

March 11, 2013

Ronald L. Litzinger
President
Southern California Edison
2244 Walnut Grove Ave.
Rosemead, CA 91770
SENT VIA EMAIL

Growing Concerns about Edison's Auditor PricewaterhouseCoopers

Dear Ron,

On March 7th, we met with the Chairman of the Public Company Accounting Oversight Board (PCAOB), James Doty, and three of the four Board Members

One of the issues discussed was our growing concern about PricewaterhouseCoopers maintaining its independence from management, engaging in effective due diligence and following generally accepted accounting principles. We raised such partly in the context of expected multibillion rate increases for California ratepayers.

Further, as you are aware, the New York Times on March 8th, 2013 specifically discussed PricewaterhouseCoopers problems with the PCAOB : "Regulator Expresses Doubts About an Auditor's Procedures." As the article sets forth, the PCAOB's past rebukes of PricewaterhouseCoopers, relating to problems in 2008 and 2009, were not addressed. The PCAOB stated that "It had found serious problems with procedures at PricewaterhouseCoopers and the firm failed to remedy them."

In preparation for Edison' new General Rate Case (GRC), we would like to urge the following:

1. The PCAOB report on PricewaterhouseCoopers be requested by Edison's Board of Directors and be carefully reviewed, including whether these audit failures also occurred with the Edison annual audits. (Overall, for example, the PCAOB found that 36% of the audits in 2011 by Big Four firms of Fortune 500 corporations failed to meet its minimum standards of independence from management, appropriate and effective due diligence and/or following generally accepted accounting principles.)¹
2. The management of Edison consider that , at its next meeting, recommendations be made that there should be term limits on the number of years for any auditor that consecutively serves at any corporation. Alternatively, that the CPA audit functions be put out for bid on a regular basis. Edison has used PricewaterhouseCoopers for nine consecutive years.

¹ Please also see NAAC's prior filing with the CPUC requesting an order instituting investigation of use of Big Four firms by the utilities and the NAAC's cross examination of the chief operating officers of SDG&E and SoCalGas on this issue in December 2011.

We will be providing the CPUC commissioners, as well as the PCAOB, with a copy of this letter. And, we will be seeking meetings with Commissioners to raise this issue, not only in the context of the next Edison rate case, but in the context of the pending PG&E rate case and Sempra's future GRC.

Our organization, including our accounting expert, would be pleased to meet with you to discuss the implications of future rate increases and, more importantly, how Edison can become the first California utility to hire a truly independent auditor whose results can confidently be relied on by the Commission and the ratepayers.

Most Respectfully,



Faith Bautista
President & CEO
National Asian
American Coalition



Robert Gnaizda
General Counsel



Aaron Lewis
Counsel
National Asian
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Cc Michael Peevey, President, CPUC, and all Commissioners
Paul Clanon, Executive Director, CPUC
Anthony Earley, Chief Executive Officer, Pacific Gas & Electric
Anne Shen Smith, Chief Executive Officer, Southern California Gas
Jessie Knight, Chief Executive Officer, San Diego Gas & Electric
James R. Doty, Chairman, PCAOB, and all Board Members
Mark Toney, Executive Director, TURN