

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

January 10, 2007

MINUTE NO. 42

10:00 a.m. – Room 8

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

Substituting Members

Ms. Crofford for Hon. Mr. Wartman

Other Members

Ms. Eagles

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Judy Ferguson, Deputy Provincial Auditor

Ed Montgomery, Deputy Provincial Auditor

Andrew Martens, Principal

Appointed Auditors

Brian Drayton, Meyers Norris Penny

Bob Watt, Deloitte and Touche

2. The following documents were tabled:

CCA 225/25 Saskatchewan Transportation Company: Saskatchewan party quotes regarding STC.

CCA 226/25 Saskatchewan Transportation Company: Quotes from Hansard on STC privatization

CCA 227/25 Saskatchewan Power Corporation: Delta benefits realization reduction of benefits

3. The Committee considered the 2004 and 2005 annual reports and related documents for Saskatchewan Transportation Company.
4. Mr. Martens provided an overview of the Provincial Auditor's review of the annual reports and financial statements.
5. The appointed auditor, Mr. Brian Drayton, addressed the committee with respect to the audit report contained in the annual reports and financial statements.
6. The following Saskatchewan Transportation Company Minister and officials appeared before the committee and answered questions.

Witnesses

Hon. Eldon Lautermilch, Minister
Ray Clayton, President and Chief Executive Officer
Shawn Gric, Chief Financial Officer, Senior Director, Finance and Administration
John Millar, Director, Strategic Planning and Communications
Dean Madsen, Manager, Business Development and Operations (South)

7. It was moved by Ms. Harpauer:

That the committee conclude its review of the 2004 and 2005 annual reports, financial statements and related documents for Saskatchewan Transportation Company.

The question being put, it was agreed to.

8. The committee recessed from 11:51 a.m. until 1:33 p.m.
9. The committee considered Chapter 4 (Saskatchewan Power Corporation) of the *2004 Report of the Provincial Auditor (Volume 1)* and Chapter 9 (Saskatchewan Power Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* and the 2004 and 2005 annual reports and related documents for Saskatchewan Power Corporation.
10. Mr. Wendel and Ms. Ferguson provided an overview of the Provincial Auditor's chapters and a review of the annual reports and financial statements.
11. The appointed auditor, Mr. Watt, addressed the committee with respect to the audit report contained in the annual reports and financial statements.
12. The following Saskatchewan Power Corporation Minister and officials appeared before the committee and answered questions:

Witnesses

Hon. John Nilson, Minister
Pat Youzwa, President and Chief Executive Officer
Bill Jones, Vice President and Chief Financial Officer, Corporate and Financial Services
Rick Patrick, Vice President, Planning, Environment and Regulatory Affairs

13. The committee recessed from 3:06 p.m. until 3:24 p.m.
14. There were no recommendations to report on Chapter 4 (Saskatchewan Power Corporation) of the *2004 Report of the Provincial Auditor (Volume 1)*. The committee reviewed for informational purposes.
15. The committee concurred with recommendation 1 made at page 110 of Chapter 9 (Saskatchewan Power Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Power Corporation expand its risk management framework to include risks related to electricity generation.
16. The committee concurred with recommendation 2 made at page 110 of Chapter 9 (Saskatchewan Power Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Power Corporation document its procedures for preparing its analysis of electricity needs and its ability to meet those needs.

17. The committee concurred with recommendation 3 made at page 112 of Chapter 9 (Saskatchewan Power Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Power Corporation use its new strategic plan to assess alternative strategies that address identified infrastructure needs.
18. The committee concurred with recommendation 4 made at page 113 of Chapter 9 (Saskatchewan Power Corporation) of the *2006 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Power Corporation document the nature and extent of specific infrastructure risks that it accepts when it approves projects.
19. It was moved by Ms. Harpauer:

That the committee conclude its review of the 2004 annual reports, financial statements and related documents for Saskatchewan Power Corporation.

The question being put, it was agreed to.
20. It was moved by the Mr. Duncan:

That this committee do now adjourn.

The question being put, it was agreed to.
21. The committee adjourned at 4:25 p.m. until 10:00 a.m. on Thursday, January 11, 2007.

Iris Lang
Committee Clerk

Sandra Morin
Committee Chair