

STANDING COMMITTEE ON CROWN CORPORATIONS

June 25, 1998

MINUTE NO. 49

10:00 a.m. - Room 10

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

Mr. Gantefoer substituting for Mr. Heppner
Mr. Tchorzewski substituting for Mr. Johnson
Mr. Thomson substituting for Mr. Renaud

Other Members

Mr. Goohsen, Mr. Shillington, Ms. Stanger

Staff to the Committee

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

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

Witnesses:

J. Milt Fair, Vice-Chair, Board of Directors, Saskatchewan Power Corporation
A. R. (Rob) Garden, partner, MacPherson Leslie & Tyerman law firm

Assisting the Witnesses:

Michael W. Milani, McDougal Ready, Counsel to Saskatchewan Power Corporation
Erin M.S. Kleisinger, McDougal Ready, Counsel to Saskatchewan Power Corporation

Mr. Fair and Mr. Garden began their testimony by each making opening statements. The witnesses then responded to questions put by Committee Members.

3. The Committee recessed from 11:45 a.m. until 1:35 p.m.
4. The Committee concluded its examination of the witnesses, Mssrs. Fair and Garden.
5. The Committee recessed from 2:30 p.m. until 2:50 p.m.
6. The Committee continued its examination of the Channel Lake Petroleum Ltd. matter:

Witness:

Don Mintz, Chair, Audit & Finance Committee, Board of Directors, Saskatchewan Power Corporation

Assisting the Witness:

Michael W. Milani, McDougal Ready, Counsel to Saskatchewan Power Corporation
Erin M.S. Kleisinger, McDougal Ready, Counsel to Saskatchewan Power Corporation

Mr. Mintz began his testimony by responding to questions put by Committee Members.

7. The Committee concluded its examination of the witness, Mr. Mintz.
8. The Committee considered whether to continue broadcasting its proceedings. It was agreed that the proceedings would not be televised after the conclusion of the June 30, 1998 meeting but that a verbatim transcript would continue to be published.
9. The Chair advised the Committee that she had received additional documents, which she then tabled:

CCC 95/23 – KPMG Chartered Accountants: Correspondence from KPMG (per: Mark J. Lang, partner) to Pat Lorje, Chair, Standing Committee on Crown Corporation, dated June 12, 1998, re: request for information from Direct Energy Marketing Ltd regarding confirmation of the price paid by DEML for the shares of, and note issued by, Channel Lake Petroleum Ltd.

CCC 96/23 – KPMG Chartered Accountants: Correspondence from KPMG (per: Ian P. Schofield) to Pat Lorje, Chair, Standing Committee on Crown Corporation, dated June 12, 1998, re: request for information from Direct Energy Marketing Ltd on the determination of value of Gas Supply Management Agreement

CCC 97/23 – Saskatchewan Power Corporation: Responses to undertakings made by Ken Christensen at the April 22, 1998 meeting regarding the percentage of arbitrage contracts involving Direct Energy Marketing Ltd. and the maximum potential liability to SaskPower under s. 7.1(c) of the Purchase Agreement

CCC 98/23 – Crown Investments Corporation: Responses to undertakings made by John Wright, President and Chief Executive Officer at the June 10, 1998 meeting regarding director and officer indemnity and liability insurance and the recoverability of “lost monies” through insurance proceeds

10. It was moved by Mr: Thomson:

That this Committee do now adjourn.

The question being put, the motion was agreed to.

11. The Committee adjourned at 4:35 p.m. until 9:00 a.m. on Friday, June 26, 1998.

Margaret A. Woods
Committee Clerk

Pat Lorje
Committee Chair