



May 29, 2015

Technical Director
File Reference: 2015-240
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: 2015-240
Proposed Accounting Standards Update
Revenue from Contracts with Customers (Topic 606)
Deferral of the Effective Date

Dear Ms. Cosper:

The Edison Electric Institute (EEI) and the American Gas Association (AGA) appreciate the opportunity to comment on the Financial Accounting Standards Board's (FASB or Board) proposed Exposure Draft on the Proposed Accounting Standard Updates (ASU) on Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date (hereafter the "Exposure Draft").

EEI is the association that represents all U.S. investor-owned electric companies. EEI members provide electricity for 220 million Americans, operate in all 50 states, and directly employ more than a 500,000 workers. With more than \$90 billion in annual capital expenditures, the electric power industry is responsible for millions of additional jobs. EEI has 70 international electric companies as Affiliate Members and 250 industry suppliers and related organizations as Associate Members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

The AGA, founded in 1918, represents 202 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 almost 93 percent – more than 65 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 gas companies and industry associates. Today, natural gas meets almost one-fourth of the United States' energy needs.

EEI and AGA regularly work together on projects of mutual interest and impact to the energy utility sector broadly, and the comments expressed herein represent the majority view of each organization's member companies.

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Question 1: Should the effective date of the guidance in Update 2014-09 be deferred for one year for public business entities, certain not-for-profit entities, and certain employee benefit plans? Please explain why.

We support the Board's proposal to defer the effective date of ASU 2014-09 (the Update) for one year. We believe this additional time is necessary for our member companies to (i) fully evaluate how the guidance in the Update will impact different revenue streams, (ii) update internal controls to address changes in financial reporting processes affected by the Update, (iii) modify IT systems to capture and process any new information required by the Update, including information related to its disclosure requirements, and (iv) either recast prior period financial information or calculate the cumulative effect of adopting the Update, as the case may be.

Question 3: In addition to providing a one-year deferral of the effective date of the guidance in Update 2014-09, should the Board also provide an optional two-year deferral for all entities that apply that guidance retrospectively to each reporting period presented? Please explain why.

We support the Board providing an optional two-year deferral for all entities that apply the Update retrospectively to each reporting period presented. We believe the incremental effort to apply the Update retrospectively warrants additional relief to those reporting entities that choose this method of adoption.

Question 4: Should earlier application of the guidance in Update 2014-09 be permitted as of the effective date originally included in Update 2014-09? Please explain why.

We support the Board providing reporting entities the option to begin applying the guidance in accordance with the timeline originally codified in the Update. Certain of our members may determine that the impact of applying the Update will not result in a significant change to their historical revenue recognition practices. We believe those reporting entities should have the option to adopt the guidance in Update 2014-09 based upon the original effective date.

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EEI and AGA appreciate 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/ Richard F. McMahon, Jr.

Richard F. McMahon, Jr.
Vice President, Edison Electric Institute

/s/ William R. Ford

William R. Ford
Vice President & Chief Accounting Officer, Washington Gas Light Company
Chairman, American Gas Association Accounting Advisory Council