



Business Update February 2015



Forward-Looking Statements

Statements contained in this presentation about future performance, including, without limitation, operating results, asset and rate base growth, capital expenditures, financial outlook, and other statements that are not purely historical, are forward-looking statements. These forward-looking statements reflect our current expectations; however, such statements involve risks and uncertainties. Actual results could differ materially from current expectations. These forward-looking statements represent our expectations only as of the date of this presentation, and Edison International assumes no duty to update them to reflect new information, events or circumstances. Important factors that could cause different results are discussed under the headings "Risk Factors" and "Management's Discussion and Analysis" in Edison International's Form 10-K, most recent form 10-Q, and other reports filed with the Securities and Exchange Commission, which are available on our website: www.edisoninvestor.com. These filings also provide additional information on historical and other factual data contained in this presentation.

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EIX Shareholder Value

Sustainable Earnings Growth

Rate Base and Core Earnings Growth:

- 9% 5-year SCE rate base CAGR (2009 – 2014)
- 12% Core SCE EPS growth (2009 – 2014)
- Consistent 7 – 9% rate base growth through 2017

Constructive Regulatory Structure:

- Decoupling
- Balancing accounts
- Forward-looking ratemaking
- Rate reform

Positioning for Transformative Sector Change

SCE Growth Drivers Beyond 2017:

- Reliability
- Grid readiness
- EV charging
- Transmission
- Storage
- State environmental policy

SCE Productivity Improvements:

- Help mitigate rate pressure from capital program
- Build high-performing organization

Edison Energy Competitive Strategy:

- Small, targeted investments in emerging technologies

Financial Discipline

Dividend and CapEx Balancing:

- 11 consecutive years of EIX dividend increases
- 17.6% dividend increase for 2015

Sustainable Dividend Growth:

- Target payout ratio: 45-55% of SCE core earnings
- Return to target payout ratio in steps, over time

Stable Share Count:

- 325.8 million common shares outstanding since 2000

Note: See use of Non-GAAP Financial Measures in Appendix

SCE Highlights

- **One of the nation's largest electric utilities:**
 - Nearly 14 million residents in service territory
 - Approximately 5 million customer accounts
 - 50,000 square-mile service area
- **Significant infrastructure investments:**
 - 1.4 million power poles
 - 700,000 transformers
 - 103,000 miles of distribution and transmission lines
 - 3,100 MW owned generation
- **Above average annual rate base growth driven by:**
 - Infrastructure reliability investment
 - California public policy
 - Grid technology improvements



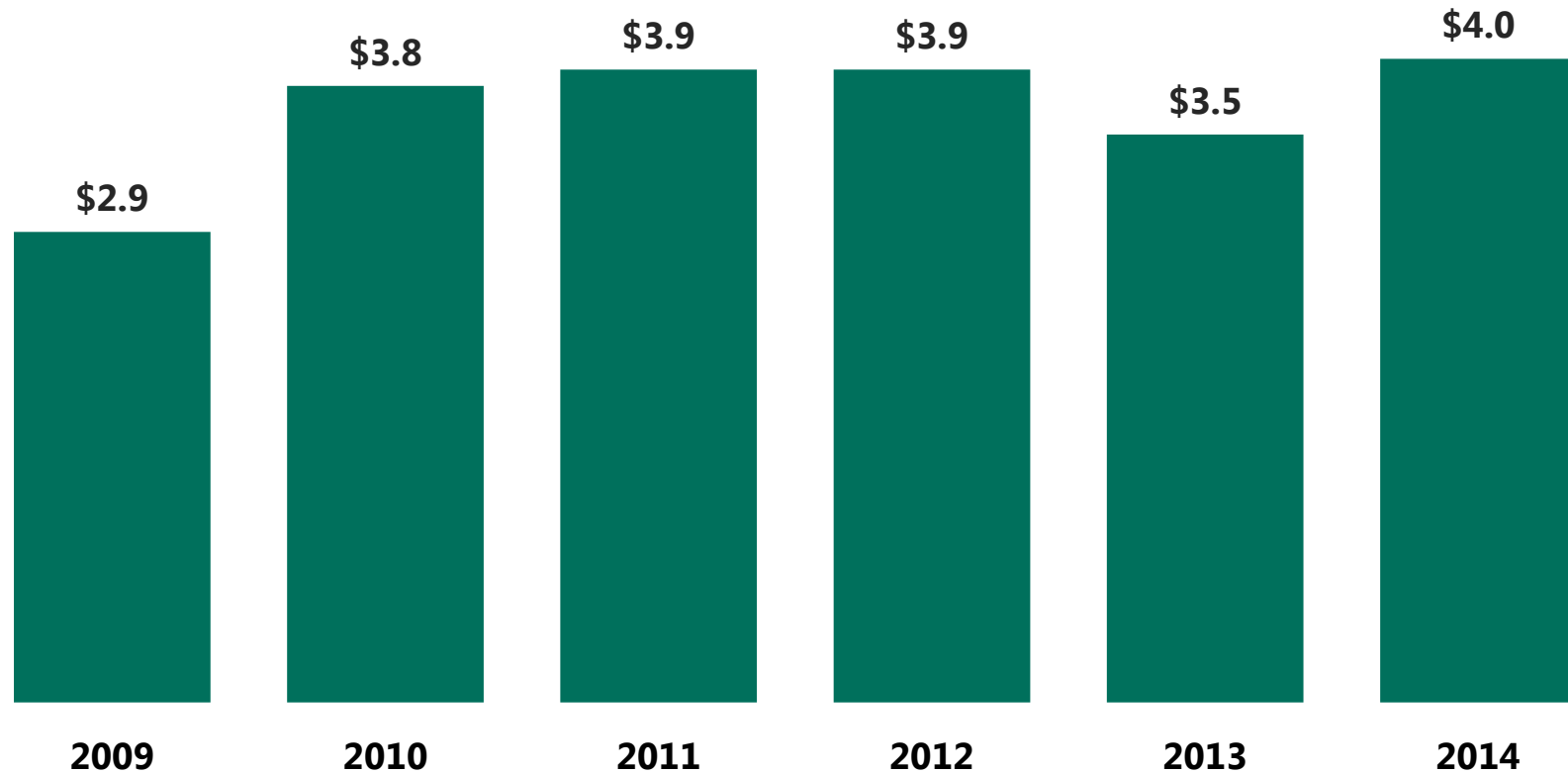
■ SCE Service Territory

SCE Decoupled Regulatory Model

Regulatory Model	Key Benefits
Decoupling of Regulated Revenues from Sales	<ul style="list-style-type: none">• SCE earnings are not affected by changes in retail electricity sales• Differences between amounts collected and authorized levels are either billed or refunded to customers• Promotes energy conservation• Stabilizes revenues during economic cycles• Trigger mechanism for fuel and purchased power adjustments at 5% variance level
Major Balancing Accounts <ul style="list-style-type: none">• Fuel• Purchased power• Energy efficiency• Pension-related contributions	<ul style="list-style-type: none">• Utility cost-recovery via balancing accounts represented more than 55% of 2014 costs
Advanced Long-Term Procurement Planning	<ul style="list-style-type: none">• Sets prudent upfront standards allowing greater certainty of cost recovery (subject to reasonableness review)
Forward-looking Ratemaking	<ul style="list-style-type: none">• Three-year rate case and cost of capital cycles

SCE Historical Capital Expenditures

(\$ billions)



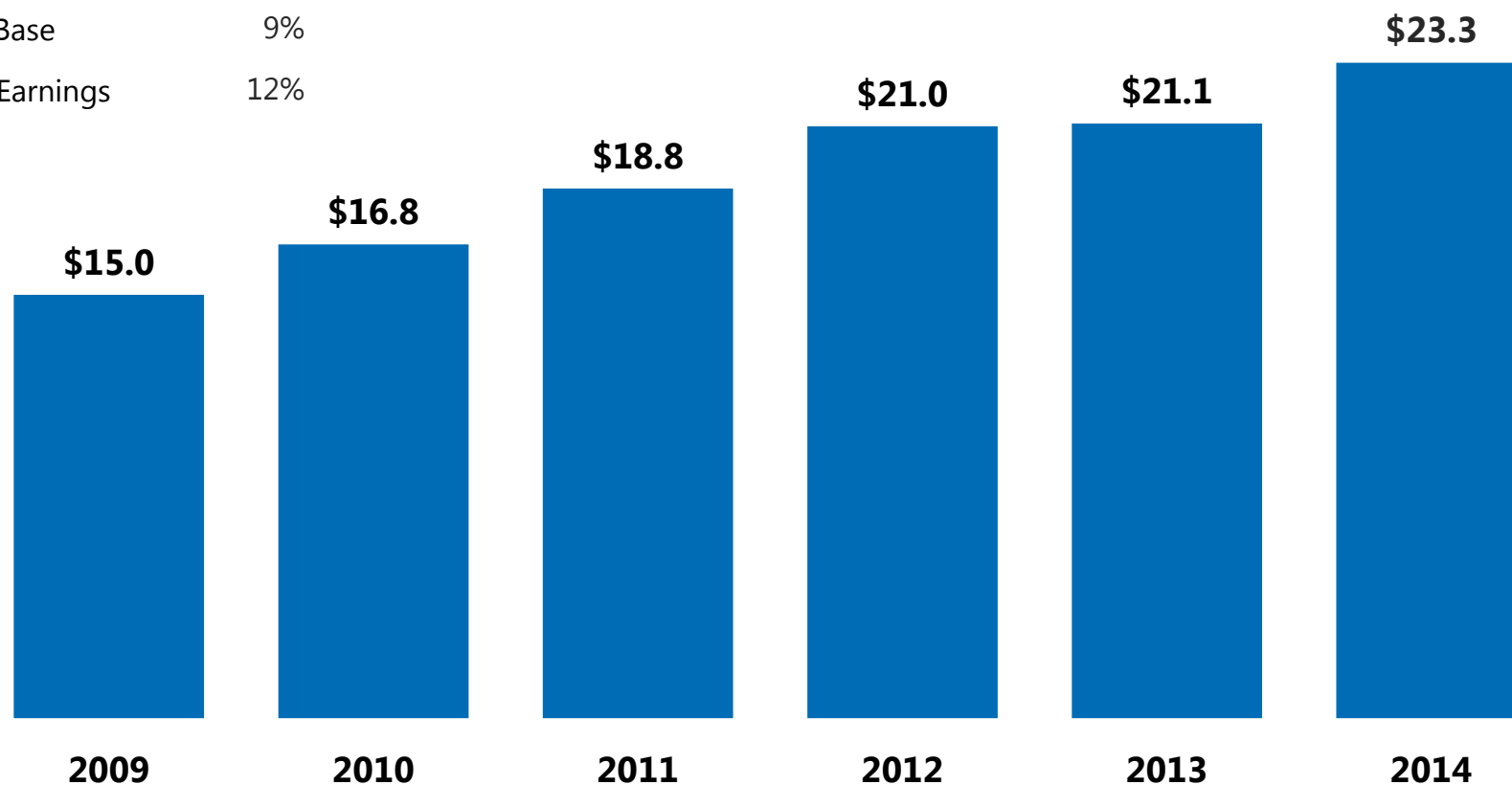
SCE Historical Rate Base and Core Earnings

(\$ billions)

2009 – 2014 CAGR

Rate Base 9%

Core Earnings 12%



**Core
EPS**

\$2.68

\$3.01

\$3.33

\$4.10

\$3.88

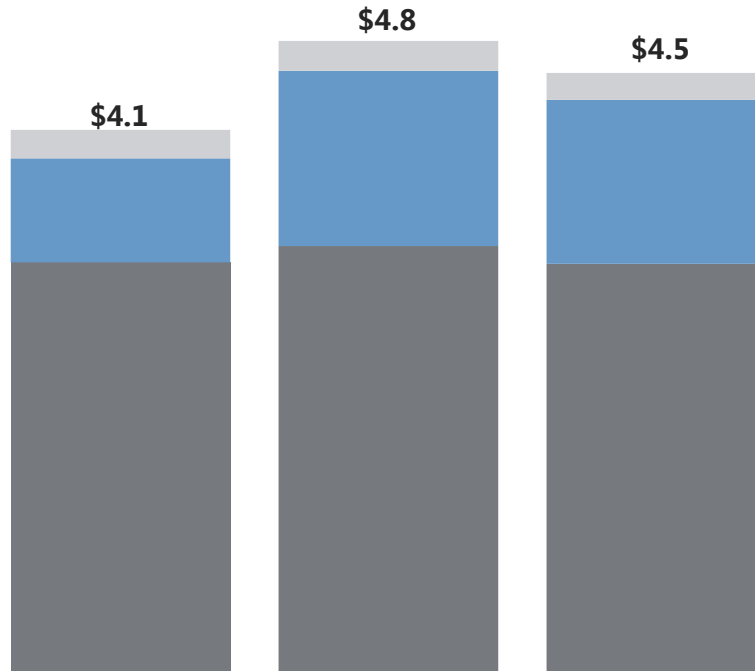
\$4.68

Note: Recorded rate base, year-end basis. See Earnings Non-GAAP Reconciliations and Use of Non-GAAP Financial Measures in Appendix. 2013 and 2014 rate base excludes SONGS

SCE Capital Expenditures Forecast

(\$ billions)

■ Distribution ■ Transmission ■ Generation



\$11.8 – 13.4 billion forecasted capital program 2015-2017

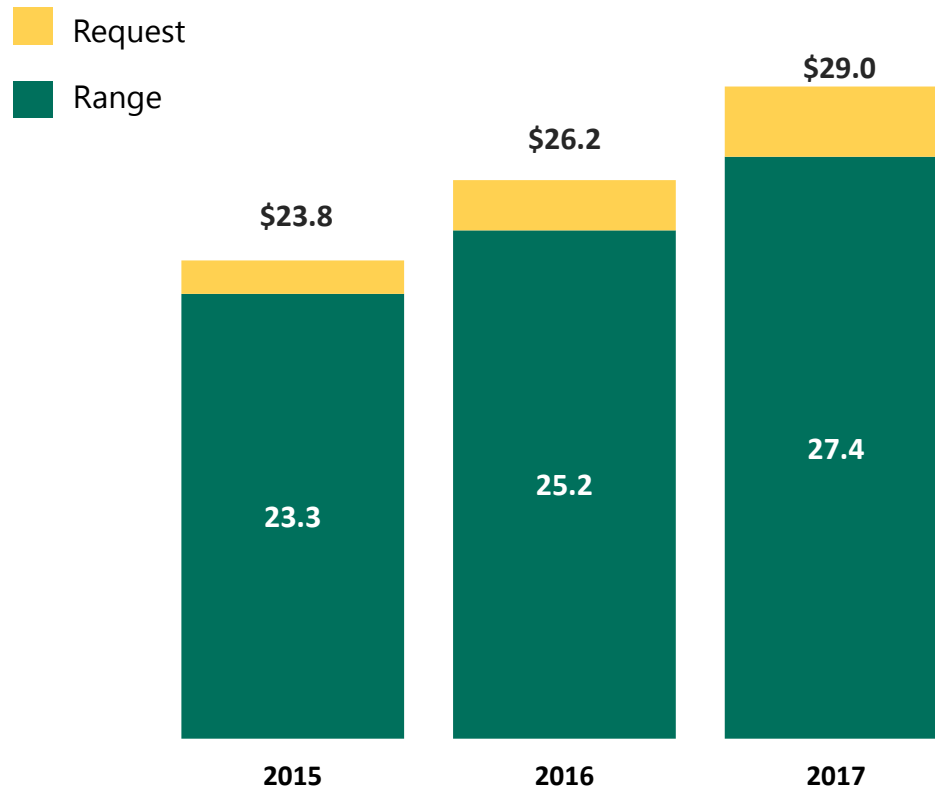
- Request case incorporates 2015 GRC January update
- \$100 million 2015-2016 changes from prior forecast primarily due to timing of Transmission capital expenditures
- Growth driven by infrastructure replacement, reliability investments, and public policy requirements

	2015	2016	2017	2015-17 Total
Requested	\$4.1	\$4.8	\$4.5	\$13.4
Range	\$3.6	\$4.2	\$4.0	\$11.8

Note: forecasted capital spending subject to timely receipt of permitting, licensing, and regulatory approvals. Forecast range reflects an average variability of 12%.

SCE Rate Base Forecast

(\$ billions)



Q3 2014 Forecast	2015	2016	2017
	\$23.0 - \$24.0	\$25.1 - \$26.7	\$27.2 - \$29.3

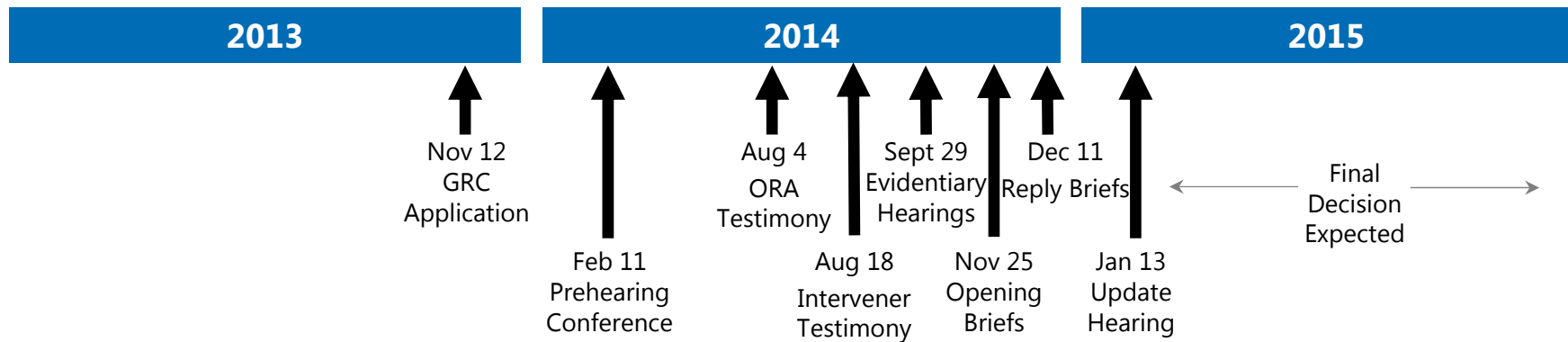
2015 – 2017 rate base growth consistent with prior 7-9% forecast

- Incorporates 2015 GRC January update
- Net \$300 million reduction by 2017 from prior forecast due to:
 - Extension of bonus depreciation (\$400 million reduction)
 - Timing of transmission spend (\$100 million reduction)
 - SmartConnect deferred tax adjustment (\$200 million increase)
- FERC rate base includes Construction Work in Progress (CWIP) and is approximately 25% of SCE's rate base forecast by 2017
- Excludes SONGS regulatory asset

Note: Weighted-average year basis, 2015-2017 CPUC rate base requests and consolidation of CWIP projects. Rate base forecast range reflects capital expenditure forecast range. 2014 weighted-average rate base was \$22.1 billion.

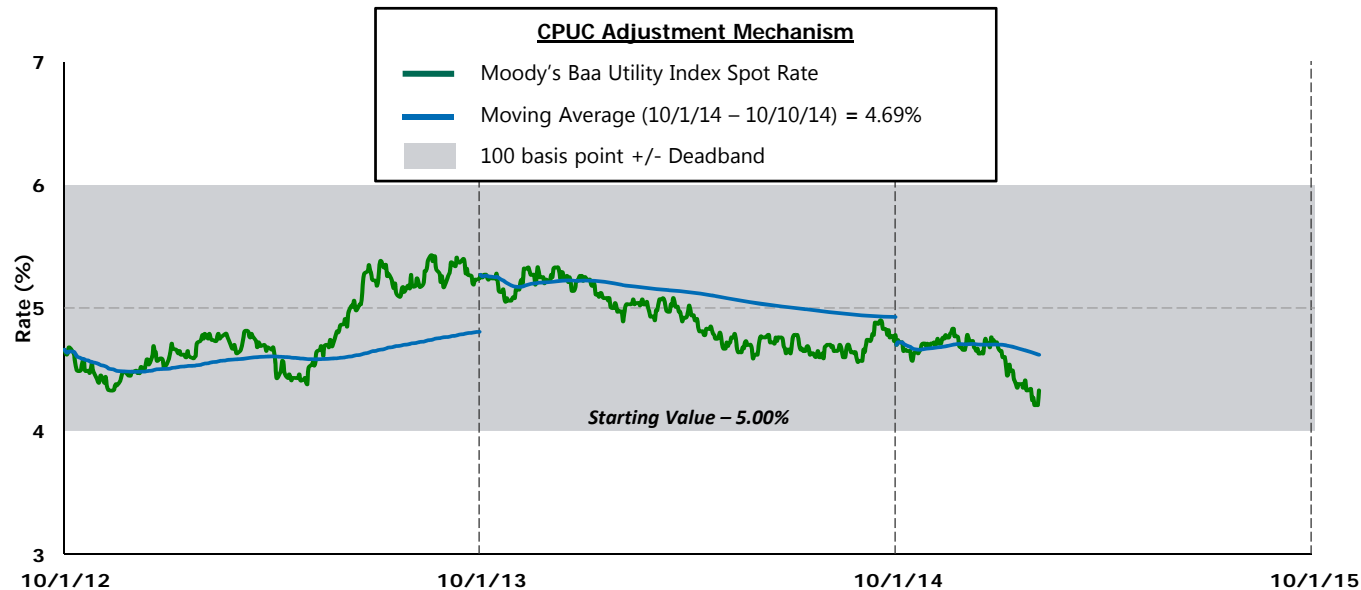
SCE 2015 CPUC General Rate Case

- November 2013, 2015 GRC Application A.13-11-003 sets 2015 – 2017 base revenue requirement
 - Includes operating costs and CPUC jurisdictional capital
 - Excludes fuel and purchased power (and other utility cost-recovery activities), cost of capital, and FERC jurisdictional transmission
- 2015 revenue requirement request of \$5.713 billion
 - \$80 million increase over presently authorized base rates based on January 2015 update filing
 - Post test year requested increase of \$286 million in 2016 and additional increase of \$315 million in 2017
- Request consistent with SCE strategy to ramp up infrastructure investment consistent with capital plan while mitigating customer rate impacts through productivity and lower operating costs
- Current CPUC schedule does not specify a proposed decision timeframe



Note: Schedule affirmed November 3, 2015, other than minor change in Update Hearing dates

CPUC and FERC Cost of Capital



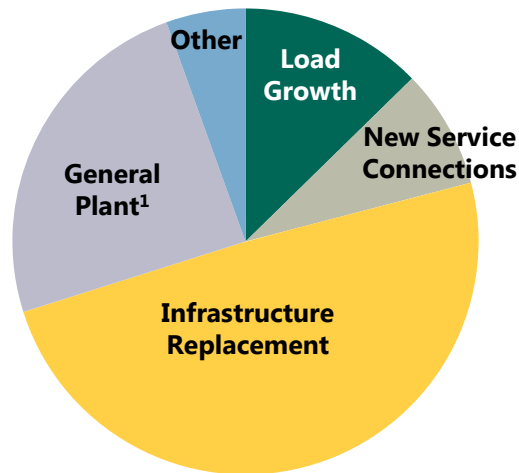
- CPUC – 48% common equity and Return on Equity (ROE) adjustment mechanism has been extended through 2016
 - Weighted average authorized cost of capital – 7.90%
 - ROE adjustment based on 12-month average of Moody's Baa utility bond rates, measured from Oct. 1 to Sept. 30
 - If index exceeds 100 bps deadband from starting index value, authorized ROE changes by half the difference
 - Starting index value based on trailing 12 months of Moody's Baa index as of September 30, 2012 – 5.00%
 - Application extended to April 2016 for 2017 Cost of Capital – adjustment mechanism continues
- FERC – November 2013 settlement 10.45% ROE comprised of: 9.30% base + 50 bps CAISO participation + 65 bps weighted average for project incentives
 - Moratorium on filing ROE changes through June 30, 2015
 - FERC Formula recovery mechanism in effect through December 31, 2017

SCE System Investments

Distribution

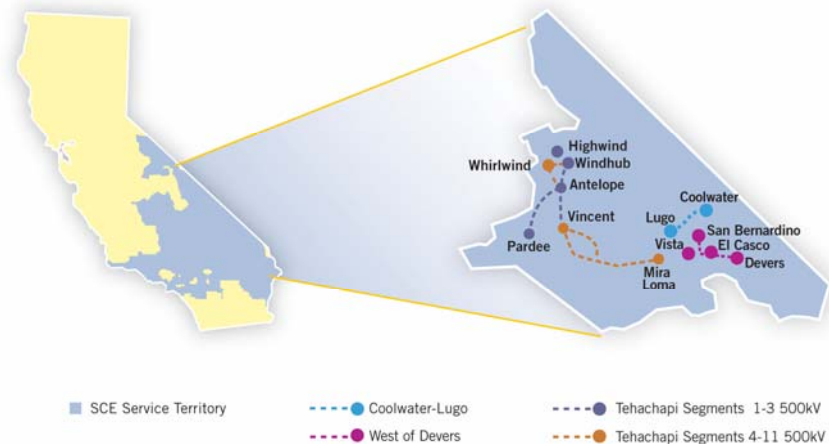
- Aging system reaching equilibrium replacement rate
- 2015 GRC request includes ~120% increase in infrastructure replacement

**2015 – 2017 Requested GRC Expenditures for Distribution Assets
\$9.4 Billion**



Transmission

- Large transmission projects:
 - Tehachapi 4-11 – \$2.4 billion total project cost; 2016-17 in service date
 - Coolwater-Lugo – \$0.7 billion total project cost; 2018 in service date pending CPUC review
 - West of Devers – \$1.0 billion total project cost; 2019-20 in service date



Coolwater-Lugo Project need based on current operator's decision to continue Coolwater Generating Station operations
 Note: Total Project Costs are nominal direct expenditures, subject to CPUC and FERC cost recovery approval

SCE Growth Drivers Beyond 2017

Infrastructure Reliability Investment

- Sustained level of infrastructure investment required until equilibrium replacement rates are achieved - includes underground cable, poles, switches, and transformers¹

Grid Readiness

- Accelerate automation and control technology at optimal locations to manage two-way power flows with more dynamic voltage control
- Distribution Resources Plan required under AB 327 to identify optimal locations, additional spending, and barriers to deploying distributed energy resources – due to CPUC Q3 2015

Transmission

- California ISO 2013-2014 Transmission Plan² - approved Mesa Loop-in Project (system reliability post-SONGS and renewables integration) with target in-service date of December 31, 2020
- Two existing projects incorporated from prior Transmission Plans in service beyond 2017 include Coolwater-Lugo (2018 – pending CPUC review) and West of Devers (2019-2020)

Energy Storage

- 290 MW utility owned investment opportunity 2015-2024

Other California Public Policy Requirements and Enabling Projects

- Electric vehicle charging infrastructure
- Transportation electrification
- Renewables mandates beyond 33%

1. Source: A.13-11-0032015 GRC – SCE-01 Policy testimony; equilibrium replacement rate defined as equipment population divided by mean time to failure for type of equipment

2. Approved by the California ISO Board of Governors March 20, 2014

Distribution Grid of the Future

Current State

One-Way Electricity Flow

- System planned and designed to serve customer demand
- Very few distributed energy resources
- Voltage simple to maintain
- Limited situational awareness and visualization tools for grid operators

Subsidized Residential Solar and Lack of Electric Vehicle Charging Infrastructure

- Barriers to seamless integration of distributed energy resources
- Limited electric vehicle charging infrastructure

Future State

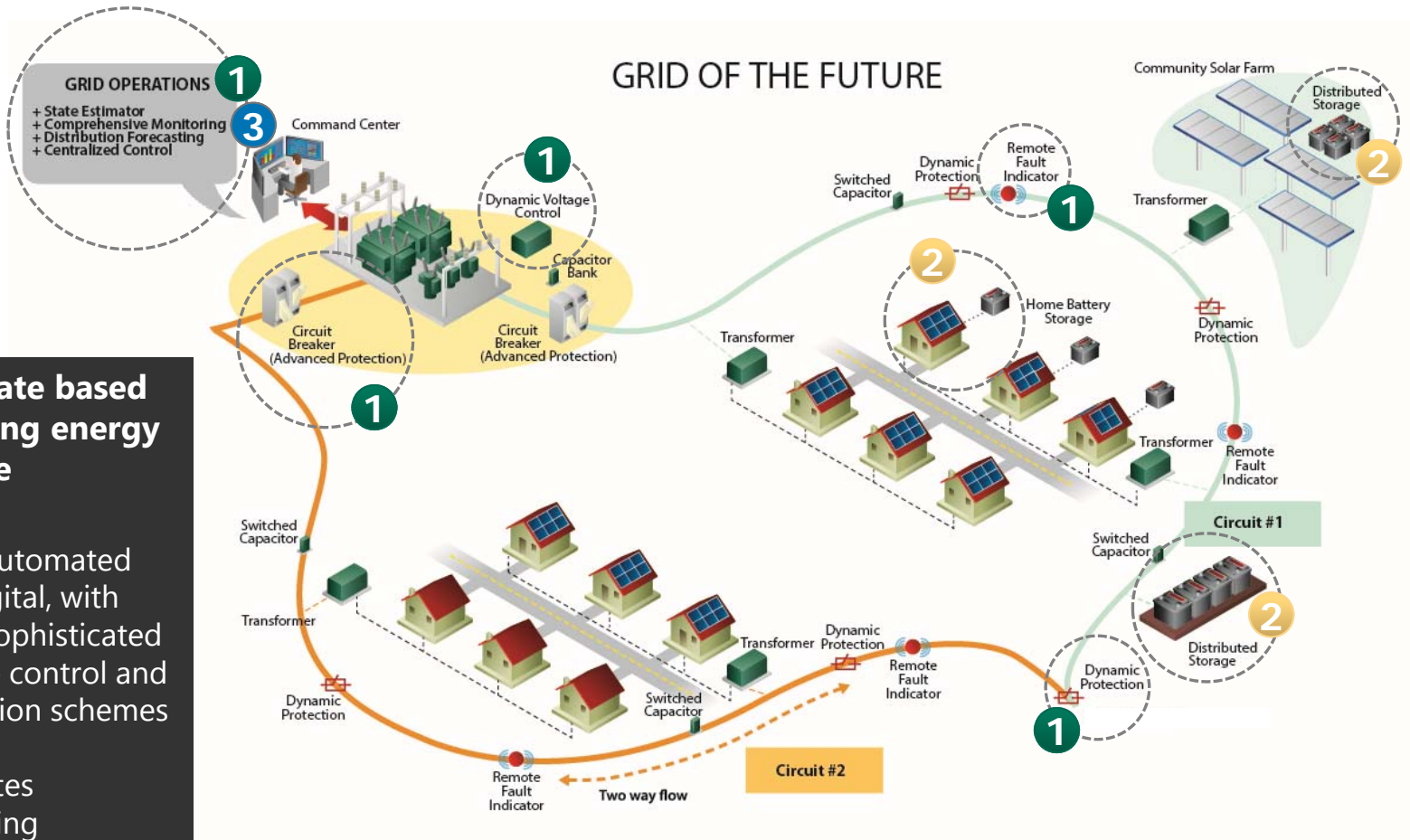
Variable and Two-Way Electricity Flow

- System planned and designed to serve variable customer demand
- High penetration of distributed energy resources
- Advanced grid equipment (dynamic protection, smart inverters, voltage support, remote fault indicators)
- Advanced automation monitoring, control, communications systems monitor and manage two-way flows
- Improved data management and grid operations with cyber mitigation

Maximize Distributed Generation and Electric Vehicle Adoption

- Increased interoperability with distributed energy resources
- Distribution grid infrastructure design and siting supports electric vehicle adoption while optimizing grid reliability
- Effective rate design

New Technology Grid Impacts

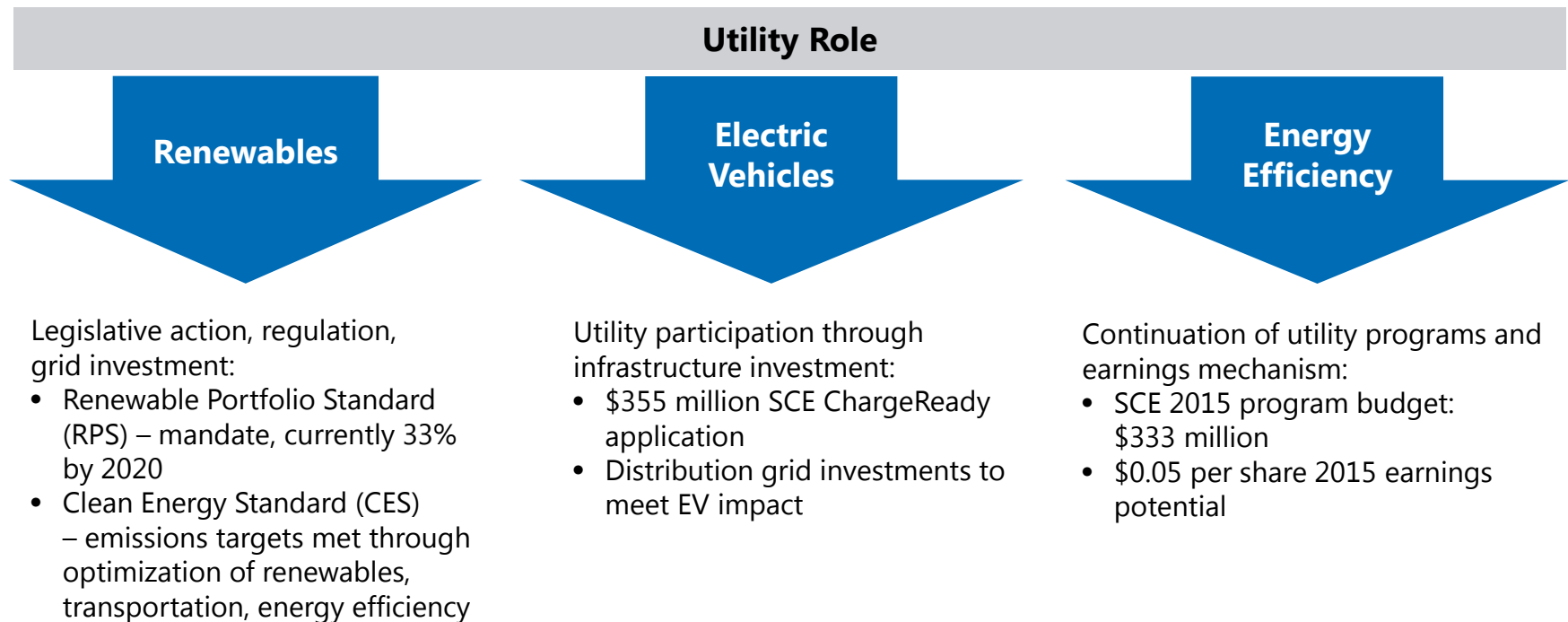


Future state based on evolving energy landscape

- 1 More automated and digital, with more sophisticated voltage control and protection schemes
- 2 Facilitates increasing renewables & two-way power flow
- 3 Cyber mitigation must be included

The Future of California Energy Policy

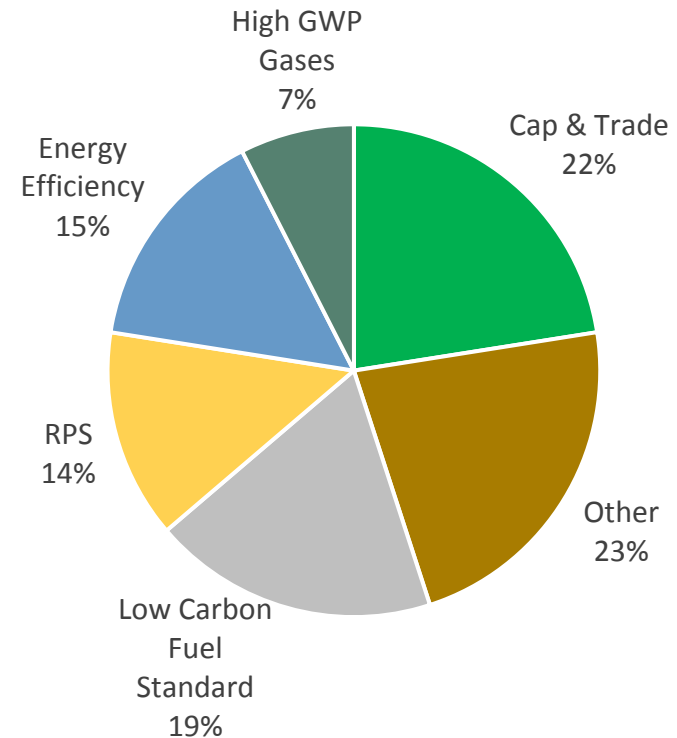
- **January 2015, Governor Brown's inauguration speech outlined environmental objectives for 2030:**
 - Increase renewables (RPS) to 50%
 - Reduce petroleum use in cars by 50%
 - Double efficiency of existing buildings



California Climate Change Policy

- Assembly Bill 32 (2006) – reduces State greenhouse gas (GHG) emissions to 1990 levels by 2020 (~16% reduction)
- Cap and trade program basics:
 - State-wide cap in 2013 – decreases over time
 - Compliance met through allowances, offsets, or emissions reductions
 - Excess allowances sold, or “banked” for future use
 - January 2014 – merger with Quebec cap and trade program
- SCE received 32.3 million 2013 allowances vs. 10.4 million metric tons 2012 GHG emissions
- Allowances sold into quarterly auction and bought back for compliance
 - SB 1018 (2012) – auction revenues used for rate relief for residential (~93%), small business, and large industrial customers

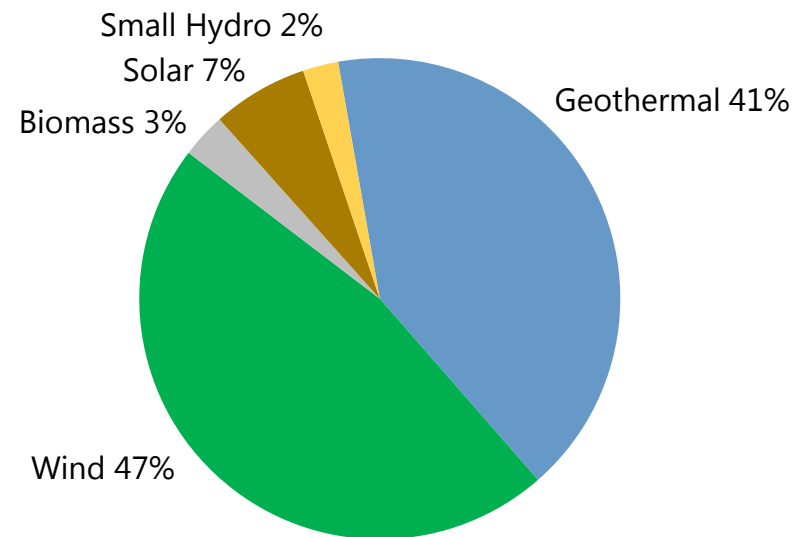
AB32 Emissions Reduction Programs



California Renewables Policy

- On April 12, 2011, Governor Brown signed SB X 1 2, which codifies a 33% Renewables Portfolio Standard (RPS) for California by 2020
 - Allows use of Renewable Energy Credits (RECs) for up to 25% of target with decreasing percentages over time
 - Applies similar RPS rules to all electricity providers (investor- and publicly-owned utilities, as well as Electric Service Providers)
- In order to meet the 33% RPS requirement by 2020, SCE will increase its renewable purchases by 10 billion kWh, or 60%

Actual 2013 Renewable Resources: 21.6% of SCE's portfolio

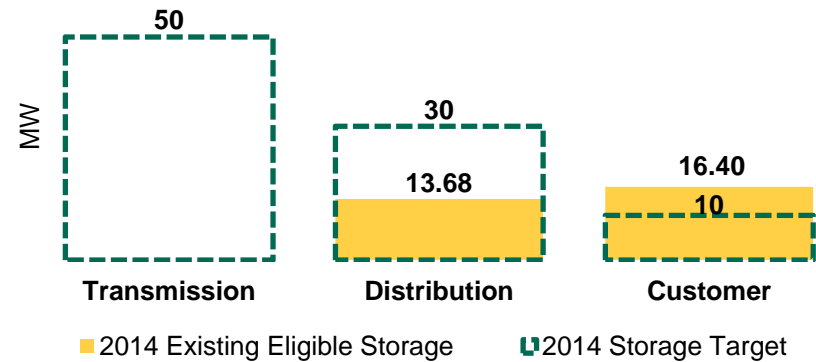


While SCE is on track to meet the 33% renewables target by 2020, the requirement will put upward pressure on customer rates

Energy Storage

- AB2514 directed CPUC to establish procurement targets and policies for storage
- CPUC final decision in Energy Storage OIR (R.10-12-007)
 - 1,325 MW target for IOUs by 2024 (580 MW SCE share)
 - Three types: transmission (53%), distribution (32%), customer-sited (15%)
 - Utility ownership limited to 50% of total target (290 MW SCE share)
 - First standalone procurement cycle began December 2014 – existing storage and prior RFO storage expected to count for ~74MW of SCE’s 90 MW target
 - Broad range of technologies as defined in AB2514, excluding large hydro (>50 MW)

SCE 2014 Existing Storage

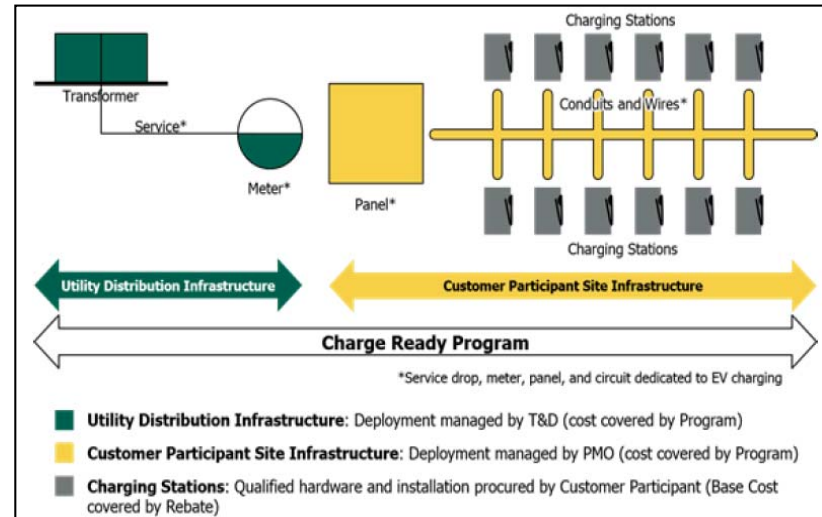


- Tehachapi Storage Project
- Irvine Smart Grid Demonstration Projects
- Large Energy Storage Test Apparatus
- Discovery Science Center
- Catalina Island Battery System
- Vehicle-to-Grid Program – LA Air Force Base
- Self-Generation Incentive Program
- Permanent Load Shifting Program

SCE’s energy storage investment opportunities will focus on distribution grid projects and will be integrated into future capital expenditure requests

SCE Charge Ready Program

- October 2014, electric vehicle Charge Ready Program application submitted to CPUC (A.14-10-014)
- Pro-active, two-phased program over five years to support installation of up to 30,000 EV charging stations to be included in rate base
 - Phase 1: \$22 million pilot program for 1,500 chargers and market education program (2015 – 2016)
 - Phase 2: \$333 million for 28,500 chargers (2016 – 2020)
- Approval of Phase 1 expected in 2015
- Addresses approximately 1/3 of forecast non-single family home charging demand in SCE territory in 2020
- Supports Governor's 2012 zero-emission vehicle Executive Order – 1.5 million EVs by 2025



- Level 1 (110V) and Level 2 (240V) chargers with Demand Response capability
- As a general rule, 10 chargers per site minimum
- Participants own / operate / maintain chargers
- Capital cost per charging station: \$11,400
- Rate base with rebate to participants

SCE's electric vehicle Charge Ready program will help jump start the market to achieve State zero-emission vehicle goals

SCE Energy Efficiency Programs

Energy efficiency programs updated for 2013 – 2015

- 2015 budget of \$333 million
- Savings targets of 983 GWh and 160.1 MW for 2015 – Reduced goals reflect CPUC-identified potential for energy efficiency

Energy efficiency earnings incentive mechanism modified

- CPUC approved new incentive mechanism for 2013 – 2015 activities comprised of performance rewards and management fees

SCE Energy Efficiency Earnings Summary			
Program Year	Total Requested	Received	Pending CPUC Approval
2010	\$15.1 million \$0.03/share	\$15.1 million \$0.03/share (2012)	
2011	\$18.6 million \$0.04/share	\$13.6 million \$0.03/share (2013)	\$5.0 million \$0.01/share
2012	\$16.2 million \$0.03/share	\$10.8 million \$0.02/share	\$1.2 million \$0.00/share
2013	\$14.2 million \$0.03/share	\$10.8 million \$0.02/share	

Note: Additional program year 2013 award request, and request for \$5.0 million and \$1.2 million currently pending, expected to be submitted in 2015

SCE Key Regulatory Proceedings

Proceeding	Description	Next Steps
Capital		
2015 GRC Application (A.13-11-003)	Rate setting for CPUC 3-year cycle 2015 – 17	Proposed and final decision in 2015
Cost of Capital Application	Capital structure and return on equity	Extension to file in April 2016 approved
Distribution Resources Plan OIR (R.14-08-013)	Grid investments to integrate distributed energy resources	SCE plan due to CPUC Q3 2015
FERC Formula Rates	Transmission rate setting with annual updates	ROE moratorium expires June 2015; annual update due December 2015
Rate Design		
Rate Design OIR (R.12-06-013)	Tiers, fixed charges, time of use (Phase 1); Net metering tariff (Phase 3)	Phase 1 proposed decision Q1 2015; Phase 3 testimony due Q3 2015
Cost Recovery		
2012 LTPP Tracks 1 & 4 RFO (D.13-02-015)	Local capacity/preferred resources to replace SONGS and once through cooling plants	2,221 MW, including 262 MW storage, submitted for PUC approval November 2014
Energy Storage RFO	Solicitation for 16.3 MW launched December 2014	Short list notification May 15; final selection September 14
Energy Resource Recovery Account (ERRA)	Annual forecast and review of fuel and purchased power costs	2014 review due April 1; 2016 forecast due May 1

EIX is Responding to Industry Change

Long-Term Industry Trends

- Public policy prioritizing environmental sustainability
- Innovation facilitating conservation and self-generation
- Regulation supporting new forms of competition
- Flattening domestic demand for electricity
- Grid of the future will be more complex and sophisticated to support increasing use of distributed resources and transportation electrification

Strategy

- SCE Strategy
 - Invest in, build, and operate the next generation electric grid
 - Operational and service excellence
 - Enable California public policies
- EIX Competitive Strategy – small, targeted investments in emerging technologies and markets to follow changes in the industry and better exploit opportunities as they arise
 - Commercial and industrial distributed generation
 - Energy optimization
 - Energy efficiency and software
 - Residential solar industry financial services and software
 - Electric transportation

2015 Financial Assumptions

(\$ billions)

SCE Capital Expenditures

Distribution	\$3.1
Transmission	0.8
Generation	<u>0.2</u>
Request	\$4.1
Range	\$3.6

SCE Weighted Average Rate Base

Distribution	\$16.0
Transmission	5.6
Generation	<u>2.2</u>
Request	\$23.8
Range	\$23.3

SCE Authorized Cost of Capital

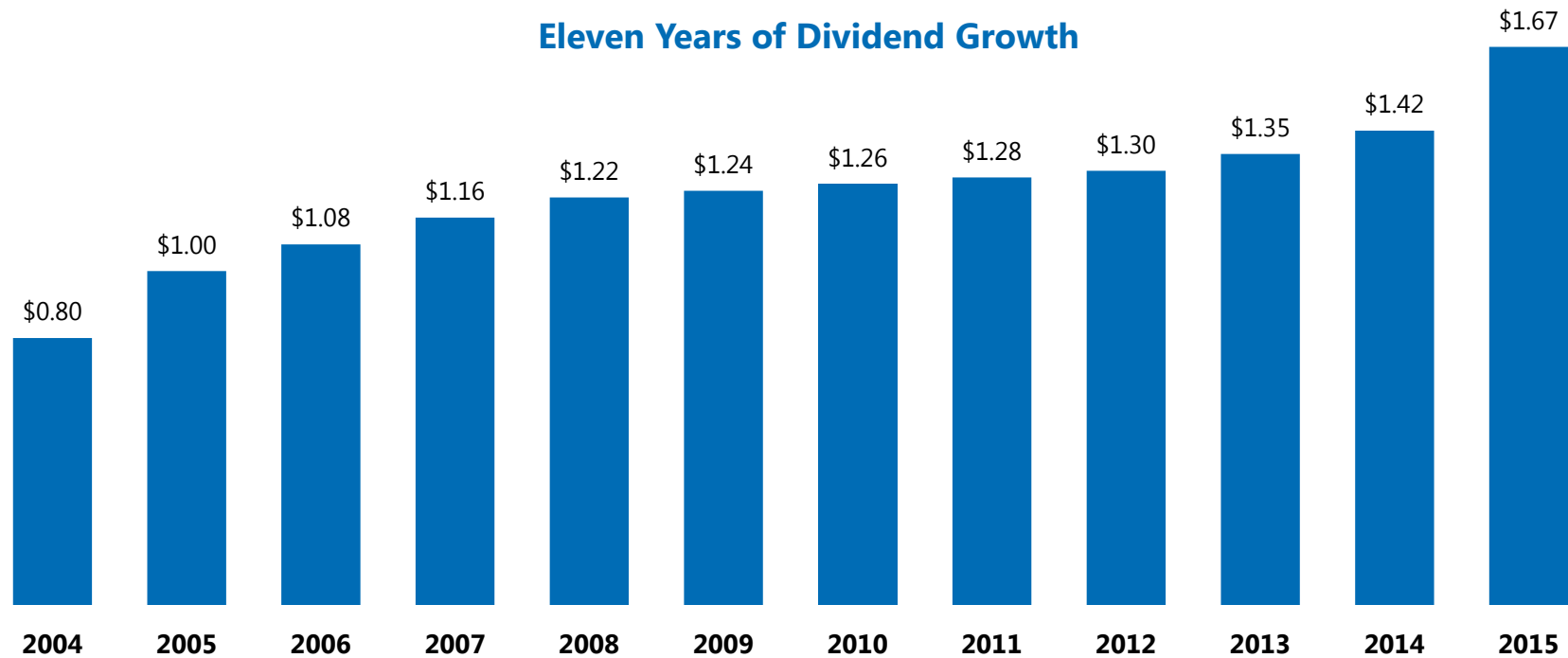
CPUC Return on Equity	10.45%
CPUC Capital Structure	48% equity
	43% debt
	9% preferred
FERC Return on Equity (Inc. FERC Incentives)	10.45%

Other SCE Items

- SONGS regulatory asset financing completed January 2015
- Energy efficiency potential up to \$0.05 per share
- Revenues recorded at 2014 levels until 2015 GRC decision is received (retroactive to January 1, 2015)

**EIX will provide 2015 earnings guidance after
a final decision on the SCE 2015 General Rate Case**

EIX Annual Dividends Per Share

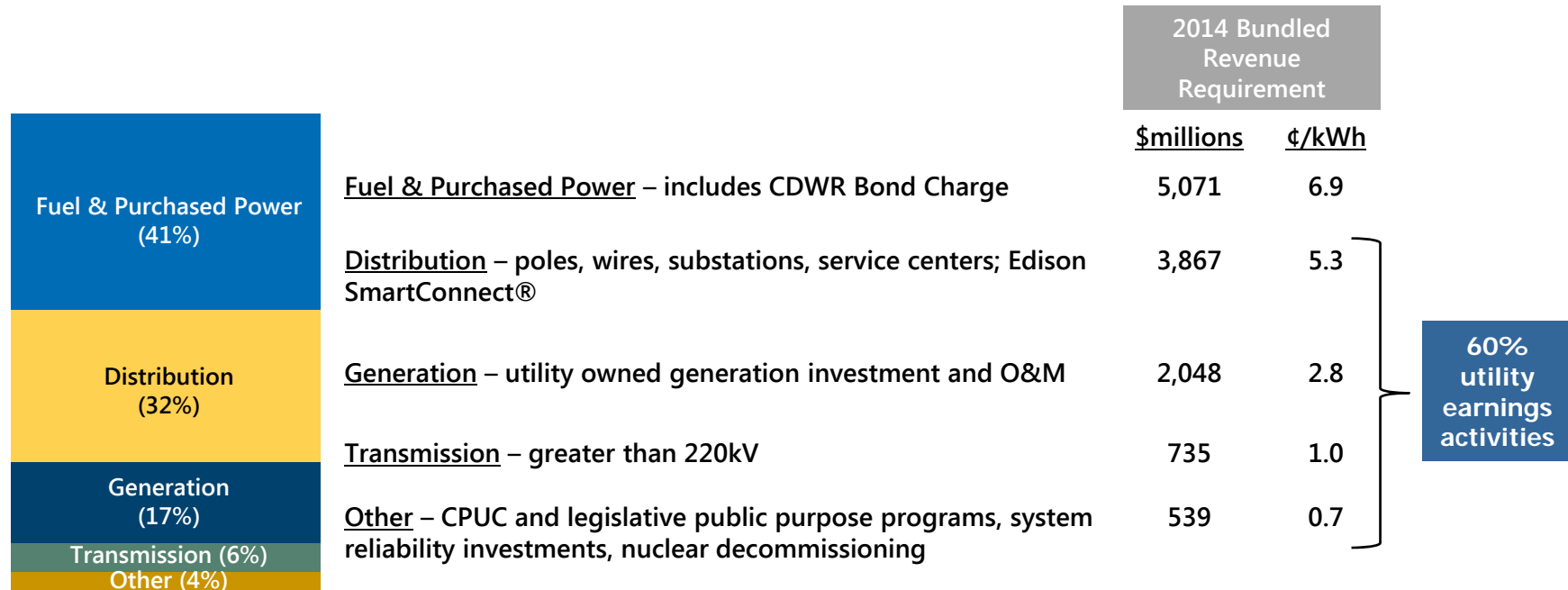


EIX targets a payout ratio of 45 – 55% of SCE core earnings and plans to return to target payout ratio in steps, over time

Note: See use of Non-GAAP Financial Measures in Appendix

Appendix

SCE 2014 Bundled Revenue Requirement



Total Bundled Revenue Requirement (\$millions)	\$12,260
÷ Bundled kWh (millions)	73,249
= Bundled Systemwide Average Rate (¢/kWh)	16.7¢

SCE Systemwide Average Rate History (¢/kWh)				
2010	2011	2012	2013	2014
14.3	14.1	14.3	15.9	16.7

Note: Rates in effect as of July 7, 2014, based on forecast. Represents bundled service which excludes Direct Access customers that do not receive generation services.

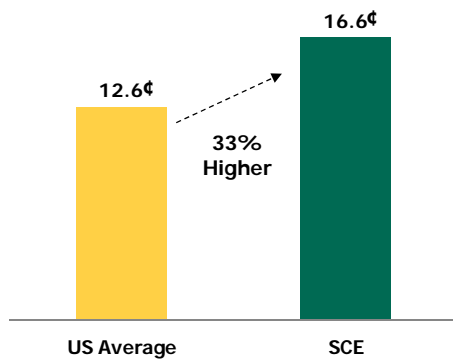
SCE Customer Demand Trends

Kilowatt-Hour Sales (millions of kWh)	2013	2012	2011	2010	2009
Residential	29,889	30,563	29,631	29,034	30,078
Commercial	40,649	40,541	39,622	39,318	40,076
Industrial	8,472	8,504	8,490	8,507	8,522
Public authorities	5,012	5,196	5,206	5,336	5,686
<u>Agricultural and other</u>	<u>1,885</u>	<u>1,676</u>	<u>1,318</u>	<u>1,353</u>	<u>1,499</u>
<i>Subtotal</i>	<i>85,907</i>	<i>86,480</i>	<i>84,267</i>	<i>83,548</i>	<i>85,861</i>
Resale	1,490	1,735	3,071	4,103	5,869
Total Kilowatt-Hour Sales	87,397	88,215	87,338	87,651	91,730
Customers					
Residential	4,344,429	4,321,171	4,301,969	4,285,803	4,262,966
Commercial	554,592	549,855	546,936	543,016	539,270
Industrial	10,584	10,922	11,370	11,708	12,244
Public authorities	46,323	46,493	46,684	46,718	46,902
Agricultural	21,679	21,917	22,086	22,321	22,315
Railroads and railways	99	83	82	73	67
Interdepartmental	23	24	22	23	23
Total Number of Customers	4,977,729	4,950,465	4,929,149	4,909,662	4,883,787
Number of New Connections					
	27,370	22,866	19,829	25,566	32,145
Area Peak Demand (MW)					
	22,534	21,981	22,374	22,771	22,112

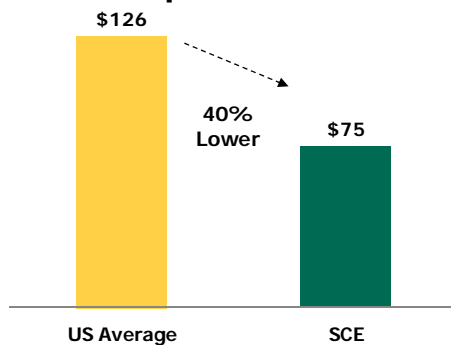
Note: See Edison International Financial and Statistical Reports for further information

SCE Rates and Bills Comparison

**2014 Average Residential Rates
(¢/kWh)**



**2014 Average Residential Bills
(\$ per Month)**



Key Factors

- SCE's residential rates are above national average due, in part, to a cleaner fuel mix – cost for renewables are higher than high carbon sources
- Average monthly residential bills are lower than national average – higher rate levels offset by lower usage
 - 55% lower SCE residential customer usage than national average, from mild climate and higher energy efficiency building standards
- Public policy mandates (33% RPS, AB32 GHG, Once-through Cooling) and electric system requirements will drive rates and bills higher

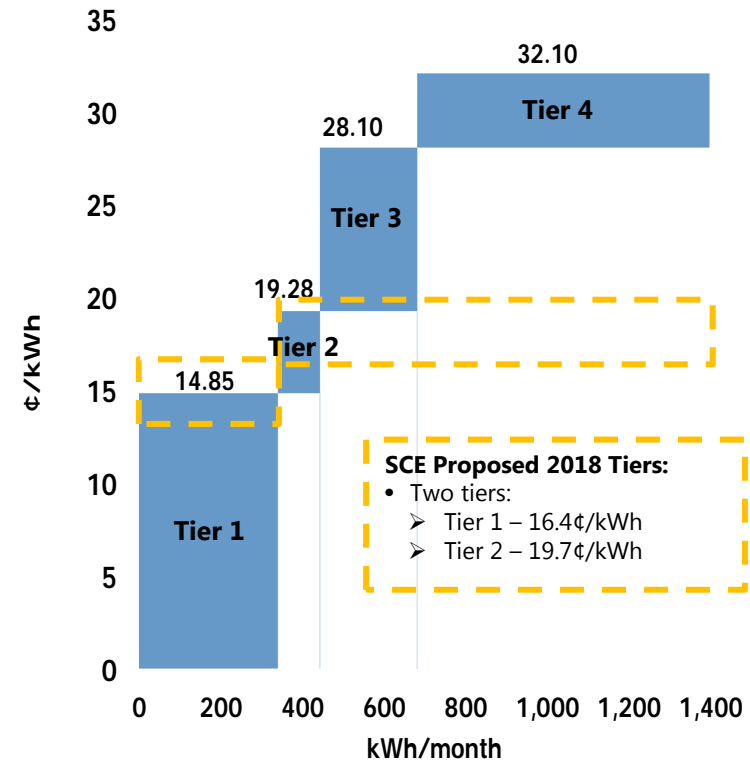
**SCE's average residential rates are above national average,
but residential bills are below national average due to lower energy usage**

Source: EIA's Form 826 Data Monthly Electric Utility Sales and Revenue Data for the Data 12 Months Ending April 2014

Residential Rate Design OIR

- June 2012, CPUC opened Order Instituting Ratemaking (OIR) R.12-06-013:
 - Comprehensive review of residential rate structure
 - Transition to Time of Use (TOU) rates
 - AB327 rate design
- Phase 2 (Summer 2014): simple tiered rate adjustments
 - Settlement approved in June; rates implemented in July – 12% increase to Tier 1 rate, 17% increase to Tier 2 rate
- Phase 1 (2015 – 2018): longer-term rates
 - 2 tiers (2017); TOU rates (2018)
 - Fixed charge or minimum bill (2015)
 - Proposed Decision expected March 2015
- Net Energy Metering: successor tariff proposed decision due Q4 2015 (statutory deadline)

OIR Phase 2 Settlement Summary

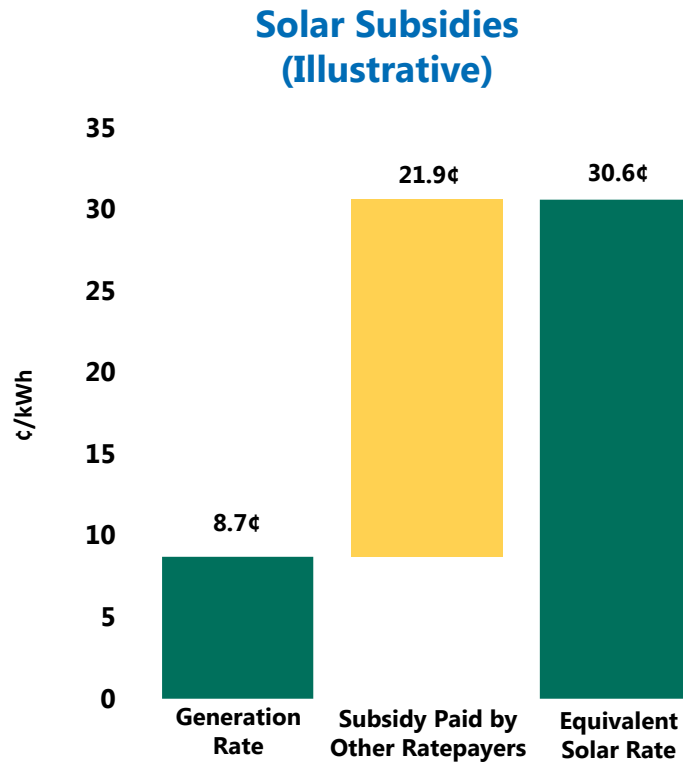


Fixed Monthly Charge

Current:	\$0.94/month
SCE Proposed:	\$10/month

Note: Rates in effect as of July 7, 2014, based on forecast

SCE Residential Net Metering Rate Structure



- Residential solar customer generation offsets total retail rate
- Average retail rate of 30.6¢/kWh vs. actual generation cost of 8.7¢/kWh – 21.9¢/kWh subsidy funded by non-solar customers in Tiers 3 and 4
- 20-year grandfathering at retail rate for existing customers and new installations up to 5% cap (2,240 MW for SCE)

SCE 2014 Net Energy Metering Statistics:

- 103,900 combined residential and non-residential projects – 880 MW installed
 - 99.5% solar
 - 100,300 residential – 500 MW
 - 3,600 non-residential – 380 MW
- Approximately 1,270,000 kWh / year generated
- Currently at 2% toward NEM cap

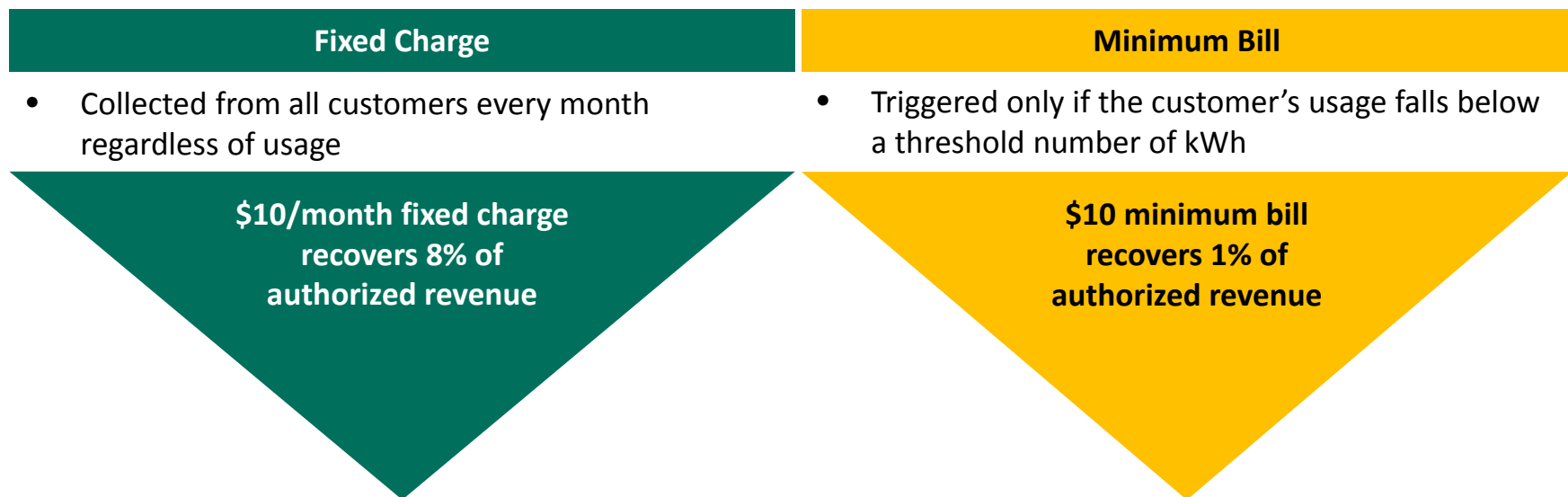
Current rate design results in residential solar customers receiving a subsidy funded by all other non-solar customers in higher tiers

Note: Based on average home usage of 1,150 kWh/month, a 4-tier rate structure, and a 4.8kW solar system with a 18% capacity factor that generates 631 kWh per month

Fixed Charge vs. Minimum Bill

AB 327 permits the CPUC to authorize up to a \$10/month fixed charge, and the Commission may consider whether minimum bills are appropriate as a substitute for any fixed charges

- SCE has proposed a \$10/month fixed charge while some parties have proposed a “minimum bill” of \$10 instead of a fixed charge
- Vast majority of SCE’s customers would avoid the minimum bill, given their usage, at the levels proposed by other parties



SCE proposes a fixed charge because it begins to mitigate intra-class subsidies from high-usage to low-usage customers and would reduce bill volatility

SCE Operational Excellence

Defining Excellence

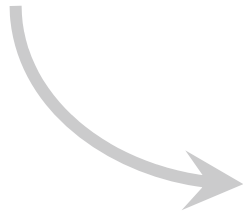
Top Quartile

- Safety
- Cost efficiency
- Reliability
- Customer service

Optimize

- Capital productivity
- Purchased power cost

High performing, continuous improvement culture



**Ongoing
Operational
Excellence
Efforts**

Measuring Excellence

- Employee and public safety metrics
- System reliability (SAIDI, SAIFI, MAIFI)
- J.D. Power customer satisfaction
- O&M cost per customer
- Reduce system rate growth with O&M / purchased power cost reductions



Fourth Quarter Earnings Summary

	Q4 2014	Q4 2013	Variance
Core EPS¹			
SCE	\$1.09	\$0.79	\$0.30
EIX Parent & Other	(0.01)	0.02	(0.03)
Core EPS¹	\$1.08	\$0.81	\$0.27
Non-Core Items			
SCE	\$0.08	\$–	\$0.08
EIX Parent & Other	0.01	–	0.01
Discontinued Operations	0.12	0.11	0.01
Total Non-Core	\$0.21	\$0.11	\$0.10
Basic EPS	\$1.29	\$0.92	\$0.37
Diluted EPS	\$1.27	\$0.92	\$0.35

SCE Key Core Earnings Drivers	
Higher revenue	\$0.28
SONGS impact	0.02
Lower O&M ²	0.05
Higher depreciation	(0.08)
Higher net financing costs	(0.01)
Income taxes and other	0.04
- Higher income tax benefits	0.07
- Property and other taxes	(0.01)
- Other	(0.02)
Total	<u>\$0.30</u>

Non-Core Earnings	
• SCE \$0.08 – change in estimate of SONGS settlement	
• Discontinued Operations \$0.12 – income tax benefits from resolution of 2003-2006 tax positions and other tax impacts related to EME	

EIX Key Core Earnings Drivers	
Lower income tax benefits	\$(0.03)
Higher corporate expenses	(0.02)
Higher income from Edison Capital	0.02
Total	<u>\$(0.03)</u>

1. See Earnings Non-GAAP Reconciliations and Use of Non-GAAP Financial Measures in Appendix

2. Includes non-San Onofre Nuclear Generating Station (SONGS) severance of \$0.00 and \$0.02 for the quarters ended December 31, 2014 and 2013, respectively

Full-Year Earnings Summary

	2014	2013	Variance
Core EPS¹			
SCE	\$4.68	\$3.88	\$0.80
EIX Parent & Other	(0.09)	(0.08)	(0.01)
Core EPS¹	\$4.59	\$3.80	\$0.79
Non-Core Items			
SCE	\$(0.22)	\$(1.12)	\$0.90
EIX Parent & Other	0.01	0.02	(0.01)
Discontinued Operations	0.57	0.11	0.46
Total Non-Core	\$0.36	\$(0.99)	\$1.35
Basic EPS	\$4.95	\$2.81	\$2.14
Diluted EPS	\$4.89	\$2.78	\$2.11

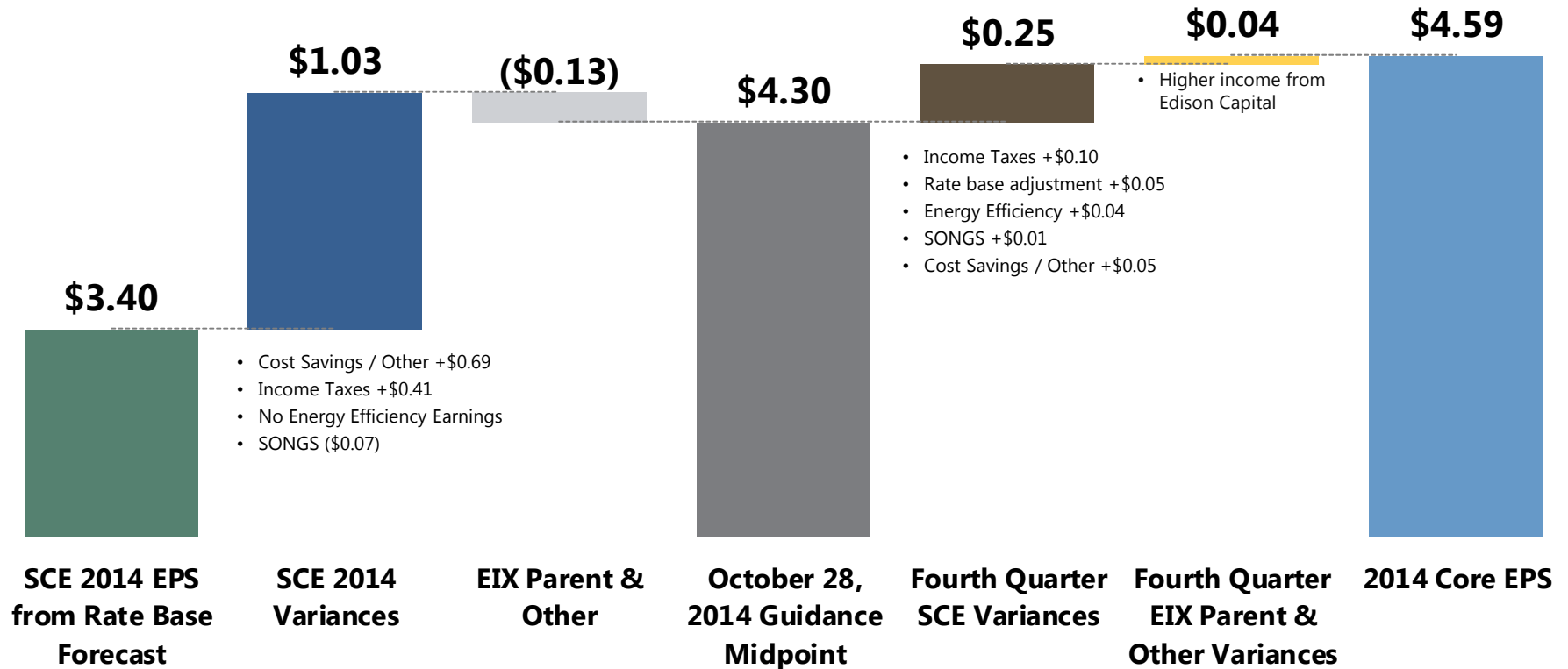
SCE Key Core Earnings Drivers	
Higher revenue	\$0.95
SONGS impact	0.01
Lower O&M ²	0.02
Higher depreciation	(0.28)
Higher net financing costs	(0.06)
Income taxes and other	0.16
- Higher income tax benefits	0.20
- Property taxes and other	(0.03)
- Other	(0.01)
Total	<u>\$0.80</u>

EIX Key Core Earnings Drivers	
Higher corporate expenses and costs of new businesses	\$(0.06)
Higher income from Edison Capital	0.05
Total	<u>\$(0.01)</u>

1. See Earnings Non-GAAP Reconciliations and Use of Non-GAAP Financial Measures in Appendix

2. Includes non-SONGS severance of \$0.01 and \$0.07 for the years ended December 31, 2014 and 2013, respectively

2014 Earnings Guidance Result Reconciliation



Note: See Earnings Non-GAAP Reconciliations and Use of Non-GAAP Financial Measures in Appendix

Earnings Non-GAAP Reconciliations

(\$ millions)

Reconciliation of EIX Core Earnings to EIX GAAP Earnings

Earnings Attributable to Edison International	Q4 2014	Q4 2013	2014	2013
Core Earnings				
SCE	\$356	\$258	\$1,525	\$1,265
EIX Parent & Other	(1)	6	(28)	(28)
Core Earnings	\$355	\$264	\$1,497	\$1,237
Non-Core Items				
SCE	\$24	\$-	\$(72)	\$(365)
EIX Parent & Other	2	-	2	7
Discontinued operations	39	37	185	36
<i>Total Non-Core</i>	65	37	115	(322)
Basic Earnings	\$420	\$301	\$1,612	\$915

Note: See Use of Non-GAAP Financial Measures in Appendix

SCE Core EPS Non-GAAP Reconciliations

Reconciliation of SCE Core Earnings Per Share to SCE Basic Earnings Per Share

Earnings Per Share Attributable to SCE	2009	2010	2011	2012	2013	2014	CAGR
Core EPS	\$2.68	\$3.01	\$3.33	\$4.10	\$3.88	\$4.68	12%
Non-Core Items							
Tax settlement	0.94	0.30	—	—	—	—	
Health care legislation	—	(0.12)	—	—	—	—	
Regulatory and tax items	0.14	—	—	0.71	—	—	
Impairment and other charges	—	—	—	—	(1.12)	(0.22)	
<i>Total Non-Core Items</i>	<i>1.08</i>	<i>0.18</i>	<i>—</i>	<i>0.71</i>	<i>(1.12)</i>	<i>(0.22)</i>	
Basic EPS	\$3.76	\$3.19	\$3.33	\$4.81	\$2.76	\$4.46	4%

Note: See Use of Non-GAAP Financial Measures in Appendix

SCE Results of Operations – Fourth Quarter 2014

(\$ millions)

- Utility earning activities – revenue authorized by CPUC and FERC to provide reasonable cost recovery and return on investment
- Utility cost-recovery activities – CPUC- and FERC-authorized balancing accounts to recover specific project or program costs, subject to reasonableness review or compliance with upfront standards

	Q4 2014			Q4 2013		
	Utility Earning Activities	Utility Cost-Recovery Activities	Total Consolidated	Utility Earning Activities	Utility Cost-Recovery Activities	Total Consolidated
Operating revenue	\$1,808	\$1,296	\$3,104	\$1,590	\$1,341	\$2,931
Purchased power and fuel	—	1,029	1,029	—	1,073	1,073
Operation and maintenance	604	266	870	608	268	876
Depreciation, decommissioning and amortization	472	—	472	398	—	398
Property and other taxes	86	—	86	79	—	79
Impairment and other charges	(68)	—	(68)	—	—	—
Total operating expenses	1,094	1,295	2,389	1,085	1,341	2,426
Operating income	714	1	715	505	—	505
Interest expense	(130)	(1)	(131)	(136)	—	(136)
Other income and expenses	(12)	—	(12)	(3)	—	(3)
Income before income taxes	572	—	572	366	—	366
Income tax expense	164	—	164	83	—	83
Net income	408	—	408	283	—	283
Preferred and preference stock dividend requirements	28	—	28	25	—	25
Net income available for common stock	<u>\$380</u>	<u>\$—</u>	<u>\$380</u>	<u>\$258</u>	<u>\$—</u>	<u>\$258</u>
Core earnings			\$356			\$258
Non-core earnings			24			—
Total SCE GAAP earnings			<u>\$380</u>			<u>\$258</u>

Note: See Use of Non-GAAP Financial Measures in Appendix

SCE Results of Operations – Full-Year 2014

(\$ millions)

- Utility earning activities – revenue authorized by CPUC and FERC to provide reasonable cost recovery and return on investment
- Utility cost-recovery activities – CPUC- and FERC-authorized balancing accounts to recover specific project or program costs, subject to reasonableness review or compliance with upfront standards

	2014			2013		
	Utility Earning Activities	Utility Cost-Recovery Activities	Total Consolidated	Utility Earning Activities	Utility Cost-Recovery Activities	Total Consolidated
Operating revenue	\$6,831	\$6,549	\$13,380	\$6,602	\$5,960	\$12,562
Purchased power and fuel	—	5,593	5,593	—	4,891	4,891
Operation and maintenance	2,106	951	3,057	2,348	1,068	3,416
Depreciation, decommissioning and amortization	1,720	—	1,720	1,622	—	1,622
Property and other taxes	318	—	318	307	—	307
Impairment and other charges	163	—	163	575	—	575
Total operating expenses	4,307	6,544	10,851	4,852	5,959	10,811
Operating income	2,524	5	2,529	1,750	1	1,751
Interest expense	(528)	(5)	(533)	(519)	(1)	(520)
Other income and expenses	43	—	43	48	—	48
Income before income taxes	2,039	—	2,039	1,279	—	1,279
Income tax expense	474	—	474	279	—	279
Net income	1,565	—	1,565	1,000	—	1,000
Preferred and preference stock dividend requirements	112	—	112	100	—	100
Net income available for common stock	<u>\$1,453</u>	<u>\$—</u>	<u>\$1,453</u>	<u>\$900</u>	<u>\$—</u>	<u>\$900</u>
Core earnings			\$1,525			\$1,265
Non-core earnings			(72)			(365)
Total SCE GAAP earnings			<u>\$1,453</u>			<u>\$900</u>

Note: See Use of Non-GAAP Financial Measures in Appendix

Use of Non-GAAP Financial Measures

Edison International's earnings are prepared in accordance with generally accepted accounting principles used in the United States. Management uses core earnings internally for financial planning and for analysis of performance. Core earnings are also used when communicating with investors and analysts regarding Edison International's earnings results to facilitate comparisons of the Company's performance from period to period. Core earnings are a non-GAAP financial measure and may not be comparable to those of other companies. Core earnings (or losses) are defined as earnings or losses attributable to Edison International shareholders less income or loss from discontinued operations and income or loss from significant discrete items that management does not consider representative of ongoing earnings, such as: exit activities, including sale of certain assets, and other activities that are no longer continuing; asset impairments and certain tax, regulatory or legal settlements or proceedings.

A reconciliation of Non-GAAP information to GAAP information is included either on the slide where the information appears or on another slide referenced in this presentation.

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