FIRST QUARTER FINANCIAL REPORT

For the three months ended

June 30, 2022

SaskPower
Powering our future®

2022-23

STRATEGIC DIRECTION

Our vision

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

Our mission

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

Our values

Safety, openness, collaboration and accountability.

Our corporate strategic priorities

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

FINANCIAL AND OPERATING HIGHLIGHTS

FINANCIAL INDICATORS

	Three months ended June 30		
(in millions)	2022-23	2021-22	Change
Revenue	$ 700	$ 692	$ 8
Expense	787	685	102
Net (loss) income	(87)	7	(94)
Capital expenditures	234	211	23
Net cash from operating activities	15	188	(173)
Return on equity[1]	-13.1%	1.0%	-14.1%
	June 30 2022	March 31 2022	Change
Total net debt[2]	$ 7,523	$ 7,273	$ 250
Per cent debt ratio[3]	73.2%	71.9%	1.3%

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

OPERATING STATISTICS

	Three months ended June 30		
(GWh)[1]	2022-23	2021-22	Change
Saskatchewan electricity sales	5,622	5,564	58
Exports	147	198	(51)
Total electricity sales	5,769	5,762	7
Gross electricity supplied	5,998	6,055	(57)
Line losses	(229)	(293)	64
Net electricity supplied	5,769	5,762	7
	June 30 2022	March 31 2022	Change
Available generating capacity (net MW)[2]	5,411	5,246	165
Annual peak load (net MW)[2]	3,303	3,910	(607)
Customer accounts	550,059	549,940	119

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) highlights the primary factors that have an impact on the financial results and operations of Saskatchewan Power Corporation (SaskPower; the Corporation). It should be read in conjunction with the SaskPower unaudited condensed consolidated financial statements and supporting notes for the three months ended June 30, 2022. These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The SaskPower Audit & Finance Committee of the Board of Directors has approved the condensed consolidated financial statements.

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

FINANCIAL RESULTS

	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Revenue			
Saskatchewan electricity sales	**$ 658**	$ 649	$ 9
Exports and electricity trading	**18**	22	(4)
Other revenue	**24**	21	3
Total revenue	**$ 700**	$ 692	$ 8
Expense			
Fuel and purchased power	**$ 286**	$ 226	$ 60
Operating, maintenance and administration	**219**	184	35
Depreciation and amortization	**149**	152	(3)
Finance charges	**104**	95	9
Taxes	**20**	21	(1)
Other expenses	**9**	7	2
Total expense	**$ 787**	$ 685	$ 102
Net (loss) income	**$ (87)**	$ 7	$ (94)
Return on equity[1]	**-13.1%**	1.0%	-14.1%

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

HIGHLIGHTS AND SUMMARY OF RESULTS

SaskPower reported a consolidated net loss of $87 million in the first quarter of 2022-23 compared to $7 million in net income in the same period in 2021-22. The $94 million decrease was primarily due to a $102 million increase in expenses, slightly offset by $8 million increase in revenue. The return on equity was -13.1%, down approximately 14 percentage points from the previous period.

The $102 million increase in expenses was mainly due to fuel and purchased power costs which increased $60 million primarily due to higher natural gas and coal prices and coal generation being replaced with more expensive renewable fuel sources. Operating, maintenance and administration (OM&A) expense increased $35 million as a result of increased maintenance at our generation facilities due to the timing of overhaul activities; emergency maintenance on our distribution infrastructure due to storm activity; as well as increased spending on cyber security and technology cloud-based initiatives. Other capital-related expenses – depreciation, finance charges, taxes and other – increased a combined total of $7 million, primarily due to higher interest on lease liabilities and short-term advances and negative returns on debt retirement funds. These increases were partially offset by lower interest on long-term debt due to refinancing, higher interest capitalized and a decrease in depreciation and amortization expense due to Unit #4 at Boundary Dam Power Station being fully depreciated.

The $8 million increase in total revenue was attributable to higher Saskatchewan electricity sales of $9 million due to a 1% increase in sales volumes. Other revenue increased $3 million due to higher carbon dioxide (CO_2) sales and customer contributions. These increases were slightly offset by export and electricity trading revenue which decreased by $4 million due to lower sales volumes to Alberta.

OUTLOOK

SaskPower is forecasting a consolidated net loss of $132 million in 2022-23, resulting in a return on equity of -4.8%.

Expenses are expected to increase $303 million in 2022-23. The primary driver is a $259 million increase in fuel and purchased power costs related to higher natural gas prices and higher volumes generated by more expensive renewable fuel sources. OM&A expenses are expected to increase $58 million primarily due to increased overhaul maintenance activity at our generation facilities; emergency maintenance on our distribution infrastructure due to storm activity; and increased spending on technology cloud-based initiatives. These expenses are expected to be partially offset by lower capital-related expenses, including depreciation, finance charges, taxes and other expenses of $14 million.

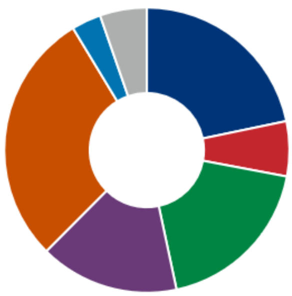
Revenues of $3,045 million are expected to increase $160 million compared to the 2021-22 fiscal year. The higher revenues are a result of a $129 million anticipated increase in Saskatchewan electricity sales due to a system average rate increase of 4% effective September 1, 2022, combined with expected sales growth. Exports and electricity trading activities are also expected to increase $30 million due to more opportunities to sell into Alberta.

Capital expenditures in 2022-23 are forecasted to be approximately $1,053 million. Capital spending includes $232 million on the new Great Plains Power Station; $242 million to sustain our existing transmission and distribution assets; $183 million to connect new customers to SaskPower's grid; $134 million in costs to improve and expand the Corporation's transmission and distribution infrastructure; and $98 million to maintain the existing generation fleet.

SASKATCHEWAN ELECTRICITY SALES

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

SaskPower has not had a general rate increase since March 1, 2018. However, during that period SaskPower has implemented general rate rider increases to recover federal carbon tax. The last rate rider increase of 0.6% became effective January 1, 2021.



	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Residential	**$ 143**	$ 141	$ 2
Farm	**41**	42	(1)
Commercial	**123**	116	7
Oilfield	**104**	101	3
Power	**190**	191	(1)
Reseller	**22**	24	(2)
	623	615	8
Federal carbon charge collected	**35**	34	1
Saskatchewan electricity sales	**$ 658**	$ 649	$ 9

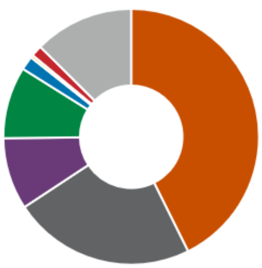
	Three months ended June 30		
(in GWh)	**2022-23**	2021-22	Change
Residential	**784**	775	9
Farm	**284**	295	(11)
Commercial	**886**	837	49
Oilfield	**1,006**	961	45
Power	**2,397**	2,423	(26)
Reseller	**265**	273	(8)
Electricity sales volumes	**5,622**	5,564	58

Saskatchewan electricity sales for the first quarter of 2022-23 were $658 million, up $9 million from the same period in 2021-22. Electricity sales volumes to Saskatchewan customers for the first three months of 2022-23 were 5,622 GWh, up 58 GWh or 1% from the same period in 2021-22. The corporation experienced growth in demand from commercial, oilfield and residential customer classes.

FUEL AND PURCHASED POWER

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

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



	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Gas	**$ 122**	$ 80	$ 42
Coal	**66**	73	(7)
Imports	**26**	17	9
Wind	**26**	10	16
Hydro	**5**	5	-
Solar	**1**	-	1
Other	**4**	4	-
	250	189	61
Federal carbon charge	**36**	37	(1)
Fuel and purchased power	**$ 286**	$ 226	$ 60

	Three months ended June 30		
(in GWh)	**2022-23**	2021-22	Change
Gas	**2,529**	2,525	4
Coal	**1,741**	2,325	(584)
Imports	**280**	170	110
Wind	**592**	252	340
Hydro	**827**	752	75
Solar	**9**	1	8
Other	**20**	30	(10)
Gross electricity supplied	**5,998**	6,055	(57)

Fuel and purchased power costs were $286 million in the first quarter of 2022-23, up $60 million from the same period in 2021-22. The $60 million increase resulted from unfavourable price and fuel mix variances, slightly offset by a favourable volume variance.

The average price of fuel increased due to higher natural gas and contracted coal prices. The higher fuel prices resulted in an overall increase of approximately $42 million.

The fuel mix is the relative proportion that each fuel source contributes to our total fuel supply. The more energy generated from the lower incremental cost sources the more favourable the impact on fuel and purchased power costs. In the first quarter of 2022-23, the Corporation used more zero-emissions generation supply sources in place of coal. The use of additional renewable generation mitigates the federal carbon charge and helps the Corporation meet our long-term emission goals. This resulted in an estimated $20 million increase in fuel and purchased power costs.

Total generation and purchased power was 5,998 GWh in the first three months of 2022-23, a decrease of 57 GWh or 0.9% compared to the same period in 2021-22. The lower demand resulted in an estimated $2 million decrease in fuel and purchased power costs.

FEDERAL CARBON TAX VARIANCE (FCTVA)

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

(in millions)	Rate rider increase	Federal carbon charge receipts/ receivables	Federal carbon charge payments/ payables	Other recoveries (expense)	Over (under) collected
Balance, December 31, 2020		$ 174	$ (141)	$ -	$ 33
Total 2021 calendar year	0.6%	144	(163)	7	(12)
Total 2022 calendar (six months)	0.0%	73	(87)	3	(11)
Cumulative balance		**$ 391**	**$ (391)**	**$ 10**	**$ 10**

Effective January 1, 2019, the Government of Canada introduced a federal carbon tax that was applied to SaskPower's fossil fuel emissions, including those from coal- and natural gas-fired generating stations. The federal carbon tax increased from $40/tonne of CO_2e effective January 1, 2021, to $50/tonne of CO_2e effective January 1, 2022, for emissions above established thresholds. SaskPower began recovering the expense associated with the federal carbon tax from its customers through a rate rider effective April 1, 2019. The rate rider is typically adjusted on January 1 of each year to reflect any changes in the estimated carbon tax for the upcoming calendar year. The revenue associated with the federal carbon charge rate rider is being set aside and is used to fund the federal carbon tax payments.

The federal carbon taxes for the 2019 and 2020 calendar years were paid in April and December 2021, respectively and the payment for the 2021 calendar year is due December 15, 2022. Amounts are payable to Environment and Climate Change Canada (ECCC) as well as certain independent power producers (IPPs). As at June 30, 2022, the FCTVA has an overage of $10 million owing to customers. The balance in the FCTVA will be refunded to customers as part of future federal carbon charge rates. While the federal carbon tax increased to $50/tonne of CO_2e effective January 1, 2022, the Corporation announced it will not be implementing a rate rider increase in 2022.

REVENUE FROM OTHER SOURCES

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

	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Exports and electricity trading	**$ 18**	$ 22	$ (4)
Other revenue	**24**	21	3
Revenue from other sources	**$ 42**	$ 43	$ (1)

Exports and electricity trading were $18 million in the first quarter of 2022-23, down $4 million from the same period in 2021-22. Exports were down $4 million due to decreased volumes, partially offset by higher prices. Export sales volumes primarily to Alberta were 147 GWh, down 51 GWh from the volumes sold in the same period in 2021-22. The average export sales price increased $12 per megawatt hour (MWh) compared to the same period in the prior year.

Other revenue was $24 million in the first quarter of 2022-23, up $3 million compared to the same period in 2021-22. This increase was primarily due to higher CO_2 sales and customer contributions.

OPERATING, MAINTENANCE AND ADMINISTRATION (OM&A)

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

	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
OM&A	**$ 219**	$ 184	$ 35

OM&A expense was $219 million in the first quarter of 2022-23, up $35 million from the same period in 2021-22. The increase in OM&A was primarily due to increased maintenance costs related to the timing of overhauls at the Corporation's generation facilities; higher emergency maintenance on our distribution infrastructure due to storm activity; as well as increased spending on cyber security and technology cloud-based initiatives.

CAPITAL-RELATED EXPENSES

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

	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Depreciation and amortization	$ 149	$ 152	$ (3)
Finance charges	104	95	9
Taxes	20	21	(1)
Other expenses	9	7	2
Capital-related expenses	**$ 282**	$ 275	$ 7

Depreciation and amortization expense were $149 million in the first quarter of 2022-23, down $3 million from the same period in 2021-22. The decrease is primarily due to Unit #4 at Boundary Dam Power Station being fully depreciated, partially offset by new capital additions.

Finance charges were $104 million in the first quarter of 2022-23, up $9 million compared to the same period in 2021-22. The increase is mainly attributable to higher interest on lease liabilities and short-term advances of $11 million; negative returns on debt retirement funds of $5 million; offset by lower interest on long-term debt due to refinancing of $4 million and higher capitalized interest of $3 million.

Taxes were $20 million in the first quarter of 2022-23, down $1 million form the same period in 2021-22, due to lower grants-in-lieu of property taxes.

Other expenses were $9 million in the first quarter of 2022-23, up $2 million compared to the same period in 2021-22. The increase is a result of higher losses on asset disposals and retirements, slightly offset by lower inventory adjustments.

FINANCIAL CONDITION

The following table outlines changes in the condensed consolidated statement of financial position from March 31, 2022, to June 30, 2022:

(in millions)	Change ($)	Change (%)	
Cash and cash equivalents	$ 110	**344%**	Refer to Consolidated Statement of Cash Flows.
Accounts receivable and unbilled revenue	9	**2%**	Increase in trade receiv ables due to timing of payments and higher natural gas trading receiv ables.
Inventory	33	**11%**	Increase in maintenance supplies, natural gas and coal inv entory.
Prepaid expenses	-	**0%**	
Risk management assets (net of risk management liabilities)	3	**-13%**	Settlement of natural gas hedges and change in the fair v alue of outstanding natural gas deriv ativ e contracts.
Property, plant and equipment	67	**1%**	Additions offset by depreciation expense, asset disposals/retirements and adjustments.
Right-of-use assets	(13)	**-3%**	Depreciation of right-of-use assets, offset by additions.
Intangible assets	(2)	**-3%**	Amortization expense, offset by capitalization of new software costs.
Debt retirement funds	(7)	**-1%**	Market v alue losses and negativ e returns, offset by instalments.
Other assets	4	**36%**	Increased long-term maintenance serv ice costs.
Accounts payable and accrued liabilities	(1)	**0%**	Timing of payments.
Accrued interest	(4)	**-7%**	Timing of interest payments.
Deferred revenue	1	**5%**	Increased customer contributions.
Dividend payable	(3)	**-100%**	Timing of payments.
Short-term advances	(1)	**0%**	Net repayments.
Long-term debt (including current portion)	363	**6%**	New borrowings, offset by amortization of debt premiums net of discounts.
Lease liabilities (including current portion)	(9)	**-1%**	Principal repayments of lease liabilities.
Employee benefits	(32)	**-24%**	Actuarial gains on the defined benefit pension plan, offset by interest expense.
Provisions	(26)	**-9%**	Decreased decommissioning prov ision related to changes in assumptions, partially offset by accretion expense.
Equity	(84)	**-3%**	2022-23 comprehensiv e loss.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW HIGHLIGHTS

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

	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Cash and cash equivalents, April 1	**$ 32**	$ 98	$ (66)
Cash provided by operating activities	**15**	188	(173)
Cash used in investing activities	**(230)**	(209)	(21)
Cash provided by (used in) financing activities	**325**	(49)	374
Cash and cash equivalents, June 30	**$ 142**	$ 28	$ 114

SaskPower's cash position at June 30, 2022 was $142 million, up $114 million compared to the same period in 2021-22. The increase in the cash position is largely due to new long-term borrowings during the first three months of the year.

CAPITAL EXPENDITURES

	Three months ended June 30		
(in millions)	**2022-23**	2021-22	Change
Generation	**$ 23**	$ 32	$ (9)
Transmission	**19**	3	16
Distribution	**27**	13	14
Other	**18**	19	(1)
Sustainment	**87**	67	20
Generation	**61**	89	(28)
Transmission	**18**	5	13
Distribution	**4**	4	-
Customer connects	**36**	34	2
Growth, compliance and resiliency	**119**	132	(13)
Strategic and other investments	**28**	12	16
Total capital expenditures	**$ 234**	$ 211	$ 23

To ensure a reliable, sustainable and cost-effective supply of electricity for its customers, SaskPower invested $234 million in the first quarter of 2022-23 on various capital projects. This includes $61 million on the new Great Plains Power Station; $23 million on generation sustainment activities; $36 million to connect customers to the SaskPower electric system; $68 million on increasing capacity and sustaining transmission and distribution infrastructure; and $23 million on the Logistic Warehouse Complex.

CAPITAL MANAGEMENT

(in millions)	June 30 2022	March 31 2022	Change
Long-term debt	$ 6,858	$ 6,495	$ 363
Short-term advances	598	599	(1)
Lease liabilities	940	949	(9)
Total debt	8,396	8,043	353
Debt retirement funds	731	738	(7)
Cash and cash equivalents	142	32	110
Total net debt[1]	$ 7,523	$ 7,273	$ 250
Retained earnings	2,156	2,243	(87)
Equity advances	593	593	-
Total capital	$ 10,272	$ 10,109	$ 163
Per cent debt ratio[2]	73.2%	71.9%	1.3%

1. Total net debt is a non-GAAP financial measure and calculated by deducting debt retirement funds and cash and cash equivalents from total debt.
2. Per cent debt ratio = (total net debt)/total capital).

SaskPower's total debt position (including lease liabilities) was $8,396 million at June 30, 2022, up $353 million from March 31, 2022. The increase in total debt was the result of:

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

- On June 23, 2022, the Corporation borrowed $300 million of long-term debt at a discount of $76 million. The debt issue has a coupon rate of 2.80%, an effective interest rate of 4.29%, and matures on December 2, 2052.

- The principal repayment of $9 million of the Corporation's lease liabilities; $1 million in amortization of debt premiums net of discounts; and $1 million in net repayments of short-term advances.

The Corporation's percent debt ratio has increased from 71.9% as at March 31, 2022, to 73.2% as at June 30, 2022.

DEBT RETIREMENT FUNDS

(in millions)	Three months ended June 30 **2022-23**		2021-22	
Balance, April 1	**$**	**738**	$	865
Debt retirement fund instalments		**26**		26
Debt retirement fund (losses) earnings		**(3)**		2
Debt retirement fund unrealized market value (losses) gains		**(30)**		15
Balance, June 30	**$**	**731**	$	908

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

During the first quarter of 2022-23, the Corporation made $26 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. SaskPower experienced $3 million in negative returns (included with finance charges and classified as non-cash operating activities) on debt retirement funds for the period. The debt retirement funds are classified as fair value through other comprehensive income. As a result, the $30 million in market value losses in the first quarter of 2022-23 was recognized in other comprehensive income.

DIVIDENDS

SaskPower pays dividends to Crown Investments Corporation (CIC) of Saskatchewan based on the CIC Dividend Policy. During the first quarter of 2022-23, SaskPower paid $3 million in dividends to CIC related to 2021-22 . CIC has determined that SaskPower will be required to pay a 30% dividend based on 2022-23 net income. However, given that SaskPower is forecasting a consolidated net loss in fiscal 2022-23, no dividend has been declared for the three months ended June 30, 2022.

CONTRACTUAL OBLIGATIONS

The Corporation has the following significant long-term contractual obligations as at June 30, 2022, which will impact cash flows in the following year and beyond:

(in millions)		**1 year**		**2 - 5 years**		**More than 5 years**
Long-term debt (including principal and interest)	$	672	$	1,376	$	9,800
Power purchase agreements[1]		702		2,538		9,755
Debt retirement fund instalments		60		247		1,011
Coal purchase contracts		251		569		115
Natural gas purchase contracts		92		168		14
Natural gas transportation and storage contracts		56		86		52

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

CONDENSED CONSOLIDATED STATEMENT OF (LOSS) INCOME

(in millions)	(Unaudited) Three months ended June 30 2022-23	2021-22
Revenue		
Saskatchewan electricity sales	$ 658	$ 649
Exports and electricity trading	18	22
Other revenue	24	21
Total revenue	700	692
Expense		
Fuel and purchased power	286	226
Operating, maintenance and administration	219	184
Depreciation and amortization	149	152
Finance charges	104	95
Taxes	20	21
Other expenses	9	7
Total expense	787	685
Net (loss) income	$ (87)	$ 7

See accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	(Unaudited) Three months ended June 30	
(in millions)	**2022-23**	2021-22
Net (loss) income	**$ (87)**	$ 7
Other comprehensive income		
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	**-**	15
Realized gains (losses) during the period	**6**	(2)
Reclassification to income	**(6)**	2
Debt instruments designated as fair value through other comprehensive income (FVOCI):		
Change in fair value during the period	**(30)**	15
Items that will not be reclassified to net income:		
Defined benefit pension plans:		
Net actuarial gains	**33**	3
	3	33
Total comprehensive (loss) income	**$ (84)**	$ 40

See accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at *(in millions)*	Notes	(Unaudited) June 30 2022	(Audited*) March 31 2022
Assets			
Current assets			
Cash and cash equivalents		$ 142	$ 32
Accounts receivable and unbilled revenue		371	362
Inventory		326	293
Prepaid expenses		30	30
Risk management assets	7	39	37
		908	754
Property, plant and equipment	3	10,200	10,133
Right-of-use assets	4	503	516
Intangible assets		75	77
Debt retirement funds		731	738
Other assets		15	11
Total assets		$ 12,432	$ 12,229
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		$ 691	$ 692
Accrued interest		56	60
Deferred revenue		23	22
Dividend payable		-	3
Risk management liabilities	7	12	13
Short-term advances		598	599
Current portion of long-term debt	5	406	256
Current portion of lease liabilities	6	47	45
		1,833	1,690
Long-term debt	5	6,452	6,239
Lease liabilities	6	893	904
Employee benefits		99	131
Provisions		279	305
Total liabilities		9,556	9,269
Equity			
Retained earnings		2,156	2,243
Accumulated other comprehensive income		127	124
Equity advances		593	593
Total equity		2,876	2,960
Total liabilities and equity		$ 12,432	$ 12,229

See accompanying notes

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions)	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	(Unaudited) Total
Equity						
Balance, April 1, 2021	$ 2,235	$ (12)	$ (2)	$ 39	$ 593	**$ 2,853**
Net income	7	-	-	-	-	**7**
Other comprehensive income	-	15	15	3	-	**33**
Balance, June 30, 2021	**$ 2,242**	**$ 3**	**$ 13**	**$ 42**	**$ 593**	**$ 2,893**
Net income	4	-		-	-	**4**
Other comprehensive income (loss)	-	43	(55)	78	-	**66**
Dividends	(3)	-	-	-	-	**(3)**
Balance, March 31, 2022	**$ 2,243**	**$ 46**	**$ (42)**	**$ 120**	**$ 593**	**$ 2,960**
Net loss	(87)	-	-	-	-	**(87)**
Other comprehensive income (loss)	-	-	(30)	33	-	**3**
Balance, June 30, 2022	**$ 2,156**	**$ 46**	**$ (72)**	**$ 153**	**$ 593**	**$ 2,876**

See accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)	(Unaudited) Three months ended June 30 2022-23	2021-22
Operating activities		
Net (loss) income	$ (87)	$ 7
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	149	152
Finance charges	104	95
Net losses on asset disposals and retirements	7	5
Unrealized market value adjustments	1	(1)
Reclassification of natural gas hedges transitional market value losses	(4)	(5)
Natural gas inventory market revaluation	-	(2)
Environmental expenditures net of provisions	(1)	(2)
	169	249
Net change in non-cash working capital	(46)	37
Interest paid	(108)	(98)
Cash provided by operating activities	15	188
Investing activities		
Property, plant and equipment additions	(222)	(199)
Intangible asset additions	(5)	(9)
Proceeds from sale and disposal of assets	-	-
Costs of removal of assets	(3)	(1)
Cash used in investing activities	(230)	(209)
Decrease in cash before financing activities	(215)	(21)
Financing activities		
Net (repayments of) proceeds from short-term advances	(1)	1
Proceeds from long-term debt	364	-
Debt retirement fund instalments	(26)	(26)
Principal repayment of lease liabilities	(9)	(7)
Dividends paid	(3)	(17)
Cash provided by (used in) financing activities	325	(49)
Increase (decrease) in cash	110	(70)
Cash and cash equivalents, beginning of period	32	98
Cash and cash equivalents, end of period	$ 142	$ 28

See accompanying notes

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 DESCRIPTION OF BUSINESS

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

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

NOTE 2 BASIS OF PREPARATION

(a) Statement of compliance

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

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

The condensed consolidated financial statements were authorized for issue by the Audit & Finance Committee of the Board of Directors on August 23, 2022.

(b) Interim measurement

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

(c) Basis of measurement

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

(i) Inventory at lower of cost and net realizable value.

(ii) Provisions at discounted expected future cash flows.

(iii) Financial instruments that are accounted for at fair value through profit or loss and at fair value through other comprehensive income.

(iv) Employee benefit plans recognized at the fair value of plan assets less the present value of the accrued benefit obligations.

(d) Functional and presentation currency

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

(e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date under current market conditions (exit price). SaskPower's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. The Corporation has classified the fair value of its financial instruments as level 1, 2, or 3 (Note 7) as defined below:

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

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

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

Level 3 – Fair values are determined based on inputs for the asset or liability that are not based on observable market data. As at June 30, 2022, the Corporation does not have any financial instruments classified as Level 3.

(f) Use of estimates and judgments

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

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

Significant areas requiring the use of management estimates are:

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

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

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

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

(in millions)		Generation		Transmission		Distribution		Other		Construction in progress		Total
Cost or deemed cost												
Balance, April 1, 2021	$	7,659	$	2,871	$	4,682	$	1,030	$	386	$	**16,628**
Additions		88		24		52		18		211		**393**
Disposals and/or retirements		(9)		-		(7)		(3)		-		**(19)**
Transfers		-		-		-		-		(191)		**(191)**
Balance, June 30, 2021	**$**	**7,738**	**$**	**2,895**	**$**	**4,727**	**$**	**1,045**	**$**	**406**	**$**	**16,811**
Additions		46		101		203		74		711		**1,135**
Disposals and/or retirements		(15)		(5)		(36)		(18)		-		**(74)**
Transfers		-		-		-		-		(461)		**(461)**
Balance, March 31, 2022	**$**	**7,769**	**$**	**2,991**	**$**	**4,894**	**$**	**1,101**	**$**	**656**	**$**	**17,411**
Additions		14		5		57		24		234		**334**
Disposals and/or retirements		(4)		-		(4)		(5)		-		**(13)**
Transfers/adjustments		(27)		-		-		(1)		(106)		**(134)**
Balance, June 30, 2022	**$**	**7,752**	**$**	**2,996**	**$**	**4,947**	**$**	**1,119**	**$**	**784**	**$**	**17,598**

Accumulated depreciation												
Balance, April 1, 2021	$	3,623	$	794	$	1,901	$	494	$	-	$	**6,812**
Depreciation expense		69		17		33		13		-		**132**
Disposals and/or retirements		(8)		-		(5)		(2)		-		**(15)**
Transfers		-		-		-		-		-		**-**
Balance, June 30, 2021	**$**	**3,684**	**$**	**811**	**$**	**1,929**	**$**	**505**	**$**	**-**	**$**	**6,929**
Depreciation expense		208		53		101		39		-		**401**
Disposals and/or retirements		(9)		(2)		(32)		(9)		-		**(52)**
Transfers		-		-		-		-		-		**-**
Balance, March 31, 2022	**$**	**3,883**	**$**	**862**	**$**	**1,998**	**$**	**535**	**$**	**-**	**$**	**7,278**
Depreciation expense		64		18		34		13		-		**129**
Disposals and/or retirements		(4)		-		(3)		(2)		-		**(9)**
Transfers/adjustments		-		-		-		-		-		**-**
Balance, June 30, 2022	**$**	**3,943**	**$**	**880**	**$**	**2,029**	**$**	**546**	**$**	**-**	**$**	**7,398**

Net book value												
Balance, June 30, 2021	**$**	**4,054**	**$**	**2,084**	**$**	**2,798**	**$**	**540**	**$**	**406**	**$**	**9,882**
Balance, March 31, 2022	**$**	**3,886**	**$**	**2,129**	**$**	**2,896**	**$**	**566**	**$**	**656**	**$**	**10,133**
Balance, June 30, 2022	**$**	**3,809**	**$**	**2,116**	**$**	**2,918**	**$**	**573**	**$**	**784**	**$**	**10,200**

In the first three months of 2022-23, interest costs totaling $6 million (2021-22 – $3 million) were capitalized at the weighted average cost of borrowings rate of 3.90% (2021-22 – 4.00%).

NOTE 4 RIGHT-OF-USE ASSETS

(in millions)	Power purchase agreements	Buildings	Land	Total
Cost				
Balance, April 1, 2021	$ 1,017	$ 15	$ 7	$ 1,039
Additions	-	-	-	-
Disposals and/or retirements	-	-	-	-
Balance, June 30, 2021	**$ 1,017**	**$ 15**	**$ 7**	**$ 1,039**
Additions	-	3	-	3
Disposals and/or retirements	-	(2)	-	(2)
Balance, March 31, 2022	**$ 1,017**	**$ 16**	**$ 7**	**$ 1,040**
Additions	-	-	-	-
Disposals and/or retirements	-	-	-	-
Balance, June 30, 2022	**$ 1,017**	**$ 16**	**$ 7**	**$ 1,040**
Accumulated depreciation				
Balance, April 1, 2021	$ 467	$ 6	$ 1	$ 474
Depreciation expense	12	1	-	13
Disposals and/or retirements	-	-	-	-
Balance, June 30, 2021	**$ 479**	**$ 7**	**$ 1**	**$ 487**
Depreciation expense	36	2	1	39
Disposals and/or retirements	-	(2)	-	(2)
Balance, March 31, 2022	**$ 515**	**$ 7**	**$ 2**	**$ 524**
Depreciation expense	12	1	-	13
Disposals and/or retirements	-	-	-	-
Balance, June 30, 2022	**$ 527**	**$ 8**	**$ 2**	**$ 537**
Net book value				
Balance, June 30, 2021	**$ 538**	**$ 8**	**$ 6**	**$ 552**
Balance, March 31, 2022	**$ 502**	**$ 9**	**$ 5**	**$ 516**
Balance, June 30, 2022	**$ 490**	**$ 8**	**$ 5**	**$ 503**

NOTE 5 LONG-TERM DEBT

(in millions)		
Balance, April 1, 2021	$	6,741
Long-term debt issues		-
Long-term debt repayments		-
Amortization of debt premiums net of discounts		(2)
Balance, June 30, 2021	$	6,739
Long-term debt issues		-
Long-term debt repayments		(240)
Amortization of debt premiums net of discounts		(4)
Balance, March 31, 2022	$	6,495
Long-term debt issues		364
Long-term debt repayments		-
Amortization of debt premiums net of discounts		(1)
	$	6,858
Less: current portion of long-term debt		(406)
Balance, June 30, 2022	$	6,452

NOTE 6 LEASE LIABILITIES

(in millions)		June 30 2022		March 31 2022
Total future minimum lease payments	$	1,957	$	2,001
Less: future finance charges on leases		(1,017)		(1,052)
Present v alue of lease liabilities	$	940	$	949
Less: current portion of lease liabilities		(47)		(45)
	$	893	$	904

The above lease liabilities include power purchase agreements relating to the Meridian Cogeneration Station, Spy Hill Generating Station and the North Battleford Generating Station gas-fired facilities as well as land and building leases. During the three months ended June 30, 2022, SaskPower recognized $35 million of interest costs on these lease liabilities.

As at June 30, 2022, scheduled future minimum lease payments and the present value of lease liabilities are as follows:

(in millions)		1 year		2 - 5 years		More than 5 years
Future minimum lease payments	$	183	$	676	$	1,098
Present v alue of lease liabilities		47		201		692

NOTE 7 FINANCIAL INSTRUMENTS

			June 30, 2022		March 31, 2022	
			Asset (liability)		Asset (liability)	
(in millions)	Classification	Level[4]	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash and cash equivalents	FVTPL[1]	1	$ 142	$ 142	$ 32	$ 32
Accounts receivable and unbilled revenue	AC[2]	N/A	371	371	362	362
Debt retirement funds	FVOCI - debt instrument[3]	2	731	731	738	738
Other assets - long-term receivables	AC[2]	N/A	1	1	1	1
Financial liabilities						
Accounts payable and accrued liabilities	AC[2]	N/A	$ (691)	$ (691)	$ (692)	$ (692)
Accrued interest	AC[2]	N/A	(56)	(56)	(60)	(60)
Dividend payable	AC[2]	N/A	-	-	(3)	(3)
Short-term advances	AC[2]	N/A	(598)	(598)	(599)	(599)
Long-term debt	AC[2]	2	(6,858)	(6,539)	(6,495)	(6,892)

			June 30, 2022		March 31, 2022	
(in millions)			Asset	Liability	Asset	Liability
Natural gas contracts						
Fixed price swap instruments used for hedging[5]	FVTPL[1]	2	$ 38	$ (9)	$ 37	$ (12)
Fixed price swap instruments	FVTPL[1]	2	1	(3)	-	(1)
			$ 39	$ (12)	$ 37	$ (13)

1. FVTPL – measured mandatorily at fair value through profit or loss.
2. AC – amortized cost.
3. FVOCI – fair value through other comprehensive income (loss).
4. Fair values are determined using a fair value hierarchy as follows:
   - Level 1 – Quoted prices in active markets for identical assets or liabilities.
   - Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability.
   - Level 3 – Inputs for the asset or liability that are not based on observable market data.
   - Not applicable (N/A) – Financial instruments are carried at values which approximate fair value. This includes accounts receivable and unbilled revenue; other assets – long-term receivables; accounts payable and accrued liabilities; accrued interest; dividend payable; and short-term advances.
5. These natural gas fixed price swap instruments have been designated as cash flow hedges. As such, the effective portion of the changes in fair value related to the derivative financial instruments are recognized in other comprehensive income (loss).

SASKPOWER

SYSTEM MAP

TOTAL AVAILABLE GENERATING CAPACITY AS AT **JUNE 30, 2022: 5,411 MEGAWATTS (MW)**

HYDRO TOTAL CAPACITY - 864 MW

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

IMPORT POWER PURCHASE AGREEMENTS - 290 MW

- I1 Manitoba Hydro - 290 MW

NATURAL GAS TOTAL CAPACITY - 2,160 MW

- NG1 Meadow Lake Power Station - 41 MW
- NG2 Meridian Cogeneration Station* - 228 MW
- NG3 North Battleford Generating Station* - 289 MW
- NG4 Yellowhead Power Station - 135 MW
- NG5 Ermine Power Station - 90 MW
- NG6 Landis Power Station - 78 MW
- NG7 Cory Cogeneration Station - 234 MW
- NG8 Queen Elizabeth Power Station - 623 MW
- NG9 Spy Hill Generating Station* - 89 MW
- NG10 Chinook Power Station - 353 MW

WIND TOTAL CAPACITY - 626 MW

- W1 Riverhurst Wind Energy Facility* - 10 MW
- W2 Western Lily Wind Energy Facility* - 20 MW
- W3 Morse Wind Energy Facility* - 23 MW
- W4 Blue Hill Wind Energy Facility* - 175 MW
- W5 Red Lily Wind Energy Facility* - 26 MW
- W6 Centennial Wind Power Facility - 150 MW
- W7 SunBridge Wind Power Facility* - 11 MW
- W8 Cypress Wind Power Facility - 11 MW
- W9 Golden South Wind Energy Facility* - 200 MW

SOLAR TOTAL CAPACITY - 54 MW

- S1 Highfield Solar Energy Facility* - 10 MW

Customer-generated solar capacity - 44 MW
(NOT SHOWN ON MAP)

COAL TOTAL CAPACITY - 1,389 MW

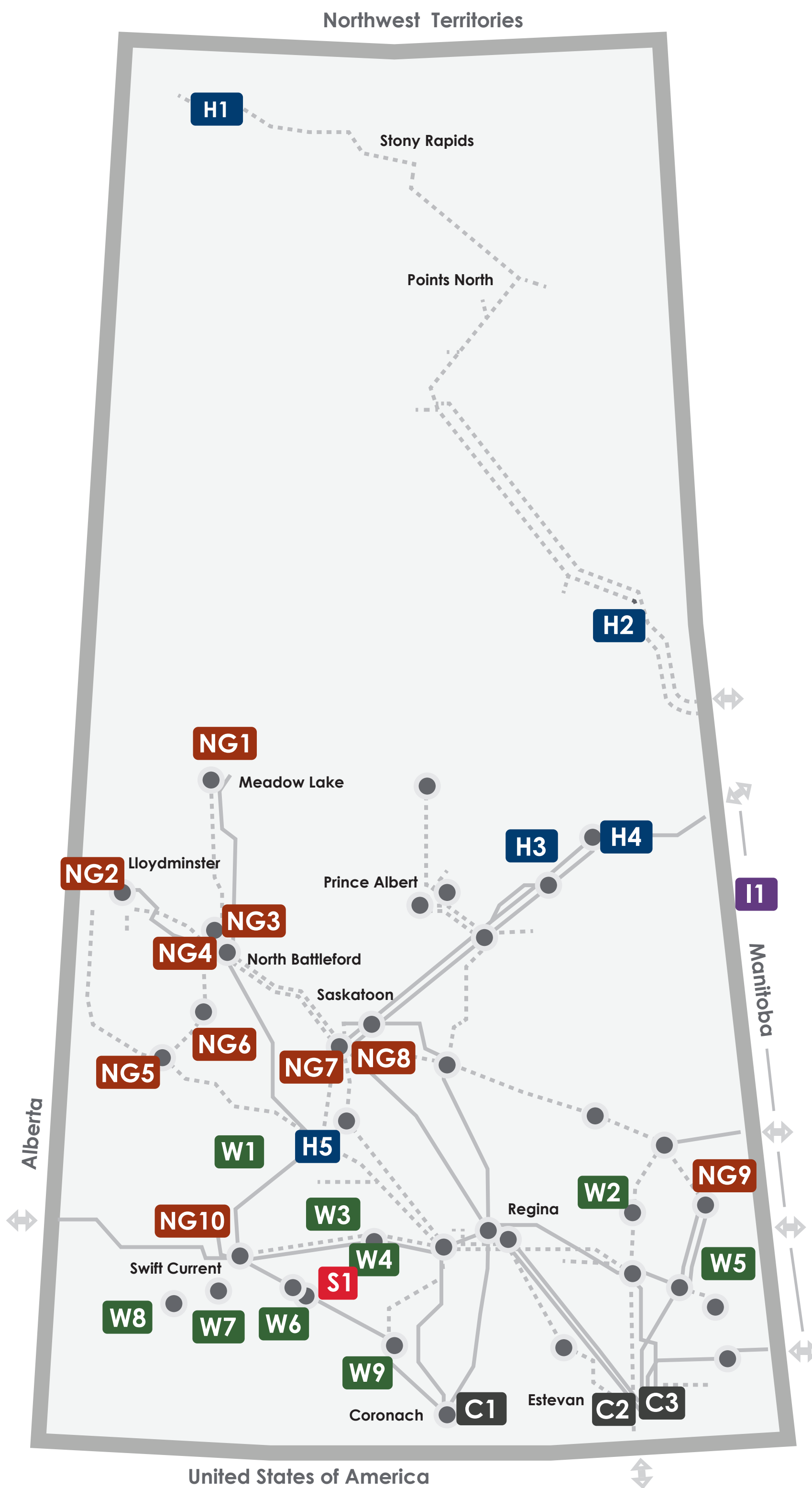
- C1 Poplar River Power Station - 582 MW
- C2 Boundary Dam Power Station - 531 MW
- C3 Shand Power Station - 276 MW

SMALL INDEPENDENT POWER PRODUCERS TOTAL CAPACITY - 28 MW (NOT SHOWN ON MAP)

(Includes flare gas, waste heat recovery, landfill gas, wind)

TRANSMISSION

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



*Large Independent Power Producer

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