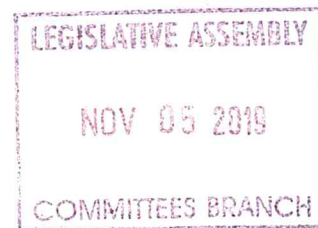


NOV 05 2019
Herb Cox
Chairman
Standing Committee on Crown and Central Agencies



Dear Mr. Cox,

In our attendance of the Crown and Central Agencies committee dated September 10, 2018 there was additional information requested that SaskPower officials did not have at the time. I can advise the following information has been provided by SaskPower officials:

1. Does SaskPower have a breakdown of how many Gas and Electrical permits are residential and how many commercial?

Breakdown is between April 1, 2017 and March 31, 2018 and consists of residential and commercial permits (which includes industrial).

Electrical Residential permits consist of 38,483 or 41% of the annual permits and Electrical commercial permits consist of 54,426 or 59% of the annual permits.

Breakdown is between April 1, 2017 and March 31, 2018, total Gas permits issued are 51363. Gas Residential permits consist of 40462 permits or 78% of the annual permits and Gas non-residential (Industrial, Commercial, Institutional etc.) permits consist of 10901 or 22% of the annual permits.

2. How many contractors do you have that have provided defective service or equipment?

For the same period as above, Electrical contractors that have performed with defective work are 503 out of 1837 which is 27%.

For the same period as above, Gas contractors that have performed with defective work (at least one defect) are 726 out of 1189 contractors which is 61%.

3. SaskPower was asked for its assessment of risks to critical electrical infrastructure.

The following would be our highest priority threat/risk areas:

Unauthorized Access

Focuses on the risk associated with inappropriate logical and physical access to SaskPower systems, information, facilities and equipment. This includes external actor (nation state, terrorist, hacker collective, individual hacker) access as well as employee or contractor access to systems or functions outside of their job function.

Unauthorized Software Installation and Usage

Focuses on risks associated with malicious code and use of unapproved and/or unlicensed software on SaskPower's information and control systems and the potential impact these actions could have on SaskPower infrastructure or services. This includes malware, ransomware, or virus software, software installed without licensing fees paid (pirated software), and software unapproved for the environment it is installed in where unintended consequences may cause business or grid issues.

Contracts, Laws and Regulations

Focuses on risks associated with contractual, legislative and regulatory requirements. This includes scenarios where SaskPower data may reside outside of the control of SaskPower (cloud system, foreign business), where contracted terms may contradict in-place policies, and where unintended agreements to access restricted information or protected facilities occurs.

Information Management and Protection

Focuses on risk associated with theft, loss or leakage of information due to inappropriate handling, storage and destruction of information. This includes misclassification of information, divulgence of privacy data outside of policy or legislation, as well as record destruction outside of the retention period specified through legislation.

Absent or Inconsistently Applied Standards

Absence of or deviation from standards and practices can result in degraded protection of SaskPower assets.

4. What kind of instrument sets out SaskPower's borrowing abilities and tools?

Borrowing through GRF

SaskPower's borrowing authority is specified in legislation (The Power Corporation Act ("PCA") and The Crown Corporations Act ("CCA")). Section 39 of the PCA provides SaskPower with the authority to borrow through the province while section 40 provides SaskPower with authority to borrow directly in its own name. Both sections 39 and 40 require Lieutenant Governor in Council approval if they are to be used. In practice, SaskPower has normally only borrowed under section 39 as this has been the preference of the Ministry of Finance. By borrowing under section 39, SaskPower is able to obtain a lower cost of borrowing than if it were to borrow under section 40 in its own name. SaskPower also has other limitations under legislation for its borrowings such as its overall borrowing limit of \$10 billion (specified in the PCA) and a maximum borrowing term of 40 years (specified in the CCA).

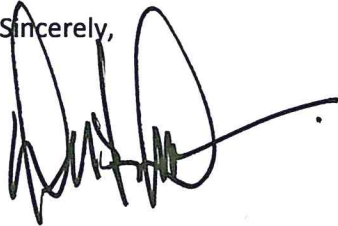
Debt Retirement / Sinking Funds

Borrowings under section 39 of the PCA are advanced to SaskPower on the terms determined by the Lieutenant Governor in Council. As a result, each long-term borrowing that SaskPower makes is accompanied by an Order in Council, which sets out the manner the funds are advanced to the corporation along with how the funds are to be repaid. Repayment of the funds include the payment of any expenses related to the borrowing, the interest payment obligations of the borrowing and the final repayment of principal. For any borrowing of 10 years or longer SaskPower is also required to make an annual sinking fund payment to the province of at least 1% of the outstanding principal of the borrowing, which is also specified in the Order in Council. The sinking fund is managed by the province and is used at maturity of the borrowing to pay down a portion of the maturing principal.

5. Can SaskPower elaborate on materials used in construction at the CCS facility?

All materials chosen for the construction of components is done so within capability specifications. These specifications are documented requirements, to be satisfied by a given material, design, product, service, etc. This is a common process in the early stages of engineering design.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dustin Duncan', with a long horizontal flourish extending to the right.

Dustin Duncan
Minister Responsible for SaskPower Corporation

cc: M.J. (Mike) Marsh, President and Chief Executive Officer, SaskPower