

## STANDING COMMITTEE ON CROWN CORPORATIONS

May 20, 1998

### MINUTE NO. 43

9:00 a.m. - Room 10

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

Mr. Gantefoer substituting for Mr. Bjornerud  
Mr. Shillington substituting for Mr. Johnson  
Ms. Stanger substituting for Ms. Hamilton  
Mr. Tchorzewski substituting for Mr. Kasperski  
Mr. Thomson substituting for Mr. Renaud

#### **Other Members**

Mr. Goohsen

#### **Staff to the Committee**

Ms. Margaret Woods, Clerk to the Committee  
Mr. Ted Priel, Special Advisor to the Committee

2. The Chair advised the Committee that she had received an additional document from Mr. McKillop, which was tabled as follows:

**Addendum to CCC 82/23 – Milner Fenerty Law Firm:** Saskatchewan Power Corporation file regarding Direct Energy Marketing Ltd., re: hand written notes of E. David D. Tavender of his conversations with L. Kram of SaskPower, dated June 13 and June 16, 1997

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

Witness:

Mr. E. David D. Tavender, partner, Milner Fenerty law firm

Mr. Tavender began his testimony with an opening statement and then responded to questions from Committee Members.

4. The Committee concluded its examination of the witness, Mr. Tavender.
5. The Committee recessed from 10:30 a.m. until 10:50 a.m.
6. The Committee resumed its examination of the Channel Lake Petroleum Ltd. matter:

Expert Witness:

Mr. Doug R. Sutton, Vice President, Gilbert Laustsen Jung Associates Ltd.

Mr. Sutton began his testimony with an opening statement and tabled the following documents:

**CCC 93/23 – Gilbert Laustsen Jung Associates Ltd.:** Channel Lake Petroleum Ltd. – Reserve and Economic Evaluation, Canadian Oil and Gas Interests, Corporate Summary, effective January 1, 1997, dated February 12, 1997.

**CCC 94/23 – Gilbert Laustsen Jung Associates Ltd.:** Channel Lake Petroleum Ltd. – Reserve Appraisal and Economic Evaluation Excluding Thunder, effective January 1, 1997, dated March 5, 1997.

Mr. Sutton then responded to questions put by Members.

7. The Committee concluded its examination of the expert witness, Mr. Sutton.

8. It was moved by Mr. Hillson:

That this Committee request Doug R. Sutton to review the 10 year supply contract with DEML and provide, in writing, an opinion:

- i) as to the value of the 10 year supply contract; and
- ii) the impact of the 10 year supply contract on the value of the sale of Channel Lake.

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

9. The Committee adjourned at 12:01 p.m. until 9:00 a.m. on Tuesday, May 26, 1998.

