

Brincat Anna at Parlament-MT

From: Alexander Tranter [ajtranter@gmail.com]
Sent: 10 July 2014 08:11
To: Brincat Anna at Parlament-MT
Cc: Azzopardi Jason at Parlament-MT
Subject: Re: Letter to PAC

Dear Ms. Brincat,

Please find attached scans of my letter to PAC plus supporting attachments, following statements made during Prof. Joseph Falzon's testimony last Monday.

Kindly confirm receipt.

Best regards

Ing. Alexander Tranter

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9th August 2014

Hon. Jason Azzopardi
Chairman
Public Accounts Committee
The Palace
Valletta

Hon. Azzopardi,

I refer to the testimony given by Professor Joseph Falzon in front of your Committee on Monday 7th July 2014 in conjunction with the Auditor General report titled "An Analysis of the Effectiveness of the Enemalta Corporation's Fuel Procurement".

During his testimony, Professor Falzon chose to make unsubstantiated insinuations that I took all the decisions with regards to the Fuel Procurement and the Hedging of Oil and Currency risks. As your Committee is well aware through the testimonies of numerous ex-Enemalta and Enemalta officials at previous PAC hearings, all procurement and hedging decisions were joint unanimous decisions taken by all members of the Enemalta Fuel Procurement Committee (FPC) and the Risk Management Committee (RMC), not only myself.

Prof. Falzon also informed your Committee that I had officially informed him in writing that Fuel Procurement Advisory Committee (FPAC) at Enemalta Corporation will have a new Chairman as well as an additional new member on the new FPAC2 committee. It is truly unfortunate that Professor Falzon seems to still bear a grudge against me for replacing him as Chairman of FPAC with Roderick Chalmers. I sincerely hope that your Committee has it absolutely clear that the choice of who was appointed on the FPAC, was not at my discretion, but that of the Minister. I was also very clear in my written communication to Prof. Falzon of this Ministerial discretion, in the choice of appointments made on the FPAC.

Under the Chairmanship of Mr. Chalmers, FPAC2 continued the good work started by Prof. Falzon with a policy paper submitted to Enemalta's Board of Directors in March 2006. As a result of the FPAC2 policy document, the role of the Risk Management Committee (RMC) was reactivated and FPAC2 remained "to act in an advisory/strategic capacity". The RMC continued with its hedging functions and it held regular meetings with FPAC2 in view of its advisory capacity. The workings of the RMC were always fully disclosed to FPAC2 in detailed presentations. May I also add that similar presentations were regularly done to the Government and other entities such as the MCESD. It was fully transparent in all its dealings.

FPAC2's tenure came to a natural end on the 13th March 2008 when Mr. Chalmers recommended this action to Minister Dr. Austin Gatt. Quoting Mr. Chalmers letter, he recommended this since *"I am glad to say that Enemalta Corporation have acted positively on these recommendations. Further, an effective Risk Management Committee has also been established, and is attended by a representative from the Central Bank, as well as by the external consultant"*. I am attaching Mr. Chalmers letter for ease of reference, as well as the Minister's reply dated 24th March, sharing Mr. Chalmers's views.

I therefore find it very strange why Prof. Falzon choose to attack me personally only now after FPAC was dissolved in March 2008, especially after an excellent working and collaborative relationship between Enemalta and FPAC throughout FPAC's tenure. Prof. Falzon must have surely been supportive of all the Enemalta risk management procedures adopted throughout the three years FPAC was active, as otherwise he surely would not have been supportive of the attached letter written by Mr. Chalmers to the Minister, and would have no doubt mentioned this to your Committee last Monday.

May I kindly request that this letter is read out to your Committee at the earliest scheduled PAC meeting and also publish this letter together with the two letters attached. Please do not hesitate to contact me for any further information or clarification your Committee may require.

Yours sincerely,



Ing. Alexander Tranter

Attached.

Letter from Mr. Roderick Chalmers dated 13th March 2008
Letter from Hon. Austin Gatt dated 24th March 2008

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MINISTRY FOR INVESTMENT
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INFORMATION TECHNOLOGY

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The Minister

24th March 2008

The Chairman
Enemalta Corporation

Re: Fuel Procurement Advisory Committee

Attached please find copy of a letter that I have received from the Chairman of the said Committee.

As I concur with his views, the FPAC is being dissolved and I would appreciate if you would inform the members accordingly and thank them for their sterling work.

Austin Gatt

cc: Permanent Secretary, MCNP
CEO, Enemalta Corporation
Chairman, FPAC
Policy Manager, MCNP

