

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus is a base shelf prospectus and has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of documents incorporated herein by reference may be obtained on request without charge from the Vice President, Treasurer of AltaLink Management Ltd., the general partner of AltaLink at 2611 - 3rd Avenue S.E., Calgary, Alberta T2A 7W7, or by telephone at (403) 267-3400, and are also available electronically at www.sedar.com.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and, accordingly, may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in compliance with an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to U.S. persons. See "PLAN OF DISTRIBUTION".

SHORT FORM BASE SHELF PROSPECTUS

New Issue

August 16, 2010

ALTALINK

\$1,300,000,000

Medium-Term Notes (secured)

AltaLink, L.P. ("**AltaLink**") may offer from time to time during the 25-month period that this short form base shelf prospectus, including any amendments hereto (the "**Prospectus**"), remains valid, medium-term notes having maturities of not less than one year from the date of issue (the "**Notes**") in one or more series or issues in an aggregate amount of up to \$1,300,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering). The Notes may be either interest bearing or non-interest bearing and may be issued at par, at a discount or at a premium. The Notes will be issued at rates of interest, at prices and on terms determined from time to time based on a number of factors. See "**DESCRIPTION OF THE NOTES**".

The specific terms of any offering of Notes will be set forth in a pricing supplement (a "**Pricing Supplement**"), which will accompany this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Pricing Supplement only for the purpose of the offering of the Notes described in such Pricing Supplement. Such terms will include, where applicable and without limitation, the aggregate principal amount being offered, the currency, the issue and delivery date, the maturity date, the issue price, the interest rate (either fixed or floating and, if floating, the manner of interest rate calculation), the interest payment date(s), the redemption, exchange or conversion provisions (if any) or repayment terms, the form of the Notes (either global or definitive), the names of the dealers and their actual commission, the method of distribution, and the net proceeds to AltaLink. AltaLink may include in a Pricing Supplement specific terms pertaining to the Notes which are not within the options and parameters set forth in this Prospectus. Unless otherwise indicated, all references to currency in this Prospectus are to Canadian dollars.

The Notes will be issued in any number of series or issues pursuant to AltaLink's Capital Markets Platform under the Indenture and the applicable MTN Series Supplement to the Indenture relating to the Notes. See "**CAPITAL MARKETS PLATFORM**". The Notes will be direct obligations of AltaLink and will be secured by a fixed, floating charge on its present and future assets. The Notes will rank equally with each other and with the present and future senior, secured Indebtedness of AltaLink under the Indenture. See "**DESCRIPTION OF THE NOTES**".

Rates on Application

The Notes may be offered severally by one or more of BMO Nesbitt Burns Inc., BNP Paribas (Canada) Securities Inc., Casgrain & Company Limited, CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the "**Dealers**") pursuant to the Dealer Agreement referred to under the heading of "**PLAN OF DISTRIBUTION**" or by any other investment dealer selected from time to time by AltaLink. The Dealers shall act as AltaLink's agents or as principals, as the case may be, subject to confirmation by AltaLink pursuant to the Dealer Agreement. The rate of commission payable in connection with each sale of Notes by the Dealers will be as determined by agreement between AltaLink and the Dealers. The Notes may be purchased from time to time by any of the Dealers, acting as principal, at such prices and at such commissions as may be agreed upon by AltaLink and any such Dealers, for resale to the public at prices to be negotiated with purchasers. Such resale prices may vary from purchaser to purchaser and during the period of distribution. Each Dealer's compensation will be increased or decreased by the amount by which the aggregate price

paid by the purchasers for Notes is less than or exceeds the gross proceeds paid by the Dealers, acting as principal, to AltaLink. AltaLink may also offer the Notes to one or more purchasers, directly, pursuant to exemptions from registration and prospectus requirements under applicable securities laws, at such prices and on such terms as may be negotiated with any such purchasers.

CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. are Dealers and wholly owned subsidiaries or affiliates of Canadian chartered banks that are lenders from time to time to AltaLink under the Credit Facilities. Consequently, AltaLink may be considered to be a “connected issuer” of each such Dealer for the purposes of applicable securities regulation. All or a portion of the net proceeds of the sale of a particular series or issue of Notes in which such Dealers are acting as principals or agents may be used to repay indebtedness to one or more of those banks. See “USE OF PROCEEDS” AND “PLAN OF DISTRIBUTION”.

The Notes are being offered on a continuous basis by AltaLink through the Dealers, subject to the foregoing. **Unless otherwise specified in the applicable Pricing Supplement, there is no market through which the securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.** See “*RISK FACTORS*”. AltaLink reserves the right to cancel or modify the offer made hereby. AltaLink or any Dealer, if it solicits the offer on an agency basis, may reject any offer to purchase Notes in whole or in part.

In connection with any offering of Notes, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*PLAN OF DISTRIBUTION*”.

The Offering is subject to approval of certain legal matters on behalf of AltaLink, L.P. by Borden Ladner Gervais LLP and on behalf of the Dealers by Osler, Hoskin & Harcourt LLP.

Unless otherwise specified, and subject to certain exceptions, any Note issued will be represented by a global certificate held by a designated depository for its participants and registered in the name of the depository. Each purchaser of a beneficial interest in Notes issued in “book entry only” form will receive a customer confirmation of purchase.

AltaLink was formed as a limited partnership under the laws of Alberta on July 3, 2001 pursuant to the Limited Partnership Agreement (within the meaning in the AIF) between the General Partner and AltaLink Investments, L.P., as the limited partner. The head office and principal business office of AltaLink is located at 2611 – 3rd Avenue S.E., Calgary, Alberta T2A 7W7. The registered office of the General Partner is at 1000, 400 – 3rd Avenue S.W., Calgary, Alberta T2P 4H2.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents of AltaLink have been filed with securities regulatory authorities in each of the provinces of Canada and are specifically incorporated by reference into and form an integral part of this Prospectus:

1. the AIF;
2. AltaLink's comparative audited annual financial statements as at and for the fiscal years ended December 31, 2009 and 2008 (including the notes thereto and the auditors' report thereon);
3. management's discussion and analysis of financial condition and results of operations of AltaLink as at and for the fiscal year ended December 31, 2009;
4. AltaLink's comparative unaudited financial statements as at and for the interim periods ended June 30, 2010 and 2009 (including the notes thereto); and
5. management's discussion and analysis of financial condition and results of operations of AltaLink as at and for the interim period ended June 30, 2010.

All AIFs, financial statements and related management's discussion and analyses of financial condition and results of operations, all material change reports (excluding confidential material change reports), business acquisition reports and any other documents that may be or are required under applicable securities laws to be incorporated by reference in this Prospectus, which AltaLink files with securities regulatory authorities in the provinces of Canada after the date of this Prospectus and prior to the completion or withdrawal of the Offering are deemed to be incorporated by reference into this Prospectus. **Upon a new AIF being filed by AltaLink with, and where required, accepted by, the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, such new AIF is deemed to be incorporated by reference into this Prospectus and the previously filed AIFs pertaining to AltaLink's preceding fiscal years are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Notes under the Offering. Upon new annual financial statements (including the notes thereto and the auditors' report thereon) and management's discussion and analysis related thereto pertaining to AltaLink's most recently completed fiscal year being filed by AltaLink with the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, such new annual financial statements (including the notes thereto and the auditors' report thereon) and related management's discussion and analysis are deemed to be incorporated by reference into this Prospectus and all prior annual financial statements (including the notes thereto and the auditors' report thereon), interim financial statements (including the notes thereto) pertaining to interim periods during the most recently completed fiscal year, and related management's discussion and analyses previously filed during the currency of this Prospectus are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Notes under the Offering. Upon new interim financial statements (including the notes thereto) and the related management's discussion and analysis pertaining to an interim period after AltaLink's most recently completed fiscal year being filed by AltaLink with the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, those interim financial statements (including the notes thereto) and related management's**

discussion and analysis are deemed to be incorporated by reference into this Prospectus and all interim financial statements (including the notes thereto) and related management's discussion and analyses pertaining to preceding interim periods are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Notes under the Offering. Upon a new AIF and new annual financial statements (including the notes thereto and the auditors' report thereon) and management's discussion and analysis related thereto being filed by AltaLink with the applicable securities regulatory authorities after the date of this Prospectus and prior to the completion or withdrawal of the Offering, all material change reports, business acquisition reports and other documents that may be or are required by applicable securities laws to be incorporated by reference into this Prospectus filed prior to the commencement of AltaLink's financial year in which the AIF is filed are deemed no longer to be incorporated into this Prospectus for the purpose of future offers and the sales of Notes hereunder.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein is modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that prior statement. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

This Prospectus has been filed under securities laws that permit the specific variable terms for an issue of Notes to be determined after this Prospectus is final and that permit the omission from this Prospectus of that information. A Pricing Supplement containing the specific variable terms of an offering of Notes and any other additional or updated information that AltaLink discloses therein will be delivered with this Prospectus to purchasers of such Notes and is deemed to be incorporated into this Prospectus as of the date of such Pricing Supplement only for the purpose of the offering of the Notes covered by such Pricing Supplement.

Purchasers should rely only on information contained in or incorporated by reference into this Prospectus. AltaLink and the Dealers have not authorized any other person to provide purchasers with different information. Purchasers should not rely on different or inconsistent information provided by any person other than AltaLink or a Dealer. AltaLink and the Dealers are not making an offer to sell these Notes in any jurisdiction where the offer or sale of the Notes is not permitted.

Updated earnings coverage ratios will be included in management's discussion and analysis of financial condition and results of operations of AltaLink pertaining to AltaLink's unaudited interim and audited annual financial statements filed with securities regulatory authorities in Canada and, once filed, deemed to be incorporated by reference into this Prospectus for the purposes of offering the Notes for issue and sale.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, counsel to AltaLink, and Osler, Hoskin & Harcourt LLP, counsel to the Dealers, based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (the "**Minister**") prior to the date hereof and counsel's understanding of the current published administrative practices of the Canada Revenue Agency (the "**CRA**"), the Notes, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan for which any employer is AltaLink, a Partner or an employer which does not deal at arm's length with AltaLink or a Partner) and a tax-free savings account ("**TFSA**") provided that, at the time of issuance, the Notes: (i) have an investment grade rating from at least one "prescribed credit rating agency (within the meaning of the Tax Act); and (ii) are issued as part of a single issue of debt of at least \$25 million. Assuming that the current credit ratings (as contemplated under "**CREDIT RATINGS**" herein) of AltaLink's senior secured obligations applies to

the Notes at the time of their issuance, the Notes will have an investment grade rating from at least one “prescribed credit rating agency” (within the meaning of the Tax Act) at such time. The Notes, if issued on the date hereof, would not be a “prohibited investment” under the Tax Act for a TFSA provided the holder of the TFSA deals at arm’s length with AltaLink and does not have a “significant interest” (within the meaning of the Tax Act) in AltaLink or a corporation, partnership or trust that does not deal at arm’s length with AltaLink for the purposes of the Tax Act.

FORWARD-LOOKING INFORMATION

This Prospectus, any Prospectus supplement or Pricing Supplement, and any documents incorporated or deemed to be incorporated by reference herein or therein, contains or may contain certain statements or disclosures that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that AltaLink anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as “anticipate”, “believe”, “contemplate”, “continue”, “enable”, “expect”, “forecast”, “future”, “intends”, “may”, “plan”, “potential”, “will” or other comparable terminology. Forward-looking information presented in such statements or disclosures may, without limitation, relate to: applications to the AUC for approval of, among other things, AltaLink’s revenue requirements (including deferral and reserve accounts; capital structure and return-on-equity; financing plans; treatment of costs for applicable test periods including income taxes, operating expenses, depreciation, capital costs for direct assigned projects and maintenance programs, financing costs related to long-term debt and short-term borrowing and projected growth in AltaLink’s rate base and assets under construction); transmission system expansion forecasts; the anticipated direct assignment of transmission development projects to AltaLink from the AESO pursuant to approved Need Applications (as defined in the AIF) or, in the case of critical transmission infrastructure, AltaLink’s eligibility to submit Facility Applications (as defined in the AIF) pursuant to designations by the Government of Alberta or competitive bidding processes; the timing and development of transmission projects and the anticipated capital costs of such projects; business strategy, plans and objectives of management for future operations; forecast business results; and anticipated financial performance or condition of AltaLink.

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

- no changes in the legislative and operating framework for Alberta’s electricity market that are adverse to AltaLink (refer to “*ALBERTA’S TRANSMISSION SECTOR*”; and “*TRANSMISSION SYSTEM PLANNING AND DEVELOPMENT*” in the AIF, for example);
- decisions from the AUC concerning outstanding tariff and other applications that are consistent with past regulatory practices and decisions and are obtained in a timely manner (refer to “*THE TRANSMISSION BUSINESS – Business Strategy*” and “*– Revenue Tariffs*”; and “*ALBERTA’S TRANSMISSION SECTOR*” in the AIF, for example);
- approved rate-of-return and deemed capital structures for AltaLink’s transmission business that are sufficient to foster a stable investment climate (refer to “*THE TRANSMISSION BUSINESS – Business Strategy*” and “*– Revenue Tariffs*”; and “*ALBERTA’S TRANSMISSION SECTOR*” in the AIF, for example);
- a stable competitive environment;
- AltaLink obtaining sufficient capital on acceptable terms to finance its transmission system expansion; and
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

These assumptions and factors are based on information currently available to AltaLink including information obtained by AltaLink from third-party industry analysts. In some occurrences, material assumptions and factors are

presented or discussed elsewhere in this Prospectus, a Prospectus supplement or Pricing Supplement, or other document incorporated or deemed to be incorporated by reference herein in connection with the statements or disclosure containing the forward-looking information. AltaLink cautions prospective investors that the foregoing list of material factors and assumptions is not exhaustive.

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

- the risks associated with being subject to extensive regulation including risks associated with AUC action or inaction;
- the risk that transmission projects are not directly assigned to AltaLink by the AESO or that AltaLink is not designated for filing a facility application;
- the risk that AltaLink is not able to arrange sufficient, cost-effective financing to repay maturing debt and to fund capital expenditures and other obligations;
- the risk that system expansion plans are delayed;
- the risks that the actual costs of completing a transmission project significantly exceed estimated costs;
- the risks to our facilities posed by severe weather, other natural disasters or catastrophic events and AltaLink's limited insurance coverage for losses resulting from these events;
- the potential for service disruptions and increased costs if AltaLink fails to maintain and improve its aging asset base; and
- the risks associated with forecasting AltaLink's revenue requirements and the possibility that AltaLink could incur operational, maintenance and administrative costs above those included in AltaLink's approved revenue requirement.

AltaLink cautions prospective investors that the above list of risk factors is not exhaustive. Other factors, which could cause actual results, performance or achievements of AltaLink to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information, are disclosed in AltaLink's publicly filed disclosure documents, incorporated or deemed to be incorporated by reference herein, including those disclosed under "*RISK FACTORS*" in AltaLink's current AIF and under the heading "*INSURANCE AND RISK FACTORS*" (including the subsection entitled "*RISK FACTORS AND UNCERTAINTIES*") in management's discussion and analysis of financial condition and results of operations accompanying the annual financial statements of AltaLink incorporated or deemed to be incorporated by reference herein. Such risk factors that could lead to such differences include, without limitation, legislative and regulatory developments that could affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, currency exchange rates, inflation levels and general economic conditions in geographic areas where AltaLink operates, results of financing efforts, changes in counterparty risk and the impact of accounting standards issued by standard setters.

AltaLink is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of these risks, uncertainties

and assumptions, prospective investors should not place undue reliance on these forward-looking statements. **Any forward-looking information contained in or incorporated by reference into this Prospectus is expressly qualified by this statement.**

ALTALINK, L.P.

AltaLink is an electricity transmission facility owner (within the meaning of the *Electric Utilities Act* whose business is the ownership and operation of regulated electricity transmission facilities solely in the Province of Alberta. AltaLink acquired the Transmission Business in 2002 and now owns and operates approximately half of the total kilometres in Alberta's high-voltage electricity transmission system. AltaLink's transmission facilities are used to supply electricity to most major urban centres in Alberta and approximately 85% of Alberta's population. AltaLink also owns and operates the interconnection facilities which connect its network with the transmission system in British Columbia, allowing electricity to flow into and out of Alberta.

CAPITAL MARKETS PLATFORM

General

AltaLink's acquisition of the Transmission Business in April 2002 was, and the operation, maintenance and development of its assets will be, partially financed with debt. In conjunction with its financial advisors, AltaLink has developed a financing structure referred to from time to time in this document as the "**Capital Markets Platform**", the terms and conditions of which are formally contained in the Indenture and the relevant Series Supplements that are in force, from time to time. 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 (senior and subordinated), banker's acceptances, commercial paper and medium-term notes, interest-rate and currency swaps, and other hedging instruments.

AltaLink and the Trustee, as trustee, have entered into the Indenture, which establishes a set of common covenants by AltaLink for the benefit of all of its lenders under the Capital Markets Platform. All Indebtedness of AltaLink is intended to be governed under the Capital Markets Platform where, among other things, the ranking and security (if any) of the various series of debt are determined. AltaLink 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 million.

Under the Indenture, AltaLink may issue two categories of debt, namely, (a) senior debt, and (b) subordinated debt. Bonds (including the Notes) may be issued either as Obligation Bonds (to directly evidence the indebtedness of AltaLink 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 that series. It is expected that publicly issued and privately placed Bonds will be in the form of Obligation Bonds, whereas all other indebtedness of AltaLink under the Capital Markets Platform will be supported by Pledged Bonds.

Indenture

The following summary of the principal provisions contained in the Indenture is qualified by reference to the Indenture. This overview summarizes certain complex provisions of the Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. For full particulars of AltaLink's obligations and the rights of the Bondholders under the Indenture, potential investors should refer to the Indenture and applicable Series Supplement, copies of which are available electronically at www.sedar.com or upon request to the Vice President, Treasurer of AltaLink Management Ltd., the general partner of AltaLink (telephone: 403-267-3400) or which may be inspected at AltaLink's head office during normal business hours at any time during the period of distribution. Certain defined (capitalized) terms contained in this section of the Prospectus are more fully defined in the Indenture and potential investors should refer to the Indenture for the precise definitions. See "GLOSSARY" for a summary of some of those defined (capitalized) terms. Other defined (capitalized) terms are more fully defined in AltaLink's current AIF.

Security and Ranking

The obligations of AltaLink in respect of all Indebtedness under the Indenture are secured, unless otherwise set out in a Series Supplement applicable to such Indebtedness. The Seventh Series Supplement creates a first, floating charge security interest in and to the present and future property, assets and undertaking of AltaLink in favour of the Trustee on behalf of the holders of Bonds. Under the Indenture, all senior, secured Indebtedness ranks *pari passu* and has a priority over all present and future senior, unsecured Indebtedness (if any) and all subordinated Indebtedness under the Indenture. Subordinated Indebtedness is postponed to all senior Indebtedness, irrespective of whether such Indebtedness is secured or not.

Negative Pledge

Except for those Permitted Encumbrances specified in items (a) to (o), AltaLink has agreed not to create, assume or suffer to exist any security interest on any of its present or future assets which purports to be a fixed security interest on such assets ranking in priority to or *pari passu* with the other senior Bonds then outstanding, unless at the same time it provides the same security for the holders of all the then outstanding senior Bonds. For purposes of the Indenture, “Permitted Encumbrances” means:

- (a) any purchase money mortgage or security interest granted with respect to a capital lease obligation of AltaLink (provided the same was not granted or incurred after April 29, 2002 in respect of any property or asset acquired pursuant to the acquisition by AltaLink of the transmission assets of TransAlta);
- (b) any security interest on property or an asset acquired by AltaLink that secures the obligations of a person, whether or not that obligation is assumed by AltaLink, which security interest exists at the time that property or asset is acquired and which (i) was not incurred in contemplation of that property or asset being acquired, and (ii) is not applicable to AltaLink or the properties or assets of AltaLink other than the properties or assets acquired;
- (c) any security interest for taxes, assessments, government charges or claims not yet due or that are being contested in good faith and in respect of which appropriate provision is made in AltaLink’s consolidated financial statements in accordance with generally accepted accounting principles;
- (d) any security interest securing appeal bonds or other similar liens arising in connection with court proceedings or contracts, bids or tenders entered into in the ordinary course of business;
- (e) any security interest given in the ordinary course of business by AltaLink to any bank or banks or other lenders to secure any Indebtedness payable on demand or maturing within 18 months of the date that Indebtedness is incurred or of the date of any renewal or extension of that Indebtedness, provided such Indebtedness does not in the aggregate at any time exceed 10% of AltaLink’s Net Worth;
- (f) a security interest in cash or marketable debt securities in a sinking fund account established by AltaLink in support of a particular series of Bonds;
- (g) any lien or deposit under workers’ compensation, social security or similar legislation or good faith deposits in connection with bids, tenders, leases and contracts entered into in the ordinary course of business or expropriation proceedings, or deposits to secure public or statutory obligations or deposits of cash or obligations to secure surety and appeal bonds;
- (h) any lien or privilege imposed by law, such as builders’, carriers’, warehousemen’s, landlords’, mechanics’ and materialmen’s liens and privileges arising in the ordinary course of business which relate to obligations not yet due or delinquent or the validity or amount of which are being contested in good faith and in respect of which adequate provision for payment has been made; any lien or privilege arising out of judgements or awards with respect to which AltaLink is prosecuting an appeal or proceedings for review and with respect to which it has secured a stay of execution pending that appeal or proceedings for review (provided no Event of Default has resulted therefrom); or undetermined or inchoate security interests and privileges

incidental to current operations which have not at such time been filed pursuant to law against AltaLink or which relate to obligations not due or delinquent; or the deposit of cash or securities in connection with any security interest or privilege referred to in this paragraph (h);

- (i) any encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other persons, rights-of-way for access, sewers, electric lines, telegraph and telephone lines, oil and natural gas pipe lines and other similar purposes, or zoning or other restrictions as to AltaLink's use of real property or interests therein, which do not in the aggregate materially impair its use in the operation of the Business;
- (j) any right reserved to or vested in any municipality or governmental or other public authority (whether by statutory provision or otherwise) to terminate, purchase assets used in connection with, or require annual or other periodic payments as a condition to the continuance of, any lease, licence, franchise, grant or permit;
- (k) any lien or right of distress reserved in or exercisable under any lease for rent and for compliance with the terms of that lease;
- (l) any security interest granted by AltaLink to a public utility or any municipality or governmental or other public authority when required by that utility, municipality or other authority in connection with the operations of AltaLink;
- (m) any reservation, limitation, proviso or condition, if any, expressed in any original grants to AltaLink from the Crown;
- (n) any letter of credit issued by AltaLink as permitted by the Indenture in favour of a "Transmission Administrator" (as defined in the *Electric Utilities Act*) (the former Transmission Administrator was replaced with the ISO under the 2003 amendments to the *Electric Utilities Act*. See "*ALBERTA'S TRANSMISSION SECTOR*" in the AIF) with respect only to the obligations of AltaLink or its subsidiary to construct, service, operate and/or maintain assets pursuant to a transmission facilities construction agreement or a transmission facilities services agreement entered into between AltaLink or its subsidiary and the Transmission Administrator;
- (o) any extension, renewal, alteration, substitution or replacement, in whole or in part, of any security interest referred to in any of the foregoing paragraphs, provided that the security interest is limited to all or part of the same property that secured the security interest and the principal amount of the secured obligations is not increased by that action; and
- (p) any security interest granted by or on behalf of AltaLink pursuant to the Indenture or a Series Supplement in favour of the Trustee and holder of Bonds (identified in the Series Supplement), from time to time.

Restrictions on Additional Indebtedness

In addition to covenants contained in any Series Supplement, under the Indenture AltaLink has undertaken not to directly or indirectly guarantee, incur, issue or become liable for any Indebtedness unless:

- (a) after giving pro forma effect thereto (including the application or use of the resulting net proceeds), the aggregate amount of all Indebtedness of AltaLink (other than certain obligations under swaps or other financial instruments) does not exceed 75% of the Total Capitalization of AltaLink; and
- (b) no default or event of default has occurred or is continuing, and such Indebtedness is incurred pursuant to an Obligation Bond or a Pledged Bond under the Indenture except for certain Indebtedness having, in each case, a principal or notional amount of less than \$1,000,000 to an aggregate not to exceed \$20,000,000.

Nature of Obligations Issued

The Indenture authorizes the issuance of an unlimited principal amount of Bonds which may be either senior or subordinated Bonds in the form of either Obligation Bonds or Pledged Bonds. Each series of Bonds, including the Notes, is created (or modified) by the execution and delivery of a Series Supplement. Senior, secured Bonds of all series or classes will rank *pari passu* with all other outstanding senior, secured Bonds, except with respect to Permitted Encumbrances or any sinking fund established for the benefit of a particular series.

Unless restricted by the terms of a Series Supplement, all proceeds from Bonds issued under the Indenture may be used for any purpose in connection with the conduct of AltaLink's permitted businesses.

Flow of Funds

The Indenture prescribes the order in which Revenues shall be disbursed and applied and for the allocation of monies on the books of AltaLink. The Indenture does not require the segregation of funds or separate bank accounts. Revenues will be first applied to pay all Operating and Maintenance Expenses and Taxes and, thereafter, will be applied in the following order:

- (a) first, to pay all principal, interest, fees and other amounts due on the Obligation Bonds and the Indebtedness secured by Pledged Bonds (other than subordinated Bonds) as required under the Indenture and by the terms of such Indebtedness;
- (b) second, to make any required deposits to (in order of priority): (i) each sinking fund, if any; and (ii) any other fund created under the Indenture and any Series Supplement, from time to time;
- (c) third, to establish any reserve fund AltaLink may deem to be prudent or necessary to fund any foreseeable future obligations of AltaLink;
- (d) fourth, to pay all principal, interest, fees and other amounts due on subordinated Bonds and any other Indebtedness as required under the Indenture and the terms of such Indebtedness; and
- (e) fifth, provided no default or event of default has occurred and is continuing and will not occur after giving effect to the proposed payment, and provided that all funds (if required) are fully funded, to make a payment for any lawful general corporate purpose including all payments of capital expenditures, any loan or equity investments in any subsidiary, and any distributions to the partners of AltaLink or as they may direct.

Additional Covenants

In addition to covenants contained in any Series Supplement, the Indenture contains certain positive and negative covenants, including the following:

- (a) AltaLink is to pay, or cause to be paid, the principal of, premium (if any), and interest and other amounts due on the Bonds (and Indebtedness secured by a Pledged Bond) in accordance with their terms and on a timely basis;
- (b) AltaLink will own, purchase, maintain and repair or reconstruct the Business and all other assets (including licences, permits and intellectual property) necessary to (i) operate the Business, and (ii) directly receive all Revenues associated therewith. AltaLink is not to engage in any business other than the Business. AltaLink will at all times carry on business in a proper, efficient, and businesslike manner and in accordance with good business practices so as to comply with all requirements of the AUC and all other applicable regulatory requirements and preserve and protect the Revenues from the Business. AltaLink will pay all Operating and Maintenance Expenses when due in the ordinary course of business and will comply with all material contracts as required to give effect to the foregoing;

- (c) AltaLink will maintain insurance with respect to its properties and business and against such casualties and contingencies and in such types and such amounts as shall be in accordance with sound business practices which are standard in the industry and in accordance with any express requirements of government authorities, including the right to self-insure and or co-insure with respect to any insurance required to be maintained by AltaLink;
- (d) AltaLink is to comply in all material respects with all applicable laws and governmental orders and regulations, including the *Electric Utilities Act*, and those relating to the environment;
- (e) AltaLink is to make available for inspection (during normal business hours) by the Trustee or its advisors the books and records, various contracts, agreements, plans, reports, audits and other documents of AltaLink which are material to carrying on its business;
- (f) AltaLink is not to enter into any Financial Instrument Obligation except to hedge Indebtedness, Operating and Maintenance Expenses or Revenues incurred or to be received in the ordinary course of business;
- (g) AltaLink is to send, or cause to be sent, to the Trustee and each registered Bondholder the following financial information on both a consolidated and unconsolidated basis (i) annual audited financial statements not later than 140 days (or such earlier date as may be prescribed from time to time under applicable securities legislation for delivery of annual financial statements to security holders) after the most recent fiscal year, (ii) interim unaudited financial statements not later than 60 days (or such earlier date as may be prescribed from time to time under applicable securities legislation for delivery of interim financial statements to security holders) after the most recent fiscal quarter, and (iii) a certified copy or a summary of any application made to the AUC to establish regulated Revenues of AltaLink not later than 10 Business Days of filing;
- (h) AltaLink will not enter into any transaction or series of transactions (whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale of otherwise) in which all or substantially all of its property and assets would become the property of another person unless (i) AltaLink is the survivor or such other surviving entity has acquired all or substantially all of the property and assets and has expressly assumed the obligations of AltaLink under the Indenture and any Series Supplement, and (ii) no default or event of default has occurred or is continuing immediately before and after giving effect to the transaction;
- (i) AltaLink may create and maintain subsidiaries only for the purpose of constructing, developing or financing a Capex Project(s) related to the Business. A Capex Project subsidiary may make a distribution to AltaLink without restriction. AltaLink may use the proceeds of such distribution without limitation, provided that no default or event of default has occurred and is continuing or will occur as a result. A Capex Project subsidiary may not incur Indebtedness unless (i) such Indebtedness is used only for the purposes of constructing and developing Capex Projects, and (ii) the holder of such Indebtedness shall have in no circumstances any recourse to AltaLink or any of its property or assets. AltaLink may not: (i) guarantee or secure in any manner the Indebtedness or other obligation of a subsidiary other than by a letter of credit or guarantee in favour of the Transmission Administrator in connection with the construction, development and ongoing operation and maintenance of a Capex Project, and such guarantees and indebtedness are to be included as Indebtedness under the Indenture, or (ii) lend to, or invest any capital or equity in, any subsidiary unless such loan or investment is a Permitted Payment at the time made;
- (j) AltaLink is not to conduct, directly or indirectly, transactions involving material property, assets, right or service with any non-arm's length person (including a partner of AltaLink) except at prices and on terms not less favourable to AltaLink than those terms which could have been obtained in an arm's length transaction;
- (k) AltaLink will promptly notify the Trustee of the occurrence of (i) notice of non-compliance with applicable regulatory requirements received from, or other dispute with, the AUC, or (ii) any default or event of default and of any other event, circumstance or matter (other than general economic conditions applicable

to AltaLink) which may reasonably be expected to have a material adverse effect on the ability of AltaLink to perform any material obligation under the Indenture or any Series Supplement;

- (l) AltaLink will not make any distributions or payments in respect of, or apply any of its property to the purchase, repayment or redemption of or return of capital on, any of its partnership interests, or make any loans or other payments or disbursements to its partners, other than as permitted under “*CAPITAL MARKETS PLATFORM – Flow of Funds*” above; and
- (m) AltaLink will fully and effectively maintain and keep the security created in favour of a class or series of Bonds under a Supplemental Indenture as a valid and effective security at all times while the Bonds to which the security applies are outstanding, and will not permit or suffer the registration of any security interest whatsoever which would rank *pari passu* with, or prior to, such security other than Permitted Encumbrances.

Events of Default

In addition to any specific events of default created under any Series Supplement which will apply to the related series of Bonds, each of the following constitutes an event of default in respect of all obligations under the Indenture:

- (a) failure to pay:
 - (i) principal or premium, if any, on any outstanding senior Bonds when due, at maturity, upon redemption or otherwise and the continuance of such default for a period of five business days; or
 - (ii) interest on any outstanding senior Bonds when due and the continuance of such default for a period of 45 days; or
- (b) the sale, transfer or other disposition by AltaLink, whether by one transaction or by a series of transactions, of all or substantially all of AltaLink’s undertaking or assets other than in accordance with the terms of the Indenture; or
- (c) failure, refusal or default of AltaLink to comply with any other covenant or agreement (other than (a) or (b) above) contained in the Indenture and such failure, refusal or default continues unremedied for 60 days after notice from the Trustee; or
- (d) if any representation or warranty made by AltaLink in or in connection with a Series Supplement is untrue in any material respect on the date it was given; or
- (e) default by AltaLink, whether as primary obligor or guarantor or surety, on any payment of principal, premium, if any, or interest on any Indebtedness (other than any Indebtedness governed by the Indenture), the outstanding principal amount of which Indebtedness (other than any Indebtedness governed by the Indenture) exceeds 5% of Net Worth in the aggregate, beyond any applicable grace period or failure to perform or observe any other agreement, term or condition contained in any agreement under which that Indebtedness is created, or if any default, failure or other event under that agreement shall occur and be continuing, and the effect of that default, failure or other event is to cause Indebtedness (other than any Indebtedness governed by the Indenture) the outstanding principal amount of which exceeds 5% of Net Worth in the aggregate to become due or to be required to be repurchased prior to any stated maturity; or
- (f) a judgement, or series of judgements, is rendered against AltaLink for the payment of money exceeding, in the aggregate, 10% of Net Worth of AltaLink, and there is any period of 60 consecutive days during which either (i) the judgement or judgements remain undischarged, or (ii) a stay of enforcement of the judgement or order is not in effect; or

- (g) in respect of the winding-up or liquidation of AltaLink:
 - (i) the making of an order or passing of an effective resolution for such purpose unless occurring in connection with a transaction where such winding-up or liquidation is permitted under the Indenture; or
 - (ii) the initiation of proceedings for such purpose unless such proceedings are being actively and diligently contested by AltaLink in good faith; or
- (h) if AltaLink:
 - (i) makes a general assignment for the benefit of its creditors;
 - (ii) gives notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada);
 - (iii) becomes insolvent or is declared or adjudged bankrupt;
 - (iv) is the subject of a receiving order, or a liquidator, trustee in bankruptcy, receiver, receiver and manager, or any other officer with similar powers is appointed to AltaLink;
 - (v) proposes a compromise, arrangement or reorganization under the *Companies' Creditors Arrangement Act* (Canada) or any other legislation of any jurisdiction providing for the reorganization of business entities or providing for an arrangement, composition, extension or adjustment with its creditors;
 - (vi) voluntarily suspends transactions of its usual business; or
 - (vii) takes action in furtherance of any of the foregoing; or
- (i) if proceedings are commenced for the appointment of a receiver or trustee for AltaLink or any substantial part of the property of AltaLink which is material to the conduct of AltaLink's business and any such receivership or trusteeship remains undischarged for a period of 60 days; or
- (j) if AltaLink becomes bankrupt or unable to pay its obligations as they become due or is declared to be same; or
- (k) if the security granted by AltaLink respecting the Bonds is held by a Court of competent jurisdiction to be unenforceable.

At any time when senior Bonds are outstanding: (i) no event of default will result from the occurrence of any of the events described in paragraphs (a), (c), (d), (e), (f) or (k) under any subordinated Bond, and; (ii) the holder of subordinated Bonds shall have no right to accelerate any of the Bonds following an event of default under a subordinated Bond.

Remedies

If an event of default occurs because of (i) AltaLink's default in payment of principal, interest or premium (if any) on any series of outstanding senior Bonds, (ii) AltaLink's default in the performance, or breach, of any other covenant, representation or warranty which is applicable to one or more series, but not all series, of outstanding senior Bonds, or (iii) the occurrence of an event of default for a series, but not all series, of outstanding senior Bonds, the Trustee or holders of not less than 25% in principal amount of the outstanding senior Bonds of that series may declare the principal, interest and premium (if any) on all outstanding senior Bonds to be accelerated and immediately due and payable.

If an event of default occurs because of (i) default in AltaLink's performance of any covenant or warranty in the Indenture which is applicable to all outstanding senior Bonds, or (ii) the occurrence of an event in item (e), (f), (g), (h) or (k) described under the subheading "*Events of Default*" above, the Trustee or holders of not less than 25% in principal amount of all outstanding senior Bonds may declare the principal amount on all outstanding senior Bonds to be accelerated and immediately due and payable.

The accelerated amounts are to be paid, forthwith upon declaration, by AltaLink to the Trustee. If such payment to the Trustee is not made, the Trustee will, upon receipt of a Bondholders' Request from senior Bondholders, take actions to preserve or enforce the claims of the Trustee or Bondholders in accordance with the Indenture.

Subject to the provisions of the Indenture relating to the duties of the Trustee, upon the occurrence of an uncured event of default, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture pursuant to a Bondholders' Request unless the Bondholders have offered the Trustee reasonable indemnity.

At any time when senior Bonds are outstanding no amount of principal, interest or premium (if any) in respect of subordinated Bonds may be accelerated.

If at any time no senior Bonds are outstanding, any rights which may otherwise be exercised by holders of senior Bonds may be exercised by holders of subordinated Bonds.

Upon and so long as the floating charge security interest is enforceable, the Trustee may realize upon and enforce its rights under such security in the following manner:

- (a) commence legal action to enforce payment or performance by AltaLink to the Trustee;
- (b) require AltaLink to disclose to the Trustee the location or locations of collateral and to assemble, at AltaLink's expense, tangible personal property which composes part of the collateral, at a place or places designated by the Trustee, and AltaLink agrees to cooperate, in each case as required by the Trustee;
- (c) immediately take possession of all of the collateral, or any part or parts thereof by action, distress or otherwise, with power, among other things, to exclude AltaLink, to preserve and maintain the collateral and make additions and replacements thereto, to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of AltaLink for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the collateral (payment of which may be necessary to preserve or protect the collateral), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended are to be added to the obligations and bear interest at the highest rate of interest charged under the Bonds;
- (d) carry on or concur in the carrying on of all or any part of the business of AltaLink and in connection therewith, to employ and discharge any person on the terms and at the remuneration the Trustee considers proper;
- (e) to the exclusion of all others including AltaLink, enter upon, occupy and use all premises of, or occupied or used by, AltaLink and use any of AltaLink's property (which includes fixtures) as the Trustee sees fit. The Trustee is not be liable to AltaLink for any neglect in so doing or in respect of any rent, costs, charges, depreciation or damages in connection therewith;
- (f) pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or is threatened against the collateral; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith are to be added to the obligations and bear interest at the highest rate of interest charged under any of the Bonds;

- (g) take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the collateral;
- (h) file proofs of claim and other documents to establish its claim in any proceedings relative to AltaLink;
- (i) operate, manage, repair, alter and extend the collateral and continue with the construction and development of any or all projects being undertaken by AltaLink on the collateral with such variations, additions or deletions thereto as the Trustee may approve and repair, process, complete, modify or otherwise deal with the collateral and prepare for the disposition of the collateral, whether on the premises of AltaLink or otherwise;
- (j) with or without taking possession of all or any part of the collateral and at AltaLink's expense, take any action or proceedings to observe or perform or cause to be observed or performed any covenant, agreement, proviso or stipulation relating to any of the collateral, when and to the extent the Trustee deems advisable;
- (k) with or without taking possession of all or any part of the collateral, sell, lease or otherwise dispose of the whole or any part of the collateral;
- (l) make any arrangements or compromises which the Trustee thinks expedient in the interest of the Trustee and to assent to any modification of the floating charge, and to exchange any part or parts of the collateral for any other property suitable for the purposes of the Trustee on such terms as the Trustee considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (m) borrow or raise money on the security of the collateral or any part thereof in priority to the floating charge or otherwise, for the purpose of the maintenance, preservation or protection of the collateral or any part thereof or for carrying on all or any part of the business of AltaLink relating to the collateral;
- (n) where the collateral has been disposed of by the Trustee as provided in subsection (k) above, commence legal action against AltaLink for the deficiency between the aggregate of the principal and interest owing on the Bonds and all other monies and liabilities secured hereby (including costs and expenses incurred in connection with such disposition) and the proceeds of any such disposition;
- (o) take proceedings in any court of competent jurisdiction for the appointment of a receiver or a manager and a receiver (the "**Receiver**") of all or any part of the collateral;
- (p) appoint by instrument in writing, with or without taking possession, any person to be a Receiver of the collateral or of any part thereof and remove any Receiver so appointed and appoint another in his stead;
- (q) on its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, notify and direct any account debtor to make all payments whatsoever to the Trustee and the Trustee shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the collateral; any payments received by AltaLink from and after the security hereby constituted becomes enforceable, is to be held by AltaLink in trust for the Trustee in the same medium in which received, is not to be commingled with any assets of AltaLink and, at the request of the Trustee, is to be turned over to the Trustee not later than the next business day following the date of their receipt; and
- (r) exercise or pursue any other remedy or proceeding which the Trustee is entitled to or authorized or permitted hereby or by law or in equity.

Such remedies may be exercised from time to time separately or in combination. Nothing in the Indenture curtails or limits the remedies of the Trustee as permitted by any law or statute to a mortgagee or creditor, all such remedies being in addition to and not in substitution for any other rights or remedies of the Trustee howsoever created.

Defeasance

The Indenture provides that AltaLink may irrevocably deposit with the Trustee (or another person acting as trustee or paying agent) as trust funds in trust, dedicated solely to the benefit of the holders of any series or class of Bonds, money or certain limited types of government obligations as set out in the Indenture in an amount sufficient (and not later than the due date of any payment on the relevant Bonds) to pay and discharge when due the principal of, premium, if any, and interest on such Bonds and irrevocably direct the Trustee to apply such money and/or proceeds of such government obligations to payments with respect to such Bonds. Upon making this deposit into trust in accordance with the Indenture and if all other sums payable by AltaLink in respect of such series or class have been paid or provided for, AltaLink is discharged and released from all obligations to the holders of such Bonds except the sole right of the holders of such Bonds to receive, from the trust fund established to defease such Bonds, payments in respect of the principal of, premium, if any, and interest on those particular Bonds when such payments are due.

Meetings of Bondholders

The Trustee may hold a meeting of the Bondholders of outstanding Bonds (a “**Bondholders’ Meeting**”) at any time provided that notice of at least 10 days and not more than 45 days is provided to the Bondholders. AltaLink, by delivery of a written request to the Trustee, or the Bondholders, by delivery of a Bondholders’ Request to the Trustee, may also require the Trustee to hold a Bondholders’ Meeting. Voting at a Bondholders’ Meeting is to be conducted by poll with each Bondholder entitled to one vote for every \$1,000 of outstanding principal amount of held Bonds. Quorum for a Bondholders’ Meeting consists of two or more Bondholders present in person or by proxy and representing: (a) more than 50% of the principal outstanding in respect of the outstanding Bonds (the “**Voting Amount**”) provided that, if the meeting has been called for all classes of Bonds, then a quorum is established based on the Voting Amount attributable to the senior Bonds, regardless of the Voting Amount attributable to subordinated Bonds; or (b) in the case of a Bondholders’ Meeting for a particular series, more than 50% of the Voting Amount attributable to the outstanding Bonds within such series. If no quorum is achieved at the meeting of the Bondholders, then the meeting is to be either (i) terminated after 30 minutes if such meeting was convened by Bondholders’ Request, or (ii) adjourned for a period of seven days after which the meeting is to be reconvened without a threshold quorum requirement.

The Bondholders may by Majority Resolution (not less than 50.1% of the Voting Amount), amend, vary or modify certain provisions of the Indenture or the Series Supplements. An Extraordinary Resolution (not less than 66⅔% of the Voting Amount) of the senior Bondholders may direct the Trustee to waive any Event of Default or exercise or refrain from exercising any power under the Indenture (except as described above under “*Events Of Default*”). A Special Bondholders’ Resolution (not less than 90% of the Voting Amount) is required in order to amend or otherwise vary certain defined terms, section and provisions in the Indenture, any power exercisable by a written direction of a Bondholder, or a Bondholders’ Request, or the *pari passu* ranking of Bonds.

All actions that may be taken and all powers that may be exercised by the Bondholders by Majority Resolution, Extraordinary Resolution, or Special Bondholders’ Resolution may also be taken or exercised by an instrument in writing which is signed by one or more Bondholders holding the requisite Voting Amount so as to comply with the requirements under the Indenture for Majority Resolutions, Extraordinary Resolutions, and Special Bondholders’ Resolutions.

DESCRIPTION OF THE NOTES

The following description is a summary of the material attributes and characteristics of the Notes other than those to be set forth in the applicable Pricing Supplement but does not, however, describe all the terms and characteristics of the Notes. The terms and conditions set forth in this section will apply to each Note, unless otherwise specified in the applicable Pricing Supplement. For further particulars, reference should be made to the Indenture and the applicable MTN Series Supplement relating to the Notes, copies of which are available electronically at www.sedar.com or may be obtained on request without charge from the Vice President, Treasurer of AltaLink Management Ltd., the general partner of AltaLink at the offices of AltaLink, 2611 – 3rd Avenue S.E., Calgary, Alberta T2A 7W7 or by telephone at (403) 267-3400.

General

The Notes are offered pursuant to a medium-term note program of AltaLink as contemplated by *National Instrument 44-102 – Shelf Distributions* of the Canadian Securities Administrators. The National Instrument permits the omission from this Prospectus of certain terms of the Notes that will be established at the time of an offering and sale of Notes (the “**Shelf Information**”), which Shelf Information will be included in the applicable Pricing Supplement. Each Pricing Supplement will be incorporated by reference into this Prospectus solely for the purpose of the Notes issued thereunder and, together with this Prospectus, will be delivered to purchasers,.

The Notes are Obligation Bonds for purposes of the Indenture and will be issued as part of the Capital Markets Platform described under “*CAPITAL MARKETS PLATFORM*”. The Notes will be issued in any number of series or issues pursuant to the applicable MTN Series Supplement providing for the creation and issue of Notes, including without limitation one or more of the Ninth Series Supplement, Tenth Series Supplement or Twelfth Series Supplement. The aggregate amount of Notes that may be issued under this Prospectus, whether pursuant to the Ninth Series Supplement, Tenth Series Supplement, Twelfth Series Supplement or other related MTN Series Supplement, is limited to \$1,300,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of offering). Such aggregate amount is to be calculated, in the case of interest bearing Notes, on the basis of the principal amount of the Notes issued, and in the case of non-interest bearing Notes, on the basis of the gross proceeds received by AltaLink.

The Notes will be issued at rates of interest, if any, and at prices and on terms determined from time to time based on a number of factors, including prevailing market conditions and advice from the Dealers. The Notes will be offered and sold at prices negotiated with the purchasers and the prices at which the Notes will be offered and sold may vary as between the purchasers and during the distribution period.

The Notes will have maturities of not less than one year from the date of issue and may be issued at par, at a discount or at a premium. The Notes will be issued in minimum denominations of \$1,000 and integral multiples thereof in Canadian currency, or such other currencies or denominations as may be determined at the time of issue and as specified in the applicable Pricing Supplement.

The specific terms of any offering of Notes will be set forth in a Pricing Supplement which will accompany this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Pricing Supplement only for the purpose of the offering of the Notes described in such Pricing Supplement. Such terms will include, where applicable and without limitation, the aggregate principal amount of Notes being offered, the issue and delivery date, the maturity date, the issue price, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), the redemption, exchange or conversion provisions (if any) or repayment terms, the Dealers involved in the offering, the commission of the Dealers, the form of the Notes (either global or definitive), the method of distribution and the actual net proceeds to AltaLink. AltaLink also reserves the right to include in a Pricing Supplement specific terms pertaining to the Notes that are not within the options and parameters set forth in this Prospectus.

The Notes will be interest bearing or non-interest bearing. Each interest bearing Note will bear interest at either: (i) a fixed rate (a “**Fixed Rate Note**”); or (ii) a floating rate (a “**Floating Rate Note**”), in each case as specified in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, interest bearing Notes will bear interest from (and including) their issue date to (but excluding) the first interest payment date after the issuance thereof, and thereafter from (and including) the last payment date on which interest has been paid to (but excluding) the next following interest payment date. Interest on Fixed Rate Notes will be payable monthly, quarterly, semi-annually, annually or as otherwise specified in the applicable Pricing Supplement on the interest payment dates specified in the Notes and the applicable Pricing Supplement. Interest on Floating Rate Notes will be payable on the interest payment dates specified in the Notes and the applicable Pricing Supplement.

Security

The obligations of AltaLink in respect of the Notes will be secured by a first floating charge security interest in and to the present and future property, assets and undertaking of AltaLink created under the Indenture in favour of the Trustee on behalf of the holders of Notes. The Notes will rank *pari passu* with all present and future senior, secured Indebtedness of AltaLink under the Indenture and will have priority over all unsecured Indebtedness (if any) and all subordinated Indebtedness of AltaLink under the Indenture. See “*CAPITAL MARKETS PLATFORM – Security and Ranking*”.

Form of Notes

Unless otherwise specified in the applicable Pricing Supplement, each Note will be issued in “book-entry only” form and beneficial interests therein must be purchased or transferred through participants (“**Participants**”) in the depository service of CDS Clearing and Depository Services Inc. (“**CDS**”) or such other person who is designated in writing by AltaLink to act as depository, which includes securities brokers and underwriters, banks and trust companies. On the issue of the Notes, AltaLink will cause a global certificate or certificates representing such Notes (each being a “**Global Note**”) to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of a beneficial interest in such Notes will be entitled to a certificate or other instrument from AltaLink or CDS evidencing that purchaser’s ownership thereof, and no holder of a beneficial interest in the Notes will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder. Each purchaser of a Note represented by a Global Note will receive a customer confirmation of purchase from the Dealer from whom the Note is purchased in accordance with the practices and procedures of the selling Dealer. The ability of a holder having a beneficial interest in the Notes outstanding in “book-entry only” form to pledge such interest or otherwise take action with respect to such interest (other than through a Participant) may be limited due to the lack of a physical certificate.

CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in a Global Note. AltaLink and the Trustee do not and will not have any liability for the records maintained by CDS relating to beneficial interests in the Notes or the book-entry accounts maintained by CDS, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests, or any advice or representation made or given by CDS or made or given herein with respect to the rules and regulations of CDS or any action to be taken by CDS or at the direction of its Participants.

Notes issued to “qualified institutional buyers” in the United States in accordance with Rule 144A under the U.S. Securities Act will be represented by definitive certificates and not in “book-entry only” form. Such definitive certificates (and any certificates issued in exchange therefore) will be subject to certain restrictions on transfer set forth therein and in the applicable MTN Series Supplement and will bear a legend regarding such restrictions as required by applicable law and or set forth in the applicable MTN Series Supplement.

In addition, the Notes may be issued in fully registered form to holders or their nominees other than CDS or its nominee in certain other circumstances.

Transfer of Notes

Transfers of beneficial ownership of Notes represented by Global Notes will be effected through records maintained by CDS or its nominee for such Global Note (with respect to interests of Participants) and through the records of Participants (with respect to interests of persons other than Participants).

Payment of Principal and Interest

Payments of interest, if any, principal and premium, if any, on each Global Note will be made to CDS or its nominee, as the case may be, as registered holder of the Global Note.

Covenants

The Twelfth Series Supplement incorporates by reference all of the covenants contained in the Indenture (including without limitation, the Seventh Series Supplement). Similarly, each of the Ninth Series Supplement and

Tenth Series Supplement incorporates by reference all of the covenants contained in the Indenture (including without limitation, the Seventh Series Supplement). Particular reference should be made to “*CAPITAL MARKETS PLATFORM – Security and Ranking*”; “*– Negative Pledge*”; “*– Restrictions on Additional Indebtedness*”; and “*– Additional Covenants*”.

USE OF PROCEEDS

The net proceeds from the issuance of Notes will be the issue price less any fees or commissions of the Dealers and expenses of issue paid in connection therewith. Such net proceeds cannot be estimated as of the date of this Prospectus, as the amount will depend on the extent to which Notes are issued during the period ending September 16, 2012 that the Prospectus remains valid. The maximum aggregate amount of the Notes will not exceed \$1,300,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of offering). Such amount shall be calculated, in the case of interest bearing Notes, on the basis of the principal amount of Notes issued by AltaLink, and, in the case of non-interest bearing Notes, on the basis of the gross proceeds received by AltaLink.

Unless otherwise specified in a Pricing Supplement, the net proceeds resulting from the issuance of Notes will be used by AltaLink: (i) to make payments of principal, interest and premiums, if any, on previously issued Notes or other Bonds; (ii) to fund the growth and expansion of its electric transmission network in Alberta through capital development projects and acquisitions; (iii) to repay bank indebtedness, if any, under the Credit Facilities including indebtedness that AltaLink may have with the Banks (See “*PLAN OF DISTRIBUTION*”); (iv) to repay outstanding commercial paper, if any; (v) to fund any reserve fund, account or other fund established pursuant to the Indenture and any applicable MTN Series Supplement; (vi) to fund other capital projects related to the operation and maintenance of the Transmission Business; and (vii) for general corporate purposes.

PLAN OF DISTRIBUTION

Pursuant to the Dealer Agreement, the Dealers are authorized, as agents for AltaLink, for such purpose only, to solicit offers from time to time to purchase Notes in each of the provinces of Canada, directly and through other investment dealers selected from time to time by AltaLink. The Dealers will act as AltaLink’s agents or principals, as the case may be, subject to confirmation by AltaLink pursuant to the Dealer Agreement. The rate of commission payable in connection with sales by the Dealers of Notes will be as determined by agreement between AltaLink and the Dealers. The Dealer Agreement also provides that Notes may be purchased from time to time by any of the Dealers, acting as principal, at such prices and at such commissions as may be agreed upon from time to time between AltaLink and such Dealers, for resale to the public at prices to be negotiated with each purchaser. Such resale prices may vary from purchaser to purchaser during the period of distribution. Each Dealer’s compensation will be increased or decreased by the amount by which the aggregate price paid by the purchasers for the Notes exceeds or is less than the gross proceeds paid by the Dealers, acting as principal, to AltaLink. AltaLink may also offer Notes to one or more purchasers directly, pursuant to registration exemptions under applicable securities laws, at such prices and terms as may be negotiated with any such purchasers.

In connection with any offering of Notes, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. are wholly owned subsidiaries or affiliates of Canadian chartered banks, which are lenders, from time to time, to AltaLink under the Credit Facilities (refer to “*CAPITAL MARKETS PLATFORM – Bank Facility and Series 5 Bond*” and “*– Commercial Paper Program, CP Bank Facility and Series 11 Bond*” in the AIF, for a description of the Credit Facilities and the security provided for AltaLink’s Indebtedness, if any, thereunder). Consequently, AltaLink may be a “connected issuer” of each of those Dealers for purposes of applicable securities regulation. As of the date of this Prospectus, AltaLink has no outstanding Indebtedness and has drawn letters of credit in the principal amount of approximately \$132,000 under, and is in compliance with, the Bank Facility. As of the date of this Prospectus, AltaLink has no outstanding Indebtedness under, and is in compliance with, the CP Bank Facility. As of the date of this Prospectus, AltaLink has not been required to obtain a waiver in respect of a breach under the Credit Facilities since the parties’ execution of such agreements. As of the date of this Prospectus, and other than as disclosed in

AltaLink's public filings, there has been no material change in the financial position of AltaLink or in the value of any security for Indebtedness under the Credit Facilities since such Indebtedness was incurred. All or a portion of the net proceeds from the sale of a particular series or issues of Notes in which such Dealers are acting as principals or agents may be used to repay Indebtedness, if any, under the Credit Facilities, on the basis of each bank's rateable portion of the Credit Facilities. Other than payment of their portion of commissions, if applicable, none of the proceeds of such offerings of Notes will be applied, directly or indirectly, for the benefit of CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. or TD Securities Inc. See "*USE OF PROCEEDS*".

AltaLink reserves the right to withdraw, cancel or modify the offer made under this Prospectus without notice and may reject orders in whole or in part (whether placed directly with AltaLink or through the Dealers). Each Dealer will have the right, in its discretion, reasonably exercised, to reject in whole or in part any offer to purchase Notes received by it on an agency basis. The obligations of the Dealers, when purchasing as principals, under the Dealer Agreement may be terminated upon the occurrence of certain stated events.

AltaLink has agreed to indemnify the Dealers and their directors, officers, employees and agents against liabilities arising out of, among other things, misrepresentation in this Prospectus, any amendment hereto, any prospectus supplement or any Pricing Supplement, other than liabilities arising out of any misrepresentation made by the Dealers.

In connection with any offering of Notes, employees and directors of the General Partner may be given the opportunity to purchase Notes on the terms set forth in the Pricing Supplement for the offering.

Upon issuance, the Notes will not have an established trading market. Unless otherwise specified in a Pricing Supplement, the Notes will not be listed on any securities exchange. Each of the Dealers may from time to time purchase and sell Notes in the secondary market but no Dealer is obligated to do so and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Dealers may make a market in the Notes but the Dealers are not obligated to do so and may discontinue any market-making activities at any time.

The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or delivered, directly or indirectly, or sold in the United States by AltaLink or the Dealers except in transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws. Pursuant to the Dealer Agreement, the Dealers have agreed that they will not offer or sell the Notes within the United States or to, or for the account or benefit of, a "U.S. Person" (as defined in Regulation S under the U.S. Securities Act), except in accordance with the Dealer Agreement pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder and in compliance with applicable state securities laws. Moreover, the Dealer Agreement provides that the Dealers will offer and sell securities outside the United States only in accordance with Regulation S under the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in the United States. In addition, until 40 days after the commencement of the offering of a tranche of Notes, an offer or sale of Notes of that tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made other than in accordance with Rule 144A under the U.S. Securities Act.

CREDIT RATINGS

DBRS Limited ("**DBRS**") has rated AltaLink's senior, secured obligations (including the Notes) A with a stable trend. Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies (Canada) Corporation ("**S&P**") has rated AltaLink's senior, secured obligations (including the Notes) A- (stable). The following information relating to credit ratings is based on information made available to the public by the rating agencies.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuer of securities. Both DBRS and S&P rate debt instruments using rating categories that range from a high of

AAA to a low of D. The A category is the third highest rating category out of ten rating categories used by DBRS and S&P. Debt instruments that DBRS has rated in the A category are considered by DBRS to be of satisfactory credit quality, with substantial protection of interest and principal, but entities in this category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than entities having higher-rated securities. The assignment of a “(high)” or “(low)” modifier within each DBRS rating category indicates relative standing within such category. The absence of either a “(high)” or “(low)” modifier indicates that the DBRS rating is in the middle of the category. If S&P has rated a debt instrument in the A category, it means, according to S&P, that the issuer of such instrument has a strong capacity to meet its financial commitments under such instrument but the instrument is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than securities in higher-rated categories. The addition of a plus (+) or minus (-) designation after a S&P rating indicates the relative standing within the major S&P rating categories.

The credit ratings assigned to the Notes are not recommendations to buy, sell or hold securities of AltaLink inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor, and may not reflect the potential impact of all risks on the value of the Notes. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgement, circumstances so warrant.

EARNINGS COVERAGE

	12 months ended December 31, 2009	12 months ended June 30, 2010
Earnings-to-interest coverage on total Indebtedness ⁽¹⁾	1.98 times ⁽²⁾	2.25 times ⁽³⁾

Notes:

- (1) Earnings-to-interest coverage on total Indebtedness is equal to net income before interest expense (excluding amortization of deferred financing fees) on all Indebtedness and income taxes divided by annual interest requirements on long-term debt (including capitalized interest). The foregoing ratios (i) have been adjusted to reflect the pro forma effect of interest payable on the Series 2010-1 Notes issued in March 2010, as if such notes had been issued at the beginning of the applicable 12-month period and, for purposes of calculating the earnings coverage ratios for the 12-month periods noted, it has also been assumed that the proceeds of such notes were used to repay outstanding obligations of AltaLink, (ii) have been adjusted to reflect the pro forma effect of interest payable on the Series 2008-1 Notes issued in May 2009, as if such notes had been issued at the beginning of the applicable 12-month period and, for purposes of calculating the earnings coverage ratios for the 12-month periods noted, it has also been assumed that the proceeds of such notes were used to repay outstanding obligations of AltaLink, and (iii) do not give effect to the issue of any Notes under the Offering or any use of proceeds therefrom.
- (2) AltaLink’s interest requirements on all Indebtedness amounted to approximately \$50.2 million for the 12 months ended December 31, 2009. AltaLink’s earnings before interest and income tax for the 12 months ended December 31, 2009 were approximately \$99.3 million, which is 1.98 times AltaLink’s interest requirements on all Indebtedness for this period.
- (3) AltaLink’s interest requirements on all Indebtedness amounted to approximately \$51.4 million for the 12 months ended June 30, 2010. AltaLink’s earnings before interest and income tax for the 12 months ended June 30, 2010 were approximately \$115.7 million, which is 2.25 times AltaLink’s interest requirements on all Indebtedness for this period.

RISK FACTORS

In addition to the other information contained and incorporated by reference in this Prospectus, a purchaser should consult its own financial and legal advisors and should carefully consider the following risk factors before investing in the Notes. Notes will not be an appropriate investment for a purchaser if the purchaser does not understand the terms of the Notes, including the terms of the Indenture and the applicable MTN Series Supplement, or financial matters in general. A purchaser should not purchase Notes unless the purchaser understands, and can bear, all of the investment risks involving the Notes. For a discussion of the risks to which AltaLink, its operations and its financial results and conditions are subject, see the section entitled “*RISK FACTORS*” in AltaLink’s current AIF, and the section entitled “*INSURANCE AND RISK FACTORS*”, including the subsection entitled “*RISK FACTORS AND UNCERTAINTIES*”, in management’s discussion and analysis of financial condition and operating results accompanying the annual financial statements of AltaLink incorporated or deemed to be incorporated by reference herein, respectively, which documents are incorporated by reference herein, and the section entitled “*FORWARD-LOOKING INFORMATION*” in each such document and this Prospectus. In addition to such risks, an investment in the Notes is subject to the following additional risks and any other risks identified in a Pricing Supplement or in any other document incorporated by reference subsequent to the date of this Prospectus during the currency of this Prospectus.

Uncertain Trading Market for the Notes and other Factors that May Affect the Trading Value of the Notes

It cannot be assured that a trading market for the Notes will ever develop or be maintained. Many factors independent of the creditworthiness of AltaLink may affect the trading market of the Notes. These factors include: the method of calculating the principal, premium and interest in respect of the Notes; the time remaining to the maturity of the Notes; the outstanding amount of the Notes; the redemption features of the Notes; and the level, direction and volatility of market interest rates generally.

In addition, because some Notes are designated for specific investment objectives or strategies, these Notes will have a more limited trading market and may experience price volatility. There may be a limited number of buyers for Notes in the secondary market. This may affect the price received for the Notes or an investor's ability to sell Notes. Investors should not purchase Notes unless they understand and can bear the relative investment risks.

Credit Ratings May Not Reflect All Risks of an Investment in the Notes

The credit ratings assigned to the Notes are an assessment of AltaLink's ability to pay its obligations. Consequently, real or anticipated changes in AltaLink's credit ratings will generally affect the market value of the Notes. AltaLink's credit ratings, however, may not reflect the potential impact of risks related to market and other factors discussed in this Prospectus or in the documents incorporated by reference herein on the value of the Notes.

Effect of Redemption on Investment Return

If the Notes are redeemable at AltaLink's option or are otherwise subject to mandatory redemption, the Notes may be redeemed at times when prevailing interest rates may be relatively low. In such a case, an investor generally would not be able to reinvest the redemption proceeds at a comparable effective interest rate.

Interest Rate Risks

Prevailing interest rates will affect the market price or value of the Notes. Generally, the market price or value of the Notes will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline. Fluctuations in interest rates may also impact AltaLink's borrowing costs, which may adversely affect AltaLink's creditworthiness.

Risks Associated with Floating Rate Notes

Investments in Floating Rate Notes entail risks not associated with investments in Fixed Rate Notes. The resetting of the applicable rate on a Floating Rate Note may result in a different interest rate on the Floating Rate Note when compared to the rates in effect at initial date of issue or at any other time prior to maturity. The applicable rate on a Floating Rate Note will fluctuate in accordance with fluctuations in the measures on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which AltaLink has no control.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon on behalf of AltaLink by Borden Ladner Gervais LLP and on behalf of the Dealers by Osler, Hoskin & Harcourt LLP. As of the date of this Prospectus, the partners and associates of Borden Ladner Gervais LLP and Osler, Hoskin & Harcourt LLP, respectively, as a group beneficially own, directly or indirectly, no securities of AltaLink.

AUDITORS

AltaLink's comparative audited annual financial statements as at and for the fiscal years ended December 31, 2009 and December 31, 2008 have been audited by Deloitte & Touche LLP, Chartered Accountants, of Calgary, Alberta.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two business days after receipt or deemed receipt of a Prospectus, the accompanying Pricing Supplement relating to securities purchased by a purchaser, and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, the accompanying Pricing Supplement relating to securities purchased by a purchaser, and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

GLOSSARY

Except as otherwise defined, the following terms and abbreviations used in this Prospectus are defined below. Certain terms from the Indenture (or a Series Supplement) are defined in this Glossary and are more fully defined in the Indenture (or the applicable Series Supplement). Potential investors should refer to the Indenture (or the applicable Series Supplement) for the precise definitions.

“AIF”	AltaLink’s annual information form dated May 7, 2010 for the year ended December 31, 2009 or any new annual information form for a subsequent financial year of AltaLink that is filed with applicable securities regulatory authorities during the currency of this Prospectus and is or is deemed to be incorporated by reference into this Prospectus
“AltaLink”	AltaLink, L.P., an Alberta limited partnership whose head office is located at 2611 – 3 rd Avenue S.E., Calgary, Alberta T2A 7W7
“AUC”	Alberta Utilities Commission, established effective January 1, 2008 under the <i>Alberta Utilities Commission Act</i> , R.S.A. 2007, c. A-37.2. The AUC is the successor agency to the former utilities regulator, the Alberta Energy and Utilities Board (EUB)
“Bondholder”	The holder of an outstanding Bond whose name is, at the relevant time, entered in a register for those Bonds maintained under the Indenture
“Bondholders’ Request”	Defined in the Indenture as an instrument requesting or directing the Trustee to take or refrain from taking some action or proceeding specified therein: <ul style="list-style-type: none">(a) subject to (b), (c) and (d), signed in one or more counterparts by the holder or holders of senior Bonds representing not less than 25% of the Voting Amount of all senior Bonds then outstanding;(b) if pertaining to a particular series or class of senior Bonds outstanding, signed in one or more counterparts by the holder or holders of not less than 25% of the Voting Amount of such series or class of senior Bonds;(c) if no senior Bonds are outstanding or if relating solely to subordinated bonds, signed in one or more counterparts by the holder or holders representing not less than 25% of the Voting Amount of subordinated Bonds then outstanding; or(d) if pertaining to a particular series or class of subordinated Bonds, signed in one or more counterparts by the holder or holders of not less than 25% of the Voting Amount of such series or class of subordinated Bonds
“Bonds”	The evidences of Indebtedness (including Notes) of AltaLink issued pursuant to the Indenture in connection with the Capital Markets Platform and constituting either Obligation Bonds or Pledged Bonds (as defined in the Indenture)
“Business”	Defined in the Indenture as AltaLink’s operation and maintenance (subject to regulation by the AUC) of the infrastructure and other assets used for the transmission of electricity in Alberta in the Transmission Business and subsequently acquired or constructed assets comprising AltaLink’s transmission network, and other ancillary services provided in conjunction with the foregoing business whether or not regulated by the AUC

“Capex Project”	Defined in the Indenture as the design, construction, ownership or maintenance of a “transmission facility” as defined in the <i>Electric Utilities Act</i> pursuant to an agreement between AltaLink and the ISO under that Act
“Capital Markets Platform”	AltaLink’s ongoing financing program 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 (senior and subordinated), commercial paper and medium-term notes, and interest-rate and currency swaps and other hedging instruments, the terms and conditions of which are formally contained in the Indenture and the relevant Series Supplements that are in force, from time to time
“Credit Facilities”	The Bank Facility and the CP Bank Facility established pursuant to Credit Agreement and the CP Credit Agreement, respectively, all as more particularly defined and described in the AIF
“Dealer Agreement”	The dealer agreement dated August 16, 2010 between AltaLink, the General Partner and the Dealers in connection with the Offering
“Dealers”	BMO Nesbitt Burns Inc., BNP Paribas (Canada) Securities Inc., Casgrain & Company Limited, CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc.
“General Partner”	The general partner of AltaLink, AltaLink Management Ltd.
“Indebtedness”	Defined in the Indenture as: <ul style="list-style-type: none"> (a) the aggregate principal amount of all obligations for borrowed money (other than obligations arising out of the issuance of any Refunding Bonds (as defined in the Indenture) during such period of time as the Indebtedness to be repaid by the Refunding Bonds (as defined in the Indenture) continues to be outstanding), including obligations with respect to bankers’ acceptances and contingent reimbursement obligations in respect of letters of credit and other instruments, and including all capitalized interest and other similar amounts required to be paid at maturity on obligations for borrowed money, but excluding preferred securities; (b) the aggregate principal amount of all obligations issued or assumed in connection with its acquisition of property in respect of the deferred purchase price of that property; (c) all capital lease obligations and the aggregate principal amount of all purchase money obligations; (d) all financial instrument obligations; (e) the principal amount of all borrowed money outstanding from time to time under a commercial paper program; (f) the principal amount of all borrowed money outstanding from time to time which constitutes subordinated debt under the Indenture; and (g) all guarantees in respect of any of the foregoing

For greater certainty, (i) the capitalization of interest or other similar amounts payable at maturity on existing Indebtedness, and (ii) the aggregate amount of all provisions for site restoration costs (net of expected salvage value), shall not be treated as the incurrence of Indebtedness

“Indenture”	The amended and restated master trust indenture dated April 28, 2003 between AltaLink, the General Partner and the Trustee, as trustee, as supplemented from time to time, which establishes a set of common covenants by AltaLink for the benefit of all of its lenders under the Capital Markets Platform including the establishment of security for all AltaLink’s Indebtedness in conjunction with the Seventh Series Supplement, unless otherwise specified in a Series Supplement
“ISO”	The Independent System Operator under the <i>Electric Utilities Act</i> , operating under the trade name Alberta Electric System Operator (or AESO)
“MTN Series Supplement”	In reference to any series or issuance of Notes, a supplemental indenture to the Indenture between AltaLink, the General Partner and the Trustee providing for the creation and issuance of the series or issuance of Notes and establishing certain terms, provisions and conditions thereof (in addition to the general terms governing all Bonds under the Indenture), including without limitation the Ninth Series Supplement, the Tenth Series Supplement and the Twelfth Series Supplement
“Net Worth”	Defined in the Indenture as the consolidated shareholders’ equity or partner’s capital account of a person as at the applicable date as determined in accordance with generally accepted accounting principles
“Ninth Series Supplement”	The MTN Series Supplement dated May 9, 2006, under which Notes in the aggregate principal amount of up to \$500,000,000 may be issued (as of the date of this Prospectus, Notes in the aggregate principal amount of \$150,000,000 have been issued under the Ninth Series Supplement) and the terms and conditions thereof are determined (in addition to the general terms governing all Bonds under the Indenture), subject to specific commercial terms and conditions for the issue and sale of any Notes issued thereunder being determined in the applicable Pricing Supplement
“Obligation Bonds”	Bonds issued under the Indenture as part of the Capital Markets Platform (whether classified as senior or subordinated debt) as direct evidence of the Indebtedness of AltaLink to the holder of such Bonds
“Offering”	AltaLink’s public offering under this Prospectus of Notes in the aggregate principal amount of up to \$1,300,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of offering)
“Operating and Maintenance Expenses”	Defined in the Indenture as, for any period, (a) all operating and maintenance expenses of AltaLink for such period in respect of the Business, as determined in accordance with generally accepted accounting principles, but excluding any allowance for amortization, depreciation or obsolescence; (b) all rents or other amounts (without distinguishing between principal and interest) paid

under capital lease obligations; (c) all payments or reimbursements to the Trustee of its fees, costs, charges, expenses, advances or other amounts furnished or provided by or at the request of the Trustee in or about the administration and execution of its trusts under, or otherwise in relation to, the Indenture; and (d) maintenance expenditures capitalized in accordance with generally accepted accounting principles. Operating and Maintenance Expenses also include the amounts paid (rather than accrued) by AltaLink to or in respect of pension plans maintained for its employees and premiums and other amounts paid by AltaLink in respect of any compensation or insurance plans maintained for its employees

“Partner”	Refers to any partner (limited or general) of AltaLink, AltaLink Investments, L.P. or AltaLink Holdings, L.P.
“Permitted Payment”	A payment for any lawful general corporate purpose, including all payments for capital expenditures, any loan or equity investments in any subsidiary and any distributions to the partners of AltaLink or as they may direct, not contemplated by paragraphs (a) to (d) under “ <i>CAPITAL MARKETS PLATFORM – Flow of Funds</i> ”
“Pledged Bonds”	Bonds issued under the Indenture as part of the Capital Markets Platform (whether classified as senior or subordinated debt) which are subject to a pledge made by AltaLink in support of the Indebtedness specified in the pledge
“Revenues”	Defined in the Indenture as, for any period, (a) all fees and charges, lease payments and any other amounts (except interest) that are included as revenues of AltaLink in accordance with generally accepted accounting principles, (b) all interest, earnings, and dividends (including interest earned on assets in any sinking fund or other fund or account to the extent available to AltaLink) received by AltaLink in such period, and (c) other amounts, including amounts received from government or other sources, drawings on credit facilities and proceeds of Indebtedness (other than proceeds from refunding bonds) received by AltaLink in such period, but excluding any dividends or similar distributions made by a subsidiary to AltaLink in such period as permitted under the Indenture
“Series Supplement”	Has the meaning given thereto in the AIF
“Seventh Series Supplement”	The supplemental indenture dated April 28, 2003 to the Indenture between AltaLink, the General Partner and the Trustee containing the specific terms and conditions whereby AltaLink’s obligations under all Indebtedness, unless otherwise specified in a MTN Series Supplement or other supplemental indenture to the Indenture are secured by a first, floating charge security interest over the present and future property, assets and undertaking of AltaLink
“Sinking Funds”	All of the Series Sinking Funds (as defined in the Indenture) and the General Sinking Fund (as defined in the Indenture) created from time to time pursuant to the Indenture or any Series Supplement

“Tax Act”	<i>Income Tax Act</i> (Canada) and regulations thereunder, as amended from time to time
“Tenth Series Supplement”	The MTN Series Supplement dated May 21, 2008, under which Notes in the aggregate principal amount of up to \$800,000,000 may be issued (as of the date of this Prospectus, Notes in the aggregate principal amount of \$325,000,000 have been issued under the Tenth Series Supplement) and the terms and conditions thereof are determined (in addition to the general terms governing all Bonds under the Indenture), subject to specific commercial terms and conditions for the issue and sale of any Notes issued thereunder being determined in the applicable Pricing Supplement
“Twelfth Series Supplement”	The MTN Series Supplement to be dated as of August 18, 2010, under which Notes in the aggregate principal amount of up to \$1,300,000,000 may be issued and the terms and conditions thereof are determined (in addition to the general terms governing all Bonds under the Indenture), subject to specific commercial terms and conditions for the issue and sale of any Notes issued thereunder being determined in the applicable Pricing Supplement
“Total Capitalization”	Defined in the Indenture as the aggregate of (a) all outstanding Indebtedness, (b) the total partnership capital of AltaLink, (c) the principal amount of all outstanding preferred securities, (d) the total amount of (or less the amount of any net deficit in) the contributed or capital surplus and the retained earnings of AltaLink, and (e) the amount of any premium on capital not included in its surplus, less (f) the amount (if any) by which the capital account has been increased as a result of a restatement of the book value of AltaLink’s assets, and less (g) the amount of any loan, equity or capital invested in a subsidiary, as permitted under the Indenture
“Transmission Business”	The electrical power transmission business owned and operated by AltaLink, as more particularly described in the AIF
“Trustee”	BNY Trust Company of Canada (as successor to BMO Trust Company), the trustee under the Indenture (and various Series Supplements)

AUDITORS' CONSENT

We have read the short form base shelf prospectus dated August 16, 2010 of AltaLink, L.P. (the "**Partnership**") relating to the issuance of medium-term notes (secured) of the Partnership in an aggregate principal amount of up to \$1,300,000,000. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the Partners of the Partnership on the balance sheets of the Partnership as at December 31, 2009 and 2008, and the statements of income, comprehensive income and retained earnings, changes in partners' equity and cash flows for the years ended December 31, 2009 and 2008. Our report is dated January 29, 2010.

Calgary, Alberta
August 16, 2010

(signed) Deloitte & Touche LLP
Chartered Accountants

CERTIFICATE OF ALTALINK, L.P.

August 16, 2010

This short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

ALTALINK, L.P.
by its general partner: AltaLink Management Ltd.

By: (signed) SCOTT W. THON
President & Chief Executive Officer

By: (signed) JOSEPH BRONNEBERG
Executive Vice President & Chief Financial Officer

On behalf of the Board of Directors of AltaLink Management Ltd.

By: (signed) DAVID TUER
Director

By: (signed) GILLES LARAMÉE
Director

CERTIFICATE OF THE DEALERS

August 16, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

BMO NESBITT BURNS INC.

By: (signed) SEAN M. BROWN

BNP PARIBAS (CANADA) SECURITIES INC.

By: (signed) RÉJEAN DESMARAIS

CASGRAIN & COMPANY LIMITED

By: (signed) GUY CASGRAIN

CIBC WORLD MARKETS INC.

By: (signed) SUSAN RIMMER

NATIONAL BANK FINANCIAL INC.

By: (signed) MAXIME BRUNET

RBC DOMINION SECURITIES INC.

By: (signed) TUSHAR KITTUR

SCOTIA CAPITAL INC.

By: (signed) D. GREGORY LAWRENCE

TD SECURITIES INC.

By: (signed) ANDREW BECKER