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Ontario Securities Commission
SECRETARY'S OFFICE

May 31, 2005

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

Anne-Marie Beaudoin, Directrice du secrétariat
Autorité des marchés financiers
Tour de la Bourse
800 Square Victoria
C.P. 246, 22e étage
Montreal, Quebec H4Z 1G3

Dear Sir:

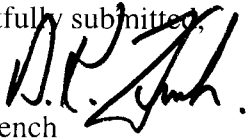
Re: Proposed Internal Control Material and Revised Certification Materials

The current draft of Multilateral Instrument 52-111 requires an internal control report to be prepared by management and, in addition, requires an internal control audit report to be prepared by the auditor. In my opinion, the requirement for auditor attestation of internal controls over financial reporting will do more to hinder rather than promote timely and accurate reporting. In addition, I believe this requirement will add significant costs on an ongoing basis for which no discernable benefit is evident.

I support the ongoing requirement for auditors to review internal controls over financial reporting as an integral part of the audit of financial statements. In my opinion, the focus of management, the auditors and the Audit Committee in this regard should be the accuracy of the financial statements and not internal controls as a separate topic. It is the role of the Audit Committee to ensure that management and the auditors have satisfactorily addressed the potential impact of any identified control weakness on the financial statements.

I recommend that the requirement for an internal control audit report be removed from the requirements of multilateral instrument 52-111.

Respectfully submitted,


B.K. French
Audit Committee Chair
Canadian Utilities Limited

Cc Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government
of Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice,
Government of Nunavut.