

# STAFF PAPER

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**IASB Meeting**  
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<b>Project</b>	<b>Rate-regulated Activities</b>		
<b>Paper topic</b>	Examples with expanded presentation		
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## Purpose of this paper

- The purpose of this paper is to expand the formatting of the tables in Agenda Paper 9B to show a more intuitive presentation for the regulated rate adjustment income/expense and ‘interest’ income/expense.

## Examples with expanded presentation

- Example 2—The table below expands on the table following paragraph 27 in Agenda Paper 9B. This table breaks out the regulated rate adjustment into two components: the income/ expense and the ‘interest’ income.

Year to 31 December	20X1 CU000	20X2 CU000	20X3 CU000	20X4 CU000	20X5 CU000	Total CU000
<i>Recognising the regulatory asset at its present value of CU80,000 using a discount rate of 2%</i>						
Net Revenue (amounts billed)	20	21.5	21.1	20.8	20.4	103.8
Regulated rate adjustment: income/ (expense)	80	(21.5)	(21.1)	(20.8)	(20.4)	(3.8)
Regulated rate adjustment: ‘interest’ income	0	1.5	1.1	0.8	0.4	3.8
Operating expenses	(100)	(0)	(0)	(0)	(0)	(100)
Profit/ (Loss)	0	1.5	1.1	0.8	0.4	3.8
Regulatory (liability)/ asset	80	60	40	20	0	

3. Example 4—The table below expands on the table following paragraph 40 in Agenda Paper 9B. This table breaks out the regulated rate adjustment into two components: the income/ expense and the ‘interest’ income.

Year to 31 December	20X1 CU000	20X2 CU000	20X3 CU000	20X4 CU000	20X5 CU000	Total CU000
<i>Recognising the regulatory asset at its present value of CU83,200 using a discount rate of 2%</i>						
Revenue (amounts billed)	20	22.8	22.0	21.5	20.7	107
Regulated rate adjustment: income/ (expense)	83.2	(22.8)	(22.0)	(21.5)	(20.7)	(3.8)
Regulated rate adjustment: ‘interest’ income	0	1.5	1.1	0.8	0.4	3.8
Operating expenses	(100)	(0)	(0)	(0)	(0)	(100)
<b>Profit/ (Loss)</b>	<b>3.2</b>	<b>1.5</b>	<b>1.1</b>	<b>0.8</b>	<b>0.4</b>	<b>7</b>
Regulatory (liability)/ asset	83.2	61.9	41.0	20.3	0	

4. Example 4—The table below expands on the table following paragraph 42 in Agenda Paper 9B. This table breaks out the regulated rate adjustment into two components: the income/ expense and the ‘interest’ income.

Year to 31 December	20X1 CU000	20X2 CU000	20X3 CU000	20X4 CU000	20X5 CU000	Total CU000
<i>Recognising the regulatory asset at its present value of CU80,000 using a discount rate of 3.7%</i>						
Revenue (amounts billed)	20	22.8	22.0	21.5	20.7	107
Regulated rate adjustment: income/ (expense)	80	(22.8)	(22.0)	(21.5)	(20.7)	(7)
Regulated rate adjustment: ‘interest’ income	0	2.8	2.0	1.5	0.7	7
Operating expenses	(100)	(0)	(0)	(0)	(0)	(100)
<b>Profit/ (Loss)</b>	<b>0</b>	<b>2.8</b>	<b>2.0</b>	<b>1.5</b>	<b>0.7</b>	<b>7</b>
Regulatory (liability)/ asset	80	60	40	20	0	

5. Example 5—The table below expands on the table following paragraph 51 in Agenda Paper 9B. This table breaks out the regulated rate adjustment into two components: the income/ expense and the ‘interest’ income.

Year to 31 December	20X1 CU000	20X2 CU000	20X3 CU000	20X4 CU000	20X5 CU000	Total CU000
<i>Regulatory asset at end of 20X1 and 20X2 measured at present value of future cash flows using a discount rate of 2%</i>						
Revenue (amounts billed)	0	0	36.0	35.4	34.7	106.1
Regulated rate adjustment: income/ (expense)	100	0	(36.0)	(35.4)	(34.7)	(6.1)
Regulated rate adjustment: ‘interest’ income	0	2.0	2.0	1.4	0.7	6.1
Operating expenses	(100)	(0)	(0)	(0)	(0)	(100)
<b>Profit/ (Loss)</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.4</b>	<b>0.7</b>	<b>6.1</b>
Regulatory (liability)/ asset	100.0	102.0	68.0	34.0	0	

6. Example 5—The table below expands on the table following paragraph 52 in Agenda Paper 9B. This table breaks out the regulated rate adjustment into two components: the income/ expense and the ‘interest’ income.

Year to 31 December	20X1 CU000	20X2 CU000	20X3 CU000	20X4 CU000	20X5 CU000	Total CU000
<i>Regulatory asset at end of 20X2 measured at nominal amount of costs incurred</i>						
Revenue (amounts billed)	0	0	36.0	35.4	34.7	106.1
Regulated rate adjustment: income/ (expense)	100	0	(36.0)	(35.4)	(34.7)	(6.1)
Regulated rate adjustment: ‘interest’ income	0	0	2.6	2.1	1.4	6.1
Operating expenses	(100)	(0)	(0)	(0)	(0)	(100)
<b>Profit/ (Loss)</b>	<b>0.0</b>	<b>0.0</b>	<b>2.6</b>	<b>2.1</b>	<b>1.4</b>	<b>6.1</b>
Regulatory (liability)/ asset	100.0	100.0	66.6	33.3	0	