

- The following is a summary of the major Crown capital expenditures:

Capital Expenditures					
\$ Millions					
	2008 Actual	2009 Actual	2010 Actual	2011 Budget	Total
SaskPower	422	640	565	1,056	2,683
SaskTel	219	229	301	302	1,051
SaskEnergy	114	130	140	203	588
SGI*	11	11	10	9	41
	<b>766</b>	<b>1,010</b>	<b>1,016</b>	<b>1,570</b>	<b>4,363</b>

\*Includes the Saskatchewan Auto Fund

- The Crown sector will invest in capital infrastructure primarily at SaskPower, SaskTel, and SaskEnergy in 2011. This capital provides for reinvestment in the current infrastructure to ensure safe, reliable, and high quality services while also providing for investment in innovative, renewable technology, and meeting demand growth.
- Capital spending over the 2008 to 2011 period has increased commensurate with the strong economic climate in Saskatchewan, and to address aging Crown infrastructure.
- The Crown corporations have been challenged to spend the record amount of capital in 2011. Weather conditions, such as flooding, key industrial projects proceeding slower than planned (i.e. potash mine expansion projects), and internal capacity constraints have presented challenges to the Crown corporations to proceed with their planned capital spending.

SASKPOWER					
\$ Millions					
	2008 Actual	2009 Actual	2010 Actual	2011 Budget	Total
Generation infrastructure renewal	111	108	107	128	454
Transmission and distribution annual programs, and network development	74	132	155	320	681
Customer connects	104	89	101	97	390
Yellowhead Power Station (141 MW)	9	64	113	4	191
Ermine Power Station (96 MW)	41	89	1	-	132
Queen Elizabeth Power Station (105 MW)	45	106	6	-	157
Boundary Dam Integrated Carbon Capture and Sequestration Project (Net ~115 MW)	-	-	6	384	390
Interconnections	-	-	18	9	27
Other (IT, buildings, vehicles, meters, etc.)	38	51	58	114	261
<b>Total capital</b>	<b>422</b>	<b>640</b>	<b>565</b>	<b>1,056</b>	<b>2,683</b>

- SaskPower's capital needs are the highest out of the 4 major crowns and have steadily increased over the four-year period.
- SaskPower's primary capital needs are to meet customer demand, refurbish and replace existing infrastructure, and produce clean power.
- SaskPower anticipates continued customer demand growth due to growing population and a strong Saskatchewan economy. As a result, capital will be focused on transmission and distribution system

upgrades, increasing power generation, and customer connections to ensure that infrastructure is in place to maintain and expand service to customers when they require it.

<b>SASKTEL</b>					
	<b>\$ Millions</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Total</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	
Max Entertainment Services	19	34	22	17	92
Fibre to the Premise	-	-	2	47	49
Access and core network	52	55	56	58	222
Rural Infrastructure Program (RIP)	-	32	35	-	66
Wireless spectrum costs	66	-	-	-	66
Other Telco capital	58	61	51	146	316
<b>Total Telco</b>	<b>196</b>	<b>181</b>	<b>165</b>	<b>269</b>	<b>811</b>
Other subsidiaries	4	6	5	27	41
<b>Gross construction</b>	<b>199</b>	<b>187</b>	<b>170</b>	<b>296</b>	<b>852</b>
Next Generation Access Infrastructure (NGAI)	16	13	10	-	40
Next Generation Wireless Network (NGWN)	-	25	116	6	147
External investments	4	4	5	-	13
	20	42	131	6	199
<b>Total capital spending</b>	<b>219</b>	<b>229</b>	<b>301</b>	<b>302</b>	<b>1,051</b>

- SaskTel's capital plan is focused on four key infrastructure investments including the roll out of multi-year projects such as the Next Generation Wireless Network, and the Rural Infrastructure Program (RIP). SaskTel will also continue with the Fiber to the Premise (FTTP) project that provides enhanced broadband services to major communities in the province, and will continue to expand MAX Entertainment Services across the province.
- The RIP is a three-year program that started in 2009 with the main objective of delivering high speed Internet coverage and improved wireless coverage across the province. The project will provide 98% wireless coverage and 100% high speed internet coverage to Saskatchewan.
- The FTTP project commenced in 2011 and will cost more than \$670M over seven years. SaskTel will provide fibre where traditional copper already exists throughout the nine largest centers in the province (Regina, Saskatoon, Moose Jaw, Swift Current, North Battleford, Yorkton, Prince Albert, Weyburn, and Estevan).
- SaskTel continues to invest capital to expand MAX Entertainment Services across Saskatchewan. Six communities (Humboldt, Martensville, Warman, Melville, Melfort, and Lloydminster) were provided access to MAX services in 2010, and it is expected that seven communities (Canora, Esterhazy, Kamsack, Kindersley, Meadow Lake, Nipawin, Rosetown, and Tisdale) will have access in 2011.

## SASKENERGY

	\$ Millions				
	2008	2009	2010	2011	Total
	Actual	Actual	Actual	Budget	
Transmission	34	50	63	79	226
Distribution	45	50	44	53	193
Storage	20	5	8	14	47
General Plant	15	14	18	25	72
Kisbey Gas Plant	-	11	7	-	18
TransGas non-core	-	-	-	12	12
Other	-	-	-	2	2
SaskEnergy Place purchase	-	-	-	19	19
<b>Total capital</b>	<b>114</b>	<b>130</b>	<b>140</b>	<b>203</b>	<b>588</b>

- program is focused on connecting new customers to meet customer demand, developing innovative energy projects, and maintaining safe and reliable systems throughout the province.
- SaskEnergy, supported by private sector partners, succeeded in adding nearly 5,500 new residential, business, and industrial customers in 2010. Since 2007, SaskEnergy has added almost 20,000 new customers at an annual rate of more than double the company's ten-year average, with 2011 projected to be another strong year of customer growth.
- In 2010, financial commitment to operational safety and integrity topped \$30M, as well as over \$6 million of additional activities to address the issues of extremely unusual amounts of moisture and ground shifting in South Regina.
- SaskEnergy has also initiated an increase in safety-related workforce resources (nearly 50 Full Time Equivalents) over that time, to ensure the continuing safe operations of the 80,000-kilometre natural gas infrastructure system.
- SaskEnergy is currently working on a joint venture opportunity with Saskatoon Light & Power to generate electricity from waste energy at one of SaskEnergy's regulating stations in Saskatoon.
- To reach SaskEnergy's goal of becoming net zero in electricity consumption by 2015, capital has been spent on Waste Heat Recovery (WHR) projects in Rosetown and Coleville to generate electricity from waste heat that can then be sold to SaskPower. WHR will continue to be installed at other locations around the province.

## SGI

	\$ Millions				
	2008	2009	2010	2011	Total
	Actual	Actual	Actual	Budget	
Auto Fund Redevelopment Project	6	7	3	-	16
Business Intelligence Program and other	-	-	3	3	6
Land and buildings	3	2	3	4	13
Office, salvage, shop and electronic data processing	1	1	2	2	6
<b>Total capital</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>41</b>

- The Business Intelligence Program is an enhanced data processing initiative that will provide accurate, reliable, and timely customer information to improve products and services, increase operational effectiveness, and reduce corporate risk.