



EDISON
INTERNATIONAL®

*2003 Financial and
Statistical Report*

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Edison International (EIX)

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Corporate Profiles

Edison International

Edison International, through its subsidiaries, is an electric power generator, distributor and structured finance provider. The company operates in privatized, deregulated and regulated markets with a power generation portfolio of approximately 24,000 megawatts. Headquartered in Rosemead, California, Edison International is the parent company of a regulated electric utility and two non-utility businesses with combined assets totaling about \$35 billion.

Southern California Edison

Southern California Edison is one of the nation's largest investor-owned electric utilities, serving more than 12 million people in a 50,000-square-mile area of central, coastal and southern California. Based in Rosemead, California, the regulated utility has been providing electric service in the region for 118 years.

Edison Mission Energy

Edison Mission Energy is an independent power producer. The company owns or leases and operates power projects worldwide. Based in Irvine, California, EME has nearly \$12 billion in assets and owns interests in 81 plants totaling 18,918 megawatts.

Edison Capital

Edison Capital is a global provider of capital and financial services for energy, affordable housing and infrastructure projects focusing primarily on investments related to the production and delivery of electricity. Since its formation in 1987, Edison Capital has participated in and still retains an ownership interest in approximately \$21 billion of infrastructure and housing transactions. With headquarters in Irvine, California, the company has assets of approximately \$3 billion.

Edison International Consolidated Earnings

<i>Year Ended December 31,</i>	2003	2002	Change
Earnings (Loss) Per Share (Unaudited)			
Southern California Edison	\$ 2.68	\$ 2.30	\$ 0.38
Edison Mission Energy	0.08	0.26	(0.18)
Edison Capital	0.17	0.10	0.07
Mission Energy Holding Co.	(0.30)	(0.29)	(0.01)
EIX parent company and other	(0.24)	(0.35)	0.11
EIX Core Earnings	2.39	2.02	0.37
SCE implementation of URG decision	—	1.47	(1.47)
EIX Consolidated Earnings from Continuing Operations	2.39	3.49	(1.10)
Earnings (Loss) from Discontinued Operations			
SCE's Fuel Oil Pipeline and Storage Business	0.15	—	0.15
EME's Lakeland and FFF Projects	0.01	(0.18)	0.19
EIX Consolidated Earnings (Loss) from Discontinued Operations	0.16	(0.18)	0.34
Changes in Accounting Principles			
Edison Mission Energy	(0.03)	—	(0.03)
EIX Consolidated Changes in Accounting Principles	(0.03)	—	(0.03)
Total EIX Consolidated Earnings	\$ 2.52	\$ 3.31	\$ (0.79)
Earnings (Loss) (In millions) (Unaudited)			
Southern California Edison	\$ 872	\$ 748	\$ 124
Edison Mission Energy	28	82	(54)
Edison Capital	57	33	24
Mission Energy Holding Co.	(98)	(94)	(4)
EIX parent company and other	(80)	(114)	34
EIX Core Earnings	779	655	124
SCE implementation of URG decision	—	480	(480)
EIX Consolidated Earnings from Continuing Operations	779	1,135	(356)
Earnings (Loss) from Discontinued Operations			
SCE's Fuel Oil Pipeline and Storage Business	50	—	50
EME's Lakeland and FFF Projects	1	(57)	58
Edison Enterprises Companies	—	(1)	1
EIX Consolidated Earnings (Loss) from Discontinued Operations	51	(58)	109
Changes in Accounting Principles			
Edison Mission Energy	(9)	—	(9)
EIX Consolidated Changes in Accounting Principles	(9)	—	(9)
Total EIX Consolidated Earnings	\$ 821	\$1,077	\$ (256)

Security Ratings

	Moody's			Standard & Poor's			Fitch		
	12/31/02	12/31/03	4/15/04	12/31/02	12/31/03	4/15/04	12/31/02	12/31/03	4/15/04
EIX Senior Unsecured	B3	Ba2	Ba2	B-	BB+	BB+	B	B	BB
EIX QUIPS	Caa2	Ba3	Ba3	CCC	B+	B+	CCC	CCC	B+
SCE Senior Secured	Ba2	Baa2	Baa2	BB	BBB	BBB	BB	BBB-	BBB+
SCE Senior Unsecured	Ba3	Baa3	Baa3	B+	BBB-	BBB-	BB-	BB	BBB
SCE QUIDS ¹	B2	Ba1	—	B+	BBB-	—	B	B+	—
SCE Preferred Stock	B3	Ba2	Ba2	B	BBB-	BB+	B	B+	BBB-
SCE Funding (RRB)	Aaa	Aaa	Aaa	AAA	AAA	AAA	AAA	AAA	AAA
EME Senior Unsecured	Ba3	B2	B2	BB-	B	B	NR	NR	NR
EME Mission Capital (Series A) (MIPS)	B2	Caa1	Caa1	B	CCC	CCC	NR	NR	NR
EME Funding Corp.	Ba3	Ba3	Ba3	BB	B	B	NR	NR	NR
Edison Mission Midwest Holdings Co. ²	Ba2	Ba3	WR	BB-	B	B	NR	NR	NR
EME Homer City Funding LLC	Baa3	Ba2	Ba2	BBB-	BB	BB	NR	NR	NR
Mission Energy Holding Company	B3	Caa2	Caa2	B-	CCC	CCC	NR	NR	NR
EC Edison Funding Senior Unsecured	B2	Ba1	Ba1	B-	BB+	BB+			

MIPS = Monthly Income Preferred Securities NR = Not rated
 QUIDS = Quarterly Income Debt Securities QUIPS = Quarterly Income Preferred Securities
 RRB = Rate Reduction Bonds (also known as Rate Reduction Notes) WR = Withdrawn

¹ Called for early redemption on January 26, 2004.

² On April 2, a press release was issued by Midwest Generation, LLC announcing its plan to commence a refinancing.

Highlights

As of December 31, or
Year Ended December 31,

Edison International

	2003	2002	% Change from 2002	Five-Year Compound Annual Growth Rate %
Basic Earnings Per Share	\$ 2.52	\$ 3.31	(23.9)	6.3
Diluted Earnings Per Share	\$ 2.50	\$ 3.28	(23.8)	6.3
Net Income (millions)	\$ 821	\$ 1,077	(23.8)	4.2
Income from Continuing Operations	\$ 779	\$ 1,135	(31.4)	1.8
Book Value Per Share	\$16.52	\$ 13.62	21.3	2.6
Recourse Financial Capital Structure ¹ :				
Common Equity	38.1%	30.2%	—	—
Preferred Securities	0.9	0.9	—	—
Debt	61.0	68.9	—	—
Total	100.0%	100.0%	—	—

Southern California Edison

Basic Earnings Per Edison International Common Share	\$ 2.83	\$ 3.77	(24.9)	15.6
Net Income Available for Common Stock (millions)	\$ 922	\$ 1,228	(24.9)	13.5
Ratemaking Rate of Return on Common Equity — Authorized ²	11.6%	11.6%	—	—
Kilowatt-Hour Sales (millions)	93,826	79,693	17.7	4.1
Peak Demand in Megawatts (MW) ³	20,136	18,821	7.0	0.2
Generating Capacity Resources (MW) ⁴	9,861	9,767	1.0	(1.3)
Customers (thousands)	4,600	4,534	1.5	1.5
Employees	12,698	12,113	4.8	(0.7)

Edison Mission Energy

Basic Earnings Per Edison International Common Share	\$ 0.06	\$ 0.08	(25.0)	(38.1)
Income from Continuing Operations	\$ 28	\$ 82	(65.9)	(25.5)
Net Income (millions)	\$ 20	\$ 25	(20.0)	(31.4)
Equity (millions)	\$1,903	\$ 1,693	12.4	14.7
Employees	2,610	2,662	(2.0)	17.2

Edison Capital

Basic Earnings Per Edison International Common Share	\$ 0.17	\$ 0.10	70.0	(23.8)
Net Income (millions)	\$ 57	\$ 33	72.7	(11.5)
Equity (millions)	\$ 615	\$ 781	(21.3)	8.6
Employees	62	61	1.6	(6.1)

¹ The 2003 ratios include common equity and preferred securities as reflected on the EIX balance sheet. Debt includes short- and long-term debt and other preferred securities subject to mandatory redemption. Debt excludes non-recourse debt totaling \$5.6 billion as outlined on pages 9-11 of this document and non-recourse other preferred securities subject to mandatory redemption of \$164 million. The comparable 2003 ratios, based on the same balance sheet classifications, including non-recourse items for common equity, preferred securities and debt are 27.1%, 0.6%, and 72.3% respectively. 2002 ratios are calculated on the same basis as 2003, reclassifying other preferred securities subject to mandatory redemption of \$1.2 billion as a component of debt. Non-recourse preferred securities of \$131 million and non-recourse debt of \$5.4 billion are excluded. The comparable 2002 ratios, including non-recourse amounts, and based on 2002 balance sheet classifications which classify preferred securities subject to mandatory redemption as preferred stock, are 21.9%, 6.8% and 71.3% for common equity, preferred securities and debt, respectively.

² Transmission and distribution only.

³ Includes all of the load on transmission and distribution systems.

⁴ Excludes CDWR allocated contracts and transitional capacity contracts starting in 2003.

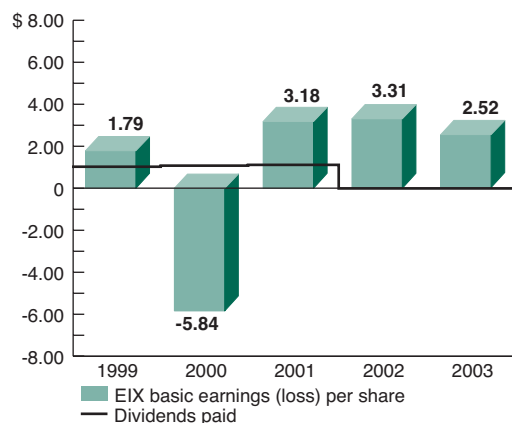
Edison International Consolidated Per-Share Data — Common Stock

Year Ended December 31,	2003	2002	2001	2000	1999	1998
Basic earnings (loss) per share	\$2.52	\$3.31	\$ 3.18	\$(5.84)	\$1.79	\$1.86
Diluted earnings (loss) per share	\$2.50	\$3.28	\$ 3.17	\$(5.84)	\$1.79	\$1.84
Dividends per share:						
Paid ¹	\$ —	\$ —	\$ —	\$1.11	\$1.07	\$1.03
Declared ¹	\$ 0.20	\$ —	\$ —	\$0.84	\$1.08	\$1.04
Year-ended data:						
Dividend rate ¹	—	—	—	NM	\$1.08	\$1.04
Dividend yield (paid) ¹	—	—	—	7.1%	4.1%	3.7%
Dividends payout ratio (paid) ¹	—	—	—	NM	59.8%	55.4%
Book value per share	\$16.52	\$13.62	\$10.04	\$7.43	\$15.01	\$14.55
Market price/book value ratio	1.3×	0.9×	1.5×	2.1×	1.8×	1.9×
Price/earnings ratio	8.7×	3.6×	4.7×	NM	14.6×	15.0×
Total Shareholder Return:						
Appreciation and dividends paid ^{1,2}	86.8%	(21.5)%	(3.4)%	(37.6)%	(2.1)%	6.4%
Price:						
High	\$22.07	\$19.60	\$16.12	\$30	\$29 ¹ / ₈	\$31
Low	\$10.57	\$7.80	\$6.25	\$14 ¹ / ₈	\$21 ¹ / ₈	\$25 ¹ / ₈
Year-end	\$21.93	\$11.85	\$15.10	\$15 ¹ / ₈	\$26 ³ / ₁₆	\$27 ¹ / ₈
Common shares outstanding (thousands)	325,811	325,811	325,811	325,811	347,207	350,553
Weighted-average shares of common stock outstanding (thousands)	325,811	325,811	325,811	332,560	347,551	359,205

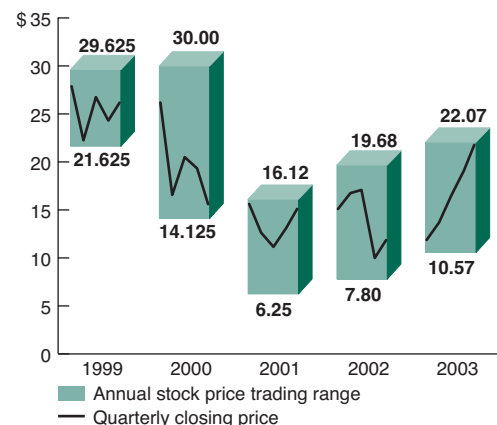
¹ The quarterly common stock dividends customarily paid on January 31, April 30, July 31, and October 31, were not declared for 2001, 2002 and 2003. On December 2003, a quarterly common stock dividend was declared for payment on January 31, 2004.

² The EIX Common Stock dividend of \$0.20 per share, declared in December 2003 and paid in January 2004, was included in the 2003 one-year total shareholder return calculation. NM = Not meaningful.

BASIC EARNINGS (LOSS) PER SHARE AND DIVIDENDS PAID



EDISON INTERNATIONAL COMMON STOCK PRICE RANGE



Edison International Consolidated Statements of Income (Loss)

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Electric utility		\$ 8,853	\$ 8,705	\$ 8,120	\$ 7,870	\$ 7,548	\$ 7,500
Nonutility power generation		3,181	2,750	2,594	2,294	1,083	705
Financial services and other		101	33	348	260	301	295
Total operating revenue		12,135	11,488	11,062	10,424	8,932	8,500
Fuel		1,338	1,186	1,128	1,004	546	501
Purchased power		2,786	2,016	3,770	4,687	3,190	3,262
Provisions for regulatory adjustment clauses — net		1,138	1,502	(3,028)	2,301	(763)	(473)
Other operation and maintenance		3,389	3,156	3,029	2,619	2,551	2,305
Asset impairment		304	86	—	—	—	—
Depreciation, decommissioning and amortization		1,184	1,030	973	1,784	1,714	1,653
Property and other taxes		210	145	114	129	124	133
Net gain on sale of utility plant		(5)	(5)	(6)	(25)	(3)	(543)
Total operating expenses		10,344	9,116	5,980	12,499	7,359	6,838
Operating income (loss)		1,791	2,372	5,082	(2,075)	1,573	1,662
Interest and dividend income		127	287	282	209	92	108
Equity in income from partnership and unconsolidated subsidiary — net		354	249	343	247	217	160
Other nonoperating income		91	90	108	40	57	6
Interest expense — net of amounts capitalized		(1,226)	(1,283)	(1,582)	(1,257)	(841)	(699)
Other nonoperating deductions		(84)	(74)	(70)	—	—	—
Dividends on preferred securities		(51)	(96)	(92)	(100)	(44)	(13)
Dividends on utility preferred stock		(10)	(19)	(22)	(22)	(25)	(25)
Income (loss) from continuing operations before taxes		992	1,526	4,049	(2,958)	1,029	1,199
Income tax (benefit)		213	391	1,647	(1,019)	348	488
Income (loss) from continuing operations		779	1,135	2,402	(1,939)	681	711
Income (loss) from discontinued operations — net of tax		51	(58)	(1,367)	(4)	(111)	(69)
Income before accounting change		830	1,077	1,035	(1,943)	570	642
Cumulative effect of accounting change — net of tax		(9)	—	—	—	—	—
Net income (loss)		\$ 821	\$ 1,077	\$ 1,035	\$(1,943)	\$ 623	\$ 668

Edison International Business Segments

<i>In millions</i>	Electric Utility	Nonutility Power Generation	Financial Services	Corporate & Other ¹	Edison International
2003					
Operating revenue	\$ 8,853	\$ 3,181	\$ 88	\$ 13	\$12,135
Depreciation, decommissioning, and amortization	882	290	12	—	1,184
Interest and dividend income	100	16	8	3	127
Equity in income from partnerships and unconsolidated subsidiaries — net	—	368	(14)	—	354
Interest expense — net of amounts capitalized	457	498	26	245	1,226
Income tax (benefit) — continuing operations	388	(24)	(38)	(113)	213
Income (loss) from continuing operations	872	28	57	(178)	779
Net income (loss)	922 ²	20	57	(178)	821
Total assets	18,466	12,078	3,418	1,000	34,962
Additions to and acquisition of property and plant	1,161	127	—	—	1,288

¹ Includes amounts from nonutility subsidiaries not significant as a reportable segment.

² Net income (loss) available for common stock.

Edison International Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Assets							
Cash and equivalents		\$ 2,198	\$ 2,468	\$ 3,991	\$ 1,604	\$ 375	\$ 580
Receivables, including unbilled revenue, less allowances for uncollectible accounts		1,608	1,548	1,710	1,355	1,262	1,286
Fuel inventory		92	124	124	68	147	51
Materials and supplies, at average cost		252	219	203	188	178	116
Accumulated deferred income taxes — net		508	527	1,092	1,339	190	275
Regulatory assets — net		—	459	83	—	—	287
Prepayments and other current assets		391	314	297	411	138	133
Total current assets		5,049	5,659	7,500	4,965	2,290	2,728
Nonutility property — less accumulated provision for depreciation		7,701	6,873	6,414	7,298	9,253	3,047
Nuclear decommissioning trusts		2,530	2,210	2,275	2,505	2,509	2,240
Investments in partnerships and unconsolidated subsidiaries		1,908	2,011	2,253	2,700	2,505	1,980
Investments in leveraged leases		2,361	2,313	2,386	2,346	1,885	1,621
Other investments		176	256	226	92	180	208
Total investments and other assets		14,676	13,663	13,554	14,941	16,332	9,096
Utility plant, at original cost:							
Transmission and distribution		14,861	14,202	13,568	13,129	12,439	11,772
Generation		1,371	1,348	1,729	1,745	1,718	1,689
Accumulated provision for depreciation		(4,386)	(4,057)	(7,969)	(7,834)	(7,520)	(6,896)
Construction work in progress		600	529	556	636	563	517
Nuclear fuel, at amortized cost		141	153	129	143	132	172
Total utility plant		12,587	12,175	8,013	7,819	7,332	7,254
Regulatory assets and other deferred charges		2,634	1,987	7,502	3,484	6,379	5,223
Assets of discontinued operations		16	123	205	3,891	3,896	397
Total assets		\$34,962	\$33,607	\$36,774	\$35,100	\$36,229	\$24,698

Edison International Foreign and Domestic Assets

<i>In millions</i>	<i>December 31,</i>	2003	2002
Assets			
United States ¹		\$25,602	\$25,743
Foreign countries:			
United Kingdom ¹		1,630	1,680
Australia		1,989	1,565
New Zealand		2,640	1,738
Netherlands		562	556
South Africa		642	646
Switzerland		545	483
Other		1,352	1,196
Total		\$34,962	\$33,607

¹ Includes assets of discontinued operations.

Edison International Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Liabilities and Shareholders' Equity							
Short-term debt		\$ 252	\$ 78	\$ 2,445	\$ 3,891	\$ 2,553	\$ 566
Long-term debt due within one year		2,003	2,761	1,499	929	844	920
Preferred stock to be redeemed within one year		9	9	105	—	—	—
Accounts payable		1,086	786	3,414	1,199	609	478
Accrued taxes		596	855	183	566	384	630
Accrued interest		292	290	350	190	185	147
Dividends payable		66	122	78	12	101	91
Regulatory liabilities — net		276	—	—	195	76	—
Deferred unbilled revenue and other current liabilities		1,587	1,703	1,783	2,201	1,733	1,406
Total current liabilities		6,167	6,604	9,857	9,183	6,485	4,238
Long-term debt		11,787	11,578	12,674	12,150	12,198	8,008
Accumulated deferred income taxes — net		5,967	6,099	6,367	4,537	4,889	4,591
Accumulated deferred investment tax credits		149	167	172	183	225	271
Customer advances and other deferred credits		1,554	1,486	1,675	1,598	1,952	1,425
Other preferred securities subject to mandatory redemption		305	—	—	—	—	—
Asset retirement obligations		2,106	—	—	—	—	—
Regulatory Liabilities — net		—	393	—	—	—	—
Power purchase contracts and other long-term liabilities		885	988	1,008	1,026	1,040	465
Total deferred credits and other liabilities		10,966	9,133	9,222	7,344	8,106	6,752
Liabilities of discontinued operations		13	72	71	2,474	2,561	50
Total liabilities		28,933	27,387	31,824	31,151	29,350	19,048
Minority interest		517	425	345	19	8	16
Preferred stock of utility:							
Not subject to mandatory redemption		129	129	129	129	129	129
Subject to mandatory redemption		—	147	151	256	256	256
Company-obligated mandatorily redeemable securities of subsidiaries holding solely parent company debentures		—	951	949	949	948	150
Other preferred securities		—	131	104	176	327	—
Total preferred securities of subsidiaries		129	1,358	1,333	1,510	1,660	535
Common stock		1,970	1,973	1,966	1,960	2,090	2,109
Accumulated other comprehensive income (loss)		(53)	(247)	(328)	(139)	42	84
Retained earnings		3,466	2,711	1,634	599	3,079	2,906
Common shareholders' equity		5,383	4,437	3,272	2,420	5,211	5,099
Total liabilities and shareholders' equity		\$34,962	\$33,607	\$36,774	\$35,100	\$36,229	\$24,698

Edison International's Estimated Commitments For 2004–2008

<i>In millions</i>	2004	2005	2006	2007	2008
Long-term debt maturities and sinking fund requirements	\$2,003	\$ 753	\$1,805	\$1,764	\$1,276
Fuel supply contract payments	911	814	533	377	204
Gas transportation payments	7	7	7	7	7
Purchased-power capacity payments	682	663	637	637	444
Unconditional purchase obligations	10	10	10	10	10
Estimated noncancelable lease payments	334	374	452	487	484
Preferred securities redemption requirements	9	9	173	69	54
Total	\$3,956	\$2,630	\$3,617	\$3,351	\$2,479

Note: Edison International's projected construction expenditures for 2004 are \$2.0 billion.

Edison International Consolidated Statements of Cash Flows

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Cash flows from operating activities							
Net income (loss) from continuing operations, after accounting change, net of tax		\$ 770	\$ 1,135	\$ 2,402	\$(1,939)	\$ 681	\$ 711
Adjustments to reconcile to net cash provided by operating activities:							
Depreciation, decommissioning and amortization		1,184	1,030	973	1,784	1,714	1,653
Other amortization		108	113	92	168	112	96
Rate phase-in plan		(97)	—	—	—	—	4
Deferred income taxes and investment tax credits		194	160	1,908	(1,080)	536	352
Equity in income from partnerships and unconsolidated subsidiaries		(354)	(249)	(343)	(247)	(217)	(160)
Income from leveraged leases		(82)	(6)	(154)	(192)	(214)	(213)
Other long-term liabilities		—	5	29	17	32	(13)
Regulatory assets — long-term — net		495	1,860	(3,135)	1,759	(1,354)	(361)
Asset Impairment		304	86	—	—	—	—
Write-down of nonutility assets		—	—	245	—	—	—
Regulatory asset related to sale of utility generating plants		—	—	—	—	—	(220)
Net gains on sale of utility generating plants		(20)	(5)	(9)	(14)	(1)	(565)
Other — net		(108)	187	(296)	(127)	(76)	(25)
Changes in working capital:							
Receivables and accrued unbilled revenue		(160)	193	(47)	(159)	34	(209)
Regulatory assets — short-term — net		697	(376)	(278)	97	363	(94)
Fuel inventory, materials and supplies		4	(11)	(16)	30	(5)	23
Prepayments and other current assets		86	(17)	203	79	(28)	(16)
Accrued interest and taxes		(120)	523	(240)	185	(196)	68
Accounts payable and other current liabilities		42	(2,724)	1,551	797	642	246
Distributions and dividends from unconsolidated entities		416	337	236	227	213	185
Operating cash flows from discontinued operations		(52)	80	(147)	19	(199)	(30)
Net cash provided by operating activities		3,307	2,321	2,974	1,404	2,037	1,432
Cash flows from financing activities							
Long-term debt issued		1,058	409	3,386	5,293	5,395	981
Long-term debt repaid		(2,796)	(1,784)	(1,761)	(4,495)	(1,022)	(1,544)
Bond remarketed (repurchased) and funds held in trust— net		—	191	(130)	(440)	—	—
Common stock repurchased		—	—	—	(386)	(92)	(714)
Issuance of preferred securities		—	—	104	—	1,124	—
Redemption of preferred securities		(6)	(100)	(164)	(125)	—	(74)
Rate reduction notes repaid		(246)	(246)	(246)	(246)	(246)	(252)
Short-term debt financing — net		26	(956)	(1,547)	1,296	1,931	236
Dividends to minority shareholders		(42)	(37)	—	—	—	—
Dividends paid		—	—	—	(371)	(373)	(374)
Nuclear fuel financing — net		—	(59)	(21)	9	(37)	17
Financing cash flows from discontinued operations		—	(19)	(1,178)	223	1,241	—
Net cash provided (used) by financing activities		(2,006)	(2,601)	(1,557)	758	7,921	(1,724)
Cash flows from investing activities							
Additions to property and plant — net		(1,288)	(1,590)	(933)	(1,426)	(1,188)	(935)
Purchase of nonutility generating plants		—	—	—	(47)	(5,889)	(258)
Purchase of power sales agreement		—	(80)	—	—	—	—
Purchase of common stock of acquired companies		(278)	—	—	—	—	—
Proceeds from sales of interest in projects		41	—	—	—	—	—
Proceeds from sale of property		7	62	1,032	1,727	115	1,215
Contributions to nuclear decommissioning trusts — net		(86)	(12)	(36)	(69)	(116)	(163)
Distribution from (investments in) partnerships and unconsolidated subsidiaries		(63)	42	(122)	(289)	(853)	(401)
Net investments in leveraged leases		—	—	68	(255)	(99)	(458)
Other assets		(58)	247	(433)	(217)	(303)	326
Investing cash flows from discontinued operations		150	2	1,125	(89)	(1,698)	(354)
Net cash provided (used) by investing activities		(1,575)	(1,329)	701	(665)	(10,031)	(1,028)
Effect of exchange rate changes on cash		4	23	(37)	(32)	(3)	(3)
Net increase (decrease) in cash and equivalents		(270)	(1,586)	2,081	1,465	(76)	(1,323)
Cash and equivalents, beginning of year		2,468	4,054	1,973	508	584	1,907
Cash and equivalents, end of year		2,198	2,468	4,054	1,973	508	584
Cash and equivalents — discontinued operations		—	—	(63)	(369)	(133)	(4)
Cash and equivalents — continuing operations		\$ 2,198	\$ 2,468	\$ 3,991	\$ 1,604	\$ 375	\$ 580

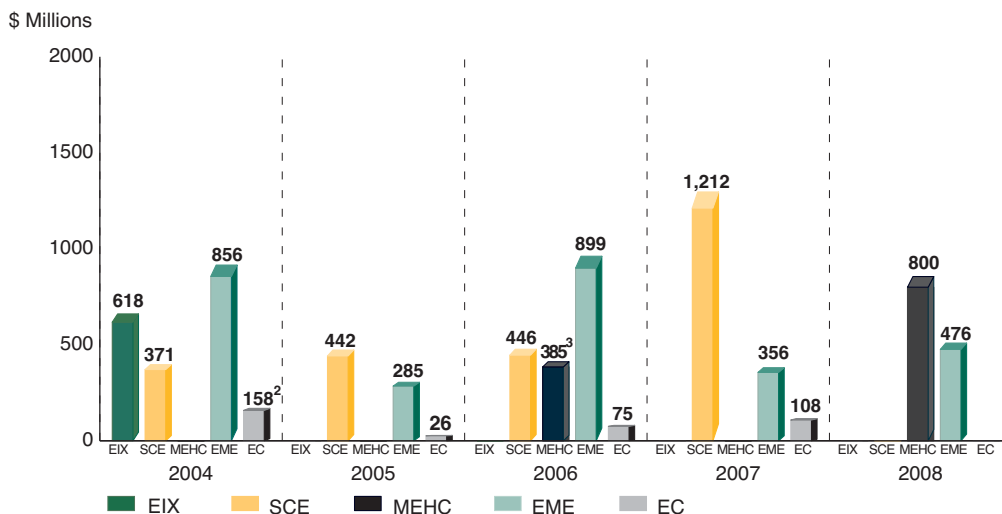
Edison International Consolidated Short-Term Debt

	December 31, 2003	December 31, 2002
Edison International		
Other	\$ —	\$ —
Total	\$ —	\$ —
Southern California Edison		
Bank loan against credit line	\$ 200	\$ —
Total	\$ 200	\$ —
Weighted average interest rates	2.83%	—
Available credit under existing lines	\$ 467	\$ —
Edison Mission Energy		
Other short-term obligations	\$ 52 ¹	\$ 78 ¹
Total	\$ 52	\$ 78
Weighted average interest rates	5.32%	6.13%
Available credit under existing lines	\$ 145	\$ 355
Edison Capital		
Other	\$ —	\$ 12 ²
Total	\$ —	\$ 12
Weighted average interest rates	—	1.4%
Intercompany debt	\$ —	\$ (12)
Edison International total consolidated short-term debt	\$ 252	\$ 78

¹ Non-recourse

² Intercompany note, payable on demand.

Edison International Five-Year Long-Term Debt Maturities and Sinking Funds Requirements¹



	Non-Recourse Debt Maturities (\$ millions)	
	SCE ⁴	EME
2004	246	828
2005	246	285
2006	246	899
2007	246	356
2008	—	76

¹ Includes recourse and non-recourse long-term debt as of 12/31/2003.

² Includes \$60 million of debt related to Edison Capital's Storm Lake energy project due in 2011 and beyond, but classified as due in 2004 due to various defaults asserted by the lenders related to the Enron bankruptcy.

³ MEHC has received exercise notices relating to 100% of the Term Loan Put-Options.

⁴ Payment on rate reduction bonds.

Edison International Consolidated Long-Term Debt

In millions													
Year	Series	Due Date	Coupon (rate)	First Call Date	Dec. 31, 2003	Dec. 31, 2002	Year	Series	Due Date	Coupon (rate)	First Call Date	Dec. 31, 2003	Dec. 31, 2002
Edison International						Pollution control indebtedness:							
1999	Notes	09/15/04	6 $\frac{7}{8}$	N/A	\$ 618	\$ 750	Four Corners Generating Station						
1999	Note ¹	07/26/29	7.875	N/A	516	—	1991	Series A ⁸	04/01/21	7.20	04/01/01	49	49
1999	Note ¹	10/29/29	8.60	N/A	335	—	1993	Series A ⁸	06/01/23	5 $\frac{7}{8}$	06/01/03	155	155
Subtotal					1,469	750	1999	Series A ⁹	04/01/29	5 $\frac{1}{8}$	04/01/09	55	55
Less current portion of long-term debt					(617)	—	Huntington Beach Generating Station						
Less unamortized discount — net					(1)	(2)	1999	Series D ⁹	09/01/15	5.20	09/01/09	8	8
EIX long-term debt					\$ 851	\$ 748	Mohave Generating Station						
Mission Energy Holding Company						1988 Series A ¹⁰							
2001	Sr Secured Notes	07/15/08	13 $\frac{1}{2}$	N/A	\$ 800	\$ 800	2000	Series A	06/01/31	Variable ¹¹	N/A	40	40
2001	Term Loan ²	07/02/06	LIBOR+7.50%	N/A	385	385	2000	Series B	06/01/31	Variable ¹¹	N/A	15	15
Less unamortized discount — net					(19)	(23)	2000	Series C	06/01/40	Variable ¹¹	N/A	20	20
Mission Energy Holding Company long-term debt					\$1,166	\$1,162	Palo Verde Nuclear Generating Station						
Southern California Edison						2000 Series A-B ⁸							
Recourse long-term debt:						San Onofre Nuclear Generating Station							
First and refunding mortgage bonds ³ :						1985 Series A-D ⁸							
1993	93F	06/15/03	6 $\frac{1}{4}$	N/A	\$ —	\$ 125	1986	Series A-D ⁸	02/28/05	7.00 ¹¹	03/06/03	135	135
1993	93H	09/01/04	5 $\frac{7}{8}$	N/A	125	125	1991	Series ⁸	12/01/17	6.90	12/01/01	29	29
2003	Series 2003 A	02/15/07	8.00	N/A	— ⁴	—	1992	Series A ⁸	07/01/27	6.00	07/01/02	30	30
2003	Series 2003 B	02/15/07	8.00	N/A	966	—	1992	Series B ⁸	12/01/24	6.40	12/01/02	190	190
1993	93I ⁵	10/01/18	6.90	10/01/98	200	200	1999	Series A-B ⁹	09/01/29	5.45	09/01/09	100	100
1993	93G ⁵	07/15/25	7 $\frac{1}{8}$	07/15/03	225	225	1999	Series C ⁹	09/01/31	5.55	09/01/09	30	30
1993	93C ⁵	03/01/26	7 $\frac{1}{4}$	03/01/03	300	300	Subtotal					1,216	1,216
Subtotal					1,816	975	Non-recourse long-term debt:						
Other:						Rate reduction notes ¹²							
1996	Notes	01/15/06	6 $\frac{3}{4}$	N/A	200	200	1997	Various	Various	Various	N/A	985	1,232
1999	Notes	04/01/29	6.65	N/A	300	300	SCE principal amount outstanding					4,875	6,573
2000	Notes	01/15/10	7.625	N/A	250	250	Less current portion of long-term debt					(371)	(1,671)
Variable Rate Notes	11/03/03	Variable	N/A	—	—	1,000	Less unamortized discount — net					(29)	(23)
Junior Subordinated Deferrable Interest Debentures ⁶						Less bonds repurchased						(354)	(354)
1995	Series A ⁵	06/30/44	8 $\frac{3}{8}$	05/25/00	100	100	SCE long-term debt					\$4,121	\$4,525
Other obligation ⁷	08/01/53	5.06	N/A	—	8	—							
Subtotal					858	1,850							
Senior secured credit facility:													
2002	Tranche A ⁸	03/03/03	Variable	N/A	—	300							
2002	Tranche B ⁸	03/01/05	Variable	N/A	—	700							
2002	Revolver ⁸	03/01/04	Variable	N/A	—	300							
Subtotal					—	1,300							

¹ See Note 1.
² MEHC has received exercise notices relating to 100% of the Term Loan Put-Options.
³ SCE issued \$975 million in first mortgage bonds on January 14, 2004 and \$650 million on March 23, 2004.
⁴ Balance of \$50,000.
⁵ Called for early redemption on January 26, 2004.
⁶ Also known as quarterly income debt securities (QUIDS).
⁷ Fort Irwin acquisition debt, not a publicly traded security.
⁸ Secured by first and refunding mortgage bonds.
⁹ Insured.
¹⁰ Called for early redemption on March 1, 2004.
¹¹ Remarketed in March 2004.
¹² Also known as rate reduction bonds. The notes are non-recourse to SCE and EIX.

Note 1: As of December 31, 2003, a new accounting principle required EIX and EME to deconsolidate their special purpose entities that issued EIX's quarterly income preferred securities (QUIPS) and EME's monthly income preferred securities (MIPS). As a result of these deconsolidations, the intercompany debt associated with these securities is now included in long-term debt on EIX's consolidated balance sheet. Under the prior accounting treatment, the intercompany debt would have been eliminated in consolidation and the QUIPS and MIPS would have been classified as preferred securities.

Edison International Consolidated Long-Term Debt

Year	Series	Due Date	Dec. 31, 2003 Interest Rate	First Call Date	Dec. 31, 2003	Dec. 31, 2002
Edison Mission Energy					<i>(In millions)</i>	
Recourse long-term debt:						
EME (parent only)						
1999	Senior Notes	2009	7.730%	Any Time	600	600
2001	Senior Notes	2011	9.875%	Any Time	600	600
2001	Senior Notes	2008	10.0%	Any Time	400	400
1999	Coal & Capex Facility	2004	£LIBOR+2.25%+0.0098% ¹	N/A	28	182
Long-term obligations — Affiliate					78	78
Non-recourse long-term debt:						
Long-term obligation						
1996	Due to EME Funding Corp.	1997–2003	6.770%	Any Time + Prem. Penalty	—	47
1996	Due to EME Funding Corp.	2004–2008	7.330%	Any Time + Prem. Penalty	190	190
Edison Mission Midwest Holdings Co.						
1999	Tranche A	2003	LIBOR+2.25% ¹	N/A	—	911
1999	Tranche B	2004	LIBOR+2.00% ¹	N/A	693 ⁴	808
EME CP Holdings Co.						
2002	Note Purchase Agreement	2015	7.31%	N/A	83	84
Mission Energy Holdings International, Inc.						
2003	Credit Agreement	2006	LIBOR+5.00%	N/A	800	—
Contact Project						
	Credit Facilities and Notes	2004–2018	Various	N/A	791	430
Doga Project						
1997	Finance Agmt.	2010	11.20%	N/A	62	70
1997	Credit Agmt.	2010	LIBOR+1.25% ¹	N/A	23	26
First Hydro Plants						
1996	Secured Bonds	2021	9.0%	Any Time + Gross Redemption Yield	714	644
1998	Credit Agmt.	2003	£LIBOR+0.55+0.0103% ¹	N/A	—	29
Iberian Hy-Power Plants						
1997	Credit Facility	2012	EURIBOR+0.875% ¹	N/A	43	43
1991	Loan	2008	9.408%	N/A	28	22
1993	CGDE (Recourse)	2003	—	N/A	—	30
2002	Banco Vitalicio	2006	6.17%	N/A	2	2
Kwinana Plant						
1995	Facility Agmt.	2011	BBR+1.3 % to 1.4% ¹	N/A	58	47
Loy Yang B Plant						
1997	Term Facility	2017	BBR+0.6% to 1.0% ¹	N/A	502	382
1997	Term Facility	2012	BBR+0.6% to 0.75% ¹	N/A	369	276
1997	Working Capital Facility	2017	BBR+0.6% to 1.0% ¹	N/A	8	6
2003	Amortising Cash Advance Facility	2009	BBR+3.0%	N/A	11	—
2003	Amortising Loan Facility	2009	BBR+0.1%+3.25%	N/A	38	—
Valley Power Plant						
2002	Amortising Facility	2011	BBR+1.55%	N/A	45	39
2002	Bullet Facility	2007	BBR+1.55%	N/A	28	21
EME principal amount outstanding					6,194	5,967
Less current portion of EME long-term debt					(856)	(1,090)
Unamortized debt discount — net ²					(7)	(5)
EME long-term debt					\$ 5,331	\$ 4,872
EME Junior Subordinated debentures series A/B	2024/2025		9.875% / 8.50%	11/30/99 / 08/08/00	155 ³	—
EME long-term debt and Junior Subordinated debentures					\$ 5,486	\$ 4,872
Edison Capital						
Recourse long-term debt:						
1996	Medium Term Notes	2006	6.79–7.2%	N/A	\$ 75	\$ 75
2000	Medium Term Notes	2004	7.93%	N/A	30	30
2000	Credit Agreement	2004	Variable	N/A	69	92
2000	Medium Term Notes	2005	8.04%	N/A	25	25
2000	Medium Term Notes	2007	7.61%	N/A	34	30
2000	Medium Term Notes	2010	7.44%	N/A	46	42
2000	Medium Term Notes	2015	7.25%	N/A	53	49
1996	Long-term obligation — Affiliate	2007	4.40%	N/A	75	75
Non-recourse debt:						
1997	Ravenwood Mortgage	2039	5.75%	N/A	5	5
1997	Olive Court Mortgage	2026	7.0%	N/A	2	2
1999	Storm Lake Pwr Ptnr I (Tranche A Loan)	2017	8.71%	N/A	29	—
1999	Storm Lake Pwr Ptnr I (Tranche B Loan)	2011	LIBOR+1.45%	N/A	31	—
EC total principal amount outstanding					474	425
Less current portion of long-term debt					(158)	—
Less foreign currency translation					—	(1)
EC long-term debt					\$ 316	\$ 424
Intercompany debt					(153)	(153)
EIX total consolidated long-term debt					\$11,787	\$11,578

¹ Interest rates may vary based on debt agreements.

² Includes \$4 million related to non-recourse debt in 2003.

³ See Note 1 on page 10.

⁴ On April 27, 2004, this debt was repaid with a portion of the proceeds of Midwest Generation LLC's \$700 million first priority senior secured institutional term loan facility and \$1 billion second priority senior secured notes issuance.

Edison International Consolidated Preferred Securities

	<i>Trading Exchanges</i>	<i>Trading Symbol</i>	<i>Shares Outstanding</i>	<i>Redemption Price Per Share</i>	<i>December 31,</i>	
					2003	2002
<i>(In millions)</i>						
Cumulative preferred securities not subject to mandatory redemption:						
SCE:						
\$25 par value preferred stock: (Recourse securities)						
4.08% Series	American and Pacific	SCEPrB	1,000,000	\$25.50	\$ 25	\$ 25
4.24	American and Pacific	SCEPrC	1,200,000	25.80	30	30
4.32	American and Pacific	SCEPrD	1,653,429	28.75	41	41
4.78	American and Pacific	SCEPrE	1,296,769	25.80	33	33
Subtotal					129	129
Cumulative preferred securities subject to mandatory redemption:						
EIX:						
7.875% QUIPS Series A ¹	New York	EIX prA	20,000,000	\$25.00	—	485
8.60% QUIPS Series B ¹	New York	EIX prB	13,000,000	25.00	—	316
SCE:						
\$100 par value preferred stock ² : (Recourse securities)						
6.05% Series	Unlisted	—	693,800	\$100.00	—	75
7.23% ²	Unlisted	—	807,000	100.00	—	81
EME:						
\$25 par value preferred securities (MIPS): (Recourse securities)						
9.875% Series A ¹	New York	MEPrA	3,500,000	\$25.00	—	88
8.50% Series B ¹	New York	MEPrB	2,500,000	25.00	—	62
Redeemable preferred shares ² : (Non-recourse securities)						
\$0.6562 par (1 New Zealand dollars)						
6.03% at 12/31/03	Unlisted	—	250,000,000	\$0.6562	—	131
Subtotal					129	1,238
Less preferred stock to be redeemed within one year					—	(9)
Total preferred securities					\$ 129	\$ 1,358

¹ See Note 1 on page 10.

² Classified as "Other preferred securities subject to mandatory redemption" in the "Total deferred credits and other liabilities" section of EIX's 2003 balance sheet.

Edison International Consolidated Recourse Financial Capitalization

Short-term debt	252	78
Long-term debt due within one year	2,003	2,761
Preferred stock to be redeemed within one year	9	—
Long-term debt — detailed on pages 10-11	11,787	11,578
Other preferred securities subject to mandatory redemption	305	—
Total debt¹	14,356	14,417
Preferred securities	129	1,358
Preferred securities to be redeemed within one year	—	9
Total preferred securities	129	1,367
Common shareholders' equity	5,383	4,437
Total capitalization	19,868	20,221
Less non-recourse debt - detailed on pages 9-11	(5,588)	(5,394)
Less non-recourse preferred securities - detailed above	(164)	(131)
Recourse capitalization	\$14,116	\$14,696

¹Includes preferred securities subject to mandatory redemption for 2003.

Edison International Consolidated Statements of Retained Earnings

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Balance at beginning of year		\$2,711	\$1,634	\$ 599	\$3,079	\$2,906	\$3,176
Net income (loss)		821	1,077	1,035	(1,943)	623	668
Dividends declared on common stock		(65)	—	—	(277)	(375)	(371)
Stock repurchases and other		(1)	—	—	(260)	(75)	(567)
Balance at end of year		\$3,466	\$2,711	\$1,634	\$ 599	\$3,079	\$2,906

Edison International Consolidated Income Tax Schedules

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Current:							
Federal		\$ 194	\$ 585	\$ (215)	\$ (61)	\$ (82)	\$ 121
State		100	111	—	—	9	18
Foreign		54	38	30	70	(31)	15
		348	734	(185)	9	(104)	154
Deferred:							
Federal		(101)	(312)	1,422	(887)	305	181
State		(67)	(43)	406	(134)	125	95
Foreign		33	12	4	(7)	22	32
		(135)	(343)	1,832	(1,028)	452	308
Total continuing operations		213	391	1,647	(1,019)	348	462
Discounted operations		33	(16)	(856)	(30)	(53)	—
Change in accounting		(4)	—	—	—	—	—
Total income tax expense (benefit)		\$ 242	\$ 375	\$ 791	\$ (1,049)	\$ 295	\$ 462

The following table reconciles the federal statutory income tax rate to the effective rate. The composite federal and state statutory income tax rate was 40.551% for 1998-2003.

<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Federal statutory rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Capitalized software	—	—	—	0.4	(2.2)	(0.6)
Property-related and other	(3.9)	(8.0)	0.8	(7.5)	1.4	10.0
Housing credits	(2.7)	(2.4)	(1.2)	2.1	(6.2)	(5.7)
State tax — net of federal deduction	4.3	3.7	6.3	3.0	9.9	7.5
Investment and energy tax credits	—	(0.3)	(0.2)	1.4	(4.1)	(5.7)
Favorable resolution of audit	(3.6)	(2.4)	—	—	—	—
Resolution of FERC rate case	(7.6)	—	—	—	—	—
Effective tax rate for continuing operations	21.5%	25.6%	40.7%	34.4%	33.8%	40.5%

SCE Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Assets							
Cash and equivalents		\$ 95	\$ 992	\$ 3,414	\$ 583	\$ 26	\$ 82
Receivables, including unbilled revenue, less allowances for uncollectible accounts		1,159	1,204	1,544	1,296	1,014	1,113
Fuel inventory		10	12	14	12	50	51
Materials and supplies, at average cost		168	153	146	132	123	116
Accumulated deferred income taxes — net		508	299	433	545	188	275
Regulatory assets — net		—	459	83	—	—	287
Prepayments and other current assets		124	104	145	124	111	92
Total current assets		2,064	3,223	5,779	2,692	1,512	2,016
Nonutility property — less accumulated provision for depreciation		116	103	159	102	104	57
Nuclear decommissioning trusts		2,530	2,210	2,275	2,505	2,509	2,240
Other investments		153	235	224	90	160	179
Total investments and other assets		2,799	2,548	2,658	2,697	2,773	2,476
Utility plant, at original cost:							
Transmission and distribution		14,861	14,202	13,568	13,129	12,439	11,772
Generation		1,371	1,348	1,729	1,745	1,718	1,689
Accumulated provision for depreciation		(4,386)	(4,057)	(7,969)	(7,834)	(7,520)	(6,896)
Construction work in progress		600	529	556	636	562	517
Nuclear fuel, at amortized cost		141	153	129	143	132	172
Total utility plant		12,587	12,175	8,013	7,819	7,331	7,254
Regulatory assets and other deferred charges		1,016	629	6,003	2,758	6,041	5,201
Total assets		\$18,466	\$18,637	\$22,453	\$15,966	\$17,657	\$16,947

SCE Operating and Financial Ratios

<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Percent of operating revenue:						
Fuel	2.6%	2.8%	2.7%	2.5%	2.8%	4.3%
Purchased power	31.5	23.1	47.4	60.5	42.3	43.5
Provisions for regulatory adjustment clauses	12.8	17.3	(40.2)	28.0	(10.1)	(6.3)
Other operating expenses and maintenance	23.2	22.1	22.2	22.8	25.6	18.0
Depreciation, decommissioning and amortization	10.0	9.0	8.5	19.0	20.5	20.6
Property and other taxes	1.9	1.3	1.4	1.6	1.6	1.7
Operating expenses (before income taxes)	82.0	75.6	42.0	134.4	82.7	81.8
Taxes on operating income	5.2	7.0	20.1	(13.0)	6.0	6.0
Operating income	12.8	17.4	37.9	(21.4)	11.3	12.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Regulatory embedded cost of capital (at year-end):						
Long-term debt	8.44%	8.20%	7.84%	7.87%	7.38%	7.57%
Preferred and preference stock	6.20	6.53	6.57	6.60	6.64	6.68
Other:						
Customers to employees ratio	362	374	384	351	335	324

SCE Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Liabilities and Shareholder's Equity							
Short-term debt		\$ 200	\$ —	\$ 2,127	\$ 1,451	\$ 796	\$ 470
Long-term debt due within one year		371	1,671	1,146	646	571	401
Preferred stock to be redeemed within one year		9	9	105	—	—	—
Accounts payable		891	665	3,261	1,055	574	447
Accrued taxes		556	699	823	536	501	679
Accrued interest		107	107	174	96	83	90
Dividends payable		1	1	22	1	94	92
Regulatory liabilities — net		276	—	—	195	76	—
Other current liabilities		1,150	1,361	1,449	1,405	1,440	1,096
Total current liabilities		3,561	4,513	9,107	5,385	4,135	3,275
Long-term debt		4,121	4,525	4,739	5,631	5,137	5,447
Accumulated deferred income taxes — net		2,726	2,915	3,365	2,009	2,939	2,993
Accumulated deferred investment tax credits		136	148	153	164	205	250
Customer advances and other deferred credits		427	609	739	722	824	795
Preferred stock subject to mandatory redemption		141	—	—	—	—	—
Power purchase contracts		213	309	356	467	563	130
Asset retirement obligations		2,084	—	—	—	—	—
Regulatory liabilities — net		—	393	—	—	—	—
Other long-term liabilities		573	565	568	423	336	337
Total deferred credits and other liabilities		6,300	4,939	5,181	3,785	4,867	4,505
Total liabilities		13,982	13,977	19,027	14,801	14,139	13,227
Preferred stock:							
Not subject to mandatory redemption		—	—	129	129	129	129
Subject to mandatory redemption		—	147	151	256	256	256
Total preferred stock		—	147	280	385	385	385
Common stock		2,168	2,168	2,168	2,168	2,168	2,168
Additional paid-in capital		338	340	336	334	335	334
Accumulated other comprehensive income (loss)		(19)	(16)	(22)	—	22	39
Retained earnings (deficit)		1,868	1,892	664	(1,722)	608	794
Total common shareholder's equity		4,355	4,384	3,146	780	3,133	3,335
Preferred stock not subject to mandatory redemption		129	129	—	—	—	—
Total shareholder's equity		4,484	4,513	—	—	—	—
Total liabilities and shareholder's equity		\$18,466	\$18,637	\$22,453	\$15,966	\$17,657	\$16,947

SCE's Estimated Commitments For 2004–2008

<i>In millions</i>	2004	2005	2006	2007	2008
Long-term debt maturities and sinking fund requirements	\$ 371	\$ 442	\$ 446	\$1,251	\$ —
Estimated noncancelable lease payments	13	10	7	6	4
Fuel supply contract payments	182	126	58	66	51
Purchased-power capacity payments	682	663	637	637	444
Unconditional purchase obligations	10	10	10	10	10
Preferred stock redemption requirements	9	9	9	69	54
Total	\$1,267	\$1,260	\$1,167	\$2,039	\$563

SCE Consolidated Statements of Income (Loss)

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Operating revenue		\$8,854	\$8,706	\$8,126	\$ 7,870	\$ 7,548	\$ 7,500
Fuel		235	243	212	195	215	324
Purchased power		2,786	2,016	3,770	4,687	3,190	3,262
Provisions for regulatory adjustment clauses — net		1,138	1,502	(3,028)	2,301	(763)	(473)
Other operation and maintenance		2,054	1,926	1,771	1,772	1,933	1,891
Depreciation, decommissioning and amortization		882	780	681	1,473	1,548	1,546
Property and other taxes		168	117	112	126	122	128
Net gain on sale of utility plant		(5)	(5)	(9)	(25)	(3)	(542)
Total operating expenses		7,258	6,579	3,509	10,529	6,242	6,136
Operating income (loss)		1,596	2,127	4,617	(2,659)	1,306	1,364
Interest and dividend income		100	262	215	173	69	67
Other nonoperating income (deductions) — net		45	56	41	(13)	31	(9)
Other nonoperating deductions		(41)	9	(38)	—	—	—
Allowance for equity funds used during construction		21	11	7	11	13	12
Total other income (deductions) — net		125	338	225	171	113	70
Income before interest expenses		1,721	2,465	4,842	(2,488)	1,419	1,434
Interest and amortization on long-term debt		404	472	444	391	393	422
Other interest expense		53	113	342	182	91	64
Allowance for borrowed funds used during construction		(6)	(8)	(9)	(10)	(11)	(8)
Capitalized interest		—	(1)	(1)	(1)	(1)	(1)
Total interest and amortization expense — net		451	576	776	562	472	477
Income (loss) before taxes		1,270	1,889	4,066	(3,050)	947	957
Income tax (benefit)		388	642	1,658	(1,022)	438	442
Income from continuing operations		882	1,247	2,408	(2,028)	509	515
Income from discontinued operations — net		50	—	—	—	—	—
Net income (loss)		932	1,247	2,408	(2,028)	509	515
Dividends on preferred stock		10	19	22	22	25	25
Net income (loss) available for common stock		\$ 922	\$1,228	\$2,386	\$(2,050)	\$ 484	\$ 490

SCE Changes in Operating Revenue

<i>In millions</i>	<i>Year Ended December 31,</i>	2003 vs. 2002	2002 vs. 2001
Electricity utility revenue —			
Rate changes (including refunds)		\$ (677)	\$ 563
Direct access credit		471	(604)
Sales volume changes		(60)	696
Sales for resale		394	(11)
Other (including intercompany transactions)		20	(64)
Total		\$ 148	\$ 580

SCE Consolidated Statements of Cash Flows

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Cash flows from operating activities:							
Net income (loss) from continuing operations		\$882	\$ 1,247	\$ 2,408	\$ (2,028)	\$ 509	\$ 515
Adjustments to reconcile to net cash provided by operating activities:							
Depreciation, decommissioning and amortization		882	780	681	1,473	1,548	1,546
Other amortization		101	106	82	97	95	90
Rate phase-in plan		—	—	—	—	—	4
Deferred income taxes and investment tax credits		(49)	(640)	1,313	(928)	178	(95)
Other long-term liabilities		(88)	23	62	54	31	(13)
Regulatory assets — long term — net		495	1,860	(3,135)	1,759	(1,354)	(361)
Regulatory asset related to sale of generating plants		—	—	—	—	—	(220)
Net gains on sale of generating plants		(5)	(5)	(9)	(14)	(1)	(565)
Other — net		(85)	135	(195)	(50)	(153)	(26)
Changes in working capital:							
Receivables and accrued unbilled revenue		45	338	(243)	(282)	99	(206)
Regulatory assets — short-term — net		697	(376)	(278)	97	363	(94)
Fuel inventory, materials and supplies		(13)	(11)	(16)	29	(5)	24
Prepayments and other current assets		(22)	41	(21)	(14)	(19)	1
Accrued interest and taxes		(143)	(191)	365	48	(186)	174
Accounts payable and other current liabilities		13	(2,676)	2,251	588	353	205
Operating cash flows from discontinued operations		(34)	—	—	—	—	—
Net cash provided by operating activities		2,676	631	3,265	829	1,458	979
Cash flows from financing activities:							
Long-term debt issued and issuance costs		(11)	(32)	—	1,760	491	—
Long-term debt repaid		(1,263)	(1,200)	—	(525)	(363)	(776)
Bonds remarketed (repurchased) and funds held in trust— net		—	191	(130)	(440)	—	—
Rate reduction notes repaid		(246)	(246)	(246)	(246)	(246)	(252)
Redemption of preferred stock		(6)	(100)	—	—	—	(74)
Nuclear-fuel financing — net		—	(59)	(21)	9	(37)	16
Short-term debt financing — net		(4)	(527)	676	655	326	148
Dividends paid		(955)	(40)	(1)	(395)	(686)	(1,130)
Net cash provided (used) by financing activities		(2,485)	(2,013)	278	818	(515)	(2,068)
Cash flows from investing activities:							
Additions to property and plant		(1,161)	(1,046)	(688)	(1,096)	(986)	(861)
Proceeds from sale of generating plants		5	9	9	19	—	1,203
Contributions to nuclear decommissioning trusts — net		(86)	(12)	(36)	(69)	(116)	(163)
Other — net		8	9	3	56	103	30
Investing cash flows from discontinued operations		146	—	—	—	—	—
Net cash provided (used) by investing activities		(1,088)	(1,040)	(712)	(1,090)	(999)	209
Net increase (decrease) in cash and equivalents		(897)	(2,422)	2,831	557	(56)	(880)
Cash and equivalents, beginning of year		992	3,414	583	26	82	962
Cash and equivalents, end of year, continuing		\$ 95	\$ 992	\$ 3,414	\$ 583	\$ 26	\$ 82

SCE Consolidated Statements of Retained Earnings

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Balance at beginning of year		\$1,892	\$ 664	\$(1,722)	\$ 608	\$ 794	\$1,408
Net income (loss)		932	1,247	2,408	(2,028)	509	515
Dividends declared on common stock		(945)	—	—	(279)	(666)	(1,101)
Dividends declared on preferred and preference stock		(10)	(19)	(22)	(22)	(25)	(25)
Stock option appreciation		—	—	—	(1)	(3)	(4)
Reacquired capital stock expense and other		(1)	—	—	—	(1)	1
Balance at end of year		\$1,868	\$ 1,892	\$ 664	\$(1,722)	\$ 608	\$ 794

SCE Kilowatt-Hour Sales

<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Class of service — millions of kWh:						
Residential	27,194	25,084	24,688	26,471	24,351	24,369
Commercial	36,979	35,600	34,610	36,012	33,093	31,778
Industrial	10,770	11,590	11,954	13,302	13,229	13,098
Agricultural	1,103	1,188	1,067	1,088	1,057	837
Public authorities	6,084	6,138	6,085	6,525	6,439	6,137
Railroads and railways	58	62	49	36	37	38
Interdepartmental	—	—	1	1	1	1
Resale	11,638	31	70	995	395	337
Total kilowatt-hour sales	93,826	79,693	78,524	84,430	78,602	76,595
Class of service — percent:						
Residential	29.0%	31.5%	31.4%	31.4%	31.0%	31.8%
Commercial	39.4	44.7	44.1	42.7	42.1	41.5
Industrial	11.5	14.5	15.2	15.8	16.8	17.1
Agricultural	1.2	1.5	1.4	1.3	1.3	1.1
Public authorities	6.5	7.7	7.7	7.7	8.2	8.0
Resale and other	12.4	0.1	0.2	1.1	0.6	0.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SCE Customers

<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Customers:						
Residential	4,030,473	3,977,245	3,931,414	3,884,982	3,843,923	3,767,742
Commercial	481,509	467,976	450,102	433,855	420,370	401,528
Industrial	18,693	19,200	21,765	24,955	25,867	28,546
Agricultural	22,722	23,019	23,573	24,234	24,454	24,374
Public authorities	46,726	46,684	47,097	47,479	47,555	47,518
Railroads and railways	47	43	46	48	38	30
Interdepartmental	20	11	8	7	4	17
Resale	36	—	—	—	2	12
Total customers	4,600,226	4,534,178	4,474,005	4,415,560	4,362,213	4,269,767

SCE Operating Revenue

<i>In millions</i>	<i>Year Ended December 31,</i>	2003 ¹	2002 ¹	2001 ¹	2000 ¹	1999 ¹	1998 ¹
Class of service:							
Residential		\$2,855	\$2,957	\$2,729	\$3,004	\$2,788	\$2,778
Commercial		3,609	4,014	3,438	3,017	2,895	2,876
Industrial		686	865	828	663	736	825
Agricultural		99	124	102	101	100	84
Public authorities		540	640	574	519	535	538
Railroads and railways		6	8	5	4	3	4
Resale		413	19	30	71	14	54
Sales of electricity		8,208	8,627	7,706	7,379	7,071	7,159
Other		385	364	420	491	477	341
Deferred revenue ²		261	(285)	—	—	—	—
Total operating revenue		\$8,854	\$8,706	\$8,126	\$7,870	\$7,548	\$7,500
Class of service — percent³:							
Residential		32.2%	32.9%	33.6%	38.2%	36.9%	37.1%
Commercial		40.8	44.7	42.3	38.3	38.4	38.3
Industrial		7.8	9.6	10.2	8.4	9.8	11.0
Agricultural		1.1	1.4	1.2	1.3	1.3	1.1
Public authorities		6.1	7.1	7.1	6.6	7.1	7.2
Resale and other		4.7	0.3	0.4	1.0	0.2	0.8
Sales of electricity		92.7	96.0	94.8	93.8	93.7	95.5
Other		7.3	4.0	5.2	6.2	6.3	4.5
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Does not include energy revenue from direct access customers.

² In accordance with accounting standards for rate-regulated enterprises, amounts currently authorized in rates for recovery of costs to be incurred in the future are not considered as revenue for SEC reporting purposes until the associated costs are incurred. Such amounts totaled \$261 million in 2003 and (\$285) million in 2002.

³ Excludes deferred revenue.

SCE Energy Costs

<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Average annual fuel cost — unit of expense:						
Oil (\$/bbl) (Catalina)	\$51.25	\$ 43.47	\$ 47.17	\$ 53.88	\$ 36.71	\$ 30.92
Gas (\$/mcf) ¹	6.91	4.95	8.94	5.85	3.65	3.04
Coal (\$/ton)	24.26	24.77	23.09	22.86	23.02	23.85
Average cost (\$/m²Btu):						
Oil (Catalina)	\$ 8.87	\$ 7.54	\$ 8.18	\$ 9.43	\$ 6.31	\$ 5.38
Gas	6.55	4.67	8.48	5.68	3.44	2.97
Nuclear	0.45	0.43	0.40	0.44	0.38	0.44
Coal	1.24	1.25	1.17	1.15	1.17	1.22
Average cost — all sources	0.77 ²	0.74 ²	0.73	0.74 ²	0.73	1.05
Average cost (cents/kwh):						
Oil (Catalina)	10.628¢	9.701¢	9.480¢	10.947¢	7.506¢	6.031¢
Gas	—	—	—	9.181 ³	—	3.058
Nuclear	0.461	0.448	0.443	0.462	0.407	0.481
Coal	1.255	1.260	1.181	1.153	1.172	1.225
Purchased power:						
Firm	5.736	6.921	8.664	5.563	4.434	4.235
Economy/Other ⁴	—	—	—	—	—	1.402
Other power producers:						
Biomass	9.113	8.782	13.170	13.329	12.312	13.269
Cogeneration	8.432	6.338	12.447	8.364	7.025	6.242
Geothermal	7.644	7.526	10.138	8.478	9.926	12.802
Small hydro	6.566	6.316	5.949	6.667	8.122	11.732
Solar	14.456	12.751	14.382	13.452	12.235	14.221
Wind	6.636	7.074	9.586	8.975	9.547	9.823
Average cost — other power producers	8.249	7.075	11.643	8.907	8.473	8.766
PX purchases — net ⁵	—	—	—	10.241	3.161	3.264
Average cost — all sources ⁶	5.510 ²	4.915 ²	6.936	4.097 ²	4.236	4.171
Fuel consumption:						
Oil (bbl) (000)	63	60	59	61	59	55
Gas (mcf) (000)	237	254	343	768	434	29,515
Coal (tons) (000)	5,614	5,210	5,579	5,566	5,366	5,263
Oil inventory — year end (bbl) (000)	1	180	172	344	2,190	2,298

¹ Cost of gas used to start-up coal plants.

² Excludes prior period fuel-related settlements resulting in a payment by SCE of approximately \$4.8 million in 2003, \$21 million in 2002, and a refund to SCE of approximately \$31 million in 2000.

³ Fuel cost incurred for operation of a gas-fueled generating facility leased by SCE in an effort to reduce a shortage of generating capacity in 2000.

⁴ Includes economy energy, exchange energy, fringe energy and net interchange.

⁵ Net purchases represents energy purchases from the PX in excess of energy sales to the PX. Includes lagged PX/ISO settlement adjustment.

⁶ Excludes ISO/other sales, includes firm purchased power.

SCE Regulatory Assets

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000
Current:					
PROACT — net ¹		\$ —	\$ 574	\$2,641	\$ —
Regulatory balancing accounts and other — net		(276)	(115)	—	—
		(276)	459	2,641	—
Long-term:					
Flow-through taxes — net		974	1,336	1,017	874
Rate reduction notes — transition cost deferral		949	1,215	1,453	1,090
Unamortized nuclear investment — net		601	630	—	—
Nuclear-related ARO investment — net		288	—	—	—
Unamortized coal plant investment — net		66	61	—	—
Unamortized loss on reacquired debt		222	237	254	273
Environmental remediation		71	70	57	52
Asset retirement obligation		(720)	—	—	—
Cost of removal		(2,020)	(4,231)	—	—
Regulatory balancing accounts and other — net ¹		79	289	189	(94)
		510	(393)	2,970	2,195
Total		\$234	\$66	\$5,611	\$2,195

¹ Includes interest.

SCE Operating Statistics

Year Ended December 31,	2003		2002		2001		2000		1999		1998	
	MW	%	MW	%	MW	%	MW	%	MW	%	MW	%
SCE generating capacity resources (MW):												
SCE owned:												
Standby reserve ¹	—	—	—	—	—	—	—	—	—	—	—	—
Oil and gas (Catalina)	9	0.1	9	0.1	9	0.1	9	0.1	9	0.1	9	0.1
Nuclear	2,204	22.6	2,204	22.6	2,204	22.5	2,204	21.8	2,204	21.0	2,203	20.9
Coal	1,573	16.1	1,573	16.1	1,573	16.0	1,573	15.5	1,573	15.5	1,617	15.3
Hydro	1,153	12.0	1,173	12.0	1,173	12.0	1,156	11.4	1,156	11.0	1,156	11.0
Purchases:												
Other utilities ²	1,667	17.0	1,667	17.0	1,667	17.0	1,752	19.6	1,987	19.0	1,987	18.8
Other power producers:												
Cogeneration	1,725	17.7	1,724	17.7	1,761	18.0	1,775	17.5	2,056	19.6	2,097	19.9
Biomass	185	1.9	188	1.9	188	1.9	188	1.9	193	1.9	253	2.4
Small hydro	25	0.3	25	0.3	25	0.2	25	0.3	35	0.3	35	0.3
Wind	67	1.8	173	1.8	173	1.8	173	1.7	181	1.7	157	1.5
Geothermal	900	6.9	677	6.9	675	6.9	677	6.7	674	6.4	674	6.4
Solar	353	3.6	354	3.6	354	3.6	354	3.5	363	3.5	358	3.4
Total	9,861	100%	9,767	100%	9,802	100%	9,886	100%	10,431	100%	10,546	100%

SCE Total Energy Requirement (Millions of kWh):

SCE owned:												
Oil (Catalina)	31	—	27	—	29	—	30	—	29	—	28	—
Gas	—	—	—	—	—	—	19	—	—	—	2,886	3.6
Nuclear	18,255	23.7	18,421	25.7	15,916	19.1	18,425	22.3	17,300	22.0	17,903	22.3
Coal	10,984	14.2	10,345	14.5	11,164	13.4	11,271	13.7	10,671	13.5	10,361	12.9
Hydro	3,990	5.2	3,611	5.0	3,048	3.6	4,471	5.4	4,383	5.6	5,903	7.4
Purchased Power ³ :												
PX purchases — net ⁴	—	—	(51)	(0.1)	2,213	2.6	19,456	23.6	16,576	21.0	9,083	11.3
Firm ⁵	7,110	9.3	2,263	3.2	3,672	4.4	2,122	2.6	2,800	3.5	2,725	3.4
Economy/other ⁶	(1,292)	(1.7)	(1,914)	(2.7)	(564)	(0.7)	1,157	1.4	5	—	3,286	4.1
Other power producers:												
Cogeneration	13,837	17.9	13,668	19.1	13,785	16.5	14,097	17.1	15,338	19.5	16,642	20.7
Biomass	1,391	1.8	1,482	2.1	1,658	2.0	1,560	1.9	1,935	2.5	1,935	2.4
Small hydro	239	0.3	229	0.3	247	0.3	303	0.4	203	0.3	334	0.4
Wind	2,341	3.0	2,624	3.7	2,472	3.0	2,557	3.1	2,354	3.0	2,022	2.5
Geothermal	7,070	9.2	6,041	8.4	6,248	7.5	6,177	7.5	6,323	8.0	6,344	7.9
Solar	759	1.0	881	1.2	832	1.0	858	1.0	835	1.1	837	1.1
CDWR/ISO:	12,444	16.1	14,036	19.6	22,775	27.3	—	—	—	—	—	—
Total⁷	77,159	100%	71,663	100%	83,495	100%	82,503	100%	78,752	100%	80,289	100%

Area peak demand (MW)	20,136	18,821	17,890	19,757	19,122	19,935
Annual area system load factor (%)	55.1	57.6	60.3	57.1	56.6	52.7

¹ Units not active during the year. Not included in total.

² Includes system and unit purchases and net interchange. Since April 1998 excludes public power utilities.

³ This amount is based on the accrual basis of accounting.

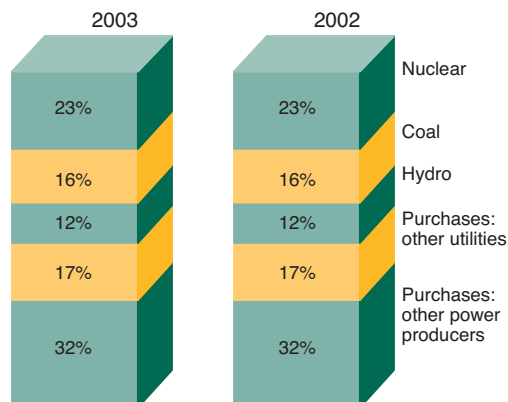
⁴ Net purchases represent energy purchases from the PX in excess of energy sales to the PX. Includes lagged PX/ISO settlement agreement.

⁵ Includes bilateral sales.

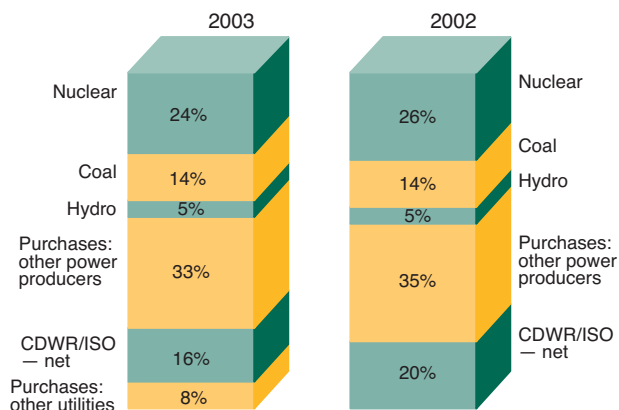
⁶ Includes economy energy, exchange energy, fringe energy and net interchange.

⁷ Since April 1998, excludes direct access and resale customer requirements. Includes generation line losses. Decrease primarily due to increase in direct access customers.

SCE GENERATING CAPACITY RESOURCES MIX



SCE TOTAL ENERGY REQUIREMENT



SCE Generating Capacity Resources as of December 31, 2003 (Summer Effective Rating)

<i>Plant</i>	<i>Location</i>	<i>URG Net Investment¹ (\$ million)</i>	<i>Units</i>	<i>Entered Operation</i>	<i>Ownership Interest</i>	<i>Type</i>	<i>SCE-Owned Total Capacity (Megawatts)</i>
Gas and oil (isolated diesel system on Catalina Island):							
Pebble Beach	Los Angeles, CA	10.8	7–8, 10, 12, 14–15	1958–1995	100%	Diesel	9
Coal:							
Four Corners ²	San Juan, NM	98.2	4, 5	1969–1970	48%	Boiler	710
Mohave	Clark, NV	83.4	1, 2	1971	56%	Boiler	885
Off-System Losses ³							(22)
Subtotal		181.6	4				1,573
Nuclear:							
San Onofre	San Diego, CA	457.3	2, 3	1983, 1984	75%	PWR	1,614
Palo Verde ²	Maricopa, AZ	216.3	1–3	1986–1988	16%	PWR	590
Subtotal		673.6	5				2,204
Total thermal generation		866.0	15				3,786

¹ These totals include generation, generation-related transmission & distribution, and site-specific general & intangible. Non site-specific related general & intangible amounts of \$143 million are excluded from this schedule, but are included in generation rate base.

² Operated by Arizona Public Service.

³ Represents a constant value of line loss from Four Corners.

PWR = Pressurized water reactor URG = Utility Retained Generation

<i>Plant</i>	<i>Location</i>	<i>URG Net Investment¹ (\$ million)</i>	<i>No. of Units</i>	<i>Entered Operation</i>	<i>Ownership Interest</i>	<i>SCE-Owned Total Capacity (Megawatts)</i>
Hydroelectric plants:						
Northern region:	Fresno, Madera, Tulare		23	1909–1987	100%	1,000
Eastern region:	San Bernardino, Kern, Los Angeles, Riverside, Inyo, Mono ⁴		53	1893–1999	100%	153
Subtotal		493.9	76			1,153
Total SCE-owned generation		1,359.9	91			4,939

⁴ Santa Ana 2 and 3 plants (total of 3 units) retired and replaced by new Santa Ana 3 plant (1 unit), with no net change in capacity.

<i>Plant</i>	<i>Seller</i>	<i>Initial Year of Purchase Under Current Contract</i>	<i>Point of Delivery</i>	<i>Total Capacity (Megawatts)</i>
Purchases (other utilities):				
System (firm purchase/interchange):				
Hoover — SCE	Western Area Power Admin.	1987	Mead substation	278
Oroville — Thermalito	Cal. Dept. of Water Res.	1983	Midway	350
CDWR Exchange	Cal. Dept. of Water Res.	1987	Vincent or Midway	225
Devil Canyon	Cal. Dept. of Water Res.	1983	Devil Canyon Plant	120
PP&L Purchase	Pacific Power and Light Co.	1987	Ore-Cal border	100
PP&L Purchase	Pacific Power and Light Co.	1987	Four Corners	100
MWD Hydro (4 plants)	MWD	1979	Various	29
Off-System Losses				(9)
Subtotal				1,193
Total system (firm purchase/interchange):				
Other area resources:				
MWD, Hoover to SCE	Metropolitan Water District of So. Cal.	1987	Hoover plant	247
MWD, Parker to SCE	Metropolitan Water District of So. Cal.	1987	Hoover plant	54
USDOE, Parker/Davis	Department of Defense Edwards AFB	1988	Blythe substation	18
USDOE, Parker/Davis	Department of Defense March AFB	1991	Blythe substation	5
Bilateral Capacity Contracts		2000	Southern California	150
Subtotal				474
Total other utility purchases				1,667
Purchases: Other power producers				
Cogeneration				1,725
Biomass				185
Small hydro				25
Wind				67
Geothermal				900
Solar				353
Subtotal				3,255
Total purchases/exchanges				4,922
Total generation capacity resources⁵				9,861

⁵ Includes isolated resources.

SCE System Rate Base¹

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Fixed capital:							
Plant in service		\$ 22,103	\$ 21,502	\$ 21,043	\$ 20,399	\$ 19,645	\$ 19,762
Property held for future use		3	5	3	5	5	4
Total fixed capital		22,106	21,507	21,046	20,404	19,650	19,766
Adjustments		26	35	40	41	46	49
Working capital		191	180	118	117	138	148
Reserves:							
Depreciation		(11,981)	(11,797)	(11,507)	(10,442)	(9,289)	(8,666)
Accumulated deferred income taxes		(697)	(574)	(611)	(837)	(1,020)	(1,305)
Other		(250)	(250)	(236)	(254)	(242)	(218)
Total reserves		(12,928)	(12,621)	(12,354)	(11,533)	(10,551)	(10,189)
System rate base²		\$ 9,395	\$ 9,101	\$ 8,850	\$ 9,029	\$ 9,283	\$ 9,774

¹ Weighted-average depreciated book costs.

² Includes generation-related assets not subject to cost-based rate regulation as of third quarter 1997.

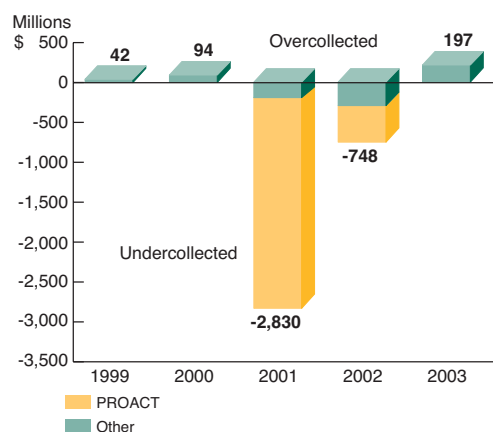
Detail of SCE Utility Plant — Net

<i>In millions</i>	<i>December 31,</i>	2003	2002 ¹
Generation:			
Steam		\$ 131	\$ 80
Mohave regulatory asset		66	61
Nuclear regulatory asset		601	630
Hydro		449	458
Generation-related transmission		42	44
Generation general and intangible		49	49
Other		12	9
Total generation		1,350	1,331
Transmission		2,690	2,583
Distribution		7,457	7,206
T&D general and intangible		1,009	1,058
Gas and water (Catalina)		7	6
Construction work in progress		600	529
Nuclear fuel		141	153
Total utility plant — net (unadjusted)		\$ 13,254	\$ 12,866
Less: amounts classified as regulatory assets ² :			
Mohave regulatory asset		66	61
Nuclear regulatory asset		601	630
Total utility plant — net — as shown in Annual Report		\$ 12,587	\$ 12,175

¹SCE has collected in rates amounts for the future costs of removal and decommissioning of assets, and has historically recorded these amounts in accumulated provision for depreciation. However, in accordance with recent Securities and Exchange Commission accounting guidance, the amounts accrued in accumulated provision for depreciation for decommissioning and costs of removal were reclassified to regulatory liabilities as of December 31, 2002.

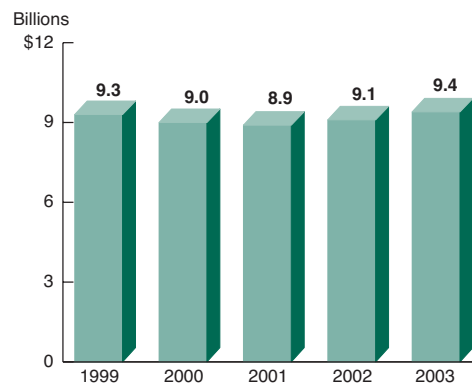
²Nuclear plant assets and related reserves were reclassified as regulatory assets in 1998. A portion of the Mohave Coal Generating Station was reclassified as a regulatory asset in 2002.

**SOUTHERN CALIFORNIA EDISON
BALANCING ACCOUNTS — NET¹**



¹ Includes interest and other current and long-term regulatory assets/liabilities and balancing accounts, net.

**SOUTHERN CALIFORNIA EDISON
SYSTEM RATE BASE¹**



¹ Weighted-average depreciated book costs including generation-related assets

Palo Verde Plant Facts

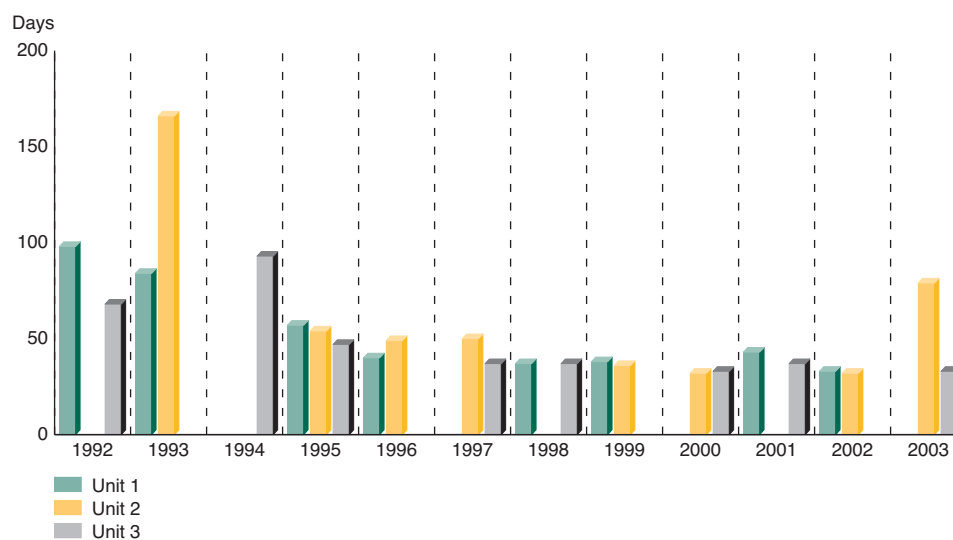
	Unit 1	Unit 2	Unit 3
Commercial operation	02/01/86	09/19/86	01/20/88
Net plant capacity (MW) ^{1,2}	1,243	1,243	1,247
2003 net generation (MWh) ¹	10,587,107	8,439,236	9,546,559
2003 capacity factor (CF) (%)	97	78	87
Lifetime net CF through 2003 (%)	76	78	83
Last refueling outage	09/28/02–10/30/02	09/27/03–12/15/03	03/29/03–04/30/03
Last refueling outage days	33	79 ³	33

¹ Capacity and generation are reported at the 100% level. SCE's share is 15.8%.

² The units were rerated effective April 1, 1997, as a result of upgrading the output of the units' reactors.

³ Steam Generators and turbine rotors were replaced in the 2003 Unit 2 outage.

Palo Verde Refueling History



Palo Verde Annual Capacity Factors

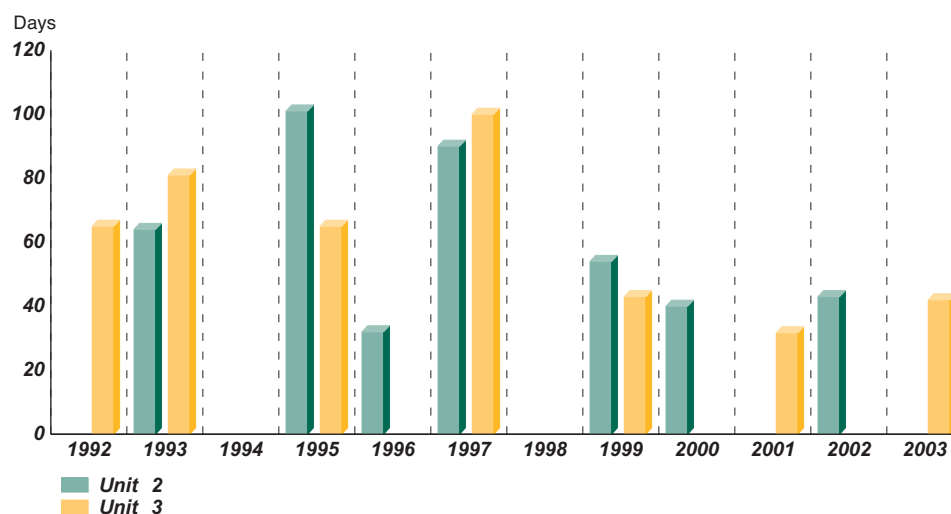
Year	Unit 1	Unit 2	Unit 3
1993	70%	48%	88%
1994	91%	62%	64%
1995	79%	84%	87%
1996	81%	87%	100%
1997	99%	86%	87%
1998	88%	102%	88%
1999	89%	90%	100%
2000	100%	87%	90%
2001	88%	93%	84%
2002	89%	92%	102%
2003	97%	78%	87%

San Onofre Plant Facts

	Unit 2	Unit 3
Commercial operation	08/18/83	04/01/84
Net plant capacity (MW) ¹	1,070	1,080
2003 net generation (MWh) ¹	9,712,483	8,596,269
2003 net capacity factor (CF) (%) ¹	103.6	90.9
Lifetime net CF through 2003 (%) ¹	80.6	79.9
Last refueling outage	05/20/02–07/02/02	01/06/03–02/17/03
Last refueling outage days	43	42

¹ Capacity and generation are reported at the 100% level for each unit. SCE's share is 75.05%.

San Onofre Refueling History



San Onofre Annual Capacity Factors

Year	Unit 2	Unit 3
1993	82%	75%
1994	99%	97%
1995	69%	79%
1996	91%	93%
1997	71%	72%
1998	90%	96%
1999	88%	89%
2000	91%	102%
2001	101%	60%
2002	91%	101%
2003	104%	91%

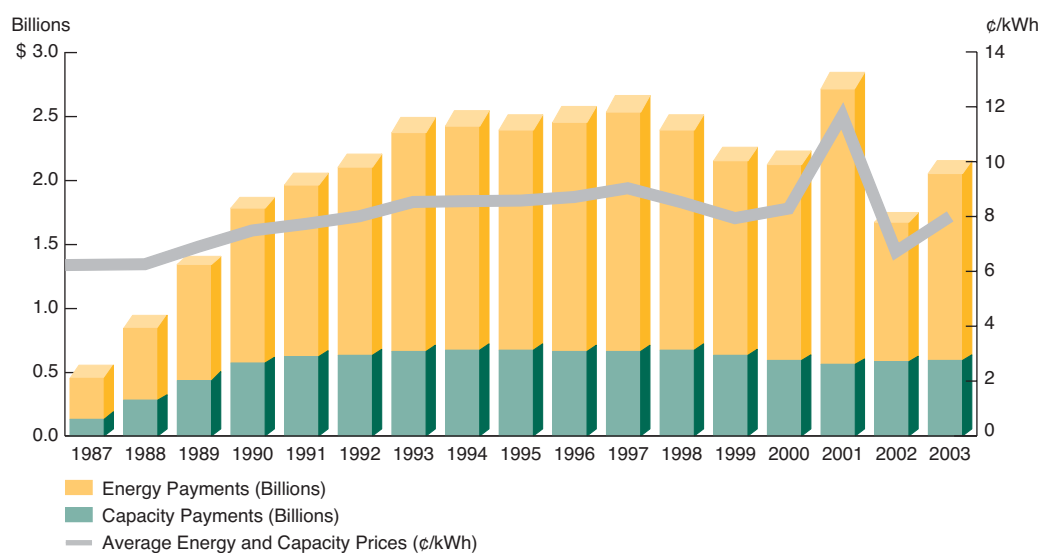
San Onofre Incremental Cost Incentive Pricing (ICIP)

<i>Cents/kWh</i>	1996	1997	1998	1999	2000	2001	2002	2003 ¹
San Onofre Incremental Operating	3.80	3.85	4.00	4.00	4.05	4.10	4.15	4.15
Fixed adder for A&G	—	—	.21	.21	.21	.21	.21	.21
	3.80	3.85	4.21	4.21	4.26	4.31	4.36	4.36

Note: Recovery of sunk investment was through a separate mechanism from April 15, 1996 through December 31, 2003.

¹ ICIP ended 12/31/03

Cogeneration and Renewable Payments (1987–2003)



Cogeneration and Renewable Resources

Year Ended December 31, 2003

	<i>On-Line Projects</i>	<i>On-Line Dedicated Capacity¹ MW</i>	<i>Energy Deliveries GWh</i>	<i>Energy and Capacity Payments (Millions)</i>	<i>Average Prices For Energy and Capacity Payments ¢/kWh</i>
Biomass	28	226	1,389	\$ 112	8.06
Cogeneration	116	1,802	13,836	1,117	8.07
Geothermal	21	892	7,077	540	7.63
Small Hydro	36	96	238	15	6.30
Solar	13	354	752	109	14.49
Wind	61	1,022	2,367	157	6.63
Total	275	4,392	25,659	\$2,050	7.99

¹ On-Line Dedicated Capacity includes Firm and estimated As-Available Capacity.

California Public Utilities Commission (CPUC) and Commissioners

SCE is subject to regulation by the CPUC, which has authority over, among other things, retail rates, securities issues, depreciation practices, and plant additions. The CPUC is comprised of five members appointed by the Governor for staggered six-year terms.

CPUC Commissioners as of January 1, 2004:

		<i>Age</i>	<i>Appointed</i>	<i>Term Expires</i>
Michael R. Peevey President	Democrat, economist and entrepreneur, former president of Southern California Edison (October 1990 to March 1993).	65	2003	December 31, 2008
Geoffrey F. Brown	Democrat, former Public Defender of the City and County of San Francisco.	60	2001	January 2007
Susan P. Kennedy	Democrat, former Governor's Cabinet Secretary, U.S. Senator Communications Director, and Executive Director for California Democratic Party.	43	2003	January 2009
Loretta M. Lynch	Democrat, former Governor's Director of Office of Planning and Research, partner with the law firm of Kecker & Van Nest, lawyer for the Legal Aid Foundation.	41	2000	January 2005
Carl W. Wood	Democrat, twelve years experience in the utility industry analyzing regulations and restructuring issues for electric and natural gas providers, former electrical technician, senior national representative and national deregulation coordinator for the Utility Workers Union of America.	56	1999	December 31, 2004

Other Regulatory Agencies

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

SCE's rates to recover the costs of its transmission facilities are subject to regulation by the FERC. The FERC also regulates certain other matters, including accounting and the acquisition and disposition of jurisdictional property. This includes licensing of hydroelectric power projects as well as SCE's involvement in the transmission and wholesale sales of electric energy in interstate commerce.

CALIFORNIA ENERGY COMMISSION (CEC)

The CEC licenses thermal power plants with a capacity of 50 MW or greater and develops electricity demand forecasts covering a 20-year time horizon. The CEC also coordinates a variety of research and development projects, sets appliance and building efficiency standards, and maintains a statewide plan in case of an energy shortage.

NUCLEAR REGULATORY COMMISSION (NRC)

The Nuclear Regulatory Commission regulates and licenses all nuclear facilities in the United States. Its purpose is to ensure compliance with public health and safety, environmental quality, national security, and antitrust laws.

Major Regulatory Proceedings

Docket #	Proceeding	Agency	Initial Filing Date	Summary	Decision Expected
EL00-95-045 EL00-98-042	FERC Investigation	FERC	08/02/2000	Implements FERC's market mitigation measures.	2004
R.01-10-024	Procurement Plan	CPUC	05/01/2002	Framework to enable SCE to resume power procurement and resource planning.	2004
A.02-05-004	2003 General Rate Case	CPUC	05/03/2002	Sets distribution and generation base rates for 3 years.	2004

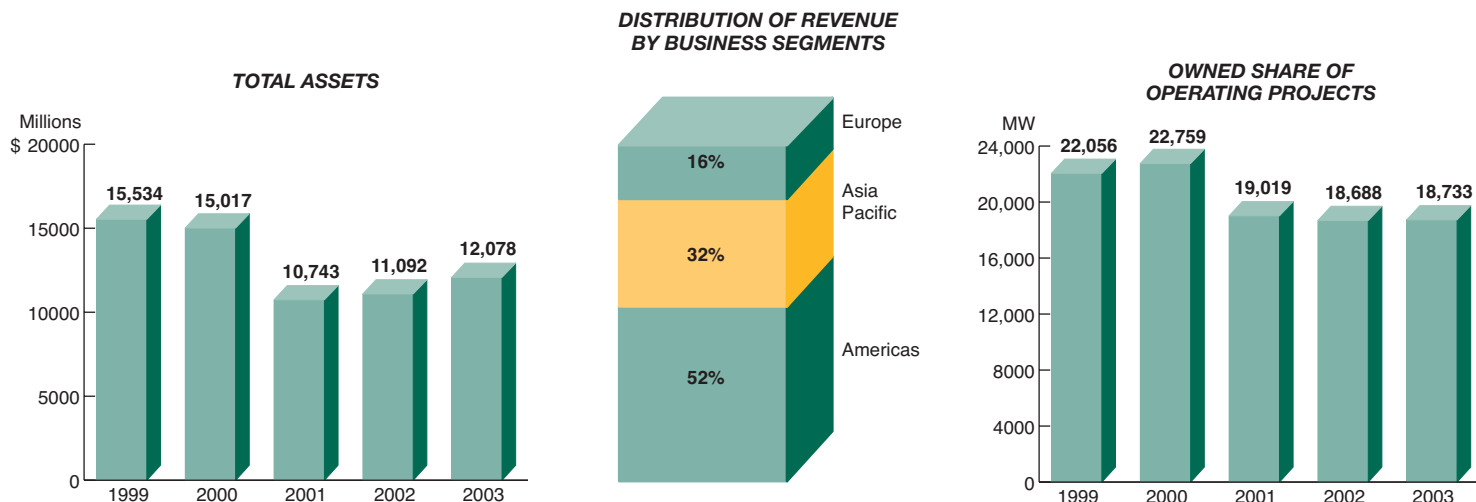
Note: Detailed discussions concerning SCE's regulatory environment are updated in the most recent reports filed with the Securities and Exchange Commission by Edison International and Southern California Edison on Forms 10-K, 10-Q and 8-K.

NONUTILITY BUSINESSES

Edison Mission Energy

Edison Mission Energy is a world-class generation business specializing in the ownership or leasing and operation of global power production facilities. It is one of the world's leading power producers with 18,918 megawatts of generating capacity, assets totaling nearly \$12 billion and investments in 81 plants in Australia, Indonesia, Italy, New Zealand, Philippines, Spain, Thailand, Turkey, the United Kingdom, and the United States.

Highlights



Quarterly Financial Data (Unaudited)

2003	First ¹	Second	Third ¹	Fourth ¹	Total
Operating revenues	\$683	\$715	\$ 1,014	\$ 769	\$ 3,181
Operating income (loss)	36	(200) ²	303	25	164
Income (loss) from continuing operations before accounting change	(8)	(164) ²	200	—	28
Discontinued operations, net	—	(3)	—	4	1
Net income (loss)	(17)	(167)	200	4	20
2002	First¹	Second	Third¹	Fourth¹	Total
Operating revenues	\$537	\$673	\$ 954	\$ 586	\$ 2,750
Operating income (loss)	(13)	73	252	18	330
Income (loss) from continuing operations before accounting change	(41)	(6)	156	(13)	96
Discontinued operations, net	5	9	7	(78) ³	(57)
Net income (loss)	(50)	3	163	(91) ³	25

¹ Reflects EME's seasonal pattern, in which the majority of earnings from domestic projects are recorded in the third quarter of each year and higher electric revenues from specified international projects are recorded during the winter months of each year.

² Reflects asset impairment charge of \$245 million, pre-tax (\$150 million, after tax) required to write-down the carrying amount of the small peaking plants in Illinois to their estimated fair value.

³ Reflects asset impairment charges of \$77 million, after tax, and a provision for bad debts of \$1 million, after tax, required to write-down the carrying amount of the Lakeland plant and related claims under the power sales agreement to its fair market value.

Edison Mission Energy Project List

Americas Operating Projects

No.	Project Name	Plant Type	Ownership Interest	Megawatts		EME Operates	Location	Commercial Operation/ Acquisition Date	Fuel Source	Power Purchaser
				Total	EME Share					
1	American Bituminous	Q	50%	80	40	×	West Virginia	4/93	Coal	Monongahela Power
2	Brooklyn Navy Yard ¹	Q/E	50%	286	143		New York	11/96	Natural gas	Con. Edison N.Y.
3	Coalinga	Q	50%	38	19	×	California	11/91	Natural gas	PG&E
4	EcoElectrica	—	50%	524	262	×	Puerto Rico	3/00	Liquefied Natural gas	PREPA
5	Homer City	E	100%	1,884	1,884	×	Pennsylvania	3/99	Coal	PJM/NYISO
6	Illinois Plants (11 plants)	E	100%	9,218	9,218	×	Illinois	12/99	Coal, Natural gas	Exelon Generation
17	Kern River	Q	50%	300	150	×	California	8/85	Natural gas	SCE
18	March Point	Q	50%	140	70		Washington	11/91, 1/93	Natural gas	Puget Sound Energy
19	Mid-Set	Q	50%	38	19	×	California	5/89	Natural gas	PG&E
20	Midway-Sunset	Q	50%	225	113	×	California	5/89	Natural gas	SCE
21	Salinas River	Q	50%	38	19	×	California	11/91	Natural gas	PG&E
22	Sargent Canyon	Q	50%	38	19	×	California	11/91	Natural gas	PG&E
23	Sunrise	E	50%	572	286	×	California	6/01, 6/03	Natural gas	CDWR
24	Sycamore	Q	50%	300	150	×	California	1/88	Natural gas	SCE
25	Watson	Q	49%	385	189		California	4/88	Natural gas	SCE
Total Americas Operating Projects				14,066	12,581					

(E = Exempt Wholesale Generation Q = Qualifying Facilities CDWR = California Department of Water Resources
PJM/NYISO = Pennsylvania-New Jersey-Maryland/New York Independent System Operator PREPA = Puerto Rico Electric Power Authority)

¹ On March 31, 2004, EME sold its interest in Brooklyn Navy Yard.

International Operating Projects

Asia Pacific

1	Contact Energy (11 plants)		51.2%	2,597	1,215		New Zealand ¹	5/99, 1/00, 4/00	Hydro, Natural gas, Geothermal	Pool
12	CBK (3 plants)		50%	423	211	×	Philippines	10/00, 12/02, 6/03	Hydro	NPC
15	Kwinana		70%	118	83	×	Australia	12/96	Natural gas	WP/BP
16	Loy Yang B		100%	940	940	×	Australia	10/93, 10/96, 5/97	Coal	Pool
17	Paiton		40%	1,230	492	×	Indonesia	7/99	Coal	PLN
18	Tri Energy		25%	700	175		Thailand	7/00	Natural gas	EGAT
19	Valley Power		80%	300	241	×	Australia	2002	Gas	Pool
Total Asia Pacific				6,308	3,357					

Europe

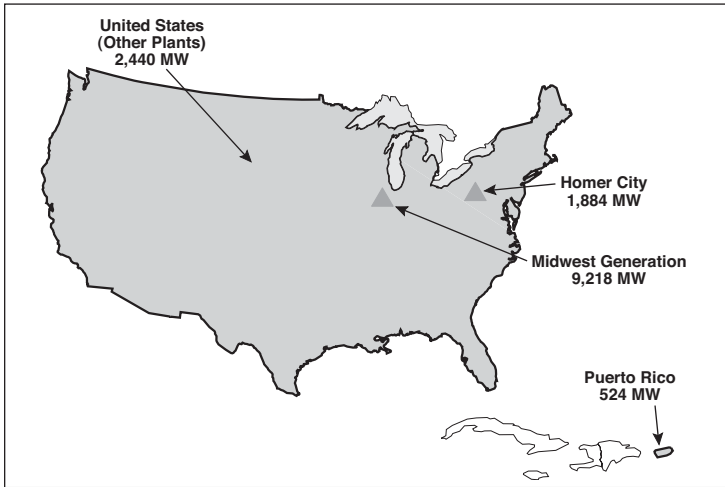
20	Derwent		33%	214	71	×	United Kingdom	5/95	Natural gas	SSE
21	Doga		80%	180	144	×	Turkey	5/99	Natural gas	TEDAS
22	First Hydro (2 plants)		100%	2,088	2,088	×	United Kingdom	12/95	Hydro	Various
24	Iberian Hy-Power I & II (18 plants)		100% ²	84	81	×	Spain	12/92, 1/96, 8/93, 1/96	Hydro	FECSA
42	ISAB		49%	528	259		Italy	4/00	Oil	GRTN
55	Italian Wind (13 plants)		50%	303	152		Italy	3/00, 11/02	Wind	GRTN
Total Europe				3,397	2,795					
Total International Operating Projects				9,705	6,152					

¹ Minority interest in one project in Australia. ² Minority interests are owned by third parties in three projects. (EGAT = Electricity Generating Authority of Thailand
BP = British Petroleum Kwinana Refinery WP = Western Power FECSA = Fuerzas Electricas de Cataluma, S.A. GRTN = Gestore Rete Transmisioni Nazionale
NPC = National Power Corp. SSE = SSE Energy Supply Ltd. PLN = PT PLN (State-owned electricity company in Indonesia) Pool = Electricity trading market for Australia and New Zealand
TEDAS = Turkiye Elektrik Dagitim Anonim Sirketi)

Projects Under Construction

No.	Project Name	Ownership Interest	Megawatts		EME Operates	Location	Commercial Operation/ Acquisition Date	Operation Date	Fuel Source	
			Total	EME Share						
1	Kalayaan II		50%	369	185	×	Philippines	2001	2004	Hydro
Total Projects Under Construction				369	185					
Total Projects				24,140	18,918					

Edison Mission Energy World Profile



Americas

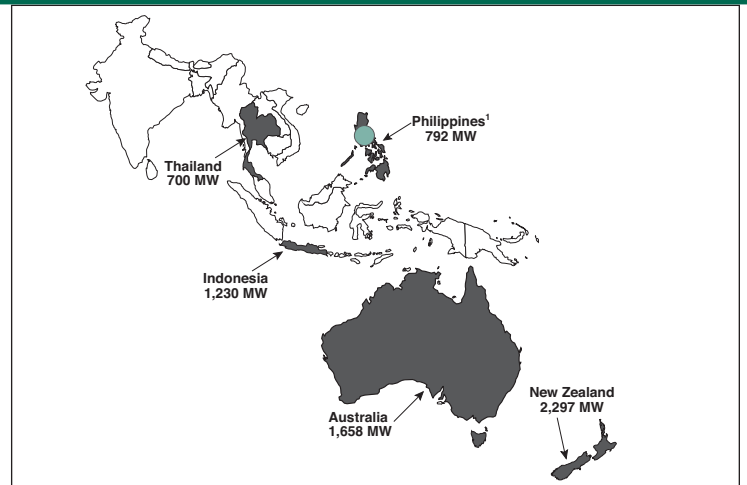
Number of Plants	Megawatts	
	Total	EME Share
25 Operating plants	14,066	12,581

Coal: 7,585 MW
 Natural gas: 6,481 MW

Asia Pacific

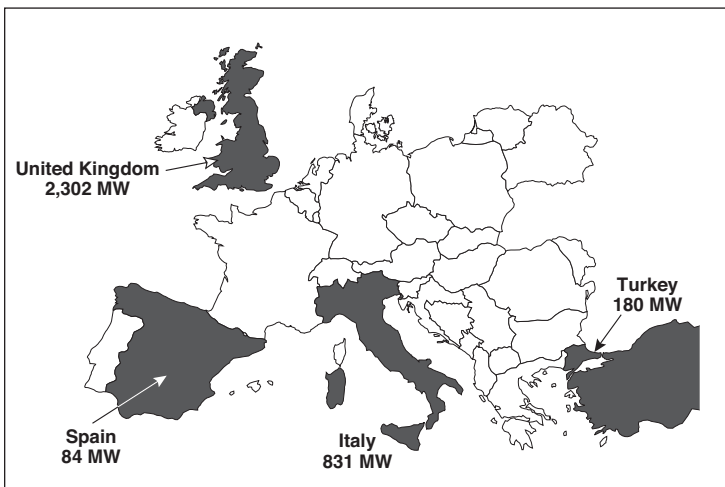
Number of Plants	Megawatts	
	Total	EME Share
19 Operating plants	6,308	3,357
1 Under construction	369	185
20	6,677	3,542

Coal: 2,170 MW
 Hydro: 1,544 MW
 Geothermal: 324 MW
 Natural gas: 2,639 MW



¹ Under Construction

Europe



Number of Plants	Megawatts	
	Total	EME Share
36 Operating plants	3,397	2,795

Hydro: 2,172 MW
 Natural gas: 922 MW
 Wind: 303 MW

Edison Mission Energy Regional Results From Continuing Operations¹

Americas	<i>In millions</i>	Year Ended December 31,	2003	2002	2001
Illinois Plans			\$1,055	\$1,150	\$1,090
Homer City			521	389	494
Other			29	25	33
Operating Revenues from Consolidated Subsidiaries			\$1,605	\$1,564	\$1,617
Consolidated operations					
Illinois Plans			(112)	232	103
Homer City			137	37	126
Charges related to cancellation of turbine orders/leases			—	(61)	(25)
Other			36	39	29
Unconsolidated affiliates					
Big 4 projects			135	94	206
Four Star Oil & Gas ²			43	20	86
Sunrise			35	16	14
March Point			10	18	8
Asset impairment charges			(59)	—	(34)
Other			5	28	90
Regional overhead			(44)	(44)	(46)
Income (Loss) Before Taxes and Minority Interest (Earnings/Losses)			\$ 186	\$ 379	\$ 557

¹ Does not include results from continuing operations for Corporate/other as detailed in Note 21 of EME's 2003 10-K.

² On January 7, 2004, EME sold 100% of the stock of Edison Mission Energy Oil & Gas, which in turn holds minority interests in Four Star Oil & Gas.

Asia Pacific	<i>In millions</i>	Year Ended December 31,	2003	2002	2001
Contact Energy			\$ 751	\$494	\$297
Loy Yang B			177	157	129
Other			75	56	38
Operating Revenues from Consolidated Subsidiaries			\$1,003	\$707	\$464
Consolidated operations					
Contact Energy ³			90	61	45
Loy Yang B			41	52	11
Other			25	12	13
Unconsolidated affiliates					
Paiton			54	23	(5)
Other			22	6	—
Regional overhead			(11)	(13)	(11)
Income (Loss) Before Taxes and Minority Interest (Earnings)			\$ 221	\$141	\$ 53

³ Income before taxes of Contact Energy represents both EME's 51% ownership and the ownership of minority interest holders on a calendar year basis.

Europe ⁴	<i>In millions</i>	Year Ended December 31,	2003	2002	2001
First Hydro			\$377	\$317	\$233
Doga ⁵			124	111	118
Other			27	24	18
Operating Revenues from Consolidated Subsidiaries			\$528	\$452	\$369
Consolidated operations					
First Hydro			9	20	10
Doga			13	17	11
Other			4	2	4
Unconsolidated affiliates					
ISAB			27	31	9
Other			9	3	5
Regional overhead			(19)	(23)	(19)
Income before Taxes and Minority Interest (Earnings)			\$ 43	\$ 50	\$ 20

⁴ The results of Lakeland and Ferrybridge and Fiddler's Ferry are not included in this table since the operations are classified as discontinued operations for all historical periods presented.

⁵ Income before taxes of Doga represents both EME's 80% ownership and the ownership of minority interest holders on a calendar year basis.

Edison Mission Energy Consolidated Statements of Income (Loss)

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Operating Revenue							
Electric revenue		\$3,078	\$ 2,680	\$ 2,412	\$2,169	\$ 950	\$ 567
Net gains (loss) from price risk management and energy trading		44	27	36	(17)	(6)	—
Operation and maintenance services		59	43	41	37	37	40
Total operating revenue		3,181	2,750	2,489	2,189	981	607
Operating Expenses							
Fuel		1,103	944	815	767	290	134
Plant operations and transmission costs		912	765	707	523	182	113
Plant operating leases		206	206	133	88	2	—
Operation and maintenance services		29	29	27	28	28	28
Depreciation and amortization		290	247	263	272	134	77
Settlement of postretirement employee benefit liability		—	(71)	—	—	—	—
Asset impairment and other charges		304	131	59	—	—	—
Administrative and general		173	169	180	105	251	123
Total operating expenses		3,017	2,420	2,184	1,783	887	475
Operating income		164	330	305	406	94	132
Other Income (Expense)							
Equity in income from unconsolidated affiliates		368	283	374	267	244	190
Interest and other income		7	17	34	30	42	48
Gain on sale of assets		13	5	41	25	8	1
Gain on early extinguishment of debt		—	—	10	—	—	—
Interest expense		(498)	(452)	(542)	(552)	(300)	(171)
Dividends on preferred securities		(11)	(21)	(22)	(32)	(22)	(13)
Total other income (expense)		(121)	(168)	(105)	(262)	(28)	55
Income from continuing operations before income taxes and minority interest		43	162	200	144	66	187
Provision (benefit) for income taxes		(24)	39	95	76	(45)	64
Minority interest		(39)	(27)	(22)	(3)	(1)	(1)
Income From Continuing Operations		28	96	83	65	110	122
Income (loss) from operations of discontinued subsidiaries, (including loss on disposal of \$1.1 billion in 2001), net of tax		1	(57)	(1,219)	38	34	10
Income (loss) Before Accounting Change		29	39	(1,136)	103	144	132
Cumulative effect of change in accounting, net of tax		(9)	(14)	15	22	(14)	—
Net Income (Loss)		\$ 20	\$ 25	\$(1,121)	\$ 125	\$ 130	\$ 132

Historical Distributions Received by Edison Mission Energy

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002
Domestic Projects				International Projects (Mission Energy Holdings International)			
Distributions from consolidated operating projects:				Distributions from consolidated operating projects:			
EME Homer City Generation L.P. (Homer City facilities)		\$128	\$ —	First Hydro Holdings (First Hydro project)		\$ 18	\$ —
Holding companies of other consolidated operating projects		1	2	Loy Yang B		39	27
Distributions from non-consolidated operating projects:				Doga		18	47
Edison Mission Energy Funding Corp. (Big 4 Projects) ¹		98	137	Contact Energy		16	12
Four Star Oil & Gas Company		21	21	Valley Power		8	—
Sunrise Power Company ²		69	—	Kwinana		4	6
Holding companies for Westside projects		25	42	Distributions from non-consolidated operating projects:			
Holding companies of other unconsolidated operating projects		7	10	ISAB Energy		27	1
Total distributions from Domestic Projects		\$349	\$212	IVPC4 (Italian Wind project)		10	33
				Derwent		3	2
				Paiton		9	—
				Tri Energy		4	3
				Holding Companies of other unconsolidated operating projects		2	8
				Total distributions from International Projects		\$158	\$139
				Total distributions		\$507	\$351

¹ The Big 4 projects are comprised of investments in the Kern River project, Midway-Sunset project, Sycamore project and Watson project. Distributions do not include either capital contributions made during California energy crisis or the subsequent return of such capital. Distributions reflect the amount received by EME after debt service payments by Edison Mission Energy Funding Corp.

² Includes \$59 million of the \$151 million proceeds from the Sunrise project financing. The remaining \$92 million EME has classified as a return of capital.

Edison Mission Energy Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2003	2002	2001	2000	1999	1998
Assets							
Current Assets							
Cash and cash equivalents		\$ 504	\$ 647	\$ 355	\$ 591	\$ 257	\$ 393
Accounts receivable—trade, net of allowance of \$6,470 in 2003 and \$13,113 in 2002		354	296	306	426	148	68
Accounts receivable—affiliates		30	40	234	157	9	14
Assets under price risk management and energy trading		48	34	65	251	—	—
Inventory		166	176	168	113	152	13
Prepaid expenses and other		204	169	95	29	22	46
Total current assets		1,306	1,362	1,223	1,567	588	534
Investments in Unconsolidated Affiliates		1,607	1,645	1,830	2,088	1,941	1,227
Property, Plant and Equipment		8,685	7,650	6,706	7,479	9,196	2,897
Less accumulated depreciation and amortization		1,263	888	603	511	300	194
Net property, plant and equipment		7,422	6,762	6,103	6,968	8,896	2,703
Other Assets							
Goodwill		867	660	631	289	291	308
Deferred financing costs		67	55	85	78	93	39
Long-term assets under price risk management and energy trading		97	113	3	57	—	—
Restricted cash		338	262	284	121	70	72
Rent payments in excess of levelized rent expense under plant operating leases		214	118	—	—	—	—
Other long-term assets		154	105	265	275	17	26
Total other assets		1,737	1,313	1,268	820	471	445
Assets of Discontinued Operations		6	10	319	3,574	3,638	249
Total Assets		\$12,078	\$11,092	\$10,743	\$15,017	\$15,534	\$5,158
Liabilities and Shareholder's Equity							
Current Liabilities							
Accounts payable—affiliates		\$ 4	\$ 12	\$ 12	\$ 25	\$ 8	\$ 8
Accounts payable and accrued liabilities		481	457	435	696	140	87
Liabilities under price risk management and energy trading		163	45	22	282	—	—
Interest payable		101	92	86	79	84	54
Short-term obligations		52	77	168	855	1,122	—
Current maturities of long-term obligations		856	1,090	172	420	85	172
Total current liabilities		1,657	1,773	895	2,357	1,439	321
Long-Term Obligations Net of Current Maturities		5,331	4,872	5,687	5,252	6,147	2,279
Long-Term Deferred Liabilities							
Deferred taxes and tax credits		1,290	1,181	897	799	626	587
Deferred revenue		577	454	427	452	518	490
Long-term incentive compensation		30	29	39	52	254	119
Long-term liabilities under price risk management and energy trading		138	162	171	58	—	—
Junior subordinated debentures		155	—	—	—	—	—
Preferred securities subject to mandatory redemption		164	—	—	—	—	—
Other		318	220	267	245	349	58
Total long-term deferred liabilities		2,672	2,046	1,801	1,606	1,747	1,254
Liabilities of Discontinued Operations		—	3	185	2,509	2,648	181
Total Liabilities		9,660	8,694	8,568	11,724	11,981	4,035
Minority Interest		515	424	344	18	8	15
Preferred Securities of Subsidiaries							
Company-obligated mandatorily redeemable security of partnership holding solely parent debentures		—	150	150	150	150	150
Subject to mandatory redemption		—	131	104	177	327	—
Total preferred securities of subsidiaries		—	281	254	327	477	150
Shareholder's Equity							
Common stock, par value \$0.01 per share; 10,000 shares authorized; 100 shares issued and outstanding		64	64	64	64 ¹	64 ¹	64 ¹
Additional paid-in capital		2,633	2,633	2,632	2,630	2,629	629
Retained earnings (deficit)		(772)	(792)	(817)	401	364	235
Accumulated other comprehensive income (loss)		(22)	(212)	(302)	(147)	11	30
Total Shareholder's Equity		1,903	1,693	1,577	2,948	3,068	958
Total Liabilities and Shareholder's Equity		\$12,078	\$11,092	\$10,743	\$15,017	\$15,534	\$5,158

¹ No par value.

Edison Mission Energy Consolidated Statements of Cash Flows

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities							
Income from continuing operations, after accounting change, net	\$ 19	\$ 83	\$ 98	\$ 87	\$ 109	\$ 132	
Adjustments to reconcile income to net cash provided by (used in) operating activities:							
Equity in income from unconsolidated affiliates	(368)	(283)	(374)	(267)	(244)	(190)	
Distributions from unconsolidated affiliates	416	338	236	226	211	185	
Depreciation and amortization	290	247	263	272	144	87	
Minority interest	39	27	22	—	—	—	
Amortization of discount on short-term obligations	—	—	1	66	15	—	
Deferred taxes and tax credits	12	201	88	256	70	85	
Gain on sale of assets	(13)	(5)	(41)	(25)	(8)	(1)	
Settlement of postretirement employee benefit liability	—	(71)	—	—	—	—	
Asset impairment charges	304	131	59	—	—	—	
Cumulative effect on change in accounting principle, net of tax	9	14	(15)	(22)	14	—	
Changes in operating assets and liabilities:							
Decrease (increase) in accounts receivable	9	223	139	(365)	(80)	7	
Decrease (increase) in inventory	16	(6)	(45)	56	(11)	—	
Decrease (increase) in prepaid expenses and other	27	2	6	11	5	(32)	
Increase in rent payment in excess of levelized rent expense	(96)	(97)	(21)	—	—	—	
Increase (decrease) in accounts payable and accrued liabilities	(21)	3	(398)	397	78	(9)	
Increase in interest payable	2	—	4	5	29	14	
Decrease (increase) in net assets under risk management	21	(21)	15	37	—	—	
Other operating, net	—	(10)	(30)	(79)	56	(12)	
	666	776	7	655	388	266	
Operating cash flows from discontinued operations	(1)	54	(113)	10	29	—	
Net cash provided by (used in) operating activities	665	830	(106)	665	417	266	
Cash Flows From Financing Activities							
Borrowing on long-term debt and lease swap agreements	1,090	440	2,322	2,768	3,935	102	
Payments on long-term debt agreements	(1,392)	(577)	(1,710)	(3,218)	(206)	(84)	
Short-term financing and lease swap agreements, net	44	(124)	(788)	(331)	1,114	—	
Cash dividends	(42)	(39)	(113)	(88)	—	—	
Capital contributions from parent	—	—	—	—	1,500	—	
Funds provided to discontinued operations	—	—	(109)	—	—	—	
Issuance of preferred securities	—	—	103	—	326	—	
Redemption of preferred securities	—	—	(165)	(125)	—	—	
Financing costs	(22)	—	(37)	—	(47)	—	
	(322)	(300)	(497)	(994)	6,622	18	
Financing cash flows from discontinued operations	—	(18)	(1,086)	211	1,741	—	
Net cash provided by (used in) financing activities	(322)	(318)	(1,583)	(783)	8,363	18	
Cash Flows From Investing Activities							
Investments in and loans to energy projects	(65)	(40)	(294)	(173)	(98)	(117)	
Purchase of common stock of acquired companies	(278)	(16)	(97)	(109)	(654)	(222)	
Purchase of generating stations	—	—	—	(17)	(5,889)	—	
Purchase of power sales agreement	—	(80)	—	—	—	—	
Capital expenditures	(126)	(555)	(241)	(331)	(200)	(73)	
Proceeds from sale-leaseback transactions	—	—	782	1,667	—	—	
Proceeds from return of capital and loan repayments	13	88	45	14	32	13	
Proceeds from sale of interest in projects	41	49	185	36	35	4	
Decrease (increase) in restricted cash	(69)	3	(158)	(60)	—	(13)	
Investments in other assets	(11)	253	18	(265)	(4)	(19)	
Other, net	—	—	14	(3)	(421)	19	
	(495)	(298)	254	759	(7,199)	(408)	
Investing cash flows from discontinued operations	4	2	926	(41)	(1,638)	—	
Net cash provided by (used in) investing activities	(491)	(296)	1,180	718	(8,837)	(408)	
Effect of exchange rate changes on cash	5	24	(20)	(36)	(3)	(3)	
Effect on cash from de-consolidation of subsidiary	—	(27)	—	—	—	—	
Net increase (decrease) in cash and cash equivalents	(143)	213	(529)	564	(60)	(127)	
Cash and cash equivalents at beginning of period	647	434	963	399	459	586	
Cash and cash equivalents at end of period	504	647	434	963	399	459	
Cash and cash equivalents classified as part of discontinued operations	—	—	(79)	(372)	(132)	—	
Cash and cash equivalents of continuing operations	\$ 504	\$ 647	\$ 355	\$ 591	\$ 267	\$ 459	

Edison Mission Energy Contractual Obligations

<i>In millions</i>	<i>Year Ended December 31,</i>	Payments Due by Period						Total
		2004	2005	2006	2007	2008	Thereafter	
Long-term debt		\$ 856	\$ 285	\$ 899	\$ 356	\$ 476	\$ 3,315	\$ 6,187
Junior subordinated debentures		—	—	—	—	—	155	155
Preferred securities		—	—	164	—	—	—	164
Operating lease obligations		319	364	445	481	480	4,569	6,658
Purchase obligations								
Capital improvements		42	23	15	—	—	—	80
Fuel supply contracts		729	688	475	311	153	1,084	3,440
Gas transportation agreements		7	7	7	7	7	65	100
Other contractual obligations		11	10	4	4	4	9	42
Total Contractual Obligations		\$1,964	\$1,377	\$2,009	\$1,159	\$1,120	\$9,197	\$16,826

Edison Mission Energy Recourse Debt to Recourse Capital Ratio

<i>In millions</i>	<i>December 31,</i>	2003	2002
Recourse Debt¹			
Corporate Credit Facilities		\$ —	\$ 140
Senior Notes		1,600	1,600
Guarantee of termination value of Powerton/Joliet operating leases		1,470	1,452
Coal and Capex Facility		29	182
Other		—	30
Total Recourse Debt to Edison Mission Energy		\$3,099	\$3,404
Adjusted Shareholder's Equity²		\$2,085	\$2,066
Recourse Capital³		\$5,184	\$5,470
Recourse Debt to Recourse Capital Ratio		59.8%	62.2%

¹ Recourse debt means senior direct obligations of EME or obligations related to indebtedness or rental expenses of one of its subsidiaries for which EME has provided a guarantee.

² Adjusted shareholder's equity is defined as the sum of total shareholder's equity and equity preferred securities, less changes in accumulated other comprehensive gain or loss after Dec. 31, 1999.

³ Recourse capital is defined as the sum of adjusted shareholder's equity and recourse debt.

Note: Under the credit agreement governing EME's credit facility, the company has agreed to maintain a recourse debt to recourse capital ratio of less than or equal to 67.5% defined as a ratio of (a) senior recourse debt to (b) sum of (i) shareholder's equity per EME's balance sheet adjusted by comprehensive income after December 31, 1999, plus (ii) senior recourse debt. This chart shows how the ratio was calculated for December 31, 2003 and December 31, 2002.

Edison Mission Energy Interest Coverage Ratio

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002
Funds Flow From Operations:			
Operating Cash Flow ¹ from Consolidated Operating Projects ² :			
Illinois Plants ³		\$242	\$ 294
Homer City		153	51
First Hydro		(8)	47
Other consolidated operating projects		165	158
Price risk management and trading		11	16
Distributions from unconsolidated Big 4 projects ⁴		98	137
Distributions from other non-consolidated operating projects		178	120
Interest income		4	8
Operating expenses		(144)	(139)
Total funds flow from operations		\$699	\$692
Interest Expense			
From obligations to unrelated third parties		\$172	\$178
From notes payable to Midwest Generation		113	115
Total interest expense		\$285	\$293
Interest Coverage Ratio		2.45	2.36

¹ Operating cash flow is defined as revenues less operating expenses, foreign taxes paid and project debt service. Operating cash flow does not include capital expenditures or the difference between cash payments under EME's long-term leases and lease expenses recorded in EME's income statement. EME expects its cash payments under its long-term power plant leases to be higher than its lease expense through 2014.

² Consolidated operating projects are entities of which EME owns more than a 50% interest and, thus, include the operating results and cash flows in its consolidated financial statements. Unconsolidated operating projects are entities of which EME owns 50% or less and which EME accounts for on the equity method.

³ Distribution to EME of funds flow from operations of the Illinois Plants is currently restricted.

⁴ The Big 4 projects are comprised of investments in the Kern River project, Midway-Sunset project, Sycamore project and Watson project.

Note: EME's interest coverage ratio is provided as an aid to understand the components of the computations set forth in EME's organizational documents. This information is not intended to measure the financial performance of EME and should not be used in lieu of the financial information set forth in EME's consolidated financial statements. The terms Funds Flow from Operations, Operating Cash Flow and Interest Expense are as defined in EME's organizational documents and are not the same as would be determined in accordance with generally accepted accounting principles. This ratio does not measure the liquidity or ability of EME's subsidiaries to meet their debt service obligations. Furthermore, this ratio is not necessarily comparable to other similarly titled captions of other companies due to differences in methods of calculations.

Detail of Illinois Plants

Plant or Site	Location	Leased/Owned	Type	Megawatts
Electric Generating Facilities				
Collins Station	Grundy County, Illinois	Leased	Oil/Gas	2,698 ¹
Crawford Station	Chicago, Illinois	Owned	Coal	542
Fisk Station	Chicago, Illinois	Owned	Coal	326
Joliet Unit 6	Joliet, Illinois	Owned	Coal	290
Joliet Units 7 and 8	Joliet, Illinois	Leased	Coal	1,044
Powerton Station	Pekin, Illinois	Leased	Coal	1,538
Waukegan Station	Waukegan, Illinois	Owned	Coal	789
Will County Station	Romeoville, Illinois	Owned	Coal	1,092 ¹
Peaking Units				
Crawford	Chicago, Illinois	Owned	Oil/Gas	121
Fisk	Chicago, Illinois	Owned	Oil/Gas	163
Joliet	Joliet, Illinois	Owned	Oil/Gas	101
Waukegan	Waukegan, Illinois	Owned	Oil/Gas	92
Calumet	Chicago, Illinois	Owned	Oil/Gas	129
Bloom	Chicago Heights, Illinois	Owned	Oil/Gas	— ²
Electric Junction	Aurora, Illinois	Owned	Oil/Gas	159
Lombard	Lombard, Illinois	Owned	Oil/Gas	64
Sabrooke	Rockford, Illinois	Owned	Oil/Gas	70
Total				9,218

¹ Beginning in January 2003, operations at Collins Station Units 4 and 5 (1,060 MW) and at Will County Station Units 1 and 2 (310 MW) were suspended pending improvement in market conditions.

² Bloom peaking units were decommissioned in 2003.

Illinois Plants Revenues

<i>Year Ended December 31,</i>	2003	2002	2001
Revenues (in millions)			
Energy	675	549	496
Capacity	380	601	582
Loss from price risk management	(3)	(1)	(21)
Total revenues	1,052	1,149	1,057

Illinois Plants Statistics — Coal-Fired Generation

<i>Year Ended December 31,</i>	2003	2002	2001
Generation (in GWhr)			
Power purchase agreement	13,949	26,879	26,231
Merchant	13,561	695	396
Total coal-fired generation	27,510	27,574	26,627
Availability ¹	82.7%	84.8%	82.9%
Forced outage rate ²	7.7%	6.5%	9.5%
Average realized energy price/MWh			
Power purchase agreement	\$18.08	\$16.78	\$15.87
Merchant	\$26.57	\$20.96	\$28.96
Total coal-fired generation	\$22.27	\$16.89	\$16.06

¹ The availability factor, expressed as a percentage, is determined by the number of megawatt-hours the coal plants are available to generate electricity divided by the product of the capacity of the coal plants (in megawatts) and the number of hours in the period. The coal plants are not available during periods of planned and unplanned maintenance.

² The forced outage rate is generally referred to as unplanned maintenance.

Illinois Plants Equivalent Availability Factors¹

Facility	2003 ²	2002	2001	2000
Illinois Plants				
Collins	87.5%	92.5%	83.0%	86.9%
Crawford	84.9%	88.1%	79.6%	82.0%
Fisk	91.5%	77.4%	85.0%	93.9%
Joliet Unit 6	83.8%	89.7%	78.5%	81.7%
Joliet Units 7 and 8	86.6%	88.6%	73.1%	74.8%
Powerton	73.7%	80.2%	88.8%	80.8%
Waukegan	85.1%	79.0%	91.9%	83.7%
Will County	82.8%	91.2%	79.4%	74.0%

¹ A ratio, expressed as a percentage, is the number of megawatt-hours that each station is available to generate electricity divided by the product of the capacity of each station (in megawatts) and the number of hours in the period.

² In 2003, equivalent availability was reported on an operating basis as certain units became merchant.

Illinois Plants and Homer City Forward Month-End 24-Hour Energy Prices¹

Date	2004			2005		
	Into ComEd ²	Into Cinergy ²	At PJM West ³	Into ComEd ²	Into Cinergy ²	At PJM West ³
January 31, 2003	\$30.83	\$31.29	\$43.03	\$29.10	\$30.50	\$37.75
February 28, 2003	28.78	29.73	42.88	28.88	30.25	38.18
March 31, 2003	26.76	28.60	39.57	28.14	29.18	33.88
April 30, 2003	25.12	27.22	34.45	26.35	27.44	32.85
May 31, 2003	22.35	24.42	30.20	24.31	25.54	30.60
June 30, 2003	25.52	27.63	34.23	26.93	28.64	33.45
July 31, 2003	31.16	32.84	41.67	31.54	33.40	39.77
August 30, 2003	30.70	32.36	42.31	32.12	33.98	41.61
September 30, 2003	23.02	24.77	30.20	23.40	25.52	30.62
October 31, 2003	20.36	22.74	29.02	21.28	23.29	28.51
November 27, 2003	21.01	23.40	29.49	21.93	23.95	28.74
December 31, 2003	22.63	25.02	30.18	22.91	24.92	28.51

¹ This table sets forth the forward month-end market prices for energy per megawatt-hour for the calendar 2004 and calendar 2005 “strips”, which are defined as energy purchases for the entire calendar year, as publicly quoted for sales “Into ComEd”, “Into Cinergy” and “In PJM” during 2003. These forward prices will continue to fluctuate as a result of a number of factors. Forward prices may be updated in the Companies’ SEC filings. The actual spot prices for electricity delivered into these markets may vary materially from the forward market prices. The average price derived from electricity sales is normally higher than a 24-hour price as generation is managed to optimize the on-peak period when power prices are higher.

² Source: Prices were obtained by gathering publicly available broker quotes and other public price sources for both “Into ComEd” and “Into Cinergy” delivery points.

³ Source: Energy prices were obtained by gathering publicly available broker quotes at PJM West (delivery point).

Homer City Statistics

Year Ended December 31,	2003	2002	2001	2000
Generation (in GWhr)	14,403	12,111	12,922	11,796
Availability ¹	88.7%	76.8%	87.4%	80.2%
Forced outage rate ²	5.1%	16.0%	4.5%	6.1%
Average realized energy price/MWh	\$34.02	\$28.70	\$33.07	\$31.63
Capacity revenues (In millions)	\$30	\$41	\$67	\$49

¹ The availability factor is determined by the number of megawatt-hours the coal plants are available to generate electricity divided by the product of the capacity of the coal plants (in megawatts) and the number of hours in the period. The coal plants are not available during periods of planned and unplanned maintenance.

² The forced outage rate is generally referred to as unplanned maintenance.

Edison Capital

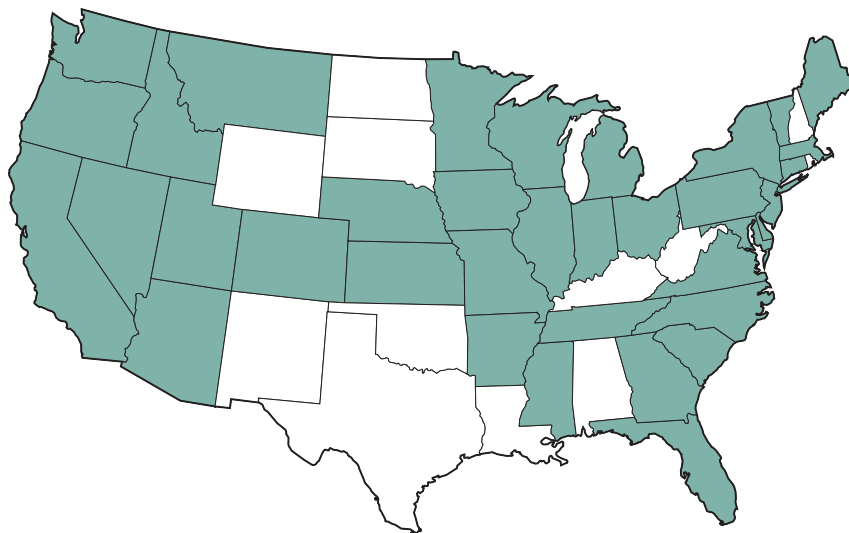
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Energy/Infrastructure

<i>Infrastructure Project Name</i>	<i>Country/Region</i>	<i>Project Type</i>	<i>Gen. Capacity (MW)</i>	<i>Transaction Size (\$ Millions)</i>	<i>Lessor Interest/Equity Interest</i>
ESKOM/Majuba	South Africa	Coal Power	4,110	\$1,500	100%
Swisscom AG	Switzerland	Telecommunications	—	2,356	100%
Midland Cogeneration Plant	U.S.	Gas Power	1,500	2,292	9%
EPON/Eems Power Station	Netherlands	Gas/Coal Power	1,675	1,950	60%
AIG - Asia II Fund	Asia	Infrastructure	—	1,668	6%
Beaver Valley Unit #2	U.S.	Nuclear Power	836	1,565	26%
EPZ/Amercentrale 9	Netherlands	Coal Power	580	1,270	26%
AIG/GE Latin American Fund	Latin America	Infrastructure	—	1,014	8%
ETSA	Australia	Transmission System	—	754	100%
Vidalia Hydroelectric	U.S.	Hydro Power	192	633	24%
AIG Emerging Europe Fund	Europe	Infrastructure	—	550	23%
Huntington Waste-to-Energy	U.S.	Biomass Power	26	220	38%
Storm Lake I	U.S.	Wind Power	113	183	99%
Nederlandse Spoorwegen	Netherlands	Electric Rail	—	144	100%
Cablemas	Mexico	Cable Television	—	314	8%
Paz Holdings	Bolivia	Distribution Systems	—	77	11%
Woodstock Hills	U.S.	Wind Power	10	12	75%
Shaokatan Hills	U.S.	Wind Power	12	16	75%
Lakota Ridge	U.S.	Wind Power	11	15	75%
Total			9,065	\$16,533	

Affordable Housing

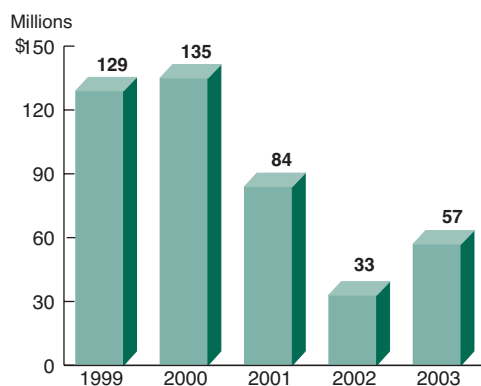
From inception to date, Edison Capital has invested in over 350 Affordable Housing projects in 36 states.



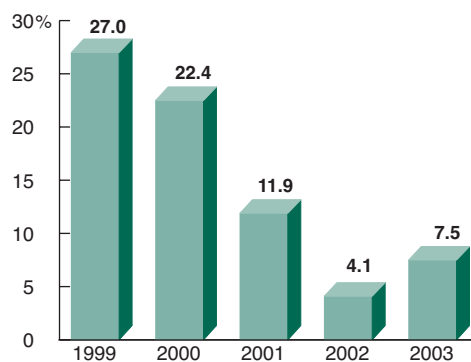
Edison Capital Financial Information

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Condensed Consolidated Statements of Income							
Lease revenue		\$ 82	\$ 6	\$ 154	\$ 192	\$ 218	\$ 213
Other		6	1	71	78	47	22
Total operating revenue		88	7	225	270	265	235
Operating expenses		37	48	73	81	96	71
Income (loss) from operations		51	(41)	152	189	169	164
Equity in losses from unconsolidated entities		(14)	(34)	(32)	(17)	(28)	(30)
Interest expense		(26)	(35)	(64)	(57)	(41)	(48)
Other (expense) income		8	(3)	4	10	4	4
Income (loss) before income taxes		19	(113)	60	125	104	90
Income tax benefit		38	146	24	10	25	15
Net income		\$ 57	\$ 33	\$ 84	\$ 135	\$ 129	\$ 105
Condensed Consolidated Balance Sheets							
Current assets		\$ 487	\$ 627	\$ 904	\$ 500	\$ 236	\$ 148
Investments		2,639	2,674	2,788	3,153	2,440	2,065
Property, plant, and equipment — net and other		292	178	44	60	36	63
Total assets		\$3,418	\$3,479	\$3,736	\$3,713	\$2,712	\$2,276
Current liabilities		\$ 193	\$ 46	\$ 382	\$ 530	\$ 475	\$ 436
Long-term liabilities		2,610	2,652	2,601	2,504	1,701	1,432
Total liabilities		2,803	2,698	2,983	3,034	2,176	1,869
Shareholder's equity		615	781	753	679	536	408
Total liabilities and shareholder's equity		\$3,418	\$3,479	\$3,736	\$3,713	\$2,712	\$2,276
Condensed Consolidated Statements of Cash Flows							
Cash flows from operating activities:							
Net income		\$ 57	\$ 33	\$ 84	\$ 135	\$ 129	\$ 105
Adjustment for non-cash income statement items		(6)	172	210	247	178	184
Changes in working capital components		91	444	(341)	(148)	(13)	(42)
Net cash provided (used) by operating activities		142	649	(47)	234	294	247
Cash flows from financing activities:							
Dividend Paid		(225)	—	—	—	—	—
Issuances of debt — net of discount		—	12	131	941	384	195
Other		(35)	(332)	(380)	(478)	(483)	—
Net cash (used) provided by financing activities		(260)	(320)	(249)	463	(99)	195
Cash flows from investing activities:							
Investments		(17)	9	(45)	(634)	(233)	(499)
Other		—	2	319	35	73	(3)
Net cash provided (used) by investing activities		(17)	11	274	(599)	(160)	(502)
Effects of exchange rate changes on cash		13	—	—	—	—	—
Net increase (decrease) in cash and equivalents		(122)	340	(22)	98	35	(60)
Cash and equivalents, beginning of period		488	148	153	55	20	80
Cash and equivalents, end of period		\$ 366	\$ 488	\$ 131	\$ 153	\$ 55	\$ 20

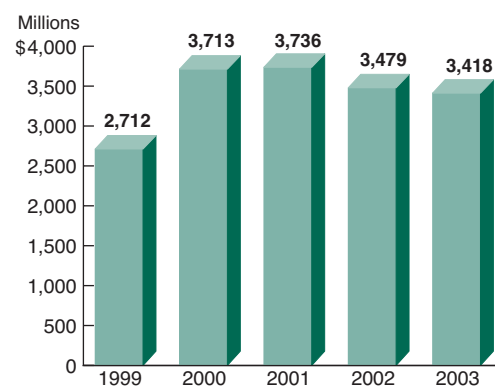
NET INCOME



RETURN ON COMMON EQUITY



TOTAL ASSETS



Nonutility Subsidiaries Consolidated Financial Information

<i>In millions</i>	<i>Year Ended December 31,</i>	2003	2002	2001	2000	1999	1998
Condensed Consolidated Statements of Income							
Electric revenue		\$ 3,180	\$ 2,679	\$ 2,494	\$ 2,261	\$ 1,045	\$ 664
Lease revenue		88	6	154	193	218	213
Real estate activities		9	11	119	87	74	73
Operation and maintenance services		3	58	109	40	38	50
Contract Services and other		1	28	66	(28)	8	—
Total operating revenue		3,281	2,782	2,942	2,553	1,383	1,000
Operating expenses		3,067	2,512	2,454	1,924	1,091	678
Operating income		214	270	488	629	292	322
Interest expense, net of capitalized interest		(684)	(647)	(714)	(591)	(370)	(244)
Other income (expense) — net		18	(57)	80	15	10	26
Equity income from unconsolidated affiliates		354	283	373	267	244	190
Minority interest		(39)	(27)	(22)	(3)	(3)	(3)
Income (loss) from continuing operations		(137)	(178)	205	317	173	291
Discontinued operations, net of tax		1	(58)	(1,367)	(4)	(58)	(43)
Income tax expense (benefit)		119	(178)	56	81	(64)	55
Net income (loss)		\$ (17)	\$ (58)	\$(1,218)	\$ 232	\$ 179	\$ 193
Condensed Consolidated Balance Sheets							
Current assets		\$ 2,085	\$ 2,260	\$ 2,248	\$ 2,077	\$ 915	\$ 775
Investments		4,247	4,324	4,638	5,045	4,389	3,601
Property, plant, and equipment — net, and other		10,164	9,087	8,711	8,059	9,641	3,170
Assets of discontinued operations		26	75	251	3,920	3,897	400
Total assets		\$16,522	\$15,746	\$15,848	\$19,101	\$18,842	\$7,946
Current liabilities		\$ 1,920	\$ 1,874	\$ 1,362	\$ 2,668	\$ 1,973	\$ 923
Long-term liabilities		11,622	10,742	11,351	9,461	9,700	4,966
Liabilities of discontinued operations		13	73	71	2,482	2,561	216
Total liabilities		13,555	12,689	12,784	14,611	14,234	6,105
Minority interest		517	425	344	18	8	15
Preferred securities		164	281	254	327	477	150
Shareholder's equity		2,286	2,351	2,466	4,145	4,123	1,676
Total liabilities and shareholder's equity		\$16,522	\$15,746	\$15,848	\$19,101	\$18,842	\$7,946
Condensed Consolidated Statements of Cash Flows							
Cash flows from operating activities:							
Net income from continuing operations		\$ (18)	\$ 1	\$ 149	\$ 236	\$ 237	\$ 236
Adjustment to reconcile net income to net cash provided (used) by operating activities:							
Equity income from unconsolidated affiliates		(354)	(283)	(373)	(267)	(244)	(190)
Distributions and dividends from unconsolidated entities		416	338	236	227	213	185
Other		554	629	725	746	438	358
Operating cash flow from discontinued operations		(13)	138	(171)	(2)	(199)	99
Changes in working capital components		284	852	(792)	(119)	(3)	(68)
Net cash provided (used) by operating activities		869	1,675	(226)	821	442	620
Cash flows from financing activities:							
Debt issued		1,068	440	3,471	3,188	5,431	9816
Debt repaid		(1,370)	(1,013)	(2,721)	(3,760)	(659)	(768)
Capital contributions from parent		(264)	(38)	51	(152)	1,502	—
Issuance of debt securities and guaranteed secured bonds		—	—	103	(125)	326	—
Other (dividend paid)		(43)	(51)	(542)	—	(47)	(35)
Financing cash flow from discontinued operations		23	(106)	(1,239)	316	2,026	258
Net cash provided (used) by financing activities		(586)	(768)	(877)	(533)	8,579	436
Cash flows from investing activities:							
Investments		(304)	17	158	1,117	(6,726)	(1,067)
Other		(190)	(288)	(681)	(624)	(613)	192
Investing cash flow from discontinued operations		4	1	1,125	(89)	(1,698)	(354)
Net cash provided (used) by investing activities		(490)	(270)	602	404	(9,037)	(1,229)
Effect of exchange rate changes on cash		5	23	(37)	(32)	(3)	(3)
Effect on cash from de-consolidation of subsidiary		—	(27)	—	—	—	—
Net increase (decrease) in cash and equivalents		(202)	633	(538)	660	(19)	(176)
Cash and equivalents, beginning of period		1,230	597	1,135	475	494	670
Cash and equivalents, end of period		1,028	1,230	597	1,135	475	494
Cash and equivalents classified as part of discontinued operations		—	—	(63)	(369)	(133)	(5)
Cash and equivalents of continuing operations		\$ 1,028	\$ 1,230	\$ 534	\$ 766	\$ 342	\$ 489

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Executive Vice President and General Counsel

Mahvash Yazdi

Senior Vice President, Business Integration and Chief Information Officer

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Vice President and General Auditor

Polly L. Gault

Vice President, Public Affairs, Washington, D.C.

Jo Ann Goddard

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Vice President, Human Resources and Labor Relations

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Vice President and Controller

Barbara J. Parsky

Vice President, Corporate Communications

Beverly P. Ryder

Vice President, Community Involvement, and Corporate Secretary

Anthony L. Smith

Vice President, Tax

Southern California Edison

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Alan J. Fohrer

Chief Executive Officer

Robert G. Foster

President

Harold B. Ray

Executive Vice President, Generation

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Senior Vice President, Regulatory Policy and Affairs

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Ronald L. Litzinger

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S. Daniel Melita

Senior Vice President and General Manager, Europe

Georgia R. Nelson

Senior Vice President and General Manager, Americas; President, Midwest Generation

Kevin M. Smith

Senior Vice President, Chief Financial Officer and Treasurer

Raymond W. Vickers

Senior Vice President and General Counsel

Edison Capital

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Chief Executive Officer

Ashraf T. Dajani

President and Chief Operating Officer

Larry C. Mount

Senior Vice President, General Counsel and Secretary

Phillip B. Dandridge

Vice President and Chief Financial Officer



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