



Business Update

June 2013

Forward-Looking Statements

Statements contained in this presentation about future performance, including, without limitation, operating results, asset and rate base growth, capital expenditures, San Onofre Nuclear Generating Station (SONGS), EME bankruptcy, 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 2012 Form 10-K 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.

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
 - Over 103,000 miles of distribution and transmission lines
- 7 – 8% projected average annual rate base growth through 2014 driven by:
 - System reliability and infrastructure replacement
 - California Renewables Portfolio Standard
 - Technology improvements



■ SCE Service Territory

SCE Decoupled Regulatory Model

Regulatory Model Elements

Key Benefits

Decoupling of Regulated Revenues from Sales

- 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

Major Balancing Accounts

- Fuel
- Purchased power
- Energy efficiency
- Pension-related contributions

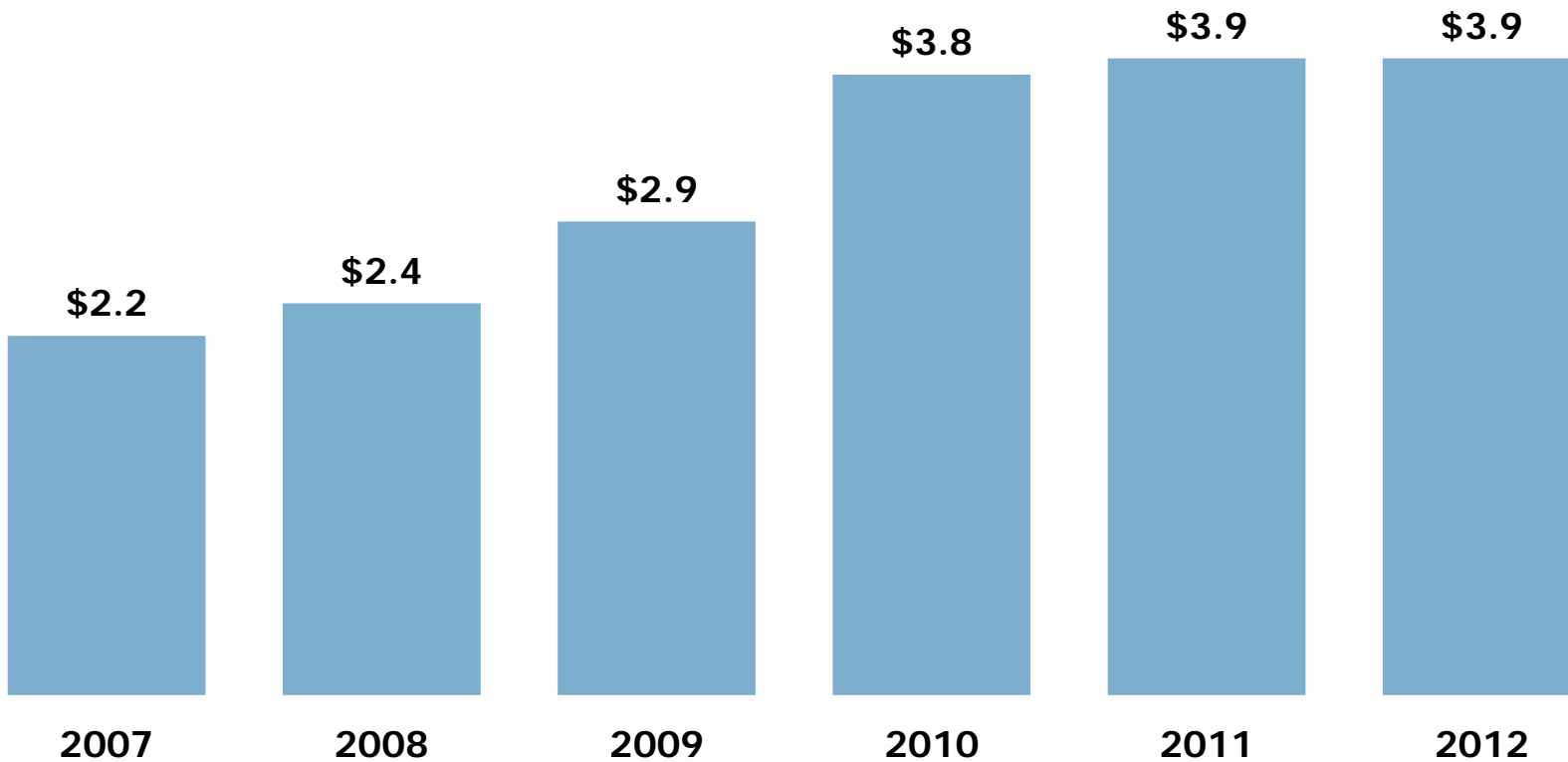
- Trigger mechanism for fuel and purchased power adjustments at 5% variance level
- Utility cost-recovery via balancing accounts represented over 50% of 2012 costs

Advanced Long-Term Procurement Planning

- Sets prudent upfront standards allowing greater certainty of cost recovery (subject to reasonableness review)

SCE Historical Capital Expenditures

(\$ billions)

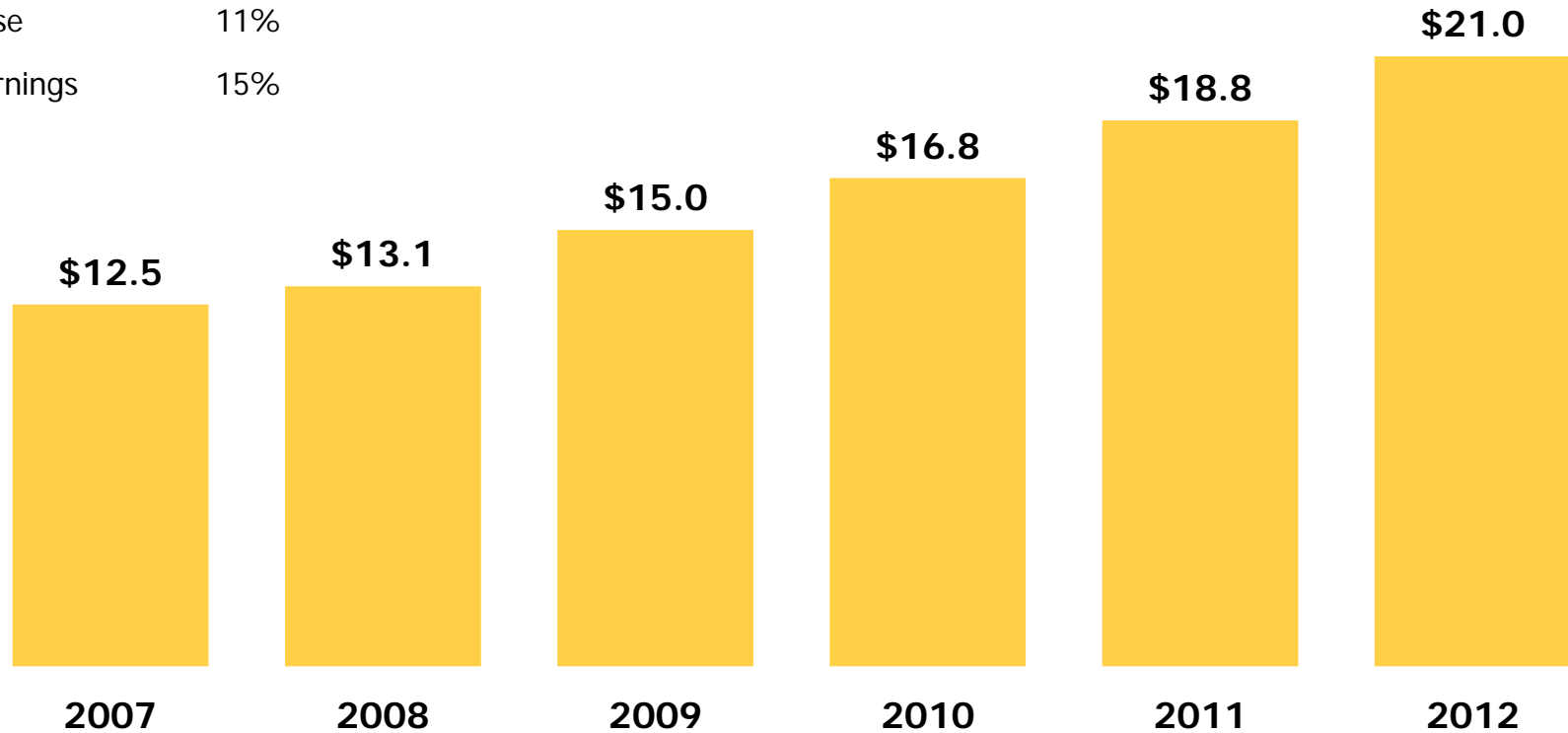


SCE Historical Rate Base and Core Earnings

(\$ billions)

2007 – 2012 CAGR

Rate Base	11%
Core Earnings	15%

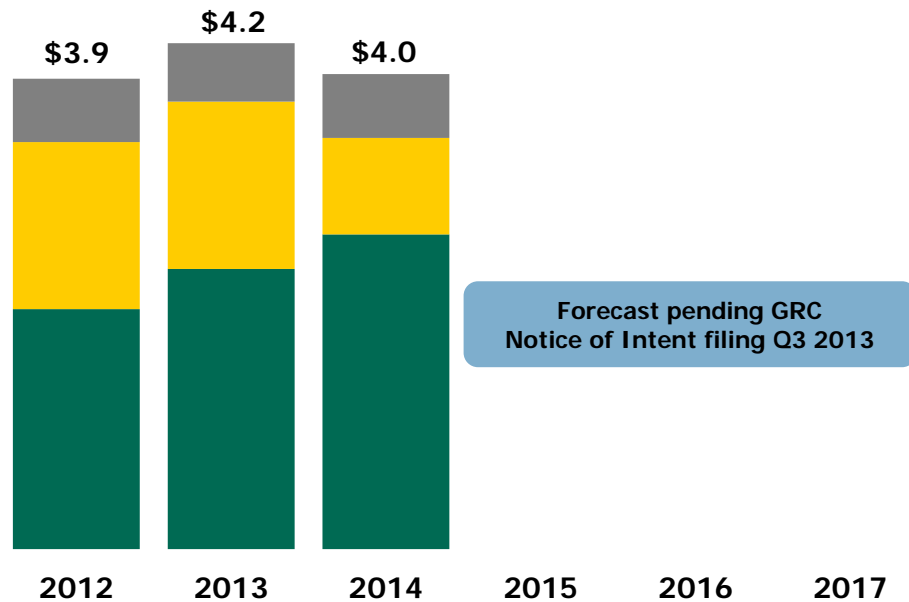


Year	2007	2008	2009	2010	2011	2012
Core Earnings	\$2.07	\$2.25	\$2.68	\$3.01	\$3.33	\$4.10

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

Capital Expenditures Forecast

(\$ billions)



2013 – 14 Forecast by Classification

	\$	%
Generation	1.0	12
Transmission	2.2	27
Distribution	<u>5.0</u>	<u>61</u>
Total	8.2	100

	2012	2013	2014	2015	2016	2017
Forecast Range				2013-14 Total		
Base		\$4.2	\$4.0	\$8.2		
Low		\$3.8	\$3.6	\$7.4		

By Jurisdiction

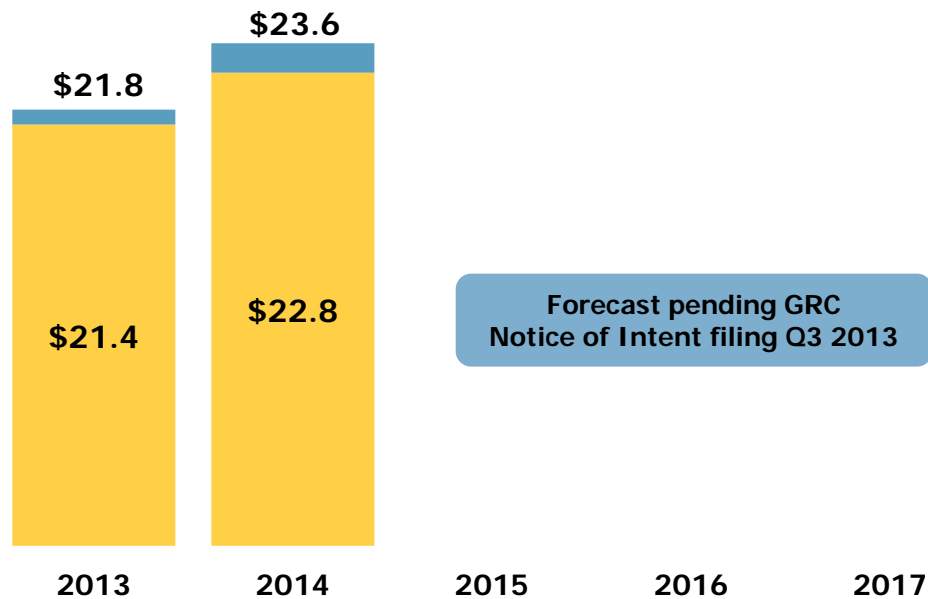
	%
CPUC	73
FERC	<u>27</u>
Total	100

Once SCE files its 2015 General Rate Case Notice of Intent, the forecast of capital expenditures will be updated

Note: 2013-14 forecasted capital spending subject to timely receipt of permitting, licensing, and regulatory approvals. Forecast range reflects a 10% variability based on average level of actual variability experienced from 2009 through 2012.

Rate Base Forecast

(\$ billions)



7 – 8% Projected Rate Base Growth from 2013 – 14

- Driven by infrastructure replacement, reliability investments, and public policy requirements
- FERC rate base includes CWIP and is approximately 20% of 2013 and 2014 rate base forecasts

Once SCE files its 2015 General Rate Case Notice of Intent, the rate base forecast will be updated

Note: Weighted-average year basis, including: (1) forecasted 2012-2014 FERC rate base requests; (2) SCE Solar PV program including CPUC-approved Petition for Modification; (3) consolidation of CWIP projects; (4) estimated impact of bonus depreciation provisions. Rate Base forecast range reflects capital expenditure forecast range.

FERC Return on Equity

FERC Formula Rates

- August 2011 – FERC accepted SCE’s formula rates effective January 1, 2012
- Rates remain subject to refund and settlement
- Next settlement conference May 2013
- September 2012 – Formula Rate update filed for 2013; \$178 million increase in transmission rates implemented on October 1, 2012, subject to pending FERC order

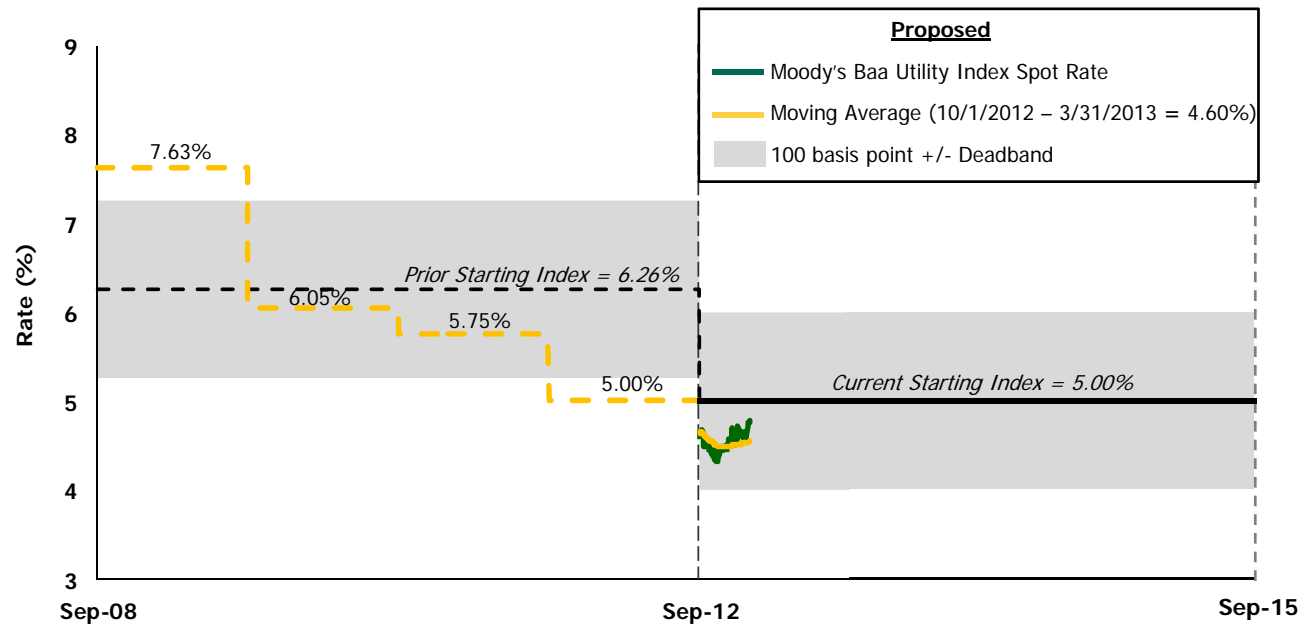
FERC ROE

- 2013 11.1% ROE guidance:
 - 9.93% base ROE – using median of SCE proxy group
 - +50 bps CAISO participation
 - +65 bps weighted average for project incentives

2008 CWIP ROE Appeal

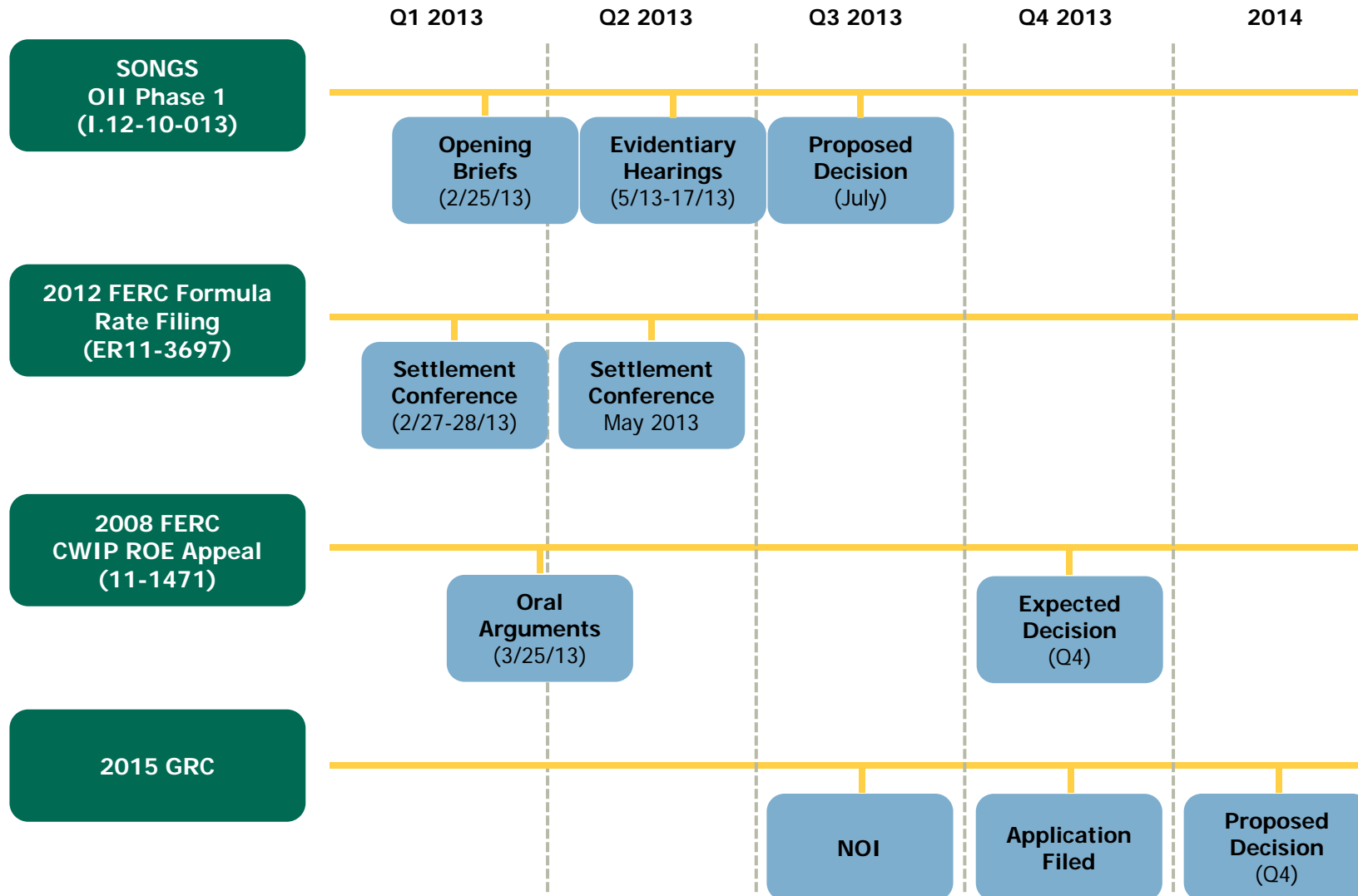
- FERC policy on median vs. midpoint of proxy group:
 - Median – utilities filing individually
 - Midpoint – ISO members filing as a group
- December 2011 – SCE appealed 2008 ROE in CWIP proceeding based on median vs. midpoint issue to D.C. Circuit of the U.S. Court of Appeals
- Oral arguments held on March 25, 2013, with decision expected by Q4 2013

Cost of Capital Mechanism



- Phase 1 decision approved capital structure and cost of capital for 2013
 - Approved capital structure – 48% equity, 43% long-term debt, 9% preferred equity
 - Approved cost of capital – 10.45% equity, 5.49% long-term debt, 5.79% preferred equity
- Phase 2 decision approved continuation of existing adjustment mechanism through 2015
 - 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 basis point 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%

SCE Key Regulatory Events Calendar



2013 Core and Basic Earnings Guidance

	2013 Earnings Guidance as of 4/30/13			2013 Earnings Guidance as of 6/07/13		
	Low	Mid	High	Low	Mid	High
SCE		\$3.70			\$3.50	
EIX Parent & Other		(0.15)			(0.15)	
EIX Core EPS	\$3.45	\$3.55	\$3.65	\$3.25	\$3.35	\$3.45
Non-core Items		0.06		(1.24)		(0.86)
EIX Basic EPS	\$3.51	\$3.61	\$3.71	\$2.01		\$2.59

SONGS Guidance Changes:

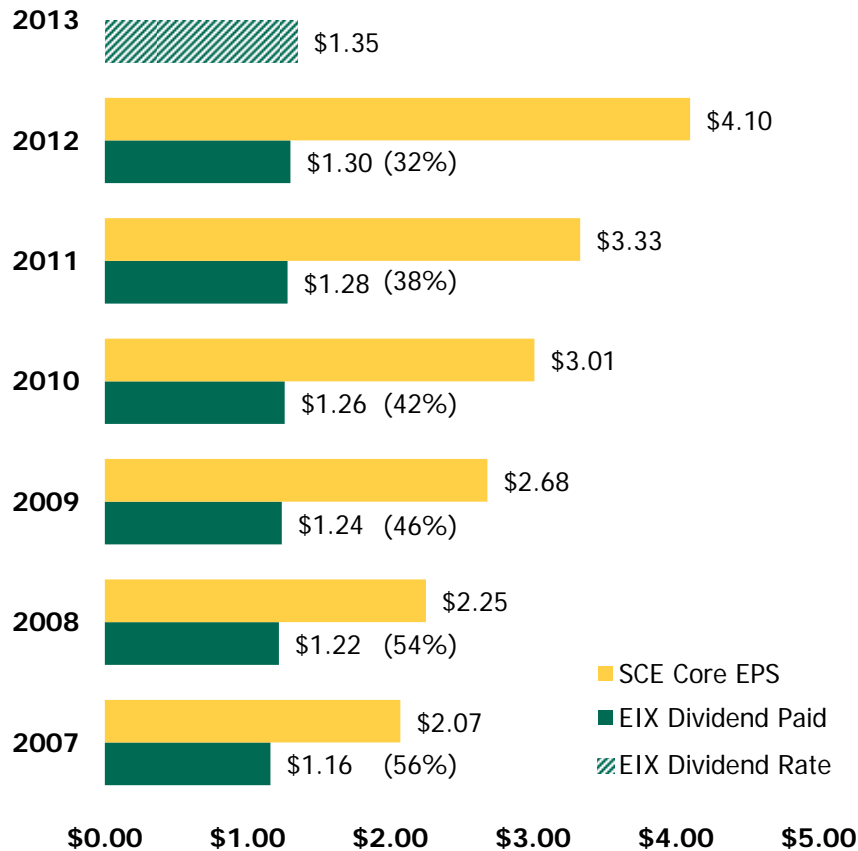
- \$(0.15) per share from removal of \$1.2 billion rate base effective in June pending regulatory treatment of return on investment
- \$(0.03) per share from no AFUDC on CWIP effective in June pending regulatory treatment of return on investment
- \$(0.02) per share of other transition costs
- \$(0.92) to \$(1.30) per share non-core charge

Continuing Guidance Assumptions:

- Approved capital structure – 48% equity, 10.45% CPUC ROE, 11.1% FERC ROE
- 325.8 million common shares outstanding
- SCE positive variances from rate base forecast include: income tax repair deduction, O&M cost savings/other, energy efficiency earnings
- EME results not consolidated
- No changes in tax policy
- O&M cost savings flow through to ratepayers in 2015 GRC
- No SONGS insurance or warranty recoveries
- No non-core items except \$0.06/share reported in Q1

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

EIX Dividend Growth



2007 – 2012 CAGR

SCE Core EPS	15%
EIX Dividend	2%

- EIX targets paying out 45 – 55% of SCE earnings
- Dividend not growing at same rate as SCE core earnings and is below target payout ratio due to large utility capital program
- EIX plans to return to target dividend range over time as SCE capital spending program declines from its 2013 peak

EIX increased its dividend for the 9th consecutive year to an annual rate of \$1.35 per share for 2013

Note: See Use of Non-GAAP Financial Measures in Appendix for reconciliation of core earnings per share to basic earnings per share

Creating Shareholder Value

What We've Done

Resolve Uncertainties

- EME bankruptcy filing
- SCE 2012 GRC
- SCE 2013 cost of capital

Create Sustainable Earnings and Dividend Growth

- 5-year rate base CAGR of 11% (2007 – 2012)
- 15% Core EPS growth (2007 – 2012)
- 9 consecutive dividend increases

Position for Transformative Sector Change

- Leadership and development
- Advanced technologies
- New business development / strategic planning

What Remains

- Resolve SONGS uncertainty
- Execute wires-focused investment program:
 - Infrastructure investments
 - Meet 33% renewables mandate by 2020
- Finalize FERC rate case

- Optimize cost structure through operational excellence
- Growth through investments
- Balance dividend increases with SCE capex needs
- Return to target dividend range over time

- Legislative and regulatory advocacy
- Listen to customer needs
- Evaluate new power sector business opportunities

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

Appendix

What's New Since Our Last Presentation

- 2013 Core and Basic Earnings Guidance (p. 11)
- SONGS Estimated Impairment Range (p. 17)
- SONGS Decommissioning Trust (p. 18)

SONGS – Supplemental Data

(\$ millions, as of March 31, 2013)

Outage Impacts (SCE share)		Total
Inspection & Repair Costs – Incurred		\$109
Net Market Costs – CPUC Basis ¹		\$444
Regulatory (SCE share)		
Steam Generator Replacement (SGRP) – Approved ²		\$665
SGRP – Incurred		\$602
2012 Annual Revenue Requirement ³		\$613
Physical (Total)		
SCE Ownership		78.21%
Capacity (MW)		2,150
2011 Generation (million kWh)		18,097

	Unit 2	Unit 3	Common Plant	Total
<i>Rate Base</i>				
Net Plant in Service ³	\$619	\$453	\$240	\$1,312
Materials and Supplies	—	—	100	100
Accumulated Deferred Income Taxes	(118)	(74)	(46)	(238)
Total Rate Base	\$501	\$379	\$294	\$1,174
<i>Add: Acc. Deferred Income Taxes</i>	118	74	46	238
<i>Add: Construction Work in Progress</i>	23	95	100	218
<i>Add: Nuclear Fuel</i>	153	216	102	471
Total Net Investment	\$795	\$764	\$542	\$2,101

1 Calculated in accordance with SONGS OII and differs from SCE's prior estimates as it includes the planned outage periods and estimated foregone energy sales. Includes approximately \$50 million incurred during planned outage periods.

2 In 2005 the CPUC authorized expenditures of approximately \$525 million (\$665 million based on SCE's estimate after adjustment for inflation using the Handy-Whitman Index) for SCE's 78.21% share of SONGS. Subject to CPUC reasonableness review

3 Includes direct operations and maintenance costs, depreciation, and return on investment

4 Net of accumulated depreciation

SONGS Estimated Impairment Range

(\$ millions)

SONGS Impairment Exposures

Total SONGS Net Investment		\$2,101
	Since January 1, 2012	Since November 1, 2012
Authorized Revenues		
Through 3/31/13	\$728	\$185
Estimated for April-May	85	85
Total Authorized Revenues	\$813	\$270
Net Market Costs		
Through 3/31/13	\$444	\$179
Estimated for April-May	85	85
Total Net Market Costs	\$529	\$264

The estimated impairment range of \$450 to \$650 million pre-tax will be finalized in the second quarter and considers exposure for recovery of SONGS net investment and potential for customer refunds

Note: Data for period since November 1, 2012 is used as a proxy for costs incurred subsequent to the nine-month period referenced in CPUC Code Section 455.5.

SONGS Decommissioning Trust

(\$ millions as of March 31, 2013)

	Unit 2	Unit 3	Combined
Fund Assets	\$1,405	\$1,600	\$3,005
Fund Assets (after-tax)	1,286	1,452	2,738
2022 Decommissioning Costs – 2013 ¹	1,458	1,597	3,055
Funded Ratio	88%	91%	90%
Target Funding Completion Date	2022	2022	2022
Annual Fund Contributions to 2022:			
Current	\$18	\$5	\$23
Requested (2014)	\$20	\$19	\$39
Decommissioning Period			2022 – 2055
Fund Return to 2025 (after-tax)			5.0%

SONGS decommissioning trusts are nearing full funding

¹ Based on 2012 nuclear decommissioning study with 2022 start date.

SONGS – Warranty and Insurance

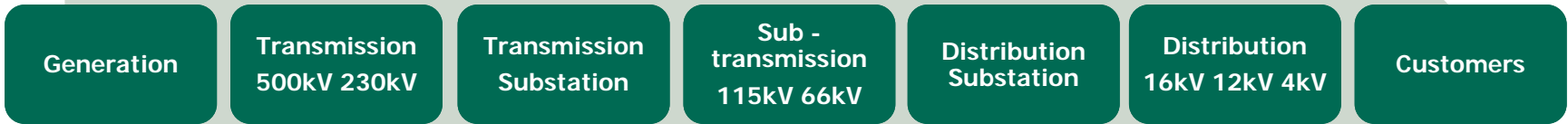
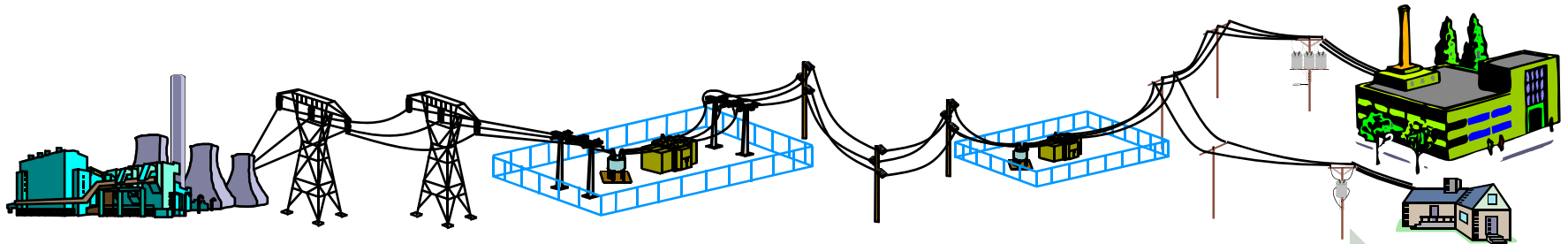
MHI Warranty

- 20-year warranty with Mitsubishi Heavy Industries
 - Repair or replace defective items
 - Specified damages for certain repairs
 - \$138 million liability limit and excludes consequential damages (e.g., replacement power)
 - Limits subject to applicable exceptions in the contract and under law
- December 2012, SCE received \$45 million MHI warranty payment (\$36 million SCE share), subject to audit, reservation of rights regarding documentation; SCE and MHI disagree on applicability of limitations on liability

NEIL Insurance

- Property damage and outage insurance through Nuclear Electric Insurance Limited (“NEIL”)
 - Property Damage Policy – \$2.5 million deductible; \$2.75 billion liability limit
 - Outage Policy – up to \$3.5 million per week for each unit after 12-week deductible period (\$2.8 million per unit per week if both are out due to same “accident”); \$490 million limit per unit (\$392 million each if both units are out due to the same “accident”)
 - Exclusions and limitations may reduce or eliminate coverage
 - Proof of loss must be submitted within 12 months of damage or outage
- Separate proofs of loss have been filed for Unit 2 and Unit 3 under NEIL outage policy totaling \$234 million (\$183 million SCE share) for amounts through December 29, 2012

SCE Electric Power System Assets



Transmission

- 60 Substations
- 1,193 Circuits
- 12,218 Circuit Miles¹
- 4,671 Circuit Breakers

Distribution

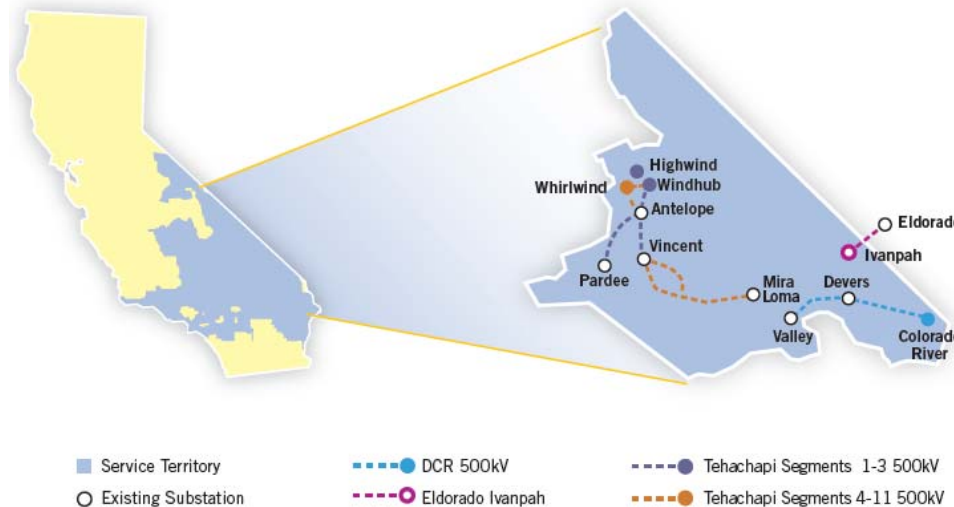
- 810 Substations
- 4,587 Circuits¹
- 103,529 Circuit Miles²
- 61,778 Switches¹
- 729,714 Transformers¹

1 Indicates data current as of December 31, 2012. All other data current as of year-end 2011.
 2 Includes street lights.

SCE Large Transmission Projects

(\$ millions)

Project Name	Total Project Costs	In Service Date	FERC Incentives	2013 – 2014 Forecast	Status
Tehachapi 1-11	\$2,500	2015	125 bps ROE adder	\$455	<ul style="list-style-type: none"> • Cost estimates for potential Chino Hills undergrounding filed Q1 2013 • Proposed Decision on undergrounding expected Q3 2013
Devers-Colorado River	\$860	Q3 2013	100 bps ROE adder	\$337	<ul style="list-style-type: none"> • Revised cost forecast submitted to CPUC Q4 2012
Eldorado-Ivanpah	\$385	Q3 2013	N/A	\$227	<ul style="list-style-type: none"> • Expected in service date Q3 2013



Transmission expenditures are needed to maintain system reliability and increase access to renewable energy

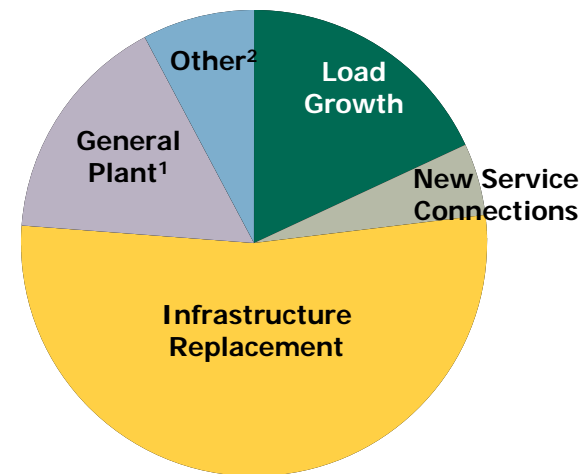
Note :Total Project Costs are as of December 31, 2012, and are nominal direct expenditures, subject to CPUC and FERC cost recovery approval

SCE Distribution Program

- Distribution expenditures required to meet customer and load growth, infrastructure needs, information technology and related general plant
- Demonstrated operational capability to execute infrastructure replacement programs
- Slow growth in California economy, resulting in less customer growth, allows for increased infrastructure replacement expenditures
- Smart Grid technology to provide increasing long term investment options



2013 – 2014 Approved GRC Expenditures in Distribution Assets \$5.0 Billion



¹ Includes information technology, facilities/buildings, corporate center, etc.

² Includes underground conversions, customer requests/relocations, claims, customer meters, etc.

California Renewables Policy

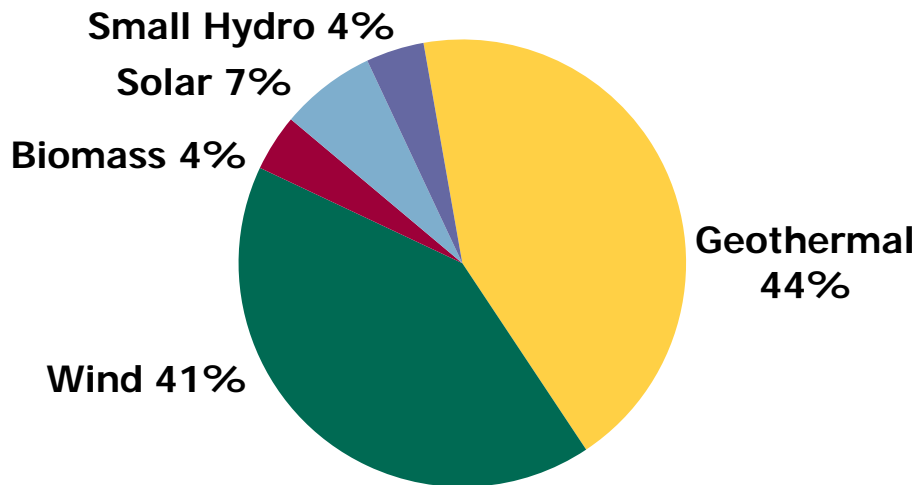
- On April 12, 2011, Governor Brown signed SB X 1 2, which codifies a 33% Renewables Portfolio Standard (RPS) for California by 2020
 - Allows use of Renewable Energy Credits (RECs) for up to 25% of target with decreasing percentages over time
 - Applies similar RPS rules to all electricity providers (investor- and publicly-owned utilities, as well as Electric Service Providers)
- Renewable resources provided 19.0% of SCE's portfolio in 2012



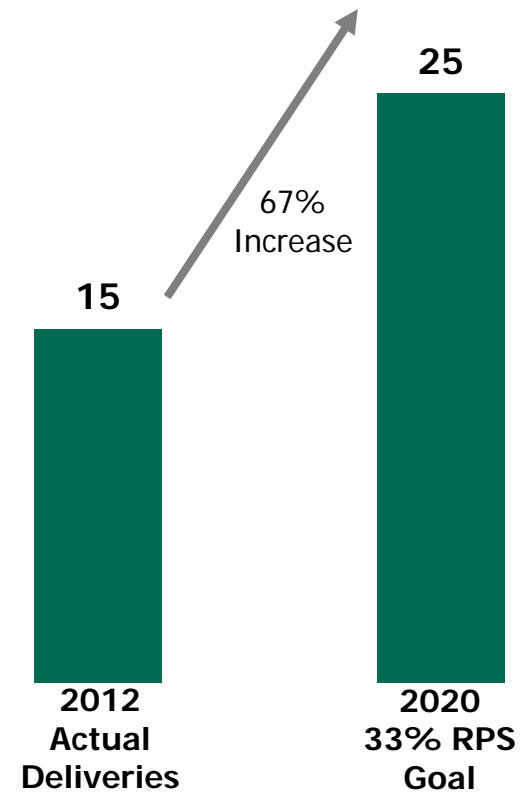
While SCE is on target to meet the 33% renewables mandate by 2020, the requirement will put upward pressure on customer rates

SCE Renewable Portfolio – Retail Sales

Actual 2012 Renewable Resources:
19.9% of SCE's portfolio



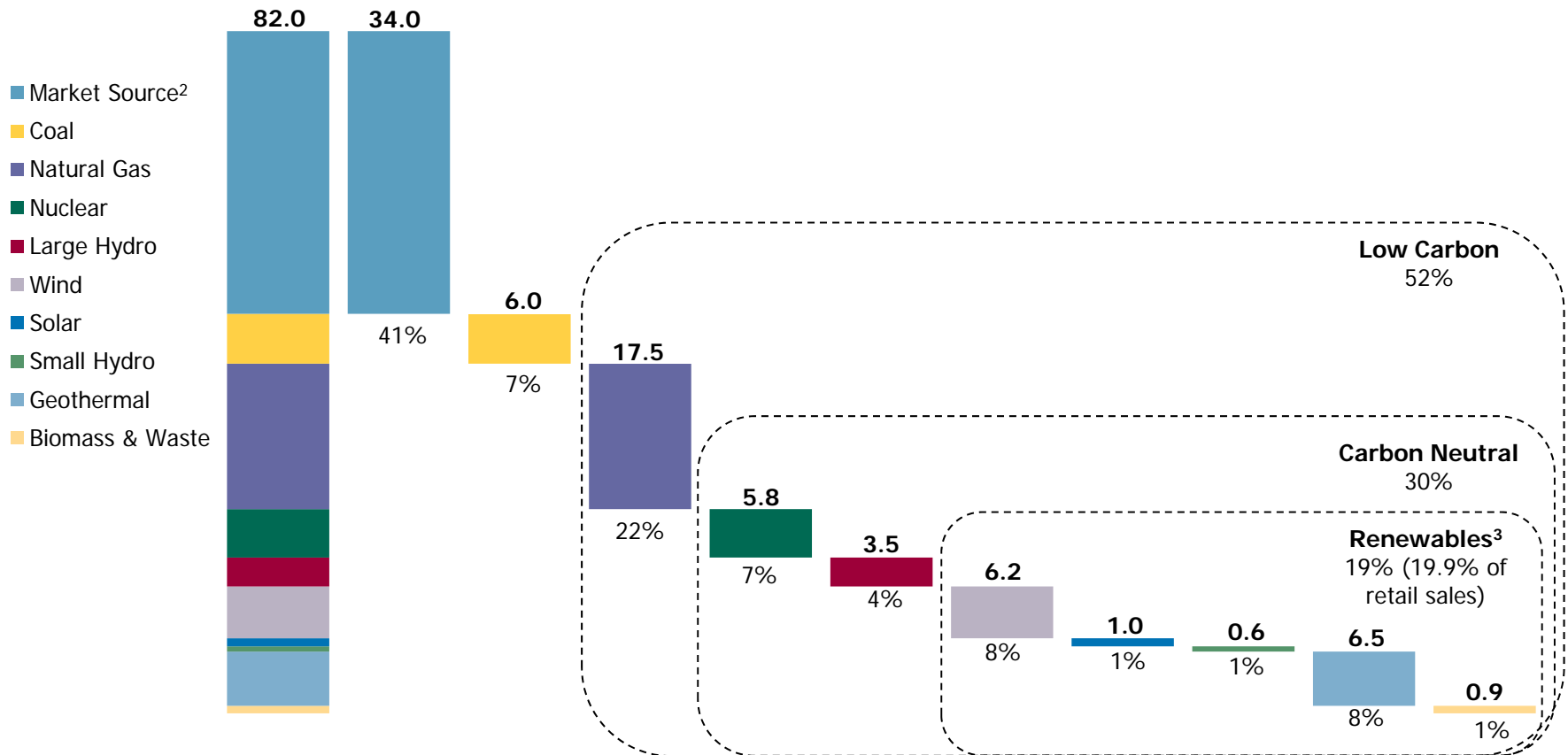
Renewable Resources
(billion kWh)



In order to meet the 33% RPS requirement, SCE will need to increase its renewable purchases by more than 60%

2012 SCE Energy Portfolio¹ – Generation

(Billion kWh – Generation Level)



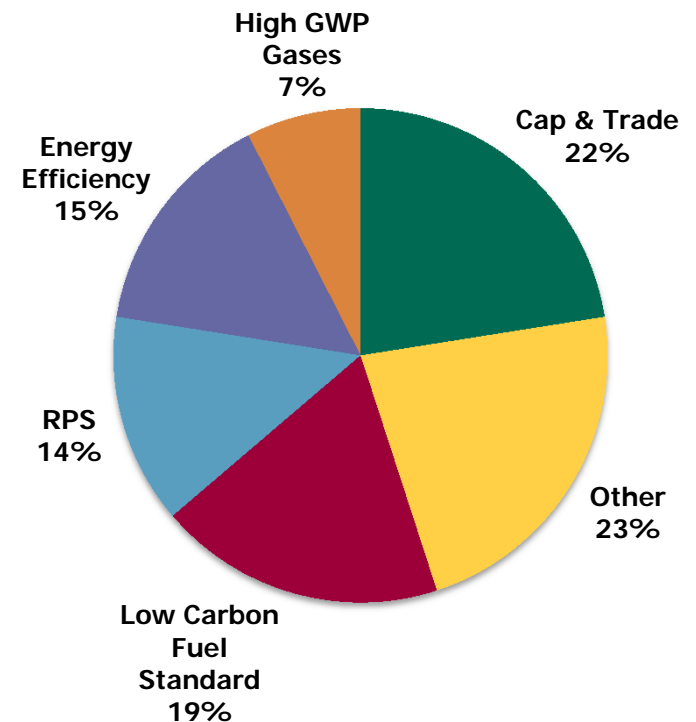
More than half of SCE's energy portfolio consists of low-carbon resources including renewables, hydro, nuclear, and natural gas

1 CEC Power Source Disclosure Program – Preliminary
 2 Accounts for non-technology specific energy procured from market
 3 SCE's Preliminary 2012 renewable resources provided 15.0 billion kWh, or 19.9% of SCE's retail sales

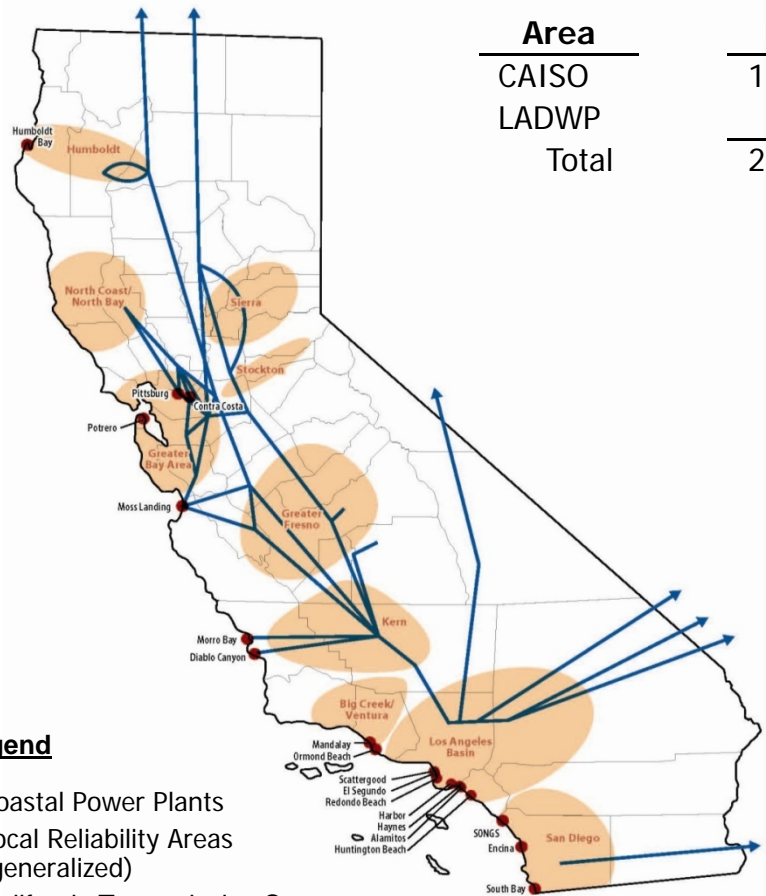
California Climate Change Policy

- Assembly Bill 32 (2006) – reduces State 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
- 32.3 million 2013 allowances vs. 10.4 million metric tons 2012 GHG emissions reported to the State
 - Allowances sold into auction and bought back for compliance
 - Auction every 3 months
 - Two auctions completed – \$10.09/ton and \$13.62/ton clearing prices
 - SB 1018 (2012) – auction revenues used for rate relief for residential (~93%), small business, and large industrial customers
- GHG costs will increase rates in the long term
 - Revenue allocation to residential customers will put downward pressure on those customers' rates in the near term

AB32 Emissions Reduction Programs



California Once-Through Cooling Policy



Legend

- Coastal Power Plants
- Local Reliability Areas (generalized)
- California Transmission System (partial, generalized)

Area	MW
CAISO	18,505
LADWP	2,654
Total	21,159

Name & Permit Holder	MW
SCE TERRITORY	
San Onofre – SCE	2,150
Alamitos – AES	2,010
Redondo Beach – AES	1,343
Huntington Beach – AES	904
Morro Bay – DYN	673
El Segundo – NRG	670
Mandalay – NRG	430

PG&E, LADWP, SDG&E Territories

Diablo Canyon – PG&E	2,240
Moss Landing – DYN	2,530
Haynes – LADWP	1,611
Ormond Beach – NRG	1,516
Pittsburg – NRG	1,311
Encina – NRG	950
Scattergood – LADWP	803
South Bay – DYN	693
Contra Costa – NRG	674
Harbor – LADWP	240
Potrero – NRG	206

California once-through cooling restrictions will impact more than 6,000 MW of coastal gas-fired generation in SCE's service territory by 2020

SCE Energy Efficiency Programs

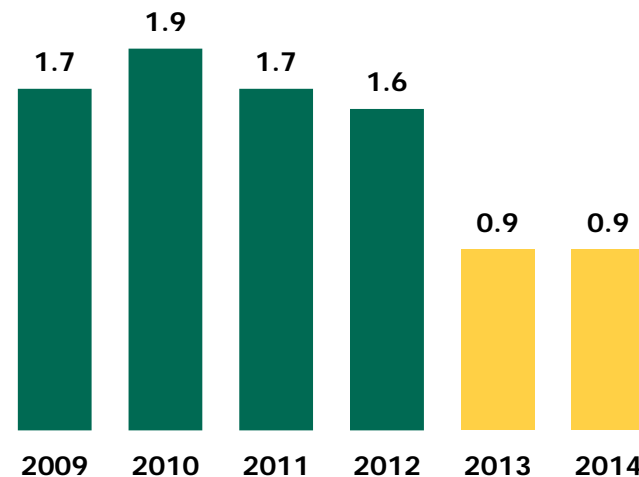
Energy efficiency programs updated for 2013 – 2014

- SCE is a national leader
 - 2012 energy savings = 1.8% of retail sales¹
- 2013 budget of \$347 million² – all balancing account based
- Target 0.9 billion kWh average annual savings for 2013-14 cycle³ – Reduced goals reflect CPUC-identified market potential for EE

Energy efficiency earnings incentive mechanism modified

- December 2012 – \$15 million awarded for 2010 program year
- New earnings mechanism for 2011, 2012 (payable in 2013, 2014) based on 5% management fee and up to 1% performance bonus
- CPUC requested comments (April – May) on a newly proposed efficiency savings and performance incentive mechanism for 2013-2014, which includes both a management fee and incentive bonus approach

Annual kWh Savings (billions)



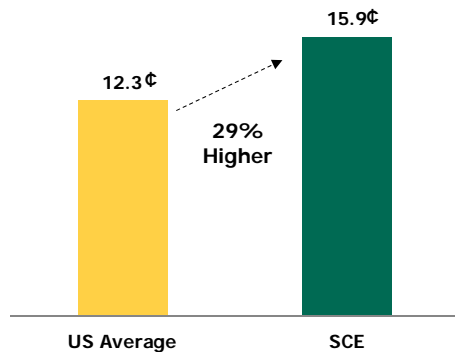
¹ Does not include resale sales. Energy savings subject to ex-post CPUC review

² Excludes income qualified energy efficiency and integrated demand-side management program funding authorizations for 2013

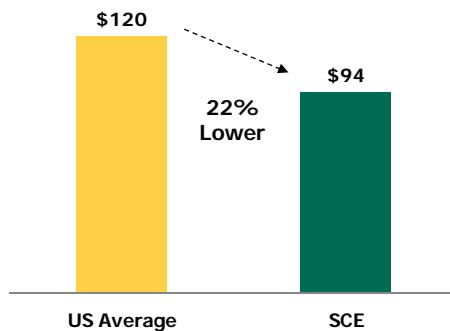
³ Based on CPUC goals established for SCE. Market potential changes in response to program funding levels, customer participation assumptions, market influences and the implementation of new building codes and minimum appliance efficiency standards

SCE Rates and Bills Comparison

2012 Average Residential Rates
(¢/kWh)



2012 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
 - 40% 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

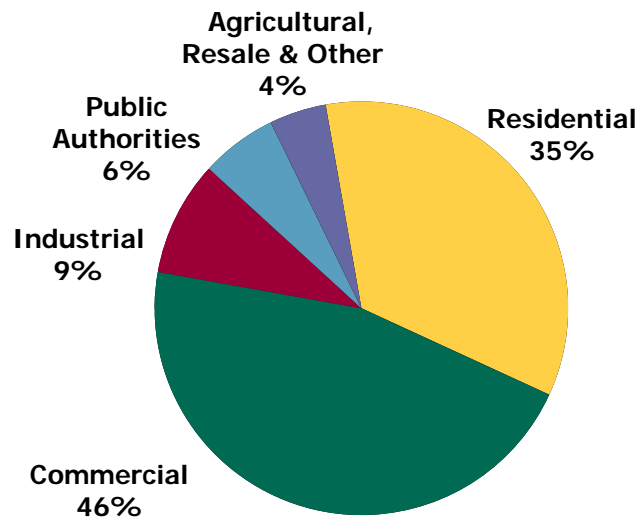
SCE's average residential rates are above national average, but residential bills are below national average due to lower energy usage

Source: EIA's Form 826 Data Monthly Electric Utility Sales and Revenue Data (2012)

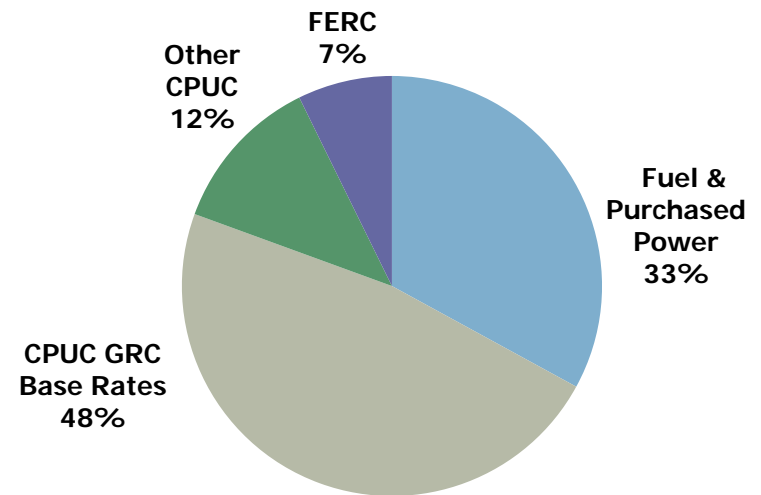
SCE Rate Design

2012 Sales by Class of Service

Total Sales (millions kWh): 88,215



2012 Revenue Requirement by Source

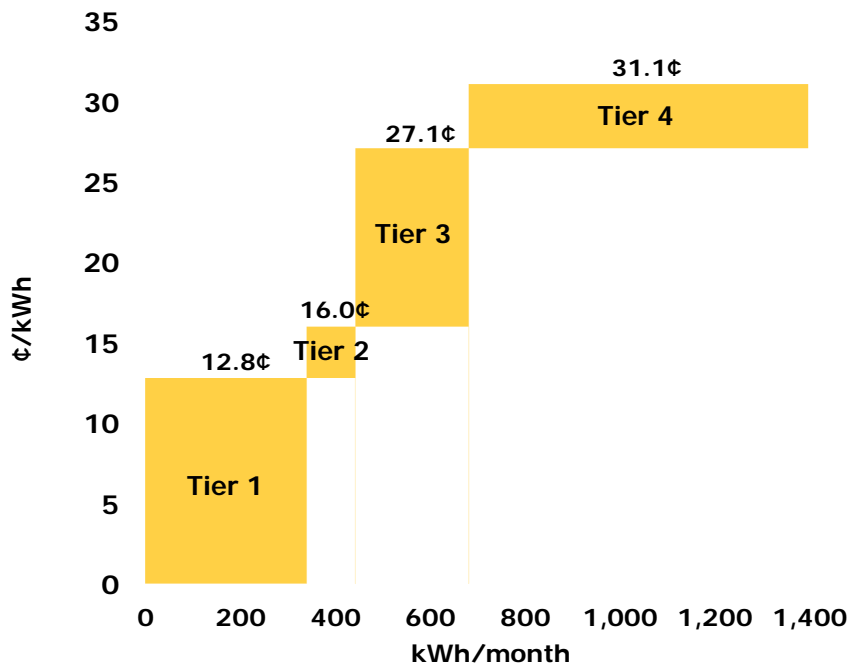


2012 Systemwide Average Rate was 14.3¢/kWh

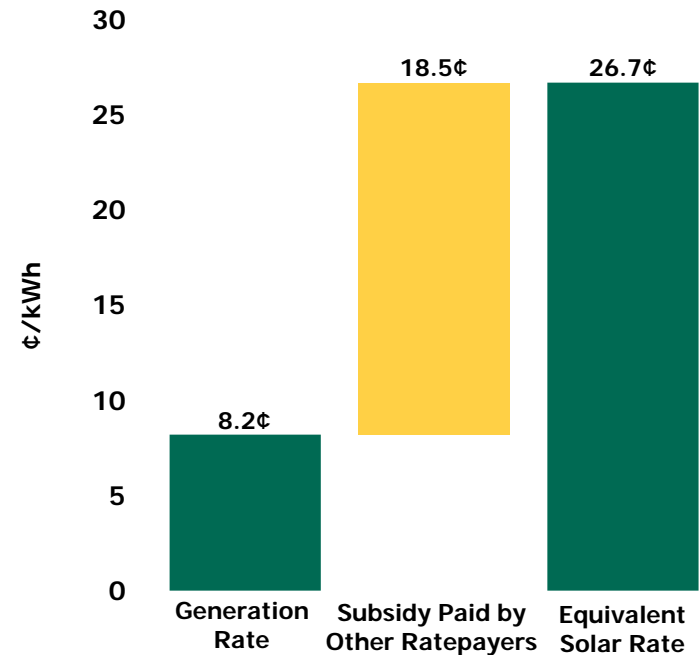
Note: Other CPUC includes items such as energy efficiency, SONGS steam generator replacement, Solar PV, SmartConnect®, and other

SCE Residential Net Metering Rate Structure

2013 SCE Residential Rate Structure^{1,2,3}



Solar Subsidies^{4,5}



Residential solar customers' generation offsets their total retail rate at an average of 26.7¢/kWh while the retail generation component is 8.2¢/kWh. The difference is a subsidy funded by all other non-solar customers in Tiers 3 – 4.

- 1 Tier structure revised based on the 2012 GRC Phase II proposal approved on March 21, 2013
- 2 Based on a daily baseline of 342 kWh/month, which is a customer weighted average of baseline allocations of each region SCE serves. Tier 4 does not have a kWh limit
- 3 Tier 1 and 2 rates are subject to rate caps established in 2001, as modified by SB695 in 2009
- 4 Based on average home usage of 1,150 kWh/month, a 5-tier rate structure, and a 4.8kW solar system with a 18% capacity factor that generates 620 kWh per month of electricity
- 5 Net metering limited to approximately 10% of load – currently represents 1%

SCE Customer Demand Trends

Kilowatt-Hour Sales (millions of kWh)

	2012	2011	2010	2009	2008
Residential	30,563	29,631	29,034	30,063	30,745
Commercial	40,541	39,622	39,318	40,076	41,978
Industrial	8,504	8,490	8,507	8,524	9,658
Public authorities	5,196	5,206	5,336	5,687	5,931
Agricultural and other	1,676	1,318	1,353	1,499	1,496
Resale	1,735	3,071	4,103	5,868	8,769
Total Kilowatt-Hour Sales	88,215	87,338	87,651	91,717	98,577

Customers

Residential	4,321,171	4,301,969	4,285,803	4,262,966	4,247,603
Commercial	549,855	546,936	543,016	539,270	535,790
Industrial	10,922	11,370	11,708	12,244	13,243
Public authorities	46,493	46,684	46,718	46,902	47,193
Agricultural	21,917	22,086	22,321	22,315	22,414
Railroads and railways	83	82	73	67	58
Interdepartmental	24	22	23	23	23
Total Number of Customers	4,950,465	4,929,149	4,909,662	4,883,787	4,866,324

Number of New Connections

22,866	19,829	25,566	32,145	46,048
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Area Peak Demand (MW)

21,981	22,374	22,771	22,112	22,020
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Note: See Edison International Financial and Statistical Reports for further information

SCE Operational Excellence Framework

VISION

To be an industry pacesetter providing safe, reliable, and affordable electric service to our customers

MISSION

Safely delivering reliable, affordable electricity to our customers.

VALUES

Integrity, Excellence, Respect, Continuous Improvement, Teamwork

STRATEGIC OBJECTIVES	SAFETY	CUSTOMER SERVICE EXCELLENCE & RELIABILITY		AFFORDABILITY		PEOPLE
2013 SCE GOALS	DART INJURY RATE	J.D. POWER CUSTOMER SAT	GENERATION RELIABILITY INDEX	MAJOR CAPITAL PROJECTS	O&M PER CUSTOMER COST EFFICIENCY METRIC	WORKPLACE IMPROVEMENT PLANS
	PUBLIC SAFETY	SAIDI / SAIFI	POLE LOADING	SYSTEM AVERAGE RATE	CORE EARNINGS PER SHARE	DIVERSE WORKFORCE
				ENERGY COST PER MWh	DBE SPEND	

Operational & Service Excellence is the foundation for serving our customers, adapting to industry change, and providing sustainable earnings and dividend growth for our shareholders

SCE Results of Operations

(\$ millions)

	Three Months Ended Mar 31, 2013			Three Months Ended Mar 31, 2012		
	Utility Earning Activities	Utility Cost-Recovery Activities	Total Consolidated	Utility Earning Activities	Utility Cost-Recovery Activities	Total Consolidated
Operating Revenue	\$1,550	\$1,079	\$2,629	\$1,479	\$933	\$2,412
Fuel and purchased power	—	853	853	—	692	692
Operation and maintenance	559	226	785	610	241	851
Depreciation, decommissioning and amortization	414	—	414	389	—	389
Property and other taxes	79	—	79	83	—	83
Total operating expenses	<u>1,052</u>	<u>1,079</u>	<u>2,131</u>	<u>1,082</u>	<u>933</u>	<u>2,015</u>
Operating income	498	—	498	397	—	397
Interest income and other	22	—	22	24	—	24
Interest expense	(125)	—	(125)	(121)	—	(121)
Income before income taxes	<u>395</u>	<u>—</u>	<u>395</u>	<u>300</u>	<u>—</u>	<u>300</u>
Income tax expense	112	—	112	99	—	99
Net income	<u>283</u>	<u>—</u>	<u>283</u>	<u>201</u>	<u>—</u>	<u>201</u>
Dividends on preferred and preference stock	27	—	27	19	—	19
Net income available for common stock	<u>\$256</u>	<u>\$—</u>	<u>\$256</u>	<u>\$182</u>	<u>\$—</u>	<u>\$182</u>
Core Earnings			\$256			\$182
Non-Core Items			—			—
Total SCE Basic Earnings			<u>\$256</u>			<u>\$182</u>

Note: See Use of Non-GAAP Financial Measures. For the three months ended March 31, 2012, costs and revenues have been reclassified due to 2012 GRC decision eliminating balancing account treatment for Palo Verde operation and maintenance costs effective January 1, 2012.

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	2007	2008	2009	2010	2011	2012	CAGR
Core EPS	\$2.07	\$2.25	\$2.68	\$3.01	\$3.33	\$4.10	15%
Non-Core Items							
Tax settlement	—	—	0.94	0.30	—	—	
Health care legislation	—	—	—	(0.12)	—	—	
Regulatory and tax items	0.10	(0.15)	0.14	—	—	0.71	
Total Non-Core Items	0.10	(0.15)	1.08	0.18	—	0.71	
Basic EPS	\$2.17	\$2.10	\$3.76	\$3.19	\$3.33	\$4.81	17%

Note: See Use of Non-GAAP Financial Measures

Non-GAAP Reconciliations

(\$ millions)

Reconciliation of EIX Core Earnings to EIX GAAP Earnings		
Earnings Attributable to Edison International	Q1 2013	Q1 2012
Core Earnings		
SCE	\$256	\$182
EIX Parent & Other	(4)	(5)
Core Earnings	\$252	\$177
Non-Core Items		
EIX Parent & Other		
Continuing Operations	\$7	\$-
Discontinued operations	12	(84)
Total Non-Core	19	(84)
Basic Earnings	\$271	\$93

Note: See Use of Non-GAAP Financial Measures. EME's financial results are reported as non-core for all periods

First Quarter Earnings Summary

	Q1 2013	Q1 2012	Variance
Core EPS			
SCE	\$0.78	\$0.56	\$0.22
EIX Parent & Other	(0.01)	(0.02)	0.01
Core EPS	\$0.77	\$0.54	\$0.23
Non-Core Items			
SCE	\$—	\$—	\$—
EIX Parent & Other			
Continuing Operations	0.02	—	0.02
Discontinued Operations	0.04	(0.26)	0.30
Total Non-Core	\$0.06	\$(0.26)	\$0.32
Basic EPS	\$0.83	\$0.28	\$0.55
Diluted EPS	\$0.82	\$0.28	\$0.54

SCE Key Core Earnings Drivers	
Revenue	\$0.13
Impact of delay in 2012 GRC	0.15
SONGS refueling revenue	(0.07)
Higher revenue	0.05
Increase in 2013 revenues	
Rate base growth	
Decrease in ROE	
Lower O&M	0.09
SONGS inspection and repair	0.02
SONGS refueling costs	0.06
SmartConnect project	0.04
Severance	(0.03)
Higher depreciation	(0.05)
Higher interest expense	(0.03)
Incremental repair deductions	0.05
Income taxes and other	<u>0.03</u>
Total	\$0.22

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

Full-Year Earnings Summary

	2012	2011	Variance
Core EPS			
SCE	\$4.10	\$3.33	\$0.77
EIX Parent & Other	(0.18)	(0.02)	(0.16)
Core EPS	\$3.92	\$3.31	\$0.61
Non-Core Items			
SCE	\$0.71	\$—	\$0.71
EIX Parent & Other			
Continuing Operations	(0.02)	(0.11)	0.09
Discontinued Operations	(5.17)	(3.31)	(1.86)
Total Non-Core	\$(4.48)	\$(3.42)	\$(1.06)
Basic EPS	\$(0.56)	\$(0.11)	\$(0.45)
Diluted EPS	\$(0.56)	\$(0.11)	\$(0.45)

SCE Key Core Earnings Drivers	
Higher operating revenue	\$0.63
Rate base growth	
Operating revenue	
O&M reductions	0.21
Severance costs	(0.20)
Net SONGS inspection and repair	(0.12)
GRC cost disallowance	(0.10)
Higher depreciation	(0.18)
Higher net financing costs	(0.15)
Income taxes – repair deductions	0.54
Income taxes – other	0.14
Total	\$0.77

EIX Key Core Earnings Drivers	
EIX parent	
Higher state income taxes	\$(0.07)
Higher G&A	(0.03)
Edison Capital	(0.04)
Capistrano Wind write down	(0.01)
Other	(0.01)
Total	\$(0.16)

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

Quarterly Earnings Per Share Highlights

2011

	Q1	Q2	Q3	Q4	2011
SCE	\$0.68	\$0.65	\$1.25	\$0.76	\$3.33
EIX – Parent and Other	(0.03)	(0.02)	(0.01)	0.03	(0.02)
Core EPS	\$0.65	\$0.63	\$1.24	\$0.79	\$3.31
Non-core items	0.02	0.01	(0.03)	(0.11)	(0.11)
EIX Parent and Other – Discontinued Operations	(0.06)	(0.10)	0.10	(3.25)	(3.31)
Basic EPS	\$0.61	\$0.54	\$1.31	\$(2.57)	\$(0.11)

2012

	Q1	Q2	Q3	Q4	2012
SCE	\$0.56	\$0.59	\$1.11	\$1.85	\$4.10
EIX – Parent and Other	(0.03)	(0.02)	(0.07)	(0.06)	(0.18)
Core EPS	\$0.53	\$0.57	\$1.04	\$1.79	\$3.92
Non-core items	0.01	—	0.05	0.63	0.69
EIX Parent and Other – Discontinued Operations	(0.26)	(0.34)	(0.51)	(4.07)	(5.17)
Basic EPS	\$0.28	\$0.23	\$0.58	\$(1.65)	\$(0.56)

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

EIX Transaction Support Agreement Summary

The agreement between EIX, EME, and a majority of EME bondholders defines the terms under which EIX is to transition its ownership position in EME at the end of the bankruptcy process

Term	Description
Equity	<ul style="list-style-type: none"> • Creditors get 100% of EME with ownership change at end of bankruptcy
Tax Sharing Agreement (TSA)	<ul style="list-style-type: none"> • Extended through 2014 or earlier emergence from bankruptcy, with no prior deconsolidation or amendments adverse to EME. Payments continue consistent with historical practice; no adjustments for termination or deconsolidation, gains, losses, etc. • EME remains obligated for TSA payments and Taupo and other audit risks, net of EIX benefits actually realized from EME paying any audit adjustment (e.g., basis changes) • No EIX guarantees of amount of TSA payments
Retiree Liabilities	<ul style="list-style-type: none"> • At end of bankruptcy, EIX assumes qualified retirement plan liabilities and non-qualified retirement plan and PBOP benefits for retiree and retiree eligible participants (other than Homer City), subject to ability to modify same. EME continues to fund contributions during bankruptcy consistent with past practices.
Transition/ Shared Services	<ul style="list-style-type: none"> • EME pays costs during bankruptcy, consistent with past practices, subject to future service reductions it requests with reasonable notice • EIX allocations of designated overhead amounts to cease (~\$6 million)
Cross Indemnities	<ul style="list-style-type: none"> • EME indemnifies EIX, and EIX indemnifies EME, from their separate business activities
Release	<ul style="list-style-type: none"> • EME and EIX exchange releases excluding continuing transaction obligations and commercial transactions between SCE and EME subsidiaries. EIX also receives releases from bondholders.
Structure	<ul style="list-style-type: none"> • Bankruptcy Rule 9019 settlement, subject to court approval • Parties executed transaction support agreement with detailed term sheet attached • Ongoing discussions between parties to extend original deadlines

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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