June 7, 2018

Financial Accounting Standards Board
Technical Director
File Reference No. 2018-240
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USA

Linda Trudeau
Senior Director - Specialized Accounting and Taxation
Hydro-Québec
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Canada

Dear Sir, Madam:

Re: Comments on the Board’s Exposure Draft, Collaborative Arrangements (Topic 808) — Targeted Improvements

Hydro-Québec is a major North American producer, transmission provider and distributor of electricity, operating mainly in the province of Québec, Canada. Its sole shareholder is the Québec government. In Québec, the transmission and distribution of electricity are regulated by the Régie de l’énergie.

On behalf of Hydro-Québec, we thank you for giving us the opportunity to comment on the Board’s Exposure Draft entitled Collaborative Arrangements (Topic 808) — Targeted Improvements.

We support the Financial Accounting Standards Board’s objective to clarify the interaction between Topic 808 and Revenue from Contracts with Customers (Topic 606). Attached are our responses to the questions in the exposure draft.

Should you wish to discuss any aspects of this comment letter in greater detail, please do not hesitate to contact me.

Sincerely,

Linda Trudeau, CPA, CA
Senior Director – Specialized Accounting and Taxation

Encl.
Proposed Accounting Standards Update
Collaborative Arrangements (Topic 808)
Targeted Improvements

Question 1: Would the amendments in this proposed Update clarify when a transaction between collaborative participants is within the scope of the revenue guidance in Topic 606? Would the proposed amendments reduce diversity in practice in this area? If not, please explain why.

Yes, we believe the proposed Update would clarify when a transaction between collaborative participants is within the scope of the revenue guidance in Topic 606 and will reduce diversity in practice in this area.

Question 2: Is additional guidance necessary to determine whether a collaborative participant is a customer? If so, please provide suggestions.

No, we believe additional guidance is unnecessary.

Question 3: Are the proposed amendments on presentation in paragraph 808-10-45-3 operable? Would the proposed amendments reduce diversity in practice in this area?

Yes, we believe the proposed amendments on presentation are operable and would reduce diversity in practice in this area.

Question 4: Would the proposed amendments on the unit of account clarify that the unit-of-account guidance in Topic 606 should be applied for determining if a transaction is within the scope of Topic 606? If not, please explain why.

Yes, we believe the proposed amendments on the unit of account would clarify that the unit-of-account guidance in Topic 606 should be applied for determining if a transaction is within the scope of Topic 606.

Question 5: Should a reporting entity be required to provide additional recurring disclosures (that is, incremental disclosures to those required in Topic 808 and Topic 606) because of the proposed amendments? If so, what additional recurring disclosures should be required?

No, we believe a reporting entity should not be required to provide additional recurring disclosures because of the proposed amendments.

Question 6: Do you agree with the proposed transition requirements, including the retrospective application to the adoption date of Topic 606? If not, what transition method would be more appropriate and why?

Yes, we agree with the proposed transition requirements, including the retrospective application to the adoption date of Topic 606.

Question 7: How much time is needed to implement the proposed amendments? Should early adoption be permitted?

We believe the proposed amendments should not require much time to implement. Early adoption should be permitted.
Proposed Accounting Standards Update
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**Question 8:** Should entities other than public business entities be provided with more time to implement the proposed amendments? If so, how much more time?

We choose not to reply to this question given that Hydro-Québec is a public business entity.