

September 30, 2014

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

**File Reference: 2014-210 – Proposed Accounting Standard Update, Inventory
(Topic 330)
and**

**File Reference: 2014-220 – Proposed Accounting Standards Update, Income
Statement – Extraordinary and Unusual Items (Subtopic 225-20)**

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 Drafts of Proposed Accounting Standard Updates (ASU) on extraordinary and unusual items and simplifying the measurement of inventory (hereafter the "proposed Exposure Drafts").

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 half-million workers. With more than \$85 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.

Technical Director
Financial Accounting Standards Board
September 30, 2014
Page 2

EI 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.

Overall support

EI and AGA strongly support the Board's Simplification Initiative and are pleased to see the Initiative resulted in these proposed Exposure Drafts. We support the measurement of inventory at the lower of cost or net realizable value instead of lower of cost or market. Likewise we support the elimination of the concept of extraordinary items from US GAAP. We believe the proposed Exposure Drafts will reduce the cost and complexity of the measurement of inventory and the preparation of the statement of operations while maintaining the usefulness of the information provided to users of the financial statements. We support the Board's proposed effective date of December 15, 2015 and appreciate the flexibility afforded with the ability to adopt early. We also support the Board's proposal that the proposed Exposure Drafts would not be applied retrospectively.

EI and AGA appreciate the opportunity to provide our input on the proposed Exposure Drafts. 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

Vice President & Chief Accounting Officer
WGL Holdings, Inc. and Washington Gas Light Company
Chairman of the American Gas Association Accounting Advisory Council