

TransAlta

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September 22, 2009

Mr. Fino Tiberi
Executive Director, Regulatory Policy
Alberta Utilities Commission
Fifth Avenue Place, #400,
425 – 1st Street S.W.
Calgary, AB T2P 3L8

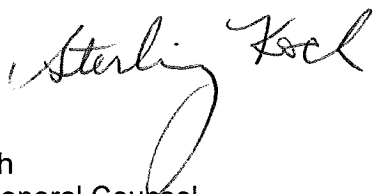
Dear Mr. Tiberi:

**RE: AUC Rule 026 clause 2(2)
Statement of adoption of International Financial Reporting Standards by TransAlta Corporation**

Effective January 1, 2011, Canadian GAAP for Publicly Accountable Enterprises (PAEs) will be replaced with International Financial Reporting Standards (IFRS). TransAlta Corporation qualifies as a PAE.

In accordance with clause 2(2) of Rule 026, this letter confirms that TransAlta Corporation will adopt IFRS effective January 1, 2011.

Yours truly,



Sterling Koch
Director & General Counsel
Regulatory & Legal Affairs

cc: Mr. Kevin Morris, Director, Financial Reporting & Accounting, TransAlta Corporation