



September 4, 2013

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Exposure Draft: Regulatory Deferral Accounts

The American Gas Association (AGA) appreciates the opportunity to comment on the International Accounting Standards Board's (IASB) Exposure Draft, Regulatory Deferral Accounts. Founded in 1918, AGA represents 199 local energy companies that deliver clean natural gas throughout the United States. There are more than 70 million residential, commercial and industrial natural gas customers in the U.S., of which 91 percent — more than 64 million customers — receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies and industry associates. Today, natural gas meets almost one-fourth of the United States' energy needs.

AGA's members are actively engaged with the IASB's overall project on Rate-regulated Activities. Along with the Edison Electric Institute (EEI), we provided a comprehensive response to the IASB's March 2013 Request for Information – Rate Regulation, and a representative of one of our companies (Exelon Corporation which is a member of both AGA and EEI) is a member of the project Consultative Group.

We strongly believe that recording assets and liabilities that reflect the economic impacts of the actions of the rate regulators faithfully represents regulated companies' financial position and results of operation. We therefore support the temporary relief provided under the proposed Regulatory Deferral Accounts Exposure Draft for those adopting IFRS prior to completion of the IASB's consideration of these matters comprehensively within its overall project.

We agree that a decision to provide the relief proposed by this Exposure Draft does not, and should not, impact the final outcome of the IASB's overall project. However, for those rate-regulated entities adopting IFRS while that project is actively underway, we believe it would be both 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 examination of that accounting under IFRS. This approach would allow those entities to continue to reflect the economic impacts of regulation in a manner that is presently well-understood by their stakeholders without moving to an accounting treatment that is under active reconsideration until the final conclusion of that project is decided.

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AGA appreciates the opportunity to provide our input on the Exposure Draft. We would be pleased to discuss our comments and to provide any additional information that you may find helpful.

Very truly yours,

[s] William R. Ford

William R. Ford, Chair, AGA Accounting Advisory Council
Controller, Washington Gas Light Company