#### Form 5500

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Renefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

> ▶ Complete all entries in accordance with the instructions to the Form 5500.

OMB Nos. 1210-0110 1210-0089

2009

Pensio	on Benefit Guaranty Corporation				This Form is Open to Pu Inspection	ublic
Part I	Annual Report Iden	tification Information				
For cale	ndar plan year 2009 or fiscal p	i <del></del>		and ending 12/31/2	2009	
A This	return/report is for:	a multiemployer plan;	a multip	le-employer plan; or		
		X a single-employer plan;	a DFE (	specify)		
<b>B</b> This	return/report is:	the first return/report;	별	return/report;		
		an amended return/report;	a short p	olan year return/report (less t	han 12 months).	
C If the	plan is a collectively-bargaine	ed plan, check here			⊁ 🛚	
<b>D</b> Chec	k box if filing under:	X Form 5558;	automat	ic extension;	the DFVC program;	
		special extension (enter des	cription)			
Part	II Basic Plan Inforn	nation—enter all requested informa	ation			
	ne of plan	•			1b Three-digit plan	002
TRANSA	ALTA RETIREMENT SAVING	S PLAN			number (PN) ▶ <b>1c</b> Effective date of place	
					07/01/2000	an
<b>2a</b> Plan	sponsor's name and address	s (employer, if for a single-employer p	olan)		2b Employer Identifica	ation
`	ress should include room or s	suite no.)			Number (EIN)	
TRANSA	ALTA USA, INC.				98-0220829 <b>2c</b> Sponsor's telephor	20
					number	ie
913 RIG	HANAFORD ROAD	013 RIC H	IANAFORD ROAD		403-267-3673	
	ALIA, WA 98531-9101		IA, WA 98531-910	1	2d Business code (see instructions)	е
					221100	
Caution	· A penalty for the late or in	complete filing of this return/repor	t will be assessed	unless reasonable cause i	s astablished	
	· · ·	penalties set forth in the instructions, I				dules
	. , , .	as the electronic version of this return			. , ,	
SIGN	Filed with authorized/valid ele	ectronic signature.	10/15/2010	LOU FLORENCE		
HERE	Signature of plan adminis	trator	Date	Enter name of individual s	igning as plan administrator	
SIGN HERE						
HEKE	Signature of employer/pla	in sponsor	Date	Enter name of individual s	igning as employer or plan sp	onsor
SIGN						

Signature of DFE Date Enter name
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009) v.092307.1

Enter name of individual signing as DFE

		- 0		
	Form 5500 (2009)	Page <b>2</b>		
	Plan administrator's name and address (if same as plan sponsor, enter "Sam	ne")		Iministrator's EIN
	BIG HANAFORD ROAD NTRALIA, WA 98531-9101		nu	Iministrator's telephone Imber 3-267-3673
4	If the name and/or EIN of the plan sponsor has changed since the last return the plan number from the last return/report:	n/report filed for this plan, en	ter the name, EIN and	4b EIN
а	Sponsor's name			4c PN
5	Total number of participants at the beginning of the plan year		5	533
6	Number of participants as of the end of the plan year (welfare plans complete	e only lines 6a, 6b, 6c, and	6d).	
а	Active participants		6a	347
b	Retired or separated participants receiving benefits		6b	(
С	Other retired or separated participants entitled to future benefits		6c	97
d	Subtotal. Add lines 6a, 6b, and 6c		6d	450
е	Deceased participants whose beneficiaries are receiving or are entitled to rec	ceive benefits	6e	(
f	Total. Add lines <b>6d</b> and <b>6e</b>		6f	456
g	Number of participants with account balances as of the end of the plan year complete this item)			442
h	Number of participants that terminated employment during the plan year with less than 100% vested			(
7	Enter the total number of employers obligated to contribute to the plan (only	multiemployer plans comple	ete this item) 7	
	If the plan provides pension benefits, enter the applicable pension feature co 2E 2F 2G 2J 2K 2T  f the plan provides welfare benefits, enter the applicable welfare feature codes			
9a 10	Plan funding arrangement (check all that apply)  (1) Insurance  (2) Code section 412(e)(3) insurance contracts  (3) X Trust  (4) General assets of the sponsor  Check all applicable boxes in 10a and 10b to indicate which schedules are a	(3) X Trust (4) Gener	nce section 412(e)(3) insurance ral assets of the sponsor	ce contracts

**b** General Schedules

(1)

(2)

(3)

(4)

(5)

(6)

**H** (Financial Information)

A (Insurance Information)C (Service Provider Information)

I (Financial Information – Small Plan)

**D** (DFE/Participating Plan Information)

**G** (Financial Transaction Schedules)

a Pension Schedules

(1)

(2)

(3)

R (Retirement Plan Information)

MB (Multiemployer Defined Benefit Plan and Certain Money

Purchase Plan Actuarial Information) - signed by the plan

SB (Single-Employer Defined Benefit Plan Actuarial

Information) - signed by the plan actuary

# SCHEDULE C (Form 5500)

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ File as an attachment to Form 5500.

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009	and ending 12/31/2009	
A Name of plan TRANSALTA RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500	D Employer Identification Nu	ımber (EIN)
TRANSALTA USA, INC.	98-0220829	
Part I Service Provider Information (see instructions)		
You must complete this Part, in accordance with the instructions, to report the informa or more in total compensation (i.e., money or anything else of monetary value) in complan during the plan year. If a person received <b>only</b> eligible indirect compensation for answer line 1 but are not required to include that person when completing the remaind	ection with services rendered to the p which the plan received the required of	lan or the person's position with the
1 Information on Persons Receiving Only Eligible Indirect Compe	nsation	
a Check "Yes" or "No" to indicate whether you are excluding a person from the remainded	er of this Part because they received o	
indirect compensation for which the plan received the required disclosures (see instruc	ctions for definitions and conditions)	Yes No
<b>b</b> If you answered line 1a "Yes," enter the name and EIN or address of each person pro received only eligible indirect compensation. Complete as many entries as needed (see	•	service providers who
(b) Enter name and EIN or address of person who provided y	ou disclosures on eligible indirect com	pensation
FIDELITY INVESTMENTS INSTITUTIONAL		
04-2647786		
(b) Enter name and EIN or address of person who provided y	ou disclosure on eligible indirect comp	pensation
(b) Enter name and EIN or address of person who provided ye	ou disclosures on eligible indirect com	pensation
(b) Enter name and EIN or address of person who provided you	ou disclosures on eligible indirect com	pensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

answered	I "yes" to line 1a above	e, complete as many e	entries as needed to list ea	r Indirect Compensation ch person receiving, directly or ne plan or their position with the	indirectly, \$5,000 or more in to	otal compensation
			a) Enter name and EIN or	address (see instructions)		
FIDELITY I	NVESTMENTS INSTI			<u> </u>		
04-2647786	6					
(b) Service Code(s)	Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 65 37 60	RECORDKEEPER	4140	Yes 🛛 No 🗌	Yes 🛛 No 🗌	0	Yes X No
		(	a) Enter name and EIN or	address (see instructions)		
(b) Service Code(s)	(c) Relationship to employer, employer organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)  Yes No	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?  Yes No	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0	(h) Did the service provider give you a formula instead of an amount or estimated amount?  Yes No
1						
		(	a) Enter name and EIN or	address (see instructions)		
(b) Service Code(s)	Relationship to employer, employer organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes No	Yes No		Yes No

Page <b>4-</b> 1	Page	4-	1
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		(	a) Enter name and EIN or	address (see instructions)		
(b)	(c)	(d)	(e)	(f)	(g)	(h)
Service Code(s)	Relationship to employer, employee	Enter direct compensation paid	Did service provider receive indirect	Did indirect compensation include eligible indirect	Enter total indirect compensation received by	Did the service provider give you a
	organization, or person known to be	by the plan. If none, enter -0	compensation? (sources other than plan or plan	compensation, for which the plan received the required	service provider excluding eligible indirect	formula instead of an amount or
	a party-in-interest		sponsor)	disclosures?	compensation for which you answered "Yes" to element	estimated amount?
					(f). If none, enter -0	
			Yes No	Yes No		Yes 📗 No 📗
		(	a) Enter name and EIN or	address (see instructions)		
(b)	(c)	(d)	(e)	(f)	(g)	(h)
Service Code(s)	Relationship to employer, employee	Enter direct compensation paid	Did service provider receive indirect	Did indirect compensation include eligible indirect	Enter total indirect compensation received by	Did the service provider give you a
( )		by the plan. If none, enter -0	compensation? (sources other than plan or plan	compensation, for which the plan received the required	service provider excluding eligible indirect	formula instead of an amount or
	a party-in-interest	Citici o .	sponsor)	disclosures?	compensation for which you answered "Yes" to element	
					(f). If none, enter -0	
			Yes No	Yes No		Yes   No
			->-			
		(	a) Enter name and EIN or	address (see instructions)		
(b)	(c)	(d)	(e)	(f)	(g)	(h)
Service Code(s)	Relationship to employer, employee	Enter direct compensation paid	Did service provider receive indirect	Did indirect compensation include eligible indirect	Enter total indirect compensation received by	Did the service provider give you a
, ,	organization, or person known to be	by the plan. If none, enter -0	compensation? (sources other than plan or plan	compensation, for which the plan received the required	service provider excluding eligible indirect	formula instead of an amount or
	a party-in-interest	0.1.01	sponsor)	disclosures?	compensation for which you answered "Yes" to element	
					(f). If none, enter -0	
			Yes   No	Yes No		Yes   No

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Page	5-	1
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### Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

many entires de necessa te repetit une requires mismanen recessiones.			
(a) Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	(c) Enter amount of indirect compensation	
FIDELITY INVESTMENTS INSTITUTIONAL	60	0	
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any the service provider's eligibility the indirect compensation.	
ABF SM CAP VAL INV - STATE STREET B	0.35%		
04-1867445			
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation	
FIDELITY INVESTMENTS INSTITUTIONAL	60	0	
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
AM CEN LG CO VAL INV - AMERICAN CEN	0.35%		
44-0619208			
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation	
FIDELITY INVESTMENTS INSTITUTIONAL	60	0	
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any the service provider's eligibility the indirect compensation.	
LD ABBETT MIDCPVAL P - DST SYSTEMS,	0.45%		
43-1581814			
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Page	5-	2	

#### Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any the service provider's eligibility the indirect compensation.
MSIF INTL EQUITY P - MORGAN STANLEY	0.35%	·
13-3799749		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any the service provider's eligibility the indirect compensation.
MSIF LGCP REL VAL P - MORGAN STANLE	0.35%	
13-3799749		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any the service provider's eligibility the indirect compensation.
PIMCO HIGH YIELD ADM - BOSTON FINAN	0.25%	
04-2526037		
	1	

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Page	5-	3	

### Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

many entired at the action to report the required mineral to read the course			
(a) Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	(c) Enter amount of indirect compensation	
FIDELITY INVESTMENTS INSTITUTIONAL	60	0	
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any e the service provider's eligibility the indirect compensation.	
PIMCO TOT RETURN ADM - BOSTON FINAN	0.25%		
04-2526037			
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation	
FIDELITY INVESTMENTS INSTITUTIONAL	60	0	
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
RAINIER SM/MID CAP - US BANCORP FUN	0.35%		
39-0281260			
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation	
FIDELITY INVESTMENTS INSTITUTIONAL	60	0	
(d) Enter name and EIN (address) of source of indirect compensation	formula used to determine	compensation, including any the service provider's eligibility the indirect compensation.	
ROYCE PA MUTUAL INV - BOSTON FINANC	0.20%		
04-2526037			
	ı		

Page <b>6-</b>	1
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Part II Service Providers Who Fail or Refuse to Provide Information							
Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.							
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide					
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide					
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide					
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide					
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide					
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide					

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)				
а	Name:	<b>b</b> EIN:		
С	Position:			
d	Address:	e Telephone:		
Ex	xplanation:			
а	Name:	<b>b</b> EIN:		
C	Position:	<b>4</b> 2		
d	Address:	e Telephone:		
Ex	xplanation:			
а	Name:	<b>b</b> EIN:		
C	Position:	D EIII.		
d	Address:	e Telephone:		
Ex	xplanation:			
а	Name:	<b>b</b> EIN;		
C	Position:	D LIN,		
d	Address:	<b>e</b> Telephone:		
	Address.	• relephone.		
Ex	xplanation:			
а	Name:	<b>b</b> EIN;		
C	Position:			
d	Address:	e Telephone:		
Ex	xplanation:			

# SCHEDULE D (Form 5500)

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

# **DFE/Participating Plan Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

File as an attachment to Form 5500.

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal p	olan year beginning	01/	01/2009 and	d endir	ng 12/31/2009
A Name of plan TRANSALTA RETIREMENT SAVINGS				В	Γhree-digit plan number (PN)
C Plan or DFE sponsor's name as sho TRANSALTA USA, INC.	own on line 2a of Form	5500	)		Employer Identification Number (EIN) 98-0220829
			PSAs, and 103-12 IEs (to be cone port all interests in DFEs)	mplet	ted by plans and DFEs)
a Name of MTIA, CCT, PSA, or 103-			•		
<b>b</b> Name of sponsor of entity listed in	(a): FIDELITY MAI	NAGE	MENT TRUST COMPANY		
<b>C</b> EIN-PN 04-3022712-024	d Entity C	е	Dollar value of interest in MTIA, CCT, 103-12 IE at end of year (see instructi		or 5453367
a Name of MTIA, CCT, PSA, or 103-	12 IE:				
<b>b</b> Name of sponsor of entity listed in	(a):				
C EIN-PN	<b>d</b> Entity code	е	Dollar value of interest in MTIA, CCT, 103-12 IE at end of year (see instructi		or
a Name of MTIA, CCT, PSA, or 103-	12 IE:				
<b>b</b> Name of sponsor of entity listed in	(a):				
C EIN-PN	<b>d</b> Entity code	е	Dollar value of interest in MTIA, CCT, 103-12 IE at end of year (see instructi		or
a Name of MTIA, CCT, PSA, or 103-	12 IE:				
<b>b</b> Name of sponsor of entity listed in	(a):				
C EIN-PN	<b>d</b> Entity code	е	Dollar value of interest in MTIA, CCT, 103-12 IE at end of year (see instructi		or
a Name of MTIA, CCT, PSA, or 103-	12 IE:				_
<b>b</b> Name of sponsor of entity listed in	(a):				
C EIN-PN	<b>d</b> Entity code	е	Dollar value of interest in MTIA, CCT, 103-12 IE at end of year (see instructi	,	or
a Name of MTIA, CCT, PSA, or 103-	12 IE:				
<b>b</b> Name of sponsor of entity listed in	(a):				
C EIN-PN	<b>d</b> Entity code	е	Dollar value of interest in MTIA, CCT, 103-12 IE at end of year (see instructi		or
a Name of MTIA, CCT, PSA, or 103-	12 IE:				
<b>b</b> Name of sponsor of entity listed in	(a):				
C EIN-PN	<b>d</b> Entity	е	Dollar value of interest in MTIA, CCT,	PSA,	or

103-12 IE at end of year (see instructions)

Schedule D (Form 5500)	2009	Page <b>2-</b> 1				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	n (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103	-12 IE:					
<b>b</b> Name of sponsor of entity listed in	ı (a):					
C EIN-PN	<b>d</b> Entity code	Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)				
a Name of MTIA, CCT, PSA, or 103-12 IE:						
<b>b</b> Name of sponsor of entity listed in	ı (a):					

Dollar value of interest in MTIA, CCT, PSA, or

Dollar value of interest in MTIA, CCT, PSA, or

103-12 IE at end of year (see instructions)

103-12 IE at end of year (see instructions)

**d** Entity

**d** Entity

code

code

C EIN-PN

C EIN-PN

a Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

е

Page **3-** 1

Р	art II	Information on Participating Plans (to be completed by DFEs) (Complete as many entries as needed to report all participating plans)		
а	Plan na			
b	Name o		С	EIN-PN
а	Plan na	me		
b	Name o		С	EIN-PN
a	Plan na	me		
b	Name o		С	EIN-PN
а	Plan na	me		
b	Name of plan sp		С	EIN-PN
а	Plan na	me		
b	Name of plan sp		С	EIN-PN
а	Plan na	me		
b	Name of plan sp		С	EIN-PN
а	Plan na	me		
b 	Name of plan sp		С	EIN-PN
а	Plan na	me		
b 	Name of plan sp		С	EIN-PN
а	Plan na	me		
b	Name of plan sp		С	EIN-PN
а	Plan na	me		
b	Name of plan sp		С	EIN-PN
а	Plan na	me		
b	Name of plan sp		С	EIN-PN
а	Plan na	me		
b	Name o		С	EIN-PN

## **SCHEDULE H** (Form 5500)

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

### **Financial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

File as an attachment to Form 5500.

OMB No. 1210-0110

2009

This Form is Open to Public

Pen	sion Benefit Guaranty Corporation						Inspecti	on
For cale	endar plan year 2009 or fiscal plan year beginning 01/01/2009		and	endi	ng 12/31/200	)9		
	A Name of plan					<b>B</b> Three-digit		
TRANS	ALTA RETIREMENT SAVINGS PLAN				plan number	(PN)	<b>)</b>	002
C Plan	sponsor's name as shown on line 2a of Form 5500			D	Employer Idea	ntificat	ion Number	(EIN)
TRANS	ALTA USA, INC.				98-0220829			
					96-0220629			
Part I								
the tines	ent value of plan assets and liabilities at the beginning and end of the pla value of the plan's interest in a commingled fund containing the assets of s 1c(9) through 1c(14). Do not enter the value of that portion of an insuran efit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, 0 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. S	more than one nce contract wh CCTs, PSAs, a	plan on a ich guarar	line- ntees	oy-line basis ur , during this pla	nless t an yea	he value is re r, to pay a sp	eportable on pecific dollar
	Assets		<b>(a)</b> B	eginı	ning of Year		<b>(b)</b> End	d of Year
<b>a</b> Tota	Il noninterest-bearing cash	1a						
<b>b</b> Rec	eivables (less allowance for doubtful accounts):							
(1)	Employer contributions	1b(1)				0		39813
(2)	Participant contributions	1b(2)						
(3)	Other	1b(3)						
` '	eral investments:							
(1)	Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)			684904	19		5282874
(2)	U.S. Government securities	1c(2)						
(3)	Corporate debt instruments (other than employer securities):							
	(A) Preferred	1c(3)(A)						
	(B) All other	1c(3)(B)						
(4)	Corporate stocks (other than employer securities):							
	(A) Preferred	1c(4)(A)						
	(B) Common	1c(4)(B)						
(5)	Partnership/joint venture interests	1c(5)						
	Real estate (other than employer real property)	1c(6)						
	Loans (other than to participants)	1c(7)						
(8)	Participant loans	1c(8)			94029	95		1039727
` ,	Value of interest in common/collective trusts	1c(9)			591003	38		5453367
` ,	Value of interest in pooled separate accounts	1c(10)						
` '	Value of interest in master trust investment accounts	1c(11)						
` ,	Value of interest in 103-12 investment entities	1c(12)						
` ,	Value of interest in registered investment companies (e.g., mutual funds)	1c(13)			2777254	19		37358069

1c(14)

1c(15)

(14) Value of funds held in insurance company general account (unallocated

contracts).....

1d	Employer-related investments:		(a) Beginning of Year	(b) End of Year
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
е	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	41471931	49173850
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets		•	
I	Net assets (subtract line 1k from line 1f)	11	41471931	49173850

# Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2013843	
(B) Participants	2a(1)(B)	2777681	
(C) Others (including rollovers)	2a(1)(C)	24976	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		4816500
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	42124	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	68844	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		110968
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	732236	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		732236
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		314076
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		7501411
С	Other income	2c		
d	Total income. Add all <b>income</b> amounts in column (b) and enter total	2d		13475191
	Expenses			
е	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5754308	
	(2) To insurance carriers for the provision of benefits	2e(2)		
	(3) Other	2e(3)		
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		5754308
f	Corrective distributions (see instructions)	2f		14613
g	Certain deemed distributions of participant loans (see instructions)	2g		
h	Interest expense	2h	ĺ	
i	Administrative expenses: (1) Professional fees	2i(1)		
	(2) Contract administrator fees	2i(2)		
	(3) Investment advisory and management fees	2i(3)		
	(4) Other	2i(4)	4351	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4351
i	Total expenses. Add all <b>expense</b> amounts in column (b) and enter total	2j		5773272
•	Net Income and Reconciliation	<u> </u>		
k	Net income (loss). Subtract line 2j from line 2d	2k		7701919
ī	Transfers of assets:			
-	(1) To this plan	21(1)		
	(2) From this plan	21(2)		
Pa	art III Accountant's Opinion	, .		
_	Complete lines 3a through 3c if the opinion of an independent qualified public a	ccountant is	attached to this Form 5500. Com	olete line 3d if an opinion is not
	attached.			
a <sup>-</sup>	The attached opinion of an independent qualified public accountant for this plan  (1) Unqualified (2) Qualified (3) Disclaimer (4)	n is (see insti Adverse	ructions):	
b r	Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-		3-12(d)?	X Yes No
	Enter the name and EIN of the accountant (or accounting firm) below:	5 dila/01 10	- :=(a):	
<u> </u>	(1) Name: ERNST & YOUNG LLP		(2) EIN: 34-6565596	
d -	The opinion of an independent qualified public accountant is <b>not attached</b> beca		ext Form 5500 pursuant to 29 CFR	2520.104-50.

Pa	rt IV	Compliance Questions					
4	CCTs 103-1	and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 42 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.	4f, 4g,	4h, 4k, 4	m, 4n, or	5.	
	During	g the plan year:		Yes	No	An	nount
а	period	here a failure to transmit to the plan any participant contributions within the time I described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures ully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b	Were close	any loans by the plan or fixed income obligations due the plan in default as of the of the plan year or classified during the year as uncollectible? Disregard participant loans ed by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is	<b>+u</b>				
		ed.)ed.)	4b		X		
С		any leases to which the plan was a party in default or classified during the year as ectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d	report	there any nonexempt transactions with any party-in-interest? (Do not include transactions ed on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is ed.)	4d		X		
е		his plan covered by a fidelity bond?	4e	Χ			5000000
f	Did th	e plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused ud or dishonesty?	4f		X		
g		e plan hold any assets whose current value was neither readily determinable on an ished market nor set by an independent third party appraiser?	4g		X		
h		e plan receive any noncash contributions whose value was neither readily ninable on an established market nor set by an independent third party appraiser?			X		
i	Did th	e plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, ee instructions for format requirements.)	4h 4i	X	^		
j	Were value	any plan transactions or series of transactions in excess of 5% of the current of plan assets? (Attach schedule of transactions if "Yes" is checked, and			X		
k	Were	all the plan assets either distributed to participants or beneficiaries, transferred to another or brought under the control of the PBGC?	4j 4k		X		
ı	•	ne plan failed to provide any benefit when due under the plan?	4K 4I		X		
m	If this	is an individual account plan, was there a blackout period? (See instructions and 29 CFR 101-3.)	4m		X		
n		was answered "Yes," check the "Yes" box if you either provided the required notice or one exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		Х		
5a		resolution to terminate the plan been adopted during the plan year or any prior plan year? enter the amount of any plan assets that reverted to the employer this year	Yes	s ⊠ No	Amou	nt:	
5b		ing this plan year, any assets or liabilities were transferred from this plan to another plan(s) erred. (See instructions.)	, ident	ify the pla	ın(s) to wh	nich assets or lia	abilities were
	5b(1)	Name of plan(s)			<b>5b(2)</b> EIN	l(s)	<b>5b(3)</b> PN(s)

# **SCHEDULE R** (Form 5500)

Department of the Treasury Internal Revenue Service

Employee Benefits Security Administration Pension Benefit Guaranty Corporation

Department of Labor

**Retirement Plan Information** 

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

File as an attachment to Form 5500.

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

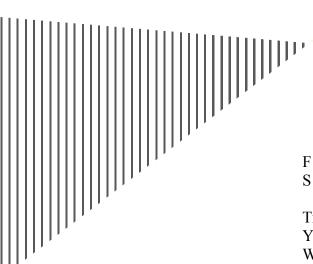
For	r calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and e	ending	]	12/31/2	009				
	Name of plan ANSALTA RETIREMENT SAVINGS PLAN	В		e-digit n numbe l)	er •	0	02		
	Plan sponsor's name as shown on line 2a of Form 5500 ANSALTA USA, INC.	D		loyer Id		ition Nui	mber (E	IN)	
_									_
	art I Distributions references to distributions relate only to payments of benefits during the plan year.								
1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions							0	_
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries duri payors who paid the greatest dollar amounts of benefits):		Ĺ	1 r (if mor	e than	two, ent	er EINs	of the two	_
	EIN(s): 04-6568107								
	Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.								
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the year	•		3					
Pa	Funding Information (If the plan is not subject to the minimum funding requirements of ERISA section 302, skip this Part)	of sec	tion o	f 412 of	the Int	ernal Re	evenue	Code or	_
4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?				Yes		No	N/A	
	If the plan is a defined benefit plan, go to line 8.								
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver.  Date: Mon	nth		Da	ay		Year_		
	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the rei	maind	ler of	this so	hedul	е.			
	, e, prote mile e, e, and re er echedule me und de net complete me ret								_
6	a Enter the minimum required contribution for this plan year			6a					
6				6a 6b					_
6	a Enter the minimum required contribution for this plan year								_
6	<ul> <li>a Enter the minimum required contribution for this plan year</li></ul>			6b					
7	a Enter the minimum required contribution for this plan year b Enter the amount contributed by the employer to the plan for this plan year C Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)			6b	Yes		No	□ N/A	
	<ul> <li>a Enter the minimum required contribution for this plan year</li></ul>	viding		6b	Yes		No No	□ N/A	_
7 8	a Enter the minimum required contribution for this plan year	viding		6b					_
7 8	a Enter the minimum required contribution for this plan year	viding		6b	Yes				
7 8 Pa	a Enter the minimum required contribution for this plan year	viding		6b 6c	Yes	ш	No oth	□ N/A	
7 8 Pa	b Enter the minimum required contribution for this plan year	viding agree		6b 6c Decree	Yes ease	nue Cod	No oth	□ N/A	
7 8 Pa	b Enter the minimum required contribution for this plan year	viding agree ease (e)(7)	[ [ contact of the co	6b 6c Decree	Yes ease I Reve	nue Coo	No oth	No No	
7 8 Pa 9	Enter the minimum required contribution for this plan year	viding agree (e)(7) ay any	of the	6b 6c Decree	Yes  Pase I Reve	nue Cod	No oth le,	No No No	<u> </u>

Page <b>2-</b>	1	
rage <b>z</b> -	1	

Pa	rt V		Additional Information for Multiemployer Defined Benefit Pension Plans					
13			r the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in ars). See instructions. Complete as many entries as needed to report all applicable employers.					
	а	Name of contributing employer						
	b	EIN C Dollar amount contributed by employer						
	d	Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year						
	е	Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)  (1) Contribution rate (in dollars and cents)  (2) Base unit measure: Hourly Weekly Unit of production Other (specify):						
	а	Name	of contributing employer					
	b	EIN	C Dollar amount contributed by employer					
	d	Date c	ollective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box					
	е	comple (1)	oution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, ete items 13e(1) and 13e(2).) Contribution rate (in dollars and cents) Base unit measure: Hourly Weekly Unit of production Other (specify):					
	а	Name	of contributing employer					
	b	EIN	C Dollar amount contributed by employer					
	d		ollective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box					
	е	comple (1)	oution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, ete items 13e(1) and 13e(2).) Contribution rate (in dollars and cents) Base unit measure: Hourly Weekly Unit of production Other (specify):					
	а	Name	of contributing employer					
	b	EIN	C Dollar amount contributed by employer					
	d		ollective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box					
	е	comple (1)	oution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, ete items 13e(1) and 13e(2).) Contribution rate (in dollars and cents) Base unit measure: Hourly Weekly Unit of production Other (specify):					
	а	Name	of contributing employer					
	b b	EIN	C Dollar amount contributed by employer					
	d	Date c	ollective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box einstructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year					
	е	Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)  (1) Contribution rate (in dollars and cents)  (2) Base unit measure: Hourly Weekly Unit of production Other (specify):						
	а	Name	of contributing employer					
	b	EIN	C Dollar amount contributed by employer					
	d		ollective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box					
	е	Contrib comple (1)	oution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, ete items 13e(1) and 13e(2).) Contribution rate (in dollars and cents) Base unit measure: Hourly Weekly Unit of production Other (specify):					

Pac	ae	3
	,~	•

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:					
	a The current year	14a				
	<b>b</b> The plan year immediately preceding the current plan year	14b	_			
	C The second preceding plan year	14c				
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to ma employer contribution during the current plan year to:	ke an				
	a The corresponding number for the plan year immediately preceding the current plan year	15a				
	<b>b</b> The corresponding number for the second preceding plan year	15b				
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:					
	a Enter the number of employers who withdrew during the preceding plan year	16a				
	<b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b				
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, chapplemental information to be included as an attachment.					
Pa	art VI Additional Information for Single-Employer and Multiemployer Defined Benefi	t Pension Plan	ıS			
18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see in information to be included as an attachment					
19	If the total number of participants is 1,000 or more, complete items (a) through (c)					
	<b>a</b> Enter the percentage of plan assets held as:					
	Stock:% Investment-Grade Debt:% High-Yield Debt:% Real Estate:	_% Other:	_%			
	b Provide the average duration of the combined investment-grade and high-yield debt:  0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-2	21 years	ears or more			
	C What duration measure was used to calculate item 19(b)?	. ц ,				
	☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):					



FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

TransAlta Retirement Pension Plan Years Ended December 31, 2009 and 2008 With Report of Independent Auditors

Ernst & Young LLP



# Financial Statements and Supplemental Schedules

Years Ended December 31, 2009 and 2008

# **Contents**

Report of Independent Auditors	1
Financial Statements	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4
Supplemental Schedules	
Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)	13
Schedule H, Line 4(j) – Schedule of Reportable Transactions	14
, , , , , , , , , , , , , , , , , , , ,	



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## Report of Independent Auditors

The Retirement Committee
TransAlta Retirement Pension Plan

We were engaged to audit the accompanying statements of net assets available for benefit of TransAlta Retirement Pension Plan as of December 3, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedules of assets (held at end of year) as of December 31, 2009 and reportable transactions for the year then ended. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

June 16, 2010

1004-1148835

Ernst + Young LLP

# Statements of Net Assets Available for Benefits

	December 31			
	2009	2008		
Assets		_		
Investments: (Note 4)				
Common collective trust funds	\$ 20,703,485	\$ 14,348,493		
Money market fund	569,045	288,646		
Total investments	21,272,530	14,637,139		
Receivables:				
Employer contributions ( <i>Note 1</i> )	400,000	3,750,000		
Accrued interest income	55	557		
Total receivables	400,055	3,750,557		
Total assets	21,672,585	18,387,696		
Liabilities				
Administrative expenses payable ( <i>Note 1</i> )	256,909	79,046		
Net assets available for benefits	\$ 21,415,676	\$ 18,308,650		

See accompanying notes.

Approved on behalf of the Plan's Administrator:

Frank Hawkins

Chair, TransAlta US Retirement Committee

# Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31			
		2009		2008
Additions to (deductions from) net assets attributed to:				
Investment income:				
Interest and dividends	\$	4,574	\$	19,934
Net appreciation (depreciation) in fair value of common				
collective trust fund investments		3,472,296		(4,910,955)
Employer contributions ( <i>Note 1</i> )		1,700,000		5,100,000
Benefit payments ( <i>Note 1</i> )		1,270,540)		(2,114,857)
Administrative expenses (Note 1)	`	(799,304)		(407,139)
Net increase (decrease) in net assets		3,107,026		(2,313,017)
Net assets available for benefits, at beginning of year	1	8,308,650		20,621,667
Net assets available for benefits, at end of year		1,415,676	\$	18,308,650
Their assets available for beliefits, at elid of year	φ 4	1,413,070	φ	10,500,050

See accompanying notes.

#### Notes to Financial Statements

December 31, 2009

### 1. Description of the Plan

The following description of the TransAlta Retirement Pension Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

#### General

The Plan is a noncontributory defined benefit plan that was established by TransAlta USA, Inc. (the Company) effective July 1, 2000. It was established for those employees who were employed by certain PacifiCorp Centralia facilities purchased by the Company on July 1, 2000. Employees in the PacifiCorp Retirement Plan (the PacifiCorp Plan) were given the option of transferring their PacifiCorp Plan pension benefits to the Plan. Assets for those employees were transferred from the PacifiCorp Plan to the Plan pursuant to an elective plan-to-plan rollover on July 1, 2000. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### **Eligibility**

An employee became an active participant in the Plan on July 1, 2000, if the employee: (a) was an eligible U.S. employee; (b) did not choose to receive or was not eligible to receive the enhanced savings plan benefits being provided by the TransAlta Retirement Savings Plan (i.e., the participant can participate under the basic savings plan benefits); and (c) was a participant in the PacifiCorp Plan prior to May 4, 2000, and rolled his/her entire lump-sum benefit into the Plan. New employees are not eligible to participate in the Plan after July 1, 2000.

#### **Funding Policy**

The Company has agreed to voluntarily contribute such additional amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Plan participants. The Plan has met the ERISA minimum funding requirements for 2009 and 2008.

#### Vesting

All participants are fully vested.

### Notes to Financial Statements (continued)

### 1. Description of the Plan (continued)

#### **Benefit Payments**

A participant's benefit is based on the provisions of the Plan in effect on the participant's date of termination or retirement. Benefit payments are based on the participant's highest average monthly compensation in 60 consecutive calendar months of the last 120 calendar months and the number of full and partial years of Benefit Service credited to the participant. The Plan provides for the payment of a variety of retirement benefits, including normal retirement, early retirement, and delayed retirement. Seven forms of payment are available under the Plan, including: Single Life Annuity, Joint and 50% Survivor Annuity, Joint and 66 2/3% Survivor Annuity, Joint and 100% Survivor Annuity, Ten-Year Certain Period and Life Annuity, Level Income Annuity, and Lump-Sum.

### **Administrative Expenses**

Substantially all administrative expenses are paid by the Plan.

#### Administration

The Plan is administered by the Retirement Committee, which consists of members appointed by the Company.

#### **Plan Termination**

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan. Should the Plan terminate at some future time, its net assets generally will be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (the PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

### Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies

#### **Use of Estimates**

The preparation of financial statements in conformity with Accounting Principles Generally Accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that could affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### **Investment Valuation and Income Recognition**

On January 1, 2008, the Plan adopted Statement of Financial Accounting Standards (FAS) No. 157, Fair Value Measurements, which is now contained in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures. Topic 820 establishes a framework for measuring fair value in U.S. GAAP where fair value is considered to be the relevant measurement attribute. Part of the framework involves the establishment of a three-level hierarchy for measuring fair value. For Level 1 categorized financial items, the inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Plan has the ability to access. Level 2 categorized financial items are valued based on inputs that are observable, either directly or indirectly. Level 3 categorized financial items are valued using unobservable inputs. Level 3 financial statement items require additional disclosures due to the use of unobservable market inputs in the fair value determination (see Note 4).

The fair values of the investments in money market fund and common collective trust funds have been estimated using the unadjusted net asset value per share or unit as determined by the funds' issuer on the last business day of the Plan's year-end. There are currently no significant redemption restrictions on these investments.

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

### Notes to Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

#### **Risks and Uncertainties**

The Plan provides for various investment options. Investment securities, in general, are exposed to various risks, such as interest rate, market volatility, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

#### **Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on a percentage of the employees' actual accumulated compensation for each year of credited service. The accumulated plan benefits for active employees are based on the present value of employees' actual earnings through the valuation date. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee service rendered to the valuation date.

### Notes to Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

#### **New Accounting Pronouncements**

On December 31, 2009, the Plan adopted Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2009-12 amends FASB ASC Topic 820 to provide additional measurement guidance and disclosures on the fair value of certain alternative investments such as private equity. The implementation of this standard did not have an impact on the Plan's financial statements.

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# Notes to Financial Statements (continued)

#### 3. Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is calculated using expected future benefit payments (estimated from retirement, termination, death and disability assumptions) based on service accrued to date, discounted to a current value using the expected returns on long-term assets. Nonvested benefits represent the benefits participants would forfeit if their employment were to end at the date of the financial statements. These nonvested benefits include death, disability benefits only available to employees that die or become disabled while still an active employee, and early retirement benefits for employees that have not yet satisfied all of the eligibility criteria.

The actuarial present value of accumulated plan benefits as of December 31, 2008 is as follows:

Actuarial present value of accumulated plan benefits:

Vested benefits:	
Active and terminated participants \$	8,459,658
Participants currently receiving payments	7,044,324
	15,503,982
Nonvested benefits	603,410
\$	16,107,392

The changes in the actuarial present value of accumulated plan benefits from the prior year are as follows:

Actuarial present value of accumulated plan benefits	
at December 31, 2007:	\$ 18,037,353
Increase (decrease) during the year attributable to:	
Benefits accumulated	736,888
Changes in plan assumptions*	(178,443)
Accrued interest	1,360,021
Plan experience	(1,733,570)
Benefits paid	(2,114,857)
Actuarial present value of accumulated plan benefits	
at December 31, 2008	\$ 16,107,392

<sup>\*</sup> Primarily due to a change from using projected pay history to actual pay history for benefits accrued before the valuation date.

# Notes to Financial Statements (continued)

#### 3. Accumulated Plan Benefits (continued)

The significant assumptions underlying the actuarial computations are as follows:

	December 31		
	2009	2008	
Assumed rate of return on investments <sup>(1)</sup>	8%	8%	
Retirement age <sup>(2)</sup>	60	60	

<sup>(1)</sup> The assumed rate of return on investments is compounded annually, after a 0.5% reduction to reflect anticipated administrative expenses associated with providing benefits.

The Mortality basis is derived from the 2009 Internal Revenue Service (IRS)-prescribed static mortality table for small plans, created by blending pre- and post-retirement healthy tables of rates and projecting mortality improvements over a specified number of years.

If the Plan was to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

#### 4. Investments

All investment information disclosed in the accompanying financial statements and supplemental schedules, including investments held at December 31, 2009 and 2008, and the net appreciation (depreciation) in the fair value of investments, interest, and dividends for the years then ended, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee. The primary objective for the Plan is to maximize the long-term return on Plan assets at an acceptable risk level and maintain adequate liquidity for benefit payments.

<sup>(2)</sup> The retirement age is based on a weighted average calculation.

# Notes to Financial Statements (continued)

## **4. Investments (continued)**

The fair values of individual investments that represent 5% or more of the Plan's net assets are as follows:

	December 31				
	2009	2008			
Pyramis Diversity Large Cap	\$ 6,436,253	\$ 5,029,191			
Pyramis Long Corporate A or Better Commingled Pool	1,701,819	*			
Pyramis Long Duration	8,257,380	5,815,165			
Pyramis Select International Equity Portfolio Trust	2,681,061	2,143,994			
Other – Individual investments less than 5% of the					
Plan's net assets	2,196,017	1,648,789			
Total fair value of investments	\$21,272,530	\$14,637,139			

<sup>\*</sup> The Plan did not hold this investment at December 31, 2008.

Investments, by level as described in Note 2, are as follows as of December 31, 2009.

	Level 1	Level 2	Level 3	Total
Fidelity Institutional Cash: Portfolio – Money Market Fund Class I Common collective trust funds:	\$ -	\$ 569,045	\$ -	\$ 569,045
US Large Cap	_	6,436,253	_	6,436,253
US Small/Mid Cap	_	1,090,435	_	1,090,435
International Equity	_	3,217,598	_	3,217,598
US Bonds	_	9,959,199	_	9,959,199
Total assets at fair value	\$ _	\$ 21,272,530	\$ _	\$ 21,272,530

### Notes to Financial Statements (continued)

#### 4. Investments (continued)

Investments, by level as described in Note 2, are as follows as of December 31, 2008.

	Level 1	Level 2	Level 3	Total
Fidelity Institutional Cash:				_
Portfolio – Money Market				
Fund Class I	\$ _	\$ 288,646	\$ _	\$ 288,646
Common collective trust				
funds:				
US Large Cap	_	5,029,191	_	5,029,191
US Small/Mid Cap	_	917,887	_	917,887
International Equity	_	2,586,250	_	2,586,250
US Bonds	 _	5,815,165	_	5,815,165
Total assets at fair value	\$ 	\$ 14,637,139	\$ 	\$ 14,637,139

#### 5. Income Tax Status

The Plan has received a determination letter from the IRS, dated September 27, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination letter, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its tax-qualified status. The plan sponsor has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status. The Company applied for a new determination letter on January 28, 2010 and the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code, and, therefore, believes the Plan, as amended and restated, is qualified and the related trust is tax exempt.

#### **6. Subsequent Events**

We have evaluated subsequent events through to June 16, 2010, which represents the date the financial statements were available to be issued.

Supplemental Schedules

EIN: 98-0220829 Plan Number: 001

# Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2009

(c) **Description of Investment, Including** Maturity Date, Rate of **(b)** (e) Identity of Issue, Borrower, Interest, Collateral, Current (d) Lessor, or Similar Party Par, or Maturity Value Cost Value (a) Units of common collective trust funds Pyramis Diversity Large Cap 164,106 units \$ 6,005,735 6,436,253 Pyramis Long Corporate A or Better Commingled 135,711 units 1,521,154 1,701,819 Pool **Pyramis Long Duration** 661,649 units 7,057,366 8,257,380 Pyramis Select International Equity Portfolio Trust 23,502 units 2,220,805 2,681,061 Pyramis Select International Small/Mid Cap Commingled Pool 20,604 units 538,115 536,537 Pyramis Small/Mid Cap Growth Commingled Pool 43,435 units 426,225 545,103 Pyramis Small/Mid Cap Value Commingled Pool 27,431 units 402,881 545,332 Money market fund Fidelity Institutional Cash Portfolio – Money 569,045 Market Fund Class I 569,045 units 569,045 \$ 21,272,530

<sup>\*</sup> Indicates a party-in-interest to the Plan.

EIN: 98-0220829 Plan Number: 001

# Schedule H, Line 4(j) – Schedule of Reportable Transactions

Year Ended December 31, 2009

			(1)		(h) Current Value	(2)
(a) Identity of	<b>(b)</b>	(c) Purchase	(d) Selling	(g) Cost of	of Asset on Transaction	(i) Net Gain
Party Involve		Price	Price	Asset	Date	(Loss)
Category (i) _ Individual (	transactions in excess of 5% of beginning Plan assets.					
Pyramis Global Advisor	Pyramis Diversity Large Cap	\$ 1,138,500	\$ -	\$ 1,138,500	\$ 1,138,500	\$ -
Pyramis Global Advisor	Pyramis Diversity Large Cap	_	903,865	1,010,244	903,865	(106,379)
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	3,300,000	, _	3,300,000	3,300,000	_
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	_	3,201,000	3,201,000	3,201,000	_
Pyramis Global Advisor	Pyramis Long Corporate A or Better Commingled Pool	1,491,784	_	1,491,784	1,491,784	_
Pyramis Global Advisor	Pyramis Long Duration	1,287,000	_	1,287,000	1,287,000	_
Category (iii) – Series of t	ransactions in excess of 5% of beginning Plan assets.					
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	\$ 5,861,293	\$ -	\$ 5,861,293	\$ 5,861,293	\$ -
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	_	5,580,898	5,580,898	5,580,898	_
Pyramis Global Advisor	Pyramis Diversity Large Cap	1,334,152	_	1,334,152	1,334,152	_
Pyramis Global Advisor	Pyramis Diversity Large Cap	_	1,273,959	1,352,729	1,273,959	(78,770)
Pyramis Global Advisor	Pyramis Long Corporate A or Better Commingled Pool	1,521,153	_	1,521,153	1,521,153	_
Pyramis Global Advisor	Pyramis Long Duration	2,009,996	_	2,009,996	2,009,996	_
Pyramis Global Advisor	Pyramis Long Duration	_	364,058	358,589	364,058	5,469
Pyramis Global Advisor	Pyramis Select International Equity	616,570	_	616,570	616,570	_
Pyramis Global Advisor	Pyramis Select International Equity	_	720,252	700,962	720,252	19,290

There were no category (ii), or (iv) reportable transactions during the year ended December 31, 2009. Columns (e) and (f) have not been presented as this information is not applicable.

14

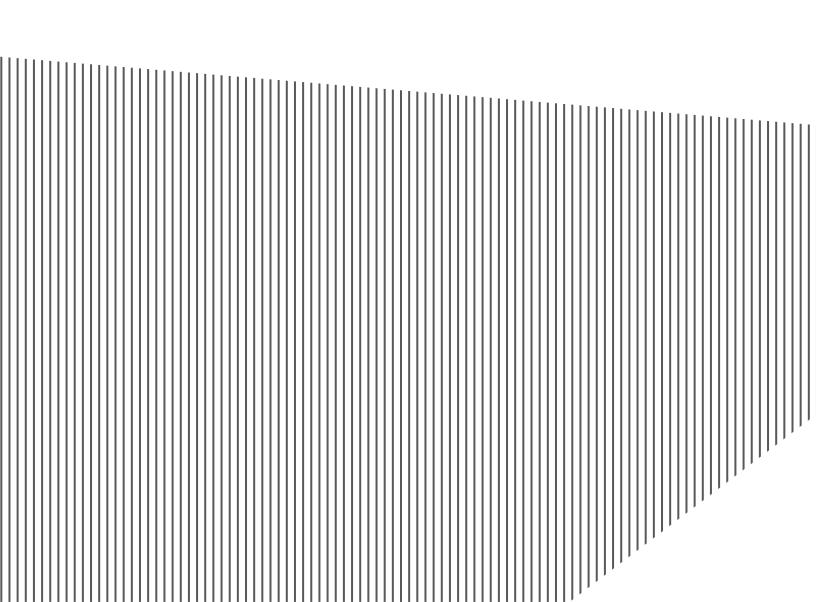
## Ernst & Young LLP

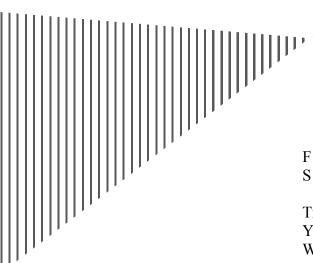
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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

TransAlta Retirement Pension Plan Years Ended December 31, 2009 and 2008 With Report of Independent Auditors

Ernst & Young LLP



# Financial Statements and Supplemental Schedules

Years Ended December 31, 2009 and 2008

## **Contents**

Report of Independent Auditors	1
Financial Statements	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4
Supplemental Schedules	
Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)	13
Schedule H, Line 4(j) – Schedule of Reportable Transactions	14
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## Report of Independent Auditors

The Retirement Committee
TransAlta Retirement Pension Plan

We were engaged to audit the accompanying statements of net assets available for benefit of TransAlta Retirement Pension Plan as of December 3, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedules of assets (held at end of year) as of December 31, 2009 and reportable transactions for the year then ended. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

June 16, 2010

1004-1148835

Ernst + Young LLP

## Statements of Net Assets Available for Benefits

	December 31				
	2009	2008			
Assets					
Investments: ( <i>Note 4</i> )					
Common collective trust funds	\$ 20,703,485	\$ 14,348,493			
Money market fund	569,045	288,646			
Total investments	21,272,530	14,637,139			
Receivables:					
Employer contributions ( <i>Note 1</i> )	400,000	3,750,000			
Accrued interest income	55	557			
Total receivables	400,055	3,750,557			
Total assets	21,672,585	18,387,696			
Liabilities					
Administrative expenses payable ( <i>Note 1</i> )	256,909	79,046			
Net assets available for benefits	\$ 21,415,676	\$ 18,308,650			

See accompanying notes.

Approved on behalf of the Plan's Administrator:

Frank Hawkins

Chair, TransAlta US Retirement Committee

# Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31				
	2009			2008	
Additions to (deductions from) net assets attributed to:					
Investment income:					
Interest and dividends	\$	4,574	\$	19,934	
Net appreciation (depreciation) in fair value of common					
collective trust fund investments		3,472,296		(4,910,955)	
Employer contributions ( <i>Note 1</i> )		1,700,000		5,100,000	
Benefit payments ( <i>Note 1</i> )		1,270,540)		(2,114,857)	
Administrative expenses ( <i>Note 1</i> )	`	(799,304)		(407,139)	
Net increase (decrease) in net assets		3,107,026		(2,313,017)	
Net assets available for benefits, at beginning of year	1	8,308,650		20,621,667	
			¢		
Net assets available for benefits, at end of year	<b>D</b> 2	1,415,676	\$	18,308,650	

See accompanying notes.

#### Notes to Financial Statements

December 31, 2009

## 1. Description of the Plan

The following description of the TransAlta Retirement Pension Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

#### General

The Plan is a noncontributory defined benefit plan that was established by TransAlta USA, Inc. (the Company) effective July 1, 2000. It was established for those employees who were employed by certain PacifiCorp Centralia facilities purchased by the Company on July 1, 2000. Employees in the PacifiCorp Retirement Plan (the PacifiCorp Plan) were given the option of transferring their PacifiCorp Plan pension benefits to the Plan. Assets for those employees were transferred from the PacifiCorp Plan to the Plan pursuant to an elective plan-to-plan rollover on July 1, 2000. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

## **Eligibility**

An employee became an active participant in the Plan on July 1, 2000, if the employee: (a) was an eligible U.S. employee; (b) did not choose to receive or was not eligible to receive the enhanced savings plan benefits being provided by the TransAlta Retirement Savings Plan (i.e., the participant can participate under the basic savings plan benefits); and (c) was a participant in the PacifiCorp Plan prior to May 4, 2000, and rolled his/her entire lump-sum benefit into the Plan. New employees are not eligible to participate in the Plan after July 1, 2000.

#### **Funding Policy**

The Company has agreed to voluntarily contribute such additional amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Plan participants. The Plan has met the ERISA minimum funding requirements for 2009 and 2008.

#### Vesting

All participants are fully vested.

## Notes to Financial Statements (continued)

## 1. Description of the Plan (continued)

## **Benefit Payments**

A participant's benefit is based on the provisions of the Plan in effect on the participant's date of termination or retirement. Benefit payments are based on the participant's highest average monthly compensation in 60 consecutive calendar months of the last 120 calendar months and the number of full and partial years of Benefit Service credited to the participant. The Plan provides for the payment of a variety of retirement benefits, including normal retirement, early retirement, and delayed retirement. Seven forms of payment are available under the Plan, including: Single Life Annuity, Joint and 50% Survivor Annuity, Joint and 66 2/3% Survivor Annuity, Joint and 100% Survivor Annuity, Ten-Year Certain Period and Life Annuity, Level Income Annuity, and Lump-Sum.

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#### Administration

The Plan is administered by the Retirement Committee, which consists of members appointed by the Company.

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Although it has not expressed any intent to do so, the Company has the right to terminate the Plan. Should the Plan terminate at some future time, its net assets generally will be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (the PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

## Notes to Financial Statements (continued)

## 2. Summary of Significant Accounting Policies

#### **Use of Estimates**

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Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

## Notes to Financial Statements (continued)

## 2. Summary of Significant Accounting Policies (continued)

#### **Risks and Uncertainties**

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Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

#### **Actuarial Present Value of Accumulated Plan Benefits**

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## Notes to Financial Statements (continued)

## 2. Summary of Significant Accounting Policies (continued)

## **New Accounting Pronouncements**

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On September 30, 2009, the Plan adopted ASU 2009-01, *The FASB Accounting Standards Codification*<sup>TM</sup> and the Hierarchy of Generally Accepted Accounting Principles, previously issued as FAS No. 168. The Codification simplifies user access to all authoritative U.S. GAAP. All existing accounting standard documents will be superseded and all other accounting literature not included in the Codification will be considered non-authoritative. The implementation of this standard did not have an impact on the Plan's financial statements.

On June 30, 2009, the Plan adopted FAS No. 165, *Subsequent Events*, now contained in FASB ASC Topic 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. The implementation of this standard did not have an impact on the Plan's financial statements.

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## Notes to Financial Statements (continued)

#### 3. Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is calculated using expected future benefit payments (estimated from retirement, termination, death and disability assumptions) based on service accrued to date, discounted to a current value using the expected returns on long-term assets. Nonvested benefits represent the benefits participants would forfeit if their employment were to end at the date of the financial statements. These nonvested benefits include death, disability benefits only available to employees that die or become disabled while still an active employee, and early retirement benefits for employees that have not yet satisfied all of the eligibility criteria.

The actuarial present value of accumulated plan benefits as of December 31, 2008 is as follows:

Actuarial present value of accumulated plan benefits:

Vested benefits:	
Active and terminated participants	\$ 8,459,658
Participants currently receiving payments	7,044,324
	15,503,982
Nonvested benefits	603,410
	\$ 16,107,392

The changes in the actuarial present value of accumulated plan benefits from the prior year are as follows:

Actuarial present value of accumulated plan benefits	
at December 31, 2007:	\$ 18,037,353
Increase (decrease) during the year attributable to:	
Benefits accumulated	736,888
Changes in plan assumptions*	(178,443)
Accrued interest	1,360,021
Plan experience	(1,733,570)
Benefits paid	(2,114,857)
Actuarial present value of accumulated plan benefits	
at December 31, 2008	\$ 16,107,392

<sup>\*</sup> Primarily due to a change from using projected pay history to actual pay history for benefits accrued before the valuation date.

## Notes to Financial Statements (continued)

#### 3. Accumulated Plan Benefits (continued)

The significant assumptions underlying the actuarial computations are as follows:

	December 31			
	2009 2008			
Assumed rate of return on investments <sup>(1)</sup>	8%	8%		
Retirement age <sup>(2)</sup>	60	60		

<sup>(1)</sup> The assumed rate of return on investments is compounded annually, after a 0.5% reduction to reflect anticipated administrative expenses associated with providing benefits.

The Mortality basis is derived from the 2009 Internal Revenue Service (IRS)-prescribed static mortality table for small plans, created by blending pre- and post-retirement healthy tables of rates and projecting mortality improvements over a specified number of years.

If the Plan was to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

## 4. Investments

All investment information disclosed in the accompanying financial statements and supplemental schedules, including investments held at December 31, 2009 and 2008, and the net appreciation (depreciation) in the fair value of investments, interest, and dividends for the years then ended, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee. The primary objective for the Plan is to maximize the long-term return on Plan assets at an acceptable risk level and maintain adequate liquidity for benefit payments.

<sup>(2)</sup> The retirement age is based on a weighted average calculation.

## Notes to Financial Statements (continued)

## **4. Investments (continued)**

The fair values of individual investments that represent 5% or more of the Plan's net assets are as follows:

	December 31			
	2009	2008		
Pyramis Diversity Large Cap	\$ 6,436,253	\$ 5,029,191		
Pyramis Long Corporate A or Better Commingled Pool	1,701,819	*		
Pyramis Long Duration	8,257,380	5,815,165		
Pyramis Select International Equity Portfolio Trust	2,681,061	2,143,994		
Other – Individual investments less than 5% of the				
Plan's net assets	2,196,017	1,648,789		
Total fair value of investments	\$21,272,530	\$14,637,139		

<sup>\*</sup> The Plan did not hold this investment at December 31, 2008.

Investments, by level as described in Note 2, are as follows as of December 31, 2009.

	Level 1		Level 2		Level 3		Total
Fidelity Institutional Cash: Portfolio – Money Market Fund Class I Common collective trust funds:	\$	-	\$ 569,045	\$	-	\$	569,045
US Large Cap		_	6,436,253		_		6,436,253
US Small/Mid Cap		_	1,090,435		_		1,090,435
International Equity		_	3,217,598		_		3,217,598
US Bonds		_	9,959,199		_		9,959,199
Total assets at fair value	\$	_	\$ 21,272,530	\$	_	\$	21,272,530

## Notes to Financial Statements (continued)

#### 4. Investments (continued)

Investments, by level as described in Note 2, are as follows as of December 31, 2008.

	1	Level 1		Level 2		Level 3		Total	
Fidelity Institutional Cash:								_	
Portfolio – Money Market									
Fund Class I	\$	_	\$	288,646	\$	_	\$	288,646	
Common collective trust									
funds:									
US Large Cap		_		5,029,191		_		5,029,191	
US Small/Mid Cap		_		917,887		_		917,887	
International Equity		_		2,586,250		_		2,586,250	
US Bonds		_		5,815,165		_		5,815,165	
Total assets at fair value	\$		\$	14,637,139	\$		\$	14,637,139	

#### 5. Income Tax Status

The Plan has received a determination letter from the IRS, dated September 27, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination letter, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its tax-qualified status. The plan sponsor has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status. The Company applied for a new determination letter on January 28, 2010 and the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code, and, therefore, believes the Plan, as amended and restated, is qualified and the related trust is tax exempt.

## **6. Subsequent Events**

We have evaluated subsequent events through to June 16, 2010, which represents the date the financial statements were available to be issued.

Supplemental Schedules

EIN: 98-0220829 Plan Number: 001

# Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2009

(c) **Description of Investment, Including** Maturity Date, Rate of **(b)** (e) Identity of Issue, Borrower, Interest, Collateral, Current (d) Lessor, or Similar Party Par, or Maturity Value Cost Value (a) Units of common collective trust funds Pyramis Diversity Large Cap 164,106 units \$ 6,005,735 6,436,253 Pyramis Long Corporate A or Better Commingled 135,711 units 1,521,154 1,701,819 Pool **Pyramis Long Duration** 661,649 units 7,057,366 8,257,380 Pyramis Select International Equity Portfolio Trust 23,502 units 2,220,805 2,681,061 Pyramis Select International Small/Mid Cap Commingled Pool 20,604 units 538,115 536,537 Pyramis Small/Mid Cap Growth Commingled Pool 43,435 units 426,225 545,103 Pyramis Small/Mid Cap Value Commingled Pool 27,431 units 402,881 545,332 Money market fund Fidelity Institutional Cash Portfolio – Money 569,045 Market Fund Class I 569,045 units 569,045 \$ 21,272,530

<sup>\*</sup> Indicates a party-in-interest to the Plan.

EIN: 98-0220829 Plan Number: 001

# Schedule H, Line 4(j) – Schedule of Reportable Transactions

Year Ended December 31, 2009

			(1)		(h) Current Value	(2)
(a) Identity of	(b)	(c) Purchase	(d) Selling	(g) Cost of	of Asset on Transaction	(i) Net Gain
Party Involve		Price	Price	Asset	Date	(Loss)
Category (i) _ Individual (	transactions in excess of 5% of beginning Plan assets.					
Pyramis Global Advisor	Pyramis Diversity Large Cap	\$ 1,138,500	\$ -	\$ 1,138,500	\$ 1,138,500	\$ -
Pyramis Global Advisor	Pyramis Diversity Large Cap	_	903,865	1,010,244	903,865	(106,379)
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	3,300,000	, <u> </u>	3,300,000	3,300,000	_
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	_	3,201,000	3,201,000	3,201,000	_
Pyramis Global Advisor	Pyramis Long Corporate A or Better Commingled Pool	1,491,784	_	1,491,784	1,491,784	_
Pyramis Global Advisor	Pyramis Long Duration	1,287,000	_	1,287,000	1,287,000	_
Category (iii) – Series of t	ransactions in excess of 5% of beginning Plan assets.					
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	\$ 5,861,293	\$ -	\$ 5,861,293	\$ 5,861,293	\$ -
Pyramis Global Advisor	Fidelity Institutional Cash Portfolio	_	5,580,898	5,580,898	5,580,898	_
Pyramis Global Advisor	Pyramis Diversity Large Cap	1,334,152	_	1,334,152	1,334,152	_
Pyramis Global Advisor	Pyramis Diversity Large Cap	_	1,273,959	1,352,729	1,273,959	(78,770)
Pyramis Global Advisor	Pyramis Long Corporate A or Better Commingled Pool	1,521,153	_	1,521,153	1,521,153	_
Pyramis Global Advisor	Pyramis Long Duration	2,009,996	_	2,009,996	2,009,996	_
Pyramis Global Advisor	Pyramis Long Duration	_	364,058	358,589	364,058	5,469
Pyramis Global Advisor	Pyramis Select International Equity	616,570	_	616,570	616,570	_
Pyramis Global Advisor	Pyramis Select International Equity	_	720,252	700,962	720,252	19,290

There were no category (ii), or (iv) reportable transactions during the year ended December 31, 2009. Columns (e) and (f) have not been presented as this information is not applicable.

14

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