



Edison Electric
INSTITUTE



December 3, 2018

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

File Number S7-19-18

**Proposed Rule: Financial Disclosures About Guarantors and Issuers of
Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant's
Securities**

Dear Mr. Fields:

The Edison Electric Institute (EEl) and the American Gas Association (AGA) appreciate the opportunity to respond to the Securities and Exchange Commission's (Commission) Proposed Rule: Financial Disclosures About Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant's Securities, File Number S7-19-18 (hereafter the "Proposal").

EEl is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for 220 million Americans and operate in all 50 states and the District of Columbia. As a whole, the electric power industry supports more than 7 million jobs in communities across the United States. In addition to our U.S. members, EEl has more than 60 international electric companies as International Members, and hundreds of industry suppliers and related organizations as Associate Members. Organized in 1933, EEl provides public policy leadership, strategic business intelligence, and essential conferences and forums.

AGA, founded in 1918, represents 202 local energy companies that deliver clean natural gas throughout the United States. There are more than 70 million residential, commercial, and industrial natural gas customers in the U.S., of which almost 93 percent – more than 65 million customers – receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international gas companies, and industry associates. Today, natural gas meets almost one-fourth of the United States' energy needs.

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EEI and AGA regularly work together on projects of mutual interest and impact to the energy utility sector broadly. The comments expressed herein respond only to certain questions that are most relevant to our members.

We note that the Commission's Proposal indicates that it is intended to "provide investors with material information given the specific facts and circumstances, make the disclosures easier to understand, and reduce the costs and burden to registrants." We support the Commission's objective of improving the quality of information provided to investors through continued examination of the disclosure regime.

Specifically, we support the Commission's Proposal and undertakings as follows:

- Replacing the current requirement to provide condensed consolidating financial information for subsidiary issuers and guarantors for the same periods included in the parent company's consolidated financial statements with summarized financial information of subsidiary issuers and guarantors as of, and for, the most recently ended fiscal year and year-to date interim period included in the parent company's consolidated financials.
- Replacing the current requirement that a subsidiary issuer or guarantor be 100% owned to be eligible to omit its financial statements with a requirement that the subsidiary issuer or guarantor is a consolidated subsidiary of the parent company pursuant to the relevant accounting standards already in use.
- The Commission's continuing focus on items that are material to the investment community.

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EEl and AGA appreciate the opportunity to provide our input on this Proposal. We would be pleased to discuss our comments and to provide any additional information that you may find helpful.

Very truly yours,

/s/ Richard F. McMahon, Jr.

Richard F. McMahon, Jr.
Vice President, Edison Electric Institute

/s/ Matthew Kim

Matthew Kim
Chair, American Gas Association Accounting Advisory Council
Vice President and Gas Utilities Controller, Southern Company Gas