

September 25, 2008

Interested Parties

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) REQUEST FOR INFORMATION

On behalf of the internal IFRS team established by The Alberta Utilities Commission (AUC or Commission), I would like to extend my thanks to everyone who attended the first collaborative process meeting which was held this past Monday, September 22, 2008. I would especially like to thank all the representatives who spoke on behalf of their respective organizations. It is encouraging to hear that all the utilities who attended are well on their way to transitioning to IFRS.

The team appreciates the input that was received with regard to what the utilities would like from the Commission in connection with IFRS and its possible impact on future regulatory applications and reporting. The message was loud and clear that the utilities need decisions from the AUC on this issue and that there is an urgent need that the Commission issues these decisions as soon as possible. To this end, the team is bringing this matter forward to the Commission's executive team this week for discussion. Once that step has been made, the next step is to present it to the Commission itself. A couple of the process options discussed at the meeting on Monday were a written process involving all interested parties and a further option of developing working groups that would involve representation from the utilities, customers and AUC staff.

As discussed at the collaborative process meeting the team considers that it would be helpful to focus the attention of the Commission in the near future on the items that the utilities regard as being priorities. It is noted that the issue of property, plant and equipment (PP&E) was raised as a potential priority. Consequently, the team requests that the utilities submit a list of areas that they regard as priorities for the Commission to deal with. It would be of further assistance if instead of simply listing a broad area such as PP&E as a priority that the listings further identify specific aspects of the topic as being priorities. The utilities are also requested to indicate in which order the areas identified should be dealt with, from the most time sensitive to the least. In addition, it would be beneficial if a summary of the differences between IFRS and Canadian generally accepted accounting principles for each topic be included. Finally, please include what options the utility considers could be available for the Commission for each topic (e.g., adopt IFRS fully; maintain the current information as well as the IFRS information, etc.).

The team would appreciate receiving the information described in the previous paragraph from the utilities by Monday, October 6, 2008.

Please contact me if you have any questions. I can be reached by telephone at (780) 422-2073 or

by e-mail at David.Mitchell@auc.ab.ca

Yours truly,

(sent by e-mail)

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