Itron

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Via Email comments@pcaobus.org

December 12, 2011

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street NW
Washington, D.C. 20006

Rulemaking Docket Matter No. 37—Concepts Release on Mandatory Audit Rotation

To Whom It May Concern:

Itron is a leading provider of energy and water resource management solutions for nearly 8,000 utilities around the world. We offer end-to-end solutions that include electricity, gas, water and heat measurement and control technology; communications systems; software; and professional services. We have nearly 10,000 employees doing business in 130 countries. The Company appreciates the opportunity to comment on the PCAOB's recent Concepts Release on auditor independence and rotation.

While we support the PCAOB's objective of ensuring auditor independence, objectivity and professional skepticism, we do not believe that mandatory audit rotation would result in any meaningful improvement in these areas. Conversely, we believe such a proposal would result in a significant increase in audit costs which would be borne by our shareholders. It would create significant inefficiencies inside the Company as the new auditor would have to be educated about the business and our accounting and financial processes. Following a significant acquisition in 2007, we changed auditors in 2008 and we can speak with experience that there is a very steep learning curve before an auditing firm can clearly understand our business and various risks associated with our business. Significant continuity and efficiency is already lost when the lead audit partner leaves under the SEC's current rotation requirement. For companies with a global operations span, changing an entire global audit team would increase our risks rather than decrease them—no matter what the expertise or experience level of the replacement firm. There is no substitute for the institutional experience gained by a firm performing audit work for an extended period of time.

In addition, for many global companies like ours, there are a limited number of audit firms which can actually perform the audit services that are required both in terms of expertise and geographic reach. And since we use other firms to perform non-audit services, it will likely lead to more conflicts and more inefficiency as we not only change audit firms but also change firms to provide non-audit services.

While we understand and support the objectives of the PCAOB, we do not believe that this particular alternative will facilitate the achievement of the objectives.

Very truly yours,

Graham Wilson, Chairman,
Audit and Finance Committee, Itron

Steven Helmbrecht
Sr. Vice President and Chief Financial Officer

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