

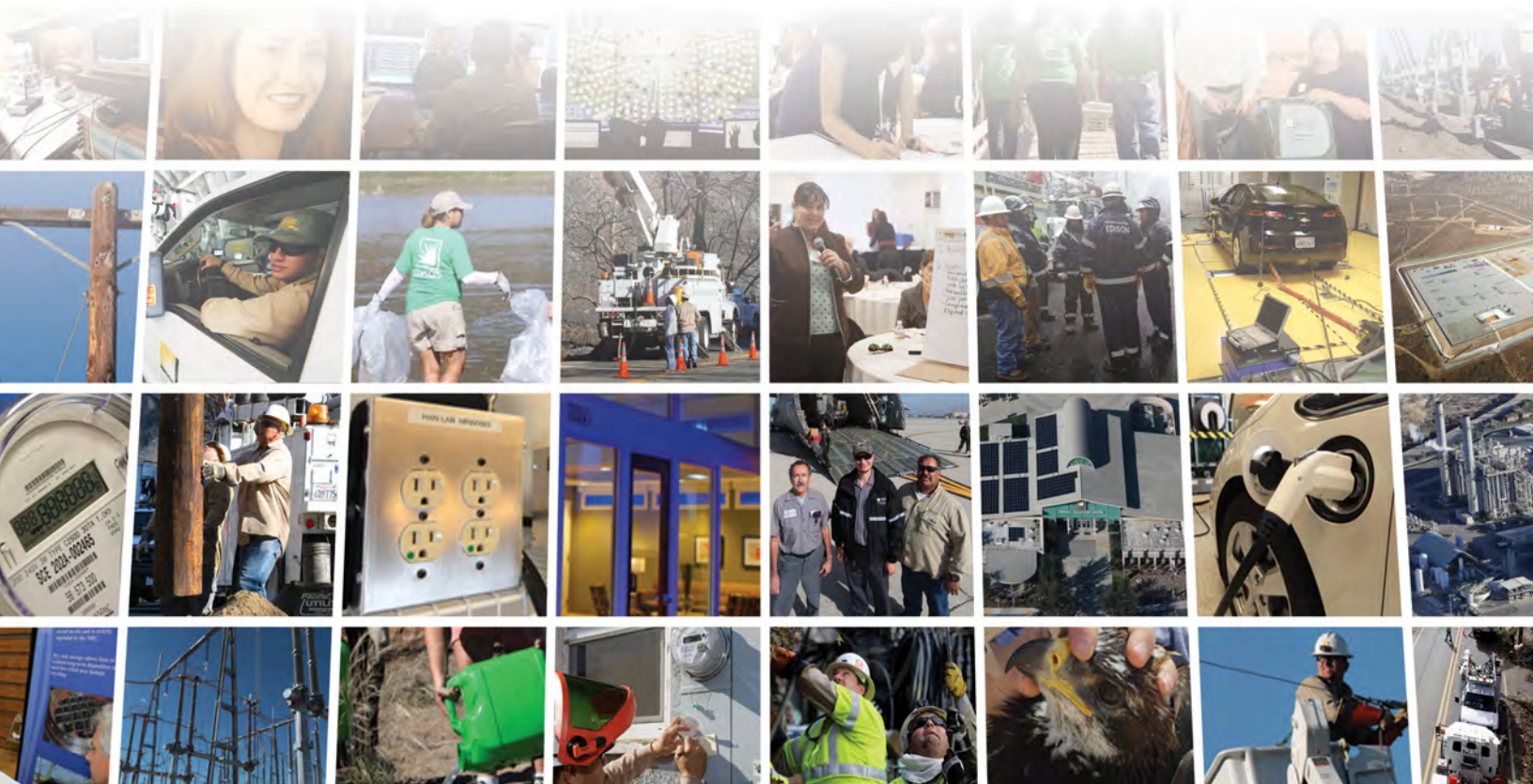


2012




CORPORATE RESPONSIBILITY & SUSTAINABILITY



An EDISON INTERNATIONAL® Company



SCORECARD

Sustainability Pillar	Issue	Benchmarkable Performance Metric	SCE 2011	SCE 2012	National Average
 SOCIAL	Employee Safety	Employee OSHA Recordable Rate	4	3.65	-
	Employee Safety	Employee Lost Workday Case Rate	2.37	1.82	-
	Workforce Diversity	EEO Category: Women in the Workforce (%)	31%	32%	25%
	Workforce Diversity	EEO Category: Minorities in the Workforce (%)	54%	54%	24%
	Shareholder Engagement	Community Investments: Pre-Tax Earnings from Operations (\$ Millions)	\$ 17.0	\$ 19.2	-
	Shareholder Engagement	Community Investments: Pre-Tax Earnings from Operations (%)	1%	1%	0.98%
	Customer Satisfaction	J.D. Power & Associates Survey Results: Electric Residential	650	655	628
	Customer Satisfaction	J.D. Power & Associates Survey Results: Electric Business	661	679	657
	Customer Energy Management	Customer Energy Efficiency: GWh % of CPUC Goals	166%	160%	-
	Customer Energy Management	Customer Energy Efficiency: MW % of CPUC Goals	142%	132%	-
 ENVIRONMENTAL	Clean and Renewable Energy	Renewable Portfolio Standard - Eligible Renewables (%)	20.8 %	20.6 %	13%
	Greenhouse Gas Emissions	CO ₂ e Emissions from Owned Electricity Rate (lbs/MWh)	397	753	1,216
	Greenhouse Gas Emissions	CO ₂ e Emissions from Delivered Electricity Rate (lbs/MWh)	517	705	1,216
	Greenhouse Gas Emissions	Scope 1 Emissions (million metric tons CO ₂ e)	6.3	7.2	-
	Greenhouse Gas Emissions	Scope 2 Emissions (million metric tons CO ₂ e)	1.0	1.5	-
	Greenhouse Gas Emissions	Scope 3 Emissions (million metric tons CO ₂ e)	12.4	16.9	-
	Greenhouse Gas Emissions	SF ₆ Emissions Rate (%)	0.90%	0.64%	-
	Air Emissions	NO _x Emissions Rate of UOG (lbs/MWh)	0.660	1.160	1.1
Air Emissions	SO ₂ Emissions Rate of UOG (lbs/MWh)	0.250	0.370	2.1	
 ECONOMIC	Economic Vitality	Supplier Diversity Spend Rate (%)	33.70%	38.20%	-
	System Reliability & Operations	Electric Operations SAIFI	0.86	0.86	1.64
	System Reliability & Operations	Electric Operations SAIDI	98.5	102.5	310.4
	System Reliability & Operations	Electric Operations CAIDI	223.5	121.5	205.5
	Shareholder Value	Earnings per Share	\$ 4.61	\$ 3.20	-
	Shareholder Value	Dividends Declared per Share	\$ 1.30	\$ 1.35	-

As part of the efforts of the California Utility Sustainability Partnership (CUSP), the California investor-owned utilities identified publicly available metrics that reflect our collective environmental, economic and social performance.

Definitions

Scope 1 - Emissions under the direct control of the company including Utility Owned Generation (UOG), Transportation, SF₆ from T&D equipment

Scope 2 - Indirect emissions required for business processes including Transmission losses, Facility energy use (electricity and natural gas)

Scope 3 - Indirect emissions released as a consequence of the activities of the company including specified power purchases, unspecified power purchases

CAIDI – Customer Average Interruption Duration Index or the average restoration time for customers

Other items defined in report.



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Tree farm located in Auberry, Calif.

MESSAGE FROM OUR PRESIDENT

We are on the front of transformative changes in the energy sector in California. At Southern California Edison (SCE), we are collaborating with policymakers, regulators and other market participants to achieve balanced policies that will enable us to provide our customers with safe, reliable and affordable power. Balanced policies will also enable us to provide customers their power in an environmentally responsible manner for years to come.

The safety of the public and our employees is our paramount responsibility and we are committed to safety as a foundational principle. We recognize that our service territory is among the most diverse in the nation and as such it is imperative that we foster a workplace that embraces the diversity and contributions of each employee. This enables us to continue our focus on the five priority areas that serve as the basis of our corporate responsibility framework: Our Commitment to Safety, Empowering Our Customers, Protecting the Environment, Partnering with Employees and Supporting Our Communities.

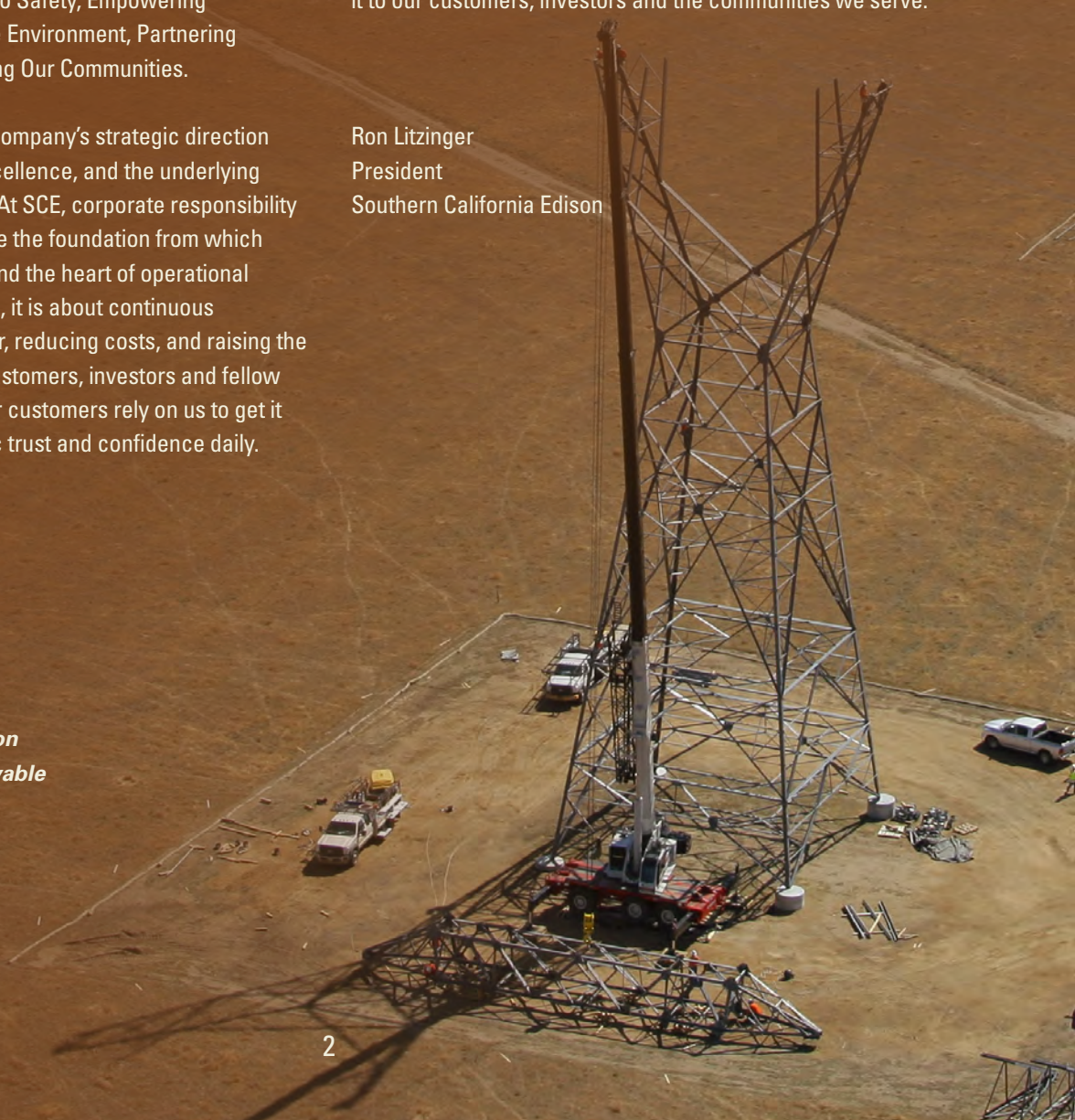
The framework supports the company's strategic direction of operational and service excellence, and the underlying goals needed to get us there. At SCE, corporate responsibility and personal responsibility are the foundation from which we operate our business — and the heart of operational and service excellence. To us, it is about continuous improvement, working smarter, reducing costs, and raising the bar on performance for our customers, investors and fellow employees. We know that our customers rely on us to get it right, and we must earn public trust and confidence daily.

Construction of transmission tower for Tehachapi Renewable Transmission Project.



Our core values of Integrity, Excellence, Respect, Continuous Improvement and Teamwork guide our work. Our 127-year history has shown that we are a resilient organization. Through the many changes in the industry and our company, we have proven that we are at our best when we work together. As the policy landscape evolves, collaboration and honest conversations will be needed to ensure an integrated and practical approach to the transition underway. We will continue to work in partnership with stakeholders to mitigate customer impacts and deliver on our commitment to safe, reliable and affordable power. We owe it to our customers, investors and the communities we serve.

Ron Litzinger
President
Southern California Edison





OUR APPROACH TO CORPORATE RESPONSIBILITY & OPERATIONAL & SERVICE EXCELLENCE

At SCE, we understand that our customers depend on us to safely provide them with reliable and affordable electricity in responsible ways. A commitment to our customers is essential to achieving operational and service excellence. This commitment requires a continuous focus on both personal and corporate responsibility. To this end, we have developed a Corporate Responsibility program, which works to improve our company's efforts to provide our customers and communities with the best service possible.

Through our Corporate Responsibility program, we are creating a path that leverages a triple bottom line approach—reducing our operational costs and lessening environmental impacts, while enhancing important social values to our customers and our communities. These programs include our green fleet program, which uses on-board technology to monitor fuel efficiency and driver behavior, and our green buildings program, which has established standards for building remodels and new construction that are consistent with Leadership in Energy & Environmental Design (LEED) standards. We regularly incorporate new initiatives into our workplace to support SCE's commitment to operational and service excellence.

On August 21, 2012, the California Public Utilities Commission (CPUC) held its inaugural Sustainable Utilities En Banc in order to educate regulators and interested stakeholders on corporate responsibility and sustainability as it applies to California utilities. SCE, Pacific Gas & Electric, San Diego Gas & Electric and the Southern California Gas Company formed a partnership, called the California Utility Sustainability Partnership (CUSP), to coordinate and benchmark utility corporate responsibility and sustainability programs.

As we continue to serve our customers, we remain committed to accomplishing our goals in the five priority areas that serve as the basis of our corporate responsibility framework: Our Commitment to Safety, Empowering Our Customers, Protecting the Environment, Partnering with Employees, and Supporting Our Communities.

We welcome feedback from our stakeholders on this report and our efforts to act responsibly. **Please send your comments to CRreport@sce.com.**

COMPANY VALUES

OUR VALUES

INTEGRITY

EXCELLENCE

RESPECT

CONTINUOUS
IMPROVEMENT

TEAMWORK

OUR OPERATING PRIORITIES

We operate safely

We meet customer needs

We value diversity

We build productive partnerships

We protect the environment

We learn from experience and improve

We grow the value of our business

COMPANY OVERVIEW

A subsidiary of Edison International (NYSE: EIX), SCE is an investor-owned public utility that supplies electricity to an area of approximately 50,000-square-miles in Central, Coastal and Southern California with a population of nearly 14 million people.

IN 2012 SCE HAD:

4.9 MILLION
CUSTOMER
ACCOUNTS

NET
INCOME
OF **\$1.7** BILLION

TOTAL
OPERATING
REVENUE OF **\$11.9** BILLION

TOTAL
ASSETS
OF **\$44.0** BILLION

TOTAL
SALES
OF **88,215** MILLION
KILOWATT-
HOURS

16,515 FULL-
TIME
EMPLOYEES

In December 2012, Edison International announced the ninth consecutive annual increase in its common stock dividend to \$1.35 per share in 2013.

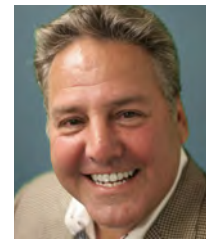
OUR COMMITMENT TO SAFETY

*Our first operating priority is "We Operate Safely."
We do this by investing to maintain our
infrastructure and informing our customers on how
to stay safe around electricity.*



In 2012, The National Theater for Children (NTC) approached SCE to sponsor productions of “A Bug’s Light,” a play about electrical safety, to students at Jones Elementary School and others in our service area. We immediately appreciated this great opportunity to enrich the school curriculum, enhance science learning and build awareness around electrical safety.

The NTC delivered a package of live theater, student curriculum and teacher guides to students, teachers and parents at seven elementary schools in southern and central California, including Compton, San Bernardino, Ontario, Tulare, South Gate and Bell.



“Without the support of SCE, NTC Research Foundation would not have been able to make such an important difference in children’s lives.”

- Ward Eames,
President,
NTC Research
Foundation

SAFETY AROUND ELECTRICITY CAMPAIGN

SCE continued an aggressive safety advertising campaign throughout 2012 in multiple languages (English, Spanish, Chinese, Cambodian, Korean, Tagalog and Vietnamese) and through multiple media channels (TV, radio, print, online, out-of-home/outdoor) to help build and reinforce public awareness of power line safety messages. The campaign reached a broad audience and resulted in a total of nearly 1.4 billion advertising appearances.

TEACHING KIDS ABOUT ELECTRICAL SAFETY

In 2012, SCE reached out to more than 4,200 students throughout the company’s service territory with classroom curricula and activities about what to do in an electrical emergency and how to stay safe around appliances.

EDUCATING “AT RISK” WORKERS

SCE offers Worker Beware safety training materials at no cost to construction, agricultural

and other workers whose jobs may bring them in proximity with SCE power lines. These materials—which include tip cards, posters, a DVD and a facilitator’s guide—can help employers control injury-related costs, reduce insurance premiums and avoid fines. Most importantly, this training can save lives. SCE mailed training materials to more than 112,000 business owners in 2012.

SCE provided a \$10,000 community grant to AgSafe to promote the Worker Beware program. AgSafe is a state-wide nonprofit organization dedicated to providing employers and employees in the agricultural industry with education and resources to prevent injuries, illnesses and fatalities. SCE also participated in the California State Compensation



Electrical safety play presented by The National Theater for Children.

Fund employer education series. State Fund is California's largest provider of workers' compensation insurance; its accident prevention services help keep workplaces safe.

OUTREACH TO FIRST RESPONDERS & COMMUNITY EMERGENCY RESPONSE TEAMS (CERTs)

SCE is working with local communities to grow first responders' awareness of electrical safety. Twenty five CERT educational sessions were conducted in 2012. The sessions covered topics such as safely responding to downed power lines, the restoration process, and how to get involved in your community's emergency response efforts.



Public safety campaign for first responders.

AMERICAN RED CROSS

Edison International recognizes that residents will turn to the American Red Cross if a large-scale natural disaster occurs. For that reason, the company joined forces with the American Red Cross and committed \$1.5 million to launch PrepareSoCal, a three-year emergency preparedness campaign. The PrepareSoCal initiative aims to train 250,000 individuals in first aid and CPR, 70,000 individuals in emergency preparedness and 4,000 volunteers to serve in Red Cross shelters. Among these trained volunteers will be hundreds of Edison employees who can be called on in emergencies.

HURRICANE SANDY

SCE has a long tradition of helping other utilities during catastrophic events, which is essential to ensuring reliable service to customers. When Consolidated Edison Company of New York asked for help under the electric industry's mutual assistance program, SCE was quick to respond.

A total of 134 SCE employees made the trip to New York and New Jersey, supported by another 100 employees back in California. In addition to the SCE crews supporting the restoration efforts, a small team of volunteers trained by the American Red Cross in emergency shelter operations also went to New York, managing shelters in Brooklyn and on Staten Island. Employees donated \$40,000 to the American Red Cross, and Edison International added to the grant for a total of \$65,000 for disaster relief. Customers got involved through a campaign on Facebook and Twitter called "Every Click Counts." A total of 1,239 customers participated to raise \$1,239.



Edison volunteers depart to assist the American Red Cross with disaster relief efforts on the East Coast.

CREATING AN INJURY-FREE WORKPLACE

SCE is committed to strengthening its safety culture to achieve an injury-free workplace by creating and sustaining a work environment that values:

- Having every employee leave the workplace unhurt
- Using work behaviors and practices that uncompromisingly protect the safety of everyone
- Caring for the safety of each other
- Stopping work anytime unsafe conditions or behaviors are observed until the job can be completed safely

Continuous commitment and dedication to these goals by all SCE employees will ensure that the safest workplace is established and that the safest work behaviors are always used to prevent injuries.

To measure our progress towards creating an injury-free workplace and to see how we compare to peer utilities, SCE utilizes the DART rate. DART stands for Days Away, Restricted and Transferred. These are work injuries that result in employees missing work for at least one day, being restricted from doing their normal duties, or being transferred to another job until they can return to their normal duties once they have recovered from their injuries (i.e., employees who were unable to do their regular jobs due to injury).

**DART RATE/
OSHA RECORDABLE INJURIES**

	2011	2012
DART	2.37	1.82
OSHA	4.00	3.65

Through our employees' efforts in improving safety, SCE's DART rate was reduced by 23 percent in 2012 from 2.37 to 1.82.

Our improved safety performance relates to our culture of employee engagement. For example, in 2012 our Transmission and Distribution operating unit launched the Craft Driven Safety Program. This program is built on the common safety interest shared between the company and the union, IBEW Local 47, in which the union plays an active role in addressing safety incidents and recommending corrective actions. This program creates a process in which every craft employee is held accountable by their coworkers and their union to follow safe work practices.

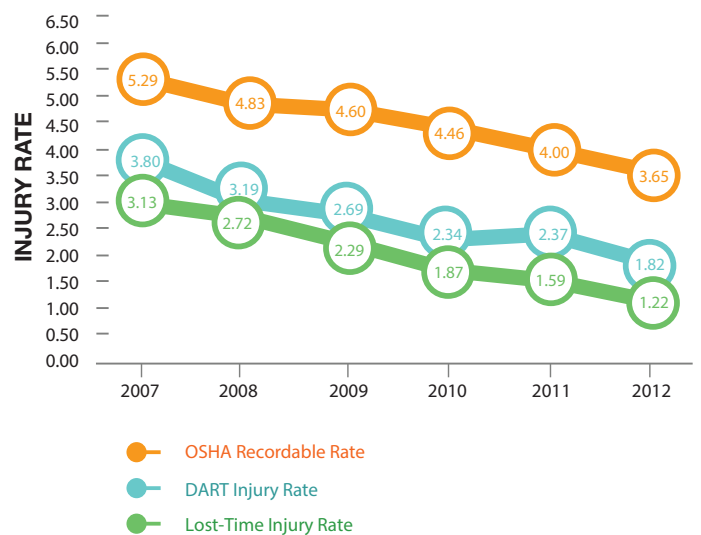
SCE has many employee safety teams and congresses, which are comprised of the employees who actually perform the work and therefore understand the safety risks. It is through this shared pool of knowledge and experience that safety-related issues and concerns are identified and addressed. Employees are also engaged in SAFE 24/7 (Safety Ambassadors for Edison), an employee resource group. This employee-led organization emphasizes the importance of safety and preparedness, and not just in the workplace. They share best practices and company safety messages at events, perform volunteer work, conduct hands-on demonstrations and provide training.

Our safety performance has improved since we began working on culture in 2007 as part of our effort to create an injury-free workplace. While we are pleased with the improved safety performance, we are not satisfied; we know that we have much more work to do to get to an injury-free workplace.

Despite this improved performance, SCE remains in the fourth quartile of safety performance when comparing ourselves to our peer utilities. This rate equates to more

than 300 of our employees being unable to perform their normal daily activities as diagnosed by medical professionals. We are committed to improving our performance.

In 2013, our goal reflects a planned 32% decrease in the DART rate compared to 2012's target. Approximately two-thirds of our employee injuries each year are strains and sprains. We are working to reduce these types of injuries through various ergonomic and therapeutic exercise programs. In addition, the company is focusing on measuring leading indicators, such as reporting close calls, tracking the volume of safety behavioral observations, and ensuring that safety-related corrective actions are completed on-time.



Lost Time Injuries: Injuries that result in at least one whole day away from work after the date of the injury.

DART: The sum of incidents/injuries that include restricted duty and lost time injuries.

OSHA Recordable Injuries: Work related injuries and illnesses (including lost time injuries) that result in loss of consciousness, restricted duty, job transfer, medical treatment beyond first aid, fatality or a significant injury or illness diagnosed by a physician or other licensed health care professional.

ENSURING A RELIABLE SUPPLY OF ELECTRICITY

Reliability is one of the biggest factors driving customer satisfaction. With operational and service excellence in mind, we've made investing in our transmission and distribution infrastructure a priority.



California's Office of Historic Preservation (OHP) promotes the preservation of California's irreplaceable and diverse cultural heritage. An essential tool in this effort is the California Historical Resources Information System (CHRIS), a repository of archaeological site and survey data consisting of nearly 650,000 records. Historic preservation professionals use the CHRIS to identify and manage important archaeological and historical resources potentially affected by new construction or maintenance of existing facilities – including transmission lines and other electrical facilities.

SCE is partnering with OHP and other major users to modernize the CHRIS with geographic information systems and other electronic tools. Updating the CHRIS will significantly increase data-handling efficiency and reduce the risk of damage to historic resources. In addition, modernizing the CHRIS will reduce customers' costs by reducing record search fees; cutting in half the time needed to complete environmental evaluations required for maintenance and other work; and providing much more accurate and up-to-date data in a highly flexible digital format that will facilitate advance planning and more efficient cost-saving applications down the road.

SCE supplies electricity to its customers through extensive transmission and distribution networks. Our transmission facilities, which include sub-transmission facilities and are located primarily in California but also in Nevada and Arizona, deliver power from generating sources to the distribution network and consist of lines ranging from 33 kV to 500 kV and substations. SCE's distribution system, which takes power from substations to customers, includes over 106,000 miles of overhead primary wires, 53,000 miles of underground primary wires, and over 700 distribution substations.

INFRASTRUCTURE INVESTMENTS FOR RELIABILITY

Over the next two years, SCE plans to invest \$7.2 billion to expand and upgrade our transmission and distribution systems to maintain reliability and meet the needs of growing communities. These investments include replacing older equipment and cable, particularly at the distribution level; building new transmission lines needed to meet California's ambitious renewable power goals and relieve congestion; and incorporating new technologies which will minimize the scope of outages and shorten the repair time if and when outages occur.



“The modernization of the California Historical Resources Information System is important to the preservation of our rich cultural heritage and creates a more efficient and cost-effective electronic system. Collaborations such as the partnership with SCE and Office of Historic Preservation (OHP) will enable this effort to move forward more efficiently and effectively to benefit citizens of our state.”

- Carol Roland-Nawi, State Historic Preservation Officer



RENEWABLE TRANSMISSION PROJECTS

Large-scale renewable resources are located far from the populated areas where customers can put that power to use. Building new high-voltage transmission lines or upgrading existing lines makes it possible to transport power from its generation source over long distances to where most Californians live and work.

SCE is building the 173-mile Tehachapi Renewable Transmission Project, the nation’s largest transmission project devoted primarily to renewable energy. It will deliver up to 4,500 megawatts (MW) of power to California’s grid — enough to power 3 million homes. In 2013, SCE expects to complete construction on the 153-mile Devers-Colorado River and 35-mile Eldorado-Ivanpah Transmission Projects; combined, these two projects will deliver up to 2,600 MW of power from renewable and traditional generating sources.

SCE is currently planning the Coolwater-Lugo Transmission Project and the West of Devers Upgrade Project to provide additional transmission capacity to bring renewable energy generation planned in Riverside and San Bernardino counties to population centers.

BUILDING A SMART GRID

Our investment in transmission and distribution infrastructure incorporates new technologies that will allow the safe and reliable integration of renewable and distributed resources. These smart grid technologies will also accommodate increasing electric transportation adoption by residential, commercial and industrial customers. Smart meters enable these customers to monitor and manage their energy use, while also participating in new programs and services to reduce their carbon footprint. Sophisticated grid technologies will help minimize outages and prevent them from spreading, while automated monitoring tools will predict outages and resolve them proactively. SCE is partnering with the U.S. Department of Energy (DOE) to test new smart grid technologies through demonstration projects.

The Irvine Smart Grid Demonstration (ISGD) project will test the interoperability and efficacy of key elements of the grid,

from the transmission level through the distribution system and into the home. ISGD will be deployed in Irvine, Calif. at the University of California, Irvine, and SCE’s MacArthur substation in Newport Beach, Calif. The location is a site typical of heavily populated areas of southern California in climate, topography, environmental concerns and public policy issues. ISGD will allow SCE, project participants, and the DOE to verify the viability of Smart Grid technologies to operate effectively and with adequate cyber security measures when deployed in an integrated framework. The project will also help provide a means to quantify the costs and benefits of these technologies in terms of overall energy consumption, operational efficiencies, system reliability and societal and environmental benefits. Finally, ISGD will allow the project team to test and validate the applicability of demonstrated Smart Grid elements for the southern California region and the nation, as a whole.

CRITICAL INFRASTRUCTURE PROTECTION & SYSTEM RELIABILITY

As SCE invests in automated and connected technologies to meet sustainable energy and reliability goals, we are focused on implementing cyber security solutions that balance critical infrastructure protection capabilities with cost, performance and operational considerations. SCE’s commitment to cyber security is evident in programs such as our Common Cyber Security implementation. Working with the federal government, SCE is actively transferring advanced military grade cyber security technology from the defense sector to the utility industry.

MEASURING OUR RELIABILITY PERFORMANCE

System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) are the metrics that help us monitor our progress on “keeping the lights on” for our customers. SAIDI tells us how long an average customer is without power and SAIFI how often they lose power during the year.

During the 2010-2012 period, the average SCE customer experienced less than one sustained outage each year, and was without power for 1.8 hours, a small fraction of the nearly 8,800 hours in a year. When compared to about 75 other utilities nationwide that report this information, SCE’s 2012 SAIFI performance was in the top quartile, while its SAIDI performance was in the top half. SCE is committed to striving for even greater service reliability for everyone we serve.

	SAIDI	SAIFI
2011	98.54	0.853
2012	102.51	0.862
<i>(3-year average)</i>		

EMPOWERING OUR CUSTOMERS

We offer a wide range of energy management options that helps customers save energy and money and help the environment.



The City of Newport Beach received a \$261,150 incentive from SCE's Savings By Design program for its new LEED-certified, energy efficient civic center. The center includes a new city hall, expanded library, park, restored wetlands and multipurpose community room.

The city hall features energy efficient water-cooled chillers, under-floor air distribution and LED lighting and is 31% more efficient than a standard code-compliant building. It also contains equipment that continually measures energy use throughout the building.



"We saw SCE as an important planning partner right away, knowing that our older facility ... was tremendously inefficient. Moving to the new building, with its state-of-the-art energy-efficient design, was all the more exciting knowing that SCE's Savings by Design program was in place. It was a way to further recognize and reward the decision to invest a bit more now for long-term savings later."

- Dave Kiff, City Manager of Newport Beach

ENERGY AFFORDABILITY

As part of our focus on electric rates and operational and service excellence, in October 2011 we launched a company-wide initiative. The intent of this initiative was to analyze and optimize the company's internal spending without impacting the company's other critical goals, such as safety, reliability and customer satisfaction. This initiative has resulted in productivity improvements and cost savings and is helping us create the financial capacity to replace more aging infrastructure without raising electric rates. SCE's vision is to become a pacesetter in delivering affordable, as well as safe and reliable energy to its customers.

For families who may be struggling to pay their bills, SCE offers customer-funded programs to households with qualifying incomes. These include options such as the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs, which offer ongoing bill support, and the Energy Savings Assistance Program, which can help save money over time by covering the cost of efficient new appliances and installation.

In addition, the United Way and SCE work together through the Energy Assistance Fund (EAF) to provide up to \$100 per 12-month period

to qualified customers. In 2012, more than \$1.5 million was donated to EAF by our employees, customers and Edison International shareholders.



Long Beach We Care outreach program supporting low-income customers.

CUSTOMER ENERGY MANAGEMENT

Over the past five years, our customers have saved more than 8.8 billion kWh of electricity by participating in our energy-efficiency programs. These savings are enough to power 1.2 million California homes for an entire year. At the same time, they have reduced greenhouse gas (GHG) emissions by nearly 3.8 million metric tons — the equivalent of removing 790,000 cars from California’s roads.

In 2012, SCE partnered with customers to exceed the goals established by the CPUC by delivering 1744 GWh in energy savings (160% of goal) and 316 MW of peak demand reduction (132% of goal). These energy efficiency savings helped to prevent the release of roughly 750,000 metric tons of CO₂e emissions to the atmosphere, which is equivalent to removing 150,000 cars from the road for an entire year.



One millionth refrigerator recycling event, Compton, Calif.

SCE’s energy efficiency programs reached a milestone in 2012 when the company became the first utility in the nation to recycle its 1 millionth refrigerator. Since 1994, SCE has rewarded its customers for recycling older, inefficient refrigerators and freezers. The results add up to savings of over 7.9 billion kWh of electricity — not to mention savings of \$1 billion on households’ energy bills. Taking these inefficient refrigerators and freezers off the grid has also helped avoid emissions equivalent to removing 700,000 cars from the road. In 2012, SCE recycled nearly all materials and coolants from these refrigerators, keeping 4,527 tons of waste out of landfills.

SCE also offers rebates and incentives to customers for the installation of a variety of energy efficient appliances and equipment.

DEMAND RESPONSE

With offerings designed to appeal to all segments — from households to large businesses — our portfolio of demand-response programs is among the nation’s largest. We have more than 20,000 businesses and 1.1 million households that participate in our demand response programs. In 2012, the portfolio had over 1,300 MW in eligible demand response resources.

Our Save Power Day incentive offers valuable bill credits in exchange for conserving energy at peak times on select, high-demand days. Any residential customer with an Edison SmartConnect™ smart meter is eligible to participate in this beneficial program.

In addition, the Summer Discount Plan (SDP) converted to a year-round price-responsive program where participants earn bill credits on their summer energy bills by allowing SCE to remotely turn off (or “cycle”) their air conditioner as needed. Customers get to choose their incentive level by deciding how often—and for how long—they permit us to cycle their air conditioner during SDP events.

EDISON SMARTCONNECT

Smart meters provide new opportunities to monitor and manage monthly energy use. We’ve completed installation of 5 million new Edison SmartConnect™ smart meters for households and small businesses. We began rolling out new web-based tools to help California households and businesses understand how their electricity-usage habits affect their monthly bills — and make changes for more savings.

One such tool is Budget Assistant, designed to eliminate surprises in monthly bills. It lets customers set a monthly target, track progress, and get automated alerts if usage exceeds pre-set preferences.

Field Service Representative performing work on a smart meter.



Energy savings made possible by smart meter technology are expected to reduce emissions of GHGs and smog-forming pollutants by more than 365,000 metric tons per year — the equivalent of removing 76,000 cars from the road every year.

We believe in the benefits smart meters deliver, but we also support the individual right to choose. Any of our customers may opt out, in line with the CPUC approved opt-out program.

PREPARING FOR TRANSPORTATION ELECTRIFICATION

California is a leading early adopter of plug-in electric vehicles: As of December 2012, about 8,000 vehicles (approximately 10% of national sales) were on Southern California's roads connecting to SCE's electrical system. Buying a plug-in electric car is a big decision, especially when customer awareness and understanding of the technology is low. SCE has launched a comprehensive education effort including a dedicated microsite www.sce.com/pev to educate our customers on how to get their homes and offices ready. SCE is also collaborating with regional and national organizations such as Edison Electric Institute and Electric Drive Transportation Association to help build sustained education efforts.



Electric vehicle testing at Advanced Technology Lab, Westminster, Calif.

GOODS MOVEMENT

The Long Beach Ship Substation was energized in November 2012. The substation is part of an agreement between SCE and the Port of Long Beach for an expanded energy system that will provide power for buildings, cranes and electric vehicle charging stations at the port. Additionally, this will allow onboard diesel generators to be turned off as ship cargo is being unloaded, reducing carbon emissions. The port electrification project is a 10-year effort. The

Long Beach Ship Substation is the first step in transforming the port into the greenest container-moving facility in Los Angeles County.

CALIFORNIA SOLAR INITIATIVE

The California Solar Initiative (CSI) is a customer-funded program designed to create 3,000 MW statewide of new, distributed solar power. CSI, also known as the "Million Solar Roofs" program, pays an incentive or rebate to customers who install photovoltaic or solar thermal systems on their homes or businesses. As of December 31, 2012, SCE had reserved incentives for approximately 39,000 customers, totaling 502 MW and \$695 million in rebates.

SCE regularly offers workshops for homeowners, businesses, government and nonprofit customers to provide an overview of the program and the rebates that are available. Other training programs (including web based training) are offered for photovoltaic installers, so they understand how these systems interconnect to the grid, as well as how to complete the CSI rebate application forms on behalf of the property owners.



Solar panels at Victorville Community College.

ENERGY EDUCATION CENTERS

Whether customers are building a warehouse or replacing skylights at home, making energy efficient choices can save money and reduce environmental impacts. Our Energy Education Centers in Irwindale and Tulare provide tools and training to help business owners, architects, contractors and the general public maximize their projects' energy efficiency.

At the Irwindale center, which focuses on energy efficiency for commercial customers, the Smart Energy Experience also lets visitors interact with smart technologies in a "home of the future."

The Tulare center provides an added agricultural focus, with outdoor demonstration areas showcasing irrigation and pumping technologies.



Smart Energy Experience located in the Energy Education Center, Irwindale, Calif.

ZERO NET ENERGY DEMONSTRATION PROJECTS

A Zero Net Energy (ZNE) building is one with a net energy consumption of zero when averaged over a one-year period due to a combination of energy efficiency design features, demand response capability, and on-site renewable distributed generation (solar photovoltaic, wind, solar thermal water heaters, etc.).

The CPUC established ZNE aspirational goals recommending that all residential new construction achieve ZNE by 2020, commercial new construction by 2030, and 50% of existing commercial buildings retrofit to ZNE by 2030.

SCE is working closely with our customers, including cities, local government officials, builders, developers and building owners to meet the CPUC's aspirational goals. We have undertaken several ZNE demonstration projects in 2012 and will continue to pursue them in 2013 and beyond.

FUEL CELLS

Fuel cell technology uses a chemical reaction to produce electricity and heat, producing fewer emissions than a combustion process (such as that in a natural gas-fired plant). To support the development of commercially feasible power plants using fuel cell technology, SCE has completed one of two demonstration projects, with the second anticipated to be operational by the summer of 2013.

CUSTOMER SATISFACTION

SCE remains committed to understanding and meeting the needs of its customers by delivering reliable power and offering programs and services that help customers manage their energy use.

Among large utilities in the West, SCE was ranked fifth in customer satisfaction by residential customers and fourth by business customers according to the J.D. Power and Associates 2013 Residential and 2013 Business Electric Utility Customer Satisfaction Studies.

PROTECTING THE ENVIRONMENT

SCE's commitment to operational and service excellence extends to environmental practices and performance. Our Environmental Policy establishes principles to assure accountability for environmental compliance while fulfilling our mandate to safely provide reliable and affordable electric service in environmentally responsible ways. Protecting and responsibly managing the natural resources entrusted to our care are vital to the environment and the quality of life in the areas we serve.



Wildfires in the West have grown in frequency and intensity over the last three decades. To address this threat and improve the health of the nation's forests, Congress established the Collaborative Forest Landscape Restoration Program. One of the first projects established by the U.S. Forest Service under the program was the Dinkey Landscape Restoration Project.

SCE was asked to be a partner in the project because of the company's reputation for successful forest management. SCE has restored more than 20,000 acres of Sierra Nevada forestland in the Shaver Lake area east of Fresno to its pre-1850 status, building and maintaining healthy ecosystems where wildlife populations thrive, including various threatened and endangered species such as bald eagles, spotted owls and Pacific fishers. This approach also reduces the risk of catastrophic wildfires.

Members of the SCE Forest Management team serve in leadership roles on the Dinkey Landscape Restoration steering committee and technical group to design sound forest management practices on 154,000 acres of public lands in the Sierra National Forest adjacent to SCE property. The U.S. Forest Service estimates that the project in 2012 created or maintained 137 jobs, generated \$6 million in labor income, and improved or maintained 11 miles of road.



“The Dinkey Landscape Restoration Project is working hand-in-hand with the Dinkey Collaborative to plan, implement and monitor 10 years’ worth of restoration projects over 150,000 acres surrounding the Dinkey Creek area. SCE manages 20,000 acres in the area, and the company has been an active member of the Collaborative from the start. Together, we are working to create a healthy and resilient environment that will continue to provide benefits for both people and wildlife long into the future.”

- Mosé Jones-Yellin, Deputy District Ranger, U.S. Forest Service

CLIMATE CHANGE

The California Global Warming Solutions Act of 2006 aims to reduce California's GHG emissions to 1990 levels by 2020. The California Air Resources Board's (CARB) Greenhouse Gas Cap-and-Trade Program is one measure to help achieve this goal. It places a state-wide upper limit, or cap, on greenhouse gas emissions. Emissions are to be reduced by 2% to 3% each year between 2013 and 2020 in order to reach the 1990 emissions level target. Participants in the Cap-and-Trade Program reduce their emissions or purchase emissions allowances. One allowance equals one metric ton of carbon dioxide equivalent

(MT CO₂e). Auctions to buy allowances are held quarterly. As of May 2013, three auctions have occurred, resulting in clearing prices between \$10.00 and \$14.00 per MT CO₂e.

GREENHOUSE GAS EMISSIONS FROM SCE-OWNED POWER PLANTS* IN MILLION METRIC TONS

2011	2012
6.1	7.0

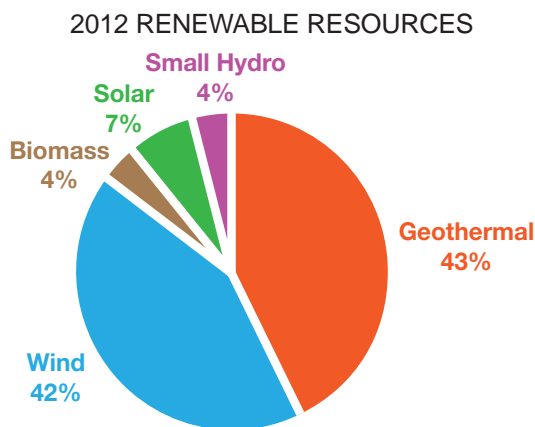
* A subset of Scope 1 Emissions that does not include transportation and SF6.

CARB allocated allowances to the electricity sector based on historical emissions and early-action reductions. SCE's allocation is projected to decline from 33 million MT CO₂e in 2013 to 25 million MT CO₂e in 2020. These allowances will offset some of the GHG costs associated with the electricity we generate and purchase to serve our customers.

State law restricts the use of allowance revenue to specific customer classes:

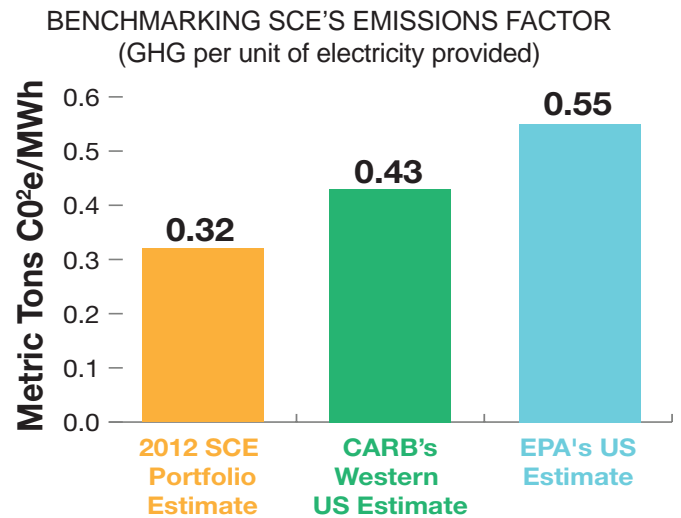
- Residential customers will receive most of the benefits from the allocated allowances. This will more than offset their program costs, resulting in a semi-annual bill credit known as a "climate dividend" for residential customers.
- Small business customers (20 kW or below) will initially receive an allocation designed to offset 100% of their costs, but this will decline and cover only 30% of their costs in the latter years of the program.
- Most large businesses (above 20 kW) will not receive any benefits from the allocated allowances. The exception is for those industries designated as "emissions-intensive trade-exposed" that face competition from out-of-state producers.

Another measure adopted by the state to reduce GHG emissions requires increasing use of renewable electricity. In 2012, 20% of the electricity SCE delivered – a total of approximately 15 billion kilowatt-hours – was generated from geothermal, wind, solar, small hydropower and biomass resources. SCE's focus was primarily on smaller-scale renewable resources, signing over 150 power purchase contracts for an aggregate of about 360 MW. In addition, SCE's utility-owned solar rooftop program built 84.6 MW of rooftop solar capacity by the end of 2012 and is currently installing an additional 6.8 MW.



SCE recently initiated an effort to produce a comprehensive accounting of all of SCE's GHG emissions. Currently, SCE reports all mandatory GHG data such as utility-owned generation emissions, but is not required to report emissions from other sources such as vehicles, buildings, purchased power or transmission line losses. As part of our commitment to environmental stewardship, SCE will aggregate its GHG emissions in accordance with The Climate Registry's General Reporting Protocol.

Preliminary results from SCE's GHG quantification effort demonstrate that SCE's GHG intensity per unit of electricity served is well below the estimated national and Western U.S. averages.



SF6 EMISSIONS

Sulfur hexafluoride (SF₆) is a GHG with an extremely high global warming potential – approximately 24,000 times greater than that of carbon dioxide – that electric utilities such as SCE have been using for decades in electrical switches.

CARB has established a declining cap on SF₆ leak rates. SCE has developed a program to inventory and track equipment that uses SF₆, so that SF₆ emissions can be reported as required. This system also enables SCE to identify and replace units that have higher than normal replenishment requirements (indicating a higher than normal leak rate). When the company retires equipment containing SF₆, it recycles the SF₆ and is able to credit the captured gas against the total emissions, thereby reducing its overall SF₆ emission rate even further. As of 2012, SCE's SF₆ emission rate is 1.2% of inventory or a total of 116,994 metric tons of CO₂e, well below the current allowance and very close to the 2020 goal. Additionally, we have reduced our SF₆ emissions by more than 400% since 2005.

FLEET ENHANCEMENTS

Because mobile sources play a significant role in local air quality issues, SCE is looking at ways to improve the emissions and fuel efficiency of our fleet of nearly 7,000 cars, trucks and powered equipment. Some of the lowest cost and quickest solutions to control fleet costs have been to rightsize our fleet and encourage our drivers to make fewer fast starts or sudden stops, and obey speed laws. These efforts have been enabled by the installation of a telematics system on fleet vehicles, which provides the data needed to run an efficient fleet. In compliance with state regulations, SCE has been retrofitting its heavy-duty vehicles to install equipment to control diesel particulate matter, reducing emissions by 10%.

SCE is also leading an effort to electrify fleet truck tools and equipment, including the boom, utilizing plug-in auxiliary power technology. When mature, this technology is expected to pay for itself in 5-9 years via the expected annual fuel savings of \$5,000 per vehicle per year for the 10 to 15 year life of the truck.

In addition to the forecasted cost savings, this also means that when SCE crews are working in neighborhoods, they don't have to run the diesel engines, reducing fuel use and noise. A quieter worksite is safer and has less impact on the community, especially when crews are restoring power at night.

ENERGY & WATER EFFICIENCY AT SCE FACILITIES

At SCE, all major building renovations and new construction projects are targeted to attain a minimum of LEED™ Silver certification from the U.S. Green Building Council.

In 2012, SCE completed construction of the Alhambra Data Center (ADC), attaining a LEED Gold certification. This 62,000-square-foot facility is the home of information technology (IT) data processing equipment assets supporting SCE business operations, from processing employee timesheets to creating customer bills.

The ADC uses a number of energy efficiency technologies broadly applicable to office buildings, as well as those designed specifically for data centers. For example, the data center operates on an outside air cooling system requiring no refrigeration over 90% of the year and uses natural day lighting and high efficiency fixtures. These and other measures reduce electricity consumption by 35% from the energy standard LEED uses as a baseline (ASHRAE 90.1-2007). The reduction in electricity use equates to about 6,503 metric tons of CO₂, or about 1,355 passenger vehicles removed from highways annually.



Alhambra Data Center, the newest LEED-certified facility.

The water efficiency measures also are impressive, reducing indoor water usage by 53% from standards set in the Energy Policy Act of 2005. Landscape water usage is reduced by 67% when compared to a baseline calculated in accordance with the LEED rating system. Specifically, the site uses native, drought-tolerant plants and a "climate smart" irrigation system, low-flow fixtures, and rainwater harvesting and reuse. Building materials were chosen with an eye towards recycled content and have been locally-sourced. Almost 90% of the construction waste was diverted from landfills and recycled.

Our LEED platinum certified Wildomar Service Center utilizes multiple cutting-edge best water management practices such as porous concrete, storm water bioretention basins, vegetated swales, inlet filters, and underground storm water detention chambers. Similarly at the award-winning Villa Park substation, SCE has cut water use in half and eliminated dry-weather runoff, saving 108 million gallons of water and reducing costs by \$250,000 over the past two years.

WATER QUALITY

SCE maintains over 400,000 underground structures known as vaults that house electrical equipment such as transformers, cables and switches as part of the underground electrical distribution system. These vaults often take in water from storm water runoff, ground water and over-irrigation. In support of California's Water Quality objectives, SCE invested in research and development of a state-of-the-art, on-site treatment system that filters vault water prior to discharge to storm drains. The filtration device cleans the water to a higher quality than regulatory standards. This highly effective device reduces outage time while helping to protect California's rivers, streams and beaches.

SCE recently launched a water impact project to determine how we manage water resources throughout our business operations and to identify opportunities to steward this precious resource and save the company and its customers money. This project will provide SCE and our customers with a transparent, comprehensive insight into how SCE operations strive to minimize water impacts.

POWER PLANT WATER USE & ELECTRIC RELIABILITY

Many power plants in California withdraw substantial amounts of water from the ocean to cool plant generating systems. The California State Water Resources Control Board issued a final policy designed to stop the use of ocean water and require the use of cooling towers or other technologies to reduce the impact on marine life. The policy affects more than 6000 MW of gas-fired generating capacity within SCE's service territory. Because cooling towers are costly to construct and operate, many of these plants may be retired.

SCE is partnering with SDG&E and the California Independent System Operator (CAISO) to investigate options for maintaining electric system reliability in southern California. The effort includes the review of various combinations of increased use of localized preferred resources (renewable resources, demand side management and energy storage), transmission upgrades and/or additions, and repowered and new generation. The objective is to develop a flexible and diverse resource mix and secure reasonable regulatory outcomes for the development of needed infrastructure.

HABITAT PROTECTION & BIODIVERSITY

To mitigate the impacts of using ocean cooling water at San Onofre Nuclear Generating Station, SCE is creating and restoring coastal habitats. The San Dieguito Wetlands Restoration Project has restored and created 150 acres of coastal wetlands, supporting an active fish nursery, a refuge for migratory water fowl, and endangered species habitat. Construction and restoration efforts were largely completed in 2012, and we will continue to work to ensure the success of this sustainable, healthy ecosystem.



San Dieguito Wetlands Restoration Project

Other major marine enhancement projects developed by SCE include the Hubbs Hatchery in Carlsbad, which is restoring the region's white sea bass population through innovative fishery enhancement techniques, and the Wheeler North Reef, a 174-acre artificial kelp reef located off the coast of San Clemente which has created a new habitat for local marine life.

SCE is an active participant in the Avian Power Line Interaction Committee, a collaborative forum for utilities and wildlife agencies to develop methods and practices to support both avian protection and electric system reliability. SCE's recently completed Avian Protection Plan is an outgrowth of this collaboration.

WASTE MANAGEMENT REDUCE, REUSE, RECYCLE

As SCE upgrades its electricity infrastructure and performs everyday repairs, we're collecting transformers, wires, meters and towers to recycle. SCE makes every effort to return valuable resources back into the manufacturing process. 100% of transformer carcasses are recycled as scrap along with wire in cables and other materials. In 2012, SCE reclaimed 29,625 tons of scrap steel and other metals along with mineral oil and other materials which are diverted from landfills and incineration.

SCE also increased enrollment in its online billing program by 21%, reducing postage costs for our customers and decreasing paper consumption by 272 tons over the past three years.

SCE's WasteNot workplace recycling program was introduced nearly 20 years ago and recently won the U.S. EPA National Gold Achievement Award for comprehensive workplace recycling programs.

SCE participates in the U.S. EPA WasteWise Transport Packaging Challenge, designed to minimize packaging waste throughout the various supply chain processes. SCE recently changed its procurement contracts to formalize its intent to use environmentally-preferable products whenever possible.

POLYCHLORINATED BIPHENYLS (PCBs)

SCE developed an innovative program to identify and remove approximately 6,000 distribution transformers suspected of containing high levels of polychlorinated biphenyls (PCBs). An environmentally toxic pollutant, PCBs are sometimes found in transformers manufactured prior to 1980.¹

¹SCE has never specified the use of PCBs in its transformers. The PCB contents were typical residual amounts from prior production runs for other companies.

The program goal is to remove suspect units before they leak and potentially release PCBs, which results in more costly cleanup efforts than removing them while intact. In 2012, the program aimed to remove 96 contaminated transformers and achieved a 95% success rate, removing 91 distribution transformers verified to contain high levels of PCBs. In 2013, the program aims to remove 258 contaminated transformers.

MANUFACTURED GAS PLANT SITE RESTORATION

During the late 1800s and early 1900s, manufactured gas plants (MGPs) utilized coal and oil to produce gas used for lighting, heating and cooking. Once natural gas became available in the early 1900s and electricity became widely used for lighting, these MGP sites were closed. Residues associated with the past MGP operations were left behind.

SCE has identified a total of 20 MGP sites that can be traced to previous or current SCE ownership and/or operation. For 17 of the sites, SCE shares joint liability/responsibility with Southern California Gas Company; three are the sole responsibility of SCE. As of the end of 2012, 14 of the sites' cases have achieved regulatory closure or are near closure, with the majority of remediation work completed but pending final certification from the Department of Toxic Substances Control. Three active sites currently near closure are expected to have remedial actions approved by the agency within two years, which will allow a significant reduction in environmental liability. SCE is working jointly with Southern California Gas Company to remediate and close the remaining MGP sites.

CULTURAL RESOURCES STEWARDSHIP & NATIVE AMERICAN OUTREACH

For over 35 years, SCE has developed Native American ethnographic studies as part of regulatory requirements for environmental assessment of power line projects. Most recently, SCE archaeological staff collaborated with Cahuilla tribal members on an ethnographic assessment of a hill near one of SCE's desert transmission line projects. This study was performed to collect previously published and unpublished anthropological, folkloric, historic, and ethno historic accounts and helped determine the current cultural value of this place to the Cahuilla community.

SCE supports historic preservation by engaging in outreach to local Native American tribal communities to advance and facilitate their participation in project planning, licensing, and construction. One part of that effort is SCE's support for training of Native American construction monitors. This training helps participants identify archaeological artifacts, enabling the monitors

to better fulfill their role as the "eyes" of the Native American community during construction projects. Such efforts continue to further our knowledge of issues sensitive to local tribes.

For example, when Shaver Lake was drained to stream-bed levels – the first time since the completion of the concrete dam in 1927 – a Native American construction monitor accompanied archeologists who recorded historic archaeological and cultural sites previously hidden by high water, including an old mill site. To preserve the historical richness of the area for generations to come, the archeologists took an inventory of everything found. Global positioning system coordinates were noted to mark locations, and the data will be used to create a map of the site.

ENVIRONMENTAL & SAFETY COMPLIANCE

An indicator of SCE's commitment to compliance with state and federal environmental and safety rules and regulations is the tracking of regulatory agency visits and consistent reporting of Notices of Violations (NOVs) to senior management. Corrective actions resulting from NOVs are thoroughly vetted to improve performance and mitigate against future similar violations. Moreover, the timely completion of corrective actions is also tracked. Since 2009, while regulatory agency visits to SCE facilities and projects have significantly increased, the number of NOVs resulting in a fine or penalty has significantly decreased from 2011.

In 2010, SCE voluntarily disclosed to the South Coast Air Quality Management District (SCAQMD) that at times during the period from 2007 through 2010 it failed to comply with certain requirements by making manual adjustments to the Continuous Emissions Monitoring System (CEMS) in use at the Pebbly Beach Generating Station (PBGS). The \$2,000,000 civil penalty paid to the SCAQMD in 2012 was in settlement of those alleged violations, as well as SCAQMD allegations regarding the manner in which automatic daily calibrations were performed on the PBGS CEMS, an NOV issued to SCE alleging exceedence of Nitrogen Oxide (NOx) emission limitations, and an NOV alleging failure to maintain the CEMS in accordance with its approval letter.

NOTICES OF VIOLATION (NOVs)

	2011	2012
Regulatory Agency Contacts/Visits	260	453
Number of NOVs	30	53
Number of NOVs resulting in a fine or penalty	12	2
Total fines and penalties	\$19,000	\$2.6M
Percentage of agency inspections with no Notice to Comply or NOV issued	88.46%	88.3%

In addition, the company achieved 100% compliance with related Sarbanes-Oxley certification and CPUC environmental liability reporting requirements.

PARTNERING WITH EMPLOYEES

At SCE, we see our employees as our most important asset. A healthy, diverse and well-trained workforce is essential to achieving operational and service excellence. We are committed to providing our employees with the resources they need to succeed, while creating a workplace environment that reinforces our values of integrity, excellence, respect, continuous improvement and teamwork.



In 1975, a group of SCE women, motivated by similar career interests and concerns, met to discuss forming an organization for women within the company. The group became the first Employee Resource Group (ERG) in 1976 and since then, has continued to make an impact on the local community.

In 2012, Edison Roundtable held a fundraiser during Women’s History Month for Working Wardrobes, a non-profit which empowers men, women, veterans and young adults overcoming difficult challenges to enter the workforce.

“Thank you very much for your generous contribution in support of programs for women and men overcoming life’s challenges. You have chosen to make a difference by helping our clients find jobs they love. Your donation directly affects the lives of the clients... by helping them confidently enter the workforce and achieve self-sufficiency.”

- Jerri Rosen,
Founder/CEO,
Working Wardrobes



“It is so gratifying and empowering to be a part of the great history of Edison Roundtable. The company’s support tells us that they recognize the incredible power of cultivating the talents and contributions of employees of all backgrounds. Serving on the board has given me a great deal of personal and professional satisfaction, and the fact that we can also help our local communities makes it just that much more worthwhile.”

- Carolyn Sims,
President, Edison
Roundtable

WORKFORCE DIVERSITY

Having a diverse employee base benefits both the company and its customers. Employees can connect with customers better if their perspectives reflect the customers and communities they serve. When employees bring those perspectives to their work, the company’s diversity becomes a strength. Here is a look at our workforce diversity numbers in 2012:

- 55% of our new hires were ethnic minorities
- 54% of our workforce population were ethnic minorities
- 43% of our elected officers were ethnic minorities or women
- 38% of our board of directors were ethnic minorities or women

Percentage Of Ethnic Minority Workforce	
2011	2012
54%	54%

EMPLOYEE RESOURCE GROUPS

Employee resource groups (ERGs) at SCE have a long history of building community ties, while offering personal and professional development opportunities to their members. There are currently 14 ERGs at SCE, representing a range of cultures, traditions, ethnicities, sexual orientation and gender. Members volunteer their time outside of work hours to promote and embrace diversity and inclusion within the company.

Some ERGs host signature celebrations focusing on a particular event or issue, while also raising money for a nonprofit in line with the ERG's mission and purpose. Last year, ERGs raised \$77,409 for various nonprofit organizations in the community.

CAREER DEVELOPMENT

SCE recognizes the need for our leaders and employees to be responsive, adaptable and adept at leading during changing times. SCE provides opportunities to develop and grow personally and professionally. Training courses are offered to employees at all levels within the company to develop leadership and communications skills, increase industry knowledge and promote safety awareness. In addition to these internal courses, SCE offers reimbursement of up to \$5,250 per year for qualifying educational expenses.

ETHICS & COMPLIANCE

Our company's long-term success rests on accepting personal accountability for living the values and complying with company policies and the laws, rules and regulations that apply to our business. At SCE, compliance is not just honoring the letter of the law, but also working to live up to the spirit of the law.

Our Ethics and Compliance Code defines expectations of ethical behavior in specific workplace situations and helps employees find additional guidance when needed to address questions and concerns.

In 2012, 100% of our non-represented employees certified their compliance with our **Ethics and Compliance Code**, and 71% of non-management employees completed Ethics and Compliance training, a program that will continue into 2013.

Ethics & Compliance Helpline (1-800-877-7089)

Our employees are encouraged to raise issues, seek advice, and report ethics, compliance, employee relations, work environment or security concerns so they may be addressed promptly. In addition to discussing and resolving issues with their managers or supervisors, employees may report online or call the Ethics & Compliance Helpline. When using the Helpline, employees can choose to identify themselves or remain anonymous. SCE absolutely prohibits retaliation.

In 2012, our Helpline received 1,172 contacts, of which 56% reported Ethics and Compliance Code concerns, (such as discrimination, sexual harassment, or conflict of interest) and 24% sought advice on matters related to entertainment, gifts, improper payments, or conflicts of interest. As of December 31, 2012, 37% of all contacts were assigned for investigation. Of the concerns investigated and closed, 34% were substantiated. At year-end, all concerns reported in 2012 were not fully settled and will continue being handled in 2013. Total contacts rose 40% and anonymous rate decreased by 2% from 2011, which may be an indicator of increased trust in the Ethics and Compliance Program.

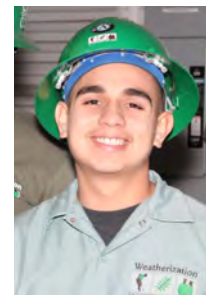
SUPPORTING OUR COMMUNITIES

Our company has a long tradition of investing time and money in our neighborhoods and across communities where we can make a difference. We support programs that strengthen our communities. In partnership with others, we can have an enduring impact.

This includes a partnership with our employees who generously volunteer their time to address some of the most critical issues facing our society. It also involves a corporate investment of shareholder funds to support nonprofit organizations across the region. Whether we're focused on improving access to educational opportunities, protecting the environment or working together to support vibrant and diverse neighborhoods, we are committed to being a good corporate citizen and have a positive impact on our region.



The Los Angeles Conservation Corps gives at-risk young adults and school-aged youth opportunities for success by providing them with job skills, training, education and work experience. The Corp's Clean & Green Jobs Training Program trains young people, primarily from underserved communities, to perform residential energy assessments and energy efficiency retrofits. Clean & Green's conservation and environmental service projects improve the safety, health and viability of communities in key areas of Los Angeles County. Edison is proud to sponsor this worthwhile program.



"Being part of the LA Corps has taught me that you can learn from your mistakes instead of letting them hold you back. I am thankful for the opportunity that this program has provided – it's not just a job but a chance to help others."

- Pedro Moreno, Weatherization Team, LA Conservation Corps

To help strengthen communities across our service area, we have identified four areas where we believe we can make the biggest impact with our giving:

- Education
- Environment
- Public Safety and Preparedness
- Civic Engagement

Each year, cash donations reflect a commitment by Edison International shareholders to support charitable causes. We contribute to many nonprofit organizations that help meet the needs of underserved communities including diverse ethnic groups, seniors, the disabled, women, low income, and gay and lesbian populations.

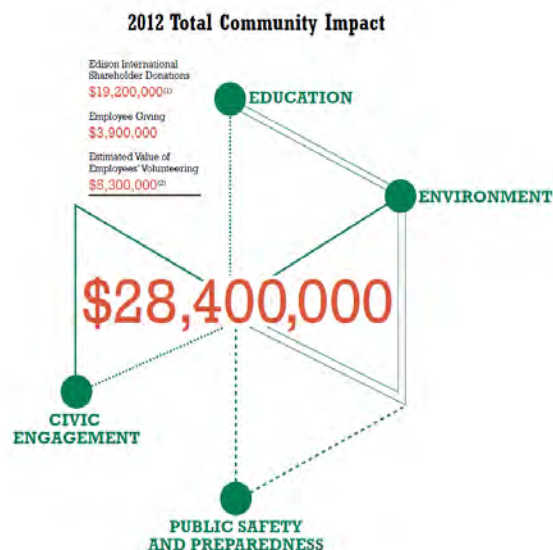
Our philanthropic giving totaled \$19.2 million, with 86% of donations supporting underserved communities.

CORPORATE GIVING	
2011	2012
\$17 million	\$19.2 million

Our employees and retirees donate money and time to a range of causes. Through our annual campaign and other employee-led efforts, our employees support causes that benefit children, veterans, elderly, the disabled, and low-income

people in local communities. In 2012, they raised more than \$3.9 million in charitable contributions to benefit thousands of nonprofit partners; they also raised more than \$140,000 for disaster relief efforts.

Giving back also includes volunteering, and last year our employees and retirees gave more than 239,000 hours to help build and unite the communities where they live and work. Edison International recognizes their commitment to volunteering with incentives such as donations to the nonprofits of their choice.



Our [2012 Community Giving Report](#) provides more information about our overall support of the community.

SUPPLY CHAIN DIVERSITY

Our supplier diversity program reflects the demographics of the company's service territory and provides SCE with competitively-priced and top-quality products and services. SCE strives to build productive relationships and create long-lasting business opportunities with diverse entrepreneurs, which can lead to job creation and a boost to the overall economy.

WMDVBE SPENDING

2011	2012
\$1.4 billion	\$1.5 billion

In 2012, SCE made significant progress in its spending with woman, minority, and service disabled veteran owned business enterprises (WMDVBEs). During the year, SCE:

- Spent \$1.5 billion with diverse firms, up from \$1.4 billion in 2011, surpassing its goal of 35% total purchases to reach 38.2%.
- Worked with nearly 800 diverse suppliers, including new WMDVBEs in such areas as overhead and underground line construction. This is more than any California investor-owned utility.
- Offered technical assistance to 147 diverse suppliers through SCE Supplier University, which offers innovative developmental and mentoring programs.
- Moved toward an aspirational goal to achieve 40% of total procurement spending with diverse firms by 2016.

While these are important measurements of the company's progress, there's more to SCE's Supplier Diversity and Development Program than simply numbers, including giving suppliers the tools they need to develop and grow to take on larger contracts with SCE and providing jobs to Californians. Learn more about SCE's Supplier Diversity program by taking a look at the [2012 Supplier Diversity Annual Report](#).

ENGAGING KEY STAKEHOLDERS

At SCE, we recognize that our health as a company is tied to the strength and voice of our community. SCE engages with various key stakeholders to broaden and sharpen the company's understanding of issues and to examine new and effective ways to strengthen its capacity to serve customers.

For example, a select group of respected opinion leaders from diverse backgrounds serves on advisory panels that regularly meet with SCE's senior executives and directors. The panels are the Consumer Advisory Panel, Government Advisory Panel and Business Advisory Panels.

The objectives of the panels are to advise senior management on public policy, consumer and communications issues, raise the level of awareness about the legal, political and regulatory issues facing our industry, promote widespread public awareness about SCE's positions on issues and initiatives of interest to consumers, and establish a meaningful dialogue with opinion leaders from consumer groups, community-based organizations, environmental groups, educational institutions, economic development organizations, government and business, and civic groups.

SCE also hosts monthly community forums for non-profit organization representing the company's geographically and ethnically diverse customer base. The sessions focus on supporting diverse ethnic communities with information including energy efficiency, economic assistance, grants, advanced technologies, safety around electricity and emergency preparedness.

SCE's Speakers Bureau is made up of employees who volunteer their time to inform customers about a variety of topics related to electricity. The service is free and includes multilingual speakers. SCE employee speakers address energy efficiency, electric safety, renewables, and the utility's customer programs. In each of these outreach efforts, SCE seeks input from customers on how to improve SCE's service to them.

AWARDS & RECOGNITION

ELECTRIC POWER RESEARCH INSTITUTE TECHNOLOGY TRANSFER: SAFE DECOMMISSIONING OF SONGS AND MANAGEMENT OF NUCLEAR WASTE

HUMAN RIGHTS CAMPAIGN: BEST PLACES TO WORK FOR LGBT EQUALITY (100% RATING IN ITS CORPORATE EQUALITY INDEX)

DIVERSITYINC: 2012 TOP REGIONAL UTILITIES FOR DIVERSITY (RANKED THIRD)

LATINASTYLE MAGAZINE: 50 BEST COMPANIES FOR LATINAS TO WORK FOR IN THE U.S.

WOMEN ENGINEER MAGAZINE: TOP 50 EMPLOYERS

HISPANIC BUSINESS MAGAZINE: TOP 60 DIVERSITY COMPANIES (RANKED SECOND)

ABOUT THIS REPORT / FORWARD LOOKING STATEMENTS

DISCLOSURES

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect Southern California Edison’s current expectations and projections about future events based on Southern California Edison’s knowledge of present facts and circumstances and assumptions about future events and include any statement that does not directly relate to a historical or current fact. In this report and elsewhere, the words “expects,” “believes,” “anticipates,” “estimates,” “projects,” “intends,” “plans,” “probable,” “may,” “will,” “could,” “would,” “should,” and variations of such words and similar expressions, or discussions of strategy or of plans, are intended to identify forward-looking statements. Such statements necessarily involve risks and uncertainties that could cause actual results to differ materially from those anticipated.

Some of the risks and uncertainties that could cause actual results to differ materially from those anticipated are discussed under the heading “Risk Factors” and “Management’s Discussion and Analysis” in Southern California Edison’s 2012 Form 10-K and subsequent reports filed with the Securities and Exchange Commission and available on www.edison.com. These forward-looking statements represent our expectations only as of the date of this report, and Southern California Edison assumes no duty to update them to reflect new information, events or circumstances.