

**SECOND AMENDING AGREEMENT**

**THIS AMENDING AGREEMENT** is made effective as of the 27<sup>th</sup> day of February, 2009 among Heartland Transmission Management Ltd., a corporation incorporated under the laws of the Province of Alberta, as General Partner, (the "**General Partner**") and AltaLink Heartland Holdings, L.P. ("**AltaLink Heartland**") and EPCOR Transmission Development (Heartland) Limited Partnership ("**EPCOR Heartland**"), as Limited Partner (as defined herein) (the General Partner and the Limited Partners are sometimes referred to herein individually as a "**Partner**" and collectively as the "**Partners**").

**RECITALS:**

- A. Pursuant to a Limited Partnership Agreement between the Partners dated the 7<sup>th</sup> day of March, 2008, as amended by agreement dated the 13<sup>th</sup> day of June, 2008 (collectively, the "**Partnership Agreement**"), the Partners have agreed to further amend the Partnership Agreement, all subject to the terms and conditions set forth in the Partnership Agreement.
- B. The parties wish to suspend certain activities and operations under the Partnership Agreement until receipt of the AUC Facilities Approval (as defined in the Partnership Agreement).

**NOW THEREFORE** in consideration of the mutual covenants contained herein the parties agree as follows:

- 1. Unless otherwise defined, all capitalized terms in this Amending Agreement shall have the meanings given them in the Partnership Agreement.
- 2. The Partnership Agreement is hereby amended as follows:
  - (a) The introductory paragraph is hereby amended by deleting the first line thereof in its entirety and replacing it with the following:

**"THIS AGREEMENT is made as of the 7<sup>th</sup> day of March, 2008 (the "Formation Date")"**
  - (b) Recitals A and B to the Partnership Agreement are hereby amended by deleting them in their entirety and inserting the following recitals in their place:
    - "A. AltaLink, L.P. ("**AltaLink**") and EPCOR Distribution Transmission Inc. ("**EDTI**") entered into a memorandum of understanding dated March 23, 2007, as further clarified by letter agreement dated February 26, 2009 (collectively, the "**MOU**") setting forth the basic intentions of the parties with respect to the joint design, development, construction, ownership, operation and maintenance of transmission facilities along a route or routes, as determined pursuant to the applicable AUC approval process, substantially within the TUC (the "**Project**").

- B. In the event the Project is approved by the AUC, AltaLink and EDTI wish to have the Partnership (as defined herein) assume full responsibility for the construction, ownership, operation and maintenance of the Project with the intent that the transmission facilities (with such changes in size, design and location as may be approved in accordance with the Shareholders' Agreement (as defined herein) and this Agreement), together with all associated real, personal and mixed property (whether tangible or intangible) (the "**Project Facilities**") will be owned by the Partnership."
- (c) Section 1.01 - **Definitions** is amended by deleting the following definitions in their entirety and inserting the following definitions in their place:
- (i) "**AUC Facilities Application**" – the document(s) pursuant to which application for approval is made to the AUC by or on behalf of AltaLink and EDTI under the HEE Act for authority to construct and operate the Project Facilities.
  - (ii) "**Effective Date**" – the date on which the AUC Facilities Approval is issued."
- (d) Section 1.01- **Definitions** is further amended by inserting the following definition in alphabetical order:
- (i) "**Formation Date**" – the meaning set out in the introductory paragraph of this Agreement."
- (e) Section 2.04 - **Business** is deleted in its entirety and the following inserted in its place:
- "From and after the Effective Date, the business of the Partnership is to construct, acquire, own, maintain and operate the Facilities, including, without limitation, the Project Facilities, and to engage in any activities directly or indirectly relating thereto. The Partnership shall carry on business in such a manner as to ensure, to the greatest extent possible, the limited liability of the Limited Partners. The Partnership shall have the power to do any and every act and thing necessary, proper and convenient to the accomplishment of its business and purposes."
- (f) Section 2.06 - **Term** is deleted in its entirety and the following inserted in its place:
- "The period of existence of the Partnership (the "**Term**") shall commence on the Formation Date and shall continue indefinitely, or until such time as a declaration of dissolution is filed in accordance with Section 12.03."

- (g) Section 2.18 - **Intent as to 50/50 Partnership** is deleted in its entirety and the following inserted in its place:

“The Partners acknowledge and agree that their fundamental understanding and intent in entering into this Agreement to jointly pursue the Project from and after the Effective Date is that each Limited Partner would hold a fifty percent (50%) Partnership Interest in the Partnership, subject to rebalancing under Section 4.04 below. For clarity, if, pursuant to the applicable AUC approval process, no route or routes for the proposed transmission facilities are substantially within the TUC then, unless the Partners otherwise agree, the Project shall be deemed to have been abandoned and the Partnership shall be dissolved pursuant to Article 12 of this Agreement.”

- (h) Paragraphs (a) and (b) of Section 4.01 – **Pre-Effective Date Expenditures** are deleted in their entirety and the following inserted in their place:

“(a) Within ten (10) Days after the Formation Date, each Limited Partner will make a Capital Contribution in cash to the Partnership in the amount of One Hundred Dollars (\$100.00) and each Limited Partner shall be issued one Unit for each dollar of Capital Contribution so made, such that the Sharing Ratio of each Limited Partner equals its Initial Sharing Ratio. A Unit will be issued for each dollar of Capital Contribution whether received prior to, on or after the date specified in this Section 4.01(a).

(b) If any Limited Partner, or Affiliate thereof, has made Pre-Effective Date Expenditures, such Limited Partner shall have the right within one hundred and twenty (120) Days of the Effective Date, to request the General Partner to approve such Pre-Effective Date Expenditures. If, prior to the Effective Date, a Limited Partner (or its Affiliates) has been partially reimbursed by the other Limited Partners, (or their Affiliates) for a Pre-Effective Date Expenditure, then (a) only the unreimbursed portion thereof shall constitute a Pre-Effective Date Expenditure as to the Limited Partner that incurred it, and (b) the reimbursement paid by each other Limited Partner (or their Affiliates) shall constitute a Pre-Effective Date Expenditure as to such reimbursing Limited Partner.”

- (i) Section 6.03 - **Title to Property** is deleted in its entirety and the following inserted in its place:

“From and after the Effective Date, where appropriate, the General Partner will hold legal title to any of the assets or property of the Partnership in its name for the benefit of the Partnership, and in particular may hold legal title to the AUC Facilities Approval issued in its name in respect of the AUC Facilities Application for the benefit of the Partnership. The direct assignment of the Project from the AESO shall be granted in the name of the Partnership or the eligible Affiliates of the Limited Partners, for the benefit of the Partnership.”

- (j) Subparagraph (a)(i) of Section 6.06 - **Conflicts of Interest** is deleted in its entirety and the following inserted in its place:

“(i) Until the earlier of: (1) the termination of the Project in accordance with the terms of the MOU or this Agreement; or (2) the end of the Term, the Limited Partners and their Affiliates may only develop, construct, own and operate the Facilities through the MOU or the Partnership.”

- (k) Section 6.08 - **Reimbursement of the General Partner** is deleted in its entirety and the following inserted in its place:

“The Partnership will reimburse the General Partner for all direct costs and expenses (inclusive of any applicable Taxes) incurred on behalf of the Partnership by the General Partner, from and after the Effective Date, in the performance of its duties hereunder (which costs and expenses shall be the Partnership’s responsibility). For greater certainty, the costs and expenses for which the General Partner is to be reimbursed include (i) the Partnership’s regulatory costs, (ii) direct general and administrative expenses, including legal and audit fees, (iii) Partner information costs, (iv) consulting and advisory fees incurred in connection with the Partnership’s business or the evaluation of Opportunities by the Partnership, (v) expenses associated with the issuance of Units, and (vi) costs incurred by the board of directors of the General Partner in evaluating matters relating to the business of the Partnership.”

- (l) Section 7.01 – **Development of the Project Facilities** is deleted in its entirety and the following inserted in its place:

“Without limiting the generality of Section 6.01, all decisions made after the Effective Date as to the development of the Project Facilities and as to whether and how to develop any Capital Opportunities (including decisions as to whether to file applications with the AUC, to accept, reject or appeal any approvals or orders issued by the AUC or any other Authorized Authority in response thereto, to commit to undertake construction, to select and oversee contractors, including the EPC Contractor, and to arrange for financing) shall be made by the General Partner in accordance with this Agreement.”

- (m) The introductory two lines of paragraph (a) of Section 9.02 - **Reports** are deleted in their entirety and the following inserted in their place:

“(a) With respect to each Fiscal Year commencing after the Effective Date, the General Partner shall prepare and deliver to each Limited Partner:”

- (n) The introductory two lines of paragraph (b) of Section 9.02 are deleted in their entirety and the following inserted in their place:

“With respect to each fiscal quarter end period commencing after the Effective Date, the General Partner shall prepare and deliver to each Limited Partner:”

- (o) The introductory two lines of paragraph (c) of Section 9.02 are deleted in their entirety and the following inserted in their place:

“With respect to each month end period commencing after the Effective Date, the General Partner shall prepare and deliver to each Limited Partner:”

- (p) Paragraph (d) of Section 9.02 is deleted in its entirety and the following inserted in its place:

“From and after the Effective Date, the General Partner will provide each Limited Partner with the Partnership’s annual budget for the forthcoming Fiscal Year no later than September 30<sup>th</sup> of each Fiscal Year. If the Effective Date occurs after June 30<sup>th</sup>, the annual budget for the forthcoming Fiscal Year shall be provided to each Limited Partner as soon as reasonably practicable. Each of the Limited Partners shall provide the General Partner with a list of their required information relative to the budget a reasonable period in advance of the budget deadline.”

- (q) Paragraph (e) of Section 9.02 is deleted in its entirety and the following inserted in its place:

“Commencing after the Effective Date, the General Partner will provide each Limited Partner, on an as required basis, quarterly forecasts of the Partnership’s profitability for the current Fiscal year. Each of the Limited Partners will provide the General Partner with a list of required information relative to the forecasts a reasonable period in advance of the date the information is required.”

- (r) Section 12.01 - **Dissolution** is deleted in its entirety and the following inserted in its place:

“The Partnership shall dissolve and its affairs shall be wound up on the first to occur of the following events (each a “**Dissolution Event**”):

- (a) if the AUC does not approve the AUC Facilities Application and AltaLink and EDTI decide not to re-apply to the relevant Authorized Authority and not to seek a reconsideration of, or an appeal from, the decision of the relevant Authorized Authority;
- (b) if the circumstances set forth in Section 12.04 occur;
- (c) the unanimous consent of the Partners to dissolve the Partnership;
- (d) the Disposition of all or substantially all of the Partnership’s business and assets;
- (e) thirty (30) days after the deemed resignation of the General Partner pursuant to Section 6.13 unless, within thirty (30) days after such resignation, a new General Partner is admitted to the Partnership; or
- (f) an event that makes it unlawful for the business of the Partnership to be carried on.”


- (s) Paragraph (a) of Section 12.02 – **Winding Up and Termination** is amended by deleting the reference therein to “Section 12.04(c)” and substituting therefor “Section 12.04.”
- (t) Section 12.04 – **Project Conditions** is deleted in its entirety and the following inserted in its place:

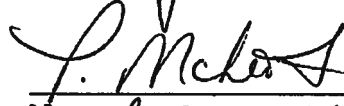
“If the AUC Facilities Approval does not contain a route or routes for the proposed transmission facilities that are substantially within the TUC, such that the Partners’ fundamental intent described in Section 2.18 cannot be satisfied, a Dissolution Event shall be deemed to have occurred and the Partnership shall be dissolved in accordance with the provisions of this Article 12.”

- 3. This Amending Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.
- 4. Except to the extent that it is amended by this Agreement, the Partnership Agreement shall remain in full force and effect, and all of the terms and conditions set forth in the Partnership Agreement shall apply under this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written by their duly authorized representatives in that behalf.

**GENERAL PARTNER:**  
**Heartland Transmission Management Ltd.**

Per:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per:   
Name: PATRICIA McLeod  
Title: Secretary

**LIMITED PARTNERS:**

**AltaLink Heartland Holding, L.P., by its  
General Partner, AltaLink Investment  
Management Ltd.**

Per: Robert Schmidt  
Name: ROBERT W. SCHMIDT  
Title: VICE PRESIDENT FINANCE

Per: \_\_\_\_\_  
Name:  
Title:

**EPCOR Transmission Development  
(Heartland) Limited Partnership, by its  
General Partner, EPCOR Transmission  
Operations Ltd.**

Per: [Signature]  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title: