Attachment 2

SCE 2023 Postretirement Health and Life Benefits Report

Southern California Edison

Postretirement Health and Life Benefits

Consolidated Actuarial Valuation Report Benefit Cost for Fiscal Year Beginning January 1, 2023 under US GAAP

November 2023

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Purposes of valuation

Southern California Edison (“Edison”) engaged Willis Towers Watson US LLC (“WTW”) to value Edison’s other postretirement benefit plans.

As requested by Edison, this report documents the results of an actuarial valuation of postretirement health and life benefits as of January 1, 2023 for each of the following reporting units:

- Utilities Represented Employees’ Health Benefits
- Utility Life Benefits
- Edison Energy Support Services (EEG)
- Mission Land
- Utility Management Employees’ Health Benefits
- EIX
- Edison Capital

The primary purpose of this valuation is to determine the Net Periodic Postretirement Benefit Cost/(Income) (Benefit Cost), in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715) for the fiscal year ending December 31, 2023. It is anticipated that a separate report will be prepared for year-end financial reporting purposes.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. Note that any significant change in the amounts contributed or expected to be contributed in 2023 to the Postretirement Health and Life Benefits Plan from what is disclosed at December 31, 2022 may require disclosure in the interim financial statements, but should not affect the expected return on plan assets absent a remeasurement for another purpose.
2. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent Events in the Basis for Valuation section below for more information.
3. This report does not provide information for plan accounting and financial reporting under ASC 965.
4. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations.

5. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.

Section 1 : Summary of key consolidated results

1.1 Benefit cost, plan assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2023	01/01/2022
Benefit Cost/ (Income)	Net Periodic Postretirement Benefit Cost/(Income)	(70,848,171)	(54,919,071)
	Benefit Cost/(Income) due to Special Events	0	0
	Total Benefit Cost/(Income)[1]	(70,848,171)	(54,919,071)
Measurement Date		**01/01/2023**	**01/01/2022**
Plan Assets	Fair Value of Plan Assets (FVA)	2,178,845,803[2]	2,772,325,780[3]
	Actual Return on Fair Value of Plan Assets during Prior Year	(19.52%)	4.51%
Benefit Obligations	Accumulated Postretirement Benefit Obligation (APBO)	(1,286,211,568)	(1,925,864,014)
Funded Ratio	Fair Value of Plan Assets to APBO	169.4%	144.0%
Accumulated Other Comprehensive (Income)/Loss (Pre-tax)	Net Prior Service Cost/(Credit)	(4,268,000)	(6,466,000)
	Net Loss/(Gain)	(793,752,685)	(807,296,019)
	Total Accumulated Other Comprehensive (Income)/Loss (pre-tax)	(798,020,685)	(813,762,019)
Assumptions	Discount rate	5.43%	2.95%
	Expected Long-Term Rate of Return on Plan Assets	Rep VEBA: 4.50% Mgmt VEBA: 3.50% Other: 6.00%	Rep VEBA: 2.50% Mgmt VEBA: 3.00% Other: 5.00%
	Current Health Care Cost Trend Rate	6.75%	Pre-65: 6.25% Post-65: 6.75%
	Ultimate Health Care Cost Trend Rate	5.00%	5.00%
	Year of Ultimate Trend Rate	2029	2029
Participant Data	Census Date	01/01/2023	01/01/2022

[1] Before utility regulatory adjustment which is shown in Section 4 – accounting exhibits by company
[2] Based on trust assets of $2,207,945,519 reduced by 2022 Q3 and Q4 reimbursements payable of $16,067,465 and $13,032,251, respectively.
[3] Based on trust assets of $2,781,454,824 reduced by 2021 Q4 reimbursements payable of $9,129,044.

1.2 Comments on results

The consolidated actuarial gains/(losses) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year were $663,835,006 and $(632,079,107) respectively.

Change in net periodic cost and funded position

The net periodic cost decreased from $(54,919,071) in fiscal 2022 to $(70,848,171) in fiscal 2023 and the funded position improved from $846,461,766 to $892,634,235.

Significant reasons for these changes include the following:

- The actual return on the fair value of plan assets since the prior measurement date was less than the expected return on plan assets, which increased the net periodic cost and caused the funded position to deteriorate.
- The discount rate used to measure APBO increased 248 basis points compared to the prior year, which improved the funded position.
- Some previously inactive participants waived coverages during 2022, which reduced the net periodic benefit cost and improved the funded position.

1.3 Basis for valuation

Appendix A summarizes the assumptions, methods and models used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plans being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent Events, assumptions were selected based on information known as of the measurement date.

Subsequent events

WTW is not aware of any other material events that have occurred and are not reflected in the valuation.

Additional information

The Inflation Reduction Act (IRA) was signed on August 16, 2022. This new law includes health care provisions related to Medicare and healthcare financing. While guidance is still forthcoming, the potential effect of the new legislation has been considered in preparing these results. Assumptions in future valuations will reflect additional guidance as available and actual IRA impacts on premiums and claim cost.

Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information described below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied on information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by Edison and other persons or organizations designated by Edison. See the Sources of Data and Other Information section of Appendix A for further details. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by Edison, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is January 1, 2023. The benefit obligations were measured as of January 1, 2023 and are based on participant data as of the census date, January 1, 2023.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets and the general ledger account balances for the other postretirement benefit plans cost at December 31, 2022, which reflect the expected funded status of the plans before adjustment to reflect the funded status based on the year-end measurements, and differences between the expected Medicare Part D subsidies and amounts received during the year was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by Edison in consultation with its tax advisors and independent accountants.

Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the other postretirement benefit cost and other financial reporting have been selected by Edison. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable. In addition, we believe that the combined effect of assumptions is expected to have no significant bias. See Appendix A for a description of each significant assumption used and our rationale for concluding that it does not significantly conflict with what would be reasonable. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by WTW, we believe do not significantly conflict with what would be reasonable. Other actuarial assumptions could also be considered to not significantly conflict with what would be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the January 1, 2023 measurement date will change the results shown in this report.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in Appendix A.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

See Basis for Valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated October 12, 2021 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of Edison and its independent accountants in connection with our actuarial valuation of the other postretirement benefit plans as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. Edison may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require Edison to provide them this report, in which case Edison will use best efforts to notify WTW in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without WTW's prior written consent. WTW accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

Suzanne Wyatt, FSA, EA
Valuation Actuary
November 17, 2023

David Stablein, FSA, EA
Valuation Actuary
November 17, 2023

Cory Misterek, ASA
Pricing Specialist
November 17, 2023

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

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Section 2 : Consolidated accounting exhibits

2.1 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Measurement Date		01/01/2023	01/01/2022
A	**Development of Balance Sheet Asset/(Liability)[1]**		
1	Accumulated postretirement benefit obligation (APBO)	(1,286,211,568)	(1,925,864,014)
2	Fair value of plan assets (FVA) [2]	2,178,845,803	2,772,325,780
3	Net balance sheet asset/(liability)	892,634,235	846,461,766
B	**Current and Noncurrent Classification[3]**		
1	Noncurrent asset	921,118,894	883,995,878
2	Current liability	(7,216,891)	(8,488,500)
3	Noncurrent liability	(21,267,768)	(29,045,612)
4	Net balance sheet asset/(liability)	892,634,235	846,461,766
C	**Accumulated Other Comprehensive (Income)/Loss**		
1	Net prior service cost/(credit)	(4,268,000)	(6,466,000)
2	Net loss/(gain)	(793,752,685)	(807,296,019)
3	Accumulated other comprehensive (income)/loss[4]	(798,020,685)	(813,762,019)
D	**Assumptions and Dates**		
1	Discount rate	5.43%	2.95%
2	Current health care cost trend rate	6.75%	Pre-65: 6.25% Post-65: 6.75%
3	Ultimate health care cost trend rate	5.00%	5.00%
4	Year of ultimate trend rate	2029	2029
5	Census date	01/01/2023	01/01/2022

[1] Whether any amounts in this table that differ from those disclosed at year-end must be disclosed in subsequent interim financial statements should be determined.
[2] Excludes receivable contributions.
[3] The current liability (for each underfunded plan) was measured as the discounted value of benefits expected to be paid over the next 12 months in excess of the fair value of the plan's assets at the measurement date.
[4] Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.2 Changes in plan obligations and assets

All monetary amounts shown in US Dollars

Period Beginning		01/01/2023	01/01/2022
A	**Change in Accumulated Postretirement Benefit Obligation (APBO)**		
1	APBO at beginning of prior fiscal year	1,925,864,014	1,997,868,000
2	Employer service cost	33,602,460	40,238,000
3	Interest cost	55,666,122	52,307,000
4	Actuarial loss/(gain)	(663,835,006)	(92,966,297)
5	Plan participants' contributions[1]	29,300,928	28,545,293
6	Benefits paid from plan assets	(87,007,645)	(92,504,982)
7	Benefits paid from Company assets[1]	(7,379,305)	(7,623,000)
8	Medicare Part D subsidy	0	0
9	Administrative expenses paid[2]	0	0
10	Plan amendments	0	0
11	Acquisitions/(divestitures)	0	0
12	Curtailments	0	0
13	Settlements	0	0
14	Special/contractual termination benefits	0	0
15	Other adjustments	0	0
16	APBO at beginning of current fiscal year	1,286,211,568	1,925,864,014
B	**Change in Plan Assets**		
1	Fair value of plan assets at beginning of prior fiscal year	2,772,325,780	2,715,686,000
2	Actual return on plan assets	(535,388,196)	120,980,231
3	Employer contributions	6,994,241	7,242,238
4	Plan participants' contributions[1]	29,300,928	28,545,293
5	Benefits paid[1]	(94,386,950)	(100,127,982)
6	Administrative expenses paid	0	0
7	Acquisitions/(divestitures)	0	0
8	Settlements	0	0
9	Other adjustments	0	0
10	Fair value of plan assets at beginning of current fiscal year	2,178,845,803	2,772,325,780

[1] Net of retiree contributions for non-utilities
[2] Only if future expenses are accrued in APBO through a load on service cost

2.3 Developments of plan assets for benefit cost

Development of plan assets for benefit cost

All monetary amounts shown in US Dollars

			Fair Value	Market-Related Value
A	**Reconciliation of Plan Assets**			
	1	Plan assets at 1/1/2022	2,772,325,780	2,772,325,780
	2	Actual return on plan assets	(535,388,196)	(535,388,196)
	3	Employer contributions	6,994,241	6,994,241
	4	Plan participants' contributions[1]	29,300,928	29,300,928
	5	Benefits paid[1]	(94,386,950)	(94,386,950)
	6	Administrative expenses paid	0	0
	7	Acquisitions/(divestitures)	0	0
	8	Settlements	0	0
	9	Other adjustments	0	0
	10	Plan assets at 1/1/2023	2,178,845,803	2,178,845,803
B	**Rate of Return on Invested Assets**			
	1	Weighted invested assets	2,743,279,890	
	2	Rate of return	(19.52%)	
C	**Investment Loss/(Gain)**			
	1	Actual return	(535,388,196)	
	2	Expected return	96,690,911	
	3	Loss/(gain)	632,079,107	

[1] Net of retiree contributions for non-utilities

2.4 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2023	12/31/2022
A	**Total Benefit Cost**		
1	Employer service cost	19,738,453	33,602,460
2	Interest cost	67,831,054	55,666,122
3	Expected return on plan assets	(106,851,853)	(96,690,911)
4	Subtotal	(19,282,346)	(7,422,329)
5	Net prior service cost/(credit) amortization	(907,000)	(2,198,000)
6	Net loss/(gain) amortization	(50,658,825)	(45,298,742)
7	Subtotal	(51,565,825)	(47,496,742)
8	Net periodic postretirement benefit cost/(income)	(70,848,171)	(54,919,071)
9	Utility regulatory adjustment	71,225,086	55,476,637
10	Curtailment (gain)/loss	0	0
11	Settlement (gain)/loss	0	0
12	Special/contractual termination benefits	0	0
13	Total benefit cost	376,915	557,566
B	**Assumptions** (See Appendix A for interim measurements, if any)		
1	Discount rate	5.43%	2.95%
2	Expected long-term rate of return on plan assets	Rep VEBA: 4.50% Mgmt VEBA: 3.50% Other: 6.00%	Rep VEBA: 2.50% Mgmt VEBA: 3.00% Other: 5.00%
3	Current health care cost trend rate	6.75%	Pre-65: 6.25% Post-65: 6.75%
4	Ultimate health care cost trend rate	5.00%	5.00%
5	Year of ultimate trend rate	2029	2029
6	Census date	01/01/2023	01/01/2022
C	**Fair Value of Assets at Beginning of Year**	2,178,845,803	2,772,325,780
D	**Cash Flows Net of Medicare Part D Subsidy**	**Expected**	**Actual**
1	Employer contributions	0	0
2	Benefits paid from Company assets[1]	7,410,240	6,994,241
3	Benefits paid from plan assets[1]	66,631,551	58,091,781
E	**Amortization Period**	Varies by Unit	Varies by Unit

[1] Net of participant contributions

Section 3 : Participant Data

3.1 Summary of participant data as of January 1, 2023

Participant Information - Census Date		Plan Total	Utility - Represented Employees	Utility - Management Employees	Utility - Life Insurance Only	Utility Total	EIX	EEG	Edison Capital	Mission Land	Non-Utility Total
A	**Participating Employees**										
1	Number	13,202	4,010	9,115	0	13,125	73	4	0	0	77
2	Average age	45.8	44.1	46.5	N/A	45.8	49.2	54.8	N/A	N/A	49.5
3	Average credited service	14.2	15.0	13.8	N/A	14.2	11.7	18.4	N/A	N/A	12.0
B	**Retirees, Dependents and Surviving Spouses**										
1	Retirees	10,922	2,982	6,690	1,193	10,865	47	5	3	2	57
2	Average age	73.3	74.0	73.2	72.1	73.3	71.1	67.1	79.2	80.9	71.5
3	Dependent and surviving spouses	8,577	2,847	5,687	N/A	8,534	33	5	2	3	43
4	Average age	73.0	73.6	72.7	N/A	73.0	70.8	68.3	71.4	77.3	71.0
5	Total retirees and spouses	19,499	5,829	12,377	1,193	19,399	80	10	5	5	100
6	Average age	73.2	73.8	73.0	72.1	73.2	71.0	67.7	76.1	78.7	71.3

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Section 4 : Accounting exhibits by company

4.1 Balance sheet asset/(liability)

Southern California Edison Company SCE Postretirement Health and Life Benefits Benefit Cost for Fiscal Year Beginning 1-Jan-23 under US GAAP	PBOP Total USD	Utility - Represented Employees USD	Utility - Management Employees USD	Utility - Life Insurance USD	Utility Total USD	EIX USD	EEG USD	Edison Capital USD	Mission Land USD	Non-Utility Total USD
Balance Sheet Asset/(Liability)										
A Development of Balance Sheet Asset/(Liability)										
1 Accumulated postretirement benefit obligation (APBO)	(1,286,211,568)	(400,885,718)	(851,734,876)	(26,502,394)	(1,279,122,988)	(5,922,424)	(746,207)	(213,046)	(206,903)	(7,088,580)
2 Fair value of plan assets, excluding receivable contributions	2,178,845,803	1,242,348,314	924,551,498	11,945,991	2,178,845,803	0	0	0	0	0
3 Net balance sheet asset/(liability)	892,634,235	841,462,596	72,816,622	(14,556,403)	899,722,815	(5,922,424)	(746,207)	(213,046)	(206,903)	(7,088,580)
B Current and Noncurrent Classification										
1 Noncurrent asset	906,562,491	N/A	N/A	N/A	906,562,491	0	0	0	0	0
2 Current liability	(7,216,891)	N/A	N/A	N/A	(6,839,676)	(299,845)	(46,377)	(13,408)	(17,585)	(377,215)
3 Noncurrent liability	(6,711,365)	N/A	N/A	N/A	0	(5,622,579)	(699,830)	(199,638)	(189,318)	(6,711,365)
4 Net balance sheet asset/(liability)	892,634,235	841,462,596	72,816,622	(14,556,403)	899,722,815	(5,922,424)	(746,207)	(213,046)	(206,903)	(7,088,580)
C Accumulated Other Comprehensive (Income)/Loss										
1 Net prior service cost/(credit)	(4,268,000)	0	0	(4,223,000)	(4,223,000)	(21,000)	(1,000)	0	(23,000)	(45,000)
2 Net loss/(gain)	(793,752,685)	(342,274,937)	(458,129,396)	8,472,658	(791,931,675)	(1,005,630)	183,386	(854,369)	(144,397)	(1,821,010)
3 Accumulated other comprehensive (income)/loss [Before adjustment for tax effects]	(798,020,685)	(342,274,937)	(458,129,396)	4,249,658	(796,154,675)	(1,026,630)	182,386	(854,369)	(167,397)	(1,866,010)
E Assumptions and Dates										
1 Discount rate	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%
2 Current health care cost trend rate	6.75% in 2023	6.75% in 2023	6.75% in 2023	N/A	6.75% in 2023	6.75% in 2023	6.75% in 2023	6.75% in 2023	6.75% in 2023	6.75% in 2023
3 Ultimate health care cost trend rate	5.000%	5.000%	5.000%	N/A	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
4 Year of ultimate trend rate	2029	2029	2029	N/A	2029	2029	2029	2029	2029	2029
5 Census date	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23

4.2 Changes in plan obligations and assets

Southern California Edison Company SCE Postretirement Health and Life Benefits Benefit Cost for Fiscal Year Beginning 1-Jan-23 under US GAAP	PBOP Total USD	Utility - Represented Employees USD	Utility - Management Employees USD	Utility - Life Insurance USD	Utility Total USD	EIX USD	EEG USD	Edison Capital USD	Mission Land USD	Non-Utility Total USD
Changes in Plan Obligations and Assets										
A Change in Accumulated Postretirement Benefit Obligation (APBO)										
1 APBO at beginning of prior fiscal year	1,925,864,014	606,571,752	1,274,172,572	35,489,831	1,916,234,155	8,242,371	873,686	278,469	235,333	9,629,859
2 Employer service cost	33,602,460	10,538,773	22,822,500	0	33,361,273	223,039	18,148	0	0	241,187
3 Interest cost	55,666,122	17,513,673	36,853,988	1,018,835	55,386,496	239,660	25,233	8,003	6,730	279,626
4 Actuarial loss/(gain)	(663,835,006)	(211,095,374)	(441,879,338)	(8,100,178)	(661,074,890)	(2,546,067)	(134,219)	(59,078)	(20,752)	(2,760,116)
5 Plan participants' contributions*	29,300,928	8,659,790	20,641,138	0	29,300,928	0	0	0	0	0
6 Benefits paid from plan assets	(87,007,645)	(31,302,896)	(53,798,655)	(1,906,094)	(87,007,645)	0	0	0	0	0
7 Benefits paid from Company assets*	(7,379,305)	0	(7,077,329)	0	(7,077,329)	(236,579)	(36,641)	(14,348)	(14,408)	(301,976)
8 Medicare Part D subsidy	0	0	0	0	0	0	0	0	0	0
9 Administrative expenses paid	0	0	0	0	0	0	0	0	0	0
10 Plan amendments	0	0	0	0	0	0	0	0	0	0
11 Acquisitions/(divestitures)	0	0	0	0	0	0	0	0	0	0
12 Curtailments	0	0	0	0	0	0	0	0	0	0
13 Settlements	0	0	0	0	0	0	0	0	0	0
14 Special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0
15 Other adjustments	0	0	0	0	0	0	0	0	0	0
16 APBO at beginning of current fiscal year	1,286,211,568	400,885,718	851,734,876	26,502,394	1,279,122,988	5,922,424	746,207	213,046	206,903	7,088,580
B Change in Plan Assets										
1 Fair value of plan assets at beginning of prior fiscal year	2,772,325,780	1,438,075,671	1,318,473,649	15,776,460	2,772,325,780	0	0	0	0	0
2 Actual return on plan assets	(535,388,196)	(173,084,251)	(360,379,570)	(1,924,375)	(535,388,196)	0	0	0	0	0
3 Employer contributions	6,994,241	0	6,692,265	0	6,692,265	236,579	36,641	14,348	14,408	301,976
4 Plan participants' contributions*	29,300,928	8,659,790	20,641,138	0	29,300,928	0	0	0	0	0
5 Benefits paid*	(94,386,950)	(31,302,896)	(60,875,984)	(1,906,094)	(94,084,974)	(236,579)	(36,641)	(14,348)	(14,408)	(301,976)
6 Administrative expenses paid	0	0	0	0	0	0	0	0	0	0
7 Acquisitions/(divestitures)	0	0	0	0	0	0	0	0	0	0
8 Settlements	0	0	0	0	0	0	0	0	0	0
9 Other adjustments	0	0	0	0	0	0	0	0	0	0
10 Fair value of plan assets at beginning of current fiscal year	2,178,845,803	1,242,348,314	924,551,498	11,945,991	2,178,845,803	0	0	0	0	0

* Net of retiree contributions for non-utilities

4.3 Summary of net balances

Southern California Edison Company SCE Postretirement Health and Life Benefits Benefit Cost for Fiscal Year Beginning 1-Jan-23 under US GAAP	PBOP Total USD	Utility - Represented Employees USD	Utility - Management Employees USD	Utility - Life Insurance USD	Utility Total USD	EIX USD	EEG USD	Edison Capital USD	Mission Land USD	Non-Utility Total USD
Summary of Net Balances										
A Summary of Prior Service Cost/(Credit) Bases										
1 Net amount at beginning of current fiscal year	(4,268,000)	0	0	(4,223,000)	(4,223,000)	(21,000)	(1,000)	0	(23,000)	(45,000)
2 Amortization amount in current fiscal year	907,000	0	0	893,000	893,000	7,000	1,000	0	6,000	14,000
3 Effect of curtailments	0	0	0	0	0	0	0	0	0	0
4 Other events	0	0	0	0	0	0	0	0	0	0
B Summary of Net Loss/(Gain)										
1 Net amount at beginning of current fiscal year	(793,752,685)	(342,274,937)	(458,129,396)	8,472,658	(791,931,675)	(1,005,630)	183,386	(854,369)	(144,397)	(1,821,010)
2 Amortization amount in current fiscal year	50,658,825	15,837,166	33,648,160	1,046,989	50,532,315	51,322	(21,814)	82,826	14,176	126,510
3 Effect of curtailments	0	0	0	0	0	0	0	0	0	0
4 Effect of settlements	0	0	0	0	0	0	0	0	0	0
5 Other events	0	0	0	0	0	0	0	0	0	0

4.4 Development of plan assetsfor benefit cost

Southern California Edison Company SCE Postretirement Health and Life Benefits Benefit Cost for Fiscal Year Beginning 1-Jan-23 under US GAAP	PBOP Total USD	Utility - Represented Employees USD	Utility - Management Employees USD	Utility - Life Insurance USD	Utility Total USD	EIX USD	EEG USD	Edison Capital USD	Mission Land USD	Non-Utility Total USD
Development of Plan Assets for Benefit Cost										
A Reconciliation of Fair Value of Plan Assets										
1 Fair value of plan assets at 31-Dec-21	2,772,325,780	1,438,075,671	1,318,473,649	15,776,460	2,772,325,780	0	0	0	0	0
2 Actual return on plan assets	(535,388,196)	(173,084,251)	(360,379,570)	(1,924,375)	(535,388,196)	0	0	0	0	0
3 Employer contributions	6,994,241	0	6,692,265	0	6,692,265	236,579	36,641	14,348	14,408	301,976
4 Plan participants' contributions*	29,300,928	8,659,790	20,641,138	0	29,300,928	0	0	0	0	0
5 Benefits paid*	(94,386,950)	(31,302,896)	(60,875,984)	(1,906,094)	(94,084,974)	(236,579)	(36,641)	(14,348)	(14,408)	(301,976)
6 Administrative expenses paid	0	0	0	0	0	0	0	0	0	0
7 Acquisitions/(divestitures)	0	0	0	0	0	0	0	0	0	0
8 Settlements	0	0	0	0	0	0	0	0	0	0
9 Other adjustments	0	0	0	0	0	0	0	0	0	0
10 Fair value of plan assets at 31-Dec-22	2,178,845,803	1,242,348,314	924,551,498	11,945,991	2,178,845,803	0	0	0	0	0
B Reconciliation of Market-Related Value of Plan Assets										
1 Market-related value of plan assets at 31-Dec-21	2,772,325,780	1,438,075,671	1,318,473,649	15,776,460	2,772,325,780	0	0	0	0	0
2 Actual return on plan assets	(535,388,196)	(173,084,251)	(360,379,570)	(1,924,375)	(535,388,196)	0	0	0	0	0
3 Employer contributions	6,994,241	0	6,692,265	0	6,692,265	236,579	36,641	14,348	14,408	301,976
4 Plan participants' contributions*	29,300,928	8,659,790	20,641,138	0	29,300,928	0	0	0	0	0
5 Benefits paid*	(94,386,950)	(31,302,896)	(60,875,984)	(1,906,094)	(94,084,974)	(236,579)	(36,641)	(14,348)	(14,408)	(301,976)
6 Administrative expenses paid	0	0	0	0	0	0	0	0	0	0
7 Acquisitions/(divestitures)	0	0	0	0	0	0	0	0	0	0
8 Settlements	0	0	0	0	0	0	0	0	0	0
9 Other adjustments	0	0	0	0	0	0	0	0	0	0
10 Market-related value of plan assets at 31-Dec-22	2,178,845,803	1,242,348,314	924,551,498	11,945,991	2,178,845,803	0	0	0	0	0
* Net of retiree contributions for non-utilities										
C Rate of Return on Invested Assets										
1 Weighted invested assets	2,743,279,890	1,426,754,118	1,301,702,359	14,823,413	2,743,279,890					
2 Rate of return	(19.516%)	(12.131%)	(27.685%)	(12.982%)	(19.516%)					
D Investment Loss/(Gain)										
1 Actual return	(535,388,196)	(173,084,251)	(360,379,570)	(1,924,375)	(535,388,196)					
2 Expected return	96,690,911	35,629,694	60,320,046	741,171	96,690,911					
3 Loss/(gain)	632,079,107	208,713,945	420,699,616	2,665,546	632,079,107					

4.5 Summary and comparison of benefit cost and cash flow

Southern California Edison Company SCE Postretirement Health and Life Benefits Benefit Cost for Fiscal Year Beginning 1-Jan-23 under US GAAP	PBOP Total USD	Utility - Represented Employees USD	Utility - Management Employees USD	Utility - Life Insurance USD	Utility Total USD	EIX USD	EEG USD	Edison Capital USD	Mission Land USD	Non-Utility Total USD
Summary and Comparison of Benefit Cost and Cash Flows										
A Total Benefit Cost										
1 Employer service cost	19,738,453	5,835,353	13,760,070	0	19,595,423	130,579	12,451	0	0	143,030
2 Interest cost	67,831,054	21,105,207	44,961,508	1,389,944	67,456,659	313,229	39,226	11,195	10,745	374,395
3 Expected return on plan assets	(106,851,853)	(55,356,320)	(50,833,067)	(662,466)	(106,851,853)	0	0	0	0	0
4 Subtotal	(19,282,346)	(28,415,760)	7,888,511	727,478	(19,799,771)	443,808	51,677	11,195	10,745	517,425
5 Net prior service cost/(credit) amortization	(907,000)	0	0	(893,000)	(893,000)	(7,000)	(1,000)	0	(6,000)	(14,000)
6 Net loss/(gain) amortization**	(50,658,825)	(15,837,166)	(33,648,160)	(1,046,989)	(50,532,315)	(51,322)	21,814	(82,826)	(14,176)	(126,510)
7 Subtotal	(51,565,825)	(15,837,166)	(33,648,160)	(1,939,989)	(51,425,315)	(58,322)	20,814	(82,826)	(20,176)	(140,510)
8 Net periodic benefit cost/(income)	(70,848,171)	(44,252,926)	(25,759,649)	(1,212,511)	(71,225,086)	385,486	72,491	(71,631)	(9,431)	376,915
9 Utility regulatory adjustment	71,225,086	44,252,926	25,759,649	1,212,511	71,225,086	0	0	0	0	0
10 Curtailment (gain)/loss	0	0	0	0	0	0	0	0	0	0
11 Settlement (gain)/loss	0	0	0	0	0	0	0	0	0	0
12 Special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0
13 Total net benefit cost	376,915	0	0	0	0	385,486	72,491	(71,631)	(9,431)	376,915
B Presentation of Benefit Cost Pursuant to ASC 715-20										
1 Employer service cost	19,738,453	5,835,353	13,760,070	0	19,595,423	130,579	12,451	0	0	143,030
2 Other components of net periodic benefit cost	(90,586,624)	(50,088,279)	(39,519,719)	(1,212,511)	(90,820,509)	254,907	60,040	(71,631)	(9,431)	233,885
3 Utility regulatory adjustment	71,225,086	44,252,926	25,759,649	1,212,511	71,225,086	0	0	0	0	0
4 Disclosed net benefit cost	376,915	0	0	0	0	385,486	72,491	(71,631)	(9,431)	376,915

** Amortized total Utility loss/(gain) is allocated to Represented Employees, Management Employees and Life Insurance in proportion to each unit's APBO on the measurement date

	PBOP Total	Utility - Represented Employees	Utility - Management Employees	Utility - Life Insurance	Utility Total	EIX	EEG	Edison Capital	Mission Land	Non-Utility Total
C Assumptions										
1 Discount rate	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%	5.43%
2 Expected long-term rate of return on plan assets	N/A	4.50%	Mgmt VEBA: 3.50%; Other: 6.00%	6.00%	Rep VEBA: 4.50%; Mgmt VEBA: 3.50%; Other: 6.00%	N/A	N/A	N/A	N/A	N/A
3 Current health care cost trend rate	6.750% in 2023	6.750% in 2023	6.750% in 2023	N/A	6.750% in 2023	6.750% in 2023	6.750% in 2023	6.750% in 2023	6.750% in 2023	6.750% in 2023
4 Ultimate health care cost trend rate	5.000%	5.000%	5.000%	N/A	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
5 Year of ultimate trend rate	2029	2029	2029	N/A	2029	2029	2029	2029	2029	2029
6 Census date	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23	1-Jan-23
D Fair Value of Assets at Beginning of Year	2,178,845,803	1,242,348,314	924,551,498	11,945,991	2,178,845,803	0	0	0	0	0
E Expected Cash Flows										
1 Employer contributions	0	0	0	0	0	0	0	0	0	0
2 Plan participants' contributions	0	0	0	0	0	0	0	0	0	0
3 Benefits paid from Company assets	7,410,240	0	7,022,919	0	7,022,919	307,878	47,620	13,767	18,056	387,321
4 Benefits paid from plan assets	66,631,551	24,415,757	40,406,006	1,809,788	66,631,551	0	0	0	0	0
F Amortization Period	N/A	11.36	11.36	11.36	11.36	8.05	4.99	10.06	8.73	N/A

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Appendix A : Statement of consolidated actuarial assumptions, methods and data sources

Southern California Edison Postretirement Health & Life Benefits

Plan Sponsor

Southern California Edison Company

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year 2023 benefit cost.

Assumptions and methods for other postretirement benefit cost purposes

Economic Assumptions	
Pre-tax rate of return on assets as of January 1, 2023	
• Represented VEBA	4.50%
• Management VEBA	3.50%
• Other assets	6.00%
Discount rate as of December 31, 2022	5.43%

As required by the U.S. GAAP accounting standard, the discount rate based on high quality corporate bonds (AA and AAA) is used to determine the obligations and service cost, and thus the net periodic benefit cost for the plan. Because these assumptions are required by the U.S. GAAP accounting standard and reflect current market conditions (specifically, the market conditions as of the measurement date) they may from time to time be inconsistent with other economic assumptions used in the valuation, which may reflect both current economic conditions and assumed future conditions.

The return on assets shown above is net of investment expenses. Administrative expenses are accounted for as an addition to per capita claims costs.

Demographic and Other Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
New or rehired employees	It was assumed there will be no new or rehired employees.
Benefit commencement dates	
• Preretirement death benefit	Upon death of the active participant
• Retirement benefit	Upon termination of employment

Participation Assumptions for Plan

Participation – non-HRA Benefits	Medical (PrimeCare): 100% Medical (Grandfathered Flex and Non-Grandfathered Flex retired after age 60 with 15 years of service): 85% Medical (Non-Grandfathered Flex retired before age 60 or 15 years of service): 50% Dental and Vision (PrimeCare): 100% Dental and Vision (Grandfathered Flex and Non-Grandfathered Flex retired after age 60 with 15 years of service): 90% Dental and Vision (Non-Grandfathered Flex retired before age 60 or 15 years of service): 65%
Participation – HRA Benefits	100% participation. Retirees are assumed to utilize 90% of HRA balances and forfeit the remaining 10%.

	Current Retirees	**Future Retirees**
Percentage married with spousal coverage	Based on valuation census data	75% married
Spouse age	Based on valuation census data	Wife two years younger than husband
Dependent coverage	N/A – dependent children are included as load to assumed per capita costs	N/A – dependent children are included as load to assumed per capita costs

Demographic Assumptions

Mortality:

- Healthy mortality rates

Base Mortality Table

1. Base table: Pri-2012 Employees and Retirees Table (Pri-2012 Contingent Annuitants Table for contingent annuitants)
2. Table type: White Collar for Non-Union; Blue Collar for Union
3. Healthy or Disabled: Healthy

Mortality Improvement Scale

1. Base scale: MP-2021
2. Projection Type: Generational
3. COVID-19 adjustment: 10% mortality increase in 2021, 5% in 2022 and 0% in 2023+

Active Disability rates

Rates at which participants are assumed to be disabled by age are shown below.

Rates assumed to be disabled during the year		
Age	Male	Female
20 - 27	0.03%	0.03%
28	0.03%	0.04%
29	0.03%	0.04%
30	0.03%	0.04%
31	0.03%	0.05%
32	0.03%	0.05%
33	0.03%	0.06%
34	0.03%	0.06%
35	0.04%	0.07%
36	0.04%	0.08%
37	0.05%	0.09%
38	0.06%	0.10%
39	0.07%	0.12%
40	0.08%	0.13%
41	0.09%	0.15%
42	0.10%	0.17%
43	0.12%	0.19%
44	0.14%	0.22%
45	0.16%	0.24%
46	0.18%	0.27%
47	0.21%	0.30%
48	0.25%	0.33%
49	0.28%	0.36%
50	0.33%	0.40%
51	0.39%	0.44%
52	0.46%	0.49%
53	0.53%	0.54%
54	0.61%	0.59%
55	0.69%	0.64%
56	0.77%	0.69%
57	0.86%	0.74%
58	0.95%	0.80%
59	1.05%	0.85%
60	1.15%	0.90%
61	1.26%	0.96%
62	1.38%	1.01%
63	1.51%	1.05%
64	1.64%	1.09%

Active Termination (not due to disability or retirement)

For employees with less than three years of service:

Rates assumed to terminate during the year		
Years of service	Active Non-Union	Active Union
0	10.0%	10.0%
1	10.0%	6.0%
2	10.0%	4.5%

* * * * * *

Active Termination (not due to disability or retirement) continued

For employees with three or more years of service:

Rates at which participants are assumed to terminate by age are shown below.

Rates assumed to terminate during the year		
Age	Active Non-Union	Active Union
20	13.0%	4.5%
21	12.5%	4.5%
22	11.7%	4.5%
23	10.9%	4.5%
24	10.1%	4.5%
25	9.3%	3.0%
26	8.5%	3.0%
27	7.9%	3.0%
28	7.3%	3.0%
29	6.7%	3.0%
30	6.1%	3.0%
31	5.8%	3.0%
32	5.5%	3.0%
33	5.2%	3.0%
34	5.1%	3.0%
35	5.0%	2.5%
36	4.9%	2.5%
37	4.8%	2.5%
38	4.7%	2.5%
39	4.7%	2.5%
40	4.6%	2.0%
41	4.6%	2.0%
42	4.5%	2.0%
43	4.5%	2.0%
44	4.4%	2.0%
45	4.4%	2.0%
46	4.3%	2.0%
47	4.3%	2.0%
48	4.2%	2.0%
49	4.2%	2.0%
50	4.1%	2.0%
51	4.1%	2.0%
52	4.0%	2.0%
53	4.0%	2.0%
54	4.0%	2.0%
55+	0.0%	0.0%

Active Retirement

Rates at which participants are assumed to retire by age are shown below.

Rates assumed to retire during the year	
Age	**Rate**
55 - 58	7.5%
59	10.0%
60 - 61	15.0%
62 - 65	20.0%
66 - 69	25.0%
70+	100%

Trend Rates

Health care cost trend rate:

Gross Medical Costs

Year	Trend Rate
2023	6.75%
2024	6.50%
2025	6.25%
2026	6.00%
2027	5.75%
2028	5.50%
2029 and beyond	5.00%

Assumed Cap Amount Increases

Year	Cap Increase
2023	3.50%
2024	3.25%
2025	3.13%
2026 and beyond	3.00%

Dental care cost trend rate 4.0%

Vision care cost trend rate 3.0%

Medicare Part B trend rate 5.0%

Per Capita Claims Costs

Basis for per capita claim cost assumptions

The average annual per capita health rates for 2022 are shown below.

- Gross Medical Costs

Average per capita claims cost for 2022		
Age	PrimeCare	Flex
< 45	N/A	$ 6,153
45-49	N/A	7,100
50-54	N/A	8,718
55-59	N/A	10,469
60-64	N/A	12,954
65-69	$ 5,165	3,619
70-74	6,043	4,007
75-79	6,559	4,312
80-84	6,817	4,443
85-89	7,076	4,435
90-94	6,972	4,155
>=95	6,714	3,887

- Average Medical Plan Costs (for assumed Flex contributions)

Pre-65: $ 8,739

Post-65: $ 4,078

- Lowest Cost Medical Plan Option (for assumed Grandfathered Flex plan retiree contributions)

Pre-65: $ 7,362

Post-65: $ 3,267

- Medical Cost Caps (applicable to Non-Grandfathered Flex plan retirees)

Employer Subsidy Caps for 2022		
Age	Employees retiring after age 60 and 15 years of service	Employees retiring before age 60 with 15 years of service
< 65	$ 5,296	$ 3,244
>= 65	$ 2,699	$ 1,600

- Medicare Part B Premium Reimbursements

Retirees who retired prior to January 1, 1989: $2,041

Retirees who retired between January 1, 1989 and December 31, 1992: $382

- Gross Dental Costs

Age	Average per capita claims cost for 2022
< 50	$ 740
50-54	715
55-59	702
60-64	689
65-69	673
70-74	655
75-79	637
80-84	607
85-89	566
>=90	538

- EAP Costs $ 3
- Average Dental Plan Costs (for assumed Flex contributions) $ 639
- Vision Benefits $91

Additional Assumptions

Administrative expenses

Included in per capita costs

Projected life insurance benefits include a 10% administrative expense load

Cash flow

Decrement timing

The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant’s rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant’s rounded age at the middle of the year.

Timing of benefit payments

Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year

Amount and timing of contributions

Retiree and employer pay-as-you-go contributions are assumed to be made throughout the year and, on average, at mid-year.

Methods – Other Postretirement Benefit Cost and Funded Position

Census date	January 1, 2023
Service cost and accumulated postretirement benefit obligation	Costs are determined using the Projected Unit Credit Cost Method. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the measurement date. Service from hire date through the expected full eligibility date (traditional benefits – age 55 and 10 years of service for grandfathered employees; age 60 and 15 years of service for non-grandfathered employees; HRA benefits – age 70) is counted in allocating costs. Costs are allocated pro rata over the service period described above. APBO is measured by discounting the projected benefit payments, determined using the methodology described above, using the spot rates on the December 31, 2022 WTW RATE:Link 10:90 yield curve. A single discount rate that produces the same APBO is determined. Service cost is determined by discounting the projected benefit payments underlying service cost, determined using the methodology described above, by the same discount rate determined above for the APBO. Service cost includes interest, i.e., is an end-of-year figure. Interest cost is measured by applying the discount rate to the APBO, taking into account benefits expected to be paid in the upcoming year.
Market-related value of assets	The fair value of assets is used to determine the expected investment return during the year.
Amortization of unamortized amounts:	
Recognition of past service cost/(credit)	Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Postretirement Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in APBO due to the plan change divided by the average remaining service period to full eligibility for active participants expected to receive benefits under the plan.

Recognition of gains or losses	Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Postretirement Benefit Cost/(Income) for a year. If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the APBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of active plan participants.
Benefits not valued	All benefits described in the accompanying plan provisions document were valued.

Sources of Data and Other Information

The plan sponsor and its third-party administrator furnished participant data and claims data as of 1/1/2023. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with Southern California Edison Company's tax advisors and auditors. WTW used information supplied by Southern California Edison Company regarding the postretirement benefit asset, postretirement benefit liability, and amounts recognized in accumulated other comprehensive income as of the end of the 2022 fiscal year and amounts recognized in other comprehensive income in the 2022 fiscal year.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate(s)	As required by U.S. GAAP, the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date. Based on WTW's interest rate model, RATE:Link, that uses a yield curve derived from current, high quality (rated AA and above) corporate bonds to discount expected pension cash flows, and thus determine discount rates, we believe the discount rate chosen does not significantly conflict with what would be reasonable.
Expected return on plan assets	We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions. WTW's determination that this assumption does not significantly conflict with what would be reasonable is informed by WTW's Expected Return Estimator model.
Claims cost trend rates	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates. We believe that the selected assumptions do not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations reasonably consistent with other economic assumptions used, other than the discount rate. Assumed increases on cap amounts were chosen by the plan sponsor, representing the greater of assumed inflation and 50% of the increase in the lowest cost option (no greater than inflation plus 2%). We believe that the selection assumption does not significantly conflict with what would be reasonable based on market conditions on the measurement date.
Per capita claims costs	The per capita claims cost assumptions and employer contribution caps were chosen by the plan sponsor in consultation with WTW and, as required by U.S. GAAP they represent an estimate of future experience. Per capita claims cost assumptions were developed using premium equivalent rates for 2022 and tiered enrollment by plan. Average per capitas were distributed by age in accordance with the WTW AGEDIST model. We believe the per capita claims cost assumptions do not significantly conflict with what would be reasonable. Caps were developed based on enrollment weighted average of the regional/plan caps provided by SCE.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe the assumptions do not significantly conflict with what would be reasonable because they reflect recent experience, and the demographics of the plan population, and are adjusted to reflect the plan sponsor's expectations regarding future mortality improvement. Adjustments were made to anticipated mortality for 2021 and 2022 to reflect the impact of the pandemic. We believe these adjustments do not significantly conflict with what would be reasonable given recent excess mortality experience regionally and nationwide.
Termination	Termination rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. We believe the assumptions selected do not significantly conflict with what would be reasonable.
Retirement	Retirement rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. We believe the assumptions selected do not significantly conflict with what would be reasonable.
Benefit commencement date:	
• Surviving spouse benefit	Surviving spouses of active employees are assumed to begin retiree welfare coverage at the earliest permitted commencement date because experience indicates that most spouses do take the benefit as soon as it is available. We believe the assumption does not significantly conflict with what would be reasonable.
• Retiree benefit	Retirees are assumed to begin benefits immediately on eligible retirement because the plan does not permit a delay without forfeiting the right to participate. For the reasons discussed above, we believe the assumption does not significantly conflict with what would be reasonable.
Participation – non-HRA Benefits	The assumed participation assumptions for active participants (future retirees) was based on enrollment election percentages compared to those who waived coverage in the January 1, 2022 inactive valuation census data. We believe the assumptions do not significantly conflict with what would be reasonable.

Participation – HRA Benefits	The assumed participation assumptions for HRA benefits were developed by the former actuary. We have reviewed the assumptions and believe they do not significantly conflict with what would be reasonable.
Percent married and Spouse Age Difference	The assumed percentage married and spouse age difference assumptions are based on an experience study conducted in 2020. We believe the assumptions selected do not significantly conflict with what would be reasonable.

Source of Prescribed Methods

Accounting methods	The methods used for accounting purposes as described in Appendix A, including the method of determining the market-related value of plan assets, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	The discount rate changed from 2.95% to 5.43% as a result of changes to market yields since the last measurement date. The expected return on assets was updated from 2.50% to 4.50%, 3.00% to 3.50% and from 5.00% to 6.00% for the Represented VEBA, Management VEBA and other trusts, respectively. The participation assumptions for non-HRA benefits were changed as a result of new per capita claims cost assumptions developed on a per-enrolled basis. Per capita claim cost and cap assumptions were updated based upon most recent premium equivalent rates and provided caps combined wit hplan enrolment expectations. Trend rate assumptions for per capita claims costs and employer medical cost caps were updated to reflect a combination of the most recent market expectations and recent SCE plan experience projected into the future.
Change in methods since prior valuation	None.
Change in estimation techniques since prior valuation	None.

Model Descriptions and Disclosures in accordance with ASOP No. 56	
Quantify	Quantify is the WTW centrally developed, tested, and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans. Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports. Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations. Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected. Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency, or probability of occurrence. Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test, and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.
Quantify FR	Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values. Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques. Calculation of disclosure liabilities and results are based on roll forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

RateCalc and RATE:Link

RateCalc is used as one component in developing the single equivalent discount rate that reflects the characteristics of the client's employee benefit plan. It references a yield curve (often a RATE:Link curve) and expected plan benefit payments. The projected benefit payments from the client's plan are matched to the spot rates along the yield curve to determine their present values. A single equivalent discount rate is then solved for, which produces the same total present value as the spot rates.

RATE:Link is a methodology to develop spot rates to be used for liability and cost measurements related to employee benefit plans. The same core methodology is used to develop all RATE:Link curves. The RATE:Link process develops term structures of interest rates from corporate bond data for each covered geography (e.g., the U.S. for this valuation).

The construction of RATE:Link yield curves relies on bond data collected as of the measurement date.

Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

AgeDist

AgeDist is a spreadsheet model that applies relative cost factors by age to average per capita costs (pre and post 65) and census weights to produce age-graded plan costs for pre- and post-65 populations. The inputs required include average per capita costs and census data by age band consistent with the data used to develop the average per capita costs.

The morbidity curve used to age-grade the plan costs was developed from a broad set of claims data aggregated by age and blended and may not reflect your specific morbidity. The model does not evaluate the average per capita costs or census weights for reasonableness or consistency. The calculation and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the model used in this analysis is considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

The individuals signing or delivering this report have relied on other WTW employees and actuaries who develop, test and maintain each of the proprietary models used for this analysis and have also performed a basic review of assumptions and results to ensure that the models have been set up appropriately and coded correctly. We have not relied on any external experts to develop, review, or validate the model used in this analysis.

Appendix B : Summary of principal other postretirement benefit plan provisions

Southern California Edison Postretirement Health & Life Benefits

Substantive Plan Provisions

The most recent change reflected in the following substantive plan provisions was effective January 1, 2018

Covered employees	All full-time employees, part-time plus employees, and part-time employees
Participation date	Date employee becomes a covered employee

Definitions

Year of Service	A calendar year in which an employee completes at least 1,000 hours of service (employees whose actual hours are not recorded are credited 190 hours for each calendar month in which such employee completes at least one hour of service)
Spouse	A spouse who was married to the participant both on the participant's retirement date and on the measurement date
Surviving spouse	A spouse who was married to the participant both on the participant's retirement date and on the date of his or her death
Dependent	A child or other legal dependent of the retiree, who was such before attaining the age of 18. Eligible dependents shall remain eligible dependents until they reach age 26

Medical Benefits

Eligibility	If hired before August 1, 1983, retirement after age 55
	If hired on or after August 1, 1983, retirement after age 55 with 10 years of service
	Certain retirees who retired under special early retirement windows
Dependent eligibility	Spouse and children until age 26

Survivor eligibility	For survivors of retirees: survivor may continue in retiree's enrolled plan coverages at time of death. If retiree dies while eligible for a health reimbursement account, survivor shall have access to health reimbursement account until depleted For survivors of employees (for dates of death on or after January 1, 2006): If employee passes away with between 20 and 24 years of service and was less than age 55 at death: survivor may continue participating in the plan for five years following the death of the employee If employee passes away with 25 or more years of service or was at least age 55 at death with 10 years of service: survivor may continue participating in the plan for life (non-HRA employees) or five years following the death of the employee (HRA employees) If employee passes away with less than 20 years of service and was less than age 55 at death: no coverage continuation
Retiree contributions	Varies by year of retirement, date of hire and service at retirement; see below For retirees prior to 1991 ('PrimeCare'): No retiree contributions For retirees in 1991 and 1992 ('Grandfathered Flex'): No retiree contributions For retirees on or after January 1, 1993 who were retirement eligible (or had 25 years of service at) December 31, 2008 ('Grandfathered Flex'): 15% of lowest cost option in geographic area for retirees and 20% of lowest cost option in geographic area for dependents For other employees and retirees who were hired prior to December 31, 2017 ('Non-Grandfathered Flex') and retire after age 60 with 15 years of service: 15% of lowest cost option in geographic area for employee coverage and 20% of lowest cost option in geographic area for dependents as of 2008, indexed annually at CPI (or if higher, 50% of the increase in cost for the lowest cost geographic option), limited to CPI + 2% For all other Non-Grandfathered Flex employees and retirees: 50% of lowest cost option in geographic area as of 2008, indexed annually at CPI (or if higher, 50% of the increase in cost for the lowest cost option), limited to CPI + 2% For employees and retirees hired on or January 1, 2018 ('HRA Retirees'): No retiree contributions

Medical benefits for pre-Medicare retirees

PrimeCare Retirees

Choice of enrolling in POS (point-of-service) managed care networks and HMOs

Plans with POS providers: Comprehensive major medical; $0 deductible; 100% coinsurance; $1,500 member / $3,000 family out-of-pocket limit; unlimited lifetime maximum

Plans without POS providers: Comprehensive major medical; $0 deductible; 80% coinsurance; $1,500 member / $3,000 family out-of-pocket limit; unlimited lifetime maximum

Out of Area Plans: Comprehensive major medical; $0 deductible; 90% coinsurance; $1,500 member / $3,000 family out-of-pocket limit; unlimited lifetime maximum

Flex Retirees

Choice of:

90/70 PPO: Comprehensive major medical; $525 deductible per person/$1,050 deductible per family; 90%/70% coinsurance; $6,870 out-of-pocket limit per person/$13,740 out-of-pocket limit per family; unlimited lifetime maximum

80/60 PPO: Comprehensive major medical; $1,100 deductible per person/$2,200 deductible per family; 80%/60% coinsurance; $6,870 out-of-pocket limit per person/$13,740 out-of-pocket limit per family; unlimited lifetime maximum

70/50 PPO: Comprehensive major medical; $2,725 deductible per person/$5,450 deductible per family; 70%/50% coinsurance; $6,870 out-of-pocket limit per person/$13,740 out-of-pocket limit per family; unlimited lifetime maximum

HMO/EPO: Comprehensive major medical; $0 deductible; 100% coinsurance; $3,490 out-of-pocket limit per person/$6,980 out-of-pocket limit per family; unlimited lifetime maximum

Prescription drug benefits provided separately, subject to 10%/20% coinsurance payments for generic/brand name prescription drugs of $1,675 / $3,350 for single/family coverage. Deductibles, copayments, and out-of-pocket limits are indexed.

Medical benefits for Medicare-eligible retirees

Choice of:

90/70 PPO, 80/60 PPO, 70/50 PPO, UHC Senior Supplement, UHC 3500 options, various Medicare Advantage HMOs

Medicare Part B Reimbursement	For retirees who retired before January 1, 1989, Southern California Edison reimburses the retiree for their own Medicare Part B premiums, including future increases in those premiums For retirees who retired on or after January 1, 1989 and before January 1, 1993, Edison provides a reimbursement to the retiree for their own Medicare Part B premiums at the 1992 premium level. The retiree pays any increases in the Medicare Part B premium above the 1992 level For retirees who retired on or after January 1, 1993, the Medicare Part B Reimbursement is not available
Health Reimbursement Account (HRA)	Employees who were hired on or after January 1, 2018 are eligible for a notional health reimbursement account. The account is credited $200 for each month of service upon retirement. There is no interest credited on the account. The retiree may use the account to pay for qualified medical expenses.
Dental and Vision Benefits	
Eligibility	Same as eligibility for medical benefits, except retirees who were hired on or after January 1, 2018 (HRA Retirees) are not eligible for subsidized dental or vision insurance
Dependent eligibility	Same as eligibility for medical benefits, except dependents of retirees who were hired on or after January 1, 2018 (HRA Retirees) are not eligible for subsidized dental or vision insurance
Survivor eligibility	Same as eligibility for medical benefits except survivors of employees and retirees who were hired on or after January 1, 2018 (HRA Retirees) are not eligible for subsidized dental or vision insurance
Retiree contributions	Varies by year of retirement, date of hire and service at retirement; see below For retirees prior to 1991 (‘PrimeCare’): No retiree contributions For retirees between 1991 and December 31, 2017 (‘Flex’): retiree pays 50% of cost of coverage
Benefits	Dental PPO and Dental HMO available with differing characteristics VSP and non-VSP plans available with differing characteristics for retirees who retired before and after December 31, 2012

Life Insurance Benefits

Eligibility	Covered employees who meet the following requirements: i. a or b. a. Eligible for retiree medical upon retirement b. At least age 55 with 5 years of service at retirement ii. Represented employees – retired before January 1, 2016 iii. Management employees – retired before January 1, 2017
Retiree contributions	None
Benefits	Retirees who retired prior to August 1, 1983: $2,500 life insurance policy Retirees who retired on or after August 1, 1983: $5,000 life insurance policy Certain employees are eligible for paid-up supplemental life insurance, towards which employee contributes during employment.

Future Plan Changes

No future plan changes were recognized in determining postretirement welfare cost. We are not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year

Temporary Deviations

We are not aware of any temporary deviations from the substantive plan described above that occurred during the preceding year