

TRANSALTA CORP
Form 40-F
April 01, 2005

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C 20549

FORM 40-F

ANNUAL REPORT

under

THE SECURITIES EXCHANGE ACT OF 1934

TransAlta Corporation

(Exact name of the Registrant as specified in its charter)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

[Check one]

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REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

Commission file number: 001-15214

TRANSALTA CORPORATION

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English (if applicable))

Canada

(Province or other jurisdiction of incorporation or organization)

4911

(Primary Standard Industrial Classification Code Number (if applicable))

None

(I.R.S Employer Identification Number (if applicable))

110-12th Avenue S.W., Box 1900, Station "M", Calgary, Alberta, T2P 2M1, (403) 267-7110

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System, 111 8th Avenue, 13th Floor, New York, New York, 10011, (212) 894-8400

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class

Common Shares, no par value

Common Share Purchase Rights

Name of each exchange

on which registered

New York Stock Exchange

New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

Common Shares

Common Share Purchase Rights

(Title of Class)

For annual reports, indicate by check mark the information filed with this form:

S

Annual information form

S Audited annual financial statements

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 194,100,370 common shares.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes 82-_____

No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

INCORPORATION BY REFERENCE

Exhibits 1, 2 and 3 to this Form are incorporated by reference.

DISCLOSURE CONTROLS AND PROCEDURES

TransAlta (the “Company”) has designed disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Chief Executive Officer and Chief Financial Officer by others within the Company, including its consolidated subsidiaries, on a regular basis, in particular during the period in which its Annual Report on Form 40-F relating to financial results for the fiscal year ended December 31, 2004 are being prepared. The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the disclosure controls and procedures as of a date within 90 days of the date of this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded, as of that evaluation date, that the Company’s disclosure controls and procedures were effective to ensure that material and information relating to the Company, including its consolidated subsidiaries, was made known to them by others within those entities during the period in which this report was being prepared. There have been no significant changes in the internal controls or in other factors that could significantly affect internal controls subsequent to the date of the most recent evaluation by the Chief Executive Officer and Chief Financial Officer, including any corrective actions with regard to significant deficiencies and material weaknesses.

AUDIT COMMITTEE FINANCIAL EXPERT

The Company’s board of directors has determined that it has at least one audit committee financial expert serving on its audit and environment committee (the “AE Committee”). Mr. William D. Anderson and Mr. John T. Ferguson have been determined to be the financial experts, within the meaning of Section 407 of the United States Sarbanes-Oxley Act of 2002, and each of them is independent, as that term is defined by the New York Stock Exchange’s listing standards applicable to the Company.

CODE OF ETHICS

The Company has adopted a code of ethics (the “Corporate Code of Conduct”) that applies to all employees and officers, including its Chief Executive Officer, Chief Financial Officer, principal accounting officer and persons performing similar functions. The Corporate Code of Conduct is available on the Company’s Internet website, www.transalta.com.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

For the years ended December 31, 2004 and 2003, Ernst & Young LLP and its affiliates were paid approximately \$2.75 million and \$2.37 million, respectively, as detailed below:

| | Year-ended December 31 | |
|--------------------|-------------------------------|---------------------|
| | 2004 | 2003 |
| Ernst & Young LLP | | |
| Audit Fees | \$ 1,336,999 | \$ 1,015,916 |
| Audit-Related Fees | \$ 201,866 | \$ 143,521 |
| Tax Fees | \$ 1,062,479 | \$ 322,496 |
| All Other Fees | \$ 146,282 | \$ 886,644 |
| Total | \$ 2,747,626 | \$ 2,368,577 |

No other audit firms provided audit services in 2003 or 2004.

The nature of each category of fees is described below.

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements or services provided in connection with statutory and regulatory filings or engagements, including the translation from English to French of the Company's financial statements and other documents.

Audit-Related Fees

The audit-related fees were primarily for work performed by Ernst & Young LLP in relation to the Company's financings and the sale of one of its plants.

Tax Fees

The majority of tax fees for 2004 related to the finalization of tax credit recoveries for work which commenced prior to 2002. In 2003, the tax fees primarily related to compliance services provided, including services relating to the filing of tax returns for the Company and its subsidiaries.

All Other Fees

In 2004, the majority of the amounts in “All Other Fees” related to the sublease of office space in Australia. In 2003, the other services performed were primarily related to services performed by the auditors in specific transactions involving the Company, including the acquisition of an interest in CE Generation LLC, the sale of the Company’s head office building and assistance in various regulatory proceedings involving the Company.

Pre-Approval Policies and Procedures

The AE Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors’ independence. In May 2002, the AE Committee adopted a policy that prohibits the Company from engaging the auditors for “prohibited” categories of non-audit services and requires pre-approval of the AE Committee for other permissible categories of non-audit

services, such categories as determined under the United States Sarbanes Oxley Act of 2002. This policy is set forth in Exhibit 10.

Percentage of Services Approved by the AE Committee

For the year ended December 31, 2004, none of the services described above were approved by the AE Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

See page 48 of Exhibit 2 and pages 91 to 94 of Exhibit 3.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

See page 47 of Exhibit 2 and page 96 of Exhibit 3.

IDENTIFICATION OF THE AUDIT COMMITTEE

See pages 29 and 30 of Exhibit 1.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

TransAlta Corporation undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Registrant:

TRANSALTA CORPORATION

signed "I.A.Bourne"

Ian A. Bourne

Executive Vice President and Chief Financial Officer

signed "Alison T. Love"

Alison T. Love
Corporate Secretary

Dated: March 29, 2005.

EXHIBITS

Exhibit Renewal Annual Information Form of TransAlta Corporation
1 for the year ended December 31, 2004, dated March 30, 2005.

Exhibit Management's Discussion and Analysis for the fiscal year
2 ended December 31, 2004.

Exhibit Audited Consolidated Financial Statements of TransAlta
3 Corporation for the fiscal years ended December 31, 2004 and
2003 found in the Annual Report for the fiscal year ended
December 31, 2004 (see note 26 for Differences between
Canadian and United States Generally Accepted Accounting
Principles for the year ended December 31, 2004).

Exhibit Consent of Ernst & Young LLP.
4

Exhibit Certification of President and Chief Executive Officer
5.1 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Certification of Chief Financial Officer pursuant to Section
5.2 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Certification of President and Chief Executive Officer
5.3 pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit Certification of Chief Financial Officer pursuant to Section
5.4 906 of the Sarbanes-Oxley Act of 2002.

Exhibit Audit & Environmental Committee Pre-Approval Policies and
10 Procedures.