



VIA ELECTRONIC DELIVERY

December 14, 2011

Public Company Accounting Oversight Board
Office of the Secretary
1666 K Street, NW
Washington D.C. 2006-2803

Re: Public Company Accounting Oversight Board ("PCAOB" or "Board")
Concept Release on Auditor Independence and Audit Firm Rotation
Release 2011-006, Docket Matter No. 37

The Audit Committee of Edison International ("Edison") appreciates the opportunity to comment on the PCAOB's Concept Release on Auditor Independence and Audit Firm Rotation. We recognize the financial statements' importance in providing useful information to investors and that the audit of such statements by an independent accountant (conducted objectively with professional skepticism), increases reliability of such information for investors. As noted in the Concept Release, the Board has concluded that implementation of reforms resulting from the Sarbanes-Oxley Act (Sarbanes-Oxley) has significantly improved the quality of public company auditing. Although our Audit Committee has always been diligent, our meetings include focus topics, in addition to the routine requirements, resulting in more substantive deliberations and improving oversight quality.

While we support these efforts to improve audit quality, we strongly oppose mandatory auditor rotation for the following reasons:

1. Mandatory rotation undermines the authority and fiduciary duties of the Audit Committee and its responsibility to the Board.

The Audit Committee is in the best position to evaluate the independence, objectivity, performance and service quality of the audit firm and to determine whether auditor rotation is in the best interest of investors, weighing all the advantages and disadvantages. The decision to change auditors is part of the Committee's oversight function under Sarbanes-Oxley. We regularly meet with Management and the auditor and have experienced open, honest and transparent discussions driven by the "tone at the top". We meet separately with the auditors, without Management present, and have open and frank discussions on various matters,

including observations on the quality of accounting and internal audit staff, management's decisions regarding accounting and disclosure issues, significant risks, regulatory issues and the like. These discussions provide significant value to the Audit Committee because the auditors have a deep understanding of the company and our industry. We evaluate annually the performance of the auditor and consider whether a change is warranted. We believe that this governance model works well as the Audit Committee can evaluate, based on individual facts and circumstances, whether a change in auditors is appropriate.

2. Lack of sufficient choice among audit firms that specialize in a particular industry.

We believe that mandatory rotation may result in engagement of an audit firm less qualified or less experienced in our industry and that this situation would reduce audit quality and increase risk. Furthermore, Edison has engaged other large accounting firms to provide non-audit services, including implementation of enterprise resource planning (ERP) software. Mandatory audit rotations may restrict engagement of these audit firms; further limiting, as a practical matter, the number of firms capable of conducting large, complex audits.

3. Direct and indirect costs would significantly increase and cause disruption.

The costs and disruption include an increase in audit fees and the time and effort by Management and staff during transition periods. Moreover, an audit firm rotation will be ill-timed if the company is in the process of a large transaction or undergoing financial restructuring. The requirement to rotate audit firms appears to be a solution in search of a problem. We are unable to identify benefits to our shareholders if we were to incur the significant direct and indirect costs. We believe that current auditing standards, Sarbanes-Oxley and professional quality controls are sufficient to provide our Audit Committee with an independent, objective audit conducted with professional skepticism.

The Concept Release acknowledges that there does not appear to be a correlation between audit tenure and the number of comments in the PCAOB inspection reports. We encourage the Board to continue their efforts to explore the root causes of the audit failures (as defined in the Concept Release). Before considering mandatory auditor rotation, these efforts should be completed. Furthermore, an evaluation of the alternative course of actions by the PCAOB should be completed, including stronger enforcement actions for firms that do not follow current auditing standards. We also encourage the Board to work with the auditing firms to enhance auditing standards, where needed, and to ensure that there is a common understanding of the expectations of the PCAOB in executing and documenting the results of such audits. Until such work is completed, we believe the current approach for engagement and oversight of the auditing firm should be retained.

We appreciate the opportunity to provide comments on the concept release. As indicated above, we believe that the existing governance model for audit engagement and oversight as established

under Sarbanes-Oxley is effective and should not be changed without further analysis. While we agree with the Board that auditors should be independent, objective and exercise professional skepticism, we believe that the current governance model works well when the "tone at the top" is appropriately set and communication by the Audit Committee, Management and the auditor is conducted in an open, honest and transparent manner. In addition, a known increase in cost without a foundation for asserting benefits to investors is problematic and, accordingly, we do not support mandatory auditor rotation. We recommend the Board continue their analysis of the root cause of audit failures before moving forward with this concept release.

We appreciate your consideration of our view of this matter.

Very Truly Yours,

Audit Committee of the Board of Directors
Edison International

A handwritten signature in black ink that reads "T. Sutton". The signature is written in a cursive style with a horizontal line above the name.

By Thomas C. Sutton
Audit Committee Chair