



September 4, 2013

Attention: Mr. Hans Hoogervorst

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

Submitted electronically through the IFRS Foundation website (www.ifrs.org)

Dear Mr. Hoogervorst,

Re: Exposure Draft ED/2013/5 Regulatory Deferral Accounts

We are pleased to respond to the International Accounting Standards Board's (the IASB's) Exposure Draft *Regulatory Deferral Accounts* ('the Exposure Draft').

The Canadian Electricity Association ("CEA") is the national forum and authoritative voice of electricity in Canada. CEA members represent approximately 90 percent of all generation, transmission, distribution and marketing of electricity in Canada, as well as leading manufacturers and suppliers to the industry. CEA appreciates the opportunity to provide comments on the Exposure Draft. CEA's Finance and Accounting Committee, which includes more than 25 representatives from some of the largest member organizations, has reviewed the Exposure Draft.

Overall, we support the proposals contained in the Exposure Draft for regulatory deferral accounts. We agree that they meet the IASB's objectives, as stated in the proposed standard.

In our opinion, the Exposure Draft presents a principles-based approach rather than a rules-based approach. Using a principles-based approach is consistent with IFRS. We also believe that users and preparers, including those within jurisdictions that have fully adopted IFRS, agree that regulatory deferral accounts have value and should be presented in financial statements. We recognise that some groups disagree with the proposed standard. However, we believe that it is a reasonable compromise between the desire to have regulatory deferral balances recognised versus the opinion that such balances should not be recognised, until the comprehensive project is complete. Some groups have also commented that other interim standards have been in place for a number of years, and little or no progress has since been made for comprehensive standards related to these projects. However, we consider that the proposed interim standard for regulatory deferral accounts will have a limited life, as we expect the comprehensive project to be completed relatively soon.

Should you have any questions or require any additional information about our comments, please contact Mr. Richard McCabe, Chair of the Accounting & Finance Committee. Mr. McCabe may be contacted as follows:



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Sincerely,

A handwritten signature in black ink, appearing to read 'F Bradley'.

Francis Bradley

Vice-President, Policy Development, CEA

