

# AltaLink president confident of approval of sale to U.S. firm

BY JAMES WOOD, CALGARY HERALD JULY 16, 2014 6:18 AM

As the planned sale of Alberta's largest electrical transmission company to an American firm comes under scrutiny from politicians and the public, the president of AltaLink remains confident the deal will win approval from provincial and federal reviews.

The \$3.2-billion sale of AltaLink by Quebec-based SNC Lavalin to Berkshire Hathaway Energy — owned by billionaire Warren Buffett — is attracting attention, from the hiring of lobbyists to full-page newspaper ads from ATCO warning about “serious consequences” if the deal goes ahead.

Jim Law of the Alberta Utilities Commission said the ads — along with a response from AltaLink — prompted an outpouring of about 300 emails to the independent provincial agency that's mandated to examine whether the sale is in the interests of consumers.

“There were some in favour but the majority followed the ATCO ad, expressing concern or raising questions,” Law said in an interview Tuesday.

Besides the AUC review, the sale could also be halted by the federal government, which analyzes the transaction based on whether it provides a net benefit to Canada.

The provincial government can provide input to Ottawa as part of the review, and the three candidates running to become Progressive Conservative leader say they are watching the sale closely.

The provincial NDP has called for the deal to be killed by the federal government, while other opposition parties say they have concerns.

But AltaLink president Scott Thon said Tuesday he isn't fazed either by the public input to the AUC or the comments from concerned politicians.

The more people look at the takeover by Berkshire Hathaway Energy, the more they will see it is to Alberta's benefit, he said in an interview.

“This is a great investor for our country. It's someone who actually wants to be in the country, who wants to leave all the profits in the country and you just don't hear that in the utility (sector) in Canada,” said Thon.

“All the profits, we would hope to reinvest in Alberta.”

However, foreign takeovers have prompted political brawls in the past, with the most notable recent example being Saskatchewan’s successful push in 2010 to get Ottawa to block the sale of Potash Corp. of Saskatchewan to BHP Billiton.

Thon said there is absolutely no comparison between the two transactions and he ultimately expects little controversy.

However, he said the companies are prepared to make their case to political leaders about the merits of the deal.

The federal lobbyist registry shows Berkshire Hathaway Energy retained lobbyists from the firm Hill and Knowlton Strategies in May in relation to the company seeking approval for its investment in Canada.

In Alberta, Elan MacDonald — a former senior official in the offices of premiers Ed Stelmach and Alison Redford — was hired in May as a lobbyist by both Berkshire Hathaway and AltaLink, according to the provincial registry.

ATCO is also a registered lobbyist both provincially and federally. The federal registry shows a flurry of contact with federal ministers and officials at the end of May by ATCO, although the company declined to comment on the nature of the discussions.

ATCO CEO Nancy Southern — who has said critical infrastructure such as transmission lines should remain Canadian-owned — declined an interview request, but the company said in a statement it was hoping for a serious policy review in relation to the AltaLink sale.

International and Intergovernmental Relations Minister Cal Dallas, who was in Nebraska this week for a state government conference, said he has met with officials from Berkshire Hathaway.

Dallas said he was not looking for particular assurances from the company and the conversation instead dealt with Alberta’s economic and regulatory environment.

But he noted the province will ultimately make its position on the sale known to the federal government.

“We’d be getting ahead of ourselves for me to articulate an opinion today,” he said.

With files from Chris Varcoe, Calgary Herald