

TransAlta Corporation, as Manager of the TransAlta Generation Partnership  
Transmission Function  
Report of Finances and Operations  
For the Year Ended December 31, 2008

May 1, 2009

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF REVENUE REQUIREMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(\$000s)

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	Return on Rate Base	Sch 2	969	923	1,157	46	5.0%	(188)	-16.2%	
2	Operating and Maintenance	Sch 3	1,839	2,116	1,456	(277)	-13.1%	383	26.3%	
3	Depreciation and Amortization	Sch 4	930	916	844	13	1.4%	85	10.1%	
4	Utility Income Tax	Sch 5	242	260	368	(18)	-6.9%	(126)	-34.3%	
5	Subtotal		<u>3,979</u>	<u>4,216</u>	<u>3,824</u>	<u>(236)</u>	<u>-5.6%</u>	<u>155</u>	<u>4.1%</u>	
6	Revenue Offsets		0	0	0	0	0.0%	-	0.0%	
7	<b>Total Revenue Requirement</b>	Sch 10	<u>3,979</u>	<u>4,216</u>	<u>3,824</u>	<u>(236)</u>	<u>-5.6%</u>	<u>155</u>	<u>4.1%</u>	
<u>Detailed Revenue Requirement</u>										
8	Distribution Tariff Revenue		0	0	0	0	0.0%	-	0.0%	
9	Transmission Tariff Revenue		3,979	4,216	3,824	(236)	-5.6%	155	4.1%	
10	Retail Tariff Revenue		0	0	0	0	0.0%	-	0.0%	
11	Other Revenue		0	0	0	0	0.0%	-	0.0%	
12	<b>Total Revenue Requirement</b>		<u>3,979</u>	<u>4,216</u>	<u>3,824</u>	<u>(236)</u>	<u>-5.6%</u>	<u>155</u>	<u>4.1%</u>	

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF RETURN ON RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
 (\$000s)

**2008 Actual**

Line No.	Description	Cross-Reference	Mid-Year Capital	Ratio	Prorated Rate Base	Cost Rate %	Return \$	Var. Actual to Approved	Var. %	Working Paper Reference
1	Long-Term Debt	Sch 2.2	9,278	67%	9,278	5.7%	529	3	1%	
2	Preferred Shares	Sch 2.2	-		-					
3	Common Equity	Sch 2.2	4,570	33%	4,570	9.6%	440	42	11%	
4	<b>Mid-Year Invested Capital</b>	Sch 2.1	<u>13,848</u>	<u>100%</u>	<u>13,848</u>	<u>7.0%</u>				
5	<b>Return on Mid-Year Rate Capital</b>	Sch 1					<u>969</u>	<u>46</u>	<u>5.0%</u>	

**2008 Approved**

Line No.	Description	Cross Reference	Mid Year Capital	Deemed Structure	Prorated Rate Base	Cost Rate %	Return \$
6	Long-Term Debt	Sch 2.2	9,218	67%	9,218	5.7%	526
7	Preferred Shares	Sch 2.2	-		-		
8	Common Equity	Sch 2.2	4,540	33%	4,540	8.8%	397
9	<b>Mid-Year Invested Capital</b>	Sch 2.1	<u>13,759</u>	<u>100%</u>	<u>13,759</u>	<u>6.7%</u>	
10	<b>Return on Mid-Year Rate Capital</b>	Sch 1					<u>923</u>

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF MID-YEAR RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(\$000s)

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference	
	<u>Gross Utility Plant in Service</u>										
1	Opening Balance		29,586	28,907	26,540	680	2.4%	3,047	11.5%		
2	Closing Balance	Sch 11	30,801	30,051	29,586	750	2.5%	1,215	4.1%		
3	<b>Mid-Year Gross Utility Plant in Service</b>		<u>30,194</u>	<u>29,479</u>	<u>28,063</u>	<u>715</u>	2.4%	<u>(916)</u>	-3.3%		
	<u>Accumulated Depreciation - Utility</u>										
4	Opening Balance		(15,972)	(15,502)	(15,167)	(470)	3.0%	805	-5.3%		
5	Closing Balance	Sch 11	(16,841)	(16,278)	(15,972)	(563)	3.5%	869	-5.4%		
6	<b>Mid-Year Accumulated Depreciation - Utility</b>		<u>(16,407)</u>	<u>(15,890)</u>	<u>(15,570)</u>	<u>(517)</u>	3.3%	<u>32</u>	-0.2%		
	<u>Contributions in Aid of Construction</u>										
7	Opening Balance		(66)		-						
8	Closing Balance	Sch 11	(66)		(66)						
9	<b>Mid-Year Utility Contributions in Aid of Construction</b>		<u>(66)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>		<u>-</u>			
	<u>Amortization of Contributions</u>										
10	Opening Balance		1		-						
11	Closing Balance	Sch 11	3		1						
12	<b>Mid-Year Utility Amortization of Contributions</b>		<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>		<u>-</u>			
13	<b>Mid-Year Net Utility Plant in Service</b>		<u>13,723</u>	<u>13,589</u>	<u>12,461</u>	<u>134</u>	1.0%	<u>(948)</u>	-7.6%		
	<u>Mid Year No Cost Capital</u>										
14	Opening Balance		53	87	72	(34)	-38.8%	(19)			
15	Closing Balance		(32)	2	53	(34)	-1607.7%	(85)			
16	<b>Mid Year No Cost Capital</b>		<u>11</u>	<u>45</u>	<u>63</u>	<u>(34)</u>	-75.8%	<u>(52)</u>			
17	Necessary Working Capital		114	125	103	(11)	-8.8%	11	10.9%		
18	<b>Mid-Year Net Rate Base (Capital Invested)</b>	Sch 2	<u>13,848</u>	<u>13,759</u>	<u>12,626</u>	<u>89</u>	0.6%	<u>1,222</u>	9.7%		

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF MID-YEAR CAPITAL STRUCTURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(\$000s)

Line No.	Description	Cross-Reference	Current Year-End	Previous Year-End	Actual Mid-Year Capital	Approved Mid-Year Capital	Var. Actual to Approved	Var. %	Working Paper Reference
1	Long-Term Debt	Sch 2.3	9,367	9,182	9,278	9,218	60	0.6%	
2	Preferred Shares	Sch 2.4	-	-	-	-	-	-	
3	Common Equity		4,613	4,523	4,570	4,540	29	0.6%	
4	<b>Total Mid-Year Invested Capital</b>		<u>13,980</u>	<u>13,705</u>	<u>13,848</u>	<u>13,759</u>	<u>89</u>	<u>0.6%</u>	

See Schedule 2.1 for variance explanations.

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SCHEDULE OF DEBT CAPITAL EMPLOYED**  
 FOR THE YEAR ENDED DECEMBER 31, 2008  
 (\$000s)

**2008 Actual**

Line No.	Cross-Reference	Description	Series	Issue Date	Maturity Date	Coupon Rate	Transmission		Underwriting		Effective Cost Rate %	Principal		Average Embedded Cost Rate	Variance		Working Paper Reference
							Principal Amount	Discount & Expense	Total Amount	Outstanding at Year-End		Carrying Cost	Actual to Approved		Var. %		
1	Sch 2.2	Current Period-End Balance										9,367	534	5.705%	n/a	n/a	
2	Sch 2.2	Prior Year-End Balance										9,182	550	5.985%	n/a	n/a	
3	Sch 2.2	<b>Mid-Period Balance</b>										<u>9,274</u>	<u>529</u>	<u>5.705% **</u>	n/a	n/a	

**2008 Approved**

Line No.	Cross-Reference	Description	Series	Issue Date	Maturity Date	Coupon Rate	Underwriting		Effective Cost Rate %	Principal		Average Embedded Cost Rate
							Principal Amount	Discount & Expense		Total Amount	Outstanding at Year-End	
1		A										
2		B										
3		C										
4		D										
5		E										
6		F										
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;">                     TransAlta adopted AltaLink's cost factors                 </div>												
7	Sch 2.2	Current Year-End Balance										
8	Sch 2.2	Prior Year-End Balance										
9	Sch 2.2	<b>Mid-Year Balance</b>										

\*\* All outstanding TransAlta Utilities debt was paid out just prior to amalgamation with TAC. Therefore, the approved debt rate has been used for the purposes of this report.

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SCHEDULE OF PREFERRED SHARE CAPITAL EMPLOYED**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(\$000s)**

**2008 Actual**

Line No.	Cross-Reference	Series	Issue Date	Dividend Rate	Stated Value of Issue	Underwriting Discount & Expense	Net Proceeds Outstanding	Carrying Cost of Issue	Average Embedded Cost Rate	Variance Actual to Approved	Var. %	Working Paper Reference
1		A		0.00%	0	0	0	0		0	0%	
2		B		0.00%	0	0	0	0		0	0%	
3		C		0.00%	0	0	0	0		0	0%	
4		D		0.00%	0	0	0	0		0	0%	
5	Sch 2.2	Current Year-End Balance			0	0	0	0	0.00%	0	0%	
6	Sch 2.2	Prior Year-End Balance					0	0	0.00%	0	0%	
7	Sch 2.2	<b>Mid-Year Balance</b>			0	0	0	0	0.00%	0	0%	

**2008 Approved**

Line No.	Cross-Reference	Series	Issue Date	Dividend Rate	Stated Value of Issue	Underwriting Discount & Expense	Net Proceeds Outstanding	Carrying Cost of Issue	Average Embedded Cost Rate
1		A		0.00%	0	0	0	0	
2		B		0.00%	0	0	0	0	
3		C		0.00%	0	0	0	0	
4		D		0.00%	0	0	0	0	
5	Sch 2.2	Current Year-End Balance			0	0	0	0	0.00%
6	Sch 2.2	Prior Year-End Balance					0	0	0.00%
7	Sch 2.2	<b>Mid-Year Balance</b>			0	0	0	0	0.00%

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF OPERATING AND MAINTENANCE EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(\$000s)**

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	Gross Labour	Sch 8	355	344	223	(11)	-3%	(132)	-59%	
2	Net Benefit Loading	Sch 8	65	63	41	(2)	-3%	(24)	-59%	
3	Gross Loaded Labour		420	407	264	(13)		(157)		
4	Salaries & Wages Charged Out		-	-	-	-		-		
5	Net Salaries & Wages		420	407	264	(13)	-3%	(157)	-59%	
6	Contracted Manpower		595	656	533	61	9%	(62)	-12%	
7	General Operating Expense		91	105	47	15	14%	(43)	-92%	
8	<b>Subtotal</b>		1,106	1,168	844	62		(262)		
9	Annual Tower Payments		279	475	279	196	41%	(0)	0%	
10	Taxes Other Than Income		454	388	266	(65)	-17%	(187)	-70%	
11	Insurance		-	-	-	-		-		
12	Hearing Costs		-	85	66	85	100%	66		
13	<b>Total Utility Operating and Maintenance Cos</b>	Sch 1	<b>1,839</b>	<b>2,116</b>	<b>1,456</b>	<b>277</b>		<b>(383)</b>		

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF DEPRECIATION EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
 (\$000s)

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	Transmission Lines		591	585	570	(6)	-1%	(20)	-4%	
2	Land Rights		21	21	19	(0)	-1%	(2)	-13%	
3	Substations		274	277	218	4	1%	(56)	-26%	
4	Telecontrol		46	33	38	(13)	-39%	(8)	-21%	
5	Customer Contribution Amortization		(2)	-	(1)	2		1		
6	<b>Total Utility Depreciation Expense</b>	Sch 1	930	916	844	(13)	-1%	(85)	-10%	

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**CAPITAL ASSETS CONTINUITY SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(\$000s)**

**CAPITAL ASSETS**

Line No.	Property Group	Cross-Reference	Balance at 12/31/2007	2008 Additions	2008 Retirements	2008 Transfers	2008 Adjustments	2008 AFUDC	Balance at 12/31/2008	Working Paper Reference
1	Transmission Lines		19,517	1,145	-	-	-	-	20,662	
2	Land Rights		1,066	-	-	-	-	-	1,066	
3	Substations		8,166	101	-	-	-	-	8,267	
4	Telecontrol		838	(30)	-	-	-	-	807	
5	<b>Subtotal</b>		<b>29,586</b>	<b>1,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,801</b>	
6	Customer Contributions		(66)		-	-	-	-	(66)	
7	<b>Subtotal</b>		<b>29,520</b>	<b>1,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,735</b>	
8	Capital Work in Progress (CWIP)	Sch 4.2	69	6 <sup>1</sup>	-	-	-	-	75	
9	<b>Total Utility</b>	Sch 2.1	<b>29,589</b>	<b>1,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,810</b>	

**ACCUMULATED DEPRECIATION**

Line No.	Property Group	Cross-Reference	Balance at 12/31/2007	Depreciation Provision	2008 Retirements	2008 Transfers	2008 Adjustments	2008 AFUDC	Balance at 12/31/2008	Working Paper Reference
1	Transmission Lines		(12,576)	(591)	-	-	63	-	(13,104)	
2	Land Rights		(639)	(21)	-	-	-	-	(660)	
3	Substations		(2,492)	(274)	-	-	-	-	(2,766)	
4	Telecontrol		(265)	(46)	-	-	-	-	(311)	
5	<b>Subtotal</b>		<b>(15,972)</b>	<b>(932)</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>(16,841)</b>	
6	Customer Contributions		1	2	-	-	-	-	3	
7	<b>Subtotal</b>		<b>(15,971)</b>	<b>(930)</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>(16,838)</b>	
8	Capital Work in Progress (CWIP)		-	-	-	-	-	-	-	
9	<b>Total Utility</b>	Sch 2.1	<b>(15,971)</b>	<b>(930)</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>(16,838)</b>	

<sup>1</sup> This amount does not represent an addition to Capital Assets. Rather, it is the decrease in the CWIP balance as detailed on Schedule 4.2.

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF CAPITAL ADDITIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
(\$000s)

Line No.	Description	Cross-Reference	2008 Actual				2008 Approved				Var. Actual to Approved	Var. %	Working Paper Reference		
			Opening CWIP Balance	Cap Expend	Cap Adds	AFUDC	Closing CWIP Balance	Opening CWIP Balance	Cap Expend	Cap Adds				AFUDC	Closing CWIP Balance
<u>Capital Maintenance</u>															
1	Other Capital Maintenance		-	1,032	1,031	-	1	-	902	902	-	-	129		
2	Subtotal		-	1,032	1,031	-	1	-	902	902	-	-	129	14%	
3															
<u>EAL Direct Assignments</u>															
5	SW Development		69	-	-	5	74	52	75	128	2	-	(128)		
6	Dynamic Thermal Line Rating		-	184	184	-	-	-	-	-	-	-	184		
7	Blue Trail Windfarm		-	-	-	-	-	-	200	200	-	-	(200)		
8	Soderglen		-	-	-	-	-	-	-	-	-	-	-		
9	Subtotal		69	184	184	5	74	52	275	328	2	-	(144)	-44%	
10															
11	<b>Total Capital Additions</b>	Sch 4.1	69	1,216	1,215	5	75	52	1,177	1,230	2	-	(15)	-1%	

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF UTILITY INCOME TAX**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(\$000s)**

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	<u>Current Tax</u>									
2	Federal Income Tax									
3	Federal Taxable Income		820	851	1,186	32	4%	367	31%	
4	Income Tax Rate		19.50%	20.50%	21.00%	1.00%	5%	-	0%	
5	<b>Total Federal Income Tax</b>		<u>160</u>	<u>174</u>	<u>249</u>	<u>15</u>	<u>8%</u>	<u>89</u>	<u>36%</u>	
6	Provincial Income Tax									
10	Provincial Taxable Income		820	851	1,186	32	4%	367	31%	
11	Income Tax Rate		10.00%	10.00%	10.00%	0.00%	0%	-	0%	
12	<b>Total Provincial Income Tax</b>		<u>82</u>	<u>85</u>	<u>119</u>	<u>3</u>	<u>4%</u>	<u>37</u>	<u>31%</u>	
13	<b>Total Current Tax</b>		<u>242</u>	<u>260</u>	<u>368</u>	<u>18</u>	<u>7%</u>	<u>126</u>	<u>34%</u>	
14	<u>Future Tax</u>									
15	Temporary Differences		-	-	-	-		-		
16	Income Tax Rate		-	-	-	-		-		
17			-	-	-	-		-		
18	Other		-	-	-	-		-		
19	<b>Total Future Tax</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>		
20	<u>Other Items</u>									
21	Large Corporations Tax		-	-	-	-		-		
22	Preferred Dividend Tax		-	-	-	-		-		
23	Other		-	-	-	-		-		
24	<b>Total Other Items</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>		
25	<b>Total Utility Income Tax</b>	Sch 1	<u>242</u>	<u>260</u>	<u>368</u>	<u>18</u>	<u>7%</u>	<u>126</u>	<u>34%</u>	

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF CUSTOMERS, ENERGY AND REVENUE**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

Line No.	Description	Cross-Ref.	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
	<u>Residential</u>									
1	Customers - Average									
2	Energy Sales (MWh)									
3	Revenue (\$000s)									
4	kWh per Customer									
5	Cents/kWh									
	<u>Commercial</u>									
6	Customers - Average									
7	Energy Sales (MWh)									
8	Revenue (\$000s)									
9	kWh per Customer									
10	Cents/kWh									
	<u>Industrial</u>									
11	Customers - Average									
12	Energy Sales (MWh)									
13	Revenue (\$000s)									
14	Cents/kWh									
	<u>R.E.A. Farm</u>									
15	Customers - Average									
16	Energy Sales (MWh)									
17	Revenue (\$000s)									
18	kWh per Customer									
19	Cents/kWh									
	<u>Company Rural Farm</u>									
20	Customers - Average									
21	Energy Sales (MWh)									
22	Revenue (\$000s)									
23	kWh per Customer									
24	Cents/kWh									
	<u>Street &amp; Space Lights</u>									
25	Energy Sales (MWh)									
26	Revenue (\$000s)									
27	Cents/kWh									
28	Other Revenues/Adjustments									
29	<b>Total Utility Revenue (\$000s)</b>	Sch 1	-	-	-	-	-	-	-	

NOT APPLICABLE TO TRANSALTA

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**EXPLANATION OF TRANSACTIONS WITH AFFILIATED COMPANIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2008  
 (\$000s)

**2008 Actual**

Line No.	Affiliate	Nature of Service	Cross-Ref.	Amount	Transactions In To XYZ	Transactions Out From XYZ	Var. Actual to Forecast	Var. %	Working Paper Reference
1									
2									
3									
4									
5									
6									
7									
8									
10									
11									
12									

NOT APPLICABLE TO TRANSALTA

**2008 Approved**

Line No.	Affiliate	Nature of Service	Cross-Ref.	Amount	Transactions In To XYZ	Transactions Out From XYZ
1						
2						
3						
4						
5						

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF PAYROLL AND MANPOWER STATISTICS**  
 FOR THE YEAR ENDED DECEMBER 31, 2008  
 (\$000s)

**SALARIES, WAGES AND EMPLOYEE BENEFITS**

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved	2007 Actual	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
	<u>Gross Salaries and Wages</u>									
1	Transmission Operations		355	344	223	(11)	-3%	(132)	-59%	
2	<b>Salaries and Wages Charged to Utility Operation:</b>	Sch 3	<u>355</u>	<u>344</u>	<u>223</u>	<u>(11)</u>		<u>(132)</u>		
	<u>Gross Employee Benefits</u>									
4	Transmission Operations		65	63	41	(2)	-3%	(24)	-59%	
5	<b>Benefits Charged to Utility Operations</b>	Sch 3	<u>65</u>	<u>63</u>	<u>41</u>	<u>(2)</u>		<u>(24)</u>		

**EMPLOYEE ALLOCATION**

Line No.	Description	Cross-Reference	2008 Actual	2008 Approved**	2007 Actual**	Var. Actual to Approved	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
	<u>Manpower Statistics</u>									
1	Total Regular Employees (FTEs)		3.2	-	1.8					
2	Total Temporary Employees (FTEs)		-	-	-					
3	Total Contract Staff (FTEs)		-	-	0.6					
4	<b>Total Manpower</b>		<u>3.2</u>	<u>-</u>	<u>2.4</u>					
	Less:									
5	Allocated to Non-regulated		-	-	-					
6	<b>Total Manpower - Utility Operations</b>		<u>3.2</u>	<u>-</u>	<u>2.4</u>					

(Average numbers for the year)

Totals may not add due to rounding

\*\* Please note that FTE information is only now tracked as a result of a directive from Decision 2007-012. 2008 Approved information is therefore not available.

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**SUMMARY OF RESERVE/DEFERRAL ACCOUNTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2008  
 (\$000s)

Line No.	Description	Cross-Ref.	2008 Actual				2008 Approved				Var. Funding vs. Payments	Var. %	Working Paper Reference	
			Opening Balance	Funding/ Adds	Payments/ Amort.	Recoveries	Ending Balance	Opening Balance	Funding/ Adds	Payments/ Amort.				Recoveries
<u>List of Deferral Accounts</u>														
1	Direct Assigned Capital Deferral		5	21	-	-	26					(21)	-100%	
2	Property Tax Deferral		142	388	-	454	76					65	17%	
3	Annual Tower Payments Deferral		193	475	-	279	388					(196)	-41%	
4	<b>Total Deferral Accounts</b>		<u>340</u>	<u>884</u>	<u>-</u>	<u>733</u>	<u>491</u>					<u>(151)</u>		
<u>List of Reserve Accounts</u>														
5	Self Insurance Reserve		-	-	-	-	-					-		
6	Hearing Cost Reserve		(53)	85	-	-	32	(87)	85	-	-	(2)	(85)	-100%
7	<b>Total Reserve Accounts</b>	Sch 11	<u>(53)</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>(87)</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(85)</u>	

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2008

**INCOME STATEMENT ITEMS**

(\$000s)

Line No.	Description	Cross-Reference	Transmission Management			2008 Financial Results			
			Report	Adjustments	Utility Total	Distribution	Transmission	Retail	Utility Total
			A	B	C	D	E	F	G
1	<b>Revenues</b>								
2	Transmission Tariff		4,216		4,216		4,216		4,216
3	Transmission Tariff - Hearing Cost and Self Insurance			(85)	(85)		(85)		(85)
4	Transmission Tariff - deferral			(151)	(151)		(151)		(151)
5		Sch 1	4,216	(236)	3,979	-	3,979	-	3,979
6	<b>Operating and Maintenance</b>								
7	Gross Loaded Labour		420		420		420		420
8	Salaries and Wages Charged Out		-		-		-		-
9	Contracted Manpower		595		595		595		595
10	Annual Tower Payments		475	(196)	279		279		279
11	Administrative and General		92	(2)	91		91		91
12	Taxes Other Than Income Tax		431	23	454		454		454
13	Insurance		-		-		-		-
14	Hearing Costs		85	(85)					
15		Sch 1	2,098	(259)	1,839	-	1,839	-	1,839
16	<b>Depreciation and Amortization</b>								
17	Depreciation Expense	Sch 4	932	(2)	930		930		930
18		Sch 1	932	(2)	930	-	930	-	930
19	<b>Interest Expense</b>	Sch 2.3		532	532		532		532
20	<b>Allowance for Funds Used During Construction</b>			(5)	(5)				
21	<b>Income Tax</b>	Sch 5		242	242		242		242
22									
23	<b>Net Income</b>	Sch 1	1,185	(748)	442	-	442	-	442

Totals may not add due to rounding

**TransAlta Corporation, as Manager of the TransAlta Generation Partnership**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**BALANCE SHEET ITEMS**  
**(\$000s)**

Line No.	Description	Cross-Reference	Transmission Management			Balance as at December 31, 2008			
			Report	Adjustments	Total	Distribution	Transmission	Retail	Total
1	<b>Assets</b>								
2	Accounts Receivable		369	-	369		369		369
3	Property, Plant & Equipment		30,705	30	30,735		30,735		30,735
4	Construction Work In Progress		68	7	75		75		75
5	Total Property		30,773	37	30,810		30,810		30,810
6	Less Accumulated Depreciation		(16,841)	3	(16,838)		(16,838)		(16,838)
7	Net Property		13,932	40	13,972		13,972		
8									
9	Total Assets		14,301	40	14,341		14,341		14,341
10									
11									
12	<b>Liabilities</b>								
13	Accounts Payable and Accrued Liabilities		158	(256)	(98)		(98)		(98)
14	Self Insurance Reserve		-	-	-		-		-
15	Hearing Cost Reserve		(32)	-	(32)		(32)		(32)
16	Deferral Accounts		195	296	491		491		
17	Secured Debentures		9,367		9,367		9,367		9,367
18	Total Liabilities		9,687	40	9,728		9,728		9,728
19									
20									
21	<b>Equity</b>								
22	Common Shares & Retained Earnings		4,613		4,613		4,613		4,613
23	Total Equity		4,613		4,613		4,613		4,613
24									
25	Total Liabilities & Equity		14,301		14,341		14,341		14,341

Totals may not add due to rounding