



ELECTRIC, LIGHT & POWER DEPARTMENT

September 29, 2009

Mr. Bob Heggie
Chief Executive
Alberta Utilities Commission
Fifth Avenue Place
4th Floor , 425 – 1st Street S.W.
Calgary, Alberta
T2P 3L8

Dear Mr. Heggie,

Subject: AUC Rule 026, clause 2(2) IFRS declaration

As per clause 2(2) of AUC Rule 026, Red Deer Electric Utility (RD) hereby submits to the AUC that it will not be adopting International Financial Reporting Standards.

As an integral part of the City of Red Deer, RD's Generally Accepted Accounting Principles are governed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. RD is not implementing IFRS because it is not a Publicly Accountable Enterprise, and the PSAB does not mandate IFRS adoption.

Sincerely,

<filed electronically>

Ligong Gan, P.Eng
Electric Manager

cc. Mr. Fino Tiberi, Executive Director, Regulatory Policy