2024-25

FIRST QUARTER FINANCIAL REPORT

For the three months ended June 30, 2024

SaskPower
Powering our future®

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)	**2024-25**	2023-24	Change
Revenue	**$ 766**	$ 823	$ (57)
Expense	**774**	771	3
Net (loss) income	**(8)**	52	(60)
Capital expenditures	**315**	269	46
Net cash from operating activities	**84**	176	(92)
Return on equity[1]	**(1.1%)**	7.5%	(8.6%)
	June 30 2024	March 31 2024	Change
Total net debt[2]	**$ 8,443**	$ 8,234	$ 209
Per cent debt ratio[3]	**74.9%**	74.4%	0.5%

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]	**2024-25**	2023-24	Change
Saskatchewan electricity sales	**5,655**	5,719	(64)
Exports	**127**	210	(83)
Total electricity sales	**5,782**	5,929	(147)
Gross electricity supplied	**6,039**	6,235	(196)
Line losses	**(257)**	(306)	49
Net electricity supplied	**5,782**	5,929	(147)
	June 30 2024	March 31 2024	Change
Available generating capacity (net MW)[2]	**5,355**	5,355	-
Annual peak load (net MW)[2]	**3,206**	3,896	(690)
Customer accounts	**557,909**	557,443	466

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, 2024. 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)	**2024-25**	2023-24	Change
Revenue			
Saskatchewan electricity sales	**$ 733**	$ 738	$ (5)
Exports	**8**	31	(23)
Other revenue	**25**	54	(29)
Total revenue	**$ 766**	$ 823	$ (57)
Expense			
Fuel and purchased power	**$ 263**	$ 289	$ (26)
Operating, maintenance and administration	**223**	209	14
Depreciation and amortization	**154**	148	6
Finance charges	**96**	99	(3)
Taxes	**24**	22	2
Other expenses	**14**	4	10
Total expense	**$ 774**	$ 771	$ 3
Net (loss) income	**$ (8)**	$ 52	$ (60)
Return on equity[1]	**(1.1%)**	7.5%	(8.6%)

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 $8 million in the first quarter of 2024-25 compared to $52 million of net income in the same period in 2023-24. The $60 million decrease was due to a $57 million decrease in revenue as well as a $3 million increase in expenses. The return on equity was negative 1.1%, down nearly 9 percentage points from the previous period.

The $57 million decrease in total revenue was mainly attributable to a decrease in other revenue and exports. Other revenue declined $29 million due to lower customer contributions, partially offset by higher carbon dioxide (CO_2) sales. Export sales also decreased $23 million due to lower sales volumes to Alberta and the Southwest Power Pool at lower average sale prices. In addition, Saskatchewan electricity sales decreased by $5 million due to a 1.1% decrease in sales volumes.

The $3 million increase in total expense was mainly attributable to higher operating, maintenance and administration (OM&A) expense. OM&A expense increased $14 million in the first quarter of 2024-25, as a result of increased maintenance at our generation facilities due to the timing of overhaul activities, higher transmission planned maintenance costs and increased nuclear small modular reactor (SMR) feasibility study costs. In addition, other capital-related expenses — depreciation, finance charges, taxes and other expenses — increased a combined total of $15 million, primarily due to higher losses on asset disposals and retirements, settlement claims, as well as adjustments to environmental remediation provisions and inventory. These increases in expense were partially offset by lower fuel and purchased power costs which decreased by $26 million primarily as a result of Clean Electricity Transition Grant funding received from the province.

OUTLOOK

SaskPower is forecasting a consolidated net income of $149 million in 2024-25, resulting in a return on equity of 5.5%.

Revenues of $3,261 million are expected to decrease $118 million in 2024-25 compared to the 2023-24 fiscal year. The primary driver is an $82 million expected decrease in export sales due to limited opportunities to sell to Alberta and the Southwest Power Pool. In addition, other revenue is also expected to decrease $37 million due to lower customer contributions and CO_2 sales.

Expenses of $3,112 million are expected to decrease $83 million in 2024-25 compared to the 2023-24 fiscal year. The decrease is a result of a $150 million reduction in fuel and purchased power costs as a result of expected Clean Electricity Transition Grant funding from the province. However, this decrease in fuel and purchased power costs is expected to be partially offset by a $39 million increase in OM&A costs due to increased overhaul costs at our generation facilities and planned maintenance activities on our transmission infrastructure, as well as increased energy transition and distribution transformation initiatives. Capital-related expenses — depreciation, finance charges, taxes and other expenses — are also expected to increase $28 million mainly due to higher depreciation costs given the Corporation's significant capital investments.

Capital expenditures in 2024-25 are forecasted to be approximately $1,679 million. Capital spending includes $582 million on sustainment activities, including $287 million on our existing transmission and distribution assets and $176 million on generation assets; $1,087 million in growth, compliance, and resiliency activities including $785 million relating to the construction of new generation assets and $209 million to connect customers to the SaskPower electric system.

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.

	Three months ended June 30		
(in millions)	**2024-25**	2023-24	Change
Residential	**$ 147**	$ 151	$ (4)
Farm	**42**	45	(3)
Commercial	**131**	134	(3)
Oilfield	**116**	113	3
Power	**215**	212	3
Reseller	**23**	27	(4)
	674	682	(8)
Federal carbon charge collected	**59**	56	3
Saskatchewan electricity sales	**$ 733**	$ 738	$ (5)

	Three months ended June 30		
(in GWh)	**2024-25**	2023-24	Change
Residential	**730**	760	(30)
Farm	**261**	291	(30)
Commercial	**870**	888	(18)
Oilfield	**1,061**	1,032	29
Power	**2,474**	2,462	12
Reseller	**259**	286	(27)
Electricity sales volumes	**5,655**	5,719	(64)

Saskatchewan electricity sales, excluding the federal carbon charge collected, were $674 million, down $8 million from the same period in 2023-24. Electricity sales volumes to Saskatchewan customers for the first three months of 2024-25 were 5,655 GWh, down 64 GWh or 1.1% from the same period in 2023-24. The corporation experienced a decline in demand from all customer classes except power and oilfield customers.

The federal carbon charge collected increased $3 million compared to the same period in 2023-24, due to the 0.5% rate rider increase effective January 1, 2024.

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 online first. Included in the incremental cost is the federal price of carbon on generation that exceeds the allowable emission thresholds.

	Three months ended June 30		
(in millions)	**2024-25**	2023-24	Change
Gas	**$ 75**	$ 90	$ (15)
Coal	**74**	66	8
Imports	**42**	41	1
Wind	**24**	19	5
Hydro	**5**	5	-
Solar	**3**	2	1
Other	**6**	6	-
Total fuel and purchased power	**229**	229	-
Federal carbon charge	**68**	60	8
Grant funding	**(34)**	-	(34)
Fuel and purchased power (net)	**$ 263**	$ 289	$ (26)

	Three months ended June 30		
(in GWh)	**2024-25**	2023-24	Change
Gas	**2,575**	2,763	(188)
Coal	**1,665**	1,773	(108)
Imports	**456**	475	(19)
Wind	**564**	426	138
Hydro	**708**	738	(30)
Solar	**28**	22	6
Other	**43**	38	5
Gross electricity supplied	**6,039**	6,235	(196)

Total fuel and purchased power costs, excluding the federal carbon charge and grant funding, were $229 million in the first three months of 2024-25 consistent with the same period in 2023-24. The favourable volume variance was fully offset by unfavourable price and fuel mix variances.

Total generation and purchased power of 6,039 GWh decreased 196 GWh or 3.1% compared to 2023-24 due to lower customer demand and lower exports. The reduced electricity supplied resulted in an estimated $7 million decrease 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 generated from the lower incremental cost sources the more favourable the impact on fuel and purchased power costs. In the first three months of 2024-25, the Corporation used more zero-emissions generation supply sources in place of coal and natural gas. In addition, the average price of fuel increased due to higher contracted coal and import prices. These changes resulted in an overall increase of approximately $7 million in fuel costs.

Federal carbon charges increased $8 million as a result of the federal carbon tax rate increasing to $80/tonne of carbon dioxide emissions (CO_2e).

In the first quarter of 2024-25, the Corporation received $34 million of Clean Electricity Transition Grant funding from the province which has been applied against 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 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 federal carbon charge rates. The other recoveries (expense) relate to interest earned on the monies in the account and federal carbon charges associated with exported generation.

(in millions)	Rate rider increase	$/tonne CO_2e	Federal carbon charge receipts/ receivables	Federal carbon charge payments/ payables	Other recoveries (expense)	Over (under) collected
Total federal (2019 - 2022 calendar years)			**$ 466**	**$ (496)**	**$ 18**	**$ (12)**
Total 2023 calendar year	3.0%	$ 65	235	(252)	29	**12**
Total 2024 calendar year (six months)	0.5%	80	125	(154)	14	**(15)**
Total provincial			**$ 360**	**$ (406)**	**$ 43**	**$ (3)**
Total cumulative balance			**$ 826**	**$ (902)**	**$ 61**	**$ (15)**

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. 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.

In July 2023, the Government of Canada approved the Saskatchewan Output-Based Performance Standards (OBPS) Program as a replacement for the Federal OBPS Program retroactive to January 1, 2023. As a result, the 2023 and 2024 federal carbon charges are payable to the Government of Saskatchewan, as well as certain independent power producers.

The $496 million in federal carbon tax monies paid will be returned to SaskPower by way of grant funding agreements, through the Government of Canada's Future Electricity Fund (FEF), in support of current and future clean electricity projects. In 2024-25, the Government of Saskatchewan, through the Ministry of Environment, will also provide a $140 million Clean Electricity Transition Grant (CETG) to SaskPower for use toward eligible initiatives, including clean electricity power purchase agreements; customer clean electricity and demand-side management programs; importing renewable power; and costs associated with the development of nuclear small modular reactors. In the first quarter of 2024-25, $35 million was received and applied to both fuel and purchased power and operating costs.

REVENUE FROM OTHER SOURCES

Revenue from other sources includes exports, which represent the sale of SaskPower's available generation to neighbouring markets and other revenue, which includes various non-electricity products and services.

	Three months ended June 30		
(in millions)	**2024-25**	2023-24	Change
Exports	**$ 8**	$ 31	$ (23)
Other revenue	**25**	54	(29)
Revenue from other sources	**$ 33**	$ 85	$ (52)

Exports were $8 million in the first quarter of 2024-25, down $23 million from the same period in 2023-24. Exports were down due to lower sales volumes at lower average sale prices. Export sales volumes primarily to Alberta and the Southwest Power Pool were 127 GWh, down 83 GWh from the same period in 2023-24. The average export sales price decreased $88 per megawatt hour (MWh) compared to the prior year.

Other revenue was $25 million in the first quarter of 2024-25, down $29 million compared to the same period in 2023-24. This decrease was primarily due to lower customer contributions, partially offset by higher CO_2 sales.

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)	**2024-25**	2023-24	Change
Total OM&A	**$ 230**	$ 209	$ 21
Grant funding	**(7)**	-	(7)
OM&A (net)	**$ 223**	$ 209	$ 14

OM&A expense, net of grant funding, was $223 million in the first quarter of 2024-25, up $14 million from the same period in 2023-24. The increase in OM&A was primarily due to increased maintenance at our generation facilities due to the timing of overhaul activities, higher transmission planned maintenance costs and increased nuclear SMR feasibility costs.

In the first quarter of 2024-25, the Corporation recognized $7 million in grant funding from the federal and provincial government which has been applied against operating costs related to the development of nuclear small modular reactors and customer clean electricity and demand-side management programs.

CAPITAL-RELATED EXPENSES

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

	Three months ended June 30		
(in millions)	**2024-25**	2023-24	Change
Depreciation and amortization	**$ 154**	$ 148	$ 6
Finance charges	**96**	99	(3)
Taxes	**24**	22	2
Other expenses	**14**	4	10
Capital-related expenses	**$ 288**	$ 273	$ 15

Depreciation and amortization expense was $154 million in the first quarter of 2024-25, up $6 million from the same period in 2023-24. The increase is primarily due to new capital additions as a result of the Corporation's significant capital investment program.

Finance charges were $96 million in the first quarter of 2024-25, down $3 million compared to the same period in 2023-24. The decrease is due to a combination of higher debt retirement fund earnings, interest income and interest capitalized, partially offset by higher interest on borrowings.

Taxes were $24 million in the first quarter of 2024-25, up $2 million from the same period in 2023-24, driven by higher corporate capital tax due to an increase in the paid-up capital base as a result of increased borrowings.

Other expenses were $14 million in the first quarter of 2024-25, up $10 million compared to the same period in 2023-24. The increase is a result of higher losses on asset disposals and retirements, settlement claims, as well as adjustments to environmental remediation provisions and inventory.

FINANCIAL CONDITION

The following table outlines changes in the condensed consolidated statement of financial position from March 31, 2024, to June 30, 2024:

(in millions)	Change ($)	Change (%)	
Cash and cash equivalents	$ (313)	**(84%)**	Refer to Consolidated Statement of Cash Flows.
Accounts receivable and unbilled revenue	(10)	**(2%)**	Lower electricity sales, partially offset by grant receivables.
Inventory	7	**2%**	Increase in maintenance supplies.
Prepaid expenses	(8)	**(21%)**	Recognition of prepaid expenses.
Property, plant and equipment	165	**1%**	Additions offset by depreciation expense and asset disposals and retirements.
Right-of-use assets	(12)	**(3%)**	Depreciation of right-of-use assets.
Intangible assets	(5)	**(6%)**	Amortization expense offset by capitalization of new software costs.
Debt retirement funds	39	**5%**	Instalments and earnings, partially offset by market value losses.
Other assets	(8)	**(30%)**	Recognition of long-term maintenance service costs.
Accounts payable and accrued liabilities	(59)	**(7%)**	Timing of accruals and payments.
Accrued interest	(28)	**(34%)**	Timing of payments.
Deferred revenue	15	**88%**	Increased customer contributions.
Dividend payable	(5)	**(100%)**	Payment of Q4 2023-24 dividend.
Risk management liabilities (net of risk management assets)	7	**41%**	New hedge contracts and decreased natural gas prices, offset by settlement of natural gas hedges.
Short-term advances	(368)	**(40%)**	Repayment of short-term advances.
Long-term debt (including current portion)	317	**4%**	New borrowings, partially offset by repayments.
Lease liabilities (including current portion)	(14)	**(2%)**	Principal repayments of lease liabilities.
Employee benefits	(8)	**(13%)**	Actuarial gains on the defined benefit pension plan and benefit payments, offset by interest expense and current service costs.
Provisions	6	**2%**	Decreased discount rates and accretion offset by expenditures.
Equity	(8)	**0%**	2024-25 comprehensive 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)	**2024-25**	2023-24	Change
Cash and cash equivalents, April 1	**$ 374**	$ 192	$ 182
Cash provided by operating activities	**84**	176	(92)
Cash used in investing activities	**(293)**	(252)	(41)
Cash provided by financing activities	**(104)**	-	(104)
Cash and cash equivalents, June 30	**$ 61**	$ 116	$ (55)

SaskPower's cash position at June 30, 2024, was $61 million, down $55 million compared to the same period in 2023-24. The decrease in the cash position is largely due to debt repayments and operating net loss during the first three months of the year.

CAPITAL EXPENDITURES

	Three months ended June 30		
(in millions)	**2024-25**	2023-24	Change
Generation	**$ 53**	$ 27	$ 26
Transmission	**12**	14	(2)
Distribution	**43**	35	8
Other	**18**	27	(9)
Sustainment	**126**	103	23
Generation	**132**	92	40
Transmission	**8**	14	(6)
Distribution	**4**	4	-
Customer connects	**40**	39	1
Growth, compliance and resiliency	**184**	149	35
Strategic and other	**5**	17	(12)
Total capital expenditures	**315**	269	46
Grant funding	**(13)**	(10)	(3)
Capital expenditures (net)	**$ 302**	$ 259	$ 43

To ensure a reliable, sustainable and cost-effective supply of electricity for its customers, SaskPower invested $315 million in the first quarter of 2024-25 on various capital projects. This includes $74 million on the new Aspen Power Station; $47 million on the new units at Ermine and Yellowhead Power Stations; $53 million on generation sustainment activities; $40 million to connect customers to the SaskPower electric system; $67 million on increasing capacity and sustaining transmission and distribution infrastructure; and $5 million on strategic and other investments.

In the first quarter of 2024-25, the Corporation recognized $13 million in grant funding from the federal government which has been applied against capital project costs.

CAPITAL MANAGEMENT

(in millions)	June 30 2024	March 31 2024	Change
Long-term debt	$ 7,964	$ 7,647	$ 317
Short-term advances	542	910	(368)
Lease liabilities	836	850	(14)
Total debt	$ 9,342	$ 9,407	$ (65)
Debt retirement funds	838	799	39
Cash and cash equivalents	61	374	(313)
Total net debt[1]	$ 8,443	$ 8,234	$ 209
Retained earnings	2,229	2,237	(8)
Equity advances	593	593	-
Total capital	$ 11,265	$ 11,064	$ 201
Per cent debt ratio[2]	74.9%	74.4%	0.5%

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 $9,342 million at June 30, 2024, down $65 million from March 31, 2024. The decrease in total debt was the result of:

- On April 17, 2024, the Corporation borrowed $285 million of long-term debt at a discount of $13 million. The borrowing has a coupon rate of 3.90%, an effective interest rate of 4.50% and matures on June 2, 2033.
- On June 3, 2024, the Corporation repaid $200 million long-term debt. The debt had a coupon rate of 3.20% and an effective interest rate of 1.79%.
- On June 6, 2024, the Corporation borrowed $250 million of long-term debt at a discount of $5 million. The borrowing has a coupon rate of 4.20%, an effective interest rate of 4.32%, and matures on December 2, 2054.
- The principal repayment of $14 million of the Corporation's lease liabilities; and $368 million in net repayments of short-term advances.

The Corporation's percent debt ratio has increased slightly from 74.4% as at March 31, 2024, to 74.9% as at June 30, 2024.

DEBT RETIREMENT FUNDS

(in millions)	Three months ended June 30 **2024-25**	2023-24
Balance, April 1	**$ 799**	$ 717
Debt retirement fund instalments	**34**	34
Debt retirement fund earnings	**7**	3
Debt retirement fund unrealized market value losses	**(2)**	(6)
Balance, June 30	**$ 838**	$ 748

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 2024-25, the Corporation made $34 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 also earned $7 million (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 $2 million in market value losses in the first quarter of 2023-24 were recognized in other comprehensive income.

DIVIDENDS

SaskPower pays dividends to Crown Investments Corporation (CIC) of Saskatchewan based on the CIC Dividend Policy. CIC has determined that SaskPower will be required to pay a 10% dividend based on 2024-25 net income net of the Clean Electricity Transition Grant funding. SaskPower's dividend will be declared at year end and paid in the first quarter of 2025-26.

CONTRACTUAL OBLIGATIONS

The Corporation has the following significant long-term contractual obligations as at June 30, 2024, which will impact cash flows in the following year and beyond:

(in millions)	**1 year**	**2 - 5 years**	**More than 5 years**	**Total**
Power purchase agreements[1]	$ 612	$ 2,482	$ 8,166	$ 11,260
Long-term debt (including principal and interest)	417	1,782	11,570	13,769
Debt retirement fund instalments	77	309	1,124	1,510
Coal purchase contracts	131	270	-	401
Natural gas purchase contracts	110	195	4	309
Natural gas transportation and storage contracts	65	174	204	443

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 2024-25	2023-24
Revenue		
Saskatchewan electricity sales	$ 733	$ 738
Exports	8	31
Other revenue	25	54
Total revenue	766	823
Expense		
Fuel and purchased power	263	289
Operating, maintenance and administration	223	209
Depreciation and amortization	154	148
Finance charges	96	99
Taxes	24	22
Other expenses	14	4
Total expense	774	771
Net (loss) income	$ (8)	$ 52

See accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

(in millions)	(Unaudited) Three months ended June 30 2024-25	2023-24
Net (loss) income	**$ (8)**	$ 52
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	**(8)**	(10)
Realized losses during the period	**(7)**	(7)
Reclassification to income	**7**	7
Debt instruments designated as fair value through other comprehensive income (FVOCI):		
Change in fair value during the period	**(2)**	(6)
Items that will not be reclassified to net income:		
Defined benefit pension plans:		
Net actuarial gains	**10**	25
	-	9
Total comprehensive (loss) income	**$ (8)**	$ 61

See accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at *(in millions)*	Notes	(Unaudited) June 30 2024	(Audited *) March 31 2024
Assets			
Current assets			
Cash and cash equivalents		$ 61	$ 374
Accounts receivable and unbilled revenue		459	469
Inventory		369	362
Prepaid expenses		30	38
Risk management assets	7	4	6
		923	1,249
Property, plant and equipment	3	11,338	11,173
Right-of-use assets	4	402	414
Intangible assets		77	82
Debt retirement funds		838	799
Other assets		19	27
Total assets		$ 13,597	$ 13,744
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		$ 810	$ 869
Accrued interest		54	82
Deferred revenue		32	17
Dividend payable		-	5
Risk management liabilities	7	28	23
Short-term advances		542	910
Current portion of long-term debt	5	100	200
Current portion of lease liabilities	6	49	55
		1,615	2,161
Long-term debt	5	7,864	7,447
Lease liabilities	6	787	795
Employee benefits		53	61
Provisions		333	327
Total liabilities		10,652	10,791
Equity			
Retained earnings		2,229	2,237
Accumulated other comprehensive income		123	123
Equity advances		593	593
Total equity		2,945	2,953
Total liabilities and equity		$ 13,597	$ 13,744

See accompanying notes

*As presented in the audited March 31, 2024, 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, 2023	$ 2,071	$ 2	$ (52)	$ 128	$ 593	$ 2,742
Net income	52	-	-	-	-	52
Other comprehensive income (loss)	-	(10)	(6)	25	-	9
Dividends	(1)	-	-	-	-	(1)
Balance, June 30, 2023	**$ 2,122**	**$ (8)**	**$ (58)**	**$ 153**	**$ 593**	**$ 2,802**
Net income	132	-	-	-	-	132
Other comprehensive income (loss)	-	(9)	4	41	-	36
Dividends	(17)	-	-	-	-	(17)
Balance, March 31, 2024	**$ 2,237**	**$ (17)**	**$ (54)**	**$ 194**	**$ 593**	**$ 2,953**
Net loss	(8)	-	-	-	-	(8)
Other comprehensive income (loss)	-	(8)	(2)	10	-	-
Dividends	-	-	-	-	-	-
Balance, June 30, 2024	**$ 2,229**	**$ (25)**	**$ (56)**	**$ 204**	**$ 593**	**$ 2,945**

See accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)	(Unaudited) Three months ended June 30 2024-25	2023-24
Operating activities		
Net (loss) income	$ (8)	$ 52
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	154	148
Finance charges	96	99
Net losses on asset disposals and retirements	7	5
Unrealized market value adjustments	1	-
Reclassification of natural gas hedges transitional market value losses	(2)	(3)
Natural gas inventory market revaluation	3	2
Allowance for obsolesence	1	1
Environmental expenditures net of provisions	-	(2)
	252	302
Net change in non-cash working capital	(29)	2
Interest paid	(139)	(128)
Cash provided by operating activities	84	176
Investing activities		
Property, plant and equipment additions	(289)	(244)
Intangible asset additions	(1)	(6)
Net costs of removal of assets	(3)	(2)
Cash used in investing activities	(293)	(252)
Decrease in cash before financing activities	(209)	(76)
Financing activities		
Net repayments of short-term advances	(368)	(247)
Proceeds from long-term debt	517	443
Repayments of long-term debt	(200)	(150)
Debt retirement fund instalments	(34)	(34)
Principal repayment of lease liabilities	(14)	(12)
Dividends paid	(5)	-
Cash used in financing activities	(104)	-
Decrease in cash	(313)	(76)
Cash and cash equivalents, beginning of period	374	192
Cash and cash equivalents, end of period	$ 61	$ 116

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 28, 2024.

(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 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, 2024, 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 expected credit losses.
- 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, 2023	$	7,843	$	3,084	$	5,126	$	1,150	$	1,117	**$**	**18,320**
Additions		26		148		67		26		259		**526**
Disposals and/or retirements		(7)		-		(3)		(4)		-		**(14)**
Transfers/adjustments		(6)		-		-		-		(273)		**(279)**
Balance, June 30, 2023	**$**	**7,856**	**$**	**3,232**	**$**	**5,190**	**$**	**1,172**	**$**	**1,103**	**$**	**18,553**
Additions		83		69		270		262		905		**1,589**
Disposals and/or retirements		(20)		(10)		(70)		(31)		-		**(131)**
Transfers/adjustments		(12)		-		(2)		(1)		(713)		**(728)**
Balance, March 31, 2024	**$**	**7,907**	**$**	**3,291**	**$**	**5,388**	**$**	**1,402**	**$**	**1,295**	**$**	**19,283**
Additions		32		33		82		14		302		**463**
Disposals and/or retirements		(9)		-		(10)		(110)		-		**(129)**
Transfers/adjustments		3		-		-		-		(162)		**(159)**
Balance, June 30, 2024	**$**	**7,933**	**$**	**3,324**	**$**	**5,460**	**$**	**1,306**	**$**	**1,435**	**$**	**19,458**
Accumulated depreciation												
Balance, April 1, 2023	$	4,117	$	931	$	2,077	$	574	$	-	**$**	**7,699**
Depreciation expense		62		19		35		13		-		**129**
Disposals and/or retirements		(6)		-		(2)		(3)		-		**(11)**
Balance, June 30, 2023	**$**	**4,173**	**$**	**950**	**$**	**2,110**	**$**	**584**	**$**	**-**	**$**	**7,817**
Depreciation expense		188		59		108		45		-		**400**
Disposals and/or retirements		(16)		(3)		(59)		(29)		-		**(107)**
Balance, March 31, 2024	**$**	**4,345**	**$**	**1,006**	**$**	**2,159**	**$**	**600**	**$**	**-**	**$**	**8,110**
Depreciation expense		64		20		35		16				**135**
Disposals and/or retirements		(7)		-		(7)		(111)				**(125)**
Balance, June 30, 2024	**$**	**4,402**	**$**	**1,026**	**$**	**2,187**	**$**	**505**	**$**	**-**	**$**	**8,120**
Net book value												
Balance, June 30, 2023	**$**	**3,683**	**$**	**2,282**	**$**	**3,080**	**$**	**588**	**$**	**1,103**	**$**	**10,736**
Balance, March 31, 2024	**$**	**3,562**	**$**	**2,285**	**$**	**3,229**	**$**	**802**	**$**	**1,295**	**$**	**11,173**
Balance, June 30, 2024	**$**	**3,531**	**$**	**2,298**	**$**	**3,273**	**$**	**801**	**$**	**1,435**	**$**	**11,338**

In the first three months of 2024-25, interest costs totaling $12 million (2023-24 – $9 million) were capitalized at the weighted average cost of borrowings rate of 4.00% (2023-24 – 3.80%).

NOTE 4 RIGHT-OF-USE ASSETS

(in millions)	Power purchase agreements	Buildings	Land	Total
Cost				
Balance, April 1, 2023	$ 1,017	$ 12	$ 7	$ 1,036
Additions and/or modifications	-	-	-	-
Terminations	-	(4)	-	(4)
Balance, June 30, 2023	**$ 1,017**	**$ 8**	**$ 7**	**$ 1,032**
Additions and/or modifications	-	-	2	2
Terminations	-	(1)	-	(1)
Balance, March 31, 2024	**$ 1,017**	**$ 7**	**$ 9**	**$ 1,033**
Additions and/or modifications	-	-	-	-
Terminations	-	(2)	-	(2)
Balance, June 30, 2024	**$ 1,017**	**$ 5**	**$ 9**	**$ 1,031**
Accumulated depreciation				
Balance, April 1, 2023	$ 563	$ 7	$ 3	$ 573
Depreciation expense	12	1	-	13
Terminations	-	(4)	-	(4)
Balance, June 30, 2023	**$ 575**	**$ 4**	**$ 3**	**$ 582**
Depreciation expense	36	1	1	38
Terminations	-	(1)	-	(1)
Balance, March 31, 2024	**$ 611**	**$ 4**	**$ 4**	**$ 619**
Depreciation expense	12	-	-	12
Terminations	-	(2)	-	(2)
Balance, June 30, 2024	**$ 623**	**$ 2**	**$ 4**	**$ 629**
Net book value				
Balance, June 30, 2023	**$ 442**	**$ 4**	**$ 4**	**$ 450**
Balance, March 31, 2024	**$ 406**	**$ 3**	**$ 5**	**$ 414**
Balance, June 30, 2024	**$ 394**	**$ 3**	**$ 5**	**$ 402**

NOTE 5 LONG-TERM DEBT

(in millions)	
Balance, April 1, 2023	$ 7,068
Long-term debt issues	443
Long-term debt repayments	(150)
Amortization of debt premiums net of discounts	(1)
Balance, June 30, 2023	$ 7,360
Long-term debt issues	289
Long-term debt repayments	-
Amortization of debt premiums net of discounts	(2)
Balance, March 31, 2024	$ 7,647
Long-term debt issues	517
Long-term debt repayments	(200)
Amortization of debt premiums net of discounts	-
	$ 7,964
Less: current portion of long-term debt	(100)
Balance, June 30, 2024	$ 7,864

NOTE 6 LEASE LIABILITIES

(in millions)	June 30 2024	March 31 2024
Total future minimum lease payments	$ 1,587	$ 1,633
Less: future finance charges on leases	(751)	(783)
Present value of lease liabilities	$ 836	$ 850
Less: current portion of lease liabilities	(49)	(55)
	$ 787	$ 795

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, 2024, SaskPower recognized $29 million of interest costs on these lease liabilities.

As at June 30, 2024, 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	$ 171	$ 647	$ 769
Present value of lease liabilities	49	234	553

NOTE 7 FINANCIAL INSTRUMENTS

(in millions)	Classification	Level[4]	June 30, 2024 Asset (liability) Carrying amount	June 30, 2024 Asset (liability) Fair value	March 31, 2024 Asset (liability) Carrying amount	March 31, 2024 Asset (liability) Fair value
Financial assets						
Cash and cash equivalents	FVTPL[1]	1	$ 61	$ 61	$ 374	$ 374
Accounts receivable and unbilled revenue	AC[2]	N/A	459	459	469	469
Debt retirement funds	FVOCI - debt instrument[3]	2	838	838	799	799
Financial liabilities						
Accounts payable and accrued liabilities	AC[2]	N/A	$ (810)	$ (810)	$ (869)	$ (869)
Accrued interest	AC[2]	N/A	(54)	(54)	(82)	(82)
Dividend payable	AC[2]	N/A	-	-	(5)	(5)
Short-term advances	AC[2]	N/A	(542)	(542)	(910)	(910)
Long-term debt	AC[2]	2	(7,964)	(7,680)	(7,647)	(7,228)

(in millions)			June 30, 2024 Asset	June 30, 2024 Liability	March 31, 2024 Asset	March 31, 2024 Liability
Natural gas contracts						
Fixed price swap instruments used for hedging[5]	FVTPL[1]	2	$ 4	$ (27)	$ 6	$ (23)
Fixed price swap instruments	FVTPL[1]	2	-	(1)	-	-
			$ 4	$ (28)	$ 6	$ (23)

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, 2024**: **5,355 MEGAWATTS (MW)**

HYDRO TOTAL CAPACITY - 864 MW

- H1 Athabasca Hydroelectric System - 20 MW
- H2 Island Falls Hydroelectric Station - 111 MW
- H3 Nipawin Hydroelectric Station - 253 MW
- H4 E.B. Campbell Hydroelectric Station - 294 MW
- H5 Coteau Creek Hydroelectric Station - 186 MW

IMPORT POWER PURCHASE AGREEMENTS - 290 MW

- I1 Manitoba Hydro - 290 MW

NATURAL GAS TOTAL CAPACITY - 2,064 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 - 527 MW
- NG9 Spy Hill Generating Station* - 89 MW
- NG10 Chinook Power Station - 353 MW

WIND TOTAL CAPACITY - 618 MW

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

Customer-generated wind capacity - 3 MW
(NOT SHOWN ON MAP)

SOLAR TOTAL CAPACITY - 97 MW

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

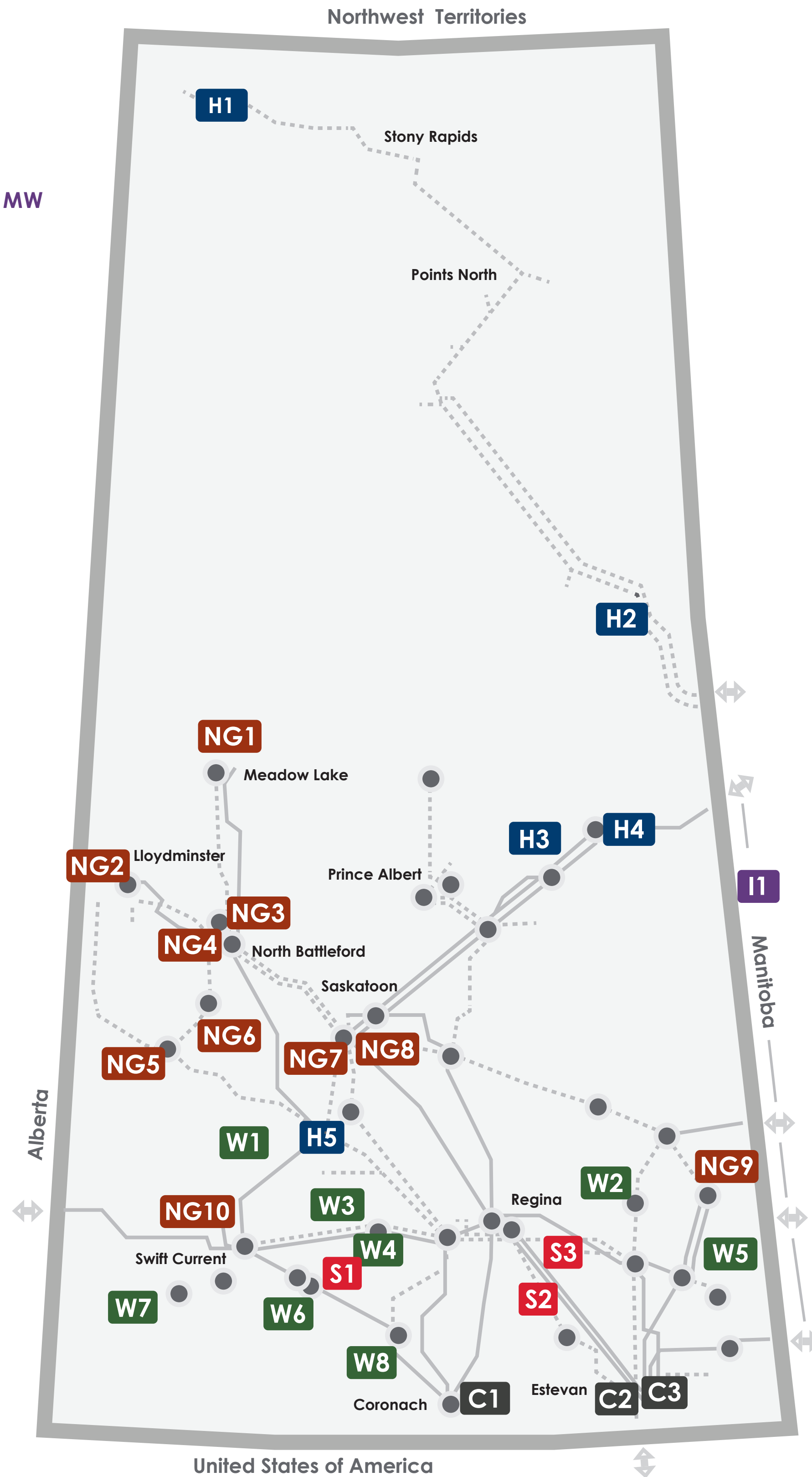
Customer-generated solar capacity - 67 MW
(NOT SHOWN ON MAP)

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 - 33 MW (NOT SHOWN ON MAP)

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



TRANSMISSION

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

*Large Independent Power Producer

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