



Stranded Cost Reimbursement Business Practice

Introduction

SaskPower's Open Access Transmission Tariff (OATT) allows Bundled Wholesale Customers with the choice of seeking alternative suppliers for their energy needs using SaskPower's transmission system. A Bundled Wholesale Customer is defined as a wholesale customer who receives its energy from SaskPower in a bundled fashion from generation to delivery. If a Bundled Wholesale Customer decides to obtain energy from an alternative supplier, transmission service will be required through SaskPower's OATT to receive the energy from an alternative resource.

If a Bundled Wholesale Customer decides to receive energy from an alternative resource, the Bundled Wholesale Customer must have completed the following steps before the stranded costs will be calculated:

1. Apply for interconnection service to become listed on SaskPower's interconnection queue.
2. Become an OATT Transmission Customer.
3. Queue a Transmission Service Request (TSR) for Long-Term Firm Point-To-Point or Network Integration Transmission Service (NITS) on SaskPower's OASIS website.

SaskPower plans and operates its electrical system for various types of customers and is continually investing in SaskPower's electrical system to ensure that all customers are guaranteed electricity now and in the future.

If a Bundled Wholesale Customer decides to seek an alternative energy source, SaskPower will be left with stranded generation and other transmission assets that were invested to serve this exiting Bundled Wholesale Customer. In order to lessen the burden to SaskPower's remaining customers, SaskPower, under Sections 26 and 34.5 of its OATT, can seek to recover these stranded costs from the Bundled Wholesale Customer who decides to seek an alternative energy supplier.

Stranded Cost Calculation

The stranded cost calculation shall be based on a methodology of the potential negative impact that might be caused by a departing Bundled Wholesale Customer. The methodology is dependent on various factors, including, but not limited to, Saskatchewan's load growth, SaskPower's supply/demand balance, exiting time frame from SaskPower's system, amount of notice provided to SaskPower and other unknown factors.

The stranded cost calculation will ensure that the exiting Bundled Wholesale Customer does not have an unfair advantage over other potential Bundled Wholesale Customers with the same option.

The stranded cost calculation is complex and, as such, will take a reasonable length of time to provide this cost to the exiting Bundled Wholesale Customer. In order to start the process, Bundled Wholesale Customers who are considering this option should send detailed information to: TransmissionServices@saskpower.com.

Upon review of the stranded cost from SaskPower, the Bundled Wholesale Customer may dispute this cost by following the procedures stated under Section 12 for dispute resolution in SaskPower's OATT.

For further information send an e-mail to:
TransmissionServices@saskpower.com