



**National Rural Electric  
Cooperative Association**

A Touchstone Energy® Cooperative

August 28, 2013

Mr Hans Hoogervorst  
Chairman of the International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Via email

Dear Chairman Hoogervorst,

The National Rural Electric Cooperative Association (NRECA) is the national service organization dedicated to representing the interests of cooperative electric utilities and the consumers they serve. NRECA's members include more than 900 not-for-profit rural electric utilities that provide electric energy to over 42 million people in 47 states or 12 percent of electric customers in the United States. Our members fully support the International Accounting Standards Board's (IASB) project on Rate-regulated Activities.

We firmly believe that recording assets and liabilities that reflect the economic effects of the actions of rate regulators fairly and accurately present the regulated companies' financial position and results of operations. We support the temporary relief provided under the proposed Regulatory Deferral Accounts Exposure Draft for those adopting International Financial Reporting Standards (IFRS) prior to completion of the IASB's consideration of these matters in the overall project.

We concur that a decision to provide the relief proposed by the Exposure Draft does not and should not impact the final outcome of the IASB's project on rate-regulated activities. However, for those rate-regulated entities that may be adopting IFRS while the project is under consideration, we believe it would be appropriate and practical to allow them to continue to recognize the effects of rate regulation as proposed in the Exposure Draft pending the IASB's final action on the project. This approach would allow those entities to continue to reflect the economic effects of regulation in a manner that is presently well-understood by their stakeholders.

With warm regards,

A handwritten signature in black ink that reads "Russ Wasson". The signature is written in a cursive, slightly slanted style.

Russell Wasson

Director Tax, Finance & Accounting Policy

Ph: (703) 907-5802

[Russell.Wasson@nreca.coop](mailto:Russell.Wasson@nreca.coop)