

Reject AltaLink sale, NDP's Mason urges province

BY MARIAM IBRAHIM, EDMONTON JOURNAL MAY 2, 2014

EDMONTON - NDP Leader Brian Mason is calling on the province to ask the Alberta Utilities Commission to reject the sale of AltaLink to U.S. Berkshire Hathaway Energy for \$3.2 billion.

Engineering firm SNC-Lavalin announced this week it is selling Alberta's largest regulated electricity transmission company to the subsidiary of a holding company owned by U.S. investor Warren Buffett.

Mason said the deal will allow an American company to reap the profits from utility lines paid for by Albertans and could ultimately drive electricity prices even higher.

"I don't believe, fundamentally, that our transmission system in this province should be an internationally traded commodity," Mason said Friday. "All of that will merely serve to ultimately raise the price of our electricity."

AltaLink owns roughly 12,000 kilometres of transmission lines and 280 substations. It provides electricity to the majority — about 85 per cent — of Alberta. The company had assets of about \$5.9 billion at the end of last year.

"In private hands, especially foreign hands, where a company is in it to make money, there's a real risk there won't be enough invested in maintenance of the existing system, which could lead ultimately to serious problems with the delivery of electricity in the province."

The province's electricity transmission system is worth about \$17 billion, with AltaLink owning about half the grid.

Last year, the company reported revenue of \$534 million, with \$161.6 million in net income.

If given the regulatory green-light by the Alberta Utilities Commission and Industry Canada, the deal is expected to close Dec. 31.

"We have the authority under the Public Utilities Act to approve or deny the sale" said Alberta Utilities Commission spokesman Jim Law. "Historically, we've considered the issues that are important to the continuation of safe, reliable service and no increase in rates as a direct result of the transaction."

Iowa-based Berkshire Hathaway Energy has \$70 billion in assets and owns and operates 284,000 kilometres of transmission and distribution lines.