FINANCIAL STATEMENTS
(unaudited)

AltaLink, L.P.

Three and six months ended
June 30, 2010 and 2009

ALTALINK

Balance Sheets

(unaudited)

	As at June 30, 2010	As at December 31, 2009
	(in thousands of dollars)	
ASSETS		
Current		
Cash and cash equivalents	**$ —**	$ 8,319
Accounts receivable and other *[note 4]*	**46,914**	32,180
Regulatory assets	**4,757**	1,469
	51,671	41,968
Property, plant and equipment *[note 5]*	**1,862,446**	1,687,990
Customer deposits *[note 6]*	**66,611**	62,842
Regulatory assets, long-term	**497**	2,378
Accrued benefit pension asset	**2,033**	2,042
Goodwill	**202,066**	202,066
	$ 2,185,324	$ 1,999,286
LIABILITIES AND PARTNERS' EQUITY		
Current		
Accounts payable and other *[note 9]*	**$ 121,926**	$ 122,183
Regulatory liabilities	**19,269**	11,073
Current portion of long-term debt *[note 7]*	**380**	376
	141,575	133,632
Accrued employment benefits liabilities	**3,258**	3,034
Other liabilities, long-term	**1,559**	3,416
Customer deposits liability *[note 6]*	**66,611**	62,842
Regulatory liabilities, long-term	**117,989**	124,445
Asset retirement obligations *[note 8]*	**186,067**	186,305
Long-term debt *[note 7]*	**963,415**	804,107
	1,480,474	1,317,781
Contingencies *[note 14]*		
Partners' equity		
Partners' capital	**549,036**	549,036
Retained earnings	**155,814**	132,469
	704,850	681,505
	$ 2,185,324	$ 1,999,286

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)

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
		(in thousands of dollars)		
REVENUE				
Transmission tariff *[notes 10 and 13]*	**$ 65,173**	$ 57,003	**$ 128,164**	$ 112,554
Miscellaneous revenue *[note 11]*	**9,114**	2,684	**12,038**	5,152
Allowance for equity funds used during construction	**3,463**	1,700	**5,850**	2,996
	77,750	61,387	**146,052**	120,702
EXPENSES				
Operating *[note 9]*	**22,706**	18,681	**39,678**	35,528
Property taxes	**4,553**	4,267	**9,107**	8,662
Depreciation and accretion	**20,758**	19,090	**41,286**	37,973
	48,017	42,038	**90,071**	82,163
	29,733	19,349	**55,981**	38,539
Interest and amortization of deferred financing fees *[note 7b]*	**(13,359)**	(10,736)	**(25,172)**	(21,050)
Allowance for debt funds used during construction	**3,789**	2,204	**6,401**	3,892
Gains on disposals of assets	**111**	2,152	**135**	3,654
Net and comprehensive income for the period	**$ 20,274**	$ 12,969	**$ 37,345**	$ 25,035
Retained earnings, beginning of period	**$ 142,540**	$ 105,149	**$ 132,469**	$ 98,783
Distributions	**(7,000)**	(5,700)	**(14,000)**	(11,400)
Net income for the period	**20,274**	12,969	**37,345**	25,035
Retained earnings, end of period	**$ 155,814**	$ 112,418	**$ 155,814**	$ 112,418

See accompanying notes to the financial statements

Statements of Changes in Partners' Equity

(unaudited)

	Units	Partners' Capital	Interest in Retained Earnings Limited Partner	General Partner	Total
			(in thousands)		
Balance at December 31, 2008	**331,904**	**$ 408,536**	**$ 98,739**	**$ 44**	**$ 507,319**
Net income for the year	—	—	56,523	6	56,529
Distributions	—	—	(22,841)	(2)	(22,843)
Equity investment received	—	140,500	—	—	140,500
Balance at December 31, 2009	**331,904**	**549,036**	**132,421**	**48**	**681,505**
Net income for the period	—	—	37,341	4	37,345
Distributions	—	—	(13,999)	(1)	(14,000)
Balance at June 30, 2010	**331,904**	**$ 549,036**	**$ 155,763**	**$ 51**	**$ 704,850**

See accompanying notes to the financial statements

Statements of Cash Flows

(unaudited)

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(in thousands of dollars)			
OPERATING ACTIVITIES				
Net income for the period	**$ 20,274**	$ 12,969	**$ 37,345**	$ 25,035
Items not involving cash:				
Depreciation and accretion	**20,758**	19,090	**41,286**	37,973
Amortization of deferred financing fees	**424**	410	**843**	792
Allowance for funds used during construction	**(7,252)**	(3,904)	**(12,251)**	(6,888)
Gains on disposals of assets	**(111)**	(2,152)	**(135)**	(3,654)
Change in non-current regulatory assets & liabilities	**831**	(577)	**3,630**	(93)
Change in other non-cash items	**(2,034)**	424	**(1,623)**	51
Asset retirement obligations settled	**(205)**	(175)	**(312)**	(414)
Funds generated from operations	**32,685**	26,085	**68,783**	52,802
Change in non-cash working capital items *[note 12]*	**(17,378)**	(10,546)	**(7,934)**	(5,160)
Cash provided by operating activities	**15,307**	15,539	**60,849**	47,642
INVESTING ACTIVITIES				
Gross capital expenditures *[note 15]*	**(110,888)**	(90,936)	**(224,277)**	(140,531)
Change in non-cash working capital items *[notes 12 & 15]*	**3,249**	17,100	**(2,150)**	17,031
Use of customer contributions related to capital expenditures *[note 15]*	**8,225**	12,946	**12,412**	20,811
Proceeds from disposals of assets	**111**	2,200	**135**	3,703
Cash used in investing activities	**(99,303)**	(58,690)	**(213,880)**	(98,986)
FINANCING ACTIVITIES				
Net senior debt issued	**8**	102,799	**125,004**	102,799
Net change in bank credit facilities	**82,427**	(80,793)	**34,650**	(81,922)
Distributions	**(7,000)**	(5,700)	**(14,000)**	(11,400)
Equity investment received	—	27,500	—	42,500
Net change in other financing activities *[note 12]*	**(298)**	(655)	**(942)**	(633)
Cash provided by financing activities	**75,137**	43,151	**144,712**	51,344
Net decrease in cash and cash equivalents	**(8,859)**	—	**(8,319)**	—
Cash and cash equivalents, beginning of period	**8,859**	—	**8,319**	—
Cash and cash equivalents, end of period	$ —	$ —	**$** —	$ —
Cash interest paid during the period	**$ 16,385**	$ 16,321	**$ 22,750**	$ 22,674

See accompanying notes to the financial statements

1. Nature of operations

AltaLink, L.P. (the Partnership or AltaLink) was formed under the laws of the Province of Alberta in Canada on July 3, 2001, and is managed by AltaLink Management Ltd. (the General Partner). The Partnership's registered office is located at 2611-3rd Avenue SE, Calgary, Alberta T2A 7W7. The Partnership has one limited partner, AltaLink Investments, L.P. (AILP). The Partnership was formed to own and operate regulated transmission assets in Alberta. Although the General Partner holds legal title to the assets, the Partnership is the beneficial owner and assumes all risks and rewards of the assets.

The Partnership is a regulated electric utility under the jurisdiction of the Alberta Utilities Commission (AUC).

The Partnership is indirectly owned by two limited partners. SNC-Lavalin Transmission Ltd. indirectly owns 76.92% of AltaLink, L.P. through subsidiaries, and Macquarie Transmission Alberta Ltd. owns the remaining 23.08%.

During the periods ended June 30, 2010 and 2009, the Partnership operated solely in one primary reportable geographical and business segment, the ownership and operation of regulated electricity transmission facilities in the Province of Alberta. The segment includes the ownership and operation of Alberta's portion of the interconnection facilities which connect its network with the transmission system in British Columbia, and allow electricity to flow into and out of Alberta.

2. Basis of accounting

The Partnership's management has prepared the unaudited interim financial statements of the Partnership in accordance with Canadian generally accepted accounting principles following the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2009. These unaudited interim financial statements do not include all of the disclosures required in the audited annual financial statements, and accordingly, should be read in conjunction with the Partnership's audited financial statements for the year ended December 31, 2009. Operating results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

3. Risk management and financial instruments

a) Fair value of financial instruments

Financial Instrument	Designated Category	Measurement Basis	Associated Risks	Fair Value at June 30, 2010
Cash and cash equivalents	Held for trading	Fair value	• Market • Credit • Liquidity	Measured at fair value
Accounts receivable and other	Loans and receivables	Initially at fair value and subsequently at amortized cost	• Credit • Liquidity	Carrying value 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	Carrying value approximates fair value due to nature of asset [1]
Accounts payable and other	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Carrying value approximates fair value due to short-term nature [2]
Regulatory liabilities, short-term and long-term	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Carrying value approximates fair value due to nature of liability [1]
Long-term debt	Other liabilities	Initially at fair value and subsequently at amortized cost	• Market • Liquidity	$1,040.6 million [3]
Customer deposits	Held for trading	Fair value	• Market • Credit • Liquidity	Measured at fair value[4]
Customer deposits liability	Other liabilities	Initially at fair value and subsequently at amortized cost	• Liquidity	Carrying value approximates fair value due to the nature of the liability [4]

1. Regulatory assets and liabilities are amounts expected to be settled following approval of regulatory filings. These amounts have typically been settled at or close to management's estimate.
2. Accounts payable are expected to mature in less than one year.
3. 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 a discounted cash flow analysis based on the Partnership's current borrowing rate for similar borrowing arrangements. The quoted market prices used in this determination are classified as level 1 inputs in accordance with the provisions of Section 3862 of the CICA Handbook.
4. Customer deposits are comprised of contributions in advance of construction and operating and maintenance charges received in advance. The cash portions of both are held in short-term investments, the carrying values of which do not differ materially from the fair values.

b) Credit risk

The Partnership has a concentration of credit risk as approximately 69% of its accounts receivable balance is due from the Alberta Electric System Operator (AESO) (December 31, 2009 – 91%). For the six months ended June 30, 2010, approximately 92% (*Tariff Revenue and AFUDC Equity*) (six months ended June 30, 2009 – 96%) of the Partnership's revenue is from the AESO. The remainder is comprised mainly of revenue from tower and land leases and the provision of services to other utilities. The credit risk is mitigated by the fact that the AESO has been established under the *Electric Utilities Act (Alberta)*, while the remainder of the receivables is mostly due from investment grade utilities.

The Partnership's maximum exposure to credit risk, without taking into account collateral held, equals the current carrying values of accounts receivable, customer deposits and regulatory assets as disclosed in these financial statements.

3. Risk management and financial instruments (cont'd)

c) Market risk - interest rate risk

To manage interest rate risk, the Partnership controls the proportion of fixed and variable rate debt instruments, maintains access to diverse sources of funding, and limits the amount of non-regulated debt within its capital structure.

The long-term debt deferral account adjusts the approved tariff to reflect the actual interest rates applicable to regulated senior debt and subordinated debt instruments issued during the period. The Partnership is exposed to interest rate risk on new senior debt and subordinated debt, to the extent that such debt is attributable to operations.

To the extent that drawdowns under the Partnership's bank credit facilities or the issuance of commercial paper are attributed to regulated debt, the AUC permits the Partnership to recover interest at a predetermined fixed rate. Therefore, the Partnership is exposed to risks related to variable interest rates applicable to such indebtedness. As at June 30, 2010, the Partnership had $82.7 million in such indebtedness outstanding.

d) Capital risk management

Summary of capital structure

	As at			
	June 30, 2010		December 31, 2009	
	(millions)	**%**	(millions)	%
Total long-term debt, incl. current portion	**$ 970.6**	**57.9**	$ 810.9	54.0
Partners' capital	**549.0**	**32.8**	549.0	36.6
Retained earnings	**155.8**	**9.3**	132.4	8.8
Cash and cash equivalents	—	—	8.3	0.6
Total	**$ 1,675.4**	**100.0**	$ 1,500.6	100.0

Total long-term debt, including current portion, does not include deferred financing fees of $6.8 million (December 31, 2009 - $6.4 million)

As at June 30, 2010, the Partnership was subject to externally imposed capital structure requirements under the master trust indenture and the bank credit facilities. These agreements limit the amount of debt that can be incurred relative to partners' equity. The Partnership was in compliance with these capital structure requirements as at June 30, 2010.

4. Accounts receivable and other

	As at	
	June 30, 2010	December 31, 2009
	(in thousands of dollars)	
Accounts receivable	**$ 35,307**	$ 24,534
Prepaid expenses and deposits	**11,607**	7,646
Total	**$ 46,914**	$ 32,180

As of June 30, 2010, 77.3% of accounts receivable have been outstanding for less than 30 days (December 31, 2009 – 99.5%). The Partnership does not require an allowance for doubtful accounts.

5. Property, plant & equipment

	Lines	Substations	Buildings & Equipment	Land & Work in Progress	Long-Lived Assets	Customer Contributions	Total
				(in thousands of dollars)			
Cost							
As at Jan 1, 2009	$ 569,238	$ 851,772	$ 105,946	$ 144,842	$ 45,185	$(139,606)	$1,577,377
Additions	47,669	126,918	35,052	156,200	117,142	(23,903)	459,078
Retirements	(1,321)	(1,019)	(8,108)	(49)	—	—	(10,497)
Transfer of voided 500kV costs	(29,090)	(2,159)	—	(5,388)	—	—	(36,637)
As at Dec 31, 2009	586,496	975,512	132,890	295,605	162,327	(163,509)	1,989,321
Additions	44,601	104,190	2,893	120,948	(4,302)	(45,274)	223,056
Retirements	(336)	(448)	(2,754)	—	—	—	(3,538)
As at June 30, 2010	**$ 630,761**	**$ 1,079,254**	**$ 133,029**	**$ 416,553**	**$ 158,025**	**$ (208,783)**	**$ 2,208,839**
Accumulated Depreciation							
As at Jan 1, 2009	$(106,324)	$ (212,149)	$ (28,217)	$ —	$ (22,592)	$ 15,511	$ (353,771)
Depreciation expense	(28,225)	(45,340)	(10,760)	—	—	5,175	(79,150)
Reclass of site restoration costs	97,082	38,266	272	—	—	—	135,620
Amortization of long-lived asset	—	—	—	—	(18,360)	—	(18,360)
Retirements & salvage	2,932	3,441	7,957	—	—	—	14,330
As at Dec 31, 2009	(34,535)	(215,782)	(30,748)	—	(40,952)	20,686	(301,331)
Depreciation expense	(14,325)	(24,015)	(6,050)	—	—	3,104	(41,286)
Amortization of long-lived asset	—	—	—	—	(7,240)	—	(7,240)
Retirements & salvage	1,702	(1,036)	2,798	—	—	—	3,464
As at June 30, 2010	**$ (47,158)**	**$ (240,833)**	**$ (34,000)**	**$ —**	**$ (48,192)**	**$ 23,790**	**$ (346,393)**
Net Book Value							
As at Dec 31, 2009	$ 551,961	$ 759,730	$ 102,142	$ 295,605	$ 121,375	$ (142,823)	$ 1,687,990
As at June 30, 2010	**$ 583,603**	**$ 838,421**	**$ 99,029**	**$ 416,553**	**$ 109,833**	**$ (184,993)**	**$1,862,446**

The total amount of allowance for funds used during construction (AFUDC) capitalized for the six months ended June 30, 2010 was $12.3 million (six months ended June 30, 2009 - $6.9 million) at a capitalization rate of 6.79% (six months ended June 30, 2009 - 6.64%).

6. Customer deposits

	As at June 30, 2010	As at December 31, 2009
	(in thousands of dollars)	
Contributions in advance of construction	**$ 55,299**	$ 50,620
Operating and maintenance charges in advance	**11,312**	12,222
Total	**$ 66,611**	$ 62,842

Liabilities related to customer deposits equal the customer deposits.

For certain projects, customers contribute their share of capital costs in advance of construction. The Partnership is entitled to use these cash contributions to fund capital expenditures as construction progresses. The customers' shares of capital project costs are offset against the cost of property, plant and equipment and are amortized over the useful life of the assets.

In addition, certain customers are required to provide advance funding for future operating and maintenance costs of assets constructed with customer contributed funds. After these assets are put into service, the Partnership draws down these contributions to fund operating and maintenance costs over the life of the related assets.

As at June 30, 2010 customer deposits earn an effective interest rate of 0.51% (As at June 30, 2009 – 0.26%). Interest received is accumulated throughout the year, and the interest related to contributions in advance of construction is paid annually to the AESO.

7. Debt

	Effective interest rate	Maturing	As at June 30, 2010	As at December 31, 2009
			(in thousands of dollars)	
Senior Debt				
Series 03-2, 5.430%	**5.811%**	2013	**$ 325,485**	$ 325,559
Series 2006-1, 5.249%	**5.299%**	2036	**150,000**	150,000
Series 2008-1, 5.243%	**5.354%**	2018	**202,358**	202,358
Series 2010-1, 5.381%	**5.417%**	2040	**125,000**	—
			802,843	677,917
Series 3, subordinated 8.000%	**8.020%**	2012	**85,000**	85,000
Commercial paper			**73,931**	47,982
Operating line of credit			**8,778**	—
			970,552	810,899
Deferred financing fees			**(6,757)**	(6,416)
Total debt, net of deferred financing fees			**963,795**	804,483
Current portion			**(380)**	(376)
Total long-term debt			**$ 963,415**	$ 804,107

7. Debt (cont'd)

a) Bank credit facilities

As at June 30, 2010	**Committed**	**Drawdowns**	**Commercial Paper Outstanding**	**Available**	**Maturity Date**
			(in thousands of dollars)		
Commercial paper back-up facility	**$ 400,000**	**$ —**	**$ 73,931**	**$ 326,069**	**December 17, 2011**
Operating line of credit	**85,000**	**8,778**	**—**	**76,222**	**April 29, 2012**
	$ 485,000	**$ 8,778**	**$ 73,931**	**$ 402,291**	

As at December 31, 2009	Committed	Drawdowns	Commercial Paper Outstanding	Available	Maturity Date
			(in thousands of dollars)		
Commercial paper back-up facility	$ 400,000	$ —	$ 47,982	$ 352,018	December 17, 2011
Operating line of credit	85,000	—	—	85,000	April 30, 2011
	$ 485,000	$ —	$ 47,982	$ 437,018	

The $400.0 million commercial paper back-up facility provides support for the borrowing under the unsecured commercial paper program. Drawdowns under either the commercial paper back-up facility or operating line of credit may be in the form of Canadian prime rate loans or bankers' acceptances.

b) Interest expense and amortization of deferred financing fees

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
		(in thousands of dollars)		
Deferred financing fees amortized	**$ 424**	$ 410	**$ 843**	$ 792
Interest on debt	**12,935**	10,326	**24,329**	20,258
Total interest and amortization of deferred financing fees on debt	**13,359**	10,736	**25,172**	21,050
Less: short-term portion of interest on debt	—	—	—	—
Total long-term portion of interest and amortization of deferred financing fees	**$ 13,359**	$ 10,736	**$ 25,172**	$ 21,050

7. Debt (cont'd)

c) Scheduled principal repayments

	(in thousands of dollars)
Maturing	
2011	**$ 380**
2012	**167,709**
2013	**325,331**
2014	**—**
2015	**—**
2016 and thereafter	**477,132**
	$ 970,552

8. Asset retirement obligations

As of June 30, 2010, the estimated total undiscounted amount of asset retirement obligations was approximately $431.9 million (December 31, 2009 - $453.1 million). The obligations are expected to be settled over the useful lives of the assets, most of which are expected to be retired between 2011 and 2051. In determining the fair value of the asset retirement obligations, the estimated cash flows of new obligations incurred during the period have been discounted, using a discount rate adjusted for credit risks and inflation factors, at 4.96% (2009 – 4.96%).

	As at	
	June 30, 2010	December 31, 2009
	(in thousands of dollars)	
Balance, beginning of year	**$ 186,305**	$ 60,181
Net change in liabilities for the period	**(4,302)**	118,455
Liabilities settled in the period	**(312)**	(1,236)
Accretion expense	**4,376**	8,905
Balance, end of period	**$ 186,067**	$ 186,305

9. Related party transactions

In the normal course of business, the Partnership transacts with its partners and other related entities under common control. The following transactions were measured at the exchange amount:

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(in thousands of dollars)			
Interest				
AltaLink Investments, L.P.	**$ 1,695**	$ 1,695	**$ 3,372**	$ 3,372
Employee compensation and benefits				
AltaLink Management Ltd.	**17,523**	10,370	**34,447**	28,201
Construction related services				
SNC-Lavalin ATP Inc.	**66,867**	30,230	**132,149**	48,272

For the six months ended June 30, 2010 and 2009, there were no other material transactions with AltaLink Investments, L.P., AltaLink Holdings, L.P., SNC-Lavalin Capital Inc., Macquarie North America Ltd., AltaLink Investment Management Ltd., SNC-Lavalin Environmental Inc., and SNC-Lavalin Inc.

9. Related party transactions (cont'd)

Amounts included in accounts receivable and accounts payable are:

	As at June 30, 2010	As at December 31, 2009
	(in thousands of dollars)	
	Amount owed (to)/from related parties	Amount owed (to)/from related parties
AltaLink Management Ltd.	**$ (5,861)**	$ (6,882)
SNC-Lavalin ATP Inc.	**(74,043)**	(82,995)
AltaLink Investments, L.P.	**(1,100)**	(1,063)

As at June 30, 2010 and December 31, 2009, accounts receivable and accounts payable included amounts which are not material individually or in total that were owed to/from related parties including AltaLink Investment Management Ltd., AltaLink Holdings, L.P., Macquarie North America Ltd., Heartland Transmission, L.P., Heartland Transmission Management Ltd. and AltaLink Heartland Holdings, L.P.

Unless otherwise stated, none of the related party transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are due on a 30 day term and are settled in cash.

10. Transmission tariff

The Partnership is regulated using a cost-of-service methodology under which all prudently incurred costs are recovered in addition to an allowed return on rate base.

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(in thousands of dollars)			
Return – equity	**$ 10,748**	$ 7,590	**$ 21,500**	$ 15,179
Return – debt	**12,168**	10,060	**25,100**	20,120
Recovery of expenses	**44,823**	37,748	**90,100**	75,498
Deemed income taxes	**3,436**	2,438	**7,100**	4,876
Approved transmission tariff	**71,175**	57,836	**143,800**	115,673
Deferral, reserve and other adjustments	**(6,002)**	(833)	**(15,636)**	(3,119)
Transmission tariff	**$ 65,173**	$ 57,003	**$ 128,164**	$ 112,554

In the 2009-2010 Generic Cost of Capital decision, the AUC approved a return on equity of 9.00%, with a deemed common equity ratio of 36%.

11. Miscellaneous revenue

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(in thousands of dollars)			
Service contracts to third parties	**$ 7,523**	$ 679	**$ 8,144**	$ 903
Recovery of costs for services provided to other utilities	**940**	1,178	**2,447**	2,361
Tower, land and other lease revenue	**276**	654	**922**	1,355
Related party and other billings	**375**	173	**525**	533
Miscellaneous revenue	**$ 9,114**	$ 2,684	**$ 12,038**	$ 5,152

Service contracts to third parties have no significant net income impact as this revenue is based on cost recovery.

12. Supplemental cash flow information

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(in thousands of dollars)			
Changes in non-cash working capital items				
Accounts receivable and other	**$ (14,434)**	$ (4,630)	**$ (14,734)**	$ (5,687)
Accounts payable and other	**4,437**	9,864	**(258)**	15,807
Short-term regulatory assets and liabilities	**(4,132)**	1,320	**4,908**	1,751
	$ (14,129)	$ 6,554	**$ (10,084)**	$ 11,871
Related to operating activities	**$ (17,378)**	$ (10,546)	**$ (7,934)**	$ (5,160)
Related to investing activities	**3,249**	17,100	**(2,150)**	17,031
	$ (14,129)	$ 6,554	**$ (10,084)**	$ 11,871
Net change in other financing activities				
Deferred financing fees	**$ (298)**	$ (655)	**$ (942)**	$ (633)
Customer deposits	**(2,583)**	(487)	**(3,768)**	(23,899)
Customer deposits liability	**2,583**	487	**3,768**	23,899
	$ (298)	$ (655)	**$ (942)**	$ (633)

13. Regulatory decisions

On June 21, 2010 the AUC issued Decision 2010-284 approving the Partnership's Direct Assign Capital Deferral Account Reconciliation application for 2007 and 2008.

On June 23, 2010 the AUC issued Decision 2010-292 approving the Partnership's revenue requirement application for 2009 and 2010 as filed in its February 24, 2010 application, subject to certain minor adjustments to its revenue requirement over the two years. Decision 2010-292 also approved full recovery of the costs related to the voided Genesee to Langdon 500kV project.

14. Contingencies

From time to time, the Partnership is subject to legal proceedings, assessments and claims in the ordinary course of business. The Partnership was served with an action on June 5, 2009 alleging that the Plaintiff and the Partnership had concluded a binding agreement for the sale to the Plaintiff of certain lands. 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 or results of operations.

15. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.