

EDISON INTERNATIONAL
Form 10-Q
August 08, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 1-9936

EDISON INTERNATIONAL

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

2244 Walnut Grove Avenue

95-4137452
(I.R.S. Employer

Identification No.)

91770

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(P. O. Box 976)

Rosemead, California
(Address of principal executive offices)

(626) 302-2222

(Zip Code)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at July 31, 2006
Common Stock, no par value	325,811,206

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Table of Contents**EDISON INTERNATIONAL****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****CONSOLIDATED STATEMENTS OF INCOME**

In millions, except per-share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(Unaudited)			
Electric utility	\$ 2,521	\$ 2,203	\$ 4,739	\$ 4,109
Nonutility power generation	460	417	970	928
Financial services and other	20	29	44	56
Total operating revenue	3,001	2,649	5,753	5,093
Fuel	380	399	840	818
Purchased power	769	743	1,783	1,131
Provisions for regulatory adjustment clauses net	(10)	(41)	(371)	24
Other operation and maintenance	879	822	1,707	1,635
Depreciation, decommissioning and amortization	339	267	631	527
Property and other taxes	54	50	111	102
Net gain on sale of utility property and plant	(1)		(1)	
Total operating expenses	2,410	2,240	4,700	4,237
Operating income	591	409	1,053	856
Interest and dividend income	43	25	80	47
Equity in income from partnerships and unconsolidated subsidiaries net	10	24	14	108
Other nonoperating income	33	20	74	37
Interest expense net of amounts capitalized	(209)	(204)	(409)	(417)
Loss on early extinguishment of debt	(143)		(143)	(24)
Other nonoperating deductions	(10)	(13)	(22)	(22)
Income from continuing operations before tax and minority interest	315	261	647	585
Income tax	95	34	206	138
Dividends on utility preferred and preference stock not subject to mandatory redemption	13	5	25	7
Minority interest	34	42	59	65
Income from continuing operations	173	180	357	375
Income from discontinued operations net of tax	4	21	77	28
Income before accounting change	177	201	434	403
Cumulative effect of accounting change net of tax			1	
Net income	\$ 177	\$ 201	\$ 435	\$ 403
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings per common share:				
Continuing operations	\$ 0.53	\$ 0.55	\$ 1.08	\$ 1.15
Discontinued operations	0.01	0.06	0.24	0.08
Total	\$ 0.54	\$ 0.61	\$ 1.32	\$ 1.23
Weighted-average shares, including effect of dilutive securities	331	331	331	331
Diluted earnings per common share:				
Continuing operations	\$ 0.53	\$ 0.55	\$ 1.09	\$ 1.14
Discontinued operations	0.01	0.06	0.23	0.08
Total	\$ 0.54	\$ 0.61	\$ 1.32	\$ 1.22
Dividends declared per common share	\$ 0.27	\$ 0.25	\$ 0.54	\$ 0.50

The accompanying notes are an integral part of these financial statements.

Table of Contents**EDISON INTERNATIONAL****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

In millions	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(Unaudited)			
Net income	\$ 177	\$ 201	\$ 435	\$ 403
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	2	(2)	2	(2)
Minimum pension liability adjustment	(2)		(2)	
Unrealized gain (loss) on cash flow hedges:				
Other unrealized gain (loss) on cash flow hedges net	72	16	259	(54)
Reclassification adjustment for gain (loss) included in net income	17	(3)	(13)	(8)
Other comprehensive income (loss)	89	11	246	(64)
Comprehensive income	\$ 266	\$ 212	\$ 681	\$ 339

The accompanying notes are an integral part of these financial statements.

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In millions	June 30, 2006 (Unaudited)	December 31, 2005
ASSETS		
Cash and equivalents	\$ 1,858	\$ 1,893
Restricted cash	51	60
Margin and collateral deposits	366	739
Receivables, less allowances of \$29 and \$33 for uncollectible accounts at respective dates	1,104	1,220
Accrued unbilled revenue	490	291
Fuel inventory	152	80
Materials and supplies	274	261
Accumulated deferred income taxes net		218
Trading and price risk management assets	193	316
Regulatory assets	740	536
Other current assets	397	345
Total current assets	5,625	5,959
Nonutility property less accumulated provision for depreciation of \$1,525 and \$1,424 at respective dates	4,170	4,119
Nuclear decommissioning trusts	2,943	2,907
Investments in partnerships and unconsolidated subsidiaries	370	426
Investments in leveraged leases	2,472	2,447
Other investments	102	115
Total investments and other assets	10,057	10,014
Utility plant, at original cost:		
Transmission and distribution	16,845	16,760
Generation	1,446	1,370
Accumulated provision for depreciation	(4,600)	(4,763)
Construction work in progress	1,256	956
Nuclear fuel, at amortized cost	175	146
Total utility plant		