

**STANDING COMMITTEE ON CROWN CORPORATIONS**

**May 6, 1998**

**MINUTE NO. 39**

**9:00 a.m. - Room 10**

1. **PRESENT:** Ms. Lorje in the Chair and Members Bjornerud, Gantefoer\*, Hamilton, Hillson\*, Kowalsky, Shillington\*, Tchorzewski\*, Thomson\* and Trew.

Mr. Gantefoer substituting for Mr. Heppner  
Mr. Hillson substituting for Mr. McPherson  
Mr. Shillington substituting for Mr. Kasperski  
Mr. Tchorzewski substituting for Mr. Johnson  
Mr. Thomson substituting for Mr. Renaud

**Other Members**

Mr. Belanger, Mr. Boyd, Mr. Goohsen, Mr. Heppner, Mr. Osika, Ms. Stanger

**Staff to the Committee**

Ms. Margaret Woods, Clerk to the Committee  
Mr. Bob Cosman, Legislative Counsel and Law Clerk  
Mr. Ted Priel, Special Advisor to the Committee

2. The Committee resumed its examination of the Channel Lake Petroleum Ltd. matter:

**Witnesses:**

Mr. Gary Drummond, President, Direct Energy Marketing Ltd.  
Mr. Louis R. Dufresne, Senior Vice-President, Direct Energy Marketing Ltd.  
Mr. G. Dino Deluca, partner, Burnet Duckworth & Palmer law firm

**Assisting the witnesses:**

Garrett Wilson, Wilson Rasmussen, Counsel to Direct Energy Marketing Ltd.

Mr. Drummond began his testimony by tabling the following document:

**CCC 86/23 – OPTUS Natural Gas Distribution Income Fund:** 1997 Annual Report

Mr. Drummond then responded to questions put by Members.

3. During the course of the questioning the witness, Mr. Hillson tabled the following document:

**CCC 87/23 – OPTUS Natural Gas Distribution Income Fund:** Revised Initial Annual Information Form, dated October 1, 1997

4. The Committee recessed from 9:30 a.m. until 9:45 a.m.
5. Mr. Drummond continued to respond to questions from Committee Members.
6. The Committee recessed from 10:48 a.m. until 11:05 a.m.

7. Committee Members resumed their examination of the witness, Mr. Deluca.
8. The Committee concluded their examination of the witnesses, Mssrs. Drummond, Dufresne and Deluca.
9. Mr. Gantefoer moved the following motion:

That the Standing Committee on Crown Corporations contract with an independent oil and gas industry expert to evaluate the terms of the long term gas supply contract awarded to DEML as part of the sale of Channel Lake Petroleum to determine whether the contract is within industry standards; and

That if the long term gas supply contract is not within industry standards provide information to the Committee as to what those industry standards are.

A debate arising and the question being put, the motion was agreed to.

10. The Committee considered a draft Fifth Report to the Assembly:

**CCC 88/23 – Standing Committee on Crown Corporations:** Fifth Report, dated May 6, 1998

A discussion ensued and it was agreed that the Chair would consult with the special advisor and representatives of each caucus in the selection of the independent oil and gas industry expert. It was moved by Mr. Shillington:

That the draft Fifth Report be presented to the Assembly.

A debate arising and the question being put, the motion was agreed to.

11. The Committee adjourned at 12:28 p.m. until 9:00 a.m. on Tuesday, May 12, 1998.

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Margaret A. Woods  
Committee Clerk

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Pat Lorje  
Committee Chair