

STANDING COMMITTEE ON CROWN CORPORATIONS

January 23, 2002

MINUTE NO. 24

9:33 a.m. - Room 10

1. **PRESENT:** Mr. McCall in the Chair and Members Addley, Brkich, Huyghebaert, McMorris, Prebble, Wall and Yates.

Ms. Atkinson substituting for Mr. Thomson

Mr. Forbes substituting for Ms. Jones

Provincial Auditor's Office

Ed Montgomery, Executive Director

Andrew Martens, Principal

2. The Committee resumed its consideration of the annual reports of Saskatchewan Power Corporation (SaskPower) and its subsidiaries for the years ending December 31, 1998, December 31, 1999 and December 31, 2000.

The following officials responded to questions posed by members of the Committee:

John Wright, President and Chief Executive Officer

Bill Jones, Vice-President, Chief Financial Officer, Corporate & Financial Services

Rick Patrick, Vice-President, Planning, Environment & Regulatory Affairs

The following documents were tabled:

CCC 122/24 Saskatchewan Power Corporation: Document entitled "Percent Debt in Capital Structure".

CCC 123/24 Saskatchewan Power Corporation: Document entitled "SaskPower Information Sheet".

CCC 124/24 Saskatchewan Power Corporation: Document entitled "SaskPower Employees Totals (1994-2001).

CCC 125/24 Saskatchewan Power Corporation: Document entitled "Annual Load by Customer Class (1997-2001).

3. The Committee resumed its consideration of the motion of Mr. Wall, which read as follows:

That this committee call upon the provincial government to follow the recommendation in the Dillon Consulting Ltd. Report to the Saskatchewan Rate Review Panel in reviewing SaskPower's 2001 rate increase application that SaskPower International be split off into a separate fully cost-accounted corporation so that SaskPower customers are protected from power rate increase as a result of SaskPower International's business losses.

Mr. Wall withdrew the motion.

4. It was moved by Mr. Wall:

That this committee recommend that the provincial government take the necessary steps to ensure that all current and future equity investments and out-of-province business activities of SaskPower be conducted by a company legally separated from Saskatchewan Power Corporation so that SaskPower's customers are not exposed to losses incurred by these investments and activities.

5. Mr. Montgomery responded to questions.
6. After debate, Mr. Wall withdrew the motion.
7. It was moved by Ms. Atkinson:

That this committee call upon the provincial government to consider the recommendation on page 35 in the Dillon Consulting Ltd. report to the Saskatchewan Rate Review Panel. And that SaskPower undertake a careful and thoughtful analysis of the rapidly changing electrical utility regulatory regimes of other North American jurisdictions, their applicability to SaskPower, its subsidiaries, and its activities in order to minimize risks to SaskPower ratepayers and remove the potential for investment losses by SPI therefore putting upward pressure on the rates of SaskPower customers.

After debate, the question being put on the motion, it was carried.

8. At 10:06 a.m., the Committee recessed until 10:14 a.m.
9. The Committee resumed its questioning of the SaskPower officials.
10. It was moved by Mr. Wall:

That this committee recommend to the provincial government that it update the fair wages clause included in Crown Corporation tenders per Order in Council No. 301/44, March 23, 1944.

The question being put on the motion, it was carried.

11. It was moved by Mr. Yates:

That the Standing Committee on Crown Corporations conclude its review of the annual reports and financial statements of Saskatchewan Power Corporation (SaskPower) and its subsidiaries for the years ending December 31, 1998, December 31, 1999 and December 31, 2000.

The question being put on the motion, it was carried.

12. The Chair advised that the committee meeting scheduled for January 29, 2002, to consider SOCO, be postponed. The Chair also advised that he would consult with the steering committee to determine dates for the Committee's consideration of both SOCO's outstanding Annual Reports and SGGF's Annual Reports.

13. It was moved by Mr. Prebble:

That this Committee do now adjourn.

The question being put, the motion was agreed to.

14. The Committee adjourned at 11:52 a.m. until 9:30 a.m. on Wednesday, January 30, 2002.

Viktor Kaczowski
Committee Clerk

Warren McCall
Committee Chair