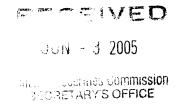


Office of the Chairman



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 marches 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 officers and directors of the ATCO Group of Companies are fully supportive of the position that sound internal controls over financial reporting are required to help ensure financial information released to the public is timely and accurate. Further, we believe that the primary objective of securities regulation in this regard should have the same objective of timely and accurate reporting.

The proposed Multilateral Instrument 52-111 requires an internal control report to be prepared by management and an internal control audit report to be prepared by the auditor. In our view, the requirement for auditor attestation of internal controls over financial reporting does not promote timely and accurate reporting and in fact may hinder rather than assist the reporting process. In addition, based on the U.S. experience, we believe that this requirement will add a significant and unnecessary layer of cost on an ongoing basis.

We understand and support the need for auditors to review internal controls over financial reporting as an integral part of the audit of financial statements. However, we do not support the requirement for an audit of these internal controls as an exercise to be conducted for the purpose of issuing an internal control audit report. In our view, the focus of management and the auditors should be to ensure that any internal control weakness identified has not resulted in a misstatement of the financial statements. Further, we suggest that the existing report provided by auditors is sufficient to communicate the opinion of the auditors regarding the financial statements to the investment community and that the proposed internal control audit report would provide no additional useful information.

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

Respectfully submitted,

N.C. Southern

President & Chief Executive Officer ATCO Ltd.

K.M. Watson

Senior Vice President & Chief Financial Officer ATCO Ltd.

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.