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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from requirement to have been a reporting issuer for 12 months preceding date of Initial AIF, in order for issuer to issue non-convertible debt securities under a short form prospectus

Applicable British Columbia Provisions

National Instrument 44-101 *Short Form Prospectus Distributions*, ss. 2.4(1) and 15.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NEWFOUNDLAND & LABRADOR, NOVA SCOTIA AND PRINCE EDWARD ISLAND

AND IN THE MATTER OF MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND IN THE MATTER OF ALTALINK, L.P.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island (collectively, the “Jurisdictions”) has received an application from AltaLink, L.P. (the “Filer”) for a decision under the securities legislation of the applicable Jurisdiction (collectively, the “Legislation”) that the requirement contained in the Legislation which provides that an issuer shall have been a reporting issuer or equivalent in the Jurisdictions for the 12 calendar months immediately preceding the date of filing of its initial annual information form (the “Eligibility Requirement”) in order to be eligible to issue securities in the Jurisdictions under the short form prospectus distribution system under National Instrument 44-101 - Short Form Prospectus Distributions (“NI 44-101”) shall not apply to the Filer;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Alberta Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Quebec Commission Notice 14-101;

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AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer was formed as a limited partnership under the laws of the Province of Alberta on July 3, 2001 pursuant to the provisions of a limited partnership agreement which has been amended and restated as of September 2, 2002 between AltaLink Management Ltd., as general partner, and AltaLink Investments, L.P., as the sole limited partner;
2. The Filer was organized to acquire an electrical power transmission business (the “Transmission Business”) from TransAlta Utilities Corporation and TransAlta Energy Corporation, (together, “TransAlta”). The Filer and TransAlta entered into a purchase and sale agreement dated July 4, 2001, which was subsequently amended (as amended, the “Acquisition Agreement”) whereby the Filer’s acquisition of the Transmission Business was made subject to, among other conditions, approval of the completion of such purchase and sale transaction by the Alberta Energy and Utilities Board (“AEUB”). TransAlta (with the support and assistance of the Filer) received such regulatory approval from the AEUB during March 2002. As of April 29, 2002, the Filer completed the purchase and sale transactions contemplated in the Acquisition Agreement;
3. The Filer became a reporting issuer or equivalent in each of the Jurisdictions on May 28, 2003 upon receiving receipts for its prospectus in respect of its initial public offering of secured senior debt securities. None of the equity interests of the Filer are listed or posted for trading on an exchange;
4. To the best of its knowledge, the Filer is not in default of any requirements of the Legislation or the regulations and rules thereunder;
5. In connection with its financing requirements, the Filer, together with its financial advisors, has developed a capital markets platform (the “Capital Markets Platform”) which provides common security and common principal covenants for all of its lenders. The Capital Markets Platform encompasses an ongoing program capable of accommodating a variety of corporate debt instruments and borrowing, including term bank debt, revolving bank lines of credit, publicly issued and privately placed debt securities, commercial paper, medium term notes, interest rate and currency swaps and other hedging instruments;

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6. The Filer completed and filed a prospectus in connection with its initial public offering distribution of secured senior debt securities for which the Filer received an approved rating by one or more approved rating organizations (such approved rating, secured, senior, non-convertible debt securities are the “Approved Rating Bonds”). All Approved Rating Bonds are and will be governed by the Capital Markets Platform. The rating obtained by the Filer at the time of its initial public offering of Approved Rating Bonds was A (high) from Dominion Bond Rating Service Limited and A- from Standard & Poor’s Rating Services and the Filer is not aware of any downgrading of such ratings. The Filer expects that any additional Approved Rating Bonds to be issued are expected to have equivalent ratings;
7. The Filer is followed by research analysts, portfolio managers and other users of financial information actively participating in the Canadian public debt markets;
8. AEUB Decision 2003-061 mandates that the Filer replace the existing indebtedness under the fixed rate senior bridge bond, Series 2 due December 31, 2003 which is presently issued and outstanding under the Capital Markets Platform (the “Series 2 Senior Bond”) in the total principal amount of \$125 million. The Filer intends to issue and sell additional Approved Rating Bonds to the public and to qualify such distribution with a short-form prospectus filed in the Jurisdictions under NI 44-101. A principal amount of Approved Rating Bonds in excess of \$125 million may need to be issued to pay additional expenses incurred in connection with such offering of Approved Rating Bonds. The proceeds of such distribution will be used to retire the Filer’s indebtedness under the Series 2 Senior Bond, including outstanding principal, accrued and unpaid interest and other offering costs, in order to comply with Decision 2003-061;
9. The Filer is a public utility and its principal business is conducted through the operation of the Transmission Business. The Transmission Business remains regulated under the *Electric Utilities Act* (Alberta) by the AEUB;
10. The Transmission Business is operated pursuant to regulatory decisions of the AEUB and material changes to the Transmission Business can not be made without prior approval of the AEUB;
11. The Filer has filed with the securities regulatory authorities in each of the Jurisdictions:

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- (a) its audited financial statements for the financial year ended April 30, 2003 and its Management's Discussion and Analysis in respect of such financial statements;
 - (b) an initial annual information form (the "Initial AIF") under NI 44-101;
 - (c) its Annual Filing of Reporting Issuer for the financial year ended April 30, 2003 (Alberta Form 28, in lieu of an Information Circular); and
 - (d) its unaudited interim financial statements for the three month period ended July 31, 2003 and its Management's Discussion and Analysis in respect of such financial statements;
12. Assuming the Initial AIF is accepted by the securities regulatory authorities, and the Filer is not in default of any requirements of the Legislation and the regulation and rules thereunder, the Filer would be eligible to participate in the short form prospectus distribution under Section 2.4 of NI 44-101, but for the fact that it has not been a reporting issuer or equivalent for in the Jurisdictions for 12 months;

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Eligibility Requirement shall not apply to the issuance of Approved Rating Bonds by the Filer to retire the Series 2 Senior Bond, provided that the Filer complies with all of the filing requirements and procedures and each of the other eligibility requirements of NI 44-101 except that the qualification certificate to be filed under NI 44-101 shall make reference to this waiver.

DATED at Calgary, Alberta on this 14th day of November, 2003.

Agnes Lau, CA
Deputy Director, Capital Markets