



Appendix A

BALANCE SHEET AND STATEMENT OF INCOME

AS OF SEPTEMBER 30, 2006

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET

SEPTEMBER 30, 2006

A S S E T S

(Unaudited)

(Millions of Dollars)

UTILITY PLANT:

Utility plant, at original cost	\$18,670
Less - Accumulated depreciation and decommissioning	(4,710)
	<hr/> 13,960
Construction work in progress	1,331
Nuclear fuel, at amortized cost	170
	<hr/> <hr/> 15,461

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated provision for depreciation of \$617	1,055
Nuclear decommissioning trusts	3,061
Other Investments	75
	<hr/> 4,191

CURRENT ASSETS:

Cash and equivalents	158
Restricted cash	60
Margin and collateral deposits	66
Receivables, including unbilled revenues, less reserves of \$29 for uncollectible accounts	1,725
Inventory	230
Accumulated deferred income taxes - net	292
Trading and price risk management assets	67
Regulatory assets	556
Prepayments and other current assets	71
	<hr/> 3,225

DEFERRED CHARGES:

Regulatory assets	2,774
Trading and price risk management assets	29
Other deferred charges	338
	<hr/> 3,141
	<hr/> <hr/> \$26,018

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET

SEPTEMBER 30, 2006

CAPITALIZATION AND LIABILITIES

(Unaudited)

(Millions of Dollars)

CAPITALIZATION:

Common stock	\$2,168
Additional paid-in capital	370
Accumulated other comprehensive loss	(12)
Retained Earnings	2,827
Common shareholder's equity	<u>5,353</u>
Preferred and preference stock not subject to redemption requirements	929
Long-term debt	<u>4,991</u>
	<u>11,273</u>

CURRENT LIABILITIES:

Long-term debt due within one year	247
Accounts payable	761
Accrued taxes	741
Accrued interest	88
Counterparty collateral	32
Customer deposits	191
Book overdrafts	227
Trading and price risk management liabilities	137
Regulatory liabilities	1,287
Other current liabilities	566
	<u>4,277</u>

DEFERRED CREDITS:

Accumulated deferred income taxes - net	2,719
Accumulated deferred investment tax credits	114
Customer advances and other deferred credits	600
Trading and price risk management liabilities	173
Power purchase contracts	39
Accumulated provision for pensions and benefits	568
Asset retirement obligations	2,679
Regulatory liabilities	2,880
Other long-term liabilities	281
	<u>10,053</u>
Minority interest	<u>415</u>
	<u>\$26,018</u>

SOUTHERN CALIFORNIA EDISON COMPANY

STATEMENT OF INCOME

9 MONTHS ENDED SEPTEMBER 30, 2006

(Unaudited)

(Millions of Dollars)

OPERATING REVENUE	<u>\$7,818</u>
OPERATING EXPENSES:	
Fuel	836
Purchased power	2,819
Provisions for regulatory adjustment clauses - net	(256)
Other operation and maintenance expenses	1,916
Depreciation, decommissioning and amortization	806
Property and other taxes	158
Net gain on sale of utility property and plant	(1)
Total operating expenses	<u>6,278</u>
OPERATING INCOME	<u>1,540</u>
Interest and dividend income	44
Other nonoperating income	61
Interest expense - net of amounts capitalized	(297)
Other nonoperating deductions	(32)
INCOME BEFORE TAX AND MINORITY INTEREST	<u>1,316</u>
INCOME TAX	416
MINORITY INTEREST	<u>244</u>
NET INCOME	656
DIVIDENDS ON PREFERRED AND PREFERENCE STOCK - NOT SUBJECT TO MANDATORY REDEMPTION	<u>38</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$618</u></u>