

Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
Securities Administration Branch, New Brunswick
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Nova Scotia Securities Commission
Registrar of Securities, Legal Registries Division, Department of Justice, Government of
Nunavut
Ontario Securities Commission
Office of the Attorney General, Prince Edward Island
Commission des valeurs mobilières du Québec
Saskatchewan Securities Commission
Registrar of Securities, Government of Yukon

September 19, 2002

Peter Brady, Chair of the Continuous Disclosure Harmonization Committee
British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
F7Y 1L2

Denise Brosseau, Secretary
Commission des valeurs mobilières du Québec
Stock Exchange Tower
800 Victoria Square
P.O. Box 246, 22nd Floor
Montréal, Québec
H4Z 1G3

Dear Mr. Brady and Ms. Brosseau:

Re: Request for Comments - Proposed National Instrument 51-102

The ATCO Group (“ATCO”) is pleased to provide the following comments regarding proposed changes to Continuous Disclosure Obligations as outlined in National Instrument 51-102.

Filing Deadlines for Annual and Interim Financial Statements and MD&A

The proposal to shorten filing requirements to 90 days after year-end for annual financial statements and MD&A and 45 days for the 1st, 2nd and 3rd quarter interims is acceptable to ATCO. However, were ATCO to issue 4th quarter interim reports for its three

public companies in order to provide the marketplace with more timely disclosure, the 45-day filing deadline would be onerous.

Given the diversity and complexity of ATCO's businesses and their world-wide operations, and given that the Audit Committees and Boards of Directors would not be comfortable releasing 4th quarter interim results without a thorough review of all related documents – financial statements, MD&A and AIF, ATCO is concerned that the accuracy of financial information may be compromised in the collection, processing, review and delivery of financial information in such a short space of time. Such review is now prescribed under Section 3.11 of Companion Policy 51-102CP and “best disclosure “ practices in National Policy 51-201). As well, the auditors would also be under intense pressure to complete their audit work for the ATCO companies. ATCO is of the opinion that such conditions have the potential to weaken the value of financial disclosures to the investment community.

This situation would be further exacerbated by a move to 60 days for annual filings and 30 days for interim filings as proposed by the SEC.

Elimination of Mandatory Delivery of Financial Statements and MD&A

ATCO agrees with the proposed elimination of mandatory delivery of financial statements and MD&A to all share owners. Also, the opportunity to deliver these documents “as soon as practicable” alleviates the added pressure that would result if delivery and filing were to remain concurrent. However, further consideration should be given to defining “as soon as practicable”, say at 60 days for interim disclosures and 140 days for annual disclosures.

MD&A – Future Performance and Results

Form 51-102F2 Sections 1.3 (g), 1.4 (b) and 1.5 (b) call for analysis of operations, liquidity and capital resources with respect to known trends, demands, expected fluctuations, commitments, events, risks and uncertainties that ATCO reasonably believes will materially affect future performance and results. In light of:

- the enormity of the disclosures that may be required to cover such a broad requirement;
- the inherent inaccuracies associated with forecasts of future performance;
- the possibility that omissions may have negative repercussions,

ATCO does not agree with this change in MD&A disclosures.

MD&A – Section 1.9 Critical Accounting Policies

ATCO does not agree with the proposals to analyze discuss and explain critical accounting policies that impact on the financial condition, results of operations and cash flows in the MD&A beyond the disclosures already contained in the notes to the financial statements.

The accounting policies adopted by ATCO are in accordance with Generally Accepted Accounting Principles (“GAAP”) and, where more than one accounting treatment is permitted by GAAP, reflect the choices made by management as to the accounting policies that are appropriate in the circumstances. These choices are reviewed and approved by the auditors.

Form 51-102F2 Section 1.9 calls for discussion and explanation of “judgments and uncertainties affecting the application of [critical accounting] policies, and the likelihood that materially different amounts would be reported under different policies or using different assumptions”. ATCO is of the opinion that directors and management, who are responsible for the presentations made to investors, and the independent auditors, who give their opinion as to the fairness of those presentations, are in the best position to evaluate the appropriateness of a particular accounting policy. In the Introduction to Accounting Recommendations in the CICA Handbook, the Accounting Standards Board “recognizes that no rule of general application can be phrased to suit all circumstances or combination of circumstances that may arise, nor is there any substitute for the exercise of professional judgement in the determination of what constitutes fair presentation or good practice in a particular case.” ATCO is of the opinion that the onus for the exercise of professional judgment rests squarely on the preparers and auditors of the financial statements.

We would be pleased to discuss our comments with you. Please contact me at 403-292-7528 if you have any questions or comments.

Regards,

Karen M. Watson
Vice President, Finance & Controller