
CUSTOMER CONNECT FINANCING

1 Purpose

This directive provides details regarding SaskPower's financing program for certain customer construction charges that was introduced June 1, 2008.

2 Background

This program is administered by CSBU Operations Performance.

Financing is applicable to:

- Any customer's construction charge for a new service installation, a capacity increase service installation or a temporary service installation;
- Residential and farm customers' (rate codes E01, E02, E03, E04, E19 and E34) service construction charges of \$1,000.00 to \$2,000,000.00, net of a minimum 25 percent down payment;
- All non residential or non farm customers' (all other rate codes) service construction charges of \$5,000.00 to \$2,000,000.00, net of a minimum 25 percent down payment;
- Applications for service received after June 1, 2008;
- The customer's service installation that is being financed must be located within SaskPower's franchise area and the service must be provided by SaskPower.

SaskPower's new service financing program does not apply to construction charges for line relocations, alterations, hazard corrections, the Farmyard Line Relocation program, the construction of gathering system lines for private generation facilities or any other SaskPower program or service.

A customer may receive financing for multiple construction charges, but the minimum amount financed cannot be less than \$1,000.00 for any one loan, net of a minimum 25 percent down payment, and the maximum amount financed for any one customer cannot exceed \$2,000,000.00 in total for all loans, net of the minimum 25 percent down payment for each loan. When a customer pays down their loan(s), they are eligible to obtain further financing up to the \$2,000,000.00 cumulative limit, net of the minimum 25 percent down payment.

3 Procedures

3.1 Eligibility Requirements

In order to be eligible for financing the customer must meet the following criteria:

- A sufficient creditworthiness score on SaskPower's billing system in combination with an acceptable credit rating from a third party credit rating agency for financing up to \$25,000.00;
- Financing in excess of \$25,000.00 will be subject to a satisfactory rating from SaskPower's Finance department after a credit review, which will consider the

customer's past credit history, personal net worth, debt servicing levels and the customer's financial strength as determined from sources such as financial statements.

- SaskPower has the right to refuse financing at its discretion, if the customer does not have an acceptable credit rating.

3.2 Financing Details

- The customer has the option of one year to five year terms for financing up to \$5,000.00, net of a minimum 25 percent down payment;
- The customer has the option of one year to five year terms or a ten year term for financing in excess of \$5,000.00, net of the 25 percent down payment;
- Promissory notes will be required as security for financing up to \$25,000.00;
- Financing in excess of \$25,000.00 will require security as determined by SaskPower's Finance department and may include personal guarantees and/or a charge on the customer's property or equipment;
- Interest rates will vary based upon the term and the amount financed. Interest rates include SaskPower's cost of capital, administration costs and a risk premium;
- Interest rates will be reviewed on an annual basis and will be subject to change;
- Once financing has been established for a loan, that rate will remain in effect for the duration of the loan;
- All financing will be administered through the customer's SaskPower bill. For those customers that do not have a SaskPower account, a loans only account will be established;
- Collection activity will be in accordance with the existing collection policy.

Prepared by : Terry M. Wasylynka – Supervisor, Business Policy

Approved by: Judy May
Vice-President, Customer Services