

Appendix A

BALANCE SHEET AND STATEMENT OF INCOME

AS OF SEPTEMBER 30, 2007

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET

SEPTEMBER 30, 2007

A S S E T S

(Unaudited)

(Millions of Dollars)

UTILITY PLANT:

Utility plant, at original cost	\$20,173
Less - Accumulated depreciation and decommissioning	(5,050)
	<hr/> 15,123
Construction work in progress	1,584
Nuclear fuel, at amortized cost	224
	<hr/> 16,931

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated provision for depreciation of \$686	1,004
Nuclear decommissioning trusts	3,398
Other Investments	83
	<hr/> 4,485

CURRENT ASSETS:

Cash and equivalents	115
Restricted cash	56
Margin and collateral deposits	46
Receivables, including unbilled revenues, less reserves of \$30 for uncollectible accounts	1,027
Accrued unbilled revenue	506
Inventory	272
Accumulated deferred income taxes - net	213
Derivative assets	83
Regulatory assets	295
Short-term investments	118
Other current assets	117
	<hr/> 2,848

DEFERRED CHARGES:

Regulatory assets	2,825
Derivative assets	6
Other long-term assets	489
	<hr/> 3,320
	<hr/> \$27,584

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET

SEPTEMBER 30, 2007

CAPITALIZATION AND LIABILITIES

(Unaudited)

(Millions of Dollars)

CAPITALIZATION:

Common stock	\$2,168
Additional paid-in capital	407
Accumulated other comprehensive loss	(13)
Retained Earnings	<u>3,574</u>
Common shareholder's equity	6,136
Preferred and preference stock not subject to redemption requirements	929
Long-term debt	<u>5,117</u>
	<u>12,182</u>

CURRENT LIABILITIES:

Long-term debt due within one year	220
Accounts payable	813
Accrued taxes	317
Accrued interest	96
Counterparty collateral	42
Customer deposits	217
Book overdrafts	250
Derivative liabilities	93
Regulatory liabilities	1,316
Other current liabilities	<u>594</u>
	<u>3,958</u>

DEFERRED CREDITS:

Accumulated deferred income taxes - net	2,568
Accumulated deferred investment tax credits	107
Customer advances	158
Derivative liabilities	39
Power purchase contracts	25
Accumulated provision for pensions and benefits	857
Asset retirement obligations	2,823
Regulatory liabilities	3,315
Other deferred credits and other long-term liabilities	<u>1,091</u>
	<u>10,983</u>
Minority interest	<u>461</u>
	<u>\$27,584</u>

SOUTHERN CALIFORNIA EDISON COMPANY

STATEMENT OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2007

(Unaudited)

(Millions of Dollars)

OPERATING REVENUE	<u>\$7,897</u>
OPERATING EXPENSES:	
Fuel	904
Purchased power	2,431
Provisions for regulatory adjustment clauses - net	189
Other operation and maintenance expenses	1,988
Depreciation, decommissioning and amortization	813
Property and other taxes	164
Total operating expenses	<u>6,489</u>
OPERATING INCOME	1,408
Interest income	34
Other nonoperating income	68
Interest expense - net of amounts capitalized	(330)
Other nonoperating deductions	(31)
INCOME BEFORE TAX AND MINORITY INTEREST	<u>1,149</u>
INCOME TAX	263
MINORITY INTEREST	<u>261</u>
NET INCOME	625
DIVIDENDS ON PREFERRED AND PREFERENCE STOCK - NOT SUBJECT TO MANDATORY REDEMPTION	<u>38</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$587</u></u>