



September 4, 2013

International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Exelon Corporation (Exelon) appreciates the opportunity to comment on the International Accounting Standards Board's (the Board's) Exposure Draft *Regulatory Deferral Accounts* (the Regulatory Deferral Accounts ED).

Exelon is a preparer of financial statements in accordance with U.S. GAAP and is one of the United States' largest electric utilities with approximately \$23 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 6.6 million customers in Maryland, Illinois and Pennsylvania and natural gas to approximately 1.2 million customers in central Maryland and southeastern Pennsylvania. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC. Exelon has over 26,000 employees, primarily based in Illinois, Maryland, and Pennsylvania. As of December 31, 2012, Exelon reported approximately \$7.3 billion and \$4.3 billion of regulatory assets and liabilities, respectively.

We are a member of the Edison Electric Institute (EEI), an association of U.S. shareholder owned electric companies, and have participated in the development of EEI's response to the IASB March 2013 Request for Information *Rate Regulation* as part of the Board's *Rate-regulated Activities* project, of which we remain fully supportive.

We strongly believe that the recording of regulatory assets and liabilities best represents the economic substance of the legally enforceable rights and obligations created by the actions of the rate regulators of our public utilities. We therefore are supportive of the proposed Regulatory Deferral Accounts ED providing for such accounting treatment.

Information about the actions and decisions of a rate regulator has both predictive and confirmatory value to the primary users of the utility's financial statements, including management, suppliers, customers, investors, credit rating agencies, rate and other regulators, and governmental authorities.

These financial statement users seek transparency about the amounts, timing and certainty of the utility's future cash flows, which is significantly impacted by the decisions and actions of rate regulators. Timely and complete information about the financial implications of rate regulator actions also provides important indications to users as to the regulatory environment in which the utility operates. Therefore, without timely recognition of the economic rights and obligations granted by the rate-regulator as of any point in time, the relevance and usefulness of the GAAP financial statements are significantly diminished.

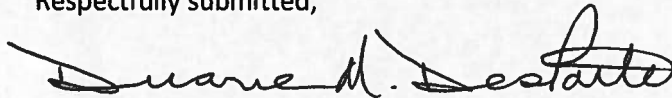


Yet the information remains relevant to the users, such that in the absence of recognized regulatory balances, users will either have to apply their own pro forma adjustments to amounts reported in the GAAP financial statements, or significant supplemental disclosures would need to be made by the Company to adequately meet user information needs. Such approaches would increase the risk of inconsistency and lack of comparability across utility financial statements.

Indeed, despite adopting IFRS, most Canadian utilities have continued to apply U.S. or Canadian GAAP for rate-regulated activities to ensure their financial statements remain relevant and comparable to their primary "competitors" for debt and equity capital in North America. As the approach set forth in the Regulatory Deferral Accounts ED is responsive to these concerns regarding relevance and comparability for any jurisdiction initially adopting IFRS, we are supportive of the proposal as an effective stop-gap measure until further, permanent guidance is implemented pursuant to the Board's comprehensive *Rate-regulated Activities* project.

We appreciate your consideration of these comments. If you have any questions or would like to discuss further, please contact me at 312-394-4736 or by email at [duane.desparte@exeloncorp.com](mailto:duane.desparte@exeloncorp.com).

Respectfully submitted,

A handwritten signature in black ink, reading "Duane M. DesParte". The signature is fluid and cursive, with the first name "Duane" and last name "DesParte" clearly legible.

Duane M. DesParte  
Senior Vice President and Corporate Controller  
Exelon Corporation