July 6, 2015

Technical Director
File Reference: 2015-260
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: 2015-260 – Proposed ASU, *Business Combinations* (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments

Dear Ms. Cosper:

The American Gas Association (AGA) respectfully submits our comments on the Financial Accounting Standards Board's (FASB) exposure draft on the proposed Accounting Standards Update – *Business Combinations* (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments (herein referred to as the "Exposure Draft"). The American Gas Association, 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.

Question 1: Should adjustments to provisional amounts and the corresponding adjustment to goodwill that are identified during the measurement period be recognized in the reporting period in which the adjustment amount is determined? Why or why not?

We agree with the provisions in the Board's proposed Exposure Draft that would require adjustments to provisional amounts identified during the measurement period to be recognized in the reporting period in which the adjustment amount is determined. We believe the proposal will achieve the Board's objective of reducing the cost and complexity of applying US GAAP while maintaining the usefulness of the information provided to users of the financial statements.

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Question 2: If adjustments to provisional amounts as of the acquisition date would have affected earnings in periods subsequent to the initial accounting for the business combination, should the effect on earnings, in periods prior to the adjustment period, of changes in depreciation, amortization, or other income effects be recognized in the income statement in the reporting period in which the adjustment to the provisional amount is determined? Why or why not?

Yes. We agree with the provisions in the proposed Exposure Draft to recognize any income effect of changes in provisional amounts in the reporting period that such change is determined. We believe that the cost and complexity of recasting prior period financial information to reflect the income effect of changes in provisional amounts outweighs any benefits that such information may provide to users of the financial statements.

Question 3: Should the proposed guidance be applied prospectively to adjustments made to provisional amounts that are identified after the effective date and that are within the measurement period? Why or why not?

Yes. We believe that the guidance in the proposed Exposure Draft should be applied prospectively.

Question 4: How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?

We expect the adoption of the amendments being proposed in the Exposure Draft to take minimal time and effort. We believe early adoption should be permitted to allow impacted entities to begin realizing the benefits being proposed in the Exposure Draft as quickly as possible.

The AGA appreciates the opportunity to provide our input on the proposed 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

Vice President & Chief Accounting Officer
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