



Saskatchewan Rate Review Policy

Issue Date: October 22, 2002

Revised Date: January 20, 2016

Effective Date: January 1, 2009

Authority

The Executive Government Administration Act, Section 15
Minister's Order dated December 16, 2015.

Applicability

This Policy applies to SaskEnergy, SaskPower and the Saskatchewan Auto Fund administered by SGI.

Purpose

Crown Investments Corporation's rate review process continues the Policy first implemented on an interim basis on July 27, 2000 and is intended to provide Cabinet with an independent opinion on the fairness and reasonableness of proposed public monopoly utility rate changes.

Policy Statements

Cabinet retains the sole prerogative to impose any rate change when it is considered in the best interest of the public, whether a rate increase or a rate decrease.

On referral by the Minister of Crown Investments, the Saskatchewan Rate Review Panel (referred to as the "Panel" from this point forward) shall conduct a review and provide an opinion on the fairness and reasonableness of a rate change proposed by a Crown corporation, having consideration of the following:

- a) The interests of the Crown corporation, its customers and the public;
- b) Consistency with the Crown corporation's mandate, objectives, and methodologies;
- c) Relevant industry practices and principles; and
- d) The effect of the proposed rate change on the competitiveness of the Crown corporation, related to other jurisdictions.

The Panel's review of monopoly rate change proposals is confined to changes requested by SaskEnergy, SaskPower and the Saskatchewan Auto Fund administered by SGI.

Background

The Panel was created pursuant to *The Executive Government Administration Act* under the authority of a Ministerial Order (dated July 27, 2000).

The Panel consists of a number of Saskatchewan residents appointed by the Minister of Crown Investments. Panel members are appointed to serve terms of up to three years in duration. Appointments may be renewed.

General Provisions

Operational Terms of Reference

The Panel's mandate shall include operational terms of reference specific for each Crown corporation rate change review, attached by further Minister's Order, and the Panel shall conduct its review and report within those operational terms of reference.

The Panel may utilize the services of such independent experts, consultants, advisors, clerks, reporters and assistants engaged on its behalf, as it deems necessary or advisable to aid and assist the Panel in its review and written report.

The Panel shall establish lasting and interactive relationships with an adequate number of appropriately qualified technical consultants(s) sufficiently knowledgeable about each Crown corporation's operating environment, to assist the Panel in its review and report.

The Panel shall provide the Crown corporation with the opportunity and reasonable time to review the technical consultant's preliminary report prior to its finalization to ensure there is no error in data or in the interpretation of data. The preliminary report shall include the consultant's observations (e.g. outstanding issues and questions). The preliminary report need not include the consultant's recommendations to the Panel.

Rules of Practice and Procedures

The Panel shall establish, adhere to and operate within internal rules of practice and procedures, including:

- a) General procedures for conducting a review;
- b) Expedited procedures where applicable in the opinion of the Panel;
- c) A code of ethics and professional conduct to strengthen the accountability and expectations of individual members and the Panel as a whole;
- d) Provision for subcommittees of the Panel to consider concurrent rate applications, where deemed necessary in the opinion of the Chairperson. The minimum number of members on subcommittees shall not be less than three and shall include the Chair or Vice-Chair;
- e) Confidentiality guidelines applicable to all Crown information submitted to the Panel in confidence. The confidentiality guidelines shall:
 - i. Address the categories and different types of information that will be kept confidential by the Panel and not be publicly disclosed;
 - ii. Describe circumstances where disclosure of confidential information may be permitted by the Panel;
 - iii. Be made available to the Crown corporation; and
 - iv. Be made available to members of the public by posting them on the Panel's website;
- f) Rules and procedures for members of the public, the Crown corporation and any special interest groups to participate at public meetings held by the Panel.

Public Consultation

The Panel shall determine a public consultation process for each rate change application appropriate and cost effective under the circumstances and within the timeline for the review as directed by the Minister.

Where the Panel determines that public consultation shall include public meetings, the Panel shall:

- a) Make available to the public, prior to holding any public meeting(s), the Crown corporation rate change submission with the exception of any information provided to the Panel in confidence by the Crown corporation; and
- b) Provide sufficient notification to the public of the date and location of all public meetings.

The Panel shall provide members of the public with the opportunity to review and comment on the Crown corporation rate change submission outside any public meeting, to the extent reasonable and within the timeline for the review assigned by the Minister.

Gathering Information

Questions from the public, the Panel members and its technical consultant(s) that require a response from the Crown corporation, shall be received and organized by the Panel in a timely and efficient manner and forwarded to the Crown corporation for response.

The Panel shall receive presentations from the technical consultant(s) and the Crown corporation and review any written or oral submissions from the public.

Confidential Information

The Panel shall maintain the confidentiality of and not publicly disclose confidential information supplied to it by a Crown corporation. Confidential information shall include:

- a. Commercially sensitive information with a legitimate need for protection from disclosure;
- b. Information, the disclosure of which could reasonably be expected to:
 - i. result in financial loss or gain to;
 - ii. prejudice the competitive position of; or
 - iii. interfere with the contractual obligations of the Crown corporation or a third party.
- c. Information, the disclosure of which is prohibited by law, including *The Freedom of Information and Protection of Privacy Act* (Saskatchewan). This shall include, but not be limited to:
 - i. information of a personal or financial nature respecting an identifiable individual or corporation, including financial accounts and all utility account information;
 - ii. information that could disclose a confidence of Cabinet; and
 - iii. information supplied to the Crown corporation in confidence by a third party.

The Crown corporation shall mark all confidential information as “Confidential” when supplying it to the Panel.

Notwithstanding the foregoing, the Panel may disclose confidential information to the relevant experts, consultants and advisors engaged by the Panel to assist in its review and report, but only after ensuring that such parties are subject to similar obligations of confidentiality and non-disclosure as the Panel.

Report to the Minister of Crown Investments

The Panel shall prepare a written report on the Crown corporation rate change submission for the Minister after considering all material received from the Crown corporation, the technical consultant(s) and the public.

The Panel's written report to the Minister shall include the following:

- a) Where the Panel deviates in any significant manner from its technical consultant(s) assessment of the proposed rate changes, the Panel's full rationale for said deviation; and
- b) Where the Panel determines the rate changes proposed are fair and reasonable, recommend the changes be implemented; or
- c) Where the Panel determines the rate changes are not fair and reasonable as proposed, recommend how the rate changes should be adjusted and provide full and comprehensive reasons for this conclusion.

The Panel shall provide its written report to the Minister on or before the date set out in the operational terms of reference specific to the Crown corporation review.

The Panel shall make its written report available to the public without disclosing any information supplied to the Panel by the Crown corporation in confidence.

Studies

In addition to or outside any review of proposed Crown corporation rate changes, the Panel may participate in any studies and other reviews, including cost of service studies, initiated and conducted by Crown corporations. For the purposes of the Panel's participation in these studies and reviews, the Panel may use those powers and duties given to it under a Minister's Order as the Panel deems necessary.

Remuneration and Expenses

Remuneration shall be paid to the Panel members according to the approved CIC policy outlined in the Saskatchewan Rate Review Panel Remuneration and Expense Policy.

Panel members shall be reimbursed for travel and other expenses according to the approved CIC policy outlined in the Saskatchewan Rate Review Panel Remuneration and Expense Policy, as it may be amended from time to time.

Payment of remuneration and reimbursement of expenses incurred in the conduct and administration of Panel business including education programs and rate review undertakings shall be paid by Crown Investments Corporation of Saskatchewan.

Administration

CIC shall provide the Panel with assistance, guidance and oversight as required in order to fulfill the Panel's mandate and shall act as a liaison between the Panel and the Minister, as may be required.

Contact: Senior Vice-President and General Counsel, 787- 5892

Reviewed: February 4, 2016