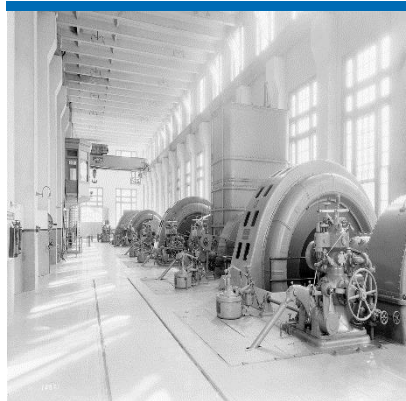




# Second Quarter 2015 Financial Results

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# 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](http://www.edisoninvestor.com). These filings also provide additional information on historical and other factual data contained in this presentation.

# Second Quarter Earnings Summary

	Q2 2015	Q2 2014	Variance
<b>Core Earnings Per Share (EPS)<sup>1</sup></b>			
SCE	\$1.18	\$1.11	\$0.07
EIX Parent & Other	(0.02)	(0.03)	0.01
<b>Core EPS<sup>1</sup></b>	<b>\$1.16</b>	<b>\$1.08</b>	<b>\$0.08</b>
<b>Non-Core Items<sup>2</sup></b>			
SCE	\$ -	\$ -	\$ -
EIX Parent & Other	-	-	-
Discontinued Operations	-	0.56	(0.56)
<b>Total Non-Core</b>	<b>\$ -</b>	<b>\$0.56</b>	<b>\$(0.56)</b>
<b>Basic EPS</b>	<b>\$1.16</b>	<b>\$1.64</b>	<b>\$(0.48)</b>
<b>Diluted EPS</b>	<b>\$1.15</b>	<b>\$1.63</b>	<b>\$(0.48)</b>

SCE Key Core EPS Drivers	
Lower revenue <sup>3,4</sup>	\$(0.03)
- CPUC GRC revenue deferral	(0.09)
- FERC revenue and other	0.06
Lower O&M <sup>5</sup>	0.01
Higher depreciation	(0.06)
Lower net financing costs	0.03
Income taxes	0.19
- 2015 change in uncertain tax positions	0.31
- 2014 change in uncertain tax positions	(0.09)
- Incremental repair deductions <sup>3</sup>	0.09
- Lower tax benefits	(0.12)
Other items	(0.07)
- Generator settlements	(0.03)
- Higher property taxes <sup>6</sup>	(0.02)
- Other	(0.02)
<b>Total</b>	<b>\$0.07</b>

EIX Key Core EPS Drivers	
Lower corporate expenses	\$0.01

1. See Earnings Non-GAAP Reconciliations and Use of Non-GAAP Financial Measures in Appendix
2. Non-core items for the quarter ended June 30, 2014, included \$0.56 income from discontinued operations related to the EME settlement
3. SCE deferred revenues of \$0.09 related to incremental repair deductions pending the outcome of the 2015 GRC
4. Excludes San Onofre revenue of \$0.04, which was offset by amortization of regulatory assets of \$(0.06) and O&M of \$0.02
5. Includes non-San Onofre severance of \$0.02 and \$0.01 for the quarters ended June 30, 2015 and 2014, respectively
6. Includes San Onofre property tax refund of \$0.01 related to replacement steam generators for the quarter ended June 30, 2014

# YTD 2015 Earnings Summary

	YTD 2015	YTD 2014	Variance	SCE Key Core EPS Drivers	
<b>Core Earnings Per Share (EPS)<sup>1</sup></b>				Lower revenue <sup>3,4</sup>	\$(0.02)
SCE	\$2.12	\$2.04	\$0.08	- CPUC GRC revenue deferral	(0.16)
EIX Parent & Other	(0.06)	(0.06)	-	- FERC revenue and other	0.14
<b>Core EPS<sup>1</sup></b>	<b>\$2.06</b>	<b>\$1.98</b>	<b>\$0.08</b>	Higher depreciation	(0.10)
<b>Non-Core Items<sup>2</sup></b>				Lower net financing costs	0.05
SCE	\$ -	\$(0.29)	\$0.29	Income taxes	0.21
EIX Parent & Other	0.02	-	0.02	- 2015 change in uncertain tax positions	0.31
Discontinued Operations	-	0.49	(0.49)	- 2014 change in uncertain tax positions	(0.09)
<b>Total Non-Core</b>	<b>\$0.02</b>	<b>\$0.20</b>	<b>\$(0.18)</b>	- Incremental repair deductions <sup>3</sup>	0.16
<b>Basic EPS</b>	<b>\$2.08</b>	<b>\$2.18</b>	<b>\$(0.10)</b>	- Lower tax benefits	(0.17)
<b>Diluted EPS</b>	<b>\$2.06</b>	<b>\$2.17</b>	<b>\$(0.11)</b>	Other items	(0.06)
				- Generator settlements	(0.03)
				- Property taxes and other <sup>5</sup>	(0.03)
				Total <sup>6</sup>	<u>\$0.08</u>

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

2. Non-core items for the six months ended June 30, 2014, included \$0.29 charge related to San Onofre settlement and \$0.49 income from discontinued operations related to the EME settlement and revised tax estimate of EME deconsolidation

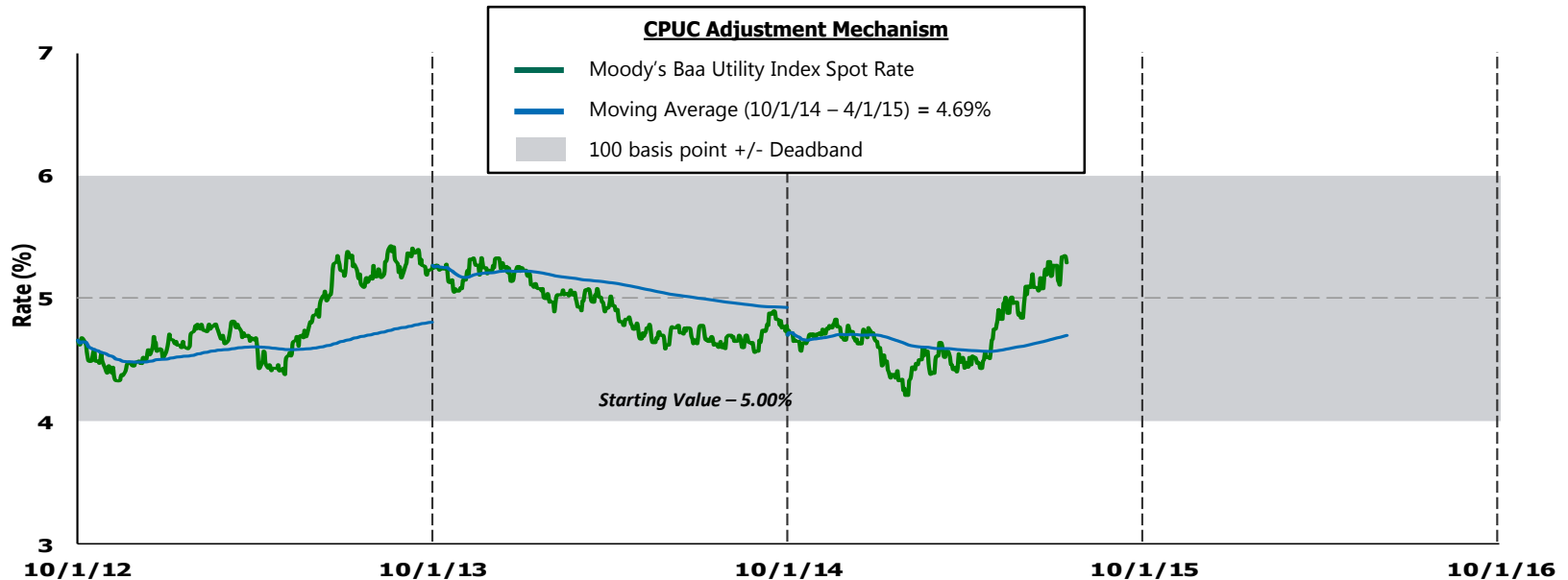
3. SCE deferred revenues of \$0.16 related to incremental repair deductions pending the outcome of the 2015 GRC

4. Excludes San Onofre revenue of \$0.06, which was offset by amortization of regulatory assets of \$(0.12), interest expense of \$(0.01) and O&M of \$0.07

5. Includes San Onofre property tax refund of \$0.01 related to replacement steam generators for the six months ended June 30, 2014

6. Includes non-San Onofre severance of \$0.02 and \$0.01 for the six months ended June 30, 2015 and 2014, respectively

# 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 in April 2016 for 2017 Cost of Capital – adjustment mechanism continues in the interim

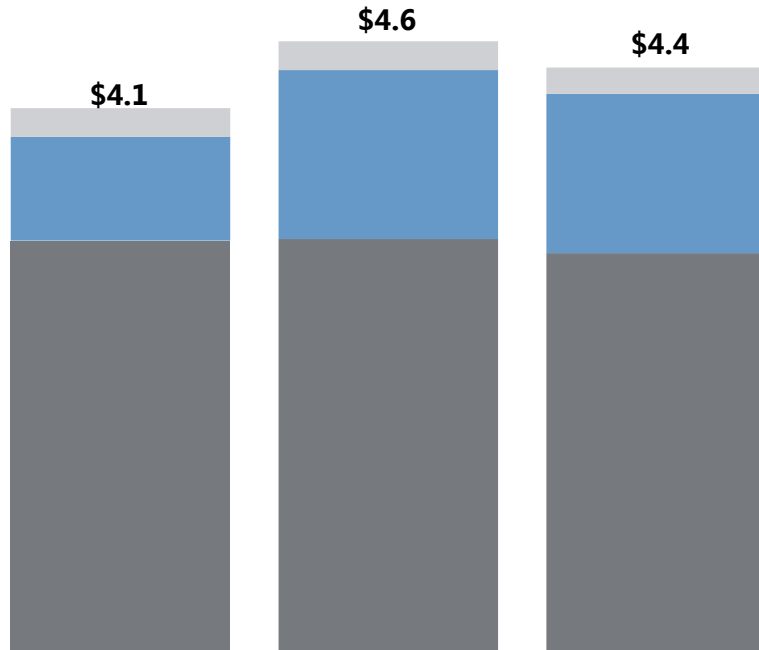
## FERC – comparable to CPUC 10.45% ROE

- Includes 9.30% base + 50 bps CAISO participation plus project incentives
- Moratorium on filing ROE changes expired July 1, 2015
- FERC Formula recovery mechanism in effect through December 31, 2017

# SCE Capital Expenditures Forecast

(\$ billions)

■ Distribution ■ Transmission ■ Generation



**\$11.5 – \$13.1 billion forecasted capital program 2015-2017**

- No change from prior forecast
- Growth driven by infrastructure replacement, reliability investments, distribution resources plan investments and public policy requirements

	2015	2016	2017	2015-17 Total
Request	\$4.1	\$4.6	\$4.4	<b>\$13.1</b>
Range	\$3.6	\$4.0	\$3.9	<b>\$11.5</b>

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

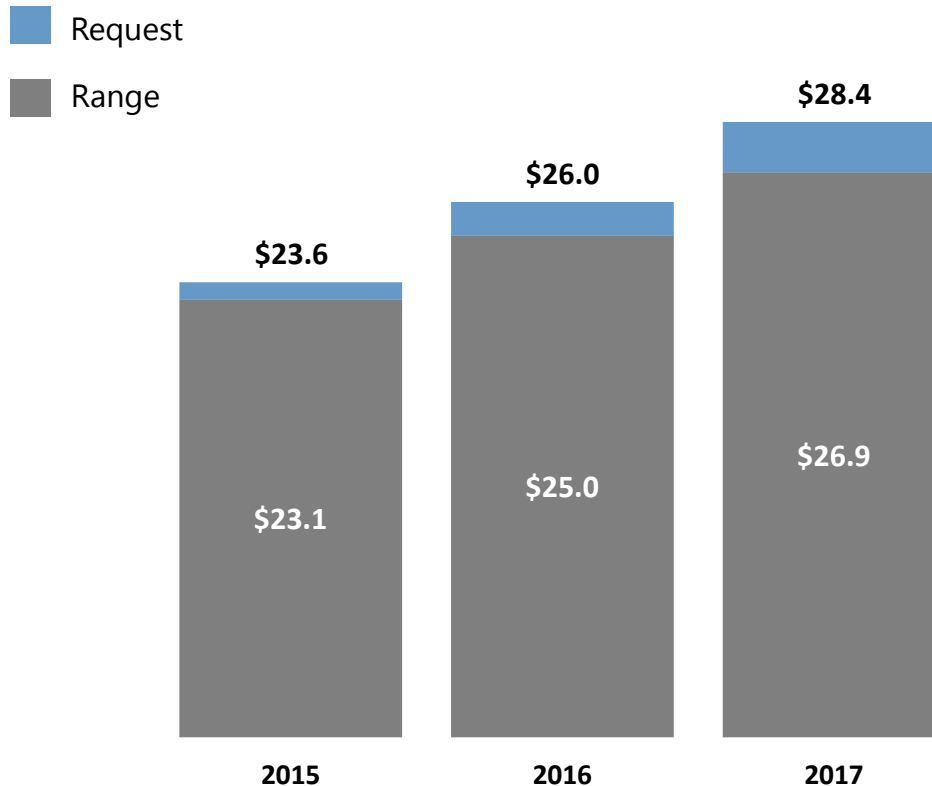
# SCE DRP Capital Expenditure Estimates

Time Period	Capital Expenditures		CPUC Approval Mechanism
2015-2017	Distribution Automation	\$40-70 million	<ul style="list-style-type: none"> <li>Proposed memorandum account to record associated revenue requirement until expenditures are authorized by CPUC</li> </ul>
	Substation Automation	\$30-60 million	
	Communications Systems	\$7-15 million	
	Technology Platforms and Applications	\$130-200 million	
	Grid Reinforcement	\$140-215 million	
	<b>Total</b>	<b>\$347-560 million</b>	
2018-2020	Distribution Automation	\$185-320 million	<ul style="list-style-type: none"> <li>Request recovery in 2018 GRC</li> </ul>
	Substation Automation	\$185-320 million	
	Communications Systems	\$270-470 million	
	Technology Platforms and Applications	\$215-375 million	
	Grid Reinforcement	\$550-1,100 million	
	<b>Total</b>	<b>\$1,405-2,585 million</b>	

**SCE anticipates capital spending to continue at least in the range of current forecast levels, although could result in higher spending pending CPUC approval in future GRCs**

# SCE Rate Base Forecast

(\$ billions)



**7-9% average annual rate base growth for 2015-2017**

- No change from prior forecast
- FERC rate base includes Construction Work in Progress (CWIP) and is approximately 23% 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



# 2015 Financial Assumptions

(\$ billions)

## SCE Capital Expenditures

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

## SCE Weighted Average Rate Base

Distribution	\$16.0
Transmission	5.4
Generation	<u>2.2</u>
<b>Request</b>	<b>\$23.6</b>
<b>Range</b>	<b>\$23.1</b>

## SCE Authorized Cost of Capital

<b>CPUC Return on Equity</b>	10.45%
<b>CPUC Capital Structure</b>	48% equity 43% debt 9% preferred
<b>FERC Return on Equity</b>	Comparable to CPUC ROE

## 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)
- \$0.16 per share deferred revenues in YTD period for incremental repair deductions pending 2015 GRC decision

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

# EIX Strategy Should Produce Superior Value

## Sustainable Earnings and Dividend Growth

### Rate Base and Core Earnings Growth

- 7 – 9% average annual rate base growth through 2017

### Constructive Regulatory Structure

- Decoupling
- Balancing accounts
- Forward-looking ratemaking

### Sustainable Dividend Growth

- Target payout ratio: 45-55% of SCE core earnings
- Returning to target payout ratio in steps over time produces above industry-average dividend growth

## Positioned for Transformative Change

### SCE Focus on Lower-Risk Energy Delivery

- Wires assets represent over 90% of utility plant as of December 31, 2014<sup>1</sup>

### SCE Growth Drivers Beyond 2017

- Public safety and reliability
- Distribution Resources Plan
- Electric vehicle charging and storage
- State environmental policy
- Transmission

### Edison Energy Competitive Strategy

- Integrate emerging technologies and business models to expand electrification and serve commercial and industrial customers

1. Includes assets classified as transmission, distribution and general plant

# Appendix

# SCE Customer Demand Trends

Kilowatt-Hour Sales (millions of kWh)	YTD 2015	2014	2013	2012	2011
Residential	12,782	30,115	29,889	30,563	29,631
Commercial	20,104	42,127	40,649	40,541	39,622
Industrial	3,792	8,417	8,472	8,504	8,490
Public authorities	2,264	4,990	5,012	5,196	5,206
<u>Agricultural and other</u>	<u>864</u>	<u>2,025</u>	<u>1,885</u>	<u>1,676</u>	<u>1,318</u>
<i>Subtotal</i>	39,806	87,674	85,907	86,480	84,267
Resale	414	1,312	1,490	1,735	3,071
<b>Total Kilowatt-Hour Sales</b>	<b>40,220</b>	<b>88,986</b>	<b>87,397</b>	<b>88,215</b>	<b>87,338</b>
Customers					
Residential	4,381,124	4,368,897	4,344,429	4,321,171	4,301,969
Commercial	559,594	557,957	554,592	549,855	546,936
Industrial	10,893	10,782	10,584	10,922	11,370
Public authorities	46,343	46,234	46,323	46,493	46,684
Agricultural	21,401	21,404	21,679	21,917	22,086
Railroads and railways	118	105	99	83	82
Interdepartmental	22	22	23	24	22
<b>Total Number of Customers</b>	<b>5,019,495</b>	<b>5,005,401</b>	<b>4,977,729</b>	<b>4,950,465</b>	<b>4,929,149</b>
Number of New Connections	<b>12,626</b>	<b>29,879</b>	<b>27,370</b>	<b>22,866</b>	<b>19,829</b>
Area Peak Demand (MW)	<b>N/A</b>	<b>23,055</b>	<b>22,534</b>	<b>21,996</b>	<b>22,443</b>

Note: See 2014 Edison International Financial and Statistical Reports for further information

# SCE 2015 CPUC General Rate Case

## November 2013, 2015 GRC Application A.13-11-003 sets 2015 – 2017 base revenue requirement

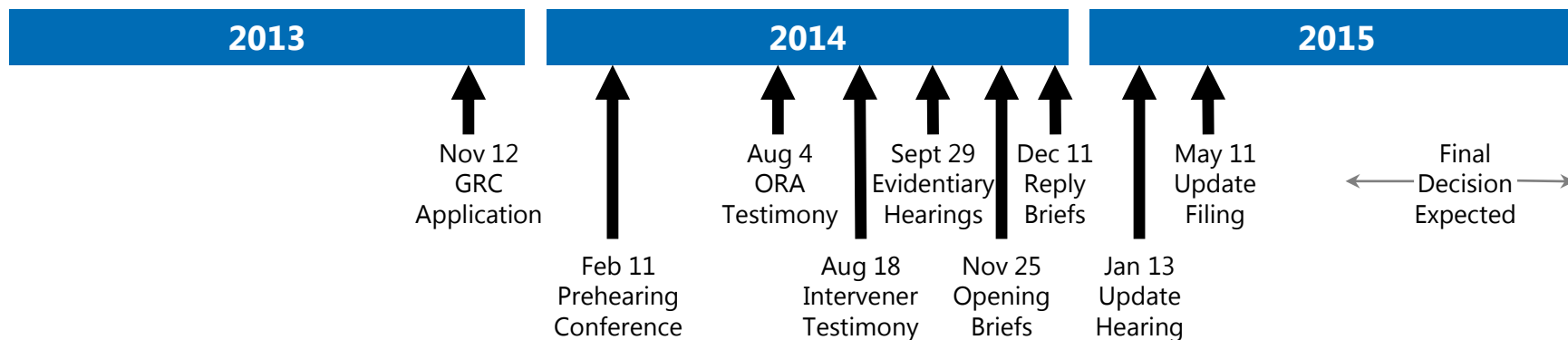
- Includes operating costs and CPUC jurisdictional capital
- Excludes fuel and purchased power (and other utility cost-recovery activities), cost of capital, and FERC jurisdictional transmission

## 2015 revenue requirement request of \$5.512 billion

- \$121 million decrease from presently authorized base rates based on May 11<sup>th</sup> update filing
- Post test year requested year-over-year increase of \$236 million in 2016 and additional increase of \$320 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



# Earnings Non-GAAP Reconciliations

(\$ millions)

## Reconciliation of EIX Core Earnings to EIX GAAP Earnings

Earnings Attributable to Edison International	Q2 2015	Q2 2014	YTD 2015	YTD 2014
<b>Core Earnings</b>				
SCE	\$384	\$362	\$689	\$666
EIX Parent & Other	(6)	(10)	(17)	(20)
<b>Core Earnings</b>	<b>\$378</b>	<b>\$352</b>	<b>\$672</b>	<b>\$646</b>
<b>Non-Core Items</b>				
SCE	\$ –	\$ –	\$ –	\$(96)
EIX Parent & Other	1	–	6	–
Discontinued operations	–	184	–	162
<b>Total Non-Core</b>	<b>\$1</b>	<b>\$184</b>	<b>\$6</b>	<b>\$66</b>
<b>Basic Earnings</b>	<b>\$379</b>	<b>\$536</b>	<b>\$678</b>	<b>\$712</b>

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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