ANNUAL REPORT

NAVIGATING A CHANGING ENERGY LANDSCAPE

SaskPower
Powering the future®

2018 -19

ON THE COVER

Throughout the world, disruption and innovation are rapidly transforming the way we create, supply and use electricity. In Saskatchewan, SaskPower is responding by driving toward advancements that ensure a reliable, cost-effective, flexible and environmentally sustainable electricity system. To be successful, we'll need to meet changing customer needs and expectations while focusing on our goal of reducing greenhouse gas emissions by 40% from 2005 levels by 2030. In 2018-19, we continued to take steps to further add low-emitting and renewable generating sources, strengthen our grid, and offer customers the opportunity to participate in our province's electricity system. And as we look forward to navigating a changing energy landscape, we'll continue to partner with our customers and the communities we serve to make sure we're all well-positioned for a bright future.

PICTURED: The new 20-megawatt (MW) Western Lily Wind Energy Facility is located near Grenfell. With the addition of Western Lily, Saskatchewan currently has 241 MW of capacity from six wind power projects. SaskPower is in the process of adding approximately 400 MW of wind power at locations near Assiniboia, Herbert and Riverhurst.

CORPORATE PROFILE

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

SaskPower's team is made up of over 3,100 permanent full-time employees. We manage over $11.8 billion in generation, transmission, distribution and other assets. Our company operates five natural gas-fired stations, three coal-fired power stations, seven hydroelectric stations, and two wind facilities. Combined, they generate 3,542 megawatts (MW) of electricity.

SaskPower also buys power from various independent power producers (IPPs), including the North Battleford Generating Station, Cory Cogeneration Station, Meridian Cogeneration Station, Spy Hill Generating Station, Red Lily Wind Energy Facility, SunBridge Wind Power Facility, Western Lily Wind Energy Facility, Morse Wind Energy Facility and NRGreen Kerrobert, Loreburn, Estlin and Alameda Heat Recovery Facilities. Our company's total available generation capacity is 4,531 MW.

We are responsible for serving nearly 538,000 customer accounts within Saskatchewan's geographic area of approximately 652,000 square kilometres. About three customer accounts are supplied per circuit kilometre. We maintain nearly 157,000 kilometres of power lines, 56 high voltage switching stations and 197 distribution substations. Our company also has interties at the Manitoba, Alberta and North Dakota borders.

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SaskPower's 2018-19 Annual Report reflects the fiscal period April 1, 2018, through March 31, 2019.

OUR VISION

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

OUR MISSION

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

OUR VALUES

Safety, openness, collaboration and accountability.

CORPORATE PILLARS

CUSTOMER EXPERIENCE & STAKEHOLDER RELATIONS
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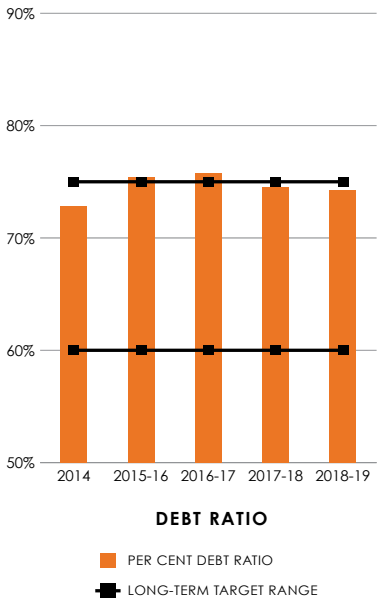
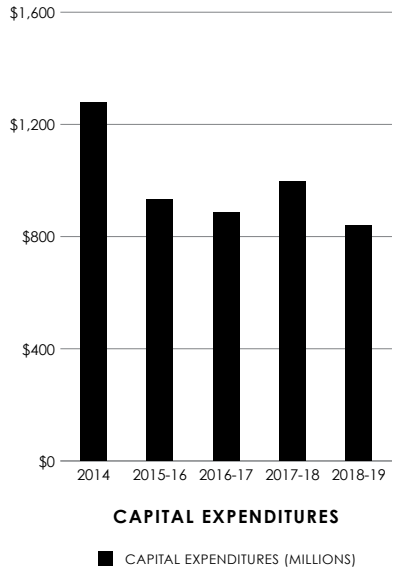
PERFORMANCE HIGHLIGHTS

FINANCIAL INDICATORS

(in millions)	**2018-19**	2017-18	Change
Revenue	**$ 2,725**	$ 2,586	$ 139
Expense	**2,528**	2,440	88
Net income	**197**	146	51
Capital expenditures	**833**	996	(163)
Total debt	**8,105**	7,876	229
Net cash from operating activities	**671**	708	(37)
Return on equity[1]	**7.9%**	6.2%	1.7%
Per cent debt ratio[2]	**74.1%**	74.9%	(0.8%)

1. Return on equity = (net income)/(average equity), where equity = (retained earnings + equity advances).
2. Per cent debt ratio = (debt)/(debt + equity), where debt = (long-term debt + short-term advances + finance lease obligations – debt retirement funds – cash and cash equivalents) and equity = (retained earnings + equity advances).





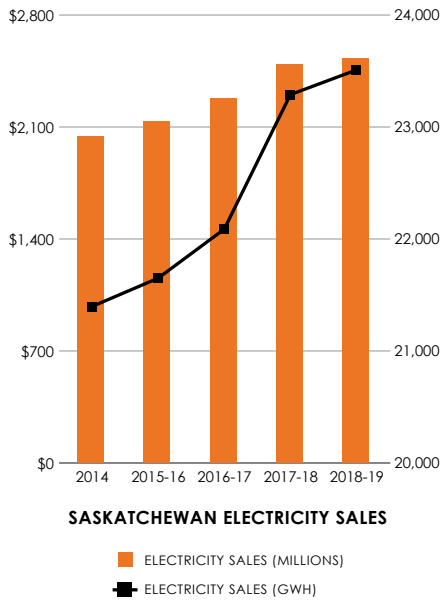
$833 MILLION CAPITAL INVESTMENT IN SASKATCHEWAN'S ELECTRICITY SYSTEM

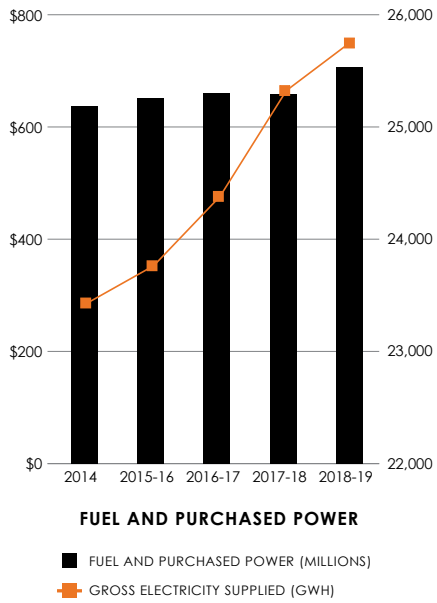
1.2% YEAR-OVER-YEAR GROWTH IN SASKATCHEWAN ELECTRICITY SALES VOLUMES

OPERATING STATISTICS

	2018-19	2017-18	Change
Saskatchewan electricity sales (millions)	**$ 2,583**	$ 2,480	$ 103
Saskatchewan electricity sales (GWh)[1]	**23,559**	23,282	277
Fuel and purchased power (millions)	**$ 710**	$ 660	$ 50
Gross electricity supplied (GWh)[1]	**25,777**	25,317	460

1. One gigawatt hour (GWh) is equivalent to the energy consumed by 125 typical households in one year.





3,524 MW RECORD SUMMER PEAK POWER DEMAND FOR SASKATCHEWAN

25,777 GWH RECORD GROSS ELECTRICITY SUPPLIED

2018-19 YEAR AT A GLANCE

- **ADDED** new 20-megawatt (MW) Western Lily Wind Energy Facility, located near Grenfell.
- **ANNOUNCED** Potentia Renewables Inc. as the successful proponent for the province's latest utility-scale wind power project — the 200-MW Golden South Wind Energy Facility located near Assiniboia.
- **ANNOUNCED** Saturn Power Inc. as the successful proponent for Saskatchewan's first utility-scale solar project, a 10-MW installation located southeast of Swift Current.
- **SIGNED** a new term sheet with Manitoba Hydro that lays the groundwork for purchasing an additional 215 MW of reliable renewable hydroelectricity.
- **SIGNED** a First Nations Opportunity Agreement with the First Nations Power Authority to source 20 MW of flare gas power generation projects led by Indigenous communities and businesses.
- **SELECTED** Moose Jaw Industrial Park as the preferred site for the next 350-MW combined cycle natural gas facility.
- **REACHED** one million hours without a lost-time injury during construction of the 350-MW combined cycle natural gas-fired Chinook Power Station near Swift Current.
- **CONTINUED** construction of a $231-million, 200-kilometre double circuit 230/138 kilovolt transmission line — to move electricity from the new Chinook Power Station.
- **CONTINUED** work on a $300-million project to extend the life of E.B. Campbell Hydroelectric Station near Nipawin, ensuring that this renewable source of hydroelectric generation will be available for another 50 years.
- **INSPECTED** approximately 112,000 power poles as part of the Transmission and Distribution Wood Pole Remediation Programs.
- **EXPANDED** the non-residential smart meter pilot to 7,500 commercial and industrial customers.
- **LAUNCHED** a new Live Chat option for customers, allowing them to interact with agents over online chat technology instead of calling.
- **LAUNCHED** a new online outage map, giving customers an easy-to-use way to get the latest information on service interruptions across the province.
- **RECEIVED** the 2018 CEA President's Award of Excellence for Employee Safety in Distribution, given to utilities that achieve the top ranking in Total Recordable Injury Frequency.
- **SELECTED** as one of Canada's Best Employers, one of Canada's Best Diversity Employers, one of Canada's Top Employers for Young People, and one of Saskatchewan's Top Employers.
- **INVESTED** over $1.7 million in educational and community programming throughout Saskatchewan.

LETTER OF TRANSMITTAL

Regina
July 2019

To His Honour
The Honourable W. Thomas Molloy, O.C., S.O.M.
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Power Corporation for the year ended March 31, 2019.

The report includes the financial statements for the year in the form approved by the Treasury Board, duly certified by the auditors of the Saskatchewan Power Corporation, all in accordance with *The Power Corporation Act*.

Respectfully submitted,

Honourable Dustin Duncan
Minister Responsible for Saskatchewan Power Corporation

A MESSAGE TO OUR STAKEHOLDERS

On December 4, 2018, our province experienced one of the largest power outages in 40 years. Rime ice — formed when water droplets in a cloud, fog or mist freeze onto a surface — built up on a number of power lines. In addition to causing many localized outages, this unique weather event resulted in our province's entire coal-fired generating fleet tripping offline at the same time. The overall impact extended to nearly 200 communities.

Our crews and contractors diligently worked to restore power to the majority of affected customers within 13 hours. This extraordinary event revealed two foundational truths about SaskPower's current operating environment: electricity continues to play a critical role in the lives of nearly 538,000 customer accounts, and coal-fired generation continues to hold a pivotal position in Saskatchewan's electricity system. Looking ahead, the impact of this outage underscores the magnitude of the challenge we face at SaskPower: striving to meet the regulatory requirement of entirely removing conventional coal generation from our system by 2030.

It is clear that electric utilities across Canada have been tasked with leading our society's transition to a cleaner energy future. Our response will require a profound shift in Saskatchewan's generation mix. While work is already well underway, success will only come through detailed planning and analysis, coupled with corporate agility, thoughtful customer engagement, and an ongoing commitment to partnerships.

CUSTOMER EXPERIENCE & STAKEHOLDER RELATIONS

All SaskPower customers want a reliable power system and electricity at a fair price. But increasingly, they also expect an opportunity to lend their voices to an ongoing discussion on energy issues and how future generations of Saskatchewan citizens will be impacted.

In response, SaskPower is focusing significant efforts on how we share information with our customers. Technology advances — such as the Live Chat option we introduced on our website this past year — add to the growing number of self-serve platforms where customers can get answers more quickly. These new tools also offer the added benefit of helping us reduce internal costs.

In 2018-19, we made important strides in improving our ongoing relationships with key stakeholders, and especially within the province's Indigenous communities. Our approach to engagement is guided by a commitment to foster dialogue in order to fully understand concerns and create an environment where we can collaboratively identify problems and develop solutions.

Through the last year, we continued to see an increased demand for electricity across Saskatchewan. However, for the first time in almost a decade SaskPower did not break its annual peak demand record. Nevertheless, helping customers manage their energy consumption remains a priority. We continue to offer a variety of Demand Side Management (DSM) programs to all customer segments. Over the past year, these energy efficiency initiatives helped us reduce peak demand by 11.4 megawatts (MW). Since its initial launch in 2008, our DSM program has produced an associated reduction in carbon emissions equivalent to taking 95,000 cars off the road or planting 39 million new trees.

WORKFORCE EXCELLENCE

Responding to changing customer needs and the mandate to reduce our carbon emissions will require a dedicated, flexible, and engaged workforce that is ready to tackle the challenges ahead. At the same time, we must also ensure that our employees reflect the diversity and inclusiveness of the communities we serve.

Over the last year, we continued strengthening our workforce by building on a leadership framework first introduced in 2017-18. We added new programs that focus on empowering our leaders to live their values through character and skill development. Additionally, we unveiled a Management Essentials Program that supports supervisors in their focus on people management and safety.

We emphasize safety in all that we do. Recent focused efforts to improve our safety performance were recognized through the Canadian Electricity Association President's Award of Excellence for Employee Safety in Distribution – Group 2. While we are proud of this and other recent safety accomplishments, we remain determined to continue to emphasize our safety message with all employees, contractors and the public. We also remain firm in our goal of achieving zero lost-time injuries.

EFFICIENCY, QUALITY & COST MANAGEMENT

As part of our effort to navigate Saskatchewan's energy transition, we are also focused on internal continuous improvement efforts that ensure we prioritize the right work, remain agile in the face of new challenges, and manage our resources as efficiently as possible. Our Business Optimization Initiative continues to deliver solid benefits. Its benefits — along with lower-than-forecasted natural gas prices — have meant SaskPower will not be implementing a rate increase in 2019-20. We recognize there is more work that we can do to become even more efficient, and we are challenging employees to constantly re-evaluate existing processes as we endeavour to prepare our company for the continuing transformation that lies ahead.

With a net income of $197 million, our 2018-19 financial results were positive. Our return on equity of 7.9% exceeded budget, moving us closer to our long-term target of 8.5%. As well, our per cent debt ratio improved to 74.1% and remains within our long-term target of 60 to 75%. Based on our current forecast, we anticipate further financial improvements will be realized in the coming year.

The affordability of electricity remains top of mind. A new challenge emerged in 2018-19: the introduction of the federal carbon tax. While this expense is being borne directly by customers through a rate rider, cost pressures from other regulatory requirements continue to mount and challenge our bottom line. As a result, it will be critical for our company to continue engaging in continuous improvement and strategic cost reduction to ensure rate competitiveness.

SUSTAINABLE INFRASTRUCTURE & RELIABILITY

During 2018-19, we invested $833 million to maintain and grow Saskatchewan's electricity system. We continued to add low-emitting and renewable generating sources that will help us meet our goal of reducing greenhouse gas emissions by 40% from 2005 levels by 2030. Near Grenfell, the 20-MW Western Lily Wind Energy Facility was added to our system. Meanwhile, it was announced that Potentia Renewables Inc. will build Saskatchewan's newest utility-scale wind power project, the 200-MW Golden South Wind Energy Facility located near Assiniboia. At the same time, Saturn Power Inc. was chosen for our province's first utility-scale solar project, a 10-MW installation located near Swift Current.

Our work to partner with Saskatchewan's Indigenous community in renewable generation development continued with the signing of an agreement with the First Nations Power Authority to source 20 MW of flare gas power generation. Worth an estimated $300 million of potential revenue for Indigenous communities over 20 years, this project offers the dual benefits of helping oil and gas operations reduce their environmental footprint while providing a new source of locally-sited power.

Natural gas generation is crucial in supporting the addition of new renewable generation and meeting our company's baseload requirements. During the year, work continued near Swift Current on the new 350-MW Chinook Power Station. Meanwhile, the City of Moose Jaw Industrial Park was chosen as the preferred site for our next 350-MW combined cycle natural gas-fired generating station.

Although the transition of our generation capacity is well underway, this is only part of the infrastructure work that lies ahead. Our provincial transmission and distribution grid is in the midst of shifting from a static system that is largely limited by one-way communication, to a more resilient and dynamic smart grid that takes advantage of technology and data in order to operate more efficiently. Ultimately, our work in pursuing a smarter grid will deliver improved reliability to customers by reducing the number of outages as well as the time required to locate and repair outages.

The challenges facing SaskPower within its rapidly changing operating environment can seem daunting at times, but we are proud of the progress we've made over the past 12 months in moving closer to our long-term goals. Our company's strategic direction provides a comprehensive guide as we move to a cleaner power future while striving to maintain rate competitiveness.

None of what we achieved could have been accomplished without the important contributions of our employees, contractors, partners, stakeholders, customers and Board members. With a strong team and a dynamic strategy in place, we approach 2019-20 with optimism as we continue to navigate the changing energy landscape.

Chief Darcy Bear
Chair, Board of Directors

Mike Marsh
President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 29, 2019

The following is a discussion of the consolidated financial condition and results of the operations of Saskatchewan Power Corporation (SaskPower; the Corporation) for the year ended March 31, 2019. It should be read in conjunction with the audited financial statements and accompanying notes. The financial information discussed herein has been prepared in accordance with International Financial Reporting Standards (IFRS).

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

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OUR BUSINESS

At SaskPower, we are committed to supporting economic growth and enhancing quality of life in Saskatchewan. At the foundation of our business strategy is the pursuit of our vision of powering Saskatchewan to a cleaner energy future through innovation, performance and service. We work around the clock to provide power generation, transmission and distribution services to nearly 538,000 customer accounts. Our company prides itself on maintaining one of the largest service areas in Canada — a geographic region of approximately 652,000 square kilometres.

SaskPower is a vertically integrated utility with over 3,100 permanent full-time employees. Almost one-half of our workforce is comprised of members of the International Brotherhood of Electrical Workers Local 2067. Approximately 13% of workers belong to Unifor Local 649, with out-of-scope staff accounting for the balance.

Our company manages over $11.8 billion in assets, relying on a generating fleet that uses a wide range of fuels that include natural gas, coal, hydro, and wind. This diversity provides a hedge against supply and price volatility, protecting customers from some of the risk inherent in any single fuel. SaskPower has two wholly owned subsidiaries — NorthPoint Energy Solutions Inc. and SaskPower International Inc.

$11.8 BILLION AMOUNT OF ASSETS

MANDATE

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

The Act grants SaskPower the exclusive franchise within the province of Saskatchewan (except for the City of Saskatoon and the City of Swift Current) to supply, transmit and distribute electricity, as well as to provide retail services to customers. The reseller class of customer is restricted to those two cities that retained their municipal franchises — the City of Saskatoon and the City of Swift Current.

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

Our company's vision, mission and values flow from the Act and SaskPower's relationship with our parent company, Crown Investments Corporation of Saskatchewan (CIC). We support the strategic direction provided by CIC. In turn, CIC is responsive to general government direction as articulated in a variety of ways, such as through the annual Speech from the Throne or formal policy statements.

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

OUR CAPABILITY TO DELIVER RESULTS

SaskPower is a Crown-owned, vertically integrated electrical utility. Our company maintains an extensive province-wide system of generation, transmission and distribution assets. With a history of innovation spanning 90 years, SaskPower remains focused on transitioning to a cleaner energy future while achieving our mission of ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

SUPPLY AND NETWORK

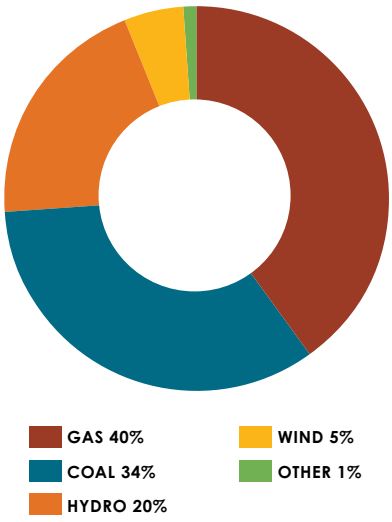
Our company's available generating capacity is 4,531 megawatts (MW), which includes 3,542 MW of SaskPower-owned generation. Our company's thermal generation facilities include five natural gas-fired stations and three coal-fired stations, while non-thermal facilities include seven hydroelectric stations and two wind farms.

SaskPower also has 989 MW of generation capacity through Power Purchase Agreements (PPAs) with Independent Power Producers (IPPs), made up largely of natural gas and wind generation. In 2018-19, our company added 20 MW of wind capacity through the Western Lily Wind Energy Facility, and an additional 15 MW through increased capacity at the existing North Battleford Generating Station. We also saw the addition of 3 MW through our Small Power Producers Program.

While this year was the first since 2010 that SaskPower did not break its overall electricity peak demand record, our company did mark a new summer peak demand record of 3,524 MW. Meanwhile, Saskatchewan electricity sales continued to increase year-over-year, as they have since 2009.

SaskPower builds its generation fleet to exceed forecasted peak demand to ensure that electricity is always available when needed. In addition to electricity usage, generation capacity must be sufficient to continue to provide electricity when units are down due to planned maintenance or unexpected outages. Further, some renewable generation capacity, such as wind or solar, is intermittent and can only generate electricity when the wind blows or the sun is shining. SaskPower is required to maintain an operating reserve of 292 MW, of which 40%, or 117 MW, is spinning reserve.

2018-19 AVAILABLE GENERATING CAPACITY
4,531 MW



Our subsidiary, NorthPoint Energy Solutions, is responsible for managing our imports and exports. We import electricity from other jurisdictions if the power can be acquired at a price lower than our marginal cost to generate electricity internally. As well, we will generate surplus electricity to sell to neighbouring jurisdictions if we can sell the surplus electricity at a profit.

We move electricity to and from other jurisdictions through transmission interconnections established with Alberta, Manitoba and North Dakota. Although the capacity of the interconnections can fluctuate depending on certain variables, under normal system conditions we are limited to 250 MW from Manitoba, 147 MW from Alberta and 150 MW from North Dakota.

Over the last 10 years, we have used Demand Side Management (DSM) activities as part of our supply plan to help offset energy growth and delay new generation. Our DSM programs are designed to incent energy efficiency, conservation and load management activities to capture peak demand savings cost-effectively. DSM programs have resulted in peak demand savings of 150 MW since 2008. SaskPower continues to look for opportunities for targeted DSM activities with customers that deliver cost-effective operational solutions for SaskPower. Programs to assist customers to generate a portion of their power requirements are also in place.

SaskPower transports electricity from generating stations to customers across an extensive 652,000-square kilometre service area through a vast network of transmission and distribution systems. Our transmission system contains 14,332 circuit kilometres of lines and 56 high voltage switching stations across the province. The transmission system efficiently moves large volumes of electricity (66,000 volts and above) across great distances to load centres — cities, towns or large industrial or commercial customers.

The distribution system (less than 66,000 volts) continues the transport of electricity but steps down the voltage. This allows the electricity to ultimately be delivered at an appropriate voltage for use by residential,

CIRCUIT KILOMETRES OF POWER LINES IN SASKPOWER'S SYSTEM **156,747**

350 MW CAPACITY OF NEW NATURAL GAS-FIRED CHINOOK POWER STATION

farm, commercial and oilfield customers. The system is made up of 142,415 circuit kilometres of lines and 186,545 transformers.

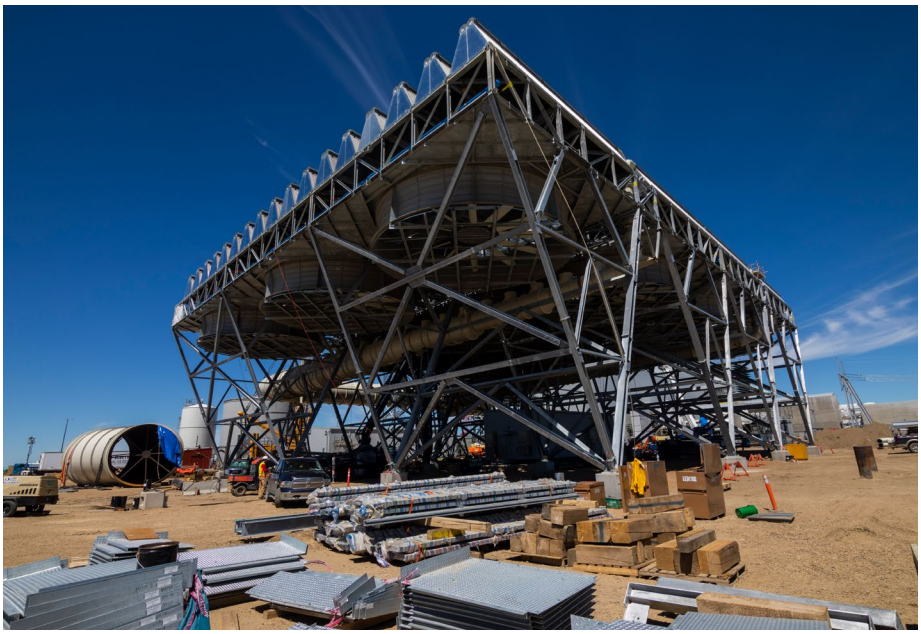
SaskPower's infrastructure includes the Grid Control Centre, which directs the safe and reliable operation of the power system, as well as the Supervisory Control and Data Acquisition (SCADA) system that enables the remote operation and control of our facilities. The challenge of managing our transmission and distribution systems is considerable because of the large geographic size of the province, the locations of various sources of generation, and a dispersed and relatively small population.

OUTLOOK

In addition to a core objective of delivering improved value to customers, our long-term corporate strategy focuses on a number of areas. These include: significantly reduced greenhouse gas emissions; enhanced system reliability; a modernized grid; an improved financial foundation; heightened employee engagement; greater workforce diversity; top safety performance; and strengthened Indigenous relations.

Our company's strategy aligns with a rapidly changing regulatory environment. Canadian regulations require the elimination of conventional coal generation before 2030, depending on the age of the units. The Government of Saskatchewan has been pursuing an Equivalency Agreement (EA) with the federal government to give SaskPower flexibility in achieving carbon dioxide (CO_2) emissions reductions — performance would be measured on a system-wide basis rather than generation unit by generation unit.

An EA would provide SaskPower flexibility on conventional coal unit retirement dates. In the near-term, the EA would allow SaskPower to operate Boundary Dam



Power Station Units #4 and #5 beyond the end of 2019. The EA has been signed at the Minister level and continues to move through the federal approval process.

Meanwhile, the federal carbon pricing backstop began applying to SaskPower's CO_2 emissions from SaskPower's coal and natural gas generation fleet effective January 1, 2019. The expense in 2019-20 associated with the federal carbon tax is estimated to be equivalent to a 2.7% system average rate increase based on a price of $20 per tonne of CO_2 for our customers. By 2022 — when the carbon price reaches $50 per tonne of CO_2 — it is estimated that the cumulative impact will equate to a 6.9% system average rate increase.

Looking ahead, our company expects average annual growth of 1.1% in Saskatchewan electricity sales over the next five years. Accommodating growing demand requires increased generation capacity. In response, the new 350-MW Chinook Power Station will enter into service in 2019-20. The natural gas-fired facility is located near Swift Current and will produce about 60% less CO_2 emissions than an average conventional coal plant. Chinook will supply baseload generation while also providing the flexibility to support the introduction of additional renewable generation. During the year, SaskPower announced that another natural gas-fired station will be sited in Moose Jaw Industrial Park.

In the meantime, SaskPower continues to make advances in achieving our company's target in reducing emissions by 40% from 2005 levels by 2030. Our company has signed a term sheet with Manitoba Hydro that lays the groundwork to purchase an additional 215 MW of renewable electricity. A final legal contract for the sale is expected to conclude by mid-2019 and take effect in 2022. SaskPower already has two existing power purchase agreements with Manitoba Hydro totaling 125 MW.

In 2019-20, SaskPower is budgeting to spend $873 million on its capital program. This includes an investment of $418 million for sustainment of Saskatchewan's generation, transmission and distribution infrastructure. Meanwhile, $390 million will be invested to accommodate growth in electricity demand and to connect new customers.

OUR ENTERPRISE-WIDE STRATEGIC CONTEXT

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

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

VALUES
Safety, openness, collaboration and accountability.

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

Our planning, execution and performance measurement activities are built around four corporate pillars. These are our company's foundation for success, and are the key result areas that ultimately form the basis of individual goal-setting. Each pillar plays a prominent role in SaskPower's Business Plan, Performance Management Plan and Corporate Balanced Scorecard, which are updated annually. Input is provided by our employees, Executive, and Board of Directors. The resulting course is closely aligned with the direction of our shareholder, CIC.

CORPORATE PILLARS & STRATEGIC PRIORITIES

1 CUSTOMER EXPERIENCE & STAKEHOLDER RELATIONS
STRATEGIC PRIORITY: Deliver improved value for our customers.

2 WORKFORCE EXCELLENCE
STRATEGIC PRIORITY: Develop our workforce to meet the needs of the utility of the future.

3 EFFICIENCY, QUALITY & COST MANAGEMENT
STRATEGIC PRIORITY: Ensure our financial health in a transitioning industry.

4 SUSTAINABLE INFRASTRUCTURE & RELIABILITY
STRATEGIC PRIORITY: Build a cleaner, reliable, modernized electricity system.

PERFORMANCE MEASURES	FURTHER INFORMATION
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OUR PERFORMANCE MEASURES, TARGETS, PROGRAMS, AND INITIATIVES

SaskPower's operational and financial performance is driven by our four corporate pillars, which serve as the basis of our business. They are the foundation of our Corporate Balanced Scorecard, which provides the framework for our day-to-day work, creation of targets, measurement of organizational performance, and execution of long-term planning.

During 2018-19, our efforts were guided by our vision of powering Saskatchewan to a cleaner energy future through innovation, performance and service. While executing our mission of ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve, we advanced our plan to modernize and renew our power grid and moved forward with our strategy of transitioning our generation portfolio to incorporate more renewable sources. The targets, results and strategic initiatives associated with each of SaskPower's corporate pillars are contained within this section.

SASKPOWER CORPORATE BALANCED SCORECARD

	Corporate pillars & performance measures	Twelve months March 31 2017-18 actual	Twelve months March 31 2018-19 target	Twelve months March 31 2018-19 actual	2018-19 performance
	CUSTOMER EXPERIENCE & STAKEHOLDER RELATIONS				
M1.	Customer Experience Index[1] (residential/small & medium business/key & major account)	5.9/7.2/7.7	**68/70/72**	**69/71/80**	🟢🟢🟢
M2.	New Connect Construction Index (%)	80	**76**	**77**	🟢
M3.	DSM peak demand/energy savings (MW/GWh)	14.2/56.1	**12.0/55.0**	**11.4/54.7**	🟡🟡
	WORKFORCE EXCELLENCE				
M4.	Employee engagement (%)	64	**66**	**64**	🟡
M5.	Workforce diversity (%)	•	**32.0**	**47.9**	🔵
M6.	Health & Safety Index[2] (%) [REVISED FOR 2019-20]	95.3	**89.0**	**93.2**	🟢
	EFFICIENCY, QUALITY & COST MANAGEMENT				
M7.	Return on equity (%)	6.2	**7.2**	**7.9**	🟢
M8.	Per cent debt ratio (%)	74.9	**75.0**	**74.1**	🟢
M9.	OM&A/customer account vs. Saskatchewan Consumer Price Index (% of annual growth) [REVISED FOR 2019-20]	•	**1.8**	**3.1**	🔴
M10.	Capital Earned Value Management Portfolio (%) (Cost Performance Index/Schedule Performance Index) [REVISED FOR 2019-20]	•/ •	**70/70**	**84/43**	🟢🔴
M11.	Indigenous procurement[3] (%)	10.9	**8.0**	**7.5**	🟡
M12.	Competitive rates (thermal utilities) (%)	105	**≤100**	**101**	🟡
	SUSTAINABLE INFRASTRUCTURE & RELIABILITY				
M13.	Equivalent Availability Factor (%) [REVISED FOR 2019-20]	85.6	**>85.0**	**86.0**	🟢
M14.	SAIDI/SAIFI (distribution) (hours/outages)	6.9/2.4	**5.5/2.4**	**7.0/2.5**	🔴🟡
M15.	SAIDI/SAIFI (transmission) (minutes/outages) [REVISED FOR 2019-20]	227/3.0	**170/3.0**	**464/5.0**	🔴🔴
M16.	Renewable generation portfolio (%)	25.3	**26.0**	**25.6**	🟡
M17.	CO_2 emissions (% change from 2005 levels) [NEW FOR 2019-20]	•	•	•	•

🔵 ≥ 20% better than target 🟢 on target 🟡 did not meet target by <20% 🔴 did not meet target by ≥20%

- Denotes that actuals or targets are not available for the time period.

1. Metric survey provider change subsequent to the 2017-18 results, which has shifted the methodology for this metric from a 10-point scale to a percentage-based result in 2018-19.
2. Name change: formerly "Safety Index" (methodology remains the same).
3. Name change: formerly "Aboriginal Procurement" (methodology remains the same).

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

CORPORATE PILLAR 1

CUSTOMER EXPERIENCE & STAKEHOLDER RELATIONS

Strategic priority

DELIVER IMPROVED VALUE FOR OUR CUSTOMERS

CUSTOMER EXPERIENCE

As our company continues to adapt to a rapidly changing operating environment, maintaining a focus on the experience of our customers is more important than ever. To meet our customers' growing expectations, we are striving to improve access to relevant information and enhance channels of communication. Meanwhile, programs are being developed and introduced with an emphasis on maximizing value to the customer. This ensures that customer needs are being met while being mindful of our company's bottom line.

To ensure our customer experience strategy has the greatest impact, we focus on four key areas:

- Creating a customer-focused environment: Building a workplace environment that puts the customer first and emphasizes the benefits of focusing on customers.
- Optimizing customer interactions: Meeting customer expectations during every interaction by consistently providing high quality, convenient service on their terms.
- Delivering value to customers: Developing services that provide customers with greater control over their power use and opportunities to minimize the impact of rate increases.
- Engaging customers and stakeholders: Building positive customer relationships through active promotion of programs and services and frequent customer engagement.

Our company demonstrates its customer focus through continuous improvements to service delivery and enhancements to programs and services across all customer classes.

KEY & MAJOR ACCOUNT CUSTOMERS

SaskPower's key & major accounts are our company's largest commercial and industrial customers. One of our company's biggest customer experience successes in 2018-19 was the progress made in developing stronger relationships and improving service for commercial and industrial customers. These customers rated SaskPower "Excellent" for customer experience in 2018-19, resulting in a score of 80%.

SaskPower is continuing to work at fostering positive relationships with the segment's four major customer associations. Over the year, nine engagement sessions were held with the Saskatchewan Industrial Energy Consumers Association, Canadian Association of Petroleum Producers, Explorers and Producers Association of Canada, and Saskatchewan Mining Association.

Technological advancement provides a key opportunity for SaskPower to add value. In 2018-19, SaskPower piloted a new "Power Up" app with five commercial and industrial distribution customers that have an extensive number of meters. The app identifies all meter points, flags outages, and allows customers to report hazards. SaskPower anticipates the expansion of the app's capabilities in 2019-20, when it will be rolled out to more customers that are interested in the technology.

$174 MILLION INVESTMENT IN CONNECTING CUSTOMERS TO THE GRID

Corporate Balanced Scorecard performance measure

M1. CUSTOMER EXPERIENCE INDEX (%)

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

Twelve months ended	March 31 2017-18[1]	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	5.9/7.4/7.8	68/70/72	69/71/80	70/72/80	71/73/80	71/73/80	72/74/80
Actual	5.9/7.2/7.7	69/71/80					

1. Prior to 2018-19, this metric was reported on a 10-point scale.

The Customer Experience Index is comprised of the results of questions asked in SaskPower's residential; small & medium business; and key & major account customer experience surveys. The index employs quality-based and loyalty-based drivers that identify and prioritize areas for improvement which are most important to our customers. For all customer segments, rates, reliability and communication are key expectations with respect to SaskPower's service delivery.

- Residential customers – The residential customer experience score of 69% exceeded our target of 68%. The survey revealed the key factors that SaskPower needs to focus on to continue to drive enhanced customer experience, including: timely resolution of problems, convenient access to customer service, and knowledgeable staff.
- Small & medium business customers – The small & medium business customer experience score of 71% surpassed our target of 70% for 2018-19. Customers in this segment expressed the desire for products and tools that offer enhanced self-service capabilities; provide them control over their electricity usage; and deliver quality interactions and first contact resolution.
- Key & major account customers – The key & major account customer experience score of 80% was significantly better than our target of 72%. The key factors driving SaskPower's excellent performance include: prompt communication regarding service issues; availability of efficiency and conservation programs; and consideration of customer input in decision making.

RESIDENTIAL AND SMALL & MEDIUM BUSINESS CUSTOMERS

Providing programs, services and support options that offer convenience, choice and control delivers improved value for our customers. This includes developing new and enhanced customer self-service capabilities such as:

- Offering more functionality in the SaskPower app, including the ability for customers to see an account overview, submit their meter reads and subscribe to outage alerts for up to 25 communities.
- Developing an outage map on our website and through the SaskPower app that allows customers to geographically view planned and unplanned outage information.
- Improving ExpressAddress — an online portal where customers can notify SaskPower of an address change — by updating the design to enhance user experience and functionality.

SaskPower's Customer Care Centre received over 970,000 calls in 2018-19, with 217,000 related to outages. In the fall of 2018, our company saw a significant increase in calls which caused average wait times to increase. During this time, the uptake in calls was largely due to increased residential moves, tree trimming requests and meter reads. Our company responded by moving employees from other areas to provide assistance and by hiring additional staff to reduce customer wait times. In the long-term, we are evaluating opportunities to streamline our internal processes to free up even more staff to answer calls when needed and to raise awareness with customers of self-serve options available to them.

As an alternative to the Customer Care Centre, digital self-service options have increased significantly. SaskPower has been promoting paperless billing, giving customers the convenience of seeing their bills on electronic devices. Paperless billing not only reduces environmental impacts but also allows our company to reduce costs. Approximately 20% of our customers are currently signed up for paperless billing. As well, we have actively promoted the benefits of online accounts. By March 2019, approximately 30% of our customers had signed up.

In response to customer feedback, SaskPower implemented Live Chat on our website during the year. It allows customers to interact with an agent over online chat technology instead of having to call the Customer Care Centre. There were over 870 chats completed by our agents throughout the fiscal year.

In 2018-19, we piloted a new approach to gathering and sharing information with customers. The #AskPower project used a travelling video booth in a variety of Saskatchewan locations to give customers a chance to record themselves asking SaskPower a question. Our company created video responses that were available through social media and promoted strategically-located billboards throughout the province. Customers' questions covered a broad range of topics,

Corporate Balanced Scorecard performance measure

M2. NEW CONNECT CONSTRUCTION INDEX (%)

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	74	76	TBD[1]	TBD[1]	TBD[1]	TBD[1]	TBD[1]
Actual	80	77					

1. Future targets are undergoing review.

The New Connect Construction Index measures the percentage of new connect delivery orders in which construction is completed before the later of the need date provided by the customer or the targeted cycle time for the relevant new connect order type.

SaskPower's New Connect Construction Index result for 2018-19 was 77%, above our target of 76%. However, the summer storm season — along with the longest stretch of cold weather in 80 years during February 2019 — caused some delays. This resulted in the overall completion percentage dropping below our 2017-18 performance. Our company continues to focus on maintaining a balance between the delivery of distribution asset management programs, which maintain the health of our province's entire distribution system, and the timely completion of new connect orders. New connect spending was $174 million in 2018-19, an increase of $21 million compared to 2017-18.

including: billing, efficiency, services and SaskPower's plans for the future.

During the year, new construction-related communication approaches were also developed for customers travelling near the Pasqua to Swift Current Transmission Line project. To target highway drivers passing construction, our company tested the use of a radio transmitter. Billboards promoted a radio channel where drivers could tune in to learn more about the project. This supplemented social media messages along with limited advertising and messaging on the Government of Saskatchewan Highway Hotline.

EFFICIENCY, CONSERVATION AND LOAD MANAGEMENT

Demand Side Management (DSM) refers to initiatives that are designed to reduce or optimize a customer's use of energy for the benefit of both the utility and customer. This is achieved by encouraging or incenting energy conservation, efficiency and load shifting. DSM can lead to the deferral of growth-related capital projects and reduce our company's emissions profile.

DSM has played an important role historically in our generation supply planning. Over the next decade, DSM programs will evolve and target opportunities to reduce operational or capital costs on the electrical system. SaskPower also continues to help our customers with managing their energy usage through information and online tools.

SaskPower has offered DSM programming to all three major segments of our customer base: residential; small & medium business, and key & major accounts.

Corporate Balanced Scorecard performance measure

M3. DSM PEAK DEMAND/ENERGY SAVINGS (MW/GWH) ●/●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	12.0/55.0	12.0/55.0	TBD[1]	TBD[1]	TBD[1]	TBD[1]	TBD[1]
Actual	14.2/56.1	11.4/54.7					

1. Future targets are undergoing review.

The DSM peak demand metric measures the reduction in peak electricity demand in MW while the energy savings metric measures the volume of energy saved in gigawatt hours (GWh) resulting from the various DSM programs delivered.

In 2018-19, SaskPower's DSM programs reduced peak demand by 11.4 MW and achieved energy savings of 54.7 GWh. Results were largely achieved through SaskPower's widest-reaching energy efficiency programs — the Residential Retail Discount Program, the Commercial Lighting Incentive Program, and the Industrial Energy Optimization Program (IEOP).

The IEOP, which has been offered to our largest industrial and manufacturing customers, provided customized technical and financial support to customers interested in improving energy efficiency. Support was provided at the identification, development and implementation stages of energy management and capital projects. The largest IEOP project completed this year was at Weyerhaeuser's oriented strand board manufacturing facility located in Hudson Bay. The project improved the efficiency of two of Weyerhaeuser's process fans and eliminated the need to use dampers, which provides total energy savings of 3.4 GWh.

Since its initial launch in 2008, our portfolio of DSM programs has saved enough electricity to power 60,000 homes for a year. The associated reduction in carbon emissions is equivalent to taking 95,000 cars off the road or planting 39 million new trees.

SaskPower's most successful DSM program to date has been the Residential Retail Discount Program, which offers discounts on LED bulbs and lighting solutions at local retailers. As well, representatives are on hand to help educate customers and direct them to online resources where they can learn about which products could help them save money on their power bills.

In 2018-19, the Residential Retail Discount Program was offered in approximately 230 retail locations across Saskatchewan and engaged over 14,000 customers in conversations about energy efficiency and conservation. Since 2008, Saskatchewan residential customers have purchased over 5.3 million energy-efficient light bulbs and strings, saving over 74 MW — equivalent to powering over 18,000 homes for a year. 2018-19 was the last year for the program as the residential lighting market has been largely transformed to energy efficiency LED lighting.

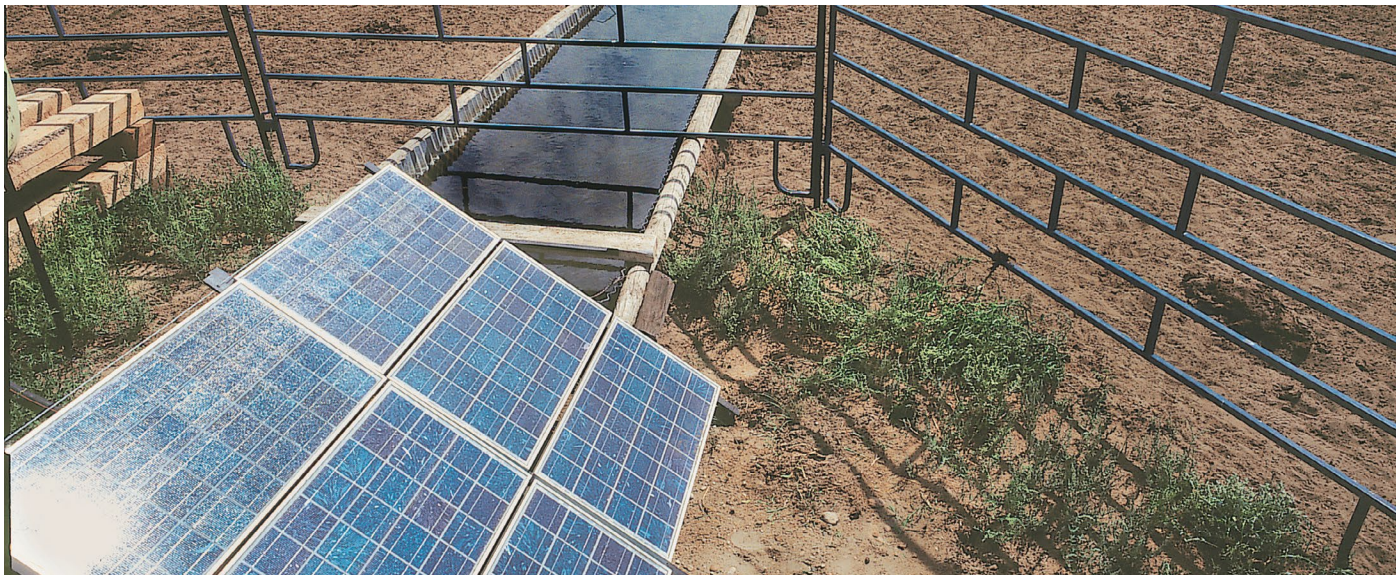
Online, SaskPower provides free tools to help residential customers analyze their power usage. This includes a calculator to estimate the consumption and cost of electrical devices, information regarding home lighting options, and an energy assessment tool that helps customers understand the factors that contribute to power and natural gas costs. The energy assessment tool provides customized information that can assist a customer to make simple low-cost changes to power usage or help identify areas to improve a home's efficiency.

Meanwhile, small and medium business customers have taken advantage of the Commercial Lighting Incentive Program. With lighting accounting for up to 40% of business costs, this program provided the opportunity to select premium, energy-efficient lighting equipment at a discounted price. Customers saved money on their power bill, improved lighting in their business and reduced maintenance costs through more efficient lighting. SaskPower regularly reviews this program and the products under the program to ensure business and customer goals are met.

In addition, the Walk-Through Assessment Program is now in its third year and provides qualifying businesses with an in-person energy assessment. Participants receive a facility-specific power consumption report, a comparison to similar facilities, a list of the top saving opportunities and information about available SaskPower programs. Since the program's launch in the fall of 2016, over 80 walk-through assessments have been provided to commercial customers.

In 2017, SaskPower launched a Commercial Energy Optimization Program (CEOP). It was designed to provide support for the development and implementation of custom projects for our company's large agricultural, commercial and small industrial customers. The program includes the development of a custom plan to improve energy efficiency while reducing electricity and maintenance costs. Three CEOP projects are currently underway.

SaskPower has also developed an online tool to assist commercial customers to assess their energy costs and determine whether efficiency upgrades could save money. Similar to the residential



energy assessment tool, this tool is free to use and targets small and medium sized businesses with an average annual power bill of less than $45,000. The assessment considers a business's lighting, heating, insulation, appliances, refrigeration, HVAC system, square footage and location to break down electricity consumption. Customers receive customized information on efficiency upgrades, incentive program recommendations, and no-cost actions that could save money and reduce electricity usage.

Meanwhile, our company's Efficiency Partners Program (EPP) members — a network of approved contractors, suppliers and retailers — work with SaskPower to help customers make educated energy efficiency choices. EPP members benefit from having access to training by industry experts and receiving the latest information on energy efficiency trends and new technologies that they can share with customers. The EPP also features a workshop that provides further insight into energy efficiency, as well as current and future program offerings. The EPP has grown to include a network of over 125 service provider members and is crucial in promoting SaskPower programs to our customers.

For key & major account customers, the Industrial Energy Optimization Program (IEOP) continued to develop energy efficiency projects in 2018-19. Of the 51 customers engaged for IEOP projects since 2012, our company has implemented 86 projects with 28 customers. During the year, almost 40 projects were completed, representing a demand reduction of approximately 4 MW. The IEOP has achieved a demand reduction of almost 11 MW since inception.

In 2018-19, SaskPower's work related to the IEOP, Residential Retail Discount Program, and commercial customer education and outreach resulted in an award from the Saskatchewan Regional Centre of Expertise on Education for Sustainable Development in Saskatchewan.

CUSTOMER GENERATION

As part of the Government of Saskatchewan's *Prairie Resilience* climate change strategy, SaskPower is working toward achieving a 40% reduction in greenhouse gas emissions from 2005 levels by 2030. Climate change and the steadily decreasing cost of solar power generation has created a growing interest in customer self-generation. Our company offers two associated renewable and non-renewable carbon neutral generation programs: the Net Metering Program and the Power Generation Partner Program.

Through the Net Metering Program, customers have the option to install power generating systems with capacities of up to 100 kilowatts (kW). Participants are credited for excess electricity transmitted to the grid, which they can use to offset future electricity bills.

In 2018-19, SaskPower's Net Metering Program underwent a review to ensure it continued to benefit both customers and SaskPower. Under the newly revised program, the time customers have to use their extra power credits was extended from one year to three years. To reduce upfront costs, SaskPower continues to offer a rebate on equipment and installation at a rate of $0.61 per watt installed, up to $20,000. Contracts are also longer. Instead of a two-year contract under the old program, contracts under the new program are for 10 years with an option to review and extend for another 10 years. The program is in effect until November 30, 2021, or until the program reaches an additional 16 MW.

SaskPower received almost 900 net metering applications in 2018-19, representing a combined generating capacity of over 12 MW. Our company provided more than $3.3 million in program rebates directly to customers. Since inception of the program in 2008, nearly 1,795 projects have been accepted with a combined generating capacity of 21 MW.

In 2018-19, SaskPower launched the Power Generation Partner Program. It replaces the Small Power Producers Program and

the Flare Gas Generation Program. Incorporating customer feedback received through an extensive consultation process, the new program provides options for customers to generate power at capacities up to 1 MW using renewable technologies, and up to 5 MW using non-renewable carbon neutral technologies.

During the 2018-19 application period, the program accepted 38 projects: 23 solar projects and 15 flare gas projects. This met the first-year program capacity limit of 10 MW for renewables and 25 MW for non-renewable carbon neutral technologies. The program expects to add 20 to 30 MW of renewable power generation and 50 to 75 MW of non-renewable carbon neutral power generation over the next two to three years. The Power Generation Partner Program aligns with the Government of Saskatchewan's climate change strategy by providing customers, such as those in the oil and gas industry, with options to reduce their environmental impacts.

STAKEHOLDER AND INDIGENOUS RELATIONS

Our company serves many communities throughout Saskatchewan – from remote hamlets to First Nations to large urban centres, along with many groups and individuals that have varied interests. We are committed to ensuring that their views and input – and those of our customers and shareholder – are heard and reflected in how our province is powered.

SaskPower believes that involving our stakeholders in the planning process will help ensure our company's long-term success. This is reflected in SaskPower's Stakeholder Engagement Policy and Indigenous Relations Policy, which speak to SaskPower's goal of building positive long-term relationships with Indigenous communities and other stakeholders while facilitating the achievement of specific business objectives.

Our company is committed to informing and consulting with all stakeholders and communities at the early stages of planned activities, and we are incorporating traditional knowledge and community input along the way. Saskatchewan's Indigenous and Métis communities are key SaskPower stakeholders and we work closely with these communities because their input is an integral component of successful project development, project operation and the mitigation of impacts.

Indigenous people and their communities are increasingly benefiting from electricity-related construction projects and operations. Last year, SaskPower joined the Aboriginal Procurement Champions Group through the Canadian Council for Aboriginal Business (CCAB). CCAB aims to create a national approach to increasing supplier diversity. Aboriginal Procurement Champions Group member companies are committed to increasing opportunities for Indigenous businesses. SaskPower continues to build on this commitment by including mandatory Indigenous participation requirements on targeted projects.

Communication and active participation is crucial to successful relationship building with Indigenous stakeholders. In 2018-19, SaskPower hosted the 4th annual Aboriginal Supplier Information Session and took part in the Aboriginal Business Match initiative in Regina. This event brings together Indigenous and non-Indigenous entrepreneurs, businesses and government agencies through a digital platform where entrepreneurs and business owners can schedule face-to-face meetings with investors.

During the year, SaskPower also held discussions and conducted negotiations to implement solar and flare gas power generation commitments with the First Nations Power Authority (FNPA). In particular, our company signed a First Nations Opportunity Agreement with FNPA to source 20 MW of flare gas generation projects. Flare gas power generation takes waste flare gas from oil and gas operations and uses it to produce electricity, instead of emitting it directly into the atmosphere. Worth an estimated $300 million of potential revenue over 20 years, this agreement represents significant new economic development opportunities for power projects led by Indigenous communities and businesses.

Meanwhile, our company also engaged with several Indigenous communities in relation to licensing applications for the Nipawin and E.B. Campbell Hydroelectric Stations. SaskPower also made key sponsorship and in-kind commitments to assist the Hector Thiboutot Community School in Sandy Bay with the addition of an outdoor education classroom. This classroom will give teachers the opportunity to share lessons with students in a traditional cultural setting that is on the land.

COMMUNITY INVOLVEMENT

SaskPower's Community Partnerships and Investment Policy outlines a strategy to align our investments with our company's strategic direction while making a difference to our community partners. The policy ensures that our investments and partnerships in the community are aligned with our company's key priorities:

- Workforce excellence: Building our next generation of employees.
- Safety: Keeping our customers safe around electricity.
- Conservation and efficiency: Creating a community of customers who find ways to save power and protect our environment.

In 2018-19, our company invested over $1.7 million in educational programming and community initiatives throughout the province. To help address our future workforce needs, SaskPower entered into a three-year partnership with the University of Saskatchewan Indigenous Student Achievement Program's Science, Technology, Engineering, and Math (STEM) Pathways. This initiative brings together first-year Indigenous, Inuit and Métis students and provides a sight line for Indigenous students to enter diverse STEM degree pathways through academically grounded access, entrance and enrichment opportunities.

Meanwhile, SaskPower continues to educate target audiences on electrical safety through several focused investments with organizations that invite us to make presentations to their membership. With almost 1,200 line contacts and three deaths last year, continued outreach to the agriculture and construction industries (Saskatchewan Heavy Construction Association, Heavy Construction Safety Association of Saskatchewan, Saskatchewan Ag-Entrepreneurs and Canadian Western Agribition) is critical to help eliminate these incidents.

Protecting our environment is important to SaskPower, so investing with Salthaven West and the Wildlife Rehabilitation Society of Saskatchewan (WRSOS) is a natural fit. These two organizations work to help care for and release injured wildlife back into their natural habitat. WRSOS educates the public on improving wildlife protection and raises wildlife conservation awareness during its annual Gone Wild for Wildlife public education event as well as through its wildlife emergency hotline.

20 MW CAPACITY OF FLARE GAS PROJECTS TO BE DEVELOPED BY THE FIRST NATIONS POWER AUTHORITY THROUGH NEW AGREEMENT

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

CORPORATE PILLAR 2

WORKFORCE EXCELLENCE

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

OUR EMPLOYEES

Developing a productive and flexible workforce is crucial to bringing our vision, mission and values to life. Going forward, our company needs to retain our talented and experienced employees while working to recruit a diverse new workforce with the right skill sets. SaskPower must be both an attractive employer and an organization that enables our employees to fully deliver on the expectations we have of them. This strategy requires a personal commitment from employees and a high level of engagement.

CULTURE

Our company continues its journey to enhance our corporate culture while aligning our behaviours, structures and processes to our corporate goals. In 2018-19, a main focus was engaging front-line employees in focus group discussions on the kind of culture they want to see at SaskPower and what they expect from their leaders. The feedback received is being used to define key behaviours for all employees, beginning with our leadership.

EMPLOYEE ENGAGEMENT

SaskPower's overall engagement score was 64% for fiscal 2018-19, equal to the 2017-18 result. Beginning in fiscal 2019-20, the corporation will move to administering the full employee survey every second year to allow more time to develop effective and meaningful action plans based on the results.

During the off-year, SaskPower will initiate a shorter pulse survey. Although the off-year survey will be shorter than the full engagement survey, the results will still provide SaskPower with an overall engagement score as well as more targeted information regarding certain drivers of engagement.

LEADERSHIP DEVELOPMENT & SUCCESSION MANAGEMENT

As with many industries, an aging workforce that is nearing retirement age can result in the loss of critical knowledge, skills and experience. Based on an average retirement age of 61, SaskPower can expect 20% of the current workforce to retire over the next five years. The problem is further compounded as outmigration exceeded immigration and inter-provincial migration in each of the past five years. As a result, competition for specific skill sets is great.

Our workforce plan will effectively address current and long-term business objectives. SaskPower has identified three strategic focus areas:

- Talent: We will attract, retain and engage a diverse, talented and high-performing workforce.
- Learning and Development: We will develop a qualified, capable and safe workforce by building and delivering sustainable learning and development solutions.
- Performance: We will optimize both workforce and organizational performance.

SaskPower has created new leadership development programs for Directors and Managers based on the leadership framework model developed in 2017-18. These programs focus on topics such as leadership character and values; building resilience; complexity and decision-making; engagement and coaching; and planning and execution. The new structure provides more frequent, shorter modules with coordinated follow-ups to make it easier to integrate learnings into work and embed a peer accountability mechanism that supports mutual learning.

Corporate Balanced Scorecard performance measure

M4. EMPLOYEE ENGAGEMENT (%)

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	60	66	66	69	72	74	80
Actual	64	64					

Our company wants to ensure it has engaged employees that create an environment of accountability and high performance. Employee engagement is defined as a heightened emotional and intellectual connection employees have for their jobs, organizations, managers, or coworkers that, in turn, influences them to apply discretionary effort to their work. This metric identifies the percentage of employees that have a favourable level of engagement.

In 2018-19, 78% of SaskPower's employees participated in the employee engagement survey, which reported that 64% of employees have a favourable level of engagement. While this score remains consistent with our performance in 2017-18, it fell short of our target to improve favourable engagement to 66%. An additional 23% of employees responded with an uncertain or neutral level of engagement.

The survey identified that professional growth, organizational vision, and senior leadership are the drivers that have the greatest influence on SaskPower's engagement score. The survey also reported strong favourable responses related to aspects of our company's workplace culture. This included safety, which received a score of 85%, and diversity and inclusion, which received a score of 80%.

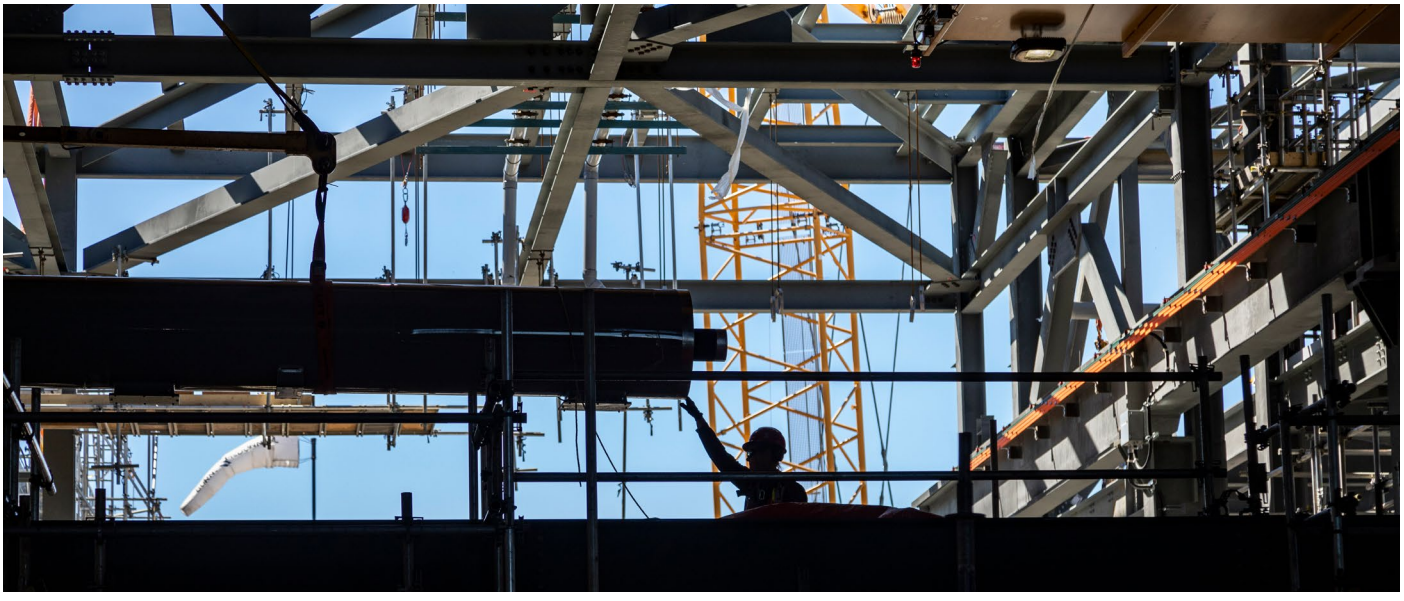
SaskPower has also developed a Management Essentials Program for supervisors. This initiative focuses on the critical role supervisors play relating to safety, customers, environment, and people management.

During the year, SaskPower made improvements to its succession planning processes to assess and develop talent more effectively. This includes integrating the new leadership framework model into the talent review process, introducing a nine-box talent matrix to more effectively assess talent performance vs. potential, and integrating the Emotional Quotient Inventory (EQi) self-assessment tool as part of the development planning process.

CAREER DEVELOPMENT

The need for enhanced career development opportunities has been noted by employees in our engagement surveys as one of the most important areas of improvement needed in our company. We continue to grow our Corporate Mentorship Program, which offers career planning and opportunities for personal development. The program has resulted in 169 pairings since inception.

At the same time, our company is developing other tools and resources that support effective career development. In 2019-20, the focus will be on exploring new initiatives such as job shadowing, job rotations, and expressions of interest to help employees gain exposure and experience in new roles.



Corporate Balanced Scorecard performance measure

M5. WORKFORCE DIVERSITY (%) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	•	32.0	TBD[1]	TBD[1]	TBD[1]	TBD[1]	TBD[1]
Actual	•	47.9					

- *Denotes that actuals or targets are not available for that time period.*
1. *Future targets are undergoing review to incorporate the results of the 2018 Diversity and Inclusion Census and to strengthen our objectives going forward.*

SaskPower is committed to employing a diverse workforce. The workforce diversity metric measures the growth in the percentage of our company's permanent employees that:

- Self-identify as being in one or more designated equity groups (Indigenous, visible minorities, and/or persons with disabilities), and/or
- Are women in positions or occupations where there is less than 45% representation.

In recent decades, SaskPower employees had the opportunity to self-identify as being in one or more designated equity groups upon employment. Recognizing that our company's longer-serving employees may not have had this opportunity when they were initially hired and that an employee's circumstances can change over time, SaskPower administered a company-wide Diversity and Inclusion Census in November 2018 to gain a better understanding of the diversity of our workforce. When combined with women in underrepresented position, the census result of 47.9% well exceeded our target of 32.0%.

SaskPower is also using the information obtained by the census to help identify priorities for our company's diversity and inclusion strategies and programming. While visible minorities at SaskPower compare well with the diversity targets of the Saskatchewan Human Rights Commission, our recruitment of Indigenous people, persons with disabilities and women in underrepresented positions are two of those priorities.

	Saskatchewan Human Rights Commission target (%)	March 31- 2018-19 actual (%)
Indigenous people	14	6
Persons with disabilities	22	13
Visible minorities	11	16
Women in underrepresented positions	47	13

DIVERSITY

For the 10th year in a row, SaskPower was again recognized as one of Canada's Best Diversity Employers in 2018-19. The recognition was due in part to SaskPower maintaining an Indigenous Procurement Policy and hosting Indigenous procurement information sessions to provide information and networking opportunities for Indigenous suppliers. As well, our company's Women's Resource Group continues to promote trades and engineering as career choices for women, and SaskPower hosts awareness events with community organizations such as the Canadian National Institute for the Blind, Canadian Mental Health Association and Autism Resource Centre.

SaskPower's Corporate Workforce Plan includes strategies to improve diversity and inclusion that focus on building the corporation's diversity brand, expanding employment outreach, leveraging external partnerships, creating targeted diversity programs, and improving data collection and metrics.

SAFETY

Safety continues to be the number one priority at SaskPower. SaskPower places significant emphasis on safety, starting with the Executive team and including front-line staff, contractors and the public. Recent improvements in our safety performance have been significant. Based on Canadian Electricity Association safety ratings, SaskPower has gone from having the second-worst safety record among Canadian utilities in 2015 to being named the winner of the 2018 Canadian Electricity Association President's Award of Excellence for Employee Safety in Distribution - Group 2. While acknowledging our improvements, our company remains focused on pursuing SaskPower's goal of zero injuries every day.

Corporate support for an improved safety culture is evident in our safety metrics. During the year, our company's lost-time injury frequency improved by 74%. These gains have led to adjustments to our corporate safety targets to ensure that our company is continually challenged. SaskPower continues to build

Corporate Balanced Scorecard performance measure

M6. HEALTH & SAFETY INDEX[1] (%)

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	87.0	89.0	90.0	91.0	92.0	93.0	95.0
Actual	95.3	93.2					

1. Name change: formerly "Safety Index" (methodology remains the same).

The Health & Safety Index measures SaskPower's safety performance and is made up of a combination of leading and lagging indicators.

Leading indicators measure proactive activities that identify hazards, and also assess, eliminate, minimize and control risks. They evaluate the effectiveness of safety programs and contribute to the prevention of incidents before they occur. The leading indicators include the completion of safety objectives; health and safety training; safety audit corrective/preventative actions; and work observations.

Lagging indicators record safety performance related to the occurrence of safety incidents, and include rates for lost-time injury frequency; lost-time injury severity; recordable injury frequency; and recordable licensed fleet motor vehicle incident frequency.

SaskPower's Health & Safety Index result of 93.2% was greater than our target of 89.0% for 2018-19. SaskPower's performance fell short of the individual 100% completion targets for all four leading indicators — 89.1% for safety objectives; 87.9% for health and safety training; 83.0% for safety audit corrective actions; and 85.7% for work observations. In contrast, our company did meet the individual rate targets for all four lagging indicators.

Two of the eight indicators — safety audits corrective/preventative actions completed and the recordable licensed fleet motor vehicle frequency rate — will be retired for 2019-20 and replaced with safety incidents corrective/preventative actions completed and an all-injury frequency rate, respectively. This change will increase the applicability of the indicators included in the index to a larger portion of SaskPower's staff.

on the initiatives that resulted from the Safety Improvement Program (SIP), which officially concluded last year. Of particular focus is the Hazard/Aspect & Risk Assessment (HARA), which is used to proactively identify safety hazards and environmental aspects; evaluate risk; and apply multiple controls to eliminate or reduce the risk to within defined risk tolerance levels. Feedback indicates significant acceptance and effectiveness of HARA. As well, corporate and divisional core safety requirements — safety absolutes — are part of conversations throughout business areas and safety moments are highlighted prior to every meeting of five people or more.

SaskPower subscribes to ISNetworld (ISN), an online contractor management database designed to meet record keeping and compliance requirements related to health and safety. Now fully implemented, ISN has been instrumental in identifying major safety challenges. Our company will continue to integrate ISN into our contractor management practices.

Our focus on safety also extends to our customers and the public. We continue to work with Prairie Agriculture Machinery Institute and other key external stakeholders to develop a roadmap outlining how SaskPower can move beyond awareness to action when it comes to preventing line contacts. Meanwhile, our public safety campaign continues to target farmers, construction workers and their loved ones. Safety messages were delivered last year through a provincial safety ambassador tour, traditional advertising and experiential marketing. Overall, 72% of our target audience had unaided recall of our safety messages, representing a 2% increase from the previous year.

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

CORPORATE PILLAR 3

EFFICIENCY, QUALITY & COST MANAGEMENT

Strategic priority
ENSURE OUR FINANCIAL HEALTH IN A TRANSITIONING INDUSTRY

CONTINUOUS IMPROVEMENT AND STRATEGIC COST REDUCTIONS

Pressures from growing demand and an aging electricity system have required significant capital investment in our infrastructure in order to maintain a reliable supply of power for our customers. To minimize the impact of increased capital expenditures on rates, SaskPower launched the Business Optimization Initiative in 2015.

This initiative focuses on a review of current processes and procedures to identify, prioritize and implement cost-effective changes or new initiatives that improve efficiency. Through restraint and optimization, SaskPower has achieved $155 million in operating, maintenance and administration (OM&A) budget reductions since 2015.

The Business Optimization Initiative continues to evolve. In 2018-19, SaskPower focused significant effort on pursuing three major initiatives: the Customer Delivery & Workforce Excellence Program (CD&WE); Strategic and Agile Supply Chain (SASC); and Project Lifecycle Optimization Initiative (PLOI).

CD&WE was established to implement fundamental changes in how our business operates and maintains its distribution system. Specific focus areas include: ensuring the most efficient use of resources through enhanced planning, scheduling and dispatching; streamlining key delivery processes and realigning field resources; and leveraging new grid modernization capabilities to improve all work streams.

Meanwhile, the SASC initiative was created with a focus on improving procurement and supply chain activities across SaskPower. In 2018-19, strategic sourcing and planning functions were developed with input from the internal SASC Advisory Committee as well as other key procurement clients.

Within the procurement and contracts management area there is now an increased focus on coaching, mentoring and staff training. As well, supplier development and Indigenous procurement areas of the company are using the Master Procurement Plan developed as part of the SASC initiative to focus on opportunities that expand and further develop local supplier competencies.

The third major Business Optimization Initiative — PLOI — has a goal of improving SaskPower's ability to deliver capital projects on time and on budget with quality and safety as guiding principles. Successful completion of PLOI is expected to result in improved cost management and better schedule performance: both essential components of effective capital spending.

In addition to these three major Business Optimization Initiatives, SaskPower continues to execute continuous improvement activities. This includes an ongoing review of how we carry out day-to-day work as well as identifying areas for efficiency gains. Two areas of emphasis will include workforce planning and capital spending. For SaskPower to remain successful, we must ensure a plan is in place to maintain agility in the face of a rapidly changing industry.

Meanwhile, over the next year, SaskPower will be transitioning out of its historic role as training provider for Powerline Technicians (PLTs). Our company currently trains an average of 200 people each year to obtain Red Seal journeyperson certification in the PLT trade. However, only 25% of program participants are SaskPower employees, with the remainder being contractor employees.

The Saskatchewan Apprenticeship & Trade Certification Commission will search for a new third-party provider that meets the industry's needs. SaskPower will benefit from this direction as

Corporate Balanced Scorecard performance measure

M7. RETURN ON EQUITY (%) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	7.6	7.2	9.5	8.5	8.5	8.5	8.5
Actual	6.2	7.9					

Return on equity (ROE) is a measure of income expressed as a percentage of average equity. Consistent with the rate of return common with other Canadian electrical utilities, our company's long-term target is 8.5%. SaskPower set a reduced ROE target of 7.2% to allow for our continued investment in infrastructure renewal and growth without the need for a rate increase in 2018-19.

For 2018-19, SaskPower achieved a ROE of 7.9%, exceeding the target of 7.2%. The positive result was due to increased Saskatchewan electricity sales and exports, as well as decreased depreciation expense compared to budget. Net income results are explained in further detail in the financial results section of the MD&A.

Corporate Balanced Scorecard performance measure

M8. PER CENT DEBT RATIO (%) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	74.6	75.0	73.6	72.2	71.2	70.3	60.0 - 75.0
Actual	74.9	74.1					

Per cent debt ratio provides a measure of debt expressed as a percentage of the total corporate financing structure. As we modernize and expand infrastructure, debt levels will increase in order to finance our capital program. SaskPower's long-term per cent debt ratio target is between 60.0 – 75.0%.

SaskPower's per cent debt ratio of 74.1% demonstrated performance better than our year-end target of 75.0%. Reductions in capital spending combined with improved revenue from increased Saskatchewan electricity sales and exports enabled our company to reduce the amount of borrowings required for the year. While currently just below the maximum of our long-term target range, our company's per cent debt ratio continues to improve year-over-year and is expected to continue this trend over the next five years.

it will let us focus on providing additional training beyond the PLT training program to employees throughout their careers to ensure they have the knowledge and skills to safely and effectively perform their jobs.

CROWN COLLABORATION

A key priority of the Government of Saskatchewan is an increased focus on Crown corporation collaboration. SaskPower participates in a number of subject matter expert Crown committees that meet regularly to discuss opportunities to save money and improve customer benefits.

The committees' work ultimately reduces the need to fully develop these skills within each Crown corporation or procure skills through external consultants.

In 2018-19, SaskPower delivered savings of approximately $19 million through this collaboration. Most of the savings came from three keystone activities: joint infrastructure installation; fibre sharing; and line locating.

During the year, a Crown engineering collaboration group was formed to share ideas regarding grounding expertise, induction, and cathodic protection. In addition to identifying savings opportunities, the group has also shared applicable engineering standards to reduce the cost and effort of developing them individually within each Crown corporation.

SaskPower also participates in Global Information Service Crown Collaboration with SaskEnergy, TransGas, SaskTel, SaskWater and CIC. The committee works with other Crown corporations to identify opportunities to share data and applications, which reduces the need to develop in-house solutions.

PROPERTIES

Our company's Provincial Properties Strategy continues to guide SaskPower's property management. Since the strategy was implemented in 2012, SaskPower has eliminated 47 facilities and identified a number of additional properties for disposal by 2030. Over $1.8 million in costs have been re-purposed for required maintenance activities.

Other key activities include:

- SaskPower plans to construct a Logistics Warehouse Complex (LWC) at the Global Transportation Hub in Regina. This will bring service and support operations in the area into one complex. The new LWC will replace existing SaskPower facilities that are at the end of their useful lives and would require a large investment to maintain. External consultants have been hired to complete master planning and detailed design on Phase 1 at an estimated cost of $7.3 million. Funding of construction for each phase will be approved as designs are completed.
- SaskPower's 55-year-old Head Office in Regina is being refurbished, with the total capital investment estimated at $124 million. The building is being renovated in stages to minimize the immediate cost and impact to our company's operations. The target for completion is 2023. The refurbishment will bring the building to a like-new condition with adherence to all current building codes and standards. Building upgrades and interior renovations will extend the building's useful life another 30 years. By applying office space utilization standards throughout the building, use and functionality will be optimized so that the facility will be able to accommodate approximately 870 staff.
- SaskPower has entered into a $4.5 million purchase agreement for an additional Regina office building that will allow for the consolidation of operations and ensure our company's presence in the downtown core of the city for many years to come. By purchasing this building, SaskPower will save an average of $1 million per year in operating costs compared to current leases. Renovations will be required to bring the building up to current code. About 400 employees will be relocated to this building from other Regina sites. Moves are expected to start in 2021.
- SaskPower is renovating its Technical Services & Research office building located at Powerhouse Drive in Regina. Refurbishments will optimize the functionality of the space and increase its capacity by approximately 25 workstations. The building was constructed in 1978 and only had ad hoc upgrades over the past years. This project will address several outstanding maintenance items, including: mechanical upgrades, foundation repairs and a roof replacement.

Corporate Balanced Scorecard performance measure [REVISED FOR 2019-20]

M9. OM&A/CUSTOMER ACCOUNT VS. SASKATCHEWAN CONSUMER PRICE INDEX (SKCPI) (% ANNUAL GROWTH) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	•	1.8	< SKCPI increase	< SKCPI increase	< SKCPI increase	< SKCPI increase	< SKCPI increase
Actual	•	3.1					

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

The OM&A/customer account vs. Saskatchewan Consumer Price Index (SKCPI) measure compares the annual growth of SaskPower's OM&A expenses per customer account against the annual growth of the SKCPI to illustrate how efficiently our OM&A is being managed.

SaskPower's average OM&A/customer account grew by 3.1% — from $1,276.50 at March 31, 2018, to $1,315.79 on March 31, 2019. This result exceeded the SKCPI growth of 1.8% over the same period. This increase in OM&A/customer account was driven by increased emergency maintenance required to repair damage incurred due to June's severe weather and December's icing and rime frost — formed when supercooled water droplets freeze onto surfaces.

Beginning in 2019-20, growth in OM&A/customer account will be measured based on a five-year average, rather than an annual basis, to normalize the year-to-year swings in OM&A related to the maintenance schedules for generation units. Overhauls vary significantly in cost and frequency — from every second year to every four years or based on hours of operation — depending on the specific generation unit.

PROCUREMENT

As one of Saskatchewan's largest companies, SaskPower contributes to the provincial economy in significant ways. This includes the procurement of goods and services from Saskatchewan suppliers; payment of salaries, wages and benefits to employees; purchase of coal and natural gas; and acquisition of electricity from Independent Power Producers (IPPs).

SaskPower also contributes coal royalties, water rental payments and provincial corporate capital tax which are paid directly to the provincial government. Throughout the year, 70% of the procurement that SaskPower conducted was awarded to Saskatchewan suppliers, with the exception of the E.B. Campbell Hydroelectric Station life extension project.

During the year, our company established a Major Procurements Group to manage complex, high-dollar value procurements and a Strategic Sourcing Group to pursue long-term enterprise contracts. Our company continues to emphasize best value procurement over lowest cost procurement while we integrate the provincial government's Priority Saskatchewan Procurement Transformation Action Plan. This ensures that we demonstrate the values of best practice procurement, honour our trade agreements, and provide opportunities for local suppliers.

Our company is committed to cultivating positive relationships with our suppliers through proactive engagement. This includes regular information sessions, networking forums and supplier development. In 2018-19, SaskPower hosted 12 supplier events, including a dedicated Indigenous forum. Company representatives also attended several industry association events in Saskatchewan to provide insight into our capital and maintenance plans.

RATES STRATEGY

SaskPower will not apply for a rate increase for 2019-20, marking the second consecutive fiscal year that SaskPower will not implement a rate adjustment. Our company is forecasting improved financial results that have eliminated the need for a 2019-20 rate increase, largely due to internal efficiency efforts as well as lower than forecasted natural gas prices. SaskPower will continue to pursue efficiencies to minimize the need for rate increases in the future.

Corporate Balanced Scorecard performance measure [REVISED FOR 2019-20]

M10. CAPITAL EARNED VALUE MANAGEMENT PORTFOLIO (%)
(COST PERFORMANCE INDEX/SCHEDULE PERFORMANCE INDEX) ●/●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	•	70/70	70/70	70/70	75/75	75/75	80/80
Actual	•	84/43					

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

The Capital Earned Value Management Portfolio measure is used to evaluate our company's ability to manage large capital projects within approved budgets and schedules. This measure is applied to Power Production and Transmission Services capital projects that have a minimum total approved spending of $5 million and an in-service date during or after the current fiscal year. For 2018-19, SaskPower had 37 projects which met these criteria — 23 Power Production projects and 14 Transmission Services projects.

The Cost Performance Index (CPI) identifies the percentage of projects for which SaskPower has been successful at managing costs so that actual expenditures are equal to or less than the budgeted cash flow for the project at a point in time. As of March 31, 2019, our CPI performance of 84% exceeded our target of 70%, as our company has been able to prudently manage spending on 31 of the 37 capital projects.

The Schedule Performance Index (SPI) measures how closely SaskPower is able to keep activities for a capital project on the approved schedule by measuring actual progress completed against the scheduled progress at a point in time. As of March 31, 2019, SaskPower's SPI result of 43% fell significantly short of our target of 70%. The results highlighted opportunities for improvements in contract management and scheduling of work. In addition, on projects where a delay will not negatively impact our customers or service reliability, SaskPower may take advantage of cost saving opportunities that could result in project schedule deferrals.

Corporate Balanced Scorecard performance measure

M11. INDIGENOUS PROCUREMENT[1] (%)

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	3.0	8.0	8.5	9.0	9.5	10.0	10.0
Actual	10.9	7.5					

1. Name change - formerly "Aboriginal Procurement" (methodology remains the same).

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

Of the purchase orders SaskPower issued to Saskatchewan vendors in 2018-19, Indigenous procurement accounted for 7.5%, or $49 million. This figure included services such as civil construction, vegetation management, wood pole remediation, and environmental monitoring.

Corporate Balanced Scorecard performance measure

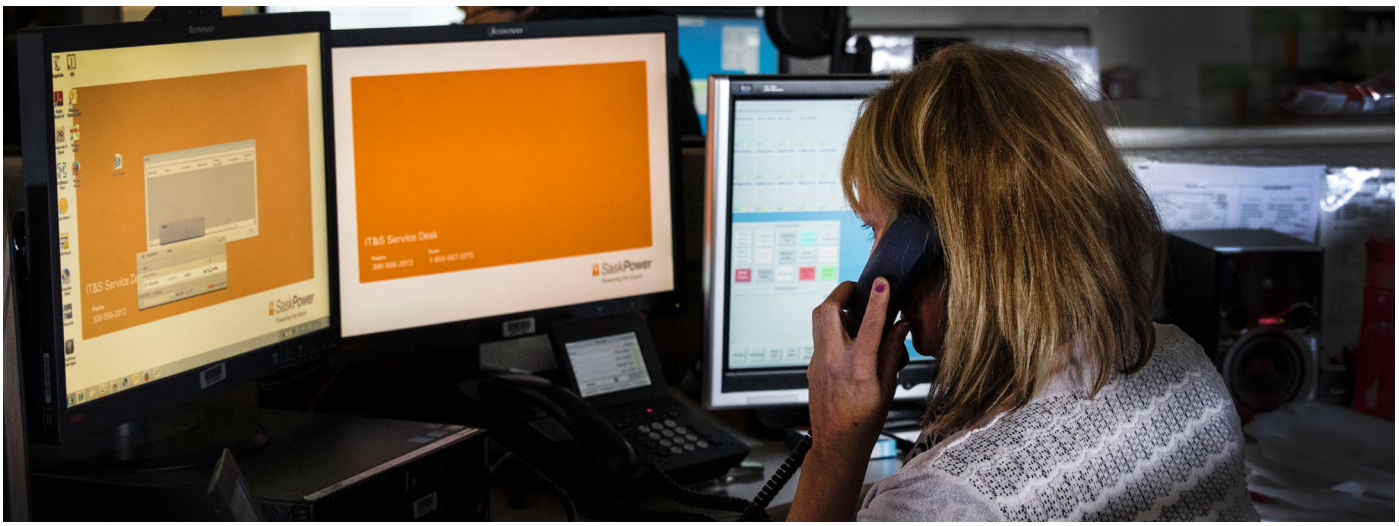
M12. COMPETITIVE RATES (THERMAL UTILITIES) (%)

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	≤100	≤100	≤100	≤100	≤100	≤100	≤100
Actual	105	101					

Our company has a target of ensuring SaskPower's system average rates are less than or equal to the system average rates for customers served by utilities primarily dependent on thermal generation (using coal, natural gas, nuclear or oil). On a yearly basis, using annual Hydro-Québec survey results, our company compares our rates against other thermal utilities within Canada.

As of the most recent survey date of April 1, 2018, SaskPower's system average rates improved to 101% of the system average rates for thermal utilities within Canada compared to 105% in 2017-18. SaskPower's rates varied greatly in comparison to those of the other eight thermal utilities within each of the seven customer classes summarized in Hydro-Québec's report — from 12% lower than average for the largest industrial customer class to 16% higher than average for the residential customer class.

To improve the competitiveness of our rates, SaskPower has foregone a request for a rate increase in 2019-20.



NEW GREENHOUSE GAS REGULATIONS, TECHNOLOGY, AND SOCIAL EXPECTATIONS ARE REQUIRING UTILITIES TO MODERNIZE THEIR SYSTEMS WITH CLEANER POWER OPTIONS, ADVANCED INFORMATION SYSTEMS, ENHANCED SECURITY, AND CLIMATE-RESILIENT ASSETS. WE WILL OPERATE A DIVERSE AND SUSTAINABLE GENERATION FLEET TO MEET OUR CUSTOMERS' NEEDS. WE WILL WELCOME COLLABORATION WITH CUSTOMERS AND COMMUNITIES ON ENERGY OPTIONS. WE WILL ALSO USE AUTOMATION TO IMPROVE RELIABILITY AND GRID SECURITY.

CORPORATE PILLAR 4

SUSTAINABLE INFRASTRUCTURE & RELIABILITY

Strategic priority
BUILD A CLEANER, RELIABLE, MODERNIZED ELECTRICITY SYSTEM

SYSTEM SUSTAINMENT

Across North America, utilities are facing the need to make significant investments in renewing existing infrastructure. In addition to ensuring the continued efficient use of existing generation assets, our company must improve grid availability and security to prepare for more renewable energy and distributed generation.

SaskPower's Asset Management Program monitors infrastructure condition and performance. Our company is constantly looking to advance our asset management capabilities to better coordinate maintenance as well as the replacement, refurbishment and retirement of assets. The goal is effective prioritization to ensure the most essential work is done first and cost-effectively.

GENERATION

Coal-fired units remain a significant contributor to SaskPower's overall electricity generation. In 2018-19, coal generation accounted for 40% of SaskPower's total electricity produced.

Federal regulations are forcing the elimination of conventional coal generation from our generation fleet by December 31, 2029. Our company will be required to either add carbon capture and storage technologies to existing units or retire conventional coal facilities and add lower-emission generation options.

As a result, SaskPower must remain conscious that investment in the sustainment of the coal fleet needs to reflect its importance to our near-term baseload power requirements while being mindful that some or all existing units may not be required in the longer term.

In 2018-19, SaskPower invested almost $58 million in coal-fired generating station refurbishments. During the year, Poplar River Power Station was subject to investments totalling $23 million. Upgrades to the electrostatic precipitator enhanced fly ash capture performance, while there was also construction of a new ash lagoon and the life extension of the polishing pond. Work also included refurbished sootblower air compressors to ensure boiler cleanliness; refurbishment of a coal pulverizer; upgrades to steam analytical equipment; and installation of an elevator to replace the person-lift.

At Boundary Dam Power Station, investments totalling $19 million included a life extension of the boiler economizer to replace severely eroded tubing on Unit #6; conversion to a dry ash system on the Unit #6 economizer to reduce water consumption; and the installation of evaporators in ash lagoons to manage water levels.

Meanwhile, Shand Power Station received $16 million in investments. Work included an upgrade to the water treatment plant; procurement of materials and services associated with the generator rewind; installation of an elevator to replace the person-lift; an upgrade to fire protection systems; refurbishment of two coal pulverizers; and design for the replacement generator stator.

With the introduction of environmental regulations and growing demand for low- or non-emitting electricity generation, effective maintenance of our hydroelectric generation fleet is crucial. In 2018-19, our company invested $43 million in our hydroelectric generation assets.

SaskPower is in the process of a lengthy $300 million life extension project for our 289-MW E. B. Campbell Hydroelectric Station on the Saskatchewan River near Nipawin. The project is expected to finish by 2025, and includes the replacement of turbines, generators, head gates, trash racks, step-up transformers and balance-of-plant equipment that will extend the life of the assets for 50 years.

A $45-million concrete rehabilitation project is underway at the Island Falls Hydroelectric Station, which is located on the Churchill River near the Saskatchewan-Manitoba border. Our company expects to complete the necessary work on the 111-MW facility by 2021. In addition to these two major projects, SaskPower also upgraded the fire protection systems at Island Falls, E.B. Campbell, and

Nipawin Hydroelectric Stations. In the far north, construction of a new bridge was completed at the Charlot River Hydroelectric Station and camp infrastructure work continued on the Athabasca Hydroelectric System.

In 2018-19, natural gas-fired generation accounted for 41% of electricity produced, surpassing coal for the first time. The presence of a strong natural gas-fired generation fleet will be critical in providing a potential baseload replacement for conventional coal generation while also providing the flexibility required to operate during peak demand periods in support of intermittent renewable generation. During the year, almost half of the $17 million of natural gas-fired generation sustainment capital spending was directed to continue the planned refurbishments of the Ermine Power Station, Yellowhead Power Station and Queen Elizabeth Power Station (QEPS) gas turbines. Our company also completed the turbine control system upgrade for QEPS 'C' plant gas turbines and continued work on the QEPS electrical distribution systems upgrade.

Corporate Balanced Scorecard performance measure [REVISED FOR 2019-20]

M13. EQUIVALENT AVAILABILITY FACTOR (%)

Twelve months ended	December 31 2017[1]	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	87.2	>85.0	>85.0	>85.0	>85.0	>85.0	>85.0
Actual	85.6	86.0					

1. Actuals and targets are reported on a calendar-year basis (transitioned to the fiscal year in 2018-19).

The Equivalent Availability Factor (EAF) is a measure which represents the percentage of time that a generating unit is capable of producing electricity. EAF is adjusted for any temporary reductions in generating capability due to equipment failures, maintenance or other causes. This measure is commonly used in the utility industry. Although higher percentages are better, targets are set giving consideration to prudent equipment maintenance requirements.

In 2018-19, SaskPower's EAF performance of 86.0% exceeded the annual minimum target of 85.0%. Availability from wind generation was slightly higher than expected at 98.0%. Hydroelectric generation units had availability of 94.1%, however this performance was slightly lower than expected due to issues with the turbine on Wellington Hydroelectric Station Unit #1 and difficulties with the wicket gate linkages on Island Falls Hydroelectric Station Unit #1. In addition, natural gas-fired generation units had higher than expected availability as there were fewer outages and derates at Queen Elizabeth Power Station.

This increased availability was partially offset by decreased availability from coal-fired generation units. Boundary Dam Power Station (BDPS) Unit #3 experienced a significant outage caused by severe weather. The unplanned outage began on June 14, 2018, and lasted for 84 days. As well, BDPS Unit #6 was shut down to perform an overhaul deferred from the 2017-18 schedule.

For 2019-20, SaskPower's EAF measure will begin to exclude events outside of management's control (OMC), such as severe weather beyond that which our infrastructure was built to withstand. This change follows standards from the Institute of Electrical and Electronics Engineers (IEEE) as well as guidance from the North American Electric Reliability Corporation (NERC). The June 14, 2018, outage at BDPS Unit #3 would have qualified as an event OMC. Had it been excluded from the year's calculation, SaskPower's EAF for 2018-19 would have been 86.6%.

Corporate Balanced Scorecard performance measure

M14. SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) (DISTRIBUTION) (HOURS) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	5.7	5.5	5.9	5.9	5.9	5.8	4.7
Actual	6.9	7.0					

The distribution SAIDI allows us to track our performance restoring service in response to outages. It is a measure of the service interruption length in hours that an average customer experiences in one year. The SAIDI is influenced by a number of factors, including adverse weather; equipment condition; line contacts; extent of outage; travel time to the trouble point; line staff availability, familiarity with facilities and level of experience.

In 2018-19, SaskPower's distribution SAIDI performance of 7.0 hours did not meet the target of 5.5 hours. This was largely due to adverse weather experienced throughout the year. In June, a suspected plough wind went through the Coronach area and damaged sections of the 25-kilovolt distribution line that provides power to the coal mine used by the Poplar River Power Station. Days later, heavy rains combined with winds up to 150 kilometres per hour and large hail caused damage to distribution structures in southeast Saskatchewan. Overall, June was a very busy storm period that contributed 1.0 hour for this month alone. In December, the formation of rime frost and ice on distribution lines throughout the province caused several outages and contributed 0.6 hours.

Significant improvements in service levels will continue to be dependent upon long-term increases in capital investment and enhanced maintenance activities.

Corporate Balanced Scorecard performance measure

M14. SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI) (DISTRIBUTION) (OUTAGES) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	2.4	2.4	2.4	2.4	2.4	2.3	2.0
Actual	2.4	2.5					

The distribution SAIFI represents the number of outages that an average customer experiences in one year. Both controllable and uncontrollable interruptions are taken into account. Outages with controllable elements include infrastructure failures, tree contacts, scheduled outages and loss of supply. Uncontrollable factors include lightning and other adverse weather conditions.

During the year, SaskPower's SAIFI performance of 2.5 outages slightly exceeded the target of 2.4 outages. Consistent with the driving factor behind outage duration for 2018-19, weather-related events were the largest single outage cause (25%). Other significant outage causes include planned outages (21%), foreign interference (20%), and defective equipment (12%).

Corporate Balanced Scorecard performance measure [REVISED FOR 2019-20]

M15. SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) (TRANSMISSION) (MINUTES) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20[1]	March 31 2020-21[1]	March 31 2021-22[1]	March 31 2022-23[1]	Long-term[1]
Target	195	170	140	140	140	135	110
Actual	227	464					

1. SaskPower has adopted the IEEE Beta Method to identify Major Event Days for exclusion from annual results beginning in 2019-20.

The transmission SAIDI allows us to track our performance in restoring service in response to forced outages specifically related to our transmission assets. It is a measure of the average total interruption length in minutes experienced at a bulk electric service delivery point in one year. The transmission SAIDI is influenced by a number of factors, including adverse weather, industrial contamination, fires and equipment failure.

In 2018-19, SaskPower's transmission SAIDI performance of 464 minutes more than doubled the target outage duration of 170 minutes. Heavy rime frost in December, which downed multiple lines and tripped all three of our coal-fired generating stations, was responsible for 164 minutes — nearly the target for the entire year. Meanwhile, storms in June and July contributed a combined 133 minutes of the total outage duration for bulk electric service delivery points.

For 2019-20, SaskPower's transmission SAIDI and SAIFI measures will begin to exclude Major Event Days (MEDs) identified through the use of the IEEE Beta Method. IEEE defines a major event as "an event that exceeds reasonable design and/or operational limits of the electric power system." Had SaskPower removed MEDs for 2018-19, our company's transmission SAIDI result would have been 185 minutes.

Corporate Balanced Scorecard performance measure [REVISED FOR 2019-20]

M15. SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI) (TRANSMISSION) (OUTAGES) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20[1]	March 31 2020-21[1]	March 31 2021-22[1]	March 31 2022-23[1]	Long-term[1]
Target	2.4	3.0	3.1	3.1	3.1	3.0	2.8
Actual	3.0	5.0					

1. SaskPower has adopted the IEEE Beta Method to identify Major Event Days for exclusion from annual results beginning in 2019-20.

The transmission SAIFI represents the average number of forced interruptions experienced at a bulk electric service delivery point in one year. Forced interruptions, which can be either momentary or sustained, include outages due to weather conditions, defective equipment, and system conditions such as overload.

In 2018-19, SaskPower's SAIFI for transmission marked a final result of 5.0 outages, exceeding the target of 3.0 outages. Similar to transmission SAIDI, the primary cause was adverse weather. The widespread outage caused by rime frost and icing on December 4, 2018, triggered 292 transmission line outages, which lasted between a few minutes and up to 36 hours. An additional 78 outages were recorded the following day. Adverse weather accounted for 61% of the total outages, followed by adverse environment (11%), defective equipment (7%), and system configuration (5%).

Had SaskPower removed MEDs for 2018-19, our company's transmission SAIFI result would have been 3.5 outages.

TRANSMISSION AND DISTRIBUTION

When it comes to maintaining Saskatchewan's electricity grid, SaskPower is using Lifecycle Asset Management Plans (LCAMP) to ensure that sustainment of transmission and distribution assets is completed as efficiently as possible. LCAMPs have been developed for asset classes that include wood poles, underground primary cable, and many other types of infrastructure.

After determining the in-service inventory of an asset class, life expectancies and estimated replacement value are calculated, as is an estimated replacement value. Due to the age of some assets, in many cases asset health and condition information is very limited. SaskPower uses these LCAMPs to identify risks and develop current and future strategies to ensure that limited sustainment investment is prioritized and the most essential and cost effective work is done first.

Our company's Distribution Wood Pole Remediation Program involves the inspection, life extension, reinforcement and replacement of aging distribution wood asset infrastructure, including poles and cross-arms. In 2018-19, SaskPower invested $16 million in the program, inspecting almost 110,000 of the grid's more than one million distribution poles.

With the most likely expected life of wood poles being 60 years, significant sections of our wood pole infrastructure are currently beyond their expected lives. Approximately 37% of the original wood pole infrastructure installed during the rural electrification of Saskatchewan in the 1950s and 1960s is still in service.

During the year, significant progress was made on SaskPower's LED Streetlight Conversion Program, which will replace almost 100,000 high-pressure sodium vapour bulbs with energy-efficient LED lighting over approximately 10 years. The new bulbs will require less maintenance because the LEDs are expected to last much longer, reducing costs and freeing up crews to focus on other aspects of maintenance. To-date, 8,165 LEDs had been installed with an estimated life cycle cost savings of $4.9 million.

Our company also continues to make major investments in the sustainment of our transmission system. The goal of the Transmission Wood Line Remediation Program is to assess the condition of the transmission wood fleet, and treat or replace poles as needed. The investment in this program was $19 million in 2018-19. Approximately 9,000 poles were tested and treated, while over 1,500 were replaced.

The Lattice Steel Remediation Program continued during the year at a cost of $6.6 million. It addresses critical components on SaskPower's 2,628 transmission lattice steel structures. This includes the replacement of foundations, above-grade and below-grade steel members, and the installation of anodes for primary corrosion protection.

Finally, the Transmission Reliability Improvements Program is designed to improve the worst performing transmission lines. In addition to improved reliability, the program also increases the safety of our operations, lowers outage-related costs and increases the lifespan of assets. A transmission reliability study was used to gather information that will guide future replacements. In 2018-19, $7.3 million was invested to address lines in most need of attention.

GRID MODERNIZATION

Grid modernization continues to be a key focus for our company as we strive to provide improved reliability and enable enhanced customer access to information and participation in the grid. In 2018-19, three initiatives were conducted to improve the visibility and management of the grid.

Advanced Metering Infrastructure (AMI) is a key component of grid modernization, as AMI meters provide visibility that supports accurate billing while informing SaskPower of customer outages and power quality issues. During the year, a second Commercial & Industrial (C&I) pilot project successfully deployed approximately 7,500 meters to 532 customers who are now utilizing actual monthly reads for billing. This pilot allowed SaskPower to test meter deployment processes and management. The higher volume of meters validated that the end-to-end AMI system is functioning correctly, accurately and safely.

SaskPower is pursuing a measured approach to AMI meter deployment, with activities prioritized by value and risk. In 2019-20, the next phase will deploy 20,000 C&I meters. Moving forward, all new C&I customer connections and annual meter exchanges will see AMI meters installed as part of normal operations.

Residential deployment for smart meters is expected to begin in the next two to three years and will follow an approach similar to the phased C&I pilots. Wider installation will only begin after robust meter testing, field trials, and tightly controlled customer pilots have been completed.

Meanwhile, the substation automation initiative is continuing to deploy smart switches and metering on distribution facilities as they leave the substation. These switches provide dynamic visibility and control at the start of the grid, supplementing future AMI visibility at the end of the grid. In 2018-19, 29 substations were retrofitted with smart switches, metering and communications. Over the next two years, the remaining 100 substations will be upgraded.

The first phase of the Advanced Distribution Management System (ADMS) initiative, providing control centre visibility of outages and system performance, will go live in the upcoming year. This initiative will leverage AMI, substation automation, and call centre capabilities to eventually provide the location of outages and direct field workers to undertake repairs. Outage durations will decrease as the time required to locate an outage is expected to decrease.

The addition of more intermittent customer-owned generation — such as wind and solar power — will require additional grid management capabilities. Future phases of the ADMS will facilitate the management of distributed generation, storage, and customer load. The ability to see what is happening across the electrical system in real time will be essential to maintaining grid reliability in this operating environment.

SYSTEM GROWTH

In 2018-19, SaskPower's peak demand reached 3,723 MW. This marked the first year since 2010 that SaskPower did not surpass the previous system peak record. However, year-over-year electricity sales still increased, as they have every year since 2009.

Growing demand presents a further challenge for SaskPower. In addition to refurbishing and replacing existing aging assets, our company must ensure that a sufficient supply of electricity is available when customers need it. Localized growth can also pressure the capacity of certain sections of the grid, requiring an investment in additional load capacity.

Further complicating our challenge is the construction of major generation or transmission components, which requires considerable lead time for planning and construction. To deal with a long lead time, SaskPower must rely on forecasts to determine the most appropriate course of action.

Our supply planning group creates short- and long-term supply plans to help guide decision-making and ensure that we make the right investments at the right time. The long-term plan has the necessary flexibility to adjust for changes to inputs such as the load forecast, fuel forecast, construction costs, and emissions regulations.

In 2018-19, SaskPower continued work on the new Chinook Power Station. The 350-MW combined-cycle natural gas generation station near Swift Current suffered a setback in January after a fire broke out in an electrical building and adjacent cable tray. The electrical building structure was not damaged but the interior equipment must be rebuilt and replaced.

As a result, some commissioning and start-up work has been delayed. Prior to the fire, the Chinook Power Station was trending to be completed months ahead of schedule. The revised in-service date is now late fall 2019. The project budget will not be affected as all damaged equipment is covered through insurance.

Meanwhile, additional renewable generating capacity was added to the grid through a PPA with the new Western Lily Wind Energy Facility, located near Grenfell. The 20-MW project began supplying energy to SaskPower in January 2019.

In 2018-19, Potentia Renewables Inc. was announced as the successful proponent for our latest utility-scale wind power project. Potentia's 200-MW Golden South Wind Energy Facility will be located near Assiniboia and produce enough renewable electricity to power approximately 90,000 homes.

During the year, SaskPower also announced that Saturn Power Inc. was chosen as the successful proponent to build Saskatchewan's first utility-scale solar power project. The 10-MW Highfield Solar Project will be located in the RM of Coulee, southeast of Swift Current.

SaskPower has also signed a new term sheet with Manitoba Hydro that lays the groundwork for the purchase of additional renewable hydroelectricity. A PPA would see SaskPower buy 190 MW of

Corporate Balanced Scorecard performance measure

M16. RENEWABLE GENERATION PORTFOLIO (%) ●

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	26.0	26.0	24.0	26.0	32.0	37.0	40.0
Actual	25.3	25.6					

This measure provides renewable generation capacity as a percentage of SaskPower's total installed generation capacity (including IPP-contracted capacity). The renewable generation portfolio refers to non-natural gas and non-coal generation, and includes hydro, wind, solar, biomass, waste heat recovery, flare gas and other green options. It also includes long-term firm capacity agreements for imports generated from renewable fuel sources.

As of March 31, 2019, SaskPower's total renewable generation capacity was 1,162 MW, or 25.6% of our company's total available generating capacity. The increase of 0.3% from 2017-18 is largely due to the commissioning of the Western Lily Wind Energy Facility, which will produce up to 20 MW of wind energy. The increase also reflects 3 MW added by a number of small power producers, predominantly through solar power.

As part of SaskPower's plan to add renewable generation, our company must also secure lower-emitting, reliable baseload generation to backup these intermittent sources of electricity. Although there will be an initial decrease to SaskPower's renewable generation portfolio result when Chinook Power Station comes online in 2019-20, the plant will support increased intermittent renewable sources while we transition away from conventional coal-fired generation over the coming decade.

capacity from Manitoba Hydro with an option to purchase an additional 25 MW. The contract is expected to be finalized by mid-2019. The agreement would take effect in 2022 and last for up to 30 years. SaskPower has signed two other agreements with Manitoba Hydro: a 25-MW agreement that started in 2015 and runs until 2022, and a 20-year agreement for 100 MW that was signed in 2016 and comes into effect in 2020.

SaskPower's transmission and distribution grid is also expanding to accommodate growth. In 2018-19, our company invested $94 million in the Pasqua to Swift Current Transmission Line. It is a double circuit 230-kV/138-kV line that is being constructed from the Pasqua Switching Station near Moose Jaw to the Swift Current Switching Station. Budgeted at $231 million, the project will help deliver electricity to customers from the new Chinook Power Station and includes extensive upgrades at both the Pasqua and Swift Current Switching Stations.

The $30-million B4P and PA4 138-kV transmission lines rebuild project was also underway in 2018-19. This work is required to improve system performance; support higher load serving capacity; and improve reliability in the Prince Albert and Timber Cove areas.

ENVIRONMENTAL STEWARDSHIP

As SaskPower is expanding renewable generation capacity and the supporting transmission and distribution infrastructure, environmental considerations are being given a high priority. For example, our company is contributing to two initiatives to further the knowledge of bird and bat populations and their movement within the province.

SaskPower is supporting the Bird Studies Canada Breeding Bird Atlas; a multi-year volunteer initiative to survey nesting bird data in all regions of the province. So far, 344 participants have logged 127,000 records and found 263 species in the province.

Compared to birds, there is very little data on migratory bat populations in Saskatchewan. This reduces the ability to predict high quality habitat or migratory pathways when planning wind energy projects. To bridge the gap, SaskPower is supporting multi-year migratory bat research led by the University of Regina. Having completed two seasons of bat surveys in southern Saskatchewan, the results are revealing trends that may be a consideration during future wind energy site selection.

SaskPower operates and maintains thousands of kilometres of transmission and distribution lines in northern Saskatchewan and strives to reduce impacts to species at risk while maintaining safe and reliable power to the businesses and people of the region. Over the past six years, SaskPower has been supporting woodland caribou research in the province. The collaborative effort with academic, government and industry partners aims to better understand caribou populations in the province and possible adaptive management measures when working in populated areas. Measures may include work timing restrictions, modified work practices and habitat enhancement.

POLYCHLORINATED BIPHENYLS (PCBs)

PCBs are a toxic substance found in the oil used in many of SaskPower's pole top and ground transformers. PCBs were used in oil until the 1980s to help cool equipment.

Initiated in 2014, SaskPower's PCB Action Plan has removed nearly 1.5 million litres of PCB-contaminated oil from our large equipment and replaced it with PCB-free oil. Over 53,000 pieces of equipment initially identified as potentially containing PCBs have now been confirmed as PCB-free, removed from service, or had their PCB-contaminated oil removed.

FLY ASH

Created during the coal combustion process, fly ash is a fine powder by-product which is extracted and collected prior to exhaust gases entering the atmosphere. Fly ash is sold for use in ready-mix concrete, mine backfill, oil well cementing, road base stabilization and liquid waste stabilization applications. SaskPower has been selling fly ash since the late 1960s.

Each tonne of fly ash captured and sold that replaces cement powder in the production of concrete prevents roughly one tonne of CO_2 from entering the atmosphere. During the year, our company sold approximately 178,200 tonnes of fly ash captured at the Boundary Dam and Shand Power Stations.

In 2018-19, SaskPower and Lehigh Hanson Materials Limited signed an agreement to market fly ash from Shand Power Station, increasing the amount of fly ash sold from 7% to 53% of what the plant produces. This expands on an existing 10-year agreement signed in 2012 to market Boundary Dam Power Station fly ash.

SASKPOWER SHAND GREENHOUSE

Since 1991, the SaskPower Shand Greenhouse has been using waste heat from the nearby Shand Power Station to grow millions of tree, shrub and native plant seedlings. In turn, these trees are provided to the community for use in land reclamation and other environmental planting projects.

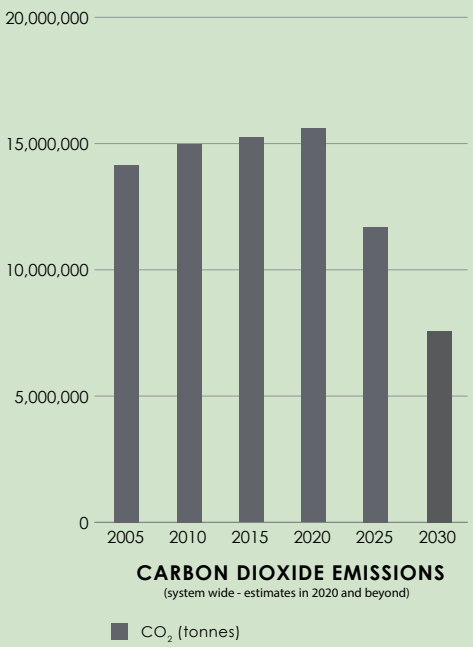
During the year, the SaskPower Shand Greenhouse distributed over 473,000 seedlings throughout Saskatchewan. Since the greenhouse opened, we have distributed almost 12 million seedlings. Interest in this program remains high — our company received over 1,500 tree applications in 2018.

Beyond growing seedlings, SaskPower Shand Greenhouse staff help to educate future consumers about the impacts of their energy choices. In 2018-19, support was provided to eight school projects and two Scouts group projects, while school tours of the greenhouse were provided to approximately 160 students.

CARBON CAPTURE & STORAGE (CCS)

Federal emissions regulations will eliminate SaskPower's long-serving primary baseload source of electricity: conventional coal-fired generation. With the federal government regulating the complete phase-out of conventional coal-fired generation by 2030, lost generation capacity will have to be replaced by either a different source of baseload electricity or coal-fired generation fitted with carbon capture and storage technology.

In June 2018, a severe storm in southeast Saskatchewan that damaged Boundary Dam Power Station Unit #3 caused CCS facility operations to be unable to run until September, which negatively impacted the annual capture rate. Despite this setback, the CCS facility captured a total of 625,996 tonnes — an increase of 23% compared to the previous year.



SaskPower continues to advance our company's vision of a cleaner energy future by implementing a renewed supply plan that will reduce greenhouse gas (GHG) emissions by 40% from 2005 levels by 2030. SaskPower's commitment to reducing emissions exceeds the current federal emission reduction target of 30% from 2005 levels by 2030. Over the next decade, SaskPower will see its emissions profile rise slightly until 2020, after which it drops dramatically. This reflects the addition of natural gas-fired generation to support the further integration of renewables, followed by the retirement of conventional coal facilities and addition of low- or non-emitting generation sources that include wind, solar, hydro and efficient natural gas generation.

Our strategy to reduce GHGs is a key factor in enabling the development of an Equivalency Agreement (EA) between the Government of Canada and Government of Saskatchewan. An EA will provide important short-term flexibility in the operation of SaskPower's existing conventional coal facilities while our company makes significant investments and transitions to the most cost-effective mix of new and low-emitting generation sources.

SaskPower will face challenges in reducing GHG emissions as demand for power in Saskatchewan continues to increase. This will require us to increase the amount of electricity supplied while lowering emissions at the same time. Looking forward, SaskPower will see our company's GHG emissions decline dramatically by 2030. This will make SaskPower an increasingly attractive source of clean power for new and existing customers and ensure our company meets or exceeds future regulatory restrictions on GHG emissions.

Corporate Balanced Scorecard performance measure [NEW FOR 2019-20]

M17. CO_2 EMISSIONS (% CHANGE FROM 2005 LEVELS)

Twelve months ended	March 31 2017-18	March 31 2018-19	March 31 2019-20	March 31 2020-21	March 31 2021-22	March 31 2022-23	Long-term
Target	•	•	12.0	11.0	11.0	-1.0	-40.0
Actual	•	•					

The objective of the CO_2 emissions metric is to show SaskPower's commitment and progression to reducing our company's CO_2 emissions to 40% below 2005 levels by 2030. The metric measures CO_2 emissions from all electricity generated by our company or supplied to the grid. This includes electricity from SaskPower-owned generation, IPPs and out-of-province imports. Targets and results are expressed as the percentage difference from 2005 CO_2 emission levels and are based on the calendar year.

SaskPower continues to evaluate the option to implement CCS technology to extend the lives of the remaining coal units in our company's generation fleet. Federal regulations have eliminated conventional coal as a generation option beyond December 31, 2029. For units commissioned prior to 1975, specifically Boundary Dam Power Station Units #4 and #5, the end-of-life status is reached on the earliest of December 31 of its 50th year of operation or December 31, 2019.

For units commissioned between and including 1975 and 1985, the end-of-life status is reached at the earliest of the 50th year of service or December 31, 2029. This regulation will impact Boundary Dam Power Station Unit #6, and Poplar River Power Station. In all other cases, Environment and Climate Change Canada has pledged to move up the end-of-life of all coal units to the end of 2029. This last regulation impacts Shand Power Station, whose original end-of-life was scheduled for 2042.

The federal guidelines represent the latest date that a utility can run conventional coal units. However, SaskPower will continue to evaluate our company's options to ensure that decisions on coal units are both in compliance with federal regulations while also minimizing the impact on electricity rates. Other factors, such as overhauls, load forecasts, and carbon tax will be considered in the decision-making process regarding our coal units.

After careful evaluation, SaskPower has made the decision to not retrofit Boundary Dam Power Station Units #4 and #5 with CCS technology. The closure dates of these units cannot be finalized until an Equivalency Agreement (EA) between the Saskatchewan Ministry of Environment and Environment and Climate Change Canada is confirmed. Without the EA, the units will be required to shut down at the end of 2019. With an EA, SaskPower can choose to operate these units beyond the end of 2019.

TECHNOLOGY AND SECURITY

At SaskPower, technology is at the centre of efforts to build the power system of the future and create efficiencies across our company. At the same time, technology helps us provide customers with multiple platforms to pay their bills, report outages, communicate with our company and stay informed.

During 2018-19, our company's website underwent upgrades to enhance communication with customers. Behind the scenes, we moved our website from legacy technology to a robust enterprise web content management system, increasing reliability and security. An important feature of the revamped website is an outage map. This tool provides customers with district-level views of planned and unplanned outages in the province. The outage map provides a clear picture of what areas are affected, and an estimated time for power restoration is included.

Meanwhile, several enhancements have been made to increase the availability of online accounts as well as provide interval consumption and consolidated billing information to customers. These new features help support our company's eventual smart meter roll-out and increase transparency while providing billing and consumption in one digital online account view.

Internally, technologies continue to help SaskPower streamline work processes. Continued improvements have been made to the Gas and Electrical Inspection System to maximize its reporting capabilities and operating efficiencies. Gas and electrical inspectors can now also use mobile technology that will make the system more efficient and responsive and eventually lead to paperless inspections.

In 2018-19, SaskPower completed a major data centre migration project. It involved moving our infrastructure from a SaskPower-owned facility to a co-located facility within a SaskTel data centre. This initiative resulted in improved backup power and cooling capabilities and provided an opportunity to refresh old infrastructure, allowed for a redesigned data centre network with enhanced security.

SECURITY

SaskPower is committed to the safety and security of all its staff and the effective protection of Saskatchewan's most critical electrical infrastructure. Our company's efforts to bolster our existing robust security program focuses on people, processes and technologies.

During 2018-19, an employee security awareness campaign was developed that included an aggressive phishing testing campaign. Our company continues to monitor and quantify threats and vulnerabilities, enabling the effective implementation of mitigation strategies. Dedicated structural assessments have been conducted and penetration testing resources have been implemented to improve SaskPower's cyber resiliency.

SaskPower also continues to participate in the North American Electric Reliability Corporation Critical Infrastructure Program. Our company is working to ensure that we are maintaining our commitment to contribute to a secure and stable North American bulk electric system.

2018-19
FINANCIAL RESULTS

(in millions)	**2018-19**	2017-18	Change
Revenue			
Saskatchewan electricity sales	**$ 2,583**	$ 2,480	$ 103
Exports	**30**	10	20
Net sales (costs) from electricity trading	**-**	(3)	3
Share of profit from equity accounted investees	**3**	2	1
Other revenue	**109**	97	12
Total revenue	**2,725**	2,586	139
Expense			
Fuel and purchased power	**710**	660	50
Operating, maintenance and administration	**708**	680	28
Depreciation and amortization	**553**	543	10
Finance charges	**416**	417	(1)
Taxes	**74**	72	2
Other expenses	**67**	68	(1)
Total expense	**2,528**	2,440	88
Net income	**$ 197**	$ 146	$ 51
Return on equity[1]	**7.9%**	6.2%	1.7%

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

Explanation of change *(in millions)*	**Increase (decrease)**
Net income for the year ending March 31, 2018	**$ 146**
Increase in Saskatchewan electricity sales as a result of increased demand and rate increase	**103**
Increase in exports and electricity trading	**23**
Higher customer contributions and other revenue	**12**
Increased profit from equity investment in MRM Cogeneration Station	**1**
Fuel and purchased power costs up due to higher fuel prices and increased demand	**(50)**
Higher operating costs as a result of increased outage repairs and corrective maintenance	**(28)**
Depreciation and amortization expense increased as a result of SaskPower's capital program	**(10)**
Net income for the year ending March 31, 2019	**$ 197**

HIGHLIGHTS AND SUMMARY OF RESULTS

SaskPower reported consolidated net income of $197 million in 2018-19 compared to $146 million in 2017-18. The $51 million increase was primarily due to increased Saskatchewan electricity sales. The return on equity was 7.9%, up nearly two percentage points from the previous period.

Total revenue was $2,725 million, up $139 million from 2017-18. The improvement in revenue was attributable to a $103 million increase in Saskatchewan electricity sales due to higher sales volumes and a system-wide average rate increase of 3.5% effective March 1, 2018. Electricity sales volumes to Saskatchewan customers were 23,559 gigawatt hours (GWh), up 277 GWh or 1.2% compared to the prior year. Other revenue increased $12 million as a result of higher customer contributions. In addition, export sales and net profits from electricity trading increased $23 million as a result of opportunities to sell into Alberta at higher prices. SaskPower also earned an additional $1 million from its share of profit from its investment in the MRM Cogeneration Station.

Total expense was $2,528 million, up $88 million from 2017-18. This is mainly attributable to a $50 million increase in fuel and purchased power costs as a result of higher import and coal costs; increased generation volumes required to sustain additional demand; and lower cost fuel sources being replaced with natural gas. Operating, maintenance and administration (OM&A) expense increased $28 million due to additional maintenance activity at our generation, transmission and distribution facilities. Capital-related expenses —depreciation, finance charges, taxes and other expenses — increased $10 million in 2018-19 as a result of SaskPower's capital program. Depreciation expense was up $10 million as a result of significant investments in the Corporation's property, plant and equipment. Taxes also increased $2 million due to the introduction of grants-in-lieu of property taxes. These increases were offset by a $1 million decrease in finance charges compared to 2017-18 due to additional interest capitalized and debt retirement fund earnings. Other expenses also decreased $1 million as a result of lower environmental expenditures.

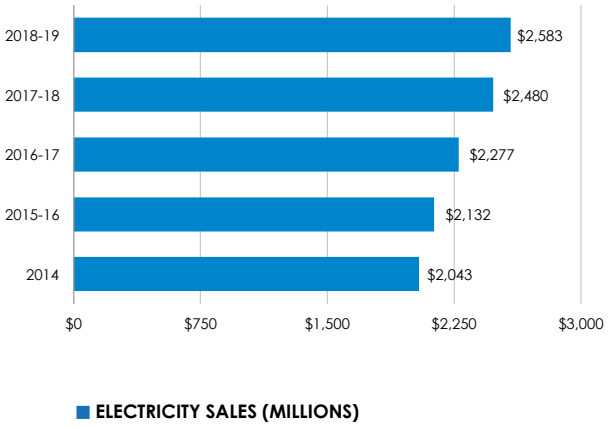
REVENUE

Saskatchewan electricity sales

(in millions)	2018-19	2017-18	Change
Saskatchewan electricity sales	**$ 2,583**	$ 2,480	$ 103

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.

Saskatchewan electricity sales were $2,583 million in 2018-19, up $103 million from 2017-18. The increase was due to a system-wide average rate increase of 3.5% effective March 1, 2018, as well as higher sales volumes. Electricity sales volumes to Saskatchewan customers were 23,559 GWh, up 277 GWh or 1.2% compared to the prior year. The increase in sales volumes is primarily attributed to growth in all customer classes except reseller and commercial.

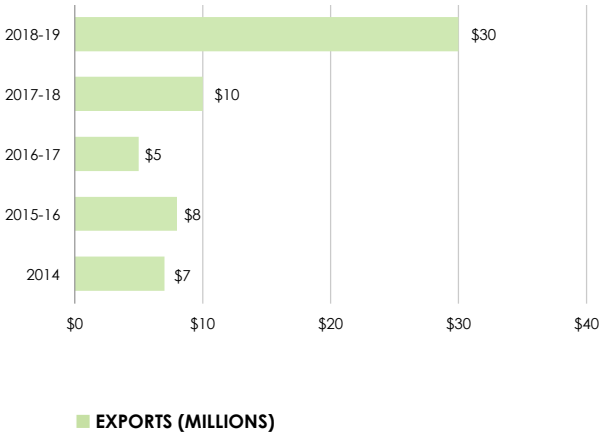


Exports

(in millions)	2018-19	2017-18	Change
Exports	**$ 30**	$ 10	$ 20

Exports represent the sale of SaskPower's available generation to other regions in Canada and the United States. The bulk of our exports are traditionally made to the neighbouring Alberta, Southwest Power Pool and Midcontinent Independent System Operator markets. Export pricing is not subject to the rate review process but is determined based on market conditions in other jurisdictions. Export sales volumes are dependent on the availability of SaskPower generation, market conditions in other jurisdictions, and transmission availability.

Exports were $30 million in 2018-19, up $20 million from 2017-18. Exports were up due to increased opportunities to sell into Alberta at higher prices. The average export sales price increased $38 from $33/megawatt hour (MWh) in 2017-18 to $71/MWh in 2018-19. Export sales volumes were 422 GWh, up 118 GWh from the volumes sold in 2017-18.



Net sales (costs) from electricity trading

(in millions)	2018-19	2017-18	Change
Electricity trading revenue	$ 12	$ 3	$ 9
Electricity trading costs	(12)	(6)	(6)
Net sales (costs) from electricity trading	$ -	$ (3)	$ 3

Electricity trading activities, performed by SaskPower's subsidiary NorthPoint Energy Solutions Inc., include the purchase and resale of electricity and other derivatives in regions outside Saskatchewan. The trading activities include real-time as well as short- to long-term physical and financial trades in the North American market. The trading activities are intended to deliver positive gross margins to SaskPower's bottom line while operating within an acceptable level of risk.

Improved trading opportunities in Alberta at higher prices provided for the increased electricity trading revenues. However, net trading profits continue to be negatively impacted by the fixed transmission position the Corporation has in British Columbia.

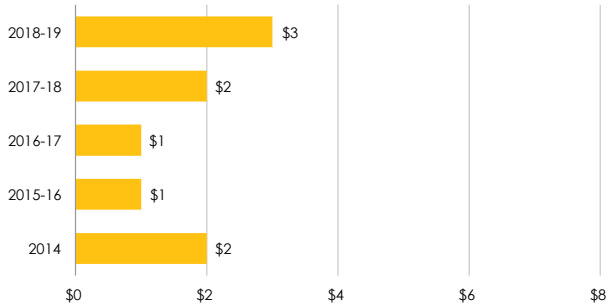
NET SALES (COSTS) FROM ELECTRICITY TRADING (MILLIONS)

Share of profit from equity accounted investees

(in millions)	2018-19	2017-18	Change
Share of profit from equity accounted investees	$ 3	$ 2	$ 1

SaskPower accounts for its 30% ownership in the MRM Cogeneration Station (MRM) using the equity method. MRM is a 172-MW natural gas-fired cogeneration facility located at the Athabasca Oil Sands Project's Muskeg River Mine, north of Fort McMurray, Alberta. The electricity generated by the facility is used by the mine, with excess energy delivered to the Alberta power grid.

SaskPower's share of profit from its investment in MRM was $3 million in 2018-19, up $1 million from the prior year.



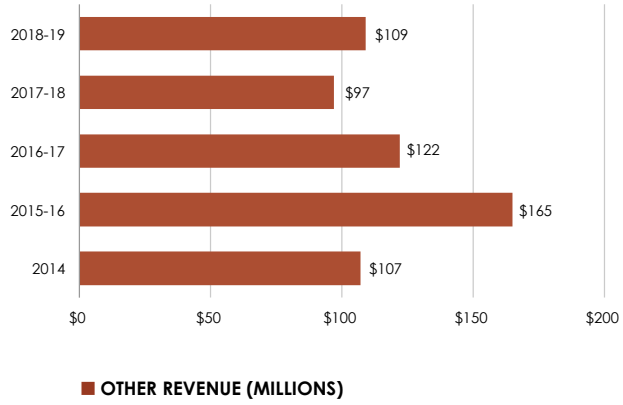
SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTEES (MILLIONS)

Other revenue

(in millions)	**2018-19**	2017-18	Change
Customer contributions	**$ 53**	$ 44	$ 9
Gas and electrical inspections	**17**	17	-
CO_2 sales	**8**	9	(1)
Fly ash sales	**7**	7	-
Joint use charge	**5**	4	1
Custom work	**5**	5	-
Miscellaneous revenue	**14**	11	3
Other revenue	**$ 109**	$ 97	$ 12

Other revenue includes various non-electricity products and services. Other revenue increased $12 million to $109 million in 2018-19. The increase was mainly attributable to higher revenue from customer contributions.

Customer contributions are funds received from certain customers towards the cost of service extensions. These contributions are recognized immediately in profit or loss as other revenue when the related property, plant and equipment is available for its intended use and the Corporation's performance obligations are complete.



EXPENSE

Fuel and purchased power

(in millions)	2018-19	2017-18	Change
Fuel and purchased power	**$ 710**	$ 660	$ 50

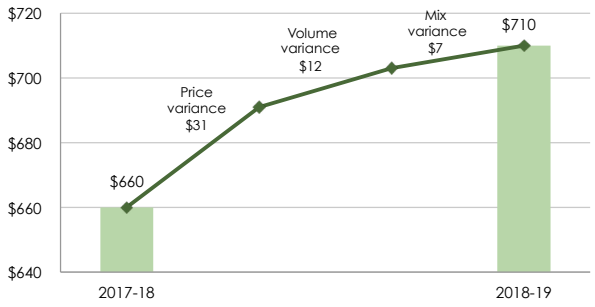
SaskPower's fuel and purchased power costs include the fuel charges associated with the electricity generated from SaskPower-owned facilities, costs associated with power purchase agreements (PPAs), as well as electricity imported from markets outside Saskatchewan. This electricity is used to serve our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

Fuel and purchased power costs were $710 million in 2018-19, up $50 million from 2017-18. The $50 million increase is a result of unfavourable price, volume and fuel mix variances.

The average price of fuel increased as a result of all fuel sources experiencing higher prices with the exception of natural gas. Import costs increased $30/MWh to $89/MWh largely due to unplanned unit outages. In addition, fuel costs were up $19 million related to the federal carbon charge. These increases were slightly offset by the average cost of natural gas which decreased approximately $0.34 per gigajoule. The overall higher fuel prices resulted in an increase of approximately $31 million in fuel and purchased power costs.

Higher generation volumes also contributed to the increased cost of fuel. Total generation and purchased power was 25,777 GWh in 2018-19, an increase of 460 GWh or 1.8% compared to 2017-18. The increased generation was required to supply demand growth in Saskatchewan and additional exports. The higher volume of generation resulted in an estimated $12 million increase in fuel and purchased power costs.

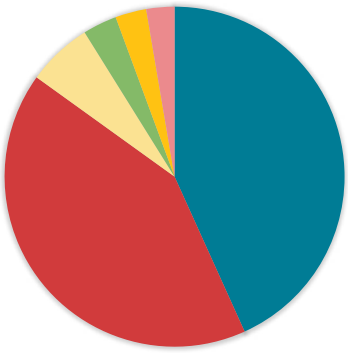
The fuel mix is the relative proportion that each fuel source contributes to our total fuel supply. The more energy that is generated from lower incremental cost units such as coal and hydro, the more favourable the impact on fuel and purchased power costs. During 2018-19, the Corporation's coal and hydro generation accounted for 54% of total generation, down 4% compared to 2017-18. This unfavourable change in the fuel mix resulted in an estimated $7 million increase in fuel and purchased power costs.



2018-19 FUEL AND PURCHASED POWER VARIANCE

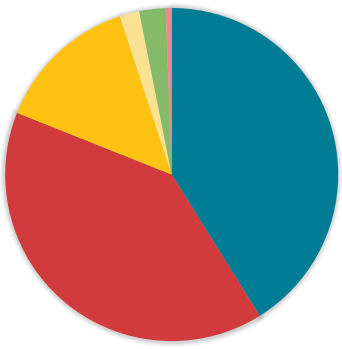
FUEL AND PURCHASED POWER (MILLIONS)
VARIANCE (MILLIONS)

FUEL AND PURCHASED POWER (MILLIONS)



FUEL AND PURCHASED POWER - $710 MILLION

GAS 43%
COAL 42%
IMPORTS 6%
WIND 3%
HYDRO 3%
OTHER 3%



2018-19 GROSS ELECTRICITY SUPPLIED - 25,777 GWH

GAS 41%
COAL 40%
IMPORTS 2%
WIND 2%
HYDRO 14%
OTHER 1%

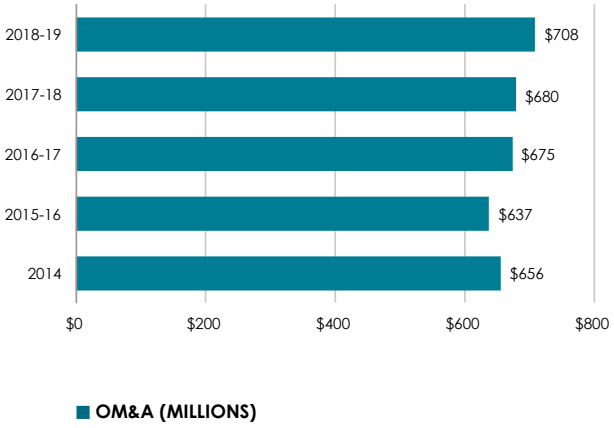
Operating, maintenance and administration (OM&A)

(in millions)	**2018-19**	2017-18	Change
OM&A	**$ 708**	$ 680	$ 28

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

OM&A expense was $708 million in 2018-19, up $28 million from 2017-18. This increase was mainly due to higher contract services and material supplies as a result of repairs and maintenance at our generation facilities.

In addition, the Corporation experienced higher emergency and corrective maintenance costs related to its transmission and distribution infrastructure due to storm activity as well as the significant power outage that occurred in December due to frost damage.

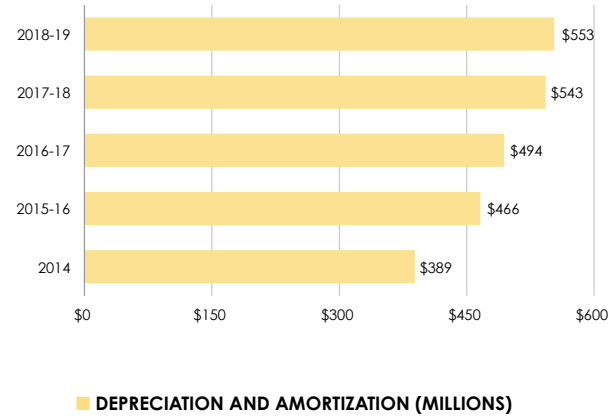


Depreciation and amortization

(in millions)	**2018-19**	2017-18	Change
Depreciation and amortization	**$ 553**	$ 543	$ 10

Depreciation represents a charge to income for the capital expenditures of SaskPower. The capital expenditures are amortized to income on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Depreciation rates are established based on periodic depreciation studies.

Depreciation and amortization expense was $553 million in 2018-19, up $10 million from 2017-18. The increase was partially attributable to ongoing capital expenditures. As well, following the completion of an external depreciation study in 2017-18, the estimated useful lives of certain asset components were changed. The changes in estimates were applied prospectively effective April 1, 2018, and resulted in a $2 million decrease to depreciation expense in 2018-19.



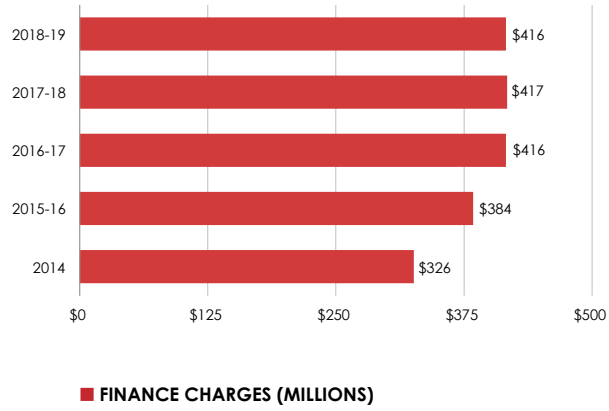
Finance charges

(in millions)	2018-19	2017-18	Change
Finance charges	**$ 416**	$ 417	$ (1)

Finance charges include the net of interest on long-term and short-term debt; interest on finance leases; interest on employee benefit plans; interest on provisions; interest capitalized; debt retirement fund earnings; and interest income.

Finance charges were $416 million in 2018-19, down $1 million from 2017-18. The decrease in finance charges was mainly attributable to additional interest capitalized of $15 million as a result of growth in the construction in progress balance that was carried throughout the year. Interest on employee benefits decreased $4 million. Increased debt retirement fund earnings of $4 million as well as higher interest income of $1 million also contributed to the overall decrease in finance charges.

These decreases in finance charges were partially offset by $23 million of additional interest expense incurred as a result of higher interest rates on short-term debt and increased long-term debt levels required to fund the Corporation's capital expenditures.

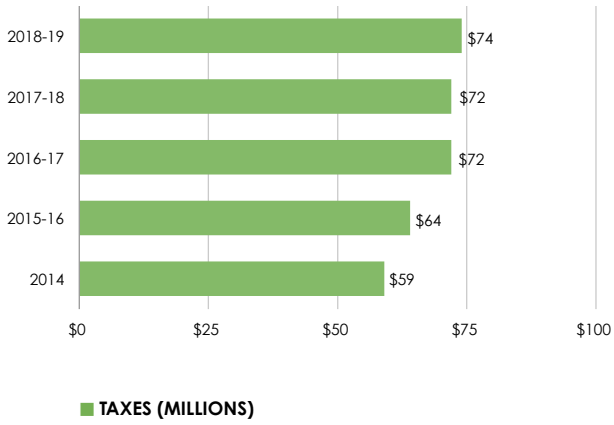


Taxes

(in millions)	2018-19	2017-18	Change
Taxes	**$ 74**	$ 72	$ 2

Taxes represent the payment of corporate capital tax to the Province of Saskatchewan, payments to the General Revenue Fund and grants-in-lieu of property taxes.

Taxes were $74 million in 2018-19, up $2 million from the prior year as a result of the introduction of grants-in-lieu of property taxes in the current fiscal year.



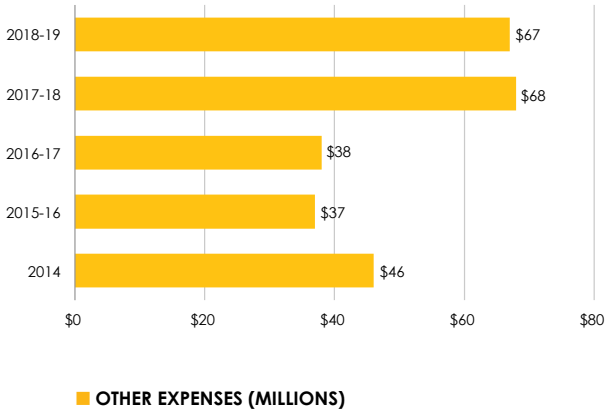
Other expenses

(in millions)	2018-19	2017-18	Change
Other expenses	**$ 67**	$ 68	$ (1)

Other expenses include net losses on asset disposals and retirements; inventory variance adjustments; foreign exchange gains and losses; and environmental remediation activities.

Other expenses were $67 million in 2018-19, compared to $68 million in 2017-18. The $1 million decrease was mainly attributable to a reduction in the decommissioning provision costs charged to income in the current fiscal year.

In addition, during 2018-19, a $30 million adjustment was made to SaskPower's environmental remediation provision based on proposed estimated settlement costs for past activities. This adjustment was completely offset by the write-off of the Taze Twé Hydroelectric Project development costs during the prior year.



2018-19 QUARTERLY RESULTS

The following chart outlines SaskPower's quarterly results for the year ended March 31, 2019:

(in millions)	Q1	Q2	Q3	Q4	Total
Revenue					
Saskatchewan electricity sales	$ 633	$ 619	$ 656	$ 675	**$ 2,583**
Exports	9	6	3	12	**30**
Net sales (costs) from electricity trading	-	-	1	(1)	**-**
Share of profit from equity accounted investees	1	-	1	1	**3**
Other revenue	22	28	32	27	**109**
Total revenue	**665**	**653**	**693**	**714**	**2,725**
Expense					
Fuel and purchased power	150	158	186	216	**710**
Operating, maintenance and administration	188	166	177	177	**708**
Depreciation and amortization	138	138	139	138	**553**
Finance charges	104	104	102	106	**416**
Taxes	18	19	20	17	**74**
Other expenses	35	6	7	19	**67**
Total expense	**633**	**591**	**631**	**673**	**2,528**
Net income	**$ 32**	**$ 62**	**$ 62**	**$ 41**	**$ 197**

Quarterly year-over-year variance explanation

Q1

SaskPower's net income was $32 million in the first quarter of 2018-19. The positive earnings during the quarter were due to increased Saskatchewan electricity sales revenue as a result of the 3.5% rate increase effective March 1, 2018. However, these strong earnings were partially offset by an adjustment to the environmental remediation provision.

Q2

SaskPower reported net income of $62 million in the second quarter of 2018-19. The strong earnings during the quarter were the result of lower OM&A expenses.

Q3

SaskPower's net income was $62 million in the third quarter of 2018-19. The positive earnings were the result of strong Saskatchewan electricity sales revenue due to increased customer demand.

Q4

SaskPower reported net income of $41 million in the fourth quarter of 2018-19. The positive earnings during the quarter are primarily attributable to strong Saskatchewan electricity sales volumes as a result of cold weather, partially offset by higher fuel costs.

FINANCIAL CONDITION

The following table outlines changes in the consolidated statement of financial position from April 1, 2018, to March 31, 2019.

(in millions)	Increase/ (decrease)
Cash and cash equivalents Refer to Consolidated Statement of Cash Flows.	$ 3
Accounts receivable and unbilled revenue Margin deposits on natural gas derivatives and timing of receipts.	(35)
Inventory Increased maintenance materials and supplies inventory.	17
Prepaid expenses Increased prepaid maintenance license costs.	4
Property, plant and equipment Capital additions offset by depreciation, asset disposals, and retirements.	295
Intangible assets Amortization expense offset by additions.	(5)
Debt retirement funds Instalments, earnings, and market value gains.	90
Investments accounted for using equity method Cash distributions offset by MRM equity investment income.	(1)
Other assets Decreased long-term maintenance service costs.	(7)
Accounts payable and accrued liabilities and deferred revenue Timing of payments and capital project work.	(85)
Accrued interest Additional borrowings during the year.	5
Dividend payable Dividend declared based on 10% of net income.	20
Risk management liabilities (net of risk management assets) Settlement of natural gas hedges and electricity derivatives.	(24)
Short-term advances Repayment of short-term advances as a result of long-term borrowings.	(145)
Long-term debt (including current portion) New borrowings offset by repayments and amortization of debt premiums net of discounts.	383
Finance lease obligations (including current portion) Principal repayments offset by North Battleford Generating Station capacity increase.	(9)
Employee benefits Current service costs, interest expense and actuarial losses offset by benefit payments.	4
Provisions Additional decommissioning provisions and accretion offset by expenditures incurred.	50
Equity 2018-19 comprehensive income less equity advance repayments and dividends.	162

LIQUIDITY AND CAPITAL RESOURCES

SaskPower raises most of its capital through internal operating activities and through borrowings obtained from the Government of Saskatchewan Ministry of Finance. This type of borrowing allows our company to take advantage of the Government of Saskatchewan's strong credit rating. *The Power Corporation Act* provides SaskPower with the authority to have outstanding borrowings of up to $10 billion, which includes $2 billion that may be borrowed by way of temporary loans. Temporary loans include short-term borrowings through the Government of Saskatchewan as well as borrowings made under the $51 million of credit facilities available at financial institutions.

The other major sources of financing utilized by our company include non-recourse debt that was issued in 2001 to finance SaskPower's share of the Cory Cogeneration Station and $660 million in equity advances that were provided by CIC from 1989–1992 to form CIC's equity capitalization in SaskPower. In fiscal 2018-19, $34 million in equity advances were repaid to CIC.

a) Sources of financing

Types of financing	**Authorized amount**	**Outstanding as at March 31, 2019**
Credit facility	$51.0 million	**–**
Temporary loans (including credit facility)	$2.0 billion	**$1.0 billion**
Total borrowings (including temporary loans)	$10.0 billion	**$7.0 billion**

b) Credit ratings

	2018-19			2017-18		
	Short-term obligations	**Long-term obligations**	**Trend**	Short-term obligations	Long-term obligations	Trend
Dominion Bond Rating Service	**R-1 (high)**[1]	**AA**[2]	**Stable**	R-1 (high)[1]	AA[2]	Stable

1. As per Dominion Bond Rating Service Rating Policies, R-1 (high) denotes the highest credit quality. The capacity for payment of short-term financial obligations as they fall due is exceptionally high. Unlikely to be adversely affected by future events.

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

CASH FLOW HIGHLIGHTS

a) Operating activities

(in millions)	**2018-19**	2017-18	Change
Cash provided by operating activities	**$ 671**	$ 708	$ (37)

Cash provided by operating activities was $671 million for the year ended March 31, 2019, down $37 million from the prior year. The decrease was primarily the result of the change in non-cash working capital offset by an increase in net income.

b) Investing activities

(in millions)	2018-19	2017-18	Change
Generation	**$ 124**	$ 146	$ (22)
Transmission	**64**	110	(46)
Distribution	**99**	70	29
Other	**55**	54	1
Sustainment	**342**	380	(38)
Generation	**83**	325	(242)
Transmission	**159**	74	85
Distribution	**27**	26	1
Customer connects	**174**	153	21
Growth and compliance	**443**	578	(135)
Strategic and other	**48**	38	10
Total capital expenditures	**$ 833**	$ 996	$ (163)
Less: Interest capitalized	**(36)**	(21)	(15)
Proceeds/reimbursements from sale and disposal	**(3)**	(16)	13
Costs of removal of assets	**8**	5	3
Distributions from equity accounted investees	**(4)**	-	(4)
Cash used in investing activities	**$ 798**	$ 964	$ (166)

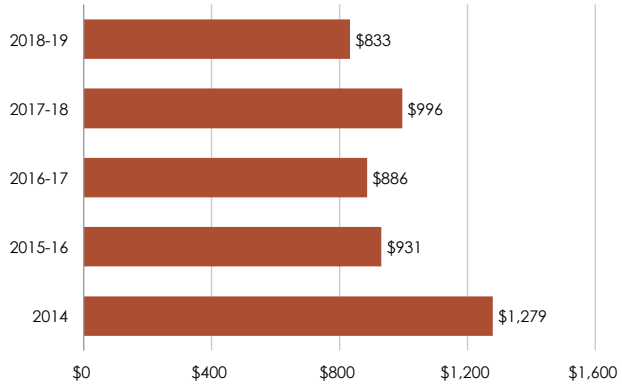
In order to ensure a reliable, sustainable and cost-effective supply of electricity for its customers, SaskPower spent $833 million on various capital projects during 2018-19, compared to $996 million in 2017-18.

Our company invested $342 million in sustainment activities, including:

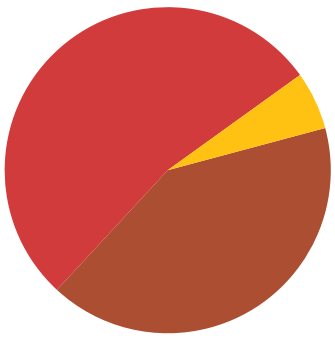
- $124 million on generation assets and $163 million on transmission and distribution assets; and
- $55 million for other sustainment expenditures, including $25 million on buildings and furniture, $16 million on technology and security assets; and $11 million on vehicles and equipment.

SaskPower spent $443 million on growth and compliance investments, including:

- $83 million on the Chinook Power Station;
- $186 million on increasing grid capacity, including $94 million on the new Pasqua to Swift Current 230/138-kV transmission line; and
- $174 million to connect customers to the SaskPower electric system.



CAPITAL EXPENDITURES (MILLIONS)



2018-19 CAPITAL EXPENDITURES - $833 MILLION

SUSTAINMENT 41%
GROWTH AND COMPLIANCE 53%
STRATEGIC AND OTHER 6%

c) Financing activities

(in millions)	2018-19	2017-18	Change
Net (repayments of) proceeds from short-term advances	**$ (145)**	$ 241	$ (386)
Proceeds from long-term debt	**389**	168	221
Repayment of long-term debt	**(5)**	(105)	100
Debt retirement fund instalments	**(56)**	(52)	(4)
Principal repayment of finance lease obligations	**(19)**	(14)	(5)
Increase in finance lease obligations	**-**	2	(2)
Realized gains on bond forward hedges	**-**	10	(10)
Equity advances repayment	**(34)**	-	(34)
	$ 130	$ 250	$ (120)

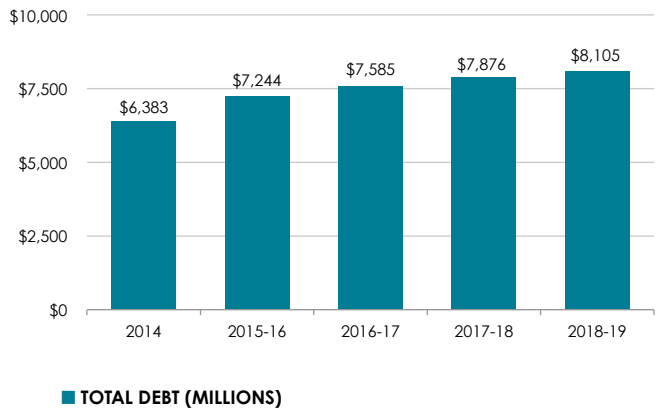
For the year ended March 31, 2019, $130 million of cash was provided by financing activities, compared to $250 million in the prior period. The cash was used to finance the Corporation's capital program.

Capital management

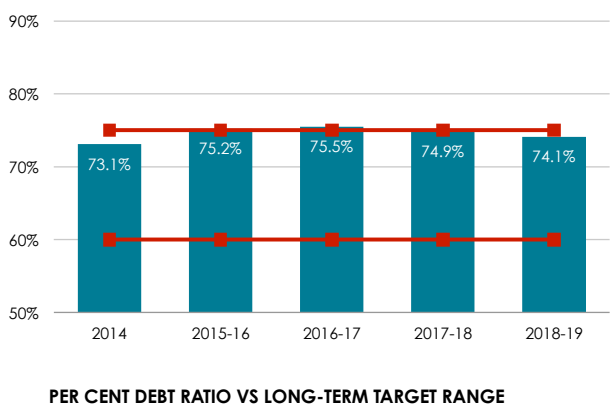
(in millions)	March 31 2019	March 31 2018	Change
Long-term debt	**$ 6,004**	$ 5,621	$ 383
Short-term advances	**996**	1,141	(145)
Finance lease obligations	**1,105**	1,114	(9)
Total debt	**8,105**	7,876	229
Debt retirement funds	**748**	658	90
Cash and cash equivalents	**10**	7	3
Total net debt	**$ 7,347**	$ 7,211	$ 136
Retained earnings	**1,938**	1,761	177
Equity advances	**626**	660	(34)
Total capital	**$ 9,911**	$ 9,632	$ 279
Per cent debt ratio[1]	**74.1%**	74.9%	(0.8%)

1. Per cent debt ratio = (debt)/(debt + equity), where debt = (long-term debt + short-term advances + finance lease obligations – debt retirement funds – cash and cash equivalents) and equity = (retained earnings + equity advances).

Total debt position



TOTAL DEBT (MILLIONS)



PER CENT DEBT RATIO VS LONG-TERM TARGET RANGE

PER CENT DEBT RATIO
LONG-TERM TARGET RANGE

SaskPower's total debt position (including finance lease obligations) was $8.1 billion at March 31, 2019, up $0.2 billion from the prior year. The increase was the result of the following:

- On August 15, 2018, the Corporation borrowed $200 million of long-term debt at a discount of $3 million. The debt issue has a coupon rate of 3.10%, an effective interest rate of 3.18%, and matures on June 2, 2050.
- On September 19, 2018, the Corporation borrowed $200 million of long-term debt at a discount of $8 million. The debt issue has a coupon rate of 2.95%, an effective interest rate of 3.13%, and matures on June 2, 2058.
- This increase in long-term debt was offset by the repayment of $145 million in short-term advances and $5 million of non-recourse debt, as well as $19 million principal repayment of the Corporation's finance lease obligations. In addition, finance lease obligations increased $10 million related to the North Battleford Generating Station PPA capacity increase. As well, there was $1 million of amortization of debt premiums recognized during the year.

The Corporation's per cent debt ratio was at 74.1% at March 31, 2019, down 0.8% from March 31, 2018.

Subsequently, on April 2, 2019, the Corporation borrowed $150 million of long-term debt at a premium of $9 million. The debt issue has a coupon rate of 3.10%, an effective interest rate of 2.81%, and matures on June 2, 2050.

Debt retirement funds

(in millions)	**2018-19**	2017-18
Balance, beginning of period	**$ 658**	$ 590
Debt retirement fund instalments	**56**	52
Debt retirement fund earnings	**17**	13
Debt retirement fund market value gains	**17**	3
Balance, end of period	**$ 748**	$ 658

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

During the year ended March 31, 2019, SaskPower made $56 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 earned $17 million (included with finance charges and classified as non-cash operating activities) and recognized $17 million in market value gains through other comprehensive income on the debt retirement funds for 2018-19.

DIVIDENDS

Historically, SaskPower has paid dividends to CIC based on the CIC Dividend Policy. For the 2018-19 fiscal year, CIC determined that the Corporation would be required to pay a 10% dividend based on 2018-19 net income. The $20 million in dividends will be paid in June 2019.

CONTRACTUAL OBLIGATIONS

SaskPower has the following significant long-term contractual obligations as at March 31, 2019, which will impact cash flows in the following year and beyond:

(in millions)	**1 year**	**2 - 5 years**	**More than 5 years**
Planned capital expenditures	$ 873	$ 4,078	$ 6,652
Power purchase agreements (PPAs)	392	2,019	5,635
Long-term debt (including principal and interest)	287	1,653	9,249
Debt retirement fund instalments	60	227	1,032
Coal purchase contracts	179	929	420
Natural gas purchase contracts	129	359	104
Transmission purchase contracts	6	7	-

CAPITAL INVESTMENTS

SUSTAINMENT INVESTMENTS

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

TRANSMISSION WOOD POLE REMEDIATION

IN-SERVICE:
ONGOING PROGRAM
TOTAL COST (MILLIONS):
$402 (NEXT 5 YEARS)

Transmission wood pole assets are being life-extended through an assessment and treatment process. Poles are evaluated and then treated or replaced as necessary. Cross-arm and spar replacement are also included as part of this program.

DISTRIBUTION WOOD POLE REMEDIATION

IN-SERVICE:
ONGOING PROGRAM
TOTAL COST (MILLIONS):
$73 (NEXT 5 YEARS)

This program involves the inspection, life extension, reinforcement and replacement of aging distribution wood asset infrastructure, including poles and cross-arms. The application of additional wood preservative treatment during the testing procedure is also used to reduce the frequency of future pole reinforcement and replacement. Benefits include increased safety, system security and increased life of distribution assets.

RURAL REBUILD & IMPROVEMENT PROGRAM

IN-SERVICE:
ONGOING PROGRAM
TOTAL COST (MILLIONS):
$83 (NEXT 5 YEARS)

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

ISLAND FALLS DAM REHABILITATION

IN-SERVICE:
2020-21
TOTAL COST (MILLIONS):
$45

This project will address deficiencies that impose major risks to the long-term integrity of the Island Falls powerhouse, main dam and flow control equipment. It includes rehabilitation work to ensure that this facility meets the guidelines of the Canadian Dam Association.

E.B. CAMPBELL LIFE EXTENSION

IN-SERVICE:
2024-25
TOTAL COST (MILLIONS):
$300

SaskPower is life-extending Units #1 through #6 at E.B. Campbell Hydroelectric Station. Located on the Saskatchewan River near Nipawin, the first six units at E.B. Campbell Hydroelectric Station were commissioned in 1963-64, with an additional two units commissioned in 1966. E.B. Campbell Hydroelectric Station has a net capacity of 289 MW.

GROWTH AND COMPLIANCE INVESTMENTS

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

PASQUA TO SWIFT CURRENT TRANSMISSION LINE

IN-SERVICE:
2020-21
TOTAL COST (MILLIONS):
$231

A new 230/138-kV double-circuit line and other facilities are required to facilitate transmission service from the new Chinook Power Station, supply expected load growth in Swift Current and mitigate other lines' end-of-life issues.

AUBURNTON TO KENNEDY TRANSMISSION LINE

IN-SERVICE:
2022-23
TOTAL COST (MILLIONS):
$58

A new 230-kV transmission line between the Auburnton and Kennedy Switching Stations is required to provide transmission reinforcement and comply with system performance requirements. The new line will be approximately 70 kilometres in length.

QUEEN ELIZABETH TRANSFORMER REPLACEMENT

IN-SERVICE:
2020-21
TOTAL COST (MILLIONS):
$42

This project includes three new 230/138-kV transformers and associated facilities at the Queen Elizabeth Switching Station. This project is required to replace aging infrastructure and will facilitate more reliable generation deliverability for the area.

DISTRIBUTION CUSTOMER CONNECTS

IN-SERVICE:
ONGOING PROGRAM
TOTAL COST (MILLIONS):
$558 (NEXT 5 YEARS)

The objective of this program is to provide for the connection of new electrical services to the SaskPower grid, as well as to upgrade existing customer services.

CHINOOK POWER STATION

IN-SERVICE:
2019-20
TOTAL COST (MILLIONS):
$680

SaskPower was chosen as the most economic builder for the new 350-MW natural gas-fired combined-cycle generating station. The facility is required to meet growing electricity demand and to support intermittent renewable energy generation, and will be located near Swift Current. The project is expected to cost $680 million, not including transmission or gas interconnection costs.

OUTLOOK

2019-20 BUDGET VS. 2018-19 ACTUAL RESULTS

The following chart outlines the 2019-20 budget as compared to SaskPower's 2018-19 actual results. These earnings expectations are subject to a number of variables including: natural gas prices; coal and hydro availability; weather; economic conditions; number of customers; new and changing regulations; and market conditions in other jurisdictions.

(in millions)	**Budget 2019-20**	Actual 2018-19	Change
Revenue			
Saskatchewan electricity sales	**$ 2,708**	$ 2,583	$ 125
Exports	**28**	30	(2)
Net sales (costs) from electricity trading	**6**	-	6
Share of profit from equity accounted investees	**2**	3	(1)
Other revenue	**113**	109	4
Total revenue	**2,857**	2,725	132
Expense			
Fuel and purchased power	**757**	710	47
Operating, maintenance and administration	**715**	708	7
Depreciation and amortization	**578**	553	25
Finance charges	**435**	416	19
Taxes	**82**	74	8
Other expenses	**35**	67	(32)
Total expense	**2,602**	2,528	74
Net income	**$ 255**	$ 197	$ 58
Return on equity[1]	**9.5%**	7.9%	1.6%

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

SaskPower's net income is expected to be $255 million in 2019-20, resulting in a return on equity of 9.5%.

Saskatchewan electricity sales are expected to be $2,708 million in 2019-20, an increase of $125 million over 2018-19 mainly as a result of a 1.7% increase in expected sales growth.

The increase in revenue, however, is expected to be partially offset by a $74 million increase in expenses. The primary driver is a $47 million increase in fuel and purchased power largely as a result of the introduction of the federal carbon charge. In addition, depreciation expense is expected to increase as a result of additional capital expenditures. SaskPower invested $833 million in capital in 2018-19, and an additional $873 million is expected to be invested in 2019-20.

2019-20 CAPITAL EXPENDITURES

(in millions)	**Budget 2019-20**	Actual 2018-19	Change
Capital expenditures	**$ 873**	$ 833	$ 40

SaskPower also expects to continue to make substantial investments in its infrastructure over the next 10 years. Capital expenditures in 2019-20 are budgeted to be approximately $873 million. This includes $80 million on the new Chinook Power Station; $141 million in costs to improve and expand the Corporation's transmission and distribution infrastructure; $169 million connecting new customers to SaskPower's grid; $204 million to sustain our existing transmission and distribution assets; and $134 million to maintain the existing generation fleet.

RELATED PARTY TRANSACTIONS

SaskPower has a number of routine transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to our company by virtue of common control by the Government of Saskatchewan. These transactions with related parties are settled at prevailing market prices under normal trade terms. Related party transactions are disclosed in Note 32 to the consolidated financial statements.

ANALYSIS OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

REVENUE

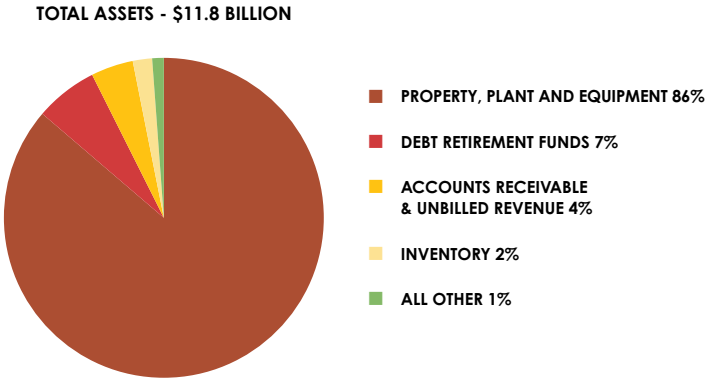
Electricity revenues are billed on a systematic basis. At the end of each month, SaskPower makes an estimate of the electricity delivered to its customers since their last billing date. The estimated unbilled revenue is based on several factors, including estimated consumption for each customer, applicable customer rates and the number of days between the last billing date and the end of the period. As at March 31, 2019, total Saskatchewan electricity sales of $2,583 million included $79 million of estimated unbilled revenue.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

DEPRECIATION

Property, plant and equipment represent 86% of total assets recognized on SaskPower's statement of financial position as at March 31, 2019. Included in property, plant and equipment are the generation, transmission, distribution and other assets of SaskPower. Due to the size of SaskPower's property, plant and equipment, changes in estimated depreciation rates can have a significant impact on income.



Depreciation is recognized on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Depreciation commences when the property, plant and equipment is ready for its intended use. The estimated useful life of property, plant and equipment is based on manufacturers' guidance, past experience and future expectations regarding the potential for technical obsolescence. The estimated useful lives of the components are based on formal depreciation studies that are performed typically every five years, with annual reviews for reasonableness. Judgment has been used to determine the estimated useful lives and related accelerated depreciation for coal facility assets based on federal regulations to phase out conventional coal-fired generation in Canada by 2030.

A one-year decrease in the average estimated service life of each of the major asset classes of property, plant and equipment would result in a $33 million increase to depreciation expense in the current year.

Following the completion of an external depreciation study, the estimated useful lives of certain assets were changed. The change in estimate was applied prospectively, effective April 1, 2018. The impact of the change in estimated useful lives was an approximate $2 million decrease to depreciation expense for the year ended March 31, 2019. See Note 3(d) and Note 10 to the consolidated financial statements for additional discussion of SaskPower's depreciation expense.

PROVISIONS

A provision is recognized if, as a result of a past event, SaskPower has a present legal or constructive obligation that can be estimated reliably. It must also be probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The unwinding of the discount on provisions is recognized in profit or loss as a finance expense.

Decommissioning

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

The fair value of the estimated decommissioning costs is recorded as a provision, with an offsetting amount capitalized and included as part of property, plant and equipment. The decommissioning provisions are increased periodically for the passage of time by calculating interest expense. The offsetting capitalized asset retirement costs are depreciated over the estimated useful life of the related asset.

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

Sensitivity of provisions to changes in the discount and inflation rate on the recorded liability as at March 31, 2019, is as follows:

	Decommissioning provisions	
(in millions)	0.5% increase	0.5% decrease
Discount rate	$ (19)	$ 24
Inflation rate	29	(23)

Environmental remediation

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

See Note 3(g) and Note 23 to the consolidated financial statements for additional discussion of SaskPower's provisions.

EMPLOYEE BENEFITS

As explained in Note 3(m) and Note 33 in the consolidated financial statements, SaskPower provides post-retirement benefits to employees, including those from a defined benefit pension plan (the Plan). The Plan, substantially closed to new members since 1977, provides benefits based on the average of the highest five years' annual pensionable earnings and years of service. Pensions are increased annually at a rate equal to 70% of the increase in the Saskatchewan consumer price index (CPI).

An independent actuary calculates the funded status of the Plan at December 31 each year based on assumptions regarding discount rates, inflation, future pension indexing, and life expectancy. Current service costs are recognized in the statement of income as OM&A expense. Interest expense (income), which is calculated by applying the discount rate to the net accrued benefit obligation, is included in the statement of income as finance charges. The actuarial gains and losses of the Plan are recognized directly in other comprehensive income (loss). As at March 31, 2019, the current status of the Plan recognized on the statement of financial position was a Plan deficit of $170 million.

Actuarial gains and losses

Actuarial gains and losses on Plan assets are determined by calculating the difference between actual and expected returns of the Plan assets based upon the discount rate at the beginning of the year. Actuarial gains and losses on the accrued benefit obligation are calculated by an independent actuary based on the discount rate in effect at the end of the year. For the year ending March 31, 2019, $3 million in net actuarial losses were recognized directly in other comprehensive income (loss) relating to SaskPower's defined benefit pension plans.

Changes in the long-term assumptions — including the discount rate, inflation rate, future indexing and life expectancy — can have a significant impact on the pension costs of SaskPower. Sensitivity of the defined benefit plan to changes in these assumptions on the accrued benefit obligation as at March 31, 2019, is as follows:

	Accrued benefit obligation	
(in millions)	1% increase	1% decrease
Discount rate	$ (80)	$ 95
Inflation rate	(26)	28
Future indexing	93	(79)
Life expectancy (each member one year older/younger)	(30)	30

RECENT AND FUTURE ACCOUNTING POLICY CHANGES

The Corporation adopted the following new International Financial Reporting Standards (IFRS) effective April 1, 2018:

IFRS 15, *Revenue from Contracts with Customers*

Effective April 1, 2018, SaskPower adopted IFRS 15, *Revenue from Contracts with Customers*. The Corporation elected to adopt IFRS 15 retrospectively using the cumulative effect method with any adjustments recognized in the opening balance of retained earnings as at April 1, 2018. Comparative information has not been restated and continues to be reported under International Accounting Standard (IAS) 18, *Revenue*. As the adoption of the new standard did not have a material impact on the Corporation's existing revenue recognition practices, there was no cumulative effect on net earnings as at April 1, 2018, that would have required restatement. There was also no impact to the opening balance of retained earnings upon adoption of IFRS 15, however, the presentation of the consolidated statement of financial position was adjusted to present deferred revenue (contract liabilities) separately in the current fiscal year. For comparative purposes, the prior year balance of accounts payable and accrued liabilities included $32 million of deferred revenue. Additional disclosures have been provided in the following notes: 3(h), 5 and 19.

Refer to Note 4 in the consolidated financial statements for further information pertaining to the transitional impact of adopting this new standard for the 2018-19 fiscal year.

The following new standard has been issued, however, is not yet effective for the year ended March 31, 2019, and has not been applied in preparing the consolidated financial statements:

IFRS 16, *Leases*

On January 13, 2016, the International Accounting Standards Board issued the new leases standard, IFRS 16, effective for annual reporting periods beginning on or after January 1, 2019. Early adoption is permitted provided that an entity does not adopt the leases standard before adopting the revenue guidance in IFRS 15.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases using a similar approach to that of the superseded standards, but with enhanced disclosure to improve information about a lessor's risk exposure. IFRS 16 will replace IAS 17, *Leases,* and a number of lease-related interpretations.

Changes have been made to the Corporation's accounting system and processes and controls are being implemented to enable the application of IFRS 16 for the 2019-20 fiscal year. The Corporation is currently analyzing the standard to determine the full impact upon adoption. The total expected impact is an approximate $20 million increase to right-of-use assets and finance lease obligations as at April 1, 2019.

RISK MANAGEMENT

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

ERM GOVERNANCE

Risk management is the responsibility of all employees and should be an integrated component of the culture. SaskPower's Board of Directors has overall responsibility for stewardship of the Corporation and the President and CEO has ultimate accountability for risk management, with support from Executive members.

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

TOP CORPORATE RISKS

Our company is challenged by regulatory requirements regarding emissions, the need for new energy supply, financial constraints, evolving technologies, growing capital requirements and the speed at which stakeholder and customers' expectations are changing. SaskPower annually identifies top corporate risks that could impact our company's corporate strategies and priorities, influence financial and operating results and affect achievement of our business objectives. SaskPower's risk portfolio evolves over time, with significant shifts to focus on key emerging issues and priority initiatives. Our company regularly undertakes routine and non-routine projects as well as explores a number of strategic initiatives to meet evolving regulatory requirements, customer demands, load conditions and to support integrated resource planning. These projects and initiatives involve significant investment and require strategic risk management to support investment decision making.

1. ENVIRONMENTAL REGULATION

Our industry is challenged by changing regulations resulting in the phase-out of conventional coal generation, increasing performance requirements for natural gas generation and the implementation of a price on carbon. Current federal regulations require the phase-out of conventional coal-fired generation by 2030. The federal government is also proposing performance standards for new natural gas generation to start in 2020.

SaskPower needs to replace generation assets and increase renewable generation. Our company has formed a supply plan that would increase generating capacity from renewable sources such as wind; reduce SaskPower's greenhouse gas emissions; and integrate emerging technologies (solar, geothermal, biomass, flare gas, and landfill gas). Support of an Equivalency Agreement (EA) between the province and federal government would provide SaskPower with increased flexibility to meet emissions-related regulations. The EA is now within the final steps before an agreement can be finalized with the federal government.

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

2. FINANCIAL SUSTAINABILITY

SaskPower's financial flexibility and capability is challenged by current economic conditions, growing capital requirements, increasing debt, and having some of the highest electricity rates in Western Canada. SaskPower has a high fixed-cost structure driven by capital intensity. SaskPower's business model may not be agile enough to adapt to industry changes including emissions regulations, rising costs, cost uncertainty, customer self-generation and competitive rates. Key financial drivers include revenues which are impacted by load growth, customer mix and approved rate increases. The cost of fuel is driven by load growth, fuel mix, market conditions and fuel costs. Depreciation and finance charges are impacted by capital expenditures, supply arrangements and the cost of borrowing.

SaskPower can minimize the impact of current financial constraints by effectively implementing business optimization initiatives; using scenario-based budgeting and forecasting for business planning; prioritizing capital spending; diversifying the fuel mix; and performing value-for-money analysis for selected supply options.

3. INFRASTRUCTURE AND RELIABILITY

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

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

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

4. STAKEHOLDER EXPECTATIONS

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

5. SECURITY

SaskPower business operations rely on information and operational technologies which need to be maintained, supported, protected and secured while enabling appropriate access and ensuring reliability, confidentiality, integrity and availability of associated systems and information. Demand for security capabilities will increase as security threats evolve at an exponentially rapid rate. SaskPower is diversifying and acquiring services that require security innovation, flexibility and adaptability. SaskPower has established physical and cyber security controls to address copper theft, malware, and other related vulnerabilities and threats.

6. SAFETY OF EMPLOYEES & PUBLIC

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

SaskPower's Safety Improvement Program was established to reinforce safe work practices and our safety culture; define non-negotiable safety rules including solutions to reinforce compliance; and develop learning solutions to enable a safe and competent workforce. Safety goals are also incorporated into SaskPower's performance management process.

7. PROJECT DELIVERY

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

Not delivering projects on time, on schedule, or within budget or scope can impact service delivery to customers/suppliers and increase costs to the Corporation. SaskPower mitigation strategies include standardizing project delivery tools and methods; implementing vendor prequalification and provision for long-term goods and service contracts; as well as comprehensive monitoring and reporting of projects that includes tracked dependencies and outage scheduling.

8. INDUSTRY DISRUPTION

SaskPower is challenged by evolving disruptive forces which are significantly influenced by technology. Developments in technology are changing the role of the customer and the economics of the industry. Disruption driven by new policies and regulations will expedite the necessity for new technology, innovation and agility to adapt and comply.

The industry is maturing and is in the midst of a major infrastructure investment cycle. The bulk of SaskPower infrastructure is coming to the end of its useful life and needs to be renewed or replaced. At the same time, our supply mix will become cleaner as more renewable options are introduced. This shift is driven by new emissions regulations, public expectations, and the falling cost of renewables. The traditional electricity grid is evolving into a fully networked system in which automation, remote control, visibility, and customer participation are expected. Customers will increasingly become involved in long-term decision making, rate regulation, social media, customer-owned generation, energy management and the transition to a low-carbon economy.

SaskPower has strategies to define the path forward, including an Integrated Resource Plan, grid modernization strategy and long-term strategic workforce plan. A cross-functional team was created to work with various stakeholders to address disruption resulting from distributed/self-generated technologies.

9. WORKFORCE MANAGEMENT

Over the next five to 10 years, a significant number of core SaskPower employees will be impacted by the phase-out of conventional coal generation, contributing to a period of challenging transition within the workforce. Changing demographics put critical positions at risk as it relates to technical roles and leadership positions. Technology is moving quickly and redefining the industry, changing customer roles, and transforming business models. This will change SaskPower's workforce by creating other critical workforce segments that do not currently exist.

SaskPower's long-term strategic workforce plan will focus on succession planning, skillset gap analysis, and continuous improvement training.

10. SECURITY AND OPTIMIZATION OF ENERGY SUPPLY

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

Increasing the percentage of renewables in the supply mix — along with changing regulations resulting in the phase-out of conventional coal-fired generation — impacts system operability and has the potential to increase costs to integrate and maintain a secure system.

SaskPower manages fuel supply risks through strategies that include long-term transmission contracts with renewable rights to secure transportation services of natural gas as well as long-term coal contracts to address price, security of supply and equipment and performance items. SaskPower's natural gas hedging program addresses security of natural gas supply, market access and price management. Development of a diversified and flexible fuel portfolio includes strategies for renewables, low-emitting sources and Demand Side Management opportunities.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

FOR THE TWELVE MONTHS ENDED MARCH 31, 2019

CONTENTS

REPORT OF MANAGEMENT

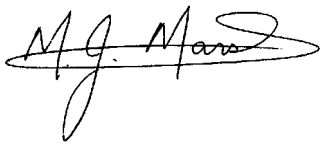
The consolidated financial statements of Saskatchewan Power Corporation (SaskPower; the Corporation) are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. The preparation of financial statements necessarily involves the use of estimates based on management's best judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods. In management's opinion, the consolidated financial statements have been properly prepared within the framework of selected accounting policies summarized in the consolidated financial statements and incorporate, within reasonable limits of materiality, information available up to May 29, 2019. The financial information presented in the Management's Discussion and Analysis (MD&A) and elsewhere in this report is consistent with that in the consolidated financial statements.

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

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

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

On behalf of management,



Mike Marsh
President and Chief Executive Officer
May 29, 2019

Troy King
Vice-President, Finance and Business Performance,
and Chief Financial Officer

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

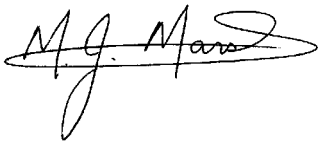
(a) That we have reviewed the consolidated financial statements included in the Annual Report of Saskatchewan Power Corporation. Based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of March 31, 2019.

(b) That based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the Annual Report of Saskatchewan Power Corporation do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.

(c) That Saskatchewan Power Corporation is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and Saskatchewan Power Corporation has designed internal controls over financial reporting that are appropriate to the circumstances of Saskatchewan Power Corporation.

(d) That Saskatchewan Power Corporation conducted its assessment of the effectiveness of the Corporation's internal controls over financial reporting and, based on the results of this assessment, Saskatchewan Power Corporation can provide reasonable assurance that internal controls over financial reporting as of March 31, 2019, were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

On behalf of management,



Mike Marsh
President and Chief Executive Officer
May 29, 2019

Troy King
Vice-President, Finance and Business Performance,
and Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan:

Opinion

We have audited the consolidated financial statements of Saskatchewan Power Corporation (the Company), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants
May 29, 2019
Regina, Saskatchewan

CONSOLIDATED STATEMENT OF INCOME

(in millions)

For the year ended March 31	Notes	2018-19	2017-18 [Note 2(f)]
Revenue			
Saskatchewan electricity sales	5	**$ 2,583**	$ 2,480
Exports		**30**	10
Net sales (costs) from electricity trading	6	**-**	(3)
Share of profit from equity accounted investees		**3**	2
Other revenue	7	**109**	97
Total revenue		**2,725**	2,586
Expense			
Fuel and purchased power	8	**710**	660
Operating, maintenance and administration	9	**708**	680
Depreciation and amortization	10	**553**	543
Finance charges	11	**416**	417
Taxes	12	**74**	72
Other expenses	13	**67**	68
Total expense		**2,528**	2,440
Net income		**$ 197**	$ 146

See accompanying notes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions)

For the year ended March 31	Notes	2018-19	2017-18
Net income		**$ 197**	$ 146
Other comprehensive income (loss)			
Items that may be reclassified subsequently to net income:			
Derivatives designated as cash flow hedges:			
Natural gas hedges:			
Change in fair value during the period		**4**	(44)
Realized losses during the period		**(44)**	(32)
Reclassification to income		**44**	32
Bond forward hedges:			
Change in fair value during the period		**-**	(11)
Realized gains during the period		**-**	10
Reclassification to income	11	**1**	1
Debt instruments designated as FVOCI:			
Change in fair value during the period	17	**17**	3
Items that will not be reclassified to net income:			
Defined benefit pension plans:			
Net actuarial (losses) gains	33	**(3)**	33
		19	(8)
Total comprehensive income		**$ 216**	$ 138

See accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)

As at March 31	Notes	2019	2018
Assets			
Current assets			
Cash and cash equivalents		**$ 10**	$ 7
Accounts receivable and unbilled revenue		**505**	540
Inventory	14	**231**	214
Prepaid expenses		**25**	21
Risk management assets	26	**5**	10
		776	792
Property, plant and equipment	15	**10,190**	9,895
Intangible assets	16	**58**	63
Debt retirement funds	17	**748**	658
Investments accounted for using equity method	18	**39**	40
Other assets		**1**	8
Total assets		**$ 11,812**	$ 11,456
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 420**	$ 534
Accrued interest		**64**	59
Deferred revenue	19	**29**	-
Dividend payable		**20**	-
Risk management liabilities	26	**137**	166
Short-term advances	20	**996**	1,141
Current portion of long-term debt	21	**5**	5
Current portion of finance lease obligations	22	**24**	18
		1,695	1,923
Long-term debt	21	**5,999**	5,616
Finance lease obligations	22	**1,081**	1,096
Employee benefits	33	**214**	210
Provisions	23	**283**	233
Total liabilities		**9,272**	9,078
Equity			
Retained earnings		**1,938**	1,761
Accumulated other comprehensive loss	24	**(24)**	(43)
Equity advances	25	**626**	660
Total equity		**2,540**	2,378
Total liabilities and equity		**$ 11,812**	$ 11,456

See accompanying notes

On behalf of the Board,

Chief Darcy Bear
Chair

Marvin Romanow
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions)	Retained earnings	Accumulated other comprehensive income (loss): Net gains (losses) on derivatives designated as cash flow hedges	Net gains (losses) on debt instruments designated as FVOCI	Net actuarial gains (losses) on defined benefit pension plans	Equity advances	**Total**
Equity						
Balance, April 1, 2017	$ 1,603	$ (12)	$ -	$ (10)	$ 660	**$ 2,241**
IFRS 9 opening adjustments	12	-	(13)	-	-	**(1)**
Net income	146	-	-	-	-	**146**
Other comprehensive (loss) income	-	(44)	3	33	-	**(8)**
Balance, March 31, 2018	**$ 1,761**	**$ (56)**	**$ (10)**	**$ 23**	**$ 660**	**$ 2,378**
Net income	197	-	-	-	-	**197**
Other comprehensive income	-	5	17	(3)	-	**19**
Dividends	(20)	-	-	-	-	**(20)**
Equity advances repayment	-	-	-	-	(34)	**(34)**
Balance, March 31, 2019	**$ 1,938**	**$ (51)**	**$ 7**	**$ 20**	**$ 626**	**$ 2,540**

See accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

For the year ended March 31	Notes	2018-19	2017-18
Operating activities			
Net income		**$ 197**	$ 146
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation and amortization	10	**553**	543
Finance charges	11	**416**	417
Net losses on asset disposals and retirements	13	**24**	54
Unrealized market value adjustments		**-**	(2)
Natural gas inventory market revaluation		**1**	3
Reclassification of natural gas hedges transitional market value losses		**(25)**	(18)
Employee benefits current service cost	33	**7**	8
Employee benefits paid	33	**(12)**	(12)
Share of profit from equity accounted investees	18	**(3)**	(2)
Allowance for obsolescence	14	**1**	-
Environmental provisions	23	**36**	11
Environmental expenditures	23	**(11)**	(4)
		1,184	1,144
Net change in non-cash working capital	30	**(61)**	(1)
Interest paid		**(452)**	(435)
Cash provided by operating activities		**671**	708
Investing activities			
Property, plant and equipment additions		**(779)**	(923)
Intangible assets additions	16	**(18)**	(38)
Proceeds from sale and disposal of assets		**3**	2
Costs of removal of assets		**(8)**	(5)
Distributions from equity accounted investees	18	**4**	-
Cash used in investing activities		**(798)**	(964)
Decrease in cash before financing activities		**(127)**	(256)
Financing activities			
Net (repayments of) proceeds from short-term advances		**(145)**	241
Proceeds from long-term debt	21	**389**	168
Repayments of long-term debt	21	**(5)**	(105)
Debt retirement fund instalments	17	**(56)**	(52)
Principal repayment of finance lease obligations		**(19)**	(14)
Increase in finance lease obligations		**-**	2
Realized gains on bond forward hedges		**-**	10
Equity advances repayment	25	**(34)**	-
Cash provided by financing activities		**130**	250
Increase (decrease) in cash		**3**	(6)
Cash and cash equivalents, beginning of year		**7**	13
Cash and cash equivalents, end of year		**$ 10**	$ 7

See accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements were authorized for issue by the Board of Directors on May 29, 2019.

(b) Basis of measurement

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

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

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

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

(i) Saskatchewan electricity sales

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

(ii) Customer contributions

Customer contributions are funds received from certain customers towards the costs of service extensions. In determining when to recognize revenue related to customer contributions, management is required to make judgments in regards to when the related property, plant and equipment is available for use and performance obligations are complete [Notes: 3(h) and 7].

(iii) Receivables

Management's best estimate is required to determine the amount of receivables that will be uncollectible in a given period. The allowance for doubtful accounts for electricity sales is based on a percentage of accounts outstanding [Notes: 3(l)(v) and 27].

(iv) Inventory

Estimation and judgment are used to determine the appropriate measure of net realizable value as well as the allowance for inventory obsolescence. Management's best estimate is required to determine the amount of inventories to be written off in a given period [Notes: 3(b) and 14].

(v) Property, plant and equipment and intangible assets

Estimation and judgment are involved in determining the useful lives, related depreciation and amortization and accumulated depreciation and amortization of property, plant and equipment and intangible assets. Estimated useful lives are determined based upon manufacturer's guidance on asset life, SaskPower's past experience with similar assets, industry averages, as well as expectations about future events that could impact the life of the asset. Estimated useful lives are reviewed annually to ensure their reasonableness [Notes: 3(c), 3(d), 10, 15 and 16].

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

(vi) Leases

In identifying whether the Corporation's power purchase agreements (PPAs) are leases, management must use judgment in assessing whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys the right to use the asset [Notes: 3(k) and 22].

(vii) Provisions

Estimation and judgment are involved in determining the carrying amounts of decommissioning and environmental remediation provisions. The provisions are recorded at the fair value based on the Corporation's best estimate of the future cash expenditures required to settle the obligations, taking into account current environmental regulations. The underlying estimates of future cash flows are required to be made over a long period of time, given the fact that most provisions will not be settled for a number of years [Notes: 3(g) and 23].

(viii) Financial instruments

Determining the fair value of financial instruments and derivatives can require significant estimation regarding components such as future price, volatility, and liquidity. Fair values can fluctuate significantly depending on current market conditions. These estimates of fair value may not accurately reflect the amounts that could be realized or settled [Notes: 3(l) and 26].

(ix) Employee benefits

Employee benefit plan expense and obligations are calculated by an independent actuary based on underlying actuarial assumptions, including discount rates, inflation, future pension indexing and life expectancy. These assumptions are determined by management and reviewed annually by the actuary. The calculations are complex, and a change in the estimate of any of the assumptions could have a material effect on the employee benefit plan expense or obligation [Notes: 3(m) and 33].

(e) New standards and interpretations not yet adopted

New standards and amendments to standards and interpretations which are not yet effective for the year ended March 31, 2019, have not been applied in preparing these consolidated financial statements. In particular, the Corporation is reviewing the following:

STANDARD	DESCRIPTION	IMPACT	EFFECTIVE DATE
IFRS 16, *Leases*	Issued to provide guidance on the requirement for a lessee to recognize, measure, present and disclose assets and liabilities for the rights and obligations created by leases.	IFRS 16 is expected to have an impact on the Corporation's consolidated statement of financial position, with the addition of finance lease obligations and right-of-use assets for its land and building leases. There will also be a shift in timing of expense recognition in the consolidated statement of income. The presentation of cash flows relating to leases will change in the consolidated statement of cash flows but will not cause a difference in the amount of cash transferred between the parties of a lease. Changes have been made to the Corporation's accounting system and processes and controls are being implemented to enable the application of IFRS 16 for the 2019-20 fiscal year. The Corporation is currently analyzing the standard to determine the full impact upon adoption.	April 1, 2019

(f) Prior period reclassifications

In prior periods, the Corporation presented unrealized market value adjustments as a separate line item below revenue and expenses. Upon adoption of IFRS 9, *Financial Instruments*, effective April 1, 2017, SaskPower implemented hedge accounting for its natural gas hedges and reclassified its debt retirement funds from fair value through profit and loss to fair value through other comprehensive income. As such, the effective portion of the changes related to the natural gas derivatives is recognized in other comprehensive income, while the ineffective portion is recorded in profit or loss immediately. Any gains or losses on the debt retirement funds are now recorded in other comprehensive income.

A review of the classification of these unrealized market value adjustments, which included the natural gas inventory revaluation, indicated that these items would be more appropriately presented with the related line item in profit and loss in the current year. As a result, the affected financial statement line items for the prior periods have been adjusted to provide comparable presentation as follows:

(in millions)	For the year ended March 31, 2018
Consolidated Statement of Income	**Increase (decrease)**
Fuel and purchased power	**$ 1**
Unrealized market value adjustments	**(1)**
Adjustments to net income	**$ -**

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

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

Separate audited financial statements are prepared annually for its wholly-owned subsidiary: NorthPoint Energy Solutions Inc. (NorthPoint). NorthPoint actively trades electricity in markets outside of Saskatchewan. SaskPower International Inc. is also a wholly-owned subsidiary, however, it has no active operations beyond its interests as joint operators of Cory Cogeneration Station and Cory Cogeneration Funding Corporation (CCFC) and its investment in MRM Cogeneration Station, over which it exerts significant influence. As a result, separate audited financial statements are not prepared for SaskPower International.

(ii) Associates

Associates are those entities in which the Corporation has significant influence, but not control, over strategic financial and operating decisions. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity.

Associates are accounted for using the equity method (equity accounted for investees) and are recognized initially at cost. The consolidated financial statements include the Corporation's share of the total comprehensive income from the date that significant influence or joint control commences until the date that significant influence or joint control ceases (Note 18).

The Corporation has classified the following investment as an associate:

- 30% ownership interest in the MRM Cogeneration Station. The 172-megawatt (MW) natural gas-fired cogeneration facility is located at the Athabasca Oil Sands Project's Muskeg River Mine, north of Fort McMurray, Alberta.

(iii) Joint operations

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

The Corporation has classified the following arrangements as joint operations:

- 50% ownership interest in an unincorporated joint venture with ATCO Power Canada Ltd. The joint venture owns and operates a 249-MW natural gas-fired cogeneration plant (Cory Cogeneration Station) near Saskatoon, Saskatchewan. The electricity generated by the facility is sold to SaskPower under the terms of a 25-year PPA.
- 50% ownership interest in CCFC. CCFC is a special purpose company established by the Corporation and ATCO Power Canada Ltd. (the Owners) to borrow long-term, non-recourse debt to finance the Cory Cogeneration Station. CCFC acts as agents for the Owners by receiving revenue, disbursing costs (including debt service) and distributing proceeds to the Owners.
- 50% ownership interest in BHP Billiton SaskPower Carbon Capture and Storage (CCS) Knowledge Centre Inc. This not-for-profit corporation was established on February 26, 2016, to advance the understanding and use of CCS as a means of managing greenhouse gas emissions and to further research projects related thereto as agreed upon by its members from time to time.

The consolidated financial statements include the Corporation's proportionate share of the joint operation assets, liabilities, revenue and expenses.

(b) Inventory

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

In establishing the appropriate provision for inventory obsolescence, management estimates the likelihood that inventory on hand will become obsolete due to changes in technology. Maintenance materials and supplies are charged to inventory when purchased and expensed or capitalized when used. Natural gas, coal and other fuel inventory are charged to inventory when purchased and expensed as consumed or sold (Note 14).

(c) Property, plant and equipment

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

Costs are capitalized provided there is reasonable certainty they will provide benefits into the future. Significant renewals and enhancements to existing assets are capitalized only if the useful life of the asset is increased; physical output, service capacity or quality is improved above original design standards; or operating costs are reduced by a substantial and quantifiable amount that can be reliably measured. The costs of day-to-day servicing of property, plant and equipment are expensed as incurred (Note 15).

When property, plant and equipment are disposed of or retired, the related costs less accumulated depreciation are de-recognized. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds less costs of removal and the carrying amount of the asset. The gain or loss on asset disposals and retirements is recognized in profit or loss as other expenses (Note 13).

Assets held under finance leases are initially recognized at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments. The corresponding liability is recorded as a finance lease obligation (Note 22).

(d) Depreciation

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

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

Following the completion of an external depreciation study, the estimated useful lives of certain assets were changed. The change in estimate was applied prospectively, effective April 1, 2018, and resulted in an approximate $2 million decrease to depreciation expense for the year ended March 31, 2019.

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

Asset class	Estimated useful lives (years)
Generation	5 – 110
Transmission	3 – 55
Distribution	3 – 40
Other	4 – 60

A one-year decrease in the estimated useful life of each of the major classes of property, plant and equipment would result in a $33 million increase to depreciation expense annually.

Assets held under finance leases are depreciated over their expected useful economic lives on the same basis as for owned assets, or where shorter, the lease term (Note 10).

(e) Intangible assets

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

Amortization is calculated on a straight-line basis over five years — the estimated useful life of the Corporation's software programs. The estimated useful life of intangible assets is reviewed annually and any changes are applied prospectively (Note 10).

(f) Impairment of assets

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

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

(g) Provisions

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

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

(i) Decommissioning

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

The fair value of the estimated decommissioning costs is recorded as a provision with an offsetting amount capitalized and included as part of property, plant and equipment. The provisions are increased periodically for the passage of time by calculating interest expense. The offsetting capitalized asset retirement costs are depreciated over the estimated useful life of the related asset.

The calculations of fair value are based on detailed studies that take into account various assumptions regarding the anticipated future cash flows including the method and timing of decommissioning and

estimates of future inflation rates. Decommissioning provisions are periodically reviewed and any changes in the estimated timing and amount of future cash flows, as well as changes in the discount rate, are recognized as an increase or decrease in the carrying amount of the obligation and the related asset. If the asset value is fully depreciated the changes are recognized in profit or loss as other expenses (Notes: 13 and 23).

(ii) Environmental remediation

A provision for environmental remediation is accrued when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs of remedial activities can be reasonably estimated. The fair value of the estimated costs for investigations and remediation at identified sites is recorded as a provision in profit or loss as other expenses. These provisions are based on management's best estimate considering current environmental laws and regulations and are recorded at fair value. The Corporation reviews its estimates of future environmental expenditures on an ongoing basis. Changes in the estimated timing and amount of future cash flows are recognized in profit or loss as other expenses (Notes: 13 and 23).

(h) Revenue recognition

Revenue represents amounts receivable for goods and services provided in the normal course of business. Revenue is recognized when it is probable that future economic benefits will flow to the Corporation and these benefits can be measured reliably.

(i) Saskatchewan electricity sales

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

Electricity rates in Saskatchewan are subject to review by the Saskatchewan Rate Review Panel with final approval by provincial cabinet. Saskatchewan electricity sales include an estimate of electricity deliveries not yet billed at period-end. The estimated unbilled revenue is based on several factors, including estimated consumption by customer, applicable customer rates and the number of days between the last billing date and the end of the period (Note 5).

(ii) Exports

Export sales are recognized upon delivery to the customer and include an estimate of electricity deliveries not yet billed at period end.

(iii) Net sales (costs) from electricity trading

Electricity trading revenue is reported on a net basis upon delivery of electricity to the customers and receipt of electricity purchased from external parties. Electricity trading contracts are recorded at fair value (Notes: 6 and 26).

(iv) Customer contributions

Customer contributions are funds received from certain customers toward the costs of service extensions. Customer contribution contracts are deemed to have a single performance obligation. These performance obligations are satisfied at a point in time and recognized in profit or loss as other revenue when the related property, plant and equipment is available for its intended use. The transaction price is the estimated construction charge for connecting the customer to the network (Note 7).

(v) Other

Other revenue includes gas and electrical inspections, fly ash and carbon dioxide (CO_2) sales which are recorded upon delivery of the related good or service (Note 7).

(i) Finance charges

Finance expense is comprised of interest expense on short-term and long-term borrowings, finance costs related to leased assets, interest on employee benefit plans, and interest on provisions. Interest expense is recognized in profit or loss, using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. All other borrowing costs are recognized as a finance expense as the costs accrue (Note 11).

Finance income is comprised of earnings on debt retirement funds and interest. Finance income is recognized in profit or loss as earned (Note 11).

(j) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars using the rate of exchange in effect at the reporting date. Revenue and expenses are translated at the rate prevailing at the transaction date. Foreign currency translation gains and losses are included in other expenses in the period in which they arise (Note 13).

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. The Corporation has assessed its arrangements to determine whether they contain a lease. Certain take-or-pay PPAs, which in management's judgment give SaskPower the exclusive right to use specific production assets, meet the definition of a lease. These arrangements have been classified as finance leases.

Assets held under finance leases are initially recognized at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments. The corresponding liability is recorded as a finance lease obligation. Each lease payment is allocated between the liability and interest so as to achieve a constant rate on the finance balance outstanding. The interest component is included in finance expense.

Assets held under finance leases are depreciated over their expected useful economic lives on the same basis as for owned assets, or where shorter, the lease term (Notes: 15 and 22).

All other transactions in which SaskPower is the lessee are classified as operating leases. Payments made under operating leases are expensed over the term of the lease.

(l) Financial instruments

(i) Classification and measurement

SaskPower classifies its financial instruments into one of the following categories: amortized cost (AC); fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL) and other liabilities (Note 26).

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

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

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

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

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

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

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

(ii) Hedges

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

The Corporation enters into forward contracts to hedge exposures to anticipated changes in commodity prices on forecasted natural gas purchases related to the Corporation's PPAs. In the past, the Corporation entered into bond forward agreements to hedge exposures to anticipated changes in interest rates on forecasted issuances of debt (Note 26). The Corporation chooses to designate these contracts as cash flow hedges. The Corporation assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The Corporation applies a hedge ratio of 1:1. As such, the effective portion of the changes in fair value related to the derivative financial instruments are recognized in other comprehensive income (loss), with the fair value being recognized as risk management assets and liabilities on the consolidated statement of financial position. Ineffective portions of hedges are recorded in profit or loss immediately. When the natural gas forward agreements are settled, the resulting gain or loss recorded in accumulated other comprehensive income (loss) is recognized in fuel and purchased power immediately. The bond forward agreements expired upon the issuance of debt; therefore, the resulting gain or loss recorded in accumulated other comprehensive income (loss) is being amortized to finance charges over the term of the debt.

(iii) Embedded derivatives

As at March 31, 2019, the Corporation does not have any outstanding contracts or financial instruments with embedded derivatives that are required to be valued separately.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date. SaskPower's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. The Corporation has classified the fair value of its financial instruments as level 1, 2, or 3 (Note 26) 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 fixed price swap contract values are calculated using internal discounted cash flow models that rely on forward AECO C natural gas pricing provided by independent reference dealers. The contracted cash flows are discounted using observable yield curves.

Electricity contract fair values are determined using independent pricing information from external market providers and other variables.

Level 3 – Fair values are determined based on inputs for the asset or liability that are not based on observable market data. As at March 31, 2019, the Corporation does not have any financial instruments classified as Level 3.

(v) Impairment of financial assets

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instruments at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income (loss). The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery (Note 27).

(m) Employee benefits

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

(i) Defined contribution pension plan

A defined contribution pension plan is a post-employment benefit under which SaskPower pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized in operating, maintenance and administration (OM&A) expense in the period during which services are rendered by employees (Note 33).

(ii) Defined benefit pension plans

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

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

The Corporation recognizes all actuarial gains and losses arising from defined benefit plans directly in other comprehensive income (loss) in the period in which they arise (Note 33).

(iii) Other benefit plans

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

The Corporation also provides lifetime superannuation allowances and bridge allowances to employees who chose to retire under various early retirement options. The cost of these benefits is actuarially determined by calculating the present value of all future benefit entitlements (Note 33).

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) IFRS 15, *Revenue from Contracts with Customers*

Effective April 1, 2018, SaskPower adopted IFRS 15, *Revenue from Contracts with Customers*. The Corporation elected to adopt IFRS 15 retrospectively using the cumulative effect method with any adjustments recognized in the opening balance of retained earnings as at April 1, 2018. Comparative information has not been restated and continues to be reported under IAS 18, *Revenue*. As the adoption of the new standard did not have a material impact on the Corporation's existing revenue recognition practices, there was no cumulative effect on net earnings as at April 1, 2018, that would have required restatement. There was also no impact to the opening balance of retained earnings upon adoption of IFRS 15, however, the presentation of the consolidated statement of financial position was adjusted to present deferred revenue (contract liabilities) separately in the current fiscal year. For comparative purposes, the prior year balance of accounts payable and accrued liabilities included $32 million of deferred revenue. Additional disclosures have been provided in the following notes: 3(h), 5 and 19.

In adopting IFRS 15, the Corporation elected to apply the following practical expedients:

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

The Corporation's revenue recognition policy, effective April 1, 2018, is as follows:

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

The Corporation recognizes a contract asset or contract liability (deferred revenue) for the contracts where either party has performed. A contract liability is recorded when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation when that right is conditional on something other than the passage of time. The Corporation recognizes unconditional rights to consideration separately as a receivable. Contract assets and receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired. Upon adoption of IFRS 15, the Corporation did not recognize any contract assets.

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

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

Saskatchewan electricity sales

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

Saskatchewan electricity sales are calculated based on the customer's usage of electricity during the period at the applicable published rates for each customer class. Electricity rates in Saskatchewan are subject to review by the Saskatchewan Rate Review Panel with final approval by provincial cabinet. Electricity sales include an estimate of electricity deliveries not yet billed at period-end. The estimated unbilled revenue is based on several factors, including estimated consumption by customer, applicable customer rates and the number of days between the last billing date and the end of the period (Note 5).

Customer contributions

Customer contributions are funds received from certain customers toward the costs of service extensions. Customer contribution contracts are deemed to have a single performance obligation. These performance obligations are satisfied at a point in time and recognized in profit or loss as other revenue when the related property, plant and equipment is available for its intended use. The transaction price is the estimated construction charge for connecting the customer to the network (Note 7).

Contract balances

Upon adoption of IFRS 15, the Corporation did not recognize any contract assets. There was no revenue recognized in the year ended March 31, 2019, from performance obligations satisfied (or partially satisfied) in previous periods.

Deferred revenue (contract liabilities) primarily relates to advance consideration received for customer contribution contracts. The related revenue is recognized when the property, plant and equipment is available for its intended use (Note 19).

5. SASKATCHEWAN ELECTRICITY SALES

(in millions)	**2018-19**	2017-18
Residential	**$ 576**	$ 549
Farm	**188**	180
Commercial	**519**	501
Oilfield	**416**	395
Power	**784**	758
Reseller	**100**	97
	$ 2,583	$ 2,480

6. NET SALES (COSTS) FROM ELECTRICITY TRADING

(in millions)	**2018-19**	2017-18
Electricity trading revenue	**$ 12**	$ 3
Electricity trading costs	**(12)**	(6)
	$ -	$ (3)

7. OTHER REVENUE

(in millions)	2018-19	2017-18
Customer contributions	$ 53	$ 44
Gas and electrical inspections	17	17
CO_2 sales	8	9
Fly ash sales	7	7
Joint use charge	5	4
Custom work	5	5
Miscellaneous revenue	14	11
	$ 109	$ 97

8. FUEL AND PURCHASED POWER

(in millions)	2018-19	2017-18
		[Note 2(f)]
Gas	$ 307	$ 289
Coal	296	275
Imports	44	30
Wind	23	24
Hydro	21	22
Other	19	20
	$ 710	$ 660

Gas costs include the fuel charges associated with the electricity generated from SaskPower-owned gas-fired facilities as well as gas-fired PPA facilities. Gas and coal costs include federal carbon charges of $19 million implemented January 1, 2019. Imports represent electricity purchased from suppliers that produce power outside Saskatchewan. Wind and other include the cost of electricity obtained through wind PPA facilities, Green Option Partners, small independent power producers, and the cost of demand response programs.

9. OPERATING, MAINTENANCE AND ADMINISTRATION

(in millions)	Notes	2018-19	2017-18
Salaries and benefits		$ 328	$ 325
Employee long-term benefits	33	29	29
External services		241	226
Materials and supplies		43	35
Other		67	65
		$ 708	$ 680

10. DEPRECIATION AND AMORTIZATION

(in millions)	Notes	2018-19	2017-18
Depreciation expense	15	$ 530	$ 521
Amortization of intangible assets	16	23	22
		$ 553	$ 543

11. FINANCE CHARGES

(in millions)	Notes	**2018-19**	2017-18
Finance expense			
Interest on long-term debt		**$ 277**	$ 269
Interest on finance leases		**165**	160
Interest on short-term advances		**17**	8
Net interest on employee benefit plans	33	**6**	10
Interest on provisions	23	**6**	5
Other interest and charges		**1**	1
		472	453
Less: interest capitalized		**(36)**	(21)
amortization of debt premiums net of discounts	21	**(1)**	(1)
amortization of bond forward agreements net losses		**1**	1
		436	432
Finance income			
Debt retirement fund earnings	17	**(17)**	(13)
Interest income		**(3)**	(2)
		(20)	(15)
		$ 416	$ 417

12. TAXES

(in millions)	**2018-19**	2017-18
Saskatchewan corporate capital tax	**$ 46**	$ 45
Payments to the General Revenue Fund	**26**	19
Grants-in-lieu of property taxes	**2**	-
Grants-in-lieu of taxes	**-**	8
	$ 74	$ 72

13. OTHER EXPENSES

(in millions)	Notes	**2018-19**	2017-16
Net losses on asset disposals and retirements[1]		**$ 24**	$ 54
Environmental remediation provisions[2]	23	**36**	11
Other environmental costs		**4**	1
Inventory variance adjustments		**3**	2
		$ 67	$ 68

1. Prior year net losses on asset disposals and retirements include a $30 million write-down as a result of a decision to defer development of the Tazi Twé Hydroelectric Project in northern Saskatchewan due to a decrease in forecasted demand.

2. Environmental remediation provisions include a $30 million adjustment based on proposed estimated settlement costs for past activities.

14. INVENTORY

(in millions)	**March 31 2019**	March 31 2018
Maintenance materials and supplies	**$ 228**	$ 211
Allowance for obsolescence	**(13)**	(12)
	215	199
Coal	**10**	10
Natural gas	**10**	9
Other fuel	**2**	1
	237	219
Natural gas market revaluation	**(6)**	(5)
	$ 231	$ 214

(in millions)	**2018-19**	2017-18
Inventory consumed during the period:		
Maintenance materials and supplies	**$ 214**	$ 198
Coal	**183**	186
Natural gas	**174**	163
Other fuel	**2**	2
	$ 573	$ 549

(in millions)	**Allowance for obsolescence**
Balance, April 1, 2017	$ 12
Provision for obsolete inventory	2
Inventory disposals and/or write-downs	(2)
Balance, March 31, 2018	**$ 12**
Provision for obsolete inventory	2
Inventory disposals and/or write-downs	(1)
Balance, March 31, 2019	**$ 13**

15. PROPERTY, PLANT AND EQUIPMENT

(in millions)	Generation	Leased assets	Transmission	Distribution	Other	Construction in progress	Total
Cost or deemed cost							
Balance, April 1, 2017	$ 6,548	$ 1,233	$ 2,119	$ 3,794	$ 816	$ 540	**$ 15,050**
Additions	184	-	162	234	70	981	**1,631**
Disposals and/or retirements	(51)	-	(23)	(29)	(21)	-	**(124)**
Transfers	-	-	-	-	-	(668)	**(668)**
Balance, March 31, 2018	**$ 6,681**	**$ 1,233**	**$ 2,258**	**$ 3,999**	**$ 865**	**$ 853**	**$ 15,889**
Additions	134	10	203	263	59	833	**1,502**
Disposals and/or retirements	(28)	-	(11)	(30)	(14)	-	**(83)**
Transfers	-	-	-	-	-	(658)	**(658)**
Balance, March 31, 2019	**$ 6,787**	**$ 1,243**	**$ 2,450**	**$ 4,232**	**$ 910**	**$ 1,028**	**$ 16,650**
Accumulated depreciation							
Balance, April 1, 2017	$ 2,677	$ 406	$ 571	$ 1,532	$ 346	$ -	**$ 5,532**
Depreciation expense	245	56	56	114	50	-	**521**
Disposals and/or retirements	(15)	-	(3)	(24)	(17)	-	**(59)**
Transfers	-	-	-	-	-	-	**-**
Balance, March 31, 2018	**$ 2,907**	**$ 462**	**$ 624**	**$ 1,622**	**$ 379**	**$ -**	**$ 5,994**
Depreciation expense	252	57	55	117	49	-	**530**
Disposals and/or retirements	(21)	-	(6)	(25)	(12)	-	**(64)**
Transfers	-	-	-	-	-	-	**-**
Balance, March 31, 2019	**$ 3,138**	**$ 519**	**$ 673**	**$ 1,714**	**$ 416**	**$ -**	**$ 6,460**
Net book value							
Balance, April 1, 2017	**$ 3,871**	**$ 827**	**$ 1,548**	**$ 2,262**	**$ 470**	**$ 540**	**$ 9,518**
Balance, March 31, 2018	**$ 3,774**	**$ 771**	**$ 1,634**	**$ 2,377**	**$ 486**	**$ 853**	**$ 9,895**
Balance, March 31, 2019	**$ 3,649**	**$ 724**	**$ 1,777**	**$ 2,518**	**$ 494**	**$ 1,028**	**$ 10,190**

For the year ended March 31, 2019, $36 million (2017-18 – $21 million) of interest costs were capitalized at the weighted average cost of borrowings rate of 4.20% (2017-18 – 4.20%).

16. INTANGIBLE ASSETS

(in millions)	Software
Cost	
Balance, April 1, 2017	$ 262
Additions	38
Disposals and/or retirements	(4)
Transfers	-
Balance, March 31, 2018	**$ 296**
Additions	18
Disposals and/or retirements	(11)
Transfers	-
Balance, March 31, 2019	**$ 303**
Accumulated amortization	
Balance, April 1, 2017	$ 214
Amortization expense	22
Disposals and/or retirements	(3)
Transfers	-
Balance, March 31, 2018	**$ 233**
Amortization expense	23
Disposals and/or retirements	(11)
Transfers	-
Balance, March 31, 2019	**$ 245**
Net book value	
Balance, April 1, 2017	**$ 48**
Balance, March 31, 2018	**$ 63**
Balance, March 31, 2019	**$ 58**

17. DEBT RETIREMENT FUNDS

(in millions)	
Balance, April 1, 2017	$ 590
Debt retirement fund instalments	52
Debt retirement fund earnings	13
Debt retirement fund market value gains	3
Balance, March 31, 2018	**$ 658**
Debt retirement fund instalments	56
Debt retirement fund earnings	17
Debt retirement fund market value gains	17
Balance, March 31, 2019	**$ 748**

Under conditions attached to certain advances from the Government of Saskatchewan's General Revenue Fund, the Corporation is required to pay annually into debt retirement funds administered by the Government of Saskatchewan Ministry of Finance, amounts at least equal to 1% of certain debt outstanding. As at March 31, 2019, scheduled debt retirement fund instalments for the next five years are as follows:

(in millions)	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Debt retirement fund instalments	$ 60	$ 60	$ 58	$ 56	$ 53

18. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(in millions)	**MRM**
Balance, April 1, 2017	$ 38
Profit (loss)	2
Distributions	-
Balance, March 31, 2018	**$ 40**
Profit (loss)	3
Distributions	(4)
Balance, March 31, 2019	**$ 39**

MRM Cogeneration Station (MRM)

The Corporation has a 30% ownership interest in the MRM Cogeneration Station. The 172-MW natural gas-fired cogeneration facility is located at the Athabasca Oil Sands Project's Muskeg River Mine, north of Fort McMurray, Alberta.

The Corporation's interest in MRM is summarized below:

(in millions)	**March 31 2019**	March 31 2018
Statement of financial position		
Current assets	**$ 28**	$ 32
Non-current assets	**152**	155
Current liabilities	**(19)**	(26)
Non-current liabilities	**(30)**	(28)
Net assets	**$ 131**	$ 133
SaskPower's 30% investment share	**$ 39**	$ 40

(in millions)	**2018-19**	2017-18
Statement of income		
Revenue	**$ 86**	$ 44
Expense	**(76)**	(37)
Profit (loss)	**$ 10**	$ 7
SaskPower's 30% investment share	**$ 3**	$ 2

19. DEFERRED REVENUE

(in millions)	
Balance, April 1, 2018	$ 32
Additions	18
Recognized in revenue	(21)
Balance, March 31, 2019	**$ 29**

Prior year deferred revenue balance of $32 million was included in accounts payable and accrued liabilities [Note 4(a)].

20. SHORT-TERM ADVANCES

(in millions)	**March 31 2019**	March 31 2018
Short-term advances	**$ 996**	$ 1,141

The short-term advances are due to the Government of Saskatchewan's General Revenue Fund. As at March 31, 2019, the advances have interest rates ranging from 1.643% to 1.991% and mature between April 2 and August 1, 2019. As at March 31, 2018, the advances had interest rates ranging from 1.040% to 1.431% and matured between April 3 and August 10, 2018.

21. LONG-TERM DEBT

(in millions)

Balance, April 1, 2017	$	5,559
Long-term debt issues		168
Long-term debt repayments		(105)
Amortization of debt premiums net of discounts		(1)
Balance, March 31, 2018	**$**	**5,621**
Long-term debt issues		389
Long-term debt repayments		(5)
Amortization of debt premiums net of discounts		(1)
	$	6,004
Less: current portion of long-term debt		(5)
Balance, March 31, 2019	**$**	**5,999**

Long-term debt is comprised of recourse debt — advances from the Government of Saskatchewan's General Revenue Fund — and non-recourse debt which is used to finance the Cory Cogeneration Station. Under the terms of the non-recourse debt, lenders have recourse limited to the station's assets.

Recourse debt – advances from the Government of Saskatchewan's General Revenue Fund (in millions):

Date of issue	Date of maturity	Effective interest rate (%)	Coupon rate (%)	Par value	Unamortized premiums (discounts)	Outstanding amount
December 20, 1990	December 15, 2020	11.23	9.97	$ 129	$ -	$ 129
February 4, 1992	February 4, 2022	9.27	9.60	240	2	242
July 21, 1992	July 15, 2022	10.06	8.94	256	-	256
May 30, 1995	May 30, 2025	8.82	8.75	100	-	100
August 8, 2001	September 5, 2031	6.49	6.40	200	(1)	199
January 15, 2003	September 5, 2031	5.91	6.40	100	4	104
May 12, 2003	September 5, 2033	5.90	5.80	100	(1)	99
January 14, 2004	September 5, 2033	5.68	5.80	200	2	202
October 5, 2004	September 5, 2035	5.50	5.60	200	2	202
February 15, 2005	March 5, 2037	5.09	5.00	150	(2)	148
May 6, 2005	March 5, 2037	5.07	5.00	150	(1)	149
February 24, 2006	March 5, 2037	4.71	5.00	100	3	103
March 6, 2007	June 1, 2040	4.49	4.75	100	3	103
April 2, 2008	June 1, 2040	4.67	4.75	250	3	253
December 19, 2008	June 1, 2040	4.71	4.71	100	-	100
September 8, 2010	June 1, 2040	4.27	4.75	200	13	213
November 15, 2012	February 3, 2042	3.22	3.40	200	6	206
February 28, 2013	February 3, 2042	3.54	3.40	200	(4)	196
October 9, 2013	June 2, 2045	3.97	3.90	400	(5)	395
January 17, 2014	June 2, 2045	3.95	3.90	200	(2)	198
October 9, 2014	June 2, 2045	3.43	3.90	200	16	216
February 13, 2015	June 2, 2045	2.73	3.90	200	44	244
June 2, 2015	December 2, 2046	3.15	2.75	200	(15)	185
October 26, 2015	December 2, 2046	3.43	2.75	200	(24)	176
January 28, 2016	December 2, 2046	3.34	2.75	200	(21)	179
July 19, 2016	December 2, 2046	2.85	2.75	150	(3)	147
October 20, 2016	December 2, 2046	3.00	2.75	200	(9)	191
January 24, 2017	June 2, 2048	3.35	3.30	200	(2)	198
March 13, 2014	March 5, 2054	3.76	3.75	100	-	100
May 12, 2014	March 5, 2054	3.71	3.75	175	1	176
August 29, 2017	March 5, 2054	3.19	3.75	150	18	168
August 15, 2018	June 2, 2050	3.18	3.10	200	(3)	197
September 19, 2018	June 2, 2058	3.13	2.95	200	(8)	192
				$ 5,950	**$ 16**	**$ 5,966**

Subsequently, on April 2, 2019, the Corporation borrowed $150 million of long-term debt at a premium of $9 million. The debt issue has a coupon rate of 3.10%, an effective interest rate of 2.81%, and matures on June 2, 2050.

Non-recourse debt (in millions):

Date of issue	Date of maturity	Effective interest rate (%)	Coupon rate (%)	Par value	Unamortized premiums (discounts)	Outstanding amount
April 26, 2001	June 30, 2019, to December 31, 2025	7.87	7.59	$ 20	$ -	$ 20
April 26, 2001	June 30, 2019, to June 30, 2026	7.88	7.60	18	-	18
				$ 38	**$ -**	**$ 38**

As at March 31, 2019, scheduled principal debt retirement requirements for the next five years are as follows:

(in millions)	2019-20	2020-21	2021-22	2022-23	2023-24
Recourse debt	$ -	$ 129	$ 240	$ 256	$ -
Non-recourse debt	5	5	5	5	6
	$ 5	**$ 134**	**$ 245**	**$ 261**	**$ 6**

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

22. FINANCE LEASE OBLIGATIONS

(in millions)	March 31 2019	March 31 2018
Total future minimum lease payments	**$ 2,654**	$ 2,807
Less: future finance charges on finance leases	**(1,549)**	(1,693)
Present value of finance lease obligations	**$ 1,105**	$ 1,114
Less: current portion of finance lease obligations	**(24)**	(18)
	$ 1,081	$ 1,096

As at March 31, 2019, scheduled future minimum lease payments and the present value of finance lease obligations are as follows:

(in millions)	1 year	2 - 5 years	More than 5 years
Future minimum lease payments	$ 185	$ 777	$ 1,692
Present value of finance lease obligations	24	184	897

23. PROVISIONS

(in millions)	Decommissioning	Environmental remediation	Total
Balance, April 1, 2017	$ 177	$ 40	**$ 217**
Charged to income:			
New obligations	12	-	**12**
Change in assumptions	(1)	-	**(1)**
Interest	5	-	**5**
Capitalized to property, plant and equipment:			
New obligations	-	-	**-**
Change in assumptions	4	-	**4**
Settled during the period	(4)	-	**(4)**
Balance, March 31, 2018	**$ 193**	**$ 40**	**$ 233**
Charged to income:			
New obligations	5	30	**35**
Change in assumptions	1	-	**1**
Interest	6	-	**6**
Capitalized to property, plant and equipment:			
New obligations	6	-	**6**
Change in assumptions	13	-	**13**
Settled during the period	(9)	(2)	**(11)**
Balance, March 31, 2019	**$ 215**	**$ 68**	**$ 283**

Assumptions

	March 31 2019	March 31 2018
Discount rate, end of period	**1.95 - 2.76%**	2.11 - 3.10%
Long-term inflation rate	**2.00%**	2.00%
Undiscounted cash flows (in millions)	**$ 394**	$ 388

Discount rates based on the Government of Saskatchewan bond yields were used to calculate the carrying values of the provisions. The costs of the decommissioning provisions will be incurred between fiscal 2019-20 and 2069-70. No funds have been set aside by the Corporation to settle the decommissioning provisions.

Sensitivity of assumptions

Sensitivity of provisions to changes in the discount and inflation rate on the recorded liability as at March 31, 2019, is as follows:

	Decommissioning provisions	
(in millions)	0.5% increase	0.5% decrease
Discount rate	$ (19)	$ 24
Inflation rate	29	(23)

24. ACCUMULATED OTHER COMPREHENSIVE LOSS

(in millions)	**March 31 2019**	March 31 2018
Realized gains (losses) on derivatives designated as cash flow hedges	**$ (11)**	$ (12)
Unrealized gains (losses) on derivatives designated as cash flow hedges	**(40)**	(44)
Unrealized gains (losses) on debt instruments designated as FVOCI	**7**	(10)
Actuarial gains (losses) on defined benefit pension plans	**20**	23
	$ (24)	$ (43)

25. EQUITY ADVANCES

The Corporation does not have share capital. However, the Corporation has received advances from CIC to form its equity capitalization. The advances reflect an equity investment in the Corporation by CIC. During the year, the Corporation repaid $34 million to CIC.

26. FINANCIAL INSTRUMENTS

(in millions)			**March 31, 2019**		March 31, 2018	
			Asset (liability)		Asset (liability)	
	Classification	**Level[5]**	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets						
Cash and cash equivalents	FVTPL[1]	1	**$ 10**	**$ 10**	$ 7	$ 7
Accounts receivable and unbilled revenue	AC[2]	N/A	**505**	**505**	540	540
Debt retirement funds	FVOCI - debt instrument[3]	2	**748**	**748**	658	658
Other assets - long-term receivables	AC[2]	N/A	**1**	**1**	2	2
Financial liabilities						
Accounts payable and accrued liabilities	OL[4]	N/A	**$ (420)**	**$ (420)**	$ (534)	$ (534)
Accrued interest	OL[4]	N/A	**(64)**	**(64)**	(59)	(59)
Dividend payable	OL[4]	N/A	**(20)**	**(20)**	-	-
Short-term advances	OL[4]	N/A	**(996)**	**(996)**	(1,141)	(1,141)
Long-term debt	OL[4]	2	**(6,004)**	**(7,159)**	(5,621)	(6,555)

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. OL – other liabilities measured at amortized cost.
5. 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 — including accounts receivable and unbilled revenue; other assets – long-term receivables; accounts payable and accrued liabilities; accrued interest, dividend payable and short-term advances — are carried at values which approximate fair value.

Risk management assets and liabilities

(in millions)	Classification	Level[2]	March 31, 2019 Asset	March 31, 2019 (Liability)	March 31, 2018 Asset	March 31, 2018 (Liability)
Natural gas contracts						
Fixed price swap instruments used for hedging[3,4]	FVTPL[1]	2	**$ 1**	**$ (137)**	$ -	$ (165)
Fixed price swap instruments	FVTPL[1]	2	**-**	**-**	1	(1)
Electricity contracts						
Forward agreements[5]	FVTPL[1]	2	**4**	**-**	9	-
			$ 5	**$ (137)**	$ 10	$ (166)

1. FVTPL – measured mandatorily at fair value through profit or loss.
2. Fair values are determined using a fair value hierarchy as follows:

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

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

   Level 3 – Inputs for the asset or liability that are not based on observable market data.
3. The terms and conditions of certain financial and physical derivative contracts require SaskPower to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of exposure limits granted. As at March 31, 2019, the Corporation has posted $153 million in collateral for which a portion relates to these financial derivative contracts. The collateral is recognized as margin deposits on derivative contracts and included with accounts receivable on the statement of financial position.
4. These natural gas fixed price swap instruments have been designated as cash flow hedges. As such, the effective portion of the changes in fair value related to the derivative financial instruments are recognized in other comprehensive income (loss).
5. The fair value of this forward electricity contract was determined using a valuation technique using inputs based on pricing information from external market providers and other variables. The valuation technique used calculated a day one gain (difference between the transaction price and the fair value). Given the complexity and nature of this agreement, management concluded that the transaction price is not the best evidence of fair value. As a result, this day one gain has been deferred and recognized as deferred revenue on the statement of financial position. In the prior year, this amount was included in accounts payable and accrued liabilities. The day one gain will be amortized into income over the term of the contract.

Cash flow hedges

Commodity price risk

The Corporation uses fixed price swap instruments to hedge exposures to anticipated changes in commodity prices on forecasted purchases of natural gas for the production of electricity through certain PPAs that have a cost component based on the market price of natural gas. As at March 31, 2019, the Corporation held the following instruments to hedge exposures to changes in natural gas price risk:

	1 year	2 - 5 years	More than 5 years
Natural gas hedges			
Net exposure - gain (loss) (millions)	$ (42)	$ (83)	$ (11)
Total outstanding gigajoules (GJ) (millions)	17	45	13
Weighted average hedged price per GJ	$ 3.92	$ 3.57	$ 3.25
Weighted average forward market price per GJ	$ 1.46	$ 1.64	$ 2.30

27. FINANCIAL RISK MANAGEMENT

Market risk

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

(a) Commodity prices

Natural gas contracts

The Corporation is exposed to natural gas price risk through natural gas purchased for its natural gas-fired power plants and through certain PPAs that have a cost component based on the market price of natural gas. As at March 31, 2019, the Corporation had entered into financial and physical natural gas contracts to price manage approximately 51% of its budgeted natural gas exposures for 2019-20, 40% for 2020-21, 37% for 2021-22, 33% for 2022-23, 28% for 2023-24, 23% for 2024-25, 16% for 2025-26, 10% for 2026-27, 3% for 2027-28 and 1% for 2028-29.

Based on the Corporation's March 31, 2019, closing positions on its financial natural gas hedges, a $1 per GJ increase in the price of natural gas would have resulted in a $70 million improvement in the unrealized market value adjustments recognized in other comprehensive income (loss) for the period. This sensitivity analysis does not represent the underlying exposure to changes in the price of natural gas on the remaining forecasted natural gas purchases which are unhedged as at March 31, 2019.

Electricity trading contracts

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

VaR has certain inherent limitations. The use of historical information in the estimate assumes that price movements in the past will be indicative of future market risk. As such, it may be only meaningful under normal market conditions. Extreme market events are not addressed by this risk measure. In addition, the use of a 10-day measurement period implies that positions can be unwound or hedged within that period. However, this may not be possible if the market becomes illiquid. SaskPower recognizes the limitations of VaR and actively uses other controls, including restrictions on authorized instruments, volumetric and term limits, stress-testing of individual portfolios and of the total proprietary trading portfolio and management review. As at March 31, 2019, the VaR associated with electricity trading activities was nil.

(b) Interest rates

Short- and long-term borrowings

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

The expected borrowings in fiscal 2019-20 are approximately $362 million, $37 million of which is short-term. The Corporation expects to have an average balance of $1,050 million in short-term advances outstanding throughout fiscal 2019-20. If interest rates were to increase by 100 basis points, this would result in approximately a $10.5 million increase in finance charges related to this short-term debt.

Debt retirement funds

Debt retirement funds are monies set aside to retire outstanding debt upon maturity. The Corporation is required to pay annually into debt retirement funds which are held and invested by the Government of Saskatchewan's General Revenue Fund. The Corporation has classified these investments as fair value through other comprehensive income and, therefore, recognized the change in the market value in other comprehensive income (loss) for the period. At March 31, 2019, SaskPower had $748 million in debt retirement funds. The fair value of the debt retirement funds is driven largely by interest rates. The estimated impact of a 1% yield curve shift, assuming no change in the amount of debt retirement funds, would be a $64 million decrease in the market value of the debt retirement funds.

(c) Foreign exchange rates

The Corporation faces exposure to the United States/Canadian dollar exchange rate primarily through the sale of electricity to customers in the United States, and from the purchase of goods and services that are payable in United States dollars. The Corporation may utilize financial instruments to manage this risk. As at March 31, 2019, the Corporation had no outstanding foreign exchange derivative contracts. The impact of fluctuations in foreign exchange rates on SaskPower's financial instruments is not considered significant to the Corporation. Therefore, a sensitivity analysis of the impact on profit or loss has not been provided.

Credit risk

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

The Corporation does not have a significant concentration of credit risk. The maximum credit risk to which the Corporation is exposed as at March 31, 2019, is limited to the fair value of the financial assets recognized.

(in millions)	**March 31 2019**	March 31 2018
Financial assets		
Cash and cash equivalents	**$ 10**	$ 7
Accounts receivable and unbilled revenue	**505**	540
Risk management assets	**5**	10
Debt retirement funds	**748**	658
Other assets - long-term receivables	**1**	2
	$ 1,269	$ 1,217

(a) Accounts receivable and unbilled revenue is diversified among many types of customer classes, such as residential, farm and commercial customers throughout Saskatchewan. Other receivables are considered low risk given past collection history. The Corporation uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade, unbilled and other receivables from individual customers as at March 31, 2019:

(in millions)	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 326	0.2%	$ 1
30 to 59 days	8	5.0%	-
60 to 89 days	7	10.0%	-
90 to 179 days	3	20.0%	1
180 to 364 days	4	30.0%	1
365 days and greater	10	75.0%-100.0%	7
	$ 358		$ 10
Margin deposits on derivative financial instruments	153	0.0%	-
Miscellaneous and other receivables	4	0.0%	-
	$ 515		**$ 10**

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

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

(in millions)	Allowance for doubtful accounts
Balance April 1, 2017	$ 11
Amounts written off	(2)
Net remeasurement of loss allowance	4
Balance, March 31, 2018	**$ 13**
Amounts written off	(6)
Net remeasurement of loss allowance	3
Balance, March 31, 2019	**$ 10**

Decreased gross carrying amounts of trade receivables balances in the 365 days and greater category resulted in the $3 million decrease to the allowance for doubtful accounts.

(b) SaskPower is also exposed to credit risk arising from derivative financial instruments if a counterparty fails to meet its obligations. The Corporation maintains Board-approved credit policies and limits in respect to its counterparties.

(c) Debt retirement funds are on deposit with the Government of Saskatchewan's General Revenue Fund and invested as the Ministry of Finance may determine. At March 31, 2019, the Ministry of Finance has invested these funds primarily in provincial government and federal government bonds with highly graded credit ratings and varying maturities. These maturities coincide with related long-term debt maturities and are managed based on this maturity profile and market conditions. As such, the related credit risk associated with these investments as at March 31, 2019, is considered low.

Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due or can do so only at excessive cost. SaskPower manages the Corporation's cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of the Corporation's financial liabilities at March 31, 2019:

		Contractual cash flows					
(in millions)	**Carrying amount**	**Contractual cash flows**	**0-6 months**	**7-12 months**	**2 years**	**3-5 years**	**More than 5 years**
Financial liabilities							
Accounts payable and accrued liabilities	$ 420	$ 420	$ 420	$ -	$ -	$ -	$ -
Accrued interest	64	64	64	-	-	-	-
Dividend payable	20	20	20	-	-	-	-
Risk management liabilities[1]	137	137	137	-	-	-	-
Short-term advances	996	996	996	-	-	-	-
Long-term debt	6,004	1,129	83	144	416	1,237	9,249
	$ 7,641	**$ 12,766**	**$ 1,720**	**$ 144**	**$ 416**	**$ 1,237**	**$ 9,249**

1. The terms and conditions of certain financial derivative contracts require SaskPower to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of credit limits granted. As at March 31, 2019, the Corporation had $153 million in collateral posted for which a portion relates to these financial derivative contracts.

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

28. CAPITAL MANAGEMENT

The Corporation's objective when managing capital is to ensure adequate capital to support the operations and growth strategies of the Corporation. SaskPower raises most of its capital through internal operating activities and through funds obtained by borrowing from the Government of Saskatchewan Ministry of Finance. This type of borrowing allows the Corporation to take advantage of the Government of Saskatchewan's strong credit rating. *The Power Corporation Act* provides SaskPower with the authority to have outstanding borrowings of up to $10 billion, which includes $2 billion that may be borrowed by way of temporary loans. Temporary loans include short-term borrowings through the Government of Saskatchewan as well as borrowings made under the $51 million of credit facilities available at financial institutions.

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

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

(in millions)	**March 31 2019**	March 31 2018
Long-term debt	**$ 6,004**	$ 5,621
Short-term advances	**996**	1,141
Finance lease obligations	**1,105**	1,114
Total debt	**8,105**	7,876
Debt retirement funds	**748**	658
Cash and cash equivalents	**10**	7
Total net debt	**$ 7,347**	$ 7,211
Retained earnings	**1,938**	1,761
Equity advances	**626**	660
Total capital	**$ 9,911**	$ 9,632
Per cent debt ratio	**74.1%**	74.9%

29. COMMITMENTS AND CONTINGENCIES

(in millions)	2019-20	2020-21	2021-22	2022-23	2023-24	Thereafter
Planned capital expenditures	$ 873	$ 945	$ 1,055	$ 1,197	$ 881	$ 6,652
Power purchase agreements (PPAs)[1]	392	474	505	517	523	5,635
Coal purchase contracts	179	225	231	236	237	420
Natural gas purchase contracts[2]	129	124	103	74	58	104
Transmission purchase contracts	6	5	2	-	-	-
Letters of credit	6	-	-	-	-	-

1. The amounts reflected include minimum lease payments related to PPAs classified as leases as well as $1,188 million for electricity capacity deals which apply for the own-use scope exemption.
2. Includes transportation and storage contracts as well as fixed price forward contracts of $589 million which apply for the own-use scope exemption.

The commitments listed above have maturity dates ranging from fiscal 2019-20 to 2045-46.

SaskPower has renewed its Water Power License with the Saskatchewan Water Security Agency, which enables the Corporation to continue to operate the E.B. Campbell Hydroelectric Station near Nipawin, Saskatchewan. Meanwhile, the Fisheries and Oceans Canada (FOC) authorization for SaskPower related to the fish and fish habitat affected by the routine operation of this facility expired on June 30, 2018. SaskPower management is working with FOC to renew this authorization in order to operate in accordance with regulatory requirements under the *Fisheries Act*. In the interim, the Corporation continues to operate the facility as per the conditions defined under the previous authorization. SaskPower is exposed to non-compliance costs which, in the opinion of management, will not have a material effect on SaskPower's consolidated financial position or results of operations.

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

30. NET CHANGE IN NON-CASH WORKING CAPITAL

(in millions)	2018-19	2017-18
Accounts receivable and unbilled revenue	**$ 35**	$ (83)
Inventory	**(19)**	(3)
Prepaid expenses	**(4)**	(5)
Other assets	**7**	(6)
Accounts payable and accrued liabilities	**(114)**	96
Deferred revenue	**34**	-
	$ (61)	$ (1)

31. RECONCILIATION OF MOVEMENTS OF ASSETS (LIABILITIES) TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

(in millions)	Debt retirement funds	Short-term advances	Long-term debt	Finance lease obligations	Bond forward agreements	Equity advances	Total
Balance, April 1, 2017	**$ 590**	**$ (900)**	**$ (5,559)**	**$ (1,126)**	**$ 11**	**$ (660)**	**$ (7,644)**
Changes from financing cash flows:							
Proceeds from short-term advances	-	(241)	-	-	-	-	**(241)**
Proceeds from long-term debt	-	-	(168)	-	-	-	**(168)**
Repayments of long-term debt	-	-	105	-	-	-	**105**
Debt retirement fund instalments	52	-	-	-	-	-	**52**
Principal repayment of finance lease obligations	-	-	-	14	-	-	**14**
Increase in finance lease obligations	-	-	-	(2)	-	-	**(2)**
Realized gains on derivatives designated as cash flow hedges	-	-	-	-	(10)	-	**(10)**
Total changes from financing cash flows	52	(241)	(63)	12	(10)	-	**(250)**
Changes in fair value	3	-	-	-	(11)	-	**(8)**
Less: Realized gains on derivatives	-	-	-	-	10	-	**10**
Other changes:							
Capitalized borrowing costs	-	-	21	-	-	-	**21**
Interest income (expense)	13	(8)	(269)	(160)	-	-	**(424)**
Interest paid	-	7	269	160	-	-	**436**
Non-cash transactions	-	1	(20)	-	-	-	**(19)**
Total other changes	16	-	1	-	(1)	-	**16**
Balance, March 31, 2018	**$ 658**	**$ (1,141)**	**$ (5,621)**	**$ (1,114)**	**$ -**	**$ (660)**	**$ (7,878)**
Changes from financing cash flows:							
Proceeds from short-term advances	-	145	-	-	-	-	**145**
Proceeds from long-term debt	-	-	(389)	-	-	-	**(389)**
Repayments of long-term debt	-	-	5	-	-	-	**5**
Debt retirement fund instalments	56	-	-	-	-	-	**56**
Principal repayment of finance lease obligations	-	-	-	19	-	-	**19**
Equity advances repayment	-	-	-	-	-	34	**34**
Total changes from financing cash flows	56	145	(384)	19	-	34	**(130)**
Changes in fair value	17	-	-	-	-	-	**17**
Other changes:							
Increase in finance lease obligations	-	-	-	(10)	-	-	**(10)**
Capitalized borrowing costs	-	-	36	-	-	-	**36**
Interest income (expense)	17	(17)	(277)	(165)	-	-	**(442)**
Interest paid	-	16	273	165	-	-	**454**
Non-cash transactions	-	1	(31)	-	-	-	**(30)**
Total other changes	34	-	1	(10)	-	-	**25**
Balance, March 31, 2019	**$ 748**	**$ (996)**	**$ (6,004)**	**$ (1,105)**	**$ -**	**$ (626)**	**$ (7,983)**

32. RELATED PARTY TRANSACTIONS

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

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

Key management personnel compensation

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

(in millions)	**2018-19**	2017-18
Salaries and short-term employee benefits	**$ 4**	$ 5
Post-employment benefits	**-**	-
Termination benefits	**-**	1
Other long-term benefits	**-**	-
	$ 4	$ 6

33. EMPLOYEE BENEFITS

(in millions)	**Defined benefit pension plan**	**Other benefit plans**	**Total**
Balance, April 1, 2017	$ 188	$ 49	**$ 237**
Current service cost	-	8	**8**
Net interest expense	7	3	**10**
SaskPower funding contribution	-	-	**-**
SaskPower benefits paid	-	(12)	**(12)**
Actuarial gains	(33)	-	**(33)**
Balance, March 31, 2018	**$ 162**	**$ 48**	**$ 210**
Current service cost	-	7	**7**
Net interest expense	5	1	**6**
SaskPower funding contribution	-	-	**-**
SaskPower benefits paid	-	(12)	**(12)**
Actuarial losses	3	-	**3**
Balance, March 31, 2019	**$ 170**	**$ 44**	**$ 214**

Defined benefit pension plan

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

The Plan provides benefits based on the average of the highest five years' annual pensionable earnings and years of service. Pensions are increased annually at a rate equal to 70% of the increase in the Saskatchewan Consumer Price Index (CPI). The measurement date of the latest actuarial valuation used to determine the Plan assets and obligations was September 30, 2017, and the results were extrapolated to March 31, 2019.

The effective date of the most recent actuarial valuation for funding purposes was December 31, 2017. Under current Canada Revenue Agency guidelines, an actuarial valuation for funding purposes is to be completed, at a minimum, every three years.

The Plan is solely the obligation of the Corporation. The Corporation is not obligated to fund the Plan but is obligated to pay benefits under the terms of the Plan as they come due. SaskPower has a Board-approved funding policy which is based on the funding actuarial valuation and requires the Plan deficit to be funded over 10 years when the funded status is less than 95%. In accordance with the funding policy, no contributions were made by SaskPower for the twelve months ended March 31, 2019.

(a) Status of the Plan

The actuarial valuation measured at September 30, 2017, and extrapolated to March 31, 2019, showed that the Plan had an actuarial deficit of $170 million (2017-18 – $162 million). The calculation of the pension plan deficit is as follows:

(in millions)	**March 31 2019**	March 31 2018
Plan assets		
Fair value, beginning of period	**$ 740**	$ 752
Actual return on plan assets	**41**	50
Employer funding contributions	**-**	-
Employee funding contributions	**-**	-
Benefits paid	**(61)**	(62)
Fair value, end of period	**$ 720**	$ 740
Accrued benefit obligation		
Balance, beginning of period	**$ 902**	$ 940
Current service cost	**-**	-
Interest cost	**30**	32
Benefits paid	**(61)**	(62)
Actuarial losses (gains) on accrued benefit obligation	**19**	(8)
Balance, end of period	**$ 890**	$ 902
Plan deficit	**$ (170)**	$ (162)

(b) Assumptions

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

(in millions)	**March 31 2019**	March 31 2018
Discount rate, beginning of period	**3.40%**	3.50%
Discount rate, end of period	**3.20%**	3.40%
Long-term inflation rate	**2.00%**	2.00%
Assumptions for benefit increases (% of CPI)	**70.00%**	70.00%
Plan duration (years)	**10.70**	10.70

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

Sensitivity of assumptions

Sensitivity of the defined benefit pension plan to changes in the discount rate, inflation rate, future indexing and life expectancy on the accrued benefit obligation as at March 31, 2019, is as follows:

	Accrued benefit obligation	
(in millions)	1% increase	1% decrease
Discount rate	$ (80)	$ 95
Inflation rate	(26)	28
Future indexing	93	(79)
Life expectancy (each member one year older/younger)	(30)	30

(c) Benefit plan asset allocation

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

(in millions)	**March 31 2019**	March 31 2018
Equity securities	**47.5%**	47.3%
Debt securities	**34.5%**	34.8%
Real estate and infrastructure	**17.5%**	17.2%
Short-term securities	**0.5%**	0.7%
	100.0%	100.0%

(d) Benefit payments

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

(in millions)	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Expected benefit payments	$ 61	$ 61	$ 59	$ 58	$ 57

Other benefit plans

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

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

	March 31 2019	March 31 2018
Discount rate	**2.90 - 3.60%**	3.10 - 3.20%
Long-term rate of compensation increases	**2.00%**	2.00%
Long-term inflation rate	**2.00%**	2.00%
Remaining service life (years)	**6.98**	6.81
Plan duration (years)	**3.40 - 5.50**	3.60 - 5.50

Cumulative actuarial losses (gains)

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

(in millions)	**March 31 2019**	March 31 2018
Balance, beginning of period	**$ (23)**	$ 10
Actuarial losses (gains) on plan assets:		
Experience adjustments	**(16)**	(25)
Actuarial losses (gains) on accrued benefit obligations:		
Experience adjustments	**-**	(15)
Changes in actuarial assumptions (future indexing)	**2**	(2)
Changes in actuarial assumptions (discount rate)	**17**	9
Balance, end of period	**$ (20)**	$ (23)

Defined contribution pension plan

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

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

(in millions)	**2018-19**	2017-18
Employee benefit plan expense	**$ 22**	$ 21

CORPORATE GOVERNANCE

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

COMPANY STRUCTURE

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

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

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

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

GOVERNING OUR COMPANY

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

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

Director	Board meetings attended[1]
Chief Darcy Bear, Chairperson	11
Bryan Leverick, Vice-Chairperson	12
Ayten Archer[3]	8
Terry Bergan[2]	3
Merin Coutts[3]	8
Bevra Fee[2]	4
Jim Hopson	13
Karri Howlett	12
John Hyshka[3]	8
Cherilyn Jolly-Nagel	12
Phil Klein	13
Fred Matheson[2]	4
Rob Nicolay[2]	4
Marvin Romanow	12
Tammy Van Lambalgen	13
Laura Wiebe[3]	9

1. There were a total of 13 meetings held in 2018-19.
2. Appointed November 22, 2018.
3. Resigned/cancelled on November 22, 2018.

Information in this section covers the year ended March 31, 2019. Visit saskpower.com for a full description of SaskPower's corporate governance practices, including Board, committees and Director terms of reference.

LEADERSHIP BY COMMITTEE

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

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

Audit & Finance Committee

Four meetings

Chair: Marvin Romanow (appointed Chair on February 8, 2019), Phil Klein (appointed temporary Chair on November 26, 2018), and Laura Wiebe (cancelled November 22, 2018)

Members: Terry Bergan (appointed February 8, 2019), Karri Howlett (appointed temporary member from November 26, 2018, to February 8, 2019), John Hyshka (cancelled November 22, 2018), Cherilyn Jolly-Nagel, Bryan Leverick, Tammy Van Lambalgen (appointed temporary member from November 26, 2018, to February 8, 2019), and Chief Darcy Bear (ex officio)

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

During the fiscal year ending March 31, 2019, the committee reviewed the annual and interim financial statements, regular risk reports, the 2019-20 Business Plan and Performance Management Plan, as well as the Deloitte and Provincial Auditor 2017-18 audit summaries. In consultation with management, the committee determined that the company would not seek a rate increase for 2019-20.

The committee also reviewed and provided oversight related to strategic initiatives such as the deployment of advanced metering infrastructure commercial and industrial meters. These meters will enable enhanced data visibility as well as control and automation for SaskPower and our customers.

The committee reviewed and approved a number of projects and initiatives that support SaskPower's commitment to reduce greenhouse gas emissions by 40% from 2005 levels by 2030. These included the award of a power purchase agreement (PPA) to Potentia Renewables Inc. for a 200-MW wind energy facility to come online in 2021, and a PPA to Saturn Power Inc. for a 10-MW solar facility to come online later in 2019.

The committee also approved a term sheet for the purchase of 215 MW of renewable hydroelectricity from Manitoba Hydro beginning in 2022 for a minimum term of 18 years, with a potential extension up to a total of 30 years. This will be the third and largest PPA with Manitoba Hydro. In addition, the committee supported proceeding with a competitive process to procure 10 MW of solar power from an independent power producer. This will be SaskPower's second 10-MW utility-scale solar project in the province.

The committee also supported the adoption of a new Power Generation Partner Program that enables customers to generate and sell power to the grid. The program will add approximately 70 to 105 MW of renewable and non-renewable carbon neutral generation from multiple producers over the next two to three years.

Meanwhile, the committee considered and approved a project for the design and construction of a 350-MW combined cycle natural gas-fired generating facility in Moose Jaw, which is expected to come online in 2024. The plant will help support SaskPower's renewable energy generation goal. The committee also monitored construction progress on the Chinook Power Station, a 350-MW combined cycle natural gas-fired generating facility located near Swift Current.

An amendment to add 15 MW of incremental capacity to the existing PPA with Northland Power relating to the North Battleford Generating Station was also approved, which will bring the total capacity of that facility to 286 MW.

In addition, the committee monitored the implementation of the federal carbon charge and assessed its impact on the company. The committee also provided oversight over SaskPower's long-term fuel plan.

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

Safety, Environment & Corporate Responsibility Committee

Five meetings

Chair: Karri Howlett

Members: Ayten Archer (cancelled November 22, 2018), Bevra Fee (appointed February 8, 2019), Jim Hopson, Fred Matheson (appointed February 8, 2019), Marvin Romanow (removed February 8, 2019), and Chief Darcy Bear (ex officio)

The Safety, Environment & Corporate Responsibility Committee is charged with ensuring that our company proactively addresses safety, health and environmental issues, is in compliance with regulatory and statutory requirements, and strengthens its performance in the area of

corporate responsibility. In addition, the committee reviews the findings of the internal and external audits of the company's environmental and safety management systems, as well as environmental, health and safety facilities. It also monitors the implementation of audit recommendations.

In 2018-19, the committee reviewed the company's safety performance and compliance with environmental legislative, regulatory and corporate standards. This included a review of correspondence from regulators and the results of internal and external audits of SaskPower's environmental and safety management systems, as well as regular discussions with the Director, Internal Audit, on environmental and regulatory matters. During the year, processes for the tracking and reporting of significant regulatory authorizations were noted as an area for improvement. A number of changes were implemented to ensure that regulatory authorizations are consistently assessed based on risk, owners are identified, and the status of regulatory authorizations is being monitored and reported on a regular basis. More work in this area is expected in the next fiscal year.

The committee continued to monitor regulatory developments for greenhouse gases and other air pollutants. These included the federal carbon tax and the Equivalency Agreement (EA) between the provincial and federal governments. The EA shifts regulatory oversight of air emissions produced by natural gas-fired and coal-fired power plants from Environment & Climate Change Canada to the Saskatchewan Ministry of Environment, allowing SaskPower to achieve emissions reduction targets on a system-wide rather than unit-by-unit basis. The committee also received updates on environmental litigation across Canada and considered the potential impacts on the company and its Officers and Directors.

In 2018-19, the committee emphasized the importance of public and farm safety, and worked with management to improve programming in this area. The committee also reviewed the company's Strategic Plan for health and safety, and received regular updates on progress.

Governance & Human Resources Committee

Five meetings

Chair: Tammy Van Lambalgen

Members: Merin Coutts (cancelled November 22, 2018), Jim Hopson (appointed temporary member on November 26, 2018; appointed permanent member on February 8, 2019), Karri Howlett (removed February 8, 2019), Bryan Leverick, Rob Nicolay (appointed February 8, 2019), and Chief Darcy Bear (ex officio)

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

In 2018-19, the committee approved the transfer of SaskPower Gas & Electrical Inspections to the Technical Safety Authority of Saskatchewan (TSASK). This move is part of a government initiative to consolidate several inspection and licensing functions within a single regulatory body. The transition is expected to be completed in 2020.

In addition, the committee updated SaskPower's Governance Manual to provide direction to management on the timing and content of information that should be reported to the Board and Board committees. The committee also received updates on the company's progress on various Indigenous initiatives as well as regular reporting from the Director, Internal Audit, on matters relating to governance and human resources.

The committee received reports on the company's activities in several areas. These included a report on the activities of the Saskatchewan Electric Reliability Authority — a committee within SaskPower that is charged with the authority to adopt and enforce electricity reliability standards in Saskatchewan under *The Power Corporation Act* — and an update on the performance of SaskPower's Gas & Electrical Inspections branch.

The committee's human resources activities included: oversight of collective bargaining with SaskPower's two bargaining units; approval of revisions to SaskPower's Respectful Workplace Policy; and consideration of salary holdback measures and performance for out-of-scope staff. The committee also reviewed the performance of the President and CEO for 2018-19 and established performance objectives for the President and CEO for 2019-20.

ASSESSING OUR GOVERNANCE PERFORMANCE

Our company is committed to regularly revisiting key elements of SaskPower's decision-making processes to ensure we continue to meet best practice standards. As a Crown corporation, SaskPower is not required to comply with Canadian Securities Administrators (CSA) Governance Guidelines. However, we use these guidelines to benchmark our governance practices.

Our company's practices are substantially consistent with CSA standards, as set out in the following scorecard:

CSA national policy 58-201 Part 3 — Corporate Governance Guidelines	SaskPower's corporate governance practices	Consistent with CSA guidelines?
Composition of the Board 3.1 The Board should have a majority of independent Directors.	As of March 31, 2019, the Board was comprised of 12 independent Directors.	Yes
3.2 The Chair of the Board should be an independent Director. Where this is not appropriate, an independent Director should be appointed to act as "Lead Director." However, either an independent Chair or an independent Lead Director should act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.	The Chair of the Board is an independent Director.	Yes
Meetings of independent Directors 3.3 The independent Directors should hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance.	All members are independent. The Board typically has two *in camera* sessions without management at every meeting.	Yes
Board mandate 3.4 The Board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for:	The Board has a written mandate in its terms of reference, where it explicitly acknowledges that the Board of Directors functions as a steward of the company.	Yes
(a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (the CEO) and other Executive Officers and that the CEO and other Executive Officers create a culture of integrity throughout the organization;	The terms of reference for a Director state that Directors shall require "of themselves and corporate employees high standards of ethical behaviour…" The President and CEO mandate also places accountability on that position for ensuring activities and practices of the company are ethical and compliant with the law.	Yes
(b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;	The Board, working with the Executive, provides strategic direction to SaskPower. Formally, this is accomplished with the annual approval of the Strategic Plan.	Yes
(c) the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks;	The Board identifies principal risks to the company on an annual basis. Either directly or through the Audit & Finance Committee, the Board monitors the company's risk management programs. It also oversees the implementation of risk management systems. The Audit & Finance Committee meets regularly to review reports and discuss significant risk concerns with both the internal and external auditors.	Yes
(d) succession planning (including appointing, training and monitoring senior management);	The Board terms of reference state that the Board is responsible for succession planning.	Yes
(e) adopting a communication policy for the issuer;	Pursuant to the Board terms of reference, the Board adopts policies and processes to enable effective communication with CIC, stakeholders and the public.	Yes

CSA national policy 58-201 Part 3 — Corporate Governance Guidelines	SaskPower's corporate governance practices	Consistent with CSA guidelines?
(f) the issuer's internal control and management information systems; and	The Board has approved an internal control program. SaskPower has documented and evaluated the design of the company's internal controls over financial reporting, including the adequacy of its information systems. Our company has developed a testing program to regularly evaluate the effectiveness of these controls. SaskPower's CEO and CFO annually certify that our company has developed an appropriate set of internal controls over financial reporting and that the controls are working effectively.	Yes
(g) developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.[1]	The company's corporate governance principles and guidelines are outlined in SaskPower's Governance Manual, which is approved by the Board of Directors. In addition, the Governance & Human Resources Committee is responsible for and reports to the Board on corporate governance matters. The committee also functions as the ethics advisor for the Board.	Yes
The written mandate of the Board should also set out: (i) measures for receiving feedback from stakeholders (e.g., the Board may wish to establish a process to permit stakeholders to directly contact the independent Directors), and	The Board assumes responsibility for adopting policies and processes to enable effective communication with the shareholder, stakeholders and the public. To facilitate feedback from employees, the Board has adopted a whistle-blower policy.	Yes
(ii) expectations and responsibilities of Directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials. In developing an effective communication policy for the issuer, issuers should refer to the guidance set out in National Policy 51-201 *Disclosure Standards*.	Expectations and responsibilities of Directors, including participation in and preparation for meetings, are outlined in the terms of reference for a Director.	Yes

1. Issuers may consider appointing a Corporate Governance Committee to consider these issues. A Corporate Governance Committee should have a majority of independent Directors, with the remaining members being "non-management" Directors.

CSA national policy 58-201 Part 3 — Corporate Governance Guidelines	SaskPower's corporate governance practices	Consistent with CSA guidelines?
Position descriptions 3.5 The Board should develop clear position descriptions for the Chair of the Board and the Chair of each Board Committee. In addition, the Board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management's responsibilities. The Board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.	The Governance & Human Resources Committee annually reviews the terms of reference for the Board Chair as well as Committee Chairs. These are approved by the Board. The Board has also adopted a President and CEO mandate.	Yes
Orientation and continuing education 3.6 The Board should ensure that all new Directors receive a comprehensive orientation. All new Directors should fully understand the role of the Board and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its Directors). All new Directors should also understand the nature and operation of the issuer's business.	The Governance & Human Resources Committee terms of reference state that it shall recommend a Director orientation and continuing education policy. New Directors receive a comprehensive orientation to corporate issues and processes. Comprehensive briefing materials are also provided to new members covering key aspects of our company's business. The expectations of individual Directors are set out in the terms of reference for a Director approved by the Board. These expectations include attendance at meetings, participation in Board and committee work, and advance preparation for each meeting.	Yes
3.7 The Board should provide continuing education opportunities for all Directors, so that individuals may maintain or enhance their skills and abilities as Directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.	SaskPower Board Members receive governance training from CIC and new Directors are offered the opportunity to attend the Directors Education Program through the Institute of Corporate Directors. Sponsored by CIC, this modular program focuses on the highest calibre governance practices, including technical and behavioural aspects of Board governance. Directors who complete all four modules of the program are eligible to receive the ICD.D designation. In addition, our company provides opportunities to participate in site visits and tours of SaskPower facilities. The Board also receives presentations from outside experts and industry-specific briefings as a backdrop for policy and investment decisions.	Yes
Code of Business Conduct and Ethics 3.8 The Board should adopt a written Code of Business Conduct and Ethics (a Code). The Code should be applicable to Directors, Officers and employees of the issuer. The Code should constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, it should address the following issues:	SaskPower has a written Code of Conduct Policy applicable to Directors, Officers and employees. It is intended to provide both general and specific guidelines to protect and guide SaskPower personnel faced with ethical, moral and legal dilemmas during the course of their employment or in carrying out their duties. The Board has the responsibility to review and revise the Code, as required. The Board has further strengthened this directive by adopting a whistle-blower policy and implementing an anonymous reporting process to help deter wrongdoing. Quarterly irregularity reporting has been implemented to keep the Board informed of compliance issues.	Yes
(a) conflicts of interest, including transactions and agreements in respect of which a Director or Executive Officer has a material interest;	The Code addresses conflicts of interest. Board Members complete and file annual conflict of interest declarations with the office of the General Counsel as well as declare any conflicts on the spot as they may arise in a meeting setting. Board Members are also bound by the CIC Directors' Code of Conduct.	Yes
(b) protection and proper use of assets and opportunities;	Property and inventions are covered in the Code as well as the appropriate use of business assets.	Yes
(c) confidentiality of corporate information;	Confidentiality is covered in the Code, including SaskPower information that contains third party information and personal information about personnel and customers.	Yes

CSA national policy 58-201 Part 3 — Corporate Governance Guidelines	SaskPower's corporate governance practices	Consistent with CSA guidelines?
(d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees;	Fair Dealing is covered in the General Conduct Principles section of the Code as follows: "The public is entitled to expect and receive from SaskPower equitable treatment and compliance with confidentiality expectations and laws, whether in the provision of services or in the acquisition of property… SaskPower expects its personnel to conduct themselves in a manner that is and is perceived to be fair, even-handed, and in compliance with applicable laws, this Code and related policies."	Yes
(e) compliance with laws, rules and regulations; and	The Code requires Directors, Officers and employees to comply with applicable laws and related policies.	Yes
(f) reporting of any illegal or unethical behaviour.	The Code places an onus on employees to report suspected illegal or unethical behaviour. This is facilitated by specific procedures for reporting and investigating unethical conduct and other irregularities, which are appended to the Code.	Yes
3.9 The Board should be responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of the issuer's Directors or Executive Officers should be granted by the Board (or a Board committee) only. Although issuers must exercise their own judgment in making materiality determinations, the Canadian securities regulatory authorities consider that conduct by a Director or Executive Officer which constitutes a material departure from the Code will likely constitute a "material change" within the meaning of National Instrument 51-102 Continuous Disclosure Obligations. National Instrument 51-102 requires every material change report to include a full description of the material change. Where a material departure from the Code constitutes a material change to the issuer, we expect that the material change report will disclose, among other things: • the date of the departure(s), • the party(ies) involved in the departure(s), • the reason why the Board has or has not sanctioned the departure(s), and • any measures the Board has taken to address or remedy the departure(s).	The Governance & Human Resources Committee's terms of reference state that it shall monitor and report annually to the Board concerning compliance with the CIC Director's Code of Conduct and "review and report to the Board on conflict of interest matters involving Directors." There were no waivers granted during the year ending March 31, 2019, with respect to Code compliance by Directors, Officers or employees.	Yes
Nomination of directors 3.10 The Board should appoint a Nominating Committee.	As a Crown corporation, the appointment and removal of Directors are the prerogatives of the Lieutenant Governor in Council, as established by statute. The Governance & Human Resources Committee may review and recommend qualified potential candidates for the Board. The names of any recommended candidates are then submitted by the Board to CIC as shareholder.	Substantial compliance

CSA national policy 58-201 Part 3 — Corporate Governance Guidelines	SaskPower's corporate governance practices	Consistent with CSA guidelines?
3.11 The Nominating Committee should have a written charter that clearly establishes the Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. In addition, the Nominating Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. If an issuer is legally required by contract or otherwise to provide third parties with the right to nominate Directors, the selection and nomination of those Directors need not involve the approval of an independent Nominating Committee.	The terms of reference for the Governance & Human Resources Committee incorporate a written charter, which includes all terms referred to in the CSA guideline, with the exception of authority to delegate to individual members and subcommittees and member appointment and removal. The Board terms of reference state that any Committee can obtain the advice and counsel of external advisors. However, it states the decision to engage such advisors rests with the Board.	**Substantial compliance**
3.12 Prior to nominating or appointing individuals as Directors, the Board should adopt a process involving the following steps: (a) Consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board should recognize that the particular competencies and skills required for one issuer may not be the same as those required for another.	A skills profile, identifying the desired mix of experience and competencies required for the Board to effectively discharge its responsibilities, has been developed and is periodically updated.	**Yes**
(b) Assess what competencies and skills each existing Director possesses. It is unlikely that any one Director will have all the competencies and skills required by the Board. Instead, the Board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each Director, as these may ultimately determine the boardroom dynamic.	The Governance & Human Resources Committee, with assistance from the Corporate Secretary, maintains and updates a skills matrix of existing members. As needed, it conducts a gap analysis to identify skills required for future appointments to round out the Board's overall skill set.	**Yes**
The Board should also consider the appropriate size of the Board, with a view to facilitating effective decision making. In carrying out each of these functions, the Board should consider the advice and input of the Nominating Committee.	The terms of reference for the Governance & Human Resources Committee state that it shall recommend the size of the Board.	**Yes**
3.13 The Nominating Committee should be responsible for identifying individuals qualified to become new Board Members and recommending to the Board the new Director nominees for the next annual meeting of shareholders.	The Governance & Human Resources Committee identifies preferred skill sets for appointment to the Board of Directors. The identification of candidates for appointment to the Board is the responsibility of Executive Council.	**Partial compliance**
3.14 In making its recommendations, the Nominating Committee should consider: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers each existing Director to possess; and	The terms of reference for the Governance & Human Resources Committee require the Committee to "recommend to the Board the size, composition and required capabilities of the Board of Directors to meet the needs of the Corporation."	**Yes**
(c) the competencies and skills each new nominee will bring to the boardroom. The Nominating Committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board Member.	When seeking candidates to fill a vacancy, it is the responsibility of Executive Council to consider how the skills and competencies of each candidate fit with the identified gaps on the Board.	**Partial compliance**

CSA national policy 58-201 Part 3 — Corporate Governance Guidelines	SaskPower's corporate governance practices	Consistent with CSA guidelines?
Compensation 3.15 The Board should appoint a Compensation Committee composed entirely of independent Directors.	All members of the Governance & Human Resources Committee are independent Directors.	**Yes**
3.16 The Compensation Committee should have a written charter that establishes the Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board. In addition, the Compensation Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	The terms of reference for the Governance & Human Resources Committee incorporate a written charter, which includes all items referred to in the CSA guideline (with the exception of member appointment and removal, which is established by statute). The Board terms of reference state that any Committee can obtain the advice and counsel of external advisors. However, it states the decision to engage such advisors rests with the Board.	**Substantial compliance**
3.17 The Compensation Committee should be responsible for: (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;	The Governance & Human Resources Committee's terms of reference state that the CEO's review is based on agreed-upon objectives, updated each year. While CEO compensation is not addressed specifically, the Committee has the responsibility to review and monitor all management compensation and benefit programs. As SaskPower is not a publicly-traded company, the parameters for CEO compensation are set by its shareholder, CIC.	**Substantial compliance**
(b) making recommendations to the Board with respect to non-CEO Officer and Director compensation, incentive-compensation plans and equity-based plans; and	The Governance & Human Resources Committee has the responsibility to annually review and monitor management compensation and benefit programs and make recommendations to the Board. CIC, as shareholder, sets Director remuneration.	**Substantial compliance**
(c) reviewing Executive compensation disclosure before the issuer publicly discloses this information.	The Board annually approves the disclosure of the compensation of Executive Members and all employees earning more than $50,000 per year. The compensation is disclosed to the Standing Committee on Crown and Central Agencies of the Legislative Assembly, and ultimately the public, through the Payee Disclosure Report. In addition, the President and CEO — and direct reports — are required to file their employment contracts, and any amendments thereto, with the Clerk of the Executive Council pursuant to *The Crown Employment Contracts Act*. Key management personnel compensation is disclosed in the notes to the consolidated financial statements.	**Yes**
Regular Board assessments 3.18 The Board, its Committees and each individual Director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider:	The Governance & Human Resources Committee coordinates the assessment process with the assistance of the Corporate Secretary or an external service provider. Performance evaluations are conducted annually, on a three-year cycle, alternating between Board and Board Chair one year, committee and committee Chairs the second year, and Director peer evaluations the third year. In the year ended March 31, 2019, direct peer evaluations were conducted.	**Yes**
(a) in the case of the Board or a Board Committee, its mandate or charter; and	Comprehensive evaluation surveys have been developed that take into consideration the mandate of the Board as well as accepted good governance practices.	**Yes**
(b) in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.	Peer evaluations are completed every third year and are based on the position description for Directors.	**Yes**

The Corporation has adopted CSA Amendment Instrument for National Instrument 58-101 respecting disclosure of Director term limits and representation of women on the Board and in Executive Officer positions as reflected in the following table.

CSA national policy 58-101 Disclosure of Corporate Governance Practices	SaskPower's corporate governance practices	Consistent with CSA guidelines?
Director term limits and other mechanisms of Board renewal 10. Director term limits and other mechanisms of Board renewal. Disclose whether or not the issuer has adopted term limits for the Directors on its Board or other mechanisms of Board renewal and, if so, include a description of those Director term limits or other mechanisms of Board renewal. If the issuer has not adopted Director term limits or other mechanisms of Board renewal, disclose why it has not done so.	The appointment and removal of Directors are the prerogatives of the Lieutenant Governor in Council pursuant to *The Crown Corporations Act, 1993*. Director appointments are subject to term limits (established by Order in Council).	**Partial compliance**
Policies regarding the representation of women on the Board 11. (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women Directors. If the issuer has not adopted such a policy, disclose why it has not done so.	Since the Corporation's Directors are selected and appointed by the Lieutenant Governor in Council pursuant to statutory authority, the representation of women on the Board is a matter of shareholder discretion. As of March 31, 2019, 33% of the Board Members were women and 42% were diversity candidates.	**Partial compliance**
(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) A short summary of its objectives and key provisions, (ii) The measures taken to ensure that the policy has been effectively implemented, (iii) Annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) Whether and, if so, how the Board or its Nominating Committee measures the effectiveness of the policy.	The Corporation has not adopted a policy on the identification and nomination of women Directors, as this is a matter of shareholder policy. CIC maintains statistics regarding the diversity of each Crown Board, including progress made on the percentage of women serving on Crown Boards. CIC forwards the information to Executive Council to be considered when Board appointment decisions are made. The information includes the skill sets required for the Board, and diversity statistics. See Table A for disclosure of the number and proportion (in percentage terms) of Directors on the Board who are women. As of March 31, 2019, 33% of the Board Members were women.	**Partial compliance**
Consideration of the representation of women in the Director identification and selection process 12. Disclose whether or not, if so, how the Board or Nominating Committee considers the level of representation of women on the Board in identifying the nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.	It is the responsibility of Executive Council to consider the level of representation of women on the Board.	**Partial compliance**
Consideration given to the representation of women in Executive Officer appointments 13. Disclose whether and, if so, how the issuer considers the level of representation of women in Executive Officer positions when making Executive Officer appointments. If the issuer does not consider the level of representation of women in Executive Officer positions when making Executive Officer appointments, disclose the issuer's reasons for not doing so.	SaskPower promotes a diverse workforce across all levels of the organization, including the Executive. This commitment is reflected in SaskPower's Executive Diversity Strategy. The focus of the strategy is to develop a talent pipeline of diversity candidates that possess the experience, education and technical backgrounds that are required for Executive positions. Diversity candidates include women in under-represented roles, visible minority persons, Indigenous persons and persons with disabilities.	**Yes**

CSA national policy 58-101 Disclosure of Corporate Governance Practices	SaskPower's corporate governance practices	Consistent with CSA guidelines?
Issuer's targets regarding the representation of Women on the Board and in Executive Officer positions 14. (a) For purposes of this item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's Board or in Executive Officer positions of the issuer by a specific date. (b) Disclose whether the issuer has adopted a target regarding women on the issuer's Board. If the issuer has not adopted a target, disclose why it has not done so.	Although Executive Council considers the representation of women and other under-represented groups when making board appointments, it has not adopted a specific target for representation of women and other under-represented groups on the Board.	**No**
(c) Disclose whether the issuer has adopted a target regarding women in Executive Officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. (d) If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) The target, and (ii) The annual and cumulative progress of the issuer in achieving the target.	SaskPower does not have a specific target for the representation of women in Executive Officer positions. However, the Corporation's Executive Diversity Strategy has set short- and long-term targets for diversity on the Executive team as follows: • 40% by 2021; and • 50% by 2026.	**Partial compliance**
Number of women on the Board and in Executive Officer positions 15. (a) Disclose the number and proportion (in percentage terms) of Directors on the issuer's Board who are women.	Refer to Table A below.	**Yes**
(b) Disclose the number and proportion (in percentage terms) of Executive Officers of the issuer, including all major subsidiaries of the issuer, who are women.	Refer to Table B below.	**Yes**

Table A – Representation of Women on the Board

Year	Target # of women	# of women	Actual % of women	Target % of all diversity candidates	Total # of all diversity candidates	Actual % of all diversity candidates	Total # of Directors
March 31, 2019	N/A	4	33%	N/A	5	42%	12
March 31, 2018	N/A	6	50%	N/A	7	58%	12

Table B – Representation of Women in Executive Positions

Year	Target # of women	# of women	Actual % of women	Target % of all diversity candidates	Total # of all diversity candidates	Actual % of all diversity candidates	Total # of Executive positions
March 31, 2019	N/A	2	20%	40% (by 2021)	2	20%	10
March 31, 2018	N/A	2	20%	40% (by 2021)	3	30%	10

BOARD OF DIRECTORS

As at March 31, 2019

Chief Darcy Bear
Chair
Whitecap Dakota First Nation

Chief Bear joined the Board of Directors in November 2016 as Chair. He is also serving a seventh consecutive mandate as Chief of the Whitecap Dakota First Nation and is an established businessman.

The Chief holds a Business Administration Certificate and an Honorary Doctor of Laws Degree from the University of Saskatchewan.

His illustrious career has been marked by notable awards such as the Commemorative Medal for the Centennial of Saskatchewan (2005), the Saskatchewan Order of Merit (2011), Diamond Jubilee Medal (2012), Canadian Council for Aboriginal Business Hall of Fame Lifetime Achievement Award (2016), and Junior Achievement of Saskatchewan Business Hall of Fame Award (2017).

Chief Bear enjoys his time creating meaningful friendships and continues to work towards improving the quality of life for others. Being raised in Whitecap has provided him with a strong connection to the land in the community. He spends his free time with his grandchildren and enjoys spending quality time on the land with his horses and canoeing the Saskatchewan River system that runs through the community.

Bryan Leverick
Vice-Chair
Saskatoon, Saskatchewan

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

In addition to his role on the SaskPower Board of Directors, Mr. Leverick is a Board Member of Ducks Unlimited Canada and the Saskatoon Club. He is the Past Chair of the Royal University Hospital Foundation's Board of Directors and Past Chairman of the Canadian Electrical Contractors Association. Mr. Leverick holds a certificate in Business Administration from the University of Saskatchewan. He holds a Chartered Director designation from McMaster University and is a journeyman electrician with his Gold Seal in project management from the Canadian Construction Association.

Mr. Leverick has also served as Past President of the Saskatchewan Construction Association, Saskatchewan Bid Depository, Saskatoon Construction Association, and Electrical Contractors Association. He is also a Past Chairman of the Saskatoon Regional Economic Development Authority and Saskatoon City Hospital Foundation, as well as an avid supporter of Ronald McDonald House and the Farm in the Dell. In 2003, he was honoured with the Distinguished Service Award by the Saskatchewan Construction Association and received the Person of the Year Award in 2006.

Terry Bergan
Saskatoon, Saskatchewan

Terry Bergan, P.Eng., joined the SaskPower Board of Directors in 2018. He recently retired as the President and CEO of International Road Dynamics (IRD), a world leader in highway traffic management products and systems, operating internationally in the Intelligent Transportation Systems industry.

Mr. Bergan graduated from the Faculty of Engineering at the University of Saskatchewan in 1979. After graduating, he worked at a local engineering company as a design engineer and construction manager, and part time at IRD. In 1986, he joined his father, Dr. A.T. Bergan who founded IRD in 1980, and his sister Sharon Parker. Together, they formed a venture capital company that invested in IRD. This allowed it to move out of their father's basement and grow into the Saskatchewan-based, international company it is today. Over his career with IRD, Mr. Bergan led operations with significant research and development resulting in over 30 patents. He has participated in many industry organizations and built a successful leadership team that contributed to the company's success. With operations worldwide, cumulative sales since 1980 have exceeded $1 billion in over 37 countries with significant Saskatchewan suppliers and partners.

Mr. Bergan is a member of several industry organizations, including the Saskatchewan Centre of Excellence for Transportation and Infrastructure, Transportation Association of Canada, Canadian Society for Civil Engineering, Engineering Institute of Canada, Association of Professional Engineers and Geoscientists of Saskatchewan, Saskatoon Chamber of Commerce, North Saskatoon Business Association, and Institute of Corporate Directors, to name just a few.

Bevra Fee
Spiritwood, Saskatchewan

Bevra Fee joined the SaskPower Board of Directors in 2018. She is one of the founding members and current Managing Director of the non-profit Northern Lakes Economic Development Corporation, which strives to enhance tourism, marketing and business expansion for the region surrounding Spiritwood, Saskatchewan. Ms. Fee has served on the Saskatchewan Economic Development Association Board of Directors since 2011 and is currently President.

Prior to economic development, Ms. Fee was involved in the agriculture industry with Fast Genetics for 10 years and served on the Saskatchewan Pork Development Board of Directors for three years where she held the role of Vice-Chair. She holds certification in Business Administration from the University of Saskatchewan, Pro. Dir. Certification from Johnson Shoyama Graduate School of Public Policy and ICD.D designation from the Rotman School of Management.

Her current governance roles include Vice-President of the Saskatchewan Party and Councilor for the Rural Municipality #496. She is President of Spiritwood Golf Course, where she is also one of five owners. She served on the Saskatchewan Opportunities Corporation Board of Directors for approximately two years.

Volunteering is important to her and she is devoted to the Spiritwood Lions Club and the Spiritwood and District Chamber of Commerce. She loves adventure and has summited Mt. Whitney and Mt. Kilimanjaro and completed the Everest Base Camp trek in 2018. Touring the western and southwestern United States on her Harley fills in any spare moments.

Jim Hopson
Regina, Saskatchewan

Jim Hopson joined the Board of Directors in 2015. Currently he is Chair for the Conexus Arts Centre, a Board Member with the George Reed Foundation, an Honourary Spokesperson with the Saskatchewan Brain Injury Association, and undertakes public speaking and consulting work.

Mr. Hopson earned a Bachelor of Education (with distinction) from the University of Regina and a Master of Education from the University of Oregon. His teaching career began in 1972 in Ceylon, Saskatchewan, and in December 2004 he retired as the Director of Education for the Qu'Appelle Valley School Division.

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

In 2005, he returned to the Riders as their first-ever full-time President and CEO, retiring in March 2015. Mr. Hopson was also personally involved in securing and planning the new Mosaic Stadium that opened in 2016.

Mr. Hopson has been named one of the Power 50 of Canadian Sports by the Globe and Mail, was awarded both the Saskatchewan Centennial Medal and the Queen Elizabeth II Diamond Jubilee Medal and was recognized as one of Saskatchewan's most influential men by Saskatchewan Business Magazine.

In 2014, Mr. Hopson was honoured with the Hugh Campbell Distinguished Leadership Award for his contributions to the Canadian Football League, the game of football and Canada's sporting culture. In 2015, he was presented the Lifetime Achievement Award by the University of Regina Alumni Association.

Karri Howlett
Saskatoon, Saskatchewan

Karri Howlett joined the Board of Directors in 2013. She is currently President and a member of the Board of Directors of North Rim Exploration Ltd., a wholly owned subsidiary of RESPEC in Saskatoon. She led the company's ownership transition from sole-proprietorship to 50 per cent employee and 50 per cent institutional ownership in 2009, and its subsequent sale to RSI Consulting Inc. in April 2016.

Ms. Howlett has more than 18 years of experience in corporate strategy, mergers and acquisitions, financial due diligence, and risk analysis. Her knowledge is based on positions held with various financial institutions and as Principal of Karri Howlett Consulting Inc. Ms. Howlett has conducted financial due diligence and risk analysis for several business endeavors, including business advisement and financial modeling for several mining and energy projects, and mergers of financial institutions ranging in size from $75 million to $3 billion in assets. She also sits on the Boards of North Rim Exploration Ltd., and RSI Consulting Inc.

Ms. Howlett holds a Bachelor of Commerce with Honours in Finance from the University of Saskatchewan and has earned the Chartered Financial Analyst (CFA) designation and the Chartered Director designation. An active community member, Ms. Howlett has previously served on the Boards of the Varsity View Community Association, Skate Saskatoon, and CFA Society of Saskatchewan. She has been involved with the University of Saskatchewan's Edwards School of Business as a lecturer in the Department of Finance, a participant in the Leadership Development Program, and a protégé in the Betty Ann Heggie Womentorship Program.

Cherilyn Jolly-Nagel
Mossbank, Saskatchewan

Cherilyn Jolly-Nagel joined the Board of Directors in 2017. She and her family farm near Mossbank. She represents the province's agricultural community across the country and around the world in a number of roles.

Ms. Jolly-Nagel has served on the Board of the Western Canadian Wheat Growers Association since 2004, including a five-year term as President. She has traveled the world representing the Wheat Growers, including participating in the World Trade Organization's Ministerial Meetings in Hong Kong. She has recently been appointed to sit as an International Director on the Board of the Global Farmer Network.

She is currently working with Farm & Food Care Saskatchewan to facilitate training sessions for other farmers on the topic of sharing a positive message about the sustainable food grown in her home province and across the country.

Ms. Jolly-Nagel has also served on the Agriculture Development Fund of the Saskatchewan Ministry of Agriculture as Chair of the Saskatchewan Agri-Value Initiative, was a member of the Saskatchewan Transportation Company Board of Directors, and was the first Rural Economic Development Officer for the town of Mossbank.

In 2011, Ms. Jolly-Nagel was featured in SaskBusiness Magazine as one of Saskatchewan's Most Influential Women. In 2012, she was awarded the Agricultural IMPACT Award at the Grow Canada Conference for her efforts and passion for making positive changes in the agriculture sector. In 2014, she was awarded the Queen's Diamond Jubilee Medal. This past summer, she was also chosen by the Mattel toy company to participate in the Barbie Mentorship Program.

Ms. Jolly-Nagel holds a Diploma in Hospitality and Tourism Marketing from Medicine Hat College, and a Diploma in Agriculture Business (Finance Major) from Olds College. She is a recent graduate of the Directors Education Program through the Institute of Corporate Directors.

Phil Klein
Candle Lake, Saskatchewan

Phil Klein joined the Board of Directors in 2016. He retired from RBC Royal Bank in March 2017 and held the position of Vice-President, Commercial Financial Services, located in Saskatoon at the time of his retirement. Mr. Klein spent 42 years in the financial services industry and throughout his career he held many client-facing and senior leadership roles.

Mr. Klein is a graduate of the Directors Education Program through the University of Toronto's Rotman School of Management, and has an ICD.D designation from the Institute of Corporate Directors. He also attended Western University in Ontario and the University of Regina prior to starting his banking career in Regina.

Mr. Klein has been active with community and business organizations throughout his entire career, holding many Board and Executive positions. He is Past Chair of Care & Share Saskatoon Inc. He previously served as a Board Member of both the Saskatoon and Regina Chambers of Commerce and is Past National Vice-President of the Canadian Progress Club. He has received the Queen's Golden Jubilee Medal, recognizing his lifelong commitment to volunteerism.

Fred Matheson
Prince Albert, Saskatchewan

Fred Matheson became a member of the SaskPower Board of Directors in 2018. He is the owner of Ted Matheson Men's Wear, a third-generation business in Prince Albert. He is also the current Vice-Chairman of the Saskatchewan Police Commission.

Prior to taking ownership of the business in 1986, Mr. Matheson worked with Investors Group. He was a member of the Prince Albert Chamber of Commerce from 1986-1991 and received the Chamber's Life Member recognition in 2017. The Chamber also presented him with the Business Leader of the Year and Business of the Year awards in 2013.

Mr. Matheson served as a Prince Albert City Councilor from 2006-2009. He has been involved in several boards and commissions, including: Past President of the Kinsmen Club of Prince Albert and Past Deputy Governor of the Kinsmen Club of Saskatchewan; Past Chairman of the Prince Albert Downtown Business Association; Past Chairman of the Prince Albert Police Commission; Past Chairman of the Board of Mont St. Joseph; and a member of the Prince Albert Community Futures Board. He has sat on several fundraising committees, such as the E.A. Rawlinson Center and Alfred Jenkins Center. He is a recipient of the 2005 Commemorative Centennial Medal of Saskatchewan, and the 2014 Saskatchewan ABEX Community Cornerstone Award.

Mr. Matheson is a graduate of the University of Saskatchewan. He and his wife Colette have two children.

Rob Nicolay
Estevan, Saskatchewan

Rob Nicolay joined the SaskPower Board of Directors in 2018. He is a lawyer with extensive experience in the province, and is currently a Partner at Bridges & Company, LLP, in Estevan.

Mr. Nicolay worked with two other prominent law firms in the province prior to his current position at Bridges & Company, LLP. He also worked as Chief of Staff, Ministry of Corrections, Public Safety & Policing from 2007-2012.

He has a breadth of experience within the Saskatchewan business community. He was a member of the Saskatchewan Young Professionals and Entrepreneurs from 2002-2012 and served as Administrative Director for the Saskatoon chapter. He was a member of the Saskatoon Club from 2007-2011 and is currently a member of the Law Society of Saskatchewan, Southeast Bar Association and the Rotary Club of Estevan.

Mr. Nicolay is a graduate of the University of Saskatchewan.

Marvin Romanow
Calgary, Alberta

Marvin Romanow joined the SaskPower Board of Directors in 2016. Mr. Romanow is a Corporate Director, Executive in Residence at the University of Saskatchewan, and former President and Chief Executive Officer of Nexen Inc. He is also Chairman of Freehold Royalties Ltd., and Board Member for the Alberta Teacher's Retirement Fund and the Arnie Charbonneau Cancer Institute.

He holds an MBA and a Bachelor of Engineering, with Great Distinction, from the University of Saskatchewan. He is also a graduate of the Program for Management Development at Harvard Graduate School, and completed the Advanced Management Programme with the INSEAD Business School. Mr. Romanow holds the ICD.D designation from the Institute of Corporate Directors.

In 2007, Mr. Romanow was recognized as Canada's CFO of the Year and in 2013 he was inducted into the Saskatchewan Oil Patch Hall of Fame.

Tammy Van Lambalgen
Saskatoon, Saskatchewan

Tammy Van Lambalgen joined the Board of Directors in 2013 and currently serves as Chair of the Governance & Human Resources Committee. She is the Vice-President, Corporate Affairs and General Counsel at Orano Canada Inc., overseeing human resources, legal, corporate social responsibility and organizational excellence.

Ms. Van Lambalgen holds a Bachelor of Arts and a Bachelor of Laws, graduating from the University of Saskatchewan in 1993. Ms. Van Lambalgen began her career in Calgary, where she worked as a solicitor and in-house counsel for Shell Canada. In 2003, she returned to Saskatoon to join Orano, where in 2008 she became a Vice-President with oversight for regulatory affairs and legal.

In addition to her role on the SaskPower Board of Directors, Ms. Van Lambalgen is on the Board of Directors of Orano Canada, the Chair of the Saskatchewan Mining Association and the Chair of the Children's Discovery Museum in Saskatoon. She has also held board positions on the Saskatoon Adult Soccer Association, College Park Community Association and the Greater Saskatoon Chamber of Commerce.

Dale Bloom
Corporate Secretary

Dale Bloom works for CIC, the holding company for Saskatchewan's commercial Crown corporations. He was part of a team at CIC that won the Lieutenant Governor's Gold Medal for Outstanding Public Service in Saskatchewan, as well as a Certificate of Achievement in the International Awards Programme for work in governance and performance management of public enterprises.

Mr. Bloom has worked in the public sector for over 20 years in various capacities. He has several degrees, most recently attaining his MBA in 2011 from the Kenneth Levene Graduate School of Business at the University of Regina. He has been and continues to be involved in various charitable activities in Regina.

COMPENSATION

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

- The Board Chair receives an annual retainer of $40,000.
- Board Members receive an annual retainer of $25,000.
- The Audit & Finance Committee Chair receives an annual retainer of $3,500.
- Other Committee Chairs receive an annual retainer of $2,500.
- Committee members receive a $750 daily meeting fee.

EXECUTIVE TEAM

As at March 31, 2019

Mike Marsh
President and Chief Executive Officer

Mike Marsh was appointed President and Chief Executive Officer in April 2015. He joined SaskPower in 1991, following 12 years in the construction industry in Alberta and Saskatchewan.

At SaskPower, Mr. Marsh spent 10 years in engineering and maintenance supervisory positions for Power Production. He went on to various positions in the company, notably as Manager of Business and Financial Planning and Vice-President of Transmission and Distribution. In 2012, he became Vice-President of Operations and Chief Operations Officer, responsible for all operational areas including Power Production, Transmission Services and Distribution Services.

Mr. Marsh attended the University of Saskatchewan, where he earned a Bachelor of Science in Mechanical Engineering. He later studied at Queen's School of Business and obtained a Master of Business Administration. He is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan.

He is a Board Member of the Canadian Electricity Association (CEA), and was Past Chair of the CEA Transmission Council. He has also held positions on the CEA Distribution Council and CEA Occupational Health and Safety Task Group.

Mr. Marsh received the 2016 Electricity Industry Leader of the Year Award from Electricity Human Resources Canada. He is also a Past President of Canadian Progress Club – Regina Centre Chapter. In 2017, he joined the Board of Directors for the Shock Trauma Air Rescue Service (STARS). In January 2018, Mr. Marsh was the University of Saskatchewan College of Engineering's 42nd C.J. Mackenzie Distinguished Lecturer and an inductee to the Alumni Wall of Distinction.

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

Tim Eckel was appointed Vice-President, Asset Management, Planning and Sustainability in 2017. He has over 30 years of experience in numerous roles within SaskPower, including Vice-President, Transmission Services.

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

He represents SaskPower on the Canadian Electricity Association Generation Council and on the Emerging Issues Committee. In addition, Mr. Eckel sits as a member on the Centre of Excellence Advanced Technological Innovation Senior Leaders Advisory Committee and the Saskatchewan Science Centre Board of Directors. Mr. Eckel is an active member of his community. He currently volunteers with the Knights of Columbus and has volunteered with a number of charitable and community organizations in Saskatchewan.

Kory Hayko
Vice-President,
Transmission and Industrial Services

Kory Hayko was appointed Vice-President, Commercial and Industrial Operations — now Transmission and Industrial Services — in June 2015. He has over 25 years of experience in numerous roles within SaskPower, including Vice-President, Fuel and Cross-Crown Collaboration, and Acting Vice-President, Customer Services. Since July 2014, he has also held the position of President and CEO, NorthPoint Energy Solutions.

Mr. Hayko graduated from the University of Regina with a Bachelor of Applied Science in Industrial Systems Engineering, and has a Master of Applied Science in Energy Systems. He is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan and is the Vice-Chair of the Board of the International CCS Knowledge Centre.

Mr. Hayko is also an active volunteer with the Heart and Stroke Foundation, Canadian Cancer Society, MS Society of Canada and Canadian Diabetes Association.

Troy King
Vice-President,
Finance and Business Performance,
and Chief Financial Officer

Troy King was appointed Vice-President, Finance and Business Performance, and Chief Financial Officer in October 2017. Mr. King has worked at SaskPower since 1996 in a number of leadership roles that included financial reporting, budgeting and forecasting, risk management, taxes, strategic planning, information technology, load forecasting and rate design. Before moving into his present role, he was the Director of Corporate Planning and Controller. Mr. King is also the Chief Financial Officer for NorthPoint Energy Solutions, a wholly owned subsidiary of SaskPower.

Mr. King is a graduate of the University of Regina, with a degree in Business Administration. He is also a Chartered Professional Accountant (CPA, CMA). Mr. King is currently a member of the Power Corporation Superannuation Board and previously served as a Board Member with the Saskatchewan Science Centre.

Howard Matthews
Vice-President,
Power Production

Howard Matthews was appointed Vice-President, Power Production, and President and CEO of SaskPower International in June 2015, after serving as Acting Vice-President, Power Production, since July 2014.

He has held a number of positions during his career with SaskPower, beginning as an Electrical Engineer in 1989. Prior to joining SaskPower's Executive, he was Director at Poplar River Power Station in Coronach, Saskatchewan.

Prior to joining SaskPower, Mr. Matthews worked as a computer programmer for the Saskatchewan Research Council, Northern Telecom and Saskatchewan Mining and Development Corporation. He has also worked as a field engineer with Husky Injection in Toronto. Mr. Matthews holds a Bachelor of Commerce and Bachelor of Electrical Engineering from the University of Saskatchewan.

Kathy McCrum
Vice-President,
Human Resources and Safety

Kathy McCrum was appointed Vice-President of Human Resources and Safety in November 2017. Prior to accepting this role, Mrs. McCrum held various leadership roles in the private sector within Alberta and Saskatchewan.

She spent the first several years of her career working with Canadian Pacific Railway in a variety of capacities. Following her time at the railway, she advanced into senior leadership roles within Kramer Ltd, and years later at the Co-op Refinery Complex.

Graduating from the University of Regina with a Bachelor of Business Administration, Mrs. McCrum holds her Canadian Professional Human Resource (CPHR) designation. She also received her Personal and Professional Coaching Certification and is a certified executive coach through Concordia University.

She has a passion for health and fitness having spent many years volunteering as a certified fitness instructor. Mrs. McCrum currently serves on the Regina Exhibition Association Limited Board (operating Evraz Place), as well as the Sask Safe Board of Directors in Saskatchewan.

Grant Ring
Vice-President,
Supply Chain

Grant Ring was appointed Vice-President, Supply Chain, in 2015. At SaskPower, Mr. Ring previously held the positions of Vice-President, Business Development; President and Chief Executive Officer of NorthPoint Energy Solutions; and Acting Vice-President and Chief Financial Officer. Prior to that, he spent 11 years in various positions at the company, in accounting, finance and business planning. Mr. Ring held accounting positions in construction materials and electrical manufacturing for 13 years prior to coming to SaskPower.

Mr. Ring holds a Master of Business Administration from Queen's University and is a Chartered Professional Accountant (CPA). He was named a Fellow of the Society of Management Accountants in 2008. In 2007, he completed a Certificate in Executive Coaching, and in 2011, achieved his ICD.D designation from the Institute of Corporate Directors.

He is the Chairman of the Power Corporation Superannuation Plan and a member of the Buffalo Pound Water Board of Directors. In the past, Mr. Ring has also held positions as Chair of Financial Executives International Canada and Vice-Chair of the Public Employees Pension Plan, as well as serving on other non-profit boards.

Shawn Schmidt
Vice-President,
Distribution and Customer Services

Shawn Schmidt was appointed Vice-President, Distribution and Customer Services, in August 2018. He joined SaskPower in 2001 following 15 years in the utility, mining, and consulting industries in Alberta and Saskatchewan. At SaskPower, he spent four years in Customer Service Key Accounts before serving as the Engineering Supervisor and Region Manager in Distribution Operations for five years. He was then appointed Director, Transmission Operations and Maintenance, for eight years.

Mr. Schmidt holds a Bachelor of Science in Electrical Engineering from the University of Saskatchewan. He is a professional engineer and member of the Association of Professional Engineers and Geoscientists of Saskatchewan. He also represents SaskPower on the Transmission and Distribution Maintenance Management Association.

Mr. Schmidt is an active member of his community. He currently volunteers with C3 Saskatoon and the United Way. He has also volunteered with a number of charitable and community organizations in Saskatchewan. In 2018, Mr. Schmidt was part of a team that published an Institute of Electrical and Electronics Engineers paper on Flashover Performance of Live-Line Tools in High Voltage Environments.

Brad Strom
Vice-President,
Technology and Security,
and Chief Information Officer

Brad Strom joined SaskPower as Vice-President, Technology and Security, and Chief Information Officer, in 2015.

Previously, Mr. Strom worked at Farm Credit Canada (FCC) as Vice-President, Development and Operations. During his time at FCC, he took on a number of leadership roles, and was accountable for all aspects of the company's information technology and enterprise security functions.

Prior to FCC, Mr. Strom worked in a number of countries, including Brazil, Argentina and the United Kingdom. He worked in various sectors such as healthcare, insurance, banking and government, for companies including SHL Systemhouse, IBM and PwC Canada.

Mr. Strom is a graduate of Carleton University in Ottawa, where he obtained a Bachelor of Science in Computer Systems Engineering. Mr. Strom is also involved in his community as a Board Member for the Caring Place, a non-profit counseling centre.

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

Rachelle Verret Morphy was appointed Vice-President, Corporate and Regulatory Affairs in 2017 after serving as Vice-President, Law, Land and Regulatory Affairs, since 2011. She also serves as General Counsel to the Corporation, and is responsible for advising the President, Executive and Board of Directors on corporate governance matters.

Previously, Ms. Verret Morphy worked for a federally regulated financial institution where she was responsible for providing advice on legal, tax and regulatory matters. Ms. Verret Morphy also worked in the private practice of law for a number of years at a major Saskatchewan law firm, with a focus on procurement, construction, information technology and taxation.

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

She is a member of the Law Society of Saskatchewan, the Canadian Bar Association, the Chartered Professional Accountants of Saskatchewan, the Chartered Professional Accountants of Ontario, the Canadian Corporate Counsel Association and the Association of Corporate Counsel. She volunteers as a member of the Board of Directors of the Hospitals of Regina Foundation.

COMPENSATION

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

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

Salary ranges for SaskPower's Executive team, as of March 31, 2019, were:

- President and CEO: $346,440 to $433,049.
- Vice-President: $238,918 to $298,648.

FIVE-YEAR FINANCIAL SUMMARY

(in millions)	**March 31 2018-19**	March 31 2017-18	March 31 2016-17	March 31 2015-16	December 31 2014
Consolidated statement of income					
Revenue					
Saskatchewan electricity sales	**$ 2,583**	$ 2,480	$ 2,277	$ 2,132	$ 2,043
Exports	**30**	10	5	8	7
Net sales (costs) from electricity trading	**-**	(3)	(3)	(2)	(2)
Share of profit from equity accounted investees	**3**	2	1	1	2
Other revenue	**109**	97	122	165	107
	2,725	2,586	2,402	2,304	2,157
Expense					
Fuel and purchased power	**710**	660	661	652	638
Operating, maintenance and administration	**708**	680	675	637	656
Depreciation and amortization	**553**	543	494	466	389
Finance charges	**416**	417	416	384	326
Taxes	**74**	72	72	64	59
Other expenses	**67**	68	38	37	46
Unrealized market value adjustments	**-**	-	(10)	83	(17)
	2,528	2,440	2,346	2,323	2,097
Net income (loss)	**$ 197**	$ 146	$ 56	$ (19)	$ 60
Consolidated statement of financial position					
Assets					
Current assets	**$ 776**	$ 792	$ 712	$ 665	$ 551
Property, plant and equipment	**10,190**	9,895	9,518	9,140	8,548
Intangible assets	**58**	63	48	54	73
Debt retirement funds	**748**	658	590	533	457
Investments accounted for using equity method	**39**	40	38	38	40
Other assets	**1**	8	2	4	5
Total assets	**$ 11,812**	$ 11,456	$ 10,908	$ 10,434	$ 9,674
Liabilities and equity					
Current liabilities	**$ 1,695**	$ 1,923	$ 1,647	$ 1,676	$ 1,590
Long-term debt	**5,999**	5,616	5,454	5,025	4,350
Finance lease obligations	**1,081**	1,096	1,112	1,122	1,130
Employee benefits	**214**	210	237	264	233
Provisions	**283**	233	217	201	193
Equity	**2,540**	2,378	2,241	2,146	2,178
Total liabilities and equity	**$ 11,812**	$ 11,456	$ 10,908	$ 10,434	$ 9,674
Consolidated statement of cash flows					
Cash provided by operating activities	**$ 671**	$ 708	$ 564	$ 376	$ 391
Cash used in investing activities	**(798)**	(964)	(862)	(904)	(1,218)
Cash provided by financing activities	**130**	250	283	532	827
Increase (decrease) in cash position	**$ 3**	$ (6)	$ (15)	$ 4	$ -
Financial indicators					
Dividends	**$ 20**	$ -	$ -	$ -	$ -
Capital expenditures	**$ 833**	$ 996	$ 886	$ 931	$ 1,279
Return on equity	**7.9%**	6.2%	2.5%	(0.9%)	2.8%
Per cent debt ratio	**74.1%**	74.9%	75.5%	75.2%	73.1%

In prior periods, the Corporation presented unrealized market value adjustments as a separate line item below revenue and expenses. A review of the classification of these unrealized market value adjustments given the adoption of IFRS 9, *Financial Instruments*, indicated that these items would be more appropriately presented with the related line item in profit and loss in the current year. The 2018-19 and 2017-18 information disclosed reflects this change.

The Corporation was directed by provincial government to change its fiscal year-end to March 31 to coincide with that of the Province of Saskatchewan. The 2018-19, 2017-18, 2016-17 and 2015-16 information disclosed reflects SaskPower's fiscal year-end consisting of the twelve months ended March 31. The 2014 financial information disclosed reflects SaskPower's previous fiscal year-end consisting of the twelve months ended December 31.

FIVE-YEAR REVENUE STATISTICS

	March 31 2018-19	March 31 2017-18	March 31 2016-17	March 31 2015-16	December 31 2014
Number of Saskatchewan customer accounts					
Residential	**396,536**	392,314	388,006	381,857	373,109
Farm	**58,322**	58,492	58,775	59,156	59,792
Commercial	**63,216**	62,375	61,918	61,351	60,274
Oilfield	**19,513**	19,412	19,234	19,258	18,662
Power	**125**	124	124	121	102
Reseller	**2**	2	2	2	2
Total number of Saskatchewan customer accounts	**537,714**	532,719	528,059	521,745	511,941
Electricity sales (in millions)					
Residential	**$ 576**	$ 549	$ 514	$ 485	$ 490
Farm	**188**	180	158	157	164
Commercial	**519**	501	472	447	432
Oilfield	**416**	395	357	330	324
Power	**784**	758	681	624	546
Reseller	**100**	97	95	89	87
Saskatchewan electricity sales	**2,583**	2,480	2,277	2,132	2,043
Exports	**30**	10	5	8	7
Total electricity sales	**$ 2,613**	$ 2,490	$ 2,282	$ 2,140	$ 2,050
Electricity sales (GWh)					
Residential	**3,216**	3,162	3,068	3,067	3,281
Farm	**1,353**	1,328	1,189	1,255	1,364
Commercial	**3,862**	3,862	3,777	3,768	3,788
Oilfield	**3,962**	3,877	3,621	3,453	3,503
Power	**9,964**	9,845	9,207	8,876	8,179
Reseller	**1,202**	1,208	1,218	1,223	1,274
Saskatchewan electricity sales	**23,559**	23,282	22,080	21,642	21,389
Exports	**422**	304	176	89	90
Total electricity sales	**23,981**	23,586	22,256	21,731	21,479
Average electricity sales price ($/MWh)					
Residential	**$ 179**	$ 174	$ 168	$ 158	$ 149
Farm	**139**	136	133	125	120
Commercial	**134**	130	125	119	114
Oilfield	**105**	102	99	96	92
Power	**79**	77	74	70	67
Reseller	**83**	80	78	73	68
Exports	**71**	33	28	90	78
Total weighted average electricity sales price	**$ 109**	$ 106	$ 103	$ 98	$ 95
Average annual usage per residential customer (kWh)	**8,110**	8,060	7,907	8,032	8,794
System-wide average rate increases[1]	**0.0%**	3.5% (Mar 1)	5.0% (July 1) 3.5% (Jan 1)	2.0% (Sept 1)	5.5% (Jan 1)

1. In addition to the rate adjustments noted above, Cabinet also approved a 3.0% rate increase on January 1, 2015 (during a three-month stub reporting period related to SaskPower's change in fiscal year).

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FIVE-YEAR GENERATING AND OPERATING STATISTICS

	March 31 2018-19	March 31 2017-18	March 31 2016-17	March 31 2015-16	December 31 2014
Net electricity supplied (GWh)					
Gas	**10,603**	9,144	8,729	8,379	6,883
Coal	**10,286**	10,864	10,759	10,967	10,219
Hydro	**3,591**	3,873	3,525	3,213	4,706
Wind	**659**	765	740	682	636
Imports	**490**	515	478	375	797
Other	**148**	156	143	140	183
Gross electricity supplied	**25,777**	25,317	24,374	23,756	23,424
Line losses	**(1,796)**	(1,731)	(2,118)	(2,025)	(1,945)
Net electricity supplied	**23,981**	23,586	22,256	21,731	21,479
Available generating capacity (net MW)					
Gas	**1,839**	1,824	1,824	1,771	1,567
Coal	**1,530**	1,530	1,530	1,530	1,530
Hydro	**889**	889	889	889	864
Wind	**241**	221	221	221	198
Other	**32**	29	27	26	22
Total available generating capacity	**4,531**	4,493	4,491	4,437	4,181
Peak loads (net MW)					
Annual peak load	**3,723**	3,792	3,747	3,640	3,561
Minimum load	**1,442**	2,057	1,970	2,033	1,854
Summer peak load	**3,524**	3,470	3,270	3,331	3,131
Lines in service (circuit km)					
Transmission lines	**14,332**	14,140	14,384	13,964	13,405
Distribution lines	**142,415**	143,422	144,339	143,020	142,403
Total lines in service	**156,747**	157,562	158,723	156,984	155,808
Number of permanent full-time employees	**3,167**	3,144	3,178	3,143	3,099

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GLOSSARY

Advanced Metering Infrastructure (AMI)
An integrated system of smart meters, communication networks, and data management systems that enables two-way communication between utilities and customers.

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

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

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

Carbon dioxide (CO_2)
One of the primary greenhouse gases believed to be a cause of climate change. Carbon dioxide is produced in fossil fuel-based electricity generation.

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

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

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

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

Fly ash
The fine powder by-product resulting from the combustion of pulverized coal used in many coal-fired generating stations.

Gigawatt (GW)
A unit of bulk power; one billion watts or one million kilowatts.

Gigawatt hour (GWh)
A unit of bulk energy; 1,000,000 kilowatt hours.

Independent Power Producer (IPP)
An unregulated entity that owns power plants and generates electricity in the competitive wholesale market.

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

ISO 14001
A standard that defines the elements of a sound environmental management system. The ISO 14000 series is a family of environmental management standards developed by the International Organization for Standardization (ISO).

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

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

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

Megawatt hour (MWh)
A unit of bulk energy; 1,000 kilowatt hours.

North American Electric Reliability Corporation (NERC)
Formed in 1968, its mission is to ensure that the bulk electric system in North America is reliable, adequate and secure.

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

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

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

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

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

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

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

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

SYSTEM MAP

HYDRO - TOTAL CAPACITY 889 MW

Athabasca Hydroelectric System

- H1A Wellington - 5 MW
- H1B Waterloo - 8 MW
- H1C Charlot River - 10 MW

- H2 Island Falls Hydroelectric Station - 111 MW
- H3 Manitoba Hydro Northern Power Purchase Agreement - 25 MW
- H4 Nipawin Hydroelectric Station - 255 MW
- H5 E.B. Campbell Hydroelectric Station - 289 MW
- H6 Coteau Creek Hydroelectric Station - 186 MW

NATURAL GAS - TOTAL CAPACITY 1,839 MW

- NG1 Meadow Lake Power Station - 44 MW
- NG2 Meridian Cogeneration Station* - 228 MW
- NG3 North Battleford Generating Station* - 286 MW
- NG4 Yellowhead Power Station - 138 MW
- NG5 Ermine Power Station - 92 MW
- NG6 Landis Power Station - 79 MW
- NG7 Cory Cogeneration Station - 249 MW *(Owned by SaskPower International and ATCO Power Canada)*
- NG8 Queen Elizabeth Power Station - 634 MW
- NG9 Spy Hill Generating Station* - 89 MW

WIND - TOTAL CAPACITY 241 MW

- W1 Cypress Wind Power Facility - 11 MW
- W2 SunBridge Wind Power Facility* - 11 MW
- W3 Centennial Wind Power Facility - 150 MW
- W4 Morse Wind Energy Facility* - 23 MW
- W5 Red Lily Wind Energy Facility* - 26 MW
- W6 Western Lily Wind Energy Facility* - 20 MW

COAL - TOTAL CAPACITY 1,530 MW

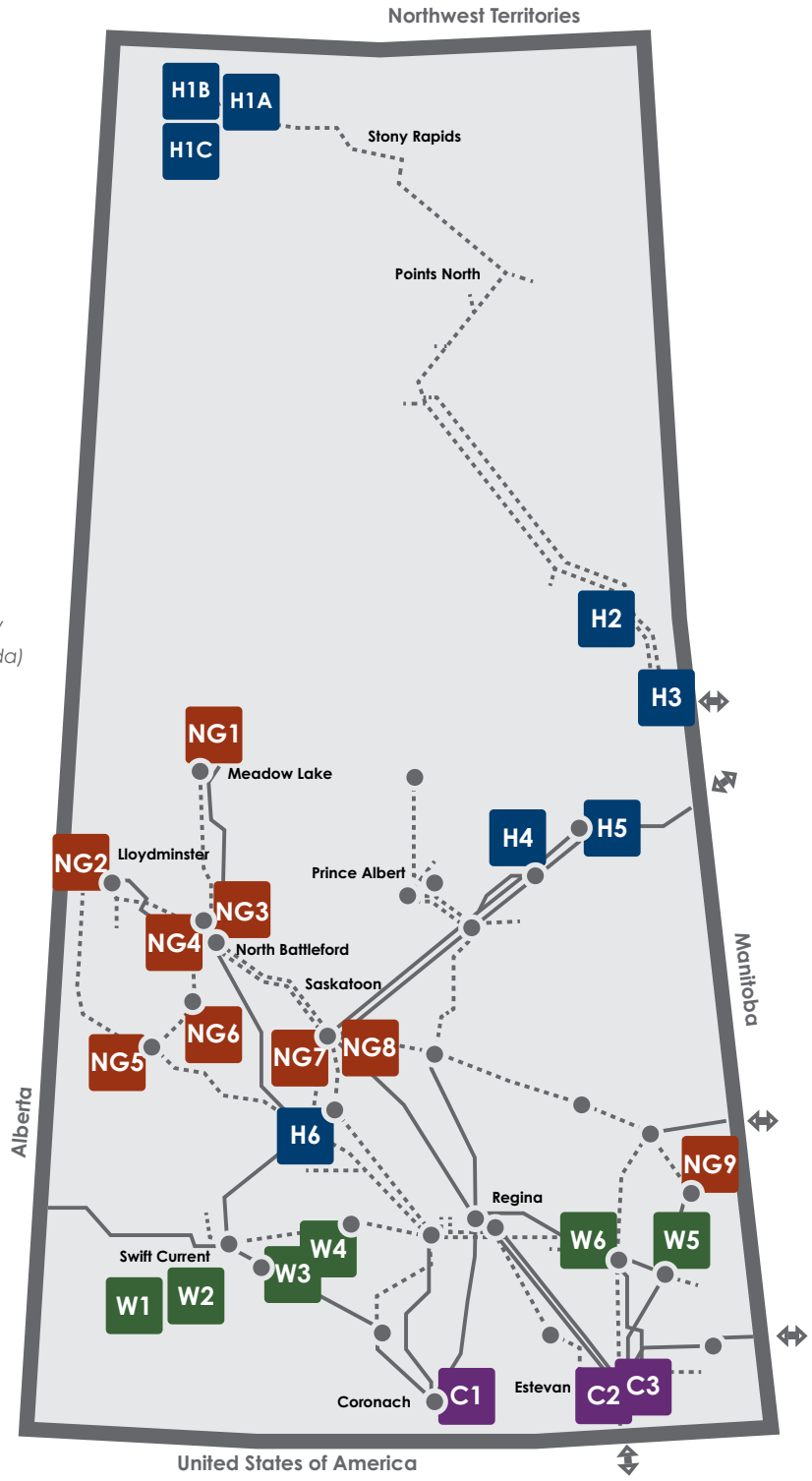
- C1 Poplar River Power Station - 582 MW
- C2 Boundary Dam Power Station - 672 MW
- C3 Shand Power Station - 276 MW

SMALL INDEPENDENT POWER PRODUCERS - TOTAL CAPACITY 32 MW (NOT SHOWN ON MAP)

** Large Independent Power Producer*

TRANSMISSION

- 230 kV
- 138 kV/115 kV/110 kV
- Switching station
- Interconnection



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