



# **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

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## **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

Doug Steele, Chair  
Cypress Hills

Erika Ritchie, Deputy Chair  
Saskatoon Nutana

Chris Beaudry  
Kelvington-Wadena

Terri Bromm  
Carrot River Valley

Hon. Lori Carr  
Estevan-Big Muddy

Don McBean  
Saskatoon Chief Mistawasis

Jordan McPhail  
Cumberland



[The committee met at 16:59.]

**Chair Steele:** — Well welcome to the Standing Committee on Crown and Central Agencies. I'm going to introduce . . . I'm Doug Steele, the Chair. Chris Beaudry is here tonight. Terri Bromm is here tonight. Hon. Lori Carr. Don McBean is not here, but . . . And subbing or chitting in for Erika Ritchie is Ms. Aleana Young.

Okay, committee estimates to committee. Pursuant to rule 148(1) the following estimates and supplementary estimates were committed to the Standing Committee on Crown and Central Agencies on March 27th, 2025 and March 19th, 2025, respectively.

Estimates: vote 18, Finance; vote 12, Finance — Debt Servicing; vote 33, Public Service Commission; vote 13, SaskBuilds and Procurement; vote 86, SaskBuilds Corporation; vote 151, Municipal Financing Corporation of Saskatchewan; vote 152, Saskatchewan Power Corporation; vote 153, Saskatchewan Telecommunications Holding Corporation; vote 140, Saskatchewan Water Corporation; vote 150, SaskEnergy Incorporated; vote 175, Debt Redemption; vote 176, Sinking Fund Payments — Government Share; vote 177, Interest on Gross Debt — Crown Enterprise Share; supplement no. 2, 2024, vote 18, Finance; vote 12, Finance — Debt Servicing; vote 13, SaskBuilds and Procurement; vote 151, Municipal Financing Corporation of Saskatchewan; vote 152, Saskatchewan Power Corporation; vote 175, Debt Redemption.

I'd like to table the following documents: CCA 4-30, Ministry of Corrections, Policing and Public Safety: Responses to questions raised at the December 9th, 2024 meeting; CCA 5-30, Law Clerk and Parliamentary Counsel: 2024 regulations filed; CCA 6-30, Law Clerk and Parliamentary Counsel: 2024 bylaws filed; CCA 7-30, Crown Investments Corporation of Saskatchewan: Report of public losses, October 1st, 2024 to December 31st, 2024.

Today we will be considering the estimates and supplementary estimates no. 2 for the Saskatchewan Power Corporation and estimates for Saskatchewan Telecommunications Holding Corporation. We will take a recess at 7 p.m.

**General Revenue Fund  
Saskatchewan Power Corporation  
Vote 152**

**Subvote (PW01)**

**Chair Steele:** — We will begin vote on 152 Saskatchewan Power Corporation, loans, subvote (PW01). Minister Harrison's here with officials. I would ask that the officials please introduce themselves before they speak for the first time, and please do not touch the mikes. The Hansard operators will turn them on and off for you when you speak. Minister, please introduce your officials and make your opening comments.

**Hon. Jeremy Harrison:** — Well thank you very much, Mr. Chair, and thank you to members of the committee for joining us here this evening.

I'm joined by a number of senior officials from SaskPower.

Rupen Pandya needs probably no introduction to members here of the Assembly, the SaskPower president and CEO [chief executive officer]. Troy King on my right, executive vice-president; chief strategy, technology, and financial officer. Behind, Rhea Brown, executive vice-president, customer experience and procurement. Kory Hayko, executive vice-president and chief operating officer.

We are pleased to be here, Mr. Chair, tonight to discuss consideration of estimates for SaskPower for the 2025-26 fiscal year. SaskPower operates one of Canada's largest grids. The company is responsible for serving more than 550,000 customer accounts within Saskatchewan's large geographic area of approximately 652 000 square kilometres. To serve these customers, the company maintains more than 160 000 circuit kilometres of power lines, 65 high-voltage switching stations, and 191 distribution substations. About three customer accounts are served per circuit kilometre, which is a low customer density compared to other jurisdictions. In total, SaskPower has 5927 megawatts of generating capacity, including 2434 megawatts of natural gas, 1389 megawatts of coal, 863 megawatts of hydro, 818 megawatts of wind, and 30 megawatts of utility-scale solar.

For nearly a century SaskPower has helped to grow Saskatchewan into what it is today by supporting industry and improving quality of life for everyone. Today SaskPower customers range from family homes to large industrial operations and everything in between. But what every rate class has in common is that affordability and reliability are their top priorities. People want the lights to stay on and their bills to remain as low as possible. That's why SaskPower's mission statement is to ensure reliable and affordable power for its customers and the communities it serves. Every decision we as a government and SaskPower make will be approached with this lens.

Protecting affordability is especially important in the current environment where tariffs threaten some of our key industries and exports. This was a big part of why our government took the necessary step of completely removing the federal carbon tax in our province. Removing the federal carbon tax from SaskPower bills will provide relief for our industries and our residents. Every customer and every rate class will see lower power bills because of this change. In fact we expect removing the federal carbon tax will save customers on average hundreds of dollars per year.

SaskPower is also helping to support local industry and protect local jobs through its negotiated purchase of 10 000 tonnes of Canadian-made steel from Evraz, and I want to publicly thank the officials sitting here tonight for the work that they did on that. The purchase will be used for the construction of transmission structures and other infrastructure that is critical to maintain SaskPower's grid.

Collaboration between SaskPower and Evraz, along with steel structure fabricators Brandt and JNE Welding, will result in a made-in-Saskatchewan solution that will support our economy while ensuring reliable power for residents and businesses.

In 2024-25 SaskPower invested well over \$700 million in total spending with Saskatchewan suppliers, representing roughly two-thirds of its total commitments, and the company will

continue to invest hundreds of millions of dollars in local procurement in the coming year.

We have directed SaskPower, along with all our Crown corporations, to review all non-Canadian procurements and prioritize Canadian and Saskatchewan suppliers. SaskPower is conducting analysis and has taken strategic steps to manage supply chain risks to ensure uninterrupted service, preserve affordable power, and uphold Saskatchewan's energy security.

SaskPower will also build on its already strong relationship with the Indigenous business community. More than \$100 million was allocated to local Indigenous suppliers in 2024-25, and SaskPower expects to spend \$1 billion during the next decade in Indigenous procurement.

This strong relationship was recognized in 2024 when the company achieved gold status with the Canadian Council for Indigenous Business's Partnership Accreditation in Indigenous Relations for the third consecutive year. This is a strong signal that SaskPower is a good business partner, a great place to work, and committed to prosperity in Indigenous communities.

I would also note the importance of SaskPower's Indigenous Customer Care program as a unique, first-of-its-kind approach in Canada. It takes a grassroots approach that focuses on energy literacy, local employment opportunities, and helped form a community liaison to help customers manage their power bills and connect those customers with SaskPower programming.

Overall SaskPower continues to offer efficiency programs to support affordability, such as the energy assistance program, which provides lower income customers with energy efficiency upgrades to help reduce bills; the home efficiency retrofit rebate, which is administered in partnership with SaskEnergy and provides eligible customers with a rebate of up to \$1,800 for energy-efficient home upgrades; and the commercial energy optimization program, which provides businesses with free energy efficiency consultations to reduce operational costs.

SaskPower also offers Indigenous-specific supports, such as the northern First Nations home retrofit program, which partners with First Nations to install energy-efficient home upgrades, and the Indigenous new homes rebate, which offers financial support to communities to help make new home builds more energy efficient during construction.

Meanwhile the demand for power in our province continues to grow, and SaskPower is making the investments to ensure we can both accommodate and support the growth of our economy and population.

In December SaskPower completed the natural gas-fired Great Plains power station in Moose Jaw, which is now providing 370 megawatts of reliable power to the provincial grid. This project also saw more than \$267 million in contracts awarded to local companies, including \$39 million to Indigenous companies. At the peak of construction in July 2023, there were more than 600 workers on site every day. Overall 70 per cent of workers on the project were from Saskatchewan, including 13 per cent from Moose Jaw.

The 200-megawatt Bekevar Wind facility was also added to the

grid late last year and is notable for having the largest share of Indigenous ownership for any completed wind facility in Saskatchewan to date.

SaskPower also added its first battery energy storage system, which is located in northeast Regina and can store up to 20 megawatts of power, or enough to power 20,000 homes for one hour. This system has added flexibility to the provincial grid and an understanding of how this technology could be used into the future.

Looking ahead, SaskPower plans to spend approximately \$1.7 billion in 2025-26 to modernize, grow, and sustain our provincial electricity system. Capital expenditures fall into three major spending buckets. These include sustainment investments. This includes funding to maintain and upgrade existing transmission, distribution, and generation assets, as well as other sustainment expenditures such as properties, technology, and security assets and equipment.

Secondly, growth, compliance, and resiliency investments. This includes transmission and distribution growth investments to increase grid capacity and connect new customers to the system, as well as funding for new generation projects. This includes work such as the 370-megawatt Aspen power station which is currently being built near Lanigan as well as ongoing expansions at the Ermine and Yellowhead generating stations which will provide an additional 92 megawatts to the grid.

And finally, strategic investments which includes upgrades and improvements to technology and security, supply chain, and other projects. This will allow SaskPower to continue with smart meter deployment and continue work on projects such as the phase 2 of the Regina operations maintenance complex in Regina which will be complete in 2026. Once complete, the new complex will bring SaskPower functions together, improving efficiency and access to services.

Further, in order to ensure continued investment in the reliability of SaskPower's system, I recently introduced Bill 14, *The Power Corporation Amendment Act, 2025* which will ensure SaskPower can continue to meet its spending commitments and deliver safe and reliable electricity to customers. Specifically this legislation will amend *The Power Corporation Act* to increase SaskPower's borrowing limit from \$10 billion to 14 billion; add a new section to the Act to provide SaskPower with the authority to make loans and advances to, and guarantee the indebtedness of, its subsidiaries; and amend the Act to clarify that SaskPower's subsidiaries are agents of the Crown.

These legislative amendments are crucial for SaskPower's continued success and our province's energy future. By increasing the borrowing limit, providing authority for loans and guarantees, and clarifying the subsidiaries as agents of the Crown, we are paving the way for significant advances in our infrastructure and energy projects.

[17:15]

Saskatchewan relies on a diverse generation mix and in the years ahead, SaskPower will continue to use every tool at its disposal when it comes to providing power to its customers. This includes new and developing technologies, as well as established and

proven technologies. Our decisions regarding power generation will be based on affordability and reliability above all. Our government has been very clear that we unequivocally reject federal intrusion to provincial jurisdiction over our electricity system and we will not abide by the federal clean electricity regulations which are unaffordable, unfeasible, and unconstitutional.

The coal-fired generation in Estevan and Coronach are essential components of SaskPower's generating fleet, and we will continue to assess utilizing this baseload generation beyond 2030.

Saskatchewan made history in 2014 when Boundary dam 3 became the world's first power station to successfully use carbon capture and storage technology. During a decade of operation, SaskPower's CCS [carbon capture and storage] facility has captured more than 6.7 million tonnes of CO<sub>2</sub>. That CO<sub>2</sub> is used for enhanced oil recovery, supporting nearby oil field operations and in turn providing an economic boost. Today Boundary dam 3 has achieved stable, sustainable operations and maintains the lowest emissions intensity of any coal unit in the entire world. In the 12-month period between August 2023 and 2024, the CCS facility captured more than 900 000 tonnes of CO<sub>2</sub> for the first time. As of March 31st, Boundary dam 3 completed its third consecutive fiscal year with more than 800 000 tonnes of CO<sub>2</sub> captured. This project has made Saskatchewan a world leader in carbon capture and storage technology.

Shand power station was constructed using advanced environmental designs to increase efficiency and run as cleanly as possible and is also home to the Shand Greenhouse, which is heated by recycled waste heat from the power plant during the winter months, allowing it to grow seedlings year-round. To date the greenhouse has grown and distributed more than 12.5 million seedlings to rural customers to establish shelterbelts or help support conservation projects.

In 2024-25 the greenhouse produced approximately 540,000 seedlings of 24 plant varieties, and this past summer more than 4,400 seedlings were provided to help create an urban forest here in Regina. In 2025 SaskPower is planning to plant 30,000 seedlings on lands operated by Westmoreland, supporting the reclamation of previously mined land. The 2025 work is supported by the RM [rural municipality] of Estevan and will benefit the area by enhancing the landscape and establishing new habitat for wildlife.

Saskatchewan's coal units have provided the province with reliable baseload power for decades and continue to support hundreds of good-paying jobs in Estevan and Coronach. Our government plans to establish direction on coal-fired generation by this summer, and I've given the commitment to our employees that they will have an answer by July the 1st.

SaskPower will also continue to engage with Indigenous communities and other stakeholders as it works toward a decision on SMR [small modular reactor] development in Saskatchewan. Later this year, SaskPower plans to select a site that could potentially host our province's first small modular reactor facility, which is an essential step toward making an investment decision. A new nuclear subsidiary called SaskNuclear was created in 2024 to help move the project through the regulatory

and licensing processes. SaskPower will continue to develop and leverage nuclear industry partnerships as it continues to assess nuclear as an option. For example, during the past year, SaskPower signed an agreement with Cameco Westinghouse and joined the CANDU Owners Group.

SaskPower is also working to expand the intertie to the Southwest Power Pool from 150 megawatts to 650 megawatts, securing greater import and export capability with a large energy market. We expect the new line to be energized in 2027. This will make our provincial grid more resilient and flexible while also providing us with the opportunity to sell when we have excess power available.

In addition to the Southwest Power Pool intertie, the Saskatchewan transmission system is also connected to the Alberta and Manitoba electrical system. Saskatchewan currently has 378 megawatts of total export capability and 278 megawatts of import capability between Alberta and Manitoba through seven connection points. SaskPower has a firm long-term import contract for Manitoba. But for all other interties, Saskatchewan has exported more electricity than it has imported since 2016.

Renewable energy projects will continue to be a part of our energy mix in the coming years. SaskPower currently has several hundred megawatts of wind and solar projects in the competitive procurement process to be added to the grid in south central Saskatchewan by 2027. This is in addition to a 100-megawatt solar project which will begin construction on SaskPower land in the Estevan area later this year, and the 200-megawatt Seven Stars wind energy project which will be owned and operated by Enbridge in partnership with five First Nations and Métis Nation-Saskatchewan.

Renewable power projects will continue to have a strong Indigenous equity ownership component with a minimum requirement of 10 per cent and a target of 30 per cent, and the Saskatchewan Indigenous Investment Finance Corporation will be a part of this. Going forward, SaskPower will continue to assess other potential generation options such as biomass, geothermal, hydrogen, and others to see if there could be a good fit for our generating system. SaskPower is also continuing to find new ways to serve customers, such as the Descherm Lake microgrid, Saskatchewan's first microgrid project, which will use a combination of solar, solar-powered battery storage, and diesel generation to provide more reliable power to the remote northern community of Descherm Lake.

SaskPower also plans to continue with necessary maintenance work, such as its wood pole program, which sees roughly 100,000 wood power poles inspected on an annual basis to ensure they're in good condition and maintain reliability.

SaskPower could not achieve all of these things without its people, and it continues to be recognized as an employer of choice. In 2024 the company received awards and designations including Saskatchewan's Top Employers, Canada's Top Employers for Young People, and Canada's Best Diversity Employers.

Finally, SaskPower has made strides in terms of improving safety for its employees and contractors. SaskPower has recently completed and implemented 16 safety programs under its

Roadmap to Safety initiative. And we will continue to strive toward a future with no injuries.

These are just some of the highlights of SaskPower's plans and investments in the province to continue to ensure that Saskatchewan has the reliable, cost-effective electricity it needs now and in the years to come. As we look to the future, our investments will continue to be focused on strengthening our electricity system, ensuring a stable supply of reliable, affordable power, and supporting the province's growth.

With that, Mr. Chair, I would conclude my opening comments and be pleased to take questions. Thank you.

**Chair Steele:** — Thank you, Minister. Before we get into questions, I'd like to acknowledge Sally Housser — I hope I pronounced that right — as the substitute for Don McBean. Okay we'll start. Ms. Young.

**Aleana Young:** — Thank you so much, Mr. Chair. Thank you, Minister, for those opening comments and to the officials for being here tonight, as well as all the folks at SaskPower who've, I'm sure, done a great deal of work in preparing for tonight in anticipation of estimates, as well as over the course of the year, keeping the lights on and being such an excellent part of our economy here in Saskatchewan.

Jumping right into it, can you update the committee on what the long-term ROE [return on equity] target is for SaskPower?

**Hon. Jeremy Harrison:** — What I would start with, really I think what we need to kind of have a discussion around is really the overall vision of where we're going at SaskPower. And I really do want to thank Rupen and Troy and the team, as we've really had some very, very significant thought put into and worked on and what that overall vision and future is going to look like based on what we've been hearing from the public about what their priorities are going forward for power generation.

And you know, I think we heard during the campaign, and I think it would be fair to say that probably all candidates heard during the campaign, really the major focus for the Saskatchewan public is around affordability. And as it relates to power production, I heard first-hand in northwest Saskatchewan, where we've had, you know, some challenges on occasion on the reliability front. Affordability and reliability are the two primary concerns that people have with regard to power generation, Mr. Chair.

So based on those being the two lenses through which, you know, we are looking at what that future is. And keeping in mind our objective through all of this is how we bridge to nuclear, how do we get to nuclear. That really is the objective at the end of the day, which will mean a no-emissions future when we get there. But really the question is, how do we get there? And how do we do that in a way that puts our interests first here from the province and puts the interests of our customers and citizens first from the perspective of the public utility? And in addition to that, I would just kind of candidly say, how do we do that without paying any heed to what are entirely unconstitutional federal regulations and provisions with regard to power generation?

You know, it's not said enough. It's actually not pointed out enough, but the *Constitution Act*, the 1867 Constitution, gives

extraordinarily clear guidance on what the appropriate division of powers is. And this is a provision that was actually added in to the 1867 Constitution as a part of the constitutional negotiations in the early 1980s. And section 92A is well known, but it's generally well known for giving explicit authority over natural resources — unequivocal authority — to provinces.

The provision that really is not as well known is 92A(1)(c). And that is a provision that was added in. And I've given public credit for this. I mean this was really added in at the insistence of two premiers, one Alberta, one Saskatchewan, and I give a lot of credit to Premier Blakeney and to Premier Lougheed for insisting that exclusive jurisdiction over electricity generation be granted to provinces.

And I think, you know, obviously in the very early days in the 1867 Constitution, this was clearly not one of the issues that was discussed for very obvious reasons. But you know, by the time you got to the early 1980s, it was a significant issue. And I think that it had been taken for granted that provincial governments — at that point many of whom were still utility monopolies; that's been an evolution in other areas — that we needed to have explicit clarity in the Constitution about jurisdiction over electricity generation.

So 92A(1), and I'll quote it: "In each province, the legislature may exclusively make laws in relation to . . ." And it goes through (a), (b), and (c); (a) is "exploration for non-renewable natural resources in the province . . ."

**Aleana Young:** — Excuse me, Mr. Chair.

**Hon. Jeremy Harrison:** — "(b) development, conservation and management of non-renewable natural resources . . ."

**Chair Steele:** — Excuse me.

**Aleana Young:** — Excuse me. Thank you, Mr. Chair. And thank you, Minister. I appreciate the history lesson on the 1867 Constitution Act . . .

**Hon. Jeremy Harrison:** — Yes. I'm getting to the question.

**Aleana Young:** — But my question was about the long-term ROE target for SaskPower.

**Hon. Jeremy Harrison:** — Yes. No, and we're getting there. But it's important . . .

**Aleana Young:** — It should be a fairly straightforward question, respectfully, Minister. It's a number.

**Hon. Jeremy Harrison:** — It's what we're talking . . . So, Mr. Chair, if I could continue.

**Chair Steele:** — Yes. Yes, continue.

**Hon. Jeremy Harrison:** — No, thank you, Mr. Chair.

**Chair Steele:** — Okay.

**Aleana Young:** — It's been four minutes.



**Chair Steele:** — Okay. Well I think he's trying to get to finish . . .

**Aleana Young:** — Let's hope so.

**Chair Steele:** — Answering the question. Okay? You have a little bit more?

**Hon. Jeremy Harrison:** — Yes. No, I appreciate it, Mr. Chair. And this is really important, and I think it's really important for . . . And I think it probably is quite interesting for folks who are listening as well, because this is an important context to talk about what the future of SaskPower is going to be.

So those are the two provisions that are really, I think, well known in that they give exclusive authority over natural resources, but: "(c) development, conservation and management of sites and facilities in the province for the generation and production of electrical energy." Unequivocal jurisdiction for provincial governments to make their own decisions about what a generation mix is going to look like.

[17:30]

What we have been blatantly ignored by the Government of Canada, really is this specific provision, which has been driving, I think, within the country in a broad context, discussion around what future generation mixes are going to look like. We have taken the unapologetic position, Mr. Chair, that we have exclusive jurisdiction in this province to determine what our future electricity mix is going to look like, that the federal clean electricity regulations, which if they were enacted . . . And this goes directly to the member's question. The federal clean electricity regulations — and I think it takes some explanation to go through what they are — but if those were to be enacted and if those were to be followed by SaskPower, would cost \$40 billion to meet by 2035.

And these are the regulations imposed on the electricity sector across the country by the Liberal-NDP [New Democratic Party] coalition government, \$40 billion of additional expenditure that would be added to SaskPower which would have, to her question about rates, would have a . . .

**Aleana Young:** — It wasn't a question about rates, respectfully, Minister. I'm sorry to interrupt again, Mr. Chair. If the minister could limit his answer to my questions, I do have a number that I'd like to get through tonight on the important matter of SaskPower.

**Hon. Jeremy Harrison:** — No, and absolutely. I mean this is a very important topic to talk about.

**Chair Steele:** — Can we wrap this question up and move on to the other one?

**Hon. Jeremy Harrison:** — Well I think it's important, Mr. Chair.

**Chair Steele:** — Do you . . . [inaudible] . . . Okay.

**Hon. Jeremy Harrison:** — I mean this is a part of the overall framing of the discussion around a lot of these questions because

if we were to follow the federal regulations, that would result in great pressures of about 107 per cent on SaskPower, which is an extraordinary amount. That works out to about \$2,700 per household if we were to adhere to the federal regulations.

So we've had to make some very difficult decisions at SaskPower about where our investments are going to go, whether we are going to be following the unconstitutional regulatory environment put in place by the Liberal-NDP government. And the answer to that is we've rejected that, unequivocally rejected it. We're not going to be spending \$40 billion by 2035 to literally replace every single megawatt of fossil fuel generation in this province. We're not going to do it.

**Aleana Young:** — Excuse me, Mr. Chair.

**Chair Steele:** — Yes.

**Aleana Young:** — I'm sorry again. Respectfully, we're 33 minutes into committee and I've asked one question about whether SaskPower's long-term ROE target remains. I'm not sure if the minister has that answer available. I know it has been eight and a half per cent.

Maybe I can ask the question a different way. To the minister or his officials, does the target of eight and a half per cent remain?

**Hon. Jeremy Harrison:** — We'll have the officials weigh in, but give me a just a handful of few more minutes here, Mr. Chair, because . . .

**Chair Steele:** — Okay.

**Hon. Jeremy Harrison:** — All of the discussion, I mean, what I think people are going to hear is, you know, the members want to go on these kind of . . . on some different tangents.

What I think is important for the public to know . . . And really this is what we are seeking to do through these committee discussions is making sure the public understand in a macro sense about where their utility is going. What are we going to make as priorities for that utility going forward? And how is that going to manifest itself in their own individual lives as we go forth? And how does that reflect as well for our investment climate in the province such that we can continue our remarkable growth that we have been on? So we are not going to be adhering to the clean electricity regulations.

The other thing that we will be talking about — and I'm going to insist on getting to this — is the discussion around the future of coal in Saskatchewan. And we have put a great deal of work into what that future is going to be. In fact I had the opportunity to tour our coal plants and have a discussion directly with our employees about what that future is going to be, and I personally believe there is going to be a future.

But we are not going to be making any announcements, but I do feel it really important that we get to that topic. And I am going to be talking about it in a degree of depth because I think the public deserve to know. And frankly I think there's a lot more interest in that direction than there is in some of the questions that the members may be seeking to put forward.

But that being said, Rupen, if you want to speak to . . .

**Chair Steele:** — Yeah. Get to answering the question and move forward, please.

**Rupen Pandya:** — Rupen Pandya, president and CEO of SaskPower. So yeah, the return on equity target is between 6 and 8.5 per cent.

**Aleana Young:** — Okay, thank you. So that's a change then? Forgive me . . .

**Rupen Pandya:** — No.

**Aleana Young:** — Has it always been between 6 and 8.5 per cent?

**Rupen Pandya:** — That's correct.

**Aleana Young:** — Okay. Thank you for that. And thanks to the minister for those comments. I do hope to get to that discussion tonight. I do have a number of questions that I do think are related to the financial position of the Crown. But I'm also happy . . .

You know, I do think this is an important matter for the province and for the Government of Saskatchewan as well as all folks here so, you know, if the minister would like to continue to talk, I'm happy to just read all of the questions that I have into the record and look to SaskPower officials or yourself as committee Chair to ensure that I get answers to that at a later date.

**Chair Steele:** — We'll take note of the questions, and if the minister can answer it in the time allotted at 7, we'll try to get as many as we can through. Okay?

**Aleana Young:** — Thanks. Perhaps I'll just take the initiative, read all the questions in, and I suspect the minister will answer what he'd like to answer. But my ask to yourself as Chair as well as the other committee members present here tonight and officials, is that if the information could be provided, that would be appreciated. Because it's . . .

**Chair Steele:** — The minister will answer as many as he can, and then we will follow up.

**Aleana Young:** — Great. So for '25-26 are you able to advise of each of the following budget numbers: total revenues, total expenses, net income or loss, net cash from operations. We've already covered return on equity, total net debt, and per cent debt ratio.

**Hon. Jeremy Harrison:** — Okay, so just seeking clarification here, Mr. Chair. So is the member just reading questions in sequence into the record, or how does the . . .

**Aleana Young:** — No, I'm sorry. I took from the Chair's comment that I just proceed and that we could receive answers sequentially.

**Chair Steele:** — Yes. Yeah. You're going to ask questions; you're going to answer, are we not? Or how . . .

**Hon. Jeremy Harrison:** — Well I mean I would just suggest, I

mean we've been . . .

**Chair Steele:** — Let's get this clarified so we can move on and . . .

**Hon. Jeremy Harrison:** — I would just . . .

**Chair Steele:** — Use our time in a productive fashion.

**Hon. Jeremy Harrison:** — What I would offer, Mr. Chair — because you know, I think it's like my 17th round of estimates or something — you know, if the member wants to put the questions on the table, that would be appropriate.

**Chair Steele:** — I would like to move forward on this. How can we do both?

**Hon. Jeremy Harrison:** — Well look, I'm not going to . . . What I would say to this, I think it's unfair to people who have an interest and who have a desire to hear about certain topics. Literally there's thousands of people whose jobs are directly dependent on some of the decisions that we're going to be making here in the next number of months. People want to hear actually about that. I'm going to talk about that.

If the member has, you know, a bunch of questions that she wants to submit, fine. Submit them. You know, there's a number of processes through which that can be offered. But I'm not going to cut my answers short or limit the topics that we're going to be talking about because of it.

**Chair Steele:** — Yeah, well I'm getting bombarded from every direction. We're trying to sort this out. So we'd like to sort this out and come to a common ground so we can move forward with . . . that works for everyone. So how would you like us to proceed?

**Aleana Young:** — Perhaps, Mr. Chair, could you remind the committee of the purpose of the estimates process. I look forward to the discussion. I think all of these topics are important. I hope to get to all of them, but we're now 39 minutes into committee. We've had one question answered. Could you perhaps remind the committee what the purpose of the estimates process is.

**Chair Steele:** — Well I think the committee understands. It's not the first time they proceeded to be part of a committee and that type of thing. So if we can move forward and answer as many questions as can be asked and move forward just to get some things accomplished here. So thank you so much. We'll move forward.

**Aleana Young:** — Sure. I think I had a question on the table.

**Chair Steele:** — Okay.

**Hon. Jeremy Harrison:** — I'm sorry. I'm not sure what that was.

**Aleana Young:** — Again the question was, for '25-26 could the committee be advised of each of the following budget numbers: total revenues, total expenses, net income or loss, net cash from operations, total net debt and per cent debt ratio, as well as return on equity.

**Hon. Jeremy Harrison:** — Okay, just give us a moment, Mr. Chair, to get that together. I'll turn it to Troy King for response.

**Troy King:** — Thank you. Troy King, SaskPower executive vice-president and chief strategy, technology, and financial officer. So I'll read out the numbers and you tell me if I've missed any of your requests. So I think on total revenue it's \$3,467,400,000; on expenses 3,341,100,000; for net income of 126.3 million. The return on equity is 4.2 per cent. Per cent debt ratio, 76.5 per cent. Cash provided by operating activities, 986 million. And I think the last one was on net debt, which would be 10,054,500,000.

**Aleana Young:** — Thank you very much. Can the Canadian utility comparison net return on equity table be provided to the committee for this year? Or tabled?

[17:45]

**Hon. Jeremy Harrison:** — And I'll turn it to Troy King for a response on this as well.

**Troy King:** — So I believe the question was on comparison of return on equity?

**Aleana Young:** — No, the Canadian utility comparison chart that's typically . . .

**Troy King:** — Are you talking about rates? Or are you . . . on the rate side?

**Aleana Young:** — Yeah.

**Troy King:** — So that report is a Hydro-Québec report, that's publicly available on their website and they . . . It's done as of April of every year, and I think the most recent one is available on their website.

**Aleana Young:** — Okay. Excellent. Thank you so much. Just circling back to the income projections for next year, looking at the Q3 [third quarter] report, there was grant funding of around I think it was \$102 million, about 62 million from the Future Electricity Fund, 140 from the province's clean electricity transition grants, and about 29 million in grant funding from federal and provincial governments applied against things like operating costs, development of SMRs, customer clean electricity, demand-side management, and power line tech preparation.

Were those grants factored into the income projection for '25-26?

**Hon. Jeremy Harrison:** — So kind of a number of elements. And I'm going to ask for some time on this, Mr. Chair, because there are a lot of elements that go into this. So I think, you know, what the member was seeking clarity on, with regard to the Future Electricity Fund . . . So what the Future Electricity Fund is, was federal carbon tax money that had been collected by the federal government from 2019 to 2023 prior to the implementation of the OBPS [output-based pricing system] system.

You know, there have been a couple of federal announcements about where the FEF [Future Electricity Fund] allocation would

go to. There was one I think fairly recently if I remember, November, December, somewhere around there. It went to a number of projects. There is a little under \$500 million that remains in the federal electricity fund, which is our money. And I say "our" meaning the people of the province's money that the federal government continue to owe the people of the province.

And that's not going to change. I mean there is an agreement on that. So that money is built into the plan for SaskPower as we go forward.

I think where the member is, I know . . . I think where the member is going is with regard to the output-based system. And there's a couple of components that are involved in that output-based system, one of which is the small modular reactor fund which is where about half of the OBPS payments go into.

**Aleana Young:** — So, Mr. Chair, that wasn't the intent of my question.

**Chair Steele:** — Okay. We've got to stay relevant to the question.

**Hon. Jeremy Harrison:** — Well it is . . .

**Chair Steele:** — Okay. So you're getting to the answer?

**Hon. Jeremy Harrison:** — Well that was the answer. I was trying to give the answer with regard to the . . .

**Chair Steele:** — You want to re-ask?

**Hon. Jeremy Harrison:** — Carbon tax funding which, you know, I said it's complex. There's a number of components to how this works. The Future Electricity Fund is one of the components to how that works. The OBPS payments are another component to how that worked, which is the part two carbon tax of which we ended recently to make Saskatchewan the very first carbon tax-free province in the entire country.

And you know, I said on the record . . . I was asked this question in the announcement that we made about the financial impact. SaskPower is going to be able to manage this internal . . . Going forward we did not have any built-in funding on the clean electricity transition grant which was the other part of the OBPS program beyond this fiscal year.

So we will be able to manage this, but a big part of understanding of how this is managed is within the context of the larger capital plan for SaskPower. Basically what are we going to be spending money on going forward to produce electricity in Saskatchewan? This is really what this is all about.

That's why I keep coming back to this. We need to have the discussion around that topic, because from that topic, clarity will be provided on all of the others. But there has to be an understanding of what the vision and the plan is for SaskPower on the capital front. And really what that comes down to . . . And it's probably the biggest fiscal decision the government will have made and will make in the next decade. That's how vitally important this is. We're talking over \$10 billion of capital.

And this goes back to the clean electricity regulations. All of this

goes to the point, what are we going to be spending our capital money on as taxpayers? And as SaskPower, as a utility, how are we going to be producing power as we go forward? And through the affordability lens, I can tell you, Mr. Chair . . .

**Aleana Young:** — Excuse me. I'm so sorry, Mr. Chair.

**Hon. Jeremy Harrison:** — That we are going to be making sure that we are focusing on the most affordable ways of producing power.

**Chair Steele:** — Excuse me, Minister.

**Aleana Young:** — I'm sorry, Mr. Chair. I deeply appreciate the minister's fervour on this topic, but this is the estimates process. I'm sure we'd all look forward, outside of the estimates process, to hearing the minister talk at length about his vision for SaskPower and the government's capital spending plan . . .

**Hon. Jeremy Harrison:** — It's central, it's central to what we're talking about here.

**Aleana Young:** — But this was a very specific question about grant funding to the Crown and whether or not it is included in the Crown's net income projection for the next year. It's a very specific question.

**Hon. Jeremy Harrison:** — And the question was answered with regard to the Future Electricity Fund, which is . . .

**Aleana Young:** — It was not. Yes or no, is the Future Electricity Fund, as well as the province's CETGs [clean electricity transition grant], as well as the provincial and federal grant funding included in the '25-26 net income projection?

**Chair Steele:** — And maybe there's possibly some historical data that has to work up to that. Could we get to answers?

**Aleana Young:** — We have it in the Q3 report from SaskPower for the first nine months. And I'm just wondering as we look forward to the next year — you know, recognizing this is the estimates process — if that was included in the net income projections for next year.

**Hon. Jeremy Harrison:** — Well the minister's trying to answer, but if the member wants to continue talking, she's welcome to do it as well.

**Chair Steele:** — Okay. Let's try to move on and keep the discussion up and put a little bit more time here to answer the question. And let's continue up for the rest of the time.

**Hon. Jeremy Harrison:** — Which I have answered, Mr. Chair. The Future Electricity Fund . . .

**Chair Steele:** — Okay.

**Hon. Jeremy Harrison:** — Remaining funding is just under \$500 million. It comes from the federal carbon tax that was paid by SaskPower ratepayers from 2019 to 2023. I think it's about \$480 million that remains in that fund. That is money that belongs to customers, ratepayers of SaskPower, but in their trust it belongs to SaskPower. So we will be collecting that money.

That money has been built into our budget as we go forward.

But what I would note again in having this discussion, really the central questions around this, it all comes back to this, is that we need to be talking about what our capital expenditures are going to be. And that means, how are we producing power? And I keep trying to get to this. The member doesn't want to talk about what coal is going to look like in Saskatchewan. They don't want to get to this discussion because I continue to try and get there.

**Aleana Young:** — That's not true. I'd love to have a conversation about that, Mr. Chair.

**Hon. Jeremy Harrison:** — Well I mean I'm happy . . . If the member wants me to talk about it, as she says she wants us to actually have the discussion, I'm happy to talk about it right now because it is so central to the other questions that are all going to be put on the table.

**Chair Steele:** — Can we move from discussion and just to have a question-and-answer period here, you know. And I guess it might take time to answer your questions along the way if there's more information behind it. So let's move on and try to accomplish something in our time that we have allotted. But just to move forward I guess if we could, please.

**Aleana Young:** — Sure. So there's not an answer to that question, yes or no?

**Chair Steele:** — On which?

**Aleana Young:** — On whether . . .

**Chair Steele:** — Okay, go ahead. Your question.

**Aleana Young:** — Yes. So my question is, does the net income projection for '25-26 include the funding from those three grants that we've canvassed? Yes or no?

**Chair Steele:** — Well I think there's a work up to . . . I'll leave it . . . [inaudible] . . . the minister.

**Hon. Jeremy Harrison:** — Well I think I've answered this three times now, Mr. Chair. Well I'll go through it again. The federal . . .

**Aleana Young:** — It's just a yes or no.

**Hon. Jeremy Harrison:** — The Future Electricity Fund is a component, is federal carbon tax collected from 2019 to 2023. There's \$480 million that are remaining in the FEF to be transferred to SaskPower in trust for ratepayers who have paid that federal carbon tax.

[18:00]

I have said now twice — now it will be three times — that that is built into the SaskPower financial plan as we go forward because it's our money. That's why it's built in. So we are going to be expecting the Government of Canada to be providing those resources as we go forward. It's a part of our financial plan, for the fourth time.

As for the other components to the OBPS system, because she was referencing the CETG, which stands for clean electricity transition grant — this will be now the second or third time we've gone through this — half of it, it goes to SaskPower as a grant. We have included the CETG funding last year and this year as basically the successors to because of the agreement with Ottawa and the output-based pricing system. So that is included.

It's not included going forward though. We haven't included it as a part of our financial plans beyond this year. Nor the SMRF fund, which stands for small modular reactor fund, which was the other component or the other recipient fund of the OBPS, output-based pricing system, grant. So I'm not sure how much more clear I can be on this. If I need to answer it again, I will.

**Chair Steele:** — Could we set this to the side and we'll move on and come back to it if you like, if you're not satisfied with that answer? So we can continue?

**Aleana Young:** — Sure.

**Chair Steele:** — Okay, thank you.

**Aleana Young:** — So looking at the contemplated increase to the borrowing capacity of the Crown, is the minister or his officials able to provide the committee with the projected debt for each of '25-26, '26-27, '27-28, '28-29, and '29-30?

**Hon. Jeremy Harrison:** — We'll have a bit of a huddle on that, but again this goes back to the central question about what the future of power generation looks like because that is directly the on-point, relevant discussion that has to do with the broader debt picture of the company. So I've been told I can't talk about that, but that is actually the central question that informs the answer to the question. But we'll huddle here for a minute.

All right, yeah. Thanks, Mr. Chair. So you know, I think I prefaced this before we turned around here about . . . These questions are deeply dependent on the decisions that are going to be made here in the next short while.

For '25-26 I can provide gross and net debt numbers. '25-26 gross is 10.212 billion. Net is 10.054 billion. As for the out years in the '24-27 out to '29, that is entirely dependent on the decisions that are made with regard to the future electricity mix here in the province. It's entirely dependent on whether we're going to be adhering to federal clean electricity regulations or not. It is entirely dependent on whether we are going to be adhering to coal regulations the government have in place or not.

So if the member seeks clarity on what those numbers are going to be out in the future, I need to be able to talk about the discussions and decisions that we're going to have to be making here in the next number of months. Otherwise there's no context. There's no way we can provide clarity without understanding what these decisions are going to look like because these decisions are the absolute base that form what that future is going to look like for SaskPower.

So I know the member doesn't want to let me to get to talk to coal, but that is really where we need to be.

**Aleana Young:** — I mean, Mr. Chair, I love SaskPower

estimates. It's my favourite time of the year. If the minister's, like, made some important decisions in terms of the future energy supply mix for SaskPower that he'd like to announce tonight, I'd be happy to ask some questions if there's actual concrete, specific decisions that have been made that pertain to SaskPower's capital spending.

**Hon. Jeremy Harrison:** — Great. I'm thrilled to talk to the considerations that we're going through right now. I'm not making policy announcements sitting here at estimates, I can tell you that. Employees are going to hear these answers before members opposite . . .

**Aleana Young:** — That's okay. That's okay. I'll move on.

**Hon. Jeremy Harrison:** — But I can tell you if we were to make that decision — the basis on which we were making the decisions and the impacts — if we were to make that decision, that they would have on capital expenditure for SaskPower.

**Chair Steele:** — I'd like to be participating as little as possible. This discussion needs to go back between the two individuals, question and answer. So let's work towards that and be respectful to each other and continue on so there's some productive things being accomplished here tonight. And I'll leave that in your hands for now, and if I have to then we'll get in.

**Aleana Young:** — Thank you, Mr. Chair. All right.

**Chair Steele:** — I don't know how far I'll get in, but . . .

**Aleana Young:** — Are there any rate increases assumed for '25-26 that will need to be submitted and approved to the rate review panel?

**Hon. Jeremy Harrison:** — No decisions have been made.

**Aleana Young:** — What are the latest projections by SaskPower with respect to the annual rate increases that will be required over the next four years in order for SaskPower to hit its long-term ROE target?

**Hon. Jeremy Harrison:** — Again this is the frustration I'm having here, Mr. Chair, in that the questions the member are asking are entirely dependent on the conversation she desperately doesn't want to have. So if I'm to answer any of these questions, we actually have to have the discussion about what the future of generation is going to look like in Saskatchewan.

So every time we try and initiate the discussion, the member raises points of order and says, "You can't talk about that. I don't want to hear about it." Well it goes both ways here. If you want answers to your questions, you have to allow us to actually talk about what is the absolute basis on which those questions would be answered.

So I'm not going to start unless the member cedes the floor and says, "Yes, SaskPower, we will allow you to talk about the absolute bedrock on which the questions I'm asking you for answers on are dependent on." If we can't do that, I'm not really sure why we're here.

**Aleana Young:** — Respectfully, I don't think any of that is

factually accurate. I haven't raised any points of order. I asked what the latest projections are by SaskPower with respect to the annual rate increases that'll be required over the next four years to hit the long-term ROE targets.

Like I've enjoyed these estimates over the past I think four years. Like this is a standard question. This shouldn't be a surprise or difficult to answer.

**Chair Steele:** — Okay, Minister, will you answer?

**Hon. Jeremy Harrison:** — Same response.

**Aleana Young:** — All right. So SaskPower's document, SaskPower's supply planning overview presentation, which has informed a lot of the public-facing work around future energy supply mix, each and every scenario in that document has projected an annual rate increase. So if there aren't any rate increases contemplated, is the minister or his officials able to speak to changes that have been made at the utility to either achieve or change its ROE target?

**Hon. Jeremy Harrison:** — So I'm not sure how many times I can kind of lay out the reason for needing to talk about future generation mix. That is really the underpinning of the discussion or decisions that would be made on everything else. Life extension on coal versus new build gas/renewable — that really is what it comes down to. That really is what it comes down to. And that has enormous implications for all of the questions that the member is asking. She doesn't want to hear about life extension on coal though.

So I can't provide any of the answers because in order for us to get into the discussion around that, there needs to be an understanding of the absolute base of what we're talking about here. And just I would say this: I find it very interesting that the NDP will not allow the government and SaskPower to talk about all the considerations that are going into what future generation . . .

**Aleana Young:** — Mr. Chair, that's simply inaccurate.

**Hon. Jeremy Harrison:** — What the future generation mix is going to look like for SaskPower.

**Aleana Young:** — Mr. Chair, this is an inappropriate use of the estimates committee.

**Chair Steele:** — It is.

**Aleana Young:** — I'm sorry, I . . .

**Chair Steele:** — Okay, it's quite the dilemma we have here on our hands as we try to move forward. But can we not . . . The minister will answer. You will ask the question. And I guess if the answer is adequate and we move through this process and get to the end of our time.

**Aleana Young:** — That would be great.

**Chair Steele:** — Okay. So let's give that a try and move forward. And if the answer isn't adequate, it is the answer. I think there's not much other to your . . . So can we move forward then?

**Aleana Young:** — Okay. So should I ask the last question again or just move on?

**Chair Steele:** — Whatever you think.

**Aleana Young:** — All right. I've asked the question, I guess. There isn't an answer.

Are there financial numbers . . . In regards to capital expenditures, are there financial numbers for '25-26 and the following three years for each of the following: total capital spending, capital spending on generation, capital spending on transmission, capital spending on distribution, capital spending on other? The remainder I imagine would be the total minus transmission, distribution.

**Hon. Jeremy Harrison:** — Sorry, what was the question?

**Aleana Young:** — Is the minister or his officials able to provide the financial numbers for '25-26 and the following three years for each of the following: total capital spending, capital spending on generation, capital spending on transmission, capital spending on distribution, and capital spending on other, which is typically the remainder between the total minus generation, transmission, and distribution?

**Hon. Jeremy Harrison:** — So I would say that there are elements of that which I think we can probably provide some additional information on. But you know, I'm not really sure how to make the point again about this.

The company is facing some very, very significant decisions that are going to be the basis on which out-year capital allocations are going to be fundamentally dependent on. And in order to have an informed discussion about that, we need to talk about the other stuff. And you know, we're not going to get . . . We're obviously not going to get there. The NDP don't want to talk about the future of coal. I get it. I get the politics for them. They don't like that. But, but . . .

**Chair Steele:** — You have the floor, Minister, you can answer. You can answer.

**Hon. Jeremy Harrison:** — Well, I mean I've tried. I've tried over and over again. So I mean we'll see what we can provide with regard to some of the transmission and on other items that are probably a little less circumstance-dependent than generation. We can't really speak to generation, but we'll huddle here and see what we can provide.

[18:15]

All right. Thanks, Mr. Chair. So what I'm going to be in a position to do . . . And I want to thank our SaskPower team here for putting this together. Really this is a . . . You know, we're not going to hit on every project here. But the member asked for kind of the capital expenditure, as I kind of caveated before we turned around, about some of the limitations of being able to speak to all of it.

But what I can talk to is some of the really large and significant capital expenditures that are going to be made by the company in this fiscal. And maybe, you know, a part of the consideration . . .

And I think it'll provide clarity for folks listening about why it's a challenge to answer directly a lot of these questions because of the fact that there are a whole lot of other factors in play. It's really a time of significant change at SaskPower right now.

So with regard to the capital expenditure, the biggest single capital expenditure in this fiscal, and I think probably wouldn't be a big surprise to a lot of folks, but it's the Aspen power station which is located near Lanigan. Going to be a very, very significant generation asset for the company, for SaskPower — a 370-megawatt combined-cycle natural gas facility going to be in operation by 2027. Nearly \$600 million expenditure this year alone, 594 million to be precise, with regard to the expenditure this year on Aspen. So that is, you know, the largest single expenditure.

Distribution customer connects, that's another, you know, very significant expenditure basket as well. Nearly \$170 million on that item; 168 to be precise. And that program is to provide for the connection of new electrical services in the SaskPower system and upgrade existing customer services, Mr. Chair.

Another major capital expenditure, the Regina Operations and Maintenance Complex. I referenced that project in my opening comments, Mr. Chair. That is a nearly \$70 million budgeted capital expenditure this year — 69 million. This is phase 2 of that project, and really the objective of that project is to consolidate the SaskPower operations that exist in the Regina area into one complex.

So that will mean taking the operations from the Regina service centre, the Federal Pioneer building, the Regina maintenance centre, Lumsden field office, the Broder Street warehouse, and the White City pole yard. And really what we're doing is replacing a lot of end-of-life assets and consolidating all of those at the Regina location.

Another major one, the southeast transmission capacity expansion, \$63 million capital project. And this was also . . . I referenced this in my opening remarks. So 230 kilovolt interconnect between the SPP, or the Southwest Power Pool, and SaskPower, which will add 500 megawatts of additional transmission service. It will improve reliability, increase the flexibility of the SaskPower system.

Along with that comes a new switching station near Estevan, just outside of Estevan actually, and two brand new 230 kV, kilovolt, double circuit transmission lines. So that is really a part of what is a very, very significant project, multi-year project to connect to the Southwest Power Pool.

We have the AMI [advanced metering infrastructure] residential mass deployment, and this is really the smart meter rollout, Mr. Chair — 30,000 smart meters to residential customers I think. A lot of folks probably have noticed this particular program. Real advantages to having smart metres: earlier outage detection, shortened customer outage duration simply because we know immediately when that's occurring; real-time billing; and more detail. Customers have more detailed information about their power consumption, which actually can inform for a lot of folks how they consume power with an objective of being more efficient, saving power.

We have the rural rebuild and improvement program, a \$46 million investment this year. Strategic replacement of Saskatchewan's rural electrical distribution system. Really what this is is replacing lines with things like poor reliability or performance, removal of lines from farm fields, which can be really very dangerous. And I think a lot of our rural farmers know that this can be a challenge. So that is a part of that rural rebuild and improvement program.

We're doing a transmission line rebuild. We're calling it the Meadow Lake transmission line rebuild. This was a decision taken before I was minister, I should add. But it's 72 kilovolt transmission line rebuild. And really that is about maintaining the reliability of the ML3 72 kV line. And I referenced it a bit earlier but we have some challenges on occasion on the reliability front in Meadow and area. And it's because we really are highly dependent on a single line and our generating station, which is coming to end of life in Meadow Lake.

I would add, significant improvement having the brand new biomass power facility that Meadow Lake Tribal Council has constructed. And they're doing a good job in running and really have made great strides on the efficiency of the operation on that project.

Thirty million dollar investment on the Timber Cove to La Ronge — call it TC5 — 72 kilovolt transmission line rebuild. Same idea. This is around providing additional reliability for communities like Timber Cove, Weyakwin, Montreal River, and up to the La Ronge substation. And that includes 138 kilovolt line from Tracey Road regulator to the La Ronge substation as well.

We have the rural underground mitigation program. And that is a nearly \$30 million capital expenditure, replace aging rural underground distribution primary cable that's approaching end of life. E.B. Campbell hydroelectric station life extension — and that's for units 1 to 6, 7, and 8 as well — \$27 million project to make sure that our hydro generation capacity stays reliable.

And I would add as well, one of the things that we are working through, probably not well known and I don't think it is really that well known, but there are actually two power grids in Saskatchewan. So the northern and southern power grids in the province, they're actually not connected. So we have two entirely different systems. So if we actually want to wheel power from southern Saskatchewan, that's generated in the southern part of the province, to the northern part of the province, we actually rely on interconnects with Manitoba Hydro to wheel the power through northwest Manitoba and then back onto the Saskatchewan grid, which is, I would say, really not an ideal situation.

There's a limit to the amount of power we can move through that system. We are having very, very significant increases and what we project to be significant increases in load demand in northern Saskatchewan. And this has to do with things like new mines being built and the capacity or opportunity for new developments to occur in the North.

So one of the things we are giving very significant consideration to, and this would be a policy decision that we would take as government, would be to connect the northern and southern grids within the province, which I think most people would say, well

that makes sense. And it does make sense, but it probably will cost 7 to \$800 million to do. Nothing in the power business is cheap. And that would basically entail running a line up to Island Falls. I mean that's basically how we would actually have to connect the two power grids. But what that would mean is that we would not be dependent on the limited quantity that we could wheel through Manitoba in order to do this.

And you know, this is part of a broader discussion about energy security which I wanted to get into and about how energy security is going to be a real basis on which we are making decisions at SaskPower that inform very, very significant capital decisions. And by energy security I mean power generation security probably more specifically. But power generation security is going to be something that we are putting at the very, very, very top of the list as far as prioritizing capital investments at SaskPower going forward.

I do not want to be dependent — and I think this would be a view shared by a lot of northerners as well — dependent on the goodwill of Manitoba Hydro to maintain the ability to move power through their system, which we have agreements in place with them on some of these things. But really it has a significant impact on our ability to move power to northern Saskatchewan and frankly our ability to supply long-term power generation securely for investments that would be going into that particular part of the province.

So a 7 or \$800 million decision that we're looking at right now, that has a huge long-term impact into the '26-27, '27-28, '29-30 planning cycles as far as capital. So that is even . . . That is probably a 10th of the magnitude of the decision that we're having to take on coal, which the opposition don't want to talk about. So that really, Mr. Chair, is what I'm really trying to emphasize for committee members about why there are challenges in giving short answers. Because these are very, very complicated issues, some of which are policy related, some of which are financial, some of which are entirely dependent on decisions that have yet to be taken.

And you know, this power interconnect between northern and southern Saskatchewan really is one of these pivotal ones. So I raise that, I talk about that to give an understanding for why it's a challenge and why SaskPower really is at a crux point, a lot of the decisions that we're making.

[18:30]

**Aleana Young:** — Thank you. Thank you, Minister. Perhaps if those specific figures could be provided to the committee at a later date, that would be appreciated. It is my assumption that all of the Crowns still do five-year planning. If that's changed, I apologize. I missed that. But I would look forward to that information if it is available as it pertains to those specific questions related to capital spending.

Perhaps recognizing the time, I will just read through the questions that I had for the committee. I'll look to the committee or to the minister to provide those answers if that's of interest. They are relevant to I think the very important considerations and decisions that the Crown and the people of the province have ahead of them as it pertains to Saskatchewan's energy security and its energy future and maintaining that reliable and affordable

power.

So, Mr. Chair, perhaps I will just read through them. There aren't so very many. And then we'll turn it over to discussion or hopefully some answers.

I'll begin here, still in the capital expenditures section, if there was a value forecast capital program in '25-26, '26-27, '27-28, '28-29, '29-30 that could be provided to the committee. I have some specific questions pertaining to the cost escalation that we're seeing from Chinook to Great Plains, then from Great Plains to Aspen, and if there is any information in terms of how that would be informing future capital expenditures or natural gas projects undertaken by the Crown utility, and if we could expect to see these continued escalations.

I was also curious with LNG Canada coming on stream in a number of weeks, if there was an anticipated impact on natural gas prices for power plants for the province going forward.

I had a couple questions about cost of service, as the cost of connecting customers to the grid has been significant in the past couple years. I was going to ask if the minister and his officials could provide the cost for the last five years as well as the projected cost for '25-26. And in addition to that, kind of more on the policy side, if the policy around cost of service could be clarified.

This is something that as the critic I do receive the odd piece of casework around, cost of service in particular for farm customers. I have, you know, for the officials' and the minister's consideration, had some concerns raised around basically, as I understand it, changing quotes that have been received from the Crown utility for folks looking to build out projects, particularly farm customers. So just some clarification around what the policy is surrounding cost of service.

On the topic of SMRs, the Premier said previously that SMRs built in Saskatchewan will be publicly owned. I was looking for confirmation around whether that was still the case, if this has changed, and how much incremental debt would be required to fund the initial SMR under consideration by SaskPower's public SMR project schedule.

SaskPower was to have announced the formal site selected for an SMR in early 2025. Still feels like winter out there but we are into spring, so I was curious if there was an updated timeline or when a site would be selected and announced. As a consequence I was curious as to whether other elements of the project schedule had been pushed forward and if the committee could be updated on the construction licence application and submission process. I had a question of course on how much has been spent to date on SMR-related activities, and I'm curious what the funding breakdown . . .

**Chair Steele:** — MLA [Member of the Legislative Assembly] Young? Would you like . . . Is it possible that the minister could respond to a couple of them and put them to rest now if possible?

**Aleana Young:** — I'd love that, Mr. Chair. Thank you.

**Chair Steele:** — Okay. We'll just give him an opportunity if he would like to. Is there any of those questions that you'd like to



touch base on or put to rest?

**Hon. Jeremy Harrison:** — Thanks. Thanks, Mr. Chair. So there were obviously a significant number of questions, and I know the member would avail herself of the process for, you know, making submission with regard to responses to those questions. But I'll try and touch on a couple of them anyway, Mr. Chair.

So you know, one of the questions I kind of had just jotted down was with regard to the increasing capital cost on natural gas plants. And without question there is a cost escalation on the capital side for gas. And this really has to do with the fact that there is a, you know, there's a significant amount of demand and a limited amount of supply. And that's really what it comes down to.

So you know, our cost estimate on Aspen was 1.4 to 1.7, I think. We're going to . . . We're under construction right now and things can happen, but you know, we're hopeful we're going to be in that range in the context of the construction component to Aspen. But really, I mean, and you kind of I think extrapolate it out from that where the decision is going forward on future capital expenditure.

And really this is partly what's driven the discussion and consideration we've been having on the coal life extensions. I mean you're looking at a, you know, \$1.7 billion-ish expenditure on Aspen for, you know, 370 megawatts. Boundary dam 6 is, you know, around that. It's probably twenty . . . What, 350? BD6? . . . [inaudible interjection] . . . Yeah, 300, okay. So it's about 60 megawatts less.

But you know, you're looking at what's the capital cost of a life extension on a coal-fired thermal facility versus a new build gas. And I can tell you right now — we'll be talking probably a bit more about this in some more detail — but I can tell you it's a fraction. It's a fraction.

Which speaks well — and I said this at the SARM [Saskatchewan Association of Rural Municipalities] convention — it speaks extraordinarily well to how dedicated our employees have been at SaskPower for decades in running and the pride that they've taken in maintaining these coal-fired generation facilities over those decades.

You know, our engineering reports on this show a health per unit of new, 80 to 87 per cent on each one of the coal-fired thermal generations. It's remarkable how good a condition that these facilities have been maintained in because of that dedication of our workforce.

So I just have all the respect in the world for our coal workers, whether it be on the mining side, whether it be our employees in BD, Boundary dam, or at Poplar or at Chinook. I can tell you there are a lot of provinces right now that wish they had the option to make the decision that we're going through right now. They wish they had the option to do it.

And it is being driven to a degree by the capital expenditure, life extensions being a fraction of the cost of new capital for gas. Part of it. Other parts of it are security, energy production, power production security. We are importing right now over 90 per cent of our gas that we're putting into our gas-fired units, which is . . .

About 40 per cent of our generation mix right now is gas.

Over 90 per cent of the gas that is being burned in those units, we are importing through three lines, and those are from Alberta and the United States. We're entirely dependent on those lines continuing to operate, and dependent on jurisdictions that are not us. I wish we were in a position to produce 90 per cent of the gas for our natural gas plants, but we're not. We're not. I wish we were in a position to be producing 60 per cent of our power through hydro, but we're not. We don't have the geography to do it here.

What we do have is coal. That's what we have, and we have it in very significant quantities, measured not in tens or twenties of years but hundreds of years of supply. And the lens that we're looking and making decisions on these really incredibly significant items is through that lens — power production, security, security of supply for fuel, security on price.

I can tell you, Mr. Chair, I know what the price of coal is today because it's the same price that it was 20 years ago, and it's the same price that it's going to be 30 years in the future. And that price is zero, because we own it. So we know what the price is going to be. And there's a royalty, but nominal royalty that's charged along with that, that goes back to the public of Saskatchewan because the people of Saskatchewan own the resource.

When we're importing 92 per cent of our gas to burn in our gas plants, where does that royalty go? It goes to North Dakota. It goes to Alberta. It goes to British Columbia. It doesn't go here.

And what is the price of gas going to be in 20 years? If you can answer that question, you should be sitting on a commodities desk in New York, not answering the question, listening to me talk, because we don't know what it's going to be. But I can tell you this — it's probably going to be higher. It's probably going to be higher.

You know, Henry Hub price I think is, you know, well over \$4 for gas. I didn't look what it was today. But it's, you know, over four bucks a gigajoule or an MMBtu [million British thermal units]. Essentially the same measures. They're a little bit different, but essentially the same price. It's been as high as nine. Is it going to be one? We don't know.

But I do know what coal costs. And I also know what the capital cost of coal is going to be because they're already built and they're already amortized. So the cost of the life extensions . . . We are going to be talking about that a bit more in detail, but it's a fraction of new build gas. So these are the discussions and these are the decisions that we are making.

And I'm insisting on talking about this because literally there are thousands of people whose jobs depend on this decision. The community of Estevan . . . I'll tell you, the community of Estevan, the community of Coronach entirely is dependent on this industry. And we are deeply mindful of that. These people who have dedicated their lives to working in these facilities, who have taken incredible care in maintaining the quality of these facilities. These coal miners who are out there every day, working their tails off to keep the lights on around here. They deserve our gratitude.

[18:45]

And the flippancy with which the federal government said, “You’re transitioned out now. You’re done. We’re going to train you for a green job of the future.” I’ll tell you, I have a hard time even being civil when talking about some of these things, because you listen to a Liberal cabinet minister. You listen to Wilkinson or Guilbeault. Well it’s like flipping a switch. “Yeah, these people, who cares? We can train them for a green job of the future.” Well what the heck is that? Give me a break. And the amount of . . .

**Aleana Young:** — Mister . . .

**Hon. Jeremy Harrison:** — No, I’m insisting on this.

**Aleana Young:** — It’s a question about coal.

**Hon. Jeremy Harrison:** — And the amount of resources that have been allocated for this, Mr. Chair, by the Government of Canada have been minuscule to none. Literally allocated nothing for these communities, which will be, in the case of Estevan, devastated, in the case of Coronach, done. Nothing. So these are decisions that we take extraordinarily seriously.

And you know, I’ve been pretty open about what my preference is on this. We haven’t made a final determination. When the announcement’s made, the announcements will be made. But I think people need to and deserve to have an understanding of the considerations that the government is putting into and the care that the government is giving to make sure that we’re going to make the right decision on this going forward, regardless as to what the Government of Canada or frankly the opposition here have to say about it.

**Chair Steele:** — Could we move to another question? Do you have any of the ones that you’re presented with you would like to answer?

**Aleana Young:** — I can ask another question, Mr. Speaker. Although I, you know, I thank the minister and his officials, although firmly, firmly reject the minister’s assertion. But he did say in his comments that he knows what the cost of life extension for a coal plant would be. I’d be very interested in putting a dollar figure to that, Mr. Chair.

**Hon. Jeremy Harrison:** — Yeah, we’ll be talking about that. I’m not putting the dollar figure on it right now, but I can tell you it’s a fraction. Like less than a quarter.

**Aleana Young:** — Okay. Thanks for that, Minister. What investment is being made this year into engineering design procurement for the coal refurb project announced by the government?

**Hon. Jeremy Harrison:** — So we have done significant work on analysis, both within SaskPower but also with outside consultants on determining the health of the units which, you know, I alluded to earlier and I talked about publicly as well. I mean, I’ve used the number in a number of different public forum, including at the SARM convention.

I talked to *The Globe and Mail* about this as well, and they

reported it a little bit wrong, but the point was that these units are in very, very good condition — 80 to 87 per cent health — which, you know, again really does speak to the care and the pride that our employees, SaskPower employees have had working on these facilities.

And I would say as well to this point, it’s been really a pleasure, and I would say that it’s been a huge benefit working very closely with IBEW [International Brotherhood of Electrical Workers] as well, who are the front-line, on-the-ground operators and have been great, great supporters of the direction that we’re working towards here, have provided incredibly insightful thoughts and observations and just really first-hand experience with a lot of elements that go into this.

There are a lot of . . . This is very complicated. I mean this is not an easy thing to do. We have done coal life extension before. We did . . . On Boundary dam 3 a part of the carbon capture addition was a life extension on the unit itself. Yeah, we’ve done life extensions as well earlier. Poplar River has been life-extended. So you know, we do have experience in doing this. We do know.

But we’ll be kind of getting into some of the nuts and bolts when we get there, which is not tonight. But you know, all that being said, what I really do believe to be of significance and importance for — you know, this is thousands of people whose livelihoods and jobs depend on this — is that they have an understanding of the thought and care that their government is putting into this, and their employer in SaskPower.

And all of the jobs that are associated with that decision, including those out in the field with our coal miners, and all of the businesses that really depend on these very, very good jobs continuing into existence. So I have yet to hear though whether the opposition actually support this.

**Aleana Young:** — For sure, Mr. Chair, I did have a question there. I was reminiscing earlier with the Minister for — or at her, I should say — for Rural and Remote Health about my time working on the carbon capture project at Boundary dam 3. And I used to tour folks around that place with SaskPower officials and members of the minister’s government back in the day. It’s an exceptional facility.

But again it was a really specific question about what, if any, investment is being made this fiscal into engineering design procurement for the coal refurb project announced by the government. I didn’t hear a dollar figure from the minister. So I could ask in another way. What, if any, capital spending has been targeted to this project for this year? And I’d also like to ask whether this government has changed and whether carbon capture technology is being reconsidered by this government when it comes to coal.

**Hon. Jeremy Harrison:** — So with regard to capital allocation, that’s dependent on us making the final determination and announcement about direction. So I can assure members and assure employees at SaskPower that if an announcement is to be made, that we are going forward. There will be significant allocations of capital for the life extension project.

With regard to carbon capture, I would say this. SaskPower have done really a remarkable job in proving out, working through

technical challenges on this as well. I mean this is a first of a kind, working through technical challenges on the technology to the point where, you know, we have a very well-operating unit at Boundary dam 3. And we talked a little bit about that in the opening remarks, but a unit really that has a very high degree of availability, you know, one of our most reliable units right now actually that is doing what it was designed to do, you know, at record levels. I think even our last quarter was probably the best quarter we ever had actually for the operation of Boundary dam 3.

But I've also said this on the record with regard to, you know, potentially life-extended coal units and the addition of carbon capture technology. I mean we're going to be looking at the economics. The numbers have to work on all of this, and that will be the lens through which we are making determinations on the feasibility of additional carbon capture units.

And by the economics what I really mean is, are we going to be able to use the carbon captured in such a way that we're going to be producing more oil? I mean that's what it really comes down to through enhanced oil recovery and working with our producers, you know, in the Weyburn-Estevan area to use that CO<sub>2</sub> to produce through that EOR [enhanced oil recovery] process. And it'll be a little different for different companies, but you use that resource for enhanced oil recovery.

And we have an objective of getting to a million barrels per day of oil production. That's going to mean that we need to do some innovative things to get there. Part of that could be using carbon captured through life-extended coal units, but those will be decisions that will be taken in the context of, you know, the condition precedent decision, which is around life extension. And then subsequent to that, you know, we would be looking at the economics around carbon capture.

But those would be decisions made for reasons of economics, and they would be decisions made for reasons of producing more oil, which really at the end of the day means more revenues for the people of the province. So that will really be the lens.

**Aleana Young:** — I'm not sure how you get to a million barrels per day without a significant implementation of enhanced oil recovery, and CO<sub>2</sub>'s obviously one of the key drivers for that.

Looking at the coal rebuilder refurb, how does this impact the timelines for SMRs? And I'm interested in particular what labour market opportunities or challenges might exist with potentially rebuilding the coal fleet alongside a nuclear build-out, potentially in the same general geographic location.

**Hon. Jeremy Harrison:** — So thanks, Mr. Chair. The short answer to whether a coal life extension will impact timelines from SMRs is, absolutely it does not. Our objective is to get to nuclear power production, which is what I really started this entire discussion around, which is the long-term vision and future for SaskPower, is getting to nuclear.

And you know, we're waiting on OPG [Ontario Power Generation] who are our partners in this project, Mr. Chair. They are the leads. They are, you know, in the process right now at Darlington. The construction process has been initiated at Darlington. We're going to have a better idea around the cost.

Relatively near future we are hoping to have the class 3 engineering numbers. Already those have been delayed, delayed probably five or six months so far from OPG. That will give us a much more clear picture of what the actual cost, on unit, you know, 289. I mean that's really what we're going to be looking at on a lot of this.

So you know, the other thing though I've talked about publicly as well is the objective being nuclear. The objective isn't necessarily going to be just SMRs. I mean we're also keeping an open mind to other potential nuclear options, and that could include large-scale nuclear. We're going to keep an open mind on these things. There isn't necessarily just one path here.

We're going to be looking at options that make sense for the company but, you know, more importantly make sense through the lens of affordability and reliability. But also through the lens of energy security, power production security, in that 25 per cent of the world's uranium is here. Much like the argument I just made about coal — that's what we got. The other thing we got is uranium, and that's why we need to get to nuclear in the longer term. And as much of the in-between from mining to power production, we need to have here too.

And I would give credit to a number of folks who have been doing a lot of work and a lot of thinking on this. SIMSA's [Saskatchewan Industrial and Mining Suppliers Association] been a great partner in all of this; the Sask Chamber. I mean you've heard about it. I wasn't at the conference today, but I'm sure that was a significant part of the conversation.

A lot of work has been done on nuclear supply chain, on workforce development. I can tell you the company has put a lot of work into workforce development, starting now. This is not something you can just start when you make a go/no-go decision on a project. You need to start this significantly in advance. And I look at this as an all-of-the-above approach for the power production but also for a labour market. It's not that you can do one or the other.

I mean I think there's a lot of opportunity for tradespeople to work on a whole number of different projects. There obviously are different certifications required with regard to working in that nuclear space, but Sask Poly have put a lot of work into this. You know, our post-secondaries more generally have put a lot of work into this.

But really I would say that we have in government through SaskPower, through ICT [information and communications technologies], there's been a lot of thought that has been put into the development both of the labour market side, but also in how do we create the nuclear supply chain and maximize nuclear supply chain here in this province where it should be, and frankly where it should have been for the last four years. And I won't get into the whole history about why it's not, but it should be. And government of the day chased it out, and it was very unfortunate that that happened.

So we're starting from a place I wish we weren't necessarily just being on the resource extraction side of it, but we are very committed to getting the value-add on the supply chain. And as we look at nuclear, I would say as well that power production security, including fuel, is going to be a part of that conversation,

which has become increasingly apparent, the significance of having your supply chain from start to end being as much in your jurisdiction as possible and the way the world has changed.

[19:00]

**Chair Steele:** — Okay, it looks like our time has come to an end. Having reached our agreed-upon time for consideration of the estimates of the Saskatchewan Power Corporation, we'll now adjourn consideration of these estimates. Minister, do you have any closing comments?

**Hon. Jeremy Harrison:** — I thank the committee, but really I want to thank our team at SaskPower who work extraordinarily hard every day and put their heart and soul into keeping the lights on for people in Saskatchewan.

**Chair Steele:** — Okay. MLA Young.

**Aleana Young:** — Thank you, Mr. Chair. I'd like to thank you for your efforts as well as other committee members and the minister for his engagement here tonight.

As I said off the top, I'd like to thank the SaskPower officials for their respect and their professionalism that you continue to show, not just at committee, but to the work that you do each and every day in preparing for tonight. As well as, I know, probably the dozens of folks watching at home who contributed to preparing, not just for the budget process but for the estimates, as well as doing the good work of the corporation both downtown and across the province keeping the lights on, whether it's in terms of generation or line techs making sure that we get our power back on when it goes off. I really appreciate the efforts of all of your employees and all of you here tonight. Thanks, Mr. Chair.

**Chair Steele:** — Thank you. And as myself as committee Chair, I'd like to thank the members of the opposition, members from this side, and the officials and the minister for his time, and Anne for the help this evening. And thank you, gentlemen. So we'll adjourn and recess until 7:30. Thank you.

[The committee recessed from 19:01 until 19:30.]

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Telecommunications Holding Corporation  
Vote 153**

**Subvote (ST01)**

**Chair Steele:** — Okay, welcome back. Next we'll be considering estimates for vote 153, Saskatchewan Telecommunications Holding Corporation. Loans, subvote (ST01).

Minister Harrison is here with his officials from SaskTel. I would ask that the officials please introduce themselves before they speak for the first time, and please do not touch your microphones. Hansard operators will turn them on and off for you. Minister, will you please introduce your officials and make your opening remarks, please.

**Hon. Jeremy Harrison:** — Sure. Well thanks very much, Mr. Chair, and thanks to committee members. Again I appreciate you

being here. We are pleased to be here to discuss consideration of estimates for SaskTel.

Before I begin I would like to take a moment to introduce the officials joining me: Charlene Gavel on my left, president and CEO; Scott Smith, chief financial officer; behind, Jamie Patterson, associate corporate counsel; and Jeff Welke, director of corporate and government relations. I want to thank them for their work and for being here today. I also want to acknowledge the other officials who are standing by to support with any questions that may arise.

SaskTel is delivering for Saskatchewan by supporting the province's communications needs through 1.4 million customer connections, including nearly 670,000 wireless accesses, 242,000 wire line network accesses, 292,000 internet and data accesses, and over 110,000 MaxTV service subscriptions. In delivering its world-class services, SaskTel is responsible for maintaining over 1,000 individual cell sites, thousands of kilometres of fibre optic backhaul, and over 1,570 network buildings that can be found in nearly every village and townsite in the province.

Demand for connectivity continues to reach new heights, with traffic throughput on both of SaskTel's wireless and broadband networks growing each year. On the broadband side, which includes SaskTel's iNet and DSL — digital subscriber line — networks, we saw the core network process approximately 3 terabytes of data per second every day throughout 2024. In more practical terms, this is the equivalent to transmitting 1,000 copies of *Encyclopædia Britannica* every second.

For wireless data, usage also grew. SaskTel saw a 23.9 per cent increase in 4G and 5G data volume on its network from January 2023 to December 2024. And that was fuelled by factors such as increased online gaming, social media use, music streaming, and video streaming. We do not expect that these trends are going to let up. Currently around 7 in 10 Canadians use smartphones to access the internet, and this figure is only set to increase as younger demographics tend to skew higher in their daily use, which I can confirm, being the father of a 14- and 16-year-old.

While SaskTel's financial results for the 2024-25 fiscal year are still being finalized following the March 31st year-end, I'm pleased to report that strong subscriber growth has contributed to what is shaping up to be a successful year. Preliminary figures indicate that total revenues are tracking near the upper end of expectations and that income for the year is expected to be close to the \$90 million target, though final calculations are still under way.

This performance has been achieved while SaskTel has continued to offer a range of affordable and low-cost rate plans and packages despite ongoing inflationary pressures that have impacted the broader economy. SaskTel's ability to maintain strong financial performance while delivering accessible and competitively priced services is a reflection of its commitment to serving the people of Saskatchewan.

For affordable television entertainment, SaskTel has offered its trimmed-down basic television package, MaxTV Lite, since 2018 for \$25 per month. This package is available on traditional MaxTV and MaxTV Stream and comes with a total of 18

channels. For those requiring wireless services, SaskTel offers a number of prepaid and postpaid plans starting as low as \$10 a month. Further, SaskTel's digital-only Lum Mobile now offers Saskatchewan residents a lower cost, self-serve option for prepaid wireless service. And as always, SaskTel continues to offer bundle discounts for customers who subscribe to multiple SaskTel services.

For 2025-26 I know that SaskTel will continue to deliver for Saskatchewan people. Over the coming year, SaskTel expects further subscriber growth across its existing customer base as they push their infiNet network into more rural communities and invest further into growing the 5G wireless network.

As recently as March the 26th, SaskTel announced the expansion of 5G service to nearly 100 rural cell sites, including — not exhaustive list — but including Arborfield, Beechy, Big River, Cabri, Canora, Collins Bay, Cypress Hills, Kenosee Lake, Limerick, Naicam, Pelly, Ponteix, Raymore, Rockglen, St. Gregor, Simpson, Spruce Lake, Stewart Valley, Val Marie, White Bear, White Fox, Zenon Park, and many more. With the addition of these new sites, SaskTel now delivers 5G to the province through over 700 cell sites.

In aggregate it will be another year of continued commitment to network investment. In 2025-26 SaskTel plans to invest \$465.9 million in capital spending across Saskatchewan to ensure customers continue to receive the high-quality services they rely on to fully participate in today's digital economy. This represents an increase of approximately \$25 million, or 5.7 per cent, over last year's capital plan. This additional investment will enable SaskTel to stay on track with its 5G deployment and multi-year rural fibre initiative while continuing to advance other high-priority projects.

A significant area of focus this year is the Aurora program, with \$83.5 million allocated to support progress on four key projects developed in partnership with the Government of Canada. These projects aim to expand and enhance wireless and broadband connectivity for northern and Indigenous communities, helping ensure more equitable access to services and opportunities across Saskatchewan.

By the end of 2027, over 6,700 households in more than 30 northern communities will enjoy better internet connectivity because of this program. This includes communities such as Cumberland House and Pemmican Portage. SaskTel was pleased to begin notifying customers in Cumberland House and Cumberland House Cree Nation last week that the network is now live and eligible customers can begin signing up for home service installations.

Residents and travellers who rely on Hanson Lake Road, Highway 106, will also benefit from the implementation of coverage along the 325-kilometre corridor. This investment specifically will provide improved public safety for residents of Indigenous communities, such as Deschambault Lake and Ballantyne Bay, as well as better 911 access for the many people who visit the area for its camping and recreational opportunities.

Throughout all of this, SaskTel continues to take steps to strengthen its network security and empower customers with effective tools, such as its new digital security service, which

helps customers protect themselves from online threats. Looking ahead, we expect to see continued momentum in the development of new digital tools, particularly as SaskTel's new 5G innovation labs gain traction and attention here at home.

These labs are positioning Saskatchewan as a leader in next-generation technology development and application. These labs will serve as a hub for groundbreaking research, experimentation, and collaboration, where innovators will push the boundaries of what is possible with 5G technology. From developing next-generation applications and services to testing cutting-edge network infrastructure, the possibilities are limitless.

Prior to the launch of SaskTel's two 5G innovation labs, it's worth noting that only two such labs existed across the entire country. With the addition of SaskTel's facilities, Saskatchewan now leads the nation with more 5G innovation labs than any other province. This is a point of pride and a clear signal that Saskatchewan is positioning itself as a national leader in digital innovation in emerging technology.

SaskTel's dedicated team has also taken action to make it easier for customers to access quality and accessible customer services. The grand opening of their new retail store in Prince Albert last August was a success and highlighted the many developments that have occurred in the retail space to support customers of all abilities. The store, which includes adaptable consultation stations, will serve as the blueprint for all future SaskTel store remodels.

To make our communities better for all, for persons with disabilities, our youth, and Indigenous people, SaskTel as we know also supports a strong community investment program. In 2023-24 SaskTel contributed \$2.9 million to 1,018 non-profit and charitable organizations, community associations, venues, and partnerships in 237 communities. SaskTel is on track for similar sponsorship investments again in 2024-25, and the forecast contributions for '25-26 are approximately \$3 million.

SaskTel has also continued to demonstrate its strong, invisible commitment to the people and communities they serve across Saskatchewan through collaborative efforts with other Crowns and Saskatchewan government ministries. SaskTel's Be Kind Online initiative, which teaches young people about online safety and promotes more positive online experiences for youth, is the result of an ongoing relationship with the Ministry of Education.

In September 2024 SaskTel also announced a new recycling collaboration with SaskBuilds in support of their Phones for a Fresh Start program with an initial donation of nearly 2,500 late-model, government-owned devices. These donations and those to come will help to support this incredible program and its efforts to provide personal and private phones for survivors of domestic abuse and youth transitioning out of the care of the Ministry of Social Services.

These are some of the prime highlights of SaskTel's capital investments and impressive community work in the province. Looking ahead, SaskTel will continue to engage with other technology and private service providers to build new relationships that benefit Saskatchewan people. This includes finding new ways to power the future of agriculture with smart ag technology and solutions.

The agricultural landscape has undergone significant changes over the past few decades, and farmers are increasingly turning to digital technologies to help produce better yields. New digital tools and resources also continue to be incorporated into farm machinery to keep track of data such as grain quality or loss during harvesting.

To support the future of farming, SaskTel has built collaborative partnerships with both Saskatchewan-based and global innovators that are driving new solutions that benefit the agricultural industry. Some of these partners include Kvale, Smart Paddock, and Xact Agriculture. One example of the innovation supported by SaskTel is its partnership with Smart Paddock, which has been in place since 2021. Through this commercial agreement, ranchers and livestock owners across Saskatchewan have access to GPS [global positioning system]-enabled ear tags, allowing them to manage their herds with greater efficiency and precision. This is a practical demonstration of how cutting-edge technology can directly benefit our agricultural sector, something which we believe is truly positive for our province.

Before concluding, I'd also like to address SaskTel's ongoing monitoring of federal regulatory developments, particularly as they relate to mandated access to its network infrastructure. In August 2024 the CRTC [Canadian Radio-television and Telecommunications Commission] issued a directive requiring SaskTel, alongside Bell and Telus, to provide wholesale access to their fibre networks, including to national carriers.

In response, our government has formally expressed its strong opposition to this decision. Particularly given the potential consequences for rural connectivity and long-term investment, it's something we're very concerned about. We continue to advocate that SaskTel's extensive fibre network, which has been strategically developed since 2011 to serve the people of Saskatchewan, should be exempt from this mandate. As it stands, the CRTC's decision risks diverting SaskTel's return on investment out of province rather than reinvesting those returns back into improved service, innovation, and local infrastructure.

SaskTel is a critical Crown asset, and I'm confident that its executive leadership, board of directors, and dedicated employees across the province will continue driving the organization forward, delivering growth, fostering innovation, and securing a strong and sustainable future for the company.

Thank you, Mr. Chair. That concludes my opening remarks, and I look forward to responding to questions from the committee.

[19:45]

**Chair Steele:** — Thank you, Minister. I'll now open the floor to questions. MLA McPhail.

**Jordan McPhail:** — Thanks to the Chair and committee members and Minister Harrison. It's great to be here. For some of the folks in the back, you might have seen my employee number cross your desk at one point or another. I was a SaskTel employee prior to entering here. So as, like, I like to say, I'm all growned up now.

But no, it was an honour to work under some of your leadership

as a SaskTel employee, a field services technician. I started as what was a customer service technician in Saskatoon on a temporary four-month contract, and that turned into 10 years of just absolutely some of the best sights to see in northern Saskatchewan. Worked on all the network equipment. As we say in the North, your job title was left in Prince Albert. We help each other and do everything up in the North.

So proud member of Unifor Local 2-S when I was there and also had the opportunity to climb the telephone poles in northern Saskatchewan in Wollaston Lake, probably one of the only places that you need to wear ski goggles to make sure your eyes don't freeze shut.

And you know, also a very proud member of the north-of-the-55th-parallel lockout crew. During the Crown strike we had some really fun times doing some human bowling on the pickets there. And it's an honour to be able to sit in this place now and advocate for some of the brothers and sisters that I knew at the company.

And you know, sitting at the desk in the La Ronge work centre, seeing that, you know, the site went from 22 working members down to about 10 when I had left. There's definitely been a huge change in the way that SaskTel delivers services throughout Saskatchewan, and again I'm just happy to be here and I thank all the staff for, you know, taking the time out of their days and evenings and preparing for this.

And I won't go on much longer, just on the Hanson Lake Road. I know you'd mentioned it in your remarks there, and I want to thank the person that held my seat before me, MLA Doyle Vermette, who I know has advocated for a long time for the safety of the people travelling on that road and making sure that they have access to cell reception. Northern Saskatchewan is one of those places where you can travel for many hours between cell phone towers.

You know, I saw this first-hand during the campaign. When you leave home, you have service for the first 15 minutes in La Ronge, and then you turn onto the gravel road and you don't get it until you're about five minutes out of Creighton. So thank you to the MLA that held my seat, Doyle Vermette, for all the work that he's done over the years to advocate for this. I'll maybe wrap up my little preamble there and get right into questions.

On a bit of the finances from SaskTel, SaskTel is currently projecting a net income of \$116.6 million in 2025 and 2026 versus a forecast net income of \$90 million in 2024-2025. Can you explain why SaskTel's net income is increasing by almost 30 per cent in 2025 and 2026?

**Hon. Jeremy Harrison:** — Sure. I'll probably turn it to officials for maybe that. But I just want to say, I appreciate your comments. Really do. And I know, you know, through me, our senior team appreciate that as well. Appreciated your service at SaskTel and appreciate your service here as well. Congratulations on your election.

With regard to the Hanson Lake Road project as well, I join you in acknowledging the advocacy from Doyle on that project over a number of years. I'd add to that list as well Gary Vidal who has been now the outgoing Member of Parliament for northern

Saskatchewan but who really strongly advocated for that project as well, working with the federal level to secure the funding. And obviously, you know, at SaskTel this was a priority as far as our investment into northern Saskatchewan as well.

But with regard to that specific question, I'll maybe turn it over to the team here for a response.

**Charlene Gavel:** — Thank for the question. Now the number you said for our '25-26 net income target was what?

**Jordan McPhail:** — 116.

**Charlene Gavel:** — So I'm not sure where that number came from. Our last year's plan has been updated. You know, every year we update our five-year plan. In the last year's plan that would have been public, '25-26 would have been 94 million. But we are projecting a higher net income in '25-26 than that.

And the reason for the question was the difference between this year's sort of expected net income and next year's increase? You know, we certainly do look for growth in terms of our top-line revenue to offset increased expenses. As you would know, there are certainly inflationary pressures going on in the country, in the world, so we account for those as well as increased things like increased salaries as we have employees receive economic increases and merit increases as you would be well aware.

And also one of the things that we are seeing certainly increase year over year is our amortization expense as we have more capital assets that we are putting into service as we invest in services in the province. So that's something else that goes up.

So there's lots of puts and takes in terms of, you know, last year's net income or this year's, where we're at in terms of net income to what we have for the '25-26 budget, and as well the five-year plan. And those would be some of the things that we see changing throughout the plan in year over year.

**Jordan McPhail:** — Thank you. Can you list for me where the key increases and the decreases are occurring in SaskTel's budget by the major expense and revenue categories that compromise the increase in 2025-2026 budget?

**Charlene Gavel:** — Yes. So I just do have the broad categories right now. When I think about budget to budget, '24-25 to '25-26, salaries — again this is budget to budget — would be going up about \$18 million. Goods and services purchased would be going up by about \$20 million-ish. Depreciation amortization is going up by about \$50 million. And net finance expenses in fact going down a little bit. And those are, you know, rounded numbers. So those are some of the big changes in terms of year over year.

**Jordan McPhail:** — Thank you. What are the 2024-2025 and the 2025-2026 SaskTel dividends to CIC [Crown Investments Corporation of Saskatchewan] that are forecast or budgeted for the 2025-26 provincial budget?

**Charlene Gavel:** — For 2025-2026 we are targeting dividends at 40 per cent. So we would declare dividends of about \$40 million based on that.

**Jordan McPhail:** — Thank you. Is SaskTel forecasting any

further repayments of equity advances to the Government of Saskatchewan this year?

**Charlene Gavel:** — We have nothing forecasted for that for this year.

**Jordan McPhail:** — What is SaskTel's total capital budget for 2025-2026?

**Charlene Gavel:** — The capital budget for 2025-26 is about \$465 million. That's prior to the government funding that we're receiving for the project that the minister spoke about. So net of that it's about \$392 million. And we have some pretty significant capital spending going on, you know, in the past year, '24-25 and '25-26, that we're, you know, really investing in the infrastructure in this province.

So the minister also mentioned our 5G program and how we're upgrading cell sites throughout the entire province. We're about the halfway point of that program, so we've got about 700 of our over 1,000 cell sites upgraded to the 5G technology. We'll be spending over \$100 million in '25-26 to continue with the 5G upgrade program.

And what we really intend to do there is we expect that we will modernize another 173 cell sites in the '25-26 year. And really, we're really focusing on sites across the entire province. But as the minister mentioned, we're really focusing on the rural areas: some resort areas, First Nation areas, and some of the smaller, the less populated centres with our 5G program.

As well, another significant investment that we're undertaking in the '25-26 year is our fibre program. So we are investing about 90.5 million and we'll be expanding fibre to an additional 60 to 80 additional communities. So you know, certainly we're working very hard at getting fibre to all parts of the province and we're really getting down to some smaller communities in terms of our fibre program.

We know that it's important for the people of Saskatchewan in terms of business, in terms of economic development, you know, learning, health, all of those kinds of things.

So really this is a program that's sort of getting to the last of, you know, the big fibre build. We started that program in about 2011 and we're actually approaching nearly a billion dollars in terms of our fibre investment. So we're really working hard on what has been approved to date in terms of the phases. We're at phase 7, and so for that '25-26 year, construction of phase 7 will commence. We'll be finishing up the two previous phases of 5 and 6. The phases before that will be largely completed. And phase 7 will be taking fibre to about 60 communities over the next couple years. And you know, we'll be ensuring that businesses, the residential areas, and the multi-dwelling units in those communities will be served with fibre.

The minister also spoke about the Aurora program. So that's some of the northern work that we're doing, and in '25-26 we'll be investing about \$83.5 million. And that began in the '24-25 year, and this is a three-year program. And what that will do is enable 33 communities, over 6,700 households, as well as the eight new cellular towers, some of those along Hanson Lake Road, and we'll be investing in that over the next few years.

We do need to have that work completed by March of 2027 given that there's federal funding attached to that. So we are very happy to say that we've received \$139 million in terms of federal funding towards that project. So that's been very helpful. So we need to . . . we're working very hard on getting that work planned and undertaken. The team has gotten a lot of fibre plowed in the North already, so I'm happy to report that we're well on the way to meeting those deadlines and getting those services up and running.

And then a couple of the other categories broadly that we'll be investing in, in terms of that capital budget for '25-26, is . . . We call it information systems, so updating our things like our customer relationship management systems, customer self-serve initiatives, and of course spending money on things like cybersecurity. So you know, the basic business needs as well as sort of the more infrastructure needs are things that we're investing in.

And then as well we do need to do things like . . . We have other demand-type projects, and you're probably familiar with those — things like Max set-top boxes that we need to invest in, and you know, the equipment that we need in the homes to enable our fibre, you know, activations in the homes and things like that.

So I think those are the broad categories in terms of our capital budget that we'll be spending in '25-26.

**Jordan McPhail:** — Thank you. And sorry, I know you probably touched on it in the numbers, but are you able to give a percentage amount of your capital budget that is like a transfer in from federal? Like how much of the capital budget is from federal dollars?

**Charlene Gavel:** — Only 139 million. But 139 million, and that's over two years . . . Actually it's over three years. So over the next five-year plan, we'll be getting 73.8 million and . . . We're expecting to. And it depends of course on how quickly the work gets done and when we submit the invoices and get it back. But the budget would say that we're getting \$73.8 million in '25-26 and about \$54 million in '26-27 if work progresses as expected. So really not a large percentage.

**Jordan McPhail:** — Thank you. Like I know one of the timelines that we had had — and the Aurora project, I want to say, was something that was kind of just starting at SaskTel as I was just leaving SaskTel, and so I'm a little bit curious on that. I know when I did the connected Canadians project throughout northern Saskatchewan, there was very strict timelines to, you know, have substantial build by a certain date.

For the Aurora program is there, you know, is there a timeline that that has to be completed by, or else we risk losing the federal funding?

**Charlene Gavel:** — Absolutely, and we are working really hard to make sure that, you know, we're well ahead of that. And progress has been going great. So we do expect to have some of those pieces of the Aurora project done by December of 2026 and everything done by March of 2027 to meet those deadlines to get that required funding.

**Jordan McPhail:** — Understood. And is the Aurora project bringing fibre to the premises in like, let's say, at the end of the line when you look at Creighton? Is that part of the capital build?

**Hon. Jeremy Harrison:** — Yeah, no, appreciate the question. I'll maybe respond to that one. It's a bit of a complicated answer because we've been able to announce five of the communities through Aurora, but there's 28 that we can't. And it's not because we don't want to. It's because the federal government have to announce it first, and the fact that they're in an election campaign right now precludes them actually doing any of the formal announcements.

So that's the answer. There are 28 communities that we are not yet in a position to announce because of the relationship with the Government of Canada on that.

**Jordan McPhail:** — I'm guessing it's going to be reflected in the budget that the 28 additional communities, if you know which ones those are, that's part of your capital budget already? Or will these be additional dollars that have to be supplemented into estimates later in the year?

**Charlene Gavel:** — It's part of our capital budget currently.

**Jordan McPhail:** — Okay. Can you also provide me with information on how much of the revenue growth at SaskTel in 2024 and 2025 and the projected revenue growth in 2025-2026 is from product price increases?

**Charlene Gavel:** — You know, when we do our budget, we do it at a very granular level, and I don't have that with me at this time. So we consider things like customer growth as well as potentially price increases, but our price increases are largely driven obviously by the competitive nature of our business, as you would well know.

So I don't have the number of what specifically is included in terms of price increases, but there would be an expected price increase, depending on the market. However given the dynamics of the market, there's also unexpected price decreases, as we've seen in some of the, you know, wireless competition that's going on in the province and in the country right now. So there would be both, you know, combinations of all of that within the budgeted numbers.

**Jordan McPhail:** — Thanks. And so maybe just to ask the question kind of the same, but in a bit of a different way, I guess. On the projected revenue growth in 2025-2026, do you have a rough idea in your business plan of how many new customers and what each new customer would roughly bring to the net income of SaskTel?

**Charlene Gavel:** — That would vary substantially, right. That would vary by business line. It'd vary between our business customers and our residential customers. It would vary between, you know, our wireless customers, internet, and new service customers. So I do not have the specifics of new customers to that level of detail.

**Jordan McPhail:** — Thank you. Switching gears to some staffing levels. As I kind of mentioned in my preamble, I know that the North, the office that I used to have in, had 22 cubicles.



And when I left there was 10. And in a lot of cases we had some capital projects in the North to get ready for fibre optic, a lot of which was done by out-of-province contractors.

And so just to, you know, touch on the contracting part here. The number of staff that SaskTel has employed has continued to drop year over year, and at the same time the number of contractors that have hired continues to increase. Why have we seen continued downsizing of the staff complement at SaskTel when the network has grown over time?

**Charlene Gavel:** — Well there's a few reasons for that. You know, the work of SaskTel has changed substantially. So if we think back several decades, we had a lot of operators, for example. And you know, that's something that we don't really have anymore. It's a service we need to provide, but it's very seldom used.

So as technologies changed, as the needs of our customers have changed, so has our staff complement. So that's just one example. Another example would be, as we have modernized our network, many, many fewer outages. You know, our copper network when it would rain . . . You know, raining, snow, those kinds of things would cause outages. The fibre network is much more resilient. It's new. So you know, we adjust our staffing complement to the needs in terms of, you know, fixing things like outages, the needs of our customers as customers go to more self-serve or do-it-yourself options which are much more convenient for a certain segment of our customer base.

You know, we certainly offer the full service. You know, people go and our staff will go and do the install, but we offer other options as well. So we're constantly planning for what we need in terms of staffing levels to meet our customer expectations and to meet service levels. So that is one of the reasons for, or a few of the reasons for, why our staffing complement has changed.

And in terms of contractors, you know, there's a few reasons why we use contractors, and we are in a very heavy investment phase. So sometimes we don't have the skills. Sometimes we know they're temporary projects, right. The fibre project or the fibre capital spend and the work that we need to do, you know, we'll get to the end of that. And then sometimes we don't have the equipment that we need to do that work. So we augment that with contractors when appropriate. We have a combination, I think, that is very cost efficient and very effective in terms of delivering services using both SaskTel staff when we can and then contractors when we need to.

**Jordan McPhail:** — Thank you. And you know, obviously the network has changed. I've seen communities go from even, you know, shorter spans between the cabinet and the house when we look at the connecting Canadian projects. And of course, fewer outages is fewer troubles that would kind of come in and usually a quicker mean time to repair in those, you know, investments into northern communities.

But with more network obviously comes more of that backbone that needs to be, you know, maintained and operated. And so you know, when operators or when technicians are maybe, you know, not replaced through attrition in some of the areas in SaskTel, has there been consideration? And is there a budget? And has that budget increased to look at investing in the front line to skill up

into the positions that might need to be there to maintain the network infrastructure, as the network is growing in SaskTel?

**Charlene Gavel:** — We absolutely do very robust workforce planning. So we look at the skills that we have; we look at the skills that we're going to need. And we ensure that we've got training plans to retrain or upskill or train the people that we have at SaskTel to be able to meet the needs of fixing those kinds of things, of understanding the new network, and meeting the needs of our customers. So that is something that we do spend a lot of time on and understand that is very important, both from a customer perspective but from an employee morale perspective and an employee engagement perspective. And I do think that we do a pretty job of that, and it's a big focus.

**Jordan McPhail:** — Thank you. What was the actual number of staff, like FTEs [full-time equivalent], that you employed in 2024 and 2025? And what is your staff number target for 2025-2026?

**Charlene Gavel:** — So I've got the numbers for 2024 as at the end of February, just for comparability purposes. I don't have the end-of-March numbers just given we haven't quite finished year-end. So at the end of February 29th, 2024 our total employees for the holdco [holding company] were 3,257. And at February 28th, 2025 the number was 3,240. And our budget for 2025-6 I think is 3,261.

**Jordan McPhail:** — Thank you. Does SaskTel use contractors for any of its residential or commercial customer service work in Saskatchewan?

**Charlene Gavel:** — Can I ask for clarification? What you mean by service?

**Jordan McPhail:** — So like in Saskatoon, Regina, La Ronge — any kind of the major centres — do you use contractors to be the person that shows up to the front step and do the work? Or is it just for capital projects, like the building of the network? The construction versus the service right to the doorstep.

**Charlene Gavel:** — So from time to time we do use contractors to do some of that install work for things like infiNet.

**Jordan McPhail:** — For the residential and commercial?

**Charlene Gavel:** — Yes.

**Jordan McPhail:** — And has the trend on the use of contractors, year over year, increased for how much contractors are doing to service work on the, like inside the residential home or commercial building?

**Charlene Gavel:** — I would say it's probably pretty consistent, although I don't have the stats here. I know that we use that when we need more capacity. So we use our internal staff for the most part, and then, you know, to meet service levels, to meet demand at certain times, to meet peak times when we have a lot of extra work, we will augment with contractors.

**Jordan McPhail:** — Thank you. On the contractor side, is there a . . . What percentage of the budget in the workforce would go to in-scope employees that would normally be the same job classification within SaskTel?

**Charlene Gavel:** — The same job classification as what?

**Jordan McPhail:** — So like an FST [field service technician]. What percentage is paid to contractors that would normally be work that could be done by an in-scope employee?

**Charlene Gavel:** — I'm sorry, I don't have that information here.

**Jordan McPhail:** — Can you provide me with a list of the contractors that are presently in use by SaskTel for construction or service of fibre optic, landline, cell towers including equipment installation, twisted pair wire, or information technology systems in any part of your operations including a specific sub-list of contractors who are US [United States]-based?

[20:15]

**Charlene Gavel:** — So we really don't use US contractors for the kind of work that I think you're talking about, but we do have various contractors, as I said, to meet the needs of our customers and to respond to the changing demands that we have in our environment. You know, there would be a robust list of all of our spending in our payee report. So that would be a place to be able to see, you know, some of the contractors.

But I will give you some examples of the kind of contractors we use. I'll start maybe with the fibre work. We do, you know, use some contractors to perform work for the fibre to the prem program around the aerial and buried construction, the splicing, pathways, MDU [multi-dwelling units] wiring, some of the outside plant work, design, and home connections.

Some of the contractors that we have in that regard would be Adanac Telecom Ltd., Tron Construction, Sinc, HWY#1 Contracting, Midwest Industrial, Burton, Axis Vac services, Triple A Directional boring, E-Tech Utilities, Core-Tech Structured Cabling, Ryko Telecommunications, Phasor Engineering, and as I mentioned AFL in install, Telecon, MTI [Midwest Teleservices International], and Scott Land & Lease.

And as I mentioned before the reason that we use some of these contractors is that we just don't necessarily have the equipment that we need to complete that work, and it's more effective to, you know, have the contractors bring their equipment than invest in that equipment and have it on our books and eventually need it for a short period of time. So certainly we look to use contractors that are local. We go through, you know, procurement processes and ensure that we're getting best value when we do that work.

A little bit about maybe the contractors that we're looking at for our Aurora program. You know, we've had some RFPs [request for proposal] going on to secure those contractors. So that work is ongoing, and again this is similar to the fibre work that I just talked about for the reason that we would need those contractors.

We also have contractors in terms of some of the IS [information services] projects that we have, so sometimes really specialized skills in terms of what we need for some of our big IT [information technology] projects. And again, you know, companies that we would use there would be CGI, ESTI

Consulting, Plato; you know, some local contractors such as Paradigm, WBM, you know, just to name a few that we're using on some of that kind of specific work that requires that technical skill that we might not have inside and that we need for a specific big IT project that we're doing.

In terms of some of the operations work that we have, again similar to the fibre contractors. And we use them for things like directional boring and plowing, splicing, and aerial work. We use Alliance Energy, Parkland Contracting and Vac Services, Topa Contracting, R&L Directional Drilling, Rocko, you know, to name a few in that regard.

Another area that we use some of the contractors is for the 5G tower construction. So you know, that's certainly a specialized skill set, and you know, we're not going to keep staff on to do towers. We do a few a year, so that's sort of very, very specialized. And some of the contractors that we use there would be WesTower, Highlight telecommunications, Comtech, Sky-Tech Construction, Integrated Tower Solutions, Pillar Telecom, ITP Communications, Kinetic Contracting, Communications Group which is also known as Tridon, and Villamar Technical Services.

And again, this is really specialized work building those towers, and it requires specialized equipment as well. And as I said, very demand-based and a lot of fluctuation in terms of when we would need to build a tower. So it's really difficult to have staff on to do that and have guaranteed, steady work for permanent staff.

And in terms of some of the engineering and technology contractors that we do, so we would use contractors like Telecon, and they do things like our rural facility requests for services, facility locates, some sustainment work orders, to replace . . . [inaudible] . . . that cannot be maintained.

We also do joint work with SaskPower to do conduit design to new businesses. Comtech does some maintenance and support work for our wireless tower equipment and in building wiring for distributed antenna systems, the DAS [distributed antenna systems], some of those customer builds.

You know, there's a lot of other work that is happening in this regard in terms of the engineering and technology. So again, looking at companies that do sort of pole loading analysis and the distribution trench design, we use Stantec engineering. Again we use some work from Scott Land & Lease. Valard does some surveying across drawings for us. Ketco Power Products, T & S Installations, you know again, just to name a few of the kind of specialized skill sets that we have that we need for those kinds of programs that it's just not, you know, feasible to have staff to do all of that work because it fluctuates so much.

**Jordan McPhail:** — Thank you. On the capital builds that are budgeted for 2025-2026 and then also the 54 million that you'd have in the '26-27 budget that you'd mentioned before that was the federal transfers. The products that are going to be installed, you know, trenching the fibre into the ground, all the different things that are going to be used by SaskTel, are any of those products procured through any US companies? Or will it have to cross the border at any point?

**Charlene Gavel:** — So it is a reality of our business that we do

need to buy some products through the US. You know, when all of the news of the tariffs came and we started to analyze what the impact would be, I was surprised. It was less than I expected, to be honest with you. But we do get, you know, fibre from the US, from a US company. And some of our DC [direct current] power equipment needs to come from the US. So certainly we've looked at that and are considering whether there are other options.

But as you had already mentioned, one of the key things about . . . You know, we're eager to keep going with our fibre program and, you know, get that service out to the people of Saskatchewan. But as well with the Aurora program, it's got some pretty tight deadlines. So you know, we need to ensure that we're able to procure that product to meet that.

So yeah, you know, that fibre and DC power stuff does come from the US, and I guess that's the reality of how we need to continue to do business.

**Jordan McPhail:** — And so just in the capital build, have you accounted for some of the cost of tariffs into that capital build? Or have you been in discussions with the federal government to cover the cost of any additional tariffs that might be coming to offset that cost? Or have you already built that into the budget?

**Charlene Gavel:** — So we built our budget actually in November, so we were unaware of what the tariffs might be and what the impact would be. But when we did do the analysis, the impacts of tariffs were, as I said, much less than I had expected. And when we looked at our US spend, a lot of it was not actually applicable to tariffs.

This is an estimate and it was based on sort of past spending and what we expect to spend in the future. We think we could have increased expenditures of about 1.6 million based on, you know, the lay of the land of the tariffs as we know it at a point in time. We don't know how this will change, but that was the analysis we did with the best information we had at the time.

**Jordan McPhail:** — Thank you. And so the higher costs brought on by tariffs through SaskTel would just be absorbed into other parts of the budget is your anticipation?

**Charlene Gavel:** — Yeah, yeah. We don't have a specific budget line for that, as I said, because the budget was developed before that. So we would need to, you know, figure out how to absorb that or offset that through other ways.

**Jordan McPhail:** — Thank you. Going on to the property, I managed to drive through downtown Regina, and I saw the SaskTel head office, one place that I only have to show up to basically get my employee ID [identification]. How much money is being budgeted for the rejuvenation work on the SaskTel head office building in each of the next four years starting with this year?

**Charlene Gavel:** — So we don't actually have approval to proceed with the head office revitalization at this point. As you know, it is an older building, and we are looking at options for that. So we would need to ensure that we get approval before we proceed in that regard. But yeah, it is an older building, and we're looking at what the options might be.

**Jordan McPhail:** — And so to be clear, there's nothing in the current budget or in the projected budgets of next year or the year after, currently, for any work done at the SaskTel head office?

**Charlene Gavel:** — So within our capital budget, we do have amounts earmarked for that, but we do not have an approved program to proceed with that from our board or other bodies. But we do have money earmarked in case we do undertake a program to do that.

**Jordan McPhail:** — Okay, thanks. Just on the Lüm and SaskTel wireless, I know that it was brought up earlier, is there a reason why Lüm was taken outside of the normal SaskTel wireless? I know that it's like a self-serve, but it sounds like it's like a sister company; it's not SaskTel. Is there a reason why it was brought into its own compartmentalized like company within a company?

**Charlene Gavel:** — Yeah, so it is part of our consumer sales and solutions division. It's not a separate subsidiary. It's within SaskTel. But you know, it is an innovative way, I think, to do business.

So there is a certain segment of the market that is really all about self-serve and no touch, right, so the younger population, cost-conscious. So all of the other major telcos and brands have what they call flanker brands, and we didn't have product to compete with that. So you know, given that it's self-serve, low touch, it serves a great segment of the market. But we still have our regular, you know, our regular plans. So it was developed to be innovative and to meet that market segment that wants that kind of a service.

**Jordan McPhail:** — And to be clear on the operations side, if a customer signed up for a Lüm plan, I know that's like a bring-your-own-device type plan, self-serve, as you'd said. And so obviously if they don't enjoy the service and they bring their cell phone, do they know that it's part of . . . SaskTel's subsidiary?

If they walked into a SaskTel store and asked about, you know, issues with their device or, you know, connectivity throughout Saskatchewan, would a SaskTel employee be able to help navigate that issue, or would that have to go to their own customer centre? And if it does have to go to their own customer centre, is that like a Unifor, you know, in-scope employee that works at Lüm as well?

**Charlene Gavel:** — So they would be directed to the Lüm website and log on. Within the Lüm website there's sort of a knowledge centre in terms of, you know, if I'm having this problem, you know, this is how to fix it. Those kinds of things. So it's self-serve, no touch. From a SaskTel perspective, it's very different than the typical plan.

And I think it's gone over very well in terms of what customer segment it's serving and how much they like it. The number of sort of repeat customers, or when the membership expires and the customer renews the membership, is very high. So I think it's a very effective way to again offer a service that's low cost and easy to use in terms of getting the answers on the website and renewing your data membership on the website and knowing how much data you have and when it expires.

And so it's been very well received. I'm happy with the level of,

as I said, membership renewals and customer sat for that product being completely self-serve and online.

[20:30]

**Jordan McPhail:** — Thank you. Looking to rural and maybe the North here, one of the things that I'd looked at was, you know, and what I've noticed, the trend in northern Saskatchewan as an installer is seeing the Starlink satellites on some houses in northern Saskatchewan, as there was, you know, potentially higher broadband brought to folks in the North and maybe into rural Saskatchewan.

And so I'm just wondering, you know, from a competitive nature or otherwise, has SaskTel investigated the use of Starlink internet for northern, rural, or remote areas in Saskatchewan?

**Charlene Gavel:** — So you know, fibre is future-proof, but fibre is very, very expensive. And you're well aware of, you know, the demographics of our province. We have a large land base with few people, relatively. So we are working really hard to get fibre to as many places as possible.

But in terms of the cost at a point in time, when we're getting to some really sparsely populated areas, I think that Starlink is a viable solution. If there's a significantly negative business case to get Starlink to, you know, X location in a remote part of the province. You know, Starlink has a place in our province and in the market to serve a certain segment or certain areas, certain customers.

**Jordan McPhail:** — Over the past six months, has SaskTel issued any tenders, initiated any negotiations, or otherwise contacted Starlink to pursue a contractual agreement with Starlink, or this type of contractual agreement being considered as part of your business plan?

**Charlene Gavel:** — So we were looking at it from a business perspective, but that is on pause.

**Jordan McPhail:** — Is there a reason why you've put it on pause?

**Charlene Gavel:** — You know, just given the state of the relations with the US right now, you know, we've just put it on pause for now.

**Hon. Jeremy Harrison:** — Yeah, I can probably add to that one as well that, you know, there had been some initial exploration a year ago or thereabouts, although it really didn't progress past the point of, I think, basically a letter that was written. And that was about it.

Now I mean going forward, you know, there's going to be challenges of how we provide fibre-like speeds in some locations. I mean, that's going to be a challenge. You know, we're working through the rural fibre rollout, and I think we've made some very, very good and significant progress in that regard.

You know, we're going to continue working through that. But at the end of the day, there are going to have to be, you know, options that are going to have to be looked at about how to

provide fibre-like speeds in locations where we simply can't run fibre to them. And you know, we're going to have to look at a number of different options around that.

You know, at one point, it looked like Starlink might be one of those options, and you know, there's hundreds if not thousands of people that are probably using that service right now privately. You can go to Costco and buy it. I mean, people are doing that. You know, but as far as, you know, how SaskTel is going to do this, we are going to be looking at what makes sense. You know, that will obviously be viewed in the context of where some of these geopolitical conversations are at as well.

But you know, these are going to be options, and we're going to have to look at some of the options that exist out there as we go forward. Starlink isn't one of them right now.

**Jordan McPhail:** — But, sorry, just to follow up on that, Minister. So are you saying that the direction given to the ministry is to currently pause that, but it is still within the business plan of SaskTel to potentially look at contracts with SaskTel to provide that service in the future?

**Hon. Jeremy Harrison:** — That Starlink would?

**Jordan McPhail:** — That Starlink . . .

**Hon. Jeremy Harrison:** — No.

**Jordan McPhail:** — So you'd be looking at some level of provider of satellite or fibre-like, whether that be Starlink or another company?

**Hon. Jeremy Harrison:** — No, I mean we're not looking at Starlink right now. So you know, as we go forward though, and you know, this might be two, three years down the road when we're . . . You know, we're still rolling out our fibre service here right now, but you know, there are going to be . . . Yeah, we are going to have to look at how we provide fibre-like speed to very remote locations where fibre isn't an option.

So Starlink isn't on the table for that consideration, but we are going to have to give consideration as to what that's going to look like.

**Jordan McPhail:** — And has there been any other identified competition to Starlink that SaskTel has explored to meet those fibre-like speeds?

**Charlene Gavel:** — So you know, we constantly watch the market when we look at our technology plan and our business plan. As you well know, technology is evolving very, very quickly, so we're constantly revisiting the plan and how we meet, you know, the fibre-like speeds throughout the province.

There are other options. We expect that Amazon, a product called Kuiper, will be launching satellites. And Telesat, a Canadian company, is also looking at that. So we're watching what that looks like, how robust that might be, when those might be available, you know, all of those kinds of things.

So certainly it's on our sort of radar or on our road map to, you know, meet that fibre-like speeds throughout the province. And

how we do that will depend on how that industry evolves and many factors, right? Like cost, the evolution, coverage. And as this becomes more robust there will be more competition, and you know, we'll watch that and adapt to that in our future plans.

**Jordan McPhail:** — Thank you. One of the things that I had kind of remembered as a SaskTel tech was something that you always heard about but never really saw. We called it kind of a sasquatch program in the North because we'd always see or we'd always hear about Fusion throughout parts of rural Saskatchewan, but we never really saw it in northern Saskatchewan.

Is there a reason why Fusion couldn't be expanded into northern and rural Saskatchewan to meet the lower infrastructure costs and provide a faster speed to rural Saskatchewan?

**Charlene Gavel:** — So what Fusion is, is it's a wireless point-to-point solution. And you know, we do have many customers on that service. At this point it is, you know . . . The speeds that that service provides are not as fast as fibre or some of the other services that are out there. And the investment to bring that to higher speeds is significant.

So you know, I think as I said, we continue that. That served the need at a point in time. And as our customers are demanding more data and higher speeds, you know, it's not able to provide that for all customers. It's able to provide that for many customers, and as I said, we do have many customers on that service.

But we do need to continue to evolve our technology plan and see what other options are available in terms of, as you said, meeting that need in those sort of remote areas and rural areas where we have fewer customers.

**Jordan McPhail:** — Thank you. And so I know that like a lot of the Fusion towers that were put up were kind of a hybrid tower, if you will. There was some cell obviously, and then the point-to-point for the internet speeds.

And so you had said in the . . . I don't know if I want to call it the opening remarks, Minister, that there was 700 to 1,000 cell sites currently in operation in Saskatchewan. Are you able to just quickly correct me on which one it might be?

**Charlene Gavel:** — So we have 1,045 cell sites throughout the province. And that covers 99 per cent of the population. So our cell footprint, I'm very proud of that. You know, we have very robust coverage in terms of where our cell sites are to cover the population. The 700 number is how many of those cell sites have been upgraded to 5G at this point.

**Jordan McPhail:** — Thank you.

**Charlene Gavel:** — And all of those will be upgraded to 5G throughout our 5G program, but that's . . . So we've passed the halfway mark in terms of that program.

**Jordan McPhail:** — Thank you. And out of those 1,045 cell sites in Saskatchewan, how many currently have Fusion?

**Charlene Gavel:** — I don't know the answer to that. Sorry. So I don't have the exact number, but we believe that there's Fusion

service on 20 to 30 cell towers currently.

**Jordan McPhail:** — And out of the remaining, I guess, near 1,000 cell sites, are any of those scheduled in this year or next year for upgrading to Fusion?

**Charlene Gavel:** — No, they're not.

**Jordan McPhail:** — Is there a specific reason why?

**Charlene Gavel:** — You know, again, the wireless point-to-point solution just might not be able to offer the high speeds that, you know, customers are requesting. So we're not going to expand the service beyond the towers that it's on.

**Jordan McPhail:** — Of the 20 and 30 cell towers, would you have an average idea of what it would cost to take a cell tower from just a standard cell tower to a Fusion tower?

**Charlene Gavel:** — You know, given we implemented that program or that technology some time ago, I don't have the cost per tower to put Fusion on the tower, no.

**Jordan McPhail:** — Okay. I understand that SaskTel has a partnership of sorts with Bell and Telus in terms of their wireless networks. Would you be able to explain the nature of the partnership, the specific obligations of each partner, and the financial framework under which each of those partners is allowed to operate on the other partner's wireless towers?

**Charlene Gavel:** — No, I'm not. The terms of that agreement are very confidential, so I'm not able to share any of that.

**Jordan McPhail:** — How much money does SaskTel expect to owe Bell and Telus for operating on their towers in '25 and '26?

**Charlene Gavel:** — Again, that would be related to the agreement, and I'm not at liberty to share that information.

**Jordan McPhail:** — Would it be reflective in the budget at all on how much money SaskTel would expect Bell and Telus to owe them to operate on the SaskTel towers in '25 and '26?

**Charlene Gavel:** — So it would be part of our budget. It's how we build up our budget. But I'm not able to share the number.

**Jordan McPhail:** — And do you know when the present agreement with Bell and Telus is over?

**Charlene Gavel:** — I'm not able to share any details about that agreement.

**Jordan McPhail:** — Thanks. How close is SaskTel to turning the landline system into a completely IP [Internet Protocol]-based network?

**Charlene Gavel:** — So we are working really hard to get fibre to many places but, you know, we'll continue to have copper in our network for the foreseeable future for sure.

**Jordan McPhail:** — Thank you. The expansion of your wireless system into new areas in rural Saskatchewan, as you said it, we've hit 99 per cent of the project. And as a former SaskTel

employee that has visited Uranium City, I expect to know the answer but I have to ask on behalf of the members of Uranium City. Are they getting a cell tower in the 2025-2026 budget?

**Hon. Jeremy Harrison:** — No. I appreciate the question. I mean I think you well know the technical challenge of running 500 kilometres of trunk line up there. You know, satellite-based is going to probably continue for the foreseeable future.

**Jordan McPhail:** — Yeah, I imagined that. It's more of an inner joke of all the folks that might be tuning in from La Ronge tonight, because I think that was the first question that anybody asked you when you landed in Uranium City.

[20:45]

Can you provide me with an estimate of the annual losses that might be associated with each new tower that are being built to expand the coverage into rural and remote areas?

**Charlene Gavel:** — In terms of cellular coverage, we wouldn't do that on a tower-by-tower basis. So you know, I think one of our differentiators is we've got amazing cellular coverage in this province. When I travel to other provinces I notice a difference immediately. So we have done a great job of investing. And we don't consider it tower by tower because our entire customer base uses towers wherever. It's not like, you know, just these customers use this tower therefore this tower is more profitable than that tower. We do it on a more, you know, provincial basis and a needs basis in terms of . . .

**Hon. Jeremy Harrison:** — Yeah. No. Sorry, Charlene. I mean, exactly right. And I can probably speak to kind of the policy element that goes along with this because, you know, SaskTel does an amazing job of running a great company, and it really is a great company. We on occasion will provide policy direction about what are the priorities of the public, being that they're from the shareholders' perspective about what are the priorities, right.

And you know, a part of that is around rural connectivity, and we've given direction on occasion where frankly a Bell or a Telus probably wouldn't do these things. I mean you know this. They wouldn't, because they would look at some of the investments that SaskTel has made, you know, even kind of on that rural fibre front, towers, those sort of things. Because they would say, well, you know, this is going to be a 20- or 30-year sort of return on investment for an individual tower being put up or for fibre being laid.

We don't really look at it that way, and this is really the advantage of having, you know, SaskTel as a provincially owned utility and company. Private companies are not able to make these sort of decisions that we are able to make. So you know, I'm a real believer in this. And we have been able to do things that provide service that would be, you know . . . You wouldn't find it in rural communities in other parts of North America what we're able to do here.

And you know, I think that we're grateful for the work SaskTel does in this. But often there is direction given that we need to make priorities of things where, you know, a Bell or a Telus or a Rogers likely wouldn't do it.

**Jordan McPhail:** — Thanks. How much does a new tower together with the wireless equipment cost on average?

**Charlene Gavel:** — So it would vary depending on a whole bunch of factors, but really what it comes down to is that's competitively sensitive information for us, so I'm not able to answer that.

**Jordan McPhail:** — As you'd talked about some of the towers in Saskatchewan, you know, some might be a little bit more profitable than others depending on where they're being placed. I know in some provinces across Canada there's been provincial or federal grants provided to some of the private companies in the wireless sector to expand into the rural and remote areas. Is there a reason why SaskTel has not considered that an option?

**Hon. Jeremy Harrison:** — So the answer to that is, I mean we do that implicitly, right, whereas the provincial government . . . I'm not sure which jurisdiction you're referring to but if they're providing, you know, grants to private companies to put up towers, I mean basically that would be the difference that would be determined to make it commercially viable. I mean that's what government would be putting into it.

I mean we're doing that right now through the company, which is kind of referencing my earlier answer about putting up, you know, and deploying infrastructure across the province. It probably wouldn't make sense in other jurisdictions if it were purely decided on each individual infrastructure initiative based on the economics of it.

So you know, you could kind of characterize that as market failure, which I think would be the justification for why other governments would step into the place to provide that difference or that bridge to make it economic. But you know, we kind of do that implicitly.

**Jordan McPhail:** — On the fibre optics, which of the new communities in SaskTel will be receiving fibre optics to their homes this year? Or in the case of cities, which new areas in the major cities will be receiving fibre optics to their home this year?

**Charlene Gavel:** — So largely we're done in the larger centres. We're finishing up a few MDUs. But I'll tell you a little bit about some of the phases that we've done and I think to expand on the minister's point about, you know, the places we're going and the size of the communities and the fact that other providers wouldn't do that.

This is actually something, you know, as the minister said, I feel very privileged that we're able to do this in Saskatchewan, because our competitors wouldn't do this. So I'm going to go through some examples of some of the phases that we have completed and the populations of those and then lead up to sort of our most recent phases.

So you know, we talked a little bit about our rural fibre initiative and the program that that is. And that's a \$280 million program that we're doing over several years. And overall that program is going to expand infiNet to 120,000 residents and businesses in over 190 rural communities. And you know, the approved pieces of that will be done by the end of 2027. And that's really, you know . . . All of that will take fibre to 85 per cent of the

households and businesses in Saskatchewan. And that's amazing. Again our competitors would not do that in their own provinces and nobody would do that here given the geography of our province and the population.

So when we undertook this we started with the big centres. And you know, we started this in 2011 and so we started with Regina, Saskatoon. And in 2011, you know, not everybody was doing fibre and it was almost a bit of a bet. But now it's like table stakes. Like it was a no-brainer although back then it was, is there a business case here? So you know, we've completed the larger centres.

And then as we expanded to what we call our rural fibre initiative, the first phase included the communities of Balgonie, Biggar, Langham, and Pilot Butte. Population: the biggest community in that group is Biggar with 3,600 people in it, and the smallest is Balgonie with 1,900 people in it.

Then we knew that, you know, more communities wanted fibre. And we coined this as, you know, the second phase of the rural fibre initiative. And we went to the communities of Kindersley, Meadow Lake, Rosetown, and Lloydminster. So the smallest community was Lloyd in that group, and that's about 3,900 people, and then Rosetown with about 6,900 people.

Then we did phase 3 of the rural fibre initiative, and we started the construction of that in about 2022. And we have launched the communities within that phase with the exception of La Ronge and Air Ronge. So we need to work with SaskPower to be able to put our fibre on the poles in those two communities, and we expect that to happen, you know, in the upcoming year.

But there was 16 communities in that phase, and I can go through those. It was Canora, Carlyle, Esterhazy, Fort Qu'Appelle, Hudson Bay, Indian Head, Kamsack, La Ronge, Air Ronge, Kitsaki, Lumsden, Maple Creek, Moosomin, Shaunavon, Watrous, and Wynyard. And again you'll recognize those as pretty small towns that are getting fibre, which is, you know, really amazing. The biggest community in that group is Hudson Bay with 4,160 people, and the smallest is Air Ronge with 1,440.

Then phase 4, that construction also started in 2022, and we expect the construction in that phase to be done by the end of 2025. So there was 26 communities in phase 4, and I can go through those as well: Assiniboia, Buffalo Narrows, with only 864 population, and that's the smallest in that group. Then there's Caronport, Carrot River, Dalmeny, Davidson, Dundurn, Foam Lake, Gravelbourg, Gull Lake, Ile-a-la-Crosse, Kipling, La Loche, Lanigan, Macklin, Osler, and Outlook — Outlook is the largest town in that group of communities with 3,630 people — Oxbow, Preeceville, Regina Beach, Buena Vista, Kinookimaw Beach, Rocanville, Shellbrook, Unity, and Wadena.

And then moving on to phase 5. Phase 5 was announced in November 2022, and we expect that that will be completed at the end of 2025. And so with phase 5, as of the end of March, 14 of the phase 5 communities have been launched. And there were 34 communities within phase 5, the largest being Porcupine Plain with 2,500 people, and the smallest being Pense with 690 people.

The communities within phase 5 are Aberdeen, Balcarres . . . And those two communities have been launched within phase 5.

We'll also be taking it to Beauval; Big River; Carnduff; Churchbridge, which is launched; Cudworth; Delisle; Eston, which is also launched; as well as Grand Coulee, launched. We'll be taking it to Grenfell; Hague; Hepburn; Herbert, which is launched; Ituna; Kelvington; Kerrobert; Langenburg, which is launched; Lashburn; Leader; Maidstone, which is launched; Milestone; Pense, which I already mentioned; Pinehouse; Porcupine Plain; Radville; Southey; Spiritwood; Stoughton, which is launched; Strasbourg, which is launched; Waldheim; and then Watson, which is to be launched; Wilkie, which is launched; and Wolseley, which is to be launched as well.

So then moving on to phase 6, which we are in the process of working on construction. Again this was announced in November 2022 and will be completed, expected to be completed at the end of 2025. And as of the end of March, a total of 16 of the phase of these communities has been launched. So within the phase 6 there were 48 communities, and the smallest community in this phase is Rouleau with 450 people, and Duck Lake with 2,815.

And the communities within phase 6 are Allan; Arcola, which is launched; Asquith; Avonlea, which is launched; Bethune; Blaine Lake; Bruno; Cabri, which is launched; Central Butte; Clavet, which is launched; Borden; Colonsay; Craik; Cupar, which is launched; Cut Knife; Duck Lake; Eastend, which is launched; Eatonia; Edam; Elrose, which is launched; Hafford; Hanley; Kenosee Lake, which is launched; Kyle, which is launched; Lampman, which is launched; LeRoy; Manitou Beach, which is launched; Marshall, which is launched; McLean and Muenster, both of those are also launched.

Then we go to Naicam; Nokomis, which is launched; Norquay; Paradise Hill; Pierceland; Ponteix, which is already launched; Qu'Appelle; Radisson; Raymore; Rouleau; Springside; St. Walburg; Sturgis; Turtleford; Vanscoy; Vibank; Vonda; and Yellow Grass.

And then when we get into phase 7, which is the last approved and announced phase of the RFI [rural fibre initiative] currently, that was announced in April 2024, and then we expect that this phase will be completed by the end of '26-27. And we're at the beginning of this phase, so no communities have been launched to date. But there are 61 communities within phase 7. The smallest community is Alsask with less than 100 people. So pretty amazing work in terms of getting fibre to some pretty small communities. So I think that, you know, the support that we have from the government to be able to do this and the importance of it to, you know, the people in these communities is very key.

[21:00]

So the 61 communities in phase 7 include Alsask, Arborfield, Beechy, Birch Hills, B-Say-Tah, Buchanan, Burstall, Candle Lake, Canwood, Choiceland, Christopher Lake, Cochin, Cypress Hills Park, Debden, Dinsmore, Elbow, Elk Ridge Resort, Frontier, Glaslyn, Good Spirit Lake, Govan, Imperial, Katpwa, Kelliher, Kinistino, Lac Pelletier, Lafleche, Lake Lenore, Leask, Lemberg, Lipton, Luseland, Mankota, Manor, Maryfield, Meota, Meadow Lake, Morse, Mossbank, Neilburg, Neudorf, Ogema, Paddockwood, Pelly, Perdue, Punnychy, Quill Lake, Redvers, Rose Valley, Semans, St. Brieux, St. Louis, Star City, Stockholm, Theodore, Wakaw, Wapella, Waskesiu Lake,

Wawota, White Fox, and Whitewood. And none of these communities are larger than 2,000, as I said, with the smallest one being less than 100 with a population of 96 right now.

So that's a bit about our rural fibre initiative, and you know, the communities in the phases. We are doing, you know, it's not like we're completing one phase and then going on to the next, as I mentioned. As I went through the phases I mentioned that, you know, certain of the communities are launched.

And there's various reasons for that: you know, efficient construction processes; you know, being able to utilize SaskPower poles to put our fibre on an efficient way; you know, the deployment of construction crews and all those kinds of things. So you know, we're working on various phases at the same time to get the service out as cost-effectively, efficiently, and as quickly as possible to our customers.

**Hon. Jeremy Harrison:** — Yeah, and I'll maybe just follow up. Thanks so much, Charlene, for that. And you know, I know a number of these communities are in my riding. I know a number of communities are in your riding as well.

And you know, this is really an example of kind of what we had referenced earlier, talking about policy decisions that likely wouldn't have been made on a purely economic return-on-investment basis, that you wouldn't see in other jurisdictions necessarily that didn't have a Crown telco that was able to make this sort of investment.

But really, I mean we've really felt that this is an investment worth making. This is an investment that, you know, I think for a lot of folks in smaller communities they have been patient as well. I mean we're working through this as quickly as we can, and I think our objective is to be done by the end of 2027 for all of the communities. And as Charlene said, we're working through a lot of this in a concurrent fashion.

And you know, this is a major, major project and a major undertaking for SaskTel. You know, we're making good progress on it. And I really want to thank all the folks through Charlene to the whole team at SaskTel for the work that's being done on this initiative as well.

**Jordan McPhail:** — Thanks. Have you upgraded the Fusion network over the past two or three years with any of the new technologies?

**Charlene Gavel:** — No, we haven't.

**Jordan McPhail:** — What is the projected end life for the Fusion network?

**Charlene Gavel:** — We don't have an end date for the Fusion product, but I do want to make a clarification. When you asked how many towers Fusion was on, my staff just told me it's 20 to 30 communities on 106 towers. So I believe I said 20 towers, so apologize for that and just wanted to make that clarification. There's a lot of details in the company.

**Jordan McPhail:** — Thank you. Does SaskTel currently have any contracts with any of its competitors to provide the broadband backhaul?

**Charlene Gavel:** — Again I think that's competitively sensitive information that I'm not able to answer.

**Jordan McPhail:** — Just going to back to the Telus and Bell contract, would you be able to provide maybe a bit of an explanation as to why you're not able to disclose parts of the contract?

**Jamie Patterson:** — My name's Jamie Patterson. I'm a lawyer with SaskTel. So Bell and Telus are major partners of SaskTel in terms of the network agreements that we have with them. We actually have nondisclosure agreements in place with them, and we have agreements with them that contain confidentiality clauses.

So the contents of those agreements and the amounts exchanged under them are all confidential, highly commercially sensitive, subject of litigation and regulatory inquiry where we don't provide those agreements there either. So it's highly sensitive information for SaskTel and its operations.

**Jordan McPhail:** — Are you able to let us know when you entered into agreement with Telus or Bell?

**Jamie Patterson:** — I think it's fair to say that, you know, the Canadian telecom landscape has had interconnected agreements with each other since 1999. And like the agreements and the players have changed over time, but we have to be able to talk to each other and have traffic on each other's networks to have service as we move outside the territories we personally serve.

**Jordan McPhail:** — And so I think that you kind of answered this question. There are other contracts like the one that you're not able to disclose on. There would be other contracts like that in Canada?

**Jamie Patterson:** — Carriers have inter-company agreements, yes.

**Jordan McPhail:** — Thank you. SaskTel International. One thing that I was always interested in what that would look like, if I didn't have a wife and kids at home, is being able to see some of the world. Can you tell me what was the net income for SaskTel International in 2024-2025 and what it will be in '25-26?

**Charlene Gavel:** — So what I have with me is SaskTel International's last year's annual report, so at March 31st, 2024. So I'll give you the net income for SaskTel International for that year, and the net income was 6.2 in that year.

This year's financial results are not completed and we haven't tabled them. So I don't have the net income for SaskTel International for '24-25, for the year-end of March 31st, '25 here.

**Jordan McPhail:** — So projected revenues aren't calculated into the business plan for '25-26?

**Charlene Gavel:** — So they would be in the overall consolidated plan that we have, but I don't have the breakdown of SaskTel International with me. I just brought the high-level numbers for today's meeting.

**Jordan McPhail:** — Okay. And where in the world is SaskTel



International working presently?

**Charlene Gavel:** — So SaskTel International does a lot of amazing work. Over, you know, the years, over many years they've done things like put the fibre under the English Channel. They have helped the Bahamas launch a cellular network that competed with the government cellular network. They did that in terms of consulting with the design, with the build, with the operation. So they're in lots of areas. They sell the OSS [operations support system] and the BSS [business support system] systems to large companies throughout Canada, throughout the US and other places.

So they've got lots of contracts, and they're doing work in many places. So you know, it's a pretty good-news story, you know, SaskTel, the expertise that we have in Saskatchewan being exported like throughout the world. You know, our expertise is well known and well-sought-after in those kinds of cases. So yeah, they're in many places.

**Jordan McPhail:** — Thank you. How many staff does SaskTel International have at present? And how many of those are contractors?

**Charlene Gavel:** — SaskTel International has 72 employees.

[21:15]

**Jordan McPhail:** — And all contractors?

**Charlene Gavel:** — No. Those are employees employed by SaskTel International. There would be a number of contractors — I don't have that number — with specialized skill set for things like working on the software, the OSS and BSS systems that they, you know, develop and deploy and support.

**Jordan McPhail:** — Thank you. Going to SecurTek, how many subscribers did SecurTek have at the end of 2024-2025? And how many subscribers do they project they will have at the end of '25-26?

**Charlene Gavel:** — So that's a stat that I was unable to find in my material, but around 70,000 customers for SecurTek.

**Jordan McPhail:** — And that's what you're projecting to have this year, or has it been the same year over year?

**Charlene Gavel:** — That's the projection for this year. Yeah, this year.

**Jordan McPhail:** — Okay, and did you know how many subscribers you had at the end of 2024-2025 budget?

**Charlene Gavel:** — Do we have that? Sorry, I don't have that here.

**Jordan McPhail:** — Okay. So just kind of looking over the SecurTek file over the last few years, it doesn't seem like the customer growth has grown a bunch, yet the security system and the monitoring business is looking to grow by like leaps and bounds. Is there a reason why SecurTek hasn't been able to attract more of those customers?

**Charlene Gavel:** — Could you clarify the question?

**Jordan McPhail:** — Just in the security system and the monitoring business, it seems that the industry has grown quite substantially in Saskatchewan. And I'm just wondering why SecurTek maybe hasn't been able to attract a majority of those customers.

**Charlene Gavel:** — So within the security business or, you know, the market, there's a couple different types of security, as you well know. There's the do-it-yourself market, and then there's the monitored security solution that SecurTek provides. So I think when you refer to the growth, you're probably referring to the DIY [do-it-yourself] market where people are going and buying cameras and doorbell cameras and all those kinds of things, you know, garage door openers, and the ability to unlock your door so that when parcels come you can unlock it and relock it, all those kinds of things. So I think the DIY market has evolved significantly over the past while, and that's probably where you're referencing some growth.

Then there's the security systems that are monitored, and that's the service that SecurTek offers. So there's a certain segment of the market that that is important to, and I'm one of those. I don't know how to do the DIY stuff. So you know, there's a certain segment of the market that wants that monitored system where you can set your alarm and if something happens, SecurTek will call you.

So you know, we've been able to maintain that customer base with the security monitoring solution that SecurTek provides, while I do believe . . . You know, I would agree with you that probably the DIY market segment is growing at a higher rate, but I think that SecurTek has done a really good job of maintaining the customers it had, given the dynamics of the market and the availability of other potential solutions or products in that market.

**Jordan McPhail:** — Thank you. Going back to kind of where I started — and it's fitting that it's going to probably be one of the last questions that I might have — when I was asking about the projected net income of 116.6 million, you'd corrected and said it was 94 million in '25-26.

I'm just looking at appendix 1 in the financial tables from the Government of Saskatchewan's budget. The net income from government business enterprises shows Saskatchewan telecommunications holding company at 116.6 million. And last year it was budgeted at 96 million and delivered 90 million in the forecasted net income.

That's where I was asking the clarification on the near-30 per cent increase that we would see in the appendix 1. And I'm wondering where that 30 per cent increase is coming from.

**Charlene Gavel:** — So just to clarify the numbers you're referencing, '23-24 was budgeted at 96 in the document you have, and '24-25 was 116.6?

**Jordan McPhail:** — No, the budget '25-26 says 116.6 from the Saskatchewan telco holding company. And then the budget '24-25 stated 96 and the forecast of '24-25 was 90 million.

**Hon. Jeremy Harrison:** — All right, so no, appreciate that, Mr.

Chair. So you know, as far as kind of the . . . I mean, there can be a bit of timing issues on how some of these are recorded as estimates. And CIC do give targets as well to the companies that . . . Over the course of the year, I mean, things are going to be managed to get there. So I think a combination of those factors is, my understanding is, to the response to the member's question.

**Jordan McPhail:** — I guess since I have time for one more, one of the questions that I'd like to pose is, has SaskTel been approached or is in negotiations with any company in regards to the purchase of SaskTel? And if so, has the minister given direction to either entertain those conversations or reject them entirely?

**Hon. Jeremy Harrison:** — SaskTel is not for sale.

**Chair Steele:** — Still have time. Two minutes.

**Hon. Jeremy Harrison:** — Or we can wrap up.

**Chair Steele:** — Well the questioner, is he ready to wrap? Okay. Being that we're on the doorstep of our allotted amount of time agreed upon for the consideration of these estimates, we will adjourn considering the estimates for Saskatchewan Telecommunications Holding Corporation. Minister, do you have any closing remarks?

**Hon. Jeremy Harrison:** — Well I would just like to say thanks so much to Charlene and through Charlene to our entire team at SaskTel. They do a remarkable job. And a company that I think all Saskatchewan people can be very proud of.

**Chair Steele:** — Thank you. MLA McPhail, do you have any closing comments?

**Jordan McPhail:** — I do. I just wanted to say thanks to everyone for sitting here for a couple hours and taking some of my questions. I really appreciate getting to look a little bit at the corporate side, if you will, of SaskTel. You know, working on the tools, you don't get a whole lot of the conversations that your managers and operations team might be having, and you just were employee number X, Y, and Z in the grand scheme of how we do it.

And you know, I was proud to work for the company. It was an amazing experience of my life. And you know, I guess the only apology I can offer is, sorry that you lost one more person up in the far North because I know it is a hard-to-recruit area.

[21:30]

And I just want to thank everyone here, Hansard, and the production team for everything that they do to make sure that we stay on task here. And to the committee members, thank you for joining us here tonight. And, Minister Harrison, thanks again. And to the Chair, thank you for putting up with me.

**Chair Steele:** — Thank you. I'd like to thank the minister and . . . Oh, sorry. Minister.

**Hon. Jeremy Harrison:** — Sorry. I want to thank you, Member, as well. Appreciate that very good discussion, very good

questions. Thank the committee members and thank the team already here, but all the folks involved. So thank you, Mr. Chair.

**Chair Steele:** — Thank you. Well I'd like to say thank you to the minister and his officials, and thank you to all the team members tonight, thank Anne, and thank you. Okay, well that's adjourned. That concludes the business for today. I would like to ask a member to move a motion to adjourn.

**Hon. Lori Carr:** — I so move.

**Chair Steele:** — MLA Carr. Agreed?

**Some Hon. Members:** — Agreed.

**Chair Steele:** — Agreed. Okay, thank you. Carried. Okay, this committee stands adjourned until Wednesday, April 9th, 2025.

[The committee adjourned at 21:31.]