

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

November 14, 2006

MINUTE NO. 37

4:00 p.m. – Room 8

1. **Present:** Ms. Morin in the Chair and Members Addley, D'Autremont, Duncan, Harpauer, Iwanchuk*, McCall and Morgan*

Substituting Members

Mr. Iwanchuk for Hon. Mr. Wartman

Mr. Morgan for Mr. Duncan (for consideration of Crown Investments Corporation)

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Judy Ferguson, Deputy Provincial Auditor

Mark Anderson, Principal

Kelly Deis, Principal

Andrew Martens, Principal

Appointed Auditors

Mark Lang, KPMG

Tom Robinson, KPMG

Diana Adams, KPMG

2. The following documents were tabled:

CCA 211/25 SaskEnergy Incorporated: Subscription Agreement dated January 13, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated January 13, 2006 for \$320,665.

CCA 212/25 SaskEnergy Incorporated: Subscription Agreement dated February 20, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated February 20, 2006 for \$174,200.

CCA 213/25 SaskEnergy Incorporated: Subscription Agreement dated April 4, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated April 4, 2006 for \$174,925.

CCA 214/25 SaskEnergy Incorporated: Subscription Agreement dated May 2, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated May 2, 2006 for \$173,370.

CCA 215/25 SaskEnergy Incorporated: Subscription Agreement dated June 14, 2006 between SaskEnergy Incorporated and SaskEnergy Nova Scotia Holdings Ltd. Subscription for Shares: Heritage Gas Limited dated June 14, 2006 for \$464,550.

CCA 216/25 SaskEnergy Incorporated: SaskEnergy's incremental equity injections in Heritage Gas Limited ("Heritage Gas") (significant transaction).

CCA 217/25 Investment Saskatchewan: Notice of incorporation by Investment Saskatchewan pursuant to section 30(3) of The Crown Corporations Act, 1993 and The Tabling of Documents Act, 1991: subsidiary called Victoria Park Capital Inc.

CCA 218/25 Investment Saskatchewan: Terra Grain Fuels Inc. \$29.6 Million Subordinate Debenture Investment by Investment Saskatchewan Inc.

CCA 219/25 Regional Economic and Cooperative Development: 2005-2006 Annual Report and Financial Statements of the Saskatchewan Snowmobile Fund.

CCA 220/25 Crown Investments Corporation: 2005 payee disclosure report.

CCA 221/25 Crown Investments Corporation: Report of Losses Policy.

CCA 222/25 Crown Investments Corporation: Losses reported during the period January 1, 2006 – September 30, 2006.

CCA 223/25 Crown Investments Corporation: PowerPoint presentation on the 2005 annual report.

3. The Committee considered Chapter 5 (Saskatchewan Telecommunications Holding Corporation) of the 2004 Report of the Provincial Auditor (Volume 1), Chapter 13 (Saskatchewan Telecommunications Holding Corporation) of the 2005 Report of the Provincial Auditor (Volume 1), and Chapter 10 (Saskatchewan Telecommunications Holding Corporation) of the 2006 Report of the Provincial Auditor (Volume 1). Mr. Wendel and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapters.
4. The appointed auditor, Mr. Lang, addressed the committee with respect to the audit reports for Saskatchewan Telecommunications Holding Corporation.
5. The following Saskatchewan Telecommunications Holding Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. Deb Higgins, Minister
Robert Watson, President and CEO
Mike Anderson, Chief Financial Officer
Kym Wittal, Chief Technology Officer
Diana Milenkovic, Senior Vice President, Marketing and Service Development
John Meldrum, Vice President, Corporate Counsel and Regulatory Affairs
Dale Baron, Controller
Michelle Englot, Manager, Corporate Affairs

6. The committee recessed from 6:03 p.m. until 7:37 p.m.
7. The committee considered the 2004 and 2005 Crown Investments Corporation annual reports and related documents. Ms. Ferguson provided an overview of the Provincial Auditor's review of the annual reports and financial statements.
8. The appointed auditor, Mr. Robinson, addressed the committee with respect to the audit report contained in the annual reports and financial statements.

9. The following Crown Management Board Minister and Crown Investments Corporation of Saskatchewan officials appeared before the committee and made a presentation:

Witnesses

Hon. Maynard Sonntag, Minister
Ron Styles, President and CEO
Blair Swystun, Vice President and Chief Financial Officer
Perry Bellegarde, Vice President, Labour & Aboriginal Initiatives
John Amundson, Corporate Controller
Karen Schmidt, Executive Director, Communications
Kathie Maher-Wolbaum, Special Advisor, Government Relations

10. The Hon. Mr. Addley raised a point of order that the discussion was beyond the scope of the agenda before the committee. The Chair ruled that the member's point of order was well taken and that the agenda before the committee was the 2004 and 2005 Crown Investments Corporation.
11. The committee recessed from 8:10 p.m. until 8:15 p.m.
12. It was moved by the Hon. Mr. Addley:
- That this committee do now adjourn.
- The question being put, it was agreed to.
13. The committee adjourned at 8:16 p.m. to the call of the Chair.

Iris Lang
Committee Clerk

Sandra Morin
Committee Chair