



ANNUAL REPORT

ON THE COVER: BUILDING BACK SASKATCHEWAN

In 2021-22, SaskPower continued to invest in Saskatchewan's electricity system and support the province's economic recovery from the COVID-19 pandemic by completing a \$922 million capital program. This was partially enabled by a \$50 million stimulus Power Grid Renewal Grant to SaskPower from the Government of Saskatchewan through SaskBuilds Corporation. Much of our work was focused on strengthening SaskPower's

connection to homes, farms, and businesses, and included: over 700 kilometres of power line rebuilds, upgrades to protective equipment, approximately 8,500 wood pole replacements, transmission line upgrades, and upgraded LED streetlights for towns and villages. SaskPower has the second-largest network of all Canadian utilities, with over 157,000 circuit kilometres of distribution and transmission lines.



LAKE DIEFENBAKER CROSSING

CORPORATE PROFILE

Established in 1929, SaskPower is Saskatchewan's leading energy supplier. We are defined by our commitment to support economic growth and enhance quality of life in our province. Our corporate mission: ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

SaskPower's team is made up of over 3,000 permanent full-time employees. We manage over \$12 billion in generation, transmission, distribution and other assets. Our company operates seven natural gas stations, three coal-fired power stations, seven hydroelectric stations, and two wind facilities. Combined, they generate 3,968 MW of electricity. SaskPower also buys power from various independent power producers. Our company's total available generation capacity is 5,246 MW.

We are responsible for serving nearly 550,000 customer accounts within Saskatchewan's geographic area of approximately 652,000 square kilometres (km). About three customer accounts are served per circuit km. We maintain over 157,000 circuit km of power lines, 57 high voltage switching stations and 196 distribution substations. Our company also has transmission interties at the Manitoba, Alberta and North Dakota borders.

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SaskPower's 2021-22 Annual Report reflects the fiscal period April 1, 2021, through March 31, 2022.

OUR STRATEGIC CONTEXT

OUR VISION

Powering Saskatchewan to a cleaner energy future through innovation, performance and service.

OUR MISSION

Ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

OUR VALUES

Safety, openness, collaboration and accountability.

CORPORATE STRATEGIC PRIORITIES

DELIVER IMPROVED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS

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DEVELOP OUR WORKFORCE TO MEET THE NEEDS OF THE UTILITY OF THE FUTURE

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ENSURE OUR FINANCIAL HEALTH IN A TRANSITIONING INDUSTRY

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BUILD A CLEANER, RELIABLE AND MODERNIZED ELECTRICITY SYSTEM

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PERFORMANCE HIGHLIGHTS

FINANCIAL INDICATORS

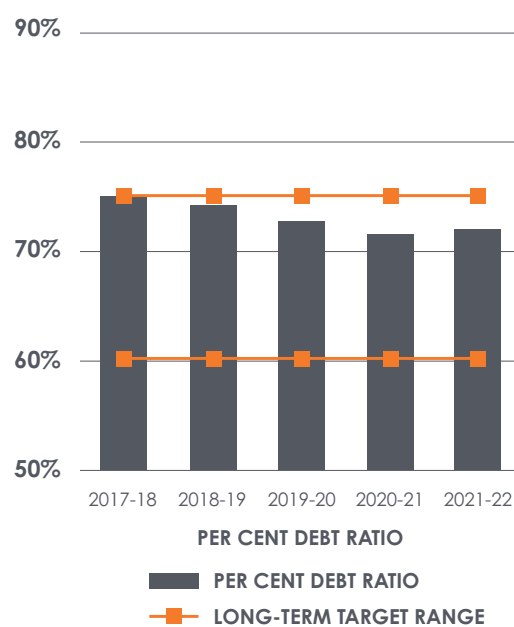
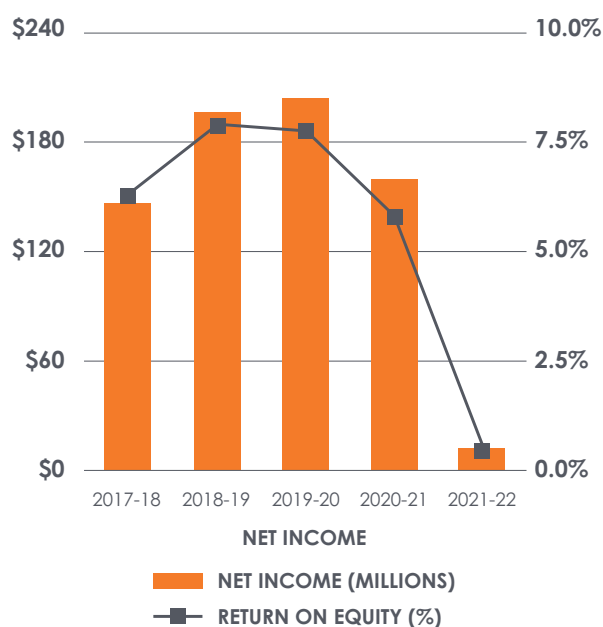
<i>(in millions)</i>	2021-22	2020-21	Change
Revenue	\$ 2,885	\$ 2,771	\$ 114
Expense	2,874	2,611	263
Net income	11	160	(149)
Capital expenditures	922	693	229
Net cash from operating activities	738	814	(76)
Return on equity ¹	0.4%	5.8%	(5.4%)
	March 31 2022	March 31 2021	Change
Long-term debt	\$ 6,495	\$ 6,741	\$ (246)
Short-term advances	599	299	300
Lease liabilities	949	982	(33)
Total debt	\$ 8,043	\$ 8,022	\$ 21
Debt retirement funds	738	865	(127)
Cash and cash equivalents	32	98	(66)
Total net debt	\$ 7,273	\$ 7,059	\$ 214
Retained earnings	2,243	2,235	8
Equity advances	593	593	-
Total capital	\$ 10,109	\$ 9,887	\$ 222
	71.9%	71.4%	0.5%

\$11M
NET INCOME

0.4%
RETURN ON EQUITY

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

2. Per cent debt ratio = total net debt/total capital.



REVENUE HIGHLIGHTS

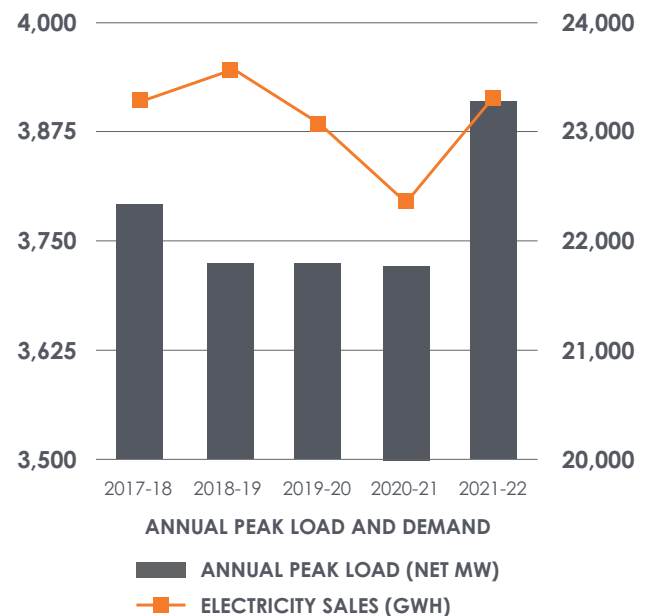
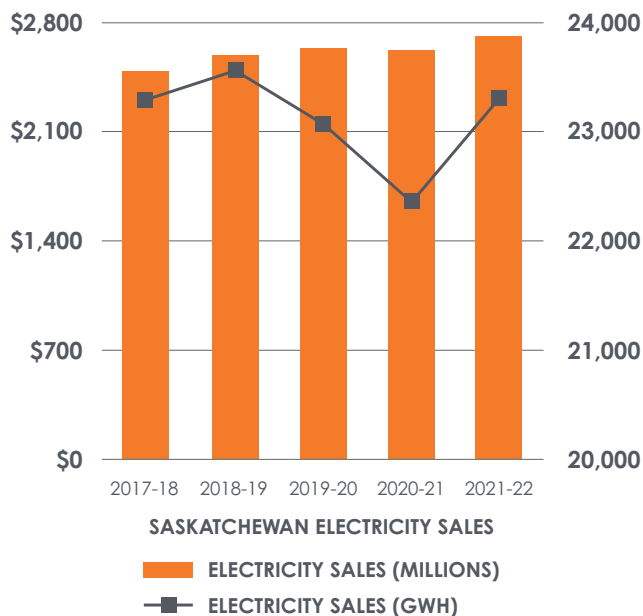
<i>(in millions)</i>	2021-22	2020-21	Change
Saskatchewan electricity sales			
Residential	\$ 595	\$ 579	\$ 16
Farm	178	188	(10)
Commercial	504	487	17
Oilfield	416	390	26
Power	777	748	29
Reseller	98	94	4
	2,568	2,486	82
Federal carbon charge collected	145	129	16
	\$ 2,713	\$ 2,615	\$ 98

<i>(in GWh)</i>	2021-22	2020-21	Change
Electricity sales volumes			
Residential	3,331	3,224	107
Farm	1,285	1,348	(63)
Commercial	3,690	3,540	150
Oilfield	4,013	3,727	286
Power	9,821	9,409	412
Reseller	1,160	1,129	31
	23,300	22,377	923

Service area (square kilometres(km))	652,000
Summer peak load (net megawatts (MW))	3,547
Annual peak load (net MW)	3,910

4.1%
INCREASE IN
SALES VOLUMES

549,940
CUSTOMER ACCOUNTS



FUEL HIGHLIGHTS AND GENERATING CAPACITY

<i>(in millions)</i>	2021-22	2020-21	Change
Fuel and purchased power			
Gas	\$ 397	\$ 313	\$ 84
Coal	280	260	20
Imports	81	65	16
Wind	63	36	27
Hydro	18	26	(8)
Solar	1	-	1
Other	16	15	1
	856	\$ 715	\$ 141
Federal carbon charge	177	92	85
	\$ 1,033	\$ 807	\$ 226

<i>(in GWh)</i>	2021-22	2020-21	Change
Gross electricity supplied			
Gas	10,766	10,551	215
Coal	9,479	8,146	1,333
Imports	752	629	123
Wind	1,661	913	748
Hydro	2,850	4,277	(1,427)
Solar	12	1	11
Other	124	117	7
	25,644	24,634	1,010

<i>(in net MW)</i>	2021-22	2020-21	Change
Available generating capacity			
Fossil fuel generation capacity	3,549	3,690	(141)
Renewable generation capacity	1,697	1,297	400
	5,246	4,987	259

5,246 MW
AVAILABLE GENERATING CAPACITY

33%
RENEWABLE GENERATION CAPACITY



2021-22 AVAILABLE GENERATING CAPACITY
5,246 NET MW

■ GAS 41% ■ COAL 26%
■ HYDRO 19% ■ WIND 12%
■ SOLAR 1% ■ OTHER 1%



2021-22 GROSS ELECTRICITY SUPPLIED
25,644 GWH

■ GAS 42% ■ COAL 37%
■ IMPORTS 3% ■ WIND 6%
■ HYDRO 11% ■ SOLAR <1%
■ OTHER 1%

TRANSMISSION AND DISTRIBUTION HIGHLIGHTS

Transmission and distribution assets

Transmission lines ¹ (circuit km)	14,673
Distribution lines ¹ (circuit km)	142,713
Distribution poles	1,194,147
High voltage switching stations	57
Distribution substations	196
Pole, pad-mounted and step transformers	186,533

1. Transmission lines deliver 66 kilovolts (kV) or above while distribution lines deliver less than 35 kV.

157,386 CIRCUIT KM

TRANSMISSION AND
DISTRIBUTION LINES

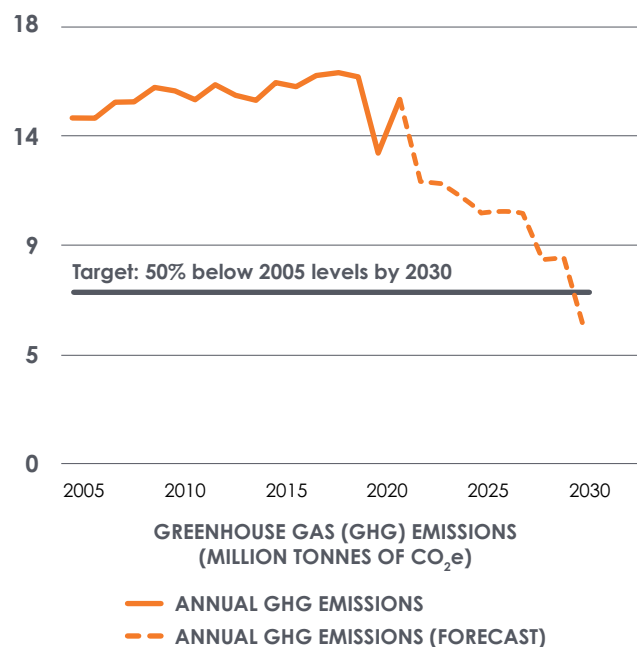
CAPITAL HIGHLIGHTS

(in millions)	2017-18	2018-19	2019-20	2020-21	2021-22
Sustainment ¹	\$ 380	\$ 342	\$ 374	\$ 366	\$ 385
Growth, compliance and resiliency	578	443	253	286	490
Strategic and other	38	48	69	41	47
Total capital expenditures	\$ 996	\$ 833	\$ 696	\$ 693	\$ 922

1. Amount of sustainment capital spend for 2021-22 is reported net of grant funding provided from SaskBuilds Corporation.

\$922M

CAPITAL EXPENDITURES



2021-22 YEAR AT A GLANCE

- ⚡ **ESTABLISHED** a new record peak power demand of 3,910 megawatts (MW) on December 30, 2021.
- ⚡ **CONTINUED** construction of the new 377-MW natural gas-fired Great Plains Power Station in Moose Jaw, which will support our growing renewable generation portfolio.
- ⚡ **RELEASED** a nuclear small modular reactor (SMR) strategic plan in concert with Alberta, Ontario and New Brunswick that could lead to a facility being operational in Saskatchewan as early as 2034.
- ⚡ **EXPANDED** our company's zero-emission wind power capacity by 385 MW with the addition of the 200-MW Golden South Wind Energy Facility, the 175-MW Blue Hill Wind Energy Facility, and the 10-MW Riverhurst Wind Energy Facility.
- ⚡ **AWARDED** a 25-year supply contract for the 200-MW Bekevar Wind Energy Facility being developed by Awasis Nehiyawewini Energy Development, a wholly owned Cowessess First Nation entity, and Renewable Energy Systems Canada.
- ⚡ **SIGNED** a power purchase agreement with the First Nations Power Authority for the 15-MW Kopahawakenum Flare to Power Facility, which will be the province's largest flare gas operation.
- ⚡ **COMMISSIONED** Saturn Power's 10-MW Highfield Solar Energy Facility, which is Saskatchewan's first utility-scale solar power project.
- ⚡ **SELECTED** a vendor for SaskPower's first utility-scale battery energy storage system, which will power up to 20,000 homes for one hour.
- ⚡ **INVESTED** \$43 million during the past 12 months in multi-year renewal projects at two Hydroelectric Stations — E.B. Campbell and Coteau Creek — ensuring they will continue providing clean baseload power.
- ⚡ **INITIATED** development of up to 20 fast-charging electric vehicle stations across the province by making funding available to private-sector partners through the Electric Vehicle Infrastructure Program.
- ⚡ **ANNOUNCED** the Northern First Nations Home Retrofit Program, which will provide up to 260 home energy efficiency retrofits to eligible customers, while generating local economic benefits.
- ⚡ **MARKED** a 12.1% Indigenous procurement rate — worth over \$94 million — of the purchase orders issued to Saskatchewan suppliers.
- ⚡ **ACHIEVED** Gold Level recertification in Progressive Aboriginal Relations (PAR) from the Canadian Council for Aboriginal Business.
- ⚡ **CONTRIBUTED** \$1.9 million to educational and community initiatives across the province through our Corporate Contributions Program.
- ⚡ **SELECTED** as one of Canada's Best Diversity Employers for a 14th consecutive year.

LETTER OF TRANSMITTAL



Regina, Saskatchewan
July 2022

To His Honour
The Honourable Russ Mirasty, S.O.M., M.S.M.
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

May it please Your Honour:

I have the honour to submit herewith the Annual Report of the Saskatchewan Power Corporation for the fiscal year ending March 31, 2022, in accordance with *The Power Corporation Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

A handwritten signature in black ink that reads "Don Morgan". The signature is written in a cursive, flowing style.

Honourable Don Morgan, Q.C.
Minister Responsible for SaskPower

A MESSAGE TO OUR STAKEHOLDERS

Over the last two years, the COVID-19 pandemic changed much about life and work as we knew it. But with our province acclimatizing to a new normal, attention across SaskPower is now focused on two essential tasks: supporting Saskatchewan's economic recovery and developing plans for a lower carbon energy future that provides a solid foundation for long-term success.

Set on December 30, 2021, a record peak demand for electricity of 3,910 megawatts (MW) is an undeniable signal that Saskatchewan's business sectors are gaining momentum. To ensure the provincial electricity system can provide the power needed to sustain economic growth, SaskPower made a significant capital investment of \$922 million during 2021-22. This work was fueled in part by the Power Grid Renewal Grant, a \$50-million financial injection delivered via the SaskBuilds Corporation.

In particular, efforts to modernize our grid are critical to maintaining reliability as we add increasing amounts of intermittent renewable power and prepare for more customers who want to generate their own electricity. Being able to count on our transmission and distribution network will be key to efforts to reduce greenhouse gas (GHG) emissions by 50% from 2005 levels by 2030 and achieving our longer-term goal of a net-zero GHG emissions future.

In 2021-22, the growth in SaskPower's zero-emissions generation supply sources continued with an expansion of renewable generation capacity by nearly 400 MW. When it comes to utility-scale solar generation, we achieved an important milestone when the Highfield Solar Energy Facility east of Swift Current began delivering 10 MW of zero-emissions power. Work on a second utility-scale solar installation — the 10-MW Foxtail Grove Solar Energy Facility in northeast Regina — is on track to be completed in late 2023.

Wind power has long played an important role in SaskPower's non-emitting generation fleet, and this past year we added 385 MW of capacity. This included the 200-MW Golden South Wind Energy Facility developed south of Assiniboia; the 175-MW Blue Hill Wind Energy Facility near Herbert; and the 10-MW Riverhurst Wind Energy Facility southwest of Riverhurst.

During the year, Indigenous rights holders continued to take a more prominent role in driving our energy transition. An agreement was reached to develop the 200-MW Bekevar Wind Energy Facility, led by Renewable Energy Systems Canada and Awasis Nehiyawewini Energy Development, a wholly owned entity of Cowessess First Nation. At the same time, development on two utility-scale solar projects is underway: the 10-MW Pešâkâstêw Solar Energy Facility being jointly developed by the George Gordon First Nation, Star Blanket Cree Nation and Natural Forces, as well as the 10-MW Awasis Solar Energy Facility being jointly developed by Cowessess First Nation and Elemental Energy.

Work also continued on an 8-MW biomass generating facility being built by the Meadow Lake Tribal Council, and a power purchase

agreement was signed with Flying Dust First Nation and Genalta Power for the 15-MW Kopahawakenum Flare to Power Facility. Our commitment to work collaboratively and respectfully with Indigenous rights holders was also reflected in our Gold Level recertification in Progressive Aboriginal Relations (PAR) by the Canadian Council for Aboriginal Business.

DELIVER IMPROVED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS

The impact the COVID-19 pandemic had on many of our customers reinforced the importance of building close relationships and providing high value services to the Saskatchewan residents and businesses we proudly serve each day. During a time when social distancing and virtual engagement were the norm, SaskPower stepped up efforts to add new functionality to the MySaskPower app.

Customers are also gaining more control over their personal energy use and billing through our phased introduction of the advanced metering infrastructure program. Over 70,000 industrial, commercial and residential smart meters have been installed so far. However, we were forced to place residential mass deployment on hold near the end of the fiscal year due to a global shortage of microchips, which are a key component of smart meters. Deployment will resume once we receive a sufficient supply chain outlook for smart meters from our manufacturer.

Helping customers manage their power use remained a priority through 2021-22. Customers in Saskatchewan's North who are facing issues around high energy costs can now take advantage of our new Northern First Nations Home Retrofit Program. Meanwhile, SaskPower's Energy Assistance Program entered its second year, offering low-income customers across the province access to a combination of tools and free energy efficiency products that will reduce bills.

As industrial and manufacturing customers are increasingly taking steps to shift to operations with a lower carbon footprint, new SaskPower programs are specifically targeting this important sector of our provincial economy. Ongoing conversations with industry organizations seeking a more active role in SaskPower's net zero-GHG emissions energy strategy guided our efforts as we developed the new Renewable Subscription Service and Renewable Partnership Offering to help customers meet their environmental, social and governance (ESG) needs.



DEVELOP OUR WORKFORCE TO MEET THE NEEDS OF THE UTILITY OF THE FUTURE

SaskPower is proud of our more than 3,000 employees who live and work in communities across Saskatchewan. During the year, we continued investing in our people to continue to enhance a workplace culture that empowers employees and emphasizes health and safety.

Development of our corporate Roadmap to Safety remained a key priority through the year. This important effort builds on an earlier Safety Improvement Plan by placing focus on the way employees approach work. At the same time, plans to build a more dynamic and engaging workplace saw us define a set of key corporate culture behaviours. While we were honoured as one of Canada's Best Diversity Employers for the 14th consecutive year, we expanded our Diversity and Inclusion Strategy to ensure we are consistently committed to putting diversity in action.

ENSURE OUR FINANCIAL HEALTH IN A TRANSITIONING INDUSTRY

In 2021-22, SaskPower recorded a consolidated net income of \$11 million. These modest earnings were anticipated as our company continued to defer increasing customer electricity rates in the face of rising cost pressures due to capital spending and higher fuel and purchased power expense. At the same time, our company's per cent debt ratio was 71.9% and remains within our long-term target of 60% to 75%.

The uncertainty resulting from the COVID-19 pandemic had a notable impact on SaskPower's operations. We began to see signs of pandemic recovery, with a higher-than-expected electricity demand increase of more than 4%. We are forecasting electricity demand to continue to rebound in 2022-23, with an expected increase of approximately 1.4%.

With the provincial economy showing signs of recovery, we have turned our attention to the need to solidify our company's financial position. This has resulted in SaskPower proceeding with a multi-year rate application — our first since our last rate increase in March 2018. We have made a request to the Saskatchewan Rate Review Panel (SRRP) for system average rate increases of 4% effective September 1, 2022, and 4% effective April 1, 2023. The SRRP is expected to deliver its final report in July 2022.

BUILD A CLEANER, RELIABLE AND MODERNIZED ELECTRICITY SYSTEM

The Government of Canada has introduced a proposed Clean Electricity Standard that would see a requirement for a net-zero GHG electricity sector in Canada by 2035. SaskPower continues to evaluate the implications of a significantly advanced decarbonization timeline, especially around maintaining reliability and affordability for our customers.

In the meantime, throughout 2021-22 work continued to renew two hydroelectric facilities that are foundational in generating zero-GHG electricity. At Coteau Creek Hydroelectric Station, we are investing \$59 million over the next five years. Meanwhile, another \$300 million will be spent on a comprehensive refurbishment of the E.B. Campbell Hydroelectric Station that is scheduled to be complete in 2025.

Construction also continued at the 377-MW natural gas-fired Great Plains Power Station in Moose Jaw, which will support system reliability as we add more intermittent wind and solar power. Longer-term planning for a net-zero emissions future also includes investigation into the feasibility of baseload nuclear small modular reactors (SMRs) and other emerging technologies, such as utility-scale energy storage.

CHARTING A COURSE FOR FUTURE SUCCESS

For many of us, this was a year of facing new and sometimes daunting challenges in both our professional and personal lives. During this time, we are proud that employees across SaskPower never lost sight of how critical their work is to the lives of our customers. As we move forward and enter increasingly uncharted waters, this is a responsibility that we will continue to hold front and centre as we strive to power Saskatchewan to a cleaner energy future.

Chief Darcy Bear
Chair, Board of Directors

Troy King
Acting President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 24, 2022

The following is a discussion of the consolidated financial condition and results of the operations of Saskatchewan Power Corporation (SaskPower; the Corporation) for the year ended March 31, 2022. It should be read in conjunction with the audited financial statements and accompanying notes. The financial information discussed herein has been prepared in accordance with International Financial Reporting Standards (IFRS).

This Management's Discussion and Analysis (MD&A) contains forward-looking statements based on the Corporation's estimates and assumptions concerning future results and events. Due to the risks and uncertainties inherent in any forecasted outlook, the actual results of the Corporation could differ materially from those anticipated. These risks and uncertainties include the COVID-19 pandemic; natural gas prices; coal and hydro availability; weather; economic conditions; number of customers; supply chain; and market conditions in other jurisdictions.

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OUR BUSINESS

At SaskPower, we are committed to supporting economic growth and enhancing quality of life in Saskatchewan. At the foundation of our business strategy is the pursuit of our vision of powering Saskatchewan to a cleaner energy future through innovation, performance and service. We work around the clock to provide power generation, transmission and distribution services to nearly 550,000 customer accounts. Our company prides itself on maintaining one of the largest service areas in Canada — a geographic region of approximately 652,000 square kilometres (km).

SaskPower is a vertically integrated utility with more than 3,000 permanent full-time employees. Almost one-half of our workforce is comprised of members of the International Brotherhood of Electrical Workers Local 2067. Approximately 13% of workers belong to Unifor Local 649, with out-of-scope staff accounting for the balance.

Our company manages over \$12 billion in assets, relying on generation sources that use a wide range of fuel sources that include natural gas, coal, hydro, wind and solar. This diversity provides a hedge against supply and price volatility, protecting customers from some of the risk inherent in any single fuel. SaskPower has one wholly owned subsidiary — NorthPoint Energy Solutions Inc.

549,940 CUSTOMER ACCOUNTS

MANDATE

SaskPower traces its origins to the Saskatchewan Power Commission that was founded in 1929. In 1949, our company was incorporated as a provincial Crown corporation under the authority and mandate of *The Power Corporation Act* (the Act). The Act has had a number of modifications over its lifetime. However, SaskPower's mission — ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve — has not fundamentally changed.

The Act grants SaskPower the exclusive franchise within the province of Saskatchewan (except for the City of Saskatoon and the City of Swift Current) to supply, transmit and distribute electricity, as well as to provide retail services to

customers. The reseller class of customers is restricted to two cities that retained their municipal franchises — the City of Saskatoon and the City of Swift Current.

SaskPower opened Saskatchewan's wholesale electricity market to competition through an open access transmission tariff (OATT) in 2001. It allows competitors to schedule access to our transmission system, enabling them to wheel power through Saskatchewan or sell to SaskPower's wholesale (reseller) customers.

Our company's vision, mission and values flow from the Act and SaskPower's relationship with our parent company, Crown Investments Corporation (CIC) of Saskatchewan. We support the strategic

direction provided by CIC. In turn, CIC is responsive to general government direction as articulated in a variety of ways, such as through the annual Speech from the Throne or formal policy statements.

Pursuant to the Act, the President and Chief Executive Officer of SaskPower reports to a Board of Directors appointed by the Lieutenant Governor in Council. Through the Chair, our company's Board of Directors is accountable to the Minister Responsible for SaskPower. The Minister functions as a link between SaskPower and provincial cabinet, as well as the Saskatchewan Legislative Assembly.

OUR CAPACITY TO DELIVER RESULTS

As a vertically integrated and Crown-owned electric utility, SaskPower fulfills its mission of delivering reliable, sustainable and cost-effective power to customers and communities across Saskatchewan through a province-wide system of generation, transmission and distribution assets. Responding to the impacts of climate change and evolving federal regulations, SaskPower is moving to a cleaner energy future as we reduce our greenhouse gas (GHG) emissions by 50% from 2005 levels by 2030. Our company is also engaged in scenario planning to achieve a long-term target of net-zero GHG emissions, focused on the need to balance the transition of our electricity system with reliability and affordability for our customers.

SUPPLY AND NETWORK

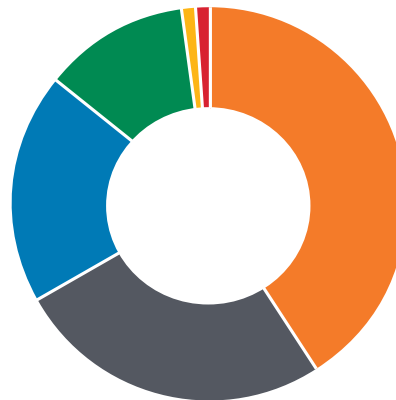
SaskPower has a total available generating capacity of 5,246 megawatts (MW), which includes 3,968 MW of generation facilities owned and operated by our company. Seven natural gas-fired stations and three coal-fired stations comprise our thermal generation fleet, with seven hydroelectric stations and two wind power facilities delivering renewable-sourced electricity.

Power purchase agreements (PPAs) are used by SaskPower to secure 1,206 MW of natural gas, hydro, wind, and solar generation via contracts with independent power producers (IPPs). Customer-generated solar capacity contributes another 44 MW of power, while contracts with small IPPs deploying wind, waste heat recovery, flare gas and landfill gas generation technologies allow us to secure another 28 MW of capacity. An operating reserve of 332 MW is maintained to ensure secure and uninterrupted service during system maintenance or emergency repairs.

Reflecting the recovery underway across the provincial economy in the last year, SaskPower established two new records for peak load: 3,868 MW on December 29, 2021, and 3,910 MW on December 30, 2021. At the same time, Saskatchewan electricity sales increased for the first time in two years, reaching 23,300 gigawatt hours (GWh).

NorthPoint Energy Solutions Inc. is SaskPower's subsidiary responsible for managing electricity imports and exports.

2021-22 AVAILABLE GENERATING CAPACITY
5,246 NET MW



Surplus power is produced for export where it can be sold at a profit; we import power when it can be acquired at a price less than our marginal cost of internal generation or through long-term capacity-based PPAs. Imports and exports rely on interconnections SaskPower has with Alberta (147 MW import and 153 MW export), Manitoba (331 MW import and 71 MW export), and North Dakota (104 MW import and 150 MW export).

Within the province, SaskPower provides power across a 652,000-square kilometre (km) service area through a network of transmission and distribution assets that moves electricity from generating stations to customers. The transmission system relies on 14,673 circuit km of lines and 57 high voltage switching stations to efficiently deliver large volumes of electricity (66,000 volts and above) to cities, towns or large industrial or commercial customers, while the distribution system (less than 34,500 volts) deploys 142,713 circuit km of lines and over 186,000 transformers to safely step-down power voltage before service is provided to residential, farm, commercial and oilfield customers.

With a customer density among the smallest of any utility in Canada and generation facilities spread across the province, the safe and efficient operation of our transmission and distribution systems requires ongoing diligence. Day-to-day operation of the provincial electricity system is monitored by SaskPower's Grid Control Centre, which also relies on the Supervisory Control and Data Acquisition (SCADA) system for remote operation and control of facilities.

SaskPower's capital spending in 2021-22 reached \$922 million and provided important work for Saskatchewan

RECORD PEAK LOAD **3,910 MW**

\$385M

SPENT ON THE RENEWAL AND REPLACEMENT OF EXISTING INFRASTRUCTURE

contractors during pandemic recovery. Financial investments in sustainment of existing infrastructure amounted to \$385 million during the year.

As part of efforts to renew power generation facilities, \$42 million was invested in a multi-year life extension initiative underway at the 289-MW E.B. Campbell Hydroelectric Station, while just over \$1 million was spent on a similar refurbishment project that just commenced at the 186-MW Coteau Creek Hydroelectric Station. To accommodate growth in the provincial power system, investments of \$348 million were completed during the past 12 months, which included \$288 million being allocated to ongoing construction at the 377-MW natural gas-fired Great Plains Power Station near Moose Jaw.

Spending on transmission infrastructure growth during 2021-22 totalled \$39 million, while \$15 million was allocated to distribution infrastructure growth initiatives. Connecting new customers to our provincial grid required \$142 million during the year.

OUTLOOK

As SaskPower continues its work to secure the future of our province's electricity system, we are engaging in conversations with residential and farm customers, business and industry stakeholders, and Indigenous rights holders as we plot a multi-decade course of action that will sustain Saskatchewan's economic momentum while also ensuring the reliable and cost-effective service that is essential to our quality of life.

Over the last year, SaskPower balanced concern for the climate and operational sustainability with an urgent need to support customers facing short-term financial challenges due to the COVID-19

pandemic. The Saskatchewan Economic Recovery Rebate, funded by the provincial government, offered a 10% reduction in energy, demand, and basic monthly charges from December 1, 2020, to the end of November 2021.

This financial relief came on top of decisions by SaskPower at the pandemic's outset to waive interest charges on late payments, pause residential customer disconnections for nonpayment, and implement a temporary stop on all active collections. An interest-free program implemented in September 2020 allowed customers to pay outstanding balances over 12 equal monthly payments. To support non-profit rinks — the heart and soul of many Saskatchewan communities — SaskPower introduced a one-time relief program that allocated \$700,000 to cover demand charges between March and September 2021.

Even prior to the pandemic, a growing number of customers were seeking more robust digital tools for managing their power service. During the year, investments made in the MySaskPower online customer portal responded to this call. New online functionality means customers can submit meter reads with a picture and save on move-in/move-out fees; get personalized billing, payment, consumption, and weather reports; and easily participate in equalized payment plans and pre-authorized plans. A revamped message centre allows for real-time conversations with SaskPower Customer Service Representatives.

Our advanced metering infrastructure initiative is also improving the customers online experience we deliver. More than 70,000 commercial, industrial and residential customers across the province now have access to timely power use and billing information. Due to supply chain issues impacting smart meter availability,

plans to start a multi-year province-wide residential smart meter deployment effort in late 2021 have been delayed.

In 2021-22, a new Indigenous Customer Care Centre resulted in important improvements to how we serve customers in remote and northern Indigenous communities. Local community representatives in the North working with our Indigenous Customer Care Centre staff to remove barriers between SaskPower and residents were central to the initiative's success. Already, customer escalations have dropped off significantly, with over 3,000 disconnections being prevented and over \$2 million in outstanding billing charges collected. Our corporate-wide commitment to creating and maintaining positive relationships with Indigenous communities and businesses was recognized when the Canadian Council for Aboriginal Business renewed our Progressive Aboriginal Relations certification at the Gold status level during the last year.

Proactively addressing issues around customer energy affordability was an ongoing focus during 2021-22. Designed to help low-income customers through free energy efficient product upgrades and one-on-one advice from a SaskPower expert, the Energy Assistance Program (EAP) has been expanded to include both renters and homeowners. Qualifying participants can expect average annual savings of \$230 on home utility bills. With the EAP earning customer satisfaction ratings of more than 90%, we remain on track to hit our goal of 3,000 participants from across the province.

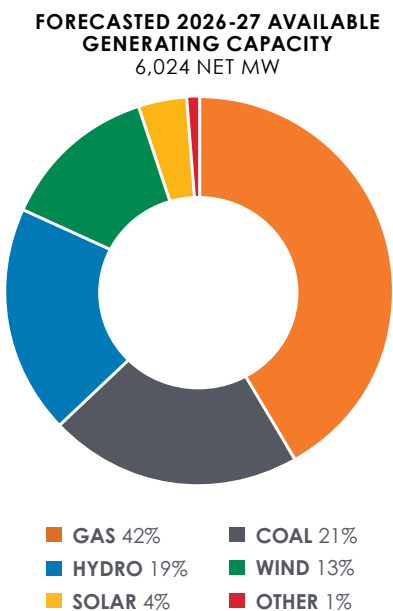
The need to address high power bills resulting from a reliance on electricity for residence and water heating prompted the introduction of the Northern First Nations Home Retrofit Program, which will provide up to 260 home energy efficiency

retrofits to eligible customers. Educating northern residents on energy efficiency is a key part of the program, which will run until March 2024. By employing local community members where possible to complete retrofit work, the program will deliver important economic benefits to the North. Both the EAP and Northern First Nations Home Retrofit Program are being offered in partnership with the federal government's Low Carbon Economy Fund.

Driven by a conviction that our service model is most successful when tailored to a customer's specific needs, 2021-22 saw SaskPower continue a multi-year effort to build closer relationships with our small and medium business segment. Improved self-serve options, the creation of a dedicated contact centre team, and a quarterly newsletter have all contributed to a jump in satisfaction ratings among this customer segment, even during the pandemic. At the same time, we registered high marks from our major account customers when it came to overall satisfaction and feeling that they are treated like a valued customer.

With SaskPower's larger customers needing to respond to growing concerns about the climate impact of their operations and meet environmental, social, and governance (ESG) requirements from investors, we introduced two new programs to support their transition to a cleaner energy future. SaskPower's Renewable Subscription Service is a green tariff offering commercial and industrial customers the opportunity to buy renewable energy certificates (RECs) generated through our renewable power facilities in order to assist them in meeting operational carbon reduction targets. Meanwhile, the Renewable Partnership Offering provides large customers the chance to subscribe to a portion of the output from a 100-MW dedicated solar facility to be built for SaskPower in the Estevan area by a private sector partner. Participating

industrial customers will receive certified attributes of clean power, including RECs that contribute to ESG requirements at a cost less than constructing their own green generation while covering SaskPower's PPA costs with the solar facility owner/operator. A call to gauge customer interest closed at the end of March 2022.



Industrial customers seeking to reduce operational carbon intensity are also relying on the offerings in our Power Support Service (PSS), which SaskPower operated as a pilot project during the last year. The PSS Energy Use Analytics Program provides a detailed review of customer energy use that informs recommendations to improve operational efficiency and reduce emissions, while a complementary PSS initiative identifies potential electrification opportunities. SaskPower is currently determining if the PSS will become permanent.

Programs designed to help customers reduce energy use and save money align with SaskPower's plan to transform our own operations, as we reduce GHG emissions by 50% from 2005 levels by 2030 and look to a longer-term objective

of net-zero GHG emissions. As SaskPower maps out Saskatchewan's electricity future, renewable power will play a pivotal role. By the end of 2021-22, we added 385 MW of new wind power capacity to the provincial electricity system: the 200-MW Golden South Wind Energy Facility developed by Potentia Renewables; the 175-MW Blue Hill Wind Energy Facility developed by Algonquin Power; and the 10-MW Riverhurst Wind Energy Facility developed by Capstone Infrastructure. Meanwhile, work is underway on developing the 200-MW Bekevar Wind Energy Facility and the 15-MW Kopahawakenum Flare to Power Facility with participation from Indigenous communities.

As we expand our renewable generation fleet, SaskPower registered a landmark achievement in the fall of 2021 when the province's first utility-scale solar project — the 10-MW Highfield Solar Energy Facility developed by Saturn Power — came into service. Three additional utility-scale solar projects are currently under development and expected to be in service over the next two years: the 10-MW Pesâkâstêw Solar Energy Facility jointly developed by the George Gordon First Nation, Star Blanket Cree Nation and Natural Forces; the 10-MW Awasis Solar Energy Facility jointly developed by Cowessess First Nation and Elemental Energy; and the 10-MW Foxtail Grove Solar Energy Facility developed by Kruger Energy.

A long-standing challenge associated with intermittent forms of renewable power generation has been the need to ensure steady service when the wind doesn't blow, or the sun doesn't shine. SaskPower is relying on natural gas generation as a transitional energy source to provide a backup source of electricity for wind and solar facilities. During the year, construction continued at the 377-MW natural-gas fired Great Plains Power Station in Moose Jaw, which is expected

NEW WIND POWER CAPACITY ADDED

385 MW

to be operational in 2024 and will add to the support already coming from the 353-MW Chinook Power Station, which came online in 2019.

For residential, farm, and small business customers, SaskPower's Net Metering Program represents a unique opportunity to generate renewable power and reduce their power bills. After a province-wide consultation during the summer and fall of 2021, SaskPower announced an extension to the current price for excess power supplied by net metering participants until March 2026. Besides offering price stability for customers and solar vendors, this decision gives SaskPower time to develop programming and pricing alternatives that will appeal to those wanting to deploy emerging clean technologies to generate and store renewable power close to their homes.

Meanwhile, SaskPower is preparing for growth in the province's number of electric vehicles through the Electric Vehicle Infrastructure Program, which will support development of up to 20 fast-charging stations along Saskatchewan's most traveled highway corridors. Stations will be owned and operated by third parties and are expected to be in service by the end of 2023. The program is being offered in partnership with the Natural Resources Canada (NRCan) Zero Emission Vehicle Infrastructure Program. SaskPower will receive \$2 million in funding from NRCan, with an additional investment of up to \$2 million by SaskPower.

The need to move to lower emitting generating sources is highlighted by increases in the federal carbon tax, which reached \$50/tonne of carbon dioxide equivalent (CO₂e) effective January 1, 2022, for emissions above established thresholds. As we continue to scenario plan for a net-zero GHG future, we are researching and evaluating a wide range of clean baseload power generation options that could support a major build-out of

intermittent renewable energy. Nuclear small modular reactors (SMRs) are one of many emerging technologies that may play a role in Saskatchewan's energy transition. In the spring of 2022, a multi-year collaboration with Alberta, Ontario, and New Brunswick led to the release of a strategic plan outlining the path forward for SMRs across the nation, as Saskatchewan assesses the feasibility of developing a 300-MW SMR for commissioning in 2034.

At the same time, the potential role for geothermal energy in our long-term generation mix is being explored through a partnership with Deep Earth Energy Production (DEEP) at a project near Estevan that could become Canada's first commercial geothermal power generating facility. Meanwhile, to assess how energy storage might support further expansion of solar and wind power, we have selected a vendor to build Saskatchewan's first ever utility-scale battery energy storage system. This battery energy storage system will be built in northeast Regina and will be capable of providing 20 MW of power for up to one hour. Meanwhile, evaluation of a range of other clean power generation options — including carbon capture and storage, hydrogen, and enhanced transmission interconnections with neighbouring jurisdictions — reflects our belief that no one supply option will meet all of Saskatchewan's energy needs in the decades to come.

With 19% of SaskPower's available generation already coming from zero-emission hydroelectric stations, during the past 12 months work continued to refurbish both the E.B. Campbell Hydroelectric Station and Coteau Creek Hydroelectric Station to ensure these facilities will continue to play a foundational role in our long-term electricity system. Renewal efforts underway at both plants will require a total investment of almost \$360 million,

with work slated to be complete in 2025-26.

Our Internal Energy Management Plan has introduced internal energy audits, meter data analysis, and energy use dashboards that are improving operational efficiency at SaskPower buildings across the province and helping us set targets for future energy savings. At the same time, a new Logistics Warehouse Complex under construction near Regina will meet the National Energy Code for Buildings and incorporate best practices in energy and environmental design. The facility is slated to begin operations in 2025-26.

Meeting the net-zero GHG emissions challenge not only means a transition of our approach to generating power, but also requires unprecedented investment in modernizing the provincial electricity grid. Much of our transmission and distribution system was built over 50 years ago and must be refurbished and rebuilt, not only to accommodate growth in renewable energy, but also to improve reliability and resilience in the face of climate change while supporting customers who want to produce their own power.

OUR ENTERPRISE-WIDE STRATEGIC CONTEXT

SaskPower's strategic direction includes our company's vision, mission, and values statements, as well as our corporate strategic priorities and key initiatives. Our vision reminds us of the ideals we are pursuing and what we want to achieve in years to come. Our mission tells us why our business exists and defines its unique purpose. Meanwhile, our values are the fundamental principles that guide and govern our behaviour.

Our planning, execution and performance measurement activities are built around four corporate strategic priorities. They are our company's foundation for success, and are the key result areas that ultimately form the basis of individual goal-setting. Each priority plays a prominent role in SaskPower's Business Plan, Performance Management and Capital Allocation Plan and Corporate Balanced Scorecard, which are updated annually. Input is provided by our employees, Executive, and Board of Directors.

SaskPower aligns with the strategic direction set by our shareholder, Crown Investments Corporation (CIC) of Saskatchewan, and the Government of Saskatchewan. CIC develops Crown Sector Strategic Priorities, which provide an outlook that forms the cornerstone of Crown strategies. SaskPower also aligns to additional provincial government direction — such as the *Prairie Resilience* climate change strategy and *Saskatchewan's Growth Plan for the Next Decade of Growth 2020-2030*.

CORPORATE STRATEGIC PRIORITIES	
1	DELIVER IMPROVED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS
2	DEVELOP OUR WORKFORCE TO MEET THE NEEDS OF THE UTILITY OF THE FUTURE
3	ENSURE OUR FINANCIAL HEALTH IN A TRANSITIONING INDUSTRY
4	BUILD A CLEANER, RELIABLE AND MODERNIZED ELECTRICITY SYSTEM

VISION

Powering Saskatchewan to a cleaner energy future through innovation, performance and service.

MISSION

Ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

VALUES

Safety, openness, collaboration and accountability.



PERFORMANCE MEASURES

FURTHER INFORMATION

Customer Experience Index (residential/small & medium business/key & major account)
New Connect Construction Index
Call Centre average wait time

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Employee engagement
Workforce diversity
Health & Safety Index

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Return on equity
Per cent debt ratio
OM&A per customer account vs. Saskatchewan Consumer Price Index
Capital Cost Performance Index/Capital Schedule Performance Index
Indigenous procurement
Competitive rates (thermal utilities)
Crown collaboration

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Equivalent Availability Factor
Distribution SAIDI/SAIFI
Transmission SAIDI/SAIFI
Renewable generation portfolio
Greenhouse gas emissions

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OUR PERFORMANCE MEASURES AND TARGETS

SaskPower's operational and financial performance is driven by our four strategic priorities, which serve as the base structure of our business.

They are the foundation of our Corporate Balanced Scorecard, which provides the framework for our day-to-day work, creation of targets, measurement of organizational performance and execution of long-term planning.

The measures, targets and results associated with each of SaskPower's strategic priorities are contained within this section.

SASKPOWER CORPORATE BALANCED SCORECARD				
	2020-21 actual	2021-22 target	2021-22 actual	2021-22 performance
DELIVER IMPROVED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS				
Customer Experience Index ¹ (%) (residential/small & medium business/key & major account)	•/•/•	71/71/80	69/73/77	●/●/●
New Connect Construction Index (%)	84.9	≥ 80.0	84.8	●
Call Centre average wait time (minutes:seconds)	5:58	4:00	11:30	●
DEVELOP OUR WORKFORCE TO MEET THE NEEDS OF THE UTILITY OF THE FUTURE				
Employee engagement (%)	67	•	•	•
Workforce diversity (%)	41.3	42.0	40.8	●
Health & Safety Index (%)	0.0	92.0	99.3	●
ENSURE OUR FINANCIAL HEALTH IN A TRANSITIONING INDUSTRY				
Return on equity (%)	5.8	0.6	0.4	●
Per cent debt ratio (%)	71.4	73.5	71.9	●
OM&A per customer account vs. Saskatchewan Consumer Price Index (% growth)	1.0	2.8	0.2	●
Capital Cost Performance Index (%) / Capital Schedule Performance Index (%)	88/92	75/75	87/84	●/●
Indigenous procurement (%)	10.6	8.5	12.1	●
Competitive rates (thermal utilities) ² (%)	90.5	≤ 100.0	90.3	●
Crown collaboration (\$ millions)	•	50.0	48.9	●
BUILD A CLEANER, RELIABLE AND MODERNIZED ELECTRICITY SYSTEM				
Equivalent Availability Factor (%)	82.7	≥ 85.0	83.1	●
Distribution SAIDI/SAIFI (hours/outages)	6.0/2.8	5.9/2.4	5.8/3.6	●/●
Transmission SAIDI/SAIFI (minutes/outages)	134/2.7	140/3.1	126/2.2	●/●
Renewable generation portfolio (%)	26.0	33.1	32.3	●
Greenhouse gas (GHG) emissions ³ (% change from 2005 levels)	(10.2)	(8.0)	5.1	●
<p>● ≥ 20% better than target ● on target ● did not meet target by < 20% ● did not meet target by ≥ 20%</p> <p>• Denotes that actual results or targets are not available for that time period. 1. The customer experience surveys used for this measure were not administered in 2020-21. 2. Prior period results have been restated. 3. This measure is reported on a calendar-year basis.</p>				

STRATEGIC PRIORITY 1

DELIVER IMPROVED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS

OUR CUSTOMERS EXPECT IMPROVED SERVICES AND COMMUNICATION CHANNELS, WHILE NEW TECHNOLOGY IS ENABLING A GREATER CUSTOMER ROLE IN THE POWER SYSTEM. WE WILL ENGAGE OUR CUSTOMERS IN PLANNING FOR A MODERNIZED GRID AND WE WILL OFFER CHOICES AND OPTIONS THAT MEET THEIR INDIVIDUAL NEEDS IN ORDER TO PROVIDE EXCEPTIONAL SERVICE AND VALUE. WE WILL HELP CUSTOMERS MANAGE THEIR ELECTRICITY CONSUMPTION AND PROVIDE VALUE AS A TRUSTED ADVISOR.

CUSTOMER EXPERIENCE INDEX (RESIDENTIAL/SMALL & MEDIUM BUSINESS/KEY & MAJOR ACCOUNT) ●/●/●

The Customer Experience Index measures customer perceptions on how well SaskPower delivers the experiences that are most likely to create and sustain loyalty. It allows our company to identify specific operational areas, practices and brand equity attributes that impact customer experience the most. SaskPower conducts annual customer experience research for all three of our customer segments — residential customers; small & medium business customers; and key & major account customers — using a framework that measures quality-based (effectiveness, ease, and emotion) and loyalty-based (retention, enrichment, and advocacy) drivers to identify and prioritize areas for improvement that our customers value most.

Residential customers comprise the largest portion of SaskPower's customer base.

Small & medium business customers include non-residential customers with annual electrical consumption less than five gigawatt-hours (GWh), i.e. 5,000,000 kilowatt-hours, across all accounts.

Key & major account customers include major account customers with annual electrical consumption between five and 20 GWh and key account customers with annual electrical consumption equal to 20 GWh or more.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	●/●/●	71/71/80	70/73/80	71/74/80	72/74/80	72/74/80	72/75/80
Actual	●/●/●	69/73/77					

• Denotes that actual results or targets are not available for that time period.

SaskPower's **residential customer** score for 2021-22 was 69%, falling short of our target by two percentage points. Although this score remained unchanged from the last survey completed in 2019-20, improvements were made in nearly all evaluated factors, including the ease and effectiveness of doing business with SaskPower. Responses indicated that an opportunity for improvement would be to provide customers with more personalized engagement via enhanced communication on power outages and more accessible staff.

Our company's **small & medium business customer** score of 73% exceeded our 2021-22 target by two percentage points and our previous score by five percentage points. Since the 2019-20 survey, SaskPower has implemented numerous service delivery improvements for this customer segment, including smart meter deployment; enhancements to self-serve options; the establishment of dedicated customer service agents; and a quarterly newsletter to communicate relevant information. These efforts created positive experiences, which were the key drivers for our improved performance.

Our **key & major account customer** score of 77% fell short of our target by three percentage points. Given the continued uncertainty of the global pandemic and the challenges faced by these businesses, feedback focused on the need for SaskPower to work collaboratively with these customers to manage rising costs through energy management, conservation and innovation.

NEW CONNECT CONSTRUCTION INDEX

The New Connect Construction Index measures the percentage of new connect orders that SaskPower completes before the later of the customer's specified need date and the associated cycle-time target for the type of order.

Prepaid notifications have a targeted cycle time of 10 days from the time a request is made for the service (i.e. SaskPower/SaskEnergy/SaskTel Joint Service initiatives).

Non-complex service orders have a targeted cycle time of 45 days from customer quote acceptance (i.e. any order that is not categorized as complex).

Complex service orders have a targeted cycle time of 90 days from customer quote acceptance (i.e. permits; service extension length greater than 800 metres; main distribution in residential and commercial subdivisions; transmission line alterations; large load sizes; etc.).

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	78.0	≥ 80.0	≥ 80.0	≥ 80.0	≥ 80.0	≥ 80.0	≥ 80.0
Actual	84.9	84.8					

Our company's New Connect Construction Index performance for 2021-22 of 84.8% surpassed our target of 80.0%. Although the total volume of new connect requests received during the year increased by 10.0%, our results remained relatively consistent with 2020-21. SaskPower's performance was driven by its ongoing efforts to meet higher customer expectations while balancing resource allocation against system maintenance and capital sustainment investment requirements.

CALL CENTRE AVERAGE WAIT TIME

The Call Centre average wait time metric tracks the average time that callers to SaskPower's Primary Care Centre remain on hold after they have selected an applicable option from our company's Interactive Voice Response system. This measure is used to monitor and manage the time that our customers wait in the queue before their calls are answered by a Customer Service Representative.

(minutes:seconds)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	4:00	4:00	6:00	6:00	6:00	6:00	6:00
Actual	5:58	11:30					

SaskPower's Call Centre average wait time for 2021-22 was 11 minutes and 30 seconds, which did not meet our target of four minutes. Average wait time increased due to a combination of higher call volumes received, lower staffing levels and the time required to train new Customer Service Representatives. Compared to the prior year, our Primary Call Centre experienced increased collections and disconnect activities; increased customer inquiries related to the introduction of the residential Advanced Metering Infrastructure program; and heightened transition requirements for many customers moving to normal business processes after adhering to COVID-19 pandemic restrictions.



STRATEGIC PRIORITY 2

DEVELOP OUR WORKFORCE TO MEET THE NEEDS OF THE UTILITY OF THE FUTURE

OPERATING THE MODERN POWER SYSTEM OF TOMORROW WILL REQUIRE A WORKFORCE WITH NEW SKILLS. THE FINANCIAL PRESSURES OF TODAY NECESSITATE A CULTURE IN WHICH EVERY EMPLOYEE IS ACCOUNTABLE FOR DRIVING EFFICIENCY AND PERFORMANCE IMPROVEMENT, WITHOUT COMPROMISING ON SAFETY OR CUSTOMER EXPERIENCE. WE WILL ENSURE OUR WORKFORCE IS HIGH PERFORMING, ENGAGED, AND AS DIVERSE AS THE COMMUNITIES WE SERVE.

EMPLOYEE ENGAGEMENT

SaskPower wants to ensure it has engaged employees while creating an environment of accountability and high performance. Employee engagement is defined as an emotional and intellectual connection that employees have for their job, organization, manager, and coworkers that, in turn, influences them to apply additional discretionary effort to their work. This metric identifies the percentage of employees that have a favourable level of engagement.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	60	•	67	•	67	•	70
Actual	67	•					

• Denotes that actual results or targets are not available for that time period.

In 2021-22, SaskPower changed the frequency of its employee engagement survey from annual to biennial to allow for more time to develop, implement and evaluate the effectiveness of initiatives based on the most recent engagement survey. The next survey will be conducted in 2022-23.



WORKFORCE DIVERSITY

Workforce diversity measures the growth in the percentage of SaskPower's permanent employees who:

- Self-identify as being in one or more designated equity groups (Indigenous, visible minorities, and/or persons with disabilities), and/or
- Are women in positions or occupations where there is less than 47% representation.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	42.5	42.0	42.3	42.5	42.8	43.0	44.0
Actual	41.3	40.8					

SaskPower's 2021-22 result of 40.8% fell short of the target of 42.0% and decreased half a percentage point from 2020-21. This year, SaskPower experienced a decline in the proportion of employees who self-identified as either persons with disabilities or visible minorities; whereas, the number of women in under-represented roles grew half a percentage point. SaskPower remains committed to employing a diverse workforce, however a decrease in external recruitment continues to impact our ability to bring in new diversity employees.

The following table compares SaskPower's current and prior year diversity representation to the most recent diversity targets suggested by the Saskatchewan Human Rights Commission (SHRC) by equity group.

(%)	2020-21 actual	2021-22 actual	SHRC 2019 target
Indigenous people	5.6	5.6	14.0
Persons with disabilities	11.7	11.1	22.2
Visible minorities	9.6	9.2	10.6
Women in under-represented roles	14.4	14.9	47.0



HEALTH & SAFETY INDEX

The Health & Safety Index measures SaskPower's performance in meeting its targeted safety objectives across six separate measures and is made up of a combination of leading and lagging indicators which are equally weighted to calculate the final result.

Leading indicators measure proactive activities that identify hazards and assess, eliminate, minimize and control risks. They evaluate the effectiveness of safety programs and contribute to the prevention of incidents before they occur. The leading indicators include:

1. **Safety training**, which measures the percentage of completed versus scheduled mandatory safety training;
2. **Safety incident corrective/preventative actions**, which report the percentage of completed incident actions versus the number of incident actions due; and
3. **Work observations**, which report the percentage of completed work observations versus scheduled work observations.

Lagging indicators record safety performance related to the occurrence of safety incidents per 100 workers, and SaskPower's:

1. **Lost-time Injury Frequency Rate**, which refers to the occurrence of workplace incidents resulting in an employee's inability to work the next full work day;
2. **Lost-time Injury Severity Rate**, which measures the calendar days lost due to lost-time injuries; and
3. **All Injury Frequency Rate**, which refers to the number of injuries occurring, with injury defined as any occupational injury/illness resulting in a fatality, lost-time injury, medical treatment injury, injured no lost-time, or restricted work.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	91.0	92.0	100.0	100.0	100.0	100.0	100.0
Actual	0.0	99.3					

SaskPower's Health & Safety Index score of 99.3% surpassed our annual target of 92.0%. This result was led by strong lagging indicator performance, with SaskPower's Lost-Time Injury Frequency and Severity Rates significantly below their respective targets. Although all three leading indicators fell slightly short of SaskPower's stretch targets of 100%, our company's performance improved on all six indicators compared to 2020-21.

The following table provides current and prior year results, as well as current year targets, for each of the individual indicators.

	2020-21 actual	2021-22 actual	2021-22 target
LEADING INDICATORS			
Safety training completed (%)	98.9	99.1	100.0
Safety incident corrective/preventative actions completed (%)	99.5	99.8	100.0
Work observations completed (%)	95.0	97.1	100.0
LAGGING INDICATORS*			
Lost-time Injury Frequency Rate (number of lost-time injuries)	0.5	0.4	0.7
Lost-time Injury Severity Rate (number of days lost)	25.0	6.5	14.6
All Injury Frequency Rate (number of injuries)	4.9	4.6	5.7

*Lagging indicator results are per 100 workers.



STRATEGIC PRIORITY 3

ENSURE OUR FINANCIAL HEALTH IN A TRANSITIONING INDUSTRY

THE ABILITY TO PRESERVE OUR FINANCIAL STRENGTH IN THE FACE OF ELECTRICITY MARKET TRANSFORMATION IS CRITICAL. CONTINUED INVESTMENT IN INFRASTRUCTURE WILL BE NEEDED TO MAINTAIN OR IMPROVE CURRENT LEVELS OF RELIABILITY AND ALSO TO MEET THE DEMAND FOR ELECTRICITY. ASSET OPTIMIZATION AND EFFICIENCY PROGRAMS WILL BE USED TO CONTINUALLY IMPROVE OUR BUSINESS PROCESSES AND REDUCE COSTS SO THAT WE MAINTAIN COMPETITIVE RATES.

RETURN ON EQUITY ●

Return on equity (ROE) measures SaskPower's financial performance, and is calculated as net income expressed as a percentage of average equity.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	2.6	0.6	1.8	3.7	5.3	7.2	8.5
Actual	5.8	0.4					

SaskPower's recorded ROE of 0.4% for the year ended March 31, 2022, fell short of the 0.6% target. Reduced low-cost hydroelectric generation due to below average water levels being replaced by more expensive fuel sources drove up SaskPower's 2021-22 fuel and purchased power costs. These increases were partially offset by higher export revenue and Saskatchewan electricity sales.

Net income results are explained in further detail in the financial results section of the Management's Discussion and Analysis.

PER CENT DEBT RATIO ●

The per cent debt ratio provides a measure of SaskPower's debt expressed as a percentage of the company's total corporate financing structure, comprised of the total investment by creditors (debt) and the total investment of owners (equity). The extent to which a company is leveraged is directly correlated to the proportion of its capital structure that is comprised of debt. A highly leveraged company is considered to have less financial flexibility and more risk than a less leveraged company.

As SaskPower continues to modernize and expand its infrastructure, debt levels will increase in order to finance our capital program.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	73.3	73.5	73.8	73.7	73.2	72.5	60.0 - 75.0
Actual	71.4	71.9					

Our company's per cent debt ratio of 71.9% at March 31, 2022, was 1.6 percentage points better than our target of 73.5%. Improved results were largely due to lower-than-expected opening debt levels and a higher-than-expected closing equity balance resulting from the cancellation of the equity repayment that Crown Investments Corporation requested be included in SaskPower's 2021-22 budget.

OM&A PER CUSTOMER ACCOUNT VS. SASKATCHEWAN CONSUMER PRICE INDEX

The operating, maintenance and administration (OM&A) per customer account versus the Saskatchewan Consumer Price Index (SK CPI) measure compares the growth of SaskPower's OM&A expense on a per customer account basis against the growth of the SK CPI to assess how efficiently our OM&A expense is being managed.

(% growth)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	1.3	2.8	< SK CPI increase	< SK CPI increase	< SK CPI increase	< SK CPI increase	< SK CPI increase
Actual	1.0	0.2					

In 2021-22, SaskPower's five-year average annual growth in OM&A expense per customer account was 0.2%, falling well below the ceiling target and five-year average annual growth in the SK CPI of 2.8% over the same period. Compared to 2020-21, our 2021-22 OM&A expense increased by \$11 million to \$711 million driven by increased vegetation management sustainment activities and higher overhaul costs, while our number of customer accounts increased by more than 4,700. The average growth rate of SaskPower's OM&A expense per customer account has remained well below provincial inflation rates due to our company's ongoing focus on continuous improvement and cost reduction initiatives.

CAPITAL COST PERFORMANCE INDEX/CAPITAL SCHEDULE PERFORMANCE INDEX

SaskPower uses the Capital Cost Performance and Capital Schedule Performance Indices to evaluate our company's ability to manage large capital projects within approved budgets and schedules. These measures track the performance of capital projects with a minimum approved project budget of \$5 million. Each project included in this measure is weighted by its assessed project tier, which takes into account factors such as project size, complexity, and risk.

Capital Cost Performance Index (CPI) reports the percentage of projects for which actual expenditures have been managed within the project's budgeted cash flow at a point in time.

Capital Schedule Performance Index (SPI) reports the percentage of projects that have been kept on schedule by measuring a project's actual progress completed against the progress expected to be completed at a point in time.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	70/70	75/75	80/80	80/80	80/80	80/80	80/80
Actual	88/92	87/84					

SaskPower's **CPI** performance as at March 31, 2022, of 87% surpassed the target of 75%. Of the 41 large capital projects SaskPower invested in during 2021-22, 34 were successfully managed within or below budget at year-end.

Our company's **SPI** result of 84% also surpassed the 2021-22 target of 75%, based on 32 of the 41 projects that were on or ahead of schedule as at March 31, 2022.

INDIGENOUS PROCUREMENT

Our company is committed to promoting and pursuing viable business development opportunities through long-term relationships with Indigenous rights holders, communities and companies in the Province of Saskatchewan. The Indigenous procurement measure tracks the extent to which SaskPower engages in Saskatchewan Indigenous-sourced procurement relative to total Saskatchewan-sourced procurement.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	8.5	8.5	10.0	10.0	10.0	10.0	10.0
Actual	10.6	12.1					

Well beyond the target of 8.5%, SaskPower's Indigenous procurement accounted for 12.1% — over \$94 million — of the purchase orders issued to Saskatchewan suppliers in 2021-22. While Saskatchewan procurement increased by more than 35% from 2020-21, Indigenous procurement grew by approximately 55% — an additional \$33 million compared to the prior year.

Our increased focus on sustainment activities during the year heightened the demand for transmission and distribution construction products manufactured by Indigenous suppliers. Vegetation management continues to account for nearly one-third of the dollars committed, with fabrication and recycling services on the rise.

COMPETITIVE RATES (THERMAL UTILITIES)

Our company aims to ensure SaskPower's system average rates are less than or equal to the system average rates for customers served by Canadian utilities primarily dependent on thermal generation (i.e. using coal, natural gas, nuclear or oil). SaskPower uses the results released annually by Hydro-Québec in its national survey, *Comparison of Electricity Prices in Major North American Cities*. It reports annual rate data in effect on April 1 to compare our rates against other thermal utilities within Canada. Canadian thermal utility cities include: Regina, SK; Calgary, AB; Edmonton, AB; Toronto, ON; Ottawa, ON; Halifax, NS; Charlottetown, PEI; and Moncton, NB.

The ratio of SaskPower's average monthly net bills (before municipal surcharges and taxes) to the average of the monthly net bills for other Canadian thermal utilities is calculated based on the seven consumption levels selected for analysis by Hydro-Québec. The categories are comprised of one residential consumption level, one small power consumption level, three medium consumption levels, and two large power consumption levels. The average of these ratios, reported as a percentage, is used for assessment.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	≤100.0	≤ 100.0	≤100.0	≤100.0	≤100.0	≤100.0	≤100.0
Actual	90.5 ¹	90.3					

1. Prior period results have been restated to remove St. John's, NL, from the Canadian thermal utilities system average rates as its primary generation source is hydroelectricity.

As at April 1, 2021, SaskPower's rates were, on average, 9.7% lower than the average rates of seven other Canadian thermal utilities across seven customer classes, consistent with results from the prior year. Note that the one-year 10% rebate effective from December 2020 through November 2021 is not reflected in SaskPower's 2021-22 results.

Although 2021-22 marked the third consecutive year that SaskPower did not implement a rate increase, decreased rates for other Canadian thermal utilities, such as those operating in Alberta's competitive energy market, offset improvements in our overall performance in 2021-22. SaskPower's rates were lower than the thermal averages in six of the seven customer categories, with our results continuing to rank second lowest in the large power class and largest medium power class. In addition, the gap between SaskPower's rate and the thermal average for the residential class — the only class where our rates exceeded the thermal average — decreased by more than 60% in 2021-22 to \$10 per month from \$26 in 2020-21.

CROWN COLLABORATION

New for 2021-22, the Crown collaboration measure tracks combined cost savings for Crown corporations and participating Treasury Board Crowns, agencies and ministries achieved through joint initiatives and collaboration efforts.

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	•	50.0	TBD	TBD	TBD	TBD	TBD
Actual	•	48.9					

• Denotes that actual results or targets are not available for that time period.

Crown collaboration performance recorded slightly below-target savings of \$48.9 million for the year ended March 31, 2022. SaskPower participated in a number of significant collaboration initiatives during the year, including joint infrastructure installation with SaskTel; leveraging the project management expertise of our company's Corporate Project Management Office to benefit other Crowns and government groups; and the consolidation of line locating efforts with SaskEnergy and SaskTel.



STRATEGIC PRIORITY 4

BUILD A CLEANER, RELIABLE AND MODERNIZED ELECTRICITY SYSTEM

NEW GHG REGULATIONS, TECHNOLOGICAL ADVANCES, AND SOCIAL EXPECTATIONS ARE REQUIRING UTILITIES TO MODERNIZE THEIR SYSTEMS WITH CLEANER POWER OPTIONS, ADVANCED INFORMATION SYSTEMS, AND CLIMATE-RESILIENT ASSETS. WE ARE COMMITTED TO OPERATING A DIVERSE AND SUSTAINABLE GENERATION FLEET TO MEET OUR CUSTOMERS' NEEDS WHILE WELCOMING COLLABORATION WITH OUR CUSTOMERS AND COMMUNITIES ON ELECTRICITY OPTIONS. WE WILL ALSO USE AUTOMATION TO IMPROVE RELIABILITY AND GRID SECURITY.

EQUIVALENT AVAILABILITY FACTOR

An Equivalent Availability Factor (EAF) represents the percentage of time that a generating unit is capable of producing electricity, adjusted for any temporary reductions in generating capability due to equipment failures, maintenance or other causes. In addition to determining the EAF for each SaskPower-owned generation unit, our company also measures an overall weighted EAF for all of SaskPower's generation assets. While higher EAF percentages are more favourable, targets are set giving consideration to prudent equipment maintenance and capital requirements.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	≥ 85.0	≥ 85.0	≥ 85.0	≥ 85.0	≥ 85.0	≥ 85.0	≥ 85.0
Actual	82.7	83.1					

SaskPower's overall weighted EAF performance of 83.1% in 2021-22 fell short of the annual target of ≥ 85.0% despite an improvement from the previous year.

Natural gas-fired generation had the lowest availability in 2021-22. The Queen Elizabeth Power Station (QEPS) underwent a plant-wide outage for scheduled maintenance on the cooling water circulating system. The 623 MW of capacity provided by QEPS was returned to service in stages - Units #12-15 were unavailable for 19 days; Units #1, #4-10 and #16 for 43 days; and Unit #3 for 53 days. Meanwhile, QEPS Unit #11 experienced a catastrophic generator failure on May 11, 2021, and remained offline through the end of 2021-22. At the Chinook Power Station, a planned combustion inspection during the winter resulted in a 40-day shutdown for Unit #1 and a 46-day shutdown for Unit #2. Lastly, the third major overhaul on Unit #3 at the Cory Cogeneration Station was extended by 49 days, and subsequently required a 22-day forced outage due to an issue with the steam turbine governor stop valve.

Coal-fired generation also had reduced availability during the year. A minor overhaul at Boundary Dam Power Station Unit #5, which provides 139 MW of capacity to the grid, lasted 49 days, while a leak on a primary air heater seal at Poplar River Power Station Unit #2 caused an indefinite derate of 16 MW.

DISTRIBUTION SAIDI/SAIFI



SaskPower measures the reliability of its distribution system using two industry-standard measures: System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI). While the results for these measures reflect both planned and forced outages, Major Event Days (MEDs) — which are defined as events that exceed reasonable infrastructure design and/or operational limits, as set out by the Institute of Electrical and Electronics Engineers — are excluded.

Distribution SAIDI allows us to track our company's performance restoring service in response to outages. It is a measure of the service interruption length in hours that an average customer experiences in a 12-month period. The distribution SAIDI results are influenced by a number of factors, including adverse weather during restoration; equipment condition; extent of outage; travel time to the trouble point; and line staff availability, familiarity with facilities and level of experience.

Distribution SAIFI reports the number of outages that an average customer experiences in one year. This measure includes controllable interruptions (outages from infrastructure failures, tree contacts and scheduled outages) as well as uncontrollable interruptions (caused by elements such as adverse weather or the loss of transmission supply).

(hours/outages)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	5.9/2.4	5.9/2.4	5.9/2.7	5.9/2.7	5.4/2.6	5.4/2.5	3.8/1.8
Actual	6.0/2.8	5.8/3.6					

For 2021-22, SaskPower's **distribution SAIDI** performance of 5.8 hours was slightly better than the target of 5.9 hours. The leading causes of distribution outage duration included the loss of transmission supply (30%), faulty equipment (18%) and planned outages (15%).

Our company's **distribution SAIFI** result of 3.6 outages per customer was 50% over the target of 2.4 outages. Loss of transmission supply was responsible for the greatest proportion of distribution outages experienced (40%), followed by defective equipment (16%) and planned outages (12%).

There were four MEDs during 2021-22, which have been excluded from distribution SAIDI and SAIFI results:

- May 17, 2021: A wildfire north of Prince Albert caused widespread damage to infrastructure and the loss of transmission supply to our distribution lines.
- May 21, 2021: Freezing rain and ice caused significant outages in the east and southeast areas of the province.
- July 22, 2021: The loss of transmission supply to the Athol Street and Albert Park Substations caused a distribution outage that lasted almost three hours and resulted in over 82,700 total customer outage hours.
- November 16, 2021: Snowstorms and high winds across the province left some customers without power for 25-29 hours.

SaskPower's ongoing grid modernization efforts continue to improve outage reporting accuracy. As a result, our Distribution Control Office is recording a greater number of distribution outages caused by the loss of transmission supply. The same impact is not seen in the average distribution outage duration given the short outages typically caused by loss of transmission supply.



TRANSMISSION SAIDI/SAIFI



SaskPower also monitors the reliability of its transmission system using SAIDI and SAIFI measures, excluding Major Event Days (MEDs).

Transmission SAIDI tracks our performance restoring service in response to outages specific to our transmission assets. It reports the average forced interruption length in minutes experienced at a bulk electric service delivery point in one year. Transmission SAIDI is influenced by factors such as adverse weather and defective equipment.

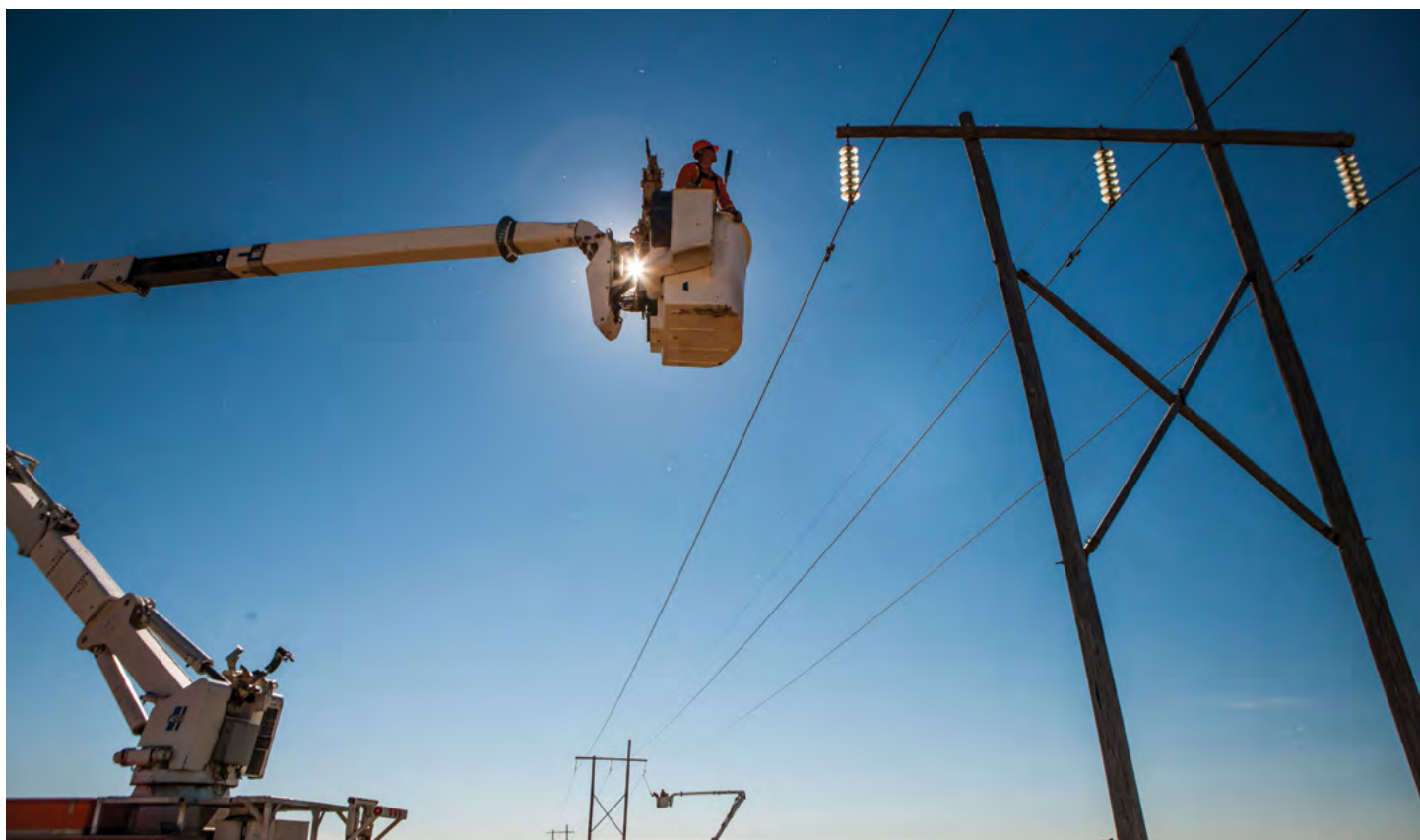
Transmission SAIFI reports the average number of forced interruptions experienced at a bulk electric service delivery point over a 12-month period. Forced interruptions include outages caused by weather conditions, defective equipment, system conditions like overvoltage and foreign interference such as wildlife contacts.

(minutes/outages)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	140/3.1	140/3.1	135/3.0	135/3.0	135/3.0	135/3.0	120/2.8
Actual	134/2.7	126/2.2					

SaskPower's **transmission SAIDI** average duration of 126 minutes per bulk electric service delivery point outperformed our target of 140 minutes. The primary causes of transmission outage duration this year were defective equipment (56%); adverse weather (17%); and adverse environment (10%). Significant transmission outages included a broken spar on the Glaslyn to Meadow Lake Transmission Line, and a grass fire which damaged the transmission line from Boundary Dam to Midale and Halbrite. Together, these events account for 27 minutes of SaskPower's transmission SAIDI result for 2021-22.

Our company's **transmission SAIFI** result of 2.2 outages outperformed our target of 3.1 outages, as well as the prior year result of 2.7 outages. The largest number of transmission interruptions experienced this year — 330 outages, or 42% — continued to occur due to adverse weather, led primarily by lightning strikes. Other leading causes of interruptions included defective equipment (17%) and foreign interference (7%), largely from wildlife contacts.

There was a single MED during 2021-22 which has been excluded from transmission SAIDI and SAIFI results. On May 17, 2021, a wildfire damaged 13 wood structures on the Willow Island to Timber Cove Transmission Line, which extends over 250 kilometres north of the Prince Albert Switching Station. With no alternate supply source, the total outage duration was approximately 77 hours including delayed access to the repair sites due to safety concerns.



RENEWABLE GENERATION PORTFOLIO

This measure evaluates SaskPower's generation capacity from renewable sources as a percentage of our company's total installed generation capacity, including capacity contracted from independent power producers (IPPs). The renewable generation portfolio refers to non-natural gas and non-coal-fired generation, and includes hydro, wind, solar, waste heat, flare gas and landfill gas, as well as long-term firm capacity agreements for imports generated from renewable fuel sources.

(%)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	30.0	33.1	35.0	38.0	36.9	36.9	40.0
Actual	26.0	32.3					

SaskPower's total renewable generation capacity as at March 31, 2022, was 1,697 megawatts (MW), or 32.3%, of our company's total available generating capacity of 5,246 MW. Renewable capacity increased significantly during the year largely due to two new wind projects commissioned in the last quarter — the Golden South Wind Energy Facility (200 MW) and the Blue Hill Wind Energy Facility (175 MW). Other renewable additions included the Highfield Solar Energy Facility (10 MW) — the first utility-scale solar facility to be added to Saskatchewan's grid — and the Riverhurst Wind Energy Facility (10 MW).

SaskPower also reached a substantial milestone during the year with the retirement of Unit #4 at the Boundary Dam Power Station. This net decrease of 141 MW in generation capacity from coal moved us further along our path towards a net-zero energy future.

Despite these changes to our company's generation portfolio, our performance fell short of the target of 33.1% due to delays in construction schedules caused primarily by the COVID-19 pandemic. Specifically, the commissioning of the Pesâkâstêw Solar Project (10 MW), Awasis Solar Project (10 MW) and Meadow Lake Tribal Council (MLTC) Bioenergy Centre (8 MW) have been deferred to 2022-23.



GREENHOUSE GAS EMISSIONS

SaskPower's greenhouse gas (GHG) emissions measure compares our company's annual GHG emissions against our 2005 GHG emissions to track our progress towards our commitment to reduce GHG emissions by at least 50% from 2005 levels by 2030. This measure includes GHG emissions from electricity generated by SaskPower-owned units, as well as from electricity supplied to the grid via IPPs. Targets and results express GHG emissions as a percentage change from SaskPower's 2005 GHG emissions level.

(% change from 2005 levels)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Long-term
Target	5.0	(8.0)	(18.0)	(18.0)	(22.0)	(27.0)	(50.0)
Actual	(10.2)	5.1					

Our company's annual GHG emissions climbed to 14.9 million tonnes of carbon dioxide equivalent (CO₂e) for the 2021 calendar year — 5.1% above our 2005 GHG emissions level benchmark. The increase was primarily due to a combination of reduced hydro generation availability, increased load requirements, and unexpected outages at the Carbon Capture and Storage (CCS) Facility on Unit #3 of the Boundary Dam Power Station. SaskPower's performance was 13.1 percentage points off of the 2021 GHG emissions target of 8.0% below our 2005 GHG emissions level.

During the year, Saskatchewan experienced lower than normal water levels, which restricted the amount of emissions-free hydroelectric generation. Greater volumes from emitting gas- and coal-fired generation were necessary to offset the reduction in available hydro as well as meet an additional 816 GWh above expected demand as Saskatchewan electricity sales returned to pre-COVID-19 pandemic levels faster than expected and our company took advantage of favourable export prices. Meanwhile, SaskPower's CCS Facility was offline more than half of the year because of CO₂ compressor issues and subsequent cooler leak repairs. Delays on wind and solar projects also contributed to greater reliance on higher-emitting generation sources.



2021-22 FINANCIAL RESULTS

AT A GLANCE	
Revenue	\$ 2,885M
Net income	\$ 11M
Return on equity ¹	0.4%
Saskatchewan electricity sales	23,300 GWh
Gross electricity supplied	25,644 GWh
Property, plant and equipment	\$ 10,133M
Capital expenditures	\$ 922M
Total net debt	\$ 7,273M
Per cent debt ratio	71.9%
Customer accounts	549,940
Annual peak load	3,910 MW

(in millions)	2021-22	2020-21	Change
Revenue			
Saskatchewan electricity sales	\$ 2,713	\$ 2,615	\$ 98
Exports and electricity trading	77	53	24
Other revenue	95	103	(8)
Total revenue	2,885	2,771	114
Expense			
Fuel and purchased power	1,033	807	226
Operating, maintenance and administration	711	700	11
Depreciation and amortization	612	595	17
Finance charges	401	426	(25)
Taxes	81	79	2
Other expenses	36	4	32
Total expense	2,874	2,611	263
Net income	\$ 11	\$ 160	\$ (149)
Return on equity¹	0.4%	5.8%	(5.4%)

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

HIGHLIGHTS AND SUMMARY OF RESULTS

SaskPower reported a consolidated net income of \$11 million in 2021-22, compared to \$160 million in 2020-21. The \$149 million decrease was primarily due to a \$263 million increase in expense, offset by a \$114 million increase in revenue. The return on equity was 0.4%, down over five percentage points from the previous year.

Total revenue was \$2,885 million compared to \$2,771 million in 2020-21. The \$114 million increase in revenue was mainly due to higher Saskatchewan electricity sales of \$98 million, which is largely attributed to the improved economic conditions in the province as Saskatchewan continues to recover from the COVID-19 pandemic. Electricity sales volumes to Saskatchewan customers were 23,300 gigawatt hours (GWh), up 923 GWh or 4.1% compared to the prior year. Export and electricity trading sales also increased by \$24 million as a result of additional opportunities to sell into the Alberta market at higher sales prices. These improvements in revenue were offset by an \$8 million decrease in other revenue as a result of reduced carbon dioxide (CO₂) sales and the transfer of the Gas and Electrical Inspections (GEIS) division to the Technical Safety Authority of Saskatchewan (TSASK).

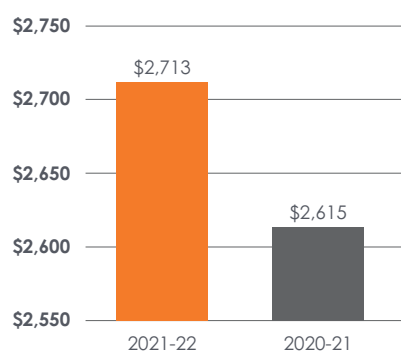
Total expense was \$2,874 million, up \$263 million from 2020-21. The increase in total expense was mainly attributable to a \$226 million increase in fuel and purchased power costs as a result of lower cost hydro generation being replaced with more expensive fuel sources; increased generation volumes; and higher federal carbon charges. Capital-related expenses – depreciation, finance charges, taxes and other – increased \$26 million. This was primarily due to an arbitral award received in the prior year relating to a contractual dispute and higher depreciation expense, offset by lower interest on lease liabilities and borrowings. Operating, maintenance and administration (OM&A) expense increased \$11 million due to the timing of overhauls at the Corporation's generation facilities; higher vegetation management costs; and increased spending on cyber security and technology cloud-based initiatives.

SASKATCHEWAN ELECTRICITY SALES

Saskatchewan electricity sales represent the sale of electricity to all customer classes within the province. These sales are subject to the effects of general economic conditions, number of customers, weather, and electricity rates. Included in Saskatchewan electricity sales is the federal carbon charge which is being recovered by SaskPower from its customers through a rate rider. The revenue associated with the federal carbon charge is set aside and used to fund the federal carbon tax payments.

SaskPower has not had a general rate increase since March 1, 2018. However, during that period SaskPower has implemented a rate rider to recover the federal carbon tax. The federal carbon charge rate rider resulted in general increases of 2.7% effective April 1, 2019; 2.4% effective January 1, 2020; and 0.6% effective January 1, 2021. SaskPower announced it will not be implementing a federal carbon charge rate rider increase in 2022.

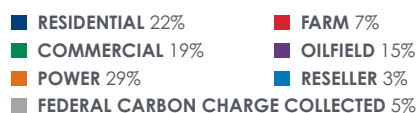
The Government of Saskatchewan's Economic Recovery Rebate Program took effect December 1, 2020, and ended on November 30, 2021. This one-year program provided all SaskPower customers with a 10% rebate on the cost of electricity – the basic monthly charge, energy consumption charge and demand charge. The program was fully funded by the Province of Saskatchewan and had no impact on SaskPower's financial results.



SASKATCHEWAN ELECTRICITY SALES (MILLIONS)



SASKATCHEWAN ELECTRICITY SALES - \$2,713 MILLION



ELECTRICITY SALES VOLUMES - 23,300 GWH



(in millions)	2021-22	2020-21	Change
Residential	\$ 595	\$ 579	\$ 16
Farm	178	188	(10)
Commercial	504	487	17
Oilfield	416	390	26
Power	777	748	29
Reseller	98	94	4
	2,568	2,486	82
Federal carbon charge collected	145	129	16
Saskatchewan electricity sales	\$ 2,713	\$ 2,615	\$ 98

(in GWh)	2021-22	2020-21	Change
Residential	3,331	3,224	107
Farm	1,285	1,348	(63)
Commercial	3,690	3,540	150
Oilfield	4,013	3,727	286
Power	9,821	9,409	412
Reseller	1,160	1,129	31
Electricity sales volumes	23,300	22,377	923

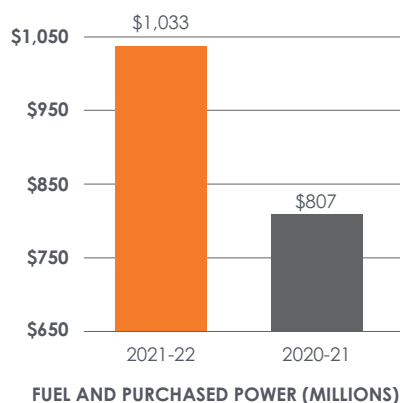
Saskatchewan electricity sales, excluding the federal carbon charge collected, were \$2,568 million in 2021-22, up \$82 million from 2020-21. The \$82 million increase was due to higher sales volumes. Electricity sales volumes to Saskatchewan customers were 23,300 GWh, up 923 GWh or 4.1% compared to the prior year. The largest increases in electricity sales occurred in the power and oilfield customer classes. Consumption in the power customer class increased 412 GWh from the prior year due to increased activity in the pipeline, refinery and steel sectors. This increase was partially offset by reduced activity in the potash sector. Oilfield sales were up 286 GWh due to improved economic conditions.

The federal carbon charge collected increased \$16 million compared to 2020-21 due to the rate rider increase of 0.6% effective January 1, 2021, and higher sales volumes.

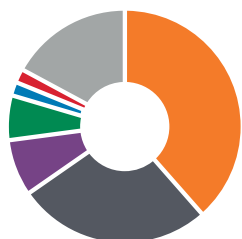
FUEL AND PURCHASED POWER

SaskPower's fuel and purchased power costs include the fuel charges associated with the electricity generated from SaskPower-owned facilities, costs associated with power purchase agreements (PPAs), as well as electricity imported from markets outside Saskatchewan. This electricity is used to serve our company's Saskatchewan customers, with surplus electricity being sold to markets outside the province when favourable conditions exist.

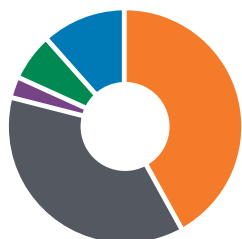
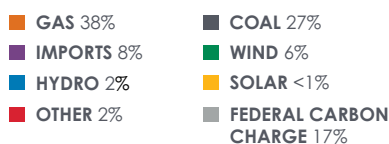
SaskPower's fuel cost management strategy focuses on the economic dispatch of the generating units that bring the lowest incremental cost units on stream first. Included in the incremental cost is the federal price of carbon on generation that exceeds the allowable emission thresholds. SaskPower recovers the federal carbon charge from its customers through a rate rider.



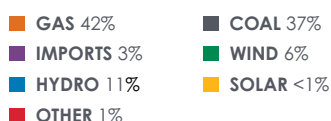
(in millions)	2021-22	2020-21	Change
Gas	\$ 397	\$ 313	\$ 84
Coal	280	260	20
Imports	81	65	16
Wind	63	36	27
Hydro	18	26	(8)
Solar	1	-	1
Other	16	15	1
	856	715	141
Federal carbon charge	177	92	85
Fuel and purchased power	\$ 1,033	\$ 807	\$ 226



FUEL AND PURCHASED POWER - \$1,033 MILLION



GROSS ELECTRICITY SUPPLIED - 25,644 GWH



(in GWh)	2021-22	2020-21	Change
Gas	10,766	10,551	215
Coal	9,479	8,146	1,333
Imports	752	629	123
Wind	1,661	913	748
Hydro	2,850	4,277	(1,427)
Solar	12	1	11
Other	124	117	7
Gross electricity supplied	25,644	24,634	1,010

Fuel and purchased power costs, excluding the federal carbon charge, were \$856 million in 2021-22, up \$141 million from 2020-21. The \$141 million increase is a result of unfavourable fuel mix, volume and price variances.

The fuel mix is the relative proportion that each fuel source contributes to our total fuel supply. Energy generated from lower incremental cost sources such as hydro results in a favourable impact on fuel and purchased power costs. During the year, the Corporation's hydro generation accounted for 11% of total generation, compared to 17% in 2020-21. The lower-cost hydro generation was replaced by more expensive generation sources. This unfavourable change in the fuel mix resulted in an estimated \$107 million increase in fuel and purchased power costs.

Total generation and purchased power totalled 25,644 GWh, an increase of 1,010 GWh or 4.1% compared to 2020-21. Higher customer demand resulted in an estimated \$29 million increase in fuel and purchased power costs.

Finally, higher fuel prices resulted in an overall increase of approximately \$5 million due to increases in natural gas and import prices compared to 2020-21.

Federal carbon charges increased \$85 million and were higher than expected due to lower hydro generation, combined with the Boundary Dam Power Station Carbon Capture and Storage Facility being offline for unplanned maintenance.

FEDERAL CARBON TAX VARIANCE ACCOUNT

SaskPower accumulates differences between the federal carbon charge revenue collected from customers and the federal carbon tax owing to the federal government in a Federal Carbon Tax Variance Account (FCTVA). The balance in the FCTVA, which is not included in SaskPower's financial statements, is either recovered from or refunded to customers as part of future federal carbon charge rates. The other recoveries (expense) relate to interest earned on the monies in the account; federal carbon charge associated with exported generation; and federal carbon charges on natural gas purchased for the Chinook Power Station prior to it becoming a registered facility.

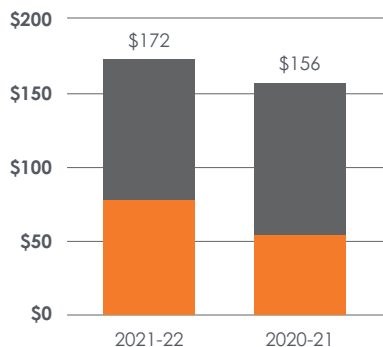
<i>(in millions)</i>	Rate rider increase	Federal carbon charge receipts/receivables	Federal carbon charge payments/payables	Other recoveries (expense)	Over (under) collected
Total 2019 calendar year	2.7%	\$ 49	\$ (56)	\$ (3)	\$ (10)
Total 2020 calendar year	2.4%	125	(85)	3	43
Total 2021 calendar year	0.6%	144	(163)	7	(12)
Total 2022 calendar year (three months)	0.0%	38	(51)	1	(12)
Cumulative balance		\$ 356	\$ (355)	\$ 8	\$ 9

Effective January 1, 2019, the Government of Canada introduced a federal carbon tax that was applied to SaskPower's fossil fuel emissions, including those from coal- and natural gas-fired generating stations. The federal carbon tax increased from \$30/tonne of CO₂e effective January 1, 2020, to \$40/tonne of CO₂e effective January 1, 2021, and \$50/tonne of CO₂e effective January 1, 2022, for emissions above established thresholds. SaskPower began recovering the expense associated with the federal carbon tax from its customers through a rate rider effective April 1, 2019. The rate rider is typically adjusted on January 1 of each year to reflect any changes in the estimated carbon tax for the upcoming calendar year. The revenue associated with the federal carbon charge rate rider is being set aside and is used to fund the federal carbon tax payments.

The federal carbon taxes for the 2019 and 2020 calendar years were paid in April and December 2021, respectively. Amounts are payable to Environment and Climate Change Canada (ECCC) as well as certain independent power producers (IPPs). As at March 31, 2022, the FCTVA has an overage of \$9 million owing to customers. The balance in the FCTVA will be refunded to customers as part of future federal carbon charge rates. While the federal carbon tax increased to \$50/tonne of CO₂e effective January 1, 2022, the Corporation announced it will not be implementing a rate rider increase in 2022.

REVENUE FROM OTHER SOURCES

Revenue from other sources includes exports, which represent the sale of SaskPower's available generation to neighbouring markets; electricity trading activities, which include the purchase and resale of electricity and other derivatives in regions outside Saskatchewan; and other revenue.



REVENUE FROM OTHER SOURCES (MILLIONS)

■ EXPORTS AND ELECTRICITY TRADING
■ OTHER REVENUE

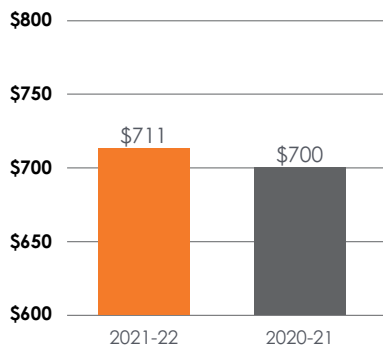
(in millions)	2021-22	2020-21	Change
Exports and electricity trading	\$ 77	\$ 53	\$ 24
Other revenue	95	103	(8)
Revenue from other sources	\$ 172	\$ 156	\$ 16

Exports and electricity trading were \$77 million in 2021-22, up \$24 million from 2020-21 due to higher prices and increased volumes. The average export sales price increased \$8 per megawatt hour (MWh) compared to 2020-21. Export sales volumes primarily to Alberta were 695 GWh, up 169 GWh from the volumes sold in 2020-21.

Other revenue was \$95 million in 2021-22, down \$8 million from 2020-21. The decrease was mainly attributable to CO₂ shortfall payments as a result of the Boundary Dam Power Station Carbon Capture and Storage Facility being offline for unplanned maintenance. In addition, gas and electrical inspection revenue decreased as a result of the transfer of the Corporation's GEIS division to TSASK in January 2021. These decreases were partially offset by increased customer contributions and fly ash sales.

OPERATING, MAINTENANCE AND ADMINISTRATION (OM&A)

OM&A expense includes salaries and benefits; external services; materials and supplies; and other operating costs.



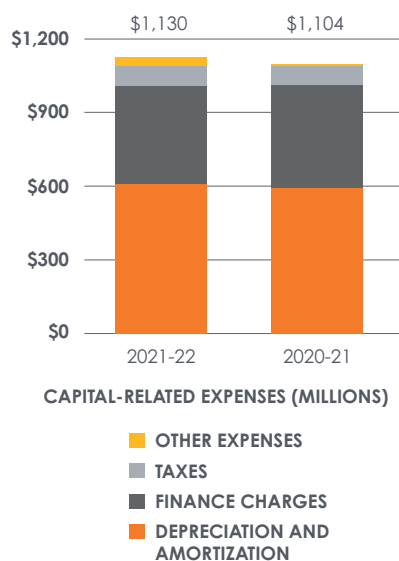
OM&A (MILLIONS)

(in millions)	2021-22	2020-21	Change
OM&A	\$ 711	\$ 700	\$ 11

OM&A expense was \$711 million in 2021-22, up \$11 million from 2020-21. This increase was mainly due to the timing of overhauls at the Corporation's generation facilities; higher vegetation management costs; as well as increased spending on cyber security and technology cloud-based initiatives. Additional costs were also incurred for preventative maintenance activities on the Corporation's transmission and distribution infrastructure. These increases were slightly offset by reduced operating costs due to the transfer of the GEIS division to TSASK early in 2021.

CAPITAL-RELATED EXPENSES

Capital-related expenses include depreciation, finance charges, taxes, and other expenses.



<i>(in millions)</i>	2021-22	2020-21	Change
Depreciation and amortization	\$ 612	\$ 595	\$ 17
Finance charges	401	426	(25)
Taxes	81	79	2
Other expenses	36	4	32
Capital-related expenses	\$ 1,130	\$ 1,104	\$ 26

Depreciation and amortization expense was \$612 million in 2021-22, up \$17 million from 2020-21. The increase was attributable to SaskPower's extensive capital program. As well, following the completion of an internal depreciation study in 2020-21, the estimated useful lives of certain asset components were changed. The changes in estimates were applied prospectively, effective April 1, 2021.

Finance charges were \$401 million in 2021-22, down \$25 million from 2020-21. The decrease in finance charges was mainly attributable to lower interest on lease liabilities, long-term debt and short-term advances, combined with higher interest capitalized. These decreases were offset by lower debt retirement fund earnings and interest income.

Taxes were \$81 million in 2021-22, up \$2 million from the prior year. This increase was the result of higher corporate capital tax due to an increase in the paid-up capital base.

Other expenses were \$36 million in 2021-22, compared to \$4 million in 2020-21. The \$32 million increase was mainly attributable to an arbitral award of \$38 million that was awarded relating to a contract dispute recorded in profit and loss as other income in 2020-21. This increase was partially offset by lower losses on asset disposals and retirements.

2021-22 QUARTERLY RESULTS

<i>(in millions)</i>	Q1	Q2	Q3	Q4	Total
Revenue					
Saskatchewan electricity sales	\$ 649	\$ 652	\$ 694	\$ 718	\$ 2,713
Exports and electricity trading	22	20	24	11	77
Other revenue	21	19	32	23	95
Total revenue	692	691	750	752	2,885
Expense					
Fuel and purchased power	226	239	276	292	1,033
Operating, maintenance and administration	184	160	180	187	711
Depreciation and amortization	152	152	153	155	612
Finance charges	95	102	103	101	401
Taxes	21	20	20	20	81
Other expenses	7	12	9	8	36
Total expense	685	685	741	763	2,874
Net income (loss)	\$ 7	\$ 6	\$ 9	\$ (11)	\$ 11

Fourth quarter year-over-year variance explanation

<i>(in millions)</i>	Three months ended March 31			
	2021-22	2020-21	Change	
Revenue	\$ 752	\$ 763	\$ (11)	Lower export opportunities, partially offset by increased Saskatchewan electricity sales due to increased demand.
Expense	763	698	65	Higher fuel and purchased power costs as a result of lower cost hydro generation being replaced with more expensive fuel sources, as well as higher operating expenses primarily due to increased maintenance activity at the Corporation's generation facilities.
Net (loss) income	\$ (11)	\$ 65	\$ (76)	

FINANCIAL CONDITION

The following table outlines changes in the consolidated statement of financial position from April 1, 2021, to March 31, 2022:

<i>(in millions)</i>	Change (\$)	Change (%)	
Cash and cash equivalents	\$ (66)	(67%)	Refer to Statement of Cash Flows.
Accounts receivable and unbilled revenue	(71)	(16%)	Decrease in trade receivables due to timing of payments and a decrease in margin deposits on natural gas derivatives; offset by an increase in grant receivables.
Inventory	42	17%	Increase in maintenance supplies and natural gas inventory.
Prepaid expenses	7	30%	Timing of expenses.
Risk management assets (net of risk management liabilities)	74	148%	Settlement of natural gas hedges and electricity derivatives and change in fair value of natural gas contracts due to increased forward natural gas prices.
Property, plant and equipment	317	3%	Additions offset by depreciation expense and asset disposals and retirements.
Right-of-use assets	(49)	(9%)	Depreciation and termination of right-of-use assets offset by additions.
Intangible assets	9	13%	Capitalization of new software costs, offset by amortization expense.
Debt retirement funds	(127)	(15%)	Redemptions and market value losses offset by instalments and earnings.
Other assets	3	38%	Increase in long-term maintenance service costs.
Accounts payable and accrued liabilities	125	22%	Higher federal carbon tax payable and the timing of accruals and payments.
Accrued interest	(4)	(6%)	Lower outstanding long-term debt balances.
Dividend payable	(14)	(82%)	Lower dividend payable as a result of a decrease in net income.
Short-term advances	300	100%	Increased short-term advances to repay long-term debt and finance capital expenditures.
Long-term debt (including current portion)	(246)	(4%)	Repayment of long-term borrowing and amortization of debt premiums net of discounts.
Lease liabilities (including current portion)	(33)	(3%)	Principal repayments of lease liabilities offset by additional obligations.
Employee benefits	(77)	(37%)	Actuarial gains on the defined benefit pension plan and benefit payments, offset by interest expense and current service costs.
Provisions	(19)	(6%)	Decreased decommissioning provisions related to changes in assumptions and expenditures, partially offset by accretion expense.
Equity	107	4%	2021-22 comprehensive income less dividends.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due or can do so only at excessive cost. SaskPower manages the Corporation's liquidity risk by maintaining sufficient liquid financial resources to fund our financial position and meet our commitments and obligations in a cost-effective manner.

SOURCES OF FINANCING

SaskPower raises most of its capital through internal operating activities and through borrowings obtained from the Government of Saskatchewan Ministry of Finance. This type of borrowing allows our company to take advantage of the Government of Saskatchewan's strong credit rating. *The Power Corporation Act* provides SaskPower with the authority to have outstanding borrowings of up to \$10 billion, which includes \$2 billion that may be borrowed by way of temporary loans. Temporary loans include short-term borrowings through the Government of Saskatchewan as well as borrowings made under the \$50 million of credit facilities available at financial institutions.

The other major source of financing utilized by our company is the outstanding \$593 million in equity advances that were provided by the Crown Investment Corporation (CIC).

Sources of financing	Authorized amount	Outstanding as at March 31, 2022
Credit facility	\$ 50.0 million	\$ -
Temporary loans (including credit facility)	2.0 billion	0.6 billion
Total borrowings (including temporary loans)	10.0 billion	7.1 billion

CREDIT RATINGS - PROVINCE OF SASKATCHEWAN

	2021-22			2020-21		
	Short-term obligations	Long-term obligations	Trend	Short-term obligations	Long-term obligations	Trend
DBRS Morningstar	R-1 (middle) ¹	AA (low) ²	Stable	R-1 (middle) ¹	AA (low) ²	Stable

1. As per DBRS Morningstar Rating Policies, **R-1 (middle)** denotes superior credit quality. The capacity for payment of short-term financial obligations as they fall due is very high. Differs from R-1 (high) by a relatively modest degree. Unlikely to be significantly vulnerable to future events.

2. As per DBRS Morningstar Rating Policies, **AA** denotes superior credit quality. The capacity for payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

CASH FLOW HIGHLIGHTS

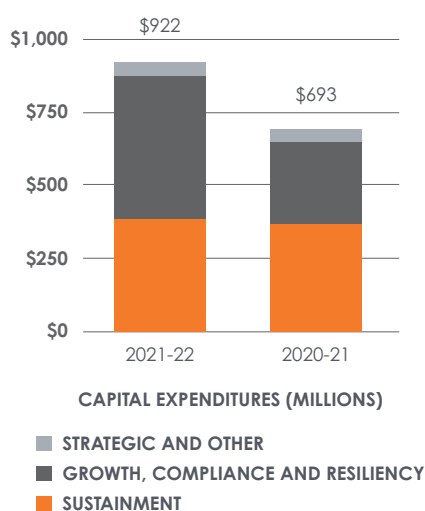
SaskPower's cash flows from operating, investing and financing activities are summarized in the following table:

(in millions)	2021-22	2020-21	Change
Cash and cash equivalents, beginning of year	\$ 98	\$ 236	\$ (138)
Cash provided by operating activities	738	814	(76)
Cash used in investing activities	(912)	(658)	(254)
Cash provided by (used in) financing activities	108	(294)	402
Cash and cash equivalents, end of year	\$ 32	\$ 98	\$ (66)

SaskPower's cash position as at March 31, 2022, was \$32 million, down \$66 million from the prior year. SaskPower manages its cash position in the \$15 to \$100 million range with the actual cash balance fluctuating throughout the year based on the timing of cash inflows and outflows.

CAPITAL EXPENDITURES

(in millions)	2021-22	2020-21	Change
Generation	\$ 113	\$ 125	\$ (12)
Transmission	81	42	39
Distribution	105	99	6
Other	86	100	(14)
Sustainment	\$ 385	\$ 366	\$ 19
Generation	294	100	194
Transmission	39	35	4
Distribution	15	14	1
Customer connects	142	137	5
Growth, compliance and resiliency	\$ 490	\$ 286	\$ 204
Strategic and other	\$ 47	\$ 41	\$ 6
Total capital expenditures	\$ 922	\$ 693	\$ 229



In order to ensure a reliable, sustainable and cost-effective supply of electricity for its customers, SaskPower spent \$922 million on various capital projects during 2021-22, compared to \$693 million in 2020-21.

The company invested \$385 million on sustainment activities, including:

- \$113 million on generation assets and \$186 million on transmission and distribution assets; and
- \$86 million for other sustainment expenditures, including \$57 million on building renovations; \$14 million on technology and security assets; and \$12 million on vehicles and equipment.

SaskPower also spent \$490 million on growth, compliance and resiliency investments, including:

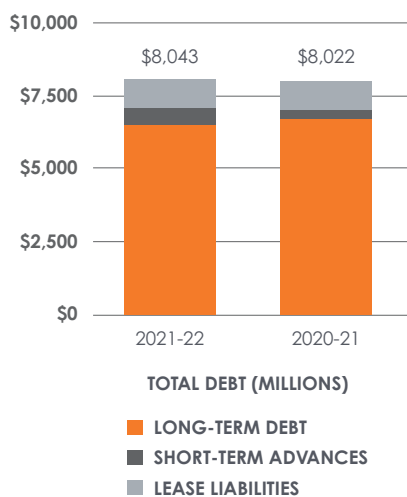
- \$294 million on generation assets, including \$288 million on the new Great Plains Power Station;
- \$54 million on increasing grid capacity; and
- \$142 million to connect customers to the SaskPower electricity system.

CAPITAL MANAGEMENT

(in millions)	March 31, 2022	March 31, 2021	Change
Long-term debt	\$ 6,495	\$ 6,741	\$ (246)
Short-term advances	599	299	300
Lease liabilities	949	982	(33)
Total debt	\$ 8,043	\$ 8,022	\$ 21
Debt retirement funds	738	865	(127)
Cash and cash equivalents	32	98	(66)
Total net debt¹	\$ 7,273	\$ 7,059	\$ 214
Retained earnings	2,243	2,235	8
Equity advances	593	593	-
Total capital	\$ 10,109	\$ 9,887	\$ 222
Per cent debt ratio²	71.9%	71.4%	0.5%

1. Total net debt is a non-GAAP financial measure and calculated by deducting debt retirement funds and cash and cash equivalents from total debt.

2. Per cent debt ratio = (total net debt)/(total capital).



Total debt position

SaskPower's total debt position (including lease liabilities) was \$8,043 million at March 31, 2022, up \$21 million from the prior year. The increase was the result of the following:

- The Corporation borrowed an additional \$300 million in short-term advances.
- On February 4, 2022, the Corporation repaid \$240 million of long-term debt. The debt had an effective interest rate of 9.27%.
- The Corporation also recognized \$6 million in amortization of debt premiums.
- Lastly, lease liabilities decreased \$33 million due to principal repayments of \$36 million, partially offset by a \$3 million increase in building lease liabilities.

The Corporation's per cent debt ratio was at 71.9% at March 31, 2022, up 0.5% from March 31, 2021.

Debt retirement funds

(in millions)	2021-22	2020-21
Balance, April 1	\$ 865	\$ 848
Debt retirement fund instalments	62	62
Debt retirement fund redemptions	(163)	(42)
Debt retirement fund earnings	15	21
Debt retirement fund realized market value (losses) gains	(1)	2
Debt retirement fund unrealized market value losses	(40)	(26)
Balance, March 31	\$ 738	\$ 865

Debt retirement funds are monies set aside to retire outstanding long-term debt upon maturity. SaskPower makes regular contributions to the funds, which are held and invested by the Government of Saskatchewan's General Revenue Fund.

During the year ended March 31, 2022, SaskPower redeemed \$163 million of debt retirement funds upon repayment of \$240 million of long-term debt which matured on February 4, 2022. Associated with the redemption of debt retirement funds, SaskPower realized \$1 million in market value losses which were recognized in finance charges. SaskPower also made \$62 million in contributions to the debt retirement funds on outstanding debt issues as required by the terms of the advances from the Government of Saskatchewan's General Revenue Fund. In addition, the Corporation earned \$15 million (included with finance charges and classified as non-cash operating activities) on the debt retirement funds for the year. The debt retirement funds are classified as fair value through other comprehensive income. As a result, \$40 million in unrealized market value losses were recognized through other comprehensive income in 2021-22.

DIVIDENDS

SaskPower pays dividends to CIC based on the CIC Dividend Policy. During 2021-22, SaskPower paid \$17 million in dividends to CIC related to 2020-21. CIC determined that the Corporation will be required to pay a 30% dividend based on 2021-22 net income. As a result, for the year ended March 31, 2022, a dividend of \$3 million has been declared and will be paid in June 2022.

CONTRACTUAL OBLIGATIONS

SaskPower has the following significant long-term contractual obligations as at March 31, 2022, which will impact cash flows in the following year and beyond:

(in millions)	1 year	2-5 years	More than 5 years
Power purchase agreements (PPAs) ¹	\$ 482	\$ 2,180	\$ 9,441
Long-term debt (including principal and interest)	508	1,480	9,041
Planned capital expenditures	1,053	4,077	4,920
Debt retirement fund instalments	60	231	914
Coal purchase contracts	247	609	134
Natural gas purchase contracts	123	158	14
Natural gas transportation and storage contracts	63	92	10
Electricity transmission purchase contracts	1	-	-

1. The long-term contractual obligations related to PPAs include lease liabilities, operating agreements and long-term import agreements.

CAPITAL INVESTMENTS

SUSTAINMENT INVESTMENTS

Capital sustainment investments include generation, transmission and distribution projects that involve renewing, refurbishing or replacing existing infrastructure, either through an annual program or one-time project.



E.B. CAMPBELL HYDROELECTRIC STATION LIFE EXTENSION

TOTAL COST: \$300 MILLION

IN-SERVICE: 2025-26

SaskPower is life-extending Units #1 through #6 at E.B. Campbell Hydroelectric Station to ensure clean, renewable power can be provided to the Saskatchewan electrical grid for the coming decades. Located on the Saskatchewan River near Nipawin, the first six units were commissioned in 1963-64, with an additional two units commissioned in 1966. E.B. Campbell has a net capacity of 289 MW.



COTEAU CREEK HYDROELECTRIC STATION LIFE EXTENSION

TOTAL COST: \$59 MILLION

IN-SERVICE: 2025-26

This project is expected to extend the life of the Coteau Creek Hydroelectric Station by 50 years. Located on the South Saskatchewan River near Elbow, there are three units at this station with a net capacity of 186 MW. Coteau Creek Hydroelectric Station was commissioned in 1969.



RURAL REBUILD AND IMPROVEMENT PROGRAM

TOTAL COST: \$30 - \$45 MILLION (ANNUALLY) **IN-SERVICE:** ONGOING PROGRAM

The Rural Rebuild and Improvement Program is focused on the strategic replacement of Saskatchewan's aging rural electrical distribution system. It replaces lines with poor reliability performance and facilitates removal of power lines from farms fields while taking into account safety considerations and the optimization of line loss savings.



DEFECTIVE APPARATUS PROGRAM

TOTAL COST: \$11 - \$13 MILLION (ANNUALLY) **IN-SERVICE:** ONGOING PROGRAM

The scope of this annual program is to replace failed or defective apparatus structures, such as transformers, to restore service to customers in a timely fashion.



URBAN CORE INFRASTRUCTURE IMPROVEMENTS PROGRAM

TOTAL COST: \$9 - \$10 MILLION (ANNUALLY) **IN-SERVICE:** ONGOING PROGRAM

The objective of the Urban Core Infrastructure Improvements Program is to redevelop and modernize the 70-year-old electrical distribution system within the central business district and surrounding 4-kilovolt (kV) area within the City of Regina. The work will include the replacement of aging overhead and underground distribution facilities with new duct banks; cable vaults; cables; conductors; and smart grid and Supervisory Control and Data Acquisition (SCADA) devices.

GROWTH, COMPLIANCE AND RESILIENCY INVESTMENTS

Growth, compliance and resiliency investments include new generation, transmission or distribution additions to accommodate growth in demand, customer connections and other projects.



GREAT PLAINS POWER STATION

TOTAL COST: \$760 MILLION

IN-SERVICE: 2024-25

Construction is underway on a 377-MW natural gas-fired combined cycle generating station. The Great Plains Power Station will be located in Moose Jaw and is expected to be in service in 2024. This new power station will provide generation to replace conventional coal plant retirements and support the integration of renewable generation on the power grid.



ERMINE AND YELLOWHEAD POWER STATION EXPANSION

TOTAL COST: \$298 MILLION

IN-SERVICE: 2025-26

This expansion project will add a 46-MW natural gas-fired simple cycle generation unit to each of the facilities at the Ermine and Yellowhead Power Stations. Construction is expected to begin in 2022-23 and will provide an additional 92 MW of power.



PASQUA TO ROWATT TRANSMISSION LINE AND SWITCHING STATION

TOTAL COST: \$109 MILLION

IN-SERVICE: 2023-24

These projects include construction of a new switching station located south of Regina in Rowatt and the building of a new 230-kV transmission line from Moose Jaw to Rowatt. The building of this transmission infrastructure will support interconnection of renewable generation and the new Great Plains Power Station. It will also facilitate full generation dispatch from the southwest area of the province.



BATTERY ENERGY STORAGE SYSTEM (BESS)

TOTAL COST: \$26 MILLION

IN-SERVICE: 2022-23

SaskPower has undertaken a project to install a 20-MW/20-MWh BESS at the Fleet Street substation located in Regina. This BESS will be used to provide back-up power to help balance the power system when demand spikes for short periods of time and provide dispatchable power to ensure a continued reliable supply for customers in the area.

A detailed list of the Corporation's future generation projects greater than 5 MW is listed below:

FUTURE GENERATION PROJECTS				
Project name	Net capacity (MW)	Fuel source	Ownership	Estimated commissioning date
MLTC Bioenergy Centre	8	Biomass	IPP	2022-23
Awasis Solar Energy Facility	10	Solar	IPP	2022-23
Pesākâstêw Solar Energy Facility	10	Solar	IPP	2022-23
Manitoba Hydro Import Agreement	190	Hydro	Manitoba Hydro	2022-23
Foxtail Grove Solar Energy Facility	10	Solar	IPP	2023-24
Bekevar Wind Energy Facility	200	Wind	IPP	2023-24
Kopahawakenum Flare to Power Facility	15	Flare gas	IPP	2023-24
Prairie Green Renewable Energy Gas Facility	37	Natural gas	IPP	2024-25
Great Plains Power Station	377	Natural gas	SaskPower	2024-25
DEEP Geothermal Energy Facility	5	Geothermal	IPP	TBD

STRATEGIC AND OTHER INVESTMENTS

Strategic and other investments include upgrades and improvements to technology and security, supply chain, and strategic and non-discretionary projects.



LOGISTICS WAREHOUSE COMPLEX

TOTAL COST: \$220 MILLION

IN-SERVICE: 2025-26

The Logistic Warehouse Complex will result in a new 97-acre facility consolidating SaskPower operations that are currently located at the Regina Service Centre, Federal Pioneer building, Regina Maintenance Centre, Lumsden field office, Broder Street furniture warehouse, and White City Pole Yard. The complex will replace current SaskPower building assets which are at the end of their effective lifecycle and facilitate multiple operational efficiencies.



HEAD OFFICE REFURBISHMENT

TOTAL COST: \$124 MILLION

IN-SERVICE: 2022-23

SaskPower's Head Office building is approaching 60 years of age and is well beyond its useful life. Several third-party reviews conducted over the last 10 years have highlighted failing infrastructure issues and critical risks, including the presence of asbestos and potential failures of heating, ventilation, plumbing and electrical systems. The Head Office building was built for the standards at the time of construction, but is now well below modern codes and standards for fire protection, life safety systems, accessibility, energy efficiency and indoor environmental quality. The Head Office Refurbishment is a strategic investment that aligns with SaskPower's continued commitment to sustainability and its workforce. Activities related to the SaskPower's Head Office building are in their final stages and construction is expected to be completed in December 2022.



JUNO PROGRAM

TOTAL COST: \$24 MILLION

IN-SERVICE: 2023-24

The Juno Program is a multi-project/multi-year initiative to upgrade and modernize SaskPower's SAP platform. Our current SAP solutions are nearing end of life and therefore SaskPower needs to embark on this program to ensure continuity of business operations and set the foundation for future business improvements. The program consists of five major projects: technical upgrade; move of core Human Resources platform to SAP Success Factors; Customer Relationship Management modernization; business tailored applications; and S/4HANA readiness and conversion. The overall program has been planned in a manner to reduce operational risk and minimize business disruption.

OUTLOOK

2022-23 BUDGET VS. 2021-22 ACTUAL RESULTS

The following chart outlines the 2022-23 budget as compared to SaskPower's 2021-22 actual results. These earnings expectations are subject to a number of variables including: natural gas prices; coal and hydro availability; weather; economic conditions; number of customers; supply chain; and market conditions in other jurisdictions.

(in millions)	Budget 2022-23	Actual 2021-22	Change
Revenue			
Saskatchewan electricity sales	\$ 2,804	\$ 2,713	\$ 91
Exports and electricity trading	41	77	(36)
Other revenue	91	95	(4)
Total revenue	2,936	2,885	51
Expense			
Fuel and purchased power	1,056	1,033	23
Operating, maintenance and administration	740	711	29
Depreciation and amortization	604	612	(8)
Finance charges	371	401	(30)
Taxes	82	81	1
Other expenses	35	36	(1)
Total expense	2,888	2,874	14
Net income	\$ 48	\$ 11	\$ 37
Return on equity¹	1.8%	0.4%	1.4%

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

SaskPower's net income is expected to be \$48 million in 2022-23, resulting in a return on equity of 1.8%.

Revenue is expected to increase \$51 million, primarily due to a \$91 million increase in Saskatchewan electricity sales as a result of an anticipated system average rate increase of 4% effective September 1, 2022, and a 1.4% projected increase in demand. These increases are expected to be partially offset by reduced exports and electricity trading and other revenue.

The increase in revenue is expected to be partially offset by a \$29 million increase to OM&A expense largely due to feasibility studies relating to nuclear small modular reactors (SMRs) and increased vegetation management costs. As well, fuel and purchased power costs are expected to rise \$23 million due to increased renewable generation. Depreciation and amortization expense is expected to decrease as a result of coal generation facility assets nearing end of life. Finally, finance charges are also expected to decrease due to lower interest on long-term debt and higher interest capitalized.

2022-23 CAPITAL EXPENDITURES

	Budget 2022-23	Actual 2021-22	Change
Capital expenditures	\$ 1,053	\$ 922	\$ 131

SaskPower expects to continue to make substantial investments in its infrastructure over the next 10 years. Capital expenditures in 2022-23 are budgeted to be approximately \$1,053 million. This includes approximately \$430 million on sustainment activities and \$560 million in growth, compliance and resiliency activities of which \$235 million relates to the construction of the new Great Plains Power Station and \$175 million to connect customers to the SaskPower electricity system.

RELATED PARTY TRANSACTIONS

SaskPower has a number of routine transactions with various Saskatchewan Crown corporations, ministries, agencies, boards, and commissions related to our company by virtue of common control by the Government of Saskatchewan. These transactions with related parties are settled at prevailing market prices under normal trade terms. Related party transactions are disclosed in Note 31 to the consolidated financial statements.

ANALYSIS OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

SaskPower's significant accounting policies are described in Note 3 to the consolidated financial statements. Some of these policies involve accounting estimates that require management to make particularly subjective or complex judgments about matters that are inherently uncertain. Different conditions or assumptions regarding the estimates could result in materially different results being reported. Management has discussed the development and selection of these critical accounting policies with the Board of Directors and the external auditors.

The following section discusses the critical accounting estimates and assumptions that management has made and how they affect the amounts reported in the consolidated financial statements.

Consolidated statement of financial position

<i>(in millions)</i>	March 31, 2022	March 31, 2021
Unbilled revenue receivable	\$ 78	\$ 78
Allowance for doubtful accounts	17	17
Allowance for obsolescence	16	15
Net risk management assets (liabilities)	24	(50)
Debt retirement funds	738	865
Decommissioning provisions	240	257
Environmental remediation liabilities	65	67
Defined benefit pension plan deficit	86	162

Consolidated statement of income

<i>(in millions)</i>	2021-22	2020-21
Depreciation and amortization expense	\$ 612	\$ 595

UNBILLED REVENUE RECEIVABLE

Electricity revenue is billed on a systematic basis. At the end of each month, SaskPower makes an estimate of the electricity delivered to its customers since their last billing date. The estimated unbilled revenue is based on several factors, including estimated consumption for each customer, applicable customer rates and the number of days between the last billing date and the end of the period. As at March 31, 2022, total Saskatchewan electricity sales of \$2,713 million included \$78 million of estimated unbilled revenue.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for doubtful accounts is calculated for both energy and non-energy sales. Loss rates are based on historical credit losses and are adjusted to reflect differences between current and historical economic conditions and the Corporation's view of economic conditions over the expected lives of the receivables. The allowance for doubtful accounts is reviewed monthly based on an estimate of outstanding amounts that are considered uncollectible. Historically, SaskPower has not written off a significant portion of its accounts receivable balances.

ALLOWANCE FOR OBSOLESCENCE

An allowance for obsolescence is calculated for generation, transmission and distribution inventory. In establishing the appropriate provision for inventory obsolescence, management estimates the likelihood that inventory on hand will become obsolete due to changes in technology.

NET RISK MANAGEMENT ASSETS (LIABILITIES)

Net risk management assets (liabilities) reflect the fair value of the derivative financial instruments on the balance sheet. Derivative financial instruments include natural gas and electricity forward contracts. The fair values are determined based upon quoted market prices obtained from counterparties.

DEBT RETIREMENT FUNDS

Debt retirement funds are monies set aside to retire outstanding debt upon maturity. The debt retirement funds are recorded at fair value on the balance sheet. The fair value adjustment is based upon closing period-end prices received from the Government of Saskatchewan Ministry of Finance.

PROVISIONS

Decommissioning

A decommissioning provision is a legal or constructive obligation associated with the retirement of a long-lived asset. The calculations of fair value are based on detailed studies that take into account various assumptions regarding anticipated future cash flows, including the method and timing of decommissioning and estimates of future inflation. Decommissioning provisions are periodically reviewed and any changes are recognized as an increase or decrease in the carrying amount of the obligation and the related asset. If the asset is fully depreciated, the changes are recognized in profit or loss as other expenses.

Environmental remediation

A provision for environmental remediation is accrued when the occurrence of an environmental expenditure, related to present or past activities of SaskPower, is considered probable and the costs of remedial activities can be reasonably estimated. The fair value of the estimated costs for investigations and remediation at identified sites is recorded as a provision in profit or loss as other expenses. These provisions are based on management's best estimate considering current environmental laws and regulations and are recorded at fair value. SaskPower reviews its estimates of future environmental expenditures on an ongoing basis.

DEFINED BENEFIT PENSION PLAN DEFICIT

SaskPower provides post-retirement benefits to employees, including those from a defined benefit pension plan (the Plan). An independent actuary calculates the funded status of the Plan every three years based on assumptions regarding discount rates, inflation rates, future pension indexing and life expectancy. The funded status is extrapolated on a quarterly basis for the current discount rate. The entire deficit or surplus for the defined benefit pension plan is recognized on the statement of financial position.

DEPRECIATION AND AMORTIZATION

Property, plant and equipment represent 83% of total assets recognized on SaskPower's statement of financial position as at March 31, 2022. Included in property, plant and equipment are the generation, transmission, distribution and other assets of SaskPower. Due to the size of SaskPower's property, plant and equipment, changes in estimated depreciation rates can have a significant impact on income.

Depreciation is recognized on a straight-line basis over the estimated useful life of each component of property, plant and equipment. The estimated useful lives of the components are based on formal depreciation studies that are performed typically every five years, with annual reviews for reasonableness. Judgment has been used to determine the estimated useful lives and related accelerated depreciation for coal-fired generation facility assets based on federal regulations to phase out conventional coal-fired generation in Canada by 2030.

A one-year decrease in the average estimated service life of each of the major asset classes of property, plant and equipment would result in a \$35 million increase to depreciation expense annually.

Following the completion of an internal depreciation study, the estimated useful lives of certain assets were changed. The change in estimate was applied prospectively, effective April 1, 2021. The impact of the change in estimated useful lives was an approximate \$7 million increase to depreciation expense for the year ended March 31, 2022.

RECENT AND FUTURE ACCOUNTING POLICY CHANGES

The following amendments to existing International Financial Reporting Standards (IFRS) have been issued, however, are not yet effective for the year ended March 31, 2022, and have not been applied in preparing the consolidated financial statements. The Corporation is currently reviewing the amended standards and interpretations disclosed in Note 2(e) to determine the potential impact, if any, on its consolidated financial statements:

- Amendments to IFRS 3, *Business Combinations*, reference to the Conceptual Framework.
- Amendments to IFRS 9, *Financial Instruments*, Annual Improvements to IFRS Standards 2018-2022.
- Amendment to IFRS 10, *Consolidated Financial Statements*, sale or contribution of assets between an investor and its associates or joint venture.
- Amendments to International Accounting Standards (IAS) 1, *Presentation of Financial Statements*, classification of liabilities as current or non-current.
- Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, definition of accounting estimates.
- Amendments to IAS 16, *Property, Plant and Equipment*, proceeds before intended use.
- Amendments to IAS 28, *Investment in Associates and Joint Ventures*, sale or contribution of assets between an investor and its associate or joint venture.
- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, onerous contracts.

RISK MANAGEMENT

SaskPower operates in a complex and dynamic business environment where significant pressures, uncertainties and changes are occurring in the industry. As part of the strategic planning process, major challenges to our business have been identified which introduce a variety of risks and uncertainties that could impact the achievement of our business objectives. In addition to strategic risk, functional risks are identified, managed and to the extent possible mitigated through the Enterprise Risk Management (ERM) Program. These functional risks include: financial performance, operational performance, safety, environmental performance, compliance, and reputation. SaskPower's risk management responses are implemented in various ways, including through governance practices, policies, procedures, processes and technologies. The ERM Program promotes a consistent and standard approach to risk identification, assessment, and management throughout the organization.

SaskPower has been resilient in managing the impacts of COVID-19 and will continue to be. SaskPower's risk management responses are focused on the health and safety of our workforce and customers while ensuring business continuity. Through the ERM Program, SaskPower's Board of Directors and Executive Members continue to identify and respond to developing and potential new risks. In this uncertain environment, corporate risk management efforts are aligned to allow SaskPower to continue to deliver reliable and safe power in Saskatchewan.

ERM GOVERNANCE

Risk management is the responsibility of all employees and is an integral part of our culture. SaskPower's Board of Directors has overall responsibility for stewardship of the Corporation and the President and CEO has ultimate accountability for risk management, with support from Executive Members. Executive Members manage key business risks, including new and emerging risks and opportunities. The Audit and Finance Committee of the Board is responsible for overseeing the ERM framework, risk management policies, authorities, and accountabilities of shared risk management throughout SaskPower.

SaskPower's business divisions are responsible for managing day-to-day risks within their areas of responsibility. Project risks are the responsibility of project managers, with corresponding accountability to project boards and respective Executive Members.

TOP CORPORATE RISKS

Our company is challenged by emissions regulatory requirements; changes to carbon tax pricing; early engagement with Indigenous and non-Indigenous communities; the need for new electricity supply; financial constraints; economic disruptors; evolving technologies; growing capital requirements; and the speed at which stakeholder and customer expectations are changing. SaskPower annually identifies top corporate risks that could impact our company's corporate strategies and priorities; influence financial and operating results; and affect achievement of our business objectives.

SaskPower's risk portfolio evolves over time, with significant shifts to focus on key emerging issues and priority initiatives. Our company regularly undertakes routine and non-routine projects as well as strategic initiatives to meet evolving regulatory requirements, customer demands, load conditions and to support integrated resource planning. These projects and initiatives involve significant investment and require strategic risk management to support investment decision making.

1. ENVIRONMENTAL REGULATION

Our industry is challenged by changing regulations resulting in the phase-out of conventional coal generation by 2030; increasing emissions performance requirements for natural gas generation; and the implementation of a price on carbon that is gradually increasing from its current \$50/tonne of CO₂e emissions to \$170/tonne CO₂e by 2030. In addition, the Corporation is also subject to extensive provincial and municipal environmental regulations. Failure to comply with these regulations could result in fines or other penalties.

SaskPower is currently working on a supply plan that would increase generating capacity from renewable sources such as wind and solar; reduce SaskPower's fossil fuel emissions; and integrate emerging technologies (geothermal, biomass, flare gas, and landfill gas). SaskPower has also implemented a Power Generation Partner Program to increase generation from renewable resources owned and operated by independent third parties. In 2019, an agreement on the equivalency of federal and Saskatchewan regulations for the control of greenhouse gas emissions from electricity production was approved. This Equivalency Agreement between the province and the federal government provides SaskPower with increased flexibility to meet emissions-related regulations.

SaskPower is currently operating the E.B. Campbell Hydroelectric Station without a federal authorization from Fisheries and Oceans Canada. Management is actively working with the federal government through the authorization process to secure a new authorization.

2. FINANCIAL SUSTAINABILITY

SaskPower's financial flexibility and capability is challenged by current economic conditions, growing capital requirements, increasing debt, and the need to maintain competitive rates. SaskPower has a high fixed-cost structure driven by the capital-intensive nature of the electric utility business. SaskPower's business model needs to be agile enough to adapt to industry changes that include increasingly stringent emissions regulations, rising costs, capital expenditures and customer self-generation. Key financial drivers include revenue which is impacted by load growth, provincial economic conditions, customer mix and approved rate increases. The cost of fuel is driven by load growth, fuel mix and the market price of fuel. Depreciation and finance charges are impacted by capital expenditures and the cost of borrowing.

SaskPower minimizes the impact of current financial constraints by effectively implementing business optimization initiatives; using scenario-based budgeting and forecasting for business planning; prioritizing capital spending; engaging in cost-effective financing; diversifying the fuel mix; developing a rate management strategy; monitoring counterparty credit risk; validating load forecast assumptions; maintaining rate competitiveness; and identifying the most cost-effective supply options.

3. INFRASTRUCTURE AND RELIABILITY

Significant capital spending is required to maintain system reliability, reduce risk of equipment failures, renew aging infrastructure and accommodate growing demand for electricity. SaskPower's electricity supply infrastructure can be affected by age, insufficient capital investment, significant technological change, innovation, and growing customer demand and expectations. A large portion of SaskPower's critical generation, transmission and distribution assets are near or at the end of their expected service life and vulnerable to extreme weather events. Aging assets are increasingly expensive to maintain and operate and may be less efficient than newer technologies.

Significant financial and other resources are required to monitor and properly sustain the existing asset base. Performance, reliability, and maximized uptime of existing generation, transmission and distribution facilities are fundamental to ensuring a safe, continuous and adequate supply of electricity. Information technology system requirements are evolving to manage the power system more efficiently and maintain acceptable security standards.

Long-term system planning; grid modernization; redundant and resilient systems; standby critical inventory; the implementation of a risk-based asset performance management strategy; prioritization and allocation of capital spending; and established business continuity and emergency plans allow SaskPower to address a variety of adverse events. Reciprocal transmission agreements with neighbouring utilities provide assistance in major outage situations.

4. STAKEHOLDER EXPECTATIONS

SaskPower interacts with a variety of stakeholders within the scope of its operations, including Indigenous communities, customers, business partners, employees, shareholders, governments, regulatory bodies and contractors. Stakeholder expectations are changing, with greater transparency, involvement and stewardship expected. Positive stakeholder engagement through effective communication of SaskPower's needs and strategic direction helps our company achieve its objectives and deal with adversity or significant change when it impacts the organization and its stakeholders.

SaskPower continues to partner with the First Nations Power Authority to facilitate Indigenous engagement related to plans for a sustainable power system in Saskatchewan. Engagement effectiveness is measured through a stakeholder trust metric. Strategic decision making at SaskPower incorporates the impact of its actions on many stakeholders, including employees, customers, regulators, and Canadians as a whole.

5. SECURITY

SaskPower business operations rely on information and operational technologies which need to be maintained, supported, protected and secured while enabling appropriate access and ensuring reliability, confidentiality, integrity and availability of associated systems and information. Demand for security capabilities will increase as security threats evolve at an exponentially rapid rate.

SaskPower has established physical and cyber security controls to defend our servers, networks and data from attack, damage or unauthorized use. Identity and access management controls restrict unauthorized access of data and malicious manipulation of data by external or internal actors. Data loss prevention techniques have been deployed to identify, monitor and prevent inappropriate sharing of sensitive and confidential information. System vulnerabilities are managed by hardening servers and encrypting mobile assets. SaskPower employees are equipped with various security awareness techniques and training to understand emerging phishing risks.

6. SAFETY OF EMPLOYEES AND THE PUBLIC

SaskPower operations can inherently impact the safety of employees, contractors, customers, and the general public. There are considerable hazards and risks associated with working on high voltage equipment, on equipment operated at a high temperature or pressure, at heights, with chemicals, and around large machines. SaskPower engages with customers, contractors and the public to inform them of potential safety issues.

SaskPower mitigation strategies include the integration of leadership competencies to foster and reinforce safe work practices. The Standard Protection Code and Standard Operating Procedures have been embedded in SaskPower's safety culture and operations. Contractors and employees are provided with safety orientations and learning opportunities for compliance with legislation and corporate safety requirements. Safety goals and the Corporate Balanced Scorecard Health & Safety Index are also incorporated into our company's performance management process. Risk-based asset maintenance programs at SaskPower include equipment inspection, replacement, and maintenance and are designed to reduce the risk of public injuries or fatalities. New partnerships have been built with the Government of Saskatchewan Ministry of Agriculture and other public and private organizations to raise awareness of public safety that will reduce farming and construction-related incidents.

7. PROJECT DELIVERY

SaskPower has identified the need to invest significant amounts of capital in long-term projects to ensure continued reliability; maintain, upgrade and expand infrastructure; and meet environmental requirements. SaskPower continues to deliver on significant projects related to customer connects, service delivery improvements, sustainment and refurbishment of existing infrastructure, and development of new supply options. New regulations, stakeholder expectations, and financial constraints place increasing demands on SaskPower. All of these projects are competing for human resources as well as financial, operating, and capital resources.

Not delivering projects on time, on schedule, or within budget or scope can impact customers/suppliers and increase costs for the Corporation. SaskPower mitigation strategies include standardizing project delivery tools and governance methods; implementing vendor prequalification and provision for long-term goods and service contracts; tracking earned value metrics for each project; measuring planned versus actual benefits realized; managing project risks through cross-functional risk committees; as well as comprehensive monitoring and reporting of project dependencies and outage scheduling.

8. INDUSTRY DISRUPTION

SaskPower is challenged by evolving disruptive forces which are significantly influenced by technology and innovation. Developments in technology are changing the role of the customer and the economics of electric utilities. The industry is maturing and is in the midst of a major infrastructure investment cycle. The bulk of SaskPower infrastructure is either coming to the end of its useful life or reaching planned retirement and needs to be renewed or replaced. At the same time, our supply mix needs to become cleaner as driven by new emissions regulations, performance standards, the federal/provincial Equivalency Agreement, and public expectations. The traditional electricity grid is evolving into a system in which automation, electric vehicles, remote control, visibility, and customer participation are expected. Customers will become more integrated in the Corporation's network through customer-owned generation and energy management products and by providing input on long-term decision making and the transition to a low-carbon economy.

SaskPower is defining the path forward through a variety of channels, including a Grid Modernization Strategy and long-term Strategic Workforce Plan. A cross-functional team works with various stakeholders to address disruption resulting from distributed and self-generation technologies. To modernize interaction with customers, digital self-serve options are also in development. Meanwhile, SaskPower is supporting electric vehicle adoption in the province and to better understand this technology, SaskPower has added electric vehicles to its own corporate fleet. As well, information on electric vehicles is now available on SaskPower's website to promote customer awareness.

9. WORKFORCE MANAGEMENT

Over the next few years, a significant number of core SaskPower employees will be impacted by a changing work environment. This includes the phase-out of conventional coal generation and the increasing use of technology and automation, both of which are contributing to a period of challenging transition within the workforce. This will change SaskPower's workforce by creating new critical employee segments that do not currently exist. SaskPower's continued success will be tied to its ability to train, attract and retain sufficiently qualified staff to meet these new business environment needs.

SaskPower's long-term Strategic Workforce Plan will focus on succession planning, skillset gap analysis, retention strategies, targeted recruitment for in-demand occupation and continuous improvement training. SaskPower is continuing to build partnerships with educational institutions and support apprenticeship programs to support our workforce transition.

10. SECURITY AND OPTIMIZATION OF ENERGY SUPPLY

Having secure generation supply, fuel sources, and import capabilities is essential to SaskPower's ability to meet electricity demand. Changes to the commodity supply/demand balance in the market may impact fuel supply and consequently SaskPower's ability to generate power. SaskPower's primary fuel sources are coal, natural gas, and hydro. These fuel sources form the basis for SaskPower's diversified supply portfolio. Changes in emissions regulations and carbon tax burden will introduce a shift in the supply mix, including the presence of more renewables such as wind and solar generation. Balancing the evolving supply mix with system flexibility, import expansion, and reliable operations are challenges being managed.

Increasing the percentage of renewables in the supply mix — along with changing regulations resulting in the phase-out of conventional coal-fired generation — impacts system operability and has the potential to increase costs to integrate and maintain a secure system. In addition, the natural gas market continues to evolve with the increased use of natural gas infrastructure in Alberta and Saskatchewan impacting both supply and demand.

SaskPower manages generation, fuel supply and import capability risks through strategies that include: generation scenario planning; long-term natural gas transmission contracts with renewable rights to secure transportation services for natural gas; long-term coal contracts to address price, quality and security of supply; feasibility studies of nuclear small modular reactors (SMRs); as well as regional transmission interconnection capabilities. Development of a diversified and flexible generation grid includes strategies for renewables, low-emitting sources and inter-ties.

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REPORT OF MANAGEMENT

The consolidated financial statements of Saskatchewan Power Corporation (SaskPower; the Corporation) are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. The preparation of financial statements necessarily involves the use of estimates based on management's best judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods. In management's opinion, the consolidated financial statements have been properly prepared within the framework of selected accounting policies summarized in the consolidated financial statements and incorporate, within reasonable limits of materiality, information available up to May 24, 2022. The financial information presented in the Management's Discussion & Analysis (MD&A) and elsewhere in this report is consistent with that in the consolidated financial statements.

Management maintains appropriate systems of internal control which provide reasonable assurance that the Corporation's assets are safeguarded and appropriately accounted for, that financial records are relevant, reliable, and accurate, and that transactions are executed in accordance with management's authorization. This system includes corporate-wide policies and procedures, as well as the appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these controls on an ongoing basis and reports its findings to management and the Audit & Finance Committee of the Board of Directors.

The Board of Directors, through the Audit & Finance Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit & Finance Committee consists entirely of outside Directors. At regular meetings, the Committee reviews audit, internal control and financial reporting matters with management, the internal auditors and the external auditors to satisfy itself that each is properly discharging its responsibilities. The financial statements and the Independent Auditor's Report have been reviewed by the Audit & Finance Committee and have been approved by the Board of Directors. The internal and external auditors have full and open access to the Audit & Finance Committee, with and without the presence of management.

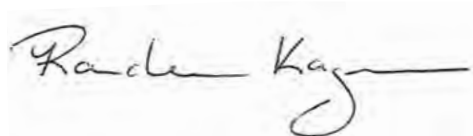
The consolidated financial statements have been examined by Deloitte LLP, Chartered Professional Accountants, as appointed by the Lieutenant Governor in Council and approved by the Crown Investments Corporation of Saskatchewan. The external auditor's responsibility is to express its opinion on whether the consolidated financial statements are fairly presented in accordance with International Financial Reporting Standards.

On behalf of management,



Troy King

Acting President and Chief Executive Officer
May 24, 2022



Randeem Kaczmar

Acting Vice-President, Finance and Business
Performance, and Chief Financial Officer

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

I, Troy King, Acting President and Chief Executive Officer of Saskatchewan Power Corporation, and I, Randeem Kaczmar, Acting Vice-President, Finance and Business Performance, and Chief Financial Officer of Saskatchewan Power Corporation, certify the following:

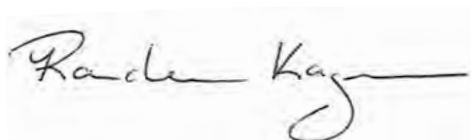
- (a) That we have reviewed the consolidated financial statements included in the Annual Report of Saskatchewan Power Corporation. Based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as at March 31, 2022.
- (b) That based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the Annual Report of Saskatchewan Power Corporation do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.
- (c) That Saskatchewan Power Corporation is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and Saskatchewan Power Corporation has designed internal controls over financial reporting that are appropriate to the circumstances of Saskatchewan Power Corporation.
- (d) That Saskatchewan Power Corporation conducted its assessment of the effectiveness of the Corporation's internal controls over financial reporting and, based on the results of this assessment, Saskatchewan Power Corporation can provide reasonable assurance that internal controls over financial reporting as at March 31, 2022, were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

On behalf of management,



Troy King

Acting President and Chief Executive Officer
May 24, 2022



Randeem Kaczmar

Acting Vice-President, Finance and Business
Performance, and Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan:

Opinion

We have audited the consolidated financial statements of Saskatchewan Power Corporation (the Corporation), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (Canadian GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants

May 24, 2022

Regina, Saskatchewan

CONSOLIDATED STATEMENT OF INCOME

(in millions)

For the year ended March 31	Notes	2021-22	2020-21
Revenue			
Saskatchewan electricity sales	4	\$ 2,713	\$ 2,615
Exports and electricity trading	5	77	53
Other revenue	6	95	103
Total revenue		2,885	2,771
Expense			
Fuel and purchased power	7	1,033	807
Operating, maintenance and administration	8	711	700
Depreciation and amortization	9	612	595
Finance charges	10	401	426
Taxes	11	81	79
Other expenses	12	36	4
Total expenses		2,874	2,611
Net income		\$ 11	\$ 160

See accompanying notes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions)

For the year ended March 31	Notes	2021-22	2020-21
Net income		\$ 11	\$ 160
Other comprehensive income (loss)			
Items that may be reclassified subsequently to net income:			
Derivatives designated as cash flow hedges:			
Natural gas hedges:			
Change in fair value during the period		57	12
Realized gains (losses) during the period		4	(16)
Reclassification to income		(4)	16
Bond forward hedges:			
Reclassification to income	10	1	-
Debt instruments designated as FVOCI:			
Change in fair value during the period	17	(40)	(26)
Realized (losses) gains during the period	17	(1)	2
Reclassification to income	10	1	(2)
Items that will not be reclassified to net income:			
Defined benefit pension plans:			
Net actuarial gains	32	81	8
		99	(6)
Total comprehensive income		\$ 110	\$ 154

See accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)

As at March 31	Notes	2022	2021
Assets			
Current assets			
Cash and cash equivalents		\$ 32	\$ 98
Accounts receivable and unbilled revenue		362	433
Inventory	13	293	251
Prepaid expenses		30	23
Risk management assets	25	37	6
		754	811
Property, plant and equipment	14	10,133	9,816
Right-of-use assets	15	516	565
Intangible assets	16	77	68
Debt retirement funds	17	738	865
Other assets		11	8
Total assets		\$ 12,229	\$ 12,133
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 692	\$ 567
Accrued interest		60	64
Deferred revenue	18	22	22
Dividend payable		3	17
Risk management liabilities	25	13	56
Short-term advances	19	599	299
Current portion of long-term debt	20	256	240
Current portion of lease liabilities	21	45	36
		1,690	1,301
Long-term debt	20	6,239	6,501
Lease liabilities	21	904	946
Employee benefits	32	131	208
Provisions	22	305	324
Total liabilities		9,269	9,280
Equity			
Retained earnings		2,243	2,235
Accumulated other comprehensive income	23	124	25
Equity advances	24	593	593
Total equity		2,960	2,853
Total liabilities and equity		\$ 12,229	\$ 12,133

See accompanying notes

On behalf of the Board,



Chief Darcy Bear
Chair



Bryan Leverick
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in millions)</i>	Retained earnings	Accumulated other comprehensive income (loss)			Equity advances	Total
		Net gains (losses) on derivatives designated as cash flow hedges	Net gains (losses) on debt instruments designated as FVOCI	Net actuarial gains (losses) on defined benefit pension plans		
Equity						
Balance, April 1, 2020	\$ 2,123	\$ (24)	\$ 24	\$ 31	\$ 593	\$ 2,747
Net income	160	-	-	-	-	160
Other comprehensive income (loss)	-	12	(26)	8	-	(6)
Dividends	(48)	-	-	-	-	(48)
Balance, March 31, 2021	\$ 2,235	\$ (12)	\$ (2)	\$ 39	\$ 593	\$ 2,853
Net income	11	-	-	-	-	11
Other comprehensive income (loss)	-	58	(40)	81	-	99
Dividends	(3)	-	-	-	-	(3)
Balance, March 31, 2022	\$ 2,243	\$ 46	\$ (42)	\$ 120	\$ 593	\$ 2,960

See accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

For the year ended March 31	Notes	2021-22	2020-21
Operating activities			
Net income		\$ 11	\$ 160
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation and amortization	9	612	595
Finance charges	10	401	426
Net losses on asset disposals and retirements	12	26	32
Unrealized market value adjustments		-	(2)
Reclassification of natural gas hedges transitional market value losses		(17)	(19)
Allowance for obsolescence		1	(2)
Natural gas inventory market revaluation		(3)	(1)
Net employee benefits paid		(4)	(4)
Environmental expenditures net of provisions		(10)	(5)
Net change in non-cash working capital	29	1,017	1,180
Interest paid		146	83
Cash provided by operating activities		(425)	(449)
Investing activities		738	814
Property, plant and equipment additions		(876)	(660)
Arbitral award	14	-	32
Intangible assets additions	16	(36)	(23)
Proceeds from sale and disposal of assets		8	2
Costs of removal of assets		(8)	(9)
Cash used in investing activities		(912)	(658)
(Decrease) increase in cash before financing activities		(174)	156
Financing activities			
Net proceeds from (repayments of) short-term advances		300	(647)
Proceeds from long-term debt	20	-	566
Repayments of long-term debt	20	(240)	(129)
Debt retirement fund instalments	17	(62)	(62)
Debt retirement fund redemptions	17	163	42
Principal repayment of lease liabilities		(36)	(28)
Dividends paid		(17)	(36)
Cash provided by (used in) financing activities		108	(294)
Decrease in cash		(66)	(138)
Cash and cash equivalents, beginning of year		98	236
Cash and cash equivalents, end of year		\$ 32	\$ 98

See accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF BUSINESS

Saskatchewan Power Corporation (SaskPower; the Corporation), a provincially-owned Crown corporation, generates, purchases, transmits, distributes and sells electricity and related products and services. Founded as the Saskatchewan Power Commission in 1929, SaskPower was set up in 1949 and operates primarily under the mandate and authority of *The Power Corporation Act*. SaskPower's head office is located at 2025 Victoria Avenue in Regina, Saskatchewan, Canada, S4P 0S1.

By virtue of *The Crown Corporations Act, 1993*, SaskPower has been designated a subsidiary of Crown Investments Corporation of Saskatchewan (CIC), a provincial Crown corporation. Accordingly, the financial results of the Corporation are included in the consolidated financial statements of CIC. As a provincial Crown corporation, the Corporation is not subject to federal and provincial income taxes.

NOTE 2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements were authorized for issue by the Board of Directors on May 24, 2022.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- Inventory at lower of cost and net realizable value defined in Note 3(b).
- Provisions at discounted expected future cash flows defined in Note 3(g).
- Financial instruments that are accounted for according to the financial instrument categories defined in Note 3(m).
- Employee benefit plans recognized at the fair value of plan assets less the present value of the accrued benefit obligations defined in Note 3(n).

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest million.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates and judgments are further described in the following summary of significant accounting policies and related notes:

(i) Saskatchewan electricity sales

Estimation and judgment are used to determine the amount of electricity deliveries not yet billed at period-end. Unbilled revenue is estimated by calculating the daily average revenue for each customer based on the customer's past consumption history multiplied by the number of days between the last billing date and the end of the period (Note 3(h)(i) and 4).

(ii) Customer contributions

Customer contributions are funds received from certain customers towards the costs of service extensions. In determining when to recognize revenue related to customer contributions, management is required to make judgments in regard to when the related property, plant and equipment is available for use and performance obligations are complete (Notes: 3(h)(iii) and 6).

(iii) Receivables

Management's best estimate is required to determine the amount of receivables that will be uncollectible in a given period. The allowance for doubtful accounts represents the expected credit losses on trade receivables which is based on a percentage of accounts outstanding (Notes: 3(m)(v) and 26).

(iv) Inventory

Estimation and judgment are used to determine the appropriate measure of net realizable value as well as the allowance for inventory obsolescence. Management's best estimate is required to determine the amount of inventories to be written off in a given period (Notes: 3(b) and 13).

(v) Property, plant and equipment and intangible assets

Estimation and judgment are involved in determining the useful lives, related depreciation and amortization and accumulated depreciation and amortization of property, plant and equipment and intangible assets. Estimated useful lives are determined based upon manufacturer's guidance on asset life, SaskPower's past experience with similar assets, industry averages, as well as expectations about future events that could impact the life of the asset. Estimated useful lives are reviewed annually to ensure their reasonableness (Notes: 3(c), 3(d), 3(e), 9, 14 and 16).

Judgment has been used to determine the estimated useful lives and related accelerated depreciation for coal-fired generation facility assets based on federal government requirements to phase out conventional coal-fired generation in Canada by 2030.

(vi) Leases

In assessing the carrying amounts of right-of-use assets and lease liabilities and underlying estimates of future cash flows, management must use judgment in identifying which arrangements contain a lease as well as the lease term for contracts, including renewal options for which SaskPower is the lessee (Notes: 3(l), 15 and 21).

(vii) Provisions

Estimation and judgment are involved in determining the carrying amounts of decommissioning and environmental remediation provisions. The provisions are recorded at the fair value based on the Corporation's best estimate of the future cash expenditures required to settle the obligations, taking into account current environmental regulations. The underlying estimates of future cash flows are required to be made over a long period of time, given the fact that most provisions will not be settled for a number of years (Notes: 3(g) and 22).

(viii) Financial instruments

Determining the fair value of financial instruments and derivatives can require significant estimation regarding components such as future price, volatility, and liquidity. Fair values can fluctuate significantly depending on current market conditions. These estimates of fair value may not accurately reflect the amounts that could be realized or settled (Notes: 3(m) and 25).

(ix) Employee benefits

Employee benefit plan expense and obligations are calculated by an independent actuary based on underlying actuarial assumptions, including discount rates, inflation rates, future pension indexing and life expectancy. These assumptions are determined by management and reviewed annually by the actuary. The calculations are complex, and a change in the estimate of any of the assumptions could have a material effect on the employee benefit plan expense or obligation (Notes: 3(n) and 32).

(e) New standards and interpretations not yet adopted

New standards and amendments to standards and interpretations which are not yet effective for the year ended March 31, 2022, have not been applied in preparing these consolidated financial statements. In particular, the Corporation is reviewing the following amended standards and interpretations:

- Amendments to IFRS 3, *Business Combinations*
- Amendments to IFRS 9, *Financial Instruments*
- Amendments to IFRS 10, *Consolidated Financial Statements*
- Amendments to IAS 1, *Presentation of Financial Statements*
- Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to IAS 16, *Property, Plant and Equipment*
- Amendments to IAS 28, *Investments in Associates and Joint Ventures*
- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

These amendments are not expected to have a significant impact, if any, on the consolidated financial statements in the following fiscal year.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries with all significant inter-company transactions and balances being eliminated.

Separate audited financial statements are prepared annually for its wholly owned subsidiary: NorthPoint Energy Solutions Inc. (NorthPoint). NorthPoint actively trades electricity in markets outside of Saskatchewan. SaskPower International Inc., previously a wholly owned subsidiary, was dissolved under *The Business Corporations Act (Saskatchewan)* effective January 15, 2021.

(ii) Joint operations

Joint operations are those entities over whose activities the Corporation has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. They also provide the Corporation with rights to the assets and liabilities related to the arrangement.

The Corporation has classified the following arrangement as a joint operation:

- 50% ownership interest in BHP SaskPower Carbon Capture and Storage (CCS) Knowledge Centre Inc. This not-for-profit corporation was established on February 26, 2016, to advance the understanding and use of CCS as a means of managing greenhouse gas emissions and to further research projects related thereto as agreed upon by its members from time to time. The operations are fully funded by BHP Canada Inc. as per the sponsorship funding agreement which has been extended to December 31, 2026.

(b) Inventory

Maintenance materials, supplies, natural gas, coal and other fuel inventory are recorded at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Replacement cost is used as management's best estimate of the net realizable value for maintenance materials, supplies, coal and other fuel inventory. Net realizable value for natural gas inventory is determined using the near-month Alberta natural gas market price. Inventories are written down to net realizable value on an item by item basis.

In establishing the appropriate provision for inventory obsolescence, management estimates the likelihood that inventory on hand will become obsolete due to changes in technology. Maintenance materials and supplies are charged to inventory when purchased and expensed or capitalized when used. Natural gas, coal and other fuel inventory are charged to inventory when purchased and expensed as consumed or sold (Note 13).

(c) Property, plant and equipment

Property, plant and equipment is recorded at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, services and direct labour. Borrowing costs associated with major capital and development projects that are six months or longer in duration are capitalized during the construction period at the weighted average cost of borrowings. Assets under construction are recorded as in progress until they are operational and available for use, at which time they are transferred to property, plant and equipment.

Costs are capitalized provided there is reasonable certainty they will provide benefits into the future. Significant renewals and enhancements to existing assets are capitalized only if the useful life of the asset is increased; physical output, service capacity or quality is improved above original design standards; or operating costs are reduced by a substantial and quantifiable amount that can be reliably measured. The costs of day-to-day servicing of property, plant and equipment are expensed as incurred (Note 14).

When property, plant and equipment are disposed of or retired, the related costs less accumulated depreciation are derecognized. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds less costs of removal and the carrying amount of the asset. The gain or loss on asset disposals and retirements is recognized in profit or loss as other expenses (Note 12).

Assets held under right-of-use leases are initially recognized at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments (Note 15). The corresponding liability is recorded as a lease liability (Note 21).

(d) Depreciation

Depreciation is recognized on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Depreciation commences when the property, plant and equipment is ready for its intended use. Land is not depreciated.

The estimated useful life of property, plant and equipment is based on manufacturer's guidance, past experience and future expectations regarding the potential for technical obsolescence. Their estimated useful lives are reviewed annually and any changes are applied prospectively.

Following the completion of an internal depreciation study, the estimated useful lives of certain assets were changed. The change in estimate was applied prospectively, effective April 1, 2021, and resulted in an approximate \$7 million increase to depreciation expense for the year ended March 31, 2022.

The estimated useful lives of the major classes of property, plant and equipment are:

Asset class	Estimated useful lives (years)
Generation	3-110
Transmission	3-55
Distribution	3-40
Other	4-60

A one-year decrease in the estimated useful life of each of the major classes of property, plant and equipment would result in a \$35 million increase to depreciation expense annually.

Assets held under right-of-use leases are depreciated over their expected useful economic lives on the same basis as for owned assets, or where shorter, the lease term (Note 9).

(e) Intangible assets

The Corporation's only identifiable intangible asset is software. Software is recorded at cost less accumulated amortization and accumulated impairment losses. Software costs include the cost of externally purchased software packages and for internally developed programs, related external and direct labour costs. Maintenance of existing software programs is expensed as incurred (Note 16).

Amortization is calculated on a straight-line basis over five to ten years — the estimated useful life of the Corporation's software programs. The estimated useful life of intangible assets is reviewed annually and any changes are applied prospectively (Note 9).

(f) Impairment of assets

At each reporting date, the Corporation evaluates its property, plant and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Factors which could indicate an impairment exists include significant changes in the Corporation's strategy or underperformance of assets relative to projected future operating results. An impairment is recognized when the carrying amount of an asset or cash generating unit (CGU) exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of the future cash flows to be derived from a CGU. At the reporting date, the Corporation determined that there was no impairment of value to its long-lived assets and therefore no write-down was required.

Impairment losses previously recognized for an asset are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. In no case shall the revised carrying amount exceed the original carrying amount, after depreciation or amortization, that would have been determined if no impairment loss had been recognized. An impairment loss or reversal of an impairment loss is recognized in other expenses.

(g) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. For SaskPower, that rate is considered to be equal to the yield on Government of Saskatchewan bonds that match the timing of the expected cash flows. The unwinding of the discount on provisions is recognized in profit or loss as finance expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Decommissioning

A decommissioning provision is a legal or constructive obligation associated with the decommissioning of a long-lived asset. The Corporation recognizes decommissioning provisions in the period they are incurred if a reasonable estimate of fair value (net present value) can be determined. The Corporation recognizes provisions to decommission coal, natural gas, cogeneration, wind generation facilities and other properties typically in the period in which the facility is commissioned. SaskPower also recognizes provisions for the decommissioning of assets containing polychlorinated biphenyls (PCBs) in accordance with existing federal regulations.

The fair value of the estimated decommissioning costs is recorded as a provision with an offsetting amount capitalized and included as part of property, plant and equipment. The provisions are increased periodically for the passage of time by calculating interest expense. The offsetting capitalized asset retirement costs are depreciated over the estimated useful life of the related asset. The calculations of fair value are based on detailed studies that take into account various assumptions regarding the anticipated future cash flows including the method and timing of decommissioning and estimates of future inflation rates. Decommissioning provisions are periodically reviewed and any changes in the estimated timing and amount of future cash flows, as well as changes in the discount rate, are recognized as an increase or decrease in the carrying amount of the obligation and the related asset. If the asset value is fully depreciated the changes are recognized in profit or loss as other expenses (Notes: 12 and 22).

(ii) Environmental remediation

A provision for environmental remediation is accrued when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs of remedial activities can be reasonably estimated. The fair value of the estimated costs for investigations and remediation at identified sites is recorded as a provision in profit or loss as other expenses. These provisions are based on management's best estimate considering current environmental laws and regulations and are recorded at fair value. The Corporation reviews its estimates of future environmental expenditures on an ongoing basis. Changes in the estimated timing and amount of future cash flows are recognized in profit or loss as other expenses (Notes: 12 and 22).

(h) Revenue recognition

The majority of the Corporation's revenues from contracts with customers are derived from the generation, transmission, distribution, purchase and sale of electricity and related products and services under *The Power Corporation Act*. The Corporation evaluates whether the contracts it enters into meet the definition of a contract with a customer at the inception of the contract and on an ongoing basis if there is an indication of significant changes in facts and circumstances. Revenue is measured based on the transaction price specified in a contract with a customer. Revenue is also recognized when control over a promised good or service is transferred to the customer and the Corporation is entitled to consideration as a result of completion of the performance obligation.

A contract liability (deferred revenue) is recorded when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation when that right is conditional on something other than the passage of time. The Corporation recognizes unconditional rights to consideration separately as a receivable. Contract assets and receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

Significant judgment may be required to identify the number of distinct performance obligations within a contract and the allocation of the transaction price to multiple performance obligations in a contract, and to determine when performance obligations have been satisfied.

The Corporation has applied the following practical expedients under IFRS 15:

- The Corporation recognized revenue from contracts where the right to consideration from a customer corresponded directly with the value to the customer of the Corporation's performance completed to date in the amount to which the Corporation had the right to invoice;
- The Corporation did not adjust the promised amount of consideration for the effects of a significant financing component if the Corporation expected, at the contract inception, that the period between when the Corporation transfers the good or service to the customer and when the customer pays for the service will be one year or less; and
- The Corporation did not disclose information about remaining performance obligations that had original expected durations of one year or less.

The Corporation's main sources of revenue and method applied to the recognition of this revenue in these consolidated financial statements are as follows:

(i) Saskatchewan electricity sales

Electricity sales contracts are deemed to have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other obligations in the contracts and therefore not distinct. These performance obligations are considered to be satisfied over time as electricity is delivered because of the continuous transfer of control to the customer. The method of revenue recognition for the electricity is an output method, which is based on the volume delivered to the customer.

Saskatchewan electricity sales are calculated based on the customer's usage of electricity during the period at the applicable published rates for each customer class. Electricity rates in Saskatchewan are subject to review by the Saskatchewan Rate Review Panel with final approval by provincial cabinet. Saskatchewan electricity sales include an estimate of electricity deliveries not yet billed at period-end. The estimated unbilled revenue is based on several factors, including estimated consumption by customer, applicable customer rates and the number of days between the last billing date and the end of the period (Note 4).

(ii) Exports and electricity trading

Export sales are recognized upon delivery to the customer and include an estimate of electricity deliveries not yet billed at period end. Electricity trading revenues are reported on a net basis upon delivery of electricity to customers and receipt of electricity purchased from external parties. Electricity trading contracts are recorded at fair value (Notes: 5 and 25).

(iii) Customer contributions

Customer contributions are funds received from certain customers toward the costs of service extensions. Customer contribution contracts are deemed to have a single performance obligation. These performance obligations are satisfied at a point in time and recognized in profit or loss as other revenue when the related property, plant and equipment is available for its intended use. The transaction price is the estimated construction charge for connecting the customer to the network (Note 6).

(iv) Other

Other revenue includes fly ash and carbon dioxide (CO₂) sales which are recorded upon delivery of the related good or service (Note 6).

(i) Government grants

Government grants are recognized when there is reasonable assurance that they will be received and the Corporation will comply with the conditions associated with the grant. Grants that compensate the Corporation for expenses incurred are recognized in profit or loss as an offset against operating, maintenance and administration (OM&A) expense in the same period in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are netted against the capitalized asset costs and recognized in profit or loss over the estimated useful life of the asset.

(j) Finance charges

Finance expense is comprised of interest expense on short-term and long-term borrowings, finance costs related to right-of-use assets, interest on employee benefit plans, and interest on provisions. Interest expense is recognized in profit or loss, using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. All other borrowing costs are recognized as a finance expense as the costs accrue (Note 10).

Finance income is comprised of earnings on debt retirement funds and interest. Finance income is recognized in profit or loss as earned (Note 10).

(k) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars using the rate of exchange in effect at the reporting date. Revenues and expenses are translated at the rate prevailing at the transaction date. Foreign currency translation gains and losses are included in other expenses in the period in which they arise (Note 12).

(l) Leases

A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation has assessed its arrangements to determine whether they contain a lease. Certain take-or-pay power purchase agreements (PPAs) relating to the Meridian Cogeneration Station, Spy Hill Generating Station and the North Battleford Generating Station gas-fired facilities which, in management's judgment, give SaskPower the exclusive right to use specific production assets, meet the definition of a lease.

Right-of-use assets are initially measured at an amount equal to the lease liability and are adjusted for any payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the related lease term. The Corporation has applied judgment to determine the lease term for contracts that include renewal options. The assessment of whether the Corporation is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized (Notes: 9 and 15).

The corresponding lease liability is measured at the present value of the lease payments that are not paid at commencement and are discounted using the Corporation's incremental borrowing rate or the rate implicit in the lease. Each lease payment is allocated between the liability and interest so as to achieve a constant rate on the finance balance outstanding. The interest component is included in finance expense. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Corporation's estimate or assessment of whether it will exercise an extension, termination, or purchase option. A corresponding adjustment is made to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero (Notes: 10 and 21).

Payments for short-term and low-value leases are recognized as an operating expense. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset and are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

(m) Financial instruments

(i) Classification and measurement

SaskPower classifies its financial instruments into one of the following categories: amortized cost (AC); fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL) (Note 25).

All financial instruments are measured at fair value on initial recognition and recorded on the consolidated statement of financial position. Financial assets and liabilities are offset and the net amount is reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at FVOCI or FVTPL) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial instruments classified as FVOCI or FVTPL are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets and liabilities classified as amortized cost are subsequently measured at amortized costs using the effective interest method less any impairment. Financial instruments classified as FVOCI are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income (loss). Financial instruments classified as FVTPL are subsequently measured at fair value with changes in fair value recognized in profit or loss. Any interest income, foreign exchange gains and losses, impairment or gains or losses on derecognition are recognized in the consolidated statement of income. On derecognition, gains and losses accumulated in other comprehensive income (loss) are reclassified to the consolidated statement of income.

SaskPower classifies its debt retirement funds as debt instruments designated as FVOCI as the following conditions are met:

- The debt retirement funds are administered by the Government of Saskatchewan Ministry of Finance whose business model objective is to both hold underlying investments to collect contractual cash flows and to sell; and
- The contractual terms of the debt retirement funds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derivative financial instruments that are held-for-trading, including natural gas and electricity contracts, are recognized as a financial asset or a financial liability on the trade date. All derivative financial instruments are classified as FVTPL and recorded at fair value on the consolidated statement of financial position as risk management assets and liabilities. If there is a difference between the fair value at initial recognition and the transaction price, the day one gain is deferred and amortized into profit or loss over the term of the contract. Subsequent changes in the fair value of these derivative financial instruments, with the exception of the effective portion of derivatives designated as cash flow hedges, are recognized in profit or loss. Refer to Note 3(m)(ii) for derivatives designated as hedging instruments.

Certain commodity contracts for the physical purchase of natural gas and electricity qualify as own-use contracts. SaskPower entered into these contracts for the purpose of physical receipt of the natural gas or electricity in accordance with its own expected usage requirements for the generation of electricity and servicing of Saskatchewan customers. As such, these non-financial derivative contracts are not recorded at fair value on the consolidated statement of financial position; rather, the contracts are accounted for as a purchase at the time of delivery.

The terms and conditions of certain financial and non-financial derivative financial instrument contracts require SaskPower to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of exposure limits granted. When posted, these collateral amounts are recognized as margin deposits on derivative contracts and are included with accounts receivable on the statement of financial position.

(ii) Hedges

In order to qualify for hedge accounting, the Corporation designates derivatives as hedges through formal documentation of all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking the hedge transaction. This process includes linking derivatives to specific assets and liabilities or to specific firm commitments or forecasted transactions. The Corporation formally assesses both at the hedge's inception and on an ongoing basis whether the derivatives used are highly effective in offsetting changes in cash flows of the hedged item and the timing of the cash flows is similar.

The Corporation enters into forward contracts to hedge exposures to anticipated changes in commodity prices on forecasted natural gas purchases related to the Corporation's PPAs. In the past, the Corporation entered into bond forward agreements to hedge exposures to anticipated changes in interest rates on forecasted issuances of debt (Note 25). The Corporation chooses to designate these contracts as cash flow hedges. The Corporation assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The Corporation applies a hedge ratio of 1:1. As such, the effective portion of the changes in fair value related to the derivative financial instruments are recognized in other comprehensive income (loss), with the fair value being recognized as risk management assets and liabilities on the consolidated statement of financial position. Ineffective portions of hedges are recorded in profit or loss immediately. When the natural gas forward agreements are settled, the resulting gain or loss recorded in accumulated other comprehensive income (loss) is recognized in fuel and purchased power immediately. The bond forward agreements expired upon the issuance of debt, therefore, the resulting gain or loss recorded in accumulated other comprehensive income (loss) is being amortized to finance charges over the term of the debt.

(iii) Embedded derivatives

As at March 31, 2022, the Corporation does not have any outstanding contracts or financial instruments with embedded derivatives that are required to be valued separately.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date. SaskPower's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. The Corporation has classified the fair value of its financial instruments as level 1, 2, or 3 (Note 25) as defined below:

Level 1 Fair values are determined using inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities to which the Corporation has immediate access.

Level 2 Fair values are determined using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. The debt retirement funds are valued by the Government of Saskatchewan Ministry of Finance using information provided by investment dealers. To the extent possible, valuations reflect indicative secondary pricing for these securities. In all other circumstances, valuations are determined with reference to similar actively traded instruments. The fair value of long-term debt is determined by the present value of future cash flows, discounted at the market rate of interest for the same or similar debt instruments.

Natural gas and electricity contract fair values are determined using independent pricing information from external market providers. The contracted cash flows are discounted using observable yield curves.

Level 3 Fair values are determined based on inputs for the asset or liability that are not based on observable market data. As at March 31, 2022, the Corporation does not have any financial instruments classified as level 3.

(v) Impairment of financial assets

The Corporation recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost and debt instruments designated as FVOCI. The Corporation measures loss allowances for trade receivables at an amount equal to lifetime ECL. Debt instruments and other receivables that are determined to have low credit risk at the reporting date are measured at 12-month ECL. The Corporation considers a debt instrument to have low credit risk when its credit risk rating is A or higher (investment grade).

When determining whether the credit risk of a financial asset has increased, the Corporation performs a quantitative and qualitative analysis based on the Corporation's historical experience and forward-looking information. The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full without recourse by the Corporation to actions such as realizing security, or the financial asset is 90 days or more past due.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instruments at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income (loss). The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery (Note 26).

(n) Employee benefits

The Corporation has a defined contribution pension plan, defined benefit pension plans, and other benefit plans that provide retirement benefits for its employees.

(i) Defined contribution pension plan

A defined contribution pension plan is a post-employment benefit under which SaskPower pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized in OM&A expense in the period during which services are rendered by employees (Note 32).

(ii) Defined benefit pension plans

A defined benefit pension plan is a post-employment benefit plan other than a defined contribution pension plan. The Corporation's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is discounted to determine its present value. The discount rate is the yield at the reporting date on high quality bonds that match the timing of expected benefit payments. The fair value of plan assets is deducted from the present value of the defined benefit obligation to determine the plan surplus or deficit. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Corporation, the recognized asset is limited to the lower of the plan surplus and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Corporation if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Current service costs are recognized in profit or loss as OM&A expense. Interest expense (income) is calculated by applying the discount rate to the net accrued benefit obligation and recognized as finance charges. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

The Corporation recognizes all actuarial gains and losses arising from defined benefit plans directly in other comprehensive income (loss) in the period in which they arise (Note 32).

(iii) Other benefit plans

The Corporation provides a supplementary superannuation plan for certain management employees who elect to forgo their entitlement to banked days off. SaskPower's current period expense is limited to yearly notional contributions to the plan based upon the employee's salary and an amount allocated for interest on the employee's plan balance.

The Corporation also provides lifetime superannuation allowances and bridge allowances to employees who chose to retire under various early retirement options. The cost of these benefits is actuarially determined by calculating the present value of all future benefit entitlements (Note 32).

NOTE 4 SASKATCHEWAN ELECTRICITY SALES

<i>(in millions)</i>	2021-22	2020-21
Residential	\$ 595	\$ 579
Farm	178	188
Commercial	504	487
Oilfield	416	390
Power	777	748
Reseller	98	94
Federal carbon charge collected	145	129
	\$ 2,713	\$ 2,615

NOTE 5 EXPORTS AND ELECTRICITY TRADING

<i>(in millions)</i>	2021-22	2020-21
Exports	\$ 77	\$ 54
Electricity trading revenue	-	5
Electricity trading costs	-	(7)
Fair value change	-	1
	\$ 77	\$ 53

NOTE 6 OTHER REVENUE

<i>(in millions)</i>	2021-22	2020-21
Customer contributions	\$ 62	\$ 48
Fly ash sales	11	8
Late payment charges	7	4
Joint use charge	6	5
Custom work	3	3
Gas and electrical inspections ¹	-	13
CO ₂ (shortfall) sales	(4)	16
Miscellaneous revenue	10	6
	\$ 95	\$ 103

1. Provincial cabinet approved the transfer of the Corporation's Gas and Electrical Inspection (GEIS) Division to the Technical Safety Authority of Saskatchewan (TSASK) effective January 31, 2021.

NOTE 7 FUEL AND PURCHASED POWER

<i>(in millions)</i>		2021-22	2020-21
Gas		\$ 397	\$ 313
Coal		280	260
Imports		81	65
Wind		63	36
Hydro		18	26
Solar		1	-
Other		16	15
Federal carbon charge		177	92
		\$ 1,033	\$ 807

Gas costs include the fuel charges associated with the electricity generated from SaskPower-owned gas-fired facilities as well as gas-fired PPA facilities. Imports represent electricity purchased from suppliers that produce power outside Saskatchewan. Wind, solar and other includes the cost of electricity obtained through PPA facilities, small independent power producers, and the cost of demand response programs.

NOTE 8 OPERATING, MAINTENANCE AND ADMINISTRATION

<i>(in millions)</i>	Notes	2021-22	2020-21
Salaries and benefits		\$ 346	\$ 346
Employee long-term benefits	32	30	28
External services		234	216
Materials and supplies		37	47
Other		64	63
		\$ 711	\$ 700

NOTE 9 DEPRECIATION AND AMORTIZATION

<i>(in millions)</i>	Notes	2021-22	2020-21
Depreciation of property, plant and equipment	14	\$ 533	\$ 519
Depreciation of right-of-use assets	15	52	52
Amortization of intangible assets	16	27	24
		\$ 612	\$ 595

NOTE 10 FINANCE CHARGES

<i>(in millions)</i>	Notes	2021-22	2020-21
Finance expense			
Interest on long-term debt		\$ 284	\$ 296
Interest on lease liabilities		136	149
Interest on short-term advances		1	4
Net interest on employee benefit plans	32	8	10
Interest on provisions	22	7	6
Other interest and charges		1	1
		437	466
Less: interest capitalized		(16)	(10)
amortization of debt premiums net of discounts	20	(6)	(5)
amortization of bond forward agreements net losses		1	-
		416	451
Finance income			
Debt retirement fund earnings	17	(15)	(21)
Debt retirement fund realized market value losses (gains)	17	1	(2)
Interest income		(1)	(2)
		(15)	(25)
		\$ 401	\$ 426

NOTE 11 TAXES

<i>(in millions)</i>	2021-22	2020-21
Saskatchewan corporate capital tax	\$ 51	\$ 49
Grants-in-lieu of taxes	30	29
Miscellaneous tax expense	-	1
	\$ 81	\$ 79

NOTE 12 OTHER EXPENSES

<i>(in millions)</i>	Notes	2021-22	2020-21
Net losses on asset disposals and retirements		\$ 26	\$ 32
Settlement claims ¹		-	(37)
Decommissioning provisions	22	(2)	-
Other environmental costs		5	6
Inventory variance adjustments		7	3
		\$ 36	\$ 4

1. During 2020-21, the Corporation received a favourable ruling from an arbitral panel in relation to a contractual dispute comprised of a \$56 million cash award as well as \$14 million in forgiven payables. The portion of the award allocated to property, plant and equipment was \$32 million (Note 14). The remaining \$38 million awarded was recorded in the settlement claims amount shown above offsetting other claims.

NOTE 13 INVENTORY

<i>(in millions)</i>	March 31, 2022	March 31, 2021
Maintenance materials and supplies	\$ 284	\$ 246
Allowance for obsolescence	(16)	(15)
	268	231
Coal	10	12
Natural gas	13	10
Other fuel	2	1
	293	254
Natural gas market revaluation	-	(3)
	\$ 293	\$ 251

<i>(in millions)</i>	2021-22	2020-21
Inventory consumed during the period:		
Maintenance material and supplies	\$ 249	\$ 182
Natural gas	246	181
Coal	196	171
Other fuel	2	2
	\$ 693	\$ 536

<i>(in millions)</i>	Allowance for obsolescence
Balance, April 1, 2020	\$ 17
Provision for obsolete inventory	2
Inventory disposals and/or write-downs	(4)
Balance, March 31, 2021	\$ 15
Provision for obsolete inventory	7
Inventory disposals and/or write-downs	(6)
Balance, March 31, 2022	\$ 16

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

<i>(in millions)</i>	Generation	Transmission	Distribution	Other	Construction in progress	Total
Cost or deemed cost						
Balance, April 1, 2020	\$ 7,587	\$ 2,797	\$ 4,464	\$ 960	\$ 278	\$ 16,086
Additions	144	78	259	93	693	1,267
TSASK ¹	-	-	-	(6)	-	(6)
Arbitral award ²	(32)	-	-	-	-	(32)
Disposals and/or retirements	(37)	(4)	(41)	(17)	-	(99)
Transfers	(3)	-	-	-	(585)	(588)
Balance, March 31, 2021	\$ 7,659	\$ 2,871	\$ 4,682	\$ 1,030	\$ 386	\$ 16,628
Additions ³	134	125	255	92	922	1,528
Disposals and/or retirements	(24)	(5)	(43)	(21)	-	(93)
Transfers	-	-	-	-	(652)	(652)
Balance, March 31, 2022	\$ 7,769	\$ 2,991	\$ 4,894	\$ 1,101	\$ 656	\$ 17,411

Accumulated depreciation						
Balance, April 1, 2020	\$ 3,383	\$ 728	\$ 1,806	\$ 457	\$ -	\$ 6,374
Depreciation expense	269	68	128	54	-	519
TSASK ¹	-	-	-	(3)	-	(3)
Disposals and/or retirements	(29)	(2)	(33)	(14)	-	(78)
Transfers	-	-	-	-	-	-
Balance, March 31, 2021	\$ 3,623	\$ 794	\$ 1,901	\$ 494	\$ -	\$ 6,812
Depreciation expense	277	70	134	52	-	533
Disposals and/or retirements ³	(17)	(2)	(37)	(11)	-	(67)
Transfers	-	-	-	-	-	-
Balance, March 31, 2022	\$ 3,883	\$ 862	\$ 1,998	\$ 535	\$ -	\$ 7,278

Net book value						
Balance, April 1, 2020	\$ 4,204	\$ 2,069	\$ 2,658	\$ 503	\$ 278	\$ 9,712
Balance, March 31, 2021	\$ 4,036	\$ 2,077	\$ 2,781	\$ 536	\$ 386	\$ 9,816
Balance, March 31, 2022	\$ 3,886	\$ 2,129	\$ 2,896	\$ 566	\$ 656	\$ 10,133

1. As part of the transfer of the Corporation's GEIS Division to TSASK effective January 31, 2021, the related net book value of the GEIS assets were written off.
2. During 2020-21, the Corporation received a favourable ruling from an arbitral panel in relation to a contractual dispute comprised of a \$56 million cash award as well as \$14 million in forgiven payables. The portion of the award allocated to property, plant and equipment was \$32 million. The remaining \$38 million awarded was recorded in profit or loss and included in other expenses (Note 12).
3. During 2021-22, the Corporation exchanged land valued at a cost of \$6 million with the Global Transportation Hub Authority.

For the year ended March 31, 2022, \$16 million (2020-21 – \$10 million) of interest costs were capitalized at the weighted average cost of borrowings rate of 4.00% (2020-21 – 4.30%).

NOTE 15 RIGHT-OF-USE ASSETS

<i>(in millions)</i>	Power purchase agreements	Buildings	Land	Total
Cost				
Balance, April 1, 2020	\$ 1,017	\$ 14	\$ 7	\$ 1,038
Additions	-	2	-	2
Terminations and/or modifications	-	(1)	-	(1)
Balance, March 31, 2021	\$ 1,017	\$ 15	\$ 7	\$ 1,039
Additions	-	3	-	3
Terminations and/or modifications	-	(2)	-	(2)
Balance, March 31, 2022	\$ 1,017	\$ 16	\$ 7	\$ 1,040

Accumulated depreciation				
Balance, April 1, 2020	\$ 419	\$ 3	\$ 1	\$ 423
Depreciation expense	48	4	-	52
Terminations and/or modifications	-	(1)	-	(1)
Balance, March 31, 2021	\$ 467	\$ 6	\$ 1	\$ 474
Depreciation expense	48	3	1	52
Terminations and/or modifications	-	(2)	-	(2)
Balance, March 31, 2022	\$ 515	\$ 7	\$ 2	\$ 524

Net book value				
Balance, April 1, 2020	\$ 598	\$ 11	\$ 6	\$ 615
Balance, March 31, 2021	\$ 550	\$ 9	\$ 6	\$ 565
Balance, March 31, 2022	\$ 502	\$ 9	\$ 5	\$ 516

NOTE 16 INTANGIBLE ASSETS

(in millions)	Software
Cost	
Balance, April 1, 2020	\$ 337
Additions	23
Disposals and/or retirements	(2)
Transfers	-
Balance, March 31, 2021	\$ 358
Additions	36
Disposals and/or retirements	-
Transfers	-
Balance, March 31, 2022	\$ 394
Accumulated amortization	
Balance, April 1, 2020	\$ 267
Amortization expense	24
Disposals and/or retirements	(1)
Transfers	-
Balance, March 31, 2021	\$ 290
Amortization expense	27
Disposals and/or retirements	-
Transfers	-
Balance, March 31, 2022	\$ 317
Net book value	
Balance, April 1, 2020	\$ 70
Balance, March 31, 2021	\$ 68
Balance, March 31, 2022	\$ 77

NOTE 17 DEBT RETIREMENT FUNDS

<i>(in millions)</i>	
Balance, April 1, 2020	\$ 848
Debt retirement fund instalments	62
Debt retirement fund redemptions	(42)
Debt retirement fund earnings	21
Debt retirement fund realized market value gains	2
Debt retirement fund unrealized market value losses	(26)
Balance, March 31, 2021	\$ 865
Debt retirement fund instalments	62
Debt retirement fund redemptions	(163)
Debt retirement fund earnings	15
Debt retirement fund realized market value losses	(1)
Debt retirement fund unrealized market value losses	(40)
Balance, March 31, 2022	\$ 738

Under conditions attached to certain advances from the Government of Saskatchewan's General Revenue Fund, the Corporation is required to pay annually into debt retirement funds administered by the Government of Saskatchewan Ministry of Finance, amounts at least equal to 1% of certain debt outstanding. As at March 31, 2022, scheduled debt retirement fund instalments for the next five years are as follows:

<i>(in millions)</i>	2022-23	2023-24	2024-25	2025-26	2026-27
Debt retirement fund instalments	\$ 60	\$ 58	\$ 58	\$ 58	\$ 57

NOTE 18 DEFERRED REVENUE

<i>(in millions)</i>	
Balance, April 1, 2020	\$ 22
Additions	15
Recognized in revenue	(15)
Balance, March 31, 2021	\$ 22
Additions	12
Recognized in revenue	(12)
Balance, March 31, 2022	\$ 22

Deferred revenue primarily relates to advance consideration received for customer contribution contracts. The related customer contribution revenue is recognized when the property, plant and equipment is available for its intended use.

NOTE 19 SHORT-TERM ADVANCES

<i>(in millions)</i>	March 31, 2022	March 31, 2021
Short-term advances	\$ 599	\$ 299

The short-term advances are due to the Government of Saskatchewan's General Revenue Fund. As at March 31, 2022, the advances have interest rates ranging from 0.145% to 0.849% and mature between April 5, 2022, and July 26, 2022. As at March 31, 2021, the advances had interest rates ranging from 0.151% to 0.435% and matured between May 5, 2021, and November 25, 2021.

NOTE 20 LONG-TERM DEBT

<i>(in millions)</i>	
Balance, April 1, 2020	\$ 6,309
Long-term debt issues	566
Long-term debt repayments	(129)
Amortization of debt premiums net of discounts	(5)
Balance, March 31, 2021	\$ 6,741
Long-term debt issues	-
Long-term debt repayments	(240)
Amortization of debt premiums net of discounts	(6)
	\$ 6,495
Less: current portion of long-term debt	(256)
Balance, March 31, 2022	\$ 6,239

Subsequently, on May 12, 2022, the Corporation borrowed \$180 million of long-term debt at a discount of \$40 million. The debt issue has a coupon rate of 2.80%, an effective interest rate of 4.09%, and matures on December 2, 2052.

As at March 31, 2022, scheduled principal debt retirement requirements for the next five years are as follows:

<i>(in millions)</i>	2022-23	2023-24	2024-25	2025-26	2026-27
Long-term debt repayments	\$ 256	\$ 150	\$ 200	\$ 200	\$ -

Under conditions attached to certain advances from the Government of Saskatchewan's General Revenue Fund, the Corporation is required to pay annually into debt retirement funds administered by the Government of Saskatchewan Ministry of Finance, amounts at least equal to 1% of certain debt outstanding (Note 17).

Advances from the Government of Saskatchewan's General Revenue Fund (in millions):

Date of issue	Date of maturity	Effective interest rate (%)	Coupon rate (%)	Par value	Unamortized premiums (discounts)	Outstanding amount
July 21, 1992	July 15, 2022	10.06	8.94	\$ 256	\$ -	\$ 256
April 1, 2020	April 1, 2023	Floating	CDOR ¹	150	-	150
April 8, 2020	June 3, 2024	1.79	3.20	200	6	206
May 30, 1995	May 30, 2025	8.82	8.75	100	-	100
July 27, 2020	September 2, 2025	0.93	0.80	100	-	100
June 14, 2019	December 2, 2028	2.34	3.05	175	8	183
June 25, 2020	June 2, 2030	1.53	2.20	100	5	105
August 8, 2001	September 5, 2031	6.49	6.40	200	(1)	199
January 15, 2003	September 5, 2031	5.91	6.40	100	4	104
May 12, 2003	September 5, 2033	5.90	5.80	100	(1)	99
January 14, 2004	September 5, 2033	5.68	5.80	200	2	202
October 5, 2004	September 5, 2035	5.50	5.60	200	2	202
February 15, 2005	March 5, 2037	5.09	5.00	150	(1)	149
May 6, 2005	March 5, 2037	5.07	5.00	150	(1)	149
February 24, 2006	March 5, 2037	4.71	5.00	100	3	103
March 6, 2007	June 1, 2040	4.49	4.75	100	3	103
April 2, 2008	June 1, 2040	4.67	4.75	250	2	252
December 19, 2008	June 1, 2040	4.71	4.71	100	-	100
September 8, 2010	June 1, 2040	4.27	4.75	200	12	212
November 15, 2012	February 3, 2042	3.22	3.40	200	5	205
February 28, 2013	February 3, 2042	3.54	3.40	200	(4)	196
October 9, 2013	June 2, 2045	3.97	3.90	400	(4)	396
January 17, 2014	June 2, 2045	3.95	3.90	200	(1)	199
October 9, 2014	June 2, 2045	3.43	3.90	200	15	215
February 13, 2015	June 2, 2045	2.73	3.90	200	40	240
June 2, 2015	December 2, 2046	3.15	2.75	200	(14)	186
October 26, 2015	December 2, 2046	3.43	2.75	200	(23)	177
January 28, 2016	December 2, 2046	3.34	2.75	200	(20)	180
July 19, 2016	December 2, 2046	2.85	2.75	150	(3)	147
October 20, 2016	December 2, 2046	3.00	2.75	200	(9)	191
January 24, 2017	June 2, 2048	3.35	3.30	200	(2)	198
August 15, 2018	June 2, 2050	3.18	3.10	200	(3)	197
April 2, 2019	June 2, 2050	2.81	3.10	150	9	159
March 13, 2014	March 5, 2054	3.76	3.75	100	-	100
May 12, 2014	March 5, 2054	3.71	3.75	175	1	176
August 29, 2017	March 5, 2054	3.19	3.75	150	17	167
September 19, 2018	June 2, 2058	3.13	2.95	200	(8)	192
				\$ 6,456	\$ 39	\$ 6,495

1. The coupon rate for this floating rate note is the three-month Canadian Dealer Offer Rate (CDOR) plus a margin of 48 basis points.

NOTE 21 LEASE LIABILITIES

(in millions)	March 31, 2022	March 31, 2021
Total future minimum lease payments	\$ 2,001	\$ 2,177
Less: future finance charges on leases	(1,052)	(1,195)
Present value of lease liabilities	949	982
Less: current portion of lease liabilities	(45)	(36)
	\$ 904	\$ 946

The above lease liabilities include PPAs relating to the Meridian Cogeneration Station, Spy Hill Generating Station and the North Battleford Generating Station gas-fired facilities as well as land and building leases. The weighted average discount rate applied to the PPA leases is 14.98% (2020-21 – 14.95%) based on the rate implicit in these agreements, while the weighted average discount rate applied to land and building leases is 2.31% (2020-21 – 2.46%) based on the Corporation's incremental borrowing rate.

As at March 31, 2022, scheduled future minimum lease payments and the present value of lease liabilities are as follows:

(in millions)	1 year	2-5 years	More than 5 years
Future minimum lease payments	\$ 183	\$ 682	\$ 1,136
Present value of lease liabilities	45	199	705

NOTE 22 PROVISIONS

<i>(in millions)</i>	Decommissioning	Environmental remediation	Total
Balance, April 1, 2020	\$ 244	\$ 67	\$ 311
Charged to income:			
New obligations	1	-	1
Change in assumptions	(1)	-	(1)
Interest	6	-	6
Capitalized to property, plant and equipment:			
New obligations	12	-	12
Change in assumptions	-	-	-
Settled during the period	(5)	-	(5)
Balance, March 31, 2021	\$ 257	\$ 67	\$ 324
Charged to income:			
New obligations	2	-	2
Change in assumptions	(4)	-	(4)
Interest	7	-	7
Capitalized to property, plant and equipment:			
New obligations	1	-	1
Change in assumptions	(17)	-	(17)
Settled during the period	(6)	(2)	(8)
Balance, March 31, 2022	\$ 240	\$ 65	\$ 305

Assumptions

The significant assumptions adopted in measuring the Corporation's provisions are:

	March 31, 2022	March 31, 2021
Discount rate, end of period	2.72 - 3.28%	1.11 - 2.87%
Long-term inflation rate	2.00%	2.00%
Undiscounted cash flows (in millions)	\$ 434	\$ 454

Discount rates based on the Government of Saskatchewan bond yields were used to calculate the carrying values of the provisions. The costs of the decommissioning provisions will be incurred between fiscal 2022-23 and 2052-53. No funds have been set aside by the Corporation to settle the decommissioning provisions.

Sensitivity of assumptions

Sensitivity of provisions to changes in the discount rate and inflation rate on the recorded liability as at March 31, 2022, is as follows:

<i>(in millions)</i>	Decommissioning provisions	
	0.5% increase	0.5% decrease
Discount rate	\$ (19)	\$ 21
Inflation rate	25	(23)

NOTE 23 ACCUMULATED OTHER COMPREHENSIVE INCOME

<i>(in millions)</i>	March 31, 2022	March 31, 2021
Realized losses on derivatives designated as cash flow hedges	\$ (10)	\$ (11)
Unrealized gains (losses) on derivatives designated as cash flow hedges	56	(1)
Unrealized losses on debt instruments designated as FVOCI	(42)	(2)
Actuarial gains on defined benefit pension plans	120	39
	\$ 124	\$ 25

NOTE 24 EQUITY ADVANCES

The Corporation does not have share capital. However, the Corporation has received advances from CIC to form its equity capitalization. The advances reflect an equity investment in the Corporation by CIC.

NOTE 25 FINANCIAL INSTRUMENTS

<i>(in millions)</i>	Classification	Level ⁴	March 31, 2022		March 31, 2021	
			Asset (liability)		Asset (liability)	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash and cash equivalents	FVTPL ¹	1	\$ 32	\$ 32	\$ 98	\$ 98
Accounts receivable and unbilled revenue	AC ²	N/A	362	362	433	433
Debt retirement funds	FVOCI - debt instrument ³	2	738	738	865	865
Other assets - long-term receivables	AC ²	N/A	1	1	1	1
Financial liabilities						
Accounts payable and accrued liabilities	AC ²	N/A	\$ (692)	\$ (692)	\$ (567)	\$ (567)
Accrued interest	AC ²	N/A	(60)	(60)	(64)	(64)
Dividend payable	AC ²	N/A	(3)	(3)	(17)	(17)
Short-term advances	AC ²	N/A	(599)	(599)	(299)	(299)
Long-term debt	AC ²	2	(6,495)	(6,892)	(6,741)	(7,676)

1. FVTPL – measured mandatorily at fair value through profit or loss.

2. AC – amortized cost.

3. FVOCI – fair value through other comprehensive income (loss).

4. Fair values are determined using a fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Not applicable (N/A) – Financial instruments are carried at values which approximate fair value. This includes accounts receivable and unbilled revenue; other assets – long-term receivables; accounts payable and accrued liabilities; accrued interest; dividend payable; and short-term advances.

Risk management assets and liabilities

(in millions)	Classification	Level ²	March 31, 2022		March 31, 2021	
			Asset	(Liability)	Asset	(Liability)
Natural gas contracts						
Fixed price swap instruments used for hedging ^{3 & 4}	FVTPL ¹	2	\$ 37	\$ (12)	\$ 6	\$ (55)
Fixed price swap instruments	FVTPL ¹	2	-	(1)	-	(1)
			\$ 37	\$ (13)	\$ 6	\$ (56)

1. FVTPL – measured mandatorily at fair value through profit or loss.

2. Fair values are determined using a fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

3. The terms and conditions of certain financial and physical derivative contracts require SaskPower to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of exposure limits granted. As at March 31, 2022, the Corporation has posted nil (2020-21 – \$38 million) in collateral for which a portion relates to these financial derivative contracts. The collateral is recognized as margin deposits on derivative contracts and is included with accounts receivable on the statement of financial position.

4. These natural gas fixed price swap instruments have been designated as cash flow hedges. As such, the effective portion of the changes in fair value related to the derivative financial instruments are recognized in other comprehensive income (loss).

Cash flow hedges

Commodity price risk

The Corporation uses fixed price swap instruments to hedge exposures to anticipated changes in commodity prices on forecasted purchases of natural gas for the production of electricity through certain PPAs that have a cost component based on the market price of natural gas. As at March 31, 2022, the Corporation held the following instruments to hedge exposures to changes in natural gas price risk:

	1 year	2-5 years	More than 5 years
Natural gas hedges			
Total outstanding gigajoules (GJ) (millions)	11	24	-
Net exposure - gain (loss) (millions)	\$ 17	\$ 8	\$ -
Weighted average hedged price per GJ	\$ 3.65	\$ 3.24	\$ -
Weighted average forward market price per GJ	\$ 5.24	\$ 3.61	\$ -

NOTE 26 FINANCIAL RISK MANAGEMENT

Market risk

By virtue of its operations, the Corporation is exposed to changes in commodity prices, interest rates and foreign exchange rates. SaskPower may utilize derivative financial instruments to manage these exposures. The Corporation mitigates risk associated with derivative financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring and compliance reporting to senior management and the Board.

(a) Commodity prices

Natural gas contracts

The Corporation is exposed to natural gas price risk through natural gas purchased for its natural gas-fired power plants and through certain PPAs that have a cost component based on the market price of natural gas. As at March 31, 2022, the Corporation had entered into financial and physical natural gas contracts to price manage approximately 36% of its budgeted natural gas exposures for 2022-23, 31% for 2023-24, 27% for 2024-25, 20% for 2025-26, 11% for 2026-27, 4% for 2027-28, and 2% for 2028-29.

Based on the Corporation's March 31, 2022, closing positions on its financial natural gas hedges, a one dollar per GJ increase in the price of natural gas would have resulted in a \$32 million improvement in the unrealized market value adjustments recognized in other comprehensive income (loss) for the period. This sensitivity analysis does not represent the underlying exposure to changes in the price of natural gas on the remaining forecasted natural gas purchases which are unhedged as at March 31, 2022.

Electricity contracts

The Corporation is also exposed to electricity price risk on its electricity trading activities. Electricity trading risks are managed through limits on the size and duration of transactions and open positions, including Value at Risk (VaR) limits. VaR is a commonly used metric employed to track and manage the market risk associated with trading positions. A VaR measure gives, for a specific confidence level, an estimated potential loss that could be incurred over a specified period of time. VaR is used to determine the potential change in value of the proprietary trading portfolio, over a 10-day period within a 95% confidence level, resulting from normal market fluctuations. VaR is estimated using the historical variance/covariance approach.

VaR has certain inherent limitations. The use of historical information in the estimate assumes that price movements in the past will be indicative of future market risk. As such, it may be only meaningful under normal market conditions. Extreme market events are not addressed by this risk measure. In addition, the use of a 10-day measurement period implies that positions can be unwound or hedged within that period. However, this may not be possible if the market becomes illiquid. SaskPower recognizes the limitations of VaR and actively uses other controls, including restrictions on authorized instruments, volumetric and term limits, stress-testing of individual portfolios and of the total proprietary trading portfolio and management review. As at March 31, 2022, the VaR associated with electricity trading activities was nil.

(b) Interest rates

Short- and long-term borrowings

The Corporation is exposed to interest rate risk arising from fluctuations in interest rates on future short-term and long-term borrowings. Interest rate risk on these expected future borrowings is managed by limiting the amount of short-term borrowings to no more than 15% of its debt equivalent obligations.

As at March 31, 2022, SaskPower had \$599 million in short-term advances. If interest rates were to increase by 100 basis points, this would result in approximately a \$6 million increase in finance charges related to this short-term debt.

Debt retirement funds

Debt retirement funds are monies set aside to retire outstanding debt upon maturity. The Corporation is required to pay annually into debt retirement funds which are held and invested by the Government of Saskatchewan's General Revenue Fund. The Corporation has classified these investments as fair value through other comprehensive income and, therefore, recognized the change in the market value in other comprehensive income (loss) for the period. At March 31, 2022, SaskPower had \$738 million in debt retirement funds. The fair value of the debt retirement funds is driven largely by interest rates. The estimated impact of a 1% yield curve shift, assuming no change in the amount of debt retirement funds, would be a \$53 million decrease in the market value of the debt retirement funds.

(c) Foreign exchange rates

The Corporation faces exposure to the United States/Canadian dollar exchange rate primarily through the sale of electricity to customers in the United States and from the purchase of goods and services that are payable in United States dollars. The Corporation may utilize financial instruments to manage this risk. As at March 31, 2022, the Corporation had no outstanding foreign exchange derivative contracts. The impact of fluctuations in foreign exchange rates on SaskPower's financial instruments is not considered significant to the Corporation. Therefore, a sensitivity analysis of the impact on profit or loss has not been provided.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk relate to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Corporation does not have a significant concentration of credit risk. The maximum credit risk to which the Corporation is exposed as at March 31, 2022, is limited to the fair value of the financial assets recognized.

(in millions)	March 31, 2022	March 31, 2021
Financial assets		
Cash and cash equivalents	\$ 32	\$ 98
Accounts receivable and unbilled revenue	362	433
Risk management assets	37	6
Debt retirement funds	738	865
Other assets – long-term receivables	1	1
	\$ 1,170	\$ 1,403

- (a) As at March 31, 2022, SaskPower had \$32 million in cash and cash equivalents. SaskPower manages its cash position in the \$15 to \$100 million range with the actual cash balance fluctuating throughout the year based on the timing of cash inflows and outflows.
- (b) Accounts receivable and unbilled revenue is diversified among many types of customer classes, such as residential, farm and commercial customers throughout Saskatchewan. Other receivables are considered low risk given past collection history. The Corporation uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade, unbilled and other receivables from individual customers as at March 31, 2022:

<i>(in millions)</i>	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 322	0.2%	\$ 1
30 to 59 days	8	5.0%	-
60 to 89 days	3	10.0%	-
90 to 179 days	7	20.0%	1
180 to 364 days	10	30.0%	2
365 days and greater	16	75.0% - 100.0%	13
	\$ 366		\$ 17
Margin deposits on derivative contracts	-	0.0%	-
Miscellaneous and other receivables	13	0.0%	-
	\$ 379		\$ 17

Loss rates are based on actual credit loss past experience and are adjusted to reflect differences between current and historical economic conditions and the Corporation's view of economic conditions over the expected lives of the receivables. The allowance for doubtful accounts is reviewed monthly based on an estimate of outstanding amounts that are considered uncollectible.

The movement in the allowance for doubtful accounts in respect of trade, unbilled and other receivables during the year was as follows:

<i>(in millions)</i>	Allowance for doubtful accounts
Balance, April 1, 2020	\$ 14
Amounts written off	(4)
Net remeasurement of loss allowance	7
Balance, March 31, 2021	\$ 17
Amounts written off	(1)
Net remeasurement of loss allowance	1
Balance, March 31, 2022	\$ 17

- (c) SaskPower is also exposed to credit risk arising from derivative financial instruments if a counterparty fails to meet its obligations. The Corporation maintains Board-approved credit policies and limits in respect to its counterparties.
- (d) Debt retirement funds are on deposit with the Government of Saskatchewan's General Revenue Fund and invested as the Ministry of Finance may determine. At March 31, 2022, the Ministry has invested these funds primarily in provincial government and federal government bonds with highly graded credit ratings and varying maturities. These maturities coincide with related long-term debt maturities and are managed based on this maturity profile and market conditions. As such, the related credit risk associated with these investments as at March 31, 2022, is considered low.

Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due or can do so only at excessive cost. SaskPower manages the Corporation's cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of the Corporation's financial liabilities as at March 31, 2022:

(in millions)	Carrying amount	Contractual cash flows	Contractual cash flows				
			0-6 months	7-12 months	2 years	3-5 years	More than 5 years
Financial liabilities							
Accounts payable and accrued liabilities	\$ 692	\$ 692	\$ 692	\$ -	\$ -	\$ -	\$ -
Accrued interest	60	60	60	-	-	-	-
Dividend payable	3	3	3	-	-	-	-
Risk management liabilities	13	13	13	-	-	-	-
Short-term advances	599	599	599	-	-	-	-
Long-term debt	6,495	10,969	328	120	390	1,090	9,041
	\$ 7,862	\$ 12,336	\$ 1,695	\$ 120	\$ 390	\$ 1,090	\$ 9,041

Management believes its ability to generate and acquire funds will be adequate to support these financial liabilities.

NOTE 27 CAPITAL MANAGEMENT

The Corporation's objective when managing capital is to ensure adequate capital to support the operations and growth strategies of the Corporation. SaskPower raises most of its capital through internal operating activities and through funds obtained by borrowing from the Government of Saskatchewan Ministry of Finance. This type of borrowing allows the Corporation to take advantage of the Government of Saskatchewan's strong credit rating. *The Power Corporation Act* provides SaskPower with the authority to have outstanding borrowings of up to \$10 billion, which includes \$2 billion that may be borrowed by way of temporary loans. Temporary loans include short-term borrowings through the Government of Saskatchewan as well as borrowings made under the \$50 million of credit facilities available at financial institutions.

The Corporation's capital structure consists of long-term debt, short-term advances, lease liabilities, retained earnings and equity advances, net of debt retirement funds and cash and cash equivalents.

The Corporation monitors its capital structure using the per cent debt ratio. The per cent debt ratio is calculated as total net debt divided by total capital as follows:

(in millions)	March 31, 2022	March 31, 2021
Long-term debt	\$ 6,495	\$ 6,741
Short-term advances	599	299
Lease liabilities	949	982
Total debt	8,043	8,022
Debt retirement funds	738	865
Cash and cash equivalents	32	98
Total net debt	\$ 7,273	\$ 7,059
Retained earnings	2,243	2,235
Equity advances	593	593
Total capital	\$ 10,109	\$ 9,887
Per cent debt ratio	71.9%	71.4%

NOTE 28 COMMITMENTS AND CONTINGENCIES

<i>(in millions)</i>	2022-23	2023-24	2024-25	2025-26	2026-27	Thereafter
Capital expenditures	\$ 1,053	\$ 906	\$ 711	\$ 1,040	\$ 1,420	\$ 4,920
Power purchase agreements (PPAs) ¹	482	532	571	534	543	9,441
Coal purchase contracts	247	256	207	72	74	134
Natural gas purchase contracts ²	123	63	48	29	18	14
Natural gas transportation and storage contracts	63	36	32	16	8	10
Letters of credit	9	-	-	-	-	-
Electricity transmission purchase contracts	1	-	-	-	-	-

1. The amounts reflected include all PPAs including those agreements determined to contain a lease, operating agreements and long-term import agreements.

2. Includes fixed price forward contracts of \$281 million which apply for the own-use scope exemption.

The commitments listed above have maturity dates ranging from fiscal 2022-23 to 2048-49.

SaskPower has various other legal matters pending which, in the opinion of management, will not have a material effect on SaskPower's consolidated financial position or results of operations.

NOTE 29 NET CHANGE IN NON-CASH WORKING CAPITAL

<i>(in millions)</i>	2021-22	2020-21
Accounts receivable and unbilled revenue	\$ 71	\$ 23
Inventory	(40)	(18)
Prepaid expenses	(7)	1
Other assets	(3)	-
Accounts payable and accrued liabilities	125	73
Deferred revenue	-	4
	\$ 146	\$ 83

NOTE 30 RECONCILIATION OF MOVEMENTS OF ASSETS (LIABILITIES) TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

<i>(in millions)</i>	Debt retirement funds	Short-term advances	Long-term debt	Lease liabilities	Total
Balance as at April 1, 2020	\$ 848	\$ (946)	\$ (6,309)	\$ (1,008)	\$ (7,415)
Changes from financing cash flows:					
Repayments of short-term advances	-	647	-	-	647
Proceeds from long-term debt	-	-	(566)	-	(566)
Repayments of long-term debt	-	-	129	-	129
Debt retirement fund instalments	62	-	-	-	62
Debt retirement fund redemptions	(42)	-	-	-	(42)
Principal repayment of lease liabilities	-	-	-	28	28
Total changes from financing cash flows	20	647	(437)	28	258
Changes in fair value	(26)	-	-	-	(26)
Other changes:					
Capitalized borrowing costs	-	-	10	-	10
Interest income (expense)	23	(4)	(296)	(149)	(426)
Interest paid	-	4	297	149	450
Non-cash transactions	-	-	(6)	(2)	(8)
Total other changes	(3)	-	5	(2)	-
Balance as at March 31, 2021	\$ 865	\$ (299)	\$ (6,741)	\$ (982)	\$ (7,157)
Changes from financing cash flows:					
Proceeds from short-term advances	-	(300)	-	-	(300)
Proceeds from long-term debt	-	-	-	-	-
Repayments of long-term debt	-	-	240	-	240
Debt retirement fund instalments	62	-	-	-	62
Debt retirement fund redemptions	(163)	-	-	-	(163)
Principal repayment of lease liabilities	-	-	-	36	36
Total changes from financing cash flows	(101)	(300)	240	36	(125)
Changes in fair value	(40)	-	-	-	(40)
Other changes:					
Capitalized borrowing costs	-	-	16	-	16
Interest income (expense)	14	(1)	(284)	(136)	(407)
Interest paid	-	1	288	136	425
Non-cash transactions	-	-	(14)	(3)	(17)
Total other changes	(26)	-	6	(3)	(23)
Balance as at March 31, 2022	\$ 738	\$ (599)	\$ (6,495)	\$ (949)	\$ (7,305)

NOTE 31 RELATED PARTY TRANSACTIONS

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties). Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

In 2021-22, a \$50 million Power Grid Renewal Grant was received from the SaskBuilds Corporation and used to support incremental capital and operating transmission and distribution sustainment projects.

The Corporation also pays Saskatchewan provincial sales tax on all its taxable purchases to the Government of Saskatchewan Ministry of Finance. Taxes paid are recorded as part of the cost of those purchases.

Key management personnel compensation

Key management personnel include Board Members and executive officers. The compensation paid to key management for employee services is shown below:

(in millions)	2021-22	2020-21
Salaries and short-term employee benefits	\$ 4	\$ 4
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
	\$ 4	\$ 4

NOTE 32 EMPLOYEE BENEFITS

(in millions)	Defined benefit pension plan	Other benefit plans	Total
Balance, April 1, 2020	\$ 164	\$ 46	\$ 210
Current service cost	-	3	3
Net interest expense	6	4	10
SaskPower funding contribution	-	-	-
SaskPower benefits paid	-	(7)	(7)
Net actuarial gains	(8)	-	(8)
Balance, March 31, 2021	\$ 162	\$ 46	\$ 208
Current service cost	-	5	5
Net interest expense	5	3	8
SaskPower funding contribution	-	-	-
SaskPower benefits paid	-	(9)	(9)
Net actuarial gains	(81)	-	(81)
Balance, March 31, 2022	\$ 86	\$ 45	\$ 131

Defined benefit pension plan

The Corporation sponsors a defined benefit pension plan (the Plan) that has been substantially closed to employees since 1977. The Plan is governed by *The Superannuation (Supplementary Provisions) Act and Regulations*, as well as *The Power Corporation Superannuation Act*.

The Plan provides benefits based on the average of the highest five years' annual pensionable earnings and years of service. Pensions are increased annually at a rate equal to 70% of the increase in the Saskatchewan Consumer Price Index (CPI). The measurement date of the latest actuarial valuation used to determine the Plan assets and obligations was December 31, 2019, and the results were extrapolated to March 31, 2022.

The effective date of the most recent actuarial valuation for funding purposes was December 31, 2019. Under current Canada Revenue Agency guidelines, an actuarial valuation for funding purposes is to be completed, at a minimum, every three years.

The Plan is solely the obligation of the Corporation. The Corporation is not obligated to fund the Plan but is obligated to pay benefits under the terms of the Plan as they come due. SaskPower has a Board-approved funding policy which is based on the funding actuarial valuation and requires the Plan deficit to be funded over 10 years when the funded status is less than 95%. In accordance with the funding policy, no contributions were made by SaskPower for the year ended March 31, 2022.

(a) Status of the Plan

The actuarial valuation measured at December 31, 2019, and extrapolated to March 31, 2022, showed that the Plan had an actuarial deficit of \$86 million (2020-21 – \$162 million). The calculation of the pension plan deficit is as follows:

<i>(in millions)</i>	March 31, 2022	March 31, 2021
Plan assets		
Fair value, beginning of period	\$ 661	\$ 645
Actual return on plan assets	38	76
Employer funding contributions	-	-
Employee funding contributions	-	-
Benefits paid	(59)	(60)
Fair value, end of period	\$ 640	\$ 661
Accrued benefit obligations		
Balance, beginning of period	\$ 823	\$ 809
Current service cost	-	-
Interest cost	25	29
Benefits paid	(59)	(60)
Actuarial (gains) losses on accrued benefit obligation	(63)	45
Balance, end of period	\$ 726	\$ 823
Plan deficit	\$ (86)	\$ (162)

(b) Assumptions

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligation are:

	March 31, 2022	March 31, 2021
Discount rate, beginning of period	3.05%	3.70%
Discount rate, end of period	3.90%	3.05%
Long-term inflation rate	2.00%	2.00%
Assumptions for benefit increases (% of CPI)	70.00%	70.00%
Plan duration (years)	10.60	10.60

The actuarial assumptions are based on management's expectations, independent actuarial advice and guidance provided by IFRS. The discount rate is the yield at the reporting date on high quality bonds that have maturity dates approximating the terms of the Corporation's obligations. The long-term rate of compensation increases assumption is no longer necessary due to the fact that all active members are assumed to retire immediately given their age and service levels. The mortality assumptions are based on the 2014 Canadian Private Sector Mortality Table.

Sensitivity of assumptions

Sensitivity of the defined benefit pension plan to changes in the discount rate, inflation rate, future indexing and life expectancy on the accrued benefit obligation as at March 31, 2022, is as follows:

<i>(in millions)</i>	Accrued benefit obligation	
	1% increase	1% decrease
Discount rate	\$ (75)	\$ 88
Inflation rate	(27)	29
Future indexing	82	(71)
Life expectancy (each member one year older/younger)	(27)	29

(c) Benefit plan asset allocation

The following is a summary of the asset mix of the Plan's investments:

	March 31, 2022	March 31, 2021
Equity securities	53.9%	52.4%
Debt securities	30.2%	36.9%
Real estate and infrastructure	15.9%	10.7%
	100.0%	100.0%

(d) Benefit payments

The benefit payments expected to be made to beneficiaries over the next five years are as follows:

<i>(in millions)</i>	2022-23	2023-24	2024-25	2025-26	2026-27
Expected benefit payments	\$ 57	\$ 56	\$ 55	\$ 54	\$ 53

Other benefit plans

Other benefit plans include a defined benefit and a defined contribution severance plan, a supplementary superannuation plan and a voluntary early retirement plan.

The significant actuarial assumptions adopted in measuring the Corporation's other benefit plans are:

	March 31, 2022	March 31, 2021
Discount rate	2.65 - 3.75%	2.10 - 2.40%
Long-term rate of compensation increases	2.00%	2.00%
Long-term inflation rate	2.00%	2.00%
Remaining service life (years)	8.50	8.27
Plan duration (years)	5.30 - 5.70	5.30 - 5.80

Cumulative actuarial losses (gains)

The cumulative amount of actuarial losses (gains) recorded in other comprehensive income (loss) related to the Corporation's defined benefit pension plans is as follows:

(in millions)	March 31, 2022	March 31, 2021
Balance, beginning of period	\$ (39)	\$ (31)
Actuarial losses (gains) on plan assets:		
Experience adjustments	(18)	(53)
Actuarial losses (gains) on accrued benefit obligations:		
Experience adjustments	-	(2)
Changes in actuarial assumptions (future indexing)	3	(7)
Changes in actuarial assumptions (discount rate)	(66)	54
Balance, end of period	\$ (120)	\$ (39)

Defined contribution pension plan

The defined contribution pension plan is governed by *The Public Employees Pension Plan Act and Regulations* and certain sections of *The Superannuation (Supplementary Provisions) Act and Regulations*.

Under the defined contribution pension plan, the Corporation's obligations are limited to the contributions for current service. These contributions are charged to income when made. The employee benefit plan expense for the defined contribution pension plan recorded in OM&A expense is as follows:

(in millions)	2021-22	2020-21
Employee benefit plan expense	\$ 25	\$ 25

CORPORATE GOVERNANCE

Accountability is a principal component of SaskPower's corporate values and is essential to our relationship with our customers, stakeholders and shareholder. In order to ensure the continued presence of a sound corporate governance structure, our company remains committed to ongoing evaluation. Our aim is to strengthen transparency while executing a comprehensive program of reporting.

COMPANY STRUCTURE

SaskPower is governed by *The Power Corporation Act*. It is subject to the provisions of *The Crown Corporations Act, 1993*, which gives Crown Investments Corporation (CIC) of Saskatchewan, the holding company for Saskatchewan's commercial Crown corporations, broad authority to guide the direction of SaskPower. In practice, directives are normally issued in the following forms: CIC Crown subsidiary policies applying to all CIC Crowns; CIC Board resolutions and directives; and CIC management directives.

As the shareholder of SaskPower, CIC provides oversight of our company's operations. Communication is implemented through written policies and directives issued by CIC's management or its Board of Directors, as well as verbally through discussions with SaskPower leaders. Our company reports to CIC on a regular basis on matters such as Corporate Balanced Scorecard results; financial statements and forecasts; capital expenditures; and debt obligations. SaskPower also provides ad hoc reports to CIC upon request.

Where required by legislation or policy directive, our company submits performance management and investment decisions for review and approval by CIC and provincial cabinet. Through its Chair, who is an outside Director, the SaskPower Board of Directors is accountable to the Minister Responsible for SaskPower. The Minister functions as a link between SaskPower and cabinet, as well as the provincial legislature.

The Legislative Assembly of Saskatchewan appoints members to the Standing Committee on Crown and Central Agencies at the beginning of each legislative session. This committee holds public hearings and is empowered to review the annual reports, financial statements and operations of Crown corporations and related agencies. The Minister Responsible for SaskPower and our company's senior Executives are called before the committee to answer questions about the year under review and issues of topical concern.

GOVERNING OUR COMPANY

The SaskPower Board of Directors is responsible for the general stewardship of our company. It is accountable for setting direction, monitoring and evaluating achievement, as well as identifying any necessary corrective action for SaskPower. The Board works with management to develop and approve SaskPower's Strategic Plan, Annual Budget and Business Plan. It actively identifies business risks and oversees the implementation of appropriate systems to achieve a balance between risks incurred and potential returns.

All of SaskPower's Board Members, including the Chair, are independent of management. The expectations and responsibilities of Directors are outlined in the terms of reference. Board Members receive a comprehensive orientation and continuing education. In addition to being subject to SaskPower's Code of Conduct Policy, Board Members are also bound by the CIC Directors' Code of Conduct. Peer evaluations are completed every three years.

Director	Board meetings attended¹
Chief Darcy Bear	8
Bryan Leverick	11
Terry Bergan	11
Bevra Fee	10
Shawn Grice ²	2
Jim Hopson	7
Karri Howlett ³	3
Cherilyn Jolly-Nagel	11
Phil Klein ⁴	6
Fred Matheson	11
Robert Nicolay	10
Jeff Richards ⁵	2
Marvin Romanow ⁴	7
The Honourable Vaughn Solomon Schofield ⁶	6
Tammy Van Lambalgen	11

1. There were a total of 11 meetings held in 2021-22
(7 of the 11 meetings were Board Conference Call meetings).

2. Appointed February 2, 2022.

3. Cancelled May 31, 2021.

4. Cancelled November 29, 2021.

5. Appointed November 29, 2021.

6. Appointed May 31, 2021.

Information in this section covers the year ended March 31, 2022.

Visit saskpower.com for a full description of SaskPower's corporate governance practices, including Board and Director terms of reference, Canadian Securities Administrators (CSA) Governance Guidelines, and SaskPower's Corporate Balanced Scorecard.

During the year, the Board reviewed the strategic direction of SaskPower, as well as numerous operational, financial, environmental, human resource and governance items. The Board also continues to adopt policies and processes to enable effective communication with our shareholder, stakeholders and the public.

As many organizations have increased their reliance on information and operational technology, concerns with cyber security risk have risen over the last number of years. Threats to SaskPower's information and operational technology include malware, targeted attacks and data breaches. SaskPower has undertaken several initiatives to mitigate cyber security risk, including: increasing corporate network and data protection; extending systems monitoring; and improving incident response. SaskPower's Audit & Finance Committee and Board of Directors receive a quarterly update from management on the company's cyber security program.

LEADERSHIP BY COMMITTEE

Our company's Board has three standing committees to assist in designating specific areas of responsibility:

Audit & Finance Committee

Four meetings

Chair: Bryan Leverick (appointed January 28, 2022), and Marvin Romanow (cancelled November 29, 2021)

Members: Terry Bergan, Shawn Grice (appointed February 17, 2022), Phil Klein (cancelled November 29, 2021), Cherilyn Jolly-Nagel, Tammy Van Lambalgen (appointed January 28, 2022), and Chief Darcy Bear (ex officio)

The Audit & Finance Committee's terms of reference mandate the committee to assist the Board in meeting its responsibilities with respect to financial reporting, internal controls and accountability. The committee oversees SaskPower's risk management reporting and directly interacts with the internal and external auditors, as well as the Provincial Auditor of Saskatchewan. The committee ensures that the Board is provided with financial plans, proposals and information that are consistent with our company's overall strategic planning and public policy objectives.

In the 2021-22 fiscal year, the committee reviewed the annual and interim financial statements; risk management reports; the 2022-23 Business Plan; as well as the Deloitte and Provincial Auditor 2020-21 audit summaries. The committee also provided oversight of strategic initiatives such as SaskPower's Grid Modernization Program. Through this program, the company successfully completed its residential smart meter pilot and received approval to proceed with residential smart meter deployment across the province. Smart meters are foundational to support grid modernization

and will provide customers with access to their energy consumption data, as well as timely billing based on energy consumption.

The committee reviewed and recommended to the Board several capital investments to grow and maintain SaskPower's electricity system and facilitate the company's transition to a low-carbon future. The committee also approved SaskPower's application for a system average rate increase of 4% in each of the next two fiscal years. While SaskPower has been able to avoid rate increases in the previous four fiscal years, they are now required to enable investment in infrastructure sustainment and growth projects and to offset rising fuel and purchased power costs and other cost pressures. The rate application is subject to review by the Saskatchewan Rate Review Panel and any rate increases are subject to final approval by the provincial Cabinet. If approved, the first 4% rate increase will be effective September 1, 2022, and the second 4% increase will be effective April 1, 2023.

Meanwhile, SaskPower introduced the Renewable Partnership Offering, a program that provides large customers with the ability to partner with SaskPower in the development of a new renewable generation facility and benefit from the attributes of the renewable energy output.

The committee continued to monitor SaskPower's 10-year generation supply plan, including developments in nuclear small modular reactor (SMR) technology, as well as the company's progress on major construction projects such as the Great Plains Power Station in Moose Jaw and the E.B. Campbell Hydroelectric Station life extension.

Finally, the committee approved the annual work plan for the Internal Audit Department and monitored irregularities. It also held regular *in camera* discussions with the Director, Internal Audit.

Safety, Environment & Corporate Responsibility Committee

Four meetings

Chair: Bevra Fee (appointed August 19, 2021), and Karri Howlett (cancelled May 31, 2021)

Members: Jim Hopson, Fred Matheson, The Honourable Vaughn Solomon Schofield (appointed August 19, 2021), and Chief Darcy Bear (ex officio)

The Safety, Environment & Corporate Responsibility Committee is charged with ensuring that our company proactively addresses safety, health and environmental issues, is in compliance with regulatory and statutory requirements, and strengthens its performance in corporate responsibility. In addition, the committee reviews the findings of the internal and external audits of the company's environmental and safety management systems, as well as

environmental, health and safety facilities. It also monitors the implementation of audit recommendations.

In 2021-22, the committee reviewed the company's safety performance and compliance with environmental legislative, regulatory and corporate standards. This included a review of correspondence from regulators and the results of internal and external audits focused on SaskPower's environmental and safety management systems, as well as regular discussions with the Director, Internal Audit, on environmental and regulatory matters.

To ensure effective oversight over regulatory compliance, the committee received quarterly reports on the status of regulatory authorizations for the company's hydroelectric and thermal generation stations. The committee also reviewed, on a quarterly basis, the company's environmental performance and continued to monitor regulatory developments for greenhouse gas emissions and other air pollutants. In addition, the committee received updates on recent environmental litigation across Canada and considered the potential impacts on the company and its Officers and Directors.

With oversight from the committee, SaskPower is working to enhance transparency and accountability with internal and external audiences concerning corporate responsibility and sustainability issues, activities and goals. SaskPower publicly released its 2020-21 Corporate Responsibility & Sustainability Report, which provides stakeholders with an overview of the company's environmental, social, governance and financial performance while discussing the challenges ahead.

Meanwhile, the committee received quarterly reports from management on SaskPower's Indigenous relations activities in the following areas: leadership actions, business development, employment and training, and community partnerships with Indigenous communities.

Management continued to provide the committee with regular updates on electrical farm safety, the company's health and safety performance, and its Strategic Plan for Health and Safety. Finally, the committee considered the annual assessment of SaskPower's Dam Safety Program, which evaluates the condition of the company's dam and dyke facilities based on criteria established by the Canadian Dam Association.

Governance & Human Resources Committee

Eight meetings

Chair: Tammy Van Lambalgen

Members: Jim Hopson, Bryan Leverick (cancelled January 28, 2022), Rob Nicolay, Jeff Richards (appointed January 28, 2022), and Chief Darcy Bear (ex officio)

The Governance & Human Resources Committee is responsible for the development, review and effectiveness of SaskPower's corporate governance practices. The committee's governance-related duties include serving as ethics advisor for the Board, monitoring and evaluating overall Board performance every three years, providing guidance on governance issues to Directors, and recommending governance issues for discussion by the full Board. The Governance & Human Resources Committee is also charged with overseeing SaskPower's human resources strategies, programs and practices.

In 2021-22, management presented the committee with an integrated approach designed to drive leadership and culture at SaskPower and support the execution of the company's strategy and transition to a low-carbon future. The activities planned over the following year will focus on SaskPower's five culture behaviours: act with integrity, increase knowledge and share learning, engage everyone, speak up responsibly and do it the right way.

The committee received reports on the company's activities in several areas. These included: a report from SaskPower Human Resources on workforce trends and human resources programming and initiatives; a report on the activities of the Saskatchewan Electric Reliability Authority (a committee within SaskPower that is charged with the authority to adopt and enforce electricity reliability standards in Saskatchewan under *The Power Corporation Act*); and an update on succession plan management. The committee also received updates on the company's progress regarding various Indigenous initiatives as well as regular reporting from the Director, Internal Audit, on matters relating to governance and human resources.

The committee reviewed and recommended that the Board approve changes to the company's Community Partnerships & Investment Policy to ensure consistency with the Code of Conduct. In addition, the committee reviewed and considered potential changes to SaskPower's Drug and Alcohol Standard. Finally, the committee reviewed the performance of the President & Chief Executive Officer (CEO) for 2021-22 and established the CEO's mandate and performance objectives for 2022-23.

BOARD OF DIRECTORS

As at March 31, 2022



Chief Darcy Bear

Chair
Whitecap Dakota First Nation

Chief Bear joined the SaskPower Board of Directors in 2016 as Chair. He is also serving a ninth consecutive term as Chief of the Whitecap Dakota First Nation.

He has a Business Administration Certificate and Honorary Doctor of Laws Degree from the University of Saskatchewan.

Chief Bear was awarded the Commemorative Medal for the Centennial of Saskatchewan in 2005 and the Saskatchewan Order of Merit in 2011. He was the recipient of the Queen Elizabeth II Diamond Jubilee Medal in 2012, Canadian Council for Aboriginal Business Lifetime Achievement Award in 2016, and Saskatchewan Junior Achievement Business Hall of Fame Award in 2017. He was appointed to the Order of Canada in the fall of 2020.

Chief Bear was key in developing a self-governing Land Code, which created a business-friendly environment on Whitecap lands, with a land tenure system, commercial infrastructure and a real-property tax law. To date there has been approximately \$160 million in capital investment in the community and an unemployment rate reduction from 70 per cent to 5 per cent.



Bryan Leverick

Vice-Chair
Saskatoon

Bryan Leverick joined the SaskPower Board of Directors in 2008. He is the President of Alliance Energy Ltd. and has been with the company since 1974.

Mr. Leverick has a Business Administration Certificate from the University of Saskatchewan. He holds a Chartered Director designation (C.Dir.) from McMaster University and is a journeyman electrician with a Gold Seal in project management from the Canadian Construction Association.

In 2003, the Saskatchewan Construction Association awarded Mr. Leverick the Distinguished Service Award. It also awarded him the Person of the Year Award in 2006. He is an avid supporter of the Ronald McDonald House and the Farm in the Dell, a non-profit that provides residential and vocational opportunities for adults with developmental disabilities in a rural, farm-like setting.

Board and Volunteer Positions

- Member, Board of Directors, Ducks Unlimited Canada
- Member, Board of Directors, Saskatoon Club
- Past Chair, Board of Directors, Royal University Hospital Foundation
- Past Chair, Board of Directors, Canadian Electrical Contractors Association
- Past President, Saskatchewan Construction Association
- Past President, Saskatchewan Bid Depository
- Past President, Saskatoon Construction Association
- Past President, Electrical Contractors Association
- Past Chair, Board of Directors, Saskatoon Regional Economic Development Authority
- Past Chair, Board of Directors, Saskatoon City Hospital Foundation



Terry Bergan

Member
Saskatoon

Terry Bergan joined the SaskPower Board of Directors in 2018.

Before his retirement, Mr. Bergan served as President and CEO of International Road Dynamics (IRD). IRD is a world leader in highway traffic management products and systems. IRD was founded by his father, and Mr. Bergan served for over 30 years at the family-run company in various roles. He built a successful leadership team that contributed to the company's success.

Since 1980, IRD's cumulative sales have exceeded \$1 billion in more than 37 countries. Under Mr. Bergan's leadership, IRD developed over 30 patents.

Mr. Bergan graduated from the Faculty of Engineering at the University of Saskatchewan in 1979.

Board and Volunteer Positions

- Member, Saskatchewan Centre of Excellence for Transportation and Infrastructure
- Member, Transportation Association of Canada

- Member, Canadian Society for Civil Engineering
- Member, Engineering Institute of Canada
- Member, Saskatoon Chamber of Commerce
- Member, North Saskatoon Business Association
- Member, Institute of Corporate Directors



Bevra Fee
Member
Spiritwood

Bevra Fee joined the SaskPower Board of Directors in 2018. She is one of the founding members and current Managing Director of the Northern Lakes Economic Development Corporation.

Prior to economic development, Ms. Fee worked in the agriculture industry for 10 years.

She holds a certificate in Business Administration from the University of Saskatchewan, a Professional Director Certification from the Johnson Shoyama Graduate School of Public Policy and an Institute of Corporate Directors Designation (ICD.D) from the Rotman School of Management.

Ms. Fee loves adventure and has summited Mt. Whitney and Mt. Kilimanjaro. She also completed the Everest Base Camp trek in 2018. She is a travel enthusiast and enjoys touring on her Harley Davidson motorcycle.

Board and Volunteer Positions

- Councillor, Rural Municipality No. 496
- President and co-owner, Spiritwood Golf Course
- Treasurer, Spiritwood Lions Club
- Past Vice-Chair, Board of Directors, Prince Albert Parkland Health Region
- Past Chair, Saskatchewan Economic Development Alliance
- Past member, Board of Directors, Saskatchewan Opportunities Corporation
- Past Vice-Chair, Board of Directors, Saskatchewan Pork Development



Shawn Grice
Member
Regina

Shawn Grice joined the SaskPower Board of Directors in 2022.

Mr. Grice is currently the President of rSolutions, a privately-held information security and data analytics firm based in Regina, Saskatchewan, servicing clients across Canada and the United States.

Mr. Grice started his career in public practice with KPMG Peat Marwick Thorne and then spent several years working for the Government of Saskatchewan in a variety of roles, with over two decades of experience as an executive in the Crown sector. He also owns and operates a mixed farming operation with his family in southwest Saskatchewan.

Mr. Grice has a Bachelor of Commerce degree (with Great Distinction) from the University of Saskatchewan and is a Chartered Professional Accountant. He has completed CPA Canada's In-Depth Tax Program and also holds a Chartered Director designation (C.Dir.) from McMaster University and the Conference Board of Canada.

Board and Volunteer Positions

- Board Member, Audit & Finance Committee Chair, Regina Downtown Business Improvement District
- Board Member, Canadian Bus Association



Jim Hopson
Member
Regina

Jim Hopson joined the SaskPower Board of Directors in 2015.

Football has always been a big part of his life. After high school, he played four years with the Regina Rams. He was a multi-year all-star and named outstanding lineman in the league in 1972. In 1973, he made the jump to the Saskatchewan Roughriders, playing until 1976.

In 2005, he returned to the Riders as the first full-time President and CEO, retiring in March 2015. Mr. Hopson helped secure and plan the new Mosaic Stadium that opened in 2017. He was inducted into the Saskatchewan Roughriders Plaza of Honour in 2019 and the Canadian Football Hall of Fame in 2019.

Mr. Hopson began his professional career as a teacher in Ceylon, Saskatchewan. He retired as the Director of Education for the Qu'Appelle Valley School Division in 2004.

He has a Bachelor of Education (with Distinction) from the University of Regina and a Master of Education from the University of Oregon.

Mr. Hopson was named to the Globe and Mail's Power 50 list of Canadian sports figures. He was awarded the Commemorative Medal for the Centennial of Saskatchewan and the Queen Elizabeth II Diamond Jubilee Medal and was recognized as one of Saskatchewan's most influential men by SaskBusiness Magazine. He received the Hugh Campbell Distinguished Leadership Award in 2014 and the Lifetime Achievement Award from the University of Regina Alumni Association in 2015.

Board and Volunteer Positions

- Director, Canadian Football League Alumni Association
- Chair, University of Saskatchewan Huskie Athletics Board of Trustees
- Member, Board of Directors, Regina Exhibition Association Limited



Cherilyn Jolly-Nagel
Member
Mossbank

Cherilyn Jolly-Nagel joined the SaskPower Board of Directors in 2017.

Raised on a farm near Mossbank, Saskatchewan, Ms. Jolly-Nagel is a farmer, speaker, director and advocate for global agricultural policy initiatives. She represents the province's agriculture industry around the world and serves as an international director for the Global Farmer Network. In 2021, she was recognized as one of the Top 50 Most Influential People in Canadian Agriculture.

She holds a Hospitality and Tourism Marketing Diploma from Medicine Hat College and an Agriculture Business Diploma from Olds College. Cherilyn holds an Institute of Corporate Directors Designation (ICD.D). Elected as the first female President of the Western Canadian Wheat Growers Association, Ms. Jolly-Nagel challenged government policies that affected the business of agriculture and is a leader on important issues that impact farmers. Her fresh thinking led her to partner with the team at www.Utensil.ca to launch a unique online training program designed to support those who want to strengthen their business relationships with farmers.

Ms. Jolly-Nagel was Mossbank's first Economic Development Officer. In 2011, she was named one of Saskatchewan's Most Influential Women by SaskBusiness Magazine. She was chosen by the Mattel toy company to take part in an online mentorship program through the launch of a Farmer Barbie.

Along with her family, Ms. Jolly-Nagel owns and operates a grain farm near Mossbank.

Board and Volunteer Positions

- Member, Board of Directors, Western Canadian Wheat Growers Association
- Member, Board of Directors, Mossbank and District Museum
- Coach, Moose Jaw Biathlon Club
- Past President, Board of Directors, Western Canadian Wheat Growers Association
- Past Chair, Board of Directors, Saskatchewan Agri-Value Initiative
- Past member, Board of Directors, Saskatchewan Transportation Company



Fred Matheson
Member
Prince Albert

Fred Matheson joined the SaskPower Board of Directors in 2018. He is the owner of Ted Matheson Men's Wear, a third-generation family business in Prince Albert.

Mr. Matheson served as a Prince Albert City Councillor from 2006 to 2009. Mr. Matheson was a recipient of the Commemorative Medal for the Centennial of Saskatchewan in 2005. He was named Prince Albert Chamber of Commerce Business Leader of the Year in 2013 and won the Saskatchewan ABEX Community Cornerstone Award in 2014. He was recognized as a Lifetime Member of the Prince Albert Chamber of Commerce in 2017.

Mr. Matheson is a graduate of the University of Saskatchewan and holds an Institute of Corporate Directors Designation (ICD.D). He and his wife, Colette, have two children.

Board and Volunteer Positions

- Past President, Kinsmen Club of Prince Albert
- Past Deputy Governor, Kinsmen Club of Saskatchewan
- Past Chair, Board of Directors, Prince Albert Downtown Business Association
- Past Vice-Chair, Board of Directors, Prince Albert Police Commission
- Past Chair, Board of Directors, Mont St. Joseph Home



Robert Nicolay
Member
Estevan

Robert Nicolay joined the SaskPower Board of Directors in 2018. He is currently a partner at the law firm Bridges and Company LLP in Estevan, Saskatchewan. From 2007 to 2012, he worked as the Chief of Staff at the Ministry of Corrections, Public Safety and Policing in the Government of Saskatchewan.

Mr. Nicolay is a graduate of the University of Saskatchewan, College of Law. He is also a graduate of the Directors Education Program at the Rotman School of Management and holds an Institute of Corporate Directors Designation (ICD.D).

Board and Volunteer Positions

- Member, Rotary Club of Estevan
- Past member and Administrative Director, Saskatchewan Young Professionals and Entrepreneurs
- Past member, Saskatoon Club



Jeff Richards
Member
Weyburn

Jeff Richards joined the SaskPower Board of Directors in 2021. Born and raised in southeast Saskatchewan, Mr. Richards has a diverse background in business, government and leadership. After more than a decade as a small business owner, he has spent the last fifteen years in senior leadership roles across a number of sectors.

Currently he is the Executive Director of the Weyburn Wor-Kin Shop.

Jeff holds the Institute of Corporate Directors Designation (ICD.D), as well as the Credit Union Director Achievement (CUDA) certification.

As a dedicated community builder, Mr. Richards devotes his time to organizations that are working to build stronger and better communities. He has worked with business groups in Canada and the United States.

Board and Volunteer Positions

- Councillor, City of Weyburn
- Board Chair, Weyburn Credit Union
- Past Director, SaskWater
- Past Chair, Governance & Corporate Responsibility Committee, SaskWater

- Director, Weyburn Board of Police Commissioners
- Past Chair, Weyburn District Regional Planning Commission
- Past President, Weyburn & District United Way
- Past Director, Estevan Chamber of Commerce
- Past Director, Weyburn Chamber of Commerce



The Honourable Vaughn Solomon Schofield
Member
Regina Beach

The Honourable Vaughn Solomon Schofield joined the SaskPower Board of Directors in 2021. She has had a successful career in business and has provided leadership to international, national and provincial organizations.

Mrs. Solomon Schofield was born and raised in Regina and was educated at the University of Saskatchewan (Regina Campus) and the Rae-Vogue School in Chicago. She served as Saskatchewan's 21st Lieutenant Governor from 2012 to 2018, as well as the Chancellor of the Saskatchewan Order of Merit. Prior to her appointment as Lieutenant Governor, she was President and CEO of Western Group of Companies, a business real estate organization holding interests throughout Western Canada. Mrs. Solomon Schofield received the Saskatchewan Volunteer Medal in 2009, the Commemorative Medal for the Centennial of Saskatchewan in 2005, and the Queen Elizabeth II Diamond Jubilee Medal in 2012. She is a strong supporter of the Canadian Forces and was awarded the prestigious Canadian Forces Medallion for Distinguished Service in 2009.

In the 1980s, Mrs. Solomon Schofield was Chair of the Board for Crime Watch, a 200,000-member crime prevention organization. She travelled throughout North and South America to establish Crime Watch groups. Fluent in English and Spanish, Mrs. Solomon Schofield worked with the government of Guayaquil, Ecuador, to establish their Crime Watch group and acted as an interpreter. She also hosted a Crime Prevention television talk show for four years in Fort Lauderdale, Florida, and was twice voted Florida's Crime Prevention Woman of the Year. She has served on numerous municipal, provincial and federal boards.

She and her late husband Gordon Schofield have two children and four grandchildren.

Board and Volunteer Positions

- Chair, Saskatchewan Police Commission
- Provincial Chair, Canadian Forces Liaison Council
- Honorary Colonel, 10 Field Artillery Regiment



Tammy Van Lambalgen
Member
Saskatoon

Tammy Van Lambalgen joined the SaskPower Board of Directors in 2013. She currently serves as Chair of the Governance & Human Resources Committee.

She is the Vice-President and Chief Corporate Officer at Orano Canada Inc., overseeing human resources, legal, corporate social responsibility and organizational excellence.

Starting her career in Calgary, Ms. Van Lambalgen worked as a lawyer for Shell Canada. In 2003, she returned to Saskatoon to join Orano.

She received a Bachelor of Arts in 1990 and a Bachelor of Laws from the University of Saskatchewan in 1993.

Board and Volunteer Positions

- Member, Board of Directors, Orano Canada
- Member, Board of Directors, Saskatoon Airport Authority
- Member and Past Chair, Board of Directors, Saskatchewan Mining Association
- Past Chair, Board of Directors, Nutrien Wonderhub
- Past member, Board of Directors, Greater Saskatoon Chamber of Commerce

COMPENSATION

Under the authority of *The Crown Corporations Act, 1993*, SaskPower's shareholder, CIC, directs the compensation received by Directors. In addition to reimbursement for reasonable expenses incurred while performing their duties (including related travel, meal and accommodation costs), Directors receive an annual retainer and meeting fees for service:

- The Board Chair receives an annual retainer of \$40,000.
- Board Members receive an annual retainer of \$25,000.
- The Audit & Finance Committee Chair receives an annual retainer of \$3,500.
- Other Committee Chairs receive an annual retainer of \$2,500.
- Committee Members receive a daily meeting fee of \$750 for a full day and \$375 for a half day (less than four hours).

EXECUTIVE TEAM

As at March 31, 2022



Troy King
Acting President and
Chief Executive Officer

Troy King was appointed Acting President and CEO in 2022, after previously serving as Vice-President, Finance and Business Performance and Chief Financial Officer since 2017.

Mr. King has worked at SaskPower since 1996 in many leadership roles, including Director of Corporate Planning and Controller.

He holds a Business Administration degree from the University of Regina and is a Chartered Professional Accountant (CPA, CMA).

Board and Volunteer Positions

- Member, Power Corporation Superannuation Plan Board
- Member, Board of Directors, Hospitals of Regina Foundation



Tim Eckel
Vice-President, Asset Management,
Planning and Sustainability

Tim Eckel became Vice-President, Asset Management, Planning and Sustainability in 2017 after previously serving as Vice-President, Transmission Services since 2015. He has over 30 years of experience in various areas at SaskPower, including Distribution, Transmission and Customer Services.

He holds a diploma in Electrical Engineering Technology from Saskatchewan Polytechnic, a Bachelor of Science in Electrical Engineering from the University of Saskatchewan and a Master of Business Administration from the University of Regina. He is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan.

Board and Volunteer Positions

- Director, Saskatchewan Electric Reliability Authority
- Member, Generation Council and Vice-Chair Emerging Issues Committee, Electricity Canada (formerly Canadian Electricity Association)
- Member, Senior Leaders Advisory Committee, Centre of Excellence Advanced Technological Innovation
- Member, Board of Directors, Saskatchewan Science Centre



Carla Feld
Acting Vice-President,
Technology and Security

Carla Feld was named Acting Vice-President, Technology and Security in 2022.

Ms. Feld has been with SaskPower since 2007. Before her current role, she was the Director of Business Planning and Performance within the Technology and Security division.

Before joining SaskPower, Ms. Feld worked for the Government of Saskatchewan in the Information Technology Office and the Ministry of Corrections and Public Safety. She has also worked in the private sector at EDS/Systemhouse.

Ms. Feld received her Chartered Professional Accountant designation (CPA, CMA) in 1996.



Kory Hayko
Vice-President,
Transmission and Industrial Services

Kory Hayko became Vice-President, Transmission and Industrial Services in 2017. He previously served as Vice-President, Commercial and Industrial Operations, Fuel and Cross-Crown Collaboration; and acting Vice-President, Customer Services. He has also been President and CEO of NorthPoint Energy Solutions, a SaskPower subsidiary, since July 2014.

In his more than 30 years at SaskPower, Mr. Hayko has served in numerous roles, including Director of Energy Management and Trading, and Director of Gas Management.

Mr. Hayko holds a Bachelor of Applied Science in Industrial Systems Engineering and a Master of Applied Science in Energy Systems, both from the University of Regina. He is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan.

Board and Volunteer Positions

- Vice-Chair, Board of Directors, International Carbon Capture and Storage Knowledge Centre
- Vice-Chair, Transmission Council, Electricity Canada (formerly Canadian Electricity Association)
- Member, Industry Advisory Board, University of Regina Faculty of Engineering

**Randeem Kaczmar**

Acting Vice-President, Finance and Business Performance and Chief Financial Officer

Randeem Kaczmar was appointed Acting Vice-President, Finance and Business Performance and CFO in 2022.

Ms. Kaczmar joined SaskPower in 1995. She has held a variety of leadership positions, including her permanent role as Director, Financial Reporting and Controller. Before joining SaskPower, Ms. Kaczmar was employed with Ernst & Young Chartered Accountants.

Ms. Kaczmar is a Chartered Professional Accountant (CPA, CMA) and holds a diploma in Computerized Accountancy from Saskatchewan Polytechnic.

**Howard Matthews**

Vice-President, Power Production

Howard Matthews was appointed Vice-President, Power Production in 2015, after serving as acting Vice-President in 2014. Mr. Matthews also served as President and Chief Executive Officer of SaskPower International, a SaskPower subsidiary, from 2015 until its dissolution in 2021.

Over his career, he has held many roles at SaskPower, starting as an electrical engineer in 1989. He also served as Director at the Poplar River Power Station in Coronach, Saskatchewan.

Before joining SaskPower, Mr. Matthews was a computer programmer and worked for the Saskatchewan Research Council, Northern Telecom and the Saskatchewan Mining and Development Corporation. He has also worked as a field engineer for Husky Injection in Toronto.

He holds Bachelor of Commerce and Bachelor of Electrical Engineering degrees, both from the University of Saskatchewan.

He is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan.

Board and Volunteer Positions

- Member, Board of Directors, The International Carbon Capture and Storage Knowledge Centre

**Grant Ring**

Vice-President, Supply Chain

Grant Ring became Vice-President, Supply Chain in 2015.

At SaskPower, he previously held the positions of Vice-President, Business Development; acting Vice-President and Chief Financial Officer; and President and Chief Executive Officer of NorthPoint Energy Solutions, a SaskPower subsidiary.

Prior to joining the Executive in 2007, Mr. Ring spent 11 years at the company in accounting, finance and business planning. Before joining SaskPower, he held accounting positions in construction materials and electrical manufacturing.

Mr. Ring has a Master of Business Administration from Queen's University. He holds a Chartered Professional Accountant (CPA) designation and is a Fellow of the Society of Management Accountants. He holds a Certificate in Executive Coaching and the Institute of Corporate Directors Designation (ICD.D). Mr. Ring also holds the Supply Chain Management Professional (SCMP) designation from Supply Chain Canada.

Board and Volunteer Positions

- Chair, Power Corporation Superannuation Plan Board
- Member, Board of Directors, Buffalo Pound Water Treatment Corporation
- Past Chair, Financial Executives International Canada
- Past Vice-Chair, Public Employees Pension Plan

**Shawn Schmidt**

Vice-President, Distribution and Customer Services

Shawn Schmidt became Vice-President, Distribution and Customer Services in 2018.

Mr. Schmidt has spent 35 years in the utility, mining and consulting industries. He joined SaskPower in 2001 in Customer Services Key Accounts. He then became Engineering Supervisor, followed by Regional Manager in Distribution Operations. Mr. Schmidt also served as Director, Transmission Operations and Maintenance for eight years.

He has a Bachelor of Science in Electrical Engineering from the University of Saskatchewan. In 2018, he co-authored a paper for the Institute of Electrical and Electronics Engineers: *Flashover Performance of Live-Line Tools in High Voltage Environments*. He is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan.

Board and Volunteer Positions

- Member, Customer Council, Electricity Canada (formerly Canadian Electricity Association)
- Vice-Chair, Distribution Council, Electricity Canada
- Member, Executive Operations Board Committee, Western Energy Institute
- SaskPower representative, Transmission Distribution Maintenance Management Association



Rachelle Verret Morphy, Q.C.
Vice-President, Corporate & Regulatory Affairs and General Counsel

Acting Vice-President,
Human Resources and Safety

Rachelle Verret Morphy became Vice-President, Corporate and Regulatory Affairs and General Counsel in 2017, and in 2021 also took on the role of Acting Vice-President, Human Resources and Safety. Joining the company as Assistant General Counsel in the Law Department in 2005, she served as Vice-President, Law, Land and Regulatory Affairs from 2011 until 2017.

Before joining SaskPower, Ms. Verret Morphy worked for a federally-regulated financial institution and at a law firm. She has also worked for a professional accounting firm.

She has a Bachelor of Laws from the University of Saskatchewan and a Bachelor of Commerce (Honours) from the University of Ottawa. As well, Ms. Verret Morphy holds an Institute of Corporate Directors Designation (ICD.D) and a Chartered Professional Accountant (CPA) designation.

Board and Volunteer Positions

- Vice-Chair, Power Corporation Superannuation Plan Board
- Chair, Saskatchewan Electric Reliability Authority
- Vice-Chair, Board of Directors, Hospitals of Regina Foundation

COMPENSATION

CIC has established a framework for Executive compensation, and SaskPower's Board can approve compensation packages within that framework. The Board has delegated responsibility for addressing and making recommendations concerning Executive compensation issues to the Governance & Human Resources Committee. Executive performance is assessed annually against corporate and individual objectives that are aligned with our company's Strategic Plan. The mandate for Executive compensation for Saskatchewan Crown corporations is established and monitored by CIC.

Direct reports of SaskPower's President and CEO, including all Executive Members, are required by legislation to file and report the details of their compensation and benefits and any changes to the Clerk of the Saskatchewan Legislature within 14 days of occurrence. In addition, the Crown and Central Agencies Committee of the Legislative Assembly of Saskatchewan requires Crown corporations, including SaskPower, to file an annual payee list that includes the total compensation of Executive Members.

Salary ranges for SaskPower's Executive team, as at March 31, 2022, were:

- President and CEO: \$364,040 to \$455,050.
- Vice-President: \$251,056 to \$313,820.

FIVE-YEAR FINANCIAL SUMMARY

<i>(In millions)</i>	2021-22	2020-21	2019-20	2018-19	2017-18
Consolidated Statement of Income					
Revenue					
Saskatchewan electricity sales	\$ 2,713	\$ 2,615	\$ 2,626	\$ 2,583	\$ 2,480
Exports and electricity trading	77	53	20	30	7
Other revenue	95	103	125	112	99
	2,885	2,771	2,771	2,725	2,586
Expense					
Fuel and purchased power	1,033	807	737	710	660
Operating, maintenance and administration	711	700	705	708	680
Depreciation and amortization	612	595	572	553	543
Finance charges	401	426	431	416	417
Taxes	81	79	77	74	72
Other expenses	36	4	44	67	68
	2,874	2,611	2,566	2,528	2,440
Net income	\$ 11	\$ 160	\$ 205	\$ 197	\$ 146
Consolidated Statement of Financial Position					
Assets					
Current assets	\$ 754	\$ 811	\$ 950	\$ 776	\$ 792
Property, plant and equipment	10,133	9,816	9,712	10,190	9,895
Right-of-use assets	516	565	615	-	-
Intangible assets	77	68	70	58	63
Debt retirement funds	738	865	848	748	658
Investments accounted for using equity method	-	-	-	39	40
Other assets	11	8	8	1	8
Total assets	\$ 12,229	\$ 12,133	\$ 12,203	\$ 11,812	\$ 11,456
Liabilities and equity					
Current liabilities	\$ 1,690	\$ 1,301	\$ 1,775	\$ 1,695	\$ 1,923
Long-term debt	6,239	6,501	6,180	5,999	5,616
Lease liabilities	904	946	980	1,081	1,096
Employee benefits	131	208	210	214	210
Provisions	305	324	311	283	233
Equity	2,960	2,853	2,747	2,540	2,378
Total liabilities and equity	\$ 12,229	\$ 12,133	\$ 12,203	\$ 11,812	\$ 11,456
Consolidated Statement of Cash Flows					
Cash provided by operating activities	\$ 738	\$ 814	\$ 866	\$ 671	\$ 708
Cash used in investing activities	(912)	(658)	(640)	(798)	(964)
Cash provided by (used in) financing activities	108	(294)	-	130	250
(Decrease) increase in cash position	\$ (66)	\$ (138)	\$ 226	\$ 3	\$ (6)
Financial Indicators					
Dividends	\$ 3	\$ 48	\$ 20	\$ 20	\$ -
Capital expenditures	\$ 922	\$ 693	\$ 696	\$ 833	\$ 996
Return on equity	0.4%	5.8%	7.8%	7.9%	6.2%
Per cent debt ratio	71.9%	71.4%	72.6%	74.1%	74.9%

FIVE-YEAR REVENUE STATISTICS

	2021-22	2020-21	2019-20	2018-19	2017-18
Number of Saskatchewan customer accounts					
Residential	407,995	403,782	399,394	396,536	392,314
Farm	57,949	58,035	57,978	58,322	58,492
Commercial	64,764	64,272	63,757	63,216	62,375
Oilfield	19,103	18,960	19,466	19,513	19,412
Power	127	128	130	125	124
Reseller	2	2	2	2	2
Total number of Saskatchewan customer accounts	549,940	545,179	540,727	537,714	532,719
Electricity sales (in millions)					
Residential	\$ 595	\$ 579	\$ 559	\$ 576	\$ 549
Farm	178	188	185	188	180
Commercial	504	487	508	519	501
Oilfield	416	390	435	416	395
Power	777	748	759	784	758
Reseller	98	94	97	100	97
	2,568	2,486	2,543	2,583	2,480
Federal carbon charge collected	145	129	83	-	-
Saskatchewan electricity sales	2,713	2,615	2,626	2,583	2,480
Exports	77	54	20	30	10
Total electricity sales	\$ 2,790	\$ 2,669	\$ 2,646	\$ 2,613	\$ 2,490
Electricity sales (GWh)					
Residential	3,331	3,224	3,091	3,216	3,162
Farm	1,285	1,348	1,330	1,353	1,328
Commercial	3,690	3,540	3,748	3,862	3,862
Oilfield	4,013	3,727	4,163	3,962	3,877
Power	9,821	9,409	9,584	9,964	9,845
Reseller	1,160	1,129	1,156	1,202	1,208
Saskatchewan electricity sales	23,300	22,377	23,072	23,559	23,282
Exports	695	526	254	422	304
Total electricity sales	23,995	22,903	23,326	23,981	23,586
Average electricity sales price (\$/MWh)					
Residential	\$ 179	\$ 180	\$ 181	\$ 179	\$ 174
Farm	139	139	139	139	136
Commercial	137	138	136	134	130
Oilfield	104	105	104	105	102
Power	79	79	79	79	77
Reseller	84	83	84	83	80
Exports	111	103	79	71	33
Total weighted average electricity sales price	\$ 110	\$ 111	\$ 110	\$ 109	\$ 106
Average annual usage per residential customer (kWh)	8,164	7,985	7,739	8,110	8,060
System-wide average rate increases	0.0%	0.0%	0.0%	0.0%	3.5% (Mar 1)
Federal carbon charge rate rider increases	0.0%	0.6% (Jan 1)	2.7% (Apr 1) 2.4% (Jan 1)	N/A	N/A

FIVE-YEAR GENERATING AND OPERATING STATISTICS

	2021-22	2020-21	2019-20	2018-19	2017-18
Net electricity supplied (GWh)					
Gas	10,766	10,551	10,767	10,603	9,144
Coal	9,479	8,146	9,182	10,286	10,864
Hydro	2,850	4,277	3,859	3,591	3,873
Wind	1,661	913	815	659	765
Imports	752	629	278	490	515
Solar	12	1	-	-	-
Other ¹	124	117	132	148	156
Gross electricity supplied	25,644	24,634	25,033	25,777	25,317
Line losses	(1,649)	(1,731)	(1,707)	(1,796)	(1,731)
Net electricity supplied	23,995	22,903	23,326	23,981	23,586
Available generating capacity (net MW)					
Gas	2,160	2,160	2,172	1,839	1,824
Coal	1,389	1,530	1,530	1,530	1,530
Hydro ²	989	989	889	889	889
Wind	626	241	241	241	221
Solar ³	54	39	34	4	2
Other	28	28	27	28	27
Total available generating capacity	5,246	4,987	4,893	4,531	4,493
Peak loads (net MW)					
Annual peak load	3,910	3,722	3,722	3,723	3,792
Minimum load	2,106	1,918	2,147	1,442	2,057
Summer peak load	3,547	3,481	3,437	3,524	3,470
Lines in service (circuit km)					
Transmission lines	14,673	14,600	14,356	14,332	14,140
Distribution lines	142,713	142,972	142,773	142,415	143,422
Total lines in service	157,386	157,572	157,129	156,747	157,562
Number of permanent full-time employees	3,057	3,036	3,178	3,167	3,144

1. Includes small independent power producers with generation sourced from flare gas, waste heat recovery, landfill gas, wind and solar facilities.

2. Includes import power purchase agreements with Manitoba Hydro.

3. Capacity from the Corporation's net metering program prior to 2019-20 is not reported.

GREENHOUSE GAS (GHG) EMISSIONS

	GHG emissions ¹ (million tonnes of carbon dioxide equivalent (CO ₂ e))	Carbon intensity: supply ² (tonnes of CO ₂ e/GWh)	Carbon intensity: consumption ² (tonnes of CO ₂ e/GWh)
2005	14.2	712	778
2017	16.0	634	695
2018	16.1	623	676
2019	15.9	627	686
2020	12.8	518	570
2021	14.9	583	637

1. Includes GHG emissions from SaskPower-owned facilities and large independent power producers. SaskPower is targeting a 50% reduction of GHG emissions from 2005 levels by 2030 while scenario planning for a net-zero GHG future. Our company is also targeting up to a 50% renewable generation capacity by 2030, and in alignment with federal regulations will retire all conventional coal generation before 2030. Until 2030, GHG emissions and intensity will be subject to fluctuation depending on load growth and the fuel mix required to ensure reliability.
2. Supply intensity provides the amount of carbon dioxide equivalent (CO₂e) emissions produced per gigawatt hour (GWh) of electricity supplied to the system. Consumption intensity considers line losses and Renewable Energy Certificate (REC) sales in the calculation and therefore represents an appropriate intensity number for the end consumer.

GLOSSARY

Advanced Metering Infrastructure (AMI)

An integrated system of smart meters, communication networks, and data management systems that enables two-way communication between utilities and customers.

Biomass

Energy resources derived from organic matter. These include wood, agricultural waste and other living-cell material that can be burned to produce heat energy.

Capacity

The greatest load that can be supplied by a generating unit, power station or an entire provincial grid system.

Carbon capture and storage (CCS)

Technology that reduces greenhouse gas emissions by capturing carbon dioxide, typically at fossil-fueled power plants, and storing it in geological reservoirs deep underground.

Carbon dioxide (CO₂)

One of the primary greenhouse gases causing climate change. Carbon dioxide is produced in fossil fuel-based electricity generation.

CO₂ equivalent (CO₂e)

Unit of measure for greenhouse gases that includes CO₂ emissions as well as the CO₂ equivalents (CO₂e) for methane (CH₄) and nitrous oxide (N₂O) emissions.

Climate change

Climate change refers to any change in climate over time, whether due to natural variability or as a result of human activity.

Cogeneration

The simultaneous generation of electricity and useful heat or steam. The heat could be put in use in an industrial process or to heat a facility or community. The electricity could be used by the owner or sold.

Demand

The rate at which electric energy is delivered at a given instant or averaged over a period of time. It is measured in kilowatts, megawatts, etc.

Distribution

Process of moving electric energy at lower voltages from major substations to customers.

Fly ash

The fine powder by-product resulting from the combustion of pulverized coal used in SaskPower's coal-fired generating stations.

Gigawatt (GW)

A unit of bulk power; one billion watts or one million kilowatts.

Gigawatt hour (GWh)

A unit of bulk energy; 1,000,000 kilowatt hours.

Independent power producer (IPP)

An unregulated entity that owns power plants and generates electricity in the competitive wholesale market.

International Financial Reporting Standards (IFRS)

Guidelines and rules set by the International Accounting Standards Board that companies follow when compiling financial statements. IFRS replaced the previous Canadian Generally Accepted Accounting principles as the acceptable set of accounting standards for publicly accountable enterprises in Canada.

Kilowatt hour (kWh)

A unit of bulk energy; 1,000 watt hours. The measurement is generally used for billing residential customers.

Load

The amount of electric power or energy consumed by a particular customer or group of customers.

Megawatt (MW)

A unit of bulk power; 1,000 kilowatts. The unit generally used to describe the output of a commercial generator.

Megawatt hour (MWh)

A unit of bulk energy; 1,000 kilowatt hours.

Net metering

The offsetting of electricity consumption by a customer against the same customer's production of electricity, typically from a small-scale renewable energy source such as wind or solar.

Open Access Transmission Tariff (OATT)

The SaskPower OATT allows eligible users to access our transmission system to transport electricity to wholesale customers within Saskatchewan or across the province to other jurisdictions. The OATT also ensures SaskPower can access the transmission systems of other utilities.

Peak load demand or peak energy demand

The maximum amount of electric power or energy consumed by a particular customer or group of customers at a precise time.

Polychlorinated biphenyls (PCBs)

A group of organic compounds that were once used as cooling and insulating fluids in various types of electrical equipment, including transformers and capacitors.

Power purchase agreement (PPA)

A contract between electricity producers in which one party sells energy and/or generating capacity to another, who generally serves end-use retail customers. For example, instead of building a new power plant an electric company can choose to enter into a PPA.

Smart meter

An electronic device that records consumption of electric energy in intervals of an hour or less and communicates that information at least daily back to the utility for monitoring and billing.

Switching station

A facility containing transformers, regulators, switches and protective equipment for changing transmission voltages between transmission lines.

Transmission

Process of moving electric power in bulk at higher voltages from the source of supply to distribution centres.

SASKPOWER SYSTEM MAP

TOTAL AVAILABLE GENERATING CAPACITY AS AT MARCH 31, 2022: 5,246 MEGAWATTS (MW)

HYDRO TOTAL CAPACITY - 864 MW

- H1 Athabasca Hydroelectric System - 23 MW
- H2 Island Falls Hydroelectric Station - 111 MW
- H3 Nipawin Hydroelectric Station - 255 MW
- H4 E.B. Campbell Hydroelectric Station - 289 MW
- H5 Coteau Creek Hydroelectric Station - 186 MW

IMPORT POWER PURCHASE AGREEMENTS - 125 MW

- I1 Manitoba Hydro - 25 MW
- I2 Manitoba Hydro - 100 MW

NATURAL GAS TOTAL CAPACITY - 2,160 MW

- NG1 Meadow Lake Power Station - 41 MW
- NG2 Meridian Cogeneration Station* - 228 MW
- NG3 North Battleford Generating Station* - 289 MW
- NG4 Yellowhead Power Station - 135 MW
- NG5 Ermine Power Station - 90 MW
- NG6 Landis Power Station - 78 MW
- NG7 Cory Cogeneration Station - 234 MW
- NG8 Queen Elizabeth Power Station - 623 MW
- NG9 Spy Hill Generating Station* - 89 MW
- NG10 Chinook Power Station - 353 MW

WIND TOTAL CAPACITY - 626 MW

- W1 Riverhurst Wind Energy Facility* - 10 MW
- W2 Western Lily Wind Energy Facility* - 20 MW
- W3 Morse Wind Energy Facility* - 23 MW
- W4 Blue Hill Wind Energy Facility* - 175 MW
- W5 Red Lily Wind Energy Facility* - 26 MW
- W6 Centennial Wind Power Facility - 150 MW
- W7 SunBridgE Wind Power Facility* - 11 MW
- W8 Cypress Wind Power Facility - 11 MW
- W9 Golden South Wind Energy Facility* - 200 MW

SOLAR TOTAL CAPACITY - 54 MW

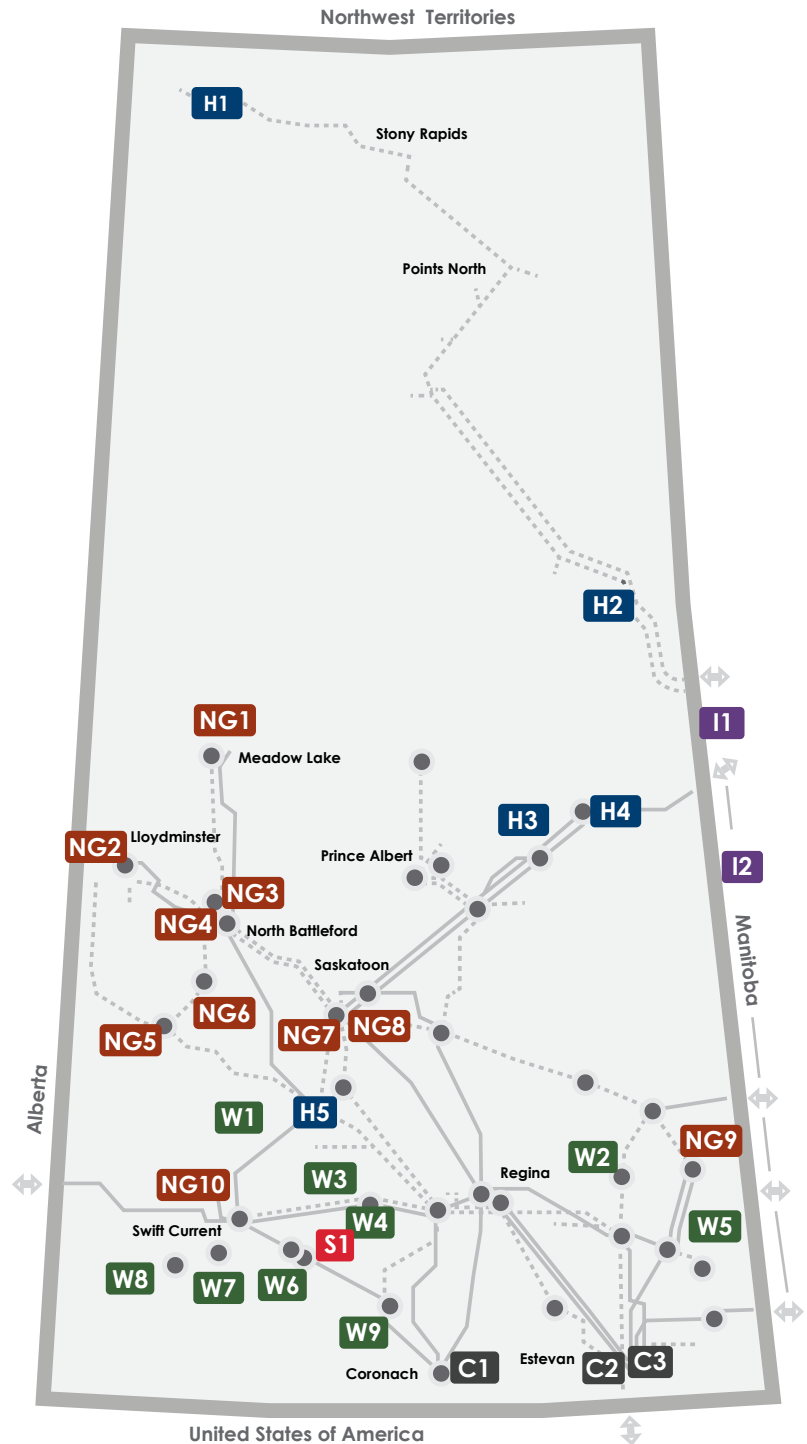
- S1 Highfield Solar Energy Facility* - 10 MW
- Customer-generated solar capacity - 44 MW (NOT SHOWN ON MAP)

COAL TOTAL CAPACITY - 1,389 MW

- C1 Poplar River Power Station - 582 MW
- C2 Boundary Dam Power Station - 531 MW
- C3 Shand Power Station - 276 MW

SMALL INDEPENDENT POWER PRODUCERS TOTAL CAPACITY - 28 MW (NOT SHOWN ON MAP)

(Includes flare gas, waste heat recovery, landfill gas, wind)



TRANSMISSION

- 230 kilovolt (kV)
- - - - 138 kV/115 kV/110 kV
- Switching station
- ↔ Interconnection

* Large independent power producer



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