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DUNCAN & CRAIG LLP
LAWYERS & MEDIATORS

Our File: 45-167820

Your File:

July 6, 2011

Via E-mail

AltaLink Management Ltd.
2611-3rd Avenue SE
Calgary, AB T2A 2W7

Attention: Darin Watson

Dear Sir:

**Re: Heartland Transmission Project
Application No.: 1606609
Undertaking 082
Reasonable Legal Costs**

I understand that AltaLink has been taking steps to offer to "buy-out" landowners based on the process outlined in Undertaking 082. I further understand that during the course of meetings with landowners, the question of legal costs has arisen. I would confirm your advice that AltaLink is prepared to pay for the reasonable legal costs incurred by landowners in relation to the process.

What determines whether legal costs are reasonable under the circumstances is dependent on the complexity of the matter and the corresponding degree of experience of the legal advisor. In my view, the necessity of involving legal counsel in the buy-out process should be limited to the following:

1. initial review of the proposal for the buy-out and advising the landowner regarding same;
2. review and comment on the proposed letter from AltaLink to the Appraisers outlining the scope of the appraisals;
3. review of the completed appraisals and advice to the landowner regarding the Option to Purchase; and
4. upon approval of the proposed route, closing the transaction and assisting in settlement of relocation costs.

None of the foregoing would require a lawyer with specialized experience and should be able to be carried out by anyone with a basic knowledge of real estate.

DUNCAN & CRAIG LLP

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Hopefully this will be of assistance to landowners and their legal counsel in defining the scope of what AltaLink considers as reasonable legal costs. I would also point out that should there be a difference of opinion with regards to what constitutes reasonable legal costs given the above guidelines, then the issue will be reviewed by an experienced, independent real estate lawyer mutually agreed to between the lawyer's for AltaLink and the landowner.

Should you have any questions, please feel free to contact me.

Yours truly,

DUNCAN & CRAIG LLP

Per:

A handwritten signature in black ink, appearing to read "D. Romaniuk", written over a light blue horizontal line.

DAVID C. ROMANIUK

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