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EDISON INTERNATIONAL
Form PRE 14A
March 07, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULED 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Securities Exchange Act of 1934 (Amendment No. ____)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to sec.240.14a-12

Edison International

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11(a) (2) and filing for which the offsetting fee was paid previously. Identify the previous filing by registrant number, or the Form or Schedule and the date of its filing.

(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

Page

EDISON INTERNATIONAL
AND
SOUTHERN CALIFORNIA EDISON COMPANY

JOINT NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS
AND
JOINT PROXY STATEMENT

ANNUAL MEETINGS
April 27, 2006

Page

EDISON INTERNATIONAL
[GRAPHIC OMITTED]

SOUTHERN CALIFORNIA EDISON COMPANY
[GRAPHIC OMITTED]

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Dear Shareholder:

You are invited to attend the Edison International and Southern California Edison Company Annual Meetings of Shareholders. The meetings will be held jointly on Thursday, April 27, 2006, Pacific Palms Conference Resort, One Industry Hills Parkway, City of Industry, California 91744 at 10:00 a.m., Pacific Time.

Your voting instructions are enclosed, and the applicable 2005 Annual Report and Joint Proxy Statement are enclosed or are being delivered to you electronically. The Joint Proxy Statement discusses the matters to be considered at the annual meetings. At the meetings, we will report on company activities, and shareholders of Edison International and SCE will elect Directors who will oversee company affairs at the next annual meetings. Also at the meetings, Edison International shareholders will have the opportunity to vote on a management proposal to amend the Articles of Incorporation to eliminate Article Fifth, "price" provision, and a shareholder proposal regarding "simple majority vote."

Your Boards of Directors and Management recommend that you vote "FOR" the nominees for Directors listed in the Joint Proxy Statement. For reasons stated in the Joint Proxy Statement, the Edison International Board of Directors and Management recommend that you vote "FOR" the management proposal and "AGAINST" the shareholder proposal.

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Whether or not you expect to attend the annual meetings, and regardless of the number of own, your vote is important. If you hold shares in both Edison International and SCE, you will receive a proxy or voting instruction card for each company. Certain shareholders also have the option to vote by telephone or the Internet as well as by mail. Voting by any of these methods, if available, will ensure that you are represented at the annual meetings even if you are not present. Please review the instructions on the proxy card regarding these options. If you hold your shares in an account with a bank, broker or other nominee, you will receive separate instructions from that nominee which may also allow for Internet voting.

Please take the first opportunity to ensure that your shares are represented at the annual meetings. Voting promptly will save us the cost of additional solicitations.

Thank you very much for your continued interest in the business of Edison International and Southern California Edison Company.

Sincerely,

John E. Bryson
Chairman of the Board, President
and Chief Executive Officer
Edison International
Chairman of the Board
Southern California Edison Company

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EDISON INTERNATIONAL
[GRAPHIC OMITTED]

SOUTHERN CALIFORNIA EDISON COMPANY
[GRAPHIC OMITTED]

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JOINT NOTICE OF ANNUAL MEETINGS
OF SHAREHOLDERS

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Date: Thursday, April 27, 2006

Time: 10:00 a.m., Pacific Time

Place: Pacific Palms Conference Resort
One Industry Hills Parkway
City of Industry, California 91744

Matters to be voted upon by Edison International and Southern California Edison Company ("SCE") are:

- o Election of 11 Directors to the Edison International Board and 12 Directors to the SCE Board. The names of the Director nominees are:

John E. Bryson	Luis G. Nogales
France A. Cordova	Ronald L. Olson
Charles B. Curtis	James M. Rosser
Alan J. Fohrer*	Richard T. Schlosberg, III
Bradford M. Freeman	Robert H. Smith
Bruce Karatz	Thomas C. Sutton

* Alan J. Fohrer is a Director nominee for the SCE Board only.

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- o Any other business that may properly come before the meetings.

Matters to be voted upon by Edison International shareholders only:

- o Management proposal to amend the Articles of Incorporation to eliminate Article Fifth, titled "Shareholder Approval of Changes in Share Price" provision.
- o Shareholder proposal regarding "simple majority vote."

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Your Boards of Directors and Management recommend that you vote "FOR" the nominees for Directors in the Joint Proxy Statement. The Edison International Board of Directors and Management recommend that you vote "FOR" the management proposal and "AGAINST" the shareholder proposal.

Record Date: Shareholders of record at the close of business on February 27, 2006, and their proxyholders for those shareholders, are entitled to vote at the annual meeting.

Voting Instructions: To vote by mail, complete, sign, date and return the enclosed proxy card in the envelope provided. If you hold shares in your own name, or through the Edison International Dividend Reinvestment and Direct Stock Purchase Plan or the Edison International 401(k) Savings Plan for employees, you may vote by telephone or via the Internet following the instructions on your proxy card. Voting by telephone and via the Internet is available 24 hours a day, seven days a week, through 9:00 p.m. Pacific Time, on April 26, 2006, except for Edison 401(k) Savings Plan shareholders who must vote by 9:00 a.m., Pacific Time, on April 25, 2006. If you hold your shares through an account with a bank, broker or other nominee, you will receive separate instructions from that nominee that may also allow telephone and Internet voting.

Electronic Access: Edison International and SCE are electronically delivering their Proxy Statement, Annual Reports for annual and special shareholders' meetings to certain shareholders. If you hold Edison International shares through the Edison International 401(k) Savings Plan, and you use Company E-mail in the ordinary course of performing your job and are expected to log-on to E-mail routinely to receive mail and communications, we are delivering these documents to you electronically. The Edison International and SCE Joint Proxy Statement for the annual meetings, and the respective 2005 Annual Reports are available on Edison International's Investor website at <http://www.edisoninvestor.com>. If these documents are being delivered to you electronically, you may also request paper copies at no charge by contacting the SCE Law Department, Corporate Governance, 2244 Walnut Grove Avenue, P. O. Box 1000, Rosemead, California 91770 or at 626-302-2662.

Meeting Admission: The following individuals will be admitted to the meetings:

- o Shareholders of record on the record date, and their spouses or domestic partners;
- o Individuals holding written proxies executed by shareholders of record on the record date;

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- o Shareholders who provide a letter or account statement from their bank, broker or other nominee showing that they owned stock held in the name of the bank, broker or other nominee on the record date, and their spouses or domestic partners; and
- o Other individuals with the approval of the Edison International or SCE Corporate Secretary.

Shareholders that are companies or other entities are limited to three authorized representatives at the meetings. Cameras, recording devices and other electronic devices will not be permitted at the meetings.

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Dated: March 20, 2006

For the Boards of Directors,

BARBARA E. MATHEWS
Vice President, Associate General Counsel,
Chief Governance Officer and Corporate Secretary
Edison International
Southern California Edison Company

IMPORTANT

In order to assure a quorum of shareholders at the annual meetings, please complete, sign and mail the enclosed card promptly; or (if available to you) give your instructions by telephone or Internet as described on the enclosed card. If you mail the enclosed card, please sign (do not print name exactly as it appears on the card. When signing as attorney, executor, administrator, trustee or guardian, include your full title. Please have an authorized officer whose title is indicated since for corporations, charitable institutions and governmental units. For partnerships, have a partner sign and indicate partnership status.

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EDISON INTERNATIONAL
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
P. O. BOX 800
ROSEMEAD, CALIFORNIA 91770

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JOINT PROXY STATEMENT

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INTRODUCTION - SOLICITATION OF PROXIES

This Joint Proxy Statement, proxy forms, voting instructions and the 2005 Annual Reports are distributed together beginning March 20, 2006, to the Edison International and Southern California Company shareholders for their annual meetings. The annual meetings will be held jointly on Thursday, April 27, 2006, at the Pacific Palms Conference Resort, One Industry Hills Parkway, City of Industry, California 91744 at 10:00 a.m., Pacific Time. The Edison International and Southern California Edison Company Boards of Directors are soliciting proxies from you for use at their annual meetings, or adjournment or postponement of the meetings. Proxies allow properly designated individuals to vote on behalf at an annual meeting. This Proxy Statement discusses the matters to be voted on at the annual meetings.

In this Proxy Statement:

- o "Annual Meeting" means the Edison International annual meeting of shareholders and the Southern California Edison Company annual meeting of shareholders, which are being held jointly.
- o "Companies" means Edison International and SCE.
- o "DRP" means the Edison International shareholder plan known as the Dividend Reinvestment Stock Purchase Plan.
- o "EME" means Edison Mission Energy, an electric power generation nonutility subsidiary of Edison International.
- o "Executive Officers" of Edison International and SCE means their respective Chairman of the Board, Chief Executive Officer, President, any Vice President in charge of a principal business division or function, and any other person who performs a similar significant policy-making function, including Executive Officers of any Edison International or SCE subsidiaries, for the reporting period.

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or as of the date covered by this Proxy Statement.

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- o "401(k) Plan" means the employee benefit plan known as the Edison 401(k) Savings Plan through which participants may hold Edison International shares represented by their interests in the Edison International Stock Fund.
- o "401(k) Plan shareholders" means participants in the 401(k) Plan who hold interests in the Edison International Stock Fund equivalent to Edison International shares.
- o "SCE" means Southern California Edison Company.
- o Holding shares in "street name" means your shares are held in an account through your bank, broker, fiduciary, custodian or other nominee, and you are considered the beneficial owner of those shares. Your name does not appear on the Companies' records as a shareholder.
- o Holding shares as a "registered" shareholder or "of record" means your shares are registered in your own name directly with the Companies rather than in street name, and that stock certificates are issued in your own name. Shares held in your DRP plan account are also included.

QUESTIONS AND ANSWERS ON VOTING, PROXIES AND ATTENDANCE

Q: What am I voting on?

A: Edison International and SCE shareholders are voting on the election of 11 Directors for Edison International and 12 Directors for SCE, respectively, and any other matters properly brought before the meeting. Additionally, Edison International shareholders will vote on a management proposal to amend the Articles of Incorporation to eliminate Article Fifth, the "fair price" provision, and a shareholder proposal regarding "simple majority vote." The election of Directors is Item 1 on your proxy card, the management proposal is Item 2 and the shareholder proposal is Item 3 on the Edison International proxy card.

Q: Who can vote?

A. All shareholders of record at the close of business on February 27, 2006, are entitled to vote at the meeting. Holders of Edison International's Common Stock are entitled to one vote per share of Edison International business. On each item of SCE business, holders of SCE Cumulative Preferred Stock are entitled to six votes per share and holders of SCE Common Stock are entitled to one vote per share. Shareholders who hold shares that are not registered in their own name (shares held in "street name") may vote their shares by giving voting instructions to the nominee who is the registered shareholder. Shares held by participants in the 401(k) Plan, including fractional shares, are held in the name of the plan trustee and will be voted by the plan trustee in its capacity as the trustee of the Edison International stock fund investment manager, subject to each participant's instructions. Fractional shares held in the DRP may not be voted. All shares of SCE Common and Preferred Stocks vote as one class.

Q: Who can attend the meeting?

A: All shareholders on the record date, or their duly appointed proxies, may attend the meeting. Shareholders' spouses or domestic partners are also welcome. Seating, however, is limited. All shareholders will be required to pass through a security inspection area, and they must check in at the registration desk at the meeting. The registration desk will open at 8:00 a.m., Pacific Time on the day of the meeting.

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If you are a registered or 401(k) Plan shareholder, an admission pass is included with these materials. Please bring your pass with you to present at the registration desk for admission. If you do not have a pass, you will need to obtain one at the registration desk.

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admission pass and you are a registered shareholder, we will be able to verify your share ownership in the share register upon presentation of proper identification. If your shares are not registered in your name, you will need to bring a letter or an account statement from your bank, broker, plan trustee or other nominee reflecting your stock ownership as of the record date to provide proper identification. If a shareholder that is a corporation, partnership, association or other entity is limited to three authorized representatives at the Annual Meeting. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Q: How do I vote?

A: Your vote is important. You can save us the expense of a second mailing by voting promptly. Please follow the appropriate instructions described below.

If you are a registered or 401(k) Plan shareholder, you may choose one of the following ways to vote:

- o Vote by mail: Complete, date, sign and mail the proxy/voting instruction card in the enclosed postage prepaid envelope.
- o Vote by telephone: Call 1-800-652-8683 toll free from the U.S. and Canada. Call 1-781-575-2300 from outside the U.S. and Canada.
- o Vote via the Internet: Access the Edison International and SCE Internet voting website at <http://www.computershare.com/expressvote>

Registered shareholders have a fourth option to cast their vote:

- o Vote by ballot at the meeting: Attend the Annual Meeting and complete a written ballot distributed at the meeting.

If you vote by telephone or via the Internet, follow the instructions on the enclosed card. Additionally, if you vote by telephone, you will receive recorded instructions, or if you vote via the Internet, you will receive additional instructions at the Internet website. Voting by telephone or via the Internet is available 24 hours a day, seven days a week, through 9:00 p.m., Pacific Time, April 26, 2006, except for 401(k) Plan shareholders who must vote by 9:00 a.m., Pacific Time, April 26, 2006.

By voting by mail, telephone or the Internet, you will authorize the individuals named on the proxy card, referred to as the proxies, or the 401(k) Plan trustee in its capacity as Edison International's investment manager, to vote your shares according to your instructions. You are also authorizing other persons to vote your shares on any other matter properly presented at the meeting.

If you hold shares in street name, please refer to the proxy card or other information forwarded by your bank, broker, fiduciary, custodian or other nominee to see which options are available. Typical banks may provide voting instructions as follows:

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- o Vote by mail: On cards received from your bank, broker or other nominee.
- o Vote by telephone or via the Internet: If offered by your bank, broker or other nominee.
- o Vote by ballot at the meeting: If you request a legal proxy from your bank, broker or other nominee and deliver the proxy to the inspector of election before the meeting.

Under California law, you or your authorized attorney-in-fact may transmit a proxy by telephone or via the Internet. SHAREHOLDERS WHO VOTE BY TELEPHONE OR OVER THE INTERNET SHOULD NOT MAIL THE PROXY CARD.

Q: What happens if I return my proxy or voting instructions, but I do not indicate my voting preferences?

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I do not sign my proxy or voting instructions?

A: If you return your signed proxy or voting instructions by mail and do not indicate how you wish to vote for the nominees for Director, the proxies and 401(k) Plan trustee will vote "FOR" election of the nominees for Director (Item 1). If you return your signed proxy or voting instructions by mail and do not indicate how you wish to vote on the management proposal, the proxies and 401(k) Plan trustee will vote "FOR" the management proposal (Item 2). If you return your signed proxy or voting instructions by mail and do not indicate how you wish to vote on the shareholder proposal, the proxies and 401(k) Plan trustee will vote "AGAINST" the shareholder proposal (Item 3). If you return an unsigned proxy or voting instructions by mail, your shares will be treated as unvoted shares on all matters. If you vote by telephone or on the Internet and do not indicate how you wish to vote for the nominees for Director, your shares will be treated as unvoted shares on the election. If you vote by telephone or on the Internet and do not indicate how you wish to vote on the management proposal and/or the shareholder proposal, your shares will be treated as unvoted shares on the respective proposals. In the case of the 401(k) Plan, unvoted shares may be voted by the trustee in its capacity as Edison International stock fund manager as it chooses.

Q: What happens if I do not return my proxy or provide voting instructions?

A: If you are a registered shareholder and you do not provide voting instructions to a designated proxy holder, you will not cast a ballot at the Annual Meeting, your shares will not be voted. If you are a 401(k) Plan shareholder and you do not provide voting instructions to the trustee, the trustee as Edison International stock fund investment manager may vote your shares as it chooses. If you hold your shares in street name, you must not provide voting instructions to your bank, broker or other nominee on how to vote your shares. If you do not provide voting instructions to your bank, broker or other nominee, your bank, broker or other nominee may be authorized to vote your shares as it chooses on the matters considered at the meeting. If your bank, broker or other nominee lacks this discretionary authority, you must vote on an item, your shares will not be voted on that item and will be treated as a "brokered share" on that item.

Q: What if I vote and then change my mind?

A: If you are a registered shareholder, you can revoke your proxy by:

- o Writing to the Edison International or SCE Corporate Secretary;
- o Voting again via mail, telephone or the Internet; or

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- o Voting in person at the Annual Meeting.

Your last vote will be the vote that is counted.

If you are a 401(k) Plan shareholder, you can revoke your voting instructions by voting again by mail, telephone or the Internet. Votes received by 9:00 a.m., Pacific Time, on April 25, 2006 will be counted. Your last vote received within this timeframe will be the vote that is counted.

If you hold shares in street name, you should contact your bank, broker or other nominee before the Annual Meeting to determine whether and how you can change your voting instructions.

Q: How many votes do you need to hold the meeting?

A: As of the record date, February 27, 2006, Edison International had 325,795,390 shares of Edison International Common Stock outstanding and entitled to vote. SCE had 5,150,198 shares of Cumulative Preferred Stock and 434,888,104 shares of SCE Common Stock outstanding and entitled to vote.

The holders of the Edison International Common Stock have the right to cast a total of 325,795,390 votes. The holders of the SCE Cumulative Preferred Stock have the right to cast 30,901,188 votes and the holder of the SCE Common Stock, Edison International, has the right to cast a total of 434,888,104 votes. Voting together as a class, the SCE shareholders have the right

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total of 465,789,292 votes.

A quorum is required to transact business at the Annual Meeting. The presence at the Annual Meeting of one person or by proxy, of shareholders entitled to cast at least a majority of the votes which a quorum of shareholders are entitled to cast constitutes a quorum. If you properly return your proxy by telephone or via the Internet, you will be considered part of the quorum, even if you abstain or withhold votes, and the proxies will vote (or not vote) your shares as you have indicated. If your broker or other nominee holding your shares in street name votes your shares or returns a proxy card, or if you have executed a proxy representing your shares, your shares will be considered as present and part of the quorum, even if your bank, broker or other nominee does not indicate a voting preference, or if you abstain or withholds votes, on any or all matters.

Q: What vote is required to adopt the proposals at the meeting?

A: On Item 1, the Election of Directors, the 11 nominees receiving the highest number of affirmative "for" votes will be elected as Directors of Edison International and the 12 nominees receiving the highest number of affirmative or "for" votes will be elected as Directors of SCE. Votes withheld for any of the nominees, abstentions and broker nonvotes will have the effect of reducing the number of affirmative votes a candidate might otherwise have received. On Item 2, the Management Proposal to Amend Edison International Articles of Incorporation, the affirmative vote of a majority of the Edison International votes entitled to be cast must be obtained to adopt the proposal. In determining whether the affirmative vote has been obtained, abstentions and broker nonvotes will have the effect of votes cast against the proposal. That is, abstentions and broker nonvotes will reduce the number of affirmative votes, and therefore reduce the total percentage of votes the proposal might otherwise have received. On Item 3, Shareholder Proposal On "Simple Majority Vote," the following two votes must be obtained to adopt the proposal: (i) the affirmative vote of a majority of the Edison International votes cast at the meeting and (ii) the affirmative vote of at least a majority of the votes

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required to constitute a quorum. In determining whether the first vote under (i) has been obtained, abstentions and broker nonvotes are not treated as votes cast and therefore will not affect the percentage of votes cast. That is, the percentage of votes cast can only be increased or decreased by casting votes for or against the proposal, respectively. In determining whether the second vote under (ii) has been obtained, abstentions and broker nonvotes will have the effect of votes cast against the proposal. That is, abstentions and broker nonvotes will reduce the number of affirmative votes, and therefore reduce the total percentage of votes the proposal might otherwise have received.

Q: Who will count the votes?

A: Computershare Trust Company, N.A., will tabulate the votes and act as the inspector of elections to protect the confidentiality of votes cast under the 401(k) Plan, 401(k) Plan shareholders' voting instructions are given directly to Computershare. Computershare tabulates those votes and then reports the aggregate voting results directly to the 401(k) Plan trustee. Edison International does not have access to any of the 401(k) Plan shareholders' voting instructions, and 401(k) Plan voting results are reported in the aggregate.

Q: What shares are covered by the proxy card?

A: If you hold shares in both Edison International and SCE, you will receive a proxy card for each of the Companies. The shares covered by your card(s) include all the shares of common stock and preferred stock registered in your name (as distinguished from those held in street name), all whole shares held in the 401(k) Plan, and all shares held in the 401(k) Plan. You will receive separate cards from your bank, broker or other nominee if you hold shares in street name.

Q: What does it mean if I get more than one proxy card?

A: It indicates that your shares are held in more than one account, such as two brokerage accounts registered in different names. You should vote each of the proxy cards to ensure that all of your shares are voted.

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Q: How much will this proxy solicitation cost?

A: Edison International and SCE have retained D. F. King & Co., Inc. to assist them with the solicitation of proxies for an aggregate maximum fee of \$13,000 (Edison International \$10,500 and SCE \$2,500) expenses. (This fee does not include the costs of printing and mailing the proxy materials.) Edison International and SCE will pay these proxy solicitation costs. Some of the Directors, officers and employees of Edison International and/or SCE also may solicit proxies personally, by mail, by telephone or by other electronic means for no additional compensation, except for customary overtime pay to certain employees. Edison International and SCE will also reimburse banks, brokers and other intermediaries for their reasonable out-of-pocket expenses for forwarding proxy materials to the beneficial owners of their stocks and for obtaining voting instructions.

Q: Whom may I call with any questions?

A: You may call Wells Fargo Shareholder Services at 800-347-8625 or visit their Internet website at http://www.wellsfargo.com/com/shareowner_services

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Q: How do the Boards recommend I vote?

A: The Edison International and SCE Boards recommend that shareholders vote "FOR" the election of nominees for Directors listed in this Proxy Statement. The Edison International Board recommends that Edison International shareholders vote "FOR" the management proposal and "AGAINST" the shareholder proposal.

HOUSEHOLDING OF PROXY STATEMENTS AND ANNUAL REPORTS

If you are a registered shareholder and share an address with other registered shareholders, you may receive multiple copies of the applicable Annual Report to Shareholders and Proxy Statement. You may save the Companies money if you direct us to discontinue mailing all future multiple annual reports, proxy statements, proxy statements combined with a prospectus, and information statements by marking the appropriate box on the enclosed proxy card, or by following the instructions provided when you vote by telephone or over the Internet. The Companies intend to deliver only one respective annual report, proxy statement, one proxy statement combined with a prospectus, and one information statement to multiple registered shareholders sharing an address if such multiple shareholders have given their consent. The Companies have not received contrary instructions from one or more of such shareholders. This practice is commonly referred to as "householding." The Companies do not plan to electronically household documents. Your consent to householding will remain in effect until revoked. Eliminating duplicate mailings will affect your receipt of future proxy cards.

If through the date of the Annual Meeting, you decide you want a separate copy of this Joint Proxy Statement or the applicable 2005 Annual Report, Edison International or SCE will promptly deliver a separate copy if you contact the SCE Law Department, Corporate Governance, 2244 Walnut Grove Avenue, Box 800, Rosemead, California 91770 or at 626-302-2662. Additionally, to resume the mailing of multiple copies of future annual reports, proxy statements, proxy statements combined with a prospectus, and information statements to a particular account, you may contact Wells Fargo Bank, N.A., Attn: Householdings, P. O. Box 64854, St. Paul, Minnesota 55164-0854, or at 800-347-8625, and your request will be effective within thirty days after receipt. After the Annual Meeting, you may request householding of these documents by providing Wells Fargo Bank at the address provided directly above with a written request to eliminate multiple mailings. The written request must include names and account numbers of all shareholders who wish to be added to householding for a given address and must be signed by those shareholders.

Additionally, the Companies have been notified that certain banks, brokers and other nominees may be able to household the Companies' annual reports and proxy statements for shareholders who hold in street name and have consented to householding. In this case, you may request an individual copy of this Joint Proxy Statement and/or the applicable 2005 Annual Report by contacting your bank, broker or other nominee.

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ELECTRONIC ACCESS TO PROXY STATEMENTS AND ANNUAL REPORTS

This Joint Proxy Statement and the Edison International and SCE 2005 Annual Reports are available on Edison International's Internet website at <http://www.edisoninvestor.com>. Certain shareholders of Edison International may prefer to receive future shareholder communications including proxy statements and annual reports over the Internet rather than receiving paper copies in the mail and save the Companies the cost of producing and mailing these reports.

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If you are a 401(k) Plan shareholder, and you use Company E-mail in the ordinary course of performing your job and are expected to log-on to E-mail routinely to receive mail and communications, Edison International intends to deliver proxy statements and annual reports to you electronically for the upcoming shareholders' meeting. You may also request paper copies at no charge by contacting the SCE Law and Corporate Governance, 2244 Walnut Grove Avenue, P. O. Box 800, Rosemead, California 91770 or at 626-963-3333.

If you hold shares in street name, check the information provided by the nominee holding your shares for instructions on how to elect to view future proxy statements and annual reports over the Internet. Your bank, broker or other nominee will receive notice containing the Internet address to use to access Edison International's and SCE's Proxy Statement and Annual Reports.

For all shareholders, although there are no Edison International or SCE fees or charges for electronic access, there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, for which you will be responsible.

ELECTION OF DIRECTORS Item 1 on Proxy Card

NOMINEES FOR ELECTION

Eleven Directors will be elected to the Edison International Board and twelve Directors will be elected to the SCE Board to hold office until the next annual meeting. Should any of the nominees become unavailable, the proxies will have the authority to vote for substitute nominees as they choose.

The nominees for Directors of Edison International and SCE are the same, except for Mr. Fohrer, who is a nominee for the SCE Board only. A brief biography of each nominee describing his or her business experience during the past five years and other prior relevant business experience is presented below.

JOHN E. BRYSON

Chairman of the Board, President and Chief Executive Officer of Edison International and Chairman of the Board of SCE (since 2003); Chairman of the Board of Edison Capital (a non-utility subsidiary of Edison International, an investor in infrastructure and energy assets) (since 2000); Chairman of the Board, President and Chief Executive Officer of Edison International and Chairman of the Board of EME (2000-2002); Chairman of the Board and Chief Executive Officer of Edison International and SCE (1990-1999)

Mr. Bryson has been a Director of Edison International since 1990. He was a Director of SCE from 1990 through 1999, and since 2003. He is a Director of The Boeing Company and The Walt Disney Company. Mr. Bryson is a Director/Trustee for three funds in the Western Asset funds complex. Mr. Bryson is a graduate of Stanford University and Yale Law School. Age 62.

FRANCE A. CORDOVA

Chancellor, University of California, Riverside (since 2002); Vice Chancellor for Research, University of California, Santa Barbara (1996-2002)

Dr. Cordova has been a Director of Edison International and SCE since 2004. She is a Director of Edison International Corporation. Dr. Cordova is a graduate of Stanford University and holds a Ph.D. in physics from Stanford University. Age 58.

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CHARLES B. CURTIS

President and Chief Operating Officer of the Nuclear Threat Initiative (a private foundation dealing with national security issues) (since 2001); Executive Vice President of the United Nations Foundation (1995 to 1997); Partner of the law firm of Hogan & Hartson (1997 to 1999); Deputy Secretary of the U.S. Department of Energy (1994 to 1995); Chairman of the Energy Regulatory Commission (1977 to 1981)

Mr. Curtis is being nominated for the first time to serve as a Director of Edison International and SCE. He is a Trustee of Putnam Funds. Mr. Curtis is a graduate of the University of Massachusetts Amherst, and Boston University Law School. Age 66

ALAN J. FOHRER*

Chief Executive Officer of SCE (since 2003); Chairman of the Board and Chief Executive Officer of Edison International (2000-2001); Chairman of the Board of EME (1999); Executive Vice President and Chief Financial Officer of Edison International (1996-2000)

Mr. Fohrer has been a Director of SCE since 2002. He is a Director of Duratek, Inc. Mr. Fohrer has a degree in civil engineering from the University of Southern California, and received his MBA degree from California State University, Los Angeles. Age 55.

BRADFORD M. FREEMAN

Founding Partner, Freeman Spogli & Co. (private investment company) (since 1983); Managing Director of Witter Reynolds, Inc. (brokerage firm) (1976-1983)

Mr. Freeman has been a Director of Edison International and SCE since 2002. He is a Director of Ellis Group, Inc. Mr. Freeman is a graduate of Stanford University, and holds an MBA degree from Stanford Business School. Age 64.

BRUCE KARATZ

Chairman and Chief Executive Officer of KB Home (homebuilding) (since 1993)

Mr. Karatz has been a Director of Edison International and SCE since 2002. He is a Director of Home Depot International, Inc. Mr. Karatz is a graduate of The Blake School and Boston University, and holds a law degree from the University of Southern California. Age 60.

LUIS G. NOGALES

Managing Partner of Nogales Investors, LLC (private equity investment company) (since 2001); President of Nogales Partners (a private equity investment company) (1990-2001); President of Univision (Spanish television network) (1986-1988); Chairman and Chief Executive Officer of United Press International (communications) (1983-1986)

Mr. Nogales has been a Director of Edison International and SCE since 1993. He is a Director of Edison International, Inc., and KB Home. Mr. Nogales is a graduate of San Diego State University and Stanford Law School.

* Alan J. Fohrer is a nominee for Director of SCE only.

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RONALD L. OLSON

Partner of the law firm of Munger, Tolles and Olson (since 1970)

Mr. Olson has been a Director of Edison International and SCE since 1995. He is a Director of Banc of America Hathaway, Inc., City National Corporation, The Washington Post Company, and a Director/Trustee of various funds in the Western Asset funds complex. Mr. Olson is a graduate of Drake University and University of Oxford Law School and holds a Diploma in Law from Oxford University. Age 64.

JAMES M. ROSSER

President of California State University, Los Angeles (since 1979)

Dr. Rosser has been a Director of SCE since 1985 and a Director of Edison International since 1985. Dr. Rosser holds three degrees from Southern Illinois University. Age 67.

RICHARD T. SCHLOSBERG, III

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Retired President and Chief Executive Officer of The David and Lucile Packard Foundation (private foundation) (1999-2004); Publisher and Chief Executive Officer, Los Angeles Times (newspaper) (1994-1997); Executive Vice President and Director, The Times Mirror Company (media communications) (1994-1997). Mr. Schlosberg has been a Director of Edison International and SCE since 2002. He is a Director of BEA Systems, Inc. Mr. Schlosberg is a graduate of the United States Air Force Academy, and holds a degree from Harvard Business School. Age 62.

ROBERT H. SMITH

Robert H. Smith Investments and Consulting (banking and financial-related consulting services) (since 2003); Managing Director of Smith & Crowley, Inc. (merchant banking) (1992-2003); President and Chief Executive Officer of Security Pacific Corporation (1990-1992); President, Chief Executive Officer and Director of Security Pacific National Bank (1987-1992)

Mr. Smith has been a Director of SCE since 1987, and a Director of Edison International since 1995. Mr. Smith is a graduate of the University of Southern California and holds a Law degree from Van Norman University. Age 70.

THOMAS C. SUTTON

Chairman of the Board and Chief Executive Officer of Pacific Life Insurance Company (since 1990). Mr. Sutton has been a Director of Edison International and SCE since 1995. He is Chairman of two of the Pacific funds complex. Mr. Sutton is a graduate of the University of Toronto. Age 63.

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QUESTIONS AND ANSWERS ON CORPORATE GOVERNANCE

Q: How are potential Director nominees identified and selected by the Boards to become nominees?

A: It is the responsibility of the Edison International and SCE Nominating/Corporate Governance Committees to recommend Director candidates to their respective Boards. The Committees are comprised of independent directors under the New York Stock Exchange rules.

It is the policy of the Committees to consider Director candidates recommended to the Committees by the shareholders. For Committee consideration, shareholder suggestions for Director candidates must be submitted in writing to the Corporate Secretary of Edison International and/or SCE and include the shareholder's name and address, as they appear on the corporation's books, or a written statement from the record holder of the shares (usually a broker or bank) showing the class and number of shares beneficially owned, (ii) the name, age, and business and residence addresses of the candidate, (iii) the candidate's principal occupation or employment of the candidate, (iv) the class and number of shares of Edison International and SCE beneficially owned by the candidate, (v) a written description of any direct or indirect business relationships or transactions within the last three years between Edison International and its subsidiaries and senior management, on the one hand, and the candidate and his or her spouse and immediate family members, on the other hand, (vi) any other information concerning the nominee required under SEC rules to be in a proxy statement soliciting proxies for the election of the Director, (vii) a consent signed by the candidate to serve as a Director if elected, and (viii) a written description, together with any supporting materials, of the qualifications, qualities and skills of the candidate that the shareholder deems appropriate to submit to the Committees to assist in the consideration of the candidate. In identifying potential Director nominees, the Committees will consider suggestions made by the respective Companies' Board members and senior management.

There are no differences in the manner in which the Committees evaluate a Director candidate whether the candidate is recommended by a shareholder. After the Committees receive a recommendation from a potential Director nominee, the Committees consider the information provided to them from the shareholder who recommended the candidate. For the Committees to recommend a Director nominee, the candidate must a minimum possess the qualifications, qualities and skills set forth in the Companies' respective Corporate Governance Guidelines, including:

- o A reputation for integrity, honesty and adherence to high ethical standards;

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- o Experience in a generally recognized position of leadership; and
- o The demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to the current and long-term objectives of the Company.

The Committees also consider other factors and information in their evaluation of potential Director nominees, including the Boards' current need for additional members, the candidate's potential for increasing the Boards' range of business experience, desirable skills and diversity, the candidate's independence, and other factors the Committees deem appropriate. If based on this preliminary information the Committees determine to continue their consideration of a candidate, one or more members of the Committees, and others as determined by the Committees, interview the candidate. After the interview, the Committees conduct any further research on the candidate that they deem appropriate. The Committees then determine whether to recommend to the Companies' respective

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Boards that the candidate be a Director nominee. The Companies' respective Boards consider the Committees' recommendations and determine whether to nominate any candidate for election.

Q: How do the Edison International and SCE Boards determine which Directors are considered independent?

A: Under the New York Stock Exchange listing standards, the Edison International Board is required to consist of at least a majority of independent Directors. Under the Companies' Corporate Governance Guidelines, both Companies' Boards are required to consist of at least a majority of independent Directors. The Guidelines include categorical standards to assist in determining whether each Director has a material relationship with the Companies that would cause the Director not to be independent. Additionally, to be a member of a Board Committee required to be comprised of independent Directors, Directors may have to meet additional requirements to be considered independent. The Companies' Corporate Governance Guidelines are posted on Edison International's Internet website at www.edisoninvestor.com, under "Corporate Governance," and are available in print upon request from Edison International or SCE Corporate Secretary.

Under the Guidelines, no Director will be considered independent if he or she has a relationship with the Companies that would be deemed disqualifying under New York Stock Exchange listing standards of a determination of independence. Directors who are not so disqualified from being independent are determined by the Boards to be independent unless a Director otherwise has a material relationship with Edison International, SCE, or any of their subsidiaries. The Boards have determined that the relationships are not considered material for purposes of determining Directors' independence.

1. Discretionary charitable contributions by the Company to a non-profit entity (including a church or other institution) with which the director or an immediate family member is currently affiliated, or since the beginning of the preceding calendar year affiliated as a director, officer, trustee, or employee, or otherwise, if (a) the Company's total contributions to the entity in the preceding fiscal year were less than 1% of the entity's reported consolidated gross revenues for that fiscal year (the Company's matching of employee contributions shall not be included in the amount of the Company's contributions for this purpose), and (b) the contributions did not result in any direct financial benefit to the director or an immediate family member;
2. Payments made by the Company to an entity with which the director or an immediate family member is currently affiliated, or was since the beginning of the preceding calendar year affiliated as a director, officer, trustee, or employee, or otherwise, or payments received by the Company from such entity, for property or services, if (a) the total amount of the payments made or received by the entity's preceding fiscal year was less than 1% of the entity's reported consolidated gross revenues for that fiscal year, (b) the payments did not result in a direct financial benefit to the director or an immediate family member, and (c) the director and any immediate family members do not, and did not in the entity's preceding fiscal year, directly or indirectly own, in the aggregate, more than 10% of the entity;
3. Other than ownership of debt securities which are covered by Standards 4 and 5 below, indebtedness owed to the Company, or indebtedness owed to the Company by, an entity with which the director

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or an immediate family member is currently or was since the beginning of the preceding calendar year affiliated as a director, officer, trustee, or

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- employee, or otherwise, if (a) the total amount of indebtedness in the entity's preceding year was less than 1% of the entity's reported consolidated gross assets at the end of the fiscal year, and (b) the indebtedness did not result in any direct financial benefit to the director or an immediate family member;
4. Direct or indirect current ownership or ownership since the beginning of the preceding calendar year by the director or an immediate family member (including ownership by an entity with which the director or an immediate family member is currently or was affiliated as a director, officer, trustee, or employee, or otherwise) of equity or debt securities of the Company, if the director or immediate family member has received no extra benefit not shared on a pro rata basis by other security holders;
 5. Direct or indirect current ownership or ownership since the beginning of the preceding calendar year by the Company of equity or debt securities of an entity with which the director or an immediate family member is currently, or was at the time of ownership, affiliated as a director, officer, trustee, or employee, or otherwise, if (a) the total amount of the entity's equity or debt securities owned by the Company did not exceed 5% of the entity's outstanding equity or debt securities, respectively, at any time since the beginning of the preceding calendar year, (b) the Company received no extra benefit not shared on a pro rata basis by other security holders;
 6. Gifts, perquisites, and other similar transactions between the Company and the director or an immediate family member that did not provide an aggregate direct or indirect financial benefit or value of more than \$5,000 to the director and immediate family members in the preceding calendar year;
 7. The Company's employment in any capacity of an immediate family member of the director, officer, and indirect compensation paid to the director's immediate family member in the preceding calendar year was \$60,000 or less;
 8. Payments made to the Company by an entity with which the director or an immediate family member currently or was since the beginning of the preceding calendar year affiliated as a director, officer, trustee, or employee, or otherwise, if in the entity's preceding fiscal year, the payments involved the Company's rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority and were in an amount that did not exceed the greater of \$1,000,000 or 2% of that entity's consolidated gross revenues as reported for that fiscal year;
 9. Equity or debt investments directly or indirectly currently held, or were held since the beginning of the preceding calendar year, by the director or an immediate family member in an entity in which an executive officer of the Company is currently, or since the beginning of the preceding calendar year was, affiliated as a director, officer, trustee or employee, or otherwise, (a) the investments of the director and any immediate family member, and the executive officer of the Company, respectively, do not exceed 10% of the outstanding debt or equity securities of the entity, (b) the executive officer of the Company is not an executive officer of the entity, and (c) the aggregate investments represent less than 10% of the net worth of each investor;
 10. Service since the beginning of the preceding calendar year by an officer of the Company or trustee (or similar position) of an entity where the director or an immediate

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family member serves as an executive officer, if the officer (a) is or was not an executive officer of the Company, and (b) does not or did not have his or her annual compensation approved by

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compensation committee of the Company of which the director or immediate family member is a member;

11. The director's receipt of vested and non-forfeitable equity-based benefits and retirement under qualified plans as a result of prior employment with the Company;
12. As to immediate family members, any relationship between the Company and another entity w immediate family member is or has been employed in a non-executive officer capacity; and
13. As to directors and immediate family members, any other relationship if the relationship existed or occurred since the beginning of the preceding calendar year.

For purposes of the categories of relationships described in the above paragraphs:

- o "Company" means Edison International, SCE, and their consolidated subsidiaries;
- o "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) un Securities Exchange Act of 1934; and
- o "immediate family member" of a Director means his or her spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and (other than domestic employees) who shares the Director's home; provided, that an individual be deemed an immediate family member if the individual is no longer related to a Director as of legal separation, divorce, death, or incapacitation.

For relationships not prohibited by New York Stock Exchange rules and also not covered under preceding categories of immaterial relationships, the determination of whether a relationship or not, and therefore whether a Director is independent or not, is made in good faith by the provided that the Director whose relationship is under consideration abstains from the vote r or her independence.

- Q: Which Directors have the Edison International and SCE Boards determined are independent?
- A: The Boards have determined that Directors Cordova, Freeman, Karatz, Nogales, Schlosberg, Smit Sutton, and Director nominee Curtis, have no material relationships with the Companies and, t independent. The relationships between the Companies, on the one hand, and its independent D Director nominee Curtis, on the other hand, reviewed by the Boards met the pre-established ca immaterial relationships set by the Boards.
- Q: Is SCE subject to the same stock exchange listing standards regarding corporate governance ma Edison International?
- A: No. Edison International is listed on the New York Stock Exchange, and is subject to its lis standards on corporate governance and other matters. SCE is listed on the American Stock Exc However, the American Stock Exchange only requires certain listed issuers to comply with desi corporate governance standards for Board and Board Committee composition

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including director independence, the director nominations process, and the process to determi compensation. SCE is a controlled company exempt from these rules because over 50% of its vo is held by its parent company, Edison International.

- Q: How many times did the Companies' Boards meet in 2005 and who is the Lead Director for execut of the non-employee and independent Directors?
- A: During 2005, the Edison International Board and the SCE Board each met nine times. During 20 current Director attended 75% or more of all Edison International and SCE Board and applicabl Committees' and Subcommittees' meetings he or she was eligible to attend. The Edison Interna also held three executive sessions of the non-employee Directors; the SCE Board held three ex

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sessions of the non-employee Directors, and one executive session of the independent Director. The Presiding Director for these sessions is designated by the non-employee Directors on an annual basis when a vacancy occurs. Mr. Smith was designated as the Presiding Director in February 2005 and in February 2006, and served as the Presiding Director for all such sessions held in 2005. In December 2005, the Companies amended their respective Corporate Governance Guidelines to refer to the Presiding Director as the Lead Director, and Mr. Smith was designated as the Lead Director. The Lead Director's name is posted on Edison International's Internet website at www.edisoninvestor.com under "Corporate Governance."

Q: Do the Companies have a policy on attendance of Director nominees at annual shareholders' meetings?

A: Director nominees are expected to attend annual meetings of the Companies' shareholders. All Director nominees of the respective Companies attended the 2005 annual meeting.

Q: How may I communicate with the Board?

A: Shareholders may communicate with any individual Director including the Lead Director, with the Board as a group, or with the non-employee Directors as a group. To do so, you may call the Company's shareholder helpline at 800-877-7089 and ask the helpline provider to transmit the communication directly to the individual Director or intended group of Directors. You may also deliver your communication directly to the individual Director or to the intended group of Directors c/o Corporate Secretary, Edison International or SCE, 2244 Walnut Grove Avenue, Rosemead, California 91770. All communications other than surveys and advertising and marketing materials will be forwarded directly to the individual Director or group of Directors, as applicable.

Q: Does Edison International have a policy on shareholder rights plans?

A: Yes. On February 26, 2004, the Edison International Board adopted the following policy on shareholder rights plans:

Edison International's existing shareholder rights plan, which expires by its terms on November 30, 2006, has been amended to provide that Edison International's Board of Directors will not cause the plan to be triggered (i.e., making the rights exercisable) without prior approval by Edison International's Board of Directors. Edison International's Board of Directors will not extend the existing rights plan unless the Edison International Board would seek prior shareholder approval of the adoption of any new shareholder rights plan unless, due to timing constraints or other reasons consistent with the duties of Edison International's Board of Directors, a committee consisting solely of independent Directors determines that it would be in the best interests of Edison International.

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International's shareholders to adopt the plan before obtaining shareholder approval. Any rights plan hereafter adopted by Edison International's Board of Directors without prior shareholder approval will automatically terminate on the first anniversary of the adoption of the plan unless, prior to the first anniversary, the plan shall have been approved by Edison International's shareholders.

BOARD COMMITTEES AND SUBCOMMITTEES

Edison International and SCE have standing Audit, Compensation and Executive Personnel, Executive Finance, and Nominating/Corporate Governance Committees. Additionally, SCE has a Pricing Committee. The Companies have subcommittees of the Compensation and Executive Personnel Committee. The Committees' names are posted on Edison International's Internet website at www.edisoninvestor.com, under "Corporate Governance" and are available in print upon request from the Edison International or SCE Corporate Secretary. The following table describes the Boards' committees and subcommittees.

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COMMITTEE OR SUBCOMMITTEE NAME AND CURRENT MEMBERS	COMMITTEE AND SUBCOMMITTEE FUNCTIONS	NU MEE IN
Audit Committees(1) Thomas C. Sutton, Chair Bradford M. Freeman Luis G. Nogales Richard T. Schlosberg, III Robert H. Smith	<ul style="list-style-type: none"> o Appoints the independent registered public accounting firm. o Assists the Boards in their oversight of 1) the integrity of financial statements, 2) systems of disclosure and internal control regarding finance, accounting, legal compliance and ethics that management and the Boards have established, 3) compliance with legal and regulatory requirements, 4) the qualifications and independence of the independent registered public accounting firm retained for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, and 5) the performance of the independent registered public accounting firm and of the internal audit function. o Meets regularly with management, the independent registered public accounting firm, and the internal auditors to make inquiries regarding the manner in which the responsibilities of each are being discharged. o Recommends to the Boards Audit Committee charter revisions and the inclusion of the year-end audited financial statements in the Annual Report on Form 10-K. o Reviews with the independent registered public accounting firm the scope of audit and other engagements and the related fees, their independence, the adequacy of internal accounting controls, and the year-end audited financial statements. o Produces annually a report on certain committee actions for the proxy statement. 	Ed Intern SO

(1) The respective Companies' Boards have determined that Mr. Sutton is a financial expert under guidelines and is independent under the New York Stock Exchange listing standards.

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COMMITTEE OR SUBCOMMITTEE NAME AND CURRENT MEMBERS	COMMITTEE AND SUBCOMMITTEE FUNCTIONS	
Compensation and Executive Personnel Committees(2)	<ul style="list-style-type: none"> o Reviews the performance and sets the compensation of designated elected officers, including the Executive Officers. 	I

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COMMITTEE OR SUBCOMMITTEE NAME AND CURRENT MEMBERS	COMMITTEE AND SUBCOMMITTEE FUNCTIONS	NU MEE IN
Nominating/Corporate Governance Committees(3) Richard T. Schlosberg, III, Chair Bradford M. Freeman Bruce Karatz Robert H. Smith France A. Cordova	<ul style="list-style-type: none"> o Periodically consults with management, reviews shareholder recommendations for Director nominees, and identifies and makes recommendations regarding Board composition and selection of candidates for election. o Periodically reviews and recommends updates to the Corporate Governance Guidelines applicable to their respective companies. o Advises the Boards with respect to corporate governance matters. o Oversees the evaluation of the Boards and Committees. 	Ed Intern
Pricing Committee(4) John E. Bryson Alan J. Fohrer Luis G. Nogales (alternate member)	<ul style="list-style-type: none"> o Determines the final terms of any offering, issuance, or sale of Preferred Stock of SCE, in either a private placement or registered offering duly authorized and approved by the SCE Board. 	
Compensation and Executive Personnel Subcommittees Robert H. Smith, Chair At least one Compensation and Executive Personnel Committee member appointed by Committee Chair	<ul style="list-style-type: none"> o May elect designated officers and determine their compensation. o May handle certain substantive and administrative tasks related to executive compensation. 	I T wr

(3) Dr. Rosser served as a member and Chair of the Nominating/Corporate Governance Committees February 1, 2005. Dr. Cordova became a member of the Committees on May 19, 2005.

(4) This is a Committee of the SCE Board of Directors only formed in October 2005. The Chair of the SCE Finance Committee serves as an alternate member.

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DIRECTOR COMPENSATION

Directors who are employees of Edison International or SCE are not paid additional compensati

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serving as Directors except as described below under "Matching Gift Program."

Fees

The fees and retainers paid to each non-employee Director were increased effective May 19, 2005. The following table sets forth the schedule of fees and retainers for each non-employee Director in effect as of May 19, 2005, both before and after the May 19, 2005 increase:

	Rate in Effect Before May 19, 2005	Rate in Effect on and After May 19, 2005
Annual Board Retainer	\$40,000	\$45,000*
Additional Annual Retainer to Board Committee Chairs	\$5,000 (\$10,000 for Audit Committee chair)	\$5,000 (\$10,000 for Audit Committee chair)
Additional Annual Retainer to Executive Committee Members	\$2,000	N/A
Additional Annual Retainer to each Director who serves as Lead Director of the non-employee and independent Director executive sessions of the Boards	N/A	\$7,500*
Fee for each Board meeting attended, including adjourned meetings	\$1,500 (\$3,000 for the Director who chairs an executive session of the Board)	\$2,000
Fee for each Board Committee and Subcommittee meeting attended, including adjourned meetings	\$1,500	\$2,000
Fee for any other business meeting attended as a Director	\$1,500	\$2,000

* These rates were effective April 1, 2005

Non-employee Directors serve on both the Edison International Board and the SCE Board and the Committees and Subcommittees of each Board. Non-employee Directors receive only one retainer and meetings of the Boards or the same Committees and Subcommittees of each of the Companies are held concurrently or consecutively, they receive only one meeting fee. Additionally, if meetings of the Committees and Subcommittees of each of the Companies are held jointly, the non-employee Director only one meeting fee. It is the usual practice of Edison International and SCE that meetings of International and SCE Boards are held together or consecutively and a single meeting fee is paid non-employee Director for each set of meetings. Edison International and

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SCE Committee and Subcommittee meetings are similarly managed. All Directors are reimbursed for out-of-pocket expenses they incur serving as Directors.

Equity Compensation Plan

Non-employee Directors of Edison International and SCE are granted the following awards annually under the Edison International Equity Compensation Plan upon election or reelection to the Boards:

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Upon initial election to the Boards:

- o 2,000 Edison International deferred stock units, and
- o 2,500 Edison International nonqualified stock options.

Upon reelection to the Boards:

- o 2,000 shares of Edison International Common Stock or deferred stock units, and
- o 2,500 Edison International nonqualified stock options.

Directors serving on both Boards receive only one award per year. Directors may choose in award to receive the stock/deferred stock unit portion of the reelection award entirely in Edison International Common Stock, entirely in deferred stock units or in any combination of the two. The deferred stock unit award is credited to the Director's deferred compensation plan account. Each stock unit represents the value of one share of Edison International Common Stock. The deferred stock units accrue dividend equivalents when dividends are declared on Edison International Common Stock, that are converted to additional units under the plan. The deferred stock units cannot be voted or sold. The deferred stock unit award is distributed in Edison International Common Stock in a lump sum upon the Director's retirement from Edison International unless a request to receive distribution in the form of installments over 5, 10, or 15 years was submitted and approved. Resignation prior to retirement will result in a lump sum payment in Edison International Common Stock. Upon the Director's death, any remaining deferred stock unit balance is paid to the Director's beneficiary in a lump sum in Edison International Common Stock.

Each Edison International nonqualified stock option awarded to Directors in 2005 may be exercised to purchase one share of Edison International Common Stock at an exercise price equal to \$37.08, the value of the underlying Common Stock on May 19, 2005, the date the stock option was granted. The stock options and related dividend equivalents were fully vested upon grant. Director stock options have a maximum ten-year term while the related dividend equivalents have a maximum term of five years. Stock options are transferable to a spouse, child or grandchild.

The stock options accrue dividend equivalents, if and when dividends are declared on Edison International Common Stock, in an amount that would have been paid on the number of shares of Edison International Common Stock covered by the corresponding stock options. Dividend equivalents are credited to an account established on behalf of the holder. Dividend equivalents accumulate without interest and are to be paid out or as soon as administratively practical after each June 1 of the year 2006 through 2010, subject to deferral elections. No further dividend equivalents will accrue as to any corresponding Edison International stock option once such option is exercised, expires or otherwise terminates.

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Upon termination of service as a Director after attaining age 65 or because of death or permanent total disability, the Director stock options may continue to be exercised and dividend equivalents may continue to accrue, pursuant to their original terms by the recipient or beneficiary. If service as a Director is terminated for any other reason, the Director stock options are forfeited unless exercised within 180 days of the date of termination, or by the end of the original term if earlier, and no dividend equivalents will be credited to the account after such termination date.

Appropriate and proportionate adjustments may be made to outstanding Director stock options to reflect any impact resulting from various corporate events such as reorganizations and stock splits. If Edison International is not the surviving corporation in such a reorganization, all Director stock options outstanding will be cashed out unless provisions are made as part of the transaction to continue the Equity Compensation Plan or to assume or substitute stock options of the successor corporation with appropriate adjustments as to the number and price of the stock options.

The Edison International Board administers the Equity Compensation Plan as to Director awards in its sole discretion to determine all terms and conditions of any award, subject to plan limits. Edison International may substitute cash that is equivalent in value to the Director deferred stock unit award.

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stock options and, with the consent of the Director, may amend the terms of any award. Edison International will substitute cash awards to the extent necessary to pay any government levies.

Deferred Compensation Plans

Director Deferred Compensation Plan

Non-employee Directors of Edison International and SCE are eligible to defer up to 100% of their compensation, including any retainers, any meeting fees and dividend equivalents on Edison International stock options under the Edison International Director Deferred Compensation Plan. Amounts may be deferred until a specified date, retirement, death or discontinuance of service as a Director. Amounts deferred will accrue interest until paid to the Director. Compensation deferred until retirement or death may be paid as a lump sum, in monthly installments of 60, 120, or 180 months, or in a combination of a partial lump sum and monthly installments. Deferred compensation is paid as a single lump sum or in three annual installments or other discontinuance of service as a Director. In addition to the cash compensation a Director may also defer the deferred stock units discussed above under the section entitled "Equity Compensation Plan" and added to the Director's account under this plan. All amounts payable under this plan are treated as obligations of Edison International.

1985 Deferred Compensation Plan

SCE non-employee Directors were previously permitted to defer compensation earned from October 1, 1985 through December 31, 1989, under the terms of the SCE 1985 Deferred Compensation Plan for Directors. Current compensation may be deferred under this plan. Amounts deferred accrue interest until paid to the Director. The amounts are deferred until the participant ceases to be a Director, dies or attains a predetermined age of at least 65, but not greater than 72. The account may be paid in 10 or 15 equal monthly installments or 120 or 180 equal monthly installments. If a participant dies before payments have begun, the participant or her beneficiary will receive the account payments over the term elected by the participant. If the participant dies after the beneficiary will receive annual payments equal to 75% of the participant's total deferral commitment over ten years. If a participant dies after payments have begun, the remainder of his or her account will continue to be paid to the beneficiary. Following the completion of these payments, if the beneficiary is the surviving spouse, the person will be entitled to a five-year-certain life annuity equal to 50% of the payments the participant had been receiving. If the beneficiary is

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someone other than a spouse, the payments will be made for five years only. All amounts payable under this plan are treated as obligations of SCE.

Preferential Interest

Preferential interest (interest considered under SEC rules to be at above-market rates) was accrued during 2005 to the deferred compensation plan accounts of the following Directors.

Director	Preferential Interest
France A. Cordova	\$ 1,727
Bradford M. Freeman	\$ 4,823
Bruce Karatz	\$ 4,236
Ronald L. Olson	\$ 13,371
James M. Rosser	\$ 54,525
Richard T. Schlosberg, III	\$ 4,829

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Robert H. Smith	\$ 16,114
Thomas C. Sutton	\$ 12,476

Matching Gift Program

Edison International has a matching gift program that provides assistance to qualified private schools by matching dollar-for-dollar gifts of at least \$25 up to a prescribed maximum amount per calendar year for the Edison International companies' employees and all Directors on the Boards of Edison International and SCE. Edison International matches aggregate director contributions of up to \$10,000 per calendar year to qualified institutions. Edison International will match only up to \$10,000 per year of gifts made by an Edison International Director who is also an SCE Director. Aggregate matching contributions in the following amounts were made by Edison International with respect to gifts made by the following Directors during 2005.

Director	Matching Contribution
John E. Bryson	\$ 10,000
France A. Cordova	\$ 3,500
Bradford M. Freeman	\$ 10,000
Luis G. Nogales	\$ 4,500
James M. Rosser	\$ 10,000
Richard T. Schlosberg, III	\$ 10,000
Robert H. Smith	\$ 10,000
Thomas C. Sutton	\$ 10,000

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STOCK OWNERSHIP OF DIRECTORS, DIRECTOR NOMINEE, AND EXECUTIVE OFFICERS

The following table shows the number of shares of Edison International Common Stock beneficially owned as of January 31, 2006, by the respective Directors and Director nominee of Edison International and Executive Officers of Edison International and SCE named in the Executive Compensation Summary Table below, and all Directors, the Director nominee, and Executive Officers of each of Edison International and SCE as a group. None of the persons included in the table beneficially owns any other equity of Edison International or SCE, or any subsidiary of either of them. The table includes shares of common stock acquired through April 1, 2006, through the payment of deferred stock units and the exercise of stock options.

Name of Beneficial Owner	Deferred Stock Units (1)	Stock Options (2)	Shares of Common Stock (3)	Total Shares Beneficially Owned (4)	Percent of Class
Directors, Director nominee, and Executive Officers:					
John E. Bryson (5)	0	1,857,757	512,045	2,369,802	*

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France A. Cordova	4,135	3,500	0	7,635	*
Charles B. Curtis	0	0	0	0	*
Alan J. Fohrer(5)	0	245,189	79,950	325,139	*
Bradford M. Freeman	7,338	5,500	50,000	62,838	*
Bruce Karatz	7,338	5,500	3,300	16,138	*
Luis G. Nogales	7,091	5,500	4,795	17,386	*
Ronald L. Olson	7,091	5,500	30,220	42,811	*
James M. Rosser	6,023	0	10,100	16,123	*
Richard T. Schlosberg, III	7,338	5,500	5,000	17,838	*
Robert H. Smith	7,091	5,500	9,900	22,491	*
Thomas C. Sutton	7,091	5,500	33,082	45,673	*

Additional Executive Officers:					

Theodore F. Craver, Jr.(5)	0	543,074	125,734	668,808	*
Thomas R. McDaniel(5)	0	534,477	118,936	653,413	*
John R. Fielder(5)	0	154,579	27,119	181,698	*
Robert G. Foster(5)	0	157,214	0	157,214	*
Harold B. Ray(5)	0	187,875	42,488	230,363	*
Mahvash Yazdi(5)	0	132,788	37,541	170,329	*

All Directors and Executive Officers of Edison International as a group (18 individuals)	60,536	3,632,866	1,029,816	4,723,218	1.45%

All Directors and Executive Officers of SCE as a group (24 individuals)	[60,536]	[3,265,634]	[939,448]	[4,265,618]	[1.31%]

* The number of shares shown for each individual constitutes less than 1% of the outstanding shares of Edison International Common Stock, as computed under SEC rules.

- (1) Includes deferred stock units granted to the non-employee Directors that are payable in an equal number of shares of Edison International Common Stock upon the holder's death, retirement, or resignation.
- (2) Includes shares which can be acquired or paid on an accelerated basis due to retirement, death, disability, resignation, or involuntary termination of employment without cause.

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- (3) Includes (i) shares held directly by the individual and/or in the name of a spouse, (ii) 401(k) plan shares for which instructions not received from any plan participant may be voted by the Edison International stock fund investment manager as it chooses and (iii) shares held in family trusts, IRAs, IRAs, and foundations that may not be deemed beneficially owned under Section 16 of the Securities Exchange Act of 1934. Except as follows, each individual has sole voting and investment power:

Shared voting and sole investment power:

Mr. Bryson - 25,053; Mr. Olson - 10,000; Dr. Rosser - 10,100; Mr. Smith - 6,900; Mr. McDaniel - 100,914; Mr. Fielder - 13,267; Mr. Ray - 1,473; Ms. Yazdi - 5,831; all Edison International Directors, nominees, and Executive Officers as a group - 75,767; and all SCE Directors, the Director nominee, and Executive Officers as a group - [63,328].

Shared voting and shared investment power:

Mr. Bryson - 331,074; Mr. Fohrer - 49,709; Mr. Olson - 20,220 (includes 15,000 shares held in a trust foundation not deemed beneficially owned under Section 16 of the Securities Exchange Act of 1934); Mr. Smith - 3,000; Mr. Sutton - 33,082; Mr. Craver - 125,734; Mr. McDaniel - 100,914; Mr. Fielder - 181,698.

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Mr. Ray - 41,014; Ms. Yazdi - 31,710; all Edison International Directors, the Director nominee, Executive Officers as a group - 682,691; and all SCE Directors, the Director nominee, and Executive Officers as a group - [140,909] (group numbers include 15,000 shares held in a foundation not beneficially owned under Section 16 of the Securities Exchange Act of 1934).

- (4) Includes shares listed in three columns to the left.
- (5) Mr. Bryson is a Director and Executive Officer named in the Executive Compensation Summary Compensation Table below for both Edison International and SCE. Mr. Fohrer is a Director of Edison International but a named Executive Officer for both Edison International and SCE. Messrs. Craver and McDaniel are named Executive Officers for Edison International only. Mr. Foster, who resigned as President of Edison International on September 30, 2005 and retired from SCE on December 31, 2005, and Mr. Fielder are named Executive Officers for both Edison International and SCE. Mr. Ray and Ms. Yazdi are named Executive Officers of Edison International and SCE only.

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STOCK OWNERSHIP OF CERTAIN SHAREHOLDERS

The following are the only shareholders known by Edison International or SCE to beneficially own more than 5% of any class of either Company's voting securities as of January 31, 2006, except as otherwise indicated:

Title of Class of Stock	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Edison International Common Stock	State Street Bank and Trust Company 225 Franklin Street Boston, Massachusetts 02110	40,048,852 (1)	12.29%
Edison International Common Stock	Barclays Global Investors, N.A. 45 Fremont Street San Francisco, California 94105	24,744,983 (2)	7.60%
SCE Common Stock	Edison International 2244 Walnut Grove Avenue Rosemead, California 91770	434,888,104 (3)	100%

(1) This information is based on a Schedule 13G, dated February 13, 2006, filed with the SEC. As of January 31, 2006, State Street Bank and Trust Company, in various fiduciary capacities, reports that it has sole voting power over 9,759,500 shares and shared investment power over 30,289,346 shares and disclaims beneficial ownership. As of January 31, 2006, 29,632,852 shares, or 9.10% of the class, are held by State Street Bank and Trust Company as the 401(k) Plan Trustee. 401(k) Plan shares are voted in accordance with instructions given by participants, whether vested or not. 401(k) Plan shares for which instructions are not received may be voted by the Edison International stock fund investment manager as it chooses.

(2) This information is based on a Schedule 13G, dated January 31, 2006, filed with the SEC. Barclays Global Investors, N.A., reports that it beneficially owns 19,913,346 shares, or 6.11% of the class, and has sole voting power over 17,059,253 shares and sole investment power over 19,913,346 shares. The remaining 4,831,637 shares, or 1.48% of the class, are owned by other members of the Barclays Global Investors group as reported on the Schedule 13G. The Barclays shares reported on the Schedule 13G are held by Barclays Global Investors, N.A.

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trust accounts for the economic benefit of the beneficiaries of those accounts.

- (3) Edison International became the holder of all issued and outstanding shares of SCE Common Stock on July 1, 1988, when it became the holding company of SCE. Edison International has sole voting and investment power over these shares.

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EXECUTIVE COMPENSATION SUMMARY COMPENSATION TABLE(1)

The following table presents information regarding compensation of the Chief Executive Officer of Edison International and SCE, and the other four most highly compensated Executive Officers of Edison International and SCE, for services rendered during 2003, 2004 and 2005. Mr. Foster's compensation for 2005 is also included as he would have been among the group of the four most highly compensated Executive Officers, other than the CEO, of Edison International and SCE but for the fact that he was not an officer at the end of 2005. These individuals are referred to as "Named Officers" in this Joint Statement.

(a)	(b)	Annual Compensation			Long-Term Compensation			
		(c)	(d)	(e)	(f)	(g)	(h)	
Name and Principal Position(2)	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation(3) (\$)	Restricted Stock Award(s) (\$)	Securities Underlying Options/SARs (#)	LTIP Payouts(4) (\$)	Other Payouts(5) (\$)
John E. Bryson, Chairman of the Board, President and CEO of Edison International and Chairman of the Board of SCE	2005	1,160,000	2,100,000	16,892	--	359,004	9,339,353	52,000
	2004	1,115,000	1,950,000	6,373	--	387,538	4,228,587	49,000
	2003	1,065,000	1,700,000	5,491	--	330,124	3,102,351	73,000
Alan J. Fohrer, CEO of SCE	2005	618,000	745,000	5,602	--	100,644	3,423,148	21,000
	2004	595,500	655,000	6,488	--	128,634	1,634,808	20,000
	2003	575,000	817,000	5,568	--	102,246	1,239,282	19,000
Theodore F. Craver, Jr., Chairman of the Board, President and Chief Executive Officer of EME and President & CEO of Edison Capital	2005	570,000	798,000	20,108	--	172,644	2,213,363	19,000
	2004	545,000	763,000	697	--	116,165	943,930	13,000
	2003	520,000	692,000	661	--	102,246	739,204	12,000
Thomas R. McDaniel, Executive Vice President, CFO and Treasurer of Edison International	2005	587,500	700,000	16,184	--	150,454	6,858,664	68,000
	2004	565,000	0	14,629	--	120,428	667,469	52,000
	2003	545,000	0	5,593	--	102,246	1,202,620	33,000
Harold B. Ray,	2005	469,000	534,000	10,633	--	52,782	1,582,066	10,000

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Executive Vice President of SCE(6)	2004	451,000	440,000	3,526	--	71,969	636,649	96
	2003	437,000	540,000	3,416	--	63,116	546,133	94
Robert G. Foster, Retired President of SCE(7)	2005	455,000	521,407	5,602	--	51,206	1,204,208	88
	2004	437,000	427,000	4,175	--	76,708	488,893	69
	2003	417,000	543,000	4,641	--	63,239	424,527	80
John R. Fielder, President of SCE	2005	341,340	422,000	5,126	--	26,640	857,087	4
	2004	318,700	272,000	4,453	--	39,959	369,597	3
	2003	307,000	338,000	7,318	--	33,255	326,770	2
Mahvash Yazdi, Senior Vice President & Chief Information Officer of Edison International and SCE	2005	348,400	336,000	5,775	--	28,007	923,752	7
	2004	335,000	295,000	6,770	--	43,912	357,234	5
	2003	295,700	310,000	1,708	--	32,031	331,169	5

(1) For Edison International, the Named Officers for 2005 are John E. Bryson, Alan J. Fohrer, The Craver, Jr., Thomas R. McDaniel, Robert G. Foster and John R. Fielder. For SCE, the Named

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Officers for 2005 are John E. Bryson, Alan J. Fohrer, Harold B. Ray, Robert G. Foster, John R. and Mahvash Yazdi.

- (2) The principal positions shown are at December 31, 2005.
- (3) The amounts shown in column (e) represent the amount of reimbursed taxes. Other perquisites each of the Named Officers do not exceed the lesser of \$50,000 or 10% of the Named Officer's salary plus bonus for the applicable year.
- (4) The amounts shown in column (h) for 2005 include (i) payment of the 2002 Edison International Shares, and (ii) the value of the shares of Edison International Common Stock issued in payment of the deferred stock units awarded in 2001 pursuant to the Edison International Stock Option Replacement Exchange Offer.
- (5) The amounts shown in column (i) for 2005 include plan contributions (contributions to the 401(k) plan, a supplemental plan for eligible participants who are affected by 401(k) Plan participation limitations imposed on higher paid individuals by federal tax law), preferential interest (that portion of interest that is considered under SEC rules to be at above-market rates) accrued on deferred compensation, vacation sale proceeds, survivor benefits, and disability benefits in the following amounts:

	Plan Contributions (\$)	Preferential Interest (\$)	Vacation Sale Proceeds (\$)	Survivor Benefits* (\$)	Disability Benefits (\$)
John E. Bryson	99,600	338,954	0	87,322	0
Alan J. Fohrer	45,203	108,974	0	34,947	21,764
Theodore F. Craver, Jr.	46,290	119,292	0	26,613	0
Thomas R. McDaniel	12,600	13,024	0	29,756	0
Harold B. Ray	33,841	22,852	9,019	34,741	0

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Robert G. Foster	33,023	40,120	0	15,202	0
John R. Fielder	24,672	11,376	0	11,587	0
Mahvash Yazdi	25,602	39,867	0	10,643	0

* Includes the 2005 cost of survivor benefits under the Survivor Benefit Plan, Executive Deferral Compensation Plan, 1985 Deferred Compensation Plan, Survivor Income Continuation Plan, and Survivor Income/Retirement Income Plan.

(6) Mr. Ray retired from SCE on December 31, 2005.

(7) Mr. Foster resigned as President of SCE on September 30, 2005, and retired from SCE on December 31, 2005.

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OPTION / SAR GRANTS IN 2005

The following table presents information regarding Edison International nonqualified stock options granted during 2005 to the Named Officers pursuant to the Edison International Equity Compensation 2000 Equity Plan. No Stock Appreciation Rights (SARs) were granted to any participant during 2005.

(a) Name	Individual Grants		(d) Exercise or Base Price (\$/Sh)	(e) Expiration Date	Grant Date
	(b) Number of Securities Underlying Options/SARs Granted(1) (2) (#)	(c) % of Total Options/SARs Granted to Employees in Fiscal Year (%)			(f) Grant Date Present Value(3) (\$)
John E. Bryson	359,004	10%	31.935	01/02/2015	3,349,507
Alan J. Fohrer	100,644	3%	31.935	01/02/2015	939,009
Theodore F. Craver, Jr.	100,644	3%	31.935	01/02/2015	939,009
Theodore F. Craver, Jr.	72,000	2%	32.710	01/02/2015	688,320
Thomas R. McDaniel	94,454	3%	31.935	01/02/2015	881,256
Thomas R. McDaniel	56,000	2%	32.710	01/02/2015	535,360
Harold B. Ray	52,782	2%	31.935	01/02/2015	492,456
Robert G. Foster	51,206	1%	31.935	01/02/2015	477,752
John R. Fielder	26,640	1%	31.935	01/02/2015	248,551
Mahvash Yazdi	28,007	1%	31.935	01/02/2015	261,305

(1) Seventy-five percent of each Named Officer's annual long-term incentive compensation for 2005.

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in the form of Edison International nonqualified stock options ("Stock Options") and dividend equivalents. The remaining portion of the Named Officer's long-term incentive compensation is awarded in the form of Edison International performance shares as set forth below in the table "Long-Term Incentive Plan Awards in Last Fiscal Year." Each Stock Option granted in 2005 may be exercised to purchase one share of Edison International Common Stock at an exercise price equal to the value of the underlying Common Stock on the date the Stock Option was granted. Edison International may substitute cash awards to the extent necessary to pay required tax withholding or any government

- (2) The Stock Options and dividend equivalents are subject to a four-year vesting period with one-third of the total award vesting and becoming exercisable on January 2, 2006, January 2, 2007, and January 2, 2009. The awards of Messrs. Bryson, Fohrer, Craver and McDaniel are transferable to the Named Officer's child or grandchild. If an award holder terminates employment after attaining age 65, after age 55 with five years of service during the vesting period, or after such earlier date that the holder is retiring under any company retirement plan, the Stock Options will continue to vest as scheduled and be exercisable for the full original term, subject to pro-rated adjustment for separations from service occurring within the first year following the grant date. If an award holder terminates employment because of death or permanent and total disability during the vesting period, unvested Stock Options and dividend equivalents will immediately vest and the stock options may be exercised pursuant to their original terms by the award holder or beneficiary. If an award holder terminates employment involuntarily not for cause, one additional year of

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vesting credit will be applied and the Stock Options and dividend equivalents will vest on a pro-rata basis. If the award holder is not retirement-eligible, he or she will then have one year to exercise the Stock Options before they are forfeited, or until the end of the original term if earlier. If the award holder is terminated other than as described above, unvested Stock Options and dividend equivalents will be forfeited. Stock Options which had vested as of the prior anniversary date of the grant are exercisable unless exercised within 180 days of the date of termination.

Dividend equivalents in the amount of dividends that would have been paid on the number of shares of Common Stock covered by the corresponding Stock Option will be credited to an account established on behalf of the holder to the extent dividends are declared on Edison International Common Stock during the first five years of the Stock Option term. Dividend equivalents accumulate without interest. Dividend equivalents are paid in cash as soon as administratively practical after the vesting dates or on January 1 after the dividend equivalents are credited, although Edison International has discretion to pay dividend equivalents in shares of Edison International Common Stock. No further dividend equivalents will accrue as to any Stock Option once that Stock Option is exercised, expires or otherwise terminates.

Appropriate and proportionate adjustments may be made by the Edison International Compensation and Executive Personnel Committee to outstanding Stock Options and dividend equivalents to reflect changes resulting from various corporate events such as reorganizations, mergers and stock splits. If Edison International is not the surviving corporation after such a transaction, all Stock Options and dividend equivalents then outstanding will vest and be exercisable for a period of two years if Edison International Common Stock remains outstanding, or until the end of their respective terms if the award holder is terminated. If Edison International Common Stock does not remain outstanding following such a transaction, all Stock Options and dividend equivalents are not assumed by a successor entity, unexercised Stock Options and dividend equivalents will be settled in cash.

The Edison International Compensation and Executive Personnel Committee administers the Equity Incentive Compensation Plan as to the Named Officers and has sole discretion to determine all terms and conditions of any award, subject to plan limits. It may substitute cash that is equivalent in value to the award of Stock Options and dividend equivalents and, with the consent of the executive, may amend the terms of the award agreement, including the post-termination term, and the vesting schedule.

- (3) The grant date value of each Stock Option awarded in January 2005 to the Named Officers was calculated to be \$9.33 per option share using the Black-Scholes stock option pricing model. In making this calculation, it was assumed that the exercise period was 10 years, the volatility rate was 19%, the risk-free rate of return was 4.21%, the average dividend yield was 3.13% and the stock price at the time of the grant were \$31.935. The grant date value of each Stock Option awarded in February 2005 to the Named Officers was calculated to be \$9.56 per option share using the Black-Scholes stock option pricing model. In making this calculation, it was assumed that the exercise period was 10 years, the volatil

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19.64%, the risk-free rate of return was 4.22%, the average dividend yield was 3.06% and the and exercise price were \$32.71.

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AGGREGATED OPTION / SAR EXERCISES IN 2005 AND FY-END OPTION / SAR VALUES

The following table presents information regarding the exercise of Stock Options during 2005 the Named Officers, and regarding unexercised Stock Options held at year-end 2005 by any of the Named Officers. No SARs were exercised during 2005 or held at year-end 2005 by any of the Named Officers.

(a)	(b)	(c)	(d)	(e)
Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options / SARs at FY-End(1) (#) Exercisable / Unexercisable	Value of Unexercised In-the-Money Options / SARs at FY-End(1) (2) (\$) Exercisable / Unexercisable
John E. Bryson	165,000	3,954,433	976,716/881,041	21,426,044/17,328,879
Alan J. Fohrer	237,434	3,865,353	41,177/270,751	659,238/5,433,212
Theodore F. Craver, Jr.	22,300	561,186	235,444/329,983	5,364,693/5,929,739
Thomas R. McDaniel	72,200	195,844	246,006/310,790	5,638,103/5,747,577
Harold B. Ray	97,961	1,214,834	67,214/152,219	1,079,046/3,123,771
Robert G. Foster	75,852	1,512,429	64,185/150,996	1,139,398/3,103,350
John R. Fielder	69,398	1,111,645	81,804/80,164	1,805,346/1,655,559
Mahvash Yazdi	31,878	642,135	55,146/84,985	1,191,037/1,744,194

(1) Each Stock Option may be exercised for one share of Edison International Common Stock at an exercise price equal to the fair market value of the underlying Common Stock on the date the option was exercised. Dividend equivalents on outstanding Stock Options issued prior to 2000 and after 2002 accrue to the extent dividends are declared on Edison International Common Stock. The option terms for current awards are discussed in footnote (2) in the table above entitled "Option/SAR Grants in 2005."

(2) Stock Options are treated as "in-the-money" if the fair market value of the underlying stock at year-end 2005 exceeded the exercise price of the Stock Options. The dollar amounts shown for the Stock Options are the differences between (i) the fair market value of the Edison International Common Stock at year-end 2005 and (ii) the exercise prices of those Stock Options.

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The aggregate value at year-end 2005 of all accrued dividend equivalents for the Named Officers

	\$ / \$ Vested / Unvested
John E. Bryson	2,553,510/1,309,514
Alan J. Fohrer	200,443/408,184
Theodore F. Craver, Jr.	495,311/462,266
Thomas R. McDaniel	239,864/446,252
Harold B. Ray	330,671/230,893
Robert G. Foster	261,159/236,771
John R. Fielder	221,908/123,627
Mahvash Yazdi	193,034/129,892

LONG-TERM INCENTIVE PLAN
AWARDS IN LAST FISCAL YEAR

The following table presents information regarding Edison International performance shares granted during 2005 to the Named Officers.

(a) Name	(b) Number of Shares, Units or Other Rights(1) (#)	(c) Performance or Other Period Until Maturations Or Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans(2)		
			(d) Threshold (#)	(e) Target (#)	(f) Maximum (#)
John E. Bryson	34,962	3 years	8,741	34,962	104,886
Alan J. Fohrer	9,802	3 years	2,451	9,802	29,406
Theodore F. Craver, Jr.	16,802	3 years	4,201	16,802	50,406
Thomas R. McDaniel	14,699	3 years	3,675	14,699	44,097
Harold B. Ray	5,141	3 years	1,286	5,141	15,423
Robert G. Foster	4,987	3 years	1,247	4,987	14,961
John R. Fielder	2,595	3 years	649	2,595	7,785
Mahvash Yazdi	2,728	3 years	682	2,728	8,184

(1) Twenty-five percent of each Named Officer's annual long-term incentive compensation for 2005

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in the form of Edison International performance shares ("Performance Shares"). The remaining the Named Officer's long-term incentive compensation for 2005 was awarded in the form of Stock and dividend equivalents as set forth above in the table entitled "Option/SAR Grants in 2005."

Performance Shares are stock-based units with each unit worth one share of Edison International Stock, payment of which is subject to a three-year performance measure based on the

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percentile ranking of Edison International total shareholder return ("TSR") compared to the TSR of the stock comprising the Philadelphia Utility Index, adjusted to delete AES Corporation and to add AES Energy. A target number of contingent Performance Shares was awarded. Dividend equivalents with these grants are described below. The Performance Shares cannot be voted or sold. One-third of earned Performance Shares will be paid in Edison International Common Stock under the Equity Incentive Plan, and one-half will be paid in cash equal to the value of such stock outside of the plan. Edison International has discretion to pay all Performance Shares in stock. The payment will be based on the average of the New York Stock Exchange high and low prices of Edison International Common Stock on December 31, 2007, subject to the Named Officer's continued employment by the Companies through the end of the performance period. If an award holder terminates employment after attaining age 65, after attaining age 55 and after five years of service during the performance period, or after such earlier date that qualifies the holder for retirement under any company retirement plan, the Performance Shares will continue to vest as if the holder remained employed, subject to prorated adjustment for such separations from service occurring within the first year following the grant date. If an award holder terminates employment because of death or permanent total disability during the performance period, the Performance Shares will remain eligible to vest on a prorata basis. If an award holder is terminated involuntarily not for cause, the Performance Shares will remain eligible to vest on a prorata basis, and one additional year of vesting credit will be granted. If employment is terminated during the performance period other than as described above, unvested Performance Shares are forfeited. The Performance Shares are not transferable, but a beneficiary is designated in the event of death. Edison International will substitute cash awards to the extent necessary to pay required tax withholding or any government levies, and has reserved the right to substitute cash awards substantially equivalent in value to the Performance Shares.

Dividend equivalents in the amount of dividends that would have been paid on the number of shares of Edison International Common Stock covered by the corresponding target number of Performance Shares will be credited to the account established on behalf of the holder to the extent dividends are declared on Edison International Common Stock. The dividend equivalents accumulate without interest and will be paid in cash at the end of the performance period when the Performance Shares are paid although Edison International has discretion to pay dividend equivalents in shares of Edison International Common Stock. The dividend equivalents paid will be adjusted upward or downward at the time of payment to correlate with the target number of Performance Shares paid based on the Edison International TSR percentile ranking. In the event of a termination of the award holder's employment during the performance period, the dividend equivalents will be subject to the rules applicable to Performance Shares described above.

Appropriate and proportionate adjustments may be made by the Edison International Compensation Committee or Executive Personnel Committee to outstanding Performance Shares to reflect any impact resulting from various corporate events such as reorganizations and stock splits. If Edison International is not the surviving corporation in such a reorganization, Performance Shares then outstanding will vest in cash at the greater of the value of the target number of Performance Shares or the value of the award that would have been paid if the performance period ended on that date based on actual performance.

- (2) The amounts shown in columns (d), (e), and (f) represent the number of shares of Edison International Common Stock payable half in stock and half in cash for the specified levels of Edison International performance. The Edison International TSR ranking must be at the 40th percentile to achieve the threshold payment indicated in Column (d), which is 25 percent of the target number of shares. The target number shown in Column (e) will be paid if the Edison International TSR rank is at the 40th percentile. If the Edison International TSR percentile ranking is at the 90th percentile or higher, the maximum payment will be earned, which is three times the target amount. Amounts in between are

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TSR performance percentiles are interpolated on a straight-line basis. The amounts shown do

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dividend equivalents.

PENSION PLAN TABLE(1)

The following table presents estimated gross annual benefits(2) payable upon retirement at age 65 for Named Officers in the remuneration and years of service classifications indicated.

Annual Remuneration	Years of Service						
	10	15	20	25	30	35	40
200,000	50,000	67,500	85,000	102,500	120,000	130,000	140,000
400,000	100,000	135,000	170,000	205,000	240,000	260,000	280,000
600,000	150,000	202,500	255,000	307,500	360,000	390,000	420,000
800,000	200,000	270,000	340,000	410,000	480,000	520,000	560,000
1,000,000	250,000	337,500	425,000	512,500	600,000	650,000	700,000
1,200,000	300,000	405,000	510,000	615,000	720,000	780,000	840,000
1,400,000	350,000	472,500	595,000	717,500	840,000	910,000	980,000
1,600,000	400,000	540,000	680,000	820,000	960,000	1,040,000	1,120,000
1,800,000	450,000	607,500	765,000	922,500	1,080,000	1,170,000	1,260,000
2,000,000	500,000	675,000	850,000	1,025,000	1,200,000	1,300,000	1,400,000
2,200,000	550,000	742,500	935,000	1,127,500	1,320,000	1,430,000	1,540,000
2,400,000	600,000	810,000	1,020,000	1,230,000	1,440,000	1,560,000	1,680,000
2,600,000	650,000	877,500	1,105,000	1,332,500	1,560,000	1,690,000	1,820,000
2,800,000	700,000	945,000	1,190,000	1,435,000	1,680,000	1,820,000	1,960,000
3,000,000	750,000	1,012,500	1,275,000	1,537,500	1,800,000	1,950,000	2,100,000
3,200,000	800,000	1,080,000	1,360,000	1,640,000	1,920,000	2,080,000	2,240,000
3,400,000	850,000	1,147,500	1,445,000	1,742,500	2,040,000	2,210,000	2,380,000

(1) The annual pension benefit estimates are based on the terms of the SCE Retirement Plan, a qualified defined benefit employee retirement plan, and the SCE Executive Retirement Plan, a nonqualified supplemental executive retirement plan, with the following assumptions: (i) SCE's qualified plan will be maintained, (ii) optional forms of payment which reduce benefit amounts have not been selected, and (iii) any benefits in excess of limits contained in the Internal Revenue Code or any incremental benefits not included in the qualified retirement plan will be paid out of the SCE Retirement Plan or an excess benefit plan as unsecured obligations of Edison International or its participating affiliate. For purposes of the Executive Retirement Plan, as of December 31, 2011, Mr. Bryson had completed 21 years of service, Mr. Fohrer - 32 years, Mr. Craver - 9 years, Mr. Foster - 34 years, Mr. Ray - 35 years, Mr. Foster - 21 years, Mr. Fielder - 35 years, and Ms. Yazdi - 35 years.

(2) The retirement benefit of the Named Officers at age 65 is determined by a percentage of the employee's final average salary.

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highest 36 months of salary and annual incentive prior to attaining age 65. Compensation used to calculate combined benefits under the plans is based on salary and bonus (excluding special awards) as reported in the table above entitled "Summary Compensation Table."

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The service percentage is based on 1 3/4% per year for the first 30 years of service (52 1/2% of 30 years of service) and 1% for each year in excess of 30. The Named Officers receive an actual service percentage of 3/4% per year for the first ten years of service (7 1/2% upon completion of service). The actual benefit is offset by up to 40% of the executive's primary Social Security benefits and by Profit Sharing contributions, if any, made by the Company to the officers' 401(k) accounts.

The normal form of benefit is a life annuity with a 50% survivor benefit following the death of the participant. Retirement benefits are reduced for retirement prior to age 61. The amounts shown in the Pension Plan Table above do not reflect reductions in retirement benefits due to the Social Security offset or early retirement.

Mr. Fohrer has elected to retain coverage under a prior benefit program. This program provides other benefits, the post-retirement benefits discussed in the following section. The retirement benefits provided under the prior program are less than the benefits shown in the Pension Plan Table. The benefits do not include the additional 7 1/2% service percentage. To determine these reduced benefits, the dollar amounts shown in each column by the following factors: 10 years of service - 70%, 15 years - 75%, 20 years - 82%, 25 years - 85%, 30 years - 88%, 35 years - 88%, and 40 years - 89%.

OTHER RETIREMENT BENEFITS

Additional post-retirement benefits are provided pursuant to the Survivor Income Continuation Plan and the Survivor Income/Retirement Income Plan under the Executive Supplemental Benefit Program. For determining the estimated annual benefits payable under these plans upon retirement at normal retirement age for each of the Named Officers, which is dependent upon final compensation, the highest compensation shown in the Pension Plan Table above (\$3,400,000) has been used in the examples which follow.

The Survivor Income Continuation Plan provides a post-retirement survivor benefit payable to the beneficiary of the Named Officer following his or her death. The benefit is approximately 19.4% of final compensation (salary at retirement and the average of the three highest annual incentives paid in the five years prior to retirement) payable for ten years certain. If a Named Officer's final annual compensation were \$3,400,000, the beneficiary's estimated annual survivor benefit would be \$659,600. Mr. Fohrer has elected coverage under this plan.

The Supplemental Survivor Income/Retirement Income Plan provides a post-retirement survivor benefit payable to the beneficiary of the Named Officer following his or her death. The benefit is 25% of final compensation (salary at retirement and the average of the three highest annual incentives paid in the five years prior to retirement) payable for ten years certain. At retirement, a Named Officer has the option to elect the retirement income benefit in lieu of the survivor income benefit. The retirement income benefit is 10% of final compensation (salary at retirement and the average of the three highest annual incentives paid in the five years prior to retirement) payable to the participant for ten years certain immediately after retirement. If a Named Officer's final annual compensation were \$3,400,000, the beneficiary's estimated annual survivor benefit would be \$850,000. If a Named Officer were to elect the retirement income benefit in lieu of the survivor income benefit and had final annual compensation of \$3,400,000, the Named Officer's estimated annual benefit would be \$340,000. Mr. Fohrer elected coverage under this plan.

The 1985 Deferred Compensation Plan provides a post-retirement survivor benefit. This plan allows eligible participants in September 1985 to voluntarily elect to defer until retirement a portion of their salary and annual incentives otherwise earned and payable for the period October 1985 through January 1986.

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Messrs. Bryson and Ray participate in this plan. The post-retirement survivor benefit is 50% of the salary and annual incentives otherwise earned and payable for the period October 1985 through January 1986.

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amount the participant had been receiving from the plan. Survivor benefit payments begin following completion of the deferred compensation payments. If the named beneficiary is the executive's spouse, survivor benefits are paid as a life annuity, five years certain. The benefit amount will be reduced actuarially if the spouse is more than five years younger than the executive at the time of the executive's death. If the beneficiary is not the spouse, then benefits are paid for five years only. The amount that would be payable to the surviving beneficiaries of Mr. Bryson if he retired at age 65 is projected to be approximately \$489,644. The annual amount that will be payable to the surviving beneficiaries of Mr. Bryson is \$23,357.

Mr. Bryson is entitled to benefits accrued under the Retirement Plan for Directors before it was terminated in 1997. He will be entitled to an annual retirement benefit in the amount of the annual pension for the number of years he served on the Boards prior to 1998 (and meeting fees for years prior to 1998). Mr. Bryson will receive \$13,875 per quarter for eight years following his retirement from the Board.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

Severance and Change in Control Arrangements

Edison International provides severance benefits and change in control benefits to certain key executives, including all of the Named Officers, under the Edison International Executive Severance Plan (the "Severance Plan").

Under the Severance Plan, an eligible executive is generally entitled to severance benefits if his or her employment is terminated by his or her employer without cause and other than due to the executive's disability.

Severance benefits generally include: (1) cash severance benefits consisting of an amount equal to a year's base salary, an amount equal to a year's target bonus, and an amount equal to a pro rata portion of the executive's target bonus for the portion of the calendar year employed prior to severance, (2) a year of service credit and an additional year of age credit for the purposes of calculating the executive's pension benefit under the Executive Retirement Plan, and (3) an additional year of vesting of stock options and dividend equivalents, performance shares and deferred stock units, and certain additional benefits.

Alternatively, a participating executive is generally entitled to enhanced severance benefits if his or her employment with Edison International is terminated by the employer for any reason other than cause or disability or by the executive for good reason, Edison International or any successor board of directors, in accordance with the provision of the Severance Plan, or a successor fails or refuses to assume Edison International's obligations under the Severance Plan. These enhanced severance benefits generally consist of full vesting of stock options and dividend equivalents, performance shares and deferred stock units in addition to the severance benefits described above. If the executive is the Chief Executive Officer of Edison International or Edison Capital or the General Counsel or Chief Financial Officer of Edison International within 18 months preceding his or her termination date, then the severance benefits are subject to further enhancements and generally consist of a cash severance benefit amounting to three years' worth of base salary and target bonus, the prorated target bonus for the year in which termination occurs, three years of service credit under the Executive Retirement Plan, and

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enhancements to certain additional benefits. If the executive is a senior vice president or high officer of Edison International, SCE, EME or Edison Capital (but not one of the officers listed above) within the twelve months preceding his termination date, the enhancement to the severance benefits generally includes a cash severance benefit amounting to two years' worth of base salary and target bonus, the prorated target bonus for the year in which termination occurs, two years of service and age credit under the Executive Retirement Plan, and enhancements to certain additional benefits.

The Severance Plan also provides that if, following a Change in Control, excise taxes under Section 280E of the Internal Revenue Code of 1986, as amended, apply to payments made under the Severance Plan or any other plan or agreement, the executive will be entitled to receive an additional payment (net of income taxes) equal to the amount of such excise taxes.

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employment and excise taxes) to compensate the executive for any excise tax imposed.

Employment Contracts

Harold B. Ray. On December 20, 2005, SCE and Harold B. Ray, then Executive Vice President of SCE, entered into a Consulting Agreement to serve as an independent contractor consultant to SCE for a period commencing on January 1, 2006. Mr. Ray retired as an employee of SCE on December 31, 2005.

Pursuant to the Consulting Agreement, Mr. Ray is being paid a retainer of \$25,000 per month. In the event that Mr. Ray works for more than 750 hours in any 12-month period during his term as a consultant, he will be paid an additional \$450 for each additional hour worked. Under no circumstances is Mr. Ray to work more than 1,000 hours during either year of the two-year term. SCE will reimburse Mr. Ray for reasonable travel and related expenses he incurs while serving as a consultant.

Mr. Ray may terminate the Consulting Agreement at any time after January 1, 2007 if he accepts other employment at a business entity by giving SCE at least 90 days' advance written notice. SCE may also terminate the Consulting Agreement at any time after January 1, 2007 for any reason by giving Mr. Ray at least 90 days' advance written notice. SCE may also terminate the Consulting Agreement at any time for cause (as defined in the Consulting Agreement).

Robert G. Foster. On August 25, 2005, SCE and Robert Foster entered into (i) a Retirement Agreement pursuant to which Mr. Foster resigned as President of SCE, effective September 30, 2005, and retired as an employee of SCE, effective December 31, 2005, and (ii) a Consulting Agreement, pursuant to which Mr. Foster is continuing to serve as a consultant to SCE for a three-year term commencing January 1, 2006.

Pursuant to the Retirement Agreement, Mr. Foster continued to serve SCE in a senior advisory capacity from October 1, 2005 until his retirement, during which period he received the same level of compensation and benefits he would have been entitled to receive had he continued as SCE's President (except as modified by the Retirement Agreement). Mr. Foster was paid an additional \$160,000 on or about October 1, 2005. Mr. Foster's bonus percentage for 2005 was calculated at 65% (his normal target bonus percentage) multiplied by the average percentage of target for bonuses actually paid to other SCE officers at a level of Senior Vice President or above for 2005.

The Retirement Agreement provides that outstanding equity awards granted to Mr. Foster by Edison International will generally vest and be paid according to their terms, except for certain modifications to Mr. Foster's outstanding options approved by the Edison International Compensation and Executive Incentive Committee. All of Mr. Foster's outstanding options became fully vested on December 31, 2005. Options granted to Mr. Foster in 2002 and 2003 became exercisable on the first

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business day of January 2006. Options granted to Mr. Foster in 2004 and 2005 may be exercised on or after the first business day of January 2006 and to the extent they would have vested under the existing vesting schedule. Mr. Foster's outstanding dividend equivalents will be paid according to their terms, except that his existing deferral election with respect to dividend equivalents otherwise credited or payable after December 31, 2005 will be void.

Upon retirement, Mr. Foster became entitled to the following payments under the Retirement Agreement: (i) monthly payments under an annuity over a 15-year period and an additional cash payment to cover taxes required to be withheld in connection with the annuity, (ii) a lump sum payment (less taxes) of his accrued benefit under the Executive Retirement Plan, and (iii) a lump sum payment (less taxes) of his accrued benefits under the SCE Retirement Plan and the Edison 401(k) Savings Plan. The annuity and related cash payment are in settlement of Mr. Foster's benefits under the Edison International Executive Deferred Compensation Plan (the "DCP"). The annuity payment is to provide Mr. Foster with the same payment that he had previously elected under the DCP. Payment has been structured as an annuity to help ensure compliance with federal and state conflict of interest rules applicable to public officials should Mr. Foster enter governmental service. The cash payment to help cover taxes recognizes that the full value of the annuity will be taxed currently whereas DCP benefits would otherwise be taxed only when paid.

Under the Retirement Agreement, Mr. Foster agreed not to accept any governmental position before June 1, 2006 and to timely notify SCE if he contemplates taking such a position thereafter. If Mr. Foster accepts a governmental position after June 1, 2006, SCE will pay Mr. Foster a lump sum of \$268,100 if he takes

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position in 2006 or an amount to be negotiated by SCE and Mr. Foster in good faith if he takes such position anytime thereafter. This lump sum payment will be in lieu of Mr. Foster's continued benefits, including retiree health care, life insurance and other post-retirement programs maintained by Edison International and SCE. In addition, Mr. Foster's outstanding stock options may terminate, and his outstanding performance share awards and dividend equivalents will be paid out, prior to his taking any governmental position. These provisions are to help ensure compliance with federal and state conflict of interest rules applicable to public officials should Mr. Foster enter governmental service.

The Retirement Agreement also includes Mr. Foster's agreement to release all employment-related claims against Edison International, SCE and their respective affiliates through the date of the Retirement Agreement and to sign a supplemental release containing substantially similar release provisions applicable to his retirement.

Pursuant to the Consulting Agreement, Mr. Foster is being paid a retainer of \$25,000 per month. In the event that Mr. Foster works for more than 700 hours in any 12-month period during his term as a consultant, he will be paid an additional \$400 for each additional hour worked. Mr. Foster will also be eligible to receive an annual performance bonus of up to \$200,000 at the discretion of SCE's Chief Executive Officer. Mr. Foster will generally not be eligible to participate in any benefit programs maintained by Edison International, SCE or any of their respective affiliates with respect to his service as a consultant. Edison International will reimburse Mr. Foster for reasonable travel and related expenses he incurs while serving as a consultant. Mr. Foster is responsible for his office, support staff and other expenses.

Either SCE or Mr. Foster may terminate the Consulting Agreement at any time if Mr. Foster commences taking a governmental position that SCE reasonably determines may result in an actual or perceived conflict of interest or potential therefor under applicable federal or state law. Mr. Foster may also terminate the Consulting Agreement at any time after January 1, 2007 if he accepts full-time employment in the utility sector, and either Mr. Foster or SCE may terminate the Consulting Agreement

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at any time after January 1, 2008 for any reason if at least 60 days' written notice is provided. The Chief Executive Officer will have sole discretion to determine whether any performance bonus will be paid to Mr. Foster for the year in which the Consulting Agreement is terminated and the amount of any such bonus. SCE may also terminate the Consulting Agreement at any time for cause (as defined in the Consulting Agreement).

The Consulting Agreement also includes Mr. Foster's agreement that he will not divulge any confidential information of SCE or any of its affiliates at any time or render advice or services to certain competitors of SCE or any of their successors or affiliates at any time prior to January 1, 2009. Mr. Foster agrees that he will not interfere with the business of, make disparaging statements with respect to, or participate in a proceeding adverse to SCE or any of its affiliates prior to the first to occur of January 1, 2009 or Mr. Foster's taking a governmental position.

COMPENSATION AND EXECUTIVE PERSONNEL COMMITTEES' REPORT ON EXECUTIVE COMPENSATION(1)

The Edison International and SCE Compensation and Executive Personnel Committees are each composed of the same non-employee directors named at the end of this report. The Committees have responsibility for administering the executive compensation programs of the Companies and met jointly to consider executive compensation for 2005.

The Edison International Committee determines salaries and annual incentives for Edison International officers. The SCE Committee determines salaries and annual incentives for SCE officers. The salaries and annual incentives of the senior officers of the other Edison International subsidiaries are determined by their respective boards of directors subject to review and approval by the Edison International Committee to ensure consistency with overall Edison International compensation policies. In addition, the Edison International Committee administers the Equity Compensation Plan and the 2000 Equity Plan pursuant to which long-term incentives were awarded in 2005.

Compensation Policies

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The executive compensation programs of Edison International, SCE and the other subsidiaries are designed to achieve three fundamental objectives: (1) attract and retain qualified executives; (2) motivate performance to achieve specific strategic and operating objectives of the Companies; and (3) align the interests of senior management with the long-term interests of the Companies' shareholders and ratepayers. At present, the basic components of the Companies' executive compensation program are salaries, annual incentives, and long-term incentives. The Companies also provide broad-based employee benefit plans and certain other executive benefit plans.

(1) SEC filings sometimes "incorporate information by reference." This means the filing company is referring you to information that has previously been filed with the SEC, and that the information should be considered as part of the filing you are reading. Unless Edison International or SCE specifies otherwise, this report shall not be deemed to be incorporated by reference and shall not constitute soliciting material or otherwise be considered filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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Section 162(m) of the Internal Revenue Code of 1986 generally disallows a tax deduction to public utility companies for compensation over \$1,000,000 paid to their chief executive officers and the four other most highly compensated executive officers unless certain tests are met. The Committees' general intent is to design and administer the Edison International and SCE compensation programs in a manner that will maximize the deductibility of compensation payments to Executive Officers. However, this goal is secondary in importance to achievement of the Companies' compensation objectives discussed above. The Committees believe that the potential increased tax liability is of insufficient magnitude to warrant alteration of the current compensation system which is achieving the desired compensation objectives while retaining the flexibility for the Committees to exercise judgment in assessing an executive's performance.

Stock Ownership Guidelines

To underscore the importance of linking executive and shareholder interests, the Committees have established stock ownership guidelines for certain executives, depending upon their compensation grade level. The guidelines require executives who are senior vice presidents or above to own an amount ranging from one to five times their annual salary in the form of Edison International Common Stock (or equivalents). Executives subject to the guidelines are expected to achieve the ownership target within five years from the time they became subject to the guidelines. Edison International Common Stock owned outright, shares held in the Edison International Plan, deferred stock units and earned performance shares are included in determining compliance with the guidelines. Shares that executives have the right to acquire through the exercise of stock options are included in the calculation of stock ownership for guideline purposes until such time as the options are actually exercised and the shares acquired.

2005 Compensation Objectives

The Committees base their compensation actions in part on data gathered through independent surveys of peer group companies. Independent compensation consultants are retained to annually review and recommend appropriate comparison companies and to obtain and evaluate current executive compensation data for Edison International, SCE and the other subsidiaries of Edison International. The Committees selected the Philadelphia Utility Index minus AES Corporation plus Sempra Energy for Edison International and SCE compensation comparisons for 2005. This peer group is the same group of companies used last year. AES Corporation is deleted from the index because its mix of business revenues differs significantly from Edison International and the other companies in the group and Sempra Energy was added due to its ownership nexus. Although the peer group differs from the Dow Jones U.S. Electricity Index depicted in the Performance Graph below, all of the companies comprising the peer group are included in the index. The Committees believe the constitution of the peer group provides relevant comparative compensation data for Edison International and SCE. A compensation consultant reviews the data, along with position-specific survey information collated from a variety of more general sources, to develop a recommended structure of salary ranges, short-term incentive targets, and long-term incentive targets. Selecting peer group

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other subsidiaries was accomplished by a similar process geared to identify appropriate comparisons in their respective industries.

The Committees' strategy for 2005 compensation planning was established in December 2004 to target fixed compensation (salary and benefits) for Edison International, SCE and the other subsidiaries at the median level of their respective peer groups. Target annual incentive and long-term incentive opportunities were also set at the median level of the peer groups, with maximum annual incentive opportunities of 200% of target levels for significant performance exceeding target levels. The

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Committees may approve compensation above and below established targets in individual cases as deemed appropriate in their discretion.

Base Salaries

The Committees reviewed the base salaries for Mr. Bryson, Mr. Fohrer and the other Executive Officers at the end of 2004 to set salaries for 2005. After a thorough review of performance against pre-established objectives, the Committees determined that in 2004 Edison International had a strong year in terms of aggregate performance. The factors considered by the Committees in setting the 2005 salaries of Mr. Bryson and Mr. Fohrer were the relationship of their compensation to the average compensation of the other executive officers of the peer group of companies, and the Committees' judgment of Mr. Bryson's performance as CEO of Edison International and Mr. Fohrer's performance as CEO of SCE. Mr. Bryson was recognized for his overall leadership and commitment to achieving strategic objectives. Mr. Fohrer was recognized for the quality of his leadership of the SCE management team and his role in SCE meeting high levels of operational and financial performance and in achieving sound regulatory outcomes in 2004. No weighting was applied to the factors considered. Mr. Bryson's 2005 salary was \$1,160,000, which was 7% above the median for the peer group. Mr. Fohrer's 2005 salary was \$618,000, which was 2% above the median for his peer

In December 2004, the Committees also reviewed the base salaries of the other Executive Officers at Edison International and the other subsidiaries. Salary actions taken by their respective boards of directors were evaluated in light of the performance of the companies and survey data of competitive firms to assure conformance with overall Edison International compensation policies. The 2005 base salaries in the aggregate of the Executive Officers at Edison International, SCE and the other subsidiaries were 3% above the median of their respective peers.

Annual Incentive Compensation for 2005 Performance

Annual incentive compensation is determined on the basis of overall corporate performance and the Committees' assessment of the individual Executive Officer's performance. Target annual incentive levels for Executive Officers for 2005 ranged from 40% of base salary for some vice presidents to 70% of base salary for Mr. Fohrer and certain other officers. Mr. Bryson's target annual incentive remained at 100% of base salary for 2005. Maximum opportunity levels were set at 200% of target annual incentive levels. Awards were based on the judgment of the Committees taking into account overall company results as guided by the relevant performance objectives for the year. The Committees adopted the Edison International and SCE objectives described below as a basis for their evaluation of the 2005 performance of Mr. Bryson and Mr. Fohrer.

Performance objectives for the Edison International companies were adopted by the Boards and the Committees for 2005. Nine unweighted general areas of focus and achievement were identified as Edison International goals for 2005, each designed to implement and advance the Edison International Strategic Plan (outlined in Edison International's Business Overview and Strategy report included as an exhibit to the report on Form 8-K filed by Edison International with the SEC on October 13, 2004): (1) Substantially strengthen ethics and compliance programs, accountability and management focus by building a high performance program across all the Edison International companies underscoring the fundamental importance of integrity as the Company's paramount value; (2) Develop the talent critical to achieving Strategic Objectives through emphasizing the enhancement of leadership capabilities and/or rotations within the Edison International companies; (3) Secure regulatory approvals for SCE's capital expenditures identified in the Strategic Plan; (4) Satisfactorily resolve market structure and power procurements for the markets in which SCE,

EME and Edison Capital operate; (5) Effectively allocate cash and credit, in order to achieve a balance of growth, hedging, debt reduction and dividends; (6) Effectively manage enterprise risk including high customer rates, market volatility, and environmental control costs and tax audits; (7) Achieve targeted core earnings; (8) Develop and implement a plan for organizational process across all the Edison International companies to enhance the ability to meet Strategic Plan objectives; (9) Achieve 2005 company-specific safety, reliability and other operational goals for SCE, EME and Edison Capital, taking appropriate steps to ensure adherence to company values and accuracy in achievement.

SCE's goals for 2005 were grouped among five unweighted general areas focusing on people and infrastructure investments, customer benefits, operational excellence, and finance. Specific objectives within these areas included the following: (1) Focusing on ethics and compliance programs, talent development and improved safety performance at the SCE level; (2) Securing satisfactory regulatory approvals for SCE's capital expenditures and meeting related planning and construction targets for investments; (3) Ensuring long-term reliability and downward pressure on rates and improving customer service to meet customer needs; (4) Successfully implementing the business process integration and achieving various operational and safety goals for the San Onofre Nuclear Generating Station (SONGS); (5) Obtaining key performance measures, and developing an integrated process for timely and accurate reporting; and (5) Achieving targeted core earnings, a successful outcome in the 2006 cost of capital proceeding, and a successful resolution of the 2006 General Rate Case.

EME's goals for 2005 included strengthening ethics and compliance programs; developing critical talent; allocating credit resources and cash to achieve debt reduction, hedging and growth consistent with Edison International Strategic Plan; and meeting operational objectives dealing with organization structure, non-fuel operation and maintenance costs, and power plant-related production factors.

The 2005 goals identified for Edison Capital related to strengthening ethics and compliance programs; developing critical talent; and making progress toward resolving tax audits of leases, successful completion of outstanding issues associated with certain infrastructure and affordable housing investments, and achieving targeted investment levels in renewable energy and affordable housing projects as reflected in the Edison International Strategic Plan.

When the Committees met in February 2006 to evaluate the performance by each of the Companies to determine 2005 annual incentive awards, the Committees reviewed the year's overall performance in relation to the objectives identified at the beginning of the year and described above. The Committees determined Edison International performed very well in 2005 as it effectively met many of its Strategic Plan objectives. The result was a total return to shareholders of nearly 40%, which included a 30% stock appreciation. The largest driver of this 2005 value increase was the performance of Edison International's unregulated businesses, as its merchant coal generation fleet yielded excellent results. On the other side, SCE executed its power grid investments at the high levels which it had established for the year, achieving key milestones on future transmission projects.

In 2005, SCE successfully worked to secure regulatory approvals for significant infrastructure investments, expenditures and met planning and construction targets for these important investments. The Mount Diablo Plant, the first SCE power project since the late 1980s, was completed ahead of schedule and on budget. In addition, on December 15 a final CPUC decision was rendered authorizing the SONGS steam generator project and establishing a favorable cost recovery allowance.

In a business significantly affected by high market volatility for wholesale electricity, fuel costs, emission credits, and environmental regulation, EME's coal generation fleet performed extremely well.

By controlling operating and input costs, stabilizing revenues through contracts and hedges, and trading in wholesale power markets, EME achieved record earnings. Aided by the reorganizing of its businesses and resulting streamlined decision making, debt levels at EME were reduced by more than \$1.0 billion, while cash production exceeded \$1.0 billion.

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During 2005, Edison Capital surpassed targeted investment levels in renewable energy by making \$100 million of wind project equity investments. At both the federal and state levels Edison Capital supported legislative and regulatory policies and market structures, which provide a sustainable framework for renewable technologies in energy markets.

The Edison International Committee approved a 2005 Annual Incentive Award of \$2,100,000 for Mr. Bryson. That was 91% of his maximum potential award. The SCE Committee approved a 2005 Annual Incentive Award of \$745,000 for Mr. Fohrer. That was 85% of his maximum potential award. In addition to evaluating the performance of Mr. Bryson as measured by Edison International's results, the Edison International Committee's objective assessment of his performance was considered. Factors found to be particularly significant for Mr. Bryson included his key support of measures taken to substantially strengthen ethics and compliance efforts across the Edison International companies. Also recognized was his important role in developing executive level talent through rotations within and across the companies, leadership training, and strategic planning programs. The Committee concluded that Mr. Bryson's overall responsibility for progress in key areas, and in the matters mentioned above, significantly contributed to Edison International's strong financial performance in 2005 which, among other things, supported an 8% increase in its common stock dividend while achieving a total shareholder return of nearly 40%.

In addition to the regulatory approvals and infrastructure investment successes mentioned above, Mr. Fohrer's award reflected SCE's customer-focused efforts in 2005 to ensure long-term reliability and address the downward pressure on rates by securing reasonable long term procurement rules. SCE successfully advocated for new legislation in California requiring all load-serving entities to meet identical reserve requirements and renewable portfolio standards. In the financial area, SCE's accomplishments included a cost-effective decision authorizing a favorable increase in its return on equity. Also noted was SCE's completion of a geologic aquifer study and its overall progress in its efforts to determine whether the Mohave Generating Station should be returned to service or permanently shut down.

The 2005 Annual Incentive for the other Executive Officers averaged 90% of the maximum potential award at Edison International, 87% of the maximum potential award at SCE and 100% of the maximum potential award at the other subsidiaries. The target values established and the actual awards granted to Mr. Bryson, Mr. Fohrer and the Executive Officers were consistent with the Committees' objectives described above.

Long-Term Incentives

In recent years, the long-term incentives awarded to Executive Officers have had two components. Edison International nonqualified stock options comprise 75% of the award value and Edison International common shares comprise 25% of the value. For 2005, dividend equivalents were awarded along with the nonqualified stock options and performance shares. The Edison International Committee awarded 359,004 stock options and 34,962 performance shares to Mr. Bryson and 100,644 stock options and 9,802 performance shares to Mr. Fohrer. The awards granted to Mr. Bryson, Mr. Fohrer and the other Executive Officers were consistent with the Committees' objectives described above and reflect the Committees' commitment to link a significant portion of the compensation of Executive Officers to the performance of the Company.

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Mr. Bryson and Mr. Fohrer directly to the value provided to shareholders by Edison International. The long-term incentive awards granted to Executive Officers were not formula-driven, but were based on the judgment of the Edison International Committee, guided by peer group survey results. The options and performance shares granted in prior years also were considered by the Committee when making the year award determination.

Summary

The Committees' compensation actions for 2005 reflect their judgment based on a review of peer company compensation, individual performance and, in the case of the annual incentives, evaluation of performance at Edison International and each subsidiary company relative to goals set at the beginning of the year. In light of the challenges and opportunities which arose during 2005. The members of the Committees concluded that the compensation programs of the Companies are effective in attracting and retaining qualified executives to lead the Companies. A significant portion of Executive Officer compensation is directed

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to shareholder value. The Committees will continue to monitor closely the effectiveness and approval of each of the components of compensation to reflect changes in the business environment of the C

Compensation and Executive Personnel Committees of the Edison International and SCE Boards of Directors*	
Robert H. Smith (Chair)	Richard T. Schlosberg, III
Bruce Karatz	Thomas C. Sutton
Luis G. Nogales	

* Dr. Cordova served as a Committee member for part of 2005, but ceased to be a member on May 19, 2005 when the Boards reappointed the Committees. She did not participate in Committee decisions as of that date, including deliberations regarding the annual incentives for 2005 performance.

COMPENSATION AND EXECUTIVE PERSONNEL COMMITTEES' INTERLOCKS AND INSIDER PARTICIPATION

Dr. Cordova ceased to be a Committee member on May 19, 2005. The other Committee members who appear on the Committees' Report above were Committee members during all of 2005. Under applicable rules, there were no interlocks or insider participation on the Compensation and Executive Personnel Committees.

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FIVE-YEAR STOCK PERFORMANCE GRAPH(1), (2)

The graph below compares the annual change in the cumulative total shareholder return on Edison International Common Stock with the cumulative total return of companies in the Standard and Poor's 500 Index and the Dow Jones U.S. Electricity Index.(3) The S&P 500 Index is published daily in The Wall Street Journal. The Dow Jones U.S. Electricity Index contains 43(4) United States investor-owned power companies and is published daily by Dow Jones & Company. Prices for Edison International Common Stock and the Dow Jones U.S. Electricity Index are also published daily on the internet. Edison International is included in both the S&P 500 Index and the Dow Jones U.S. Electricity Index.

* \$100 invested on 12/31/00 in stock or index -
including reinvestment of dividends.
Fiscal year ending December 31.

	Cumulative Total Return					
	12/00	12/01	12/02	12/03	12/04	12/05
Edison International	\$100.00	\$96.64	\$75.84	\$140.35	\$213.44	\$298.02
Standard & Poor's 500 Index	\$100.00	\$88.12	\$68.64	\$88.33	\$97.94	\$102.75
Dow Jones U.S. Electricity Index	\$100.00	\$79.38	\$61.38	\$76.77	\$95.47	\$111.58

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- (1) SEC filings sometimes "incorporate information by reference." This means the Companies are referring to information that has previously been filed with the SEC, and that this information should be considered as part of the filing you are reading. Unless Edison International or SCE specifies otherwise, this graph shall not be deemed to be incorporated by reference and shall not constitute soliciting material or otherwise be considered filed under the Securities Act or the Securities Act.
- (2) The historical stock performance depicted on the graph is not necessarily indicative of future performance. The Companies do not make or endorse any predictions as to future stock performance.

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or dividends. The quarterly dividends customarily paid on January 31, April 30, July 31, and October 31, 2001, 2002 and 2003, were not declared by the Edison International Board. This proxy statement shall not be considered material for soliciting the purchase or sale of stock of either of the Companies.

- (3) In December 2004, Dow Jones changed the name of the Dow Jones U.S. Electric Utilities Index to the Dow Jones U.S. Electricity Index.
- (4) As of December 31, 2005.
- (5) Ex-dividend dates have been used to determine the number of dividends included in Edison International's cumulative total return calculation. The ex-dividend date occurs a few days prior to the record date for each dividend payment, and is the date on which the stock begins trading at a price that does not include the dividend. As noted in footnote (2) above, there were no dividends declared by the Edison International Board for quarterly dividend payment dates starting January 31, 2001 through October 31, 2003. In 2003, a dividend was declared in the fourth quarter, with an ex-dividend date occurring on December 31, 2003. In 2004, a dividend was declared in the first quarter, with an ex-dividend date occurring on March 31, 2004. For purposes of calculating the adjusted cumulative total return presented in the following table, one ex-dividend date was used in 2003, and four ex-dividend dates were used in 2004 and 2005.

Adjusted Cumulative Total Return					
12/00	12/01	12/02	12/03	12/04	12/05
\$100.00	\$96.64	\$75.84	\$141.63	\$213.44	\$298.02

CERTAIN RELATIONSHIPS AND TRANSACTIONS

Mr. Olson is a Senior Partner of the law firm of Munger, Tolles and Olson which provided legal services to Edison International, SCE, and/or their subsidiaries in 2005. Such services are expected to continue to be provided in the future. The amount paid to Munger, Tolles and Olson for legal services was below the threshold requiring disclosure by the SEC.

In 2005, Deloitte Consulting Services, LLP provided various consulting services to SCE. Mr. Bryant C. Danner, provided consulting services on one such project pursuant to a retainer contract with Deloitte Consulting Services. From January 1 to June 30, 2005, the date Bryant C. Danner resigned as Executive Officer of Edison International, the aggregate amount paid by SCE for that project was \$54,365. John Danner received an aggregate amount of approximately \$54,365 for that time period in connection with consulting services provided for the project.

Edison International and SCE believe that any transactions described above are comparable to transactions that would have been undertaken under similar circumstances with nonaffiliated entities or persons.

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AUDIT COMMITTEES' REPORT(1)

The Edison International and SCE Audit Committees have certain duties and powers as described in their charters. In 2005, the Committees developed updated charters which were approved by the Boards of Directors on December 20, 2005. The Audit Committees are currently composed of the five non-employee Directors named in this report each of whom is independent as defined by the New York Stock Exchange listing standards.

Management is responsible for the Companies' internal controls and the financial reporting process, including the integrity and objectivity of the financial statements. The independent registered public accounting firm is responsible for performing an independent audit of the Companies' financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and to report thereon. The Committees monitor and oversee these processes. The Committees' members are not accountants or auditors by profession and, therefore, have relied on certain representations from management and the independent registered public accounting firm about the carrying out of their respective responsibilities.

In connection with the December 31, 2005, financial statements, the Audit Committees:

- o reviewed and discussed the audited financial statements with the Companies' management;
- o discussed with PricewaterhouseCoopers LLP, the Companies' independent registered public accounting firm, the matters required by Statement on Auditing Standards No. 61 (Communication with Audit Committees); and
- o received the written disclosures and the letter required by Independence Standards Board No. 1 (Independence Discussions with Audit Committees) and discussed with PricewaterhouseCoopers its independence from the Companies.

Based upon these reviews and discussions, the Edison International and SCE Audit Committees reported to their respective Boards of Directors that the audited financial statements be included in the Edison International and SCE 2005 Annual Reports on Form 10-K to be filed with the SEC.

Audit Committees of the
Edison International and SCE
Boards of Directors

Thomas C. Sutton (Chair)	Bradford M. Freeman
Luis G. Nogales	Richard T. Schlosberg, III
Robert H. Smith	

(1) SEC filings sometimes "incorporate information by reference." This means the Companies are not to information that has previously been filed with the SEC, and that this information should be considered as part of the filing you are reading. Unless Edison International or SCE specifies otherwise, this report shall not be deemed to be incorporated by reference and shall not constitute soliciting material or otherwise be considered filed under the Securities Act or the Securities Act.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees billed to Edison International (consolidated including Edison International and its subsidiaries) and SCE, respectively, for the fiscal years ended December 31, 2005 and December 31, 2004, by PricewaterhouseCoopers LLP:

Edison International

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	and Subsidiaries (\$000)		SCE (\$000)	
	2005	2004	2005	2004
Audit Fees	\$7,761	\$ 8,934	\$3,205	\$ 3,317
Audit-Related Fees((1))	205	238	161	34
Tax Fees((2))	3,589	4,547	1,850	1,730
All Other Fees	--	--	--	--
Totals	\$11,555	\$ 13,719	\$5,216	\$ 5,081

(1) The nature of the services comprising these fees were assurance and related services the performance of the audit or review of the financial statements and not reported "Fees" above.

(2) These aggregate fee amounts are composed of tax compliance fees and other tax fees. of the services comprising the tax compliance fees was to support compliance with federal and foreign tax reporting and payment requirements, including tax return review and tax laws, regulations or cases. Tax compliance fees for Edison International and its subsidiaries were \$1,724,000 in 2005 and \$2,423,000 in 2004. Tax compliance fees for SCE were \$1,052,000 in 2005 and \$1,322,000 in 2004. Other tax fees for Edison International and its subsidiaries, including other technical advice, were \$1,865,000 in 2005 and \$2,124,000 in 2004. Other tax fees for SCE were \$798,000 in 2005 and \$408,000 in 2004.

The Edison International and SCE Audit Committees are required to review with management and all audit services to be performed by the independent registered public accounting firm and all non-audit services that are not prohibited and that require pre-approval under the Securities Exchange Act. The Audit Committees' pre-approval responsibilities may be delegated to one or more Committee members, provided that such delegates present any pre-approval decisions to the respective Committees at their next meeting. The independent registered public accounting firm must assure that all audit and non-audit services performed by the Companies have been approved by the Audit Committees.

During the fiscal year ended December 31, 2005, all services performed by the independent registered public accounting firm were pre-approved by the Edison International and SCE Audit Committees, in accordance with the requirements of whether the services required pre-approval under the Securities Exchange Act.

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2006

The Edison International and SCE Board Audit Committees have selected PricewaterhouseCoopers LLP as the Companies' independent registered public accounting firm for calendar year 2006. PricewaterhouseCoopers is an international accounting firm which provides leadership in public utility accounting matters.

Representatives of PricewaterhouseCoopers are expected to attend the Annual Meeting to respond to appropriate questions and to make a statement if they wish.

TO BE VOTED ON BY
EDISON INTERNATIONAL SHAREHOLDERS ONLY

MANAGEMENT PROPOSAL TO AMEND ARTICLES OF INCORPORATION
TO ELIMINATE ARTICLE FIFTH, THE "FAIR PRICE" PROVISION

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Item 2 on Edison International Proxy Card

Q: What am I voting on?

A: A proposal to amend the Edison International Articles of Incorporation to eliminate Article Fifth is a "fair price" provision. This provision requires certain business combinations involving Edison International, such as a merger or consolidation, to be approved by the holders of at least 80% of Edison International's voting stock. This is sometimes called a "super-majority" vote requirement. Article Fifth is the only provision in the Edison International governing documents requiring a super-majority vote of the shareholders.

Q: What is the purpose of the "fair price" provision?

A: The "fair price" provision was adopted in 1987. It was intended to reduce the possibility of unequal treatment of shareholders in takeover situations. At that time, "two-tiered" or "front-end load" tender offers had become relatively common. Such tactics could result in dissimilar treatment of a company's shareholders. The "fair price" provision was designed to protect shareholders from an inequitable pricing structure by assuring that all shareholders would be treated similarly in the event of a business combination.

Q: Why is Edison International recommending that the "fair price" provision be eliminated and what is the effect of the amendment?

A: After consideration, the Edison International Board of Directors has concluded that the "fair price" provision no longer provides shareholders with any meaningful protection. Therefore, the Board has concluded that it is in the best interests of our shareholders to remove the "fair price" provision from the Edison International Articles of Incorporation. The effect of the amendment is to reduce the shareholder voting requirements for business combinations to that which is required under California law.

Q: What changes would be made in the Edison International Articles of Incorporation?

A: The proposed amendment would result in the deletion of Article Fifth of the Edison International Articles of Incorporation, which sets forth the "fair price" provision requiring a super-majority vote for business combinations.

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The current Articles of Incorporation, including Article Fifth, are available on Edison International's Internet website at <http://www.edisoninvestor.com>, under "Corporate Governance" and any description of the Articles of Incorporation, including Article Fifth, are qualified in their entirety by reference to the full text set forth on the website.

Q: What is the shareholder vote required to make this change?

A: The proposed amendment must be approved by a majority of the outstanding voting shares of Edison International Common Stock entitled to vote.

Q: When would the amendment become effective?

A: The Edison International Board has approved the proposed amendments to the Edison International Articles of Incorporation. If approved by shareholders, the amendment will become effective upon the filing of an appropriate certificate of amendment with the California Secretary of State.

FOR THE FOREGOING REASONS, YOUR BOARD RECOMMENDS THAT YOU VOTE "FOR" ITEM 2.

TO BE VOTED ON BY
EDISON INTERNATIONAL SHAREHOLDERS ONLY

SHAREHOLDER PROPOSAL ON
"SIMPLE MAJORITY VOTE"
Item 3 on Edison International Proxy Card

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A shareholder of Edison International has given notice of his intention to present the following for action at the Annual Meeting. Pursuant to Rule 14a-8(1)(1) of the Securities Exchange Act, Edison International will provide the number of Edison International securities held by the Proponent of the shareholder proposal promptly upon receipt of an oral or written request; his name and address for Chevedden, 2215 Nelson Ave., No. 205, Redondo Beach, CA 90278. The following text and information provided by the Proponent of the shareholder proposal and has not been endorsed or verified by Edison International. The Edison International Board of Directors response to the shareholder proposal under "Recommendation of Your Board of Directors 'Against' Item 3."

3 - Adopt Simple Majority Vote

RESOLVED: Shareholders recommend that our Board of Directors adopt a simple majority shareholder vote requirement and make it applicable to the greatest number of governance matters practicable. This proposal is focused on adoption of the lowest practicable majority requirements to the fullest extent practicable. This proposal is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable law and existing governance documents.

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75% yes-vote

This topic won a 75% yes-vote average at 7 major companies in 2004. The Council of Institutional Investors www.cii.org formally recommends adoption of this proposal topic.

Our current rule allows a small minority to frustrate our shareholder majority. For example, a 79% vote to improve our corporate governance and 1% vote no - only 1% could force their will against our overwhelming 79% majority.

This proposal does not address a majority vote requirement in director elections - a requirement that is gaining a groundswell of support as a separate ballot item.

Progress Begins with One Step

It is important to take one step forward and adopt the above RESOLVED statement since our current governance was not impeccable. For instance in 2005 it was reported (and certain concerns noted):

- o The Corporate Library (TCL) <http://www.thecorporatelibrary.com/> a pro-investor research company "D" in Board Composition.
- o We had no Independent Chairman and perhaps not the best qualified Lead Director in Mr. Smith's 17-years Edison director tenure - Independence concern.
- o And Mr. Smith wields more power as our Compensation Committee Chairman.
- o Two of our directors served on 4 or 5 boards each - Over-commitment concern.
- o Three directors had 15 to 17 years tenure each - Independence concern.
- o Two directors served on Boards rated "D" by The Corporate Library:
 - 1) Mr. Bryson, our CEO, was on the Boeing Board (BA) rated "D."
 - 2) Mr. Karatz, who served on three Edison board committees, was on the Honeywell (HON) rated "D."
- o And our directors can be re-elected with one yes-vote from our 325 million shares without a shareholder vote.
- o Poison pill: Our management was still protected by a poison pill with a 20%-trigger.
- o Plus: A 2003 shareholder proposal with our 62%-support asked Edison to have shareholder approval for the future but with a perplexing loophole to allow a pill without a shareholder vote. The Corporate Library reported that it did not believe Edison's policy implemented the proposal.
- o A 2005 shareholder proposal to subject golden parachutes to a shareholder vote won 58%-support at the 2005 annual meeting. (There was no material Edison response to this 58%-vote as the deadline fast approached for 2006 shareholder proposals.) I believe this topic will repeat its 58%-support in 2006 if another shareholder would sponsor it.

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These less-than-best practices reinforce the reason to take one step forward and support a simple majority vote.

Adopt Simple Majority Vote
Yes on 3

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RECOMMENDATION OF YOUR BOARD OF DIRECTORS "AGAINST" ITEM 3

THE EDISON INTERNATIONAL BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THE SHAREHOLDER PROPOSAL (Item 3 on your proxy card) because the Board has substantially implemented the proposal.

The only "super-majority" shareholder voting requirement contained in Edison International's documents is the "fair price" provision in the Articles of Incorporation. Item 2 on your Edison International proxy card contains a management proposal to eliminate this "fair price" provision.

The Board believes that the management proposal is responsive to and substantially implements the shareholder proposal. We requested that the shareholder Proponent withdraw his proposal. Unfortunately, the Proponent refused our request.

FOR THE FOREGOING REASONS, YOUR BOARD RECOMMENDS THAT YOU VOTE "AGAINST" ITEM 3.

SHAREHOLDER PROPOSALS AND NOMINATIONS FOR 2007 ANNUAL MEETINGS

To be considered for inclusion in the 2007 proxy statement, shareholder proposals for the Edison International and SCE 2007 annual meetings must be received by November 20, 2006.

Shareholders intending to bring any other business before an annual meeting, including Director nominations, must give written notice to the Edison International, or SCE Corporate Secretary, as may be, of the business to be presented. The notice must be received at our offices within the period specified with the information and documents, specified in the Bylaws. A copy of the Bylaws may be obtained from the Edison International or SCE Corporate Secretary and are available on Edison International's website at www.edisoninvestor.com, under "Corporate Governance."

Assuming that the 2007 annual meetings of shareholders are held on April 26, 2007, as currently provided by the Bylaws, the period for the receipt by the Edison International or SCE Corporate Secretary of notice of other business to be brought by shareholders before the 2007 annual meetings of shareholders, including Director nominations, will begin on September 21, 2006, and end on November 20, 2006.

ETHICS AND COMPLIANCE CODE

The Edison International Ethics and Compliance Code is applicable to all Directors, officers and employees of Edison International and its majority-owned subsidiaries, including SCE. The Code is available on Edison International's Internet website at www.edisonethics.com and is available in print upon request from the Edison International or SCE Corporate Secretary. Any amendments or waivers of Code provisions by either of the Companies' principal executive officers, principal financial officers, principal accounting officers or controllers, or persons performing similar functions, will be posted on Edison International's Internet website at www.edisonethics.com.

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AVAILABILITY OF FORM 10-K AND OTHER INFORMATION

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The Edison International and SCE 2005 Annual Reports on Form 10-K, including the financial statements and the financial statement schedules but excluding other exhibits, will be furnished without charge to shareholders upon written request.

A copy may be requested by writing to:

Ms. Eileen B. Guerrero
Law Department, Corporate Governance
Edison International (or SCE, as the case may be)
2244 Walnut Grove Avenue, P. O. Box 800
Rosemead, California 91770

OTHER PROPOSED MATTERS

The Edison International and SCE Boards were not aware by December 12, 2005 (the latest date known to shareholders) to provide advance notice of business intended to be presented at the Annual Meeting or other matters which can properly be presented for action at the Annual Meeting.

If any other matters should properly come before the Annual Meeting, including matters incidental to the conduct of the Annual Meeting, the proxies will vote the shares in accordance with their judgment. Discretionary authority to do so is included in the proxies.

Dated: March 20, 2006

For the Boards of Directors,

BARBARA E. MATHEWS
Vice President, Associate General Counsel,
Chief Governance Officer and Corporate Secretary
Edison International
Southern California Edison Company

