

September 16, 2009

Mr. Jonathan Booe,
NAESB Staff Attorney
1301 Fannin, Suite 2350
Houston, TX 77002

RE: 2009 Amendment Addendum to the ISDA North American Gas Annex to ISDA Gas Annex. - Comments of Southern California Edison (“SCE”)

Dear Mr. Booe:

In response to NAESB’s request for informal comments prior to the meeting scheduled for September 22nd, SCE would like to file the comments below. SCE supports the amendment as drafted. Our comments are in the form of edits to clarify the wording or correct numbering. In the event of questions, we will be available to discuss them at the September 22nd meeting or off line if necessary.

1. Comments to the proposed Amendment version dated August 26, 2009.
 - a. To avoid confusion, the Amendment should indicate the two places in clause (a)(iii) where the word “cash” should be inserted. Paragraph (a) of the Amendment should therefore read as follows:

“(a) Credit Support Documents. Clause (a)(iii)(A) of the Gas Annex is amended by inserting “, cash” after the words “collateral, margin, security” (i) in the first line of the first paragraph and (ii) in the third line of the second paragraph.”
 - b. Paragraph (g) of the Amendment is mislettered and should read “(f)”.
 - c. We suggest the following changes to (correctly identified) Paragraph (f):
 1. The wording in the first line should be expanded to read as follows:

“(f) Elective Provisions. Clause (l) Elective Provisions is amended by adding Clauses (l) (7) and (l)(8) as follows:”
 2. Clauses (i) and (ii) adding “U.S. Customs” and “Market Disruption Events” should be re-numbered to “7.” and “8.” respectively to remain consistent with the numbering in the Annex.
2. Additional Question regarding adding a comparable Exhibit A (Transaction Confirmation) to ISDA Gas Annex:

SCE sees merit in adding an Exhibit A Confirmation to the ISDA Gas Annex similar to the Exhibit A in the NAESB format. Further, the incorporation of the 2005 Commodities Definitions (or a predecessor) that gives further guidance on

confirmations is an election to the ISDA Schedule. Has the Contracts Subcommittee intentionally not commented on adding an Exhibit A?

SCE appreciates the opportunity to submit the above comments.

Yours truly,

A handwritten signature in black ink, appearing to read "Roman J. Bakke", with a long horizontal flourish extending to the right.

Roman J. Bakke
Natural Gas Contracts Manager
Energy Supply and Management
(626) 302-1178