



April 13, 2008

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c/o  
Carla-Marie Hait  
Chief Accountant, Corporate Finance  
British Columbia Securities Commission

and

Sylvie Anctil-Bavas  
Chef comptable  
Autorite des marches financiers

Dear Ms. Hait and Ms. Anctil-Bavas:

**Response to the CSA Concept Paper 52-402 – Possible Changes to Security Rules  
Relating to International Financial Reporting Standards**

AltaLink, L.P. ("AltaLink") welcomes the opportunity to comment on the CSA Concept Paper 52-402. We have reviewed the paper and the CSA staff's tentative conclusions and set out below our responses to the questions raised in the paper.

*Question 1 – Do you agree we should allow a domestic issuer to adopt IFRS-IASB for a financial year beginning on or after January 1, 2009?*

We agree, in principle, with the tentative conclusion made by the CSA to permit early adoption, however, we do share the CSA's concerns regarding the comparability of financial information. We would like to know of any proposed plans that the CSA have to address this concern.

*Question 2 – Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a domestic issuer to adopt IFRS-IASB before 2011?*

We believe that CSA staff has considered the significant factors in reaching its tentative conclusion.

*Question 3 – Do you agree we should not allow a SEC issuer to use US GAAP for financial years beginning on or after January 1, 2009, with the exception that a SEC issuer filing US GAAP financial statements in Canada for its most recent financial year ending on or before December 31, 2008, could continue doing so until 2013? If not, why do you disagree, and how, if at all, would you modify existing rules?*

We agree, in principle, with the CSA's tentative conclusion, however we do not agree with the proposed transition period of five years from 2009 to 2013. We believe that the conclusion should be stated as follows:

“Do not allow a SEC issuer to use US GAAP for financial years beginning on or after January 1, 2009, with the exception that a SEC issuer filing US GAAP financial statements in Canada for its most recent financial year ending on or before December 31, 2008, could continue doing so until 2010.”

*Question 4 – Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a SEC issuer to use US GAAP?*

Comparability and fairness are factors that were not specifically discussed in this paper when considering whether to allow a SEC issuer to use US GAAP when setting the length of time in the exception. When non-SEC filers are filing their financial statements under IFRS for years beginning on or after January 1, 2011 and a SEC filer has until 2013 to file under IFRS, a reduction in comparability will exist for these years (from 2011 to 2013). In addition, it will be unfair to require a non-SEC filer to file under IFRS by 2011 and allow a SEC filer until 2013 to file under IFRS. This will give SEC filers an additional three years to transition to IFRS when SEC filers are generally larger companies with more resources to devote to IFRS transition, compared to non-SEC filers.

*Question 5 – Is the proposed transitional period of five years from 2009 to 2013 appropriate?*

As discussed in our answers to Question 3 and 4 above, we do not believe the proposed transition period of five years from 2009 to 2013 is appropriate. We believe that the transition period should end at the same time as the transition period given to non-SEC filers, which is to comply with IFRS for years beginning on or after January 1, 2011.

*Question 6 – Do you agree that we should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB and require an audit report on such annual financial statements to refer to IFRS-IASB? If not, why?*

We agree that the CSA should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB and require an audit report on such annual financial statements to refer to IFRS-IASB. This will be consistent with the practice adopted by UK companies upon their conversion to IFRS.

We share the CSA's opinion that if reporting issuers refer to Canadian GAAP only, subsequent to the changeover date, many market participants may not understand that Canadian GAAP requires full compliance with IFRS-IASB.

In addition, readers of the financial statements may be confused when comparing financial statements before and after the changeover date as both sets of financial statements will refer to Canadian GAAP but the financial statements prepared after the changeover date is prepared under IFRS but still referred to as Canadian GAAP. This scenario will lead to two sets of financial statements, both referring to Canadian GAAP (when one set is actually prepared under IFRS) resulting in potentially materially different financial results.

We believe that it may be possible to implement a change in federal, provincial and territorial laws, regulatory rules and other such requirements to refer to IFRS rather than Canadian GAAP prior to 2011 by raising an omnibus bill to the appropriate levels of government to replace Canadian GAAP with IFRS prior to 2011.

*Question 7 Are there additional factors, not discussed in this paper, to consider in deciding whether securities rules should refer to IFRS-IASB rather than Canadian GAAP?*

A factor not discussed is the requirement in paragraph 3 of IFRS 1 that states the following:

*"An entity's first IFRS financial statements are the first annual financial statements in which the entity adopts IFRSs, by an explicit and unreserved statement in those financial statements of compliance with IFRSs."*

Therefore, since IFRS 1 requires an explicit statement of compliance with IFRS, it may cause confusion and even result in non-compliance if we state that the financial statements are in compliance with Canadian GAAP and IFRS or only Canadian GAAP.

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We hope that you find our comments useful and thank you for the opportunity to be able to comment on this paper. We would be pleased to discuss any questions or comments you may have in respect to this letter. To do so, please contact Richard McCabe, Vice President, Controller at (403) 267-4407 (e-mail: [Richard.mccabe@altalink.ca](mailto:Richard.mccabe@altalink.ca)).

Yours very truly,



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