

# Swift Current/SaskPower

## Background

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- Swift Current is one of two communities in the province that did not sell their utility to SaskPower.
- The city does not generate electricity, instead it buys power at a wholesale rate from SaskPower (the only provider it can purchase from) and distributes electricity to its customers at a wholesale rate.
- The difference between the SaskPower's wholesale rate and the retail rate charged to Swift Current customers provides the operating revenue for Swift Current Light and Power; but the city has no real say in how those rates are set.
- When the wholesale rate is increased more than the retail rate, it erodes the margins on which the Swift Current utility operates; reduces the value of the utility, and forces city council to find that money somewhere else.
- SaskPower has applied for a 7.5 % increase in the wholesale rate and a 4.9% increase in the retail rate. This latest increase will further shrink the operating margins of Swift Current Light and Power.
- In the past five years, SaskPower has raised Swift Currents' rates by 32%. The average rate increase for other customers is 17%.
- Despite repeated requests, SaskPower has failed to provide data to justify the increases.
- In April 2005 the City of Swift Current filed a lawsuit against SaskPower alleging predatory rate setting practices. The suit claims that over the past decade, SaskPower systematically set rates for Swift Current that would force it to sell the utility to SaskPower at a reduced price.
- It has now been six months since the lawsuit was filed. SaskPower has yet to file a statement of defense.