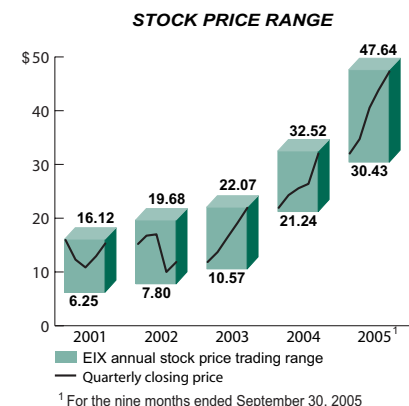
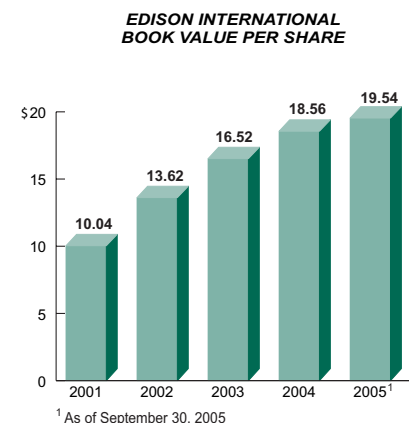
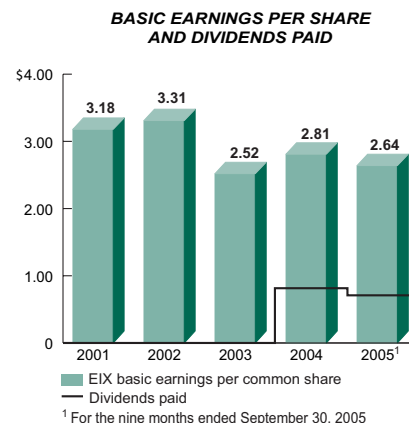


# 2005 Third Quarter Financial and Statistical Supplement



## KEY FINANCIAL AND OPERATING DATA

	As of September 30, or Three Months Ended September 30,	
	2005	2004
<b>Edison International (EIX)</b>		
Basic Earnings Per Common Share .....	\$1.41	\$2.49
Income From Continuing Operations (millions) .....	\$435	\$314
Net Income (millions) .....	\$462	\$813
Dividends Paid Per Share .....	\$0.25	\$0.20
Book Value Per Common Share .....	\$19.54	\$17.34
Market Price/Book Value Ratio .....	2.4x	1.5x
Market Price Per Share .....	\$47.28	\$26.51
Stock Price Range .....	\$38.75-\$47.64	\$25.14-\$27.49
One-Year Total Shareholder Return (appreciation and dividends) <sup>1</sup> .....	84.5%	43.4%
Weighted-Average Common Shares Outstanding (thousands) .....	325,811	325,811
Recourse Financial Capital Structure <sup>2</sup> :		
Common Equity .....	44.2%	39.4%
Preferred Securities .....	5.0	0.9
Debt (includes preferred securities subject to mandatory redemption) .....	50.8	59.7
Total .....	100.0%	100.0%
<b>Southern California Edison (SCE)</b>		
Basic Earnings Per Edison International Common Share .....	\$0.86	\$0.79
Net Income Available for Common Stock (millions) .....	\$280	\$259
Ratemaking Rate of Return on Common Equity — Annual Authorized .....	11.4%	11.6%
Ratemaking Capitalization Ratios:		
Common Equity .....	49.8%	49.6%
Preferred Stock .....	7.4	3.0
Long-Term Debt .....	42.8	47.4
Total .....	100.0%	100.0%
Kilowatt-hour Sales (millions) .....	28,666	26,995
Peak Demand (MW) <sup>3</sup> .....	21,934	20,762
Customers (thousands) .....	4,721	4,651
Generating Capacity Resources (MW) <sup>4</sup> .....	10,155	9,851
Employees .....	13,806	13,185
<b>Mission Energy Holding Company (consolidated) (MEHC)</b>		
Basic Earnings Per Edison International Common Share .....	\$0.56	\$1.71
Common Equity (millions) .....	\$847	\$713
Earnings from Continuing Operations (millions) .....	\$154	\$60
Net Income (millions) .....	\$181	\$559
Employees .....	1,693	2,562
<b>Edison Capital</b>		
Basic Earnings Per Edison International Common Share .....	\$0.01	\$0.04
Common Equity (millions) .....	\$686	\$660
Net Income (millions) .....	\$3	\$12
Employees .....	40	54



<sup>1</sup> Twelve months ended September 30, 2005 and 2004.

<sup>2</sup> The 2005 ratios include common equity and preferred securities as reflected on the EIX balance sheets. Debt includes short- and long-term debt. Debt excludes non-recourse debt from continuing operations totaling \$2.4 billion as outlined on pages 6 – 7 of this document. The comparable 2005 ratios, based on the same balance sheet classifications, including non-recourse debt, for common equity, preferred securities and debt are 38.0%, 4.3%, and 57.7% respectively. 2004 ratios are calculated on the same basis as 2005, and include other preferred securities subject to mandatory redemption of \$139 million as a component of debt. Non-recourse debt of \$2.0 billion is excluded. The comparable 2004 ratios, including non-recourse amounts, are 34.6%, 0.8% and 64.6% for common equity, preferred securities and debt, respectively.

<sup>3</sup> Includes all of the load on transmission and distribution systems.

<sup>4</sup> Excludes California Department of Water Resources (CDWR) allocated contracts and transitional capacity contracts.

This document and other financial information is available on the Internet at <http://www.edisoninvestor.com>

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Investor Relations Department  
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Toll Free Phone (877) 379-9515  
FAX (626) 302-2117

**CONSOLIDATED STATEMENTS OF INCOME(LOSS) (Unaudited)**

(In millions, except per-share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Electric utility	\$ 3,084	\$ 2,655	\$ 7,194	\$ 6,527
Nonutility power generation	677	509	1,605	1,257
Financial services and other	22	24	79	85
Total operating revenue	3,783	3,188	8,878	7,869
Fuel	489	415	1,309	1,027
Purchased power	502	915	1,633	2,022
Provisions for regulatory adjustment clauses — net	766	(34)	790	(85)
Other operation and maintenance	862	787	2,485	2,367
Asset impairment and loss on lease termination	—	35	12	989
Depreciation, decommissioning and amortization	270	232	796	755
Property and other taxes	51	50	153	148
Total operating expenses	2,940	2,400	7,178	7,223
Operating income	843	788	1,700	646
Interest and dividend income	31	3	78	26
Equity in income from partnerships and unconsolidated subsidiaries — net	27	32	136	61
Other nonoperating income	34	8	70	96
Interest expense — net of amounts capitalized	(198)	(251)	(615)	(741)
Impairment loss on equity method investment	(55)	—	(55)	—
Loss on early extinguishment of debt	—	—	(24)	—
Other nonoperating deductions	(35)	(8)	(58)	(36)
Income from continuing operations before tax and minority interest	647	572	1,232	52
Income tax (benefit)	129	181	267	(40)
Dividends on utility preferred and preference stock not subject to mandatory redemption	7	1	14	4
Minority interest	76	76	142	120
Income (loss) from continuing operations	435	314	809	(32)
Income from discontinued operations — net of tax	27	499	55	570
Income before accounting change	462	813	864	538
Cumulative effect of accounting change — net of tax	—	—	—	(1)
Net income	\$ 462	\$ 813	\$ 864	\$ 537
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings (loss) per common share:				
Continuing operations	\$ 1.33	\$ 0.96	\$ 2.47	\$ (0.10)
Discontinued operations	0.08	1.53	0.17	1.75
Total	\$ 1.41	\$ 2.49	\$ 2.64	\$ 1.65
Weighted-average shares, including effect of dilutive securities	332	330	331	330
Diluted earnings (loss) per common share:				
Continuing operations	\$ 1.31	\$ 0.95	\$ 2.45	\$ (0.10)
Discontinued operations	0.08	1.51	0.16	1.73
Total	\$ 1.39	\$ 2.46	\$ 2.61	\$ 1.63
Dividends declared per common share	\$ 0.25	\$ 0.20	\$ 0.75	\$ 0.60

**EDISON INTERNATIONAL BUSINESS SEGMENTS (Unaudited)** (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<b>Operating Revenue:</b>				
Electric utility	\$ 3,084	\$ 2,655	\$ 7,194	\$ 6,527
Nonutility power generation	677	509	1,605	1,257
Financial services	21	22	72	78
Corporate and other	1	2	7	7
Consolidated Edison International	\$ 3,783	\$ 3,188	\$ 8,878	\$ 7,869
<b>Net Income (Loss):</b>				
Electric utility <sup>1</sup>	\$ 280	\$ 259	\$ 572	\$ 600
Nonutility power generation <sup>2</sup>	181	559	234	(44)
Financial services <sup>3</sup>	3	12	80	33
Corporate and other	(2)	(17)	(22)	(52)
Consolidated Edison International	\$ 462	\$ 813	\$ 864	\$ 537

<sup>1</sup> Net income available for common stock.

<sup>2</sup> Includes earnings from discontinued operations of \$27 million and \$55 million, respectively, for the three and nine months ended September 30, 2005 and \$499 million and \$570 million, respectively, for the three and nine months ended September 30, 2004.

<sup>3</sup> Includes a loss of \$1 million from the cumulative effect of an accounting change for the nine months ended September 30, 2004.

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except share amounts)

ASSETS	September 30, December 31,		LIABILITIES AND SHAREHOLDERS' EQUITY	September 30, December 31,	
	2005	2004		2005	2004
Cash and equivalents	\$ 2,575	\$ 2,688	Short-term debt	\$ —	\$ 88
Restricted cash	69	73	Long-term debt due within one year	723	809
Margin and collateral deposits	875	108	Preferred stock to be redeemed within one year	—	9
Receivables, less allowances of \$31 and \$31 for uncollectible accounts at respective dates	1,265	846	Accounts payable	835	749
Accrued unbilled revenue	429	320	Accrued taxes	720	226
Fuel inventory	86	73	Accrued interest	202	233
Materials and supplies	245	231	Counterparty collateral	354	—
Accumulated deferred income taxes — net	680	288	Customer deposits	181	168
Trading and price risk management assets	116	41	Book overdrafts	271	232
Regulatory assets	546	553	Trading and price risk management liabilities	597	31
Other current assets	509	294	Regulatory liabilities	1,263	490
Total current assets	7,395	5,515	Other current liabilities	955	1,002
Nonutility property — less accumulated provision for depreciation of \$1,412 and \$1,311 at respective dates	3,939	3,922	Total current liabilities	6,101	4,037
Nuclear decommissioning trusts	2,861	2,757	Long-term debt	8,953	9,678
Investments in partnerships and unconsolidated subsidiaries	505	608	Accumulated deferred income taxes — net	5,036	5,233
Investments in leveraged leases	2,461	2,424	Accumulated deferred investment tax credits	133	138
Other investments	143	131	Customer advances and other deferred credits	1,331	1,109
Total investments and other assets	9,909	9,842	Power-purchase contracts	76	130
Utility plant, at original cost:			Preferred stock subject to mandatory redemption	—	139
Transmission and distribution	16,329	15,685	Accumulated provision for pensions and benefits	592	523
Generation	1,373	1,356	Asset retirement obligations	2,268	2,188
Accumulated provision for depreciation	(4,667)	(4,506)	Regulatory liabilities	3,302	3,356
Construction work in progress	931	789	Other long-term liabilities	292	232
Nuclear fuel, at amortized cost	146	151	Total deferred credits and other liabilities	13,030	13,048
Total utility plant	14,112	13,475	Liabilities of discontinued operations	15	15
Restricted cash	70	155	Total liabilities	28,099	26,778
Regulatory assets	2,934	3,285	Minority interest	314	313
Other deferred charges	1,076	875	Preferred and preference stock of utility not subject to mandatory redemption	729	129
Total deferred charges	4,080	4,315	Common stock (325,811,206 shares outstanding at each date)	2,004	1,975
Assets of discontinued operations	12	122	Accumulated other comprehensive loss	(303)	(4)
Total assets	\$ 35,508	\$ 33,269	Retained earnings	4,665	4,078
			Total common shareholders' equity	6,366	6,049
			Total liabilities and shareholders' equity	\$ 35,508	\$ 33,269

## EDISON INTERNATIONAL RESULTS OF OPERATIONS (Unaudited)

(In millions, except per share amounts)

Three-Month Period Ended September 30,	Basic Earnings (Loss) Per Common Share		Earnings (Loss)	
	2005	2004	2005	2004
Earnings (Loss) from Continuing Operations:				
SCE	\$ 0.86	\$ 0.79	\$ 280	\$ 259
MEHC	0.48	0.18	154	60
Edison Capital	0.01	0.04	3	12
Edison International (parent) and other	(0.02)	(0.05)	(2)	(17)
Edison International Consolidated Earnings from Continuing Operations	1.33	0.96	435	314
Earnings from Discontinued Operations	0.08	1.53	27	499
Edison International Consolidated	\$ 1.41	\$ 2.49	\$ 462	\$ 813

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

(In millions)

	Nine Months Ended September 30,	
	2005	2004
Cash flows from operating activities:		
Income (loss) from continuing operations, after accounting changes, net of tax . . . . .	\$ 809	\$ (33)
Adjustments to reconcile to net cash provided by operating activities:		
Cumulative effect of accounting change, net of tax . . . . .	—	1
Depreciation, decommissioning and amortization . . . . .	796	755
Other amortization . . . . .	81	79
Minority interest . . . . .	142	120
Deferred income taxes and investment tax credits . . . . .	(269)	(140)
Equity in income from partnerships and unconsolidated subsidiaries . . . . .	(136)	(61)
Income from leveraged leases . . . . .	(54)	(62)
Regulatory assets — long-term . . . . .	372	318
Regulatory liabilities — long-term . . . . .	(92)	(38)
Loss on early extinguishment of debt . . . . .	24	—
Impairment losses . . . . .	67	35
Levelized rent expense . . . . .	(115)	(59)
Other assets . . . . .	(101)	(50)
Other liabilities . . . . .	105	50
Margin and collateral deposits — net of collateral received . . . . .	(413)	(31)
Receivables and accrued unbilled revenue . . . . .	(580)	(263)
Inventory, prepayments and other current assets . . . . .	(397)	22
Regulatory assets — short-term . . . . .	7	(1,050)
Regulatory liabilities — short-term . . . . .	773	698
Accrued interest and taxes . . . . .	477	9
Accounts payable and other current liabilities . . . . .	144	273
Distributions and dividends from unconsolidated entities . . . . .	40	56
Net cash provided by operating activities . . . . .	<u>1,680</u>	<u>629</u>
Cash flows from financing activities:		
Long-term debt issued and issuance costs . . . . .	1,143	3,358
Long-term debt repaid . . . . .	(1,883)	(2,548)
Bonds remarketed — net . . . . .	—	350
Issuance of preference stock . . . . .	592	—
Redemption of preferred securities . . . . .	(148)	(2)
Rate reduction notes repaid . . . . .	(177)	(177)
Change in book overdrafts . . . . .	39	(189)
Short-term debt financing — net . . . . .	(88)	(263)
Shares purchased for stock-based compensation . . . . .	(145)	(48)
Proceeds from stock option exercises . . . . .	78	32
Dividends to minority shareholders . . . . .	(122)	(90)
Dividends paid . . . . .	(244)	(195)
Net cash provided (used) by financing activities . . . . .	<u>(955)</u>	<u>228</u>
Cash flows from investing activities:		
Capital expenditures . . . . .	(1,337)	(1,161)
Acquisition costs related to nonutility generation plant . . . . .	—	(285)
Proceeds from sale of property and interests in projects . . . . .	—	118
Proceeds from sale of discontinued operations . . . . .	124	739
Contributions to and earnings from nuclear decommissioning trusts — net . . . . .	(76)	(62)
Distributions from partnerships and unconsolidated subsidiaries . . . . .	92	16
Sales of short-term investments — net . . . . .	140	20
Restricted cash . . . . .	84	57
Customer advances for construction and other investments . . . . .	82	(4)
Net cash used by investing activities . . . . .	<u>(891)</u>	<u>(562)</u>
Effect of consolidation of variable interest entities on cash . . . . .	3	79
Effect of deconsolidation of variable interest entities on cash . . . . .	—	(32)
Net changes in cash of discontinued operations . . . . .	52	51
Effect of exchange rate changes on cash . . . . .	(1)	—
Net increase (decrease) in cash and equivalents . . . . .	(112)	393
Cash and equivalents, beginning of period . . . . .	2,689	2,178
Cash and equivalents, end of period . . . . .	2,577	2,571
Cash and equivalents, discontinued operations . . . . .	(2)	(137)
Cash and equivalents, continuing operations . . . . .	<u>\$ 2,575</u>	<u>\$ 2,434</u>

## SECURITY CREDIT RATINGS

	Moody's			Standard & Poor's		
	12/31/04	9/30/05	10/31/05	12/31/04	9/30/05	10/31/05
SCE Senior Secured	A3	A3	A3	BBB	BBB+	BBB+
SCE Senior Unsecured	Baa1	Baa1	Baa1	BBB-	BBB	BBB
SCE Preferred Stock	Baa3	Baa3	Baa3	BB+	BBB-	BBB-
SCE Funding (RRB)	Aaa	Aaa	Aaa	AAA	AAA	AAA
SCE Commercial Paper	P-2	P-2	P-2	A-2	A-2	A-2
MEHC Senior Unsecured	B3	B2	B2	CCC	CCC+	CCC+
EME Senior Unsecured	B1	B1	B1	B	B+	B+
EME Mission Capital (Series A) (MIPS) <sup>1</sup>	B3	—	—	CCC	—	—
EME Funding Corp.	Ba3	Ba1	Ba1	B	B+	B+
MWG LLC Sr. Secured Term Loan (1st Priority)	Ba3	Ba3	Ba3	B+	BB-	BB-
MWG LLC Sr. Secured Notes (2nd Priority)	B1	B1	B1	B-	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)

<sup>1</sup> Called for early redemption on January 25, 2005.

## AVAILABLE CREDIT UNDER EXISTING LINES AT SCE, EME (parent) AND MWG (Unaudited)

(In millions)

	September 30, 2005	December 31, 2004
Edison International	\$ 750	\$ —
Southern California Edison	1,238	602
Edison Mission Energy (parent) <sup>1</sup>	186	185
Midwest Generation (MWG)	330	197
Total	<u>\$ 2,504</u>	<u>\$ 984</u>

<sup>1</sup> As of September 30, 2005 and December 31, 2004, includes \$88 million and \$87 million, respectively, 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.

## EDISON INTERNATIONAL CONSOLIDATED SHORT-TERM DEBT (Unaudited)

(In millions)

	September 30, 2005	December 31, 2004
Southern California Edison	\$ —	\$ 88
Edison International total consolidated short-term debt	<u>\$ —</u>	<u>\$ 88</u>

## FIVE-YEAR LONG-TERM DEBT MATURITIES AND SINKING FUNDS REQUIREMENTS (Unaudited)<sup>1</sup>

(In millions)

	For The Twelve Months Ending September 30,				
	2006	2007	2008	2009	2010
Southern California Edison	\$ 597	\$ 247	\$ 603	\$ —	\$ 250
Mission Energy Holding Co. (consolidated)	46	129	1,216	609	11
Edison Capital	80 <sup>2</sup>	153	—	—	46
Intercompany debt	—	(153)	(27)	—	—
<b>Total</b>	<b>\$ 723</b>	<b>\$ 376</b>	<b>\$ 1,792</b>	<b>\$ 609</b>	<b>\$ 307</b>

<sup>1</sup> Includes recourse and non-recourse long-term debt as of September 30, 2005.

<sup>2</sup> Includes \$22 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 the company's agreement with the lenders to reduce the project loan balances subject to recovering damages in Enron's bankruptcy.

## EDISON INTERNATIONAL CONSOLIDATED LONG-TERM DEBT (Unaudited)

(In millions)

Year	Series	Due Date	Interest Rate (%)	First Call Date	Sept. 30, 2005	Dec. 31, 2004	Year	Series	Due Date	Interest Rate (%)	First Call Date	Sept. 30, 2005	Dec. 31, 2004
<b>Southern California Edison</b>													
<b>Recourse long-term debt:</b>													
First and refunding mortgage bonds:													
2003	Series 2003B	02/15/07	8.00	N/A	\$ — <sup>1</sup>	\$ 966	1991	Series A <sup>3</sup>	04/01/21	7.20	04/01/01	— <sup>4</sup>	49
2004	Series 2004A	01/15/14	5.00	N/A	300	300	1993	Series A <sup>3</sup>	06/01/23	5 <sup>7</sup> / <sub>8</sub>	06/01/03	— <sup>5</sup>	155
2004	Series 2004B	01/15/34	6.00	N/A	525	525	1999	Series A <sup>6</sup>	04/01/29	5 <sup>1</sup> / <sub>8</sub>	04/01/09	55	55
2004	Series 2004C	01/13/06	Variable	N/A	150	150	2005	Series A-B <sup>6</sup>	04/01/29	3.55 <sup>7</sup>	04/01/10	204	—
2004	Series 2004F	04/01/15	4.65	N/A	300	300	Huntington Beach Generating Station						
2004	Series 2004G	04/01/35	5.75	N/A	350	350	1999	Series D <sup>6</sup>	09/01/15	5.20	09/01/09	8	8
2004	Series 2004H	12/13/07	Variable	6/13/06	150	150	Mohave Generating Station						
2005	Series 2005A	1/15/16	5.00	N/A	400	—	2000	Series A	06/01/31	3.25 <sup>7</sup>	N/A	40	40
2005	Series 2005B	1/15/36	5.55	N/A	250	—	2000	Series B	06/01/31	3.25 <sup>7</sup>	N/A	15	15
2005	Series 2005E	7/15/35	5.35	N/A	350	—	2000	Series C	06/01/31	3.25 <sup>7</sup>	N/A	20	20
Subtotal					2,775	2,741	Palo Verde Nuclear Generating Station						
Other:													
1996	Notes	01/15/06	6 <sup>3</sup> / <sub>8</sub>	N/A	200	200	2000	Series A-B <sup>3</sup>	06/01/35	2.90 <sup>7</sup>	N/A	144	144
1999	Notes	04/01/29	6.65	N/A	300	300	San Onofre Nuclear Generating Station						
2000	Notes	01/15/10	7.625	N/A	250	250	1985	Series A-D <sup>3</sup>	03/01/08	2.00 <sup>7</sup>	03/08/05	135	135
Other obligation <sup>2</sup>		08/01/53	5.06	N/A	7	8	1986	Series A-D <sup>3</sup>	02/28/08	2.00 <sup>7</sup>	03/08/05	196	196
Subtotal					757	758	1991	Series <sup>3</sup>	12/01/17	6.90	12/01/01	— <sup>8</sup>	29
Pollution control indebtedness:													
Four Corners Generating Station													
Subtotal													
<b>Non-recourse long-term debt:</b>													
VIE Debt <sup>9</sup>		2008	5.0	N/A	54	54	Rate reduction notes <sup>10</sup>						
Rate reduction notes <sup>10</sup>		1997	Various	Various	Various	N/A	562	739	Subtotal				
Subtotal												616	793
SCE principal amount outstanding												5,344	5,488
Less current portion of long-term debt												(597)	(246)
Less unamortized discount — net												(9)	(17)
SCE long-term debt												\$4,738	\$5,225

<sup>1</sup> Redeemed in January and June 2005.

<sup>2</sup> Fort Irwin acquisition debt, not a publicly traded security.

<sup>3</sup> Secured by first and refunding mortgage bonds.

<sup>4</sup> Redeemed March 30, 2005.

<sup>5</sup> Redeemed June 1, 2005.

<sup>6</sup> Insured.

<sup>7</sup> Subject to remarketing.

<sup>8</sup> Redeemed September 8, 2005.

<sup>9</sup> Long-term debt of Variable Interest Entities (VIE). This debt is non-recourse to SCE and EIX.

<sup>10</sup> Also known as Rate Reduction Bonds. The notes are non-recourse to SCE and EIX.

**EDISON INTERNATIONAL CONSOLIDATED LONG-TERM DEBT (Unaudited) (continued)**

Year	Series	Due Date	Interest Rate (%) <sup>1</sup>	First Call Date	Sept. 30, 2005	Dec. 31, 2004
<b>Mission Energy Holding Company (consolidated)</b>						
<b>Recourse long-term debt:</b>						
MEHC (parent only)						
2001	Senior Secured Notes	2008	13.5	N/A	\$ 800	\$ 800
2001	Term Loan	2006	LIBOR+7.50	N/A	—	285
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
Junior subordinated debentures series A/B <sup>2</sup>		2024/2025	9.875 / 8.50	11/30/99 / 08/08/00	—	155
Long-term obligations — Affiliate		2007	LIBOR+0.275	N/A	78	78
<b>EME Non-recourse long-term debt:</b>						
1996	Due to EME Funding Corp.	2004–2008	7.330	N/A	91	139
Midwest Generation						
2004	Sr. Secured Term Loan (1st Priority)	2011	LIBOR+3.25	Anytime	343	667
2004	Sr. Secured Notes (2nd Priority) <sup>3</sup>	2034	8.75	05/01/09	1,000	1,000
2005	Working Capital	2011	LIBOR+2.25		165	—
EME CP Holdings Co.						
2002	Note Purchase Agreement	2015	7.31	N/A	80	81
MEHC principal amount outstanding					4,157	4,805
Less current portion of long-term debt from continuing operations					(46)	(496)
Less unamortized debt discount from continuing operations — net					(11)	(16)
<b>MEHC long-term debt</b>					<b>\$ 4,100</b>	<b>\$ 4,293</b>
<b>Edison Capital</b>						
Recourse long-term debt:						
1996	Medium Term Notes	2006	6.79–7.2	N/A	\$ 75	\$ 75
2000	Medium Term Notes	2005	8.04	N/A	25	25
2000	Medium Term Notes	2007	7.61	N/A	33	37
2000	Medium Term Notes	2010	7.44	N/A	46	50
2000	Medium Term Notes	2015	7.25	N/A	54	59
1998	Affordable Housing Mortgage guarantee	2028	6.27	N/A	1	—
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	16	22
1999	Buffalo Ridge Project Debt	2012–2013	8.5	N/A	16	17
1999	Storm Lake Pwr Ptnr I (Tranche A Loan)	2017	8.71	N/A	10	15
1999	Storm Lake Pwr Ptnr I (Tranche B Loan)	2011	LIBOR+1.45	N/A	12	25
2004	Westridge	2014	Various	N/A	8	7
2004	West Pipestone	Various	Various	N/A	4	—
Edison Capital total principal amount outstanding					375	407
Less current portion of long-term debt					(80)	(67)
<b>Edison Capital long-term debt</b>					<b>\$ 295</b>	<b>\$ 340</b>
Intercompany debt					(180)	(180)
<b>EIX total consolidated long-term debt</b>					<b>\$ 8,953</b>	<b>\$ 9,678</b>

<sup>1</sup> Interest rates may vary based on debt agreements.

<sup>2</sup> Called for early redemption on January 25, 2005.

<sup>3</sup> 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.

**PREFERRED SECURITIES NOT SUBJECT TO MANDATORY REDEMPTION (Unaudited)**

(In millions)

	Trading Exchange	Trading Symbol	Shares Outstanding	Redemption Price Per Share	Sept. 30, 2005	Dec. 31, 2004
SCE \$25 par value cumulative preferred stock:						
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
SCE \$100 stated value non-cumulative preference stock:						
Series A	Unlisted	—	4,000,000	\$100	400	—
Series B	Unlisted	—	2,000,000	\$100	200	—
<b>Total</b>					<b>\$ 729</b>	<b>\$ 129</b>

## CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Operating revenue	\$ 3,084	\$ 2,655	\$ 7,195	\$ 6,527
Fuel	296	254	817	550
Purchased power	502	915	1,633	2,022
Provisions for regulatory adjustment clauses — net	766	(34)	790	(85)
Other operation and maintenance	670	607	1,838	1,767
Depreciation, decommissioning and amortization	234	188	688	628
Property and other taxes	48	43	144	134
Total operating expenses	2,516	1,973	5,910	5,016
Operating income	568	682	1,285	1,511
Interest and dividend income	15	5	35	14
Other nonoperating income	33	2	68	42
Interest expense — net of amounts capitalized	(91)	(98)	(289)	(302)
Other nonoperating deductions	(35)	(6)	(54)	(27)
Income before tax and minority interest	490	585	1,045	1,238
Income tax	52	174	176	398
Minority interest	151	151	283	236
Net income	287	260	586	604
Dividends on preferred and preference stock not subject to mandatory redemption	7	1	14	4
Net Income available for common stock	\$ 280	\$ 259	\$ 572	\$ 600

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except share amounts)

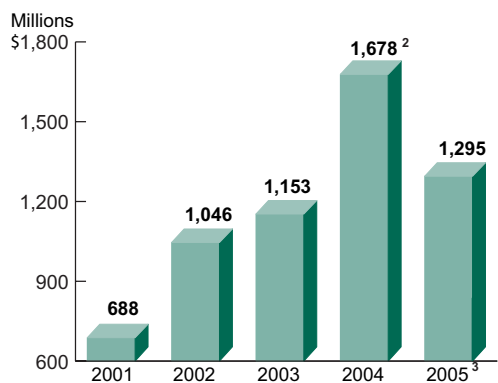
ASSETS	September 30,	December 31,	LIABILITIES AND SHAREHOLDERS' EQUITY	September 30,	December 31,
	2005	2004		2005	2004
Cash and equivalents	\$ 484	\$ 122	Short-term debt	\$ —	\$ 88
Restricted cash	64	61	Long-term debt due within one year	597	246
Margin and collateral deposits	149	66	Preferred stock to be redeemed within one year	—	9
Receivables, less allowances of \$31 and \$31 for uncollectible accounts at respective dates	1,028	618	Accounts payable	780	700
Accrued unbilled revenue	429	320	Accrued taxes	585	357
Fuel inventory	11	8	Accrued interest	80	115
Materials and supplies	201	188	Counterparty collateral	354	—
Accumulated deferred income taxes — net	347	134	Customer deposits	181	168
Regulatory assets	546	553	Book overdrafts	271	232
Prepayments and other current assets	485	72	Regulatory liabilities	1,263	490
Total current assets	3,744	2,142	Other current liabilities	611	643
Nonutility property — less accumulated provision for depreciation of \$558 and \$554 at respective dates	1,034	960	Total current liabilities	4,722	3,048
Nuclear decommissioning trusts	2,861	2,757	Long-term debt	4,738	5,225
Other investments	106	104	Accumulated deferred income taxes — net	2,802	2,865
Total investments and other assets	4,001	3,821	Accumulated deferred investment tax credits	121	126
Utility plant, at original cost:			Customer advances and other deferred credits	607	510
Transmission and distribution	16,329	15,685	Power-purchase contracts	76	130
Generation	1,373	1,356	Preferred stock subject to mandatory redemption	—	139
Accumulated provision for depreciation	(4,667)	(4,506)	Accumulated provision for pensions and benefits	488	417
Construction work in progress	931	789	Asset retirement obligations	2,263	2,183
Nuclear fuel, at amortized cost	146	151	Regulatory liabilities	3,302	3,356
Total utility plant	14,112	13,475	Other long-term liabilities	292	232
Regulatory assets	2,934	3,285	Total deferred credits and other liabilities	9,951	9,958
Other deferred charges	659	567	Total liabilities	19,411	18,231
Total deferred charges	3,593	3,852	Minority interest	451	409
Total assets	\$ 25,450	\$ 23,290	Common stock (434,888,104 shares outstanding at each date)	2,168	2,168
			Additional paid-in capital	350	350
			Accumulated other comprehensive loss	(15)	(17)
			Retained earnings	2,356	2,020
			Total common shareholder's equity	4,859	4,521
			Preferred and preference stock not subject to mandatory redemption	729	129
			Total shareholders' equity	5,588	4,650
			Total liabilities and shareholders' equity	\$ 25,450	\$ 23,290

## CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended September 30,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 586	\$ 604
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	688	628
Other amortization	72	72
Minority interest	283	236
Deferred income taxes and investment tax credits	(273)	271
Regulatory assets — long-term	372	318
Regulatory liabilities — long-term	(92)	(38)
Other assets	(91)	(27)
Other liabilities	83	49
Margin and collateral deposits — net of collateral received	271	11
Receivables and accrued unbilled revenue	(519)	(217)
Inventory, prepayments and other current assets	(430)	(93)
Regulatory assets — short-term	7	(1,050)
Regulatory liabilities — short-term	773	698
Accrued interest and taxes	192	112
Accounts payable and other current liabilities	92	278
Net cash provided by operating activities	<u>2,014</u>	<u>1,852</u>
Cash flows from financing activities:		
Long-term debt issued and issuance costs	980	1,598
Long-term debt repaid	(1,041)	(967)
Bonds remarketed — net	—	350
Issuance of preference stock	592	—
Redemption of preferred stock	(148)	(2)
Rate reduction notes repaid	(177)	(177)
Short-term debt financing — net	(88)	(200)
Change in book overdrafts	39	(189)
Shares purchased for stock-based compensation	(95)	(29)
Proceeds from stock option exercises	50	19
Minority interest	(241)	(178)
Dividends paid	(224)	(599)
Net cash used by financing activities	<u>(353)</u>	<u>(374)</u>
Cash flows from investing activities:		
Capital expenditures	(1,295)	(1,121)
Acquisition costs related to nonutility generation plant	—	(285)
Contributions to and earnings from nuclear decommissioning trusts — net	(76)	(62)
Customer advances for construction and other investments	72	4
Net cash used by investing activities	<u>(1,299)</u>	<u>(1,464)</u>
Effect of consolidation of variable interest entities on cash	—	79
Net increase in cash and equivalents	<u>362</u>	<u>93</u>
Cash and equivalents, beginning of period	<u>122</u>	<u>95</u>
Cash and equivalents, end of period	<u>\$ 484</u>	<u>\$ 188</u>

### SOUTHERN CALIFORNIA EDISON CAPITAL EXPENDITURES<sup>1</sup>

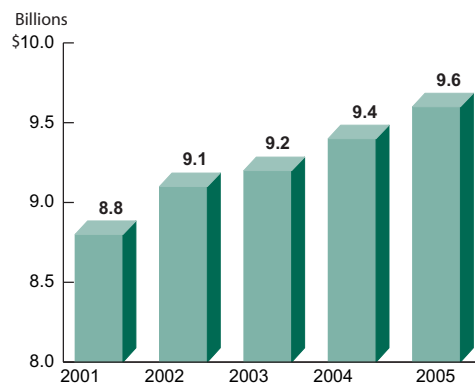


<sup>1</sup> Includes nuclear fuel, one-time decommissioning items and other.

<sup>2</sup> Excludes \$285 million of acquisition costs related to non-utility generation plant.

<sup>3</sup> For the nine months ended September 30, 2005.

### SOUTHERN CALIFORNIA EDISON SYSTEM RATE BASE<sup>1</sup>



<sup>1</sup> Weighted-average depreciated book costs excluding amounts spent, but remaining in work-in-progress.

<sup>2</sup> As of September 30, 2005

## KILOWATT-HOUR SALES<sup>1</sup>

(Millions of kWh)

Class of Service	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Residential .....	8,909	8,431	22,244	21,332
Agricultural .....	416	441	834	978
Commercial .....	11,045	10,571	29,711	28,795
Industrial .....	2,768	2,851	8,094	8,243
Public Authorities .....	1,684	1,671	4,523	4,613
Railroads & Railways .....	16	16	46	46
Interdepartmental .....	—	—	1	—
Sales to Ultimate Consumers .....	24,838	23,981	65,453	64,007
Resale Sales .....	3,828	3,014	11,401	10,334
Total kWh Sales .....	28,666	26,995	76,854	74,341

<sup>1</sup> Includes direct access customers.

## AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended September 30,		Nine Months Ended September 30,		Cents Per kWh	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004		2005	2004	2005	2004
Oil .....	\$18.76	\$13.05	\$16.61	\$12.45	Purchased Power:				
Gas <sup>1</sup> .....	9.66	7.58	8.78	7.33	Other power producers:				
Nuclear .....	0.45	0.46	0.45	0.45	Biomass .....	12.11	11.55	10.26	9.63
Coal .....	1.56	1.29	1.48	1.35	Cogeneration .....	12.96	11.70	10.26	9.46
Average cost					Geothermal .....	9.86	9.74	7.71	7.67
all sources .....	0.89	0.79 <sup>2</sup>	0.86	0.81 <sup>2</sup>	Small Hydro .....	8.83	7.41	7.37	6.38
					Solar .....	22.19	20.34	17.07	15.85
					Wind .....	8.86	8.97	7.61	7.48
Cents Per kWh					Average cost — other				
Oil .....	21.25¢	15.25¢	18.47¢	13.64¢	power producers .....	11.99	11.23	9.43	8.93
Nuclear .....	0.47	0.48	0.47	0.47	Average cost — all				
Coal .....	1.59	1.32	1.50	1.38	sources <sup>3</sup> .....	7.05 <sup>2</sup>	6.70 <sup>2</sup>	5.99 <sup>2</sup>	6.12 <sup>2</sup>

<sup>1</sup> Cost of gas used to start-up coal plants.

<sup>2</sup> Excludes miscellaneous prior period adjustments, fuel-related settlements.

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

## TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended September 30,		% of Total		Twelve Months Ended September 30,		% of Total	
	2005	2004	2005	2004	2005	2004	2005	2004
Edison Owned:								
Nuclear .....	4,873	4,907	21.5	20.6	16,165	17,597	20.6	22.4
Coal .....	2,923	2,962	12.9	12.4	11,386	10,664	14.5	13.6
Hydro .....	1,489	917	6.6	3.9	4,932	3,412	6.3	4.3
Oil .....	9	8	—	—	31	31	—	—
Purchased Power <sup>1</sup> :								
Firm <sup>2</sup> .....	4,759	2,412	21.0	10.1	11,961	7,451	15.3	9.5
Economy/Other <sup>3</sup> .....	(161)	(269)	(0.7)	(1.1)	(845)	(1,271)	(1.1)	(1.6)
Other power producers <sup>1</sup> :								
Biomass .....	375	377	1.7	1.6	1,362	1,477	1.7	1.9
Cogeneration .....	3,520	3,620	15.5	15.2	13,798	13,861	17.6	17.6
Geothermal .....	1,960	1,992	8.7	8.4	7,897	7,754	10.0	9.9
Small Hydro .....	125	78	0.6	0.3	302	243	0.4	0.3
Solar .....	279	313	1.2	1.3	672	747	0.9	0.9
Wind .....	550	631	2.4	2.6	2,182	2,350	2.8	3.0
CDWR-ISO <sup>1</sup> .....	1,931	5,887	8.6	24.7	8,733	14,378	11.0	18.2
Total <sup>4</sup> .....	22,632	23,835	100.0%	100.0%	78,576	78,694	100.0%	100.0%

<sup>1</sup> Calculated consistent with the accrual basis of accounting.

<sup>2</sup> Includes bilateral and long-term contracts.

<sup>3</sup> Includes economy energy, exchange energy, fringe energy, and net interchange.

<sup>4</sup> Excludes direct access and resale customer requirements. Includes generation line losses.

**OPERATING REVENUE (Unaudited)<sup>1</sup>**

(In millions)

Class of Service	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Residential	\$ 967	\$ 780	\$ 2,368	\$ 2,027
Commercial	1,315	1,068	2,912	2,518
Industrial	224	186	510	450
Public authorities	184	154	408	357
Agricultural	36	32	76	74
Other	2	2	5	4
Resale	221	131	574	440
Sales of electric energy	2,949	2,353	6,853	5,870
Other electric revenue	111	98	315	286
Deferred revenue <sup>2</sup>	(92)	108	(292)	181
Revenue from variable interest entities	116	96	319	190
<b>Total operating revenue</b>	<b>\$ 3,084</b>	<b>\$ 2,655</b>	<b>\$ 7,195</b>	<b>\$ 6,527</b>

<sup>1</sup> Does not include energy revenue from direct access customers.

<sup>2</sup> In accordance with accounting standards for rate-regulated enterprises, amounts authorized in rates for recovery of costs to be incurred in the future are not considered as revenue until the associated costs are incurred.

**BALANCING ACCOUNTS (Unaudited)<sup>1</sup>**

(In millions)

**Assets**

Current:

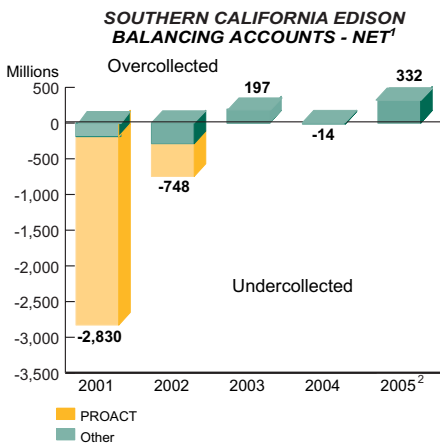
	Cumulative Over/(Under) Collections	
	September 30, 2005	December 31, 2004
Base Rate Performance	\$ (69)	\$ (67)
Catastrophic Event	(171)	(143)
Energy Resource Recovery	—	(168)
Reliability Service	(125)	(65)
Other — net	17	72
<b>Total</b>	<b>\$ (348)</b>	<b>\$ (371)</b>

**Liabilities**

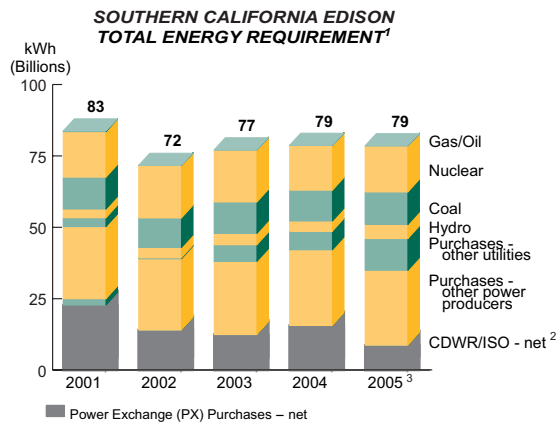
Current:

	September 30, 2005	December 31, 2004
Base Revenue Requirement	\$ 191	\$ —
Demand Responsiveness	97	103
Demand-side Management	—	107
Energy Resource Recovery	103	—
Energy Settlements	53	100
Procurement Energy Efficiency	—	33
Public Purpose Program Adjustment	122	—
Transmission Revenue	98	—
Other — net	16	14
<b>Total</b>	<b>\$ 680</b>	<b>\$ 357</b>
<b>Total balancing accounts — net</b>	<b>\$ 332</b>	<b>\$ (14)</b>

<sup>1</sup> Includes interest.



<sup>1</sup> Includes interest and other current and long-term regulatory assets/liabilities and balancing accounts, net.  
<sup>2</sup> As of September 30, 2005.



Power Exchange (PX) Purchases - net

<sup>1</sup> Excludes direct access and resale customers' energy requirements. Includes generation line losses.

<sup>2</sup> In 2002 includes CDWR and PX purchases - net; In 2003 through 2005 includes CDWR and ISO/other sales.

<sup>3</sup> For the twelve months ended September 30, 2005.

**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<b>Operating Revenues:</b>				
Electric revenues	\$ 640	\$ 507	\$ 1,527	\$ 1,239
Net gains (losses) from price risk management and energy trading	31	(4)	60	(1)
Operation and maintenance services	6	6	18	19
Total operating revenue	677	509	1,605	1,257
<b>Operating Expenses:</b>				
Fuel	193	163	492	478
Plant operations	96	90	346	316
Plant operating leases	45	44	133	141
Operation and maintenance services	5	5	17	17
Depreciation and amortization	31	39	92	112
Loss on lease termination, asset impairment and other charges	—	35	7	989
Administrative and general	29	38	99	101
Total operating expenses	399	414	1,186	2,154
Operating income (loss)	278	95	419	(897)
<b>Other Income (Expense):</b>				
Equity in income from unconsolidated affiliates	113	109	196	184
Impairment loss on equity method investment	(55)	—	(55)	—
Interest and other income (expense)	15	—	39	2
Gain on sale of assets	—	—	—	43
Loss on early extinguishment of debt	—	—	(24)	—
Interest expense	(102)	(121)	(307)	(334)
Total other income (expense)	(29)	(12)	(151)	(105)
Income (loss) from continuing operations before income taxes and minority interest	249	83	268	(1,002)
Provision (benefit) for income taxes	95	22	89	(389)
Minority interest	—	—	—	(1)
Income (loss) from continuing operations	154	61	179	(614)
Income from operations of discontinued subsidiaries, net of tax	27	498	55	570
Net Income (Loss)	\$ 181	\$ 559	\$ 234	\$ (44)

**CONSOLIDATED BALANCE SHEETS (Unaudited)**

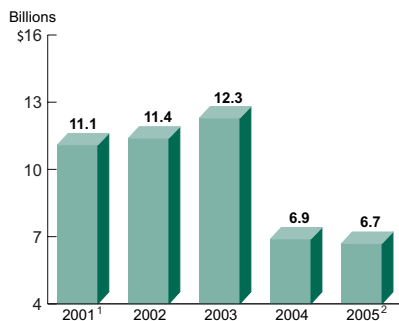
(In millions)

	September 30,	December 31,	LIABILITIES AND SHAREHOLDER'S EQUITY	September 30,	December 31,
	2005	2004		2005	2004
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,586	\$ 2,272	Current Liabilities:	\$ 109	\$ 26
Short-term investments	—	140	Accounts payable — affiliates	293	318
Accounts receivable — trade	273	152	Liabilities under price risk management and energy trading	597	31
Accounts receivable — affiliates	11	95	Interest payable	111	111
Inventory	118	107	Current maturities of long-term obligations	46	496
Assets under price risk management and energy trading	116	41	Total current liabilities	1,156	982
Margin and collateral deposits	726	42	Long-term obligations net of current maturities	4,100	4,293
Prepaid expenses and other	26	88	Deferred taxes and tax credits	17	204
Total current assets	2,856	2,937	Long-term liabilities under price risk management and energy trading	88	—
Investments in Unconsolidated Affiliates	430	454	Other long-term liabilities	463	492
Property, Plant and Equipment	3,527	3,493	Liabilities of discontinued operations	4	5
Less accumulated depreciation and amortization	800	709	Total Liabilities	5,828	5,976
Net property, plant and equipment	2,727	2,784	Shareholder's Equity:		
Other Assets			Common stock, par value \$0.01 per share; 1,000 shares authorized; 1,000 shares issued and outstanding	—	—
Deferred financing costs	49	62	Additional paid-in capital	2,217	2,215
Long-term assets under price risk management and energy trading	94	90	Retained deficit	(1,086)	(1,320)
Restricted cash	70	155	Accumulated other comprehensive income (loss)	(284)	17
Rent payments in excess of levelized rent expense under plant operating leases	392	277	Total shareholder's equity	847	912
Other long-term assets	56	18	Total Liabilities and Shareholder's Equity	\$ 6,675	\$ 6,888
Total other assets	661	602			
Assets of discontinued operations	1	111			
Total assets	\$ 6,675	\$ 6,888			

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)** (In millions)

	Nine Months Ended September 30,	
	2005	2004
<b>Cash Flows From Operating Activities:</b>		
Income (loss) from continuing operations, net	\$ 179	\$ (614)
Adjustments to reconcile income (loss) to net cash used in operating activities:		
Equity in income from unconsolidated affiliates	(196)	(184)
Distributions from unconsolidated affiliates	153	144
Depreciation and amortization	99	112
Amortization of discount on long-term obligations	2	5
Minority Interest	—	1
Deferred taxes and tax credits	99	(332)
Gain on sale of assets	—	(43)
Loss on early extinguishment of debt	24	—
Impairment charges	62	35
Changes in operating assets and liabilities:		
Increase in margin and collateral deposits	(684)	(42)
Increase in accounts receivable	(139)	(232)
Decrease (increase) in inventory	(11)	6
Decrease in prepaid expenses and other	61	51
Increase in rent payments in excess of levelized rent expense	(115)	(59)
Increase in accounts payable and accrued liabilities	79	30
Increase in interest payable	—	23
Decrease in net assets under risk management	32	10
Other operating — assets	(1)	27
Other operating — liabilities	(4)	5
Net cash used in operating activities	<u>(360)</u>	<u>(1,057)</u>
<b>Cash Flows From Financing Activities:</b>		
Borrowings on long-term debt and lease swap agreements	165	1,795
Payments on long-term debt agreements	(813)	(952)
Payments for price appreciation on stock options exercised	(13)	(4)
Financing costs	(16)	(35)
Net cash provided by (used in) financing activities	<u>(677)</u>	<u>804</u>
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(41)	(39)
Proceeds from sale of interest in projects	—	118
Proceeds from sale of discontinued operations	124	739
Sale of short-term investments, net	140	20
Decrease in restricted cash	77	57
Investments in other assets	—	(1)
Net cash provided by investing activities	<u>300</u>	<u>894</u>
Effect on cash from discontinued operations activities	<u>50</u>	<u>55</u>
Effect on cash from deconsolidation of subsidiary	<u>—</u>	<u>(32)</u>
Net increase (decrease) in cash and cash equivalents	<u>(687)</u>	<u>664</u>
Cash and cash equivalents at beginning of period	<u>2,274</u>	<u>634</u>
Cash and cash equivalents at end of period	<u>1,587</u>	<u>1,298</u>
Cash and cash equivalents classified as part of discontinued operations	<u>(1)</u>	<u>(137)</u>
Cash and cash equivalents of continuing operations	<u>\$ 1,586</u>	<u>\$ 1,161</u>

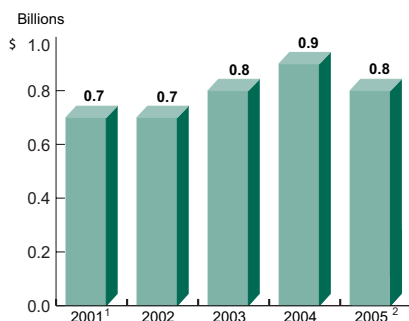
**MISSION ENERGY HOLDING COMPANY  
TOTAL ASSETS**



<sup>1</sup> MEHC was formed in June 2001

<sup>2</sup> As of September 30, 2005

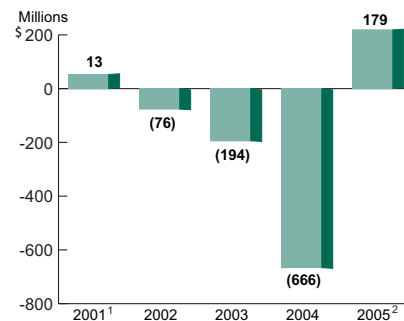
**MISSION ENERGY HOLDING COMPANY  
TOTAL EQUITY**



<sup>1</sup> MEHC was formed in June 2001

<sup>2</sup> As of September 30, 2005

**MISSION ENERGY HOLDING COMPANY  
INCOME (LOSS) FROM CONTINUING OPERATIONS**



<sup>1</sup> MEHC was formed in June 2001

<sup>2</sup> For the nine months ended September 30, 2005

## EME OPERATING PROJECTS

No.	Project Name	Plant Type	Fuel Source	Commercial Operation/ Acquisition Date	Ownership Interest	Megawatts		Location
						Total	EME Share	
<b>Merchant Power Plants</b>								
1 Illinois Plants <sup>1</sup>								
	(6 plants) - see below	E	Coal, Oil, Gas	12/99	100%	5,876	5,876	Illinois
	7 Homer City <sup>1</sup>	E	Coal	3/99	100%	1,884	1,884	Pennsylvania
<b>Contracted Power Plants</b>								
<u>Big 4 Projects</u>								
	8 Kern River <sup>1</sup>	Q	Natural Gas	8/85	50%	300	150	California
	9 Midway-Sunset <sup>1</sup>	Q	Natural Gas	5/89	50%	225	113	California
	10 Sycamore <sup>1</sup>	Q	Natural Gas	1/88	50%	300	150	California
	11 Watson	Q	Natural Gas	4/88	49%	385	189	California
<u>Westside Projects</u>								
	12 Coalinga <sup>1</sup>	Q	Natural Gas	11/91	50%	38	19	California
	13 Mid-Set <sup>1</sup>	Q	Natural Gas	5/89	50%	38	19	California
	14 Salinas River <sup>1</sup>	Q	Natural Gas	11/91	50%	38	19	California
	15 Sargent Canyon <sup>1</sup>	Q	Natural Gas	11/91	50%	38	19	California
	16 American Bituminous <sup>1</sup>	Q	Waste Coal	4/93	50%	80	40	West Virginia
	17 March Point	Q	Natural Gas	11/91, 1/93	50%	140	70	Washington
	18 Sunrise <sup>1</sup>	E	Natural Gas	6/01,6/03	50%	572	286	California
<b>Total Americas Operating Projects</b>						<b>9,914</b>	<b>8,834</b>	

Q= Qualifying Facility

E = Exempt Wholesale Generation

<sup>1</sup> 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).

## ILLINOIS PLANTS INCLUDE THE FOLLOWING:

<u>Operating Plant or Site</u>	<u>Location</u>	<u>Leased/Owned</u>	<u>Fuel</u>	<u>Megawatts</u>
<u>Electric Generating Facilities</u>				
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
<u>Peaking Units</u>				
Fisk	Chicago, Illinois	Owned	Oil/gas	163
Waukegan	Waukegan, Illinois	Owned	Oil/gas	92
<b>Total</b>				<b>5,876</b>

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Lease revenue	\$ 17	\$ 19	\$ 54	\$ 62
Other	4	3	18	16
Total operating revenue	21	22	72	78
Operating expenses	13	5	51	32
Operating income	8	17	21	46
Interest expense	6	8	20	25
Equity income (loss) from unconsolidated entities	(12)	(2)	80	(7)
Other income	2	2	6	7
Income before income taxes	(8)	9	87	21
Income tax benefit (expense)	11	3	(7)	13
Cumulative effect of accounting change	—	—	—	(1)
Net income	\$ 3	\$ 12	\$ 80	\$ 33

## CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

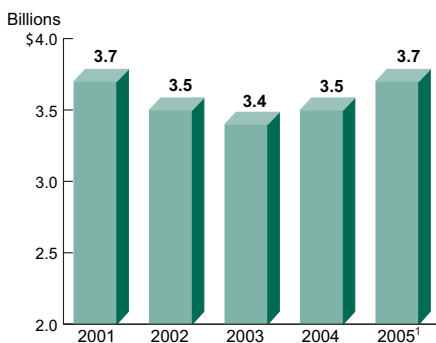
	September 30,		September 30,	
	2005	December 31, 2004	2005	December 31, 2004
Current assets	\$ 623	\$ 543	\$ 114	\$ 105
Lease investments	2,461	2,424	2,780	2,719
Partnership investments	319	384	87	107
Property, plant and equipment — net, and other	264	186	83	82
Total assets	\$ 3,667	\$ 3,537	601	524
Current liabilities			\$ 114	\$ 105
Long-term liabilities			2,780	2,719
Total liabilities			2,894	2,824
Minority Interest			87	107
Contributed capital			83	82
Other comprehensive income			2	—
Retained earnings			601	524
Total shareholder's equity			686	606
Total liabilities and shareholder's equity			\$ 3,667	\$ 3,537

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

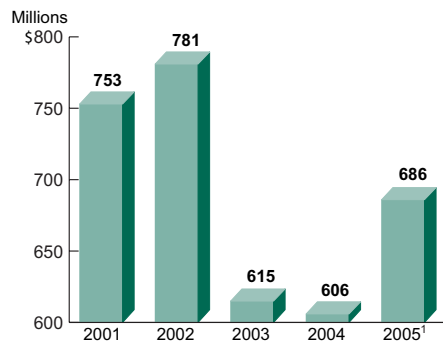
	Nine Months Ended September 30,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 80	\$ 33
Adjustments for non-cash items	(69)	(14)
Changes in working capital components	154	(35)
Net cash provided (used) by operating activities	165	(16)
Cash flows from financing activities:		
Repayment of debt	(15)	(72)
Dividends paid to parent	—	—
Net cash used by financing activities	(15)	(72)
Cash flows from investing activities:		
Distributions from partnerships, net of investments	92	(10)
Restricted cash	7	—
Loan to parent	(75)	—
Proceeds from sale of assets	—	8
Other	(1)	15
Net cash provided by investing activities	23	13
Effects of exchange rate changes on cash	(1)	—
Effects of consolidation of subsidiaries and variable interest entities	2	—
Net increase (decrease) in cash and equivalents	174	(75)
Cash and equivalents, beginning of period	180	366
Cash and equivalents, end of period	\$ 354	\$ 291

**EDISON CAPITAL  
TOTAL ASSETS**



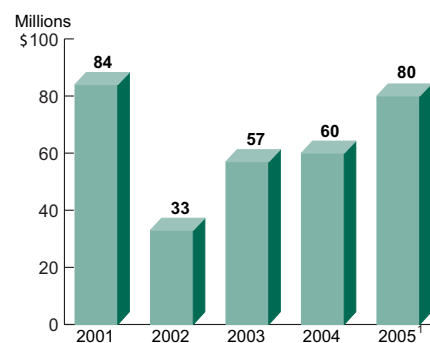
<sup>1</sup> As of September 30, 2005

**EDISON CAPITAL  
TOTAL EQUITY**



<sup>1</sup> As of September 30, 2005

**EDISON CAPITAL  
NET INCOME**



<sup>1</sup> For the nine months ended September 30, 2005

## ENERGY/INFRASTRUCTURE PROJECTS

Edison Capital invests in energy/infrastructure projects which span the globe.

<i>Infrastructure Project Name</i>	<i>Country/Region</i>	<i>Project Type</i>	<i>Gen. Capacity (MW)</i>	<i>Lessor Interest/ Equity Interest</i>
ESKOM/Majuba	South Africa	Coal Power	4,110	100%
Swisscom AG	Switzerland	Telecommunications	—	100%
Midland Cogeneration Plant	U.S.	Gas Power	1,500	9%
EPON/Eems Power Station	Netherlands	Gas/Coal Power	1,675	60%
AIG - Asia II Fund	Asia	Infrastructure	—	6%
Beaver Valley Unit #2	U.S.	Nuclear Power	836	26%
EPZ/Amercentrale 9	Netherlands	Coal Power	580	26%
AIG/GE Latin American Fund	Latin America	Infrastructure	—	8%
ETSA	Australia	Transmission System	—	100%
Vidalia Hydroelectric	U.S.	Hydro Power	192	24%
AIG Emerging Europe Fund	Europe	Infrastructure	—	23%
Huntington Waste-to-Energy	U.S.	Biomass Power	26	38%
Storm Lake I	U.S.	Wind Power	113	100%
Nederlandse Spoorwegen	Netherlands	Electric Rail	—	100%
Cablemas	Mexico	Cable Television	—	8%
Paz Holdings	Bolivia	Distribution Systems	—	11%
Woodstock Hills	U.S.	Wind Power	10	75%
Shaokatan Hills	U.S.	Wind Power	12	75%
Lakota Ridge	U.S.	Wind Power	11	75%
Westridge	U.S.	Wind Power	17	97%
West Pipestone	U.S.	Wind Power	8	99%
Bingham Lake	U.S.	Wind Power	15	—
Eastridge	U.S.	Wind Power	10	—
<b>Total</b>			<b>9,115</b>	

## AFFORDABLE HOUSING PROJECTS

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

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