ALTALINK, L.P.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OCTOBER 30, 2007

The following Management's Discussion and Analysis (MD&A) is the responsibility of AltaLink, L.P. (AltaLink or the Partnership) management and should be read in conjunction with AltaLink's unaudited interim financial statements for the three and nine months ended September 30, 2007, and should also be read in conjunction with the audited financial statements and MD&A included in the Annual Report as at and for the year ended December 31, 2006. The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) using the same accounting policies and procedures as those used in preparing the audited annual financial statements for the year ended December 31, 2006, except for the change in accounting policies cited in Note 2 to the interim financial statements, upon the initial adoption of new accounting standards. All tabular amounts in the following MD&A are in millions of dollars unless otherwise noted.

In accordance with its terms of reference, the Audit Committee of the Partnership's Board of Directors reviews the contents of the MD&A and recommends its approval by the Board of Directors. The Board of Directors has approved this MD&A.

Readers should also read the "Forward Looking Information" legal advisory at the end of this MD&A.

OUR BUSINESS

The Partnership's sole focus is owning and operating regulated electricity transmission assets in Alberta and it is the largest transmission owner in the province. AltaLink currently owns and operates approximately 52% of the transmission lines used in Alberta's high-voltage electricity transmission system, supplying approximately 85% of the population of Alberta with transmission services, and is the principal transmission services provider to most major urban centres in Alberta. The Partnership also owns and operates the interconnection facilities that connect the Alberta network with the transmission system in British Columbia, allowing electricity to flow into and out of Alberta. The Partnership is a regulated electric utility under the jurisdiction of the Alberta Energy and Utilities Board (EUB). The EUB approves the tariffs to be charged by Transmission Facility Owners (such as the Partnership). In doing so, the EUB determines the Partnership's revenue requirement, being the revenues required to cover the forecast costs of the transmission business plus an approved return-on-investment on a fixed forward test year basis.

OWNERSHIP

The Partnership's operations are managed by its general partner, AltaLink Management Ltd. (AML or the General Partner). The Partnership has one limited partner, AltaLink Investments, L.P. (AILP). AILP has one limited partner, AltaLink Holdings, L.P. (AHLP). AHLP was formed as a limited partnership under the laws of Alberta pursuant to the provisions of a limited partnership agreement dated February 16, 2005 between AltaLink Investment Management Ltd. (AIML), as general partner, and Macquarie Transmission Alberta Ltd. (Macquarie), SNC-Lavalin Transmission Ltd. (SNC), OTPPB TEP Inc. and 3057246 Nova Scotia Company, as the limited partners of AILP. As part of the formation of AHLP, these limited partners contributed their limited partnership units in AILP to AHLP and were issued the same proportionate limited partnership interests in AHLP as they held in AILP. On June 13, 2006, the EUB approved AltaLink's application to change its ownership structure, and the transaction was completed on June 23, 2006. Under the new ownership structure, SNC-Lavalin Group Inc. indirectly owns 76.92% of

AltaLink, L.P. through its subsidiaries, with Macquarie Transmission Alberta Ltd. owning the remaining 23.08%.

HIGHLIGHTS THIRD QUARTER 2007

- Net income for the quarter of $10.0 (2006 - $6.0) million and $29.5 (2006 - $24.6) million for the year-to-date;
- Year to date capital expenditures include $116.5 million invested on new build projects directly assigned by the Alberta Electric System Operator (AESO) and $35.6 million in maintenance capital upgrades;
- Secured Band Council Resolutions from the Blood and Piikani First Nations, to allow the proposed 240kV South West project to cross First Nations' lands.

RECENT DEVELOPMENTS

South West 240kV Project

On August 14, 2007, AltaLink applied to the EUB for a Permit and Licence for the South West 240kV project, between Pincher Creek and Lethbridge. The double circuit line is needed to connect wind generation in the region. A hearing is expected in 2008.

KEG Transmission Line Conversion Project

The project included the conversion (and re-energizing) of the "KEG System" of 240kV lines between the Keephills and Genesee substations (west of Edmonton) and the Ellerslie substation (in South Edmonton) to 500kV. AltaLink owns and operates the transmission line connecting the KEG system, which is a 500kV system currently energized at 240kV that connects generating plants at AltaLink's Keephills substation and Epcor's Genesee substation with AltaLink's Ellerslie substation.

On June 28, 2006, the EUB approved AltaLink's Permit and Licence application for the KEG conversion, with an estimated project cost of $66.3 million. Energisation and testing of AltaLink's portion of the project remains on schedule for completion in the fourth quarter, 2007. On August 14, 2007, the AESO issued a letter to stakeholders informing them of an issue with an EPCOR Genesee transformer that would delay interconnection of the project.

Edmonton to Calgary 500kV Transmission Development

The 500kV development between the Edmonton and Calgary regions is a critical cornerstone of the expansion required to reinforce Alberta's transmission system. On April 14, 2005, the EUB issued Decision 2005-031 approving the need for the North-South expansion of the Alberta Interconnected Electric System (AIES), more specifically, a new 500kV system between Edmonton and Calgary.

In September, 2006, AltaLink finalized its proposed route for the 500kV line development project, having consulted with more than 2,500 landowners, including more than 2,000 one-on-one discussions and having hosted nine open houses along the project corridor. Based on the project scope, schedule and engineering parameters at that time, the estimated cost of the 330 kilometre project was $495 million and the cost estimate was expected to be accurate within twenty percent. In a letter dated September 12, 2006, the AESO directly assigned the 500kV line development project to AltaLink. On the same day, AltaLink filed its Permit and Licence application with the EUB for the project.

On October 18, 2006, the EUB adjourned a hearing to consider the Permit and Licence Application for the 500kV transmission line that had been scheduled to begin on December 11, 2006. Subsequently, the EUB adjourned the hearing a number of times to allow more time for landowners to prepare and to consider matters brought forward by intervenors.

On April 24, 2007, due to security concerns, the EUB rescheduled the hearing, with oral cross examination starting on May 14, 2007 in Rimbey, Alberta. On June 28, 2007, the oral cross examination portion of the hearing closed after almost seven weeks of testimony.

The Alberta Court of Appeal agreed to hear two landowner challenges on November 14, 2007 to the EUB's December, 2006 Review and Variance decision regarding the 500kV project and an EUB ruling in the Permit and Licence hearing.

On July 17, 2007 landowners also filed an action in the Court of Queen's Bench requesting the court to quash the Permit and Licence proceedings on the basis that the EUB lost its impartiality when it hired private investigators to monitor the activities of participants in the Permit and Licence proceedings in Rimbey. The matter was heard on October 2, 2007 and was determined to be moot because of the EUB's Decision 2007-075, which was issued on September 30, 2007.

On September 30, 2007, the EUB issued Decision 2007-075 voiding the AESO's Need decision (Decision 2005-031), the related review and variance decision (Decision 2006-114) and AltaLink's 500kV Edmonton to Calgary facility application (Application 1478550). Decision 2007-075 was issued based on circumstances that the EUB's administration of the hearings had "accumulated into a reasonable apprehension of bias". The Acting EUB chairman stated that "the Board is profoundly troubled by the impact actions taken by Board officials …to protect its security have had on ….the public's perception of the Board".

As a result of the voiding of the decisions, the Court of Appeal has set a hearing for October 29, 2007 to hear submissions as to whether all matters before it are now moot.

The AESO has determined that the transmission system south of Edmonton will be operating below North American reliability standards by the fall/winter peak of 2009-2010, increasing the likelihood of rotating power outages for the more than 1.5 million Albertans living south of Edmonton. The project's scheduled 2009-2010 fall/winter peak in-service date will not be achieved. While AltaLink is protected against liability from outages, the Partnership remains concerned about continuous electricity service to southern Alberta through the 2009-2010 winter peak. AltaLink is supporting the AESO to develop and implement temporary solutions to address security of supply through the 2009-2010 peak period.

In 2008, the AESO and AltaLink plan to bring forward new applications that provide a long-term solution to the North-South transmission path between Edmonton and Calgary and provide reliable service to Albertans.

SELECTED FINANCIAL INFORMATION

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Total revenue ($ millions)	**54.7**	48.0	**161.4**	147.7
Net income ($ millions)	**10.0**	6.0	**29.5**	24.6
Funds generated from operations ($ millions)	**26.9**	21.8	**74.7**	68.1
Net income per unit ($)	**0.030**	0.018	**0.089**	0.074
Distributions per unit ($)	**0.016**	0.015	**0.049**	0.045
Total assets ($ millions)	**1,444.1**	1,274.5	**1,444.1**	1,274.5
Long-term debt [1], excluding current portion ($ millions)	**768.2**	700.3	**768.2**	700.3

[1.] The long-term debt balance excludes the deferred financing fees, which have been offset against this amount in the financial statements, in accordance with the requirement of the new financial instruments accounting standards.

For the third quarter of 2007, total revenue increased to $54.7 million compared to $48.0 million for the same period in 2006. For the year to date, total revenue increased to $161.4 million in 2007 compared to $147.7 million for the corresponding period in 2006. AltaLink revenues primarily consist of tariff revenues as established by the EUB. During the first and second quarters of 2007, AltaLink received EUB Decisions 2007-012 and 2007-050, and as a result the 2007 revenue includes adjustments required by these decisions. Monthly tariff revenue for 2007 has been established at $17.3 million compared to average monthly tariff revenue of $15.9 million for 2006. Total tariff revenue for 2007 has been established by the EUB at $208.0 million compared with $191.5 million in 2006 as additional investments in assets are needed to increase capacity to meet growth and maintain reliability.

Depreciation expense increased to $15.6 million during the third quarter of 2007, from $15.4 million during the third quarter of 2006 and is expected to be greater than 2006 in the final quarter of the year as major capital projects are completed. For the year to date, depreciation expense is $46.9 million, compared to $45.3 million for the same period last year. Total depreciation expense of $70.6 million has been approved by the EUB for 2007, compared to $61.9 million incurred in fiscal 2006.

Net income for the nine months ended September 30, 2007 was $29.5 million compared to $24.6 million for the corresponding period in 2006. For the third quarter of 2007, net income was $10.0 million compared to $6.0 million net income for the third quarter of 2006. The change in net income reflects the increase in the partnership's rate base, as well as a timing change in the recognition of certain components of income.

FINANCIAL POSITION

The following outlines the significant changes in the Partnership's balance sheet from December 31, 2006 to September 30, 2007.

	Change $ (millions)	Explanation
Accounts receivable	3.4	Increase is due to increase in the amount receivable from the AESO in September 2007 compared to December 2006. Payment was received in October instead of September due to the number of business days in September being less than allowed for in the AESO's terms and conditions.
Prepaid expenses and deposits	9.9	Increase is due to recognising capital project progress payments, rather than as an offset to accounts payable.
Regulatory assets – current	(4.4)	Decrease is mainly due to the settlement of hearing costs related to various utility cost orders from the EUB and the settlement of the self-insurance reserve for $3.0 million as directed by Decision 2007-050.
Property, plant and equipment	116.5	Asset additions are mainly related to the Southwest, Watson Creek, and upgrade and maintenance projects.
Accounts payable and accrued liabilities	(5.4)	Decrease is mainly in engineering services payable.
Regulatory liabilities – current	(3.8)	Decrease is mainly due to settlement of the following deferral accounts, as directed by Decision 2007-050: long-term debt cost deferral account for $2.5 million, and insurance premium deferral account for $1.3 million.
Long-term debt	67.9	Increase is mainly due to an increase in amounts outstanding under the commercial paper and bankers' acceptance programs, partially offset by the change in presentation of deferred financing fees due to the implementation of new accounting standards.

LIQUIDITY AND CAPITAL RESOURCES

DBRS Limited (a bond rating agency) indicated in a report released April 9, 2007, that AltaLink "has undertaken an aggressive capital expenditure program, which will continue over the next few years. Free cash flow deficits are expected to increase substantially during the build-out period and would place pressure on the balance sheet and credit metrics, as the invested capital is not included in the rate base until projects are completed".

	Nine months ended September 30	
	2007	2006
Cash and cash equivalents, beginning of period	**0.0**	0.0
Cash flow from (used in):		
Operating activities	**65.4**	74.8
Investing activities	**(167.4)**	(112.3)
Financing activities	**102.0**	39.3
Cash and cash equivalents, end of period	**0.0**	1.8
Ratios [1]		
Interest coverage on debt:		
Income before interest and taxes (EBIT) coverage [2, 5]	**1.99X**	1.95X
Income before interest, taxes, depreciation and amortization (EBITDA) coverage [3, 5]	**3.66X**	3.83X
Cash flow coverage [4, 5]	**2.49X**	2.63X
Cash flow/total debt [4, 6]	**9.63%**	10.31%
Debt/ total capitalization [6,7]	**61.61%**	61.51%

1. Funds generated in operations and ratios in this table are non-GAAP financial measures and do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to similar statistics published by other companies. They are presented since they are commonly referred to by debt holders and other interested parties for their use in analyzing the Partnership's financial position.
2. EBIT Coverage - Income before interest and taxes coverage is equal to net income before interest expense divided by interest.
3. EBITDA Coverage - Income before interest, taxes, depreciation (including accretion) and amortization is equal to net income before financing expenses, depreciation and amortization, divided by interest.
4. Cash flow – Consists of funds generated in operations before changes in non-cash working capital.
5. Interest expense – Interest expense excluding amortization of deferred financing fees on debt.
6. Debt – Consists of short-term and long-term debt, adjusted for the change in presentation of deferred financing fees due to the implementation of the new financial instruments accounting standards.
7. Total Capitalization - Consists of debt and partners' equity.

Proforma Earnings Coverage

AltaLink's interest requirements amounted to $40.3 million for the 12 month period ended September 30, 2007. AltaLink's earnings before interest and income tax for the 12 months then ended were $79.8 million, which is 1.98 times AltaLink's interest requirements for this period.

	Nine months ended September 30	
	2007	2006
Credit ratings		
DBRS – Commercial Paper	**R-1 (low)**	R-1 (low)
DBRS – Senior Secured Bonds	**A**	A
S&P – Senior Secured Bonds	**A-**	A-

Operating Activities

For the nine months ended September 30, 2007, there was a decrease of $9.5 million in cash from operating activities in comparison to the same period in 2006. The third quarter of 2007 in comparison to the third quarter of 2006 shows a decrease in cash from operating activities of $9.7 million. Both decreases are due to changes in non-cash working capital items and long-term regulatory accruals to settle liabilities that had been decided by the EUB.

Cash from operations will not be sufficient for the Partnership to fund repayment of existing indebtedness when due or to meet anticipated liquidity, maintenance and other capital expenditure requirements. Therefore, AltaLink anticipates using a combination of additional borrowings under its capital markets platform, internally generated cash flows or equity injections from its limited partner to fund capital expenditures in connection with existing facilities and new construction projects.

Investing Activities

For the nine months ended September 30, 2007, there was an increase in cash used in investing activities of $55.0 million in comparison to the same period in 2006, due to an increase in capital expenditures. Significant projects currently underway are direct assign customer projects in Watson Creek and Paddle River for Terasen, the Southwest 240 V project, and the KEG project. The third quarter of 2007 in comparison to the third quarter of 2006 shows an increase in cash used in investing activities of $27.8 million due to the capital expenditures described above as well as fewer customer contribution funds received. Investing activities included capital expenditures of $173.6 million for the nine months ended September 30, 2007 (nine months ended September 30, 2006 - $126.3 million). AltaLink is also continuing its program of capital upgrades and replacement to reliably maintain its existing assets.

Financing Activities

For the nine months ended September 30, 2007, there was an increase in cash from financing activities of $62.9 million in comparison to the same period in 2006. Also, the third quarter of 2007 in comparison to the third quarter of 2006 shows a similar increase in cash from financing activities of $35.8 million. These increases are due to $36.4 million more debt outstanding and a $22.5 million larger equity injection compared to the first nine months of 2006. The total long-term debt outstanding increased to $768.2 million as at September 30, 2007 (December 31, 2006 - $700.2 million) due to an increase in the commercial paper and bankers' acceptance programs. During the third quarter, restricted cash decreased by $0.4 million, reducing the balance to $46.7 million. This balance represents cash received from customers in advance of construction. These funds become available for AltaLink's use as approval is received from the customer for expenditures, but no later than when these projects are energized.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Quarter ended	Total Revenue ($millions)	Net Income ($millions)	Units Outstanding (millions)	Earnings per Unit ($/unit)
September 30, 2007	54.7	10.0	331.9	0.03
June 30, 2007	52.9	8.3	331.9	0.03
March 31, 2007	53.9	11.2	331.9	0.03
December 31, 2006	53.7	11.0	331.9	0.03
September 30, 2006	48.0	6.0	331.9	0.02
June 30, 2006	49.5	7.6	331.9	0.02
March 31, 2006	50.2	11.0	331.9	0.03
December 31, 2005	47.5	10.0	331.9	0.03
September 30, 2005	43.2	7.5	331.9	0.02
June 30, 2005	52.8	7.9	331.9	0.02
March 31, 2005	53.8	11.9	331.9	0.04
December 31, 2004 *	29.2	5.0	331.9	0.02

* two month period ended December 31, 2004

Revenue and net income for the quarters ended March and December 31, 2005, 2006 and 2007 were higher than in most of the other quarters, primarily as a result of the allowance for funds used during construction being recorded only in December and January. In 2007, the allowance for funds used during construction is being recorded on a monthly basis, as it has increased in materiality compared to prior years. Adjustments related to the 2002 – 2004 deferral account for direct assigned capital projects were reflected in the December 2005 quarter.

For the eight-month fiscal period ended December 31, 2004, the Partnership operated under an interim tariff, which was lower than the tariff revenue eventually approved in Decision 2005-019 in March 2005. The impact of adjustments arising from EUB Decision 2005-019 resulted in the cumulative effects of the adjustments from the eight-month period being reflected in the quarter ended March 31, 2005.

RELATED PARTY TRANSACTIONS

AltaLink enters into various transactions with its general partner, AML, its limited partner, AILP, AILP's general partner, AIML, and with AILP's limited partner, AHLP. These transactions are in the normal course of operations and are recorded at the exchange values based on normal commercial rates. The employees that provide administrative and operational services to AltaLink are employed by the General Partner, and the Partnership has indemnified the General Partner for all associated expenses and liabilities.

AltaLink recorded interest expense of $6.8 million in 2006, the same amount that was paid to AILP for the year ended December 31, 2005, on its $85.0 million Series 3 Subordinated Bridge Bond. The bond has a repayment date of October 1, 2012, with interest being paid quarterly. As at September 30, 2007, the balance owing in respect of the bond was $85.0 million, together with accrued interest of $1.1 million.

At September 30, 2007, AltaLink's payables included $36.2 million (December 31, 2006 - $44.3 million) owing to SNC-Lavalin ATP Inc. The amount paid to SNC-Lavalin ATP Inc. for the nine months ended September 30, 2007 was $87.7 million (September 30, 2006 - $112.9 million). In 2002, AltaLink executed a ten-year contract with SNC-Lavalin ATP Inc., a subsidiary of SNC-Lavalin Inc., for the provision of engineering, procurement and construction management services for directly assigned capital projects undertaken by AltaLink. The terms and conditions of this contract were reviewed by the EUB and approved in Decision 2003-061 and subsequent decisions. The terms and conditions continue to be subject to regulatory oversight.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Effective January 1, 2007, the Partnership adopted the Canadian Institute of Chartered Accountants Handbook Section 1530, *Comprehensive Income;* Section 3251, *Equity*; Section 3855, *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Disclosure and Presentation* and Section 3865, *Hedges.* The adoption of the new standards resulted in changes in the accounting for financial instruments as well as the recognition of certain transition adjustments that have been recorded in opening retained earnings. The comparative interim financial statements have not been restated. For a description of the principal changes, see Note 2 to the interim financial statements for the quarter ended September 30, 2007.

The Accounting Standards Board (AcSB) issued Exposure Drafts on Rate-Regulated Operations and Employee Future Benefits dated March 2007. The Employee Future Benefits Exposure Draft Project has been discontinued, as the AcSB intends to focus on International Accounting Standard 19, Employee Benefits

The Rate-Regulated Operations Exposure Draft resulted in the following amendments, which are expected to be finalised in the fourth quarter of 2007:

- remove the exemption in GAAP which allows rate-regulated operations relief from GAAP in the recognition and measurement of assets and liabilities arising from rate regulations;
- required recognition of Future Income Taxes; and,
- retained Accounting Guideline 19 (Disclosures by Entities subject to Rate-Regulation).

In addition, effective January 1, 2008, AltaLink will adopt the new CICA Handbook Section 1535, *Capital Disclosures.* This section requires the Company to disclose AltaLink's capital structure, description of and compliance with externally imposed capital requirements and the company's objectives, policies and processes for managing its capital.

OUTLOOK

AltaLink continues its focus on delivering safe, reliable and cost-effective transmission of electricity for the benefit of Albertans.

Regulatory

AltaLink expects to file with the EUB before the end of the year an application to dispose of the Direct Assign Capital Deferral Account in relation to the 2004 to 2006 fiscal periods.

On June 14, 2007, the Government of Alberta introduced Bill 46, the Alberta Utilities Commission Act, to separate the EUB into two separate regulatory agencies. The Energy Resources Conservation Board will be primarily responsible for oil and natural gas regulation and the Alberta Utilities Commission, will be primarily responsible for the oversight of public utilities, including Transmission Facility Owners such as AltaLink.

FORWARD LOOKING INFORMATION

Prospective investors should be aware that this MD&A may contain certain statements or disclosures that constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that AltaLink anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", or other comparable terminology. Forward-looking information presented in such statements or disclosures may, without limitation, relate to applications to the EUB for approval of, among other things, AltaLink's revenue requirements and deferral and reserve accounts, anticipated income taxes and treatment of costs for applicable test periods, operating expenses, maintenance programs, capital costs and direct assigned projects, capital structure and return on equity, return on rate base, financing plans, interest rates, and short-term borrowing rate; business strategy; plans and objectives of management for future operations; forecast business results; and anticipated financial performance or condition of AltaLink.

Various factors or assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. These factors and assumptions include, but are not limited to:

- no unforeseen changes in the legislative and operating framework for Alberta's electricity market (refer to "*ALBERTA'S ELECTRICITY MARKET STRUCTURE*" in AltaLink's 2006 Annual Information Form (AIF), for example);
- decisions from the EUB concerning outstanding tariff and other applications which are consistent with past regulatory practices and decisions (refer to "*THE TRANSMISSION BUSINESS – Business Strategy; - Revenue Tariffs*" and "*ALBERTA'S ELECTRICITY MARKET STRUCTURE*" *in AltaLink's 2006 AIF, for example);*
- no unforeseen changes in rate-of-return and deemed capital structures for AltaLink's transmission business (refer to "*THE TRANSMISSION BUSINESS – Business Strategy; - Revenue Tariffs*" and "*ALBERTA'S ELECTRICITY MARKET STRUCTURE*" *in AltaLink's 2006 AIF, for example);*
- a stable competitive environment; and
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

These assumptions and factors are based on information currently available to AltaLink including information obtained by AltaLink from first-party industry analysts. In some occurrences, material assumptions and factors are presented or discussed elsewhere herein in connection with the statements or disclosure containing the forward-looking information. AltaLink cautions prospective investors that the foregoing list of material factors and assumptions is not exhaustive.

The forward-looking information in statements or disclosures in this MD&A is based (in whole or in part) upon factors which may cause actual results, performance or achievements of AltaLink to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. These factors are based on information currently available to AltaLink including information obtained by AltaLink from first-party industry analysts. Actual results may differ materially from those predicted by such forward-looking statements. While AltaLink does not know what impact any of these differences may have, its business, results of operations, financial condition and its credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things:

- the risks associated with being subject to extensive regulation including risks associated with EUB action or inaction;
- the risk that AltaLink is not able to arrange sufficient cost effective financing to repay maturing debt and to fund capital expenditures, dividends and other obligations;
- the risks to our facilities posed by severe weather, other natural disasters or catastrophic events and AltaLink's limited insurance coverage for losses resulting from these events;
- the potential for service disruptions and increased costs if AltaLink fails to maintain and improve its aging asset base; and
- the risks associated with forecasting AltaLink's revenue requirements and the possibility that AltaLink could incur operational, maintenance and administrative costs above those included in AltaLink's approved revenue requirement.

AltaLink cautions prospective investors that the above list of factors is not exhaustive. Other factors which could cause actual results, performance or achievements of AltaLink to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information are disclosed in AltaLink's publicly filed disclosure documents, including those disclosed under the heading "*RISK FACTORS*" in AltaLink's annual information form for the year ended December 31, 2006. Risk factors that could lead to such differences include, without limitation, legislative and regulatory developments that could affect costs or revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, currency exchange rates, inflation levels and general economic conditions in geographic areas where AltaLink operates, results of financing efforts, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters.

All forward-looking information herein is given as of October 30, 2007. AltaLink is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on these forward-looking statements. **Any forward-looking information contained herein is expressly qualified by this statement.**

ADDITIONAL INFORMATION

Additional information relating to AltaLink, including the Partnership's AIF, is available on SEDAR at www.sedar.com.