

Saskatoon Light & Power Capital Funding Reallocation 2025

ISSUE

This report provides information on Administration's review of Saskatoon Light & Power's (SL&P) capital projects and seeks approval to reallocate funding for two specific projects.

RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that the transfer of funds, as indicated below, be approved:

1. That \$1,000,000 be returned from Capital Project P.01305.01 Feeder Upgrade/Replacement Construction to the Electrical Distribution Replacement Reserve; and
2. That \$1,000,000 be allocated from the Electrical Distribution Replacement Reserve to Capital Project P.01296.01 Network Civil Infrastructure.

BACKGROUND

SL&P performs regular reviews of its capital programs to identify those projects that have funds available for partial return or require additional funding to continue work. Capital Project P.01296, Network Civil Infrastructure, requires additional funds in order to commence work in 2025. As per Council Policy No. C03-036, Multi-Year Business Plan and Budget Policy, projects with anticipated over-expenditures exceeding \$100,000 require City Council approval for funding reallocation. SL&P's current capital reserves are near depleted necessitating this reallocation amongst projects.

DISCUSSION/ANALYSIS

The following projects require City Council approval to fund anticipated over-expenditures as follows:

Capital Project P.01296 Network Civil Infrastructure

This project requires additional funding of \$1,000,000 in order to initiate a contract for civil works/remediation on Vault 1/2 located just south of Midtown Plaza along 20th Street. Engineering assessments of this vault have indicated it requires refurbishment as soon as possible due to the risk of partial roof collapse that would put the electrical equipment and public safety in jeopardy. Without these funds civil works would not commence until 2026.

Capital Project P.01305 Feeder Upgrade/Replacement Construction

This ongoing feeder upgrade program involves the maintenance/upgrade of the electrical distribution equipment within SLP franchise area. The distribution equipment includes aging transformers, poles, cables and associated hardware on the electrical

circuit. The program has flexibility in deferring some of this on-going work to support the re-allocation of funding. While there are pressures to support our assets in both programs, there is a higher risk in the network program. Therefore, the recommendation is to return \$1,000,000 to the Electrical Distribution Replacement Reserve (EDRR) for reallocation to support the vault upgrades.

FINANCIAL IMPLICATIONS

This request represents a transfer of funds between two projects and is a net zero to SL&P from a funding perspective.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

Upon approval, Administration will proceed with the transfer of funds to complete the projects.

Report Approval

Written by:	Terence Monteith, Engineering Manager
Reviewed by:	Trevor Bell, Director of Saskatoon Light & Power
Approved by:	Angela Gardiner, General Manager, Utilities and Environment

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