



EDISON
INTERNATIONAL®

*2004 Financial and
Statistical Report*

Contents

Edison International (EIX)

Corporate Profiles	1
Consolidated Earnings	2
Security Credit Ratings	2
Highlights	3
Consolidated Per-Share Data — Common Stock	4
Consolidated Balance Sheets — Total Assets	5
Nonutility Property	5
Consolidated Balance Sheets — Total Liabilities and Shareholders' Equity	6
Estimated Commitments For 2005–2009	6
Consolidated Statements of Income	7
Business Segments	7
Consolidated Statements of Cash Flows	8
Consolidated Statements of Retained Earnings	9
Preferred Securities Not Subject to Mandatory Redemption	9
Preferred Securities Subject to Mandatory Redemption	9
Consolidated Recourse Financial Capitalization	9
Available Credit Under Existing Lines at SCE, EME (parent) and MWG	10
Consolidated Short-Term Debt	10
Five-Year Long-Term Debt Maturities and Sinking Funds Requirements	10
Consolidated Long-Term Debt	11
Consolidated Income Tax Schedules	13

Southern California Edison Company (SCE)

Consolidated Statements of Income	14
Changes in Operating Revenue	14
Consolidated Balance Sheets — Total Assets	15
Operating and Financial Ratios	15
Consolidated Balance Sheets — Total Liabilities and Shareholder's Equity	16
Estimated Commitments For 2005–2009	16
Consolidated Statements of Cash Flows	17
Consolidated Statements of Retained Earnings	17
Kilowatt-Hour Sales	18
Customers	18
Operating Revenue	18
Generating Capacity Resources as of December 31, 2004 (Summer Effective Rating)	19
Operating Statistics	20
Energy Costs	21
Effect of Consolidating Variable Interest Entities on SCE's Consolidated Statements	21
Regulatory Assets	22
Regulatory Liabilities	22
System Rate Base	23
Detail of Utility Plant — Net	23
Palo Verde Plant Facts	24
Palo Verde Refueling History	24
Palo Verde Annual Capacity Factors	24
San Onofre Plant Facts	25
San Onofre Refueling History	25
San Onofre Annual Capacity Factors	25
Jointly Owned Utility Projects	26
Cogeneration and Renewable Payments (1987-2004)	26
Cogeneration and Renewable Resources	26
California Public Utilities Commission (CPUC) and Commissioners	27
Other Regulatory Agencies	27
Major Regulatory Proceedings	27

Mission Energy Holding Company (MEHC)

Highlights	29
Quarterly Financial Data (Unaudited)	29
Project List	30
Detail of Illinois Plants	30
Project Summary	31
Income (Loss) Before Taxes and Minority Interest — by Project	31
Consolidated Statements of Income (Loss)	32
Historical Distributions Received by Mission Energy Holding Company	32
Consolidated Balance Sheets	33
Consolidated Statements of Cash Flows	34
Contractual Obligations	35
Interest Coverage Ratio	35
Key Ratios of EME's Principal Subsidiaries Affecting Dividends	35
Illinois Plants and Homer City Forward Month-End 24-Hour Energy Prices	36
Illinois Plants Revenues	36
Illinois Plants Statistics — Coal-Fired Generation	36
Illinois December 31, 2004 Hedge Position	37
Illinois Coal Requirements Under Contract	37
Homer City Revenues	37
Homer City Statistics	37
Homer City December 31, 2004 Hedge Position	37
Homer City Coal Requirements Under Contract	37

Edison Capital (EC)

Energy/Infrastructure Projects	38
Affordable Housing	38
Financial Information	39

Management Team

Contacts	40
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Back Cover

Corporate Profiles

Edison International

Edison International, through its subsidiaries, is an electric power generator and distributor, and an investor in infrastructure and renewable energy projects. The company operates in regulated and non-regulated markets with a power generation portfolio of approximately 14,000 megawatts. Headquartered in Rosemead, California, Edison International is the parent company of a regulated electric utility and other subsidiaries engaged in non-utility businesses with combined assets totaling about \$33.5 billion as of March 31, 2005.

Southern California Edison Company

Southern California Edison Company is one of the nation's largest investor-owned electric utilities, serving more than 13 million people in a 50,000 square-mile area of central, coastal and southern California excluding the City of Los Angeles and certain other cities. Based in Rosemead, California, the utility has been providing electric service in the region for 119 years.

Mission Energy Holding Company

Mission Energy Holding Company is the parent company of Edison Mission Energy (EME). EME is an independent power producer engaged in the business of owning or leasing, operating and selling energy and capacity from electric power generation facilities. EME also conducts price risk management and energy trading activities in power markets open to competition. As of March 31, 2005, EME's continuing operations consisted of owned or leased interests in 18 domestic operating power plants of which EME's capacity pro rata share was 8,834 MW.

Edison Capital

Edison Capital has investments worldwide in energy and infrastructure projects, including power generation, electric transmission and distribution, transportation, and telecommunications. Edison Capital also has investments in affordable housing projects located throughout the United States.

Edison Mission Group

In March 2005, the management structure of Edison Mission Energy and Edison Capital was reorganized. The independent power generation and capital and financial services businesses are now commonly managed in an integrated business platform and for convenience is referred to as the Edison Mission Group.

Edison International Consolidated Earnings

<i>Year Ended December 31,</i>	2004	2003	Change
Earnings (Loss) (In millions)			
Southern California Edison	\$ 915	\$ 872	\$ 43
Mission Energy Holding Company	(666)	(194)	(472)
Edison Capital	60	57	3
EIX parent company and other	(83)	(80)	(3)
EIX Consolidated Earnings from Continuing Operations	226	655	(429)
Earnings from Discontinued Operations	690	175	515
Changes in Accounting Principles	—	(9)	9
Total EIX Consolidated Earnings	\$ 916	\$ 821	\$ 95
Earnings (Loss) Per Share			
Southern California Edison	\$ 2.81	\$ 2.68	\$ 0.13
Mission Energy Holding Company	(2.05)	(0.60)	(1.45)
Edison Capital	0.18	0.17	0.01
EIX parent company and other	(0.25)	(0.24)	(0.01)
EIX Consolidated Earnings from Continuing Operations	0.69	2.01	(1.32)
Earnings from Discontinued Operations	2.12	0.54	1.58
Changes in Accounting Principles	—	(0.03)	0.03
Total EIX Consolidated Earnings	\$ 2.81	\$ 2.52	\$ 0.29
Core vs. Non-Core Presentation of Earnings (Loss) Per Share			
Southern California Edison	\$ 1.80	\$ 1.93	\$ (0.13)
Mission Energy Holding Company*	0.14	0.36	(0.22)
Edison Capital	0.18	0.17	0.01
EIX parent company and other	(0.21)	(0.24)	0.03
EIX Consolidated Core Earnings	1.91	2.22	(0.31)
SCE – non-core items / Disc.Ops.	1.01	0.90	0.11
MEHC – non-core items			
– Lease Terminations / Impairments	(1.86)	(0.57)	(1.29)
– Gain on Sales of Assets	1.79	—	1.79
EIX – Debt Extinguishment Costs	(0.04)	—	(0.04)
Change in Accounting Principle	—	(0.03)	0.03
Total EIX Consolidated Earnings	\$ 2.81	\$ 2.52	\$ 0.29

* Includes depreciation expense on all MEHC international assets

Security Credit Ratings

	Moody's			Standard & Poor's		
	12/31/03	12/31/04	6/30/05	12/31/03	12/31/04	6/30/05
SCE Senior Secured	Baa2	A3	A3	BBB	BBB	BBB+
SCE Senior Unsecured	Baa3	Baa1	Baa1	BBB-	BBB-	BBB
SCE Preferred Stock	Ba2	Baa3	Baa3	BBB-	BB+	BBB-
SCE Funding (RRB)	Aaa	Aaa	Aaa	AAA	AAA	AAA
SCE Commercial Paper	—	P-2	P-2	—	A-2	A-2
MEHC Senior Secured	Caa2	B3	B2	CCC	CCC	CCC+
EME Senior Unsecured	B2	B1	B1	B	B	B+
EME Mission Capital (Series A) (MIPS) ¹	Caa1	B3	—	CCC	CCC	—
EME Funding Corp.	Ba3	Ba3	Ba2	B	B	B+
MWG LLC Sr. Secured Term Loan (1st Priority)	—	Ba3	Ba3	—	B+	BB-
MWG LLC Sr. Secured Notes (2nd Priority)	—	B1	B1	—	B-	B
Homer City Funding LLC	Ba2	Ba2	Ba2	BB	BB	BB
EC Edison Funding Senior Unsecured	Ba1	Ba1	Ba1	BB+	BB+	BB+

MIPS = Monthly Income Preferred Securities NR = Not rated
RRB = Rate Reduction Bonds (also known as Rate Reduction Notes)

¹ Called for early redemption on January 25, 2005.

Highlights

<i>As of December 31, or Year Ended December 31,</i>	2004	2003	<i>% Change from 2003</i>	<i>Five-Year Compound Annual Growth Rate %</i>
Edison International				
Basic Earnings Per Share	\$ 2.81	\$ 2.52	11.5	9.4
Diluted Earnings Per Share	\$ 2.77	\$ 2.50	10.8	9.1
Net Income (millions)	\$ 916	\$ 821	11.6	8.0
Income from Continuing Operations	\$ 226	\$ 655	(65.5)	(19.8)
Book Value Per Share	\$18.56	\$ 16.52	12.3	4.3
Recourse Financial Capital Structure ¹ :				
Common Equity	42.8%	38.1%	—	—
Preferred Securities	0.9	0.9	—	—
Debt	56.3	61.0	—	—
Total	<u>100.0%</u>	<u>100.0%</u>	—	—
Southern California Edison				
Basic Earnings Per Edison International Common Share	\$ 2.81	\$ 2.83	(0.7)	15.1
Net Income Available for Common Stock (millions)	\$ 915	\$ 922	(0.8)	13.6
Ratemaking Rate of Return on Common Equity — Authorized	11.6%	11.6%	—	—
Kilowatt-Hour Sales (millions)	97,273	92,763	4.9	4.4
Peak Demand in Megawatts (MW) ²	20,762	20,136	3.1	1.7
Generating Capacity Resources (MW) ³	10,155	9,861	3.5	(0.4)
Customers (thousands)	4,669	4,600	1.5	1.4
Employees	13,454	12,698	6.0	0.6
Mission Energy Holding Company				
Basic Earnings (Loss) Per Edison International Common Share	\$ 0.07	\$ (0.24)	129.2	(37.6)
Loss from Continuing Operations	\$ (666)	\$ (194)	(243.3)	(247.3)
Net Income (loss) (millions)	\$ 24	\$ (79)	130.4	(28.7)
Equity (millions)	\$ 912	\$ 849	7.4	(21.5)
Employees	1,768	2,610	(32.3)	(11.4)
Edison Capital				
Basic Earnings Per Edison International Common Share	\$ 0.18	\$ 0.17	5.9	(24.6)
Net Income (millions)	\$ 60	\$ 57	5.3	(14.2)
Equity (millions)	\$ 606	\$ 615	(1.5)	2.5
Employees	51	62	(17.7)	(15.0)

¹ The 2004 ratios include common equity and preferred securities as reflected on the EIX balance sheets. Debt includes short- and long-term debt and other preferred securities subject to mandatory redemption. Debt excludes non-recourse debt from continuing operations totaling \$2.8 billion as outlined on pages 10-11 of this document. The comparable 2004 ratios, based on the same balance sheet classifications, including non-recourse items for common equity, preferred securities and debt are 35.8%, 0.8%, and 63.4% respectively. 2003 ratios are calculated on the same basis as 2004, reclassifying other preferred securities subject to mandatory redemption of \$141 million as a component of debt. Non-recourse debt of \$2.9 billion is excluded. The comparable 2003 ratios, including non-recourse amounts, are 31.6%, 0.8% and 67.6% for common equity, preferred securities and debt, respectively.

² Includes all of the load on transmission and distribution systems.

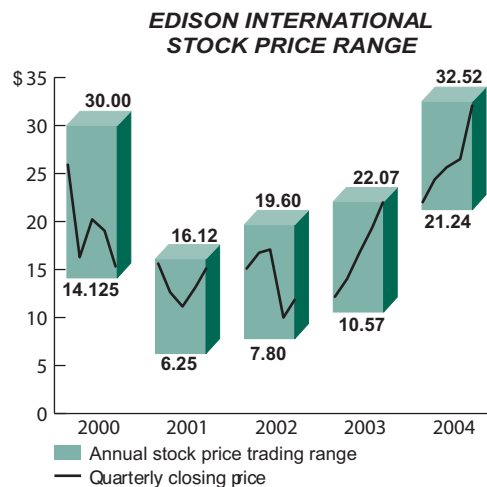
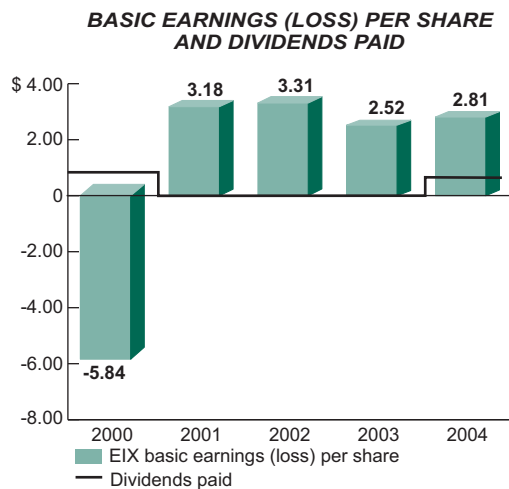
³ Excludes CDWR allocated contracts starting in 2001 and transitional capacity contracts.

Edison International Consolidated Per-Share Data — Common Stock

Year Ended December 31,	2004	2003	2002	2001	2000	1999
Basic earnings (loss) per share	\$ 2.81	\$ 2.52	\$ 3.31	\$ 3.18	\$ (5.84)	\$ 1.79
Diluted earnings (loss) per share	\$ 2.77	\$ 2.50	\$ 3.28	\$ 3.17	\$ (5.84)	\$ 1.79
Dividends per share:						
Paid ¹	\$ 0.80	\$ —	\$ —	\$ —	\$ 1.11	\$ 1.07
Declared ¹	\$ 0.85	\$ 0.20	\$ —	\$ —	\$ 0.84	\$ 1.08
Year-ended data:						
Dividend rate ¹	\$ 1.00	—	—	—	NM	\$ 1.08
Dividend yield (paid) ¹	2.5%	—	—	—	7.1%	4.1%
Dividends payout ratio (paid) ¹	28.5%	—	—	—	NM	59.8%
Book value per share	\$18.56	\$16.52	\$13.62	\$10.04	\$ 7.43	\$15.01
Market price/book value ratio	1.7x	1.3x	0.9x	1.5x	2.1x	1.8x
Price/earnings ratio	11.4	8.7x	3.6x	4.7x	NM	14.6x
Total Shareholder Return:						
Appreciation and dividends paid ^{1,2}	50.7%	86.8%	(21.5)%	(3.4)%	(37.6)%	(2.1)%
Price:						
High	\$32.52	\$22.07	\$19.60	\$16.12	\$ 30	\$ 29 ^{3/4}
Low	\$21.24	\$10.57	\$ 7.80	\$ 6.25	\$ 14 ^{1/8}	\$ 21 ^{1/2}
Year-end	\$32.03	\$21.93	\$11.85	\$15.10	\$ 15 ^{5/8}	\$ 26 ^{3/16}
Common shares outstanding (thousands)	325,811	325,811	325,811	325,811	325,811	347,207
Weighted-average shares of common stock outstanding (thousands)	325,811	325,811	325,811	325,811	332,560	347,551

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.

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.



Edison International Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2004	2003
Assets			
Cash and equivalents		\$ 2,688	\$ 1,988
Restricted cash		73	79
Receivables, less allowances of \$31 and \$31 for uncollectible accounts at respective dates		846	846
Accrued unbilled revenue		320	273
Fuel inventory		73	92
Materials and supplies		231	213
Accumulated deferred income taxes — net		288	563
Trading and price risk management assets		41	22
Regulatory assets		553	299
Other current assets		336	175
Total current assets		5,449	4,550
Nonutility property — less accumulated provision for depreciation of \$1,311 and \$619 at respective dates		3,922	3,288
Nuclear decommissioning trusts		2,757	2,530
Investments in partnerships and unconsolidated subsidiaries		608	828
Investments in leveraged leases		2,424	2,361
Other investments		197	173
Total investments and other assets		9,908	9,180
Utility plant, at original cost:			
Transmission and distribution		15,685	14,861
Generation		1,356	1,388
Accumulated provision for depreciation		(4,506)	(4,386)
Construction work in progress		789	601
Nuclear fuel, at amortized cost		151	141
Total utility plant		13,475	12,605
Restricted cash		155	206
Regulatory assets		3,285	3,725
Other deferred charges		875	753
Total deferred charges		4,315	4,684
Assets of discontinued operations		122	7,248
Total assets		\$33,269	\$38,267

Edison International Nonutility Property

<i>In millions</i>	<i>December 31,</i>	2004	2003
Furniture and equipment		\$ 117	\$ 108
Building, plant and equipment		3,154	2,326
Land		74	68
Emission allowances		1,305	1,305
Leasehold improvements		81	64
Construction in progress		502	36
		5,233	3,907
Less accumulated provision for depreciation		1,311	619
Nonutility Property — net		\$ 3,922	\$ 3,288

Edison International Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2004	2003
Liabilities and Shareholders' Equity			
Short-term debt		\$ 88	\$ 201
Long-term debt due within one year		809	1,932
Preferred stock to be redeemed within one year		9	9
Accounts payable		749	548
Accrued taxes		226	495
Accrued interest		233	236
Customer deposits		168	152
Book overdrafts		232	189
Trading and risk management liabilities		31	36
Regulatory liabilities		490	659
Other current liabilities		1,002	1,261
Total current liabilities		4,037	5,718
Long-term debt			
Accumulated deferred income taxes — net		5,233	5,334
Accumulated deferred investment tax credits		138	149
Customer advances and other deferred credits		1,109	903
Power-purchase contracts		130	213
Preferred stock subject to mandatory redemption		139	141
Accumulated provision for pensions and benefits		523	425
Asset retirement obligations		2,188	2,089
Regulatory liabilities		3,356	3,234
Other long-term liabilities		232	247
Total deferred credits and other liabilities		13,048	12,735
Liabilities of discontinued operations		15	4,565
Total liabilities		26,778	32,238
Minority Interest			
		313	517
Preferred stock of utility not subject to mandatory redemption			
		129	129
Common stock (325,811,206 shares outstanding at each date)		1,975	1,970
Accumulated other comprehensive loss		(4)	(53)
Retained earnings		4,078	3,466
Total common shareholders' equity		6,049	5,383
Total liabilities and shareholders' equity		\$33,269	\$38,267

Edison International Estimated Commitments For 2005–2009

<i>In millions</i>	2005	2006	2007	2008	2009	Thereafter
Long-term debt maturities and sinking fund requirements ¹	\$ 1,486	\$ 1,693	\$ 2,061 ²	\$ 1,820	\$ 1,240	\$ 8,688
Fuel supply contract payments	499	256	198	113	68	480
Gas and coal transportation payments	210	168	102	44	8	68
Purchased-power capacity payments	898	725	648	421	394	3,059
Unconditional purchase obligations	5	5	5	5	6	43
Estimated noncancelable lease payments	366	400	362	360	353	3,309
Preferred stock redemption requirements ³	9	9	74	56	—	—
Employee benefit plans contributions ⁴	113	130	131	—	—	—

¹ Amount includes scheduled principal payments for debt outstanding as of December 31, 2004, assuming long-term debt held to maturity, except for EME's Midwest Generation senior secured notes which is assumed to be held until 2014, and related forecast interest payments over the applicable period of the debt.

² Called \$966 million in 2005.

³ Called SCE 6.05% and 7.23% preferred stock in 2005.

⁴ Amount includes estimated contributions to the pension plans and postretirement benefits other than pensions. The estimated contributions beyond 2007 are not available.

Edison International Consolidated Statements of Income

<i>In millions, except per-share data</i>	<i>Year Ended December 31,</i>	2004	2003	2002
Electric utility		\$ 8,448	\$ 8,853	\$ 8,705
Nonutility power generation		1,639	1,778	1,713
Financial services and other		112	101	33
Total operating revenue		10,199	10,732	10,451
Fuel		1,429	905	854
Purchased power		2,332	2,786	2,016
Provisions for regulatory adjustment clauses — net		(201)	1,138	1,502
Other operation and maintenance		3,342	2,910	2,812
Asset impairment and loss on lease termination		989	304	86
Depreciation, decommissioning and amortization		1,022	1,047	928
Property and other taxes		186	192	132
Net gain on sale of utility plant		—	(5)	(5)
Total operating expenses		9,099	9,277	8,325
Operating income		1,100	1,455	2,126
Interest and dividend income		46	118	279
Equity in income from partnerships and unconsolidated subsidiaries — net		66	231	163
Other nonoperating income		135	86	85
Interest expense — net of amounts capitalized		(985)	(1,020)	(1,126)
Other nonoperating deductions		(80)	(32)	(32)
Dividends on preferred securities subject to mandatory redemption		—	(52)	(102)
Income from continuing operations before tax and minority interest		282	786	1,393
Income tax (benefit)		(92)	124	330
Dividends on utility preferred stock not subject to mandatory redemption		6	5	6
Minority Interest		142	2	2
Income from continuing operations		226	655	1,055
Income from discontinued operations (including gain on disposal of \$533 in 2004 and \$44 in 2003) — net of tax		690	175	22
Income before accounting change		916	830	1,077
Cumulative effect of accounting change — net of tax		—	(9)	—
Net income		\$ 916	\$ 821	\$ 1,077
Weighted-average shares of common stock outstanding		326	326	326
Basic earnings (loss) per share:				
Continuing operations		\$ 0.69	\$ 2.01	\$ 3.24
Discontinued operations		2.12	0.54	0.07
Cumulative effect of accounting change		—	(0.03)	—
Total		\$ 2.81	\$ 2.52	\$ 3.31
Weighted-average shares, including effect of dilutive securities		331	329	328
Diluted earnings (loss) per share:				
Continuing operations		\$ 0.68	\$ 1.99	\$ 3.22
Discontinued operations		2.09	0.54	0.06
Cumulative effect of accounting change		—	(0.03)	—
Total		\$ 2.77	\$ 2.50	\$ 3.28
Dividends declared per common share		\$ 0.85	\$ 0.20	\$ —

Edison International Business Segments

<i>In millions</i>	Electric Utility	Nonutility Power Generation	Financial Services	Corporate & Other ¹	Edison International
2004					
Operating revenue	\$ 8,448	\$ 1,639	\$ 102	\$ 10	\$10,199
Depreciation, decommissioning, and amortization	860	143	20	(1)	1,022
Interest and dividend income	15	8	10	13	46
Equity in income from partnerships and unconsolidated subsidiaries — net	—	76	12	(22)	66
Interest expense — net of amounts capitalized	409	451	32	93	985
Income tax (benefit) — continuing operations	438	(462)	(13)	(55)	(92)
Income (loss) from continuing operations	915	(666)	60	(83)	226
Net income (loss)	915 ²	24	60	(83)	916
Total assets	23,290	6,683	3,537	(241)	33,269
Capital expenditures	1,678	55	—	—	1,733

¹ Includes amounts from nonutility subsidiaries, as well as Edison International (parent) not significant as a reportable segment.

² Net income available for common stock.

Edison International Consolidated Statements of Cash Flows

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Cash flows from operating activities:			
Income from continuing operations, after accounting change, net of tax		\$ 226	\$ 646
Adjustments to reconcile to net cash provided by operating activities:			
Cumulative effect of accounting change, net of tax		—	9
Depreciation, decommissioning and amortization		1,022	1,047
Other amortization		98	108
Minority interest		142	2
Deferred income taxes and investment tax credits		557	106
Equity in income from partnerships and unconsolidated subsidiaries		(67)	(231)
Income from leveraged leases		(81)	(82)
Regulatory assets — long-term		442	535
Regulatory liabilities — long-term		(69)	(48)
Asset Impairment		35	304
Levelized rent expense		(59)	(96)
Other assets		(68)	133
Other liabilities		66	(333)
Receivables and accrued unbilled revenue		47	(33)
Inventory, prepayments and other current assets		(27)	159
Regulatory assets — short-term		(254)	13,268
Regulatory liabilities — short-term		(169)	(12,486)
Accrued interest and taxes		(273)	(211)
Accounts payable and other current liabilities		(52)	(111)
Distributions from unconsolidated entities		84	375
Net cash provided by operating activities		1,600	3,061
Cash flows from financing activities:			
Long-term debt issued and issuance costs		3,508	766
Long-term debt repaid		(4,331)	(2,656)
Bonds remarketed — net		350	—
Redemption of preferred securities		(2)	(6)
Rate reduction notes repaid		(246)	(246)
Change in book overdrafts		43	65
Short-term debt financing — net		(112)	(17)
Shares purchased for stock-based compensation		(109)	(24)
Proceeds from stock option exercises		48	5
Dividends to minority shareholders		(146)	—
Dividends paid		(261)	—
Net cash used by financing activities		(1,258)	(2,113)
Cash flows from investing activities:			
Capital expenditures		(1,733)	(1,234)
Acquisition costs related to nonutility generation plant		(285)	—
Purchase of common stock of acquired companies		—	(3)
Proceeds from sale of property and interests in projects		118	43
Proceeds from sale of discontinued operations		2,740	146
Contributions to and earnings from nuclear decommissioning trusts — net		(109)	(86)
Distributions from (investments in) partnerships and unconsolidated subsidiaries		(4)	(34)
Purchase of short-term investment — net		(120)	(20)
Sales of investments in other assets		33	15
Net cash provided (used) by investing activities		640	(1,173)
Effect of consolidation of variable interest entities on cash		79	—
Effect of deconsolidation of variable interest entities on cash		(32)	—
Net changes in cash of discontinued operations		(519)	(77)
Effect of exchange rate changes on cash		—	13
Net increase (decrease) in cash and equivalents		510	(289)
Cash and equivalents, beginning of year		2,179	2,468
Cash and equivalents, end of year		2,689	2,179
Cash and equivalents — discontinued operations		(1)	(191)
Cash and equivalents — continuing operations		\$ 2,688	\$ 1,988

Edison International Consolidated Statements of Retained Earnings

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002	2001	2000	1999
Balance at beginning of year		\$3,466	\$2,711	\$1,634	\$ 599	\$3,079	\$2,906
Net income (loss)		916	821	1,077	1,035	(1,943)	623
Dividends declared on common stock		(277)	(65)	—	—	(277)	(375)
Stock repurchases and other		(27)	(1)	—	—	(260)	(75)
Balance at end of year		\$4,078	\$3,466	\$2,711	\$1,634	\$ 599	\$3,079

Preferred Securities Not Subject To Mandatory Redemption¹

	<i>Trading Exchanges</i>	<i>Trading Symbol</i>	<i>Shares Outstanding</i>	<i>Redemption Price Per Share</i>	<i>December 31,</i>	
					2004	2003
<i>(In millions)</i>						
Cumulative preferred stock not subject to mandatory redemption:						
SCE:						
\$25 par value preferred stock: (Recourse securities)						
4.08% Series	American	SCEPrB	1,000,000	\$25.50	\$ 25	\$ 25
4.24	American	SCEPrC	1,200,000	25.80	30	30
4.32	American	SCEPrD	1,653,429	28.75	41	41
4.78	American	SCEPrE	1,296,769	25.80	33	33
Total					\$ 129	\$ 129

¹ On April 20, 2005, SCE issued \$400 million 5.349% \$100 Liquidation Value Series A Preference Stock.

Preferred Securities Subject To Mandatory Redemption

	<i>Trading Exchanges</i>	<i>Trading Symbol</i>	<i>Shares Outstanding</i>	<i>Redemption Price Per Share</i>	<i>December 31,</i>	
					2004	2003
<i>(In millions)</i>						
Cumulative preferred stock subject to mandatory redemption:						
SCE:						
\$100 par value preferred stock: (Recourse securities)						
6.05% Series	Unlisted	—	673,800	\$100.00	\$ 67^{1,2}	\$ 69
7.23% ²	Unlisted	—	807,000	100.00	81³	81
Subtotal					148	150
Less preferred stock to be redeemed within one year					9	9
Total⁴					\$ 139	\$ 141

¹ Redeemed \$3.6 million on March 31, 2005 as annual sinking fund redemption.

² Called the remaining \$63.8 million on May 20, 2005.

³ Called \$80.7 million on April 30, 2005.

⁴ Classified as "Other preferred securities subject to mandatory redemption" in the "Total deferred credits and other liabilities" section of EIX's balance sheets.

Edison International Consolidated Recourse Financial Capitalization

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Short-term debt		\$ 88	\$ 201
Long-term debt due within one year		809	1,932
Preferred stock to be redeemed within one year		9	9
Long-term debt — detailed on pages 10-11		9,678	9,220
Other preferred securities subject to mandatory redemption		139	141
Total debt¹		10,723	11,503
Total preferred securities		129	129
Common shareholders' equity		6,049	5,383
Total capitalization		16,901	17,015
Less non-recourse debt — detailed on pages 10-11		(2,766)	(2,902)
Recourse capitalization		\$14,135	\$14,113

¹Includes preferred securities subject to mandatory redemption.

Edison International Available Credit Under Existing Lines at SCE, EME (parent) and MWG

<i>(In millions)</i>	December 31, 2004	December 31, 2003
Edison International¹	\$ —	\$ —
Southern California Edison²	602	467
Edison Mission Energy (parent)³	185	145
Midwest Generation (MWG)⁴	197	150
Total	\$ 984	\$ 762

¹ On February 1, 2005, EIX entered into a credit agreement where the company can borrow, on a revolving basis, up to \$750 million. The agreement terminates on February 1, 2010.

² On February 1, 2005, SCE entered into a credit agreement where the company can borrow, on a revolving basis, up to \$1.25 billion. The agreement terminates on February 1, 2010. The new credit facility replaced a prior \$700 million revolving credit facility.

³ As of December 31, 2004, includes \$87 million under Midwest Generation EME, LLC's \$100 million letter of credit facility that requires a cash deposit to collateralize any letter of credit issued under it.

⁴ On April 18, 2005, MWG obtained a new \$300 million credit facility in addition to its existing \$200 million credit facility.

Edison International Consolidated Short-Term Debt

<i>(In millions)</i>	December 31, 2004	December 31, 2003
Southern California Edison	\$ 88	\$ 200
Edison Mission Energy	—	1
Edison International total consolidated short-term debt	\$ 88	\$ 201

EIX Five-Year Long-Term Debt Maturities and Sinking Funds Requirements¹

<i>In millions</i>	<i>Year Ended December 31,</i>	2005	2006	2007	2008	2009
Southern California Edison		\$ 246	\$ 927	\$ 1,362 ²	\$ 54	\$ 219
Mission Energy Holding Co. (consolidated)		496 ³	50	132	1,220	613
Edison Capital		67 ⁴	75	112	—	—
Intercompany debt		—	—	(153)	(27)	—
Total		\$ 809	\$1,052	\$ 1,453	\$ 1,247	\$ 832

¹ Includes recourse and non-recourse long-term debt as of December 31, 2004.

² Called \$650 million in January 2005, and \$316 million in June 2005.

³ MEHC Term Loan of \$285 million paid on January 3, 2005, and EME Junior Subordinated Debentures of \$155 million paid on January 25, 2005.

⁴ Includes \$40 million of non-recourse project debt related to Edison Capital's Storm Lake Energy Project due through 2017, but classified as due in 2005 as a result of an agreement with the lenders to reduce the project loan balances subject to recovering damages in Enron's bankruptcy.

Edison International Consolidated Long-Term Debt

In millions

Year	Series	Due Date	Interest Rate (%)	First Call Date	Dec. 31, 2004	Dec. 31, 2003	Year	Series	Due Date	Interest Rate (%)	First Call Date	Dec. 31, 2004	Dec. 31, 2003
Edison International							Pollution control indebtedness ⁸ :						
1999	Notes	09/15/04	6%	N/A	\$ —	\$ 617	Four Corners Generating Station						
1999	Note	07/26/29	7.875	N/A	—	516	1991	Series A ^{9,10}	04/01/21	7.20	04/01/01	49	49
1999	Note	10/29/29	8.60	N/A	—	335	1993	Series A ^{9,11}	06/01/23	5%	06/01/03	155	155
Subtotal					—	1,468	1999	Series A ¹²	04/01/29	5%	04/01/09	55	55
Less current portion of long-term debt					—	(618)	Huntington Beach Generating Station						
Less unamortized discount — net					—	1	1999	Series D ¹²	09/01/15	5.20	09/01/09	8	8
EIX long-term debt					\$ —	\$ 851	Mohave Generating Station						
Southern California Edison							1988 Series A						
Recourse long-term debt:							2000 Series A						
First and refunding mortgage bonds ¹ :							2000 Series B						
1993	Series 93H	09/01/04	5%	N/A	\$ —	125	2000 Series C						
2003	Series 2003 A	02/15/07	8.00	N/A	— ^{2,3}	— ²	Palo Verde Nuclear Generating Station						
2003	Series 2003 B ⁴	02/15/07	8.00	N/A	966	966	2000 Series A-B ⁹						
1993	Series 93I ⁵	10/01/18	6.90	10/01/98	—	200	2000 Series A-D ⁹						
1993	Series 93G ⁵	07/15/25	7%	07/15/03	—	225	San Onofre Nuclear Generating Station						
1993	Series 93C ⁵	03/01/26	7¼	03/01/03	—	300	1986 Series A-D ⁹						
2004	Series 2004 A	01/15/14	5.00	N/A	300	—	1985 Series A-D ⁹						
2004	Series 2004 B	01/15/34	6.00	N/A	525	—	1991 Series ⁹						
2004	Series 2004 C	01/13/06	Variable	N/A	150	—	1992 Series A ⁹						
2004	Series 2004 F	04/01/15	4.65	N/A	300	—	1992 Series B ⁹						
2004	Series 2004 G	04/01/35	5.75	N/A	350	—	1999 Series A-B ¹²						
2004	Series 2004 H	12/13/07	Variable	06/13/06	150	—	1999 Series C ¹²						
Subtotal					2,741	1,816	Subtotal						
Other:							Non-recourse long-term debt:						
1996	Notes	01/15/06	6%	N/A	200	200	VIE Debt ¹⁴						
1999	Notes	04/01/29	6.65	N/A	300	300	2008						
2000	Notes	01/15/10	7.625	N/A	250	250	5.0						
Other obligation ⁶					8	8	N/A						
Junior Subordinated Deferrable Interest Debentures ⁷ :							Rate reduction notes ¹⁵						
1995	Series A ⁵	06/30/44	8%	05/25/00	—	100	1997 Various						
Subtotal					758	858	Various						
							Various						
							N/A						
							739						
							985						
							Subtotal						
							793						
							985						
							SCE principal amount outstanding						
							5,488						
							4,875						
							Less current portion of long-term debt						
							(246)						
							(371)						
							Less unamortized discount — net						
							(17)						
							(29)						
							Less bonds repurchased						
							—						
							(354)						
							SCE long-term debt						
							\$5,225						
							\$4,121						

¹ On January 19, 2005, SCE issued \$400 million 5.00% First and Refunding Mortgage Bonds, Series 2005A, due 2016. Also on January 19, 2005, SCE issued \$250 million 5.55% First and Refunding Mortgage Bonds, Series 2005B, due 2036. On June 27, 2005, SCE issued \$350 million 5.35% First and Refunding Mortgage Bonds, Series 2005E, due July 15, 2035.

² Balance of \$50,000 called in June 2005.

³ Called on January 25, 2005.

⁴ Called in January and June 2005.

⁵ Called on January 26, 2004.

⁶ Fort Irwin acquisition debt, not a publicly traded security.

⁷ Also known as quarterly income debt securities (QUIDS).

⁸ On March 23, 2005, \$203,460,000 City of Farmington, New Mexico Pollution Control Refunding Revenue Bonds, due April 1, 2029 was issued.

⁹ Secured by first and refunding mortgage bonds.

¹⁰ Called on March 30, 2005.

¹¹ Called on June 1, 2005.

¹² Insured.

¹³ Subject to remarketing.

¹⁴ Long-term debt of Variable Interest Entities (VIE). This debt is non-recourse to SCE and EIX.

¹⁵ Also known as rate reduction bonds. The notes are non-recourse to SCE and EIX.

Edison International Consolidated Long-Term Debt (continued)

Year	Series	Due Date	Interest Rate (%) ¹	First Call Date	Dec. 31, 2004	Dec. 31, 2003
Mission Energy Holding Company (consolidated)					<i>(In millions)</i>	
Recourse long-term debt:						
MEHC (parent only)						
2001	Senior Secured Notes	2008	13.5	N/A	800	800
2001	Term Loan ²	2006	LIBOR+7.50	N/A	285	385
EME (parent only)						
1999	Senior Notes	2009	7.730	N/A	600	600
2001	Senior Notes	2011	9.875	N/A	600	600
2001	Senior Notes	2008	10.0	N/A	400	400
1999	Coal & Capex Facility	2004	£LIBOR+2.25+0.0098	N/A	—	28
Junior subordinated debentures series A/B ³		2024/2025	9.875 / 8.50	11/30/99 / 08/08/00	155	155
Long-term obligations—Affiliate		2007	LIBOR+0.275	N/A	78	78
EME Non-recourse long-term debt:						
1996	Due to EME Funding Corp.	2004-2008	7.330	N/A	139	190
Midwest Generation						
2004	Sr. Secured Term Loan (1st Priority) ⁴	2011	LIBOR+3.25	Anytime	667	—
2004	Sr. Secured Notes (2nd Priority) ⁵	2034	8.75	05/01/09	1,000	—
1999	Tranche B	2004	LIBOR+2.00	N/A	—	693
EME CP Holdings Co.						
2002	Note Purchase Agreement	2015	7.31	N/A	81	83
Mission Energy Holdings International, Inc.						
2003	Credit Agreement	2006	LIBOR+5.00	N/A	—	800
Doga Project						
1997	Finance Agmt.	2010	11.20	N/A	—	62
1997	Credit Agmt.	2010	LIBOR+1.25	N/A	—	22
MEHC principal amount outstanding					4,805	4,896
Less current portion of long-term debt from continuing operations					(496)	(785)
Less unamortized debt discount from continuing operations — net					(16)	(26)
MEHC long-term debt					\$ 4,293	\$ 4,085
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
2000	Term Loan	2004	Variable	N/A	—	69
2000	Medium Term Notes	2005	8.04	N/A	25	25
2000	Medium Term Notes	2007	7.61	N/A	37	34
2000	Medium Term Notes	2010	7.44	N/A	50	46
2000	Medium Term Notes	2015	7.25	N/A	59	53
1996	Long-term obligation — Affiliate	2007	4.40	N/A	75	75
Non-recourse amortizing debt:						
1986-2000	Affordable Housing Mortgages	2016-2039	Various	N/A	22	7
1999	Buffalo Ridge Project Debt	2012-2013	8.5	N/A	17	—
1999	Storm Lake Pwr Ptnr I (Tranche A Loan)	2017	8.71	N/A	15	29
1999	Storm Lake Pwr Ptnr I (Tranche B Loan)	2011	LIBOR+1.45	N/A	25	31
2004	Westridge	2014	Various	N/A	7	—
Edison Capital total principal amount outstanding					407	474
Less current portion of long-term debt					(67)	(158)
Edison Capital long-term debt					\$ 340	\$ 316
Intercompany debt					(180)	(153)
EIX total consolidated long-term debt					\$ 9,678	\$ 9,220

¹ Interest rates may vary based on debt agreements.

² Paid on January 3, 2005.

³ Called for early redemption on January 25, 2005.

⁴ MWG had \$343 million outstanding under its term loan after its payment of \$300 million on April 19, 2005.

⁵ Holders of the notes may require Midwest Generation to repurchase the notes on May 1, 2014 and on each one-year anniversary thereafter at 100% of their principal amount, plus accrued and unpaid interest.

Edison International Consolidated Income Tax Schedules

The components of income tax expense (benefit) by location of taxing jurisdiction are:

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002
Current:				
Federal		\$ (560)	\$ 186	\$ 578
State		(36)	100	109
Foreign		—	6	10
		(596)	292	697
Deferred:				
Federal		458	(103)	(322)
State		46	(67)	(43)
Foreign		—	2	(2)
		504	(168)	(367)
Total continuing operations		(92)	124	330
Discounted operations		47	123	44
Accounting change		—	(4)	—
Total		\$ (45)	\$ 243	\$ 374

The federal statutory income tax rate is reconciled to the effective tax rate from continuing operations as follows:

<i>Year Ended December 31,</i>	2004	2003	2002
Federal statutory rate	35.0%	35.0%	35.0%
Tax audit adjustments	(73.9)	(4.5)	(2.6)
Resolution of FERC rate case	—	(9.6)	—
Housing and production credits	(22.9)	(4.3)	(3.2)
Property-related	10.4	1.1	(2.8)
Amortization of ITC credits	(6.7)	(1.0)	(0.4)
State tax — net of federal deduction	3.0	5.3	3.8
ESOP dividend payment	(6.2)	—	—
Transition costs	—	—	(6.2)
Other	(7.4)	(6.0)	0.1
Effective tax rate	(68.7)%	16.0%	23.7%

Note: Edison International's composite federal and state statutory tax rate was approximately 40% for all years presented. The effective tax benefit rate of 68.7% realized in 2004 was primarily due to adjustments to tax liabilities relating to prior years at SCE and the benefits received from low income housing and production tax credits at Edison Capital, partially offset by property-related flow-through items and property-related adjustments at SCE. The lower effective tax rate of 16.0% realized in 2003 was primarily due to the resolution of a FERC rate case at SCE, recording the benefit of favorable settlements of IRS audit issues at SCE and the benefits received from low income housing and production tax credits at Edison Capital. The lower effective tax rate of 23.7% realized in 2002 was primarily due to: reestablishing a tax related regulatory asset at SCE due to implementation of the CPUC's URG decision; a favorable adjustment to Edison Capital's cumulative deferred taxes for changes in its effective state tax rate; the benefits received from low income housing and production tax credits at Edison Capital; and recording the benefit of favorable settlements of IRS audits at SCE.

CPUC = California Public Utilities Commission
ESOP = Employee Stock Ownership Plan
FERC = Federal Energy Regulatory Commission
IRS = Internal Revenue Service
ITC = Investment Tax Credits
URG = Utility Retained Generation

SCE Consolidated Statements of Income

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Operating revenue		\$ 8,448	\$ 8,854
Fuel		810	235
Purchased power		2,332	2,786
Provisions for regulatory adjustment clauses — net		(201)	1,138
Other operation and maintenance		2,457	2,072
Depreciation, decommissioning and amortization		860	882
Property and other taxes		177	168
Net gain on sale of utility plant		—	(5)
Total operating expenses		6,435	7,276
Operating income		2,013	1,578
Interest and dividend income		20	100
Other nonoperating income		84	72
Interest expense — net of amounts capitalized		(409)	(457)
Other nonoperating deductions		(69)	(23)
Income from continuing operations before tax and minority interest		1,639	1,270
Income tax		438	388
Minority interest		280	—
Income from continuing operations		921	882
Income from discontinued operations — net of tax		—	50
Net income		921	932
Dividends on preferred stock subject to mandatory redemption		—	5
Dividends on preferred stock not subject to mandatory redemption		6	5
Net income available for common stock		\$ 915	\$ 922

SCE Changes in Operating Revenue

<i>In millions</i>	<i>Year Ended December 31,</i>	2004 vs. 2003	2003 vs. 2002
Electricity utility revenue —			
Rate changes (including surcharges)		\$ (707)	\$ (677)
Direct access credit		—	471
Sales volume changes		(159)	(60)
Sales for resale		164	394
SCE's variable interest entities		285	—
Other (including intercompany transactions)		11	20
Total		\$ (406)	\$ 148

SCE Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2004	2003
Assets			
Cash and equivalents		\$ 122	\$ 95
Restricted cash		61	66
Receivables, less allowances of \$31 and \$30 for uncollectible accounts at respective dates		618	602
Accrued unbilled revenue		320	273
Fuel inventory		8	10
Materials and supplies		188	168
Accumulated deferred income taxes — net		134	563
Regulatory assets		553	299
Prepayments and other current assets		72	62
Total current assets		2,076	2,138
Nonutility property — less accumulated provision for depreciation of \$34 and \$24 at respective dates		583	116
Property of variable interest entities — net		377	—
Nuclear decommissioning trusts		2,757	2,530
Other investments		170	150
Total investments and other assets		3,887	2,796
Utility plant, at original cost:			
Transmission and distribution		15,685	14,861
Generation		1,356	1,388
Accumulated provision for depreciation		(4,506)	(4,386)
Construction work in progress		789	601
Nuclear fuel, at amortized cost		151	141
Total utility plant		13,475	12,605
Regulatory assets		3,285	3,725
Other deferred charges		567	507
Total deferred charges		3,852	4,232
Total assets		\$23,290	\$21,771

SCE Operating and Financial Ratios

<i>Year Ended December 31,</i>	2004	2003	2002	2001	2000	1999
Percent of operating revenue:						
Fuel	9.6%	2.6%	2.8%	2.7%	2.5%	2.8%
Purchased power	27.6	31.5	23.1	47.4	60.5	42.3
Provisions for regulatory adjustment clauses	(2.4)	12.8	17.3	(40.2)	28.0	(10.1)
Other operating expenses and maintenance	29.1	23.2	22.1	22.2	22.8	25.6
Depreciation, decommissioning and amortization	10.2	10.0	9.0	8.5	19.0	20.5
Property and other taxes	2.1	1.9	1.3	1.4	1.6	1.6
Operating expenses (before income taxes)	76.2	82.0	75.6	42.0	134.4	82.7
Taxes on operating income	5.2	5.2	7.0	20.1	(13.0)	6.0
Operating income	18.6	12.8	17.4	37.9	(21.4)	11.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Regulatory embedded cost of capital (at year-end):						
Long-term debt	7.03%	8.44%	8.20%	7.87%	7.87%	7.38%
Preferred and preference stock	6.17%	6.20%	6.53%	6.60%	6.60%	6.64%
Other:						
Customers to employees ratio	347	362	374	351	351	335

SCE Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2004	2003
Liabilities and Shareholders' Equity			
Short-term debt		\$ 88	\$ 200
Long-term debt due within one year		246	371
Preferred stock to be redeemed within one year		9	9
Accounts payable		700	497
Accrued taxes		357	476
Accrued interest		115	107
Customer deposits		168	152
Book overdrafts		232	189
Regulatory liabilities		490	659
Other current liabilities		643	972
Total current liabilities		3,048	3,632
Long-term debt		5,225	4,121
Accumulated deferred income taxes — net		2,865	2,726
Accumulated deferred investment tax credits		126	136
Customer advances and other deferred credits		510	428
Power-purchase contracts		130	213
Preferred stock subject to mandatory redemption		139	141
Accumulated provision for pensions and benefits		417	330
Asset retirement obligations		2,183	2,084
Regulatory liabilities		3,356	3,234
Other long-term liabilities		232	242
Total deferred credits and other liabilities		9,958	9,534
Total liabilities		18,231	17,287
Minority interest		409	—
Common stock (434,888,104 shares outstanding at each date)		2,168	2,168
Additional paid-in capital		350	338
Accumulated other comprehensive loss		(17)	(19)
Retained earnings		2,020	1,868
Total common shareholder's equity		4,521	4,355
Preferred stock not subject to mandatory redemption		129	129
Total shareholder's equity		4,650	4,484
Total liabilities and shareholder's equity		\$23,290	\$21,771

SCE Estimated Commitments For 2005–2009

<i>In millions</i>	2005	2006	2007	2008	2009	Thereafter
Long-term debt maturities and sinking fund requirements ¹	\$ 503	\$ 1,168	\$ 1,580 ²	\$ 255	\$ 418	\$ 5,704
Fuel supply contract payments	173	58	65	59	36	454
Purchased-power capacity payments	898	725	648	421	394	3,059
Unconditional purchase obligations	5	5	5	5	6	43
Estimated noncancelable lease payments	48	45	9	8	5	9
Preferred stock redemption requirements ³	9	9	74	56	—	—
Employee benefit plans contributions ⁴	109	126	127	—	—	—

¹ Amount includes scheduled principal payments for debt outstanding as of December 31, 2004, assuming long-term debt is held to maturity, and related forecast interest payments over the applicable period of the debt.

² Called \$966 million in 2005.

³ Called SCE 6.05% and 7.23% preferred stock in 2005.

⁴ Amount includes estimates contributions to the pension plans and postretirement benefits other than pensions. The estimated contributions beyond 2007 are not available.

SCE Consolidated Statements of Cash Flows

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Cash flows from operating activities:			
Income from continuing operations		\$ 921	\$ 882
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation, decommissioning and amortization		860	882
Other amortization		90	101
Minority interest		280	—
Deferred income taxes and investment tax credits		514	(104)
Regulatory assets — long-term		442	535
Regulatory liabilities — long-term		(69)	(48)
Other assets		(77)	122
Other liabilities		18	(364)
Receivables and accrued unbilled revenue		(9)	185
Inventory, prepayments and other current assets		(10)	78
Regulatory assets — short-term		(254)	13,268
Regulatory liabilities — short-term		(169)	(12,486)
Accrued interest and taxes		(111)	(223)
Accounts payable and other current liabilities		(152)	(181)
Net cash provided by operating activities		2,274	2,647
Cash flows from financing activities:			
Long-term debt issued and issuance costs		1,747	(11)
Long-term debt repaid		(966)	(1,263)
Bonds remarketed — net		350	—
Redemption of preferred stock		(2)	(6)
Rate reduction notes repaid		(246)	(246)
Short-term debt financing — net		(112)	(4)
Change in book overdrafts		43	65
Shares purchased for stock-based compensation		(60)	(13)
Proceeds from stock option exercises		29	3
Minority interest		(290)	—
Dividends paid		(756)	(955)
Net cash used by financing activities		(263)	(2,430)
Cash flows from investing activities:			
Capital expenditures		(1,678)	(1,153)
Acquisition costs related to nonutility generation plant		(285)	—
Proceeds from sale of discontinued operations		—	146
Contributions to and earnings from nuclear decommissioning trusts — net		(109)	(86)
Sales from investments in other assets		9	13
Net cash used by investing activities		(2,063)	(1,080)
Effect of consolidation of variable interest entities on cash		79	—
Net change in cash of discontinued operations		—	(34)
Net increase (decrease) in cash and equivalents		27	(897)
Cash and equivalents, beginning of year		95	992
Cash and equivalents — end of year, continuing operations		\$ 122	\$ 95

SCE Consolidated Statements of Retained Earnings

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002	2001	2000	1999
Balance at beginning of year		\$ 1,868	\$ 1,892	\$ 664	\$(1,722)	\$ 608	\$ 794
Net income (loss)		921	932	1,247	2,408	(2,028)	509
Dividends declared on common stock		(750)	(945)	—	—	(279)	(666)
Dividends declared on preferred and preference stock		(6)	(10)	(19)	(22)	(22)	(25)
Stock option appreciation		—	—	—	—	(1)	(3)
Reacquired capital stock expense and other		(13)	(1)	—	—	—	(1)
Balance at end of year		\$ 2,020	\$ 1,868	\$ 1,892	\$ 664	\$(1,722)	\$ 608

SCE Kilowatt-Hour Sales¹

<i>Year Ended December 31,</i>	2004	2003
Class of service — millions of kWh:		
Residential	27,983	27,194
Commercial	38,180	36,979
Industrial	10,953	10,770
Public Authorities	6,106	6,084
Agricultural and other	1,272	1,161
Resale	12,779	10,575
Total kilowatt-hour sales	97,273	92,763
Class of service — percent:		
Residential	28.7%	29.3%
Commercial	39.3	39.9
Industrial	11.3	11.6
Public Authorities	6.3	6.6
Agricultural	1.3	1.2
Resale	13.1	11.4
Total	100.0%	100.0%

¹ Includes direct access customers.

SCE Customers

<i>December 31,</i>	2004	2003	2002	2001	2000	1999
Customers:						
Residential	4,086,531	4,030,473	3,977,245	3,931,414	3,884,982	3,843,923
Commercial	495,584	481,509	467,976	450,102	433,855	420,370
Industrial	17,380	18,693	19,200	21,765	24,955	25,867
Agricultural	22,251	22,722	23,019	23,573	24,234	24,454
Public authorities	46,749	46,726	46,684	47,097	47,479	47,555
Railroads and railways	50	47	43	46	48	38
Interdepartmental	24	20	11	8	7	4
Total ultimate customers	4,668,569	4,600,190	4,534,178	4,474,005	4,415,560	4,362,211

SCE Operating Revenue¹

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Class of service:			
Residential		\$2,644	\$2,855
Commercial		3,187	3,609
Industrial		579	686
Public authorities		454	540
Agricultural		90	99
Other		5	6
Resale		577	413
Sales of electric energy		7,536	8,208
Other electric revenue		396	384
Deferred revenue ²		231	262
Revenue from variable interest entities		285	—
Total operating revenue		\$8,448	\$8,854
Class of service — percent:			
Residential		31.3%	32.2%
Commercial		37.7	40.8
Industrial		6.8	7.8
Public authorities		5.4	6.1
Agricultural		1.1	1.1
Resale		0.1	0.1
Other		6.8	4.6
Sales of electric energy		89.2	92.7
Other electric revenue		4.7	4.3
Deferred revenue ²		2.7	3.0
Revenue from variable interest entities		3.4	—
Total		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 until the associated costs are incurred.

SCE Generating Capacity Resources as of December 31, 2004 (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	601
Subtotal		673.6	5				2,215
Total thermal generation		866.0	15				3,797

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			4,950

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				1,724
Biomass				203
Small hydro				42
Wind				270
Geothermal				939
Solar				360
Subtotal				3,538
Total purchases/exchanges				5,205
Total generation capacity resources⁵				10,155

⁵ Includes isolated resources.

SCE Operating Statistics

Year Ended December 31,	2004		2003		2002		2001		2000		1999	
	MW	%	MW	%	MW	%	MW	%	MW	%	MW	%
SCE generating capacity resources (MW):												
SCE owned:												
Oil and gas (Catalina)	9	0.1	9	0.1	9	0.1	9	0.1	9	0.1	9	0.1
Nuclear	2,215	22.2	2,204	22.6	2,204	22.6	2,204	22.5	2,204	21.8	2,204	21.0
Coal	1,573	15.4	1,573	16.1	1,573	16.1	1,573	16.0	1,573	15.5	1,573	15.5
Hydro	1,153	11.3	1,153	12.0	1,173	12.0	1,173	12.0	1,156	11.4	1,156	11.0
Purchases:												
Other utilities ¹	1,667	16.3	1,667	17.0	1,667	17.0	1,667	17.0	1,752	19.6	1,987	19.0
Other power producers:												
Cogeneration	1,724	16.9	1,725	17.7	1,724	17.7	1,761	18.0	1,775	17.5	2,056	19.6
Biomass	203	2.0	185	1.9	188	1.9	188	1.9	188	1.9	193	1.9
Small hydro	42	0.4	25	0.3	25	0.3	25	0.2	25	0.3	35	0.3
Wind	270	2.7	67	1.8	173	1.8	173	1.8	173	1.7	181	1.7
Geothermal	939	9.2	900	6.9	677	6.9	675	6.9	677	6.7	674	6.4
Solar	360	3.5	353	3.6	354	3.6	354	3.6	354	3.5	363	3.5
Total	10,155	100%	9,861	100%	9,767	100%	9,802	100%	9,886	100%	10,431	100%
SCE Total Energy Requirement (Millions of kWh):												
SCE owned:												
Nuclear	15,724	20.0	18,255	23.7	18,421	25.7	15,916	19.1	18,425	22.3	17,300	22.0
Coal	10,789	13.7	10,984	14.2	10,345	14.5	11,164	13.4	11,271	13.7	10,671	13.5
Hydro	3,525	4.5	3,990	5.2	3,611	5.0	3,048	3.6	4,471	5.4	4,383	5.6
Oil (Catalina)	31	—	30	—	27	—	29	—	30	—	29	—
Gas	—	—	—	—	—	—	—	—	19	—	—	—
Purchased Power ² :												
PX purchases — net ³	—	—	—	—	(51)	(0.1)	2,213	2.6	19,456	23.6	16,576	21.0
Firm ⁴	8,346	10.6	7,110	9.3	2,263	3.2	3,672	4.4	2,122	2.6	2,800	3.5
Economy/Other ⁵	(1,806)	(2.3)	(1,292)	(1.7)	(1,914)	(2.7)	(564)	(0.7)	1,157	1.4	5	—
Other power producers ² :												
Biomass	1,467	1.9	1,391	1.8	1,482	2.1	1,658	2.0	1,560	1.9	1,935	2.5
Cogeneration	13,830	17.6	13,837	17.9	13,668	19.1	13,785	16.5	14,097	17.1	15,338	19.5
Geothermal	7,862	10.0	7,070	9.2	6,041	8.4	6,248	7.5	6,177	7.5	6,323	8.0
Small Hydro	243	0.3	239	0.3	229	0.3	247	0.3	303	0.4	203	0.3
Solar	741	0.9	759	1.0	881	1.2	832	1.0	858	1.0	835	1.1
Wind	2,376	3.0	2,341	3.0	2,624	3.7	2,472	3.0	2,557	3.1	2,354	3.0
CDWR/ISO ² :	15,610	19.8	12,444	16.1	14,036	19.6	22,775	27.3	—	—	—	—
Total⁶	78,738	100%	77,158	100%	71,663	100%	83,495	100%	82,503	100%	78,752	100%
Area peak demand (MW)	20,762		20,136		18,821		17,890		19,757		19,122	
Annual area system load factor (%)	55.1		55.1		57.6		60.3		57.1		56.6	

¹ Includes system and unit purchases and net interchange. Since April 1998 excludes public power utilities.

² Calculated consistent with the accrual basis of accounting.

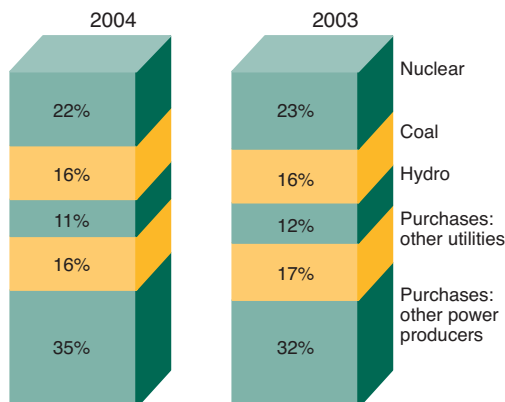
³ Net purchases represent energy purchases from the PX in excess of energy sales to the PX. Includes lagged PX/ISO settlement agreement.

⁴ Includes bilateral sales.

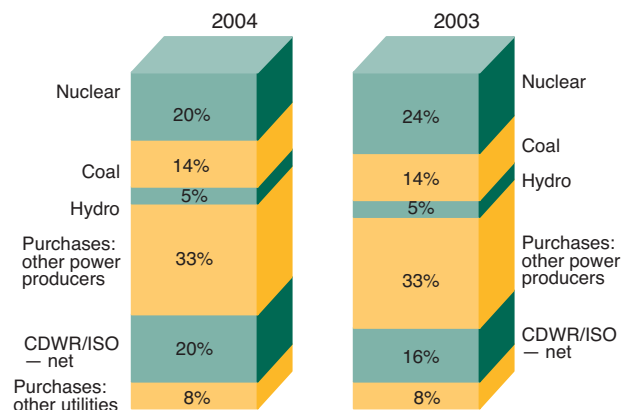
⁵ Includes economy energy, exchange energy, fringe energy and net interchange.

⁶ Excludes direct access and resale customer requirements. Includes generation line losses.

SCE GENERATING CAPACITY RESOURCES MIX



SCE TOTAL ENERGY REQUIREMENT



SCE Energy Costs

<i>Year Ended December 31,</i>	2004	2003
Average annual fuel cost — unit of expense:		
Oil (\$/bbl) (Catalina)	\$ 75.14	\$ 51.25
Gas (\$/mcf) ¹	7.61	6.91
Coal (\$/ton)	26.21	24.26
Average cost (\$/m²Btu):		
Oil (Catalina)	\$ 12.93	\$ 8.87
Gas ¹	7.20	6.55
Nuclear	0.44	0.45
Coal	1.32	1.24
Average cost — all sources	0.83²	0.77 ²
Average cost (cents/kwh):		
Oil (Catalina)	14.07¢	10.63¢
Nuclear	0.47	0.46
Coal	1.35	1.26
Purchased power:		
Other power producers:		
Biomass	9.35	9.11
Cogeneration	9.14	8.43
Geothermal	7.24	7.64
Small Hydro	5.69	6.57
Solar	14.38	14.46
Wind	7.26	6.64
Average cost – other power producers	8.54	8.25
Average cost – all sources ³	6.09²	5.52 ²
Fuel consumption:		
Oil (bbl) (000)	57	63
Gas (mcf) (000)	215	237
Coal (tons) (000)	5,472	5,614
Oil inventory — year end (bbl) (000)	2	1

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

² Excludes miscellaneous prior period adjustments.

³ Excludes ISO/other sales, includes firm purchased power.

Effect of Consolidating Variable Interest Entities on SCE's Consolidated Statements

<i>In millions</i>	<i>December 31,</i>	2004
Operating revenue		\$ 285
Fuel		578
Purchased power		(669)
Other operation and maintenance		68
Depreciation, decommissioning and amortization		28
Total operating expenses		5
Operating income		280
Minority interest		(280)
Income from continuing operations		\$ —
ASSETS		
Cash		\$ 90
Accounts receivable — net		49
Other current assets		18
Nonutility property — less accumulated provision for depreciation of \$519		377
Deferred charges		5
Total assets		\$ 539
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable		\$ 62
Other current liabilities		2
Long-term debt (5.0%, due 2008)		54
Deferred credits		12
Minority interest		409
Total liabilities and shareholder's equity		\$ 539

Regulatory Assets

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Current			
Regulatory balancing accounts:			
Baseline		\$ —	\$ 58
Base Rate Performance		67	69
CARE — California Alternative Rates for Energy		3	43
Catastrophic Event		143	27
Demand-side management		11	11
Public Purpose Program Adjustment Mechanism		24	—
Energy Resource Recovery Account		168	—
Native Load		—	20
Transmission Revenue		20	44
Reliability Service		65	—
Other Distribution Adjustment Mechanism		—	12
Other		(130)	(144)
Total Regulatory Balancing Accounts		371	140
Direct access procurement charges		109	90
Purchased-power settlements		62	57
Other		11	12
		553	299
Long-term			
Flow-through taxes — net		1,018	974
Rate reduction notes — transition cost deferral		739	985
Unamortized nuclear investment — net		526	583
Nuclear-related asset retirement obligations (ARO) investment — net		272	288
Unamortized coal plant investment — net		78	66
Unamortized loss on reacquired debt		250	222
Direct access procurement charges		141	250
Environmental remediation		55	71
Purchased-power settlements		91	153
Other		115	133
		3,285	3,725
Total Regulatory Assets		\$ 3,838	\$ 4,024

Regulatory Liabilities

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003
Current			
Regulatory balancing accounts:			
Procurement Energy Efficiency		\$ 33	\$ —
Electric Distribution Revenue Adjustment		—	47
Energy Resource Recovery Account		—	168
Energy Settlements		100	—
Demand Responsiveness		103	86
Demand-side Management		107	97
Transmission Revenue Requirement Reclassification		1	138
Other		13	13
Total Regulatory Balancing Accounts		357	549
Direct access procurement charges		109	90
Other		24	20
		490	659
Long-term			
ARO		819	720
Costs of removal		2,112	2,020
Direct access procurement charges		141	250
Employee benefit plans		200	207
Other		84	37
		3,356	3,234
Total Regulatory Liabilities		\$ 3,846	\$ 3,893

SCE System Rate Base¹

<i>In millions</i>	<i>December 31,</i>	2004	2003	2002	2001	2000	1999
Fixed capital:							
Plant in service		\$ 22,755	\$ 22,064	\$ 21,502	\$ 21,043	\$ 20,399	\$ 19,645
Property held for future use		4	3	5	3	5	5
Total fixed capital		22,759	22,067	21,507	21,046	20,404	19,650
Adjustments		(51)	(44)	35	40	41	46
Working capital		98	93	180	118	117	138
Reserves:							
Depreciation		(12,175)	(11,816)	(11,797)	(11,507)	(10,442)	(9,289)
Accumulated deferred income taxes		(1,128)	(1,050)	(574)	(611)	(837)	(1,020)
Other		(95)	(90)	(250)	(236)	(254)	(242)
Total reserves		(13,398)	(12,956)	(12,621)	(12,354)	(11,533)	(10,551)
System rate base²		\$ 9,408	\$ 9,160	\$ 9,101	\$ 8,850	\$ 9,029	\$ 9,283

¹ Weighted-average depreciated book costs.

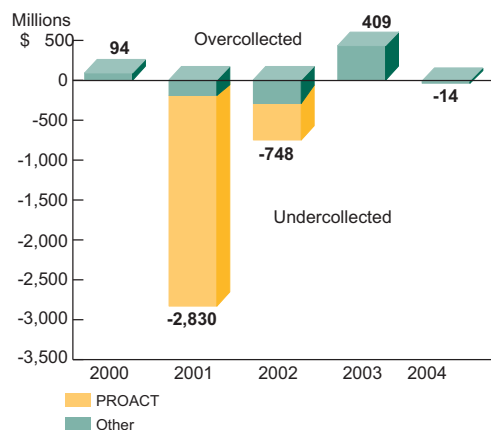
² Includes generation-related assets not subject to cost-based rate regulation as of third quarter 1997.

Detail of SCE Utility Plant — Net

<i>In millions</i>	<i>December 31,</i>	2004	2003
Generation:			
Steam		\$ 122	\$ 131
Mohave regulatory asset		78	66
Nuclear regulatory asset		526	583
Hydro		462	449
Generation-related transmission		17	42
Generation general and intangible		52	49
Other		19	12
Total generation		1,276	1,332
Transmission		2,919	2,690
Distribution		7,891	7,457
T&D general and intangible		1,046	1,027
Gas and water (Catalina)		7	6
Construction work in progress		789	601
Nuclear fuel		151	141
Total utility plant — net (unadjusted)		\$ 14,079	\$ 13,254
Less: amounts classified as regulatory assets ¹ :			
Mohave regulatory asset		78	66
Nuclear regulatory asset		526	583
Total utility plant — net — as shown in Annual Report		\$ 13,475	\$ 12,605

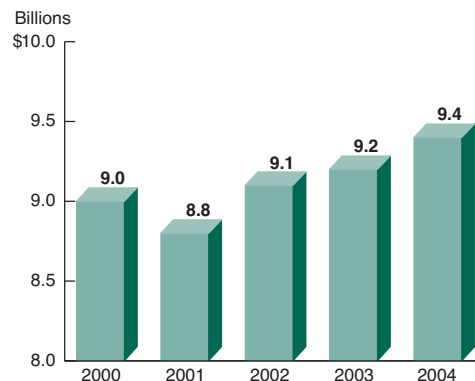
¹ Nuclear plant assets and related depreciation were reclassified as regulatory assets in 1998. A portion of the Mohave plant and depreciation were reclassified as a regulatory asset in 2002.

**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

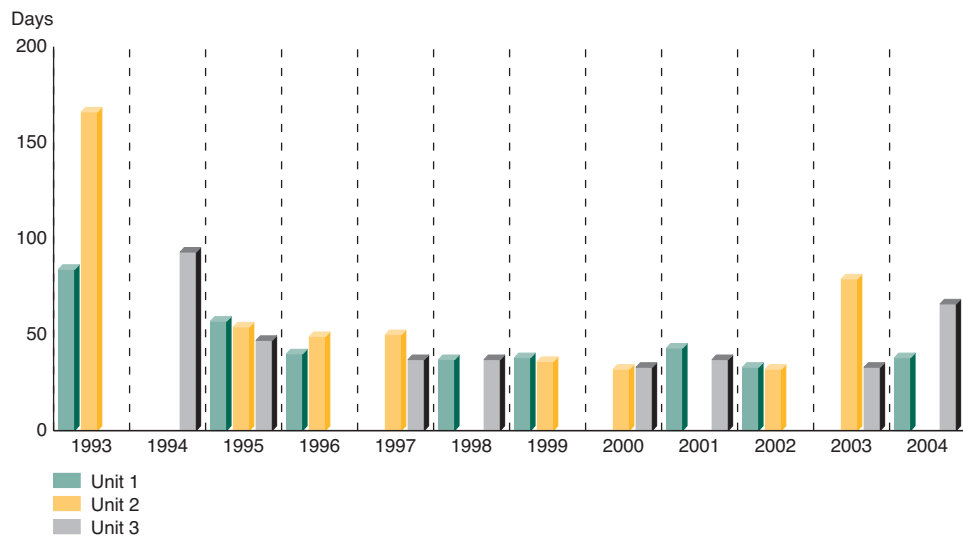
	Unit 1	Unit 2	Unit 3
Commercial operation	02/01/86	09/19/86	01/20/88
Net plant capacity (MW) ^{1,2}	1,243	1,314	1,247
2004 net generation (MWh) ¹	9,235,797	10,662,059	8,223,317
2004 capacity factor (CF) (%)	85	91	75
Lifetime net CF through 2004 (%)	77	80	83
Last refueling outage	04/03/04–5/10/04	09/27/03–12/15/03	10/02/04–12/07/04
Last refueling outage days	38	79 ³	66

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

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

³ Steam Generators and turbine rotors were replaced in 12/2003 and the Unit re-rated.

Palo Verde Refueling History



Palo Verde Annual Capacity Factors

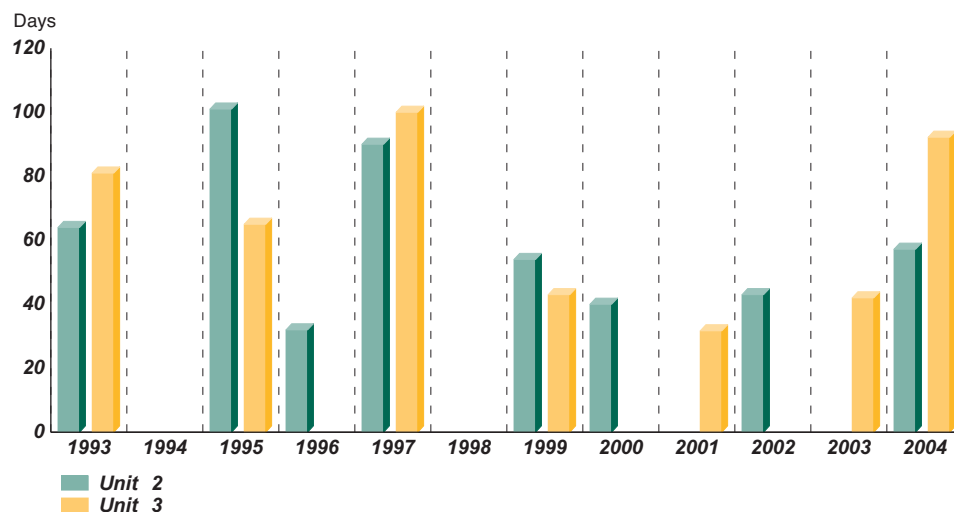
Year	Unit 1	Unit 2	Unit 3
1994	91%	62%	64%
1995	79%	84%	87%
1996	81%	87%	100%
1997	99%	86%	87%
1998	88%	102%	88%
1999	89%	90%	100%
2000	100%	87%	90%
2001	88%	93%	84%
2002	89%	92%	102%
2003	97%	78%	87%
2004	85%	91%	75%

San Onofre Plant Facts

	Unit 2	Unit 3
Commercial operation	08/08/83	04/01/84
Net plant capacity (MW) ¹	1,070	1,080
2004 net generation (MWh) ¹	8,054,879	6,976,283
2004 net capacity factor (CF) (%) ¹	85.7	73.5
Lifetime net CF through 2004 (%) ¹	80.8	79.6
Last refueling outage	02/09/04–04/06/04	09/27/04–12/28/04
Last refueling outage days	57.2	92.2

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

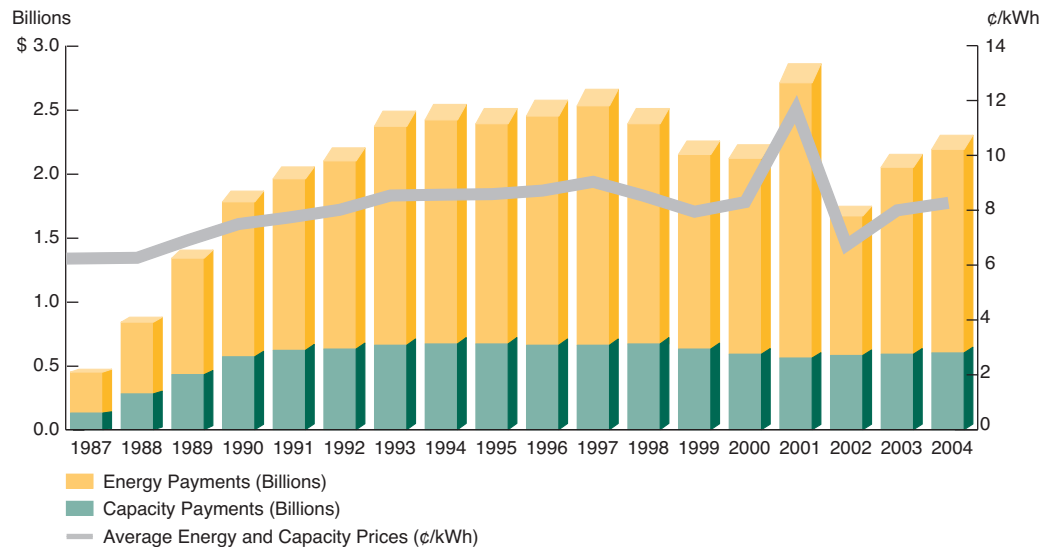
Year	Unit 2	Unit 3
1994	99%	97%
1995	69%	79%
1996	91%	93%
1997	71%	72%
1998	90%	96%
1999	88%	89%
2000	91%	102%
2001	101%	60%
2002	91%	101%
2003	104%	91%
2004	86%	74%

Jointly Owned Utility Projects

As of December 31, 2004

<i>In millions</i>	<i>Investment in Facility</i>	<i>Accumulated Depreciation and Amortization</i>	<i>Ownership Interest</i>
Transmission systems:			
El Dorado	\$ 48	\$ 16	60%
Pacific Intertie	305	80	50%
Generating stations:			
Four Corners Units 4 and 5 (coal)	497	395	48%
Mohave (coal)	347	262	56%
Palo Verde (nuclear)	1,679	1,459	16%
San Onofre (nuclear)	4,420	3,943	75%
Total	\$ 7,296	\$ 6,155	

Cogeneration and Renewable Payments (1987–2004)



Cogeneration and Renewable Resources

Year Ended December 31, 2004

	<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	30	226	1,448	\$ 118	8.15
Cogeneration	113	1,807	13,863	1,208	8.71
Geothermal	21	892	7,883	569	7.22
Small Hydro	35	95	247	14	5.67
Solar	13	354	739	109	14.75
Wind	63	1,021	2,314	169	7.30
Total	275	4,395	26,494	\$ 2,187	8.25

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, 2005:

		<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
Dian M. Grueneich	Democrat, served on the Board of the American Council for Energy Efficient Economy and was a past President of the Board of the California League of Conservation Voters (CLCV).	52	2005	January 2011
John Bohn	Republican, a former Chairman of GlobalNet Venture Partners, previously the co-founder and executive chairman of an Internet-based petrochemical trading exchange, served as managing director of the public relations firm Burson-Marsteller, and a past president and chief executive officer of Moody's Investors Service.	67	2005	May 2011

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.	2005
A04-12-014	2006 General Rate Case	CPUC	12/21/2004	Sets distribution and generation base rates for 3 years.	2006
A05-05-011	2006 Cost Of Capital	CPUC	05/09/2005	Determines authorized capital structure and returns for 1 year.	2005

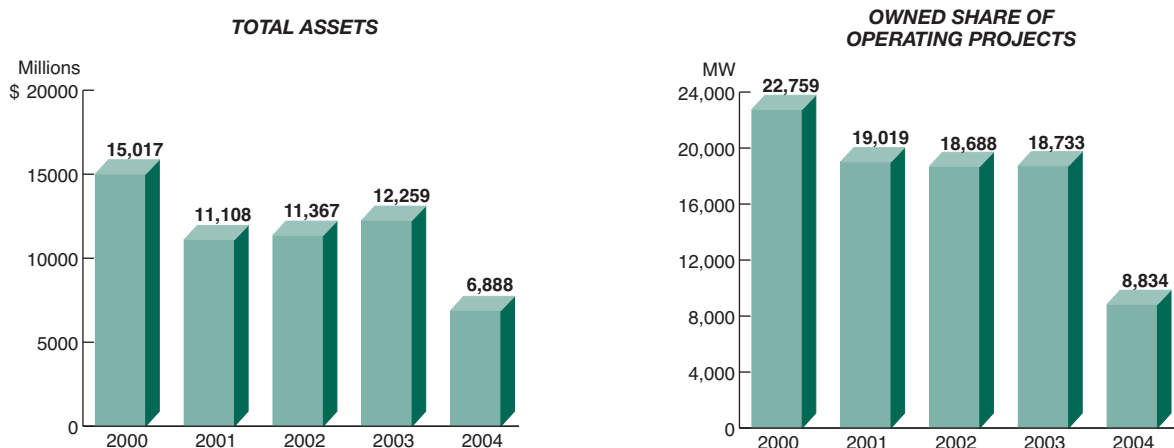
Note: Detailed discussions concerning SCE's regulatory environment are updated in the most recent reports filed with the Securities and Exchange Commission by Edison International and Southern California Edison on Forms 10-K, 10-Q and 8-K.

NONUTILITY BUSINESSES

Mission Energy Holding Company

Mission Energy Holding Company is the parent company of Edison Mission Energy (EME). EME is an independent power producer engaged in the business of owning or leasing, operating and selling energy and capacity from electric power generation facilities. EME also conducts price risk management and energy trading activities in power markets open to competition. As of December 31, 2004, EME's continuing operations consisted of owned or leased interests in 18 domestic operating power plants with an aggregate net physical capacity of 9,914 MW of which EME's capacity pro rata share was 8,834 MW. During 2004 and early 2005, EME completed the sale of substantially all of its international assets. Based in Irvine, California, MEHC had nearly \$6.9 billion in assets as of December 31, 2004.

Highlights



Quarterly Financial Data (Unaudited)

2004	First	Second	Third ¹	Fourth	Total
Operating revenues	\$ 389	\$ 359	\$ 509	\$ 382	\$ 1,639
Operating income (loss)	(16)	(976) ²	95 ³	(47) ⁴	(944)
Income (loss) from continuing operations	(39)	(636) ²	61 ³	(52) ⁴	(666)
Discontinued operations, net	46	26	498 ⁵	120 ⁵	690
Net income (loss)	7	(610)	559	68	24

2003	First	Second	Third ¹	Fourth	Total
Operating revenues	\$ 402	\$ 388	\$ 633	\$ 355	\$ 1,778
Operating income (loss)	(15)	(265) ⁶	216	(90)	(154)
Income (loss) from continuing operations	(54)	(192) ⁶	138	(86)	(194)
Discontinued operations, net	22	1	38	63	124
Income (loss) before accounting change	(32)	(191)	176	(23)	(70)
Net income (loss)	(41)	(191)	176	(23)	(79)

¹ Reflects EME's seasonal pattern, in which the majority of earnings from domestic projects are earned and recorded in the third quarter of each year.

² Reflects a \$951 million pre-tax (\$585 million, after tax) loss on termination of the lease related to the Collins Station and the return of its ownership to EME.

³ Reflects asset impairment charge of \$29 million pre-tax (\$18 million, after tax) related to impairment of six of the eight remaining small peaking units in Illinois.

⁴ Reflects a \$56 million pre-tax (\$34 million, after tax) charge related to an estimate of possible future payments under a contract indemnity agreement related to asbestos claims with respect to activities at the Illinois Plants prior to their acquisition in 1999.

⁵ Reflects gain on sale of international projects.

⁶ Reflects asset impairment charge of \$245 million pre-tax (\$150 million, after tax) required to write-down the carrying amount of all eight of the small peaking units in Illinois to their estimated fair value.

Mission Energy Holding Company Project List

Americas Operating Projects

No.	Project Name	Plant Type	Ownership Interest	Megawatts		EME Operates	Location	Commercial Operation/ Acquisition Date	Fuel Source	Primary Electric Purchaser ¹
				Net Physical Capacity	EME's Pro Rata Share					
Merchant Power Plants										
1	Illinois Plants ² (6 plants)	E	100%	5,876	5,876	x	Illinois	12/99	Coal, Oil, Gas	PJM
7	Homer City ²	E	100%	1,884	1,884	x	Pennsylvania	3/99	Coal	PJM/NYISO
Contracted Power Plants										
Big 4 Projects³										
8	Kern River ²	Q	50%	300	150	x	California	8/85	Natural Gas	SCE
9	Midway-Sunset ²	Q	50%	225	113	x	California	5/89	Natural Gas	SCE
10	Sycamore ²	Q	50%	300	150	x	California	1/88	Natural Gas	SCE
11	Watson	Q	49%	385	189		California	4/88	Natural Gas	SCE
Westside Projects										
12	Coalinga ²	Q	50%	38	19		California	11/91	Natural Gas	PG&E
13	Mid-Set ²	Q	50%	38	19		California	5/89	Natural Gas	PG&E
14	Salinas River ²	Q	50%	38	19	x	California	11/91	Natural Gas	PG&E
15	Sargent Canyon ²	Q	50%	38	19	x	California	11/91	Natural Gas	PG&E
16	American Bituminous ²	Q	50%	80	40		West Virginia	4/93	Waste Coal	Monongahela Power
17	March Point	Q	50%	140	70		Washington	11/91, 1/93	Natural Gas	Puget Sound Energy
18	Sunrise ²	E	50%	572	286	x	California	6/01, 6/03	Natural Gas	CDWR
Total Americas Operating Projects				9,914	8,834					

(E = Exempt Wholesale Generation Q = Qualifying Facilities)

¹ Electric purchaser abbreviations are as follows:

CDWR	California Department of Water Resources
PJM	PJM Interconnection, LLC
MPC	Monongabe Power Company
PG&E	Pacific Gas & Electric
PJM/NYISO	PJM Interconnection, LLC/New York Independent System Operator
PSE	Puget Sound Energy, Inc.
SCE	Southern California Edison Company

² Plant is operated under contract by an EME operations and maintenance subsidiary (partially owned plants) or plant is operated directly by an EME subsidiary (wholly owned plants).

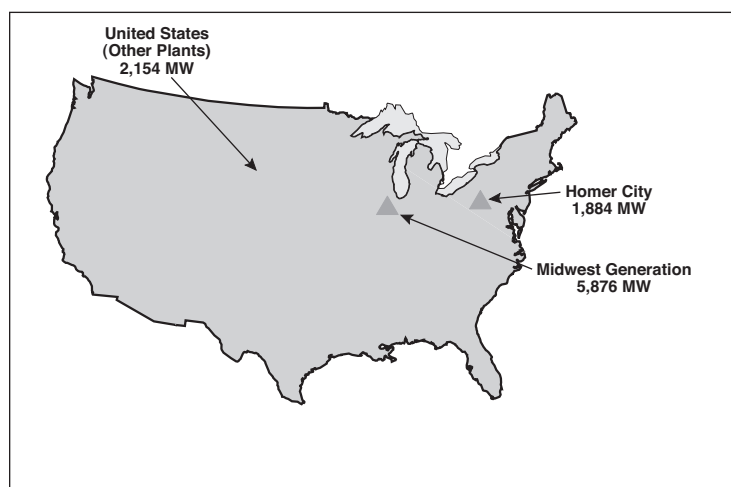
³ Power purchase agreements expire: Kern River - August 2005; Midway-Sunset - 2009; Sycamore - 2007; Watson - 2008.

Detail of Illinois Plants

Operating Plant or Site	Location	Leased/Owned	Fuel	Megawatts
Electric Generating Facilities				
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				
Fisk	Chicago, Illinois	Owned	Oil/Gas	163
Waukegan	Waukegan, Illinois	Owned	Oil/Gas	92
Total				5,876

¹ Operation at Will County Station Units 1 and 2 (310 MW) were returned to service in late 2004 after being suspended since January 2003.

Mission Energy Holding Company Project Summary



Number of Plants	Megawatts	
	Net Physical Capacity	EME Pro Rata Share
18 Operating plants	9,914	8,834
Coal:	7,585 MW	
Natural gas:	2,329 MW	

MEHC Income (Loss) Before Taxes and Minority Interest — by Project

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002
(Earnings/Losses)¹				
Consolidated operations				
Illinois Plants		(881)	(112)	232
Homer City		77	137	37
Doga		6	13	17
Charges related to cancellation of turbine orders/leases		—	—	(61)
Other		25	37	39
Unconsolidated affiliates				
Big 4 projects		142	135	94
Four Star Oil & Gas		—	43	20
Sunrise		28	35	16
March Point		17	10	18
Doga		1	—	—
Asset impairment charges		—	(59)	—
Other		11	—	25
		(574)	239	437
MEHC and EME corporate interest expense		(441)	(452)	(462)
EME corporate and regional administrative and general		(149)	(138)	(118)
Gain on sale of assets		43	—	—
EME corporate depreciation and other, net		(7)	(16)	(13)
Loss from Continuing Operations Before Income Taxes		\$ (1,128)	\$ (367)	\$ (156)

¹ Income before taxes of Doga represents both EME's 80% ownership and the ownership of minority interest holders on a calendar year basis. The interests of minority shareholders in the after-tax earnings of Doga are reflected in a separate line item in the consolidated statements of income.

Mission Energy Holding Company Consolidated Statements of Income (Loss)

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002
Operating Revenues				
Electric revenues		\$1,604	\$ 1,700	\$ 1,651
Net gains from price risk management and energy trading		9	48	37
Operation and maintenance services		26	30	25
Total operating revenues		1,639	1,778	1,713
Operating Expenses				
Fuel		619	669	612
Plant operations		471	438	452
Plant operating leases		186	206	206
Operation and maintenance services		23	21	22
Depreciation and amortization		144	154	146
Settlement of postretirement employee benefit liability		—	—	(71)
Loss on lease termination, asset impairment and other charges		989	304	131
Administrative and general		151	140	118
Total operating expenses		2,583	1,932	1,616
Operating income (loss)		(944)	(154)	97
Other Income (Expense)				
Equity in income from unconsolidated affiliates		215	245	197
Interest and other income		9	4	22
Gain on sale of assets		43	—	—
Interest expense		(451)	(455)	(458)
Dividends on preferred securities		—	(7)	(14)
Total other income (expense)		(184)	(213)	(253)
Loss from continuing operations before income taxes		(1,128)	(367)	(156)
Benefit for income taxes		(463)	(175)	(82)
Minority interest		(1)	(2)	(2)
Loss From Continuing Operations		(666)	(194)	(76)
Income from operations of discontinued subsidiaries (including gain on disposal of \$533 million in 2004), net of tax		690	124	22
Income (loss) Before Accounting Change		24	(70)	(54)
Cumulative effect of change in accounting, net of tax		—	(9)	(14)
Net Income (Loss)		\$ 24	\$ (79)	\$ (68)

Historical Distributions Received by Mission Energy Holding Company

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002
Domestic Projects				
Distributions from Consolidated Operating Projects:				
EME Homer City Generation L.P. (Homer City facilities)		\$ 61	\$ 128 ¹	\$ —
Edison Mission Midwest Holdings (Illinois Plants)		88	—	—
Holding companies of other consolidated operating projects		1	1	2
Distributions from Unconsolidated Operating Projects:				
Edison Mission Energy Funding Corp. (Big 4 Projects) ²		108	98	137
Four Star Oil & Gas Company		—	21	21
Sunrise Power Company		19	69 ³	—
Holding companies for Westside projects		18	25	42
Holding companies of other unconsolidated operating projects		3	7	10
Total distributions		\$ 298	\$ 349	\$ 212

¹ Includes \$34 million distributed by EME Homer City from additional cash on hand due to accelerated payments received from Edison Mission Marketing & Trading.

² 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 the 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.

³ Includes \$59 million of the \$151 million proceeds from the Sunrise project financing. EME has classified the remaining \$92 million as a return of capital.

Mission Energy Holding Company Consolidated Balance Sheets

<i>In millions</i>	<i>December 31,</i>	2004	2003
Assets			
Current Assets			
Cash and cash equivalents		\$ 2,272	\$ 443
Short term investments		140	20
Accounts receivable–trade		152	150
Accounts receivable–affiliates		95	33
Assets under price risk management and energy trading		41	22
Inventory		107	127
Prepaid expenses and other		130	92
Total current assets		2,937	887
Investments in Unconsolidated Affiliates		454	527
Property, Plant and Equipment		3,493	3,573
Less accumulated depreciation and amortization		709	564
Net property, plant and equipment		2,784	3,009
Other Assets			
Deferred financing costs		62	73
Long-term assets under price risk management and energy trading		90	96
Restricted cash		155	206
Rent payments in excess of levelized rent expense under plant operating leases		277	214
Other long-term assets		18	9
Total other assets		602	598
Assets of Discontinued Operations		111	7,238
Total Assets		\$ 6,888	\$ 12,259
Liabilities and Shareholder's Equity			
Current Liabilities			
Accounts payable–affiliates		\$ 26	\$ 3
Accounts payable and accrued liabilities		318	272
Liabilities under price risk management and energy trading		31	36
Interest payable		111	105
Current maturities of long-term obligations		496	785
Total current liabilities		982	1,201
Long-term obligations net of current maturities		4,293	4,085
Deferred taxes and tax credits		204	656
Other long-term liabilities		492	401
Liabilities of discontinued operations		5	4,552
Total Liabilities		5,976	10,895
Minority interest		—	515
Shareholder's Equity			
Common stock, par value \$0.01 per share; 1,000 shares authorized; 1,000 shares issued and outstanding		—	—
Additional paid-in capital		2,215	2,218
Retained deficit		(1,320)	(1,344)
Accumulated other comprehensive income (loss)		17	(25)
Total Shareholder's Equity		912	849
Total Liabilities and Shareholder's Equity		\$ 6,888	\$ 12,259

Mission Energy Holding Company Consolidated Statements of Cash Flows

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002
Cash Flows From Operating Activities				
Loss from continuing operations, after accounting change, net		\$ (666)	\$ (203)	\$ (90)
Adjustments to reconcile income to net cash provided by (used in) operating activities:				
Equity in income from unconsolidated affiliates		(215)	(245)	(197)
Distributions from unconsolidated affiliates		228	375	308
Depreciation and amortization		144	154	146
Amortization of discount on obligations		6	4	4
Minority interest		1	2	2
Deferred taxes and tax credits		(21)	(20)	180
Gain on sale of assets		(43)	—	—
Asset impairment charges		35	304	131
Cumulative effect of change in accounting, net of tax		—	9	14
Settlement of postretirement employee benefit liability		—	—	(71)
Changes in operating assets and liabilities:				
Decrease (increase) in accounts receivable		(88)	(4)	275
Decrease (increase) in inventory		11	28	(4)
Decrease (increase) in prepaid expenses and other		(27)	41	16
Increase in rent payments in excess of levelized rent expense		(59)	(96)	(97)
Increase (decrease) in accounts payable and accrued liabilities		88	(35)	(45)
Increase in interest payable		9	125	141
Decrease (increase) in net assets under risk management		13	1	(7)
Other operating—assets		23	2	(14)
Other operating—liabilities		54	28	24
Net cash provided by (used in) operating activities		(507)	470	716
Cash Flows From Financing Activities				
Borrowing on long-term debt and lease swap agreements		1,795	796	144
Payments on long-term debt agreements		(1,778)	(1,252)	(303)
Short-term financing and lease swap agreements, net		—	—	(110)
Contributions from parent		—	—	1
Cash dividends to minority shareholders		—	—	(3)
Payments for price appreciation on stock options exercised		(5)	—	—
Financing costs		(34)	(19)	—
Net cash used in financing activities		(22)	(475)	(271)
Cash Flows From Investing Activities				
Investments in and loans to energy projects		—	(22)	(32)
Purchase of common stock of acquired companies		—	(3)	—
Purchase of power sales agreement		—	—	(80)
Capital expenditures		(55)	(81)	(497)
Proceeds from return of capital and loan repayments		—	—	79
Proceeds from sale of interest in projects		118	36	44
Proceeds from sales of discontinued operations		2,740	—	—
Purchase of short term investments, net		(120)	(20)	—
Decrease in restricted cash		31	3	21
Proceeds from (investments in) other assets		(1)	4	256
Net cash provided by (used in) investing activities		2,713	(83)	(209)
Net changes in cash of discontinued operations		(512)	(26)	47
Effect of exchange rate changes on cash		—	14	16
Effect on cash from deconsolidation of subsidiary		(32)	—	—
Net increase (decrease) in cash and cash equivalents		1,640	(100)	299
Cash and cash equivalents at beginning of period		634	734	435
Cash and cash equivalents at end of period		2,274	634	734
Cash and cash equivalents classified as part of discontinued operations		(2)	(191)	(182)
Cash and cash equivalents of continuing operations		\$ 2,272	\$ 443	\$ 552

Mission Energy Holding Company Contractual Obligations

In millions	As of December 31, 2004	Payments Due by Period				
		2005	2006-2007	2008-2009	Thereafter	Total
Long-term debt (excluding EME) ¹		\$ 400 ²	\$ 216	\$ 908	\$ —	\$ 1,524
EME's long-term debt ¹		499 ³	748	1,492	2,807 ⁴	5,546
EME's operating lease obligations		317	708	699	3,300	5,024
EME's purchase obligations:						
Capital improvements		25	—	—	—	25
Fuel supply contracts		326	331	86	26	769
Gas transportation agreements		8	16	16	69	109
Coal transportation		202	254	36	—	492
Other contractual obligations		10	8	8	4	30
EME's employee benefit plan contribution ⁵		13	—	—	—	13
Total Contractual Obligations		\$ 1,800	\$ 2,281	\$ 3,245	\$ 6,206	\$13,532

¹ Table assumes long-term debt is held to maturity, except the Midwest Generation Senior Secured Notes which is assumed to be held until 2014. Amount also includes interest payments over applicable period of the debt.

² MEHC Term Loan principle amount of \$285 million, plus interest, paid on January 3, 2005.

³ EME Junior Subordinated Debentures of \$155 million, plus interest, paid on January 25, 2005.

⁴ Paid \$300 million of Midwest Generation's 1st Priority Senior Secured Term Loan on April 19, 2005.

⁵ Amount includes estimated contribution for pension plans and postretirement benefits other than pensions. The estimated contributions beyond 2005 are not available.

Mission Energy Holding Company Interest Coverage Ratio

In millions	Year Ended December 31,	2004	2003
Funds Flow from Operations:			
Operating Cash Flow ¹ from Consolidated Operating Projects ² :			
Illinois Plants		\$214	\$ 242
Homer City		95	153
First Hydro		48	(8)
Other consolidated operating projects		128	165
Price risk management and energy trading		1	11
Distributions from unconsolidated Big 4 projects		108	98
Distributions from other unconsolidated operating projects		131	178
Interest income		8	4
Operating expenses		(167)	(144)
Total EME funds flow from operations		\$566	\$699
Operating cash flow from unrestricted subsidiaries		1	(2)
Funds flow from operations of projects sold		(195)	(1)
MEHC		(2)	1
		\$370	\$697
Interest Expense			
EME		\$265	\$286
EME-affiliate debt		1	1
MEHC interest expense		158	160
Interest savings on projects sold		(110)	—
Total interest expense		\$314	\$447
Interest Coverage Ratio		1.18	1.56

Note: The following details with respect to MEHC's interest coverage ratio are provided as an aid to understanding the computations set forth in the indenture governing MEHC's senior secured notes. This information is not intended to measure the financial performance of MEHC and, accordingly, should not be read in lieu of the financial information set forth in MEHC's consolidated financial statements. The terms Funds Flow from Operations, Operating Cash Flow and Interest Expense are as defined in the indenture and are not the same as would be determined in accordance with generally accepted accounting principles. MEHC's interest coverage ratio equals Funds Flow from Operations divided by Interest Expense and is comprised of interest income and expense related to its holding company activities and the consolidated financial information of EME. The following table sets forth MEHC's interest coverage ratio for the years ended December 31, 2004 and 2003.

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 or EME is not primary beneficiary under FIN 46R.

Key Ratios of EME's Principal Subsidiaries Affecting Dividends

Subsidiary	Year Ended December 31, 2004	Financial Ratio	Covenant	Actual
Midwest Generation, LLC (Illinois Plants)		Interest Coverage Ratio	Greater than or equal to 1.25 to 1	2.28 to 1 ¹
Midwest Generation, LLC (Illinois Plants)		Secured Leverage Ratio	Less than or equal to 8.75 to 1	6.00 to 1
EME Homer City Generation L.P. (Homer City facilities)		Senior Rent Service Coverage Ratio	Greater than 1.7 to 1	2.33 to 1
Edison Mission Energy Funding Corp. (Big 4 Projects)		Debt Service Coverage Ratio	Greater than or equal to 1.25 to 1	2.63 to 1

¹ Interest coverage ratio was computed on a pro forma basis assuming the credit facility had been in existence for a twelve-month period.

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

Date	2005		2006	
	At Northern Illinois ²	At PJM West ³	At Northern Illinois ²	At PJM West ³
January 31, 2004	\$26.15	\$36.65	\$26.22	\$37.01
February 29, 2004	29.45	38.53	30.72	36.07
March 31, 2004	31.45	40.79	32.35	39.62
April 30, 2004	31.13	41.65	31.41	40.97
May 31, 2004	34.64	44.43	34.55	42.43
June 30, 2004	33.09	44.40	32.32	42.31
July 31, 2004	33.07	44.76	32.33	42.99
August 31, 2004	31.34	44.23	30.80	43.19
September 30, 2004	32.82	46.19	32.85	44.81
October 31, 2004	36.60	49.35	36.95	47.13
November 30, 2004	34.47	46.68	34.19	44.88
December 31, 2004	33.05	44.41	33.44	44.41

¹ This table sets forth the forward month-end market prices for energy per megawatt-hour for the calendar year 2005 and calendar year 2006 “strips,” which are defined as energy purchases for the entire calendar year, as quoted for sales into the Northern Illinois and PJM West Hubs during 2004. Forward market prices fluctuate as a result of a number of factors, including natural gas prices, transmission congestion, changes in market rules, electricity demand which is affected by weather and economic growth, plant outages in the region, and the amount of existing and planned power plant capacity. The actual spot prices for electricity delivered by Midwest Generation into these markets may vary materially from the forward market prices set forth in this table.

² Source: Energy prices were determined by obtaining broker quotes and other public sources for the Northern Illinois Hub delivery point.

³ Source: Energy prices were determined by obtaining broker quotes and other public sources for the PJM West Hub delivery point. Forward prices at PJM West Hub are generally higher than the prices at the Homer City busbar.

Illinois Plants Revenues

Year Ended December 31,	2004	2003	2002	2001
Revenues (in millions)				
Energy	773	675	549	496
Capacity	289	380	601	582
Loss from price risk management	(4)	(3)	(1)	(21)
Total revenues	1,058	1,052	1,149	1,057

Illinois Plants Statistics — Coal-Fired Generation

Year Ended December 31,	2004	2003	2002	2001
Generation (in GWh)				
Power purchase agreement	13,435	13,949	26,879	26,231
Merchant	17,133	13,561	695	396
Total coal-fired generation	30,568	27,510	27,574	26,627
Availability ¹	84.4% ³	82.7% ³	84.8% ⁴	82.9% ⁴
Forced outage rate ²	5.4%	7.7%	6.5%	9.5%
Average realized energy price/MWh				
Power purchase agreement	\$17.46	\$18.08	\$16.78	\$15.87
Merchant	\$31.11	\$26.57	\$20.96	\$28.96
Total coal-fired generation	\$24.84	\$22.27	\$16.89	\$16.06

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. Equivalent availability captures the impact of the unit's inability to achieve full load, referred to as derating, as well as outages which result in a complete unit shut down. The coal plants are not available during periods of planned and unplanned maintenance.

² Midwest Generation generally refers to unplanned maintenance as a forced outage.

³ In 2003 and 2004, equivalent availability was reported on an operating basis as certain units became merchant.

⁴ In 2001 and 2002, all units were under contract and equivalent availabilities shown are as calculated under the contract. Certain forced outages are considered non-curtailing or “excused” under the power purchase agreement if they occur during low demand periods. As such, these equivalent availabilities can be 1% to 4% higher than the actual equivalent availabilities calculated under an operating basis.

Illinois December 31, 2004 Hedge Position

<i>At December 31,</i>	2005	2006
Megawatt hours	12,234,078	619,150
Average price/MWh ¹	\$ 39.44	\$ 32.30

¹ The above hedge positions include forward contracts for the sale of power during different periods of the year and the day. Market prices tend to be higher during on-peak periods during the day and during summer months, although there is significant variability of power prices during different periods of time. Accordingly, the above hedge position at December 31, 2004 is not directly comparable to the 24-hour Northern Illinois Hub prices.

Illinois Coal Requirements Under Contract

<i>At December 31, 2004</i>	2005	2006	2007	2008
Percent of coal requirements under contract	88%	68%	39%	15%

Homer City Revenues

<i>Year Ended December 31,</i>	2004	2003	2002	2001
Revenues (in millions)				
Energy	\$ 486	\$ 491	\$ 348	\$ 427
Capacity	28	30	41	67
Gain (loss) from price risk management	(17)	10	(2)	—
Total operating revenues	\$ 497	\$ 531	\$ 387	\$ 494

Homer City Statistics

<i>Year Ended December 31,</i>	2004	2003	2002	2001
Generation (in GWh)	13,292	14,403	12,111	12,922
Availability ¹	85.1%	88.7%	76.8%	87.4%
Forced outage rate ²	5.3%	5.1%	16.0%	4.5%
Average realized energy price/MWh	\$ 36.20	\$ 34.02	\$ 28.70	\$ 33.07

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 units (in megawatts) and the number of hours in the period. The coal units are not available during periods of planned and unplanned maintenance.

² EME Homer City generally refers to unplanned maintenance as a forced outage.

Homer City December 31, 2004 Hedge Position

<i>At December 31,</i>	2005	2006
Megawatt hours	9,288,000	—
Average price/MWh ¹	\$ 44.96	\$ —

¹ The above hedge positions include forward contracts for the sale of power during different periods of the year and the day. Market prices tend to be higher during on-peak periods during the day and during summer months, although there is significant variability of power prices during different periods of time. Accordingly, the above hedge position at December 31, 2004 is not directly comparable to the 24-hour PJM West Hub prices.

Homer City Coal Requirements Under Contract

<i>At December 31, 2004</i>	2005	2006	2007	2008	2009
Percent of coal requirements under contract	109%	46%	39%	10%	10%

Edison Capital

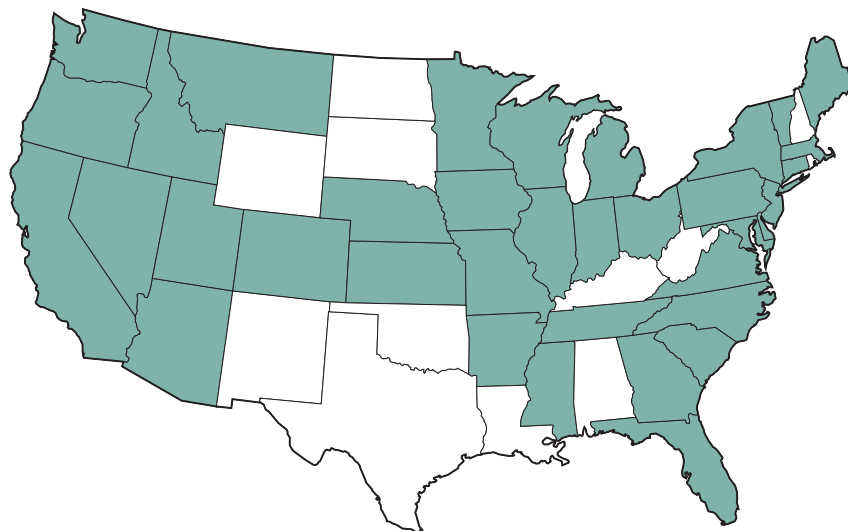
Edison Capital has investments worldwide in energy and infrastructure projects, including power generation, electric transmission and distribution, transportation, and telecommunications. Edison Capital also has investments in affordable housing projects located throughout the United States.

Energy/Infrastructure Projects

<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	100%
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%
Westridge	U.S.	Wind Power	17	21	97%
West Pipestone	U.S.	Wind Power	8	10	99%
Total			9,090	\$16,564	

Affordable Housing

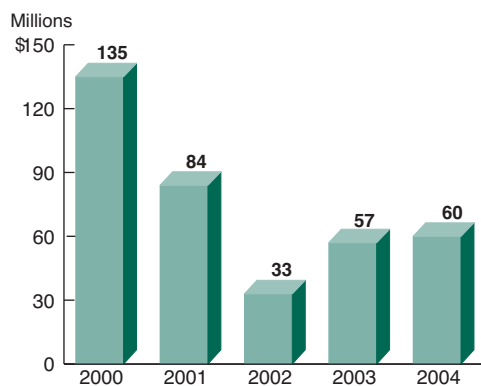
From inception to date, Edison Capital has invested in over 350 Affordable Housing projects in 36 states.



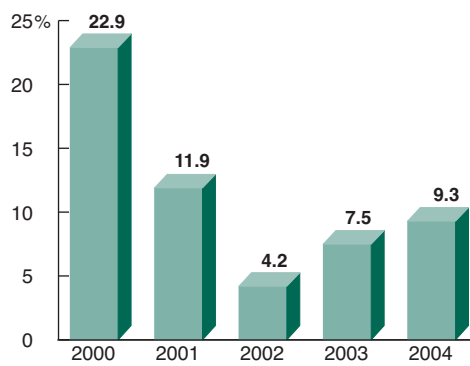
Edison Capital Financial Information

<i>In millions</i>	<i>Year Ended December 31,</i>	2004	2003	2002	2001	2000	1999
Condensed Consolidated Statements of Income							
Lease revenue		\$ 81	\$ 82	\$ 6	\$ 154	\$ 192	\$ 218
Other		21	6	1	71	78	47
Total operating revenue		102	88	7	225	270	265
Operating expenses		44	37	48	73	81	96
Income (loss) from operations		58	51	(41)	152	189	169
Equity in income (losses) from unconsolidated entities		12	(14)	(34)	(32)	(17)	(28)
Interest expense		(32)	(26)	(35)	(64)	(57)	(41)
Other (expense) income		10	8	(3)	4	10	4
Income (loss) before income taxes		48	19	(113)	60	125	104
Income tax benefit		13	38	146	24	10	25
Cumulative effect of accounting change		(1)	—	—	—	—	—
Net income		\$ 60	\$ 57	\$ 33	\$ 84	\$ 135	\$ 129
Condensed Consolidated Balance Sheets							
Current assets		\$ 543	\$ 487	\$ 627	\$ 904	\$ 500	\$ 236
Investments		2,808	2,639	2,674	2,788	3,153	2,440
Property, plant, and equipment — net and other		186	292	178	44	60	36
Total assets		\$3,537	\$3,418	\$3,479	\$3,736	\$3,713	\$2,712
Current liabilities		\$ 105	\$ 193	\$ 46	\$ 382	\$ 530	\$ 475
Long-term liabilities		2,719	2,610	2,652	2,601	2,504	1,701
Total liabilities		2,824	2,803	2,698	2,983	3,034	2,176
Minority interest		107	—	—	—	—	—
Shareholder's equity		606	615	781	753	679	536
Total liabilities and shareholder's equity		\$3,537	\$3,418	\$3,479	\$3,736	\$3,713	\$2,712
Condensed Consolidated Statements of Cash Flows							
Cash flows from operating activities:							
Net income		\$ 60	\$ 57	\$ 33	\$ 84	\$ 135	\$ 129
Adjustment for non-cash income statement items		(7)	(6)	172	210	247	178
Changes in working capital components		(38)	91	444	(341)	(148)	(13)
Net cash provided (used) by operating activities		15	142	649	(47)	234	294
Cash flows from financing activities:							
Dividend paid to parent		(75)	(225)	—	—	—	—
Repayment of debt		(119)	(35)	—	—	—	—
Issuances of debt — net of discount		—	—	12	131	941	384
Other		—	—	(332)	(380)	(478)	(483)
Net cash (used) provided by financing activities		(194)	(260)	(320)	(249)	463	(99)
Cash flows from investing activities:							
Investments		(14)	(21)	11	(45)	(634)	(233)
Other		9	(1)	10	319	35	73
Net cash provided (used) by investing activities		(5)	(22)	21	274	(599)	(160)
Effects of exchange rate changes on cash		10	13	—	—	—	—
Net increase (decrease) in cash and equivalents		(174)	(127)	350	(22)	98	35
Cash and equivalents, beginning of period		354	481	131	153	55	20
Cash and equivalents, end of period		\$ 180	\$ 354	\$ 481	\$ 131	\$ 153	\$ 55

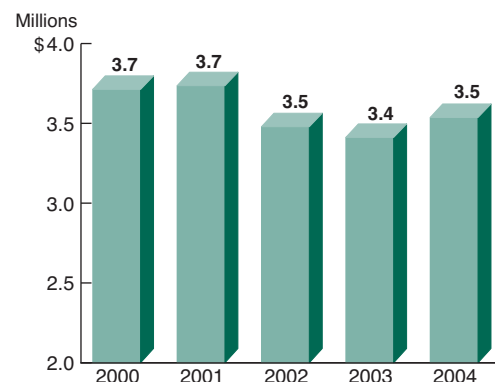
NET INCOME



RETURN ON COMMON EQUITY



TOTAL ASSETS



Management Team¹

Edison International

John E. Bryson

Chairman, President and
Chief Executive Officer

Diane L. Featherstone

Vice President and General Auditor

Polly L. Gault

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

Frederick J. Grigsby, Jr.

Vice President, Human Resources

Barbara E. Mathews

Vice President and
Associate General Counsel

Thomas R. McDaniel

Executive Vice President, Chief Financial Officer
and Treasurer

Jo Ann Newton

Vice President, Investor Relations

Barbara J. Parsky

Vice President, Corporate Communications

Beverly Ryder

Vice President, Community Involvement
and Corporate Secretary

Anthony L. Smith

Vice President, Tax

Kenneth S. Stewart

Vice President and Chief Ethics
and Compliance Officer

Linda G. Sullivan

Vice President and Controller

Mahvash Yazdi

Senior Vice President, Business Integration
and Chief Information Officer

Southern California Edison Company

Pamela A. Bass

Senior Vice President, Customer Service

Robert C. Boada

Vice President and Treasurer

Bill Bryan

Vice President, Business Customer Division

John E. Bryson

Chairman

Ann P. Cohn

Vice President and
Associate General Counsel

Jodi M. Collins

Vice President, Information Technology

Diane L. Featherstone

Vice President and General Auditor

John R. Fielder

Senior Vice President, Regulatory Policy and Affairs

Alan J. Fohrer

Chief Executive Officer

Bruce Foster

Vice President, Regulatory Operations

Robert G. Foster

President

Polly Gault

Vice President, Public Affairs, Washington D.C.

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Vice President, Customer Service Operations

Walter J. Johnston

Vice President, Power Delivery

Brian Katz

Vice President, Nuclear Oversight
and Regulatory Affairs

James A. Kelly

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R.W. (Russ) Krieger

Vice President, Power Production

Ronald L. Litzinger

Senior Vice President,
Transmission and Distribution

Barbara E. Mathews

Vice President and
Associate General Counsel

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Senior Vice President and Chief Financial Officer

Dwight E. Nunn

Vice President, Nuclear Engineering and
Technical Services

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Beverly Ryder

Corporate Secretary

Anthony L. Smith

Vice President, Tax

Kenneth S. Stewart

Vice President and Chief Ethics
and Compliance Officer

Linda G. Sullivan

Vice President and Controller

Raymond W. Waldo

Vice President, Nuclear Generation

Mahvash Yazdi

Senior Vice President of Business Integration
and Chief Information Officer

Lynda L. Ziegler

Vice President, Customer Programs and Services

Edison Mission Group

Theodore F. Craver, Jr.

Chief Executive Officer

John P. Finneran

Vice President, Business Management

Guy Gorney

Vice President, Coal Generation

Paul Jacob

Vice President, Marketing & Trading

Gerard P. Loughman

Vice President, Development

W. James Scilacci

Senior Vice President and
Chief Financial Officer

Raymond W. Vickers

Senior Vice President and
General Counsel

Jenene J. Wilson

Vice President, Human Resources

¹ As of July 1, 2005.



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¹ Called for early redemption on January 25, 2005.

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