

**SOUTHERN CALIFORNIA EDISON COMPANY  
DISCLOSURE POLICY  
(Adopted November 7, 2002;  
revised through June 29, 2005)**

**I. INTRODUCTION**

The Chief Executive Officer and the Chief Financial Officer of Southern California Edison Company (SCE) have adopted this disclosure policy to:

- Assure that SCE complies fully with applicable laws of the United States and other jurisdictions, rules and regulations of the Securities and Exchange Commission (SEC) and other governmental agencies, and rules and listing standards of stock exchanges on which SCE has securities listed, which laws, rules, regulations, and listing standards govern corporate disclosure;
- Create a Disclosure Committee with responsibility for considering the materiality of information, determining disclosure obligations on a timely basis, and overseeing the content, quality, transparency, and control of material, public corporate disclosures;
- Appoint authorized spokespersons and take other steps to prevent selective disclosure of material, nonpublic information;
- Set forth responsibilities for designing, establishing, maintaining, and evaluating disclosure controls and procedures and internal control over financial reporting to ensure that material information is made known to the Chief Executive Officer and Chief Financial Officer and that information required to be disclosed by SCE is recorded, processed, summarized, and reported on a timely basis; and
- Set additional guidelines for corporate disclosure.

This policy should be read together with other applicable corporate policies of SCE and its parent, Edison International (EIX), including the ethics and compliance code and policies prohibiting illegal tipping and insider trading, addressing conflicts of interest, and dealing with other ethics and compliance issues. Definitions or explanations of some important terms used in this policy are provided under the heading “Definitions” in Section V below. SCE is committed to complying fully with all securities and corporate governance laws, regulations, and rules applicable to it.

**II. DISCLOSURE COMMITTEE**

**A. Organization of Disclosure Committee**

An SCE Disclosure Committee is created with the following officers as its regular members:

- Chief Financial Officer, who acts as chair of the Committee,
- General Counsel,

- Controller,
- EIX Vice President (or other head) of Investor Relations,
- SCE Vice President (or other head) of Corporate Communications,
- SCE General Auditor,
- SCE Chief Ethics and Compliance Officer,
- SCE Disclosure Coordinator, and
- Designated Associate General Counsel.

The SCE attorney with responsibility for SEC reporting will be the legal advisor to the Committee. Other officers and employees of SCE or EIX may be invited to participate in meetings of the Committee or otherwise assist the Committee, as needed. The Committee will meet as necessary to fulfill its responsibilities. The Committee will meet at least quarterly before the filing with the SEC of each annual or quarterly report, and at other times to deal with events and issues as they arise. Because SCE is the largest subsidiary of EIX, disclosure matters that are significant to SCE also will generally be significant to EIX. Accordingly, the SCE Disclosure Committee will coordinate its activities with the EIX Disclosure Committee. The SCE and EIX Disclosure Committees may meet jointly as needed.

## **B. Responsibilities of Disclosure Committee**

The Disclosure Committee has the following responsibilities:

- Evaluate the materiality of nonpublic information about SCE for purposes of determining if public disclosure is required or would be prudent;
- Ensure that SCE complies with laws, rules, and regulations governing disclosure of material, nonpublic information;
- Determine the appropriate means for disclosing material information on a timely basis, for example, by filing Current Reports on Form 8-K and issuing press releases;
- Review periodic and current reports to the SEC, proxy statements, reports to shareholders, earnings releases, and other disclosure documents before they are filed or released to the public, to ensure that they are accurate, complete, and clear;
- Assist the Chief Executive Officer and the Chief Financial Officer in designing, implementing, maintaining, and evaluating disclosure controls and procedures and internal control over financial reporting;
- Assist the Chief Executive Officer and the Chief Financial Officer in preparing and verifying certificates that they are required by law and SEC regulations to sign and deliver regarding SCE's reports and financial statements;
- Report to the Chief Executive Officer on any disclosure matters requiring his or her attention; and
- Carry out any other duties described in this policy.

### **C. Responsibilities of Disclosure Coordinator**

The Disclosure Coordinator will be appointed by the Controller and has the following responsibilities:

- Establish time and responsibility schedules for preparing reports to be filed with the SEC;
- Set agendas and schedule meetings of the Disclosure Committee;
- Follow up with others to make sure that assigned tasks have been completed on a timely basis; and
- Perform any other duties as assigned by the Controller or the Disclosure Committee.

### **III. DISCLOSURE GUIDELINES**

#### **A. General**

SCE regularly files Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and, as necessary, Current Reports on Form 8-K, in accordance with the Securities Exchange Act of 1934 and the rules of the SEC. SCE also issues press releases and other public announcements in accordance with the rules and policies of the American Stock Exchange, on which certain series of SCE's preferred stock are listed. It is the policy of SCE to disclose material information through filings with the SEC, press releases, or other public announcements, as required by the SEC and the stock exchange, and not through any form of improper selective disclosure.

#### **B. Authorized Spokespersons**

To avoid selective, inconsistent, or other inappropriate disclosures, EIX has decided that only specifically authorized spokespersons may communicate on behalf of EIX or its subsidiaries with investors, securities analysts, brokers, dealers, investment advisors, or other securities market professionals. The individuals designated as authorized spokespersons for those purposes are EIX's:

- Chief Executive Officer,
- Chief Financial Officer, and
- Vice President (or other head) of Investor Relations.

On a case-by-case basis, other individuals may be designated as interim authorized spokespersons by the Chief Executive Officer or the Chief Financial Officer of EIX. The Chief Executive Officer or the Chief Financial Officer of EIX may issue directives and guidelines to officers and employees of EIX and its subsidiaries to implement and enforce EIX's policy. It is the policy of SCE that its officers and employees will abide by EIX's policy regarding authorized spokespersons.

### **C. Earnings Announcements and Conference Calls**

**Earnings Announcements.** Following the end of each quarter, it is the policy of EIX to issue an earnings press release to report its quarterly and year-to-date results and those of its subsidiaries, including SCE. EIX generally will issue this press release after the independent registered public accounting firm has substantially completed its quarterly review or annual audit and the results have been discussed with the Audit Committee of EIX's Board of Directors. SCE will cooperate in the preparation of EIX's earnings announcements and will not issue its own earnings announcements.

**Conference Calls.** Shortly after issuance of the earnings press release, EIX and its subsidiaries, including SCE, may make a presentation about the results of operations for that quarter on a conference call. Absent unusual circumstances, each conference call will be publicly-announced and open to securities analysts, investors, the media, and other interested parties. SCE will participate in these conference calls.

**Blackout Periods.** Absent unusual circumstances, EIX, and its officers, employees, agents, and subsidiaries, will not discuss or otherwise comment on current or future earnings with investors, analysts, or other securities market professionals during the period beginning fourteen days prior to the release of earnings and ending immediately after the release, even if no material information is disclosed. If an earnings conference call is scheduled, no discussions or comments regarding current or future earnings will take place prior to the conference call. SCE and its officers, employees, and agents will abide by these restrictions.

### **D. Dealing with Investors, Analysts and Other Securities Market Professionals**

**Earnings Guidance.** It is the policy of EIX not to provide formal or informal guidance, whether direct or indirect, to investors, analysts, and other securities market professionals about earnings (including reaffirming previously released earnings guidance), material financial projections, or other nonpublic, material information, except through earnings press releases, publicly announced conference calls, or other forms of public disclosure in accordance with applicable SEC and stock exchange rules. If a request is made to reaffirm earnings guidance, an authorized EIX spokesperson should indicate that EIX's policy is not to comment on or informally update earnings guidance. SCE will abide by this policy and coordinate such communications with EIX.

**Meetings, Telephone Calls or Other Communications.** Neither any authorized spokesperson nor any other SCE officer, employee, or agent shall disclose material, nonpublic information in meetings, telephone calls, or other communications, including one-on-one communications, with investors, analysts, or other securities market professionals. Any individual who is contacted by investors, analysts, or other securities market professionals should refer the call to an authorized spokesperson of EIX.

**Analyst Models and Reports.** Upon request by a securities analyst, an authorized spokesperson may elect to review drafts of an analyst's model or report. It is the policy of EIX, however, not to comment on analysts' projections or their statements and conclusions, other than

to correct factual errors by reference to information already in the public domain. SCE will abide by this policy.

**Site Visits.** SCE and its subsidiaries may permit investors, analysts, or other securities market professionals to visit SCE and its subsidiaries on a non-discriminatory, appointments-only basis. While authorized spokespersons may make presentations to securities market professionals or investors during site visits, it is the policy of EIX and SCE not to disclose material, nonpublic information during these meetings. Other officers and managers or representatives of the companies may participate in these meetings, provided that they are briefed on their responsibilities under this policy prior to the meetings and an authorized spokesperson of EIX accompanies them during the meetings.

**Investor Conferences and Road Shows.** As with one-on-one meetings with investors, analysts, or other securities market professionals, officers, employees, and agents of SCE must proceed with great caution at investor conferences and on road shows. Participants in such conferences and road shows should be limited to authorized spokespersons and other representatives authorized by the EIX Disclosure Committee. Authorized spokespersons and other representatives should apply the same disclosure guidelines to these meetings that they would to one-on-one meetings with securities market professionals or investors.

#### **E. Inadvertent Disclosures**

If an inadvertent disclosure of material, nonpublic information about SCE occurs, such as in informal meetings with investors or analysts, SCE must promptly disclose the information through a press release or the filing of a Form 8-K report with the SEC. Accordingly, when an officer or employee becomes aware of a potential inadvertent disclosure of nonpublic information that may be material to SCE, he or she should notify a member of the Disclosure Committee. The Disclosure Committee, with the advice of legal counsel, will determine whether the information is material and, if it is material, the appropriate means of disclosing the information to the public. Regardless of the means of public disclosure selected, the material information will be disseminated before the later of (1) 24 hours from the time an SCE officer became aware of the inadvertent disclosure or (2) the next opening of trading on the New York Stock Exchange.

### **IV. DISCLOSURE CONTROLS AND PROCEDURES**

#### **A. General**

Federal law and SEC regulations provide that SCE must establish, maintain, and evaluate “disclosure controls and procedures” to ensure that material information relating to SCE and its consolidated subsidiaries is disclosed in reports filed with the SEC on a timely basis as required. SCE has in place a comprehensive system of disclosure controls and procedures for that purpose, including but not limited to elements of its system of internal controls that relate to the timeliness and quality of disclosure. This policy sets forth responsibilities for designing, establishing, maintaining, and evaluating the effectiveness of SCE’s disclosure controls and procedures and summarizes key elements of those disclosure controls and procedures. The details of those controls and procedures are contained in separate policies, procedures, manuals, guidelines, and

other documents maintained by EIX and SCE, which are described in EIX's disclosure controls and procedures manual.

## **B. Responsibilities**

**Chief Executive Officer and Chief Financial Officer.** The Chief Executive Officer and the Chief Financial Officer of SCE have ultimate responsibility for the content and timing of reports filed by SCE with the SEC and for designing, establishing and maintaining disclosure controls and procedures, conducting evaluations of the effectiveness of those controls and procedures, and presenting their conclusions in reports filed by SCE with the SEC.

**Controller.** Under the direction of the Chief Executive Officer and the Chief Financial Officer, the Controller of SCE is responsible for financial reporting, including the preparation and review of financial statements, notes to financial statements, financial statement schedules, management's discussion and analysis, and other financial information, contained in reports filed with the SEC. The Controller assists the Chief Executive Officer and the Chief Financial Officer in carrying out their responsibilities. The Controller's staff assists the Controller in carrying out his or her responsibilities. The Controller's staff also maintains disclosure controls and procedures manual containing detailed descriptions and documentation of SCE's disclosure controls and procedures.

**General Counsel.** Under the direction of the Chief Executive Officer and the Chief Financial Officer, the General Counsel of SCE is responsible for preparing and reviewing the non-financial portions of reports filed with the SEC. The General Counsel provides legal advice to the Chief Executive Officer and the Chief Financial Officer in carrying out their responsibilities. The General Counsel's staff assists the General Counsel in carrying out his or her responsibilities. The General Counsel's staff also assists in maintaining a disclosure controls and procedures manual.

**General Auditor.** The General Auditor and the Audit Services Department provide ongoing internal audit support in testing and evaluating disclosure controls and procedures and internal controls.

**Disclosure Committee.** The Disclosure Committee has the responsibilities set forth under "Responsibilities of Disclosure Committee" in Section II.B above.

**Disclosure Coordinator.** The Disclosure Coordinator has the responsibilities set forth under "Responsibilities of Disclosure Coordinator" in Section II.C above.

**Others.** Other officers, managers, employees, business units, and organizations within SCE have the responsibility to bring material issues and concerns to the attention of management and ultimately to the Disclosure Committee, if appropriate, and have the other responsibilities described in this policy and in underlying policies and procedures.

## **C. Summary of Key Disclosure Controls and Procedures**

Below is a summary of key elements of SCE's disclosure controls and procedures, which are designed to ensure that material information about SCE and its consolidated subsidiaries is

made known to the Chief Executive Officer and the Chief Financial Officer by others within SCE, and that information required to be disclosed by SCE is recorded, processed, summarized, and reported on a timely basis. More detailed information about the controls and procedures is contained in the EIX disclosure controls and procedures manual.

***Disclosure Policy.*** This disclosure policy sets forth purposes, responsibilities, principles, rules, and guidelines for disclosure of material information by SCE.

***Disclosure Committee.*** As described in this policy, the role and duties of the Disclosure Committee are a key part of EIX's disclosure controls and procedures.

***Procedures for SEC Filings.*** As set forth the disclosure controls and procedures manual, SCE has comprehensive procedures for the preparation of Reports on Forms 10-K, 10-Q, and 8-K, and other SEC filings and disclosure documents, to ensure that information provided in the reports and other documents is accurate, complete, and clear, and has been reviewed and verified by the appropriate parties.

***Quarterly Contingent Liabilities Letters.*** In connection with the preparation of each annual or quarterly report containing financial statements, SCE prepares contingent liabilities letters to ensure that legal matters within the scope and definition of contingent liabilities are disclosed to the independent registered public accounting firm and appropriately reflected in the financial statements. The preparation process provides for review by the appropriate individuals to ensure the information is complete and material matters are included in applicable SEC reports.

***Quarterly Management Representation Letters.*** In connection with the preparation of each annual or quarterly report containing financial statements, SCE also prepares management representation letters to provide assurance to the independent registered public accounting firm regarding certain matters. The preparation process is designed to ensure that material matters disclosed in the management representation letters are included in applicable SEC reports. Designated officers, managers, and attorneys verify the accuracy of the representations in the letter, which cover, among other things, financial reporting, liabilities, contingencies, fraud, legal or regulatory violations, properties, contracts, securities, and accounting principles.

***Monthly Controller's Accounting Close Process.*** The corporate close process helps ensure the accuracy and completeness of the resulting financial reports through detailed financial statement review procedures to identify and understand significant financial statement variances, accounting policy changes, unusual or non-recurring transactions, estimates, and judgments.

***Back-Up Certificates.*** As part of their due diligence to support the certifications they are required to make about SCE's reports, the Chief Executive Officer and the Chief Financial Officer may rely in part on additional certificates requested from other officers or employees of SCE or any subsidiary, as to matters within the responsibilities or knowledge of such individuals. The Chief Executive Officer and the Chief Financial Officer may request additional information or reports that they consider necessary to confirm the accuracy of their certifications.

***Audit Services Department.*** The Audit Services Department, performs the following functions, among others, that support SCE's disclosure controls and procedures: (1) conducts

regular audits of environmental, health, and safety practices, information technology and security, accounting processes, regulatory compliance, and other matters; (2) conducts periodic assessments of SCE's system of internal controls; (3) reports audit results to SCE management and significant findings to the Audit Committee of the Board of Directors; and (4) assists in evaluating the effectiveness of disclosure controls and procedures, as requested.

***Independent Registered Public Accounting Firm.*** SCE's independent registered public accounting firm, PricewaterhouseCoopers LLP ("PwC"), performs the following functions, among others, that assist in confirming SCE's disclosure controls and procedures: (1) performs an annual audit of the financial statements; (2) performs reviews of the quarterly financial statements; (3) communicates findings to the Audit Committee of the Board of Directors in accordance with Statements of Auditing Standards No. 61 and No. 71; (4) conducts periodic assessments of SCE's system of internal controls and report results to the Audit Committee; and (5) regularly provides the Audit Committee with risk summaries and audit issues analyses.

***Councils, Committees, and Meetings.*** EIX holds various meetings on a regular basis that are designed to give senior management necessary information about significant issues, provide an appropriate corporate governance framework, and support EIX's disclosure controls and procedures. SCE participates in these meetings, which also form part of SCE's disclosure controls and procedures. The meetings include the following, among others:

- ***Presidents' Group.*** The Chief Executive Officers of EIX and its key subsidiaries, the Chief Financial Officer of EIX, the General Counsel of EIX and the President of SCE meet together monthly to review performance reports, plan business strategies, report on significant developments, discuss emerging issues, and establish policies.
- ***EIX CFO Council.*** The Chief Financial Officers, Controllers and Treasurers of EIX and its key subsidiaries meet together monthly to review financial, accounting, and operational issues. The General Auditor and other officers may also attend these meetings.
- ***Risk Management Committee.*** The risk management committee meets every other month and these meetings are attended by EIX's Chief Executive Officer, Chief Financial Officer, General Counsel, and Director of Corporate Risk Management, the President of SCE, and by the Chief Executive Officers of key subsidiaries, for the purpose of reviewing and discussing risk issues at EIX and its subsidiaries.
- ***Operating Company Meetings.*** The senior executive officers of EIX meet monthly with the senior officers of each key subsidiary to review financial results, strategic plans, operational issues, business activities and developments, and other matters.
- ***Law Council.*** The General Counsels, Associate General Counsels and Assistant General Counsels of EIX and its key subsidiaries and the General Counsel of Midwest Generation, LLC meet every two weeks to discuss important legal matters concerning EIX.

SCE also conducts the following meetings that support SCE's disclosure controls and procedures:

- *Utility Management Committee.* The heads of SCE's business units and other key officers of SCE meet together about twice monthly to review performance reports, plan business strategies, report on significant developments, discuss emerging issues, and establish policies.
- *Regulatory and Legislative Review Meetings.* SCE's officers, managers, and attorneys who are involved in pending regulatory meetings meet together weekly to receive status reports, plan regulatory strategies, and make project assignments.
- *Risk Management Committee.* SCE's Chief Executive Officer, Chief Financial Officer, and General Counsel, and EIX's Director of Corporate Risk Management meet together monthly to review and discuss risk issues at SCE.

***Code of Business Conduct and Business Ethics Policies.*** EIX maintains an ethics and compliance program that includes the following key elements: (1) an ethics and compliance code that outlines core principles of ethical and legal business practices; (2) management certificates that are distributed annually to all non-union employees, through which the employees are required to disclose exceptions from their compliance with EIX's ethics and compliance code and related policies; and (3) an ethics and compliance helpline through which employees can anonymously and confidentially obtain guidance and report possible violations by others of EIX's ethics and compliance code.

## V. DEFINITIONS

**“Disclosure controls and procedures.”** The SEC has defined the term “disclosure controls and procedures” to mean controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. The SEC states that disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits is accumulated and communicated to the company's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The SEC has also stated that it intended to differentiate the concept of disclosure controls and procedures from the pre-existing concept of “internal controls” that pertains to a company's financial reporting and control of its assets, without expanding the concept of internal controls by relating it to non-financial information. Accordingly, SCE believes that, while many elements of its system of internal controls should be considered to be part of its disclosure controls and procedures, neither concept is wholly inclusive of the other.

**“Internal control over financial reporting.”** The SEC has defined the term “internal control over financial reporting” to mean a process designed by, or under the supervision of, the

company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

**“Material information.”** Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision, or if it would significantly alter the total mix of information available to investors. The SEC has provided a nonexclusive list illustrating the types of information or events that should be reviewed carefully to determine whether they are material, including:

- Earnings information;
- Mergers, acquisitions, tender offers, joint ventures, or changes in assets;
- New products and discoveries;
- Developments regarding customers or suppliers (such as the acquisition or loss of a contract);
- Changes in control or in management;
- Changes in the independent registered public accounting firm or notification that the issuer may no longer rely on a report of the independent registered public accounting firm;
- Events regarding the issuer's securities, for example, defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders and public or private sales of additional securities; and
- Bankruptcies or receiverships.

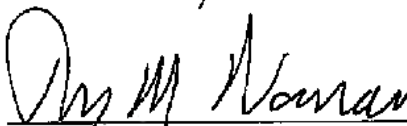
Other types of potentially material information may pertain to internal projections, regulatory proceedings or decisions, proposed or final legislation, new investments, or events affecting the return on existing investments. There are no numerical thresholds that may be used to determine whether information is material. Materiality must be evaluated with reference to all the relevant circumstances. Potential market sensitivity to the information is a key consideration.

**“Securities market professionals.”** SEC rules prohibiting selective disclosure apply to communications with investors, including any holder of publicly traded securities of SCE, and with certain categories of persons that participate in the securities markets. These persons are referred to as “securities market professionals” and include individuals or entities that reasonably would be expected to trade securities on the basis of the information received or provide others with advice about securities trading, such as:

- Broker/dealers and their associated persons, including sell-side analysts;
- Investment advisors, institutional investment managers, hedge funds, and their associated persons, including buy-side analysts; and
- Investment companies (mutual funds) and their affiliated persons.

Dated: June 29, 2005

  
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Chief Executive Officer

  
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Chief Financial Officer

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