Developer's Guide To Turnkey Subdivisions

The Saskatchewan Turnkey Program

SaskPower SaskTel SaskEnergy

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1.0 Program Overview

To support the booming economy and growth currently being experienced in Saskatchewan, SaskPower, SaskEnergy, and SaskTel (collectively, the “Crowns”) are introducing a turnkey subdivision development program (the “Turnkey Program”). The Turnkey Program is a new approach to the design and construction of shallow underground utility services in Saskatchewan that gives the subdivision developer (the “Developer”) more control over their construction schedule while establishing a cost-effective coordination of the design and construction of utility distribution services within a common trench and narrower easement.

This guide familiarizes the reader with the details of the Turnkey Program and identifies the required participants and standards. Items covered include:

- Eligibility Criteria
- Cable Companies
- Developer Responsibilities
- The process for the Design & Construction of Shallow Utility Distribution Services
- Financial Model
- Drafting & Engineering Standards
- Trench Standards
- Material Standards

2.0 Eligibility Criteria

At this time the Turnkey Program is being offered for single unit, urban residential subdivision development only. SaskPower may consider other projects outside of single unit, urban residential subdivisions on a case by case basis. SaskPower may, at any time, reject the application for any reason in SaskPower's sole discretion.

3.0 Cable Companies

The Developer is asked to contact the local cable companies to determine their possible requirements.

4.0 Developer Responsibilities

The key responsibilities of the Developer under the Turnkey Program are, without limitation, as follows.

- Design the electrical distribution facilities for approval by SaskPower
- Design the natural gas distribution facilities for approval by SaskEnergy
- Provide SaskTel and the cable companies with the preliminary electrical and natural gas designs approved by SaskPower and SaskEnergy
- Obtain designs for communication distribution facilities from SaskTel
- Obtain designs for cable distribution facilities from local cable companies
- Design the street lighting in all subdivision areas, except within the City of Saskatoon, for approval by SaskPower
- Coordinate and integrate the design of the subdivision shallow services for the Crowns and any cable companies sharing a common trench
- Coordinate the requirements of shared utility easements and provide a plan of survey for registration by the Crowns
- Procure approved materials for the construction of electrical distribution facilities
- Procure approved materials for the construction of natural gas distribution facilities
- Order and coordinate the delivery of all necessary materials from SaskTel
- Order and coordinate the delivery of all necessary materials from local cable companies
- Coordinate occupational health and safety matters under *The Occupational Health and Safety Act, 1993* as prime contractor for the worksite
- Properly construct all Crown and cable distribution facilities
- Obtain a Construction Completion Certification signed by each of the Crowns and any participating cable companies

The Developer must have or retain qualified design/engineering professionals licensed to consult by the Association of Professional Engineers & Geoscientists of Saskatchewan (APEGS) as evidenced by a valid "Permission to Consult" in the province of Saskatchewan for all design services to be performed by the Developer under the Turnkey Program.

5.0 The Turnkey Process

5.1 Initiation

A Developer can initiate the Turnkey Program by submitting a completed initiation package to each of the Crowns (the "Initiation Package"). The Initiation Package consists of the following documents:

- The Initiation Notification Form
- Subdivision Concept Plan
- Proposed Design Drawings

5.2 Acceptance into the Turnkey Program

Acceptance into the Turnkey Program shall be in the sole and arbitrary discretion of the Crowns. The Crowns will return the Initiation Notification Form to the Developer with their reference numbers if the proposed subdivision meets the eligibility criteria set out in this guide, and any additional credit, experience, due diligence or other criteria set by any of the Crowns, from time to time, in their sole discretion. The Crowns will also include the contact information for each of the Crown Contacts who will be administering the Turnkey Program for each of the Crowns.

5.3 Design

The Developer is responsible for designing the distribution infrastructure for all electrical and natural gas facilities. The design and supporting documents for these facilities are to be submitted by the Developer in an "Issued for Review Package" (the "IFR Package") to each of the Crowns and any participating cable companies. The IFR Package will include the following documents:

- Project Memo – Cover Letter identifying project subdivision name, package contents, and any project specific comments
- A Project Check List – required checks and their status in the IFR process
- Design Drawings in AutoCAD, using the Turnkey Template
- PDFs of Design Drawings
- Design Calculations (i.e. voltage drop)
- Easement drawings
- Identification of all Municipal/3rd Party Approval Requests Made

While SaskPower and SaskEnergy are reviewing and approving the IFR Package, the Developer should coordinate the design of any communication and cable services with SaskTel and any participating cable companies.

The IFR Package approval process is iterative in nature where issues and comments are documented on the Project Checklist by each of the Crowns and then returned to the Developer. The Developer will update the necessary documents to address such issues and comments prior to resubmitting the IFR Package to the Crowns until each of the Crowns have reviewed and approved the IFR Package.

Once the Crowns and any participating cable companies have approved all designs, the Developer must submit an "Issued for Construction Package" (the "IFC Package") to each of the Crowns. The IFC Package shall contain final approved construction drawings for each of the facilities, both as hard copies and as layers in an AutoCAD document, and a list of third party approvals that may be required to construct the facilities. These drawings will become the primary document of reference during construction.

5.4 Quoting

SaskPower will provide the Developer with a firm quote once the IFR Package is received by SaskPower. SaskEnergy will provide a firm quote for the administrative, engineering and meter and service installation work before IFR Package approval. This quote will also provide for any Header Cost Allocation fees, Future Cost Allowance credits or Investment credits described in 6.2 below (if applicable). Subject to holdback or other requirements, the credits will be set off against the charges and the balance will be payable by, or in rare instances payable to, the Developer on completion of the work.

5.5 Construction

The Developer is responsible for properly constructing all facilities in accordance with the IFC Package.

The construction process begins with a pre-construction meeting arranged and chaired by the Developer. The meeting must include representatives from each of the Crowns, the participating cable companies, the construction contractor (if applicable), the design professionals and any other stakeholders the Developer deems appropriate.

The management of the construction process is the responsibility of the Developer, which responsibilities include the following.

- Overall project management of the construction project and the project schedule.
- Coordination of occupational health and safety matters under *The Occupational Health and Safety Act, 1993* as prime contractor for the worksite.
- Ensuring work crews meet the necessary qualification standards published by the Crowns and participating cable companies.
- Procurement and delivery of all materials needed for electrical and natural gas construction; ensuring all materials adhere to published Material Standards.
- Delivery coordination for materials supplied by SaskTel and any participating cable companies.
- Receiving and responding to comments and issues identified by the Crowns and cable inspectors. Note that SaskEnergy will be inspecting the installation of the natural gas facilities on an ongoing basis. SaskPower, SaskTel and the cable companies will perform periodic inspections during construction.
- Testing and purging of the gas system could occur in phases during installation of the natural gas facilities and will be coordinated between by the Developer and SaskEnergy. The Developer must supply as-built drawings to SaskEnergy upon pressurization and to the remaining Crowns prior to issuance of the Construction Completion Certificate.

5.6 Construction Completion

The Developer will arrange, at least 10 business days prior to the completion of construction, a post-construction site meeting where the Crowns will each inspect and either issue a Construction Completion Certification (each, a "CCC") or issue a list of deficiencies for the Developer to address. Upon correction of any such deficiencies and delivery of the red-lined as-built drawings to the Crowns and any participating cable companies, each of the Crowns and local cable companies will sign a CCC.

5.6.1 SaskPower

The Developer will issue an Inspection Readiness Form to SaskPower at least 10 business days prior to construction completion. Site construction will need to pass the final inspection before SaskPower will sign a CCC and energize the site. If deficiencies are found they will be noted on a CCC and returned to the Developer who must correct the deficiencies issue and resubmit the CCC for approval. When the CCC is approved, SaskPower will schedule the energization of the subdivision. Post approval, the Developer must submit a digital AutoCAD version of as-built drawings, equipment information, test results, and copies of all approvals and permissions to the SaskPower Business Manager.

5.6.2 SaskEnergy

The Developer will provide SaskEnergy with a CCC and any final testing results. Any deficiencies identified during testing will be addressed and a final inspection will be performed. If the final inspection identifies any further deficiencies, they must be addressed by the Developer and the CCC must be resubmitted. Once the site passes final inspection, SaskEnergy will sign the CCC. Post approval, the Developer must submit a digital AutoCAD version of as-built drawings to SaskEnergy.

5.6.3 SaskTel

The Developer will provide SaskTel with a CCC for approval. If deficiencies are identified by SaskTel, they must be addressed by the Developer and the CCC must be resubmitted. Post approval, the Developer must submit a digital AutoCAD version of as-built drawings to SaskTel. The Developer must advise SaskTel 30 business days prior to the completion of the first home to allow for the placement and commissioning of SaskTel's communication facilities.

5.6.4 Cable Companies

Local cable companies will coordinate the final inspection and sign-off on a CCC if no deficiencies are found. If deficiencies are identified, the Developer must they will be indicated on the CCC and must be addressed before the Turnkey Developer resubmits the CCC.

5.6.5 Transfer of Ownership

Ownership and risk of loss of the facilities constructed by the Developer will transfer to the applicable Crown and participating cable companies once each of the Crowns and local cable company has signed a CCC. At this point, all required approvals and permissions required for the construction of the subdivision, along with marked up as-built drawings, must be delivered by the Developer. All test results and material specifications will also be turned over.

6.0 Financial Model

The Turnkey Program financial model requires the Developer to initially cover the cost of electrical and natural gas design and materials as well as the cost of construction for all shallow utilities. Once final as-built AutoCad drawing files are received by the Crowns and any participating cable companies, each of the Crowns and participating cable companies will issue payment to, or invoice the Developer in accordance with the following financial models.

6.1 SaskPower Financial Model

The Developer's compensation for all work performed in connection with SaskPower's facilities will be in accordance with the following financial model:

- SaskPower may identify onsite system improvements, which are SaskPower's requirements for additional work that is above normal subdivision design standards. SaskPower's request for the installation of a larger conductor size is an example of a system improvement. SaskPower will estimate the additional cost of these system improvements and will pay the developer for these costs.
- SaskPower will design and estimate all off-site, and connection and commissioning costs associated with the subdivision development. These costs will be charged to the Developer.
- SaskPower will contribute $750.00 per lot toward the cost of all work associated with the subdivision electrical facilities. The Developer may invoice SaskPower for this amount upon the signing of the CCC by SaskPower.
- SaskPower will contribute an amount toward each street light installed in the subdivision by the Developer. This amount is equal to two years of the published rate for the installed lamp type and size. These rates can be found on www.SaskPower.com

The sum of the four components above will determine the amount that SaskPower will pay to or invoice the Developer for. These costs will be communicated to the Developer in a letter of quote provided to the Developer by SaskPower when the IFR Package is approved.

6.2 SaskEnergy Financial Model

Under the Turnkey Subdivision Process, the Developer designs and builds certain facilities for SaskEnergy in place of paying certain installation and other charges to SaskEnergy, which facilities are then transferred to SaskEnergy and maintained by SaskEnergy. The remainder of the administrative, engineering and meter and service installation work is performed by SaskEnergy at the Developer's cost.

In many instances, SaskEnergy is prepared to contribute to the cost of the installation. This may take the form of an "Investment" which reflects, amongst other things, that SaskEnergy has an interest in encouraging the use of natural gas and development of natural gas infrastructure.

It may also take the form of compensation where SaskEnergy requires the developer to install facilities and pipeline of greater capacity that the particular development itself requires, to accommodate future development. This compensation is called a "Future Cost Allowance".

Investment and Future Cost Allowance credits will be netted against SaskEnergy charges for the administrative, engineering and meter and service installation work left to SaskEnergy, and the Header Cost Allocation, with the balance billed or payable to the Developer, as the case may be. Please see 5.4 above.

The Header Cost Allocation will remain payable by all developers on a per lot basis. The Header Cost Allocation is a predetermined sum fixed by SaskEnergy. As with other fees it will be netted or set off against any Future Cost Allowance and Investment.

Future Cost Allowance will generally be calculated using actual quotes provided by the Developer. For example, the Developer will be required to quote on both the installation of a 2" main, and the larger pipe specified by SaskEnergy. The difference between the two prices will generally form the basis for a Future Cost Allowance calculation. In circumstances where quotes appear out of line with SaskEnergy's past experience, or insufficient information is provided to SaskEnergy, SaskEnergy, in its sole discretion, may refuse the quotes, and participate in a Turnkey Program only on such terms as may be mutually agreeable to the parties.

6.3 SaskTel Financial Model

SaskTel will pay the Developer to integrate the telecommunications design that SaskTel prepares into the overall subdivision design and arrange for the construction of the telecommunications distribution using material that is supplied by SaskTel. Once the construction has been completed and inspected, the Developer will invoice SaskTel for the costs incurred to integrate the telecommunications design into the overall design of the shallow services and to construct the telecommunications pathway on SaskTel's behalf.

6.4 Cable Company Financial Model

The cable company's financial model mirrors SaskTel's model where the cable companies will provide the design and the materials and the Developer is responsible for construction. The Developer issues an invoice to the cable company for the costs incurred to integrate their design into the overall design of the shallow services and to construct the cable distribution on behalf of the cable company. The details of the financial model of the cable company is to be negotiated by the Developer directly with any participating cable companies.

7.0 Drafting and Engineering Standards

The Developer prepares the design of the shallow services indicating the trenching route, the easements and the location of equipment and facilities for the electric and natural gas services. The SaskTel and cable company designs are then integrated with the natural gas and electric design. These designs must be completed following the Drafting & Engineering Standards set by each Crown to ensure the Issued for Review Process flows smoothly and quickly. These standards, the AutoCAD Template, and example drawings can be obtained from the respective Crown.

8.0 Construction Standards

In order for the Developer to have the facilities accepted and turned over to the Crowns, installation of the facilities must meet the construction standards set by each of the Crowns. These standards can be obtained from the respective Crown.

9.0 Material Standards

SaskPower and SaskEnergy require the Developer to procure the materials required to build the electrical and natural gas distribution services. To ensure the materials used for construction are maintainable, cost effective to operate, and safe, the Developer must make these material purchases following the guidelines found in the Material Standards & Specifications published by both Crowns. These standards can be obtained from the respective Crown.

Failure to do so may result in the subdivision failing final testing and inspection and both Crowns may refuse to take ownership of the facilities. Permission to substitute items from the SaskPower or SaskEnergy material standards must be sought in advance.

SaskTel will supply the materials in accordance with the design. It will be the responsibility of the Developer to identify a location and address for management and storage of materials. The Developer will be responsible to return all materials not allocated to the build.

The participating cable companies will supply the material in accordance with their design. The cable company will deliver the material to the construction site.

10.0 Governing Terms and Conditions

A Developer participating in the Turnkey Program must enter into a Standing Facility Design and Installation Agreement with the Crowns prior to the approval of a subdivision design by a Crown. SaskPower Business Managers will coordinate the execution of this Agreement and each subdivision the Developer submits to the Turnkey Program will be subject to the terms and conditions included in that Agreement.

This document is for general guidance only, it is the Developer's obligation to read and understand the applicable agreements, including the Governing Terms and Conditions for Turnkey Program, and Crown terms and conditions of service. In the event of a conflict or inconsistency the agreements and terms and conditions shall govern.