

DELIVERING ON A SERVICE PROMISE

OUR YEAR AT A GLANCE

- Net income of \$138 million and dividend of \$97 million.
- Record \$89 million spent on new customer connects.
- Record 13,071 new service applications.
- Record peak load of 2,969 megawatts (MW).
- New supply decision outlines SaskPower's plan to meet the province's growing electricity needs from 2010 to 2014.
- SaskPower becomes first utility in the world to complete workable design for a large scale near-zero emissions pulverized coal plant.
- Process of acquiring up to 400 MW of simple cycle natural gas turbines begins, at a capital cost of approximately \$625 million.
- SaskPower Eneraction portfolio of efficiency, conservation and load management programs announced.
- Net Metering Program allows for the development of partnerships with customers who generate electricity using wind, solar, low impact hydroelectric, biomass, flare gas and heat recovery.
- SaskPower International's Centennial Wind Power Facility completes first year with a capacity factor in the top 10% of facilities around the world.
- First of four new waste heat recovery units completes initial year of operation as part of SaskPower's Environmentally Preferred Power (EPP) Program.
- \$21.6-million major overhauls completed on Boundary Dam Power Station 139-MW Unit #3 and 62-MW Unit #1.
- Engineering design begins on \$30-million Boundary Dam spillway upgrade project.
- Preparation completed for \$140-million refurbishment of Poplar River Power Station 281-MW Unit #1.
- Initial routing design and public meetings held on 160-km Poplar to Pasqua 230 kilovolt (kV) transmission line.
- Construction begins on a new 110-25 kV substation 6 km from Pelican Narrows in northern Saskatchewan.
- \$6-million Energy Performance Contract (EPC) signed with the Sunrise Health Region.
- Over 16,000 compact fluorescent light bulbs are distributed free in six communities.
- Conductor and transformer supply agreements worth up to \$170 million are signed with Nexans Canada Inc. and Partner Technologies Inc. resulting in continued significant manufacturing work for Saskatchewan.
- Customers' access to account information and services is enhanced with the new online MyPower Account.
- Power Savings campaign continues to educate customers about energy use.
- Shand Greenhouse reaches distribution mark of over 5.7 million seedlings since opening.



On the cover

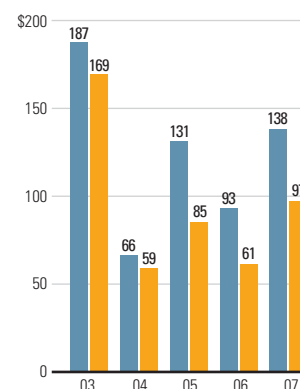
Shining a light on a powerful future — The spiraling tube of a compact fluorescent light illuminates in more ways than one. For SaskPower's customers, it demonstrates the environmental and economic benefits of efficiency. For our company, it confirms the power that comes with transforming the way we think and act in order to meet the challenges around us.

FINANCIAL AND OPERATING HIGHLIGHTS

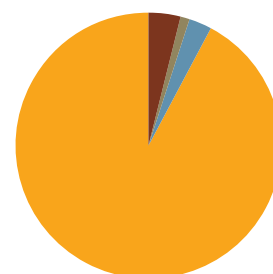
FINANCIAL INDICATORS

(in millions)	2007	2006	Change
Revenue	\$ 1,469	\$ 1,353	\$ 116
Net income	138	93	45
Dividends	97	61	36
Capital expenditures	280	285	(5)
Gross long-term debt	2,565	2,515	50
Return on equity ¹	9.3%	6.4%	2.9 %
Per cent debt ratio ²	59.7%	61.0%	(1.3)%

1. Return on equity = (net income)/(average equity), where average equity = [(equity advances + retained earnings at year-end + equity advances + retained earnings at previous year-end)/2].
2. Per cent debt ratio = (debt)/(debt + equity), where debt = (long-term debt + current portion of long-term debt - debt retirement funds - cash and cash equivalents).



NET INCOME AND DIVIDENDS (in millions)
 ■ NET INCOME ■ DIVIDENDS



2007 REVENUE

- SASKATCHEWAN ELECTRICITY SALES 92%
- EXPORTS 4%
- NET SALES FROM ELECTRICITY TRADING 1%
- OTHER 3%

SASKPOWER SUBSIDIARIES' NET INCOME

(in millions)	2007	2006	Change
SaskPower International	\$ 19	\$ 16	\$ 3
NorthPoint Energy Solutions	13	18	(5)

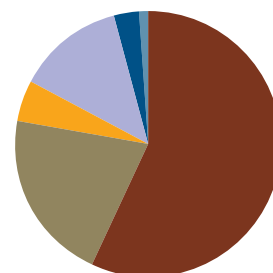
OPERATING STATISTICS

(GWh)	2007	2006	Change
Saskatchewan electricity sales	17,923	17,400	523
Exports	851	480	371
Total electricity sales	18,774	17,880	894
Gross electricity supplied	20,571	19,714	857
Line losses	(1,797)	(1,834)	37
Net electricity supplied	18,774	17,880	894
Electricity trading purchases	1,909	1,672	237
Line losses	(12)	(23)	11
Electricity trading sales	1,897	1,649	248

One GWh is equivalent to the energy consumed by 125 typical houses in one year.

2007 EXPENSE

- FUEL AND PURCHASED POWER 37%
- OM&A 31%
- DEPRECIATION 16%
- FINANCE CHARGES 13%
- TAXES 3%



2007 GROSS ELECTRICITY SUPPLIED (GWh)

- COAL 57%
- HYDRO 21%
- GAS 5%
- PURCHASED POWER 13%
- WIND 3%
- IMPORTS AND OTHER 1%