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EDISON INTERNATIONAL
Form DEF 14A
April 04, 2002

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE 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
- X Definitive Proxy Statement
-
- ___ Definitive Additional Materials
- ___ Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

EDISON INTERNATIONAL

(Name of Registrant as Specified in its Charter)

KENNETH S. STEWART

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

- ___ \$125 per Exchange Act Rules 0-11(c) (1) (ii), 14a-6(i) (1), or 14a-6(j) (2)
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- ___ Fee computed on table below per Exchange Act rules 14a-6(I) (4) and 0-11.

(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:

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Set forth the amount on which the filing fee is calculated and state how it is determined.

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(4) Date Filed:

	Cumulative Total Return				
	12/96	12/97	12/98	12/99	12/00
Edison International	100.00	142.43	151.53	147.13	92.67
Standard & Poor's 500 Index	100.00	133.36	171.47	207.56	188.22
Dow Jones U.S. Electric Utilities Index	100.00	128.98	148.22	126.42	200.00

(1) SEC filings sometimes "incorporate information by reference." This means the Companies are incorporating information that has previously been filed with the SEC, and that this information

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should be considered as part of the filing you are reading. Unless Edison International or the Companies states otherwise, this graph shall not be deemed to be incorporated by reference and shall not be considered soliciting material or otherwise be considered filed under the Securities Act or the Securities Exchange Act of 1934.

- (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 or dividend payments. The quarterly dividends customarily paid on January 31, April 30, July 31, and October 31 were not declared for 2001 and the quarterly dividends customarily paid on January 31 were not declared for 2002 by the Edison International Board. This proxy statement is not to be considered material for soliciting the sale of either Companies' stock.
- (3) In February 2000, Dow Jones launched a new U.S. Equity Index series which replaced all of its U.S. equity series including the Dow Jones Electric Utilities Index previously used for this graph. The new series covers 95% of the U.S. equity market and replaces the previous series that covered 80% of the market. Additionally, the industry classification system was restructured. The net result of the restructuring is that all U.S. indices will show differences when compared to the indices used prior to 2000.
- (4) As of December 31, 2001.
- (5) Ex-dividend dates have been used to determine the number of dividends included in Edison International's adjusted cumulative total return calculation. The ex-dividend date occurs a few days prior to the date of each dividend payment, and is the date on which the stock begins trading at a price that does not include the dividend. Edison International had three ex-dividend dates in 1999 even though shareholders received four dividend payments in that year. In 2000, there were four ex-dividend dates and four dividend payments. For purposes of calculating the adjusted cumulative total return presented in the table, four ex-dividend dates were used for each year starting in 1997 through 1999, and three ex-dividend dates were used in 2000. The adjusted calculation for 2000 includes only three ex-dividend dates because the Edison International Board did not declare the dividend customarily paid on January 31, 2001. As noted in footnote 5, there were no dividends declared by the Edison International Board for each of the four quarters ended December 31, 2001.

Adjusted Cumulative Total Return					
12/96	12/97	12/98	12/99	12/00	12/01
\$100.00	\$142.43	\$151.53	\$148.65	\$92.67	\$89.56

AUDIT COMMITTEES' REPORT(1)

The Edison International and SCE Audit Committees have certain duties and powers as described in their respective charters. In 2001, the SCE Audit Committee revised its charter which was approved by the SCE Board of Directors on December 13, 2001, and is attached to this Proxy Statement as Appendix A. The Edison International Audit Committee Charter approved by the Edison International Board on December 14, 2000, remained unchanged. The Audit Committees are currently composed of the same five non-employee directors named at the end of this report. The Audit Committees are independent as defined by the rules of the stock exchanges on which the Companies are listed.

Management is responsible for the Companies' internal controls and the financial reporting process, including the integrity and objectivity of the financial statements. The independent accountants are responsible for performing an independent audit of the Companies' financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Audit Committees monitor and oversee these processes. The Audit Committees' members are not accountants or auditors by profession and, therefore, have relied on the representations from management and the independent accountants about the carrying out of their respective responsibilities.

In connection with the December 31, 2001, financial statements, the Audit Committees:

- o reviewed and discussed the audited financial statements with Company management;
- o discussed with Arthur Andersen LLP, the Companies' independent public accountants for calendar year 2001, the matters required by Statement on Auditing Standards No. 61 (Communication with Audit Committees); and
- o received the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with Arthur Andersen its independence of the Companies.

Based upon these reviews and discussions, the Edison International and SCE Audit Committees recommended to their respective Boards of Directors that the audited financial statements be included in the Edison International and SCE 2001 Annual Reports on Form 10-K to be filed with the SEC.

Audit Committees of the
Edison International and SCE
Boards of Directors

Daniel M. Tellep (Chair)	Robert H. Smith
Carl F. Huntsinger	Thomas C. Sutton
Charles D. Miller	

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INDEPENDENT PUBLIC ACCOUNTANT FEES

The following table sets forth the aggregate fees billed to Edison International (consolidating Edison International and its subsidiaries) and SCE, respectively, for the fiscal year ended December 31, 2001, by Arthur Andersen:

	Edison International and Subsidiaries (\$000) -----	SCE (\$000) -----
Audit Fees	4,566	1,341

Financial Information Systems Design and Implementation Fees	214	--

All Other Fees:		
Tax	3,564	537
Audit-Related	714	210
Advisory:		
Support Work Related to the California Energy Crisis and California Regulatory Issues	4,838	4,838
Benefit Plan Review	790	--
Other Advisory	1,696	1,084
	-----	-----
Total All Other Fees	11,602	6,669

INDEPENDENT PUBLIC ACCOUNTANTS FOR 2002

The Edison International and SCE Boards have selected Arthur Andersen LLP as the Companies' public accountants for calendar year 2002. Arthur Andersen is an international public accounting firm that provides leadership in public utility accounting matters. The Audit Committees of the Boards of Edison International and SCE have considered whether the provision of the non-audit services described above is compatible with maintaining Arthur Andersen's independence.

Representatives of Arthur Andersen are expected to attend the annual meeting to respond to any questions and to make a statement if they wish.

SHAREHOLDER PROPOSALS AND NOMINATIONS FOR 2003 ANNUAL MEETINGS

To be considered for inclusion in the 2003 proxy statement, shareholder proposals for the Edison International and SCE 2003 annual meetings must be received by December 5, 2002.

Shareholders intending to bring any other business before an annual meeting, including Director nominations, must give written notice to the Edison International or SCE Secretary, as the case may be, of the business to be presented. The notice must be received at Company offices within the periods, and

with the information and documents, specified in the Bylaws. A copy of the Bylaws may be obtained from the Edison International or SCE Secretary.

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Assuming that the 2003 annual meetings of shareholders are held on May 15, 2003, as currently provided in the Bylaws, the period for the receipt by the Edison International or SCE Secretary of written notice of business to be brought by shareholders before the 2003 annual meetings of shareholders, including nominations, will begin on October 7, 2002, and end on December 5, 2002.

AVAILABILITY OF FORM 10-K AND OTHER INFORMATION

The Edison International and SCE 2001 Annual Reports on Form 10-K, including the financial statements and the financial statement schedules but excluding other exhibits, will be furnished without charge upon written request. These reports are expected to be available for distribution after March 31, 2002.

A copy may be requested by writing to:

Ms. Betty Hutchinson
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 20, 2001 (the latest date known by the Boards) of any matters which shareholders to provide advance notice of business intended to be presented at the annual meeting of shareholders which 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 and the authority to do so is included in the proxies.

Dated: April 4, 2002

For the Boards of Directors,

/s/ BEVERLY P. RYDER
BEVERLY P. RYDER, Vice President
and Secretary, Edison International
Secretary, Southern California Edison Company

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APPENDIX A

SOUTHERN CALIFORNIA EDISON COMPANY CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Adopted by the Board of Directors
December 13, 2001

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Membership

The Audit Committee ("Committee") of the Board of Directors ("Board") shall consist of not less than three and nor more than seven members of the Board. Each Committee member shall be appointed by the Board until a successor shall be appointed by the Board. The Board shall designate one of the Committee members as the Chair ("Chair") who shall preside over meetings of the Committee and report Committee actions to the Board.

Each member of the Committee shall be (i) independent as determined pursuant to the listing standards of the stock exchange on which the Company is listed, subject to any exceptions provided in such standards; and (ii) financially literate as determined by the Board, which shall mean at a minimum able to read and understand fundamental financial statements including a balance sheet, income statement, and cash flow statement. At least one member shall have related financial management expertise as determined by the Board, which shall mean at a minimum five years of experience in finance or accounting, requisite professional certification in accounting, or any other relevant experience or background resulting in the individual's financial sophistication, including being a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Meetings and Other Actions

At least four regular meetings per year shall be held with the Company's independent public accountants, one of which shall be held at the completion of the annual audit and before the Company's annual financial statements are published, and three of which shall be scheduled at the direction of the Chair. Additional meetings may be requested by any Committee member. Regular meetings normally shall be attended by the Company's chief executive officer, chief financial officer, chief accounting officer, chief legal officer, and chief internal auditor. Representatives of the independent public accountants retained by the Company. The Committee may hold an executive session at its discretion. Representatives of management, the independent public accountants, and the chief internal auditor each shall be given the opportunity to meet privately with the Committee.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. Meetings shall be held at the principal offices of the Company or as directed by the Chair.

The Company's Secretary shall keep, or appoint an appropriate employee of the Company to keep, minutes of all Committee proceedings. The minutes of each meeting shall be reviewed and approved by the Company's Secretary and the Chair. The approved minutes shall become a permanent corporate record maintained by the Company's Secretary. A report on the Committee's activities shall be provided to the Board after each meeting.

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Unless otherwise provided in this Charter, the meetings and any other actions of the Committee shall be governed by the provisions of Article III of the Bylaws of the Company applicable to meetings and actions of the Board.

Duties and Responsibilities

The Committee shall exercise the following powers and duties at least annually:

1. Recommend to the Board the appointment of the Company's independent public accountants, and the Committee shall have the ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent public accountants, who shall be ultimately responsible to the Board and the Committee.
2. Ensure that the independent public accountants submit to the Committee a formal written report delineating all relationships between such accountants and the Company, including information required by Independence Standards Board Standard No. 1. Review any disclosed relationships, the scope of the professional services performed or to be performed by the independent public accountants as well as the related fees and consider the possible effect that these relationships may have on the independence of such accountants. Actively engage in a dialogue with the independent public accountants.

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public accountants with respect to any disclosed relationships or services that may affect the objectivity and independence of such accountants and recommend to the Board, if necessary, appropriate action be taken in response to such accountants' report to satisfy itself and to otherwise oversee the accountants' independence.

3. Review the independent public accountants' and internal auditors' evaluations of the Company's internal controls, and the extent to which major recommendations made by the independent public accountants and the Company's chief internal auditor have been implemented by management.
4. Review with management the audit plans of the independent public accountants and the internal auditors in light of current and contemplated business activities.
5. Review with the independent public accountants, upon completion of their audit, the year-end audited financial statements and related notes, including the matters required to be discussed by Statement on Auditing Standards No. 61, the results of their examination and the opinion or opinion proposed to be rendered in connection therewith and any unresolved disagreements with management concerning accounting or disclosure matters.
6. Review information provided by management on issues such as litigation and regulatory compliance, environmental compliance, health and safety compliance, information technology security and information privacy compliance.
7. Review information provided by the chief internal auditor and management regarding internal control monitoring and internal auditing programs.
8. Review and discuss with management the Company's year-end audited financial statements.

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9. Recommend to the Board that the year-end audited financial statements be included in the Company's Annual Report on Form 10-K.
10. Review and reassess the adequacy of the Committee charter.
11. Provide a report in the Company's proxy statement when required by the Securities and Exchange Commission.

In addition, the Committee shall exercise the following duties and responsibilities at its discretion:

1. Request the independent public accountants, the Company's chief internal auditor or other qualified persons to conduct any reviews or studies considered necessary. As deemed appropriate by the Committee, the Committee shall direct and supervise an investigation into any matter within the scope of its duties and responsibilities. In connection with any such investigation, the Committee shall have the authority to utilize the Company's internal audit staff and to employ outside consultants at Company expense.
2. Perform such additional functions as are necessary or prudent to fulfill the Committee's duties and responsibilities.

While the Committee has the duties and powers set forth in this Committee charter, it is not the responsibility of the Committee to conduct audits or carry out its own independent analyses for purposes of determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent public accountants. Notwithstanding the authority of the Committee to conduct investigations, to resolve disagreements, if any, between management and the independent public accountants or to assure compliance with laws and regulations and the Company's internal control system, the Committee shall not be responsible for the conduct of management or the independent public accountants.

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Internet Voting Screen No. 1

[Equiserve Logo]

VOTE BY NET
[Graphic Omitted]

Welcome to the Equiserve online voting wizard!

Just follow a few simple steps to complete the secure online voting process:

Authentication:	Login using your voter control number
Delivery preference:	Setup future delivery of your annual meeting materials
Voting:	Cast your vote and receive your confirmation online
Finish:	Update your address and review other options

If you have more than one proxy card, instruction card or ballot, please vote them one card at a started now, login below and click "Continue."

Step 1: Authentication

Enter the voter control number as it appears on your proxy card, instruction card or ballot.

[_____]

Enter the last 4 digits of the U.S. social security number (SSN) or the U.S. taxpayer identification number (TIN) for this account.*

[_____]

*If you do not have a SSN or TIN for this account, please leave this box blank.

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