

October 14, 2009

Mr. Ligong Gan, P.Eng  
Electric Manager  
Electric, Light & Power Department, City of Red Deer  
Box 5008, 7721 40 Avenue  
Red Deer, AB T4P 2H8

Dear Sir:

**APPLICATION NO. 1605500**  
**THE CITY OF RED DEER**  
**AUC RULE 026,<sup>1</sup> SECTION 2(2) IFRS DECLARATION**

1. Thank you for your letter dated September 29, 2009 in which you informed the Alberta Utilities Commission (the Commission) that the Red Deer Electric Utility will not be adopting International Financial Reporting Standards (IFRS).
2. You noted in your letter that as an integral part of the City of Red Deer, the Red Deer Electric Utility's generally accepted accounting principles are governed by the Public Sector Accounting Board (PSAB), and the PSAB does not mandate IFRS.
3. Your letter has been accepted as a filing for acknowledgement.
4. The Commission notes that the PSAB issued an exposure draft in July 2009 entitled "Financial Reporting by Certain Government Organizations (Amendment to Introduction)." If the PSAB makes any changes to the generally accepted accounting principles applicable to the City of Red Deer that involve IFRS, the Commission requests that it be notified of such.
5. Please contact me at 780-422-2073 or [david.mitchell@auc.ab.ca](mailto:david.mitchell@auc.ab.ca) if you have any questions or concerns in regard to this or any other IFRS matters.

Sincerely yours,

*(sent by email)*

David Mitchell, CA  
Regulatory Specialist  
Alberta Utilities Commission

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<sup>1</sup> AUC Rule 026 – *Rule Regarding Regulatory Account Procedures Pertaining to the Implementation of the International Financial Reporting Standards*