
Saskatoon Light & Power 2017 Annual Report

Recommendation

That the report of the General Manager, Transportation & Utilities Department dated June 11, 2018, be received as information.

Topic and Purpose

The purpose of this report is to present the Saskatoon Light & Power Annual Report that outlines the performance and activities of the division in 2017, including a comparative analysis to previous years.

Report Highlights

1. Our Customers – The utility continued to provide reliable service in comparison with the Urban Average reported by member utilities in the Canadian Electricity Association (CEA).
2. Our Finances – Saskatoon Light & Power provided a Return on Investment of \$24,659,700 and paid Grants-in-Lieu of Taxes in the amount of \$22,034,664, for a total financial benefit to the City of Saskatoon (City) of \$46,694,364. The provision to capital reserves increased by \$569,400 to \$13,509,500.
3. Our People – There were two lost time injuries in 2017.
4. Our Work – Smart meters were provided to 98% of the utility's customers allowing them to receive bills based on actual monthly reads, eliminating the need for estimates. A new Smart Grid Control system was also installed to integrate information received from the smart meters and the data in the Geographic Information System (GIS) to better monitor conditions on the system.
5. Our Environment – a Solar Power Demonstration Site was completed in 2017; work continued with the Saskatoon Health Region to study developing a Combined Heat and Power plant at St. Paul's Hospital, and a Memorandum of Understanding was signed with the Saskatoon Tribal Council to further consider the development of a hydropower generation station at the location of the Saskatoon Weir.
6. Our Challenges – Saskatoon Light & Power will continue to focus on asset management and renewal in 2018.

Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability by reducing the gap in funding required to rehabilitate and maintain City infrastructure, establishing levels of service for rehabilitation of assets, identifying supporting financial strategies, and developing funding strategies for expenses related to new capital expenditures.

This report also supports the Strategic Goal of Economic Diversity and Prosperity by planning and investing in infrastructure needed to attract and support new businesses and skilled workers to the city.

Background

Saskatoon Light & Power's mandate is to provide safe, reliable and cost effective electricity in an environmentally responsible way. The utility strives to minimize the number and duration of customer outages with a focus on system maintenance, staff training and safety.

Report

The 2017 Annual Report for Saskatoon Light & Power (Attachment 1) highlights information relating to our: Customers; Finances; People; Work; Environment and Challenges.

Our Customers

Saskatoon Light & Power's customers rated electrical service reliability in the top three key strengths of civic services. In 2017, the Index of Reliability was 0.9999, which met the Urban Average reported by member utilities in the CEA. The ten-year average for outage duration was 61 minutes, which compared against the Canadian Urban Average of 91 minutes.

Our Finances

Saskatoon Light & Power provided a Return on Investment of \$24,659,700 in 2017. In addition, a Grant-in-Lieu of Taxes in the amount of \$22,034,664 was provided for a total benefit to the City of \$46,694,364. Without these stable sources of income, the City would need to find revenue from other sources to meet its requirements. If property taxes were increased to cover these amounts, taxes would need to increase by 23%.

Our People

There were two lost time incidents in 2017. Saskatoon Light & Power's ten year safety record is close to the CEA average for similar sized companies and is significantly better than the City of Saskatoon corporate average.

Our Work

Saskatoon Light & Power provided funding to 27 capital projects in 2017. By the end of the year, 98% of the utility's customers had received a smart meter allowing them to receive bills based on actual monthly reads, eliminating the need for estimates. The information from the smart meters was also integrated with the data from the GIS system and incorporated into a new Smart Grid Control system that allows the utility to better monitor conditions on the system.

Our Environment

Saskatoon Light & Power continued the development of several clean energy projects to work toward its target of generating 10% of the utility's annual energy requirements from local, renewable resources. A Solar Power Demonstration Site was completed in 2017 in partnership with the Saskatchewan Environmental Society (SES), the SES Solar Co-operative, and Saskatchewan Polytechnic. Work also continued with the Saskatoon Health Region to study developing a Combined Heat and Power plant at St. Paul's Hospital, and a Memorandum of Understanding was signed with the

Saskatoon Tribal Council to further consider the development of a hydropower generating station at the location of the Saskatoon Weir. Saskatoon Light & Power was recognized by the CEA and awarded the 2017 Leadership in External Collaboration and Partnership award for its commitment to external collaboration and partnerships with Indigenous Peoples, local communities and other stakeholders.

Our Challenges

The primary challenge for the electrical utility is to dedicate funding and have the necessary resources to meet the identified asset management requirements to maintain the system. Work was completed in 2017 identifying the existing and target spending amounts for capital renewal projects. City Council received a report in early 2018 that identified an annual funding gap of \$7 million and a funding strategy to address the gap. The strategy incorporates a phased-in approach that will meet the target level of spending by 2023 while the ROI will remain at the current level of \$24.66 million annually.

Communication Plan

A copy of the Saskatoon Light & Power 2017 Annual Report will be posted on the City's website and shared with staff.

Other Considerations/Implications

There are no options, public and/or stakeholder involvement, policy, financial, environmental, privacy, or CPTED considerations or implications.

Due Date for Follow-up and/or Project Completion

This report is provided on an annual basis and no further follow-up is required at this time.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Saskatoon Light & Power 2017 Annual Report

Report Approval

Written by: Trevor Bell, Director of Saskatoon Light & Power

Approved by: Angela Gardiner, Acting General Manager, Transportation & Utilities Department

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