



OATT Application for Service, Settlement & Billing Business Practices

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1. Application for Eligible Customer Status

To receive transmission services from SaskPower, prospective Transmission Customers must provide evidence of creditworthiness based on SaskPower's credit review procedures (Attachment I). This application contains the minimum information and documentation required to determine a prospective customer's creditworthiness. Based on the completed application, SaskPower will determine the eligibility of the applicant to receive transmission services from the Company.

The terms and conditions under which SaskPower offers transmission services can be found in SaskPower's Open Access Transmission Tariff (the "OATT") which is posted on the SaskPower OASIS web site (www.oasis.oati.com) or is available from SaskPower (www.saskpower.com).

To apply for eligible customer status at SaskPower, the **APPLICATION FOR ELIGIBLE CUSTOMER STATUS** and **CREDIT HISTORY SUMMARY** must be completed and returned by fax, email or mailed to:

Fax: **306-566-3479**
E-mail: transmissionservices@saskpower.com
Mailing Address: Attention: Specialist, Transmission Tariff
Saskatchewan Power Corporation
2025 Victoria Avenue, Regina, SK S4P 0S1

Questions regarding the application process or transmission services may be referred to Transmission Tariff Services as follows:

Phone: 306-566-3372 or 306-566-2132
Fax: 306-566-3479
E-Mail: transmissionservices@saskpower.com

A. Eligibility for Service

Prospective Transmission Customers must complete and sign the attached **APPLICATION FOR ELIGIBLE CUSTOMER STATUS** (Attachment A) and the **SWORN STATEMENT** (Attachment B).

B. Creditworthiness

To facilitate SaskPower's credit review prospective customers must complete and return the enclosed **CREDIT HISTORY SUMMARY** (Attachment C).

A prospective transmission customer that fails to provide proof of creditworthiness may still obtain transmission service under the OATT by providing security as contemplated by Section 11 of the OATT. A prospective transmission customer that cannot demonstrate creditworthiness, but is a subsidiary of a utility or parent company that meets SaskPower's credit criteria, may consider providing an acceptable form of

payment guaranty by its parent company. Transmission Customers are to refer to Attachment I of the OATT.

SaskPower will hold all financial or other information confidential in accordance with the provisions of the OATT and applicable regulations of the Province of Saskatchewan. For additional information about SaskPower's credit procedures, please contact:

SaskPower Tariff Services

Phone: 306-566-3372 or 306-566-2132

Fax: 306-566-3479

E-mail: transmissionservices@saskpower.com

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2. Service Agreements

Eligible customers that request transmission service will be emailed applicable service agreement(s) for execution as found in attachments A, B, E and F of the OATT. SaskPower requires the execution of:

- an umbrella service agreement in order for eligible customers to request short-term firm and non-firm transmission services from time to time; or
- a service agreement including a specifications sheet for each long-term firm transmission service transaction; or
- a network integration transmission service agreement and a network operating agreement.

3. Exporting Energy

Firms exporting or planning to export energy generated in Canada to the United States or Mexico require a Canadian Energy Regulator (formerly National Energy Board) permit. Prospective customers exporting or planning to export Canadian generated energy to the United States or Mexico shall include a copy of their Canadian Energy Regulator (CER) export permit with their application. Further information on permits can be obtained by contacting the CER at <https://www.cer-rec.gc.ca/pplctnflng/mjrpp/lngxprt/cnc/index-eng.html>.

4. Access to SaskPower's OASIS

In order to access SaskPower's OASIS website, users must have a registered OATI webCARES digital certificate.

Users must be registered in OATI webSMARTOASIS™ by the security officer of your company. The OASIS security officer may be the same person as the OATI webCARES™ security officer, or may be another person designated by the company.

The following steps are required to register as a user on the OATI webSMARTOASIS™ system:

- Register with OATI webCARES™ by following the instructions in the **OATI webCARES™** registration document (www.oaticerts.com/repository/oaticerts.html).
- Register your company with OATI by completing the **OATI webOASIS Company Registration Form** (www.oasis.oati.com). Email the form to support@oati.net
- Register your users with OATI by completing the **OATI webOASIS User Registration Form** (www.oasis.oati.com). Email the form to support@oati.net

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5. Deposit, Resale, Credits & Settlements

A. Deposit Requirements

Firm Point-To-Point Transmission Services

Transmission Customers who queue Long-Term Firm Point-To-Point Transmission Service Requests (TSRs) on SaskPower's OASIS website shall be required to provide a deposit to SaskPower within 30 calendar days of when the status of the TSR is changed to "RECEIVED" by SaskPower. This deposit aligns with the requirements stated under Section 17.3 of the OATT.

The deposit requirement is only for Long-Term Firm Point-To-Point TSRs; it does not include Short-Term Firm Point-To-Point or Non-Firm Point-To-Point Transmission Service.

A Transmission Customer will **not** be required to provide a deposit for a replacement TSR that was queued on SaskPower's OASIS website and the original related TSR had a deposit already provided to SaskPower.

Long-Term Firm Point-To-Point Transmission Service is for service of a minimum of one year or longer.

The deposit shall be equal to one month of transmission service at the posted SaskPower OATT rate at the time the TSR was queued on SaskPower's OASIS website.

The deposit required includes the monthly delivery charge under Schedule 7 plus the monthly charge for ancillary services under Schedules 1 and 2 of SaskPower's OATT. No GST is required for the deposit.

Example:

A Transmission Customer queues a TSR for 50 MW of LTF Point-To-Point Transmission Service on December 13, 2019. The TSR status is changed to

“RECEIVED” by SaskPower on December 14th, 2019. A deposit must be provided to SaskPower by January 13th, 2020 for the following amount:

Assuming the SaskPower rates on December 14th, 2019 are as follows:

Schedule 7: Monthly Delivery:	\$3,733.00/MW
Schedule 1: Ancillary Service:	\$301.00/MW
Schedule 2: Ancillary Service:	\$135.00/MW
Total/MW:	\$4,169.00/MW
TOTAL DEPOSIT (x 50 MW):	<u>\$208,450.00</u>

SaskPower Tariff Services will invoice the Transmission Customer for the deposit and supply the banking information at that time.

If no deposit is received within the 30 calendar day deadline, SaskPower shall “DENY” the Transmission Customer’s Transmission Service Request (TSR) on SaskPower’s OASIS website.

A refund shall be returned to the Transmission Customer as per Section 17.3 of the OATT, if applicable.

Network Transmission Services

SaskPower has waived the deposit requirement for Network Integration Transmission Services as per Section 29.2 of the OATT. SaskPower reserves the right to invoke the deposit requirement of Section 29.2 within one month of providing general notice to collect the deposit. The deposit requirement would not affect reservations that were confirmed prior to the general notice being posted to SaskPower's OASIS site.

B. Sale or Assignment of Transmission Services

The Transmission Customer (the “Reseller”) must notify SaskPower in writing, prior to any proposed sale, transfer, or reassignment of its transmission service to an Eligible or Transmission Customer. The notification should consist of a listing of the TSRs that the Reseller is intending to sell, assign or transfer to an Eligible or Transmission Customer (the “Assignee”). The notification must include the applicable TSR number(s), capacity (in MW), the POR/POD, clarification whether all or just part of its capacity is to be sold, assigned or transferred, and the name of the Assignee. It is the responsibility of the Assignee to ensure it is a valid registered Transmission Customer with SaskPower.

Long Term Firm

In accordance with Section 23 of SaskPower's OATT, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement but only to another Eligible Customer. The Assignee will receive the same priority and service only when the Point(s) of Receipt and the Point(s) of Delivery and other specifications remain the same as indicated in the original Service Agreement held by the Reseller. All terms and conditions and obligations of the service will apply to the Assignee.

In accordance with the Umbrella Agreement (Attachment B of SaskPower's OATT), SaskPower may require the Assignee to complete an application to obtain Transmission Customer Status. If the Assignee is already a Transmission Customer, SaskPower reserves the right to review the credit rating of the Assignee in order to determine if the Assignee can manage any new financial obligations.

Short Term Firm and Non-Firm Point to Point:

A Transmission Customer (the "Reseller") may sell, assign, or transfer all or a portion of its rights to another Eligible Customer or Transmission Customer (the "Assignee"). The Assignee will receive the same priority and service only when the Point(s) of Receipt and the Point(s) of Delivery and other specifications remain the same as held by the Reseller. All terms and conditions and obligations of the transmission service will apply to the Assignee.

SaskPower shall invoice the Reseller for all unpaid transmission charges up to the date of the sale, transfer or assignment of rights to the Assignee. SaskPower will invoice the Assignee for transmission charges incurred from the original Confirmed transmission request from the date forward of when the rights have been sold, assigned or transferred to the Assignee.

C. Credits on Transmission Service

No credits are giving on OATT Transmission Service Charges

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D. Settlements, Invoicing and Payments

Monthly Settlement Report for Transmission Service

SaskPower will provide a monthly settlement report, by email, for each Transmission Customer that reserves transmission on SaskPower's grid. The report will be generated for the previous month's transactions and contain the following information:

- billable transmission contracts and associated ancillary service charges;
- adjustments to previously reported transactions.
- Real Power Losses

Process for Reconciliation

Transmission Customers are responsible for reviewing their monthly settlement report and invoice to verify the accuracy of the settlement data and charges. Any inquiries

and/or discrepancies regarding specific transactions should immediately be brought to SaskPower's Transmission Services attention.

Monthly Invoicing and Billing Terms

Invoice for Transmission Services

SaskPower shall invoice Transmission Customers on a monthly basis for transmission services provided during the preceding month. The invoice will contain a summary of charges for transmission services processed during the preceding calendar month including GST where applicable (see Goods & Services Tax (GST) section). These charges will be based on the detailed transmission and ancillary service charges recorded on the Transmission Customers' monthly settlement report and will include any adjustments processed during the month.

A monthly invoice will be sent by e-mail to Transmission Customers on or before the fifth business day of the month for charges incurred during the preceding calendar month. The invoice shall be deemed as received by the transmission customer on the day it was e-mailed.

All rates specified will be in Canadian funds. All invoices will be billed in Canadian dollars.

Disputing Invoice Charges for Transmission Services

Even though the customer may dispute some or all of the charges shown on the invoice, customers are required to pay the full amount indicated on the invoice including any disputed amounts. At the customer's option, they may request that SaskPower place the disputed amount into an independent escrow account pending resolution of the dispute. All costs incurred in setting up and maintaining the escrow account is the responsibility of the customer. SaskPower may charge interest on any amounts placed in escrow as described below.

Invoice for System Impact and/or Facility Studies

Upon completion of the study, SaskPower shall invoice Transmission Customers for system impact and/or facilities studies done on their behalf. The invoice will contain a summary of charges for work completed on the studies and include charges for GST where applicable. The charges will be based on worked person-hours at applicable rates, an hourly administrative overhead charge, and any other expenses that were incurred by SaskPower in order to complete the study.

The charge will not exceed the actual cost of the study. Refer to Section 19.2, "System Impact Study Agreement and Cost Reimbursement" in the OATT.

Transmission Customers will be invoiced GST at the rate set by the Canadian Government for studies completed by SaskPower for customers listed as Canadian resident companies. The current GST rate is 5%, and is subject to change. GST will be zero-rated for transmission studies completed for non-resident Canadian customers (GST at a rate of 0%).

All rates specified will be in Canadian funds. All invoices will be billed in Canadian dollars.

Payments

Due Date for Payments

Payment will be due twenty (20) calendar days from the date of issue. In the event that the due date falls on a weekend or Saskatchewan statutory holiday, the due date shall be the first business day before the weekend or statutory holiday.

Payment Requirements

All payments are to be made in immediately available Canadian funds payable to SaskPower, by wire transfer to SaskPower's bank as indicated on the invoice.

Late Payment Charges

Late payment charges will be assessed on overdue invoice amounts as of the due date, including amounts placed in escrow. The late payment charges will be equal to 19.56% per annum, or 1.5% compounded monthly.

In the event the dispute is not resolved in favour of the customer, late payment charges will be assessed on the unpaid amount calculated from the due date to the date of payment release from escrow. Late payment charges will not be assessed on disputes resolved in favour of the customer.

SaskPower will initiate default proceedings for unpaid overdue amounts. In the event of default, SaskPower may take any or all of the following actions against the defaulting party:

- enforcement of security provided by the defaulting party;
- offset against amounts owed to the defaulting party by SaskPower;
- suspension of SaskPower transmission reservation privileges, and
- suspension of service in accordance with Section 7.4, "Customer Default" of the OATT.

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E. Goods and Services Tax (GST)

GST is a 5% tax on the sale of most goods and services in Canada. SaskPower is required to collect the 5% tax on the sale of all wholesale transmission services unless the exemption conditions outlined below are met. SaskPower's GST Registration Number is R119429678.

GST Exemptions for Transmission Service

GST rules for freight transportation services apply to transmission services purchased for electricity imports and exports. Under these rules GST may be zero-rated (subject to GST at a rate of 0%) if certain conditions are met. The following conditions must apply for the GST on transmission charges to be zero-rated:

- **Electricity Imports**

The transmission service is being used by the customer to import electricity that originates outside Canada and is being shipped by SaskPower from a point in Canada (Sask./U.S. border) to a destination within Canada as part of a continuous inbound freight movement.

- **Electricity Exports**

The transmission service is being used by the customer to export electricity that originates inside Canada and is shipped by SaskPower to another point in Canada (Sask./U.S. border) for export to a destination outside Canada as part of a continuous outbound freight movement.

Requirements for Zero-Rated GST on Transmission Services

Documentary evidence must exist as to origin, destination and path of the freight movement. OASIS transmission reservations submitted by Transmission Customers that show the transmission path from an origin outside Canada to a destination in Canada will suffice as documentary evidence for electricity imports.

To qualify for GST zero-rated transmission charges on electricity exports, customers must complete and return a **Shipper's Declaration** (see Attachment D). A Shipper's Declaration declares that the property was shipped for export and that the freight transportation service supplied by the carrier (SaskPower) was part of a continuous outbound freight movement within the meaning of Section 7 of Part VII of Schedule VI to the *Canadian Excise Tax Act*.

Where these conditions have been met, SaskPower will charge its customers 0% GST on the transmission charges rather than the normal 5% GST.

- **Shippers' Declaration Form**

Transmission Customers are required to submit one Shipper's Declaration form to SaskPower (see Attachment D). The declaration will be kept on file as documentation to support all future export transmission reservations submitted by the customer. The form should be completed and returned to SaskPower as directed.

GST Charges for U.S. Customers for Transmission Services

The GST rules outlined above apply to both Canadian and U.S. customers. Customers who are GST registrants may recover GST paid by claiming input tax credits on their GST return.

GST Charges on Ancillary Services

The aforementioned GST zero-rated rules for transmission service apply to the following ancillary services purchased to support electricity imports and exports:

- Schedule 1: Scheduling, System Control and Dispatch Services, and
- Schedule 2: Reactive Supply and Voltage Control From Generation Services.

Also, GST will be zero-rated on energy services used to support the export of electricity to the United States as per Schedule 4, "Energy Imbalance Service". However, energy imbalance services purchased to support electricity imports will be taxed at 5%, as this service is consumed within Canada.

Because the following ancillary services are used in whole or in part in Canada the services are taxed at the 5% rate:

- Schedule 3: Regulation and Frequency Response Service;
- Schedule 5: Operating Reserve - Spinning Reserve Service, and
- Schedule 6: Operating Reserve - Supplemental Reserve Service.

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APPLICATION FOR ELIGIBLE CUSTOMER STATUS

To be used to qualify for transmission services under SaskPower’s Open-Access Transmission Tariff.

1. Identity of Requesting Party

Company Name: _____
Company Address: _____
City, Province/State: _____
Postal Code/Zip Code: _____
Contact Name: _____
Phone Number: _____ Fax Number: _____
E-Mail Address: _____

2. Eligibility for Service

Requesting Party represents that it is, or will be, upon the commencement of service, an Eligible Customer under SaskPower’s Open-Access Transmission Tariff as defined in Section 1.10 of the OATT.

Reciprocity Statement (mark applicable statement)

() Requesting Party owns, controls or operates transmission facilities; or has one or more corporate affiliates(s) who own, control or operate transmission facilities. If applicable, the Requesting Party’s corporate affiliates are named below:

() Requesting Party does not own, control or operate transmission facilities, and the purpose of its request for service under SaskPower’s Open Access Transmission Tariff is not to assist an Eligible Customer to avoid the requirements of reciprocity under Section 6 of the OATT.

3. Transmission Services Requested (mark and provide #s as applicable)

- () Long-Term Firm Point-to-Point Transmission Service
- () Short-Term Firm Point-to-Point Transmission Service
- () Non-Firm Point-to-Point Transmission Service
 - _____ Forecasted monthly estimate (#) MWh of Hourly Non-Firm Transmission Service
 - _____ Forecasted monthly estimate (#) MWh of Monthly Non-Firm Transmission Service
- () Network Integration Transmission Service

4. Statement of Requesting Party

To induce SaskPower to provide Transmission Service under its Open-Access Transmission Tariff, I represent, on behalf of the Requesting Party, that the information and representations set forth above are true and correct to the best of my information, knowledge and belief.

Authorized Officer Signature

Date

Printed Name



SWORN STATEMENT

When a prospective customer does not have any affiliates that own, control or operate any transmission facilities A prospective customer desiring eligible status at SaskPower must sign the following statement. Where applicable please complete the following statement.

I, _____, certify that I am a duly authorized officer or representative of _____ (the "Transmission Customer") and, further to Section 4 of the Umbrella Agreement for Short-Term Firm or Non-Firm Point-to-Point Transmission Service between the Transmission Customer and SaskPower, confirm that the Transmission Customer does not have any affiliates that own, control or operate any transmission facilities. Furthermore, pursuant to Section 6 of SaskPower's Open Access Transmission Tariff, that the purpose of any Application by the Transmission Customer for transmission service under the OATT is not to assist an Eligible Customer, as defined by the Tariff, to avoid the requirements of Section 6.

(Signature)

Subscribed and sworn before me
at the City of _____, in the
Province/State of _____,
this _____ day of _____, 20____.

Attachment C

CREDIT HISTORY SUMMARY

Company Name: _____
Company Address: _____
City, Province/State: _____
Postal Code, Zip Code: _____
Contact Name: _____
Title: _____
Phone Number: _____ Fax Number: _____
E-mail Address: _____
Duns Number _____ OASIS Entity Code: _____

In order to complete SaskPower’s evaluation of the applicants’ creditworthiness, please provide the following information:

- A list of all corporate affiliates, parent companies and subsidiaries
- Current financial statements, the most recent annual reports of shareholders or members, most recent 10-K report, or other filing with regulatory agencies which discuss applicant’s financial status:
- Bank references and two trade references (as shown below)
- Credit Ratings (as shown below)

Bank Reference

Bank Name: _____
Bank Address: _____
City, Province/State: _____
Postal Code/Zip Code: _____
Contact Name: _____
E-Mail Address: _____
Account Number: _____ Fax Number: _____

Trade References

(public utilities with which you have conducted business)

Utility Name: _____
Utility Address: _____
City, Province/State: _____
Postal Code/Zip Code: _____
Contact Name: _____
E-Mail Address: _____
Phone Number _____

Trade References (continued)

Utility Name: _____
Utility Address: _____
City, Province/State: _____
Postal Code/Zip Code: _____
Contact Name: _____
E-Mail Address: _____
Phone Number: _____

Credit Ratings

Standard & Poor's:	Moody's:
Long Term Debt:	Long Term Debt:
Commercial Paper:	Commercial Paper:
DBRS:	Other (Specify Rating Agency):
Long Term Debt:	Long Term Debt:
Commercial Paper:	Commercial Paper:

Signature of Officer

Title

Date

(Printed Name)



**DECLARATION BY SHIPPER
UNDER SCHEDULE VI, PART VII, SECTION 7 OF THE *CANADIAN EXCISE TAX ACT***

CARRIER SaskPower

SHIPPER: _____
(the "Shipper")

FREIGHT TRANSPORTATION SERVICE: Transmission service and the following ancillary services purchased to support the transmission service: scheduling, system control and dispatch, reactive supply and voltage control, and regulation from generation sources (the "Freight Transportation Service")

PROPERTY: Electrical energy and capacity (the "Property")

The Shipper has entered into one or more agreements with the Carrier by which the Carrier will provide Freight Transportation Service for the export of the Shipper's Property.

The Shipper hereby declares that the Property is being shipped for export from Canada and the Freight Transportation Service to be supplied by the Carrier is part of a continuous outbound freight movement (within the meaning of Part VII of Schedule VI to the *Excise Tax Act*) in respect of the Property.

Declared by Shipper:

Name

Title

Date