AltaLink, L.P.

Financial Statements (unaudited)

For the three months ended March 31, 2009 and 2008

BALANCE SHEET
(unaudited)

As at	March 31, 2009	December 31, 2008
	(in thousands of dollars)	
ASSETS		
Current		
Cash and cash equivalents	$ —	$ —
Accounts receivable *[note 9]*	**22,776**	20,991
Prepaid expenses and deposits	**10,748**	11,476
Regulatory assets	**500**	516
	34,024	32,983
Property, plant and equipment *[note 4]*	**1,396,640**	1,223,606
Contributions in advance of construction	**60,528**	39,751
Operating and maintenance charges in advance	**10,368**	7,733
Regulatory assets, long-term	**2,279**	2,797
Accrued benefit pension asset	**2,129**	2,079
Goodwill	**202,066**	202,066
	$ 1,708,034	$ 1,511,015
LIABILITIES AND PARTNERS' EQUITY		
Current		
Accounts payable and accrued liabilities *[note 9]*	**$ 49,424**	$ 42,965
Other liabilities	**804**	1,319
Regulatory liabilities	**7,173**	6,759
Current portion of long-term debt *[note 5]*	**142**	142
	57,543	51,185
Accrued employment benefits liabilities	**2,579**	2,442
Other liabilities, long-term	**2,781**	3,242
Contributions in advance of construction liability	**60,528**	39,751
Operating and maintenance charges deferred revenue	**10,368**	7,733
Regulatory liabilities, long-term	**167,315**	20,774
Asset retirement obligations *[note 3]*	**60,693**	60,181
Long-term debt *[note 5]*	**817,542**	818,388
	1,179,349	1,003,696
Contingencies *[note 12]*		
Partners' equity		
Partners' capital	**423,536**	408,536
Retained earnings	**105,149**	98,783
	528,685	507,319
	$ 1,708,034	$ 1,511,015

See accompanying notes to the financial statements

Approved on behalf of the Board of Directors

Director

Director

STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND RETAINED EARNINGS
(unaudited)

(in thousands of dollars)

	Three months ended March 31, 2009	Three months ended March 31, 2008
REVENUE		
Transmission tariff	**$ 55,551**	$ 54,224
Miscellaneous revenue	**2,468**	2,410
Allowance for equity funds used during construction	**1,296**	987
	59,315	57,621
EXPENSES		
Operating expenses	**16,847**	14,490
Property taxes	**4,395**	4,202
Depreciation and accretion	**18,883**	17,648
	40,125	36,340
	19,190	21,281
Interest and amortization of deferred financing fees *[note 5]*	**(10,314)**	(11,008)
Allowance for debt funds used during construction	**1,688**	1,309
	10,564	11,582
Gains on disposals of assets	**1,502**	11
Net and comprehensive income for the period	**$ 12,066**	$ 11,593
Retained earnings, beginning of period	**$ 98,783**	$ 80,055
Distributions	**(5,700)**	(5,400)
Net income for the period	**12,066**	11,593
Retained earnings, end of period	**$ 105,149**	$ 86,248

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN PARTNERS' EQUITY
(unaudited)

	Units	Limited Partner	General Partner (in thousands)	Total
Balance at December 31, 2007	**331,904**	**$ 488,549**	**$ 42**	**$ 488,591**
Net income for the year	—	40,724	4	40,728
Distributions	—	(21,998)	(2)	(22,000)
Balance at December 31, 2008	**331,904**	**507,275**	**44**	**507,319**
Net income for the period	—	12,064	2	12,066
Distributions	—	(5,699)	(1)	(5,700)
Equity Injection	—	14,998	2	15,000
Balance at March 31, 2009	**331,904**	**$ 528,638**	**$ 47**	**$ 528,685**

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

(unaudited)

	(in thousands of dollars)	
	Three months ended March 31, 2009	Three months ended March 31, 2008
OPERATING ACTIVITIES		
Net income for the period	**$ 12,066**	$ 11,593
Items not involving cash		
Depreciation	**18,132**	16,907
Amortization of deferred financing fees	**382**	416
Accretion expense	**751**	741
Allowance for funds used during construction	**(2,984)**	(2,296)
Gains on disposals of assets	**(1,502)**	(11)
Asset retirement obligations settled	**(239)**	(412)
Change in regulatory assets and liabilities	**484**	757
Change in other non-cash items	**(373)**	(405)
Funds generated from operations	**26,717**	27,290
Change in non-cash working capital items related to operations	**5,386**	28,315
Cash provided by operating activities	**32,103**	55,605
INVESTING ACTIVITIES		
Capital expenditures	**(46,857)**	(37,401)
Use of customer contributions	**5,058**	228
Proceeds from the sale of assets	**103**	15
Net change in non-cash working capital items related to investing activities	**1,400**	—
Cash used in investing activities	**(40,296)**	(37,158)
FINANCING ACTIVITIES		
Decrease in commercial paper and bank credit	**(1,129)**	(13,815)
Distributions	**(5,700)**	(5,400)
Equity investment received	**15,000**	—
Net change in other financing activities *[note 10]*	**22**	768
Cash provided by financing activities	**8,193**	(18,447)
Net increase in cash and cash equivalents	**—**	—
Cash and cash equivalents, beginning of period	**—**	—
Cash and cash equivalents, end of period	**$ —**	$ —
Cash interest paid during the period	**$ 6,352**	$ 7,133

See accompanying notes to the financial statements

1. BASIS OF ACCOUNTING

The Partnership's management has prepared the interim financial statements of AltaLink, L.P. (the Partnership or AltaLink) in accordance with Canadian generally accepted accounting principles (GAAP) following the same accounting policies and methods of computation as the financial statements for the twelve months ended December 31, 2008, except for the changes in accounting policies cited in Note 2, upon the initial adoption of new accounting standards. These interim financial statements do not include all of the disclosures required in annual financial statements.

Accordingly, these interim financial statements should be read in conjunction with the Partnership's financial statements for the year ended December 31, 2008. Operating results for the three months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2009.

The interim financial statements were authorized for issue by the Board of Directors on May 1, 2009.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Changes affecting the current and comparative period financial statements

a) Capital disclosures

As described in note 7, effective January 1, 2008, the Partnership has adopted CICA Handbook Section 1535, *Capital Disclosures*. This section requires the Partnership to disclose AltaLink's capital structure, description of and compliance with externally imposed capital requirements and the Partnership's objectives, policies and processes for managing its capital.

b) Inventories

Effective January 1, 2008, the Partnership adopted CICA Handbook Section 3031, *Inventories* for measurement and disclosure of inventories. The standard provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-downs to net realizable value, and on cost formulas used to assign costs to inventories. The standard also indicated that spare parts may be included in property, plant and equipment if they met certain criteria in line with the provisions of the standard. As a result of reviewing its inventory, the Partnership reclassified all of its materials and supplies and construction materials and supplies (March 31, 2009 - $15.1 million; December 31, 2008 - $13.2 million) to property, plant and equipment.

c) Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, *Goodwill and intangible assets*, replacing Section 3062, *Goodwill and other intangible assets* and Section 3450, *Research and development costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Effective January 1, 2009, the Partnership has adopted the new standards for its fiscal year beginning January 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062, and as a result, there is no impact on AltaLink's financial statements.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

Changes affecting the current year financial statements (cont'd)

d) Accounting for rate regulated operations

Beginning on January 1, 2009, Section 1100 of the CICA Handbook, *Generally Accepted Accounting Principles* was amended to remove a temporary exemption pertaining to the recognition of assets and liabilities arising from rate regulation. In addition, effective the same date, Section 3465 of the CICA Handbook, *Income Taxes* was also amended. There are no changes to the Partnership's financial statements other than the prospective reclassification at January 1, 2009 of $145.4 million from property, plant and equipment to the provision for future removal and site restoration which is included in regulatory liabilities on the balance sheet. There is no impact on AltaLink's net income as a result of this change.

3. ASSET RETIREMENT OBLIGATIONS

As of March 31, 2009 the estimated total undiscounted amount of asset retirement obligations was approximately $130.1 million (December 31, 2008 - $130.7 million). The obligations will be settled over the useful lives of the assets, with the majority of the retirements estimated to occur between 2009 and 2047. Discount rates ranging from 4.13% to 7.46% were used to calculate the carrying value of the asset retirement obligations. The depreciation rates included in our regulatory revenue requirements include an amount to enable AltaLink to cover the costs of present and future asset retirement obligations. As depreciation expense is recovered through the General Tariff Application (GTA) process, there is no net income effect on AltaLink's financial statements.

	Three months ended March 31, 2009	Year ended December 31, 2008
	(in thousands of dollars)	
Balance, beginning of period	**$ 60,181**	$ 57,954
Net change in liabilities for the period	**—**	1,915
Liabilities settled in period	**(239)**	(2,651)
Accretion expense	**751**	2,963
Balance, end of period	**$ 60,693**	$ 60,181

4. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2009			December 31, 2008		
	Cost	**Accumulated depreciation**	**Net book value**	Cost	Accumulated depreciation	Net book value
			(in thousands of dollars)			
Transmission network	**$ 1,376,592**	**$ (199,874)**	**$ 1,176,718**	$ 1,367,392	$ (329,836)	$ 1,037,556
500kV project costs	**38,652**	**(1,545)**	**37,107**	38,652	(1,343)	37,309
Assets under construction	**145,610**	—	**145,610**	112,978	—	112,978
Long-lived asset [1]	**45,185**	**(23,092)**	**22,093**	45,185	(22,592)	22,593
Spare parts	**15,112**	—	**15,112**	13,170	—	13,170
	$ 1,621,151	**$ (224,511)**	**$ 1,396,640**	$ 1,577,377	$ (353,771)	$ 1,223,606

1. Long-lived asset was originally established as the offset to the Asset Retirement Obligations.

4. PROPERTY, PLANT AND EQUIPMENT [CONT'D]

The total amount of allowance for funds used during construction (AFUDC) for the three months ended March 31, 2009 was $2.984 million ($2.296 million for the three months ended March 31, 2008 and $5.750 million for the twelve months ended December 31, 2008).

Approximately $38.7 million in capital expenditures was incurred related to the Edmonton to Calgary 500kV transmission line project and is included in property, plant and equipment. AltaLink incurred these expenditures pursuant to direction letters issued by the Alberta Electric System Operator (AESO), which is a normal step in the regulatory process. In addition, the AESO has acknowledged that these costs should be recovered and that it is prepared to support AltaLink in an application for recovery. It is the opinion of management that these expenditures will be recovered through the regulatory process. In the 2009-2010 GTA, AltaLink has requested approval from the AUC to include these costs in rate base, effective December 31, 2007. AltaLink also expects to file the Direct Assign capital deferral account settlement application for 2007 with the Alberta Utilities Commission (AUC) later in 2009 requesting that the amount of $38.7 million be added to rate base effective December 31, 2007. Should a need for an adjustment arise as a result of the regulatory process, management will reflect the impact in the financial statements related to the period when the regulatory decision is made.

5. DEBT

	Effective interest rate	Maturing	**March 31, 2009**	December 31, 2008
			(in thousands of dollars)	
Senior Debt				
Series 03-2, 5.430%	**5.804%**	2013	**$ 325,701**	$ 325,701
Series 06-1, 5.249%	**5.299%**	2036	**150,000**	150,000
Series 08-1, 5.243%	**5.309%**	2018	**100,000**	100,000
			575,701	575,701
Series 3, subordinated 8.000%	**8.020%**	2012	**85,000**	85,000
Commercial paper	**0.972%**	2012	**163,414**	26,951
Bank credit facilities	**N/A**	2012	**143**	137,735
			824,258	825,387
Less: Deferred financing fees				
Series 03-2, 5.430%			**4,532**	4,769
Series 06-1, 5.249%			**1,081**	1,086
Series 08-1, 5.423%			**844**	891
Series 3, 8.000%			**52**	55
Financing fees related to debt to be issued in 2009			**65**	56
			6,574	6,857
Total debt, net of deferred financing fees			**817,684**	818,530
Less: current portion of long-term debt			**142**	142
Total long-term debt			**$ 817,542**	$ 818,388

The Partnership intends to hold all of its long-term debt to maturity.

5. DEBT [CONT'D]

a) Capital markets platform

The Partnership has developed a financing structure referred to as the "Capital Markets Platform" to finance the operation, maintenance and development of its assets. This structure is capable of accommodating a variety of debt instruments and borrowings, including term bank debt, revolving bank lines of credit, publicly-issued and privately-placed term debt securities, bankers' acceptances, commercial paper and medium-term notes.

The Partnership has entered into a Master Trust Indenture (MTI) dated April 28, 2003 between the Partnership, the General Partner and BNY Trust Company of Canada, as trustee. The MTI establishes a set of common covenants by the Partnership for the benefit of all of its lenders under the Capital Markets Platform. All indebtedness of the Partnership is intended to be governed under the Capital Markets Platform where, among other things, the ranking and security (if any) of the various debt instruments are determined. The Partnership is not permitted to borrow other than under the Capital Markets Platform, except in certain limited circumstances and, in any event, not in excess of an aggregate of $20.0 million. One of the principal covenants is that AltaLink cannot become liable for any indebtedness, unless the aggregate amount of all indebtedness does not exceed 75% of the total capitalization. Indebtedness is calculated as total short-term and long-term debt adjusted for deferred financing fees. Total capital is calculated as equity plus indebtedness.

Under the Indenture, the Partnership may issue two categories of debt, namely (i) senior debt and (ii) subordinated debt. Bonds may be issued as either "Obligation Bonds" (to directly evidence the indebtedness of the Partnership to the holder of such debt) or as "Pledged Bonds" (to be held by the holder as collateral security for the indebtedness specified in the related instrument of pledge). The specific terms and conditions of each series of bonds under the Capital Markets Platform are set forth in the series supplement authorizing the series. It is expected that publicly-issued and privately-placed bonds will be in the form of Obligation Bonds, whereas all other indebtedness of the Partnership under the Capital Markets Platform will be supported by Pledged Bonds.

The Partnership has secured the obligations relating to the Series 03-2 Senior Bonds, Series 3 Subordinated Bonds, Series 06-1 Medium-term Notes, Series 08-1 Medium-term Notes and its credit facilities. Collateral for the secured debt obligations consists of a first floating charge security interest on the Partnership's assets. The Series 03-2 Senior Bonds, Series 06-1 Medium-term Notes, Series 08-1 Medium-term Notes and the credit facilities rank equally with each other and all future senior secured indebtedness that is issued by the Partnership.

Interest expense and amortization of deferred financing fees

	Three months ended March 31, 2009	Three months ended March 31, 2008
	(in thousands of dollars)	
Deferred financing fees amortized	**$ 382**	$ 416
Interest on debt	**9,932**	10,592
Total interest and amortization of deferred financing fees on debt	**10,314**	11,008
Less: short-term portion of interest on debt	**—**	—
Total long-term portion of interest and amortization of deferred financing fees	**$ 10,314**	$ 11,008

6. FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

AltaLink has made the following classifications:

Financial Instrument	Designated Category	Measurement Basis	Associated Risks	Fair Value at March 31, 2009
Cash and cash equivalents	Held for trading	Fair value	• Market • Credit • Liquidity	Approximates fair value due to short-term nature
Accounts receivable	Loans and receivables	Initially at fair value and subsequently at amortized cost	• Credit • Liquidity	Approximates fair value due to short-term nature
Regulatory assets, short-term and long-term	Loans and receivables	Initially at fair value and subsequently at amortized cost	• Credit • Liquidity	Approximates fair value due to nature of asset [4]
Accounts payable and accrued liabilities	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Approximates fair value due to short-term nature
Regulatory liabilities, short-term and long-term	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Approximates fair value due to nature of liability [4]
Long-term debt	Other liabilities	Initially at fair value and subsequently at amortized cost	• Market • Liquidity	$815.2 million [1]
Contributions in advance of construction	Held for trading	Fair value	• Market • Credit • Liquidity	Approximates fair value due to the nature of the asset [2]
Contributions in advance of construction liability	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Approximates fair value due to the nature of the liability [2]
Operating and maintenance charges in advance	Held for trading	Fair value	• Market • Credit • Liquidity	Approximates fair value due to the nature of the asset [3]
Operating and maintenance charges deferred revenue	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Approximates fair value due to the nature of the liability [3]

6. FINANCIAL INSTRUMENTS [CONT'D]

a) Fair value of financial instruments (cont'd)

1. Fair values are determined using quoted market prices for the same or similar issues. Where market prices are not available, fair values are estimated using discounted cash flow analysis based on AltaLink's current borrowing rate for similar borrowing arrangements.
2. Contributions in advance of construction are held in short-term investments, the carrying values of which do not differ materially from the fair values. Contributions in advance of construction earned an effective interest rate of 0.57% at March 31, 2009 (December 31, 2008 - 1.49%). Interest received is accumulated throughout the year and paid annually to the AESO.
3. Operating and maintenance charges in advance are held in short-term investments, the carrying values of which do not differ materially from the fair values. Operating and maintenance charges in advance earned an effective interest rate of 0.57% at March 31, 2009 (December 31, 2008 - 1.49%).
4. Regulatory assets and liabilities are amounts collected in advance or under collected in revenue requirement which are settled either through a GTA or a separate filing. These amounts have typically been settled at or close to management's estimate.

AltaLink currently does not utilize hedges or other derivative financial instruments in its operations.

b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause AltaLink to incur a financial loss. There is exposure to credit risk on all financial assets included in the balance sheet. To help manage this risk:

- There is a policy for establishing credit limits;
- Collateral may be required where appropriate; and
- Exposure to individual entities is managed through a system of credit limits.

The Partnership has a concentration of credit risk as approximately 86% of its accounts receivable balance is due from the AESO (December 31, 2008 – 95%). For the three months ended March 31, 2009, transmission tariff revenues accounted for approximately 94% (March 31, 2008 – 94%) of operating revenues. The remainder was comprised mainly of revenue from tower and land leases and the provision of services to other utilities.

The AESO is the Independent System Operator established as a statutory corporation under the Electric Utilities Act of the Province of Alberta, whose board members are appointed by the Alberta Minister of Energy. The remainder of the receivables are mostly from investment grade entities.

To this date, the balance in the Partnership's allowance for doubtful accounts has been zero. As of March 31, 2009, over 97% of receivables have been outstanding for less than 30 days (December 31, 2008 – 99%).

6. FINANCIAL INSTRUMENTS [CONT'D]

c) Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Components of market risk to which AltaLink is exposed are discussed below.

i) Interest Rate Risk

All of the long-term debt issues, listed in the table in note 5, have been approved by the AUC before the debt was issued. Approximately 90% of the long-term debt has been approved by the AUC as regulatory debt, and the approved costs are fully recoverable in rates. As a result, the Partnership is not exposed to interest rate risk with respect to the cost of the approved component of long-term debt. The Partnership may be exposed to interest rate price risk for future debt issues as interest rates on new long-term debt issues are examined as part of the normal course of business of future general tariff applications.

The non-regulated components of the long-term debt have been issued at fixed rates, maturing in 2012, 2013, 2018 and 2036, and the Partnership may also be exposed to interest rate price risk upon renewal.

The Partnership's commercial paper, bankers' acceptances and bank loans have variable interest rates and, accordingly, expose the Partnership to interest rate cash flow risk through fluctuations in the variable interest rates.

To help manage interest rate risk, AltaLink controls the proportion of fixed and variable rate positions in accordance with target levels; ensures access to diverse sources of funding; and reduces refinancing risk by establishing and managing in accordance with target maturity profiles, which means managing the maturity dates of its debt obligations so they do not all mature at the same time.

The Partnership's commercial paper, bankers' acceptances and bank loans are not subject to deferral account treatment. AltaLink forecasts the interest rate on its commercial paper, bankers' acceptances and bank loans in the GTA and is subject to interest rate risk. As at March 31, 2009, the Partnership had $163.6 million of commercial paper and credit facilities outstanding at an average rate of 0.97%. A 10% increase in short-term interest rates (10 basis points) would produce an increase in interest expense and reduction in net income for the quarter of $0.04 million.

ii) Foreign Exchange Risk

AltaLink does not have a significant exposure to foreign exchange risk.

d) Liquidity Risk

Liquidity risk includes the risk that, as a result of AltaLink's operational liquidity requirements:

- It will not have sufficient funds to settle a transaction on the due date;
- It will be forced to sell financial assets at a value which is less than what they are worth; and
- It may be unable to settle or recover a financial asset at all.

To manage this risk, AltaLink has readily accessible standby credit facilities and other funding arrangements in place; generally uses financial instruments that are tradeable in highly liquid markets; and has a liquidity portfolio structure that requires surplus funds to be invested in highly liquid financial instruments.

7. CAPITAL RISK MANAGEMENT

AltaLink's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern, so that it can continue to provide returns for partners and maintain an optimal capital structure to reduce the cost of capital for customers and other stakeholders. In order to maintain or adjust the capital structure, AltaLink may adjust the amount of distributions paid to partners, return capital to partners, or request new contributions from partners.

Summary of capital structure

	At March 31, 2009		At December 31, 2008	
	(millions)	**%**	(millions)	%
Total long-term debt [1.]	**$ 824.1**	**60.9**	$ 825.2	61.9
Partners' equity	**528.7**	**39.1**	507.3	38.1
Total	**$ 1,352.8**	**100.0**	$ 1,332.5	100.0

1. The March 31, 2009 balance does not include deferred financing fees of $6.6 million (December 31, 2008 - $6.9 million)

In managing its capital, the Partnership includes partners' equity, short-term and long-term debt, and cash and cash equivalents in the definition of capital.

As at March 31, 2009, the Partnership has externally imposed capital requirements by virtue of the Master Trust Indenture and the bank credit facilities described in note 5 to which it is subject, that limit the amount of debt that can be incurred relative to equity. The Partnership was in compliance with these externally imposed capital requirements as at March 31, 2009.

8. EMPLOYEE FUTURE BENEFITS

	Three months ended March 31, 2009	Three months ended March 31, 2008
	(in thousands of dollars)	
Pension and other post-employment benefit expense consists of:		
Other post-employment benefits	**$ 120**	$ 142
Supplemental pension expense	**17**	17
	$ 137	$ 159

9. RELATED PARTY TRANSACTIONS

In 2002, AltaLink executed a ten-year contract with SNC-Lavalin Inc., for the provision of engineering, procurement and construction management services for directly assigned capital projects undertaken by AltaLink. These services have been provided to AltaLink on behalf of SNC-Lavalin Inc. by its subsidiary, SNC-Lavalin ATP Inc. (SNC-ATP). The terms and conditions of this contract were reviewed by the AUC in Decision 2003-061 and subsequent decisions. The terms and conditions continue to be subject to regulatory oversight, including review by the AUC Audit and Compliance Group.

In the three months ended March 31, 2009, AltaLink paid SNC-ATP $18.0 million for construction related services which are capitalized in various projects, compared to $23.9 million for the three months ended March 31, 2008 ($54.4 million for the twelve months ended December 31, 2008).

9. RELATED PARTY TRANSACTIONS [CONT'D]

Amounts due from (to) related parties included in accounts receivable and accounts payable are:

	At March 31, 2009	At December 31, 2008
	(in thousands of dollars)	
AltaLink Management Ltd.	**$ (2,367)**	$ (4,873)
SNC Lavalin ATP Inc.	**(17,886)**	(17,231)
AltaLink Investments, L.P.	**(1,078)**	(1,092)
AltaLink Investment Management Ltd.	**1**	4
AltaLink Holdings, L.P.	**101**	224

10. NET CHANGE IN OTHER FINANCING ACTIVITIES

	Three months ended March 31, 2009	Three months ended March 31, 2008
	(in thousands of dollars)	
Settlement of deferred financing fees	**$ 22**	$ (7)
Increase in contributions in advance of construction	**(20,777)**	(1,448)
Increase in contributions in advance of construction liability	**20,777**	2,223
Increase in operating and maintenance charges in advance	**(2,635)**	(459)
Increase in operating and maintenance charges deferred revenue	**2,635**	459
	$ 22	$ 768

11. REGULATORY DECISIONS

The effects of the following Decisions have been reflected in these financial statements:

a) Interim Tariff for 2009

On December 9, 2008, the Partnership received Decision 2008-129 approving an interim tariff effective January 1, 2009, representing a 3% increase over the 2008 tariff. The AUC's hearing on AltaLink's 2009-2010 GTA commenced on April 20, 2009, and it is expected that the AUC will issue its decision in the fourth quarter of 2009.

b) 2004-06 Deferral Accounts

Decision 2008-076 was issued on August 26, 2008 confirming full recovery of the Direct Assign capital deferral account for May 2004 through December 2006 and the disposition of other deferral accounts. On January 30, 2009, the Partnership was directed to settle the related regulatory assets and liabilities with the AESO in the amount of $1.4 million, which was paid on February 17, 2009.

12. CONTINGENCIES

In Decision 2007-012, the AUC directed the Partnership to use the flow-through (i.e. current taxes payable) method for determining deemed federal and provincial income tax expenses to be included in its revenue requirement for 2009 and subsequent years. The AUC also indicated that a determination with respect to the accumulated but unpaid future income tax amounts as at December 31, 2008 would have to be made. Accordingly, the AUC directed the Partnership in its next general tariff application to propose options to address the disposition of these amounts. In its 2009-2010 GTA, filed with the AUC on September 16, 2008, the Partnership requested a delay in the implementation of future income tax related directives in Decision 2007-012 until the anticipated major transmission construction projects had been completed. As disposition of these matters will be the subject of a future regulatory proceeding, management is unable at this time to determine the outcome. As a result, no amounts have been accrued in relation to these matters at March 31, 2009.

In addition, from time to time, the Partnership is subject to other legal proceedings, assessments and claims in the ordinary course of business. At this time, in the opinion of management, none of these matters is reasonably expected to result in a material adverse effect on the Partnership's financial position.

13. COMPARATIVE FIGURES

As described in note 2d), certain comparative figures have been reclassified to conform to the current year's presentation.