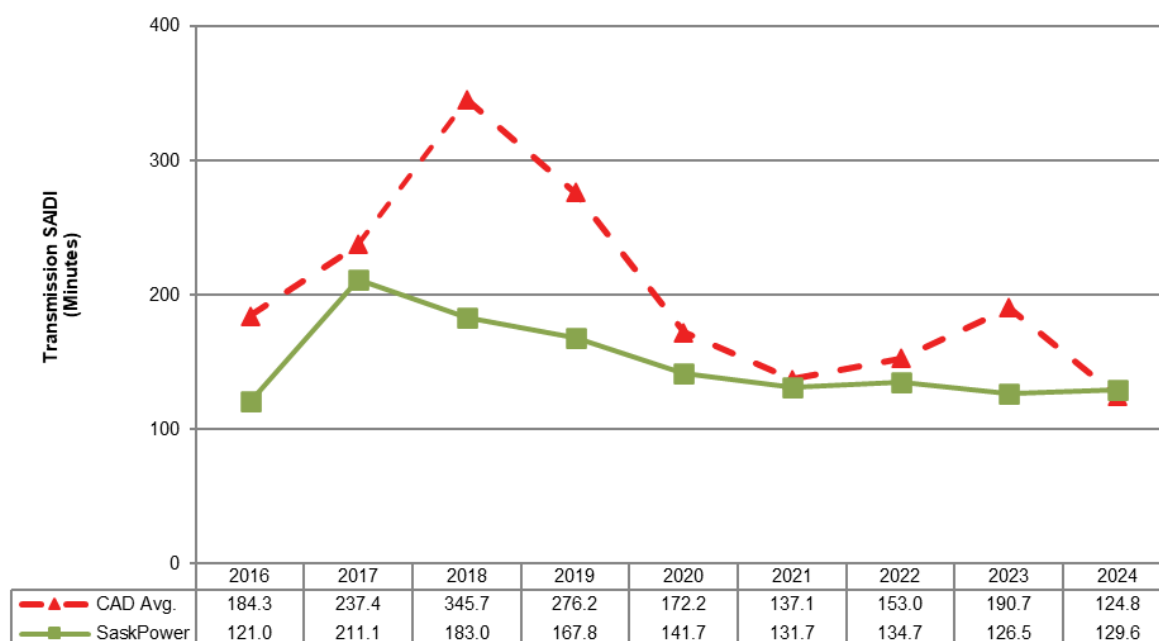
Rural Rebuild and Improvement Program, that will work to address aging distribution infrastructure in the province (see Section 8).³⁸⁵

11.1.2 Transmission Reliability

Transmission SAIDI

Figure 11-4 summarizes SaskPower's transmission SAIDI (duration minutes) from 2016 to 2024 compared to the Canadian utility average.

Figure 11-4: Actual Transmission SAIDI (Minutes) SaskPower and Canadian Utility Average, 2016 to 2024^{386,387}



SaskPower's transmission SAIDI performance was better than the Canadian average from 2016 to 2023, but in 2024, it performed slightly worse than the national average. Across the three most recent years, most of the outages were attributed to defective equipment, adverse weather, and adverse environment. In 2023-24, outages caused by foreign interference were unusually high, accounting for approximately 25 per cent. Here, foreign interference is interaction between SaskPower infrastructure and external agents, such as wildlife contact, that leads to outages.³⁸⁸ This compares to just 1 per cent in the preceding year and 3 per cent the following year.³⁸⁹

SaskPower's transmission SAIDI target for the test years is 135.0 for 2025-26 and 130.0 for 2026-27. Their long-term target is 120.0.³⁹⁰

³⁸⁵ 2026 and 2027 Rate Application, page 32.

³⁸⁶ 2016 to 2020 from 2022 and 2023 Rate Application, 1st round information request SRRP 97(a).

³⁸⁷ 2021 to 2024 from 1st round information request SRRP Q81(a).

³⁸⁸ SaskPower 2024-25 Annual Report, page 30.

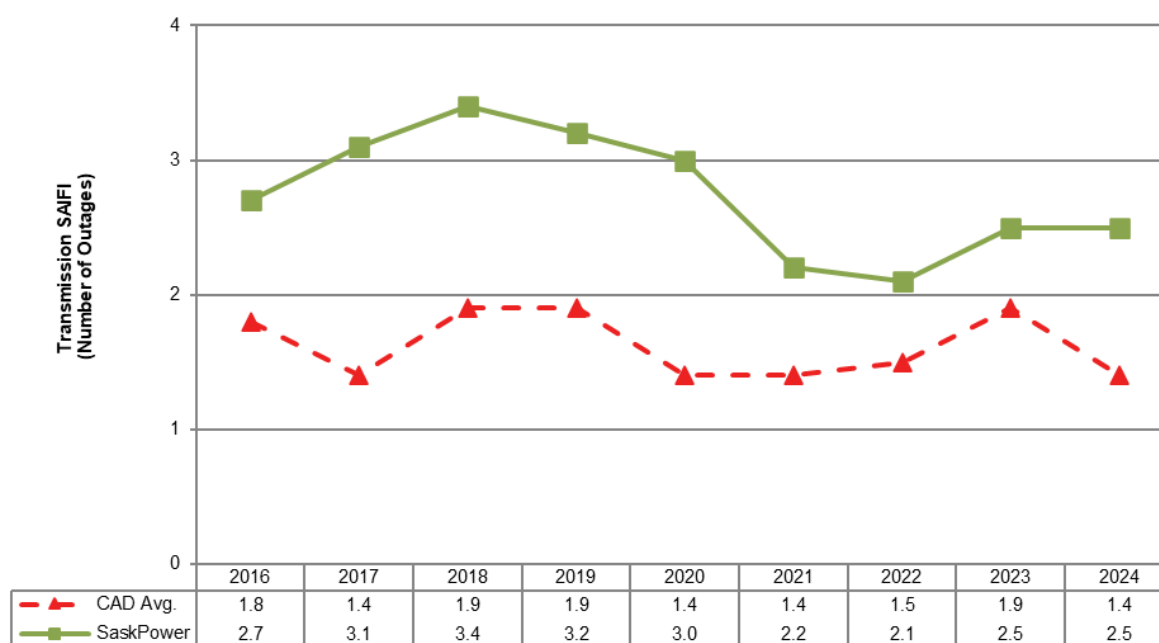
³⁸⁹ 1st round information request SRRP Q81(d).

³⁹⁰ SaskPower 2024-25 Annual Report, page 30.

Transmission SAIFI

Figure 11-5 shows SaskPower's transmission SAIFI (number of outages) from 2016 to 2024 compared to the Canadian average.

Figure 11-5: Actual Transmission SAIFI (Number of Outages) SaskPower and Canadian Utility Average, 2016 to 2024^{391,392}



SaskPower's transmission SAIFI performance has been consistently higher than the Canadian average since 2016. Over the three most recent years, adverse weather and defective equipment account for the common causes of interruption.³⁹³ SaskPower's transmission SAIFI target for the test years are 3.0 for 2025-26 and 2.9 for 2026-27, with a long-term goal of 2.8.³⁹⁴

SaskPower has identified several transmission projects in its capital plan that together aim to increase the reliability of its services. These projects include construction of new transmission lines, new interconnections in the north and south, and maintenance on existing transmission lines (see Section 8).³⁹⁵

11.1.3 Generation Reliability

Figure 11-6 shows SaskPower's EAF for the period of 2020-21 to 2024-25.

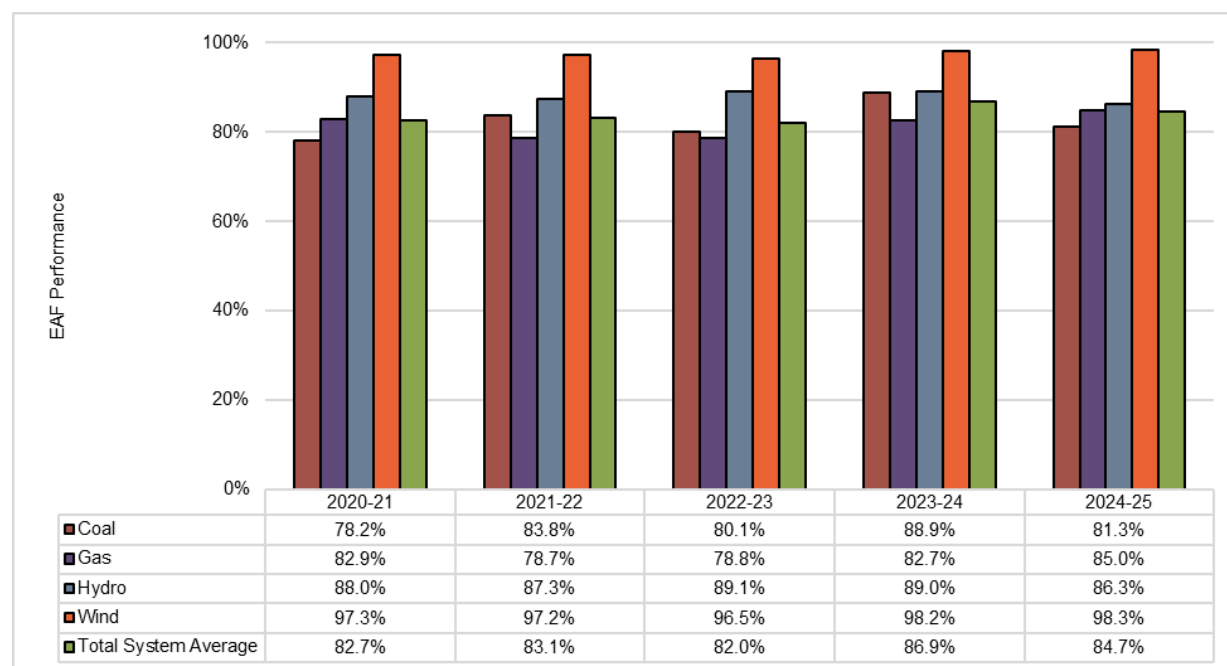
³⁹¹ 2016 to 2020 from 2022 and 2023 Rate Application, 1st round information request SRRP 97(a).

³⁹² 2021 to 2024 from 1st round information request SRRP Q81(a).

³⁹³ 1st round information request SRRP Q81(d).

³⁹⁴ SaskPower 2024-25 Annual Report, page 30.

³⁹⁵ 2026 and 2027 Rate Application, page 31-32.

Figure 11-6: Actual Equivalent Availability Factor, 2020-21 to 2024-25³⁹⁶

SaskPower's EAF performance has remained relatively stable over the period, with modest improvements observed in the past two years. EAF ranged from 82.0 per cent (2022-23) to 86.9 per cent (2023-24) between 2020-21 to 2024-25. Wind and hydro have consistently performed at the highest availability over the five-year period. In 2024-25, wind and gas generation performed at their highest availability in during this period at 98.3 per cent and 85 per cent respectively.³⁹⁷

Variations in performance are largely attributed to specific unit outages and maintenance activities. In 2020-21, EAF was negatively affected by major overhauls at Boundary Dam Unit #6 and E.B. Campbell Hydroelectric Station Unit #3. In subsequent years generator failures at the Queen Elizabeth Power Station contributed to slightly lower EAF at gas-fired facilities in both 2021-22 and 2022-23. Coal-fired generation also experienced minor decline in 2022-23, driven by turbine damage and a prolonged overhaul at Poplar River Unit #2. More recently, in 2024-25, coal EAF was slightly reduced due to the forced extension of a minor overhaul at Boundary Dam Unit #6. Overall, these impacts reflected isolated operational and maintenance challenges rather than a broader performance reduction.³⁹⁸

SaskPower's target EAF for 2025-26 and onward is greater than or equal to 85.0 per cent.³⁹⁹

11.2 SAFETY

SaskPower recently completed a multi-year Roadmap to Safety Program which established a Safety Leadership Council to solicit ideas from staff and contractors on how safety standards

³⁹⁶ 1st round information request SRRP Q81(e).

³⁹⁷ 1st round information request SRRP Q81(e).

³⁹⁸ 1st round information request SRRP Q81(e).

³⁹⁹ SaskPower 2024-25 Annual Report, page 28.

can be improved.⁴⁰⁰ This multi-year program was initiated in response to an incident that occurred during 2020-21 in which two SaskPower employees lost their lives.⁴⁰¹ Since the inception of the program, the life of another SaskPower employee was lost in November 2022.⁴⁰²

SaskPower previously calculated a Health and Safety index, which measured performance in meeting its targeted safety objectives across six measures, which were equally weighted to calculate the index.⁴⁰³ As of the 2023-24 Annual Report, SaskPower no longer calculates the Health and Safety Index and has replaced it with the Lost-Time Injury Frequency Rate (LTIFR) and the Lost-Time Injury Severity Rate (LTISR). The LTIFR measures the rate of workplace incidents that result in an employee missing time from work after the date of the injury, per 100 workers, relative to total hours worked in a given period. In 2024-25, SaskPower's LTIFR was 0.23, outperforming the target of 0.58. Overall, the total number of lost-time incidents was reduced from 16 in 2023-24 to 9 in 2024-25. SaskPower's target LTIFR for the test years is 0.55 and 0.52 with a long-term target of 0.43.⁴⁰⁴

The LTISR measures the number of lost workdays per 100 workers and reflects the severity of workplace injuries and illness. Higher LTISR values indicate more serious incidents, as they involve longer recovery times before employees can return to work. SaskPower's LTISR in 2024-25 was 2.1, outperforming the target of 14.1. SaskPower's target for the test years is 14.1 and 13.4, with a long-term target of 10.9.⁴⁰⁵

11.3 CYBER SECURITY

SaskPower recognizes that its operations depend on technology requiring ongoing security measures while maintaining system accessibility and reliability. SaskPower anticipates that security demands will continue to increase as threats evolve and has implemented a range of physical and cyber controls to protect its system and data.

These measures include access controls to limit authorized use, data protection practices such as monitoring and preventing inappropriate information sharing, and technical safeguards like encryption and system hardening to reduce vulnerabilities. Employees receive training to identify and respond to emerging risks.⁴⁰⁶

SaskPower also leverages artificial intelligence tools to support its cybersecurity efforts, using them to analyze threats, automate routine responses, and enhance overall incident response. By combining technology with human expertise, the organization aims to improve the speed and effectiveness of its security operations.⁴⁰⁷

11.4 CONSULTANT OBSERVATIONS

The Consultant recognizes the uniquely challenging environment in which SaskPower operates. The Consultant notes that SaskPower is undertaking significant capital investment and workforce expansion to modify its grid and maintain reliability, which is a key driver of rising costs and rate pressures. The Consultant observes the reliability performance is mixed;

⁴⁰⁰ SaskPower 2024-25 Annual Report, page 8.

⁴⁰¹ SaskPower 2020-21 Annual Report, page 22.

⁴⁰² SaskPower 2022-23 Annual Report, page 24.

⁴⁰³ SaskPower 2022-23 Annual Report, page 24.

⁴⁰⁴ SaskPower 2024-25 Annual Report, page 22.

⁴⁰⁵ SaskPower 2024-25 Annual Report, page 23.

⁴⁰⁶ SaskPower 2024-25 Annual Report, page 53.

⁴⁰⁷ 1st round information request SRRP Q6(b).

transmission SAIDI has generally been strong, while SAIFI, particularly on the distribution side has remained above the Canadian average in recent years. The Consultant notes that generation reliability has remained stable overall, with variations largely attributable to planned maintenance and isolated unit issues rather than systemic performance concerns.

The Consultant notes that other Canadian Utilities have suffered cyberattacks that severely affected their operations. On March 19, 2025, a Nova Scotia Power employee unknowingly visited a website that had been compromised by malware. The employee clicked a link that automatically downloaded malware onto the internal system, which allowed a foreign threat actor to gain unauthorized access to the network. The threat actor was able to steal internal data, including personal information belonging to current and former customers. The attack severely disrupted several internal systems but did not affect Nova Scotia Power's ability to generate and delivery electricity. A compliance letter released by the Office of the Privacy Commissioner of Canada on March 25, 2025, indicated that approximately 375,000 current and 540,000 former customers were affected by the attack with compromised personal data that may have included names, phone numbers, email addresses, dates of birth, customer history, driver's licence numbers, and social insurance numbers. As a result of this attack, Nova Scotia Power committed to strengthening its cybersecurity, conducting third-party security assessment, and permanently deleting social insurance numbers expect for legal requirements for purposes such as taxes.⁴⁰⁸

Northwest Territories Power Corporation (NTPC) was subject to a cyber attack in April 2020, in which a malicious threat actor attacked the utility with ransomware.⁴⁰⁹ In response, NTPC shut down parts of IT systems to protect from further issues. Generation, transmission and distribution systems were not affected by the cyber attack.⁴¹⁰ NTPC restored its website and customer service portal after six weeks of being down. NTPC's billing was also affected which caused hardship to some customers as 2 months of bills were set to be due in a single calendar month. As a response to this, NTPC stated that there would be no interest for late payments incurred for a period of three months as customers deal with the increased financial burden.⁴¹¹

The Consultant notes that cyberattacks are a growing concern for Canadian utilities and data must secure with proper protocols in place if such events occur.

11.5 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel accept the reliability and safety information provided by SaskPower.

⁴⁰⁸ Our Commitments: Office of the Privacy Commissioner of Canada Investigation, Nova Scotia Power, March 20, 2026. (retrieved from: <https://www.nspower.ca/about-us/articles/details/articles/2026/03/25/our-commitments--office-of-the-privacy-commissioner-of-canada-investigation>).

⁴⁰⁹ NTPC confirms 'cyber attack' from unknown source on Thursday, RCMP investigating, CBC News, April 30, 2020. (retrieved from: <https://www.cbc.ca/news/canada/north/ntpc-apparent-ransomware-attack-1.5551603>).

⁴¹⁰ NTPC Experiences Cyber Attack, NTPC, April 20, 2020. (retrieved from: <https://www.ntpc.com/about-ntpc/news-releases/2020/04/30/ntpc-experiences-cyber-attack>).

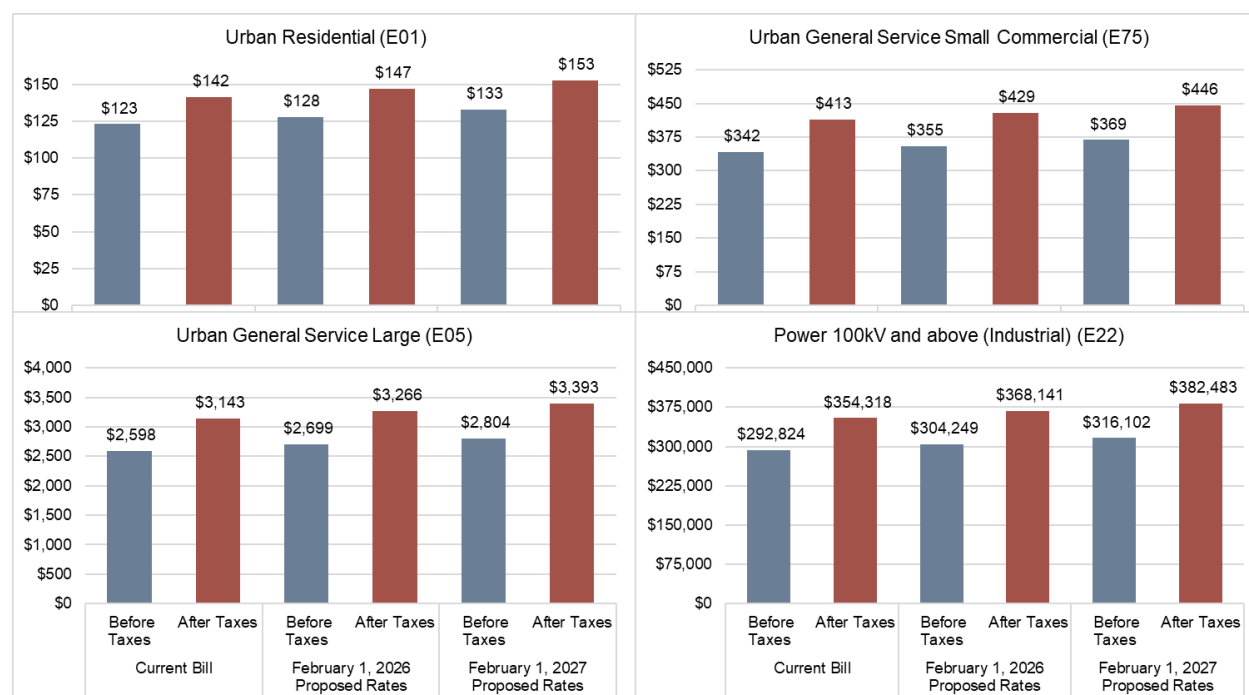
⁴¹¹ NTPC website and customer service restored after ransomware attack, CBC, June 16, 2020. (retrieved from: <https://www.cbc.ca/news/canada/north/ntpc-website-restored-ransomware-1.5614495>).

12.0 CUSTOMER BILL IMPACTS

SaskPower is proposing a flat increase to rates of 3.9 per cent on February 1, 2026 and an additional 3.9 per cent on February 1, 2027. The proposed 3.9 per cent increases are applied to all components of the rates for all customer classes.⁴¹² Figure 12-1 shows the monthly bill increases (before and after taxes⁴¹³) for four types of customers located in Regina:⁴¹⁴

- Urban residential (rate code E01) with 625 kWh of monthly consumption;
- Urban General Service Small Commercial (rate code E75) with 2,000 kWh of monthly consumption and a power demand of 14 kW;
- Urban General Service Large (rate code E05) with 25,000 kWh of monthly consumption and a power demand of 100 kW; and
- Power 100kV and above (or Industrial) (rate code E24) with 3,060,000 kWh of monthly consumption and a power demand of 5,000 kW.

Figure 12-1: Monthly Bill Changes at Proposed SaskPower 2026 and 2027 Rate Increases Before and After Taxes⁴¹⁵



⁴¹² Summaries from page 1 of the 2026 and 2027 Rate Application.

⁴¹³ In this section taxes include the carbon charge rider and municipal surcharges as well as PST and GST. The municipal surcharge for Regina is 10 per cent but will vary based on location.

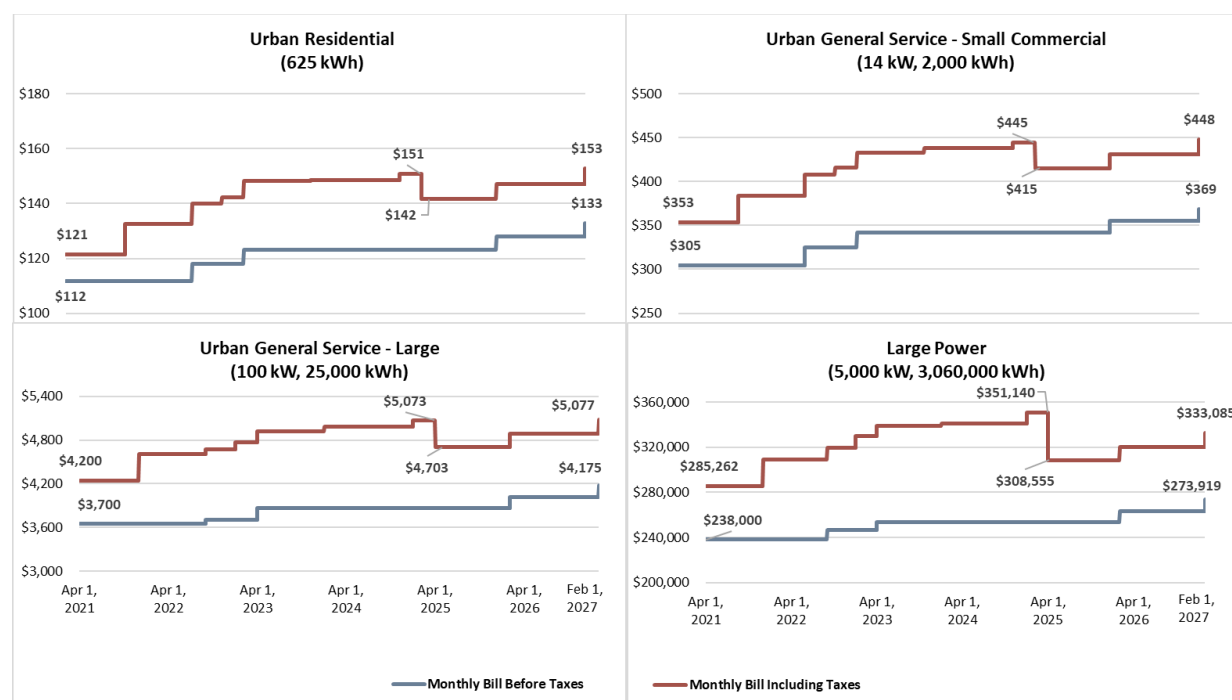
⁴¹⁴ Bill determinations are based loosely on the Hydro-Québec report level that is closest to the median bill, as determined by the number of customer bills identified in Appendix C of the Application. For rate code E05, the bill determination relies solely on the median bill because the Hydro-Québec report categorizes customer classes differently than SaskPower.

⁴¹⁵ Monthly bill before taxes calculated by InterGroup Consultants based on information in the 2026 and 2027 SaskPower Rate Application Appendix C.

Customer bills are affected by factors beyond the proposed rate changes, including adjustments to applicable taxes and other charges (federal carbon charge, municipal surcharges, provincial sales tax [PST], and goods and service tax [GST]). Figure 12-2 illustrates the actual and forecast change to customer bills with taxes (red line) and without taxes (blue line) from April 1, 2021 to February 1, 2027 for the same customer classes shown in Figure 12-1. Figure 12-2 shows that for a typical urban residential customer; the bill increase before taxes over the two test years is approximately \$10 per month (approximately 8 per cent).

A major factor in the difference between the before and after-tax monthly bills is the removal of the carbon rider on April 1, 2025. On March 1, 2025, a typical urban residential customer's bill would have included carbon rider charges of approximately \$9.27.⁴¹⁶ As of April 1, 2025, the removal of the carbon tax resulted in an effective bill reduction of \$9.27 (6 per cent).⁴¹⁷

Figure 12-2: Monthly Bill Changes Before and After Taxes, April 1, 2021 to February 1, 2027^{418,419,420}



In Section 6.4 of the rate application, SaskPower states that its average rate increase from 2017-18 through the test years is slightly below the average rate of inflation in Saskatchewan.

⁴¹⁶ Bill decreases of \$9.27 on April 1, 2025 includes the carbon rider of \$8.83 the additional 5 per cent GST applied to the carbon rider of \$0.44.

⁴¹⁷ Carbon tax rates and bill reductions calculated by InterGroup Consultants based on information in the 2026 and 2027 SaskPower Rate Application Appendix C and 2026 and 2027 2nd round information request SRRP Q29 (a).

⁴¹⁸ Estimated by InterGroup Consultants Ltd. based on Appendix C of 2022 and 2023 Rate Application, 1st round information requests SRRP Q8 and Q93, Appendix C of 2026 and 2027 Rate Application, 1st round information request SRRP Q79, and 2nd round information request SRRP Q29(a).

⁴¹⁹ Taxes include federal carbon charges up to April 1, 2025, PST, GST and municipal surcharges. Residential customers are exempted from paying PST.

⁴²⁰ (i) April 1st to November 30th of 2021 period includes 10 per cent Economic Recovery Rebate; (ii) Rate increases for September 1, 2022 and April 1, 2023; (iii) Carbon Rider increases for January 1, 2023, 2024 and 2025; (iv) Carbon Rider removal for April 1, 2025; (v) Rate increases for February 1, 2026 and 2027.

While this comparison is factually accurate on a numerical basis, its relevance is influenced by the particular timing of rate and inflationary changes over the period examined. Particularly, the result reflects a ten-year period in which there were approximately five years of no base rate increases and a relatively short period of elevated inflation starting in 2020. As a result, the comparison may overstate the extent to which historical rate changes have aligned with longer-term inflation trends and should be interpreted in light of these underlying conditions.

Figure 12-3 compares indexed electricity prices and CPI levels, both normalized to 2006=100.

Since 2006, SaskPower electricity rates have increased more rapidly than the Saskatchewan CPI, indicating a real increase in electricity prices relative to inflation. The majority of the rate increases took place between 2006 and 2018 while inflation growth accelerated between 2020 and 2024.

While SaskPower's proposed rate increases are above inflation, they are occurring after several years of no base rate increases. This pattern has persisted over the last 20 years and has become more pronounced in the past decade, resulting in customer bills experiencing periods of higher than inflation step-changes followed by extended periods of flat rates. Notably, the periods of flat rates have tended to coincide with years where there is a Saskatchewan provincial election. The only year in the last four provincial election years where there was also a SaskPower rate increase was 2016.

From 2021 to 2025, SaskPower rates increased by approximately 8 per cent, while CPI increased by approximately 15 per cent, resulting in a real decline of approximately 6 per cent in electricity prices relative to inflation. During the test years of this application, SaskPower rates are projected to increase approximately 8 per cent, while CPI is projected to increase approximately 4 per cent, resulting in a modest projected real increase in electricity prices. As a result, recent rate increases partially offset earlier above-inflation growth but do not fully reverse the cumulative real increase observed since 2006.⁴²¹

⁴²¹ Calculations completed by InterGroup Consultants with information from 2026 and 2027 Rate Application, Page 11, Saskatchewan CPI: Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted, and the 2026-27 Saskatchewan Provincial Budget.

Figure 12-3: Actual and Forecast SaskPower Cumulative Rate Increases Since 2006 Compared to Saskatchewan CPI, 2006 to 2027^{422,423,424}

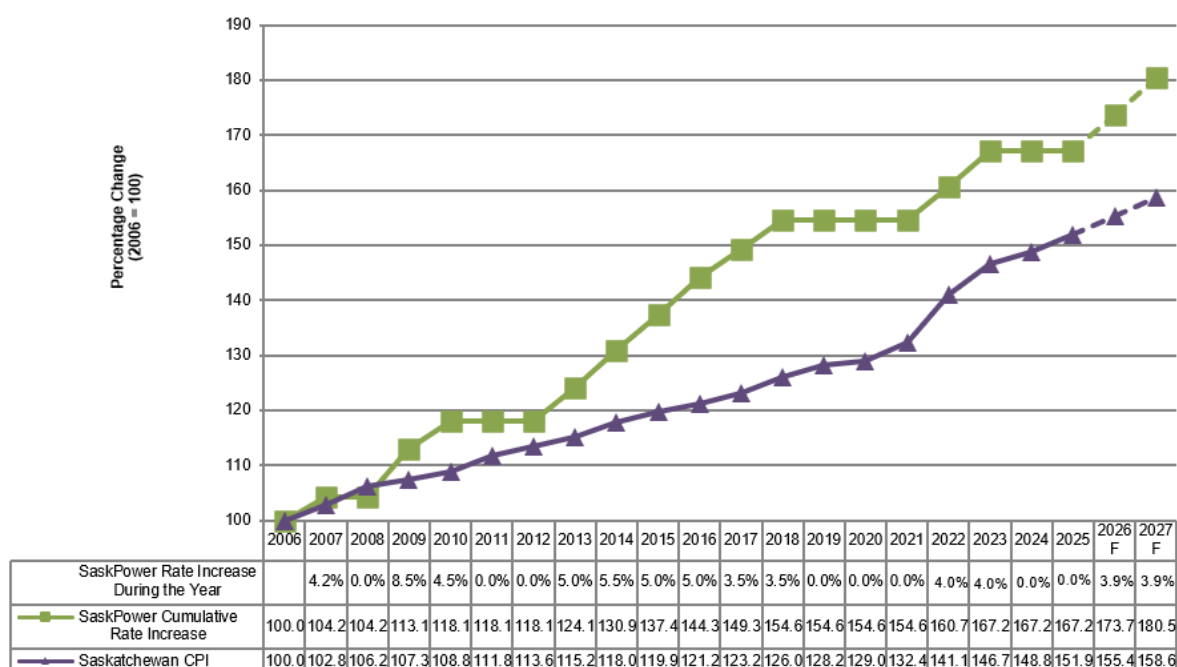


Figure 12-4 compares electricity costs as a portion of total household spending for Manitoba, Saskatchewan, Alberta and all Canadian provinces from 2010 to 2023, excluding 2018, 2020, and 2022 due to changes in frequency of the Survey of Household spending to every two years starting in 2017.⁴²⁵

⁴²² Rate increases: SaskPower 2010 Rate Application, page 6; 2013 Rate Application, page 8; 2018 Rate Application, page 20; 2022 and 2023 Rate Application, page 13; Government of Saskatchewan, 2022; and 2026 and 2027 Rate Application, Page 11. Saskatchewan CPI: Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted.

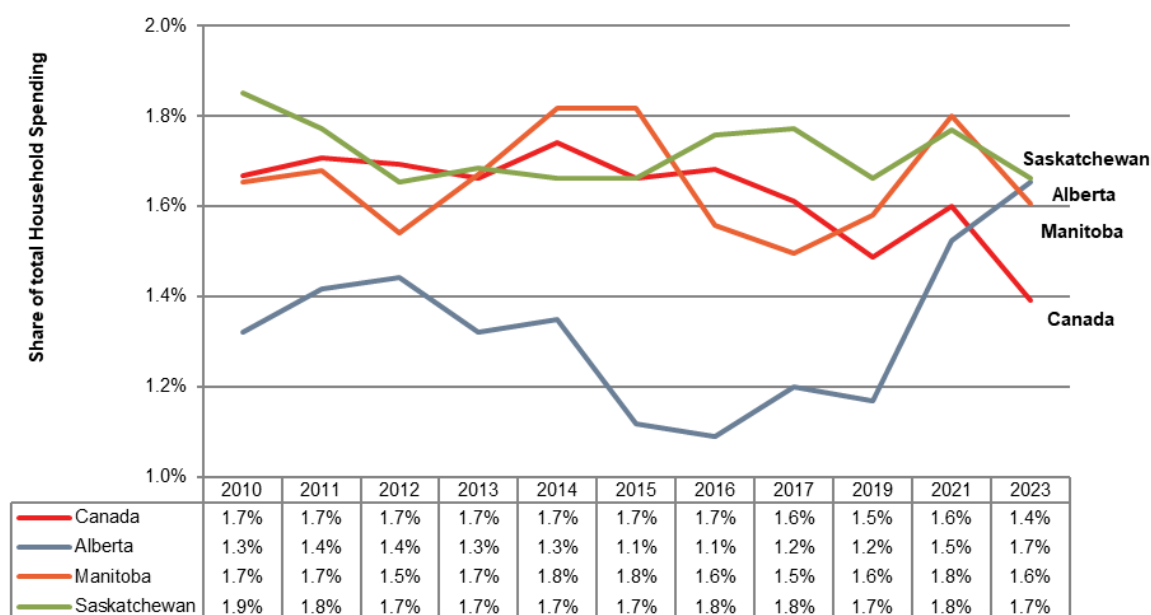
⁴²³ Saskatchewan CPI: Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted. Available at

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000501&pickMembers%5B0%5D=1.2&cubeTimeFrame.startYear=2019&cubeTimeFrame.endYear=2025&referencePeriods=20190101%2C20250101> (accessed April 14, 2026).

⁴²⁴ 2026 and 2027 CPI forecast calculated by InterGroup Consultants using assumed inflation rates of 2.3 per cent and 2.1 per cent respectively, applied to the 2025 CPI level. Assumed inflation rates retrieved from the 2026-27 Saskatchewan Provincial Budget, page 30.

⁴²⁵ Survey of Household Spending available at: <https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3508> (Accessed April 14, 2026).

Figure 12-4: Share of Electricity costs in Total Household Spending, 2010-2023^{426,427}



Saskatchewan was relatively similar to the Canadian average between 2011 and 2015. After 2015, the Saskatchewan average has been higher than the Canadian average. The difference between the Saskatchewan average and the Canadian average held constant at 0.2 per cent from 2017 to 2021 before slightly widening to 0.3 per cent in 2023. This figure should be interpreted with caution, as the percentage of household spending on electricity reflects the combined effects of electricity consumption patterns and base rates. For example, Manitoba has a higher prevalence of electric space heating, which is associated with higher household energy consumption and may contribute to a larger share of spending in electricity relative to other provinces.⁴²⁸

The data in figure 12-2 can be affected by both increasing electricity prices and increases in household expenditures. From 2010 to 2023 annual household expenditures in Saskatchewan increased from \$70,444 to \$93,493 (32.7 per cent). Therefore, despite electricity rate increases in Saskatchewan, electricity costs as a proportion of total household spending have remain relatively flat at 1.7 per cent to 1.8 per cent since 2011, because household income and expenditures were also increasing. By contrast, the percentage of household spending on electricity declined in Canada over the same period from 1.7 per cent to 1.4 per cent.

⁴²⁶ Statistics Canada. Table 11-10-0222-01, Household spending, Canada, regions and provinces. Canada-level statistics include 10 provinces only. Information is not available for 2018, 2020, and 2022.

⁴²⁷ Analysis begins in 2010 due to data limitations. Prior to 2010, the household spending survey does not report electricity expenditures separately, instead, electricity costs are aggregated with other utilities such as gas and water.

⁴²⁸ Government of Manitoba. Five-Year Report on Energy in Manitoba, page 6 and Manitoba Hydro 2025 Integrated Resource Plan, Appendix 5, pages 25 to 29.

12.1 CONSULTANT OBSERVATIONS

The Consultant notes that the bill impacts will be uniform for each customer class at a 3.9 per cent increase as shown in Figure 12-1. Further, the Consultant recognizes that taxes account for 13 to 22 per cent of bills depending on the customer class.

The Consultant notes the future application of the carbon tax to SaskPower raises uncertainty with how monthly bills may further escalate. Figure 12-2 provides an illustration of the impact of the removal of the carbon rider on April 1, 2025 (red line). The Consultant notes that reapplication of the carbon rider would have the opposite effect, potentially at an escalating rate as the tax may increase annually until a certain threshold is met as previously designed.

The Consultant further notes that SaskPower rates have increased faster than inflation over the long term, resulting in a cumulative real increase in electricity prices since 2006. The Consultant also notes that recent above-inflation rate increases largely reflect a catch-up following extended periods of flat rates during which inflation reduced real electricity prices. Finally, the Consultant notes that while current and proposed increases partially offset recent real declines, they do not full reverse the long-term real increase observed over the period.

12.2 CONSULTANT RECOMMENDATIONS

The Consultant recommends that the Panel consider the impacts of the proposed rate changes in making its recommendation to the Minister.

13.0 COMPETITIVENESS

The Minister's terms of reference require the Panel to consider, among other factors, the effect of the proposed rate change on the competitiveness of the Crown Corporation relative to other jurisdictions.⁴²⁹ SaskPower's application provides information on rates for typical customers in Saskatchewan compared to other jurisdictions. SaskPower also provides information on its capital structure and ROE targets compared to other Canadian electric utilities.

13.1 RATE COMPARISON WITH OTHER JURISDICTIONS

Comparing electricity rates across jurisdictions is inherently complex due to several factors:

- Some jurisdictions, such as Ontario and Alberta, operate in deregulated markets where multiple entities compete to provide services, resulting in a range of pricing structures and service offerings.
- Some utilities use deferral accounts and rate riders to moderate changes over time or to manage differences between forecasted and actual costs. SaskPower deploys deferral accounts on a more limited basis.⁴³⁰
- Utilities across Canada also differ in their financial frameworks for rate setting, including acceptable levels of debt, return on equity, and other financial parameters.
- Each jurisdiction faces unique natural advantages and constraints, such as available generation resources, size of service territory, population density, and regulatory environment.

Despite these challenges, comparisons with other jurisdictions can offer valuable context when assessing the potential competitiveness impacts of proposed rate increases. Accordingly, this section presents comparisons based on Hydro-Quebec's Comparison of Electricity Prices in Major North America Cities at April 1 from 2006 to 2025.⁴³¹

13.1.1 Comparisons by Generation Source and Western Canada Cities

This section compares SaskPower's rates to rates in other jurisdictions by generation type. The following utility groupings are used:⁴³²

- Thermal Utility average includes Canadian jurisdictions with primarily thermal generation, including Calgary, Edmonton, Regina, Toronto, Ottawa, Moncton, Halifax, and Charlottetown.
- Hydro Utility average for jurisdictions with primarily hydroelectric generation, including Montreal, St. John's, Winnipeg, and Vancouver.

⁴²⁹ Schedule C to the Minister's Order to the Saskatchewan Rate Review Panel dated January 2, 2026.

⁴³⁰ SaskPower deployed the Federal Carbon Tax Variance Account to track the difference between the federal carbon charge revenue collected from customers and the actual federal carbon charge amounts owing. SaskPower 2024-25 Annual Report, page 35 (accessed April 24, 2026).

⁴³¹ Hydro Quebec reports for 2012 to 2025 are available at: <https://www.hydroquebec.com/residential/customer-space/rates/comparison-electricity-prices.html> (accessed April 24, 2026).

⁴³² Thermal and Hydro Utilities defined in 2022 and 2023 1st round information request SRRP Q92 and 2nd round information request SRRP Q25.

- Canadian utilities average includes all utilities referenced in the Thermal Utility average and Hydro Utility average.

Figure 13-1 compares SaskPower's rates effective April 1, 2025 with the other utility groups before taxes (and prior to the requested rate increases) and including taxes. It should be noted that taxes and surcharges increase as the base bills increase. The figure presents two comparisons:

- Comparison by generation source (hydro, thermal, and Canadian average); and
- Comparisons with western Canadian cities (Regina, Winnipeg, Calgary, Edmonton, and Vancouver).⁴³³

Analysis of Figure 13-1 indicates that:

- SaskPower's average rates were generally lower than the thermal utility average across all customer classes before taxes while remaining above the hydro utility average and broadly in line with the Canadian average.
- When taxes are included, SaskPower's average rates are slightly below the thermal utility average for all customer classes except medium power and continue to exceed the hydro utility average while remaining slightly above the Canadian average.
- Before taxes, SaskPower's average rates were lower than Edmonton for all customer classes except medium power, higher than Winnipeg, and mixed relative to Calgary and Vancouver depending on the customer class.
- When taxes are included, SaskPower's average rates were higher than Vancouver and Winnipeg across all customer classes, higher than Calgary for all customer classes except residential and were mixed relative to Edmonton.

⁴³³ Historically, the Hydro-Quebec report has identified the Regulated Rate Option Rider as a rate smoothing adjustment mechanism used by Alberta Utilities. A recent policy change has introduced the Rate of Last Resort as a replacement, ensuring utilities continue to offer customers a rate option that is subject to limits on rate changes.

Figure 13-1: Rate Comparison to Utility Averages at April 1, 2025 Average Cents/kWh Before and After Taxes^{434,435}

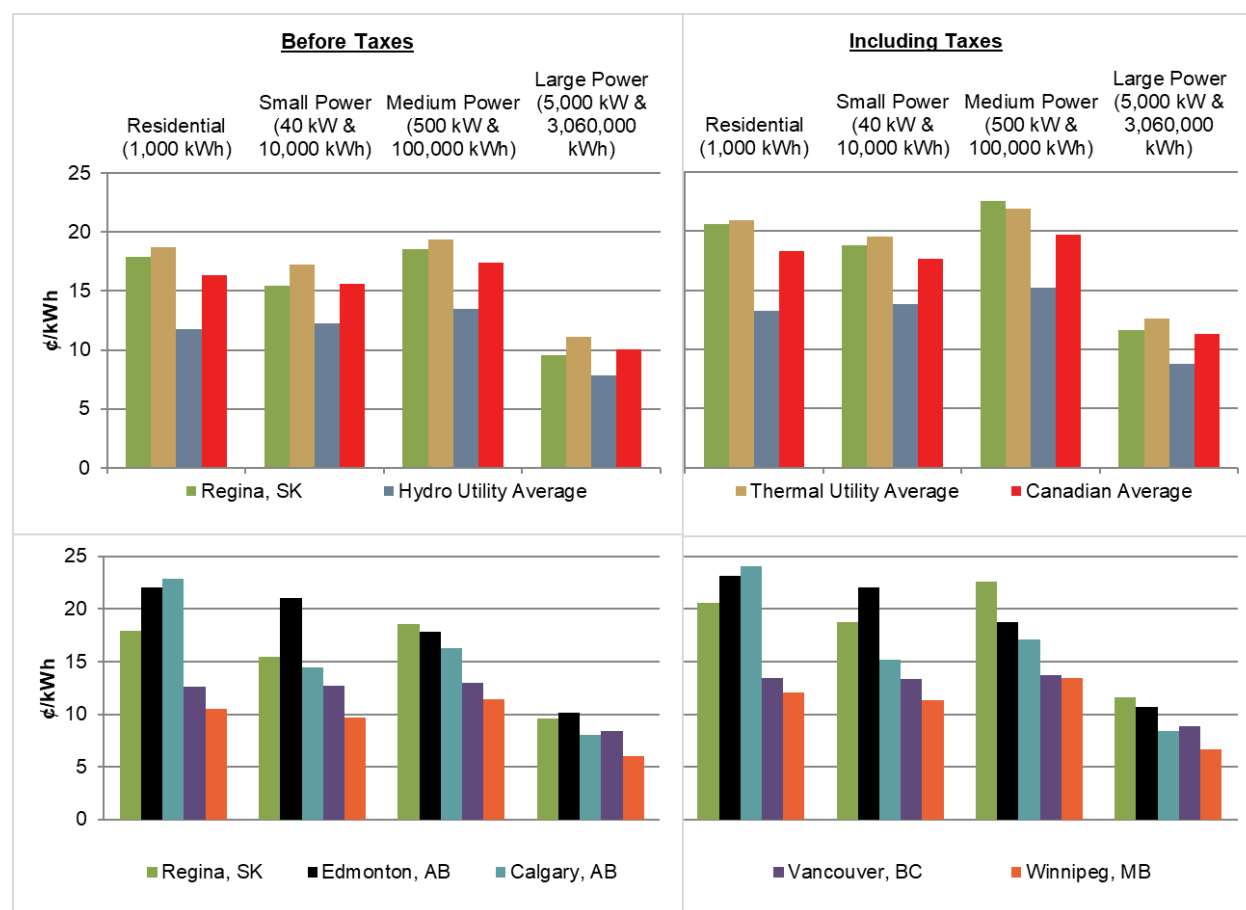


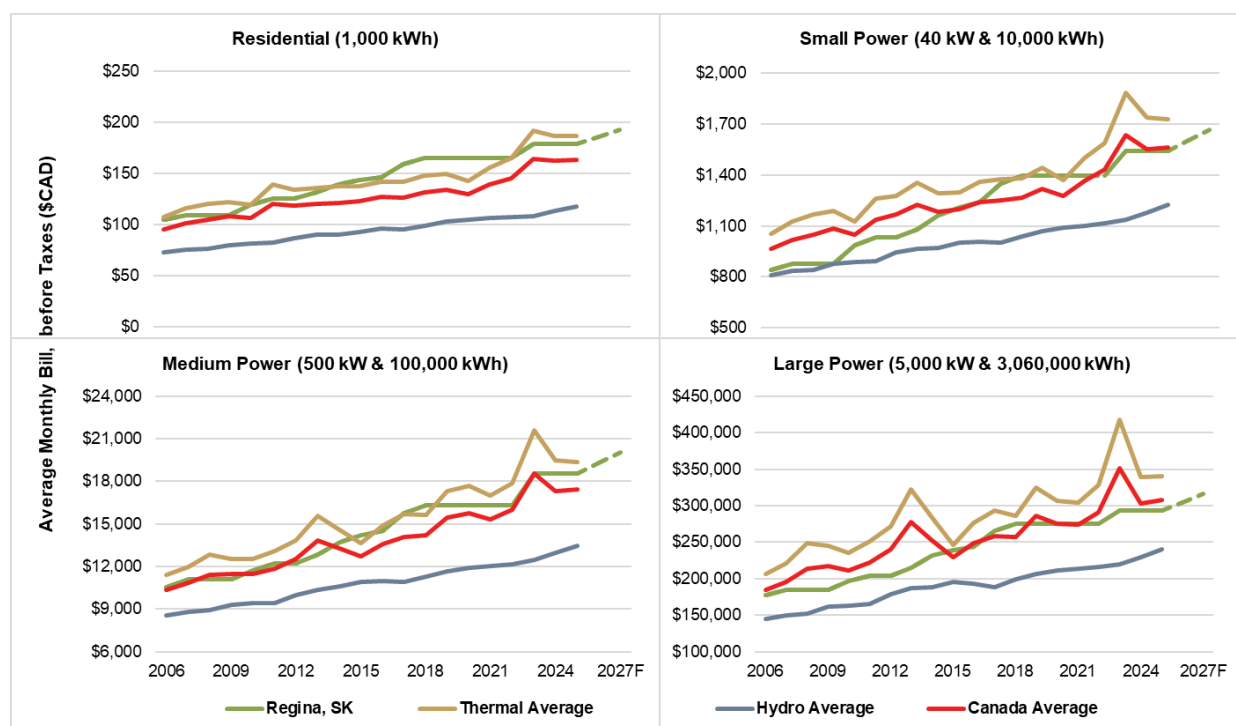
Figure 13-2 compares SaskPower's average monthly bills over time before taxes with averages for thermal, hydro, and all Canadian utilities. Figure 13-3 provides the same information with taxes. The dashed green lines show SaskPower's proposed rate increases in the current application. An analysis of Figure 13-2 and 13-3 indicates:

- Before taxes, SaskPower's average residential rates were generally in line with the thermal utility average with some fluctuations above and below, while remaining well above the hydro utility average and slightly above the Canadian utility average.
- SaskPower's average rates for the other customer classes are typically below the thermal utility average, above the hydro utility average, and generally in line with the Canadian utility average with some variation above and below.
- When taxes are included, SaskPower's average rates are generally aligned with the thermal utility average across all customer classes, remain above the hydro utility average, and are generally in line with or slightly above the Canadian average.

⁴³⁴ Hydro Quebec report for 2025, pages 17 and 21.

⁴³⁵ Taxes include federal carbon charge, PST, GST and municipal surcharges. SaskPower Residential customers are exempted from paying PST. The federal carbon charge was removed effective April 1, 2025.

Figure 13-2: Bill Comparison to Thermal, Hydro, and Canadian Averages
Average Monthly Bill Before Taxes, 2006 to 2027⁴³⁶



⁴³⁶ 2006 to 2025 from Hydro Quebec reports; 2026 and 2027 calculated by InterGroup Consultants Ltd. based on the SaskPower proposed rates in Appendix C of the 2026 and 2027 Rate Application.

Figure 13-3: Bill Comparison to Thermal, Hydro, and Canadian Averages
Average Monthly Bill Including Taxes, 2006 to 2027^{437,438}

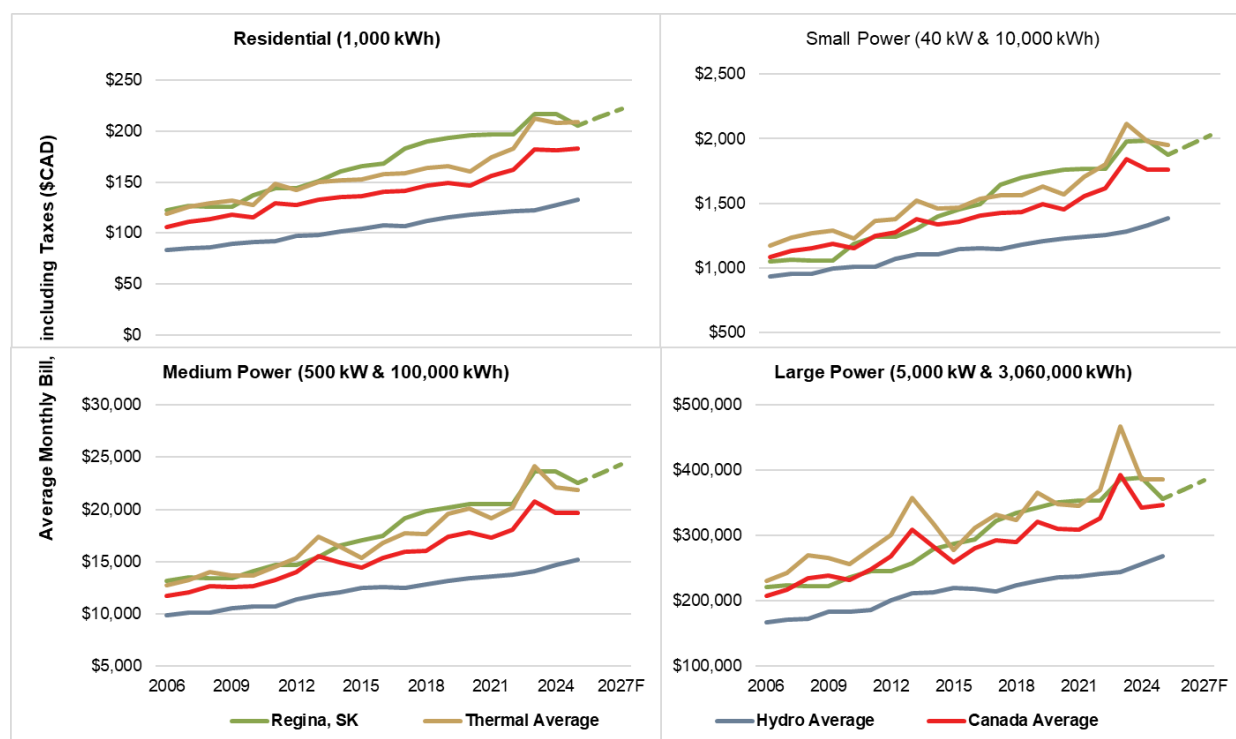


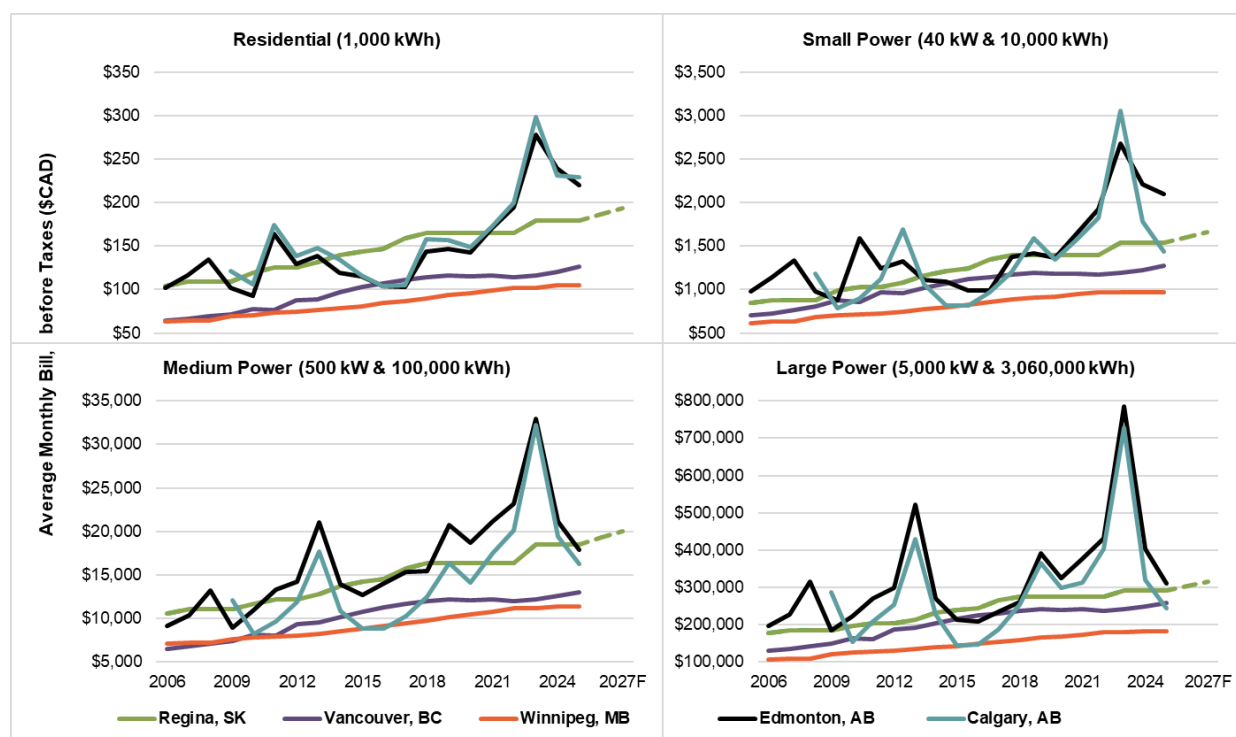
Figure 13-4 compares SaskPower's average monthly bills over time before taxes with other Western Canadian cities (Regina, Winnipeg, Calgary, Edmonton and Vancouver). Figure 13-5 provides the same information with taxes. The dashed green lines show SaskPower's proposed rates in the current application. An analysis of Figure 13-4 and 13-5 indicates:

- Before taxes, SaskPower's average 2025 residential rates were lower than those in Edmonton and Calgary and higher than those in Vancouver and Winnipeg.
- For non-residential customer classes, SaskPower's average 2025 rates before taxes were generally higher than those in other Western Canadian cities, with the exception of Edmonton in some cases.
- When taxes are included, SaskPower's average 2025 residential rates remain lower than Edmonton and Calgary, and higher than Winnipeg and Vancouver. For other customer classes, SaskPower's average rates are generally higher than those in other Western Canadian cities, except for small power customers in Edmonton.

⁴³⁷ 2006 to 2025 from Hydro Québec reports; 2026 and 2027 calculated by InterGroup Consultants Ltd. based on the SaskPower proposed rates in Appendix C of the 2026 and 2027 Rate Application, and 1st round information requests SRRP Q79. Hydro Québec report for 2021 did not include Saskatchewan 10 per cent Economic Recovery Rebate which was in effect from December 1, 2020, to November 30, 2021, as per 2022 and 2023 Rate Application 1st round information request SRRP Q94.

⁴³⁸ Taxes include federal carbon charge, PST, GST and municipal surcharges. SaskPower Residential customers are exempted from paying PST. The federal carbon charge was removed effective April 1, 2025.

Figure 13-4: Bill Comparison to Western Canadian Cities Before Taxes, 2006 to 2027⁴³⁹



⁴³⁹ 2006 to 2025 from Hydro Quebec reports; 2026 and 2027 calculated by InterGroup Consultants Ltd. based on the SaskPower proposed rates in Appendix C of the 2026 and 2027 Rate Application.

Figure 13-5: Bill Comparison to Western Canadian Cities Including Taxes, 2006 to 2027^{440,441}

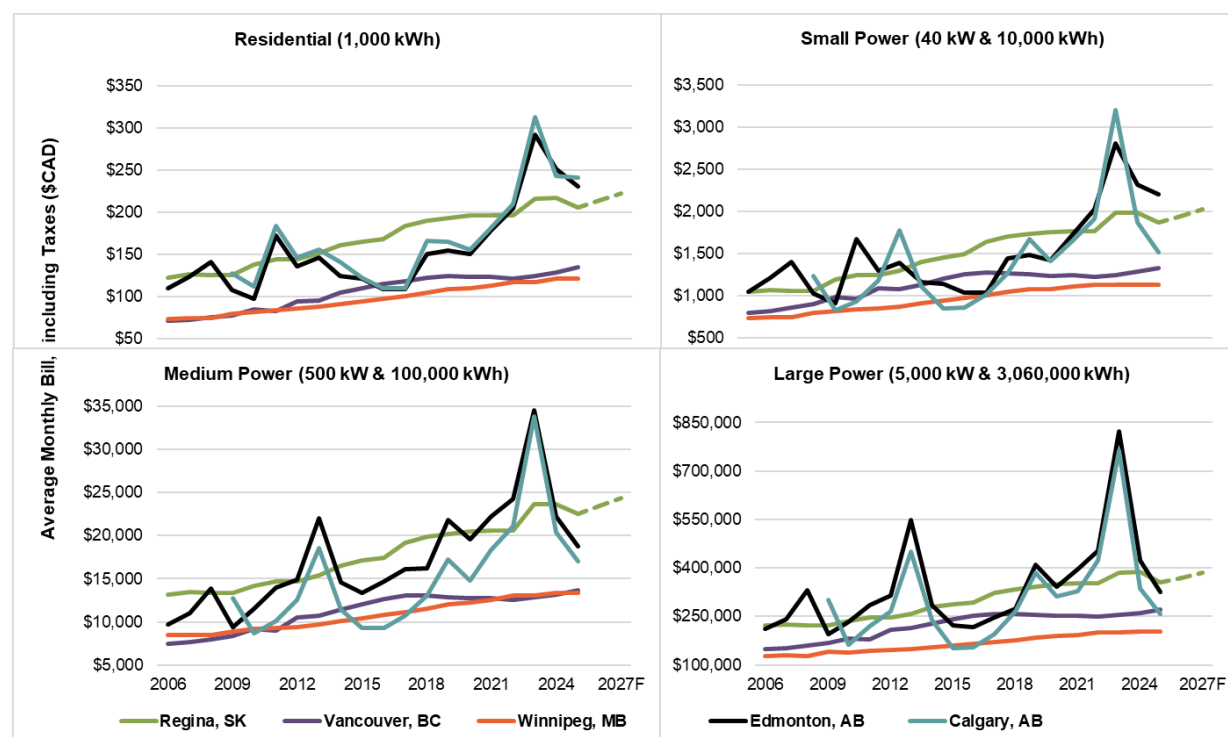


Table 13-1 shows the amount of taxes included in a sample customer's electricity bill across Western Canadian cities (Regina, Winnipeg, Edmonton, Calgary, and Vancouver). The example illustrates that a customer in Regina pays over twice as much in taxes on their bill compared to customers in other cities. A substantial portion of the difference is driven by the municipal surcharge applied in Regina. Municipal surcharges vary by municipality. Higher electricity rates result in higher taxes and municipal surcharges because in most cases the taxes and charges are applied as percentages to the electricity bills.

Municipal surcharges are generally 10 per cent for cities and 5 per cent for towns and villages, and they are calculated based on the customer's total electrical charges before taxes.⁴⁴² Total electrical charges include the basic monthly charge, demand charges, consumption charges, and carbon charges.⁴⁴³

Under Section 36 of the *Power Corporation Act*, in 2024-25 SaskPower collected and remitted \$85.3 million in municipal surcharges to 388 Saskatchewan cities, towns and villages.⁴⁴⁴ This is

⁴⁴⁰ 2006 to 2025 from Hydro Québec reports; 2026 and 2027 calculated by InterGroup Consultants Ltd. based on the SaskPower proposed rates in Appendix C of the 2026 and 2027 Rate Application, and 1st round information requests SRRP Q79. Hydro Québec report for 2021 did not include Saskatchewan 10 per cent Economic Recovery Rebate which was in effect from December 1, 2020, to November 30, 2021, as per 2022 and 2023 Rate Application 1st round information request SRRP Q94.

⁴⁴¹ Taxes include federal carbon charge, PST, GST and municipal surcharges. SaskPower Residential customers are exempted from paying PST. The federal carbon charge was removed effective April 1, 2025.

⁴⁴² 1st round information request SRRP Q79.

⁴⁴³ Federal carbon charge removed from electricity bills effective April 1, 2025.

⁴⁴⁴ 1st round information request SRRP Q79.

an increase from \$74.4 million remitted to 392 Saskatchewan cities, towns, and villages in 2020-21 at the time of SaskPower's previous rate application.⁴⁴⁵

Table 13-1: Comparison of Taxes included in the Average Monthly Bills at April 1, 2025 for Western Canadian Cities^{446,447}

Cities	Urban Residential (1,000 kWh)				Urban Small Power (40 kW & 10,000 kWh)			
	Monthly Bill before Taxes	Total Monthly Bill including Taxes	Taxes	Proportion of Taxes in Total Monthly Bill including Taxes	Monthly Bill before Taxes	Total Monthly Bill including Taxes	Taxes	Proportion of Taxes in Total Monthly Bill including Taxes
Regina, SK	\$ 179	\$ 206	\$ 27	13.0%	\$ 1,543	\$ 1,876	\$ 333	17.8%
Winnipeg, MB	105	121	15	12.8%	969	1,136	167	14.7%
Edmonton, AB	220	231	11	4.8%	2,099	2,204	105	4.8%
Calgary, AB	229	240	11	4.8%	1,442	1,514	72	4.8%
Vancouver, BC	126	134	8	6.2%	1,270	1,334	64	4.8%

Table 13-2 illustrates the breakdown of taxes by government levels included in the average monthly bills at April 1, 2025 for residential and small power customers in Regina. Residential customers are exempted from PST pursuant to the Provincial Sales Tax Act, so taxes paid by residential customers reflect only federal and municipal fees and charges. Taxes paid by small power customers are split between all three government levels. The municipal surcharge is subject to PST.⁴⁴⁸

Table 13-2: Breakdown of Taxes included in the Average Monthly Bills at April 1, 2025 for Residential and Small Power Customers in Regina⁴⁴⁹

Government	Urban Residential (1,000 kWh)	Urban Small Power (40 kW & 10,000 kWh)
Municipal ⁽¹⁾	18	154
Provincial ⁽²⁾		102
Federal ⁽³⁾	9	77
Total	\$27	\$333

Notes:

- 1) Municipal government includes Municipal Surcharge. Municipal Surcharge is imposed on electrical bill before taxes. The municipal surcharge is calculated as either 10 per cent (in cities) or 5 per cent (in participated towns or villages) of the electrical bill before taxes.
- 2) Provincial government includes Provincial Sales Tax (PST). PST of 6 per cent is imposed on electrical bill before taxes and Municipal Surcharge. The Provincial Sales Tax Act of Saskatchewan exempted electricity purchased for use in a residential dwelling unit or a farm.

⁴⁴⁵ 2022 and 2023 Rate Application 1st round information request SRRP Q90.

⁴⁴⁶ Hydro Québec report for 2025, pages 17 and 21.

⁴⁴⁷ Taxes include PST, GST and municipal surcharges. SaskPower Residential customers are exempted from paying PST.

⁴⁴⁸ 2022 and 2023 Rate Application 1st round information request SRRP Q93.

⁴⁴⁹ Monthly bills before and after taxes from Hydro Québec Report on 2021 Comparison of Electricity Prices in Major North American Cities, pages 17 and 21; Total taxes are difference between the monthly bills before and after taxes from Hydro Québec Report; Taxes breakdowns are calculated by InterGroup Consultants Ltd. based on 1st round information requests SRRP Q79 and 2nd round information request Q29.

- 3) Federal government includes Goods and Services Tax (GST). GST of 5 per cent is imposed on electrical bill before taxes.

13.1.2 Future Rate Directions in Other Jurisdictions

SaskPower is considered a thermal generation utility as it relies primarily on non-hydro electrical generation. This is important to note in utility rate comparisons as thermal rates are typically higher than rates in predominantly hydro jurisdictions. As of April 1, 2025, SaskPower rates, including taxes, were above the Canadian thermal utility average for some customer classes and below for other customer classes.⁴⁵⁰

Recent rate changes approved in other Canadian jurisdictions include:

- BC Hydro, in March 2025, filed an application with the BCUC seeking approval of its Revenue Requirements and annual general rate adjustments for each of Fiscal 2026 and 2027. The application was submitted under a provincial direction pursuant to the Utilities Commission Act and proposed a general rate change of 3.42 per cent effective April 1, 2025 and 0.59 per cent April 1, 2026. The proposed increases reflect BC Hydro's forecast costs and include associated regulatory accounting treatment, including the use of deferral accounts to manage variances between forecast and actual revenues and costs over the test period.⁴⁵¹ The BCUC approved the application in Order No. G-76-25, authorizing general rate changes as well as setting the Deferral Account Rate Rider at negative 4.5 per cent effective April 1, 2025 and negative 1.5 effective April 1, 2026.⁴⁵²
- Manitoba Hydro, in March 2025, filed a General Rate Application for 2026 to 2028 with the Manitoba Public Utilities Board (PUB), seeking approval of revised electricity rates for each of 2026, 2027, and 2028. The Application proposes average annual electricity rate increases of approximately 3.5 per cent effective January 1st of each year.⁴⁵³ Pending completion of the full hearing process, the PUB approved an interim general rate increase of 4.0 per cent effective January 1, 2026, subject to final determination by the PUB.⁴⁵⁴ The PUB subsequently completed its review of the Application and approved final general revenue increases of 3.5 per cent effective January 1, 2027, and 3.0 per cent effective January 1, 2028, in addition to confirming the 4.0 per cent interim increase for 2026. The approved rates are intended to support Manitoba Hydro's revenue requirements, including system maintenance, capital investment needs, and financial pressures associated with export market conditions, hydrological variability, and infrastructure renewal requirements.⁴⁵⁵

⁴⁵⁰ Hydro Québec report for 2025, pages 21.

⁴⁵¹ BC Hydro Fiscal 2026 to Fiscal 2027 Revenue Requirement Application. Available at: https://docs.bcuc.com/documents/proceedings/2025/doc_80658_b-1-bch-f2026-2027-revenue-requirements-application-public.pdf (accessed April 27, 2026).

⁴⁵² BC Utilities Commission Board Order No. G-76-25. Available at: https://docs.bcuc.com/documents/orders/2025/doc_80826_g-76-25-bch-f2026-f2027-rra-final.pdf (accessed April 27, 2026).

⁴⁵³ Manitoba Hydro Fiscal 2026 to 2028 General Rate - Application Letter of Application. Available at: https://www.hydro.mb.ca/docs/regulatory_affairs/pdf/electric/gra_2026_2028/01-0_tab_1_approvals_introduction.pdf (accessed April 27, 2026).

⁴⁵⁴ Manitoba Public Utilities Board Order No. 161/25 Dated December 30, 2025. Available at: <https://www.pubmanitoba.ca/v1/proceedings-decisions/orders/pubs/25-orders/161-25.pdf> (accessed April 27, 2026).

⁴⁵⁵ Manitoba Public Utilities Board Order No. 43/26 Dated March 19, 2026. Available at: <https://www.pubmanitoba.ca/v1/proceedings-decisions/orders/pubs/26-orders/43-26-revised.pdf> (accessed April 27, 2026).

- Hydro Quebec rates for residential and farm customers increased by 3.0 per cent on April 1, 2026 and by 3.8 per cent for general rates and for Rate L.⁴⁵⁶
- Nova Scotia Power Incorporated (NSPI), in September 2025, filed a General Rate Application with the Nova Scotia Energy Board (NSEB) seeking average rate changes of 1.8 per cent effective January 1, 2026 and 2.4 per cent effective January 1, 2027. In its March 25, 2026 decision, the NESB approved the application as amended and directed the utility to file revised rates through a compliance process. The decision confirms that rate impacts vary by customer class and that residential customers face higher than average increases, with some larger general and industrial classes experiencing lower increases or reductions.⁴⁵⁷ Nova Scotia Power received approval for an average rate increase of approximately 2.0 per cent in each of 2026 and 2027. The approved rate increase does not include the impact of Nova Scotia Power's proposed securitization treatment of certain assets. As defined in NSEB Decision 2026 NSEB 8 on M12451, "Securitization is a complex commercial transaction which removes assets from a utility's balance sheet and restructures the assets into debt, which is then refinanced in a bond issuance of other type of securities offered to investors in the debt market".⁴⁵⁸ Securitization of assets is used to obtain the highest possible credit rating so that the bond issuance can attract a lower interest rate than the return on rate based otherwise paid to the utility by ratepayers. As such, Nova Scotia Power identified that the impact of securitization in this rate application would result in ratepayers paying a lower financing rate on the retiring of some its coal plants and related assets that are required under federal and provincial decarbonization policies.⁴⁵⁹ If the securitization is approved, an additional securitization rider is expected to be levied. Nova Scotia Power estimated the additional revenue requirement due to the securitization to be approximately \$85 million over the test years but has stated that it currently does not have the information to quantify what the rider will be.⁴⁶⁰
- New Brunswick Power, in October 2025, filed a General Rate Application with the New Brunswick Energy and Utilities Board (NBEUB) seeking a uniform 4.75 per cent rate increase for the Fiscal Year ending March 31, 2027 to be applied across all customer classes. In the decision on Matter No. EL-003-2025 published April 1, 2026, the NBEUB approved the uniform rates for the Fiscal Year ending 2027 as proposed by New Brunswick Power.⁴⁶¹

The Consultant also notes that electricity prices declined beginning around December 2023 and stabilized in January 2025 with the implementation of Alberta's rate of last resort, which replaced the regulated rate option. Under Alberta's electricity framework utilities are required to offer eligible customers the option of receiving electricity service under a regulated default tariff

⁴⁵⁶ Hydro Québec Electricity Rates Chart 2026. Available at: <https://www.hydroquebec.com/data/documents-donnees/pdf/rates-chart.pdf> (accessed April 27, 2026).

⁴⁵⁷ Nova Scotia Energy Board Decision 2026 NESB 8 for M12451. Available at <https://uarb.novascotia.ca/fmi/webd/UARB15> (accessed May 5, 2026).

⁴⁵⁸ Nova Scotia Energy Board Decision 2026 NESB 8 for M12451, page 134. Available at <https://uarb.novascotia.ca/fmi/webd/UARB15> (accessed May 5, 2026).

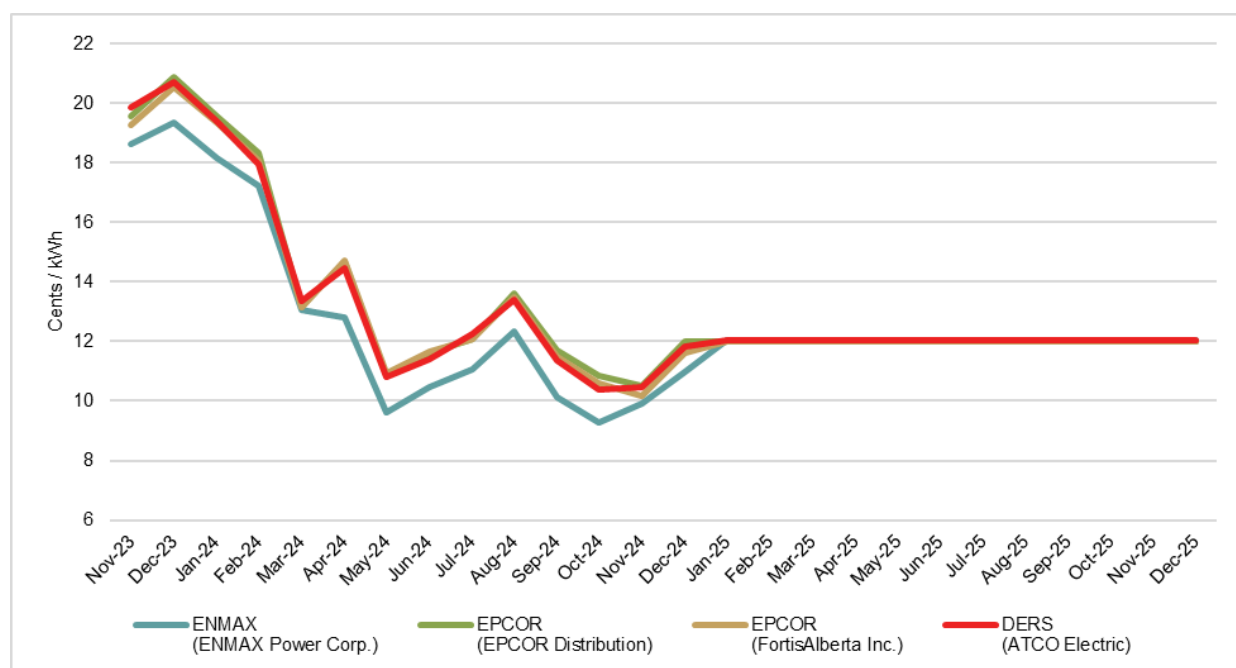
⁴⁵⁹ Nova Scotia Energy Board Decision 2026 NESB 8 for M12451, page 134. Available at <https://uarb.novascotia.ca/fmi/webd/UARB15> (accessed May 5, 2026).

⁴⁶⁰ Nova Scotia Power, Hearing Transcript from January 8, 2026 in M12452; Nova Scotia Energy Board decision 2026 NSEB 8 in M12451.

⁴⁶¹ New Brunswick Energy and Utilities Board, Decision Matter No. EL-003-2025. April 1, 2026. Available at <https://filemaker.nbeub.ca/fmi/webd/NBEUB%20Toolkit13> (accessed May 5, 2026).

rather than purchasing power from a competitive retailer.⁴⁶² In accordance with the *Electric Utilities Act – Rate of Last Resort Regulation*, the rate of last resort is established as a two-year fixed default rate, with any subsequent two-year rate period subject to a maximum adjustment cap of 10 per cent.⁴⁶³ Figure 13-6 shows the changes in regulated electricity prices for Alberta utilities from November 2023 through December 2024 and the transition to the rate of last resort effective January 1, 2025.

Figure 13-6: Regulated Rate Option and Rate of Last Resort Electricity Rates for Residential Customers in Alberta, November 2023 to December 2025^{464,465,466}



13.2 CAPITAL STRUCTURE AND RETURN ON EQUITY

Comparing the debt ratio and ROE with other electric utilities in Canada can be challenging, much like it is with bill and rate comparisons. Crown owned utilities may have different tolerances for debt ratios compared to investor-owned utilities. Business risks may also be different for vertically integrated utilities (i.e., those that provide generation, transmission, and distribution services to their customers) compared to those utilities that only provide a portion of these services, leading to different debt ratios and ROE. However, this information can still provide useful context for evaluating SaskPower's position relative to its peers.

⁴⁶² Electric Utilities Act Rate of Last Resort Regulation, Regulated Rate Tariff, paragraph 2. Available at https://kings-printer.alberta.ca/1266.cfm?page=2005_262.cfm&leg_type=Regs&isbncIn=9780779861514 (accessed May 5, 2026).

⁴⁶³ Electric Utilities Act Rate of Last Resort Regulation, Regulated Rate Tariff, paragraph 3(3)(b). Available at https://kings-printer.alberta.ca/1266.cfm?page=2005_262.cfm&leg_type=Regs&isbncIn=9780779861514 (accessed May 5, 2026).

⁴⁶⁴ AUC, Monthly regulated rate option rates from November 2023 to December 2024. Available at: https://media.auc.ab.ca/prd-wp-uploads/Shared%20Documents/Current_RRO.pdf#hq=current%20rro (accessed March 26, 2026).

⁴⁶⁵ AUC, Monthly regulated rate option rates from January 2025 to December 2025. Available at: <https://www.auc.ab.ca/current-electricity-rates-and-terms-and-conditions/monthly-residential-electricity-rates-at-a-glance/> (accessed March 26, 2026).

⁴⁶⁶ Rates are energy rates only and do not include billing and delivery costs.

13.2.1 Debt Ratio

The debt ratio provides a measure of a company's total debt relative to its overall capital structure. Generally, the higher the debt ratio, the more leveraged the company is and the greater its financial risk. SaskPower has a target debt ratio of 60 to 70 per cent and is forecasted to exceed this range. SaskPower notes that the proposed rate increases are not sufficient to prevent exceeding its long-term target.⁴⁶⁷

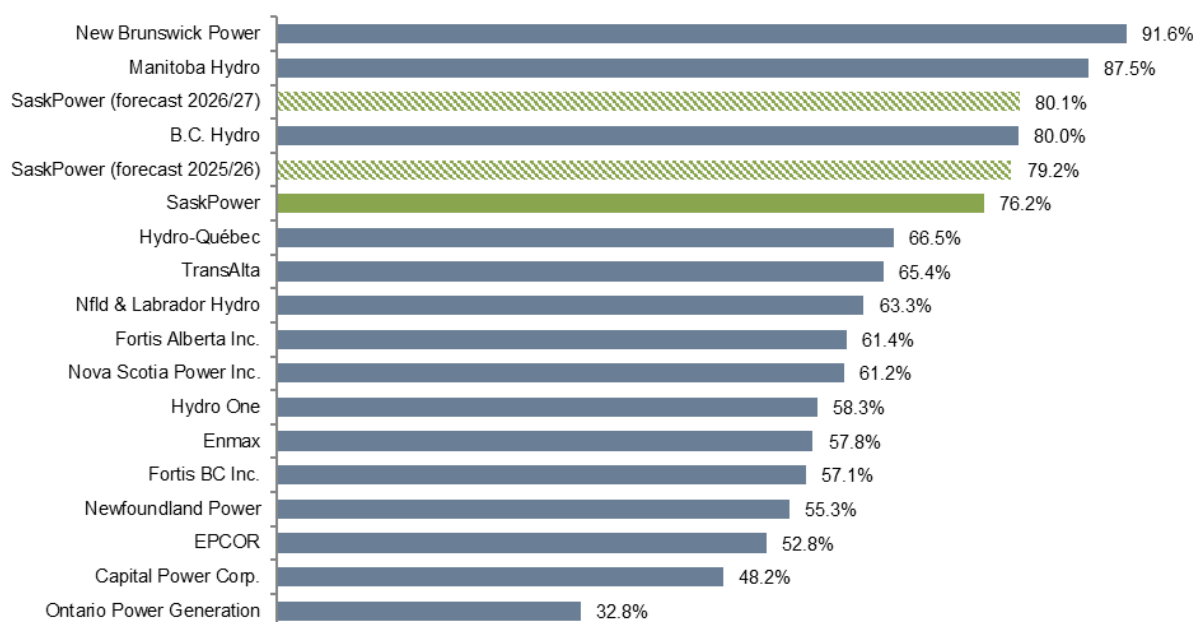
Figure 13-7 compares the debt ratio of a number of electric utilities in Canada in 2024-25 as well as SaskPower's forecasted debt ratio for the current test years. The utilities in Figure 13-7 include a mixture of:

- Government-owned and privately owned utilities.
- Vertically integrated utilities and utilities that only provide distribution or generation services.
- Different primary sources of generation. Hydro utilities often have higher debt ratios due to the significant construction costs associated with building hydroelectric facilities.
- Differing account standards, including US Generally Accepted Accounting Principles, Canadian Generally Accepted Accounting Principles, International Financial Reporting Standards, or various modifications of these standards. These differences can affect how certain costs are reflected in a utility's capital structure.

Figure 13-7 shows that SaskPower had the fourth highest debt ratio in the sample. Of the three utilities with a higher debt ratio, two of them are primarily hydro generators and all three are government owned.⁴⁶⁸

⁴⁶⁷ 2026 and 2027 Rate Application, page 11-12.

⁴⁶⁸ 2nd round information request SRRP Q31.

Figure 13-7: Canadian Utility Comparison of Debt Ratio, 2024-25^{469,470}

13.2.2 Return on Equity

Return on equity measures a utility's profit relative to the equity invested in it. Figure 13-8 compares actual 2024-25 ROE of a number of Canadian electric utilities and includes SaskPower's forecasted ROE for the current test years. Similar to the debt ratio, differences in ownership, accounting standards, and other factors may influence the calculation of ROE and the business risks that determine what constitutes an acceptable ROE. SaskPower has a long-term ROE goal of 8.5 per cent.⁴⁷¹

Figure 13-8 indicates that SaskPower had the second lowest ROE among the Canadian utilities included in the sample at 2.6 per cent. Despite the proposed rate increases, SaskPower's 2025-26 forecasted ROE is expected to fall to -5.2 per cent before returning to a positive ROE of 2.8 per cent, both of which are notably lower than its long-term target.⁴⁷² SaskPower notes that it is prioritizing affordability over earning enough to reach its target ROE.⁴⁷³

⁴⁶⁹ 2nd round information request SRRP Q31.

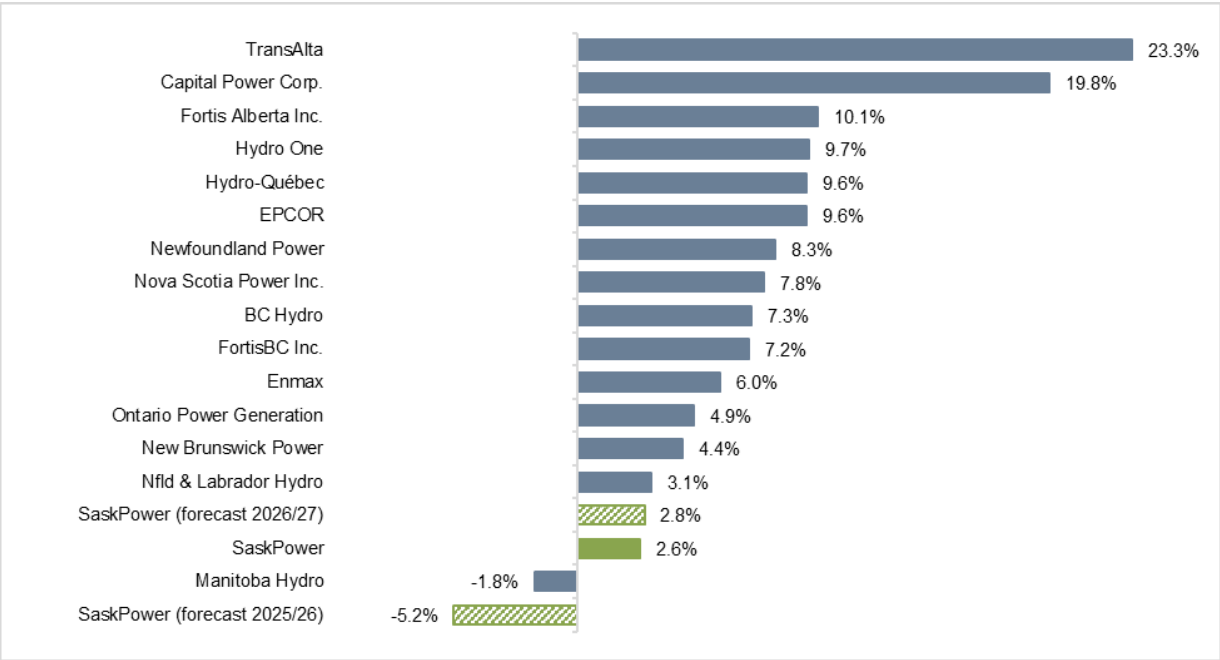
⁴⁷⁰ 2026 and 2027 Rate Application, page 32.

⁴⁷¹ 2026 and 2027 Rate Application, page 12.

⁴⁷² 2nd round information request SRRP Q30.

⁴⁷³ 2026 and 2027 Rate Application, page 12.

Figure 13-8: Canadian Utility Comparison of Return on Equity, 2024-25^{474,475}



13.3 CONSULTANT OBSERVATIONS

The Consultant notes that SaskPower’s rates have generally been competitive with other thermal generation utilities. The taxes paid by customers in Saskatchewan have an impact on competitiveness with thermal generation utilities and other western Canadian cities. The potential reintroduction of the carbon charge will affect bill competitiveness.

13.4 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel consider that SaskPower’s forecast return on equity is among the lowest of the utilities in the sample of Canadian utilities and its forecast debt ratio is among the highest in making its rate adjustment recommendations.

⁴⁷⁴ 2nd round information request SRRP Q30.
⁴⁷⁵ 2026 and 2027 Rate Application, page 12.

14.0 PUBLIC AND STAKEHOLDER SUBMISSIONS

The Panel provided various opportunities for stakeholders to provide comments. Records of public submissions are available on the Panel's website on the "SaskPower 2026 and 2027 Rate Application" under the heading "Submit Feedback Online".⁴⁷⁶ Methods include:

- 1) **Public meetings:** On April 9, 2027, the Panel hosted a public meeting in Saskatoon on the SaskPower rate change application. The event provided an opportunity for SaskPower, its stakeholders, and the public to make presentations and provide feedback on the application. The event was also livestreamed on the Panel's Facebook page.
- 2) **Written, online, and voicemail submissions:** The Panel provided the opportunity for the public to provide comments through online feedback forms (available on the Panel's website), emails, mail, and voicemails through a toll-free line.
- 3) **Social media:** The Panel utilizes the social media platform Facebook as another means of outreach for the public to submit feedback. The Panel's Facebook page has 229 followers and was used to promote and livestream its public events.
- 4) **Stakeholder submissions:** Stakeholders were provided the opportunity to ask questions of SaskPower and submit written comments to the Panel. Written stakeholder submissions were received from the Canadian Federation of Independent Business (CFIB), Saskatoon Chamber of Commerce, Saskatchewan Industrial Energy Consumer Association (SIECA), Saskatchewan Association of Rural Municipalities (SARM), Saskatchewan Environmental Society (SES), Mosaic, Northern Hamlet of St. George's Hill, Northern Village of Beauval, Northern Village of Cumberland House, Northern Village of Denare Beach, Northern Village of Green Lake, Northern Village of Ile-a-la Crosse, Village of Air Ronge, and Northern Hamlet of Weyakwin.

14.1 PUBLIC COMMENTS

Public comments were accepted over the period from February 2026 to June 2026. The Panel received 162 online comments on their website. The following themes were identified based on public feedback, opposition to coal repowering and preference for renewable energy with approximately 92 comments, opposition to rate increases and affordability with approximately 26 comments, concerns about the economy, economics, and future burdens with approximately 12 comments, concerns with the environment and climate change with approximately 11 comments, perceived unfairness between residential and industrial customers with approximately 10 comments, concerns around a lack of transparency with approximately 7 comments and approximately 4 comments identify the Bell Data Centre as a concern with this application. The exact number of comments submitted for each theme is provided as an approximation because many comments touched on multiple themes. Sample comments related to the themes are provided.

⁴⁷⁶ Record of public comments are available on the Panel's website under the heading "Comments". <https://saskratereview.ca/rate-reviews/saskpower/saskpower-2026-and-2027-rate-application>

Opposition to coal repowering and preference for renewable energy: Respondents opposed coal as an energy source, viewing it as outdated, costly, and harmful. Respondents provided support for transitioning to renewables like wind and solar, which are viewed to respondents as more economical and future oriented.

"I do not support rate increases being used to refurbish or extend coal-fired power stations. You can say that continued investment in coal is costly, polluting, and risks locking Saskatchewan into outdated infrastructure, while cleaner, lower-risk options such as wind, solar, storage, energy efficiency, and grid modernization are available. Public dollars should support affordable, reliable, forward-looking energy solutions rather than more spending on coal."

(May 29, 2026)

"We need to shift to more renewables to keep the rates down. Solar and wind is more cost effective than refitting old coal plants. Get the coal ideologues out of the decision making process and get people who are focused on the fiduciary responsibility of SaskPower to keep rates low for Sask citizens"

(May 30, 2026)

"I am very disheartened by the idea of spending 26 billion on coal power which needs to be phased out. Rate increases cannot be made to help fund coal any further. Almost every jurisdiction is moving away from coal and we are one of the few pushing it further into the future. Coal is an old technology and we cannot keep it any longer than absolutely necessary. I was disheartened to hear that this would likely cut the amount of renewables being implemented which only become more efficient and cost effective by the year. I would also like to see more comment by Saskpower as well as the government on the reasoning for increases and believe we need more information and time for all sides to deliberate."

(May 29, 2026)

"I am opposed to these proposed increases in rates - especially since they are being made on the back of poor choices for electrical sources, continued reliance on coal and the introduction of nuclear power. Nuclear power is a very poor fit for Saskatchewan as it requires water - in very great quantities - for cooling. Continued reliance on coal or petroleum products is also a poor choice. We have more sun and wind probably than any other province. Furthermore I see no attempt to improve the grid making it "smart" and geothermal is completely ignored. This proposal is a for a future that is really our past. It is not the proposal of a brilliant innovative power company. You were doing better a decade ago."

(May 29, 2026)

"Hello, These rate increases are unnecessary, because they arise from an unnecessary and exceptionally costly politically-driven decision to refurbish coal power plants. Coal burning is obsolete and extremely destructive to our precious climate. We are witnessing this destruction before our very eyes in real time, with chaotic and extreme harmful fluctuations in weather and temperature. Continuing with coal power will be illegal after 2030, pursuant to federal law. This makes any significant capital expenditure on coal today extremely unwise-ratepayers should not have to pay for this financially and legally risky plan. The current economic climate is already harsh enough on ratepayers with record increases in the cost of fuel and food. To add to this with extravagant and

unnecessary costs for coal power will punish ratepayers who are already tapped out. SaskPower would be much better off replacing coal power with renewable solar (rooftop and industrial) and wind energy. Renewables are much cheaper in terms of capital and operating costs. The business case for renewables today is overwhelming. SaskPower should be ordered to request an independent evaluation of the cost of generating an equivalent amount of solar and/or wind power, and if this Panel is minded to award any increase at all, it should be based on the lesser costs of the renewable option, all other things being equal. Yours truly, John Krowina Saskatoon"

(May 29, 2026)

"Please stop investing in coal which locks us into outdated infrastructure and leaves future generations to pay for this costly error."

(May 22, 2026)

Opposition to rate increases and affordability concerns: Respondents express financial strain and argue that rate increases are inappropriate given the current cost of living. Respondents expressed concern about impacts on seniors, low-income households, and families already struggling with increases other expenses.

"All around us prices are rising, at a seemingly uncontrollable rate. These SaskPower increases further exacerbate the difficulty all residents and businesses face in trying to stay viable. Some common sense would be a timely intervention to cancel, or at least minimize the increases. This certainly would benefit every Saskatchewan resident."

(May 31, 2026)

"I just wanted to let you know we are getting sick and tired of being price gouged and rate hikes. Bad enough groceries prices now I'm only shopping once a month if any at all if this keeps up. Said benefit from government of Saskatchewan better give increase power and heat rates or else, we will be struggling ill end up with dementia early by stress. Stop this hikes now!!! enough is enough. You guys not losing money you just saying that to raise rates. Bunch of BS. ENOUGH WITH THE HIKES"

(February 2, 2026)

"Apparently this increase was to be approx. \$5.00/month?? My question is why is mine up \$35.00? I am a senior on a very fixed income & this is an insane increase. Signed, a very disgruntled customer!!!"

(February 25, 2026)

"At a time when everything is so expensive and we're living hand to mouth on a good day, this increase of 5.00 a month makes a huge difference. It's not nothing. Instead of putting the burden on already struggling people maybe the higher ups could take a pay cut. We are being nickle and dimed to death"

(January 3, 2026)

"As I am a low income person .with limited funds. Already facing a 6.70% property tax hike ,a 5.18% water rate hike and now a 3.9% power hike .I can't afford this hike .I request you deny the rate hike .they were asked in the legislature about a rate hike .they were silent in that .an audit should of been done .please keep the low income on mind .with the cost of living high already ."

(January 3, 2026)

Concern about economic impacts and future burden: Respondents expressed concerns about the long-term financial implications of current decisions, including increased debt, stranded assets, and economic risk for future generations.

"I am strongly opposed to the rate increases requested by SaskPower because it is now clear that much of the increase will go toward refurbishing their coal-burning power plants, as will future rate increases, which are likely to be much higher to accommodate the unconscionable estimated capital cost of over \$11 billion for this project (which will surely go much higher). The provincial government, it should be noted, is also still entertaining the notion of building several Small Modular Nuclear Reactors, at a currently estimated cost of at least \$5 billion EACH. Combined with the coal refurbishment costs, this will likely be financially catastrophic for the corporation. This is aside from the fact that there will also be cost increases from the expected reinstatement of the industrial carbon tax (OBPS) on top of these costs. Additionally, the federal Clean Electricity Regulations mandated an end to the burning of coal for power generation by the end of 2029 (with some exceptions for SK), so these power plants will risk becoming very expensive stranded assets. The need for shutting down these antiquated coal plants should come as no surprise to SaskPower (or the provincial government, for that matter), because Prime Minister Harper first mandated it back in 2012. Investing public money in extending coal-burning power plants for potentially another 25 years or more at a time when the rest of the world is moving away from it and turning toward renewable sources to an unprecedented degree is reckless and endangers SaskPower's financial future. It is the HIGHEST COST and HIGHEST RISK option that could possibly be taken at this time. Saskatchewan has some of the best solar and wind resources in the entire country, and needs to use them to the extent possible, as is being done in many other jurisdictions around the world - instead of this extremely wasteful plan, which will also contribute massively to our carbon emissions (already the highest in Canada by a margin of 30% above the national per-capita average) and which will eliminate any chance of Canada meeting its 2050 emissions targets. Burning coal also harms human health through the emission of fine particulates, mercury, arsenic and other toxic substances. I attended all of SaskPower's webinars on "Our Energy Future", and AT NO TIME during discussion of all the possible generation mix scenarios and their potential risks and benefits was there ANY discussion of extending coal beyond the federally-mandated deadline. This makes it clear to me that the decision to do an about-face and embark on this extremely foolhardy and irresponsible plan for coal plant refurbishment was strictly a government decision based on political considerations, and has absolutely nothing to do with affordability. Please do not grant the rate increases requested by SaskPower, at least unless and until they abandon this extremely irresponsible coal plan - so that any rate increases can be put toward forward-looking power infrastructure instead of being foolishly wasted on outdated, harmful and expensive technology of the past."

(May 26, 2026)

"\$26 billion on coal while my rates go up again. This isn't energy security, it's ratepayer-funded recklessness. We're being asked to foot the bill for a bet that your own people call extreme risk. Saskatchewan deserves better than this."

(May 29, 2026)

"I oppose SaskPower's proposed 3.9% rate increases in 2026 and 2027. These increases are not justified or responsible at a time when households are already under significant financial pressure, especially given the direction the provincial government has chosen for Saskatchewan's electricity system. Saskatchewan's decision to extend the operation of coal-fired power stations beyond 2030—despite federal regulations requiring their phase-out and despite every other province complying—raises serious concerns about long-term costs, regulatory risk, and environmental impact. Continuing to invest in coal exposes residents to unnecessary financial and health burdens, and it undermines the province's credibility in energy planning. This is particularly troubling when renewable energy sources such as wind and solar, paired with modern energy storage, are now widely recognized as among the most cost-effective options for new electricity generation. Choosing higher-cost pathways while simultaneously requesting rate increases places an unfair burden on residents. Furthermore, energy conservation remains one of the most effective tools for reducing both system costs and customer bills. Yet conservation and efficiency measures appear to play only a minor role in SaskPower's planning, despite their proven ability to delay or avoid expensive new infrastructure. I am also deeply concerned about SaskPower's financial position. The utility already carries a large debt load, and its current long-term plans would require even greater borrowing. This trajectory is not sustainable and creates significant risk for ratepayers, who will ultimately be responsible for servicing that debt. For these reasons, I oppose the proposed rate increases for 2026 and 2027."

(May 29, 2026)

"This seems a very fast and loose use of provincial revenues, ill advised with no thought for future generations. It makes one wonder who is making these budgetary decisions. Why is this government running our crown corporations down, and then selling them? The crown land sales were a travesty."

(May 29, 2026)

Environmental and climate concerns: Respondents highlighted the environmental and health risks of coal use. Respondents emphasized climate change, emissions reductions, and the need to align with grater environmental goals.

"I totally oppose the rate increase to move towards refurbishing coal mines! Coal is dirty, polluting, and more expensive than wind and solar, and the whole idea is shortsighted and doesn't consider the harms to us as humans or to the climate crisis. Let's think ahead and move towards clean energy!"

(June 2, 2026)

"I strongly oppose SaskPower's continued investment in extending the life of coal fired power plants. This approach is unacceptable and directly contradicts Canada's commitments to reduce greenhouse gas emissions and transition to a low carbon economy. Continuing to revitalize coal infrastructure locks Saskatchewan into outdated, high emission energy sources, delaying the urgent shift to cleaner and more sustainable

alternatives. This not only undermines national climate goals but also places future generations at greater environmental and economic risk. Rather than investing in coal, SaskPower should be accelerating the transition to renewable and low emission energy sources, modernizing the grid to support these technologies, and aligning its strategy with long term sustainability and climate responsibility. Reliability and affordability are important, but they must not come at the expense of environmental integrity and Canada's climate commitments."

(May 22, 2026)

"These rate increases and the push to refurbish coal plants are a failure to the Saskatchewan people. Increasing rates in order to fund a backwards energy source like coal is unconscionable and will damage our well being and the well being of future generations. We should be investing in clean energy sources and moving away from fossil fuels and their destruction. Enough of this greed and stubborn failure to adapt to reality! Our planet is burning and we have a choice as to whether we help it go up in flames or do what it takes to move in responsible, sustainable directions for the benefit of all. Please choose wisely."

(May 29, 2026)

"I do not support rate increases that are intended to fund the refurbishment of coal-fired power plants. The burning of coal to produce electricity is not only outdated, but it results in significant health risks, causes higher emissions than any other form of electricity generation, and is a major contributor to climate change. There is no justification for the government's plan to refurbish seven coal plants and to allow them to continue operating well beyond 2030. Every other province in Canada has ended the use of coal or is in the process of winding down coal power generation. It is time for Saskatchewan to join the rest of the world in focusing on clean, renewable sources of electricity."

(May 27, 2026)

"I do NOT support extending the operation of coal-fired plants. There are so many better options that give us secure power and jobs while also being better for our health and not worsening the climate crisis."

(May 29, 2026)

"It is very clear that the renewable energy is a better investment for Sask. than coal. It is more cost effective, less polluting, and will employ more people. It aligns with federal and international climate commitments. Building a modern grid suitable to take advantage of renewable energy provides more resilience. Under the current economic pressure on Sask residents the more expensive coal options should not be considered and do not position SK for the future."

(May 29, 2026)

Perceived unfairness between industry and residential customers: Some respondents perceived the cost burden as unevenly distributed. Respondents called for industrial customers to bear a greater share of costs.

"I am opposed to the proposed rate increases for residential, small business, and farm customers. It is time for industry to pay more for the electricity it consumes, as it is primarily industry that is driving the need for expanded electricity generation in Saskatchewan. On a per kilowatt hour basis, large industrial customers are paying roughly half the rate of residential customers. I find this appalling. Moreover, industry

gets to write off their expenses for electricity consumption, whereas I and senior citizens like me across the province do not. I want your proposed rate increases to apply to industry, but not to residential customers. I also want to address the revelation that re-furbishing Sask Power coal-fired power plants will entail 11.4 billion in capital costs. I am appalled that the Sask government intends to run these dirty energy plants in violation of federal law which requires their closure by January of 2030. I am simply not prepared to pay for refurbishment costs at the expense of our climate and health. I ask the Rate Review Panel to reject any rate increases related to this illegal refurbishment."

(May 29, 2026)

"Residential power rates in Saskatchewan are more than 10% above the Canadian average while industrial rates are more than 10% lower than the Canadian average. With SaskPower requesting a rate increase for residential power, that further inflates the cost of living and burdens Saskatchewan families more. I would ask that you oppose the proposed rate increase for residential power and if a rate increase is required, increase the industrial rates instead. Corporations should be paying their fair share, not getting a break on behalf of the tax payers. Renewables should be required to be developed before any further rate increases occur."

(April 28, 2026)

Lack of transparency and trust in decision-making: Respondents identified distrust in government and decision-making processes. Respondents identified feelings of key information not being shared and that decisions are being made without adequate transparency or public input.

"SaskPower has decided to refurbish and extend coal-fired power generation. The lack of transparency surrounding the economic analysis, alternatives considered, long-term risks, and projected impacts on Saskatchewan ratepayers and industry is concerning. At the same time, SaskPower is proposing electricity rate increases while the province moves toward spending billions on coal refurbishment projects. As Saskatchewan residents, businesses, industries, municipalities, and communities, we deserve: - clear information - transparent analysis - meaningful public engagement - and confidence that major long-term energy decisions are being made through a rigorous and accountable process Electricity policy affects far more than just power bills. It impacts industrial competitiveness, investment attraction, GHG emissions reduction commitments, and ultimately Saskatchewan's long-term economic future."

(May 29, 2026)

"I am very concerned about the Saskatchewan Rate Review process, and I sincerely hope that the Panel will cancel and restart its current SaskPower Rate Review. It's good to see concerns being raised about how this review has proceeded so far. Please continue to push for public accountability, as we cannot count on the Sask Party to provide transparency around SaskPower's costs, risks, and future direction. I'm sure the panel is aware that the government has a \$26-billion coal refurbishment plan and that the impacts of industrial carbon pricing, reliability risks, and SaskPower's own internal concerns have emerged only through leaks. This is not acceptable to me as a Saskatchewan citizen and taxpayer. I am also concerned that the panel may not be operating independently of government influence. A modern utility must be free to provide objective analysis and evidence-based planning, even when the conclusions are

politically inconvenient. If we do not have a review process with integrity, transparency, and full disclosure, how can we be sure that SaskPower continues to be a respected public utility, not another victim of the Sask Party?"

(May 27, 2026)

"I don't support this rate increase. It is being done without transparency and analysis. I don't support investment on antiquated energy technology during a time when SK should be investing in clean energy. I want science and evidence to direct future energy investment. This investment is to come from Canadians and Canadian companies and not back room deals with american companies without independent public, expert scrutiny and debate in the legislature."

(May 28, 2026)

"I am writing to express concern regarding both SaskPower's proposed electricity rate increases and the broader lack of transparency surrounding the Government of Saskatchewan's decision to pursue major coal-fired generation refurbishment projects. As someone who works in energy and climate strategy, I recognize the complexity of long-term electricity planning and appreciate the importance of balancing affordability, reliability, energy security, emissions reduction, industrial competitiveness, and regional economic impacts. However, I do not believe the public has been provided with sufficient information to adequately evaluate the rationale, economics, risks, or alternatives associated with the current direction being pursued. This concern is particularly important given the scale of the proposed capital investments, and the apparent shift in direction from previous public planning and communications regarding coal retirement and emissions reduction pathways. Over the past several years, SaskPower publicly discussed: - retiring conventional coal generation, - reducing greenhouse gas emissions, - increasing renewable energy, - expanding natural gas generation, - modernizing Saskatchewan's electricity system. More recently, the province has instead moved toward refurbishing and extending coal-fired generation potentially toward 2050. Whether or not this ultimately proves to be the correct decision, I believe Saskatchewan residents, businesses, municipalities, Indigenous communities, and major industrial customers deserve substantially greater transparency regarding: - the underlying economic analysis, - lifecycle cost projections, - fuel cost assumptions, - emissions and regulatory risks, - alternatives considered, - reliability modelling, - projected impacts to future electricity rates and provincial competitiveness. Electricity policy is foundational to Saskatchewan's long-term economic future, affecting household affordability, investment attraction, industrial competitiveness, and economic development. Given the magnitude of these decisions, I strongly encourage the Saskatchewan Rate Review Panel to ensure greater public transparency, clearer disclosure of assumptions and modelling, rigorous comparison of alternatives, and meaningful public engagement before Saskatchewan ratepayers are committed to significant long-term financial obligations. I appreciate the opportunity to provide feedback and encourage continued public discussion regarding Saskatchewan's long-term electricity future."

(May 27, 2026)

Concerns regarding the Bell Data Centre: Respondents identified the Bell Data Centre as a concern in the 2026 and 2027 rate application.

"As this Saskatchewan taxpayer, I am disappointed in the Sask party and the decisions they are "making ". I do not feel like the data centre has been transparent, and the costs

of who is covering for that facility has been made no one. I do not want to be paying for that data centre to run and use the electricity grid or the water source. I feel like that needs to be on hold until we can figure out who's paying for it. How it's going to be supplied energy that is not going to affect the residence of Saskatchewan. I also am not in support of syncing a bunch of money to keep Coal going for a short period of time. I think that's very backwards thinking and they're better ways of having more stable, renewable energy that does not cost taxpayers more money. During this time in the economy, hiking up rates to cover stupid costs, I cannot justify and understand why we are going backwards and having to pay more for these poor decisions. I would like a pause on all of these, and for the government to be more clear transparent and provide information to residence and potentially have residence be able to vote on what they would like. If it made sense to have a data centre that was not costing residence anything and that was not gonna be detrimental to the environment or use a resources than I would have no problem. Same with the energy and wanting to maintain a dirty energy, such as coal. If that wasn't going to cost a ridiculous amount and that it could be done, cost-effectively efficiently and environmentally as friendly as possible then potentially I could justify continuing that, but that is unfortunately not the case for this resource and source of power. I do not support any of these and really would like to see the government reconsider and use their brains and step outside of the box and stop trying to make friends of their party more rich while taking advantage of Saskatchewan and taxpayers and residence and stealing their money and spending on dumb things."

(June 8, 2026)

"I am writing to request that SaskPower not extend the life of coal power plants, should cease investing in nuclear power, and absolutely should not be subsidizing any AI Data Centres. Public funds should be invested in renewable energy. SaskPower should bring back the solar power program that was very successful in the mid 20-teen years (where people would receive credit for the excess power that was created and put back into the grid). We should also be investing in wind power, hydro power, and compressed gas power. All of these options are more environmentally friendly and sustainable. We should not be building nuclear power plants for the sake of the Earth. When a problem occurs, sometimes it requires manual correction by a person to fix it. If, in the distant future, an incident occurs that required manual action but people are no longer around to intervene (due to extinction or a lack of knowledge), the environment and all animals that live there would be in danger of a meltdown or other similar disaster. Another down side to a nuclear facility (or AI data centre, for that matter) would be that it makes an attractive target for anyone with nefarious intentions. Infrastructure for private property should not be subsidized with public funds and the existing customers should not have to compensate or subsidize incoming private entities' projects. If power is required by a private entity, that Private entity should foot the bill for 100% of what it needs on its own. Their "business" is not more valuable than our existence. Please do not extend coal plants, please do not proceed with nuclear power, and please do not subsidize AI Data Centres."

(May 29, 2026)

"I am writing as a concerned resident and solar producing net-meter customer to formally oppose the proposed 3.9% interim rate increases for 2026 and 2027. While SaskPower cites infrastructure developments as a driver for these hikes, they are unfairly penalizing those of us who have already invested private capital to strengthen the provincial grid. I request the Panel consider the following points regarding the fairness

and reasonableness of these rates: Undervaluation of Local Generation: While residential rates are climbing toward \$0.16/kWh (plus fees and taxes), I was recently notified that the net metering credit remains frozen at \$0.075/kWh until 2029. This growing gap means SaskPower is increasingly profiting from power I generate at a steep discount, without providing a proportional increase in the value of my "offset." My investment should be fairly compensated relative to the rising market cost. AI and Industrial Demand Pressures: I am deeply concerned that massive new power-demands, such as those from AI data centres, are driving the need for costly grid expansions that residential customers are being forced to subsidize. It is unjust for home solar providers—who reduce overall grid strain—to be locked into low-value contracts while infrastructure is expanded to serve high-consumption corporate interests. Lack of Compensation for Grid Outages: Under net metering safety requirements, my system is required to shut down during grid outages for safety. This means that when the grid fails during peak daylight hours, I am prevented from even powering my own home. I am essentially forced to shut down my solar production due to SaskPower's infrastructure failures, with zero compensation for the lost generation time or the inability to self-supply during their downtime. Contractual Inequity: The current SaskPower contract structure leaves the consumer with no leverage and no input. While SaskPower can increase my power costs at any time via the Rate Review process, my compensation is fixed by a mandated program that does not reflect the real-time value of the energy I contribute. I urge the Panel to recommend a proportional adjustment to the net metering credit rate that mirrors any approved residential rate increases, and to investigate a more equitable net metering program that recognizes the local grid stability provided by residential generators."

(March 26, 2026)

"I find it interesting that, in the Rate Application, SaskPower forecasts their net income for 2026-2027 to be only \$79 million, however the Provincial budget that was released this week forecasts SaskPower's net income to be \$138 million for the same time period. Shouldn't these publicly reported numbers be the same? Why aren't they the same? SaskPower states in their Rate Application (figure 4.5) that the largest growth in electricity demand will be related to the Power Customer Class. Is it fair to impose the same flat rate increase to all customers when the Power Customer Class will demand 5 x more power than all other customer classes? Comparisons of power electricity costs in Appendix A of their application show that large power consumers in Saskatchewan already receive a very competitive power rate compared to other large power consumers in Canada and North America. There is room to proportionally adjust the power rate for large power consumers while still offering a competitive rate. Smaller customers should not be paying for and essentially subsidizing the largest power consumers. Without a price on pollution in this province there is very little incentive for large power consumers to consider reducing their energy consumption, reducing their emissions, or consider investing in renewable energy alternatives. The recent announcement by Bell Canada to build a 300MW data centre in Regina (that will be powered by coal and gas power) is a good example of new investments that are ignoring the need to reduce emissions. In Saskatchewan, polluters don't pay, but in the end we will all pay for the damage caused by their emissions. I applaud the rate review panel for asking questions about pollution pricing, emissions, and the OBPS. The stated intention is for SaskPower to reach net zero power by 2050 through a coal to nuclear transition. So, there is an acknowledgement of the importance to reduce carbon emissions. In a recent Toronto Star news article about the Bell Canada data centre in Regina, Scott Moe was quoted saying, "We need to work with the federal government and industry on ensuring that power that is being built for

tomorrow and years ahead is low-carbon power” However, the plan to increase coal power generation will in fact increase emissions from this province in the years leading up to 2050. There are no plans for carbon capture on the other 6 coal power units other than BD3. There are no plans for carbon capture on existing or new gas power plants. There is a stubborn refusal to impose pollution pricing in this province. Was there any accountability for how the Clean Electricity Transition Grant was spent? There appears to be a lacking ambition or commitment to build large amounts of renewable power infrastructure despite studies showing that renewables provide affordable power. The net metering program reduced the compensation rate to half the power rate for any renewable power that is generated and returned to the power grid – making that investment less appealing to customers. There is no publicly available long term supply plan to show the path to get to net zero power or phase out coal and gas power. It is also interesting that the public consultations about our future power supply always stated that SaskPower was going to abide by the federal clean electricity regulations with aims to phase out coal by 2030. The scenario to spend \$2.6 billion to refurbish coal power and burn coal to 2050 wasn't even an option that was being considered at that time. Such an abrupt departure from the original coal phase out plan is alarming. Does Saskatchewan realistically expect that it can be the only province to ignore pollution pricing and initiatives to reduce emissions? Saskatchewan does not live in a bubble. There are national laws and regulations and international commitments to reduce emissions. The increasing emissions from Saskatchewan will have significant implications. And the science is clear that cumulative emissions impact climate change and that we must all be reducing emissions as quickly as possible. The plan to ramp up emissions until a supposed net zero power grid in 2050 is a failure to understand the severity of the climate challenges that we face. It is foolish to assume that the OBPS or pollution price will not apply to SaskPower when the Sask Govt and Federal Govt will be discussing new equivalency agreements related to pollution pricing and the OBPS. SaskPower acknowledges in its responses the federal carbon backstop and how it applies to other provinces but it's outrageous that SaskPower does not expect these regulations to be applied to the same extent in this province. The Supreme Court of Canada has already ruled on the constitutionality of pollution pricing in Canada. It's not fair to apply the same flat rate increase to all customers when the most polluting industries are demanding more power. It's unrealistic to expect that Saskatchewan will be immune to the impacts of climate change. And under cooperative federalism it's selfish for Saskatchewan to ramp up emissions while the rest of Canada decarbonizes their power grid. I hope that this rate review panel will consider not only the monetary rate charged to customers, but also the emission rates from this province and our obligations to the people who live here on our shared planet Earth.”

(March 20, 2026)

14.2 SUBMISSIONS FROM STAKEHOLDERS

There were 14 formal submissions received from stakeholders. A summary of each of these submissions is provided below.

14.2.1 Canadian Federation of Independent Business (CFIB)

The Canadian Federation of Independent Business (CFIB) provided a written submission, prepared by Brianna Solberg and Tyler Slobogian. CFIB identifies as a non-partisan organization

representing over 2,000 small businesses in Saskatchewan. The following provides a summary of their concerns and recommendations to the Panel:

- Small businesses and farms face ongoing financial pressure and electricity is a core cost that further strains operations.
- The proposed consecutive 3.9 per cent increase are significant when considered cumulatively, especially for energy-intensive operations.
- The interim implementation of the 2026 increase is opposed, as it created uncertainty and shifts risks to ratepayers.
- Many businesses cannot pass on increased costs to customers, which reduces profitability, reinvestment, and competitiveness.
- CFIB calls for:
 - Greater transparency on how rate increase revenues will be used.
 - Careful consideration of cumulative impacts on rural businesses and farms.
 - Balancing infrastructure needs with affordability and economic sustainability.

14.2.2 Saskatoon Chamber of Commerce

The Saskatoon Chamber of Commerce provided a written submission, prepared by Jason Aebig, CEO, based on feedback from member businesses across multiple sectors. The following summarizes their concerns and recommendations to the Panel:

- Businesses recognize the reliability of Saskatchewan's electricity system but are increasingly concerned about affordability and cumulative cost pressures.
- Electricity is a significant and unavoidable cost, with over 70 per cent of respondents indicating moderate to high reliance on limited ability to reduce usage.
- Rate increases are expected to compress margins, with many businesses indicating costs may be passed on to customers in an already challenging environment.
- Concerns are raised about interim rate increases being implemented prior to final decisions, creating budgeting challenges and uncertainty.
- A lack of clarity around timelines, decision making processes, and the treatment of interim rates adds risk to planning and investment.
- The Saskatoon Chamber of Commerce calls for:
 - Greater transparency and clarity in the rate setting process.
 - Meaningful consultation before implementation of rate increases, particularly interim measures.
 - A balanced approach that considers both system reliability and business competitiveness.

14.2.3 Saskatchewan Industrial Energy Consumer Association (SIECA)

The Saskatchewan Industrial Energy Consumer Association (SIECA) provided a written submission, prepared by James Wirth, Executive Chair. SIECA represents large industrial energy consumers across Saskatchewan, including major employers and investors. The following summarizes their concerns and recommendations to the Panel:

- SIECA raises significant concerns about insufficient industry engagement and lack of prior notice regarding the rate application, which has undermined trust and created challenges for budgeting and investment planning.
- The short timelines for consultation and information requests are viewed as inadequate and limits meaningful stakeholder participation in the review process.
- The proposed use of interim rate increases prior to Panel approval is opposed, with SIECA recommending that increases only occur after regulatory approval.
- A lack of transparency regarding SaskPower's supply plan, capital spending, and associated costs raises concerns about affordability and decision-making.
- Regulatory uncertainty, inconsistent processes, and reliability concerns across Crown utilities are identified as risks to investment and economic competitiveness in Saskatchewan.
- SIECA calls for:
 - Improved transparency, predictability, and adherence to a clear regulatory process.
 - Enhanced industry engagement and longer consultation timelines.
 - Greater clarity on capital plans, costs, and alternatives to ensure affordability and support investment decisions. They

14.2.4 Saskatchewan Association of Rural Municipalities (SARM)

The Saskatchewan Association of Rural Municipalities (SARM) provided a written submission, prepared by Bill Huber, President, representing rural municipalities and agricultural producers. The following summarizes their concerns and recommendations to the Panel:

- Rural and farm customers face disproportionate impacts from rate increases due to higher electricity usage and existing cost burdens.
- Rural customers already incur higher infrastructure and connection costs and have limited alternatives, making them more vulnerable to rate increases.
- Farmers are generally unable to pass on increased costs, meaning rate hikes directly reduce profitability and economic stability in rural areas.
- SARM emphasizes fairness concerns, noting rural customers may be funding system-wide investments that benefit other users.

- SARM calls for:
 - Greater use of non-rate measures and alternative revenue sources before increasing rates.
 - Targeted relief measures, such as credits or reduced increases, for rural and farm customers.
 - Consideration of customer impacts to ensure fair and balanced rate-setting.

14.2.5 Saskatchewan Environmental Society (SES)

The Saskatchewan Environmental Society (SES) provided a written submission, prepared by R. A. Halliday, Vice President, offering a critique of the Saskatchewan First Energy Security and Supply Plan. The following summarizes their concerns and recommendations to the Panel:

- SES is critical of the plan's reliance on extending coal generation to 2050 and committing to nuclear power, citing concerns around cost, feasibility, and alignment with emissions regulations.
- The submission raises concerns about a lack of transparency and supporting analysis for key assumptions, including future demand projections and cost estimates.
- SES argues nuclear and coal refurbishment are high-cost and high-risk options compared to alternatives.
- Greater emphasis is recommended on lower-cost and lower-risk alternatives, including renewable energy, demand side management, and interconnections with other jurisdictions.
- SES calls for:
 - Increased investment in wind, solar, and energy efficiency measures.
 - Improved transparency and justification of major capital decisions.
 - A more balanced and flexible approach to long-term energy planning.

14.2.6 Mosaic

The Mosaic Company provided a written submission, prepared by Marnel Jones, Director of Government and Public Affairs – Canada. Mosaic operates three potash mine sites in Saskatchewan and is a major industrial consumer of electricity. The following summarizes Mosaic's comments to the Panel:

- Mosaic emphasizes the importance of affordable and reliable baseload electricity to support potash production and future growth.
- Mosaic acknowledges the need for SaskPower to maintain financial sustainability and make necessary investments in system reliability and infrastructure.
- The submission notes its appreciation that no electricity rate increases have occurred since April 2023.

- The submission highlights the significance of electricity costs and carbon pricing for large industrial customers.
- Mosaic supports:
 - Continued investment in a reliable and sustainable power system.
 - Ongoing engagement between industry, SaskPower, and the provincial and federal governments on Saskatchewan's future electricity supply.

14.2.7 The Northern Hamlet of St. George's Hill

The Northern Hamlet of St. George's Hill provided a written submission, prepared by Mayor Donna Janvier. The following summarizes their concerns and recommendations to the Panel:

- The Hamlet opposes the proposed rate increases and argues that northern communities would be disproportionately affected.
- The submission states that many grid upgrades are being driven by growing industrial demand in northern Saskatchewan, particularly from mining developments, rather than community needs.
- Northern communities continue to face infrastructure gaps, including limited access to three-phase power and high costs for new service connections.
- The Hamlet argues that northern residents should not bear the costs of infrastructure expansion intended to support industrial growth.
- The Hamlet calls for:
 - The creation of a northern electricity rate of \$0.10/kWh to improve affordability for northern residents and municipalities.
 - Greater recognition of the unique infrastructure and service challenges facing northern Saskatchewan communities.

14.2.8 The Northern Village of Beauval

The Northern Village of Beauval provided a written submission, submitted by Nick Daigenault, CAO, on behalf of Mayor Rick Laliberte. The following summarizes their concerns and recommendations to the Panel:

- The Village opposes the proposed rate increases, arguing that northern communities receive limited benefits from grid upgrades that primarily support industrial growth, particularly in the uranium sector.
- The submission highlights ongoing infrastructure gaps in northern communities, including limited access to three-phase power and high costs for new service connections.
- The Village states that northern residents should not bear higher costs when key utility services and infrastructure remain limited.

- The Village calls for:
 - The creation of a northern electricity rate of \$0.10/kWh to improve affordability.
 - Greater recognition of the unique challenges and service limitations facing northern communities.

14.2.9 The Northern Village of Cumberland House

The Northern Village of Cumberland House provided a written submission, submitted by Missy Budd, Acting Administrator, on behalf of Mayor Ferlin McKay. The following summarises their concerns and recommendations to the Panel:

- The Village opposes the proposed rate increases, arguing that northern communities are being asked to bear costs associated with grid upgrades that primarily support industrial development, particularly uranium mining.
- The submission highlights ongoing infrastructure challenges in northern communities, including limited access to three-phase power, high connection costs, and fewer utility services.
- The Village states that continued rate increases are difficult to justify given existing service and infrastructure gaps.
- The Village calls for:
 - The creation of a northern electricity rate of \$0.10/kWh to improve affordability for northern residents and municipalities.
 - Greater recognition of the unique costs and service limitations facing northern Saskatchewan communities.

14.2.10 The Northern Village of Denare Beach

The Northern Village of Denare Beach provided a written submission, prepared by Karen Thompson, Deputy Mayor. The following summarizes their concerns and recommendations to the Panel:

- The Village requests that the proposed increases be reconsidered for northern Saskatchewan residents.
- The submission notes that many northern communities do not have access to natural gas and rely heavily on electricity for heating.
- The Village argues that northern residents should not pay the same electricity rates as southern urban customers given their circumstances.
- The Village calls for:
 - The creation of a northern electricity rate of approximately \$0.10/kWh, similar to rates in Northern Manitoba.

14.2.11 The Northern Village of Green Lake

The Northern Village of Green Lake provided a written submission, submitted by Muriel Rosser-Swift, Administrator, on behalf of Mayor J. Laliberte and Council. The following summarizes their concerns and recommendations to the Panel:

- The submission notes that current infrastructure upgrades are primarily intended to support mining companies and industrial growth rather than northern residents.
- The Village supports:
 - The implementation of a northern electricity rate for northern municipalities to reflect their unique circumstances and affordability concerns.

14.2.12 The Northern Village of Ile-a-la Crosse

The Northern Village of Ile-a-la Crosse provided a written submission, prepared by Mayor Myra Malboeuf. The following summarizes their concerns and recommendations to the Panel:

- The Village argues that northern residents face high electricity costs and that proposed rates will increase financial pressures on households and municipalities.
- The submission states that the recent grid upgrades are largely intended to support industrial customers, particularly in the uranium sector.
- The Village notes that northern communities often lack access to services such as three-phased power and face significant costs for new connections.
- The Village calls for:
 - The implementation of a northern electricity rate of \$0.10/kWh to improve affordability and reflect the unique circumstances of northern communities.
 - Greater recognition of the infrastructure and service challenges facing northern Saskatchewan.

14.2.13 Village of Air Ronge

The Village of Air Ronge provided a written submission, prepared by Mayor Julie Baschuk. The following summarizes their concerns and recommendations to the Panel:

- The Village supports the concerns raised by Beauval and other northern municipalities in opposing the proposed rate increases.
- The submission argues that recent grid upgrades are primarily driven by industrial growth, particularly in the uranium sector, rather than the needs of northern communities.
- The Village states that northern communities continue to face service and infrastructure challenges and should not bear a disproportionate share of associated costs.
- The Village calls for:

- The implementation of a northern electricity rate of \$0.10/kWh to improve affordability.
- Greater consideration of the unique circumstances of northern communities in future rate decisions.

14.2.14 The Northern Hamlet of Weyakwin

The Northern Hamlet of Weyakwin provided a written submission on behalf of the Mayor and Council, including Mayor R. Medrick Thomas, Deputy-Mayor Stella Brown, and Council members Nora Nelson and Sharon Naomagen. The following summarizes their concerns and recommendations to the Panel:

- The Hamlet opposes further electricity rate increases for northern communities, citing the essential nature of electricity and the disproportionate impact on northern households.
- The submission notes that many northern residents rely heavily on electricity due to limited access to alternatives such as natural gas and face higher energy costs than other parts of the province.
- Concerns are raised about the affordability challenges faced by seniors, families, and vulnerable households, as well as the importance of reliable electricity during emergencies such as wildfires and evacuations.
- The Hamlet calls for:
 - The rejection of the proposed rate increases for northern communities and to recommend that northern residents be protected from additional rate burdens while a fairer approach is developed.
 - Consideration of a separate northern rate or affordability protection mechanism.
 - Greater assessment of the impacts of rate changes made on remote, northern, and Indigenous communities.

14.3 CONSULTANT OBSERVATIONS

The Consultant notes that the public comments are not in favour of the proposed SaskPower rate increases. Submissions were received during a public meeting, through online submissions, and formal stakeholder submissions. Common themes raised in the public and stakeholder submissions include:

- Opposition to coal repowering and preference for renewable energy.
- Opposition to rate increases and affordability concerns.
- Concern about economic impacts and future burden.
- Environmental and climate concerns.
- Perceived unfairness between industry and residential customers.

- Lack of transparency and trust in decision-making.
- Concerns regarding the Bell Data Centre.
- Concerns over northern affordability and the call for a specific Northern Rate Class.

Vast majority of respondents have opposition to coal repowering as a resource option for SaskPower.

14.4 CONSULTANT RECOMMENDATIONS

The Consultant recommends the Panel consider the perspectives of the public and stakeholders in its final recommendation on rates.

15.0 PAST PANEL RECOMMENDATIONS

The Panel provided the following recommendations in its report to the Minister regarding SaskPower's 2022 and 2023 Rate Application (submitted January 20, 2023):⁴⁷⁷

Recommendation #1: That the requested 4 per cent rate increase effective September 1, 2022, be approved.

Recommendation #2: That the requested 4 per cent rate increase effective April 1, 2023, be approved pending a financial review submitted to the Panel no later than December 1, 2022.

Recommendation #3: That the proposed design for rate rebalancing be approved. SaskPower is requested to continue to rebalance RR/R requirement ratios and redesign rates to better reflect the ideal rates calculated by the Cost-of-Service Study, subject to other rate design criteria. The Panel also requested that SaskPower provide the calculation of the ideal rates as part of future cost cost-of-service studies.

The Consultant notes that SaskPower provided a detailed comparison between its proposed rates and the ideal rates calculated by the 2026 and 2026 cost-of-service study.⁴⁷⁸

Recommendation #4: That the Capacity Reservation Service Rate, which is currently an interim rate, be confirmed and that that in future applications the capacity reservation rate be updated as part of the application process.

The Consultant notes that SaskPower identified that no changes have been made to the Spinning Capacity Reserve and Planned Operating Capacity Reserve programs since the last rate application.⁴⁷⁹

Recommendation #5: That SaskPower prepare public versions of its business plan, integrated resource plan and depreciation study as part of its future applications.

The Consultant notes that SaskPower has provided detailed financial information in its 2026 and 2027 rate application and completed a draft of the 2024 Long-term Supply Plan but postponed the release of the final document indefinitely citing uncertainty in the energy landscape.⁴⁸⁰ SaskPower had engaged an external consultant to complete the 2022-23 depreciation study, however it has not explicitly been stated that this study was completed. SaskPower has identified the possibility of preparing a public version of the report for the next depreciation study in 2027-28.⁴⁸¹

⁴⁷⁷ SRRP Report to the Minister Responsible for Crown Investments Corporation of Saskatchewan Regarding the 2022 SaskPower Rate Application. Submitted July 11, 2022.

⁴⁷⁸ 1st round information request SRRP Q78(e).

⁴⁷⁹ 1st round information request SRRP Q74.

⁴⁸⁰ Future Supply Plan – 2030 and Beyond. SaskPower. Available at <https://www.saskpower.com/our-power-future/creating-a-cleaner-power-future/future-supply-planning/future-supply-plan-2030-and-beyond> (accessed May 5, 2026).

⁴⁸¹ 1st round information request SRRP Q19(a) and (b).

Recommendation #6: That SaskPower complete and analysis of the potential impact of eliminating the price hedging element of its natural gas exposure management policy on the corporation's net income requirements at the time of the next application.

The Consultant notes that SaskPower has identified the completion of such analysis and has provided it along with the new hedging strategy to the Panel.⁴⁸²

Recommendation #7: That SaskPower continue to focus on limiting growth in OM&A per customer account to less than inflation and to continue to track and provide OM&A per residential customer for future applications.

The Consultant notes that SaskPower continues to track OM&A per residential customer metric and has included it in the rate application.⁴⁸³

Recommendation #8: That SaskPower provide a report in its next application that indicates how it achieved the contingency savings that was presented in the OM&A budget.

The Consultant notes that SaskPower has identified the completion of this report and notes it has been provided to the Panel.⁴⁸⁴

⁴⁸² 2026 and 2027 Rate Application Minimum Filing Requirements Tab 10.

⁴⁸³ 2026 and 2027 Rate Application Minimum Filing Requirements Tab 10.

⁴⁸⁴ 2026 and 2027 Rate Application Minimum Filing Requirements Tab 10.

16.0 SUMMARY OF CONSULTANT'S RECOMMENDATIONS

- The Consultant recommends the Panel work with CIC to revisit the material that must be considered confidential with the intent to expand the material available on the public record in future rate applications, including SaskPower's business plan, resource plan, and depreciation study.
- The Consultant recommends the Panel request SaskPower provide additional information on its bottom-up peak demand forecasting methodology at the time of its next rate application. This information should include the key data sources, technology adoption assumptions, load profile development process, model structure, calibration and validation procedures, and any sensitivity analyses performed. Providing this information would improve transparency and enable a more comprehensive assessment of the forecasting approach and its resulting demand projections.
- The Consultant recommends the Panel consider requesting SaskPower provide publicly available information, consistent with the level of information typically provided in a utility integrated resource plan, at the time of its next rate application. The IRP should show how SaskPower is meeting provincial policy objectives and directives, while also considering what mix of other supply-side and demand-side resources, would be available to meet future electricity requirements and provide secure and cost-effective service to customers.
- The Consultant recommends SaskPower complete an updated CPR study by the time of its next rate application to inform the development of future DSM programs and resource plans.
- The Consultant recommends the Panel accept SaskPower's revenue forecast for the current rate application.
- The Consultant recommends the Panel encourage SaskPower to continue to focus on limiting growth in OM&A per customer to the rate of inflation or lower.
- The Consultant recommends that the Panel request SaskPower consider making its next external depreciation study publicly available at the time of its next rate application.
- The Consultant recommends the Panel accept SaskPower's finance expenses forecasts for the current application.
- The Consultant recommends the Panel accept SaskPower's tax expense forecasts for the current application.
- The Consultant recommends the Panel accept SaskPower's forecasts of other expenses for the current application.

- With respect to the 3.9 per cent rate increase implemented on an interim basis effective February 1, 2026, the Consultant recommends the Panel confirm that increase as necessary and reasonable.
- With respect to the 3.9 per cent rate increase requested for February 1, 2027, the Consultant notes the Panel will be required to review and confirm the requested rate increase by December 1, 2026. The Consultant recommends the Panel request SaskPower include in the updated financial material:
 - a comparison of revised forecasts for 2026-27 compared both to the original application and the mid-application update;
 - an update on the anticipated timing of revenues from the data centre project; and
 - options for a higher than 3.9 per cent rate increase for the oilfields and reseller classes effective February 1, 2027 and a somewhat lower than 3.9 per cent rate increase for small commercial customers to move their revenue to revenue requirement ratio closer to the target range for the reasons discussed in section 9 and 10 of this report. The Consultant recommends that SaskPower not reduce the proposed rates to other customers to accomplish this, but rather increase the forecast net income for the year.
- The Consultant recommends the Panel consider requesting that SaskPower prepare an analysis and recommendation on the merits of an additional rate increase of 2.0 per cent in the 2027-28 fiscal year. The Consultant recognizes such a recommendation is outside the scope of the Minister's terms of reference, but the Consultant believes such a recommendation is prudent given SaskPower's current financial position.
- The Consultant recommends the Panel request SaskPower and the provincial government consider preparing a 10-year rate plan to improve SaskPower's financial metrics including interest coverage ratio, debt ratio and return on equity that is made public at the time of the next rate application and commit to regular 2 to 3 year rate applications to implement and adjust the rate plan going forward.
- The Consultant recommends the Panel consider adjustments to the proposed rate increases for the oilfields, reseller and small commercial classes effective February 1, 2027 to move them closer to the range of ratios for other customer classes. The Consultant recommends that SaskPower not adjust the proposed rates to other customers to accomplish this, but rather increase the forecast net income for the year.
- The Consultant recommends SaskPower work with the provincial government develop a policy for data centres rates that addresses tools both to limit obligation to serve these loads and pricing structure that ensures they pay full costs.
- The Consultant recommends the Panel accept the reliability and safety information provided by SaskPower.

- The Consultant recommends that the Panel consider the impacts of the proposed rate changes as summarized in section 12 in making its recommendation to the Minister.
- The Consultant recommends the Panel consider that SaskPower's forecast return on equity is among the lowest of the utilities in the sample of Canadian utilities and its forecast debt ratio is among the highest in making its rate adjustment recommendations.
- The Consultant recommends the Panel consider the perspectives of the public and stakeholders in its final recommendation on rates.

17.0 ACKNOWLEDGMENTS

Throughout this review the Consultant was assisted by representatives from SaskPower. We wish to thank them for their timely and thorough responses to information requests of the Panel and stakeholders throughout the process. We would also like to acknowledge the public and stakeholders for their participation in the process. We recognize the effort required to review the proceeding materials and thank them for their thoughtful submissions. The review process was greatly enhanced by their participation.

The Consultant also acknowledges and appreciates the advice and support of Mr. Gerry Forrest during this review.

Finally, we wish to thank the Chair and the Panel for their insight and perspectives. We recognize the challenge the Panel members accept in balancing the financial needs of the utility with the effects of rate increases on customers and competitiveness with other jurisdictions.

APPENDIX A: Minister's Order



Minister's Order

SaskPower Rate Change Proposal

Terms of Reference

WHEREAS by a Minister's Order dated December 11, 2023 (the "2023 Order"), issued pursuant to Section 15 of *The Executive Government Administration Act*, the Minister of Crown Investments Corporation appointed a Ministerial Advisory Committee known as the Saskatchewan Rate Review Panel (the Panel);

AND WHEREAS the 2023 Order provides for specific terms of reference for each rate change review to be attached by further Minister's Order;

AND WHEREAS it is desirable to establish terms of reference for a SaskPower rate change review and to attach the terms of reference to the 2023 Order;

NOW THEREFORE, I hereby amend the said Minister's Order by:

- a) Extending the time in which the Panel must present its report to the Minister as set out in "**Schedule B: SaskPower Rate Change Proposal – Terms of Reference**" to August 28, 2026.

Dated at Regina, Saskatchewan this 8th day of June, 2026

A handwritten signature in black ink, appearing to be "Henry", written over a horizontal line.

Minister of Crown Investments Corporation

**Schedule B:
SaskPower Rate Change Proposal**

Terms of Reference

The Saskatchewan Rate Review Panel (the Panel) is requested to conduct a review of the SaskPower proposal for increases in its electricity rates targeted for implementation on February 1, 2026, and February 1, 2027.

The February 1, 2026, increase will be implemented on an interim basis. Cabinet may implement any rate change adjustment(s) on an interim basis pending receipt of the Panel's recommendation(s).

The Panel shall function within its mandate and operational terms of reference as specified in the Minister's Order dated December 11, 2023. The Panel shall provide an opinion of the fairness and reasonableness of the rate change(s) proposed by SaskPower, having consideration for the following:

- The interests of SaskPower, its customers, and the public;
- Consistency with SaskPower's mandate, objectives, and methodologies;
- Relevant industry practices and principles; and
- The effect of the proposed rate change(s) on the competitiveness of SaskPower related to other jurisdictions.

SASKPOWER RATE REVIEW

In conducting its **SaskPower Rate Review**, the Panel will consider:

- A) The reasonableness of the proposed rate change(s) in the context of SaskPower's forecasted cost of service over the period(s) 2025-26 and 2026-27, comprised of:
 - (i) Anticipated fuel costs;
 - (ii) Anticipated hydro facilities availability;
 - (iii) Load forecast;
 - (iv) Planned maintenance programs;
 - (v) Operating, administrative, maintenance, depreciation, and finance expenses; and,
 - (vi) Corporate Capital Tax.
- B) The revenue requirement resulting from the cost of service.
- C) The reasonableness of the proposed rate structure and all components (basic charge, energy charge, and demand charge) comprising the rate.
- D) The future impact of the proposed rate change(s) on different customer groups.

- E) The following parameters as given:
- (i) The budgeted capital allocation, rate base, and established corporate policies over the period 2025-26 and 2026-27, inclusive;
 - (ii) SaskPower's long-term return on equity target of 8.5%;
 - (iii) Existing service levels; and
 - (iv) Any existing supply contracts.

SaskPower will provide the Panel with its application package immediately. SaskPower will also provide the Panel with any supplementary information as the Panel may require in fulfilling its mandate and these Terms of Reference.

SaskPower may provide the Panel with a mid-application update if a business factor(s) vital to formulating this rate application has changed significantly from the original business factor(s) used in the application. Should it be deemed necessary, any material updates to this application shall be provided by no later than Wednesday, April 29, 2026.

The Panel shall determine a public consultation process for this rate change application that is appropriate and cost effective under the circumstances and within the timeline for the review as established by the Minister of Crown Investments Corporation.

The Panel shall provide members of the public with the opportunity to review and comment on the SaskPower rate change submission outside any public meeting, to the extent reasonable, and within the timeline for the review as established by the Minister of Crown Investments Corporation.

SaskPower shall be provided with an opportunity to make a presentation to the Panel and the public, as the Panel consider appropriate, to discuss noteworthy rate application issues.

Questions from the public, Panel members, and its technical consultant(s) that require a response from SaskPower shall be received and organized by the Panel in a timely and efficient manner and forwarded to SaskPower for response.

The Panel shall provide SaskPower with the opportunity and reasonable time to review the technical consultant's preliminary report prior to its finalization to ensure there are no errors in data or in the interpretation of data. The preliminary report shall include the consultant's observations (e.g., outstanding issues and questions), but will not include the consultant's recommendations to the Panel.

The Panel must include in its final report an explanation of how, in its opinion, implementation of the Panel's rate recommendations will allow SaskPower to achieve the performance inherent in the parameters outlined in section (E), where the Panel's recommendations are different from SaskPower's proposed rate changes.

CONFIDENTIALITY

Consistent with the “Confidentiality Guidelines” for the Panel, the Panel will not publicly release or require SaskPower to publicly release confidential information supplied by SaskPower to the Panel during the course of the rate change application review.

The Panel will release, as part of its final report, the results of the review of the SaskPower rate change proposal as conducted by an independent third party. By doing so the Panel shall ensure there has been no indirect release of any confidential SaskPower information.

CONDUCT OF THE REVIEW

The Panel will present its report to the Minister of Crown Investments Corporation no later than August 28, 2026.

ABBREVIATED REVIEW FOR FEBRUARY 1, 2027, RATE CHANGE

Prior to the implementation of a rate change in 2027, SaskPower will provide current financial statements and an update on any material changes to business factors vital to the rate application, for the Panel’s review by Monday, November 2, 2026. Based on the updated information provided by SaskPower, the Panel will determine the abbreviated review process it requires.

The Panel shall provide SaskPower with the opportunity and reasonable time to review the Panel’s updated recommendation on the 2027 rate change prior to its finalization to ensure there are no errors in the data or the interpretation of data.

The Panel will provide a recommendation to confirm or revise the initial 2027 rate change to the Minister of Crown Investments Corporation no later than December 1, 2026.

APPENDIX B: Data Centre Jurisdictional Review

The rapid growth of data centres, driven by cloud computing, AI, and digitalization across sectors, is creating new challenges for electricity systems. Data centres are often characterized by large, concentrated loads, high reliability requirements, and in many cases, significant potential to influence system planning, infrastructure investment, and cost allocation. As a result, regulators and utilities are actively reassessing how these facilities are connected to the grid and how their associated costs are recovered through rate design.

Data centre growth in the United States has outpaced growth in Canada, with states like Virginia widely hosting over 660 active data centres and nearly 600 more in development.⁴⁸⁵ Some American jurisdictions experiencing growth from data centres have seen overall customer bill increases of up to 267 per cent over a five-year period.⁴⁸⁶ Data centre growth across North America has been accompanied by increasing public opposition. Communities hosting or affected by data centre projects have expressed concerns about electricity rates and pressures on other local resources such as water availability and environmental impacts, including pollution. As cited in a report completed by Dunskey for Hydro-Québec on pricing guidelines for data centres, the research organization Data Centre Watch estimated that during the second quarter of 2025, approximately \$98 billion worth of data centre projects were blocked or delayed as a result of public opposition. This figure is larger than the value of blocked projects in the previous ten quarters.⁴⁸⁷

Providing service to data centre loads presents unique challenges compared to other industrial loads and forecasted increases in load growth due to data centres will exacerbate these challenges. Data centres operate in a relatively immature market, resulting in limited expertise in financial forecasting and a lack of available tools to assess profitability or viability of projects. Forecasting data centre loads is more challenging than for other industrial customers. Data centre developers have incentives to duplicate requests in different jurisdictions for interconnection for the same project, making it increasingly difficult to evaluate the validity of individual projects and forecast their loads.⁴⁸⁸ Data centre projects have fewer observable milestones, such as environmental assessment certificates, and faster development timelines than large industrial customers like those in the natural resource sector.⁴⁸⁹

Common themes emerge among the utilities reviewed in the Dunskey report. A key theme for data centre rate setting is that the tariffs typically reflect the marginal service costs, which results in tariffs being higher than standard industrial tariffs.⁴⁹⁰ This suggests that a primary objective is to protect the other categories of customers. These tariffs are developed to

⁴⁸⁵ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 25, Dunskey February 2026. Translated from French.

⁴⁸⁶ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 5. Translated from French.

⁴⁸⁷ ⁴⁸⁷ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 11, Dunskey February 2026. Translated from French.

⁴⁸⁸ *Uncertainty and upwards bias are inherent in data centre electricity demand projections*, prepared for Southern Environmental Law Centre by London Economics LLC, Page 14.

⁴⁸⁹ BC Hydro 2025 IRP Exhibit B-9, Workshop on Key Issues – BC Hydro Workshop Slide Deck, slide 23-24.

⁴⁹⁰ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 17, Dunskey February 2026. Translated from French.

minimize or avoid the costs and risks associated with the additional load and ensure that these costs are borne by the data centres.⁴⁹¹

The following contractual patterns have emerged to reduce the risk to utilities and their customers:⁴⁹²

- A financial guarantee is often required to secure funding for necessary infrastructure upgrades or additions.
- Contracts are often long-term, 10 to 15 years, with exit fees or guarantee requirements to reduce the risks associated with a data centre reducing operations or premature withdrawal of service.
- Take-or-pay mechanisms with minimum demand charges, ensuring that data centres pay for a significant portion of their contracted capacity whether or not it is used.

None of the utilities surveyed in the Dunskey report appear to incorporate interruptible rates as service continuity is central to the data centre business model. As a result, firm service is critical to for these customers. However, some jurisdictions, like Virginia, are expressing interest in proposing experimental interruptible load tariffs. Whereas in Texas, Bill 618 requires that all companies serving customers with loads greater than or equal to 75MW must have load shedding protocols.⁴⁹³

In Canada, jurisdictions are developing different ways to deal with the additional load and costs associated with data centre connections.

BRITISH COLUMBIA

The BC Government's approach to data centres relies primarily on a power access management mechanism rather than a dedicated tariff schedule.

In 2021, BC Hydro had surplus capacity and was looking to attract industrial customers to the province. As such, they introduced the Clean Industry and Innovation Rate, offering a 20 per cent discount, incrementally decreasing, on the energy charge and demand charge for a period of seven years.⁴⁹⁴ With surplus capacity now diminished, BC Hydro has since revised its approach to large load connections.

Through Bill 31, the Energy Statutes Amendment Act, the province now requires prospective AI and data centre projects to take part in a competitive selection process for connection to BC Hydro's grid. The changes provide the province with the ability to select the data centre projects that provide the greatest long-term economic development through jobs and opportunities for residents. Projects are to be assessed based on the electricity rate and commercial terms they are willing to accept and their economic, community, data sovereignty and environmental

⁴⁹¹ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 14, Dunskey February 2026. Translated from French.

⁴⁹² Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 15-16, Dunskey February 2026. Translated from French.

⁴⁹³ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 16, Dunskey February 2026. Translated from French.

⁴⁹⁴ BC Hydro, Industrial Electrification Rates, retrieved from <https://app.bchydro.com/accounts-billing/rates-energy-use/electricity-rates/electrification-rates.html>

benefits. The call for applications began on January 30, 2026 with BC Hydro has an allocation target of 400MW extending to 2028, 300MW for data centres specializing in AI and an additional 100MW block for other data centres.⁴⁹⁵

The Dunksy report notes that the provinces' rationale is to avoid transferring costs associated with large interconnections to existing customers, given that large projects may require significant investment in grid infrastructure or supply, and to ensure that available electricity is allocated to projects with the greatest benefit to the province.⁴⁹⁶

QUÉBEC

Currently in Québec, any new project or load addition with a capacity greater than or equal to 5MW must obtain authorization from the Québec Minister of Economy, Innovation, and Energy prior to connection.⁴⁹⁷

Hydro-Québec has applied to the Régie de l'énergie to establish a new data centre tariff, Rate Schedule CD, and to adjust the existing rate for cryptographic usage applied to blockchain activities.⁴⁹⁸ The proposed rate is intended to ensure data centres bear more of the costs associated with their demand while remaining broadly competitive with other North American jurisdictions. Hydro-Québec states that this new tariff will support responsible asset growth by limiting the impact of new data centre connections on other customers. Rates charged to data centres will be set at levels that reflect the marginal costs of serving this load.⁴⁹⁹

The proposed structure of the CD tariff is:⁵⁰⁰

- \$32.704 per kW of billable power
- 8.710 cents per kWh of consumption

Existing data centre customers are currently subscribed to tariffs M and LG, which are structured as the following⁵⁰¹:

- Tariff M⁵⁰²:
 - \$18.242 per kW of billable power
 - 6.292 cents per kWh of consumption up to 210,000 kWh
 - 4.666 cents per kWh of remaining consumption

⁴⁹⁵ BC Government News, BC launching competitive process for clean power in high-demand sectors, retrieved from: <https://news.gov.bc.ca/releases/2026ECS0005-000095>

⁴⁹⁶ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 51-52, Dunksy February 2026. Translated from French.

⁴⁹⁷ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 8. Translated from French.

⁴⁹⁸ Hydro-Québec, A new rate for data centres and a rate adjustment for blockchains to reflect the value of renewable electricity, retrieved from: <https://news.hydroquebec.com/news/press-releases/all-quebec/hydro-quebec-proposing-regie-energie-new-rate-large-data-centres-adjustment-rate-cryptographic-use-applied-blockchains.html>

⁴⁹⁹ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 6. Translated from French.

⁵⁰⁰ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 10. Translated from French.

⁵⁰¹ Hydro-Québec Distribution Case R-4333-2026, Document 1.1: New CD tariff applicable to data centres and adjustment to the CB tariff, pg. 9. Translated from French.

⁵⁰² Electricity Rates 2026, Hydro-Québec, page 43.

- Tariff LG⁵⁰³:
 - \$16.571 per kW of billable power
 - 4.324 cents per kWh of consumption

Under the proposed rate, all new customers in this class will automatically be subject to this tariff. Existing data centre customers exceeding 5MW will be subject to a five-year transition period, after which they will be subject to the new rate. Revisions to the current rate class CB for cryptographic uses are also proposed to better reflect the activity's high energy intensity and relatively limited economic benefits. A three-year transition period will apply to current CB customers.⁵⁰⁴

ALBERTA

Alberta has emphasized reliability and affordability when considering data centre projects, including the possibility of proponents developing their own generation solutions. Alberta relies primarily on legislative tools to manage data centre connections in a way that balances investment attraction and risk mitigation for current customers.⁵⁰⁵

Bill 8, the *Utilities Statutes Amendment Act*, encourages data centres to develop or secure their own generation capacity and applies a strict allocation of transmission costs. This ensures that the costs associated with connection are borne by the data centres and not other utility customers. Bill 12, the *Financial Statutes Amendment Act*, introduces a levy applicable to data centres with a capacity equal to or greater than 75MW. The levy is calculated based on the IT equipment used, with a higher levy applied to newer equipment. The levy is creditable against corporate income tax but is non-refundable. The mechanism primarily targets data centres connected to Alberta's grid and is meant to balance investment attractiveness while limiting risk to other customers. Furthermore, the Alberta Electric System Operator has established a load cap of 1,200MW for large load projects, greater than or equal to 75MW, between June 2025 and 2028.⁵⁰⁶

MANITOBA

As of June 2026, Manitoba Hydro has not developed specific policies for data centre connections.⁵⁰⁷ However, Bill 28, the *Manitoba Hydro Amendment Act*, removes the automatic right to obtain power in the province. This amendment grants Manitoba Hydro and the Minister discretion to the following:⁵⁰⁸

⁵⁰³ Electricity Rates 2026, Hydro-Québec, page 63.

⁵⁰⁴ Hydro-Québec, A new rate for data centres and a rate adjustment for blockchains to reflect the value of renewable electricity, retrieved from: <https://news.hydroquebec.com/news/press-releases/all-quebec/hydro-quebec-proposing-regie-energie-new-rate-large-data-centres-adjustment-rate-cryptographic-use-applied-blockchains.html>

⁵⁰⁵ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. A-3, Dunskey February 2026. Translated from French.

⁵⁰⁶ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. A-2 to A-3, Dunskey February 2026. Translated from French.

⁵⁰⁷ Manitoba Hydro 2026-2028 GRA, first round information request PUB/MH-I-40(g).

⁵⁰⁸ Bill 28 – The Manitoba Hydro Amendment Act, retrieved from: <https://web2.gov.mb.ca/bills/43-2/b028e.php>

- Reject large power requests that are not reasonably feasible, meaning system capacity is unstuffiness or the request would negatively affect grid reliability.
- Prioritize certain types of projects.
- Impose infrastructure costs on customers.
- Define eligibility through future regulations.

Here, large power requests refer to loads of 5MW. Under Bill 28, costs associated with infrastructure upgrades required to support the connection may be partially or fully assigned to the requesting customer.

UNITED STATES

The Dunsky report cites 15 examples of tariffs created to address data centre loads since 2018.⁵⁰⁹ In Virginia, rate schedule GS-5, High Load/High Load Factor, will come into effect on January 1, 2027, and applies to customers with power requirements greater than 25MW and a load factor of at least 75 per cent. The GS-5 tariff price level is designed to reflect the marginal cost of the new infrastructure required to meet the demand of the customer segment. GS-5 customers are subject to the following contractual conditions:

- GS-5 customers are required to pay a minimum of 85 per cent of their contracted demand for the transmission and distribution components and 60 per cent of their contracted demand for the generation component. These minimums apply regardless of actual consumption during the billing period.
- There are no explicit peak load shedding obligations, however, there is an intention to propose an experimental high load interruptible load tariff in the future.
- A minimum contract period is 14 years applies.
- Exit penalties apply to cover the remaining marginal charges until the end of the contract term.
- All new GS-5 customers are required to provide a security deposit equivalent to \$1.5M USD per MW of contracted capacity, unless they meet strict credit and liquidity criteria.⁵¹⁰

In Oregon, House Bill 3546 ("HB 3546") was passed in June 2025 and requires utilities to establish a new rate for large industrial customers with a monthly demand exceeding 20MW to ensure they pay their fair share of electricity and grid costs. As a result, Schedule 401 is being proposed.⁵¹¹

The proposed rate does not have a standardized rate schedule, instead it is proposed to rely on individually negotiated contractual agreements, each of which would be subject to approval by

⁵⁰⁹ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 14, Dunsky February 2026.

⁵¹⁰ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 26-28, Dunsky February 2026. Translated from French.

⁵¹¹ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 33, Dunsky February 2026. Translated from French.

the Oregon Public Utility Commission. Schedule 401 is intended to rebalance cost allocations to reduce or eliminate the impact on regular customers, as the addition of loads over 20MW requires significant investment in generation, transmission, and distribution.⁵¹²

The approach aims to directly assign the marginal and specific costs generated by the connection to the customers through volumetric adjustments, demand-side components, or the financing of dedicated infrastructure. Pacific Power has proposed a minimum contract period of 10 years. At the time of writing, Schedule 401 is still in the hearing process. Board Order 25-516 suspended the review of the tariff filing for up to 10 months.⁵¹³

In New York, Rider A is applied to large industrial customers with concentrated electricity consumption, implicitly targeting data centres. The consumption threshold for the tariff is 0.3MW and includes a physical dimension with an energy density threshold above 250kWh/m²/year, to capture intensive computing activities while avoiding application to the more traditional high energy intensive industries.⁵¹⁴

In the winter, Rider A customers are served completely by supplemental power and as a result often see bills that are up to three times higher than summer bills. The supplemental power provided in the winter is driven by the need to purchase additional electricity at market prices to serve the loads. As a result, Rider A customers are billed at the HDL PPA rate to cover the marginal costs associated with increased energy imports incurred. Rider A customers are contractually obligated to cover the costs associated with a feasibility study, cover the full construction costs of any infrastructure investment needed to serve the load, and provide a financial guarantee.⁵¹⁵

Data centre loads introduce unique planning challenges for utilities compared to traditional industrial customers. Unlike sectors such as mining or forestry, in which utilities benefit from long development timelines and clear permitting milestones that provide visibility into future demand, data centres can materialize rapidly and are not constrained by local resource availability. In response, Canadian jurisdictions are increasingly focused on managing risk and protecting existing ratepayers by limiting the obligation for utilities to serve these loads, including through explicit caps on available capacity. At the same time, there is a growing expectation that data centres pay rates aligned with marginal system costs rather than average costs to ensure cost causation is appropriately reflected. Finally, consideration of broader local economic benefits is emerging as an important factor in determining whether and how provinces and utilities choose to accommodate these loads.

⁵¹² Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 34, Dunskey February 2026. Translated from French.

⁵¹³ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 35, Dunskey February 2026. Translated from French.

⁵¹⁴ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 37, Dunskey February 2026. Translated from French.

⁵¹⁵ Hydro-Québec Distribution Case R-4333-2026, Document 1.2: Pricing Guidelines for Data Centres, pg. 36-39, Dunskey February 2026. Translated from French.

APPENDIX C: Environmental Regulations

Environmental regulation affecting electric utilities in Canada generally operate through three mechanisms:

- Emissions-based performance standards, which limit or restrict how electricity can be produced;
- Carbon pricing, which places a cost on greenhouse gas emissions; and
- Environmental assessments and project approval requirements, which govern how and when new generating facilities can be built.

This section focuses on the first two mechanisms - emissions-based performance standards and carbon pricing - as these are the regulatory tools that most directly influence SaskPower's generation decisions and, ultimately, the rates paid by electricity customers.

1.0 EMISSIONS-BASED PERFORMANCE STANDARDS

1.1 Clean Electricity Regulations

The Government of Canada introduced the *Clean Electricity Regulations (CER)* in December 2024 with the objective of achieving a net-zero electricity grid by 2050.⁵¹⁶ The regulations restrict the operation of fossil-fuel-fired electricity-generating units unless emissions are reduced to near-zero levels, through technologies such as carbon capture and storage.⁵¹⁷

The regulations permit limited exceptions for fossil-fuel units between 2035 and 2050 where:

- A unit was planned prior to December 31, 2025 and construction has begun prior to December 31, 2027;⁵¹⁸
- A unit is used for a limited number of hours during the year;⁵¹⁹ or
- A unit is needed under emergency circumstances.⁵²⁰

SaskPower has stated that achieving net-zero electricity emissions by 2035 is not feasible given Saskatchewan's electricity system, citing logistical, technological, and affordability constraints.⁵²¹ SaskPower has stated that it aims to be carbon neutral by 2050.⁵²²

Although the CER remains in force, the Government of Canada has announced its intention to revise its approach to electricity-sector emissions regulation through a new *National Electricity Strategy*. The federal government has stated that the proposed approach would provide greater

⁵¹⁶ Canada's clean electricity future, Climate change: our plan, Government of Canada. Accessed July 14, 2026. <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/clean-electricity.html>

⁵¹⁷ Section 23(1), Clean Electricity Regulations (SOR/2024-263), Government of Canada.

⁵¹⁸ Section 10(1), Clean Electricity Regulations (SOR/2024-263), Government of Canada.

⁵¹⁹ Section 9(1), Clean Electricity Regulations (SOR/2024-263), Government of Canada.

⁵²⁰ Section 25(1), Clean Electricity Regulations (SOR/2024-263), Government of Canada.

⁵²¹ Page 8, 2023-24 Annual Report, SaskPower.

⁵²² Page 5, 2026 and 2027 Rate Application, SaskPower.

flexibility for the electricity sector while continuing to support emissions reductions and economy-wide electrification.⁵²³

The application of the *Clean Electricity Regulations* has also been affected by developments in Alberta. The Government of Alberta and the Government of Canada have entered into agreements regarding the implementation of federal electricity and carbon-pricing policies. Under these agreements, the *Clean Electricity Regulations* are to remain in abeyance in Alberta pending the resolution of ongoing legal proceedings, with the potential for a future equivalency agreement if the regulations are upheld.⁵²⁴

In May 2026, the Government of Canada released *Powering Canada Strong: A National Strategy for an Electrified Canadian Economy*,⁵²⁵ which outlines federal policy objectives related to electricity system expansion, electrification, interprovincial transmission, affordability, reliability, and emissions reduction. The strategy also identifies a range of potential federal actions, including financing and tax incentives, regulatory reforms, transmission investments, grid modernization initiatives, workforce development programs, and targeted investments in northern and remote communities.

The strategy identifies several areas that may be relevant to Saskatchewan, including the potential role of nuclear generation and Saskatchewan's uranium resources, the continued role of natural gas in the electricity system, and expanded interprovincial transmission capacity. The strategy references increased transmission capacity between Manitoba and Saskatchewan.⁵²⁶ Consistent with this objective, on June 26, 2026, the Government of Canada announced that it would prioritize financial and regulatory support for expansion of the Saskatchewan-Manitoba intertie, with the stated goal of increasing transfer capability by up to two gigawatts along the Regina-Winnipeg corridor.⁵²⁷

1.2 Coal Generation Regulations & Emissions Cap

In addition to the *Clean Electricity Regulations*, coal-fired generation is subject to the *Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations*, first introduced in August 2012 and amended in 2018 to accelerate the phase-out of conventional coal-fired electricity by 2030.⁵²⁸

⁵²³ Prime Minister Carney announces forthcoming National Electricity Strategy, News Releases, Prime Minister of Canada. May 14, 2026. <https://www.pm.gc.ca/en/news/news-releases/2026/05/14/prime-minister-carney-announces-forthcoming-national-electricity>

⁵²⁴ See Section 2.3.4.

⁵²⁵ Powering Canada Strong: A National Strategy for an Electrified Canadian Economy, Government of Canada. May 2026 <https://natural-resources.canada.ca/energy-sources/electricity-infrastructure/powering-canada-strong-national-strategy-electrified-canadian-economy>

⁵²⁶ Powering Canada Strong: A National Strategy for an Electrified Canadian Economy, Government of Canada. May 2026 <https://natural-resources.canada.ca/energy-sources/electricity-infrastructure/powering-canada-strong-national-strategy-electrified-canadian-economy>

⁵²⁷ Canada takes action to advance a stronger grid and increase reliable, affordable energy. June 26, 2026. <https://www.canada.ca/en/natural-resources-canada/news/2026/06/canada-takes-action-to-advance-a-stronger-grid-and-increase-reliable-affordable-energy.html>

⁵²⁸ Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations, Government of Canada. https://laws-lois.justice.gc.ca/eng/regulations/SOR-2012-167/FullText.html#fn_81000-2-4931_hq_1674853809

The Government of Saskatchewan and the Government of Canada have entered into equivalency agreements that temporarily suspend the application of these federal coal regulations in Saskatchewan and replace them with fleet-based provincial regulation. These agreements have allowed coal-fired generation to continue operating beyond 2030, subject to specific conditions.⁵²⁹

The current equivalency agreement covers the 2025–2026 period and includes requirements for increasing non-emitting generation capacity, targeting 40–50 per cent non-emitting generation by 2030, along with interim milestones.⁵³⁰ A new equivalency agreement will need to be negotiated for future periods.

The equivalency agreement also includes an emissions cap on SaskPower’s electricity generation. On November 20, 2024, the Government of Saskatchewan amended this cap to 29.4 million tonnes of CO₂e over the 2025–2026 period, or approximately 14.7 million tonnes per year, corresponding to an allowable emissions intensity of 580 g CO₂e/kWh in 2025.^{531,532} Available data indicates that SaskPower’s emissions are currently below this level.⁵³³ However, the legislation as it is currently written maintains a tighter cap for the 2027–2029 period, totaling 35.1 million tonnes, or 11.7 million tonnes per year, which is significantly lower than recent emissions levels.

Nova Scotia has also entered into an equivalency agreement with emissions caps on electricity generation for the 2025–2029 period.⁵³⁴

1.3 Carbon Pricing

The Government of Canada eliminated the consumer carbon price effective April 1, 2025. This charge applied to fossil fuels and combustible waste at the point of delivery or use. This change does not affect carbon pricing for electric utilities, which are regulated under industrial carbon pricing systems.^{535,536}

Since 2019, every province and territory has been required to implement an industrial carbon pricing system that meets federal minimum stringency standards. Provinces may design their own systems, either as a carbon levy or a cap-and-trade approach, provided they meet federal requirements. Most provinces, including Saskatchewan, have opted for a form of Output-Based Pricing System (OBPS). Provincial industrial carbon pricing systems are shown in Figure C-1.

⁵²⁹ Q10 e), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁵³⁰ Order Declaring that the Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations Do Not Apply in Saskatchewan, 2025; Canada Gazette, Part II, Volume 159, Number 1; December 16, 2024.

⁵³¹ Order Declaring that the Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations Do Not Apply in Saskatchewan, 2025; Canada Gazette, Part II, Volume 159, Number 1; December 16, 2024.

⁵³² Calculations based on data from Table 25-10-0015-01, Statistics Canada.

⁵³³ Annex 7, National Inventory Report 1990-2024: Greenhouse Gas Sources and Sinks in Canada, Environment and Climate Change Canada (2025).

⁵³⁴ See Section 2.3.4.

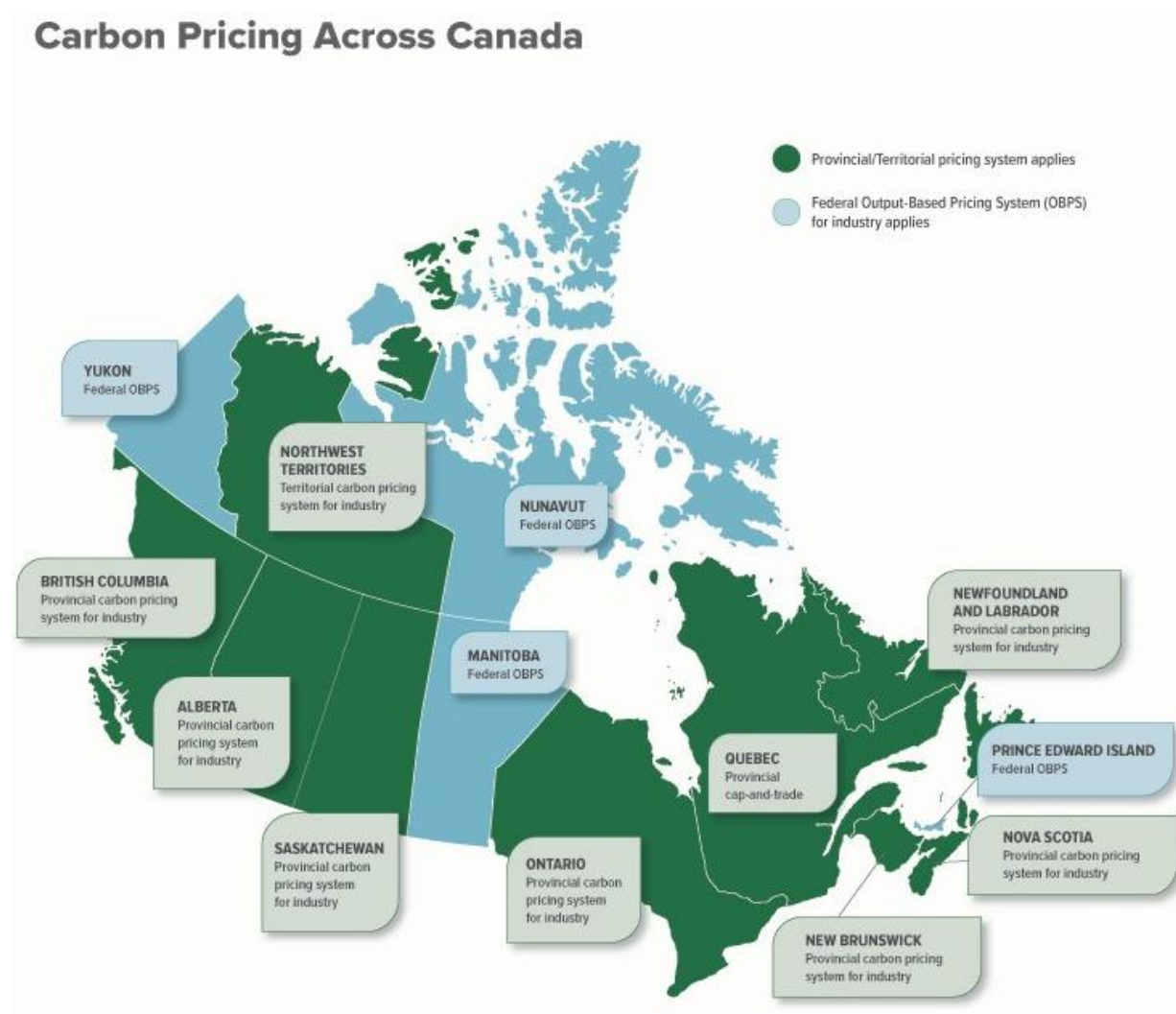
⁵³⁵ Removing the consumer carbon price, effective April 1, 2025, News: Department of Finance Canada.

<https://www.canada.ca/en/department-finance/news/2025/03/removing-the-consumer-carbon-price-effective-april-1-2025.html>

⁵³⁶ Carbon pricing systems across Canada, Industrial Carbon Pricing, Environment and Climate Change Canada (ECCC). <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

Under an OBPS, electricity-generating units are not charged a carbon price on all emissions. Instead, each covered unit is assigned a performance standard based on emissions intensity. Emissions intensity refers to the amount of greenhouse gas emissions produced per unit of electricity generated, typically expressed as tonnes of CO₂ per megawatt-hour (tCO₂/MWh). In simple terms, it measures how carbon-intensive a plant's electricity is, rather than how much total electricity the plant produces.

Each unit's emissions-intensity standard is multiplied by its actual electricity output to determine an emissions allowance. Emissions below this allowance are not subject to carbon charges. Emissions above the allowance are referred to as excess emissions and must be covered either by paying the applicable carbon price or by using carbon performance credits or offsets. Units that emit less than their allowance earn credits, which can be saved or used in future years.

Figure C-1: Carbon Pricing Across Canada⁵³⁷

1.4 Saskatchewan OBPS Administration

Industrial carbon pricing for electricity in Saskatchewan has evolved through several phases:

- **Federal Carbon Charge Put in Place:** On January 1, 2019, the Government of Canada put in place the OBPS in provinces which did not have an equivalent carbon pricing system,

⁵³⁷ Carbon pricing systems across Canada, Industrial Carbon Pricing, Environment and Climate Change Canada (ECCC). <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

including Saskatchewan.⁵³⁸ SaskPower began recovering the expense associated with the federal carbon charge from its customers through a rate rider effective April 1, 2019.⁵³⁹

- Federal to Provincial Transition: In July 2023, the federal government approved the Saskatchewan OBPS as a replacement for the federal program, retroactive to January 1, 2023.⁵⁴⁰ This transition gave the province control over the program and ensured collected funds remained in Saskatchewan.⁵⁴¹
- Removal of Rate Rider: Effective April 1, 2025, SaskPower was directed by the Government of Saskatchewan to stop collecting the federal carbon tax rate rider from customers.⁵⁴²
- Current Assumption of Non-Application: For the 2026 and 2027 test years, SaskPower assumes that the OBPS will not apply to the corporation starting in 2026-27.⁵⁴³ While SaskPower continues to accrue OBPS obligations for 2025-26, the carbon charge amount of \$368 million has not been remitted to the government⁵⁴⁴, and the application assumes no carbon charges will be incurred in future years due to ongoing intergovernmental negotiations.⁵⁴⁵

As of April 2026, the Government of Saskatchewan has been engaging with and negotiating with the Government of Canada around the OBPS.⁵⁴⁶

⁵³⁸ Section 1.3, Greenhouse Gas Pollution Pricing Act: Annual report for 2019. <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/greenhouse-gas-annual-report-2019.html>

⁵³⁹ Page 34, 2024-25 Annual Report, SaskPower.

⁵⁴⁰ Q10 b), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁵⁴¹ Page 6, 2026 and 2027 Rate Application, SaskPower.

⁵⁴² Page 6, 2026 and 2027 Rate Application, SaskPower.

⁵⁴³ Page 6, 2026 and 2027 Rate Application, SaskPower.

⁵⁴⁴ Q10 i), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

⁵⁴⁵ Q10 f), SRRP Round 1 Interrogatories, 2026 and 2027 Rate Application, SaskPower.

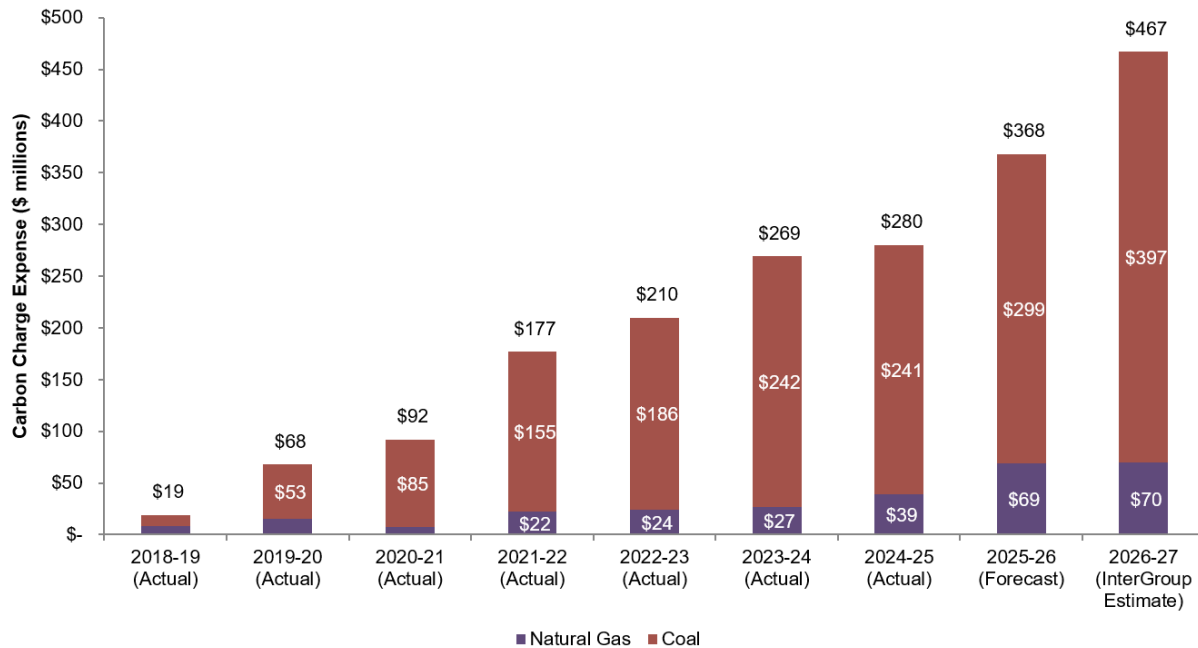
⁵⁴⁶ No. 11 - Wednesday, April 1, 2026, Hansard, Standing Committee on the Economy, Thirtieth Legislature of the Legislative Assembly of Saskatchewan.

Figure C-2 illustrates the carbon charges that have been incurred by SaskPower under industrial carbon pricing, as well as estimated future charges based on current assumptions. Actual figures show carbon charges that were accrued in past years under federal and provincial output-based pricing systems. Forecast carbon charges incurred during the 2025–26 fiscal year have not been remitted to the government.

The figure also includes an estimate of carbon charges for the 2026–27 period. Estimated taxable emissions were calculated using SaskPower’s forecast generation by fuel type, forecast emissions intensities, and the applicable OBPS emissions-intensity thresholds. Fiscal-year carbon prices and emissions-intensity thresholds were estimated using weighted averages of the applicable 2026 and 2027 calendar-year values. The resulting proxy estimate was then reconciled to SaskPower’s reported 2026–27 taxable emissions estimate of 4.85 million tonnes CO_{2e}, with the adjustment applied entirely to coal-fired generation to reflect the expected impact of CCS operations and gross-to-net generation differences at Boundary Dam Unit 3. The headline carbon price is assumed to be \$95 per tonne CO_{2e} in 2026 and \$100 per tonne CO_{2e} in 2027.⁵⁴⁷ Accordingly, the 2026–27 values represent an estimate of the carbon charges SaskPower could incur under the Saskatchewan OBPS based on its forecast generation mix, emissions profile, and applicable compliance requirements.

⁵⁴⁷ Carbon pricing systems across Canada, Industrial Carbon Pricing. Government of Canada. May 19, 2026.
<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

Figure C-2: SaskPower Carbon Charges (\$ millions), 2018-19 to 2026-27⁵⁴⁸



1.5 Provincial Jurisdictional Comparison

Based on 2024 electricity generation data, Saskatchewan is one of three provinces - along with Alberta and Nova Scotia - that rely primarily on thermal electricity generation, meaning electricity produced from fossil fuels such as coal, natural gas, or oil, as shown in Figure C-3. In 2024, approximately 80 per cent of Saskatchewan's electricity generation came from thermal sources, with natural gas accounting for 51 per cent and coal accounting for 29 per cent. This reliance on fossil-fuel-based generation is substantially higher than the national average, where thermal generation accounted for approximately 19 per cent of electricity production.

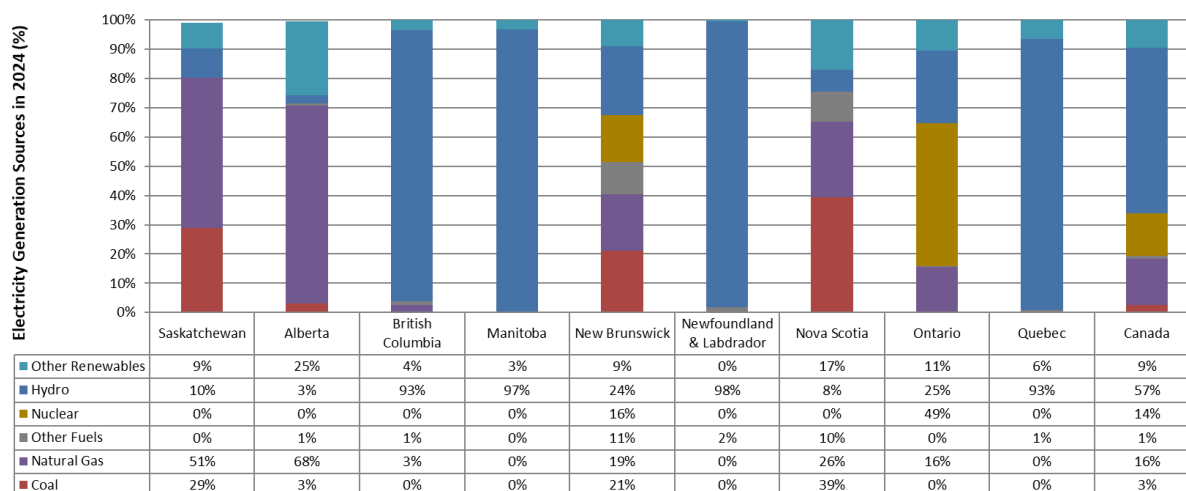
Alberta also relied heavily on thermal generation in 2024, with 71 per cent of total electricity generation coming from fossil fuels, primarily natural gas (68 per cent), and a small remaining contribution from coal and other fuels. Nova Scotia similarly exhibited a high dependence on thermal generation, with 75 per cent of electricity produced from fossil fuels in 2024, including a 39 per cent share from coal, the highest coal reliance of any province.

As a result, Saskatchewan, Alberta, and Nova Scotia entered the period of more stringent federal emissions regulations with structurally higher exposure to emissions-based performance standards and carbon pricing than provinces with hydro- or nuclear-dominated systems. This

⁵⁴⁸ 2018-19 to 2020-21 from Paper Excellence Q9, 2022 and 2023 Rate Application; 2021-22 to 2025-26 from 1st round information request SRRP Q26, 2026 and 2026 Rate Application; 2026-27 Forecast from 2nd round information request SRRP Q5, 2026 and 2027 Rate Application; 2026-27 Forecast Coal Generation from Page 25, 2026 and 2027 Rate Application.

structural difference has important implications for compliance costs, generation planning, and the pace and cost of transitioning to lower-emission electricity.

Figure C-3: Electricity Generation Sources by Province (%), 2024⁵⁴⁹



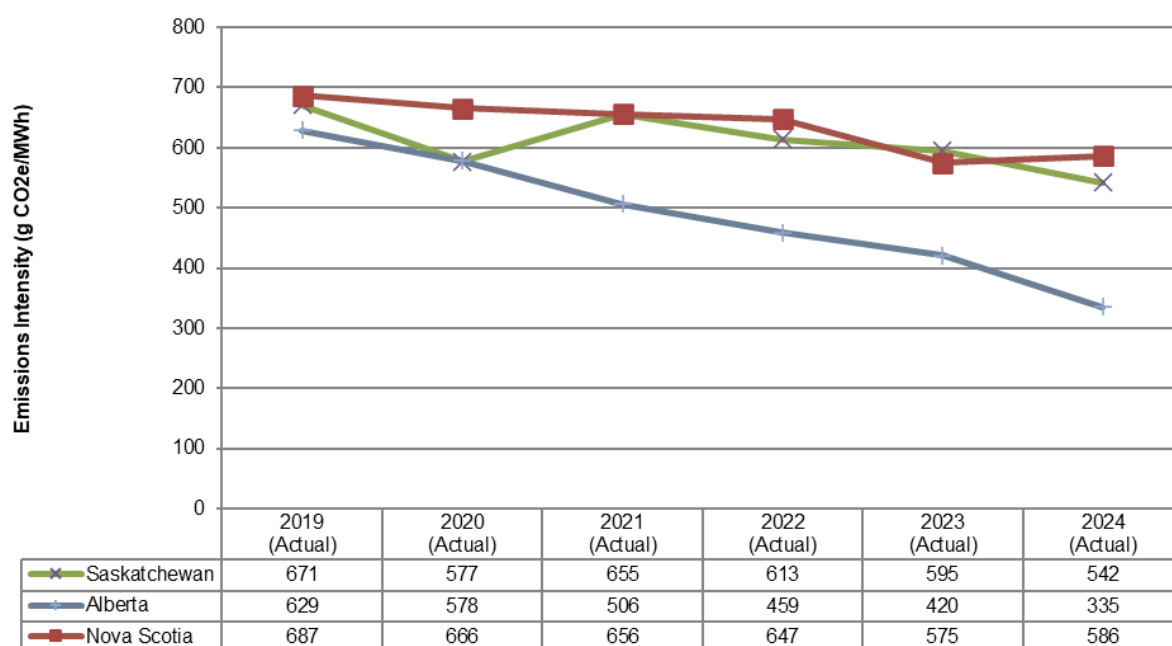
⁵⁴⁹ Annex 7, National Inventory Report 1990-2024: Greenhouse Gas Sources and Sinks in Canada, Environment and Climate Change Canada (2025).

As shown in Figure C-4, Nova Scotia had the highest electricity-generation emissions intensity of any province in Canada in 2024, at approximately 586 tCO₂e/GWh. This reflects Nova Scotia's continued reliance on coal-fired electricity, which accounted for 39 per cent of total generation in 2024, a higher share than any other province. Coal-fired generation has a significantly higher emissions intensity than natural gas or non-emitting sources, which drives Nova Scotia's comparatively elevated emissions profile.

Alberta has experienced the most significant reduction among the three provinces over this period. Alberta's electricity emissions intensity fell from 629 g CO₂e/kWh in 2019 to 335 g CO₂e/kWh in 2024, reflecting the completion of its coal phase-out and a shift toward natural gas and renewables. As a result, by 2024 Alberta's emissions intensity was substantially lower than that of both Saskatchewan and Nova Scotia.

Saskatchewan recorded an emissions intensity of approximately 542 tCO₂e/GWh in 2024. Saskatchewan's emissions intensity has shown a general downward trend over the past five years, declining from 671 tCO₂e/GWh in 2019, consistent with increased natural-gas generation, reduced coal utilization, and the addition of non-emitting resources.

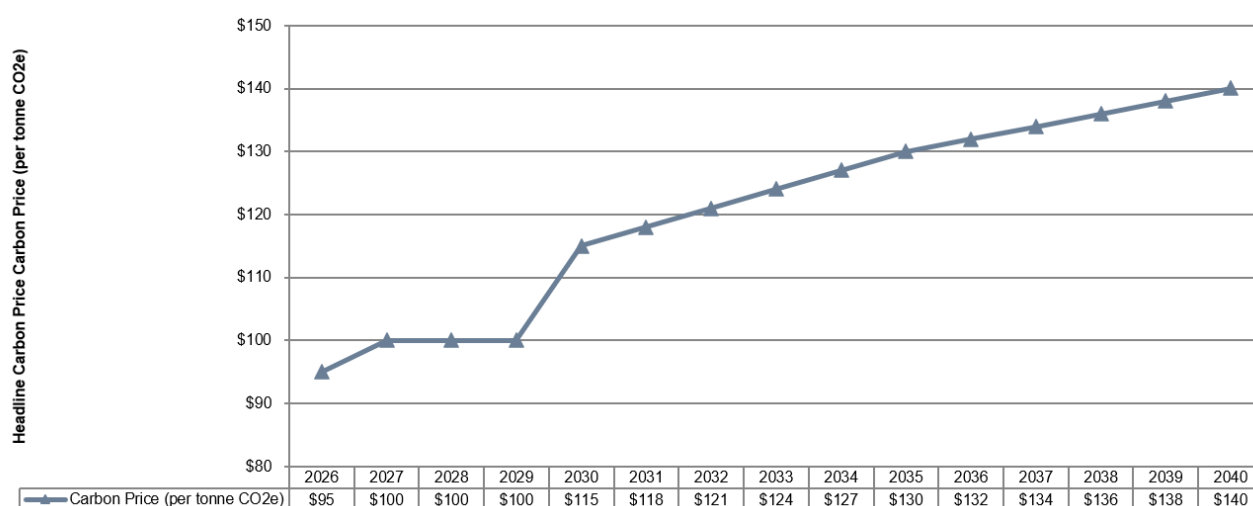
Figure C-4: Emissions Intensity of Electricity Generation, 2019 to 2024⁵⁵⁰



⁵⁵⁰ 1st round information request Paper Excellence Q3, 2022 and 2023 Rate Application; Annex 7, National Inventory Report 1990-2024: Greenhouse Gas Sources and Sinks in Canada, Environment and Climate Change Canada (2026); 2021 Long-term Outlook – data file, AESO; System Totals – Emissions Intensities, Air Emissions Reporting, Nova Scotia; Nova Scotia Power's IRP Modeling Results, Nova Scotia Power IRP Final Report Appendix F.

Across Canada, provinces and territories that either implement the federal Output-Based Pricing System (OBPS) or operate their own carbon pricing systems are generally required to align with the federal benchmark carbon price. Following the implementation agreement associated with the Alberta memorandum of understanding, the federal government revised the benchmark carbon price trajectory. Figure C-5 presents the updated benchmark price schedule, which increases from \$95/t CO₂e in 2026 to \$140/t CO₂e by 2040. The revised trajectory is expected to form part of an updated federal benchmark framework to be released later in 2026.⁵⁵¹

Figure C-5: Headline Industrial Carbon Price (per tonne of CO₂e)⁵⁵²



Alberta

The Governments of Alberta and Canada signed a memorandum of understanding in November 2025 and an implementation agreement in May 2026 establishing a framework for cooperation on carbon pricing, electricity policy, and other energy-related matters.^{553,554} Under the agreement, the CER are to remain paused in Alberta pending the resolution of ongoing legal proceedings regarding the regulations. If the regulations are upheld, the parties have indicated their intention to negotiate an equivalency agreement under the *Canadian Environmental Protection Act, 1999*. The agreement also includes a shared objective of working toward net-zero

⁵⁵¹ Carbon pricing systems across Canada, Industrial Carbon Pricing. Government of Canada. May 19, 2026.

<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

⁵⁵² Carbon pricing systems across Canada, Industrial Carbon Pricing. Government of Canada. May 19, 2026.

<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

⁵⁵³ Federal-provincial energy partnership, Government of Alberta. <https://www.alberta.ca/federal-provincial-energy-partnership>

⁵⁵⁴ Implementation Agreement for the Canada-Alberta Memorandum of Understanding of November 27, 2025. May 15, 2026.

<https://www.pm.gc.ca/en/news/backgrounders/2026/05/15/implementation-agreement-canada-alberta-memorandum-understanding>

greenhouse gas emissions by 2050 and establishes a joint Electricity Working Group to support electricity sector planning and development.⁵⁵⁵

Alberta has operated an output-based pricing system for industrial emissions since 2007. The current system, known as the Technology Innovation and Emissions Reduction (TIER) framework, applies to large industrial facilities, including electricity generation. Under the 2026 implementation agreement, Alberta and Canada established a revised carbon price trajectory under TIER, beginning at \$95/t CO₂e in 2026, rising to \$130/t CO₂e by 2035 and \$140/t CO₂e by 2040. The agreement also includes sector-specific benchmark tightening rates and a minimum credit price beginning in 2030.⁵⁵⁶

Following the phase-out of coal-fired electricity generation, which was completed in June 2024, all remaining electricity generation in Alberta is subject to an emissions-intensity performance standard rather than fuel-specific regulations. As a result of the coal phase-out, the emissions intensity of Alberta's electricity sector has decreased significantly from 629 tCO₂e/GWh in 2019 to 335 tCO₂e/GWh in 2024. The applicable standard for electricity generation is 347.8 tCO₂e/GWh.⁵⁵⁷ This standard is less stringent than the emissions-intensity standard applied to new natural-gas-fired units in Saskatchewan (206 tCO₂e/GWh) but more stringent than the standard applied to existing natural-gas units in Saskatchewan in 2025 (370 tCO₂e/GWh).⁵⁵⁸

Nova Scotia

Nova Scotia has released a Clean Energy Plan that commits the province to phasing out its four coal-fired generating stations and achieving 80 per cent renewable electricity by 2030. This transition relies heavily on wind generation, supported by consistently strong wind resources that enable high capacity factors approaching baseload levels. Nova Scotia's strategy is further supported by the Maritime Link, which delivers hydroelectric power from Newfoundland and Labrador, as well as solar generation and other existing renewable resources.^{559,560}

Nova Scotia Power is currently working on a depreciation approach with the Province of Nova Scotia on a depreciation approach to recover the remaining net book value of its coal assets.⁵⁶¹

⁵⁵⁵ Implementation Agreement for the Canada-Alberta Memorandum of Understanding of November 27, 2025. May 15, 2026. <https://www.pm.gc.ca/en/news/backgrounders/2026/05/15/implementation-agreement-canada-alberta-memorandum-understanding>

⁵⁵⁶ Implementation Agreement for the Canada-Alberta Memorandum of Understanding of November 27, 2025. May 15, 2026. <https://www.pm.gc.ca/en/news/backgrounders/2026/05/15/implementation-agreement-canada-alberta-memorandum-understanding>

⁵⁵⁷ Table, Technology Innovation and Emissions Reduction Regulation, Government of Alberta. https://kings-printer.alberta.ca/1266.cfm?page=2019_133.cfm&leg_type=Regs&isbncln=9780779858729

⁵⁵⁸ Table 2, The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023, Government of Saskatchewan. <https://pubsaskdev.blob.core.windows.net/pubsask-prod/139922/M2-01r4.pdf>

⁵⁵⁹ Nova Scotia's 2030 Clean Power Plan, Government of Nova Scotia.

⁵⁶⁰ Overview, The Maritime Link, Emera Newfoundland & Labrador. <https://www.emeranl.com/maritime-link/overview>

⁵⁶¹ Nova Scotia Energy Board Notice of Public Hearing. <https://nserbt.ca/sites/default/files/M12451%20-%20Notice%20of%20Public%20Hearing.pdf>

Nova Scotia Power forecasts a temporary increase in coal and petroleum coke generation to 39.2 per cent of its generation mix in 2026 before reducing it to 29.7 per cent in 2027.⁵⁶² This temporary increase is expected to decrease costs while 443MW of additional wind generation is brought online and the Maritime Link begins delivering its full contracted amount of 894 GWh.^{563,564}

Similar to Saskatchewan, Nova Scotia has entered into an equivalency agreement with the Government of Canada that replaces federal coal regulations with a provincial approach. Under this agreement, Nova Scotia is subject to an emissions cap of 6 million tonnes of CO₂e in 2025, and 21.5 million tonnes of CO₂e over the 2026–2029 period, equivalent to 5.4 million tonnes per year.⁵⁶⁵ This results in an allowed electricity emissions intensity of approximately 665 g CO₂e/kWh in 2025⁵⁶⁶, higher than that of Saskatchewan's 580g CO₂e/kWh.

In 2024, Nova Scotia implemented its own Output-Based Pricing System (OBPS) for industrial emissions. This system applies to industrial facilities emitting more than 50,000 tonnes of greenhouse gas emissions annually, including four coal-fired generating units and one natural-gas-fired unit in the electricity sector.⁵⁶⁷

Nova Scotia's OBPS closely resembles Saskatchewan's system. Both systems use emissions-intensity-based performance standards for electricity generation. A key difference between the two systems is the treatment of coal-fired generation. Nova Scotia applies looser emissions-intensity standards for coal-fired units than Saskatchewan, as shown in Figure C-6. These higher benchmarks permit greater emissions per unit of electricity generated, resulting in lower carbon charges per gigawatt-hour of electricity produced for Nova Scotia electricity customers, compared to Saskatchewan.

Nova Scotia Power's actual and forecast electricity sales are approximately 11,300 to 11,400 GWh in 2024 to 2027,⁵⁶⁸ equivalent to roughly 44 per cent to 47 per cent of SaskPower sales. Nova Scotia Power reported carbon charge payments of \$19.3 million in 2024.⁵⁶⁹ The utility forecasts carbon charge compliance costs to be \$5.7 million in 2026 and \$14.6 million in 2027, less than 4 per cent of the carbon charges SaskPower is forecasting in 2025-26.⁵⁷⁰

⁵⁶² Page 9, Appendix 5A, 2026-2027 GRA Direct Evidence, Nova Scotia Power. (Exhibit N-5, Matter M12451, Nova Scotia Energy Board)

⁵⁶³ Page 9, Appendix 5A, 2026-2027 GRA Direct Evidence, Nova Scotia Power. (Exhibit N-5, Matter M12451, Nova Scotia Energy Board)

⁵⁶⁴ Page 33, Appendix 5A, 2026-2027 GRA Direct Evidence, Nova Scotia Power. (Exhibit N-5, Matter M12451, Nova Scotia Energy Board)

⁵⁶⁵ Canada-Nova Scotia equivalency agreement regarding greenhouse gas emissions from electricity producers, 2025, Government of Canada. <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-nova-scotia-greenhouse-gas-electricity-producers-2025.html>

⁵⁶⁶ Calculations based on data from Table 25-10-0015-01, Statistics Canada.

⁵⁶⁷ Nova Scotia's Output-based Pricing System for Industry, Climate Change Nova Scotia.

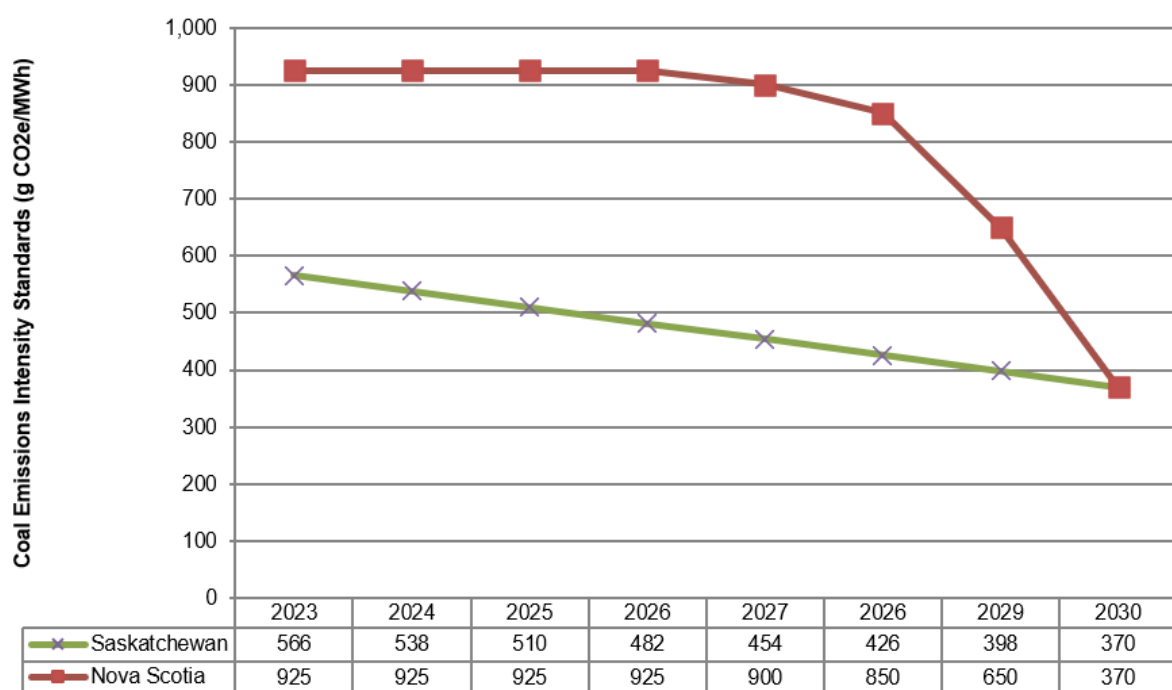
<https://climatechange.novascotia.ca/output-based-pricing-system>

⁵⁶⁸ Page 9, Appendix 5A, 2026-2027 GRA Direct Evidence, Nova Scotia Power. (Exhibit N-5, Matter M12451, Nova Scotia Energy Board)

⁵⁶⁹ Attachment FO-07, Nova Scotia Power 2026-2027 Generation Rate Application. (Exhibit N-12, Matter M12451, Nova Scotia Energy Board)

⁵⁷⁰ Attachment FO-06, Nova Scotia Power 2026-2027 Generation Rate Application. (Exhibit N-12, Matter M12451, Nova Scotia Energy Board)

Figure C-6: Coal Generation Emissions Intensity Standards (g CO₂e/kWh), 2023 to 2030⁵⁷¹



⁵⁷¹ Table 2: The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023, Government of Saskatchewan. January 1, 2023; Table 3: Performance Standards for Electricity Generation, Output-Based Pricing System Reporting and Compliance Regulations made under Section 112ZJ of the Environment Act, Government of Nova Scotia. January 1, 2023.



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