

September 25, 2012

Technical Director
File Reference: 2012-200
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Ms. Cosper:

File Reference: 2012-200 Financial Instruments (Topic 825), Disclosures about Liquidity Risk and Interest Rate Risk

The American Gas Association ("AGA") is pleased to submit our comments on the Financial Accounting Standards Board's (FASB or the Board) Proposed Accounting Standards Update—Financial Instruments (Topic 825), Disclosures about Liquidity Risk and Interest Rate Risk ("the ED"). The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 71 million residential, commercial and industrial natural gas customers in the U.S., of which 92 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 natural gas companies and industry associates. Today, natural gas meets almost one-fourth of the United States' energy needs.

As noted in previous communications with the Board, AGA regularly partners with the Edison Electric Institute (EEI) on issues of importance to the regulated utility industry, and accordingly we share views similar to those expressed within EEI's comment letter on the ED. In summary, we also support the Board's goal to provide users of financial statements with more decision-useful information about entity-level exposures to liquidity risk; however, we do not believe that the ASU, as currently written, will achieve this objective.

We concur with the EEI's primary concern that the proposed requirements will result in duplicative and/or overlapping disclosures when considered alongside existing SEC disclosure requirements, decreasing the clarity, relevance and usefulness of our members' reported financial results to their users, in addition to adding unnecessary incremental preparation costs. Further, we are also in agreement with EEI's suggestion that more consideration of the impacts on non-financial entities, including EEI member companies and users of their financial statements, is required before a final ASU is issued. Accordingly, we do not believe that the proposed liquidity

disclosures should be adopted for non-financial institutions. However, should the Board decide to proceed with the issuance of an ASU, we believe a number of changes are required related to the scope and characterization of the proposed information, consistent with EEI's more detailed comments.

For the reasons discussed above and further elaborated within EEI's comment letter, we believe this project (at least as it relates to non-financial institutions) should be deferred in lieu of further developing the Board's overall Disclosure Framework project, in addition to engaging in necessary coordination with the SEC regarding its existing required disclosures around liquidity risk. Finally, we also believe such disclosures are best suited for MD&A where appropriate management discussion can be provided.

We appreciate your consideration of this topic and our comments. We would be pleased to discuss the impact on our industry with you and to provide any additional information that you may find helpful in addressing this issue.

Very truly yours,

Stephen P. Feltz [s]

Stephen P. Feltz, Treasurer and Controller, NW Natural Chairman of the American Gas Association Accounting Advisory Council