

# THIRD QUARTER FINANCIAL REPORT

For the nine months ended  
December 31, 2022



## **STRATEGIC DIRECTION**

### **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.

### **Our corporate strategic priorities**

- Deliver improved value for our customers and stakeholders
- Develop our workforce to meet the needs of the utility of the future
- Ensure our financial health in a transitioning industry
- Build a cleaner, reliable, modernized electricity system

# FINANCIAL AND OPERATING HIGHLIGHTS

## FINANCIAL INDICATORS

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Revenue	\$ 800	\$ 750	\$ 50	\$ 2,245	\$ 2,133	\$ 112
Expense	817	741	76	2,359	2,111	248
Net (loss) income	(17)	9	(26)	(114)	22	(136)
Capital expenditures	243	227	16	752	661	91
Net cash from operating activities	22	89	(67)	188	480	(292)
Return on equity <sup>1</sup>				-5.5%	1.0%	-6.5%
				Dec 31 2022	Mar 31 2022	Change
Total net debt <sup>2</sup>				\$ 7,846	\$ 7,273	\$ 573
Per cent debt ratio <sup>3</sup>				74.2%	71.9%	2.3%

1. Return on equity = (annualized net income (loss))/(average equity), where equity = (retained earnings + equity advances).
2. Total net debt is a non-GAAP financial measure and calculated by deducting debt retirement funds and cash and cash equivalents from total debt.
3. Per cent debt ratio = (total net debt)/(total capital).

## OPERATING STATISTICS

<i>(GWh)</i> <sup>1</sup>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Saskatchewan electricity sales	6,163	6,029	134	17,576	17,124	452
Exports	199	195	4	620	608	12
<b>Total electricity sales</b>	<b>6,362</b>	<b>6,224</b>	<b>138</b>	<b>18,196</b>	<b>17,732</b>	<b>464</b>
Gross electricity supplied	6,868	6,694	174	19,322	18,806	516
Line losses	(506)	(470)	(36)	(1,126)	(1,074)	(52)
<b>Net electricity supplied</b>	<b>6,362</b>	<b>6,224</b>	<b>138</b>	<b>18,196</b>	<b>17,732</b>	<b>464</b>
				Dec 31 2022	Mar 31 2022	Change
Available generating capacity (net MW) <sup>2</sup>				5,436	5,246	190
Annual peak load (net MW) <sup>2</sup>				3,800	3,910	(110)
Customer accounts				552,822	549,940	2,882

1. One gigawatt hour (GWh) is equivalent to the energy consumed by 125 typical households in one year.
2. Megawatt (MW) is a unit of bulk power; 1,000 kilowatts. The unit generally used to describe the output of a commercial generators.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) highlights the primary factors that have an impact on the financial results and operations of Saskatchewan Power Corporation (SaskPower; the Corporation). It should be read in conjunction with the SaskPower unaudited condensed consolidated financial statements and supporting notes for the nine months ended December 31, 2022. These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The SaskPower Audit & Finance Committee of the Board of Directors has approved the condensed consolidated financial statements.

The 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; natural gas prices; coal and hydro availability; weather; economic conditions; number of customers; supply chain; and market conditions in other jurisdictions.

## FINANCIAL RESULTS

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
<b>Revenue</b>						
Saskatchewan electricity sales	\$ 738	\$ 694	\$ 44	\$ 2,075	\$ 1,995	\$ 80
Exports and electricity trading	37	24	13	95	66	29
Other revenue	25	32	(7)	75	72	3
<b>Total revenue</b>	<b>\$ 800</b>	<b>\$ 750</b>	<b>\$ 50</b>	<b>\$ 2,245</b>	<b>\$ 2,133</b>	<b>\$ 112</b>
<b>Expense</b>						
Fuel and purchased power	\$ 336	\$ 276	\$ 60	\$ 922	\$ 741	\$ 181
Operating, maintenance and administration	198	180	18	600	524	76
Depreciation and amortization	150	153	(3)	447	457	(10)
Finance charges	96	103	(7)	304	300	4
Taxes	22	20	2	63	61	2
Other expenses	15	9	6	23	28	(5)
<b>Total expense</b>	<b>\$ 817</b>	<b>\$ 741</b>	<b>\$ 76</b>	<b>\$ 2,359</b>	<b>\$ 2,111</b>	<b>\$ 248</b>
<b>Net (loss) income</b>	<b>\$ (17)</b>	<b>\$ 9</b>	<b>\$ (26)</b>	<b>\$ (114)</b>	<b>\$ 22</b>	<b>\$ (136)</b>
<b>Return on equity<sup>1</sup></b>				<b>-5.5%</b>	<b>1.0%</b>	<b>-6.5%</b>

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

## HIGHLIGHTS AND SUMMARY OF RESULTS

### Third Quarter

SaskPower reported a consolidated net loss of \$17 million in the third quarter of 2022-23 compared to \$9 million in net income in the same period in 2021-22. The \$26 million decrease was primarily due to a \$76 million increase in expenses offset by a \$50 million increase in revenue.

The \$76 million increase in total expense was mainly attributable to higher fuel and purchased power costs which increased \$60 million primarily due to higher natural gas and coal prices; a greater proportion of generation from more expensive renewable fuel sources; and increased generation volumes to meet higher demand. Operating, maintenance and administration (OM&A) expense increased \$18 million due to increased preventative and corrective maintenance costs on our transmission and distribution infrastructure; higher spending on technology and security maintenance, software licenses and service agreements; and increased overhaul maintenance activity at our generating facilities. Other capital-related expenses such as depreciation, finance charges, taxes, and other expenses decreased \$2 million due to lower depreciation expense and higher interest capitalized, partially offset by asset retirement losses.

The \$50 million increase in total revenue was due to higher Saskatchewan electricity sales of \$44 million due to an increase in sales volumes, up 2.2% and the 4.0% system average rate increase which became effective September 1, 2022. Exports and electricity trading revenue also increased \$13 million due to higher sale prices to Alberta. In addition, other revenue decreased \$7 million as a result of lower customer contributions offset by higher carbon dioxide (CO<sub>2</sub>) sales.

### Year-to-Date

SaskPower reported a consolidated net loss of \$114 million in the first nine months of 2022-23 compared to \$22 million in net income in the same period in 2021-22. The \$136 million decrease was due to a \$248 million increase in expenses offset by a \$112 million increase in revenue. The return on equity was -5.5%, down 6.5% percentage points from the previous period.

The \$248 million increase in total expense was mainly attributable to higher fuel and purchased power costs which increased \$181 million primarily due to higher natural gas and coal prices; a greater proportion of generation from more expensive renewable fuel sources; and increased generation volumes to meet higher demand. OM&A expense increased \$76 million due to increased overhaul maintenance activity at our generating facilities; emergency maintenance on our distribution infrastructure due to storm activity; increased spending on cyber security and technology cloud-based initiatives; and higher feasibility study costs related to nuclear SMRs. Other capital-related expenses such as depreciation, finance charges, taxes and other expenses decreased \$9 million primarily due to lower depreciation expense as a result of Unit# 4 at Boundary Dam Power Station being fully depreciated, adjustments to decommissioning provisions and the gain on sale of the City of Swift Current franchise rights; partially offset by lower debt retirement fund earnings and higher corporate capital taxes.

The \$112 million increase in total revenue was due to higher Saskatchewan electricity sales of \$80 million due to an increase in sales volumes, up 2.6% and the 4.0% system average rate increase which became effective September 1, 2022. Revenues from the federal carbon charge rate rider were \$23 million less in the fiscal year than the estimated federal carbon charge expense as the Corporation returned the excess balance in the federal carbon tax variance account to its customers. Exports and electricity trading revenue also increased \$29 million due to higher sale prices to Alberta and Southwest Power Pool. Finally, other revenue increased \$3 million due to higher CO<sub>2</sub> sales slightly offset by lower customer contributions.

## OUTLOOK

SaskPower is forecasting a consolidated net loss of \$114 million in 2022-23, resulting in a return on equity of -4.1%.

Expenses of \$3,201 million are expected to increase \$327 million in 2022-23. The primary driver is a \$230 million increase in fuel and purchased power costs related to higher natural gas and coal prices; a greater proportion of generation from more expensive renewable fuel sources; and higher generation volumes to meet increased customer demand. OM&A expenses are expected to increase \$81 million primarily due to increased overhaul maintenance activity at our generation facilities; emergency maintenance on our distribution infrastructure due to storm activity; and inflationary pressures. In addition, capital-related expenses, including depreciation, finance charges, taxes and other expenses are expected to also increase \$16 million due to increased environmental remediation provisions.

Revenues of \$3,087 million are expected to increase \$202 million compared to the 2021-22 fiscal year. The increase is a result of a \$146 million expected increase in Saskatchewan electricity sales due to the system average rate increase of 4.0% effective September 1, 2022, and a federal carbon tax rate rider increase of 3.0% effective January 1, 2023, combined with an expected 2.5% growth in sales volumes. Exports and electricity trading activities are expected to also increase \$54 million due to more opportunities to sell into Alberta at higher prices.

Capital expenditures in 2022-23 are forecasted to be approximately \$1,126 million. Capital spending includes \$218 million on the new Great Plains Power Station; \$207 million to sustain our existing transmission and distribution assets; \$181 million to connect new customers to SaskPower's grid; \$129 million in costs to improve and expand the Corporation's transmission and distribution infrastructure; \$106 million to maintain the existing generation fleet; and \$77 million on the Logistics Warehouse Complex.

## 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.

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Residential	\$ 159	\$ 148	\$ 11	\$ 442	\$ 434	\$ 8
Farm	51	46	5	135	130	5
Commercial	137	127	10	389	370	19
Oilfield	116	107	9	322	303	19
Power	212	205	7	603	578	25
Reseller	25	24	1	75	74	1
	700	657	43	1,966	1,889	77
Federal carbon charge	38	37	1	109	106	3
<b>Saskatchewan electricity sales</b>	<b>\$ 738</b>	<b>\$ 694</b>	<b>\$ 44</b>	<b>\$ 2,075</b>	<b>\$ 1,995</b>	<b>\$ 80</b>

<i>(in GWh)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Residential	853	818	35	2,404	2,407	(3)
Farm	366	335	31	957	941	16
Commercial	968	936	32	2,784	2,693	91
Oilfield	1,105	1,046	59	3,086	2,915	171
Power	2,576	2,608	(32)	7,480	7,308	172
Reseller	295	286	9	865	860	5
<b>Electricity sales volumes</b>	<b>6,163</b>	<b>6,029</b>	<b>134</b>	<b>17,576</b>	<b>17,124</b>	<b>452</b>

Saskatchewan electricity sales for the first nine months of 2022-23 were \$2,075 million, up \$80 million from the same period in 2021-22. The improvement is largely due to increase demand and a 4.0% system average rate increase which took effect September 1, 2022.

Electricity sales volumes to Saskatchewan customers for the first nine months of 2022-23 were 17,576 GWh, up 452 GWh or 2.6% from the same period in 2021-22. Sales to the power customer class were up 172 GWh compared to the prior year driven primarily by increased activity in the pipeline sector. The Corporation also experienced considerable growth in the oilfield and commercial customer classes.

## 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.

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Gas	\$ 120	\$ 116	\$ 4	\$ 330	\$ 280	\$ 50
Coal	83	67	16	238	211	27
Imports	45	23	22	114	59	55
Wind	25	18	7	70	39	31
Hydro	4	3	1	15	12	3
Solar	2	1	1	4	1	3
Other	11	3	8	19	12	7
	290	231	59	790	614	176
Federal carbon charge	46	45	1	132	127	5
<b>Fuel and purchased power</b>	<b>\$ 336</b>	<b>\$ 276</b>	<b>\$ 60</b>	<b>\$ 922</b>	<b>\$ 741</b>	<b>\$ 181</b>

<i>(in GWh)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Gas	2,811	2,907	(96)	7,522	7,899	(377)
Coal	2,133	2,433	(300)	6,286	7,227	(941)
Imports	531	213	318	1,292	548	744
Wind	588	484	104	1,616	1,018	598
Hydro	746	622	124	2,472	2,017	455
Solar	13	3	10	40	7	33
Other	46	32	14	94	90	4
<b>Gross electricity supplied</b>	<b>6,868</b>	<b>6,694</b>	<b>174</b>	<b>19,322</b>	<b>18,806</b>	<b>516</b>

Fuel and purchased power costs were \$922 million in the first nine months of 2022-23, up \$181 million from the same period in 2021-22. The \$181 million increase resulted from unfavourable price, fuel mix and volume variances. The average price of fuel increased due to higher natural gas and coal prices. The higher fuel prices resulted in an overall increase of approximately \$84 million.

The fuel mix is the relative proportion that each fuel source contributes to our total fuel supply. The more energy generated from the lower incremental cost sources the more favourable the impact on fuel and purchased power costs. In the first nine months of 2022-23, the Corporation used more zero-emission generation supply sources in place of coal and gas. The use of additional renewable generation and imports mitigates the federal carbon charge, reduces coal and gas generation, offsets capital investment in new generation, and helps the Corporation meet our long-term emission goals. This resulted in an estimated \$80 million increase in fuel and purchased power costs.

Total generation and purchased power was 19,322 GWh in the first nine months of 2022-23, an increase of 516 GWh or 2.7% compared to the same period in 2021-22. The higher demand resulted in an estimated \$17 million increase in fuel and purchased power costs.



## 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) relates to interest earned on the monies in the account; federal carbon tax 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
Balance, December 31, 2020	5.1%	\$ 174	\$ (141)	\$ -	\$ 33
Total 2021 calendar year	0.6%	144	(163)	7	(12)
Total 2022 calendar year	0.0%	147	(183)	11	(25)
<b>Cumulative balance</b>	<b>5.7%</b>	<b>\$ 465</b>	<b>\$ (487)</b>	<b>\$ 18</b>	<b>\$ (4)</b>

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 \$40/tonne of CO<sub>2</sub>e effective January 1, 2021, to \$50/tonne of CO<sub>2</sub>e 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 and the payment for the 2021 calendar year was paid in December 2022. Amounts are payable to Environment and Climate Change Canada (ECCC) as well as certain independent power producers (IPPs). The balance in the FCTVA will be recovered from customers as part of the 3.0% increase in the carbon charge rate rider effective January 1, 2023, as a result of the federal carbon tax rate increasing to \$65/tonne of CO<sub>2</sub>e. The Saskatchewan Output-Based Performance Standards Program has been approved to replace the federally imposed carbon tax in the province effective January 1, 2023.

## 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.

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Exports and electricity trading	\$ 37	\$ 24	\$ 13	\$ 95	\$ 66	\$ 29
Other revenue	25	32	(7)	75	72	3
<b>Revenue from other sources</b>	<b>\$ 62</b>	<b>\$ 56</b>	<b>\$ 6</b>	<b>\$ 170</b>	<b>\$ 138</b>	<b>\$ 32</b>

Exports and electricity trading were \$95 million in the first nine months of 2022-23, up \$29 million from the same period in 2021-22. Exports were up \$29 million due to higher sales prices and increased sales volumes. The average export sales price increased \$43 per megawatt hour (MWh) compared to the same period in the prior year. Export sales volumes were 620 GWh, up 12 GWh from the volumes sold in the same period in 2021-22.

Other revenue was \$75 million in the first nine months of 2022-23, up \$3 million compared to the same period in 2021-22. This increase was primarily due to higher CO<sub>2</sub> sales slightly offset by lower customer contributions.

## OPERATING, MAINTENANCE AND ADMINISTRATION (OM&A)

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

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
<b>OM&amp;A</b>	<b>\$ 198</b>	<b>\$ 180</b>	<b>\$ 18</b>	<b>\$ 600</b>	<b>\$ 524</b>	<b>\$ 76</b>

OM&A expense was \$600 million in the first nine months of 2022-23, up \$76 million from the same period in 2021-22. The increase in OM&A was primarily due to increased maintenance costs related to the timing of overhauls at the Corporation's generation facilities; emergency maintenance on our distribution infrastructure due to storm activity; increased spending on cyber security and technology cloud-based initiatives; and feasibility study costs related to nuclear SMRs.

## CAPITAL-RELATED EXPENSES

Capital-related expenses include depreciation and amortization, finance charges, taxes and other expenses (income).

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Depreciation and amortization	\$ 150	\$ 153	\$ (3)	\$ 447	\$ 457	\$ (10)
Finance charges	96	103	(7)	304	300	4
Taxes	22	20	2	63	61	2
Other expenses	15	9	6	23	28	(5)
<b>Capital-related expenses</b>	<b>\$ 283</b>	<b>\$ 285</b>	<b>\$ (2)</b>	<b>\$ 837</b>	<b>\$ 846</b>	<b>\$ (9)</b>

Depreciation and amortization expense was \$447 million in the first nine months of 2022-23, down \$10 million from the same period in 2021-22. The decrease is primarily due to Unit # 4 at Boundary Dam Power Station being fully depreciated, partially offset by new capital additions.

Finance charges were \$304 million in the first nine months of 2022-23, up \$4 million compared to the same period in 2021-22. The increase is mainly attributable to lower debt retirement fund earnings and realized market value losses on debt retirement fund redemptions offset by higher interest capitalized.

Taxes were \$63 million in the first nine months of 2022-23, up \$2 million from the same period in 2021-22, due to a higher corporate capital tax base and higher grants-in-lieu.

Other expenses were \$23 million in the first nine months of 2022-23, down \$5 million compared to the same period in 2021-22. The decrease is a result of the gain on the sale of the City of Swift Current franchise rights and adjustments made to decommissioning provisions and inventory.

## FINANCIAL CONDITION

The following table outlines changes in the condensed consolidated statement of financial position from March 31, 2022, to December 31, 2022:

<i>(in millions)</i>	Change (\$)	Change (%)
<b>Cash and cash equivalents</b>	\$ 24	<b>75%</b> Refer to Consolidated Statement of Cash Flows.
<b>Accounts receivable and unbilled revenue</b>	53	<b>15%</b> Increase in trade receivables due to timing of payments and higher natural gas trading receivables.
<b>Inventory</b>	30	<b>10%</b> Increase in maintenance supplies, natural gas and coal inventory.
<b>Prepaid expenses</b>	-	<b>0%</b>
<b>Risk management assets (net of risk management liabilities)</b>	(18)	<b>-75%</b> Settlement of natural gas hedges and decreased forward natural gas prices.
<b>Property, plant and equipment</b>	297	<b>3%</b> Additions offset by depreciation expense and asset disposals and retirements.
<b>Right-of-use assets</b>	(39)	<b>-8%</b> Depreciation of right-of-use assets.
<b>Intangible assets</b>	(4)	<b>-5%</b> Amortization expense, offset by capitalization of new software costs.
<b>Debt retirement funds</b>	(53)	<b>-7%</b> Market value losses and redemptions slightly offset by instalments and earnings.
<b>Other assets</b>	4	<b>36%</b> Increase in long-term maintenance service costs.
<b>Accounts payable and accrued liabilities</b>	(56)	<b>-8%</b> Decrease in federal carbon charge payable and timing of accruals and payments.
<b>Accrued interest</b>	(9)	<b>-15%</b> Timing of payments.
<b>Deferred revenue</b>	15	<b>68%</b> Increased customer contributions.
<b>Dividend payable</b>	(3)	<b>-100%</b> Payment of 2021-22 dividend.
<b>Short-term advances</b>	119	<b>20%</b> Additional short-term advances to finance capital expenditures.
<b>Long-term debt (including current portion)</b>	455	<b>7%</b> New borrowings, offset by repayments and amortization of debt premiums.
<b>Lease liabilities (including current portion)</b>	(30)	<b>-3%</b> Principal repayments of lease liabilities.
<b>Employee benefits</b>	(56)	<b>-43%</b> Actuarial gains on the defined benefit pension plan offset by interest expense.
<b>Provisions</b>	(30)	<b>-10%</b> Changes in decommissioning provision assumptions and expenditures partially offset by accretion expense.
<b>Equity</b>	(111)	<b>-4%</b> 2022-23 comprehensive loss.

## LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOW HIGHLIGHTS

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

<i>(in millions)</i>	Nine months ended December 31		
	2022-23	2021-22	Change
Cash and cash equivalents, April 1	\$ 32	\$ 98	\$ (66)
Cash provided by operating activities	188	480	(292)
Cash used in investing activities	(732)	(655)	(77)
Cash provided by financing activities	568	113	455
<b>Cash and cash equivalents, December 31</b>	<b>\$ 56</b>	<b>\$ 36</b>	<b>\$ 20</b>

SaskPower's cash position at December 31, 2022, was \$56 million, up \$20 million compared to the same period in 2021-22. The increase in the cash position is largely due to new borrowings combined with operating cash flows, partially offset by capital expenditures during the first nine months of the year.

### CAPITAL EXPENDITURES

<i>(in millions)</i>	Three months ended December 31			Nine months ended December 31		
	2022-23	2021-22	Change	2022-23	2021-22	Change
Generation	\$ 22	\$ 34	\$ (12)	\$ 77	\$ 92	\$ (15)
Transmission	17	28	(11)	53	55	(2)
Distribution	31	34	(3)	103	73	30
Other	36	22	14	73	63	10
<b>Sustainment</b>	<b>106</b>	<b>118</b>	<b>(12)</b>	<b>306</b>	<b>283</b>	<b>23</b>
Generation	33	42	(9)	127	198	(71)
Transmission	32	13	19	95	25	70
Distribution	3	4	(1)	11	11	-
Customer connects	54	40	14	139	114	25
<b>Growth, compliance and resiliency</b>	<b>122</b>	<b>99</b>	<b>23</b>	<b>372</b>	<b>348</b>	<b>24</b>
<b>Strategic and other investments</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>74</b>	<b>30</b>	<b>44</b>
<b>Total capital expenditures</b>	<b>\$ 243</b>	<b>\$ 227</b>	<b>\$ 16</b>	<b>\$ 752</b>	<b>\$ 661</b>	<b>\$ 91</b>

To ensure a reliable, sustainable and cost-effective supply of electricity for its customers, SaskPower invested \$752 million in the first nine months of 2022-23 on various capital projects. This includes \$118 million on the new Great Plains Power Station; \$77 million on generation sustainment activities; \$139 million to connect customers to the SaskPower electric system; \$262 million on increasing capacity and sustaining transmission and distribution infrastructure; and \$60 million on the Logistic Warehouse Complex.

## CAPITAL MANAGEMENT

<i>(in millions)</i>	December 31 2022	March 31 2022	Change
Long-term debt	\$ 6,950	\$ 6,495	\$ 455
Short-term advances	718	599	119
Lease liabilities	919	949	(30)
<b>Total debt</b>	<b>8,587</b>	<b>8,043</b>	<b>544</b>
Debt retirement funds	685	738	(53)
Cash and cash equivalents	56	32	24
<b>Total net debt<sup>1</sup></b>	<b>\$ 7,846</b>	<b>\$ 7,273</b>	<b>\$ 573</b>
Retained earnings	2,129	2,243	(114)
Equity advances	593	593	-
<b>Total capital</b>	<b>\$ 10,568</b>	<b>\$ 10,109</b>	<b>\$ 459</b>
<b>Per cent debt ratio<sup>2</sup></b>	<b>74.2%</b>	<b>71.9%</b>	<b>2.3%</b>

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).

SaskPower's total debt position (including lease liabilities) was \$8,587 million at December 31, 2022, up \$544 million from March 31, 2022. The increase in total debt was the result of:

- 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.
- On June 23, 2022, the Corporation borrowed \$300 million of long-term debt at a discount of \$76 million. The debt issue has a coupon rate of 2.80%, an effective interest rate of 4.29%, and matures on December 2, 2052.
- On July 15, 2022, the Corporation repaid \$256 million of long-term debt. The debt had a coupon rate of 8.94%, and an effective interest rate of 10.06%.
- On November 4, 2022, the Corporation borrowed \$350 million of long-term debt. The debt issue has a coupon rate of 4.18%, an effective interest rate of 4.18%, and matures on June 2, 2031.
- The Corporation borrowed an additional \$119 million in short-term advances.
- The principal repayment of \$30 million of the Corporation's lease liabilities; and \$3 million in amortization of debt premiums net of discounts.

The Corporation's percent debt ratio has increased from 71.9% as at March 31, 2022, to 74.2% as at December 31, 2022.

## DEBT RETIREMENT FUNDS

<i>(in millions)</i>	Nine months ended December 31	
	2022-23	2021-22
Balance, April 1	\$ 738	\$ 865
Debt retirement fund instalments	48	48
Debt retirement fund redemptions	(72)	-
Debt retirement fund earnings	5	12
Debt retirement fund realized market value losses	(7)	-
Debt retirement fund unrealized market value (losses) gains	(27)	11
<b>Balance, December 31</b>	<b>\$ 685</b>	<b>\$ 936</b>

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 first nine months of 2022-23, SaskPower made \$48 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. The Corporation also redeemed \$72 million of debt retirement funds upon repayment of \$256 million of long-term debt which matured on July 15, 2022. Associated with the redemption of the debt retirement funds, SaskPower realized \$7 million in market value losses which were recognized in finance charges. In addition, the Corporation earned \$5 million earnings which were recognized in finance charges and classified as non-cash operating activities during the year. The debt retirement funds are classified as fair value through other comprehensive income. As a result, the \$27 million in unrealized market value losses in the first nine months of 2022-23 was recognized in other comprehensive income (loss).

## DIVIDENDS

SaskPower pays dividends to Crown Investments Corporation (CIC) of Saskatchewan based on the CIC Dividend Policy. During the first quarter of 2022-23, SaskPower paid \$3 million in dividends to CIC related to fiscal 2021-22. CIC has determined that SaskPower will be required to pay a 30.0% dividend based on 2022-23 net income. However, given that SaskPower is forecasting a consolidated net loss in fiscal 2022-23, no dividend has been declared for the nine months ended December 31, 2022.

## CONTRACTUAL OBLIGATIONS

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

<i>(in millions)</i>	1 year	2 - 5 years	More than 5 years
Power purchase agreements <sup>1</sup>	\$ 705	\$ 2,613	\$ 9,968
Long-term debt (including principal and interest)	422	1,427	10,082
Debt retirement fund instalments	66	261	998
Coal purchase contracts	263	501	82
Natural gas purchase contracts	139	144	7
Natural gas transportation and storage contracts	44	88	32

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

## CONDENSED CONSOLIDATED STATEMENT OF (LOSS) INCOME

<i>(in millions)</i>	(Unaudited) Three months ended December 31		(Unaudited) Nine months ended December 31	
	2022-23	2021-22	2022-23	2021-22
	<b>Revenue</b>			
Saskatchewan electricity sales	\$ 738	\$ 694	\$ 2,075	\$ 1,995
Exports and electricity trading	37	24	95	66
Other revenue	25	32	75	72
<b>Total revenue</b>	<b>800</b>	<b>750</b>	<b>2,245</b>	<b>2,133</b>
<b>Expense</b>				
Fuel and purchased power	336	276	922	741
Operating, maintenance and administration	198	180	600	524
Depreciation and amortization	150	153	447	457
Finance charges	96	103	304	300
Taxes	22	20	63	61
Other expenses	15	9	23	28
<b>Total expense</b>	<b>817</b>	<b>741</b>	<b>2,359</b>	<b>2,111</b>
<b>Net (loss) income</b>	<b>\$ (17)</b>	<b>\$ 9</b>	<b>\$ (114)</b>	<b>\$ 22</b>

See accompanying notes



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

<i>(in millions)</i>	(Unaudited) Three months ended December 31		(Unaudited) Nine months ended December 31	
	2022-23	2021-22	2022-23	2021-22
	<b>Net (loss) income</b>	\$ (17)	\$ 9	\$ (114)
<b>Other comprehensive (loss) income</b>				
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	(30)	(20)	(30)	20
Realized gains during the period	5	4	16	2
Reclassification to income	(5)	(4)	(16)	(2)
Debt instruments designated as FVOCI:				
Change in fair value during the period	(4)	8	(27)	11
Realized losses during the period	-	-	(7)	-
Reclassification to income	-	-	7	-
Items that will not be reclassified to net income:				
Defined benefit pension plans:				
Net actuarial gains	28	13	60	36
	(6)	1	3	67
<b>Total comprehensive (loss) income</b>	<b>\$ (23)</b>	<b>\$ 10</b>	<b>\$ (111)</b>	<b>\$ 89</b>

See accompanying notes

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at		(Unaudited)	(Audited *)
(in millions)	Notes	December 31 2022	March 31 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 56	\$ 32
Accounts receivable and unbilled revenue		415	362
Inventory		323	293
Prepaid expenses		30	30
Risk management assets	7	25	37
		<b>849</b>	<b>754</b>
<b>Property, plant and equipment</b>	3	<b>10,430</b>	<b>10,133</b>
<b>Right-of-use assets</b>	4	<b>477</b>	<b>516</b>
<b>Intangible assets</b>		<b>73</b>	<b>77</b>
<b>Debt retirement funds</b>		<b>685</b>	<b>738</b>
<b>Other assets</b>		<b>15</b>	<b>11</b>
<b>Total assets</b>		<b>\$ 12,529</b>	<b>\$ 12,229</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 636	\$ 692
Accrued interest		51	60
Deferred revenue		37	22
Dividend payable		-	3
Risk management liabilities	7	19	13
Short-term advances		718	599
Current portion of long-term debt	5	150	256
Current portion of lease liabilities	6	51	45
		<b>1,662</b>	<b>1,690</b>
<b>Long-term debt</b>	5	<b>6,800</b>	<b>6,239</b>
<b>Lease liabilities</b>	6	<b>868</b>	<b>904</b>
<b>Employee benefits</b>		<b>75</b>	<b>131</b>
<b>Provisions</b>		<b>275</b>	<b>305</b>
<b>Total liabilities</b>		<b>9,680</b>	<b>9,269</b>
<b>Equity</b>			
Retained earnings		2,129	2,243
Accumulated other comprehensive income		127	124
Equity advances		593	593
<b>Total equity</b>		<b>2,849</b>	<b>2,960</b>
<b>Total liabilities and equity</b>		<b>\$ 12,529</b>	<b>\$ 12,229</b>

See accompanying notes

\*As presented in the audited March 31, 2022, consolidated statement of financial position.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions)	Accumulated other comprehensive income (loss)					Equity advances	(Unaudited) Total
	Retained earnings	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			
<b>Equity</b>							
Balance, April 1, 2021	\$ 2,235	\$ (12)	\$ (2)	\$ 39	\$ 593	\$ 2,853	
Net income	22	-	-	-	-	22	
Other comprehensive income	-	20	11	36	-	67	
Dividends	(2)	-	-	-	-	(2)	
<b>Balance, December 31, 2021</b>	<b>\$ 2,255</b>	<b>\$ 8</b>	<b>\$ 9</b>	<b>\$ 75</b>	<b>\$ 593</b>	<b>\$ 2,940</b>	
Net income	(11)	-	-	-	-	(11)	
Other comprehensive income (loss)	-	38	(51)	45	-	32	
Dividends	(1)	-	-	-	-	(1)	
<b>Balance, March 31, 2022</b>	<b>\$ 2,243</b>	<b>\$ 46</b>	<b>\$ (42)</b>	<b>\$ 120</b>	<b>\$ 593</b>	<b>\$ 2,960</b>	
Net income	(114)	-	-	-	-	(114)	
Other comprehensive income (loss)	-	(30)	(27)	60	-	3	
Dividends	-	-	-	-	-	-	
<b>Balance, December 31, 2022</b>	<b>\$ 2,129</b>	<b>\$ 16</b>	<b>\$ (69)</b>	<b>\$ 180</b>	<b>\$ 593</b>	<b>\$ 2,849</b>	

See accompanying notes

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in millions)</i>	<b>(Unaudited)</b> Three months ended December 31		<b>(Unaudited)</b> Nine months ended December 31	
	2022-23	2021-22	2022-23	2021-22
	<b>Operating activities</b>			
<b>Net (loss) income</b>	\$ (17)	\$ 9	\$ (114)	\$ 22
<b>Adjustments to reconcile net income to cash provided by operating activities</b>				
Depreciation and amortization	150	153	447	457
Finance charges	96	103	304	300
Net losses on asset disposals and retirements	12	7	20	21
Unrealized market value adjustments	1	-	(1)	(1)
Reclassification of natural gas hedges transitional market value losses	(3)	(4)	(11)	(13)
Natural gas inventory market revaluation	-	-	-	(3)
Allowance for obsolescence	-	-	1	1
Environmental expenditures net of provisions	-	(2)	(3)	(7)
	239	266	643	777
<b>Net change in non-cash working capital</b>	(97)	(69)	(129)	19
<b>Interest paid</b>	(120)	(108)	(326)	(316)
<b>Cash provided by operating activities</b>	22	89	188	480
<b>Investing activities</b>				
Property, plant and equipment additions	(229)	(215)	(715)	(618)
Intangible asset additions	(6)	(7)	(16)	(32)
Proceeds from sale and disposal of assets	1	1	11	1
Costs of removal of assets	(6)	(3)	(12)	(6)
<b>Cash used in investing activities</b>	(240)	(224)	(732)	(655)
<b>Decrease in cash before financing activities</b>	(218)	(135)	(544)	(175)
<b>Financing activities</b>				
Net (repayments of) proceeds from short-term advances	(78)	150	119	201
Proceeds from long-term debt	350	-	714	-
Repayments of long-term debt	-	-	(256)	-
Debt retirement fund instalments	(11)	(12)	(48)	(48)
Debt retirement fund redemptions	-	-	72	-
Principal repayment of lease liabilities	(13)	(10)	(30)	(23)
Dividends paid	-	-	(3)	(17)
<b>Cash provided by financing activities</b>	248	128	568	113
<b>Increase (decrease) in cash</b>	30	(7)	24	(62)
<b>Cash and cash equivalents, beginning of period</b>	26	43	32	98
<b>Cash and cash equivalents, end of period</b>	\$ 56	\$ 36	\$ 56	\$ 36

See accompanying notes

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 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 unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. These condensed consolidated financial statements do not include all of the disclosures included in the Corporation's annual consolidated financial statements. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Corporation's most recent annual consolidated financial statements.

The accounting policies used in the preparation of these condensed consolidated financial statements conform with those used in the Corporation's most recent annual consolidated financial statements.

The condensed consolidated financial statements were authorized for issue by the Audit & Finance Committee of the Board of Directors on February 27, 2023.

#### (b) Interim measurement

SaskPower's Saskatchewan electric sales to residential and commercial customers are seasonal, with the third and fourth quarters being the strongest periods, reflecting colder weather and fewer daylight hours.

#### (c) Basis of measurement

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

- (i) Inventory at lower of cost and net realizable value.
- (ii) Provisions at discounted expected future cash flows.
- (iii) Financial instruments that are accounted for at fair value through profit or loss and at fair value through other comprehensive income.
- (iv) Employee benefit plans recognized at the fair value of plan assets less the present value of the accrued benefit obligations.

#### (d) Functional and presentation currency

These condensed 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.

### **(e) Fair value measurement**

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 under current market conditions (exit price). 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 7) 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 December 31, 2022, the Corporation does not have any financial instruments classified as Level 3.

### **(f) Use of estimates and judgments**

The preparation of the condensed 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 are:

- Electricity deliveries not yet billed at period-end and allowance for doubtful accounts.
- Net realizable value and allowance for inventory obsolescence.
- Underlying estimates of useful lives and related depreciation and accumulated depreciation.
- Carrying amounts of right-of-use assets and lease liabilities and underlying estimates of future cash flows.
- Carrying amounts of decommissioning and environmental remediation provisions and underlying estimates of future cash flows.
- Fair value of financial instruments.
- Carrying amounts of employee benefits and underlying actuarial assumptions.

Areas of judgment in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated financial statements include:

- Identification of arrangements which contain a lease.
- Revenue recognition of customer contributions.

### NOTE 3 PROPERTY, PLANT AND EQUIPMENT

<i>(in millions)</i>	Generation	Transmission	Distribution	Other	Construction in progress	Total
<b>Cost or deemed cost</b>						
Balance, April 1, 2021	\$ 7,659	\$ 2,871	\$ 4,682	\$ 1,030	\$ 386	\$ 16,628
Additions	139	85	188	49	661	1,122
Disposals and/or retirements	(26)	(2)	(16)	(9)	-	(53)
Transfers/adjustments	-	-	-	-	(493)	(493)
<b>Balance, December 31, 2021</b>	<b>\$ 7,772</b>	<b>\$ 2,954</b>	<b>\$ 4,854</b>	<b>\$ 1,070</b>	<b>\$ 554</b>	<b>\$ 17,204</b>
Additions	10	40	67	44	261	422
Disposals and/or retirements	2	(3)	(27)	(12)	-	(40)
Transfers/adjustments	(15)	-	-	(1)	(159)	(175)
<b>Balance, March 31, 2022</b>	<b>\$ 7,769</b>	<b>\$ 2,991</b>	<b>\$ 4,894</b>	<b>\$ 1,101</b>	<b>\$ 656</b>	<b>\$ 17,411</b>
Additions	85	64	226	48	752	1,175
Disposals and/or retirements	(27)	(2)	(17)	(10)	-	(56)
Transfers/adjustments	(32)	-	-	-	(439)	(471)
<b>Balance, December 31, 2022</b>	<b>\$ 7,795</b>	<b>\$ 3,053</b>	<b>\$ 5,103</b>	<b>\$ 1,139</b>	<b>\$ 969</b>	<b>\$ 18,059</b>
<b>Accumulated depreciation</b>						
Balance, April 1, 2021	\$ 3,623	\$ 794	\$ 1,901	\$ 494	\$ -	\$ 6,812
Depreciation expense	208	52	100	38	-	398
Disposals and/or retirements	(17)	(1)	(12)	(7)	-	(37)
Transfers/adjustments	-	-	-	-	-	-
<b>Balance, December 31, 2021</b>	<b>\$ 3,814</b>	<b>\$ 845</b>	<b>\$ 1,989</b>	<b>\$ 525</b>	<b>\$ -</b>	<b>\$ 7,173</b>
Depreciation expense	69	18	34	14	-	135
Disposals and/or retirements	-	(1)	(25)	(4)	-	(30)
Transfers/adjustments	-	-	-	-	-	-
<b>Balance, March 31, 2022</b>	<b>\$ 3,883</b>	<b>\$ 862</b>	<b>\$ 1,998</b>	<b>\$ 535</b>	<b>\$ -</b>	<b>\$ 7,278</b>
Depreciation expense	192	55	103	38	-	388
Disposals and/or retirements	(20)	(2)	(10)	(5)	-	(37)
Transfers/adjustments	-	-	-	-	-	-
<b>Balance, December 31, 2022</b>	<b>\$ 4,055</b>	<b>\$ 915</b>	<b>\$ 2,091</b>	<b>\$ 568</b>	<b>\$ -</b>	<b>\$ 7,629</b>
<b>Net book value</b>						
<b>Balance, December 31, 2021</b>	<b>\$ 3,958</b>	<b>\$ 2,109</b>	<b>\$ 2,865</b>	<b>\$ 545</b>	<b>\$ 554</b>	<b>\$ 10,031</b>
<b>Balance, March 31, 2022</b>	<b>\$ 3,886</b>	<b>\$ 2,129</b>	<b>\$ 2,896</b>	<b>\$ 566</b>	<b>\$ 656</b>	<b>\$ 10,133</b>
<b>Balance, December 31, 2022</b>	<b>\$ 3,740</b>	<b>\$ 2,138</b>	<b>\$ 3,012</b>	<b>\$ 571</b>	<b>\$ 969</b>	<b>\$ 10,430</b>

In the first nine months of 2022-23, interest costs totaling \$21 million (2021-22 – \$11 million) were capitalized at the weighted average cost of borrowings rate of 3.90% (2021-22 – 4.00%).

## NOTE 4 RIGHT-OF-USE ASSETS

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

<b>Accumulated depreciation</b>								
Balance, April 1, 2021	\$	467	\$	6	\$	1	\$	474
Depreciation expense		36		2		1		39
Terminations and/or modifications		-		(1)		-		(1)
<b>Balance, December 31, 2021</b>	<b>\$</b>	<b>503</b>	<b>\$</b>	<b>7</b>	<b>\$</b>	<b>2</b>	<b>\$</b>	<b>512</b>
Depreciation expense		12		1		-		13
Terminations and/or modifications		-		(1)		-		(1)
<b>Balance, March 31, 2022</b>	<b>\$</b>	<b>515</b>	<b>\$</b>	<b>7</b>	<b>\$</b>	<b>2</b>	<b>\$</b>	<b>524</b>
Depreciation expense		36		2		1		39
Terminations and/or modifications		-		-		-		-
<b>Balance, December 31, 2022</b>	<b>\$</b>	<b>551</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>3</b>	<b>\$</b>	<b>563</b>

<b>Net book value</b>								
<b>Balance, December 31, 2021</b>	<b>\$</b>	<b>514</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>5</b>	<b>\$</b>	<b>528</b>
<b>Balance, March 31, 2022</b>	<b>\$</b>	<b>502</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>5</b>	<b>\$</b>	<b>516</b>
<b>Balance, December 31, 2022</b>	<b>\$</b>	<b>466</b>	<b>\$</b>	<b>7</b>	<b>\$</b>	<b>4</b>	<b>\$</b>	<b>477</b>



## NOTE 5 LONG-TERM DEBT

<i>(in millions)</i>	
Balance, April 1, 2021	\$ 6,741
Long-term debt issues	-
Long-term debt repayments	-
Amortization of debt premiums net of discounts	(5)
<b>Balance, December 31, 2021</b>	<b>\$ 6,736</b>
Long-term debt issues	-
Long-term debt repayments	(240)
Amortization of debt premiums net of discounts	(1)
<b>Balance, March 31, 2022</b>	<b>\$ 6,495</b>
Long-term debt issues	714
Long-term debt repayments	(256)
Amortization of debt premiums net of discounts	(3)
	\$ 6,950
Less: current portion of long-term debt	(150)
<b>Balance, December 31, 2022</b>	<b>\$ 6,800</b>

## NOTE 6 LEASE LIABILITIES

<i>(in millions)</i>	December 31 2022	March 31 2022
Total future minimum lease payments	\$ 1,867	\$ 2,001
Less: future finance charges on leases	(948)	(1,052)
Present value of lease liabilities Less:	\$ 919	\$ 949
current portion of lease liabilities	(51)	(45)
	\$ 868	\$ 904

The above lease liabilities include power purchase agreements 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. During the nine months of 2022-23, SaskPower recognized \$106 million of interest costs on these lease liabilities.

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

<i>(in millions)</i>	1 year	2 - 5 years	More than 5 years
Future minimum lease payments	\$ 185	\$ 664	\$ 1,018
Present value of lease liabilities	51	204	664

## NOTE 7 FINANCIAL INSTRUMENTS

(in millions)	Classification	Level <sup>4</sup>	December 31, 2022		March 31, 2022	
			Asset (liability)		Asset (liability)	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Cash and cash equivalents	FVTPL <sup>1</sup>	1	\$ 56	\$ 56	\$ 32	\$ 32
Accounts receivable and unbilled revenue	AC <sup>2</sup>	N/A	415	415	362	362
Debt retirement funds	FVOCI - debt instrument <sup>3</sup>	2	685	685	738	738
Other assets - long-term receivables	AC <sup>2</sup>	N/A	-	-	1	1
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities	AC <sup>2</sup>	N/A	\$ (636)	\$ (636)	\$ (692)	\$ (692)
Accrued interest	AC <sup>2</sup>	N/A	(51)	(51)	(60)	(60)
Dividend payable	AC <sup>2</sup>	N/A	-	-	(3)	(3)
Short-term advances	AC <sup>2</sup>	N/A	(718)	(718)	(599)	(599)
Long-term debt	AC <sup>2</sup>	2	(6,950)	(6,558)	(6,495)	(6,892)

(in millions)			December 31, 2022		March 31, 2022	
			Asset	Liability	Asset	Liability
<b>Natural gas contracts</b>						
Fixed price swap instruments used for hedging <sup>5</sup>	FVTPL <sup>1</sup>	2	\$ 25	\$ (19)	\$ 37	\$ (12)
Fixed price swap instruments	FVTPL <sup>1</sup>	2	-	-	-	(1)
			\$ 25	\$ (19)	\$ 37	\$ (13)

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.

5. 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).

# SASKPOWER SYSTEM MAP

TOTAL AVAILABLE GENERATING CAPACITY AS AT DECEMBER 31, 2022: 5,436 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 - 290 MW

- I1** Manitoba Hydro - 290 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 - 617 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** Cypress Wind Power Facility - 11 MW
- W8** Golden South Wind Energy Facility\* - 200 MW

Customer-generated wind capacity - 2 MW  
(NOT SHOWN ON MAP)

## SOLAR TOTAL CAPACITY - 82 MW

- S1** Highfield Solar Energy Facility\* - 10 MW
- S2** Pesăkăstêw Solar Energy Facility\* - 10 MW
- S3** Awasis Solar Energy Facility\* - 10 MW

Customer-generated solar capacity - 52 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

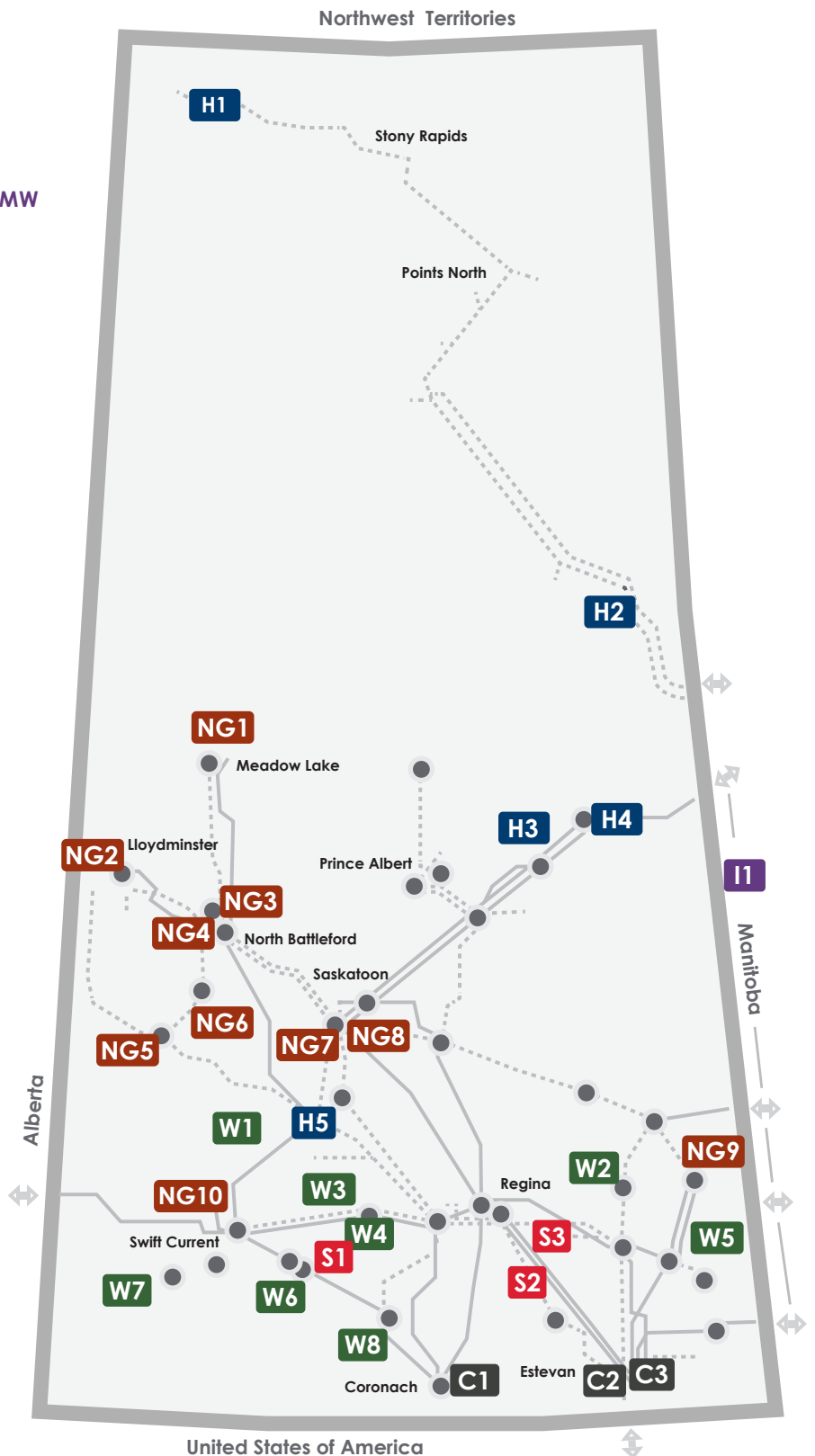
## SMALL INDEPENDENT POWER PRODUCERS

TOTAL CAPACITY - 34 MW (NOT SHOWN ON MAP)

(Includes flare gas, waste heat recovery, landfill gas and biomass)

### TRANSMISSION

- 230 kilovolt (kV)
- 138 kV/115 kV/110 kV
- Switching station
- Interconnection



\*Large Independent Power Producer

**Saskatchewan Power Corporation**

2025 Victoria Avenue, Regina, Saskatchewan

Canada S4P 0S1

[saskpower.com](http://saskpower.com)

