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June 11, 2008

Alberta Utilities Commission  
10055 – 106 St, 10<sup>th</sup> Floor  
Edmonton, AB T5J 2Y2

**Attention:** David Mitchell

Dear Mr. Mitchell:

**Re: INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

We write in response to your letter of May 23, 2008.

FortisAlberta has reviewed the list and agrees with the list of accounts the AUC team has identified as having the potential of being affected by the adoption of IFRS. We would suggest the following additions (*italicized*) to the list.

- Income Taxes (*current and deferred*)
- Capital assets including:
  - componentization *and level of depreciation study*;
  - capitalized general and administration costs;
  - *other amounts capitalized for regulatory purposes not allowed under IFRS*;
  - allowance for funds used during construction (*both debt and equity components*);
  - recognition of gains/losses on sales;
  - *insurance and salvage proceeds*;
  - impairment of long lived assets;
  - *customer contributions*;
  - revaluation; and
  - asset retirement obligations.
- *Impairment of assets*

FortisAlberta appreciates the opportunity to provide feedback and looks forward to working cooperatively with the Commission on this important initiative. If you have any further questions, please don't hesitate to call me (514-4587) or Mike Olson (514-4309).

Sincerely,

*"Original signed by"*

Cynthia Johnston  
Vice President, Customer Service