AltaLink, L.P.

Consolidated Condensed Interim Financial Statements (unaudited)

For the three and six months ended June 30, 2025 and 2024

ALTALINK®

Sustainable Electricity Leader

Chef de file en matière d'électricité durable

Statement of Financial Position

(unaudited)

		As at	
	Notes	**June 30, 2025**	December 31, 2024
(in thousands of dollars)			
ASSETS			
Current			
Cash		**$ 220**	$ 67
Trade and other receivables	6	**164,844**	143,805
		165,064	143,872
Non-current			
Goodwill		**202,066**	202,066
Intangible assets	7	**276,730**	279,825
Property, plant, and equipment	8	**8,100,751**	8,043,383
Third-party deposits	9	**122,159**	93,991
Other non-current assets	6	**1,406,804**	1,371,337
		$ 10,273,574	$ 10,134,474
LIABILITIES AND PARTNERS' EQUITY			
Current			
Trade and other payables	10	**$ 121,880**	$ 116,141
Commercial paper and bank credit facilities	11	**153,000**	153,177
Long-term debt maturing in less than one year	11	**350,000**	—
Current portion of deferred revenue	12	**37,906**	32,095
		662,786	301,413
Non-current			
Long-term debt	11	**4,383,496**	4,695,564
Deferred revenue	12	**1,116,751**	1,111,996
Third-party deposits liability	9	**122,159**	93,991
Lease liabilities	13	**43,698**	45,068
Other non-current liabilities	10	**36,371**	39,098
		6,365,261	6,287,130
Commitments and contingencies	19, 20		
Partners' equity			
AltaLink, L.P. equity		**3,891,878**	3,830,944
Non-controlling interests	18	**16,435**	16,400
		3,908,313	3,847,344
		$ 10,273,574	$ 10,134,474

See accompanying notes to the consolidated condensed interim financial statements.

Statement of Comprehensive Income
(unaudited)

	Notes	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
(in thousands of dollars)					
Revenue					
Operations	15	**$ 246,520**	$ 239,576	**$ 492,781**	$ 499,113
Other	16	**17,278**	11,973	**29,412**	21,635
		263,798	251,549	**522,193**	520,748
Expenses					
Operating	17	**(33,626)**	(29,698)	**(63,611)**	(59,343)
Property taxes, salvage and other	17	**(19,159)**	(10,236)	**(40,281)**	(41,519)
Depreciation and amortization		**(75,500)**	(74,274)	**(150,950)**	(148,359)
		(128,285)	(114,208)	**(254,842)**	(249,221)
Operating income		**135,513**	137,341	**267,351**	271,527
Finance costs	11	**(50,442)**	(50,774)	**(100,492)**	(100,497)
Loss on disposal of assets		**(2,098)**	(2,274)	**(3,271)**	(3,691)
Income before non-controlling interests		**$ 82,973**	$ 84,293	**$ 163,588**	$ 167,339
Net income attributable to non-controlling interests		**(410)**	(437)	**(819)**	(869)
Net and comprehensive income		**$ 82,563**	$ 83,856	**$ 162,769**	$ 166,470

See accompanying notes to the consolidated condensed interim financial statements.

Statement of Changes in Partners' Equity

(unaudited)

	Units (thousands)	Retained Earnings Allocated to Limited Partner	Retained Earnings Allocated to General Partner	AOCI[1]	Partners' Capital	Partners' Equity	NCI[2]	Total Equity
(in thousands of dollars)								
As at January 1, 2024	331,904	$ 1,614,662	$ 162	$ 7,465	$ 2,130,577	$ 3,752,866	$ 16,459	$ 3,769,325
Net and comprehensive income including NCI[2]	—	166,453	17	—	—	166,470	869	167,339
Distributions paid	—	(136,886)	(14)	—	—	(136,900)	(836)	(137,736)
Equity reclassified from financial (redemption) liability	—	—	—	—	(33)	(33)	—	(33)
Balance at June 30, 2024	331,904	$ 1,644,229	$ 165	$ 7,465	$ 2,130,544	$ 3,782,403	$ 16,492	$ 3,798,895
As at January 1, 2025	**331,904**	**$ 1,693,152**	**$ 170**	**$ 6,986**	**$ 2,130,636**	**$ 3,830,944**	**$ 16,400**	**$ 3,847,344**
Net and comprehensive income including NCI[2]	**—**	**162,753**	**16**	**—**	**—**	**162,769**	**819**	**163,588**
Distributions paid	**—**	**(101,790)**	**(10)**	**—**	**—**	**(101,800)**	**(784)**	**(102,584)**
Equity reclassified from financial (redemption) liability	**—**	**—**	**—**	**—**	**(35)**	**(35)**	**—**	**(35)**
Balance at June 30, 2025	**331,904**	**$ 1,754,115**	**$ 176**	**$ 6,986**	**$ 2,130,601**	**$ 3,891,878**	**$ 16,435**	**$ 3,908,313**

1. *Accumulated other comprehensive income*
2. *Non-controlling interests*

See accompanying notes to the consolidated condensed interim financial statements.

Statement of Cash Flows

(unaudited)

		Three months ended		Six months ended	
	Notes	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)					
Cash flows from operating activities					
Net income before non-controlling interests		**$ 82,973**	$ 84,293	**$ 163,588**	$ 167,339
Adjustments for					
Depreciation and amortization		**75,500**	74,274	**150,950**	148,359
Third-party contributions revenue	16	**(7,245)**	(7,046)	**(14,483)**	(14,069)
Loss on disposal of assets		**2,098**	2,274	**3,271**	3,691
Change in other items		**(14,827)**	(15,422)	**(43,146)**	(51,879)
Change in non-cash working capital		**(64,331)**	(33,851)	**(5,273)**	50,377
Net cash provided by operating activities		**74,168**	104,522	**254,907**	303,818
Cash flows from investing activities					
Capital expenditures		**(112,092)**	(96,023)	**(215,682)**	(165,650)
Use of third-party contributions		**18,635**	11,598	**27,262**	18,772
Third-party contribution refunds		**—**	—	**—**	(82)
Proceeds from disposal of assets		**347**	—	**347**	—
Net cash used in investing activities		**(93,110)**	(84,425)	**(188,073)**	(146,960)
Cash flows from financing activities					
Senior debt repaid	11	**—**	(350,000)	**—**	(350,000)
Senior debt issued	11	**—**	325,000	**37,600**	325,000
Net movement in commercial paper and bank credit facilities		**53,500**	53,466	**(177)**	2,933
Distributions paid		**(36,000)**	(45,500)	**(101,800)**	(136,900)
Distributions paid to non-controlling interests		**(392)**	(428)	**(784)**	(836)
Principal repayments of lease liabilities		**(662)**	(541)	**(1,252)**	(1,068)
Change in other financing activities		**(221)**	(2,094)	**(268)**	(2,720)
Net cash provided by (used in) financing activities		**16,225**	(20,097)	**(66,681)**	(163,591)
Net change in cash		**(2,717)**	—	**153**	(6,733)
Cash, beginning of period		**2,937**	50	**67**	6,783
Cash, end of period		**$ 220**	$ 50	**$ 220**	$ 50
Supplementary cash flow information					
Interest paid		**$ (78,481)**	$ (59,446)	**$ (103,251)**	$ (101,422)

See accompanying notes to the consolidated condensed interim financial statements.

1. General information

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

On December 1, 2014, BHE Canada Holdings Corporation became the sole owner of AltaLink by indirectly acquiring 100 percent of AltaLink.

These consolidated condensed interim financial statements (the consolidated financial statements) include the accounts of AltaLink and its subsidiary entities, PiikaniLink, L.P. (PLP) and KainaiLink, L.P. (KLP) (collectively, the Partnership). For the purposes of consolidation, intercompany accounts and transactions have been eliminated.

The Partnership is regulated by the Alberta Utilities Commission (AUC), pursuant to the Electric Utilities Act (Alberta) (EUA), the Public Utilities Act (Alberta), the Alberta Utilities Commission Act (Alberta), and the Hydro and Electric Energy Act (Alberta). These statutes and their respective regulations cover matters such as transmission tariffs, construction, operations, and financing. The Alberta Electric System Operator (AESO) administers the transmission of all electrical energy through the Alberta Interconnected Electric System in the Province of Alberta.

During the six months ended June 30, 2025 and 2024, the Partnership operated solely in one reportable geographical and business segment.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting*. They should be read in conjunction with the Partnership's most recent annual audited consolidated financial statements as at and for the year ended December 31, 2024 which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The Partnership has consistently applied the same material accounting policies in these consolidated financial statements as compared to its 2024 annual audited consolidated financial statements.

Certain of the material accounting policies adopted to prepare these consolidated financial statements are set out below. The consolidated financial statements reflect the financial position and financial performance of the Partnership and do not include all the assets, liabilities, revenues and expenses of AltaLink Investments, L.P. or AltaLink Management Ltd.

The Board of Directors approved these consolidated financial statements on July 28, 2025.

Basis of measurement

These consolidated financial statements have been prepared on a going concern and historical cost basis except for post-employment benefit liabilities and cash, which are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

Use of estimates and judgement

The preparation of these consolidated financial statements require management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Judgements made by management that have significant effects on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the consolidated financial statements.

Accounting policies are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transactions or other events is reported.

As a regulated utility, the Partnership records certain amounts at estimated values until these amounts are finalized. The Partnership bases its estimates and judgements on historical experience, including experience with regulatory processes, current conditions and various other reasonable assumptions. These factors form the basis for making judgements about the carrying values of assets and liabilities. They are also the basis for identifying and assessing the Partnership's accounting treatment with respect to commitments and contingencies. Significant estimates and judgements include:

- Expected regulatory decisions on matters that may impact revenue;
- The recovery and settlement of financial assets and liabilities related to regulated activities, including the collection of the recovery of future income taxes and prudence reviews of capital additions by the AUC;
- Key economic assumptions used in cash flow projections to assess goodwill for impairment;
- The estimated useful lives of assets;
- The recoverability of tangible and intangible assets, including estimates of future costs to retire physical assets or the recoverability of costs associated with direct assigned projects that have been cancelled or delayed in the regulatory process; and
- The accruals for capital projects.

The Partnership applies changes in estimates prospectively as they result from new information. To the extent that a change in accounting estimate gives rise to changes in assets or liabilities, or relates to an item of equity, the Partnership adjusts the carrying amount of the related asset or liability in the period of the change.

3. Summary of material accounting policy information

The following is a summary of certain of the material accounting policy information. For a complete summary of material accounting policy information, please refer to note 3 in the Partnership's 2024 annual audited consolidated financial statements.

Regulation of transmission tariffs

The Partnership operates under cost-of-service regulation in accordance with the EUA. The AUC must provide the Partnership with a reasonable opportunity to recover its prudently incurred and forecasted costs, including operating expenses, depreciation, cost of debt, taxes associated with investment, and a fair return on investment. Fair return is based on return on rate base and allowance for funds used during construction (AFUDC) for projects included in construction work-in-progress (CWIP). The Partnership applies for transmission tariffs based on forecasted costs-of-service. The Partnership's transmission tariffs are not dependent on the price or volume of electricity transported through its transmission system. Once approved, the transmission tariffs are not adjusted if actual costs-of-service differ from forecast, except for certain prescribed costs for which deferral and reserve accounts are established within the transmission tariffs. The annual transmission tariff is received from the AESO in equal monthly installments and is included in accounts receivable as it falls due.

All transmission tariff adjustments arising from deferral or reserve accounts relate to services provided to the AESO during the reporting periods, and settlement of these accounts with the AESO is not contingent on providing future services. If, in management's judgement, a reasonable estimate can be made of the impact future regulatory decisions may have on the current period's consolidated financial statements, such an estimate will be recorded in the current period. When the AUC issues a decision affecting the consolidated financial statements of a prior period, the final effects of the decision are recorded in the period in which the decision is issued.

Revenue recognition

Operations revenue from regulated activities represent the inflow of economic benefits earned during the period arising in the ordinary course of the Partnership's operating activities. The Partnership has a single performance obligation to stand ready to provide electrical transmission services through its transmission infrastructure as directed by the AUC. The return earned by the Partnership is based on transmission tariffs approved by the AUC and is subject to change. Operations revenue is recognized on an accrual basis in accordance with transmission tariffs approved by the AUC and based on the value of consideration expected to be received by the Partnership. The Partnership does not recognize revenue for any portion of transmission tariffs received but not earned. Unearned transmission tariffs are classified as financial liabilities related to regulated activities or deferred revenue.

Revenue for the recovery of deemed future income taxes is accrued based on the underlying right of the Partnership to earn an after-tax rate of return.

Funds approved by the AUC and provided by the AESO to pay for salvage costs where there is no asset replacement are deferred and released into revenue from operations when the associated salvage activities are performed, and costs are incurred.

Other revenue represents revenue received from third parties and includes, but is not limited to, amortization of third-party contributions, cost recoveries for services provided to other utilities, and rental income. Third-party contributions are recorded as deferred revenue when capital funds are expended and recognized into other revenue over the useful lives of the associated assets. Cost recovery revenue is recognized on an accrual basis as the costs are incurred. Rental income from third parties is recognized on a straight-line basis over the contract term.

Financial assets and liabilities related to regulated activities

The regulatory and legal rights and obligations under which the Partnership operates, assign the Partnership the right to bill and collect financial assets related to regulated activities from the AESO. The AESO is the Partnership's single counterparty for regulated activities and amounts billed to it by the Partnership are based on specific amounts and timing approved by the AUC. There is no future performance required by the Partnership to recover these amounts. Long-term amounts due from the AESO earn a regulatory return and are discounted at a market rate of interest.

Financial assets are reviewed for impairment every reporting period. The carrying amounts of financial assets are net of any disallowances or impairments recognized for any identified lifetime expected credit losses.

The regulatory and legal rights and obligations under which the Partnership operates also require the Partnership to refund to the AESO financial liabilities that were received in the Partnership's transmission tariffs that are greater than its actual expenses.

Property, plant, and equipment

Property, plant, and equipment are carried at cost less accumulated depreciation, disallowed capital costs, and impairments. The initial cost of an asset consists of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and for qualifying assets, the weighted average borrowing costs that are eligible to be recovered over the estimated useful life of the asset. The Partnership capitalizes major replacements and upgrades including site preparation if the related costs extend the lives of the assets and the Partnership expects to use these items for more than one year. Maintenance and repair costs are recognized as expenses in the period in which they are incurred.

Depreciation is calculated over the estimated useful lives of assets on a straight-line basis based on depreciation studies prepared by an independent expert and approved by the AUC. The expected useful lives of the assets are reviewed annually, and if necessary, changes in useful lives are accounted for in the period the changes were identified.

When an asset is retired or disposed of in the normal course of business, the gain or loss is recognized immediately in the statement of comprehensive income. Generally, losses or gains are recoverable from or repayable to the AESO through future transmission tariffs. The Partnership also recognizes the related amounts in revenue and records the amount as financial assets or liabilities related to regulated activities. Capital inventory and land are capitalized but not depreciated. CWIP is capitalized but not depreciated until the assets are available for use and the costs have been transferred to lines, substations, and buildings and equipment.

Reviews of property, plant, and equipment to establish whether there has been any impairment are carried out when a change in circumstance is identified that indicates an asset might be impaired.

Short-term and long-term debt

Short-term and long-term debt are measured initially at fair value and subsequently at amortized cost. Costs incurred to arrange long-term debt financing are offset against the debt amount and amortized using the effective interest rate method. The amortization of these charges is included in finance costs.

4. Adoption of new and revised accounting standards

New Standards issued but not effective

<u>IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18)</u>

In April 2024, the IASB finalized issuance of IFRS 18, which will replace IAS 1. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses and provide disclosures on management-defined performance measures in the notes to the financial statements. The standard is effective for annual periods beginning on or after January 1, 2027. The Partnership is currently evaluating the impact of this standard on its consolidated financial statements.

<u>Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* ("Amendments to IFRS 9 and IFRS 7")</u>

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which will be effective for annual reporting periods beginning on or after January 1, 2026. The Amendments to IFRS 9 and IFRS 7 clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer, clarify the requirements for assessing contractual cash flow characteristics of financial assets and clarify the characteristics of non-recourse loans and contractually linked instruments. The Partnership is currently evaluating the impacts of these standards on its consolidated financial statements, although they are not expected to have a material impact.

5. Risk management and financial instruments

Fair value of financial instruments

Financial Instrument	Designated Category	Measurement Basis	Associated Risks	Fair Value at June 30, 2025
Cash	Fair value through profit or loss	Fair value	· Market · Credit	Carrying value is fair value due to short-term nature.
Trade and other receivables and other non-current assets [note 6]	Amortized cost	Initially at fair value and subsequently at amortized cost	· Credit · Liquidity	Amortized cost or carrying value approximates fair value due to nature of the asset.
Trade and other payables and other non-current liabilities [note 10]	Amortized cost	Initially at fair value and subsequently at amortized cost	· Liquidity	Amortized cost or carrying value approximates fair value due to nature of the liability.
Commercial paper and bank credit facilities and long-term debt [note 11]	Amortized cost	Initially at fair value and subsequently at amortized cost	· Market · Liquidity	$4,819.4 million. Due to the short-term nature of commercial paper and bank credit facilities, carrying value approximates fair value. Long-term debt fair values are determined using quoted market prices (which are classified as level 1 inputs).
Lease liabilities [note 13]	Amortized cost	Initially at fair value and subsequently at amortized cost	· Liquidity · Market	Amortized cost approximates fair value due to nature of the liability.
Third-party deposits [note 9]	Amortized cost	Initially at fair value and subsequently at amortized cost	· Market · Credit · Liquidity	Carrying value approximates fair value as cash received is held in short-term investments.
Third-party deposits liability [note 9]	Amortized cost	Initially at fair value and subsequently at amortized cost	· Liquidity	Carrying value approximates fair value due to the nature of the liability.

The Partnership currently does not use hedges or other derivative financial instruments in its operations.

Credit risk

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

- The Partnership has 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 90% of its trade receivable balance as at June 30, 2025 is due from the AESO (December 31, 2024 – approximately 94%). The credit risk is mitigated by the fact that the AESO is an “AA-“ rated entity by Standard & Poor's, and it was established under the EUA. The remaining trade receivables are mostly for construction services and service agreements due from investment grade entities that AltaLink has transacted with in the past.

More than 99% of the trade receivables balance as at June 30, 2025 is with third parties that the Partnership has been transacting with for over five years (December 31, 2024 – more than 99%). None of these balances are considered credit-impaired at the reporting date.

The Partnership's maximum exposure to credit risk, without taking into account collateral held, equals the current carrying values of cash, trade and other receivables, other non-current assets due from the AESO and third-party deposits as disclosed in these consolidated financial statements.

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 the Partnership is exposed are discussed below:

Interest rate risk

To manage interest rate risk, the Partnership controls the proportion of floating rate debt relative to fixed rate debt. In addition, the Partnership maintains access to diverse sources of funding under its established capital markets platform.

It is the Partnership's practice to finance substantially all its debt requirements with long-term debt securities for which interest rates are fixed during the entire term of each security, generally ranging from 5 to 50 years from the date of issue. To manage short-term liquidity requirements, the Partnership established bank credit facilities under which interest rates may vary daily unless the Partnership elects to issue Term Canadian Overnight Repo Rate Average (CORRA) Loans, Daily Compounded CORRA Loans or commercial paper under which interest rates are fixed during the entire term, typically ranging from 7 to 90 days from the date of issue. It is the Partnership's practice to issue commercial paper for substantially all its short-term funding requirements.

The Partnership is not exposed to interest rate risk on new long-term debt issues. This risk is managed through the long-term debt deferral account, which protects the Partnership against interest rate forecast risk on new long-term debt issues. Volume risk on new long-term debt issuance is managed through the direct assign capital deferral account. For short-term debt, the Partnership is at risk for increases in interest rates above the rate approved by the AUC and any volume variances not caused by changes in direct assign capital expenditures.

Foreign exchange risk

The Partnership does not have a significant exposure to foreign exchange risk.

Liquidity risk

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

- It may not have sufficient funds to settle a transaction on the due date;
- It may be forced to sell financial assets below their fair market value; and
- It may be unable to settle or recover a financial asset.

To manage this risk, the Partnership has readily accessible standby credit facilities and other funding arrangements in place; generally uses financial instruments that are tradable in highly liquid markets; and has a liquidity portfolio structure wherein surplus funds are invested in highly liquid financial instruments. See note 11 - Debt for a maturity analysis.

Capital risk management

In managing its capital structure, the Partnership includes partners' capital, retained earnings and short-term and long-term debt in the definition of capital.

The Partnership manages its capital structure to reduce the cost of debt capital for customers and to safeguard its ability to continue as a going concern. In order to maintain or adjust the capital structure, the Partnership may pay distributions to partners, return capital to partners or request additional contributions from partners. The Partnership reduces refinancing risk by diversifying the maturity dates of its debt obligations.

Summary of capital structure

		As at				
		June 30, 2025			December 31, 2024	
		(millions)	**%**		(millions)	%
Commercial paper and bank credit facilities	**$**	**153.0**	**1.7**	$	153.2	1.8
Long-term debt maturing in less than one year		**350.0**	**4.0**		—	—
Long-term debt (before netting deferred financing fees)		**4,408.2**	**50.0**		4,720.5	54.1
AltaLink, L.P. capital		**2,130.6**	**24.1**		2,130.6	24.4
Non-controlling interests		**16.4**	**0.2**		16.4	0.2
Retained earnings and accumulated other comprehensive income		**1,761.3**	**20.0**		1,700.3	19.5
	$	**8,819.5**	**100.0**	$	8,721.0	100.0

The Partnership is subject to externally imposed capitalization requirements under its Master Trust Indenture and the bank credit facilities. These agreements limit the amount of debt that can be incurred to 75% of total capitalization. The Partnership was in compliance with these requirements as at June 30, 2025 and December 31, 2024.

6. Trade and other receivables and other non-current assets

		As at		
		June 30, 2025		December 31, 2024
(in thousands of dollars)				
Trade receivables	**$**	**83,484**	$	104,538
Prepaid expenses and deposits		**49,749**		16,582
Cancelled projects		**559**		—
Current financial assets related to regulated activities		**31,052**		22,685
Total trade and other receivables	**$**	**164,844**	$	143,805
CWIP-in-rate base and related income tax receivable	**$**	**222,744**	$	225,688
Recovery of deemed future income taxes		**832,330**		794,020
Cancelled projects		**—**		559
Other non-current financial assets related to regulated activities		**351,730**		351,070
Total other non-current assets	**$**	**1,406,804**	$	1,371,337

Trade receivables as at June 30, 2025 include $75.4 million due from the AESO for the June portion of the transmission tariffs (December 31, 2024 – $98.4 million).

Other non-current assets are comprised of financial assets related to regulated activities. Financial assets related to regulated activities include amounts that have been added to rate base for regulatory purposes, which will be recovered or repaid in transmission tariff revenue over a time period, as approved by the AUC. Financial assets related to regulated activities also include the accrued recovery of deemed future income taxes which is based on the underlying right of the Partnership to earn an after-tax rate of return.

7. Intangible assets

	As at	
	June 30, 2025	December 31, 2024
(in thousands of dollars)		
Net book value, beginning of period	**$ 279,825**	$ 277,946
Additions to CWIP	**8,807**	27,804
Retirements, net	**—**	(1)
Amortization	**(11,902)**	(25,924)
Net book value, end of period	**$ 276,730**	$ 279,825

During the six months ended June 30, 2025, the Partnership transferred $7.9 million (June 30, 2024 – $7.2 million) to land rights and computer software from CWIP.

8. Property, plant, and equipment

(in thousands of dollars)	Lines[1]	Substations[2]	Buildings & equipment[3]	Land & CWIP[4]	Total
Cost					
As at January 1, 2024	$ 5,412,681	$ 4,622,431	$ 292,364	$ 252,043	$ 10,579,519
Additions to CWIP[5]	—	—	—	347,843	347,843
Transfers	94,926	125,189	27,683	(247,798)	—
Cancelled project and other transfers[6]	—	—	—	(21,958)	(21,958)
Retirements and other	(5,024)	(9,346)	(11,877)	(56)	(26,303)
As at December 31, 2024	5,502,583	4,738,274	308,170	330,074	10,879,101
Additions to CWIP	—	—	—	**202,010**	**202,010**
Transfers	**68,661**	**34,193**	**6,891**	**(109,745)**	**—**
Cancelled project transfers	—	—	—	**(1,296)**	**(1,296)**
Retirements and other	**(2,578)**	**(1,791)**	**(210)**	**—**	**(4,579)**
As at June 30, 2025	**$ 5,568,666**	**$ 4,770,676**	**$ 314,851**	**$ 421,043**	**$ 11,075,236**
Accumulated depreciation					
As at January 1, 2024	$ (1,082,675)	$ (1,400,402)	$ (94,328)	$ —	$ (2,577,405)
Depreciation expense	(113,429)	(144,527)	(18,851)	—	(276,807)
Retirements and other	2,684	5,172	10,638	—	18,494
As at December 31, 2024	(1,193,420)	(1,539,757)	(102,541)	—	(2,835,718)
Depreciation expense	**(57,430)**	**(73,368)**	**(9,021)**	**—**	**(139,819)**
Retirements and other	**698**	**169**	**185**	**—**	**1,052**
As at June 30, 2025	**$ (1,250,152)**	**$ (1,612,956)**	**$ (111,377)**	**$ —**	**$ (2,974,485)**
Net book value					
As at December 31, 2024	$ 4,309,163	$ 3,198,517	$ 205,629	$ 330,074	$ 8,043,383
As at June 30, 2025	**$ 4,318,514**	**$ 3,157,720**	**$ 203,474**	**$ 421,043**	**$ 8,100,751**

1. Lines – transmission lines and related equipment.
2. Substations – substation and telecontrol equipment.

3. Buildings & equipment – office buildings, leasehold improvements, leased assets, vehicles, tools and instruments, office furniture, telephone and related equipment, computer hardware and emergency capital spare parts. Leased assets relate to five building leases with an average remaining lease term of 13.2 years and net book value of $31.5 million as at June 30, 2025 (December 31, 2024 – $32.8 million); there were no additions to the cost of the leased assets during the six months ended June 30, 2025 (December 31, 2024 – $1.1 million).
4. Land & CWIP – land, capitalized inventory and CWIP. CWIP is reclassified to the appropriate asset classes when the assets are available for use.
5. On June 19, 2024, the AUC approved the collection of costs of site preparation for capital replacement projects over the average useful lives of the related replacement assets starting January 1, 2024. As a result, the Partnership now capitalizes these costs.
6. On July 31, 2024, the AUC did not approve the capitalization of $18.5 million of costs related to the 2023 spring wildfire and snow events, but approved, on a placeholder basis, the recovery of those costs through the self-insurance reserve.

9. Third-party deposits

(in thousands of dollars)	Contributions in Advance of Construction	Operating and Maintenance Charges in Advance	Total
As at January 1, 2024	$ 55,396	$ 6,337	$ 61,733
Receipts and interest net of refunds	85,272	325	85,597
Transfers to deferred revenue	(53,140)	—	(53,140)
Recognized other revenue	—	(199)	(199)
As at December 31, 2024	87,528	6,463	93,991
Receipts and interest net of refunds	**56,942**	**(125)**	**56,817**
Transfers to deferred revenue	**(28,558)**	**—**	**(28,558)**
Recognized other revenue	**—**	**(91)**	**(91)**
As at June 30, 2025	**$ 115,912**	**$ 6,247**	**$ 122,159**

Third-party deposits are held in short-term investments, which are reinvested as needed. These investments earned a weighted average annual effective interest rate of 2.70% as at June 30, 2025 (December 31, 2024 – 3.26%). For contributions in advance of construction, all interest is credited to the specific customers.

10. Trade and other payables and other non-current liabilities

	As at	
(in thousands of dollars)	**June 30, 2025**	December 31, 2024
Trade and accrued payables	**$ 68,540**	$ 71,765
Accrued interest on debt	**30,807**	31,410
Other current liabilities	**15,671**	12,632
Current financial liabilities related to regulated activities	**6,862**	334
Total trade and other payables	**$ 121,880**	$ 116,141
Financial (redemption) liabilities	**$ 16,435**	$ 16,400
Accrued employment benefit liabilities	**9,593**	11,135
Other non-current liabilities	**6,057**	5,812
Non-current financial liabilities related to regulated activities	**4,286**	5,751
Total other non-current liabilities	**$ 36,371**	$ 39,098

Piikani Transmission Holding Limited Partnership (the nominee of the Piikani Nation) and 1759511 Alberta Ltd. (the nominee of the Kainai-Blood Tribe) have put options to sell all their units in PLP and KLP, respectively, to AltaLink at any time, subject to regulatory approvals from the AUC. To reflect the put options of Piikani Transmission Holding Limited Partnership and 1759511 Alberta Ltd., the Partnership recognizes a financial (redemption) liability and reduces AltaLink partners' capital in these consolidated financial statements. The valuation of the purchase price on the put options are defined in the partnership agreements and are calculated as the net regulatory book value of long-term assets less the book value of long-term debt on the put option exercise date.

Financial liabilities related to regulated activities include accruals for the repayment of deferral account balances which are certain costs that were incurred by the Partnership relating to its primary activities with the AESO that are less than what was received in transmission tariffs.

11. Debt

Commercial paper and credit facilities

As at June 30, 2025	**Committed**	**Drawdowns**	**Commercial paper outstanding**	**Letters of credit outstanding**	**Availability**	**Maturity date of facility**
(in thousands of dollars)						
Revolving credit facility	**$ 500,000**	**$ —**	**$ 153,000**	**$ —**	**$ 347,000**	**December 14, 2029**
Revolving credit facility	**75,000**	**—**	**—**	**2,012**	**72,988**	**December 14, 2029**
Inter-affiliate revolving credit facility	**150,000**	**—**	**—**	**—**	**150,000**	**March 31, 2027**
	$ 725,000	**$ —**	**$ 153,000**	**$ 2,012**	**$ 569,988**	

In addition, the Partnership has outstanding cheques net of cash in the amount of $nil as at June 30, 2025 (December 31, 2024 – $0.2 million).

As at December 31, 2024	Committed	Drawdowns	Commercial paper outstanding	Letters of credit outstanding	Availability	Maturity date of facility
(in thousands of dollars)						
Revolving credit facility	$ 500,000	$ —	$ 153,000	$ —	$ 347,000	December 14, 2029
Revolving credit facility	75,000	—	—	2,112	72,888	December 14, 2029
Inter-affiliate revolving credit facility	150,000	—	—	—	150,000	March 31, 2027
	$ 725,000	$ —	$ 153,000	$ 2,112	$ 569,888	

The $500.0 million revolving bank credit facility provides support for the borrowing under the unsecured commercial paper program and may be used for operating expenses, capital expenditures, working capital needs, and for general corporate purposes including the payment of distributions. Drawdowns under this facility may be in the form of Canadian prime rate loans, Term CORRA Loans or Daily Compounded CORRA Loans.

The $75.0 million revolving bank credit facility may be used for operating expenses, capital expenditures, working capital needs, and for general corporate purposes including the payment of distributions. Drawdowns under this facility may be in the form of Canadian prime rate loans, Term CORRA Loans, Daily Compounded CORRA Loans or drawn letters of credit.

On an annual basis, the Partnership can request the lenders' consent that the maturity date of the credit facilities be extended for a further 365 days.

The $150.0 million inter-affiliate revolving credit facility provided by AltaLink Investments, L.P. may be used for operating expenses, capital expenditures, working capital needs, and for general corporate purposes including the payment of distributions. Drawdowns under this facility may be in the form of Canadian prime rate loans.

On October 31, 2023, AltaLink entered into a credit agreement with the Canada Infrastructure Bank (CIB) to provide debt financing for up to 50% of the eligible costs on AltaLink's Central East Transfer-Out, Southeast Alberta Transmission Development and Southwest Alberta Transmission Development projects. Total borrowing under the credit facility is capped at $604.3 million with a final maturity date of December 31, 2065. On October 18, 2024, the AUC approved the credit facility. On March 27, 2025, AltaLink borrowed $37.6 million for the Central East Transfer-Out project at a fixed rate of 2.170%. All borrowings under the credit facility are subject to a fixed repayment schedule. The remaining availability of the credit facility as at June 30, 2025 is $566.7 million (December 31, 2024 – $604.3 million). The borrowings under the credit facility as at June 30, 2025 and December 31, 2024 are in the following table.

Long-term debt

	Effective Interest Rate	Maturing	As at June 30, 2025	As at December 31, 2024
(in thousands of dollars)				
Senior Debt obligations				
Series 2016-1, 2.747%	2.813%	May 29, 2026	**$ 350,000**	$ 350,000
Series 2020-1, 1.509%	1.588%	September 11, 2030	**225,000**	225,000
Series 2022-1, 4.692%	4.780%	November 28, 2032	**275,000**	275,000
Series 2006-1, 5.249%	5.299%	September 22, 2036	**150,000**	150,000
Series 2010-1, 5.381%	5.432%	March 26, 2040	**125,000**	125,000
Series 2010-2, 4.872%	4.928%	November 15, 2040	**150,000**	150,000
Series 2011-1, 4.462%	4.503%	November 8, 2041	**275,000**	275,000
Series 2012-1, 3.990%	4.029%	June 30, 2042	**525,000**	525,000
Series 2013-3, 4.922%	4.963%	September 17, 2043	**350,000**	350,000
Series 2014-3, 4.054%	4.091%	November 21, 2044	**295,000**	295,000
Series 2015-1, 4.090%	4.127%	June 30, 2045	**350,000**	350,000
Series 2016-2, 3.717%	3.753%	December 3, 2046	**450,000**	450,000
Series 2013-1, 4.446%	4.484%	July 11, 2053	**250,000**	250,000
Series 2024-1, 4.742%	4.787%	May 22, 2054	**325,000**	325,000
Series 2023-1, 5.463%	5.509%	October 11, 2055	**500,000**	500,000
Series 2014-2, 4.274%	4.305%	June 6, 2064	**130,000**	130,000
CIB debt financing, 2.170%	2.287%	June 30, 2056	**37,600**	—
			$ 4,762,600	$ 4,725,000
Debt discounts and premiums			**(4,401)**	(4,489)
Less: deferred financing fees			**(24,703)**	(24,947)
Long-term debt maturing in less than one year			**(350,000)**	—
Long-term debt			**$ 4,383,496**	$ 4,695,564

The Partnership uses the proceeds from the issuance of Senior Debt obligations to repay commercial paper and indebtedness outstanding under the Partnership's credit facilities and maturing Senior Debt obligations, to finance the capital construction program, and for general corporate purposes.

On May 22, 2024, AltaLink issued $325.0 million of 4.742% 30-year Series 2024-1 Senior Secured Notes due May 22, 2054, and on June 6, 2024, repaid $350.0 million of maturing 3.399% 10-year Series 2014-1 Medium-Term Notes.

The Senior Debt obligations are secured obligations and rank pari passu with all existing and future senior indebtedness, and ahead of all subordinated indebtedness of the Partnership. Collateral for the Senior Debt obligations consist of a first floating charge security interest on the Partnership's present and future assets. The bank credit facilities rank equally with Senior Debt and all future senior secured indebtedness that is issued by the Partnership.

Senior Debt is redeemable by the Partnership at the greater of (i) the prevailing Government of Canada bond yield plus a pre-determined premium, and (ii) the face amount of the debt to be redeemed plus, in each case, accrued and unpaid interest to the date of redemption. The Partnership has no current plans to redeem any of its long-term debt prior to maturity. Certain of the AltaLink debt instruments have a provision which allows for redemption at the face amount, either three or six months before maturity.

Long-term debt payments

	Remaining six months 2025	2026	2027	2028	2029	2030	2031 and thereafter	**Total as at June 30, 2025**
(in thousands of dollars)								
Long-term debt								
Principal repayments	$ —	$ 350,188	$ 752	$ 752	$ 752	$ 225,752	$ 4,184,404	**$ 4,762,600**
Interest payments	100,742	196,673	191,855	174,208	209,453	191,806	2,953,160	**4,017,897**
	$ 100,742	$ 546,861	$ 192,607	$ 174,960	$ 210,205	$ 417,558	$ 7,137,564	**$ 8,780,497**

Finance costs

	Three months ended		**Six months ended**	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Interest expense	**$ 51,098**	$ 51,063	**$ 101,747**	$ 100,826
Amortization of deferred financing fees	**306**	314	**600**	637
Standby fees	**227**	228	**455**	457
Capitalized borrowing costs[1] [note 15]	**(1,636)**	(1,301)	**(3,211)**	(2,376)
Interest expense on lease liabilities	**447**	470	**901**	953
	$ 50,442	$ 50,774	**$ 100,492**	$ 100,497

1. The average capitalization rate during the period ended June 30, 2025 was 4.26% (December 31, 2024 – 4.17%, June 30, 2024 – 4.14%).

12. Deferred revenue

(in thousands of dollars)	Deferred Revenue for Salvage	Third-Party Contributions	Total
As at January 1, 2024	$ 207,274	$ 924,668	$ 1,131,942
Transferred from third-party deposits net of refunds	—	53,057	53,057
Cancelled project transfers	—	(2,345)	(2,345)
Transferred from third parties	52	—	52
Recognized as revenue	(10,101)	(28,514)	(38,615)
As at December 31, 2024	197,225	946,866	1,144,091
Transferred from third-party deposits	**—**	**28,558**	**28,558**
Cancelled project transfers	**—**	**(1,296)**	**(1,296)**
Recognized as revenue [notes 15 and 16]	**(2,213)**	**(14,483)**	**(16,696)**
As at June 30, 2025	**$ 195,012**	**$ 959,645**	**$ 1,154,657**

(in thousands of dollars)	As at June 30, 2025	December 31, 2024
Current portion	**$ 37,906**	$ 32,095
Long-term portion	**1,116,751**	1,111,996
	$ 1,154,657	$ 1,144,091

13. Lease liabilities

Lease liabilities

(in thousands of dollars)	As at June 30, 2025	December 31, 2024
Current lease liabilities	**$ 2,712**	$ 2,594
Long-term lease liabilities	**43,698**	45,068
	$ 46,410	$ 47,662

Lease payments

(in thousands of dollars)	Remaining six months 2025	2026	2027	2028	2029	2030	2031 and thereafter	Total as at June 30, 2025
Lease payments	$ 2,217	$ 4,441	$ 4,443	$ 4,560	$ 4,336	$ 4,195	$ 35,314	**$ 59,506**
Amounts representing implicit interest								**(13,096)**
Lease liabilities								**$ 46,410**

As at June 30, 2025, the weighted average lessee incremental borrowing rate applied to the lease liabilities is 3.85% (December 31, 2024 – 3.85%).

Amounts related to leases recognized in statement of comprehensive income

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Gross depreciation	**$ 648**	$ 649	**$ 1,297**	$ 1,295
Capitalized depreciation	**(388)**	(393)	**(771)**	(759)
Net depreciation expense	**$ 260**	$ 256	**$ 526**	$ 536
Interest expense	**447**	470	**901**	953
Expense related to short-term and variable lease payments not included in the measurement of the lease liability	**812**	590	**1,607**	1,538
	$ 1,519	$ 1,316	**$ 3,034**	$ 3,027

14. Related party transactions

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

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
AltaLink Management Ltd.				
Gross employee compensation and benefits	**$ 36,214**	$ 35,007	**$ 73,703**	$ 71,390
Cost recovery revenue for non-regulated activities	**$ 477**	$ 493	**$ 956**	$ 1,036
Cost reimbursements paid or payable	**$ 171**	$ (226)	**$ 326**	$ 58

AltaLink Management Ltd. employs all staff who provide administrative and operational services to the Partnership on a cost reimbursement basis. The Partnership has indemnified AltaLink Management Ltd. for all associated expenses and liabilities.

The Partnership has an accrued balance for employee compensation and benefits of $25.5 million as at June 30, 2025 (December 31, 2024 – $27.0 million).

Cost recovery revenue for non-regulated activities includes services provided to AltaLink Investments, L.P., AltaLink Investment Management Ltd., AltaLink Holdings, L.P., BHE Altalink Ltd., BHE Canada, L.P., BHE Canada Limited, BHE Canada Holdings Corporation, MATL Canada L.P., and Berkshire Hathaway Energy Company.

During the six months ended June 30, 2025, the Partnership incurred costs of $0.3 million paid or payable to Berkshire Hathaway Energy Company as cost reimbursements for third-party charges (June 30, 2024 – $0.1 million).

AltaLink has a $150.0 million inter-affiliate revolving credit facility from its limited partner, AltaLink Investments, L.P., with $nil drawn on this facility as at June 30, 2025 (June 30, 2024 – $nil).

15. Revenue from operations

On December 5, 2024, the AUC approved AltaLink's final 2025 revenue requirements at $889.3 million, with total approved 2025 revenue requirements, including PLP and KLP, of $897.0 million.

On November 14, 2024, the AUC approved final transmission tariffs for AltaLink, including monthly transmission tariffs for PLP and KLP, of $98.4 million for December 2024, and $75.4 million per month for 2025. The AUC approved AltaLink's 2024 revenue requirements at $894.6 million, with total approved 2024 revenue requirements, including PLP and KLP, of $902.5 million.

On December 1, 2023, the AUC approved 2024 interim refundable transmission tariffs for AltaLink, including monthly transmission tariffs for PLP and KLP, of $73.6 million per month effective January 1, 2024.

On November 8, 2024, the AUC issued its decision on the GCOC for 2025 for Alberta's regulated electric and gas utilities. The AUC maintained the deemed equity ratio of 37% and set a return on equity of 8.97% for 2025 for Alberta utilities. On October 9, 2023, the AUC issued its decision on the generic cost of capital for 2024 and beyond for Alberta's regulated electric and gas utilities, approving a set equity ratio and a formula to determine return on equity. The AUC set the deemed equity ratio of 37% and set a notional return on equity of 9.00%, which is subject to formulaic adjustments using 30-year Government of Canada bond yields and Canadian utility spreads. On November 20, 2023, under the approved formula, the AUC issued an order approving 9.28% as the final return on equity for 2024 for the Alberta utilities.

For the six months ended June 30, 2025, approximately 94% of the Partnership's revenue is attributable to the AESO (June 30, 2024 – approximately 96%).

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Debt and equity return on rate base	**$ 111,165**	$ 113,436	**$ 222,330**	$ 226,807
Recovery of forecast expenses	**113,088**	111,962	**226,176**	223,793
Revenue requirements[1]	**$ 224,253**	$ 225,398	**$ 448,506**	$ 450,600
AFUDC	**4,350**	3,241	**8,429**	5,903
(Repayable) receivable direct assigned capital projects	**(876)**	(37)	**(2,843)**	696
Receivable property taxes, reserve funds and other	**886**	243	**1,471**	114
Revenue related IFRS adjustments[2]	**17,907**	10,731	**37,218**	41,800
Revenue from operations	**$ 246,520**	$ 239,576	**$ 492,781**	$ 499,113

1. The first half of 2025 is based on the revenue requirements approved on December 5, 2024. The first half of 2024 is based on the approved 2024-2025 negotiated settlement, the approved 9.28% return on equity, and certain excluded matters approved by the AUC on June 19, 2024.
2. The Partnership included adjustments to recognize differences in accounting treatment for IFRS Accounting Standards purposes, compared to regulatory purposes, as shown in more detail in the table below.

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Revenue related to salvage costs[1] [note 12]	**$ (60)**	$ (8,344)	**$ 2,213**	$ 4,723
Revenue for the recovery of future income taxes	**19,187**	19,871	**38,311**	39,207
Recovery of loss on disposal of assets other than land	**2,223**	2,273	**3,396**	3,690
Capitalized borrowing costs [note 11]	**(1,636)**	(1,301)	**(3,211)**	(2,376)
Collection of receivables related to IFRS adjustments	**(1,807)**	(1,768)	**(3,491)**	(3,444)
Revenue related IFRS adjustments	**$ 17,907**	$ 10,731	**$ 37,218**	$ 41,800

1. On June 19, 2024, the AUC approved the collection of costs of site preparation for capital replacement projects over the average useful lives of the related replacement assets starting January 1, 2024. As a result, the Partnership now capitalizes these costs.

16. Other revenue

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Third-party contributions revenue [note 12]	**$ 7,245**	$ 7,046	**$ 14,483**	$ 14,069
Construction services recovered from third parties	**5,760**	2,467	**8,703**	3,276
Service agreement, tower and land rent revenue	**3,598**	1,263	**4,883**	2,474
Related party and other revenue	**675**	1,197	**1,343**	1,816
	$ 17,278	$ 11,973	**$ 29,412**	$ 21,635

Other revenue includes revenue for construction services provided to third parties including other utilities on a cost recovery basis and amortization of third-party contributions. Related costs are included in operating expenses (note 17 - Expenses) and depreciation and amortization; therefore, there is no net income impact.

17. Expenses

Operating expenses

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Employee salaries and benefits	**$ 14,949**	$ 14,374	**$ 30,678**	$ 30,576
Contracted labour	**7,143**	7,728	**12,119**	12,753
Other operating expenses	**11,534**	7,596	**20,814**	16,014
	$ 33,626	$ 29,698	**$ 63,611**	$ 59,343

Property taxes, salvage, and other expenses

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(in thousands of dollars)				
Property taxes	**$ 14,998**	$ 14,688	**$ 29,886**	$ 28,675
Salvage expenses	**(60)**	(8,344)	**2,213**	4,723
Annual structure payments	**3,921**	3,892	**7,827**	7,801
Hearing expenses and other	**300**	—	**355**	320
	$ 19,159	$ 10,236	**$ 40,281**	$ 41,519

The property taxes, salvage, and other expenses in the table above do not have an impact on net income because they are fully recovered in transmission tariff revenue (note 15 - Revenue from operations).

18. Non-controlling interests

AltaLink holds 49% interests in two partially-owned subsidiaries, KLP and PLP, which are also transmission facility owners operated by the General Partner. These subsidiaries were formed to jointly hold the Southwest 240 kilovolt regulated transmission assets located on First Nations Reserve lands with local First Nation partners.

As at June 30, 2025, the non-controlling interests within the equity section of the statement of financial position are comprised of 1759511 Alberta Ltd.'s (the nominee of the Kainai-Blood Tribe) $6.6 million limited partner interest (December 31, 2024 – $6.6 million) or 51% of KLP, and Piikani Transmission Holding Limited Partnership's (the nominee of the Piikani Nation) $9.8 million limited partner interest (December 31, 2024 – $9.8 million) or 51% of PLP.

19. Commitments

The contractual commitments of the Partnership associated with the construction of new facilities as at June 30, 2025 are $222.9 million (December 31, 2024 – $180.3 million). Of these commitments, approximately 98% of the future undiscounted payments occur by December 31, 2027.

20. Contingencies

The Partnership is subject to legal proceedings, investigations, assessments, and claims in the ordinary course of business, including the following:

- On May 29, 2025, Enforcement staff of the AUC commenced an enforcement application against AltaLink, recommending that the AUC establish a proceeding to determine whether AltaLink contravened certain sections of legislation because of AltaLink's use of certain equipment on some of its transmission lines and alleged deficiencies in AltaLink's quality management system. In the Application, Enforcement staff seek administrative monetary penalties of $18 million and operational remedies. AltaLink has actively disputed and continues to dispute Enforcement staff's allegations. The AUC has commenced a proceeding to consider the Application, including penalties, if any.
- AltaLink has been sued by third parties who seek compensation for damages in respect of certain operating, capital or other activities performed by AltaLink or its contractors.
- The Partnership has found instances of equipment, engineering or construction deficiencies following acceptance and energization of some assets. Claims processes are in place to seek recovery for such deficiencies.

At this time, in the opinion of management, the contingencies are dependent on future legal or regulatory proceeding results and the likely outcomes are not determinable.