Sempra Energy®

2016 ANALYST CONFERENCE

July 19, 2016

Information Regarding Forward-Looking Statements

This presentation contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "assumes," "intends," "depends," "should," "could," "would," "will," "confident," "may," "potential," "possible," "proposed," "target," "pursue," "goals," "outlook," "maintain," or similar expressions, or discussions of guidance, strategies, plans, goals, opportunities, projections, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks. Factors, among others, that could cause our actual results and future actions to differ materially from those described in our forward-looking statements include: local, regional, national and international economic, competitive, political, legislative, legal and regulatory conditions, decisions and developments; actions and the timing of actions, including general rate case decisions, new regulations, issuances of permits to construct, operate and maintain facilities and equipment and to use land, franchise agreements and licenses for operation, by the California Public Utilities Commission, California State Legislature, U.S. Department of Energy, California Division of Oil, Gas, and Geothermal Resources, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, California Energy Commission, U.S. Environmental Protection Agency, Pipeline and Hazardous Materials Safety Administration, California Air Resources Board, South Coast Air Quality Management District, Mexican Competition Commission, cities and counties, and other regulatory, governmental and environmental bodies in the United States and other countries in which we operate; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining, maintaining or extending permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; the resolution of civil and criminal litigation and regulatory investigations; deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers, and delays in regulatory agency authorization to recover costs in rates from customers; the availability of electric power, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the North American transmission grid, moratoriums on the ability to withdraw natural gas from or inject natural gas into storage facilities, pipeline explosions and equipment failures; energy markets; the timing and extent of changes and volatility in commodity prices; the impact on the value of our natural gas storage and related assets and our investments from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for natural gas storage services; risks posed by decisions and actions of third parties who control the operations of investments in which we do not have a controlling interest, and risks that our partners or counterparties will be unable (due to liquidity issues, bankruptcy, or otherwise) or unwilling to fulfill their contractual commitments; capital markets conditions, including the availability of credit and the liquidity of our investments, and inflation, interest and currency exchange rates; cybersecurity threats to the energy grid, natural gas storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers and employees; terrorist attacks that threaten system operations and critical infrastructure; wars; the ability to win competitively bid infrastructure projects against a number of strong competitors willing to aggressively bid for these projects; weather conditions, natural disasters, catastrophic accidents, equipment failures and other events that may disrupt our operations, damage our facilities and systems, cause the release of greenhouse gasses, radioactive materials and harmful emissions, and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance or may be disputed by insurers; disallowance of regulatory assets associated with, or decommissioning costs of, the San Onofre Nuclear Generating Station facility due to increased regulatory oversight, including motions to modify settlements; expropriation of assets by foreign governments and title and other property disputes; the impact on reliability of San Diego Gas & Electric Company's (SDG&E) electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources and increased reliance on natural gas and natural gas transmission systems; the impact on competitive customer rates of the growth in distributed and local power generation and the corresponding decrease in demand for power delivered through SDG&E's electric transmission and distribution system; the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements due to insufficient market interest, unattractive pricing or other factors; and other uncertainties, all of which are difficult to predict and many of which are beyond our control. These forward-looking statements speak only as of July 19, 2016 and the company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on the company's website at www.sempra.com.

Debbie Reed

Chairman & Chief Executive Officer

Value Creation Strategy

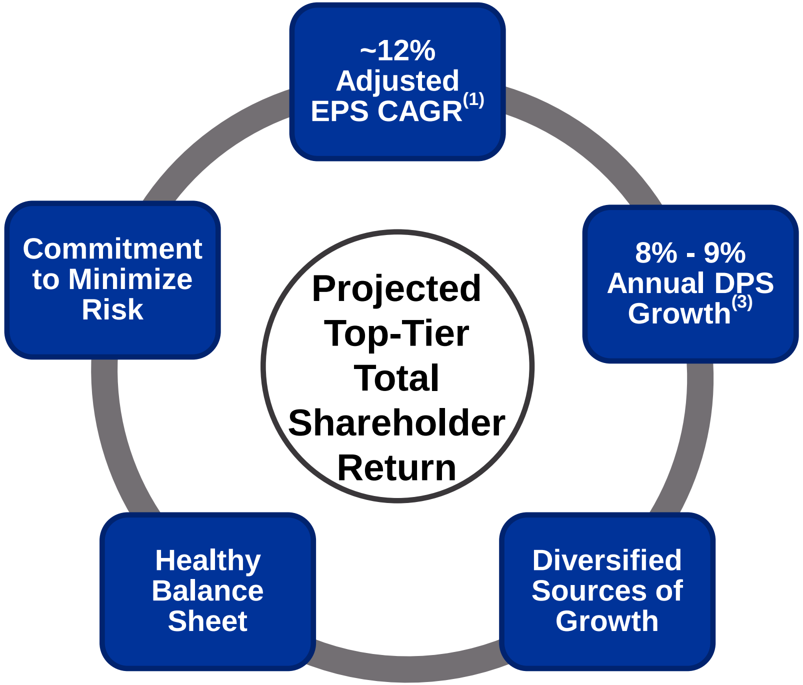
Analyst Conference

July 19, 2016

Key Investor Questions

1. Why are you confident in your top-tier EPS growth rate?
2. How strong is your balance sheet over the plan?
3. What are the growth drivers and risks in your international businesses?
4. Does your growth depend on a better global LNG market?
5. How are your CA Utilities addressing aging infrastructure?
6. How will you sustain higher than average growth post-2020?

Sempra's Value Proposition



- ~12% Adjusted EPS CAGR[(1)] projected for 2016-2020 compared to utility average of 5% - 6%[(2)]
- 8% - 9% targeted annual dividend growth compared to utility average of 4% - 5%[(2)(3)]
- Utility foundation with multiple potential upsides provides diversified sources of growth, underpinned by regulated and long-term contracted cash flows
- Healthy balance sheet with investment-grade credit ratings and improving cash flow profile
- Commitment to long-term, contracted infrastructure business strategy reduces risk and provides stability in varying market environments

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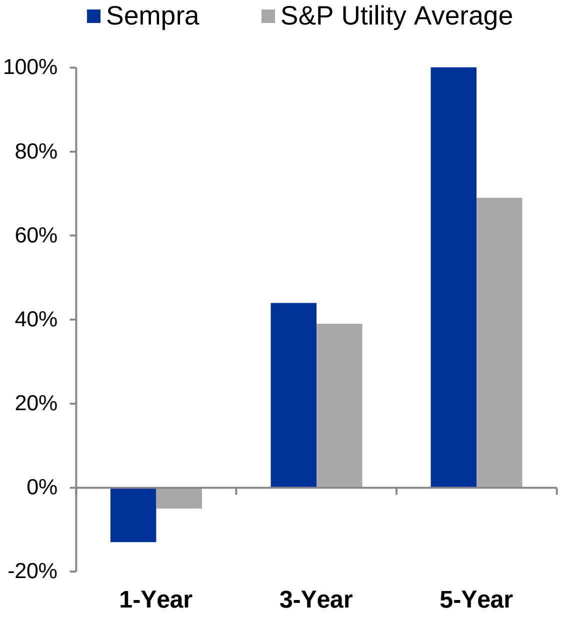
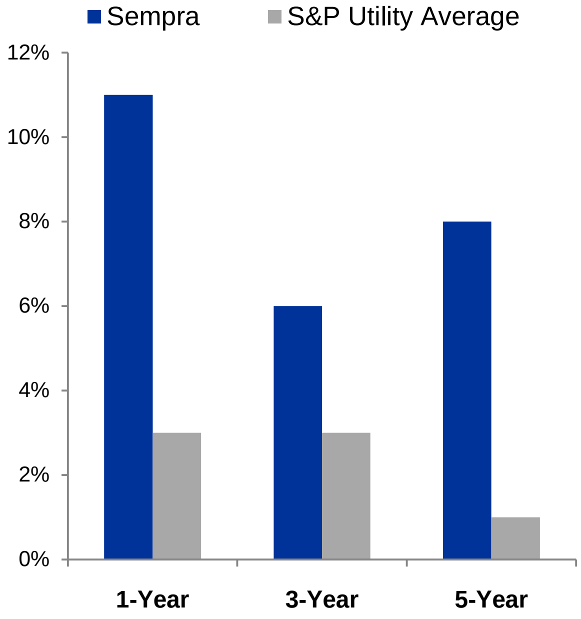
1) Projected adjusted Earnings-Per-Share (EPS) Compound Annual Growth Rate (CAGR) for 2016-2020 is a non-GAAP measure. See appendix in Financial section for further details.
2) Utility average represents estimated average long-term EPS and DPS CAGRs of the S&P 500 Utilities Index, excluding Sempra Energy, AGL Resources, American Water Works Co., NRG Energy, and Pepco Holdings and is from Bloomberg.
3) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.

Financial Execution Despite Energy Market Headwinds

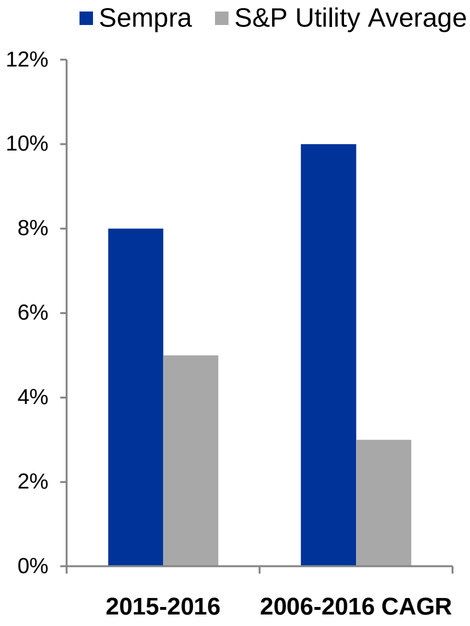
Total Shareholder Return[1]



Achieved Adj. EPS CAGR[1][2]



Dividend Increases



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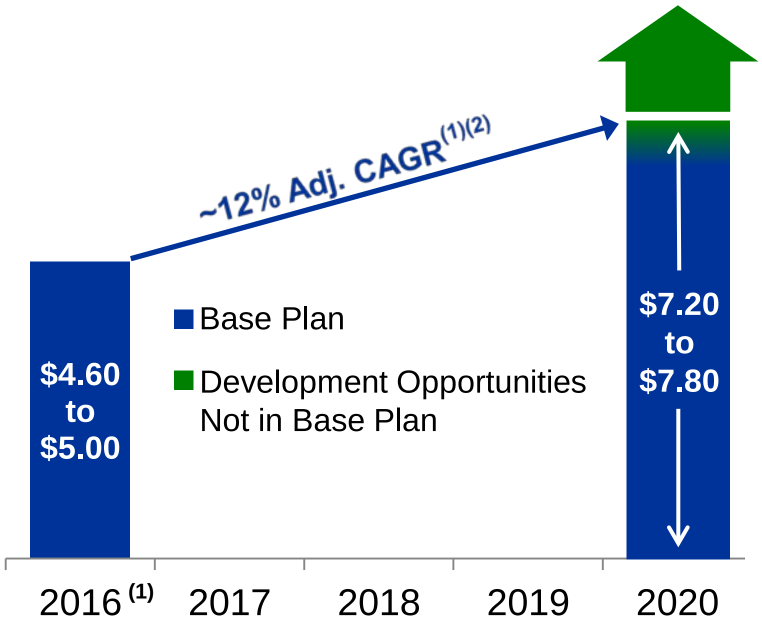
1) Data as of 12/31/15 from Bloomberg.
2) Sempra Energy's adjusted EPS CAGR is a non-GAAP measure. See appendix in Financial section for further details. On a GAAP basis, our one-year (2014-2015) earnings per share growth rate was 16 percent, and our three-year (2012-2015) and five-year (2010-2015) CAGRs were 16 percent and 13 percent, respectively. Utility Average is also an adjusted earnings CAGR.

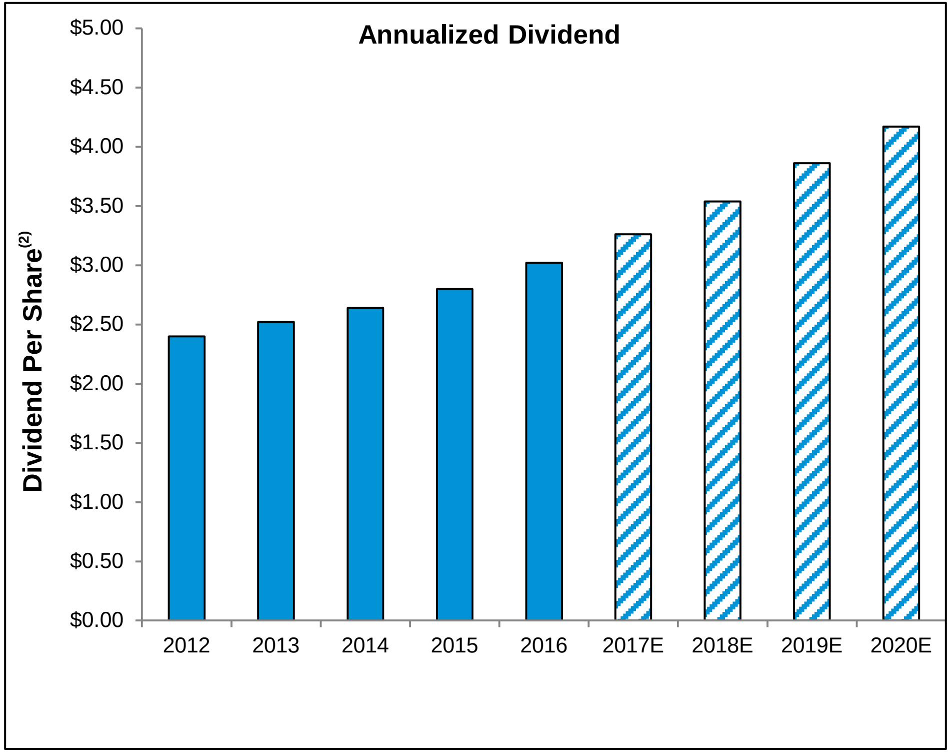
Five-Year Base Plan Projections



- Delivering on strategy to provide adjusted EPS growth roughly double that of the utility average, but with commensurate risk profile
- Conservative Base Plan that only includes execution of expected utility performance and projects already contracted
- Excess balance sheet capacity modeled using a $1.5B Base Plan share repurchase scenario
- Includes updated market price assumptions offset by intact growth drivers[3]

1) Projected 2016 Adjusted Earnings-Per-Share and Adjusted EPS CAGR for the period 2016-2020 are non-GAAP measures. See appendix in Financial section for further details.
2) Adjusted CAGR is calculated from the midpoint of the projected 2016 adjusted earnings per share range to the midpoint of the projected 2020 earnings per share range. Growth rates for each individual year will vary.
3) See appendix in Financial section for a list of our key plan assumptions.

Sustainable and Above-Average Dividend Growth



- Targeting 8% - 9% annual dividend growth for 2016-2020, compared with 4% - 5% utility average[(1)(2)]
- Better aligns DPS growth rate with projected EPS growth rate
- Continued commitment to prioritize capital and grow dividends to maximize total shareholder return
- Resulting dividend growth is financially achievable and sustainable

1) Utility average represents estimated average long-term DPS CAGR of the S&P 500 Utilities Index, excluding Sempra Energy, AGL Resources, American Water Works Co., NRG Energy, and Pepco Holdings and is from Bloomberg.
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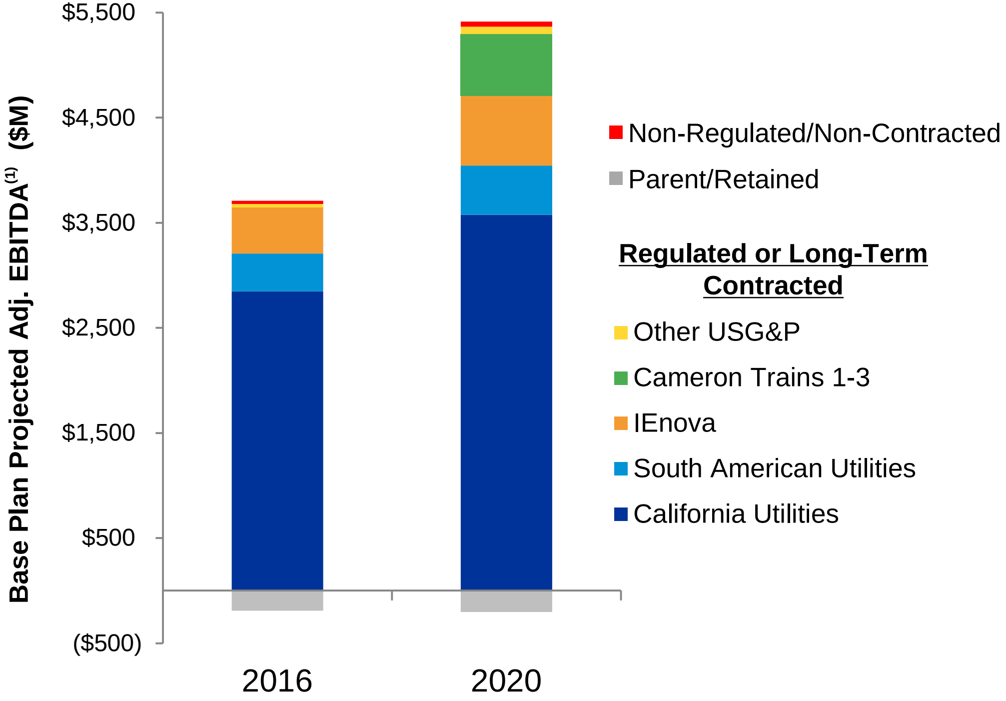
Growing Cash Flows Underpin Healthy Balance Sheet



- 99% of Sempra's 2020 Base Plan projected adjusted EBITDA[(1)] is from utility businesses or long-term contracts[(2)]
- Contracted counterparties have an A-/A3 weighted-average credit rating[(3)]
- 16-year weighted-average remaining contract life[(4)]

1) Adjusted EBITDA is a non-GAAP measure. See appendix in Financial section for further details. Projected GAAP earnings range in 2020 is $1,730M to $1,980M.
2) Long-term contracts defined as 10 years or longer.
3) Counterparty weighting is based on 2020 EBITDA to Sempra from the counterparty and average based on standard S&P/Moody's Credit Ratings where available or parent rating if direct counterparty is not rated.
4) Contract life weighting is based on 2020 EBITDA. Contract life is comprised of the remaining life of current contracts after July 19th, 2016 or the full life of contracts starting after that date.

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$1B-$3B of Projected Credit Capacity[1] in 2020

$1.7B projected increase in Adj. EBITDA[2] in 2020 from 2016 raises Adj. FFO to Debt to ~21%[2]

Capital Allocation Flexibility

- Fund $11B-$13B of Potential Development Opportunities
- Raise Annual Dividend Growth Above 8%-9%[3]
- $1.5B Share Repurchase Scenario (Base Plan)

1) $1B-$3B of projected credit capacity is updated from $2B-$4B discussed in the Q1 2016 earnings call and slides to reflect the award of the Marine Pipeline bid in Mexico.
2) Adjusted EBITDA and Adjusted FFO to Debt are non-GAAP measures. See appendix in Financial section for further details. Projected GAAP earnings range in 2020 is $1,730M to $1,980M. Projected GAAP FFO to Debt range in 2020 is 22.9% to 23.1%. Adj. FFO to Debt calculations are based on the latest Moody's Regulated Electric and Gas Utilities Methodology published December 2013. Moody's Baa1 range is 17% - 20% based on Moody's report on Sempra published in July 2015.
3) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.

Diversified Sources of Growth

Key growth drivers are long term and spread across our businesses

Safety and Reliability

- Largest component of base spending and incremental project investments across all of our utilities

Latin American Long-Term Growth

- Core competencies fit with long runway of needed investments in utilities and across energy infrastructure spectrum

Clean Power and Grid Modernization

- Creates renewable opportunities in the U.S. and Latin America
- CA grid modernization and electrification of transportation

Rising Global Gas Demand

- Opportunities for both liquefaction terminals and LNG integrated midstream in the U.S. and Mexico

Sustained Growth Opportunities Post-2020[1]

CA Utilities	• Safety and Reliability Oriented Investments • Distributed Generation and Storage • Electric Vehicle Grid Integration
LNG / Midstream	• Cameron Train 4 • Port Arthur • Related Infrastructure
International	• CFE Transmission • Energía Costa Azul (ECA) • Renewable Auctions • Pipeline Opportunities

1) Development of LNG and other opportunities is subject to a number of risks and uncertainties. Please refer to the "Risk Factors" section of our most recent Annual Report on Form 10-K for a description of the risks associated with these opportunities.

Appendix

Sempra's Leadership Principles

- A demonstrated long-term commitment to strong ESG performance

ENVIRONMENT

- Emissions from power generation are >40% lower than U.S. avg.
- Committed to mitigate actual natural gas released from Aliso Canyon
- Only 2% of water withdrawn is from freshwater sources
- ~1,000 MW of renewable energy
- 96% of 2015 agency inspections resulted in no notice of violation

SOCIAL

- 2.35 recordable injuries/illnesses per 100 full-time employees per year
- $18.9M in philanthropic contributions, focused on local communities
- >40% of California Utilities' spending is with diverse business enterprises
- Regional leaders provide input through 10 community councils
- In CA, assistance programs helped ~2M customers pay their bills in 2015

GOVERNANCE

- Strong lead director role on Board and 10 of 11 directors are independent
- 50% of Board directors are women or ethnic minorities
- 26% of company leaders are women and 27% are ethnic minorities
- Annual skills assessment drives Board succession planning
- Compensation policy based on pay-for-performance

Dennis Arriola
President & Chief Executive Officer

Southern California Gas Company

Analyst Conference
July 19, 2016

Topics

- Storage Integrity
- 2016 General Rate Case
- Policy and Opportunities
- Key Measures
- Performance Update
- Safety and Reliability Investments
- 2016 Financial Projections
- Rate Base
- Development Opportunities
- Keys to Success
- Appendix

Storage Integrity

Work Stream

Root Cause Analysis – SS 25 Well

- CPUC SED and DOGGR[(1)] are onsite at the Aliso Canyon Storage facility leading a root cause analysis being supported by SoCalGas

Comprehensive Safety Plan – Aliso Canyon

- Each of the 114 storage wells at the Aliso Canyon facility must pass a series of six diagnostic tests or be taken out of service
- After each active well has successfully completed these diagnostic tests or been taken out of service, DOGGR needs to approve each well is ready and confirm the field is available for injection, with CPUC concurrence

New Orders & Regulations – All Storage Wells

- SoCalGas is accelerating the inspection of its storage wells at all storage facilities in compliance with newly issued regulations
- SoCalGas supports forward-looking regulatory policies that adopt best safety practices for all natural gas storage facilities

1) CPUC Safety Enforcement Division (SED) and the California Department of Conservation's Division of Oil, Gas and Geothermal Resources (DOGGR).

2016 General Rate Case[1]

- A Final Decision (2016 GRC FD) was issued on June 23, 2016. The 2016 GRC FD adopts substantially all of the terms of the GRC Settlement Agreements.

	Test Year 2016 Proposed Settlement	Final Decision	Difference
SDG&E	$1.811B	$1.791B	($20M)
SoCalGas	$2.219B	$2.204B	($15M)

Summary of Recurring Revenue Requirement Adjustments	SDG&E	SoCalGas
Income Tax Repairs Allowance[2]	($7M)	($5M)
Bonus Depreciation	($10M)	($10M)

One-Time Revenue Requirement Adjustments	SDG&E	SoCalGas
Refund of 2015 Income Tax Repairs Memo Account (Recorded in Q2 2016)	($37M)	($72M)
True-up of 2012-2014 Income Tax Repairs Allowance Estimates to 2015 Tax Return	($15M)	($11M)

- The General Rate Case requires SDG&E and SoCalGas to establish two-way tax memorandum accounts to track the differences between forecasted tax expense in the GRC and tax expense incurred from 2016 through 2018. SoCalGas and SDG&E will file advice letters to clarify what tax items will be tracked in the memorandum accounts.
- 2017–2018 annual attrition of 3.5% and continuation of Z-Factor mechanism for qualifying cost recovery

1) All amounts pretax.
2) Reflects rate base adjustment for reallocation of benefits from shareholders to ratepayers for the periods from 2011 – 2014 for SDG&E and 2012 – 2014 for SoCalGas.

Policy and Opportunities

California: leadership requires new investments

Policy Drivers	Investment Opportunities
Safety and Reliability ▪ Increased priority on public safety in regulatory environment ▪ Natural gas storage is a critical element of SoCalGas' gas delivery system and California's electric grid reliability	**System Enhancement** ▪ Replacement, maintenance and upgrades of SoCalGas' infrastructure ▪ New integrity programs
Clean Energy ▪ California mandate to reduce GHG emissions[(1)] ▪ Promote natural gas as a clean energy alternative	**Alternative Fuel Infrastructure** ▪ CNG fueling investments to serve heavy duty trucking sector – aligns with President Obama's environmental goals[(2)] ▪ Port/harbor fueling investments
Renewable Growth ▪ Renewable Portfolio Standard increase[(3)] ▪ New investments in distribution business[(4)]	**Distributed Energy Resources** ▪ Renewable gas facilities ▪ Clean Distributed Generation

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1) California Assembly Bill 32 reduces greenhouse gas emissions from all sources.
2) U.S.-Canada Joint Statement on Climate, Energy, and Arctic Leadership by The White House Office of the Press Secretary.
3) Senate Bill 350, signed by Governor Brown, increases RPS to 50% by 2030.
4) Distribution Resources Plan OIR – CPUC proceeding to promote greater utility integration of Distributed Energy Resources (DER) into planning, operations, and investment.

SoCalGas A Sempra Energy utility

Key Measures

Measure	Status
General Rate Case Final Decision (2016 – 2018)	▪ CPUC final decision June 23, 2016 ▪ Revenue requirement of $2.2B ▪ Attrition adjustments of 3.5% for 2017 and 2018 ▪ Repairs allowance[(1)(2)] ($5M) and bonus depreciation ($10M)[(2)] ▪ Refund of 2015 Tax Repairs Memo Account ($72M)[(3)] ▪ True-up of 2012-2014 Income Tax Repairs Allowance Estimate ($11M)[(3)]
Monthly Residential Gas Bill	**National**[(4)] $64 **SoCalGas**[(5)] $41
Capital Structure (Authorized)	▪ CPUC return on equity: 10.1% through 2017 ▪ CPUC common equity ratio: 52%
Credit Rating (Senior Secured)	▪ Moody's: Aa2 ▪ Standard & Poor's: A+

1) Reflects rate base adjustment for reallocation of benefits from shareholders to ratepayers for period from 2012-2014.
2) Recurring revenue requirement adjustments.
3) One-time revenue requirement adjustment.
4) Source: 2016 Geospatial Analysis of California's Utility Services, CPUC.
5) Estimate based on GRC Final Decision, June 2016.

Performance Update

Operational and safety excellence is key to our business and drives strong financial performance

($M)	2011	2015	CAGR
Earnings	$287	$419	10%
Rate Base[1]	$2,900	$4,300	10%
Operations and Maintenance Expenses	$1,305	$1,370	1%

	2011	2015	Industry[2]
Achieved Return on Common Equity	14.0%	14.2%	10.5%

	2011	2015	CAGR
Annual Natural Gas delivered for electric generation[3]	166 Bcf	193 Bcf	4%
Summer Natural Gas delivered for electric generation[4]	90 Bcf	131 Bcf	10%

1) Weighted average rate base.
2) Industry comparison based on national averages, sources: Morgan Stanley's Regulated & Diversified Utilities/IPPs, SNL Financial.
3) Gas throughput as billed.
4) Gas throughput as used.

Safety and Reliability Investments

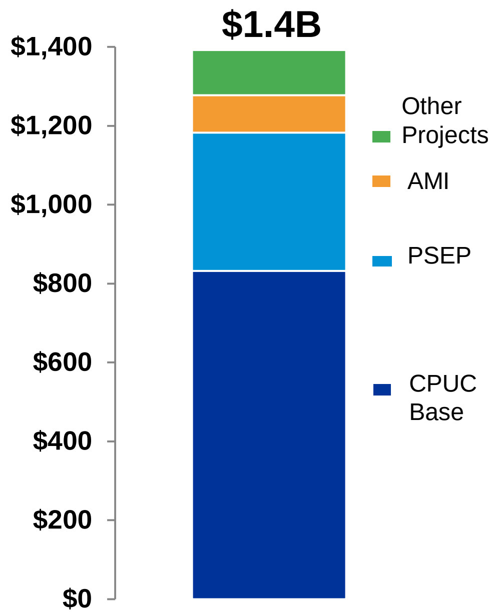
Over 85% of $5.9B investments in Five-Year Base Plan are safety and reliability related

Investments	Description	Five-Year Base Plan Total(1)
CPUC Base (Transmission, Distribution, Storage)	Ongoing investment in pipeline infrastructure and storage facilities to maintain system reliability and safety	$2,500M
Pipeline Safety Enhancement Plan (PSEP)	Test or replace pipelines which were not previously pressure tested to ensure public safety	$1,300M
Integrity Management Program (TIMP/DIMP/SIMP)	Proactively identify, analyze, and assess risks potentially impacting pipeline and storage well integrity	$1,050M(2)
Advanced Metering Infrastructure (AMI)	Upgrade the remaining ~1M gas meters across SoCalGas service territory	$130M

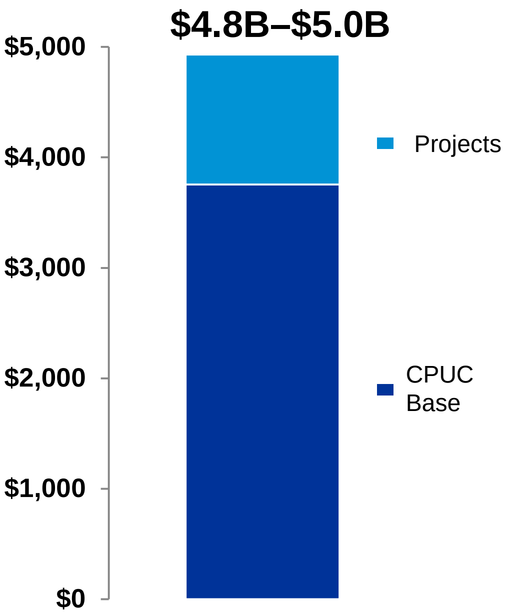
1) Estimated capital expenditures on major projects for 2016-2020 horizon. Includes $50M of investment for the Aliso Canyon Turbine Replacement (ACTR) and $50M for the Mobile Home Park Utility Upgrade Program, which are not shown above.
2) DIMP-$560M, TIMP-$325M, SIMP-$165M.

2016 Financial Projections

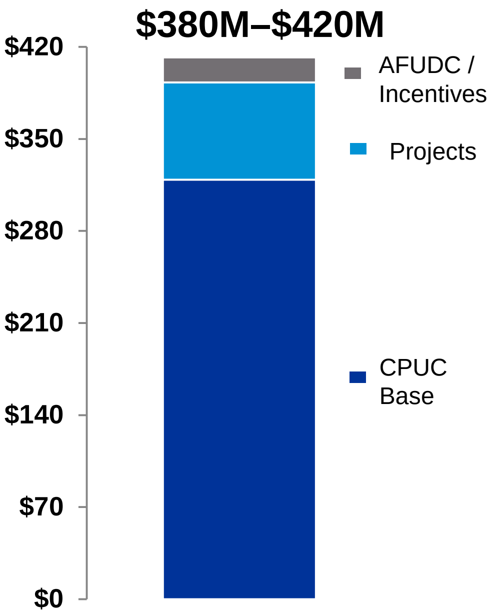
CapEx



Rate Base[1]

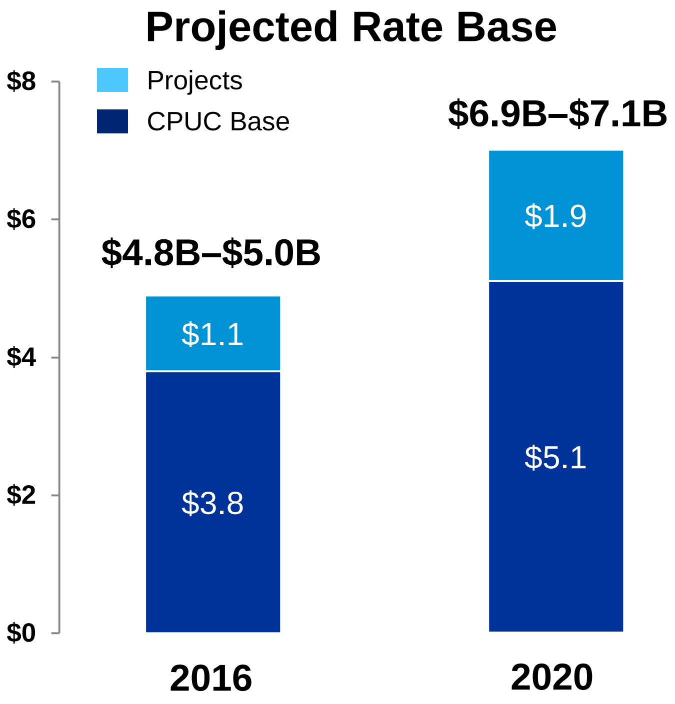


Adjusted Earnings[2]



1) Estimated 2016 weighted average rate base; does not include construction work in progress; midpoint of the range depicted graphically.
2) Adjusted earnings is a non-GAAP measure. See appendix in Financial section for further details. On a GAAP basis, the projected earnings range for 2016 is $331M to $371M.

Rate Base Drives Projected Earnings Growth



- Rate base is the largest component of projected earnings growth
- 2020 earnings range of $465M-$515M(1)
- AFUDC and incentives expected to remain relatively flat
- Financing and tax benefits expected to decline(2)
- Adjusted earnings grow at 5% CAGR(2)(3)
- Strong anticipated operating cash flow finances rate base growth

1) Projected earnings assumes: revenue requirement based on current attrition mechanism (3.5% annually); no change in regulated returns or approved capital structure.
2) Earnings outlook and adjusted CAGR reflect the projected true-up of debt costs (~$25M of annual after-tax revenue adjustments) in the 2018 Cost of Capital proceeding; ROE is assumed at the current authorized percentage
3) Adjusted earnings CAGR is calculated from the midpoints of the projected earnings ranges 2016-2020. Adjusted earnings CAGR is a non-GAAP measure because it is based on adjusted earnings in 2016. See appendix in Financial section for further details. On a GAAP basis, the projected 2016-2020 CAGR is 8%-9%.

Development Opportunities

Opportunities Not in 5-Year Base Plan	Early Opportunities Post-2020
\$950M–\$1,050M	**\$1,000M–\$1,200M**
▪ Alternative fuel infrastructure (e.g., heavy-duty trucking) ▪ Mobile Home Park Master Meter Full Implementation (program extension filing in Q1 2017, expected CPUC decision in Q4 2017) ▪ Distributed energy resources investments (e.g., combined heat and power (CHP)) ▪ New integrity programs ▪ New reliability investments	▪ Pipeline infrastructure to help ensure gas safety and enhance reliability (e.g., additional PSEP) ▪ Port/harbor fueling infrastructure investments (e.g., peak shaving) ▪ Alternative fuel infrastructure (e.g., heavy-duty trucking) ▪ Distributed energy resources investments (e.g., CHP and fuel cells) ▪ Clean energy (e.g., power-to-gas) ▪ Leverage advanced meter network infrastructure for complimentary technologies (e.g., monitoring, measurement)

Keys to Success

- Proactively manage employee and public safety risks
- Sustain excellence in core business
- Execute capital plan on a timely basis
- Maintain focus on effectively managing costs to customers
- Timely regulatory approval of future development investments
- Align clean energy growth strategy with California policy – legislative / regulatory certainty

Appendix

Legislative and Regulatory Update

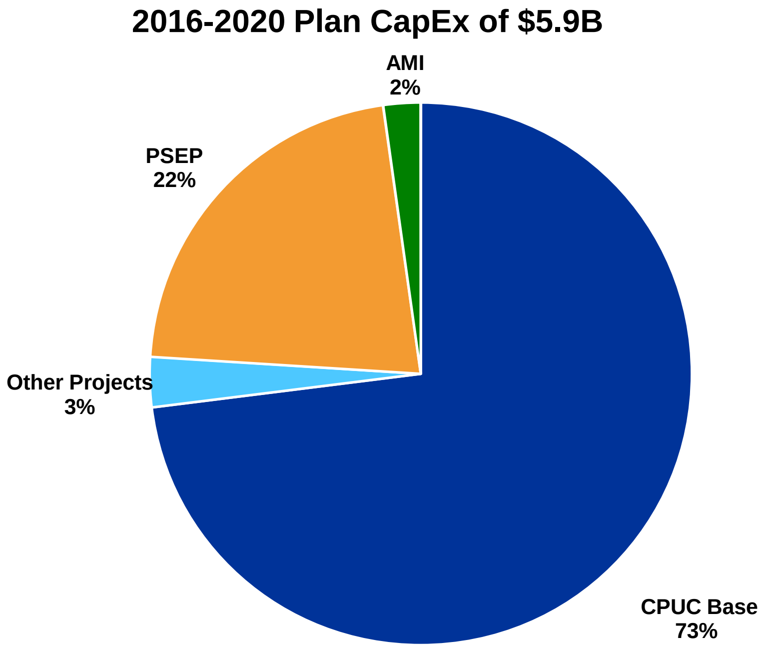
Key Legislative Priorities

- Continue to promote natural gas as a foundational fuel – key to support renewable energy growth
- Engage on natural gas storage legislation to address both safety and reliability
- Co-Sponsor Heavy-Duty Clean Trucking incentives legislation
- Drive renewable gas legislation to increase throughput of natural gas that will increase investment in infrastructure

Key Regulatory Priorities

- 2018 Cost of Capital – File 2017
- 2019 General Rate Case (GRC) – File 2017
- Phase 2 PSEP – Decision 2017/2018

2016-2020 Projected Base Capital Plan



- $5.9B capital program funded within the base plan includes:
  - CPUC Base
  - Pipeline Safety Enhancement Plan (PSEP)
  - Advanced Metering Infrastructure (AMI)
  - Mobile Home Park Master Meter (MHP)
  - Aliso Canyon Turbine Replacement (ACTR)
  - Biogas Conditioning Services (BCS)
  - Compression Services Tariff (CST)
- Over 85% of investments are safety and reliability related

Jeff Martin

President & Chief Executive Officer

San Diego Gas & Electric

Analyst Conference
July 19, 2016

Topics

- Policy and Opportunities
- Key Measures
- Performance Update
- Safety and Reliability Investments
- 2016 Financial Projections
- Rate Base
- Development Opportunities
- Keys to Success
- California Utilities: Projected Metrics
- Appendix

Policy and Opportunities

California: leadership requires new investments

Policy Drivers	Investment Opportunities
Safety and Reliability ▪ Increased priority on public safety in regulatory environment ▪ Higher emphasis on risk management	**Infrastructure Hardening** ▪ Proactive projects that address fire hardening and enhance public safety ▪ Pipeline safety and reliability investments
Clean Energy ▪ California mandate to reduce GHG emissions[1] ▪ Governor Brown's "Zero-Emission Vehicle Action Plan"[2]	**Clean Investments** ▪ Charging infrastructure to drive clean transportation ▪ Converting primary energy uses to electricity[3]
Renewable Growth ▪ Renewable Portfolio Standard increase[4] ▪ New investments in distribution business[5]	**Grid Modernization** ▪ Upgrades to improve operational efficiency and integrate intermittent | distributed resources ▪ Replacement of aging equipment

1) California Assembly Bill 32 reduces greenhouse gas emissions from all sources.
2) Zero-Emission Vehicle (ZEV) Action Plan sets a goal of grid-integrated charging for 1 million ZEVs by 2020, and 1.5 million ZEVs on California roadways by 2025.
3) Examples: Investments to support ships connecting to the grid to reduce reliance on diesel and converting commercial and industrial operations to electricity (e.g., crane operations).
4) Senate Bill 350, as signed into law by Governor Brown, increases RPS to 50% by 2030.
5) DRP OIR – CPUC proceeding to promote greater utility integration of Distributed Energy Resources (DER) into planning, operations, and investment.

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SDGE
A Sempra Energy utility™

Key Measures

Measure	Status
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Monthly Residential Bill	**National**[4] / **SDG&E**[5] ▪ Electric: $114 / $111 ▪ Gas: $64 / $34
Capital Structure (Authorized)	▪ CPUC return on equity: 10.3% through 2017 ▪ CPUC common equity ratio: 52% ▪ FERC return on equity: 10.05% through 2018
Credit Rating (Senior Secured)	▪ Moody's: Aa2 ▪ Standard & Poor's: A+

1) Reflects rate base adjustment for reallocation of benefits from shareholders to ratepayers for period from 2011 – 2014.
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Performance Update

Operational and safety excellence is key to our business and drives strong financial performance

($M)	2011	2015	CAGR
Earnings/Adjusted Earnings	$431	$572[1]	7%[1]
Rate Base[2]	$5,100	$7,700	11%
Operations and Maintenance Expenses	$1,072	$1,017	-1%

	2011	2015	Industry[3]
Achieved Return on Common Equity[4]	12.6%	11.6%	~11.0%
Safety Incidents[5]	2.25	1.91	2.21
Electric Reliability[6]	53 min	58 min	110 min

1) 2015 adjusted earnings and the 2011-2015 adjusted earnings CAGR are non-GAAP measure. The 2011-2015 earnings CAGR is non-GAAP because 2015 earnings are adjusted. See appendix in Financial section for further details. On a GAAP basis, 2015 earnings were $587M and the 2011-2015 CAGR was 8%.
2) Weighted average rate base.
3) Industry comparison based on national averages; sources: Bloomberg, AGA (2014), PA Consulting (2014).
4) Based on GAAP earnings.
5) OSHA recordables.
6) SAIDI – Avg. time per year a customer is interrupted by sustained outages; SDG&E ranked best reliability in the West for 10th consecutive year by PA Consulting.

Safety and Reliability Investments

Over 70% of $6.0B investments in Five-Year Base Plan are safety and reliability | modernization

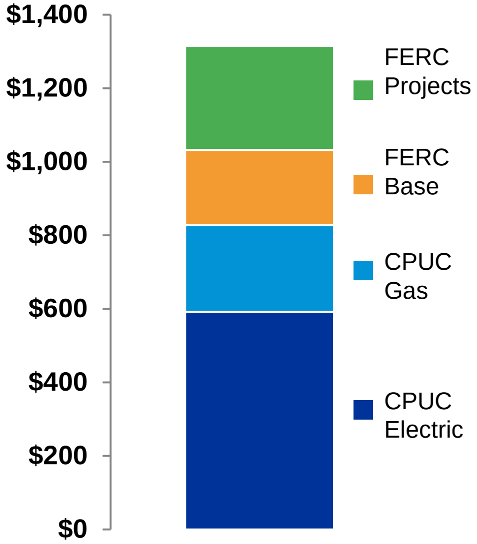
Investments	Description	Total Investment
Cleveland National Forest	Supports fire hardening and public safety	$600M - $680M
Pipeline Safety and Reliability Project	Helps ensure public safety and regional reliability	$600M - $650M
South Orange County Reliability	Provides for regional transmission reliability	$350M - $400M
Fire Management Program	Supports fire hardening and public safety	$275M - $325M
South Bay Substation	Modernizes local transmission for cleaner resources	$150M - $170M
Sycamore-Penasquitos Transmission Line	Provides for local transmission reliability and increased renewables	$135M - $260M
		$2,110M - $2,485M(1)

1) Project totals: $2,110M-$2,485M: some of these projects go beyond the Five-Year Base Plan and the total reflects our estimate of the total cost of these projects. Estimated capital expenditures for 2016-2020 Plan totals: $1,400M-$1,700M.

2016 Financial Projections[1]

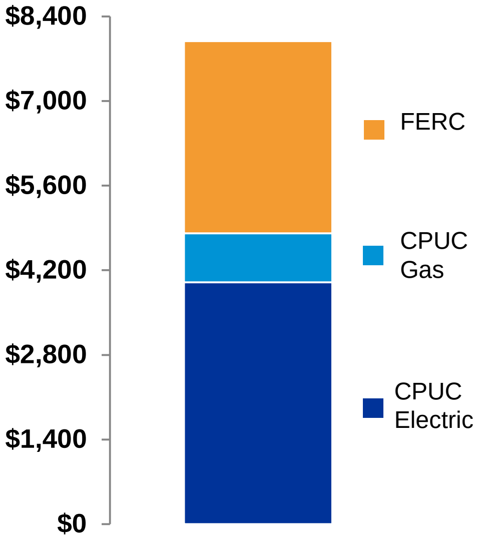
CapEx

$1.3B



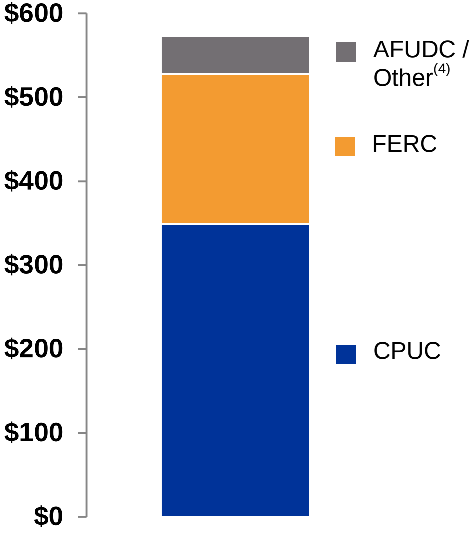
Rate Base[2]

$7.9B–$8.1B



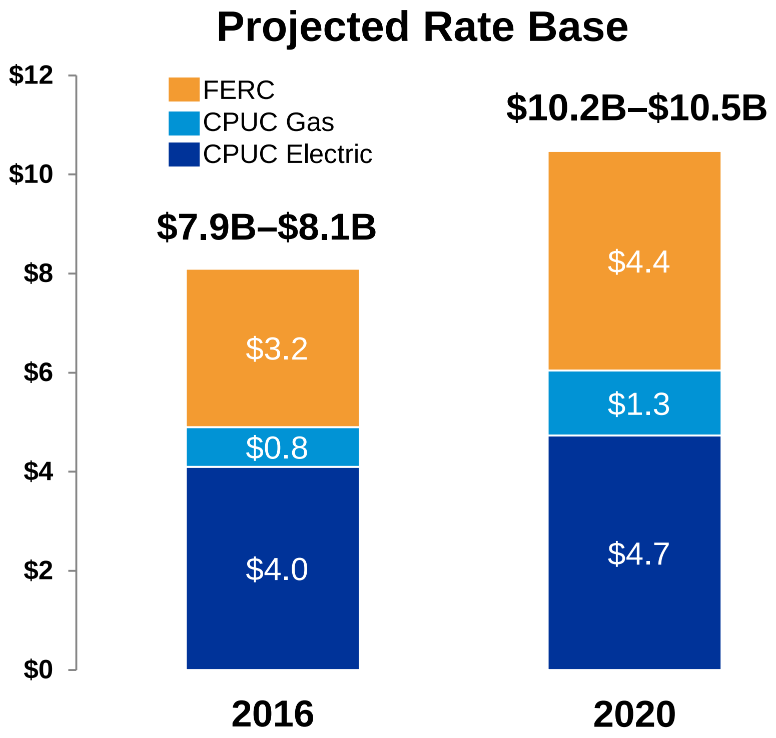
Adjusted Earnings[3]

$550M–$600M



1) SDG&E estimated capital expenditures related to base business and incremental projects result in higher estimated rate base, which together with construction work in progress (CWIP) drive estimated earnings growth (CPUC, FERC, and AFUDC).
2) Estimated 2016 weighted average rate base; does not include CWIP, midpoint depicted graphically.
3) Adjusted earnings is a non-GAAP measure. See appendix in Financial section for further details. On a GAAP basis, the 2016 projected earnings range is $519M to $569M.
4) Reflects other income items, including efficiencies and benefits from financing.

Rate Base Drives Projected Earnings Growth



- 2020 projected earnings range $660M-$710M[(1)]
- Adjusted earnings grow at 4%-5% CAGR[(2)]
- $2.2B[(3)] in projected dividends to parent
- AFUDC and incentives expected to remain relatively flat
- Tax and financing benefits expected to decline

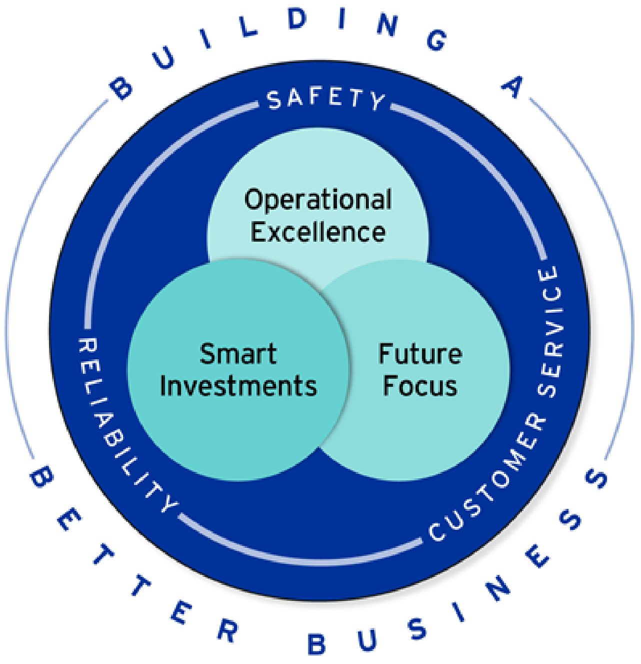
1) Projected earnings assumes: revenue requirement based on current attrition mechanism (3.5% annually); no change in regulated returns or approved capital structure.
2) Adjusted earnings CAGR is calculated from the midpoint of the projected earnings ranges 2016-2020. Adjusted earnings CAGR is a non-GAAP measure because it is based on 2016 adjusted earnings. See appendix in Financial section for further details. On a GAAP basis, the 2016-2020 projected CAGR is 5%-6%. Earnings outlook reflects the projected true-up of debt costs (~$9M of annual after-tax revenue adjustments) in the 2018 Cost of Capital proceeding; ROE is assumed at the current authorized percentage.
3) Five-year approximate totals 2016-2020; the amount and timing of dividends payable and the dividend policy are within the sole discretion of SDG&E's board of directors and, if declared and paid, dividends may be in amounts less than projected.

Development Opportunities

Opportunities Not in 5-Year Base Plan	Early Opportunities Post-2020
$500M–$750M	**$750M–$1,250M**
▪ Incremental transmission reliability and undergrounding ▪ Power Your Drive (electric vehicles) - single family residential and commercial fleet ▪ Mobile Home Park Master Meter full implementation ▪ Energy storage ▪ Otay Mesa Energy Center (option to buy)[1]	▪ Energy storage to address intermittency and reliability ▪ System enhancements to enable growth of distributed energy resources ▪ Grid investments to support electrification ▪ Additional gas pipeline safety and reliability ▪ Potential high voltage transmission conversion

1) Approximately 600 MW combined-cycle generating facility in southern San Diego County owned by Calpine Corporation.

Keys to Success

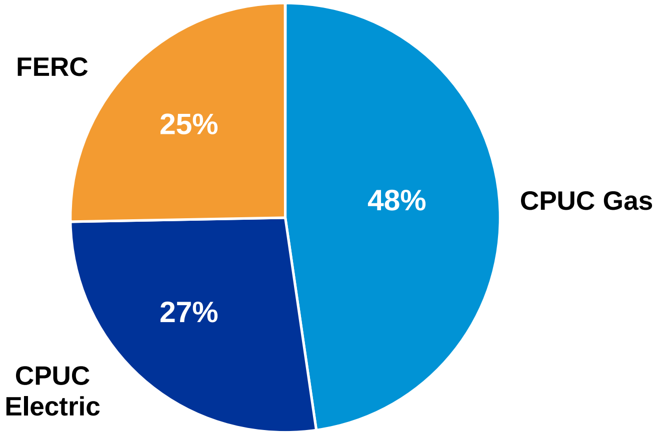


- Excellence in safety and reliability
- Capital in alignment with public policy
- National leadership in clean energy
- Modernize infrastructure and business practices
- Promote equitable rates
- Shape the future electric distribution business model

California Utilities: Projected Metrics

2020 Rate Base

Over $17B of Combined Rate Base



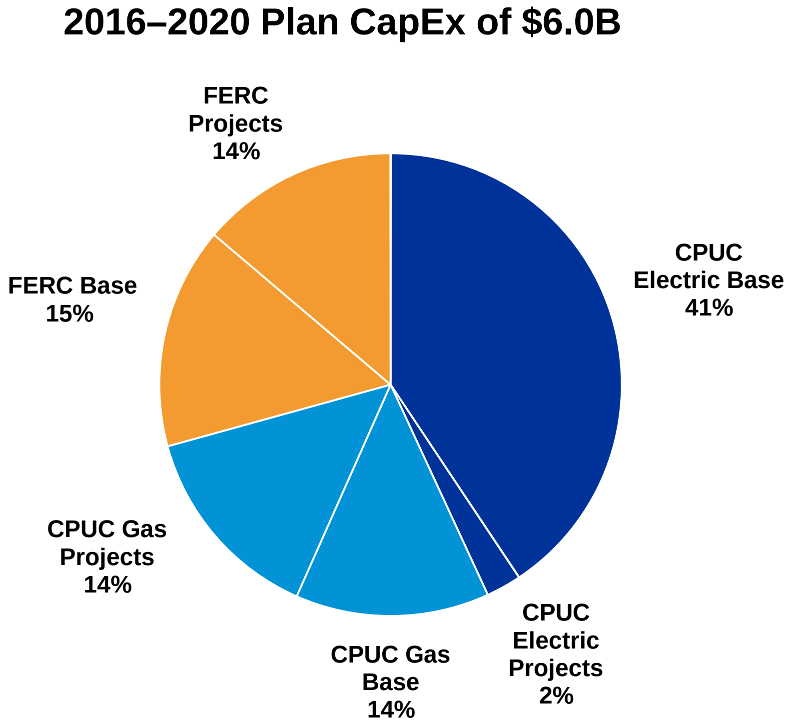
2016-2020 Projected Metrics

- $1.1B-$1.2B earnings in 2020
- $11.9B[(1)] in capital expenditures
- $2.7B[(1)] in dividends to parent
- Safe and reliable energy to over 25M consumers

1) Five-year approximate totals 2016-2020; the amount and timing of dividends payable and the dividend policy are within the sole discretion of SDG&E's and SoCalGas' boards of directors and, if declared and paid, dividends may be in amounts less than projected.

Appendix

2016–2020 Projected Base Capital Plan



- Capital plan is consistent with state policies, ensuring safety and reliability
- Greater capital allocation in natural gas and electric transmission projects

Sempra Energy®

Mark Snell

President – Sempra Energy

South America Operations

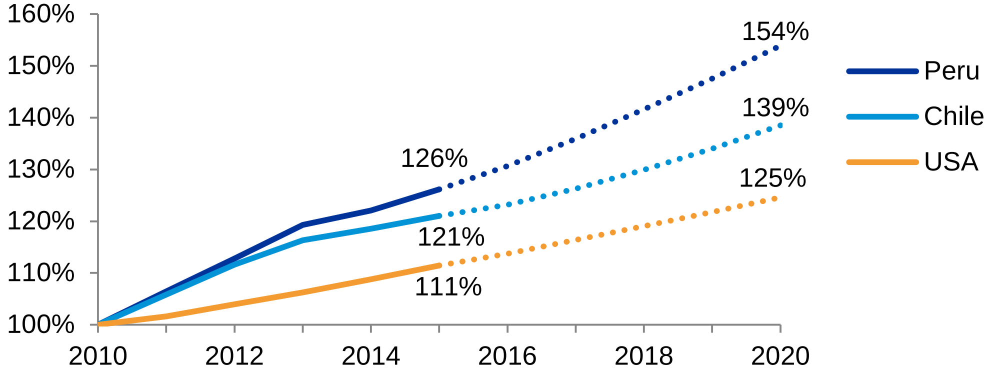
Analyst Conference
July 19, 2016

Positive Economic Outlook

- Top-tier, investment grade countries in Latin America
- Sound macroeconomic policies
- Emerging economies with unrealized potential
- Stable political environment
  - Pedro Pablo Kuczynski, a former Peruvian Prime Minister and Finance Minister, was elected President of Peru in 2016
  - Chile's next presidential election is in November 2017. Mature democracy with strong rule of law.

	Peru	Chile	U.S.
Sovereign Rating[(1)]	BBB+ Stable	AA- Stable	AA+ Stable
International Reserves (% of External Debt)[(2)]	90%	25%	2%
External Debt (% of GDP)[(2)]	35%	61%	101%
Budget Deficit (% of GDP)[(2)]	-2.1%	-2.2%	-2.4%
5-Year GDP growth CAGR[(3)]	4.8%	3.9%	2.2%

GDP Cumulative Growth[(3)]



1) Sovereign Rating List, Foreign Currency Rating, Standard & Poor's.
2) Latin Focus (May 2016), US Treasury.
3) CAGR shown 2011-2015; Data prior to 2015 from World Bank, 2015-2020 projected from Latin Focus (May 2016).

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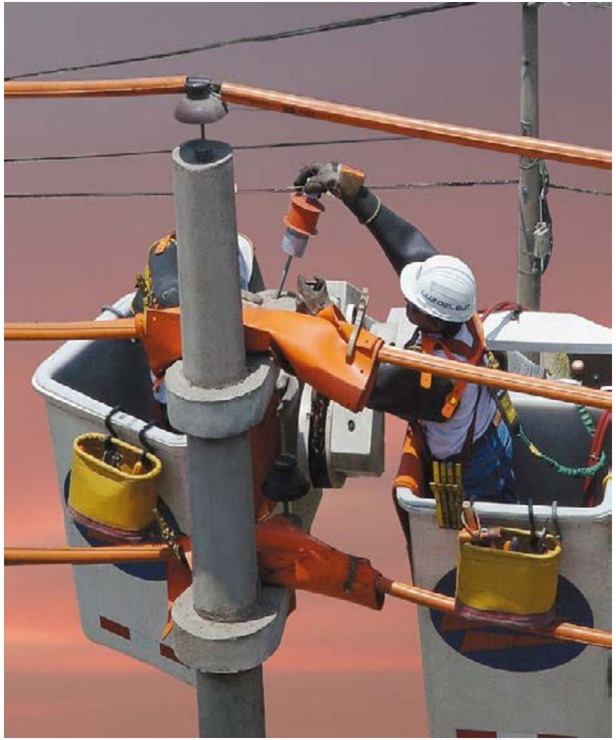
Electric Distribution Regulation

	Peru	Chile	California
Current Regulatory Framework in Place	24 years	26 years	~15 years[1]
Rate Setting Periods	Every 4 years	Every 4 years	Every 3-4 years
Next Tariff Reset	November 2017	November 2016	January 2019
Regulatory Model	Fixed return on new replacement value of assets[2]		Revenue requirement set based on rate base and authorized rate of return
Regulated Return (Set by Law)	12% pretax / real / unlevered	10% pretax / real / unlevered	10.1%-10.3% after-tax ROE 52% equity layer
Tariff Adjustments	Tariff indexed to inflation, U.S. dollar and metals		Receive annual attrition rates
Upsides	Company keeps benefit of demand growth as well as operational and cost efficiencies gained during 4-year cycle		Company keeps benefit of operational and cost efficiencies as well as incentives gained during rate cycle



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1) Following the California electricity crisis of 2000 and 2001, new regulatory policies were imposed on California utilities.
2) Framework based on model company that allows for recovery of reasonable administrative and operating expenses as well as energy losses. Full pass-through of generation and transmission costs.

South America Business Overview

Sempra has had ownership in Luz del Sur and Chilquinta since 1999, and currently owns 84% and 100%, respectively

- Luz del Sur is the largest electric utility in Peru serving eastern, central, and southern Lima
  - Minority interest held mostly by local pension funds and insurance companies (traded on Lima Stock Exchange)
- Chilquinta Energía is the third largest electric utility in Chile serving the Fifth Region including the city of Valparaiso
- Board of Directors for each company includes members of Sempra management team
- Additional business in generation (100 MW hydro plant in Peru) and electric transmission (339 km of 220kV transmission in Chile[1]) segments

	Luz del Sur	Chilquinta
Sempra Ownership	84%	100%
Customer Meters (000)[2]	1,053	672
Peak Demand (MW)	1,360	459
Energy Demand (GWh)	7,549	2,887
Area of Operation (square miles)	1,394	4,400
Substations	36	47
Miles of Distribution/ Transmission Lines	13,643	10,354

Note: All data as of Dec 31, 2015
1) 50% ownership.
2) Includes subsidiaries.

Non-Utility Businesses

Peru

- Santa Teresa Hydro
  - 100 MW, $150M run-of-river hydro plant started commercial operations in Q3 2015
- Additional regulated transmission / substation projects assigned to Luz del Sur within its service territory in 2014 and 2016
  - Investment of approximately $260M and in-service dates between 2016 and 2020

Chile

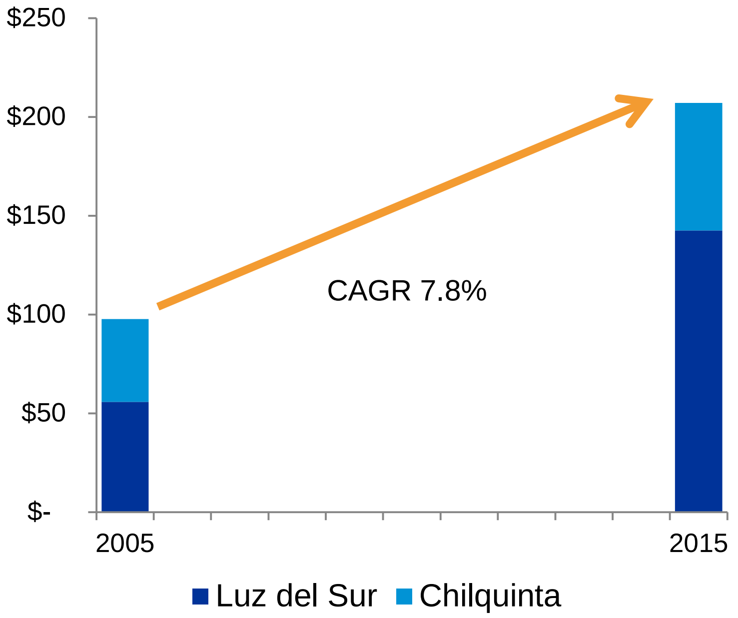
- Trunk Transmission Projects (50% Chilquinta Ownership)
  - Three projects with total capex of $260M
  - First project started operations in Q4 2015, one year ahead of original schedule
  - Other two projects making progress with expected in-service dates of 2017 and 2018
  - 20-year U.S. dollar fixed-price revenue stream

South America Performance Overview

- Solid financial performance over the years
  - Stable earnings contribution
  - Sustained growth
  - Low leverage

(U.S.$M)[2]	Luz del Sur	Chilquinta
Earnings	142	65
Total Assets	1,378	1,131
Total Capital	1,081	914
Market Cap[3]	1,520	n/a
ROE	16%	
ROIC[4]	10%	

South American Utilities' Earnings (U.S.$M)[1]



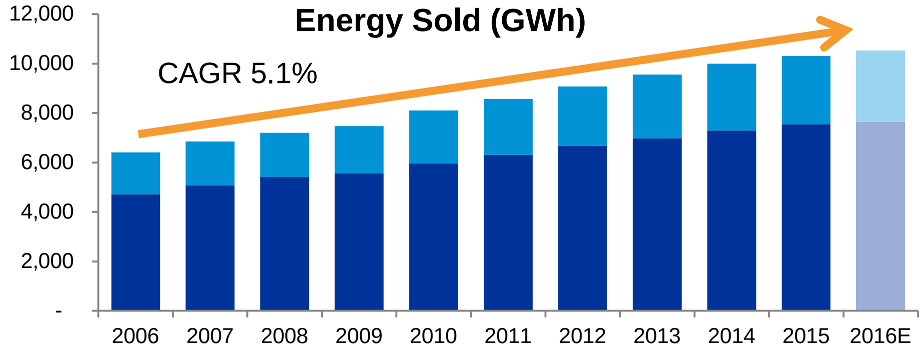
1) Earnings for 100% of utility companies, including earnings attributable to noncontrolling interests.
2) As of December 31, 2015 for 100% of utility companies.
3) Market cap as of April 21, 2016.
4) ROIC = Net Operating Profit After Tax / (Total Assets – Excess Cash – Non-interest Bearing Current Liabilities).

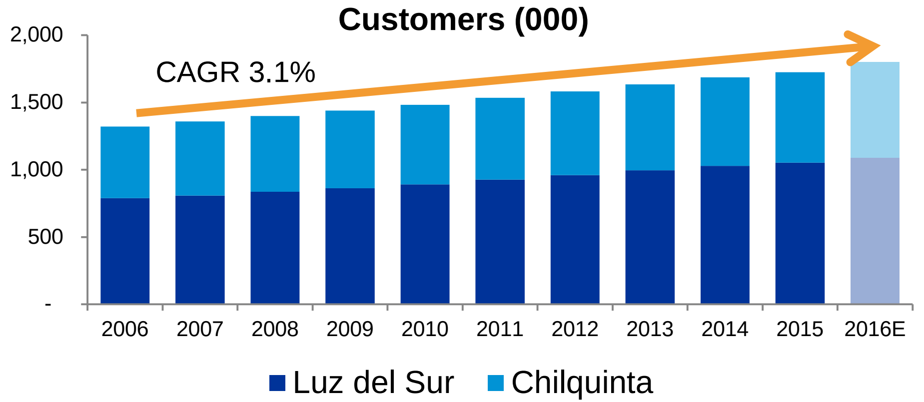
Sempra Energy®

Energy Demand Growth

- Our South American utilities have experienced solid and consistent growth over the years
- Long-term GDP growth in Peru and Chile is higher than that of developed countries
- Projected energy demand growth is significantly higher than in developed countries driven by low per capita energy consumption (U.S. 10-year CAGR 0.2%)[1]

	Peru	Chile	U.S.
Installed Electric Capacity GW[2]	12	20	1,172
Installed KW / person	0.39	1.09	3.63
5-Year Power Demand CAGR[1]	6%	4%	0%





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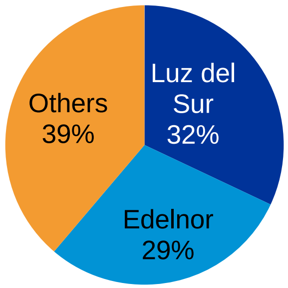
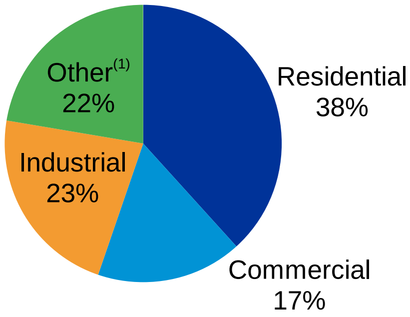
1) EIA Annual Energy Outlook 2015 (USA), CNE (Chile), COES (Peru).
2) MINEM (Peru), CNE (Chile), EIA Annual Energy Outlook 2015 (USA).

Peru and Chile Market Share

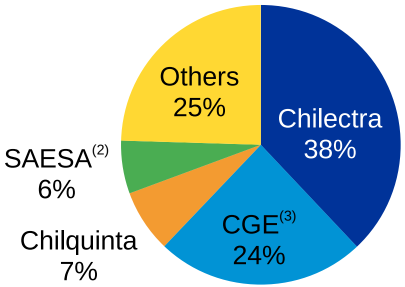
Peru Market Share (GWh)



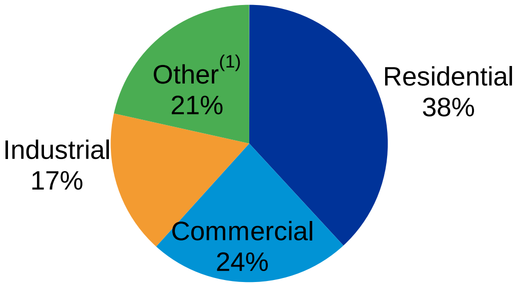
Luz del Sur Energy Sales



Chile Market Share (GWh)



Chilquinta Energy Sales



- Luz del Sur is the largest distributor in Peru, with a mostly urban service territory covering roughly 50% of Lima's 10M people
- Chilquinta Energía is the 3rd largest distributor in Chile, with a service territory within the 5th Region, including the port city of Valparaiso

Note: Information sourced from Banco Central de Reserva del Peru and MINEM (Peru) and Banco Central de Chile and CNE (Chile)

1) Other includes government (municipalities, public lighting) and agriculture.
2) Sociedad Austral de Electricidad S.A.
3) Compañia General de Electricidad.

Key Investment Attributes

High double-digit ROEs

Attractive regulatory framework

Stable energy demand growth creates earnings growth

Strong, local management teams

Sound investment environment

Self-funding balance sheets with access to local debt and equity markets

Appendix

Peru and Chile Regulated Tariff Setting Process

	Peru	Chile
Control Test and Tariff Validation	If return for companies in same “typical area” is within 8% – 16% based on tariff setting process, new tariff level is validated.	If return for entire distribution industry is within 6% – 14% based on tariff setting process, new tariff level is validated.
Monthly Tariff Adjustment	Local inflation (66%) US$ FX rate (24%) Copper (8%) Aluminum (2%) Adjusted when variation is +/- 1.5%	Local inflation (57%) Local PPI (19%) US PPI (14%) Aluminum (6%) Copper (4%)
Residential Tariff Breakdown	Generation (52%) Transmission (13%) Distribution (35%)	Generation (64%) Transmission (12%) Distribution (24%)

Peru and Chile Regulated Tariff Setting Process

Tariff Composition

Energy cost (pass-through) + Transmission fee (pass-through) + **Distribution tariff**

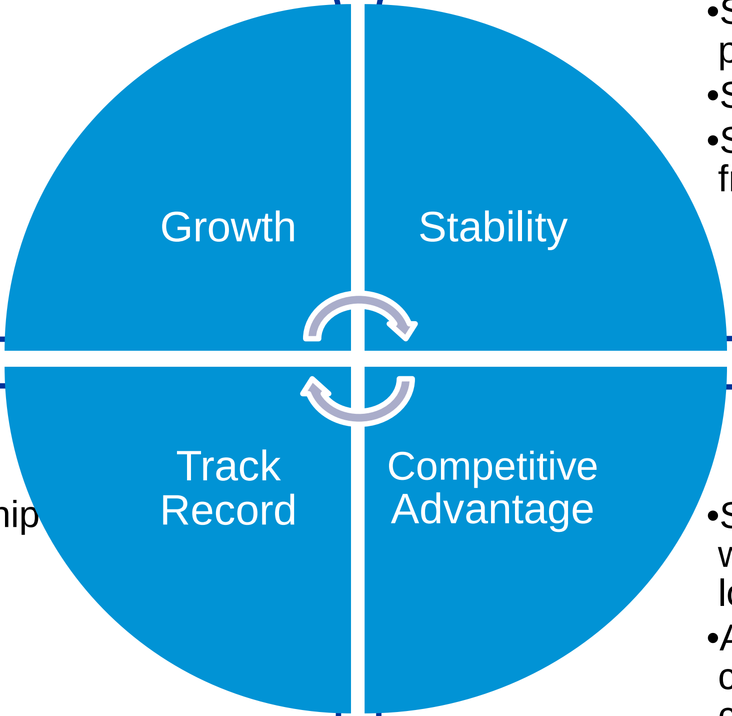
Tariff Resetting Process

1. Distribution companies are grouped into different "**typical areas"** based on service territory characteristics (density, geography, average demand, distribution lines, etc.).
2. The regulator builds a theoretical "**model company"** for each typical area, based on information provided by the distribution companies. A model company is the "ideal company" required to provide efficient service.
3. **New Replacement Value** of distribution system required (lines, transformers, etc.) to provide service is calculated.
4. Reasonable administrative and O&M expenses are factored into the model.
5. Acceptable energy losses are also included.
6. Distribution revenue is calculated to cover expenses, energy losses and a **return on New Replacement Value**. Unlevered, pretax, real return is 10% in Chile and 12% in Peru.
7. Total revenue required is divided by prior year's actual demand to determine the Distribution Value Added per KW to be applied for next four years.

Drivers of Continued Success

- Growing economies
- Government focus on expansion of energy infrastructure
- Strong organic growth in consumption

- Sound macroeconomic policies
- Stable political environment
- Strong regulatory framework



- More than 16-year ownership in Peru and Chile
- Proven expansion into generation and electric transmission

- Strong local management with deep knowledge of local markets
- Ample debt capacity and cash flows at operating companies to fund growth

Carlos Ruiz Sacristán

Chairman & Chief Executive Officer

IEnova

Analyst Conference

July 19, 2016

IEnova Today

One of the **largest energy companies** in **Mexico**

Only energy company listed on the **Mexican Stock Exchange**

Strong balance sheet and **access to capital**

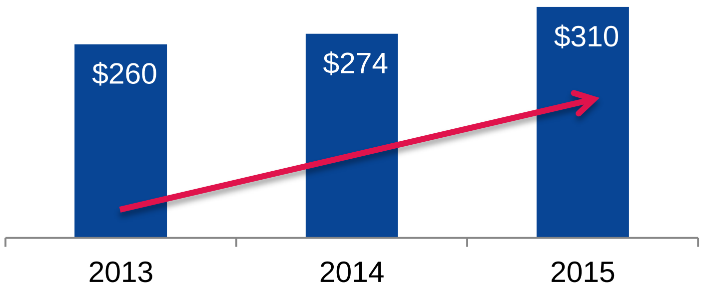
Diversified portfolio

Baa1 international rating by **Moody's**

Total Debt[2] of **U.S.$877M**

Total Equity[2] of **U.S.$2.2B**

Strong EBITDA[1] **Growth**



U.S.$4B in **operating assets** and **projects under construction**

Growing and stable U.S. dollar-denominated cash flows

1) EBITDA is a non-GAAP measure. See appendix in Financial section for further details. On a GAAP basis, IEnova's earnings, the most comparable GAAP measure, were $122M, $192M and $213M in 2013, 2014 and 2015, respectively.
2) First quarter 2016 unaudited financials, 100% IEnova.

20 Years of Successful Business Development

1995/1996
- New gas regulation in Mexico
- Gas distribution permit for "Mexicali" project

1997/1999
- Gas distribution permit for "Chihuahua" project
- Gas distribution permit for "La Laguna" project

2000
- First greenfield pipeline project (Baja West Pipeline)

2002
- Second greenfield pipeline project (Baja East Pipeline)

2003
- 625 MW TDM power generation plant, Mexicali

2008
- LNG Terminal (Energía Costa Azul)
- Expansion of Baja pipeline system

2009
- Nitrogen Plant for LNG terminal

2010
- Acquisition of El Paso's Mexican assets, including 50% interest in JV with Pemex Gas

2011
- LPG storage terminal, Guadalajara(1)
- ESJ initial contract with SDG&E for 156 MW (in-service Q2 2015)

2012
- Awarded contracts by CFE for two Pipelines in Sonora (Phase I in-service, 4Q 2014, Phase II in construction)
- Awarded Ethane pipeline contract(1) (in-service 2015)

2013
- First corporate debt issuance
- First publicly traded energy company in Mexico

2014
- Los Ramones I pipeline(1) (in-service Q4 2014)
- Awarded Los Ramones Norte contract(1) (in-service Q1 2016)
- Awarded contract by CFE Ojinaga – El Encino pipeline

2015
- Awarded contract by CFE San Isidro – Samalayuca pipeline
- Announced agreement to purchase Pemex's equity interest in Gasoductos de Chihuahua (pending acquisition)(2)

2016
- Awarded contract by CFE Empalme Guaymas lateral
- Awarded contract by CFE Texas – Tuxpan marine pipeline (JV with TransCanada)

1) Through JV with Gasoductos de Chihuahua (GdC).
2) The terms and conditions of this transaction are under negotiation and there can be no assurance that an agreement will be reached or that necessary approvals will be obtained.

Across the Energy Sector

Over the past four years, IEnova (alone or with JV partners) has **successfully executed and developed** several energy infrastructure projects:

- CFE pipeline bids
- Ethane pipeline
- Los Ramones I pipeline
- LPG Storage Terminal
- Energía Sierra Juarez wind generation facility
- Los Ramones Norte pipeline

	Natural Gas Pipeline Projects 2012- 2Q2016	Company Awarded
1	**Sasabe-Guaymas (Sonora Pipeline)**	**IEnova**
2	**Guaymas-El Oro (Sonora Pipeline)**	**IEnova**
3	El Encino-Topolobampo	TransCanada
4	El Oro-Mazatlán	TransCanada
5	Corredor Chihuahua	Fermaca
6	**Los Ramones I**	**GdC (IEnova/Pemex JV)**
7	**Los Ramones Norte**	**GdC/First Reserve/BlackRock**
8	Los Ramones Sur	GDF/First Reserve/BlackRock
9	**Ojinaga-El Encino**	**IEnova**
10	El Encino-La Laguna	Fermaca
11	**San Isidro-Samalayuca**	**IEnova**
12	Samalayuca-Sasabe	Carso
13	Tuxpan-Tula	TransCanada
14	La Laguna-Aguascalientes	Fermaca
15	Villa de Reyes-Guadalajara	Fermaca
16	Tula-Villa de Reyes	TransCanada
17	**Empalme Guaymas**	**IEnova**
18	**Texas-Tuxpan Marine Pipeline**	**IEnova/TransCanada**

In a Market with High Growth Potential

Mexico’s summary facts

- 11th largest oil producer with potential to grow significantly with foreign investment
- 15th largest economy with 12th largest power purchaser in the world
- Expected annual growth in demand for natural gas is 2.5% and for electricity is 3.5%
- GDP economic growth 2.5%
- Fiscal balance -3.5% (% of GDP)
- Public debt 46.5% (% of GDP)
- Unemployment rate 4%
- Inflation rate 2.6%
- High upside potential given Mexico’s per capita electricity consumption is approximately 1/6 of United States’ consumption
- **Energy Reform** is a **key driver for** Mexican **economic growth;** it will generate important investment opportunities across sectors and promote industrial growth

Source: INEGI, CIA World Factbook, International Monetary Fund, World Bank, Banxico

And Significant Regulatory Reform

Opened for private investment due to Energy Reform

Petroleum	**Exploration & Production**	**Refining, pipeline transportation and storage**	**Tank truck transportation & distribution**
Natural Gas	**Exploration & Production**	**Processing**	**Transportation, distribution & storage**
Electricity	**Generation**	**Transmission** *(public service, participation only in contracts and associations)*	**Distribution** *(public service, participation only in contracts and associations)*

IEnova Evolving with Market

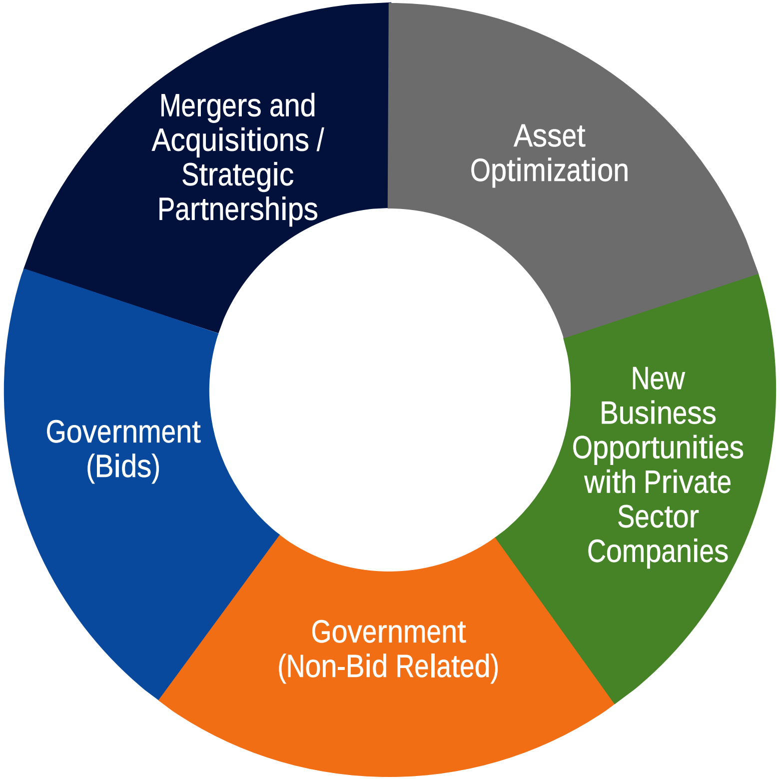
Market conditions in Mexico have changed, therefore IEnova is **adapting to the new environment**

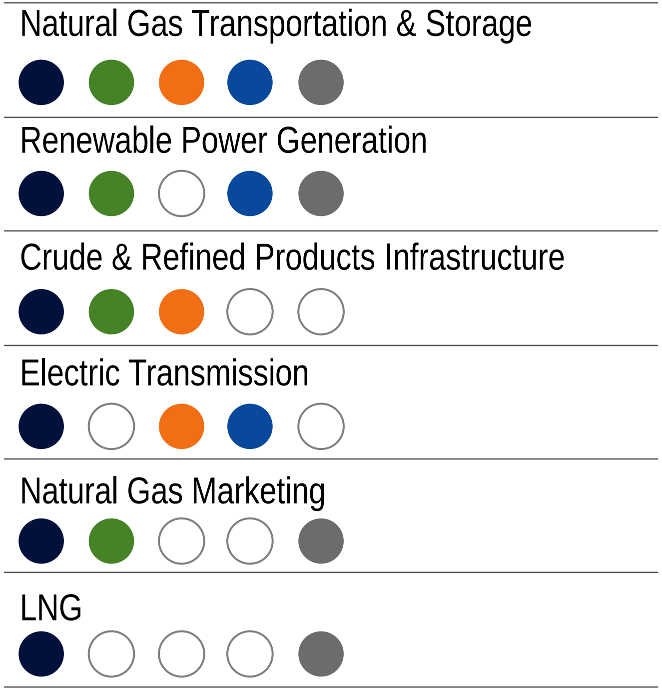
Original business model based on utility acquisitions and greenfield development projects with private companies

As market evolved, IEnova migrated to a government-tender oriented model, based on lower-risk investments

IEnova intends to leverage its experience, skills, and strong balance sheet to further **diversify its portfolio and customer base, intensify greenfield development efforts,** and **make strategic acquisitions**

Strategic Plan Includes Many New Opportunities[1]





1) Development of LNG and other opportunities is subject to a number of risks and uncertainties. Please refer to the “Risk Factors” section of our most recent Annual Report on Form 10-K for a description of the risks associated with these opportunities.

Opportunities in M&A and Strategic Partnerships

Gasoductos de Chihuahua[(1)]

Natural Gas Pipelines

Renewable Projects

Power Generation

Storage

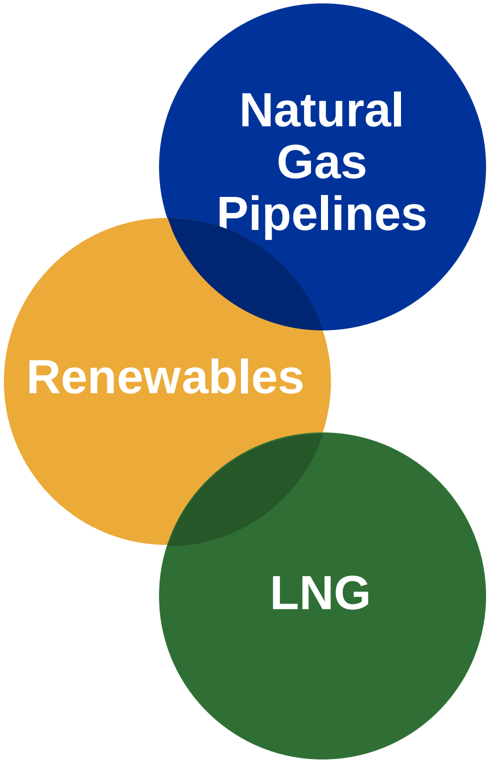
Gas Distribution

Main Drivers

- Companies under financial stress
- Companies seeking growth through divestitures
- Developers spinning off projects
- Investments reaching their maturity
- Companies seeking strategic partners

1) The terms and conditions of this transaction are under negotiation and there can be no assurance that an agreement will be reached or that necessary approvals will be obtained.

Opportunities in Asset Optimization



Natural Gas Pipelines

Capacity expansions and **pipeline extensions** to serve additional customers

Energía Sierra Juarez

Expansion of ESJ Phase I

Greenfield development of Phases II and III

Potential to participate in **CENACE's future auctions**

Energía Costa Azul Liquefaction

Ideally positioned to **serve markets** surrounding the **Pacific Basin**

Opportunities in New Businesses with Private Sector Companies

Liquids Infrastructure

- New E&P players
- New refined products marketing companies
- Gathering & Processing

Power Generation

- Industrials
- Commercial consumers

Gas Infrastructure

- Industrials
- Gas marketers
- Gas distributors
- Petrochemical companies

Gas Marketing

- Industrials
- Marketers
- Distributors

Opportunities in Government (Non-Bid Related)

As a result of the Energy Reform, Pemex and CFE need to concentrate on strategic activities and seek partnerships to develop other activities

Pemex & CFE

Asset Monetization

- Fibra E (MLP) structures
- Asset divestitures

Asset Optimization

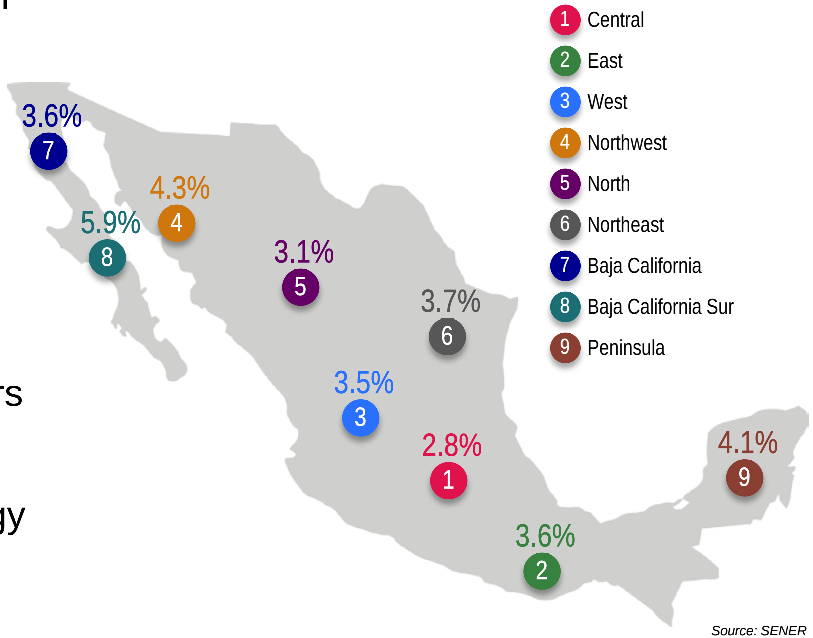
- A combination of asset contribution and cash deployment (IEnova)
- Potential JV opportunities

Energy Infrastructure Assets (Opportunities for IEnova)
Storage, terminals, pipelines and other refined products infrastructure

Opportunities in Power Auctions

- In December 2015, the Mexican Senate approved the **Clean Energy Transition Law** which sets a **mandate** of 25% of power generation from **clean energy sources** in 2018, 30% by 2021, and 35% by 2024
- **15-year contracts** for **electricity**
- **20-year Clean Energy Certificates contracts** (CELs)
- **First auction** held in **March 2016,** only buyer CFE
- A **second auction** scheduled to be held by the end of **September 2016** and **yearly thereafter;** CFE and others will be buyers
  - IEnova is evaluating a number of renewable energy generation projects
- 2016-2018 estimated investment of **U.S.$2.6B**

2015-2029 Projected Electric Demand Growth by Region



Source: SENER

Opportunities in Power Transmission

- CFE will issue bids to develop transmission lines under **long-term contracts**
- The **first project** scheduled to be **bid in 2016** will be a HVDC 600 km, 3,000 MW capacity line in Southern-Central Mexico (**U.S.$1.2B** investment)
- A **second project, scheduled** to be **bid in 2017,** will be a HVDC 700 km, 1,000 MW capacity line to interconnect Baja California to the National System (**U.S.$1.2B** investment)
- Electric interconnections with North America and Central America
- **24,600 km** of **new transmission lines** (through 2029)
- Total estimated investment **U.S.$13.4B**

Opportunities in Refined Products Infrastructure

Hydrocarbon	Beginning of Price Liberalization
Fuel Oil and Natural Gas	Liberalized before the Energy Reform
Crude Oil	September 2015
Gasoline and Diesel	January 2016
Liquefied Petroleum Gas	January 2017
Jet Fuel	January 2018

- As the **liberalization of refined products prices** and **imports begins** in 2016 and continues gradually until 2018, new refined products suppliers and marketers will **require additional infrastructure** to reach consumers
- Creating **competitive markets**:
  - **Open access to infrastructure**
  - **Tariffs** that reflect **true costs**

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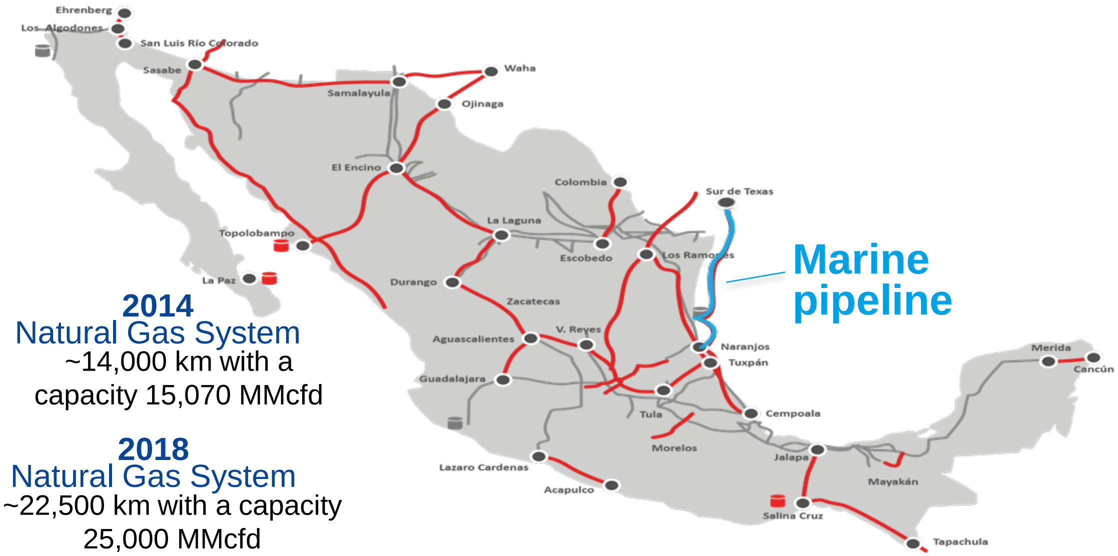
Opportunities in Natural Gas Pipelines



2014
Natural Gas System
~14,000 km with a capacity 15,070 MMcfd

2018
Natural Gas System
~22,500 km with a capacity 25,000 MMcfd

- Once the main pipeline system is built, the **pipelines will expand** and **extend** in order to **supply new** and **existing customers** in addition to Pemex and CFE
- The new pipelines will also build **new interconnections** in order to **form an efficient gas supply grid** throughout the country

Benefits of the Pipeline System Expansion

- Increase system reliability and service availability
- Reduce emissions
- Reduce electricity tariffs
- Increase economic competitiveness
- Attract new investments

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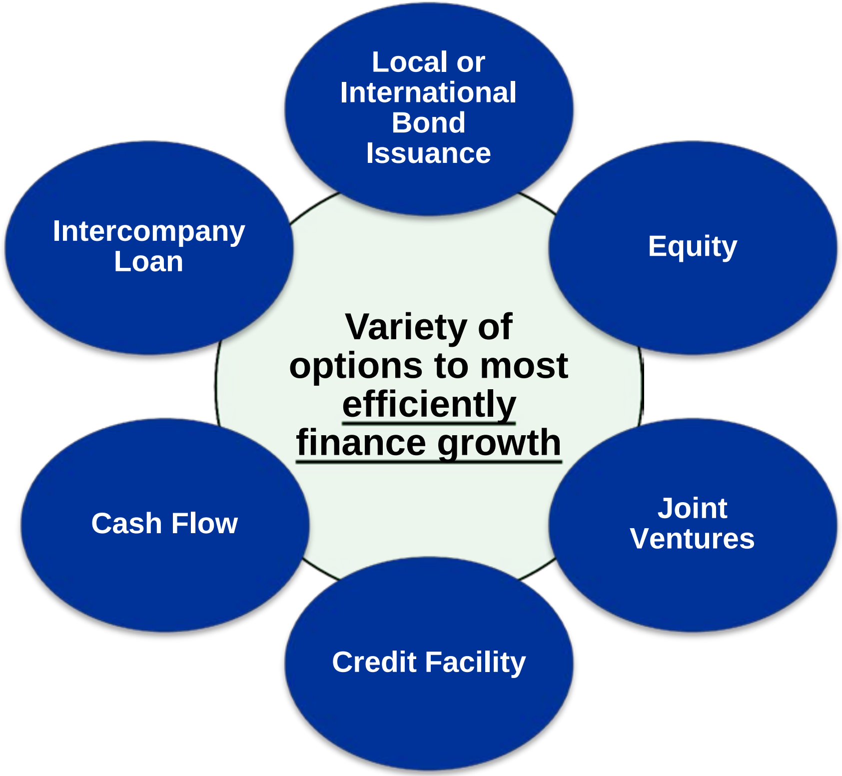
Short-Term Outlook

Opportunities in the next 12 months

- Pemex JV acquisition(1)
- Transmission line bids
- Clean energy auctions
- Baja Sur natural gas supply bid
- Expansion of existing pipelines
- M&A opportunities
- Refined products infrastructure



1) The terms and conditions of this transaction are under negotiation and there can be no assurance that an agreement will be reached or that necessary approvals will be obtained.

Achieving IEnova's Goals

IEnova Energía para México 20 Años

Adjusting the corporate structure

- A more development-oriented structure to be ready to analyze and deliver upcoming opportunities

More resources invested in development

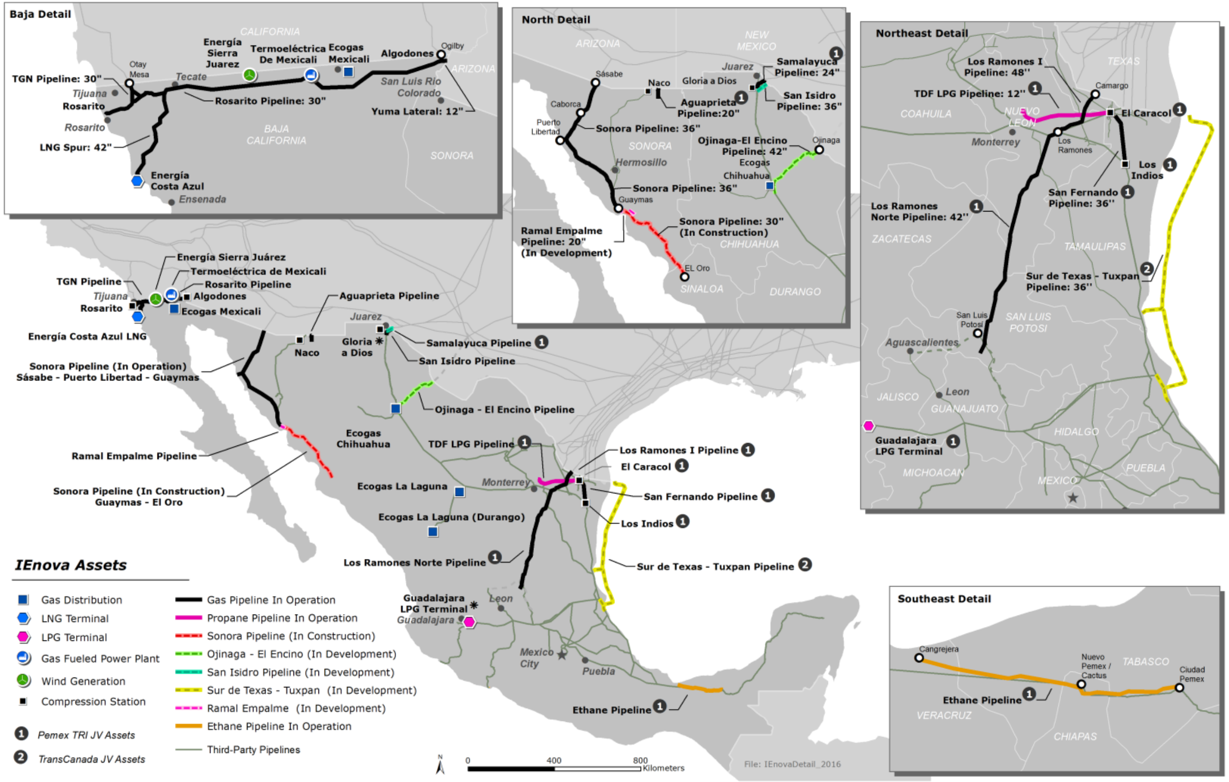
- Disciplined ways to deploy capital and maximize investors' returns
- Risk-adjusted capital investments

Proactive approach

- Reach out to potential customers and deliver solutions according to their needs

Appendix

IEnova Asset Overview



Corporate Structure and Assets in Operation

Gas Segment

Wholly Owned Pipelines

- 865 km of pipelines and three compression stations (20% of the market's transportation capacity)

Energía Costa Azul

- LNG receipt, storage and regasification terminal with a send-out capacity of 1,300 MMcfd

Ecogas

- Natural gas distribution utility with more than 114,000 meters

Gasoductos de Chihuahua S. de R. L. de C. V.

Joint Venture with Pemex (50/50)

- 267 km of natural gas pipelines (excludes the 452 km of Los Ramones Norte)
- 190 km of LPG transportation pipelines and 120,000 Bbl of LPG storage
- 226 km of Ethane pipeline
- Five compression stations

Power Segment

Termoeléctrica de Mexicali

- 625 MW natural gas combined-cycle electricity generation plant, currently held for sale

Energía Sierra Juárez

Joint Venture with InterGen (50/50)

- 155-MW wind project with 47 turbines

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Patti Wagner

President & Chief Executive Officer – Sempra U.S. Gas & Power

Renewables

Analyst Conference
July 19, 2016

Re-Shaping Our Portfolio to Facilitate Growth

2015 Review

- Evaluated and pursued MLP
- Represented opportunity to create source of competitively priced capital
- Market turmoil decreased attractiveness, MLP on hold
- Sold Mesquite Power Plant
- Placed over 300 MW of new renewables in service
- Acquired four new projects

2016 Update

- Construction underway on four renewable sites
- Fundamentals are driving substantial, unprecedented growth in renewables industry
- Recovering cash by selling non-strategic assets
  - REX 25% ownership
  - Mobile Gas
  - Willmut Gas

Strategy

- Positioned to redeploy cash into renewables and LNG / Midstream
  - 600 MW of site expansion opportunities
  - Disciplined acquisition of yieldco assets
  - Projects in development
- Tax equity enhances our ability to compete and supports long-term, stable earnings
- Continue disciplined approach

Proven Leader With Track Record of Success

Portfolio

- One of the top 10 largest owners of U.S. utility-scale PV solar (YE 2015)
- 968 MW[1] operating solar and wind with 522 MW under construction

Capital

- $3.0B[1] invested through acquisition & development[2]
- Raised $1.4B of non-recourse debt to fund this development

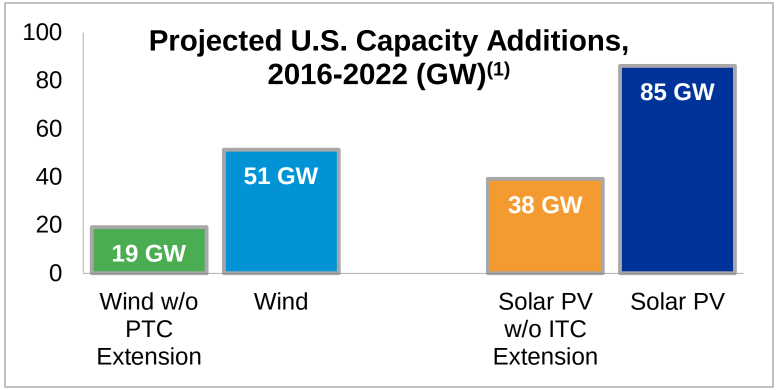
Safety & Operations

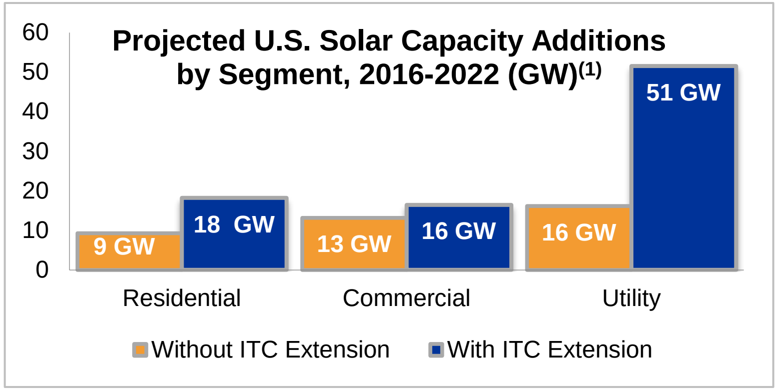
- First U.S. solar plants to receive OSHA's Voluntary Protection Program Star (2015)
- Fleet-wide O&M costs best in class (2015)

1) Capacity and capital figures represent net ownership.
2) By year-end 2016.

Strong Industry Growth Creates Opportunities

- IHS projects an incremental ~136 GW of solar and wind additions in the U.S. from 2016 to 2022, about 50% of which is due to the extension of federal tax credits
- With U.S. solar installations projected to increase over 350% by year-end 2022, our core business, utility-scale solar, is expected to receive greatest growth benefit
- Commercial solar represents a high-growth market with opportunities given our capabilities

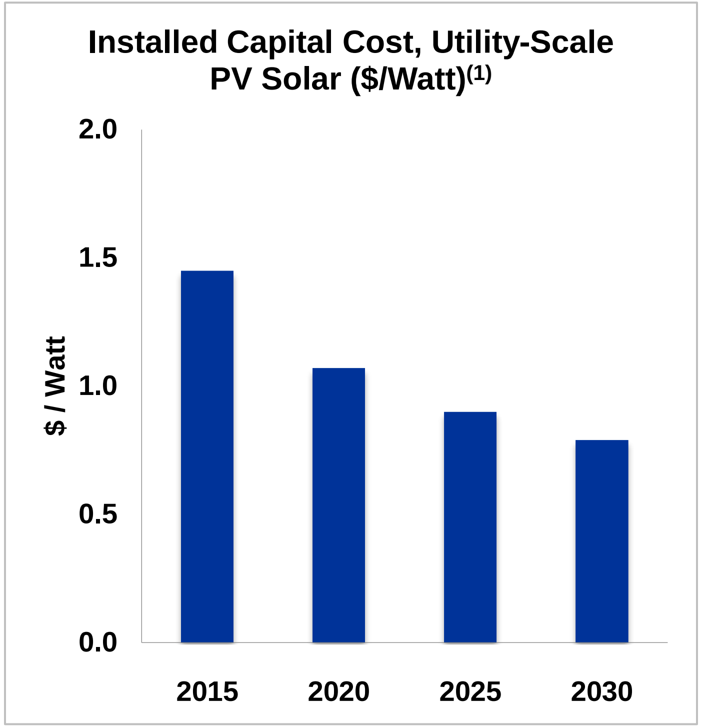




1) IHS projections.

Significant Cost Declines Reshape Industry Fundamentals

- Critical developments have dramatically enhanced the renewables industry's growth trajectory
  - Dramatic cost declines due to economies of scale and technology advancements
    - Solar ($30/MWh-$40/MWh) and wind ($20/MWh-$30/MWh) prices for best-in-class facilities have decreased substantially as a result[2]
  - New groups of economically-driven power purchasers have also emerged
    - Economic procurement by utilities
    - Manufacturing, industrial and technology companies
    - Government agencies and military



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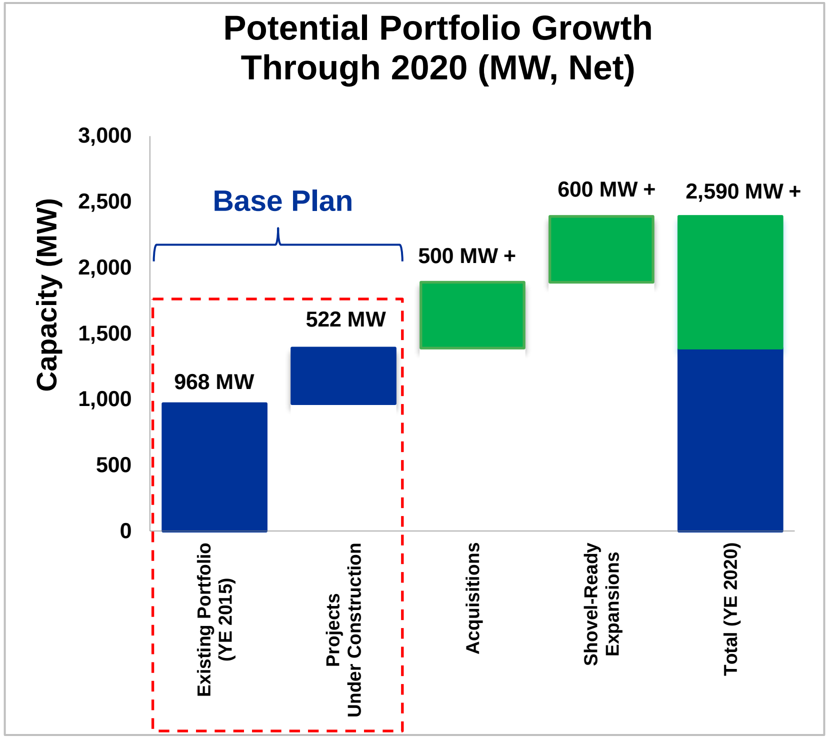
1) IHS projections.
2) Public announcements and Lazard's "Levelized Cost of Energy analysis version 9.0".

Enabling Disciplined Growth

- Historically, our growth has been limited by our inability to efficiently utilize tax benefits, which impacted competitiveness
- Now utilizing tax equity to efficiently monetize tax benefits
- Currently using a "partnership flip" model, structured to support stable, long-term earnings
- We plan to grow through multiple channels
  - Shovel-ready expansion projects
  - Acquisitions of operating and late-stage development projects
  - New markets, customers, and product offerings
- Potential to add an incremental 200+ MW annually to our portfolio through 2020
  - Continue disciplined approach



Well-Positioned to Capture Renewables Growth

Strategy & Priorities

- Disciplined renewables growth with focus on expansion projects and acquisitions

Economics

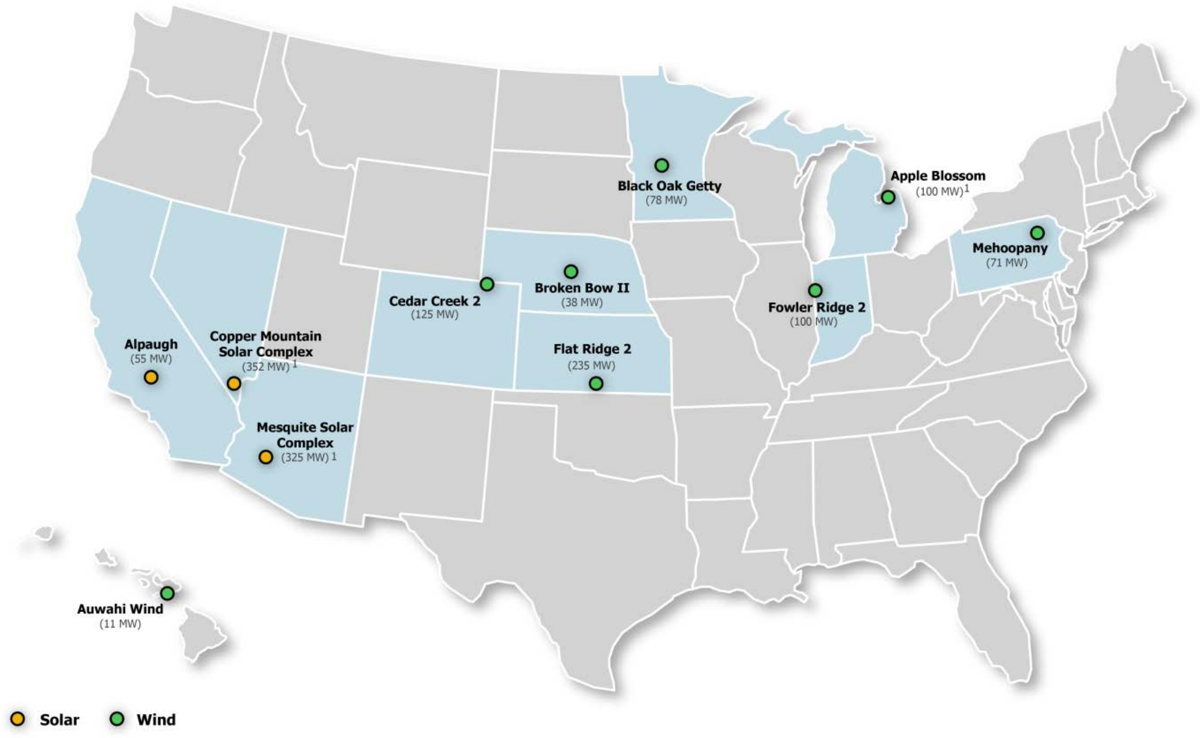
- Shift to tax equity to support stable earnings profiles
- Strong balance sheet provides access to capital to deploy
- Our shovel-ready expansion projects and execution capabilities will continue to deliver projects with strong returns

Timeline

- Complete on-going construction program and site build-outs
- Expand our platform into new markets

Appendix

Sempra U.S. Gas & Power Renewables Project Map



(1) Includes projects under construction
Map reflects Sempra's expected net ownership interests

Octávio Simões

President

Sempra LNG & Midstream

Analyst Conference
July 19, 2016

Integrated Strategy

Strategy & Priorities

- Leverage experience to capture new opportunities
- Existing assets provide foundation

Economics

- Strong, low-cost U.S. gas production growth
- Integrating downstream services creates upside potential

Timeline

- Optimize brownfield assets & package with pipelines
- Longer-term, expand footprint & explore new opportunities

Sempra® LNG & Midstream

LNG

Pipelines

Gas Storage

Other Liquids

Update Cameron LNG Trains 1 – 3

Overview

- Robust EPC contract with full-wrap performance guarantee
- Toll model expected to yield stable cash flow with no commodity exposure
- Top four leaders carry 100+ years combined experience

Progress

- Project ~50% complete
- On schedule & on budget
- Pipe racks & steel structure work
- Equipment on-site
- Cameron Interstate Pipeline's Holbrook station 70%+ complete

Milestones

- On-site workforce climbing to 8,000+ people in 2016
- Start-up & operations in 2018
- 2019 expected first full year of production
  - Projected earnings of $300M-$350M
- Expect financial completion including guarantee release by 2H 2019

Building Cameron LNG Trains 1 – 3

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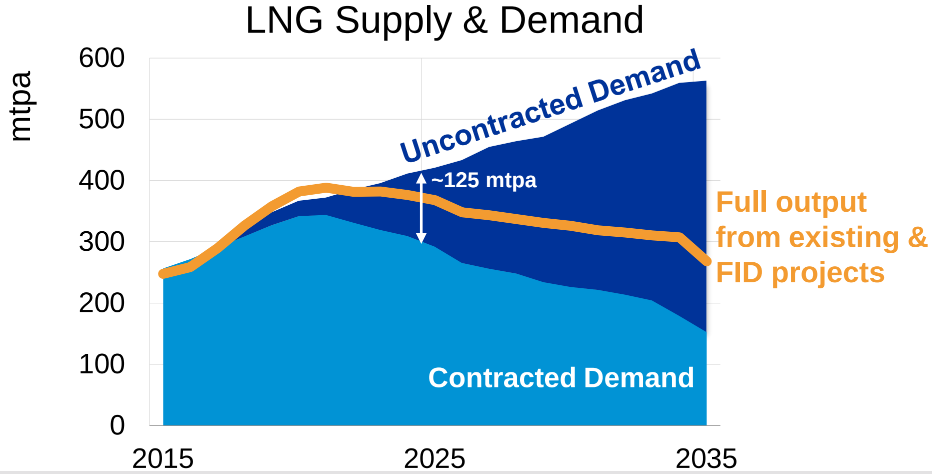
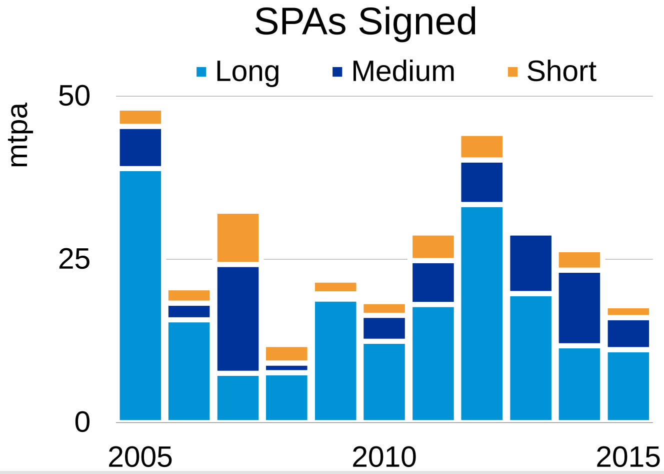
Global LNG Market Overview

Demand Growth & Contracts are Cornerstones

- Contract expirations provide opportunity for U.S. LNG to displace oil-linked contracts
- Suppliers & buyers recognize that long-term SPAs underpin new liquefaction capacity
- Australia’s unsold supplies amount to less than 10% of uncontracted demand in 2025

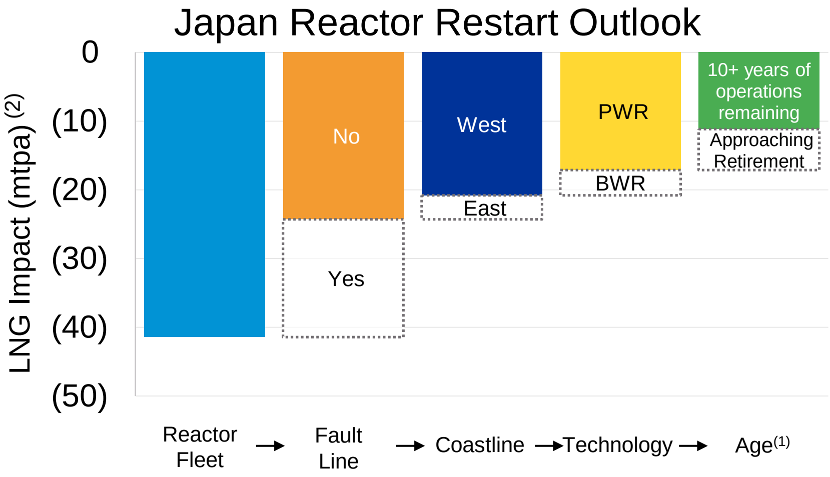


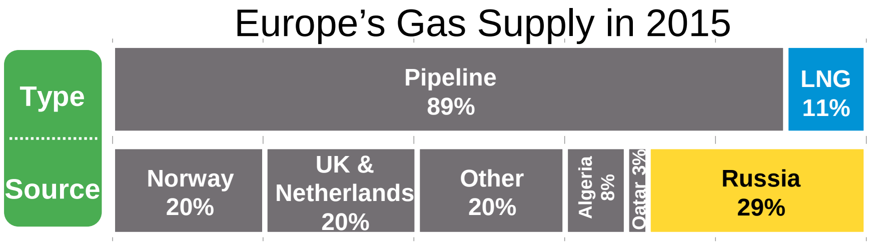


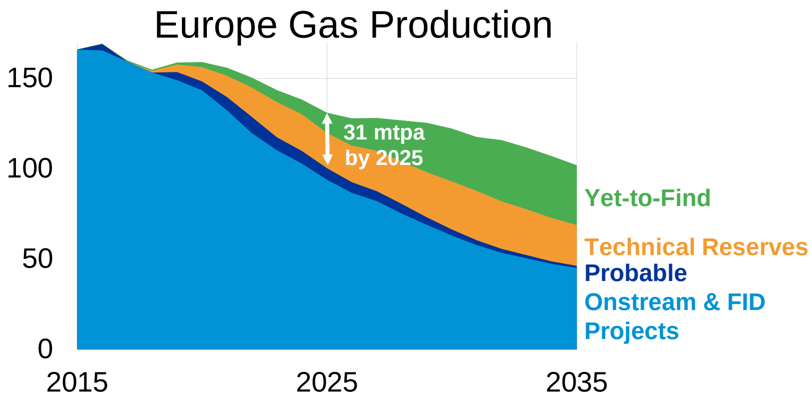
Source: Wood Mackenzie, LNG Outlook, 2H 2015.
- mtpa = million tons per annum.
- FID = Final Investment Decision.
- Long-term Sales & Purchase Agreements (SPAs) = 15 to 20 years. Medium-term SPAs = 4 to 14 years, Short-term SPAs = 1 to 3 years.

Evolving Demand & Supply Dynamics

- Greatest supply uncertainty is ability of international gas supply developments to compete against U.S. LNG
- Japanese demand may be understated







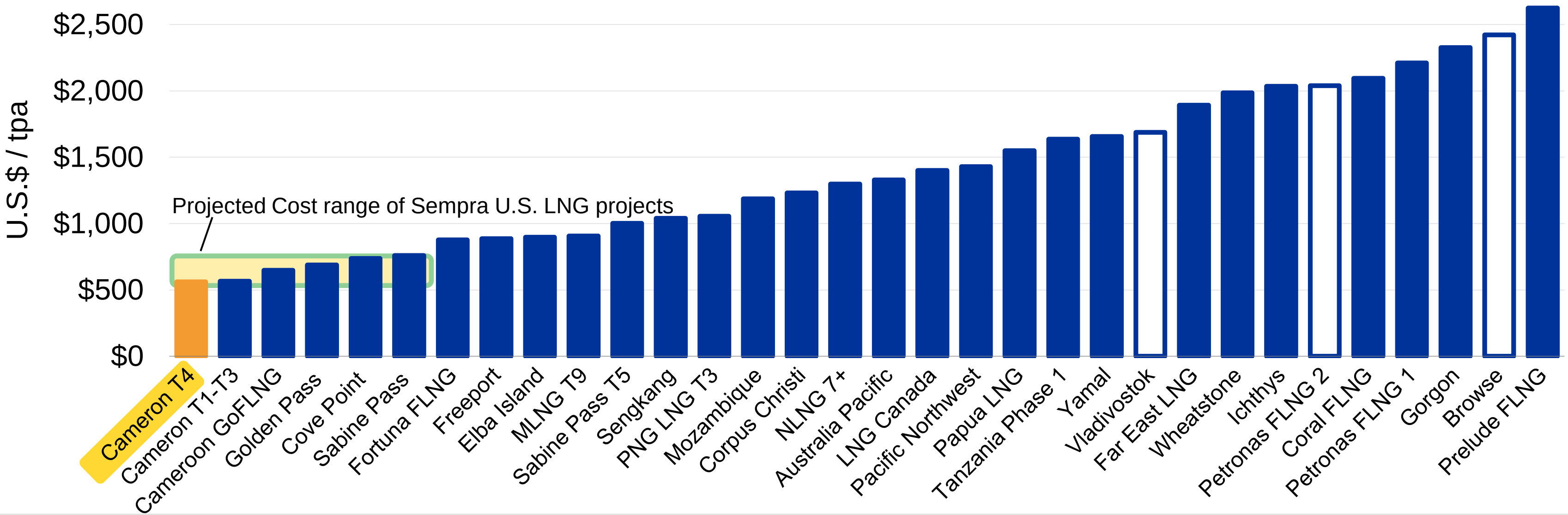
Source: Wood Mackenzie, Global Gas Outlook, LNG Outlook & Europe Gas Outlook 2H 2015

1) Chart assumes a 40-year operational lifetime for all reactors. Reactors which have submitted a restart application to the Japan NRA are included in the mix of reactors that are likely to return (i.e. in the green segment). Reactors 'approaching retirement' have less than 10 years of operational lifetime remaining.

2) LNG equivalent conversion factor for nuclear reactor generation capacity sourced from Sempra Energy

LNG Project Developments

- U.S. projects provide investors the most cost effective option for new developments, & more flexible supply to better suit customers' needs and uncertainties
- Project standardization and more competitive EPC terms reduce capex costs & risks



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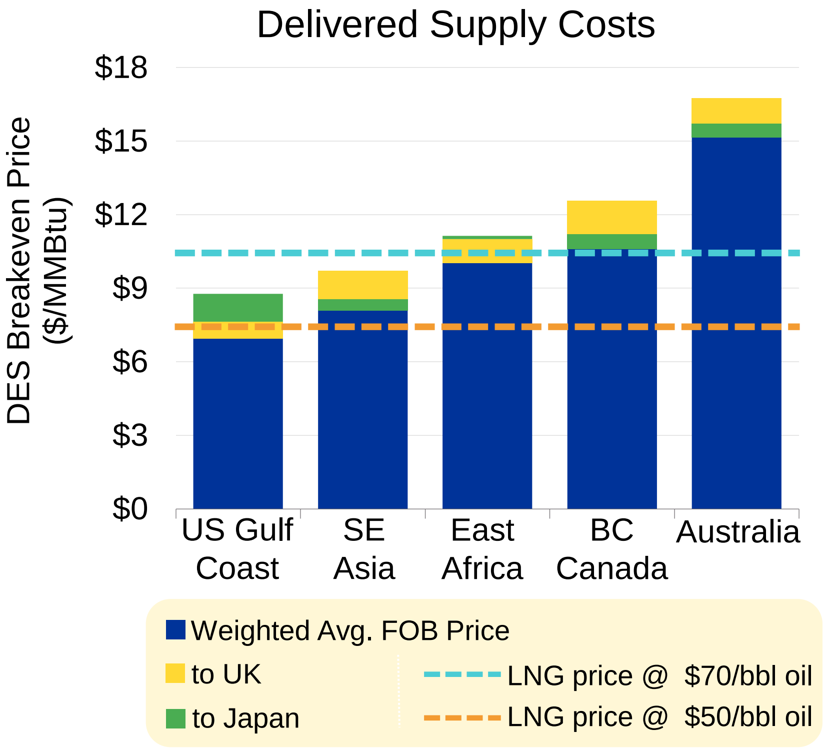
Source: Wood Mackenzie, LNG Outlook 2H 2015.

- Capex is unlevered, does not include integrated upstream or midstream projects, assumes cost over runs & COD delays. Project capex based on public data & WoodMac's research, and is not based on project owner's official guidance.
- Yamal LNG reached FID and has begun construction, but has yet to secure enough financing to complete project.

Low Cost U.S. LNG Helps Meet Buyers' Objectives

- Buyers' Needs & Objectives
  - Competitive price
    - Cost-plus model or profit-sharing, matching end-users' price model, price transparency, and intense inter-fuel & LNG-on-gas competition
  - Contract flexibility: Volume, destination, and risk management
  - Reliability
  - Carbon footprint
- Competitive advantages of U.S. supply
  - Lowest cost delivered LNG to UK & Japan
  - Existing infrastructure
  - Construction & labor availability
  - Access to financing
- Low cost U.S. LNG priced in by buyers but not optionality provided by contract flexibility, reliability needs, and carbon footprint



Source: Wood Mackenzie, LNG Outlook 2H 2015.
- DES = Delivered Ex Ship.
- FOB = Free on Board.
- USGC FOB Breakeven Price assumes long-run Henry Hub price of US$3.8/MMbtu (2015 real terms) & Brent price of $70/bbl.
- LNG price at $70/ bbl & $50/bbl Brent price assumes 0.148 slope.

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Project Outlook & Opportunities

Cameron LNG – Train 4 Opportunity[(1)]

- Sempra LNG Marketing holds 50% of expansion capacity of Trains 4 & 5
- Existing project footprint streamlines permitting
- More competitive $/tpa than base project
  - Utilize existing design
  - Duplicate EPC execution
  - Rollover construction activity
- Integrated opportunities with pipeline to trading hubs

Artist rendition

1) The expansion of the Cameron LNG facilities beyond the first three trains is subject to a number of risks and uncertainties. Please refer to the "Risk Factors" section of our most recent Annual Report on Form 10-K for a description of the risks associated with this opportunity.

Cameron LNG – Train 4 Commercial

Artist rendition

- Present LNG market saturated
- Sempra's offering most attractive LNG supply option for 2020's
- Portfolio players are likely counterparties, with 20-year SPAs being negotiated
- Binding SPAs rather than non-binding MOUs facilitate large capex commitments

Port Arthur LNG – Opportunity Overview[1]

- Opportunity for co-facilities & expansion
- Site optimally located for feedgas
- Waterway optimal for largest LNG vessels
- Previously permitted as import terminal
- ✓ FERC pre-filing notice (Mar 2015)
- ✓ FTA export permit issued (Aug 2015)
- ✓ Entered PDA with Woodside (Feb 2016)
- ✓ Value engineering process

Artist rendition

1) Development of Port Arthur LNG is subject to a number of risks and uncertainties. Please refer to the "Risk Factors" section of our most recent Annual Report on Form 10-K for a description of the risks associated with this opportunity.

ECA LNG – Opportunity Overview[1]

- Potentially lowest cost liquefaction on West Coast of the Americas
- Existing regas terminal & U.S.-Mexico border crossing pipelines
- Will only proceed if opportunity is better than current regas business
- Strategic Pacific Basin location with Q-max capabilities

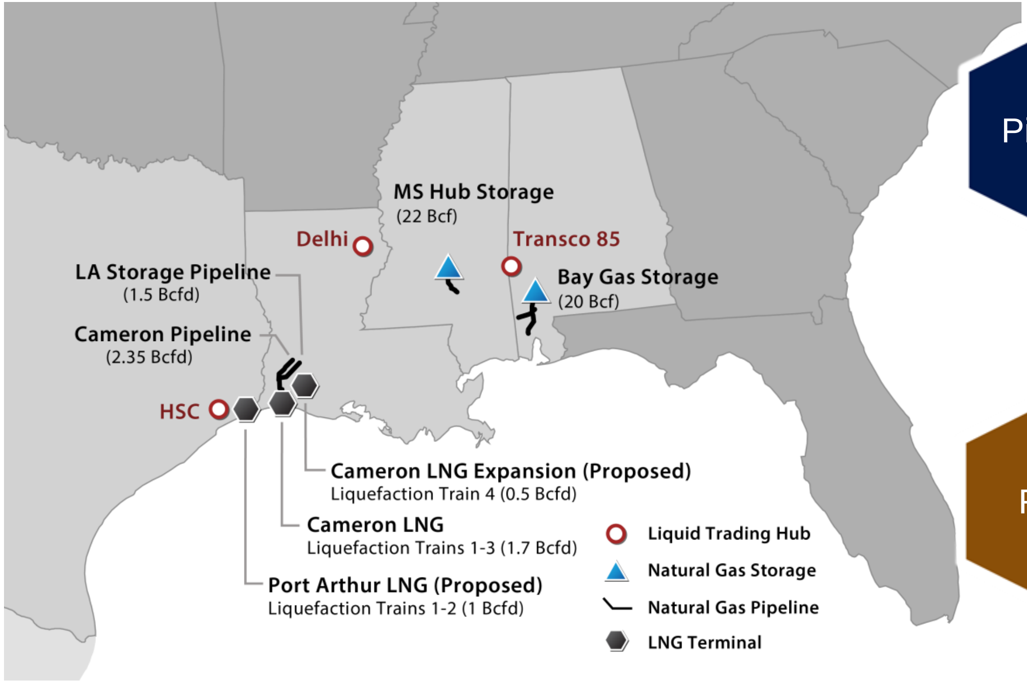
✓ Entered MOU with Pemex (2015)

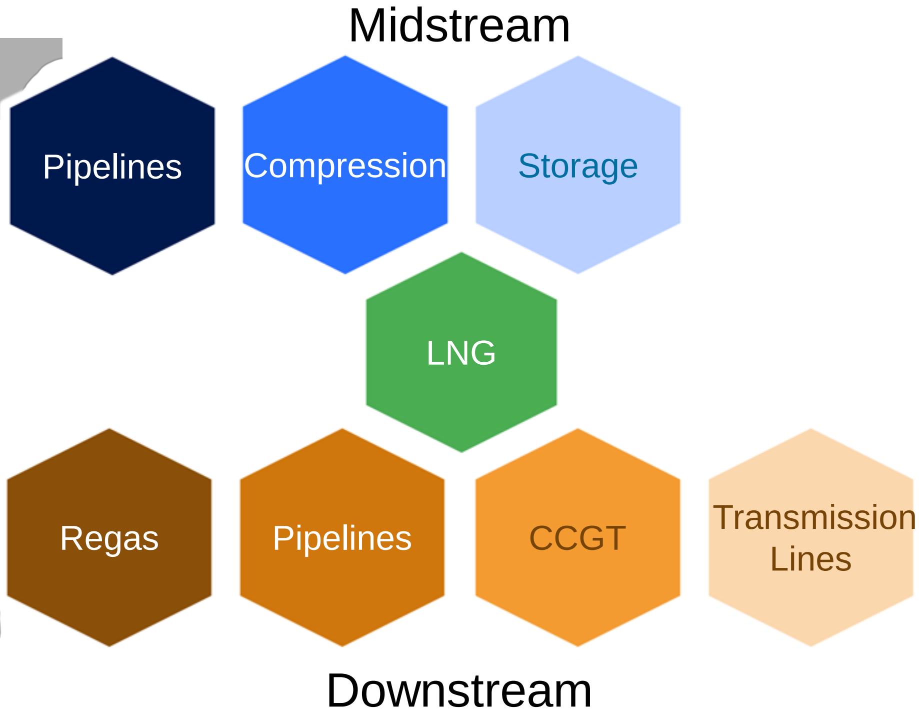
✓ Completed preliminary engineering and technical feasibility studies (2015)

Artist rendition

1) Development of ECA LNG is subject to a number of risks and uncertainties. Please refer to the “Risk Factors” section of our most recent Annual Report on Form 10-K for a description of the risks associated with this opportunity.

Integrated Opportunities





Joe Householder

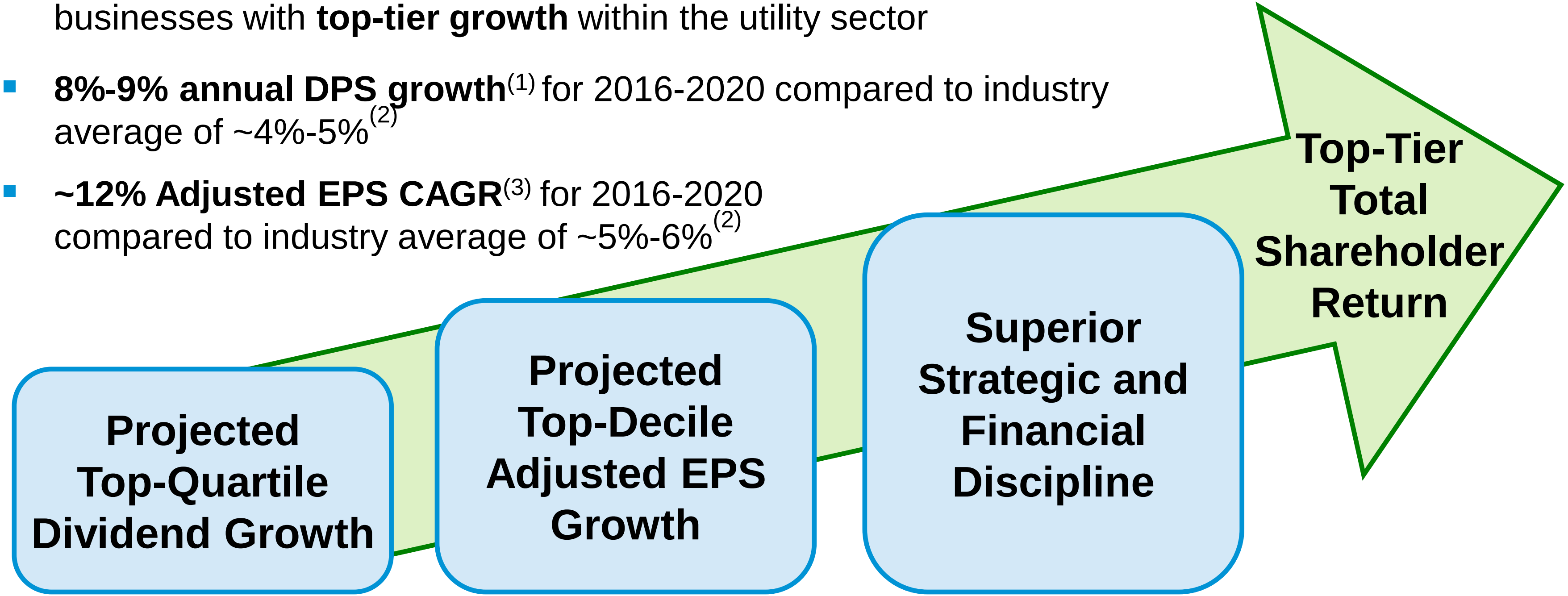
Executive Vice President & Chief Financial Officer

Financial

Analyst Conference
July 19, 2016

Why Invest in Sempra: Maximizing Long-Term Value with Projected EPS & DPS Growth Roughly 2x the Utility Average

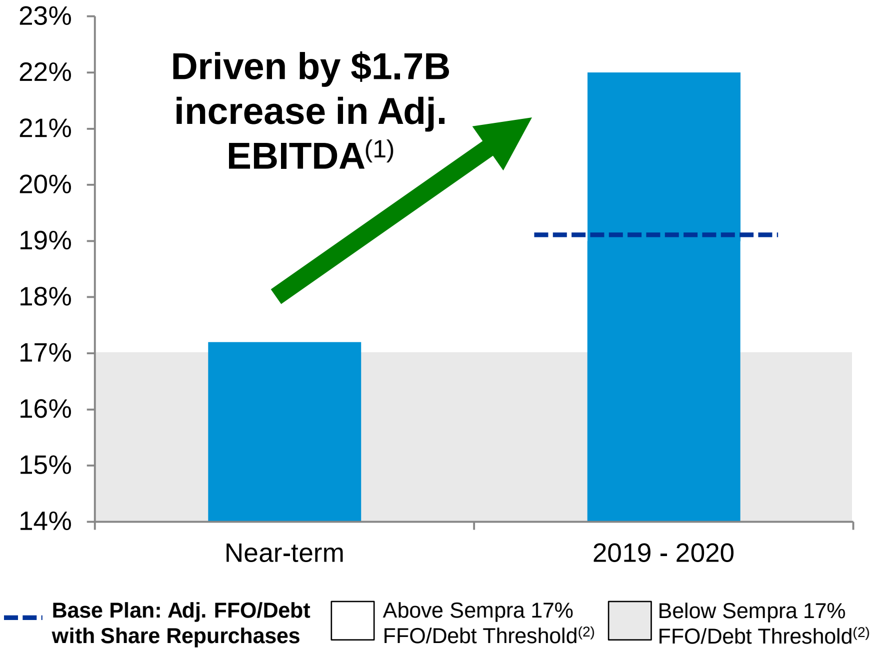
- **Continuing to deliver** on our strategy of utility and long-term contracted businesses with **top-tier growth** within the utility sector
- **8%-9% annual DPS growth**(1) for 2016-2020 compared to industry average of ~4%-5%(2)
- **~12% Adjusted EPS CAGR**(3) for 2016-2020 compared to industry average of ~5%-6%(2)



1) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.
2) Utility average represents estimated average long-term EPS and DPS CAGRs of the S&P 500 Utilities Index, excluding Sempra Energy, AGL Resources, American Water Works Co., NRG Energy, and Pepco Holdings and is from Bloomberg.
3) Projected Adjusted Earnings-Per-Share CAGR for the period 2016 - 2020 is a non-GAAP measure. See appendix for further details.

Healthy Balance Sheet and Credit Position Provide Dry Powder to Improve Total Shareholder Return (TSR)

Sempra Adj. FFO to Debt[2] Growth Through Plan



- Projected balance sheet strength supports growing dividend and provides $1B-$3B[2] of projected credit capacity for TSR improvement after Marine Pipeline in Mexico
- Adj. FFO to Debt[3] metrics initially projected to rise to ~22% by 2020
  - ~$850M Marine Pipeline uses a portion of our credit capacity to reduce adj. FFO to Debt metrics to ~21% by 2020
  - Base Plan Scenario also includes optional share repurchase that reduces adj. FFO to Debt back down to ~19% by 2020
  - Base Plan Debt to Total Capitalization remains 54% from 2016 to 2020[4]

1) Projected adjusted EBITDA is a non-GAAP measure. See appendix for further details.
2) $1B-$3B of projected credit capacity is updated from $2B-$4B discussed in the Q1 2016 earnings call and slides to reflect the award of the Marine Pipeline bid in Mexico.
3) Adjusted funds from operations (FFO), adjusted debt and adj. FFO to Debt percentage are non-GAAP measures. See appendix for further details. On a GAAP basis, FFO range in 2020 is $3,800M-$3,900M. On a GAAP basis, projected FFO to Debt range in 2020 is 22.9%-23.1% before optional share repurchase and 20.4%-20.6% after optional share repurchase. On a GAAP basis, the debt range in 2020 is $16,600M-$16,900M. Adj. FFO and Adj. FFO to Debt calculations based on the latest Moody's Regulated Electric and Gas Utilities Methodology published December 2013. Moody's Baa1 range is 17% - 20% based on Moody's Sempra report published in July 2015.
4) See appendix for debt to total capitalization detail.

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Strong Anticipated Utility Growth and LNG Support Projected ~12% Adjusted EPS CAGR for 2016 – 2020[1]

($M except EPS and shares)	2016[2]			2017			2020		
Sempra Base Plan Earnings Guidance	**Low**	**-**	**High**	**Low**	**-**	**High**	**Low**	**-**	**High**
SDG&E[3]	$550	-	$600	$575	-	$625	$660	-	$710
SoCalGas[3]	380	-	420	390	-	430	465	-	515
USG&P - Renewables	45	-	55	65	-	75	70	-	80
USG&P - Natural Gas	(60)	-	(50)	(60)	-	(50)	295	-	365
International	380	-	410	410	-	440	520	-	560
Parent & Other	(175)	-	(145)	(185)	-	(155)	(280)	-	(250)
Sempra Earnings/Adjusted Earnings	**$1,120**	**-**	**$1,290**	**$1,195**	**-**	**$1,365**	**$1,730**	**-**	**$1,980**
Avg. diluted shares outstanding		*253*			*255*			*245*	
EPS/Adjusted EPS	**$4.60**	**-**	**$5.00**	**$4.80**	**-**	**$5.20**	**$7.20**	**-**	**$7.80**
Adjusted EPS CAGR[1]								***12%***	

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1) Projected Adjusted Earnings-Per-Share CAGR for the period 2016 - 2020 is a non-GAAP measure. See appendix for further details. Adjusted EPS CAGR is calculated from the midpoint of the 2016 range to the midpoint of the 2020 range. Growth rates for each individual year may vary.
2) Projected 2016 Plan adjusted earnings for Sempra, SDG&E, SoCalGas, USG&P - Natural Gas and International and Sempra adjusted EPS are non-GAAP measures. See appendix for further details.
3) California Utility adjusted earnings reflects GRC final decision and no additional change to regulated returns on equity or approved capital structures.

Strong Anticipated Utility Growth and LNG Support Projected ~12% Adjusted EPS CAGR for 2016 – 2020(1)

($M except EPS and shares)	2016(2)			2017			Scenario Without Share Repurchases 2020			2016-2020	Base Plan: Scenario With Share Repurchases 2020			2016-2020
Sempra Base Plan Earnings Guidance	**Low**	**-**	**High**	**Low**	**-**	**High**	**Low**	**-**	**High**	**CAGR(1)**	**Low**	**-**	**High**	**CAGR(1)**
SDG&E(3)	$550	-	$600	$575	-	$625	$660	-	$710		$660	-	$710	
SoCalGas(3)	380	-	420	390	-	430	465	-	515		465	-	515	
USG&P - Renewables	45	-	55	65	-	75	70	-	80		70	-	80	
USG&P - Natural Gas	(60)	-	(50)	(60)	-	(50)	295	-	365		295	-	365	
International	380	-	410	410	-	440	520	-	560		520	-	560	
Parent & Other	(175)	-	(145)	(185)	-	(155)	(215)	-	(185)		(280)	-	(250)	
Sempra Earnings/Adjusted Earnings	**$1,120**	**-**	**$1,290**	**$1,195**	**-**	**$1,365**	**$1,795**	**-**	**$2,045**	**12%**	**$1,730**	**-**	**$1,980**	**11%**
Avg. diluted shares outstanding		*253*			*255*			*260*				*245*		
EPS/Adjusted EPS	**$4.60**	**-**	**$5.00**	**$4.80**	**-**	**$5.20**	**$6.90**	**-**	**$7.50**	**11%**	**$7.20**	**-**	**$7.80**	**12%**
Base Plan Adj. EPS w/out REX Sale (4)	***$4.80***	**-**	***$5.20***	***$5.00***	**-**	***$5.40***	***$6.90***	**-**	***$7.50***	***10%***	***$7.20***	**-**	***$7.80***	***11%***

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1) Projected Adjusted Earnings-Per-Share CAGR for the period 2016 - 2020 is a non-GAAP measure. See appendix for further details. Adjusted EPS CAGR is calculated from the midpoint of the 2016 range to the midpoint of the 2020 range. Growth rates for each individual year may vary.
2) Projected 2016 Plan adjusted earnings for Sempra, SDG&E, SoCalGas, USG&P - Natural Gas and International and Sempra adjusted EPS are non-GAAP measures. See appendix for further details.
3) California Utility adjusted earnings reflects GRC final decision and no additional change to regulated returns on equity or approved capital structures.
4) Base Plan Adj. EPS without REX Sale is a non-GAAP measure. See appendix for further details.

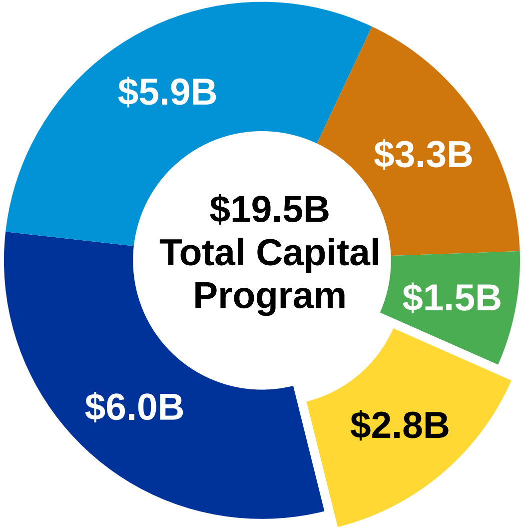
2016-2020 Projected Plan Capex Program Aligned with Key Growth Drivers

SoCalGas

- $2.5B of base spending on safety and reliability
- $2.7B on other safety and reliability projects

SDG&E

- $2.3B of base spending on safety and reliability
- $1.5B on other safety and reliability projects
- $0.5B on projects that support clean power delivery and grid modernization



CA Utilities spending makes up ~70% of on-balance sheet Capex

International

- $2.4B on Pemex JV acquisition and natural gas pipelines
- $0.8B in base spending for South American Utilities

USG&P

- $1.1B on renewable projects
- $0.3B on Cameron Trains 1 – 3

Joint Ventures
(Off-Balance sheet)

- $2.8B for Cameron Trains 1 – 3

Base Plan Anchored by Utility and Long-Term Contracted Assets While Development Opportunities Provide Upside

$11B – $13B Development Opportunities Not in the Base Plan[(1)]:

California Utilities

- Energy Storage
- Mobile Home Park Master Meter Full Implementation
- **Distributed Storage**
- Otay Mesa Energy Center Put/Call (option)
- Heavy Duty Fueling Infrastructure
- Enhanced Billing System Implementation
- **Sycamore-Penasquitos Transmission Line**
- Distributed Energy Resources Tariff
- Distributed Generation
- Electrification of California
- Gas Distribution Safety & Environmental
- Electric Transmission Competitive Bids
- **Vehicle Grid Integration - Residential and Commercial Fleet**

Latin America

- ECA Liquefaction[(3)]
- CFE Pipelines
- **CFE Transmission**
- Additional Hydro
- Further Pemex JV Growth
- **Pemex Refined Products**
- **Renewable Auctions**
- Additional Electric Transmission in Chile
- **Additional South America pipelines**

Natural Gas

- Cameron LNG Train 4[(3)]
- Port Arthur LNG Train 1 & 2[(3)]
- **LNG Integrated**
- Port Arthur Pipeline[(3)]
- LA Storage

U.S. Renewables

- Additional Solar and Wind Projects

$19.5B Capital Program Plus $1.5B Optional Share Repurchase Within the Base Plan[(1)]:

California Utilities

- Base Capital
- Pipeline Safety and Enhancement Plan
- Pipeline Safety and Reliability Project
- Cleveland National Forest
- South Orange County Reliability Enhancement Project
- DIMP/TIMP/SIMP
- Voltage Support & Stability Projects
- Advanced Meter
- Mobile Home Park Master Meter
- Turbine Replacement
- **Vehicle Grid Integration**
- South Bay Substation
- Sycamore to Penasquitos Tie Line
- Biogas Conditioning Services Tariff
- Solar PV
- Native Gas
- Compression Services Tariff

Latin America

- **Pemex JV Acquisition**
- CFE Pipelines (Sonora, Ojinaga)
- **Marine Pipeline[(2)]**
- Los Ramones Norte[(2)]
- **San Isidro-Samalayuca Pipeline**
- Eletrans I Transmission[(2)]
- Eletrans II Transmission[(2)]

Natural Gas

- Cameron LNG Trains 1-3
- Cameron Interstate Pipeline

U.S. Renewables

- **Mesquite Solar 2 (MS 2)**
- **Mesquite Solar 3 (MS 3)**
- Copper Mountain Solar 4 (CMS 4)
- **Black Oak Getty Wind**
- **Apple Blossom Wind**

Parent

- **Optional Share repurchases (expect to replace with green box projects)**

1) Capex and investments include both on- and off-balance sheet capital spend and potential share repurchases. Projects in bold in the blue box represent new projects captured in the Base Plan since the 2015 Analyst Conference and, in the green box, development projects added since the 2015 Analyst Conference.
2) Capital to be funded by JV entities not included in the $19.5B capital program total, except Cameron JV, but does include Sempra's expected cash equity contributions to JVs.
3) Capital to be funded by JV entities not included in the $11B-$13B development opportunities, but does include Sempra's expected cash equity contributions to JVs.

Base Plan Anchored by Utility and Long-Term Contracted Assets While Development Opportunities Provide Upside

$11B – $13B Development Opportunities Not in Base Plan(1)

California Utilities
- Energy Storage
- Mobile Home Park Master Meter Implementation
- **Distributed Storage**
- Otay Mesa Energy Center Put/Call (option)
- Heavy Duty Fueling Infrastructure
- **Sycamore-Penasquitos Transmission Line**
- Distributed Energy Resources Tariff
- Gas Distribution Safety & Environmental
- **Vehicle Grid Integration**
- **Residential and Commercial Fleet**

Latin America
- ECA Liquefaction
- CFE Pipelines
- Further Pemex JV Growth
- **Pemex Refined Products**
- Additional Electric Transmission in Chile
- **Additional South America pipelines**

Natural Gas
- Cameron LNG Train 4
- Port Arthur LNG Train 1 & 2
- Port Arthur Pipeline
- LA Storage

U.S. Renewables
- Additional Solar and Wind Projects

$19.5B Total Capital Program Plus $1.5B Placeholder Share Repurchase in Base Plan(1)

California Utilities
- Base Capital
- Pipeline Safety
- Cleveland National Forest
- Voltage Support & Stability Projects
- Advanced Meter
- Mobile Home Park Master Meter
- Turbine Replacement
- Sycamore to Penasquitos Line
- Biogas Conditioning Services Tariff
- Compression Services Tariff

Latin America
- **Pemex JV Acquisition**
- Los Ramones
- **San Isidro-Samalayuca**
- Eletrans II Transmission

Natural Gas
- Cameron LNG Trains 1-3

U.S. Renewables
- **Mesquite Solar 2 (MS 2)**
- **Mesquite Solar 3 (MS 3)**
- Copper Mountain Solar 4 (CMS 4)
- **Black Oak Getty Wind**
- **Apple Blossom Wind**

Parent
- **Optional Share repurchases (expect to replace with green box projects)**

"Green-box" projects could replace potential share repurchases to increase base plan growth CAGR and/or sustain growth beyond 2020

12%+ CAGR

~12% Adj. EPS CAGR(2)

1) Total Capital Program includes both on- and off-balance sheet capital spending.
2) Projected Adjusted EPS CAGR is calculated from the midpoint of the 2016 range to the midpoint of the 2020 range. Growth rates for each individual year may vary. Projected Adjusted EPS CAGR for the period 2016 - 2020 is a non-GAAP measure. See appendix for further details.

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Flexible Access to Capital for Our Development Opportunities with a Commitment to Credit Ratings

Variety of options to most <u>efficiently finance growth</u>

- **<u>Raise Debt</u>**: Sempra, CA Utilities, International, Cameron
- **<u>Raise Equity</u>**: Sempra, IEnova, Luz del Sur
- **<u>Tax Equity</u>**: Renewables
- **<u>Joint Ventures</u>**: Cameron, Renewables, International
- **<u>Credit Facility</u>**: Sempra, CA Utilities, IEnova
- **<u>Recycle Capital</u>**: Foreign Cash, Divestitures

Commitment to Strong Investment-Grade Credit Ratings

Sempra Energy
Baa1 / BBB+
Debt / Cap: 54%[2]

San Diego Gas & Electric
Aa2 / A+[3]
Debt / Cap: 47%[2]

Southern California Gas
Aa2 / A+[3]
Debt / Cap: 44%[2]

Cameron LNG
A3 / A-[1]

IEnova
Baa1
Debt / Cap: 15%[2]

Luz del Sur
AAA (local)
Debt / Cap: 43%[2]

Chilquinta
AA (local)
Debt / Cap: 21%[2]

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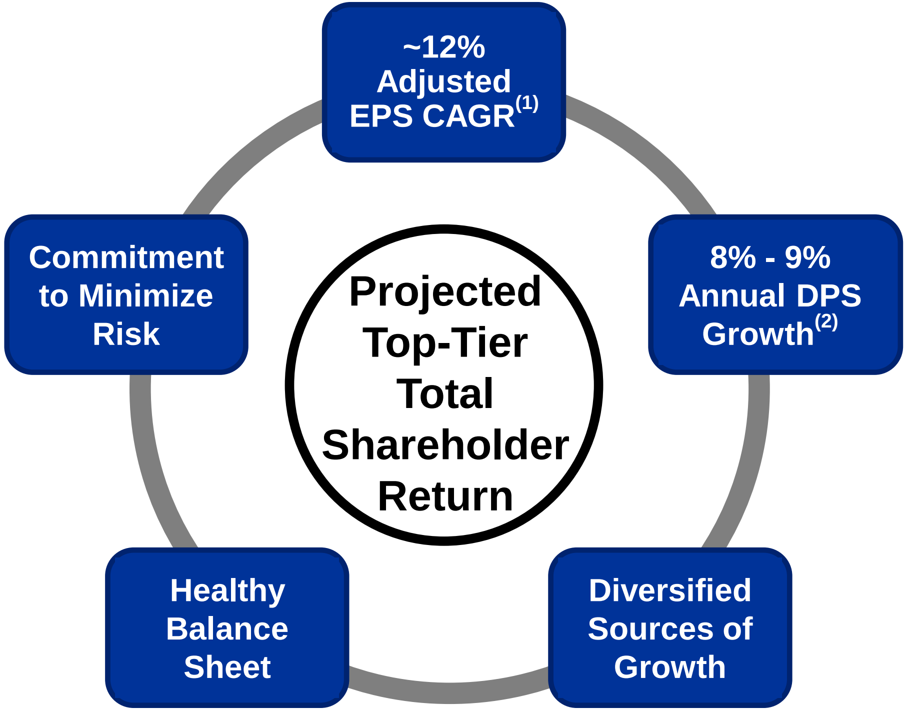
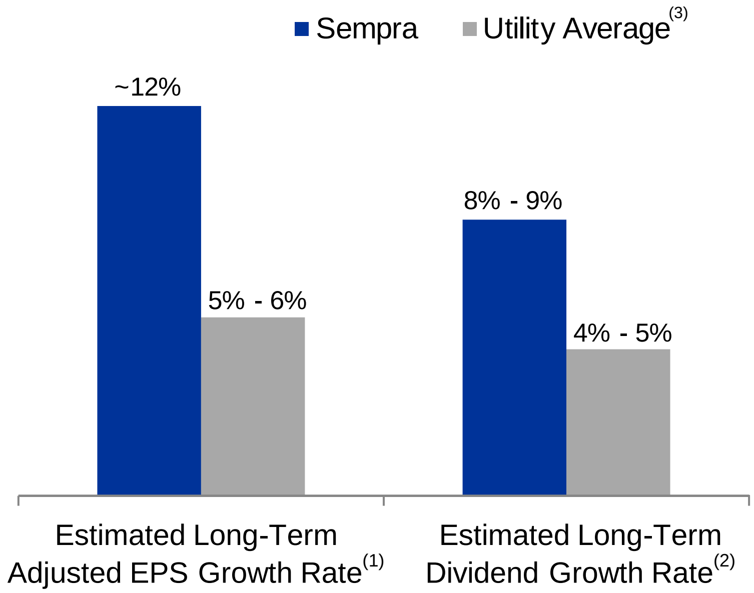
1) Project financing, non-recourse to Sempra once project meets “financial completion” criteria in credit documents.
2) Debt / Capitalization as of December 31, 2015.
3) Rating of the respective Utility company’s secured debt.

Sempra's Value Proposition: Driving Projected Total Shareholder Return Above the Utility Industry Average



Sempra's Estimated Adjusted EPS[1] & DPS[2] Growth Roughly Double the Utility Average



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1) Projected Adjusted EPS CAGR is calculated from the midpoint of the 2016 range to the midpoint of the 2020 range. Growth rates for each individual year may vary. Projected Adjusted EPS CAGR for the period 2016 - 2020 is a non-GAAP measure. See appendix for further details.
2) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.
3) Utility average represents estimated average long-term EPS and DPS CAGRs of the S&P 500 Utilities Index, excluding Sempra Energy, AGL Resources, American Water Works Co., NRG Energy, and Pepco Holdings and is from Bloomberg.

Appendix

5-Year On-Balance Sheet Base Plan Capex Primarily Driven by Investments at the CA Utilities(1)(2)

	2016	2017			2018-2020 Averages		
($M)		Low	–	High	Low	–	High
SDG&E	$1,300	$1,050	–	$1,250	$1,100	–	$1,300
SoCalGas	1,400	900	–	1,100	1,100	–	1,300
California Utilities	2,700	1,950	–	2,350	2,200	–	2,600
U.S. Gas & Power	1,100	300	–	350	0	–	50
International[3]	1,800	700	–	800	200	–	250
Total	**$5,600**	**$2,950**	**–**	**$3,500**	**$2,400**	**–**	**$2,900**

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1) Capital to be funded by JV entities is not included, but any currently expected Sempra cash equity contributions are included.
2) Parent and Other not shown.
3) Includes investment of ~$1B expected in 2016 for acquisition of Pemex's 50% interest in Gasoductos de Chihuahua JV. The terms and conditions of the transaction are under negotiation and there can be no assurance that an agreement will be reached or that necessary approvals will be obtained.

Credit Facilities Provide Strong Liquidity[1]

($M)	California Utilities	Sempra Global	Sempra Energy		Stand-Alone International
	SDG&E / SoCalGas	Sempra U.S. Gas & Power / Sempra International	*Corporate*	Sempra Energy	IEnova / Chilquinta / Luz del Sur
Aggregate bank commitments	$1,000	$2,210	$1,000	$4,210	$1,147
Outstanding letters of credit / bank guarantees	0	0	0		(15)
Outstanding borrowings / commercial paper	(166)	(879)	0	(1,045)	(256)
Available capacity under facilities	**$834**	**$1,331**	**$1,000**	**$3,165**	**$876**

- Sempra Energy and applicable subsidiaries amended and extended their existing credit facilities in October 2015
- In aggregate, Sempra Energy consolidated borrowing capacity has increased by ~$400M compared to the prior credit facilities from March 2012

1) Amounts as of March 31, 2016.

Healthy Balance Sheet and Credit Position Provide Options to Improve TSR

Debt-Equity Balances

($bn)	Debt	Equity	Debt / Cap
December 31, 2015	**$14.7**	**$12.6**	***54%***
Operating activities			
Earnings	(7.8)	7.8	
Depreciation & amortization	(7.4)		
Working capital & other non-cash	(2.1)		
Subtotal	**(17.3)**	**7.8**	
Investing activities			
Capital expenditures and investments	16.7		
Other investing activities	(1.6)		
Subtotal	**15.1**		
Financing activities			
Dividends	4.2	(4.2)	
Potential Share buyback[(1)]	1.5	(1.5)	
Non-controlling interest	(0.9)	1.5	
Subtotal	**4.8**	**(4.2)**	
Other			
Change in cash	0.9		
Other	0.3	(0.3)	
Subtotal	**1.2**	**(0.3)**	
December 31, 2020[(2)]	**$18.5**	**$15.9**	***54%***

No Sempra Equity Required in the Plan[(3)]

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1) Represents placeholder potential share repurchases at the beginning of 2019 and 2020 in order to maintain capital structure.
2) Projected debt and equity balances.
3) Excluding Dividend Reinvestment Program and other employee plans. Sempra Equity may be required for capital spending above the 2016 – 2020 Base Capital Plan.

Estimated Price Sensitivities in 2016 Adjusted Earnings[1] Guidance and Other Key Drivers That May Impact Earnings

Key Commodity and Market Forecasts	Current Guidance Assumption	Change in Assumption	Approximate 2016 Forecasted Earnings Sensitivity
Natural Gas Prices[2] ($/MMBtu)	$2.60	$1.00 increase/decrease	+/- $15M in U.S. Gas & Power
Foreign Currency Exchange Rates[3]	17.8 MXN/USD 702 CLP/USD 3.4 PEN/USD	5% appreciation/depreciation 5% appreciation/depreciation 5% appreciation/depreciation	-/+ $10M in Mexico +/- $3M in Chile +/- $6M in Peru

Other Key Business Drivers That May Impact Adjusted Earnings Guidance[1][4]

- Counter Party Credit Status
- Natural Gas Storage Rates
- 2019 General Rate Case
- Cost of Capital – CA Utilities (2018)
- Asset Sales / Acquisitions
- LNG Development Expenses Beyond 2016
- Change in Repatriation Assumptions

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1) Adjusted earnings is a non-GAAP measure. See later in appendix for further details.
2) Annual average SoCal Border price.
3) Source: Bloomberg forward curve at year-end for Mexico and average forecasted exchange rates from LatinFocus (December 2015) for South America. For Mexico, the earnings sensitivity includes an offset related to inflation. For South America, earnings sensitivities reflect the translation impact on earnings and exclude foreign exchange rate impacts on tariff adjustments. In all cases, we engage in hedging activity from time to time that may limit earnings sensitivity for larger changes in currency rates than those reflected above.
4) Please refer to most recent Annual Report on Form 10-K for a description of Risk Factors that may affect our businesses.

2016 – 2020 Key Plan Assumptions[1]

Updated Assumptions for 2016 – 2020 Financial Plan

California Utilities

- Rate base 2016 to 2020 CAGR: SDG&E = ~7%, SoCalGas = ~9%
- Revenue requirement for 2016 – 2018 based on GRC final decision; Revenue requirement for 2019 – 2020 grows at 3.5% attrition rate consistent with current GRC
  - 2016 – 2017 Cost of Capital same as 2015
  - Annual Earnings Impact of Cost of Capital true-up for 2018 – 2020: SDG&E = ~$(9M); SoCalGas = ~$(25M)
- 2016 and beyond repair allowance tax benefits go to ratepayers

U.S. Gas & Power

- Total LNG development expenses for Cameron Train 4, Port Arthur, and ECA terminals of $20M-25M in 2016 only
- 328MW of tax equity renewable projects will be in service by Q4-2016 with first full year of cash flows and earnings in 2017
  - Total investment of ~$875M in 2016; Sempra will receive ~$490M from the tax equity partners in Q4-2016
- 100MW announced Apple Blossom wind project will be in service by year-end 2017; planned as tax equity partnership
  - ~$160M investment between 2016 and 2017; Sempra will receive ~$85M from tax equity partners in Q4-2017

International

- Pemex JV acquisition closes Q3-16 with same 7 assets as originally proposed[2]; 2016 guidance excludes any gain associated with the JV acquisition (accretive by $0.02 in 2016, $0.05 in 2017, and $0.10 in 2020)
  - IEnova equity issuance in Q3-16 to fund Pemex JV acquisition with Sempra participation
- South America revenue growth consistent with historical sales growth (partially offset for FX devaluation)
- TDM power plant sale assumed to close in Q3-2016; 2016 guidance excludes any gain / loss associated with the sale

Consolidated / Parent

- Repatriation tax expense 2016 – 2018 only; Cash repatriation resumed 2017 – 2018; no cash repatriation 2019 – 2020
- Federal NOL through 2022 with tax credits expected to be utilized thereafter
- Assumed Parent new debt issuance interest rates for 2016 – 2020 Plan range from 4.5% to 5.5%
- Optional share repurchase of ~$1.5B split between 2019 & 2020 in order to rebalance capital structure and return Adj. FFO to Debt metrics to 19%[6]; intend to replace share repurchase with capital deployed for development projects

Key Market Assumptions	2016	2017	2019	2020
Storage Rates[3]				
2016 – 2020 Plan	$0.02	$0.04	$0.09	$0.10
2015 – 2019 Plan	$0.05	$0.08	$0.14	$N/A
SoCal Border Forward Gas Curve ($/MMBtu)[4]				
2016 – 2020 Plan	$2.60	$2.86	$3.19	$3.47
2015 – 2019 Plan	$3.58	$3.96	$4.47	$N/A
Average USD/MXN Exchange Rate[5]				
2016 – 2020 Plan	17.51	18.07	18.98	19.96
2015 – 2019 Plan	12.80	12.90	13.10	N/A
Average USD/CLP Exchange Rate[5]				
2016 – 2020 Plan	702	705	694	691
2015 – 2019 Plan	585	570	566	N/A
Average USD/PEN Exchange Rate[5]				
2016 – 2020 Plan	3.40	3.49	3.48	3.50
2015 – 2019 Plan	3.00	3.00	3.00	N/A

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1) These assumptions are based on management's current expectations and are subject to risks and uncertainties outside its control, and there can be no assurance that these assumptions will turn out to be valid. These assumptions also do not include the impacts of new accounting standards to be adopted in these years. See later in the appendix for further details.
2) Prior to closing of the transaction, the joint venture must conduct a bidding process for two assets, negotiate changes to the deal with Pemex reflecting the auction outcome and obtain regulatory approvals. There can be no assurance that an agreement will be reached or that necessary approvals will be obtained.
3) Weighted average storage rates for uncontracted and optimized capacity at Bay Gas and MS Hub.
4) Annual average SoCal Border price.
5) Sources: Bloomberg forward curve at year-end for Mexico and average forecasted exchange rates from LatinFocus (December 2015) for South America.
6) Adjusted FFO to Debt percentage is a non-GAAP measure. See appendix for further details. On a GAAP basis, the projected FFO to Debt range in 2020 is 22.9%-23.1% before optional share repurchase and 20.4%-20.6% after optional share repurchase.

Appendix
Non-GAAP Financial Measures

Table of Contents

Sempra 2016 Adjusted Earnings, 2016 Adjusted Earnings-Per-Share Guidance Range and Projected Adjusted Earnings-Per-Share CAGR for 2016 – 2020

Sempra Energy 2016 Base Plan Adjusted Earnings, Adjusted Earnings-Per-Share (EPS) Guidance Range and Projected Adjusted Earnings Per Share Compound Annual Growth Rate (CAGR) for the Period 2016 (Base Year) through 2020 (unaudited): Sempra Energy 2016 Adjusted Earnings and Adjusted Earnings-Per-Share Guidance Range of $4.60 to $5.00 exclude:

1) Any potential gain from the remeasurement of our equity method investment in Gasoductos de Chihuahua (GdC), a 50-50 joint venture between our Mexican subsidiary, IEnova, and Petróleos Mexicanos (PEMEX), in connection with the potential acquisition by IEnova of PEMEX's 50-percent interest in GdC,
2) any earnings impact from any transaction to sell the Termoeléctrica de Mexicali (TdM) natural gas-fired power plant in Mexico, including the $24 million deferred tax expense recorded in the first quarter of 2016,
3) a $27 million after-tax ($44 million pretax) Rockies Express impairment charge related to Sempra Natural Gas' investment in Rockies Express Pipeline LLC (Rockies Express) recorded in the first quarter of 2016,
4) after-tax charges to earnings expected in the second quarter of 2016 at SDG&E and SoCalGas of $31 million and $49 million, respectively ($52 million and $83 million pretax, respectively) due to a reallocation to ratepayers of the benefits of 2015 income tax repairs allowance deductions and the true-up of 2012 – 2014 estimates to actual, pursuant to the California Public Utilities Commission's final decision in the CA Utilities' 2016 General Rate Case,
5) approximately $120 million to $125 million after-tax charge ($200 million to $208 million pre-tax) expected in the second quarter of 2016 from Sempra Natural Gas' permanent release of uncontracted pipeline capacity,
6) approximately $70 million after-tax ($117 million pre-tax) gain from the pending sale of the parent company of Mobile Gas and Willmut Gas in 2016, and
7) the impact of any new accounting standards to be adopted in 2016 – 2020, inclusive of Accounting Standards Update (ASU) 2016-9, "Improvements to Employee Share-Based Payment Accounting," ASU 2014-09, "Revenue from Contracts with Customers" and related clarifying ASUs and ASU 2016-02, "Leases."

Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP (GAAP represents accounting principles generally accepted in the United States). Sempra Energy 2016 Base Plan Adjusted Earnings and Adjusted Earnings-Per-Share Guidance Range are non-GAAP financial measures. Because of the significance and nature of the excluded items, management believes these non-GAAP measures provide better clarity into the ongoing results of the business and the comparability of such results to prior and future periods and a basis for future compound annual earnings-per-share growth rates. Sempra Energy 2016 Base Plan Adjusted Earnings and Adjusted Earnings-Per-Share Guidance Range should not be considered an alternative to earnings, diluted EPS and EPS CAGR determined in accordance with GAAP. As the parties are in the process of restructuring the GdC transaction, an agreement for the sale of the TdM plant has yet to be obtained, and the impact of adopting new accounting standards is not known, any potential earnings impact, other than the TdM deferred income tax expense recorded in the first quarter of 2016 from these transactions, cannot be reasonably estimated for 2016 at this time. Accordingly, we are not able to provide a corresponding GAAP equivalent to our 2016 Base Plan Adjusted Earnings, our 2016 Adjusted Earnings-Per-Share Guidance Range, and our Adjusted EPS CAGR for 2016 – 2020.

Sempra Achieved Adjusted 1-, 3-, and 5-year EPS CAGR

(Dollars in millions, except per share amounts)	Years ended December 31, 2010	2012	2014	2015
Sempra Energy GAAP Earnings	$ 709	$ 859	$ 1,161	$ 1,349
Exclude:				
Gain on sale of Mesquite Power block 2	-	-	-	(36)
SONGS plant closure loss (adjustment)[1]	-	-	21	(15)
LNG liquefaction development expenses	-	-	-	10
Rockies Express impairment charge, net of Kinder Morgan receipt	-	214	-	-
Sempra Commodities losses	155	-	-	-
Sempra Energy Adjusted Earnings	$ 864	$ 1,073	$ 1,182	$ 1,308
Diluted earnings per common share:				
Sempra Energy GAAP Earnings	$ 2.86	$ 3.48	$ 4.63	$ 5.37
Sempra Energy Adjusted Earnings	$ 3.49	$ 4.35	$ 4.71	$ 5.21
Weighted-average number of shares outstanding, diluted (thousands)	247,942	246,693	250,655	250,923
% increase in GAAP EPS (EPS Growth Rate) in 2015 compared to 2014				16%
% increase in Adjusted EPS (Adjusted EPS Growth Rate) in 2015 compared to 2014				11%
GAAP Five-Year (2010 to 2015) CAGR				13%
Adjusted Five-Year (2010 to 2015) CAGR				8%
GAAP Three-Year (2012 to 2015) CAGR				16%
Adjusted Three-Year (2012 to 2015) CAGR				6%

Adjusted earnings and adjusted diluted earnings per share (EPS), and adjusted growth rates based on adjusted earnings per share are non-GAAP financial measures. Because of the significance and nature of the excluded items, management believes these non-GAAP measures provide better clarity into the ongoing results of the business and the comparability of such results to prior and future periods. These non-GAAP measures should not be considered an alternative to earnings, diluted EPS or EPS CAGR determined in accordance with GAAP. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP.

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1) Related to San Onofre Nuclear Generating Station at SDG&E. See non-GAAP reconciliation for SDG&E 2015 & 2016 and SoCalGas 2016 Adjusted Earnings in this appendix.

Sempra Increase in Adjusted EBITDA 2016 – 2020 (1 of 2)

(Dollars in millions)	**Low**	**-**	**High**
Sempra Energy 2020 GAAP Earnings	**$1,730**	**-**	**$1,980**
Add Back:			
Earnings attributable to noncontrolling interests and preferred dividends of subsidiaries	115	-	135
Sempra Energy 2020 GAAP Net Income	**$1,845**		**$2,115**
Add Back:			
Interest expense, net	755	-	805
Depreciation and amortization	1,575	-	1,675
Income tax expense	880	-	930
Sempra Energy 2020 EBITDA	**5,055**	**-**	**5,525**
Exclude:			
Equity earnings from certain unconsolidated subsidiaries, net of tax	(75)	-	(65)
Sempra Energy 2020 Adjusted EBITDA	**$4,980**	**-**	**$5,460**
Sempra Energy 2016 Adjusted EBITDA	$3,325	-	$3,715
Increase from 2016 to 2020	**$1,655**	**-**	**$1,745**

Sempra Increase in Adjusted EBITDA 2016 – 2020 (2 of 2)

Sempra Energy EBITDA and Adjusted EBITDA are non-GAAP financial measures. Sempra defines Adjusted EBITDA as net income before net interest expense, income tax expense (benefit), depreciation and amortization, less equity earnings from certain unconsolidated subsidiaries, primarily foreign entities for which earnings are recorded net of taxes.

Adjusted EBITDA is a non-GAAP supplemental financial measure that management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to our industry peers, without regard to historical cost basis of assets or financing methods;
- the ability of our business to support our dividends to common shareholders;
- our ability to incur debt and fund capital expenditures; and
- the viability of capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of Adjusted EBITDA provides useful information to investors in assessing our results of operations. The GAAP performance measure most directly comparable to Sempra Adjusted EBITDA is net income. Adjusted EBITDA should not be considered as an alternative to GAAP net income. Adjusted EBITDA has important limitations as an analytical tool because it excludes some but not all items that affect net income or earnings. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Additionally, because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Increase in Adjusted EBITDA from 2016 – 2020: As we discuss in the slide "Sempra 2016 Adjusted Earnings, 2016 Adjusted Earnings-Per-Share Guidance Range and Projected Adjusted Earnings-Per-Share CAGR for 2016 – 2020," we are unable to provide a corresponding GAAP equivalent for 2016 Adjusted Earnings. Accordingly, we are unable to provide a corresponding GAAP equivalent for the $1.7 billion projected increase in Adjusted EBITDA from 2016 – 2020.

Sempra Plan Adjusted Earnings and Adjusted EPS without REX Sale

(Dollars in millions, except per share amounts)	Low	-	High	Low	-	High	Low	-	High
	2017			2020			2020		
				Before optional share repurchase			After optional share repurchase		
Sempra Energy GAAP Earnings	**$1,195**	**-**	**$1,365**	**$1,795**	**-**	**$2,045**	**$1,730**	**-**	**$1,980**
Add:									
REX Earnings[1]	40	-	60	0	-	0	0	-	0
Base Plan Adjusted Earnings without REX Sale	**$1,235**		**$1,425**	**$1,795**		**$2,045**	**$1,730**		**$1,980**
Shares Outstanding (in millions)	255			260			245		
Base Plan Adjusted EPS without REX Sale	**$5.00**	**-**	**$5.40**	**$6.90**	**-**	**$7.50**	**$7.20**	**-**	**$7.80**

Sempra Plan Adjusted Earnings and Adjusted EPS without REX sale is a non-GAAP measure. Management believes that this measure provides a meaningful comparison to the Sempra Plan Adjusted EPS updated to reflect the REX sale. Non-GAAP measures are supplementary information that should be considered in addition to, but not as a substitute, for the information in accordance with GAAP.

As we discuss in the slide "Sempra 2016 Adjusted Earnings, 2016 Adjusted Earnings-Per-Share Guidance Range and Projected Adjusted Earnings-Per-Share CAGR for 2016 – 2020", we are unable to provide a corresponding GAAP equivalent for 2016 Adjusted Earnings and EPS. Accordingly, we are unable to provide Sempra Plan Adjusted Earnings and Adjusted EPS for 2016.

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1) Forecasted equity earnings had we not sold our investment in REX in the second quarter of 2016.

Sempra 2020 Adjusted FFO to Debt Ratio (1 of 3)

(Dollars in millions)	**Low**	**-**	**High**
2020 Net Cash Flow from Operating Activities	**$3,800**	**-**	**$3,900**
Exclude:			
Changes in working capital	85	-	105
Add [(1)]:			
Operating leases	40	-	50
Capitalized interest	(50)	-	(40)
Postretirement benefit obligations	100	-	130
2020 Adjusted FFO (before optional share repurchase)	**$3,975**	**-**	**$4,145**
Less:			
Interest expense	(80)	-	(50)
2020 Adjusted FFO (after optional share repurchase)	**$3,895**	**-**	**$4,095**

1) Adjustments based on the latest Moody's Regulated Electric and Gas Utilities Methodology published December 2013. Moody's Baa1 range is 17% - 20% based on Moody's Sempra report published in July 2015

Sempra 2020 Adjusted FFO to Debt Ratio (2 of 3)

(Dollars in millions)	**Low**	**-**	**High**
2020 Total Sempra Debt	**$16,600**	**-**	**$16,900**
Add (1):			
Operating leases	300	-	350
Capitalized interest	850	-	900
Postretirement benefit obligations	1,050	-	1,100
2020 Adjusted Debt (before optional share repurchase)	**$18,800**	**-**	**$19,250**
Add:			
New debt related to share repurchase and ongoing interest	1,700	-	1,800
2020 Adjusted Debt (after optional share repurchase)	**$20,500**	**-**	**$21,050**

Adjusted FFO / Debt (before optional share repurchase)	**21.1%**	**-**	**21.5%**
Adjusted FFO / Debt (after optional share repurchase)	**19.0%**	**-**	**19.5%**

FFO / Debt on a GAAP basis (before optional share repurchase)	**22.9%**	**-**	**23.1%**
FFO / Debt on a GAAP basis (after optional share repurchase)	**20.3%**	**-**	**20.6%**

1) Adjustments based on the latest Moody's Regulated Electric and Gas Utilities Methodology published December 2013. Moody's Baa1 range is 17% - 20% based on Moody's Sempra report published in July 2015

Sempra 2020 Adjusted FFO to Debt Ratio (3 of 3)

Sempra Energy's credit rating is an important factor used by management to determine what debt levels to maintain. One of the key metrics used by rating agencies to evaluate how leveraged a company is, and therefore how much debt a company can issue without negatively impacting its credit rating, is the funds from operations to debt ratio (FFO/debt). FFO is commonly defined as Net Income plus Depreciation and Amortization, less Gains on Sales of Property, however, management utilizes the FFO/Debt ratio as defined by Moody's, referred to throughout this presentation as Adjusted FFO/Debt, which provides an important measure of the company's capacity to issue debt as viewed by rating agencies. Our Adjusted FFO and Adjusted Debt presented in the prior slides are based on the Moody's definitions.

Adjusted FFO and Adjusted Debt, and therefore the ratio of Adjusted FFO to Adjusted Debt, are non-GAAP financial measures. In the tables on the previous pages, we have reconciled Adjusted FFO and Adjusted Debt to the most comparable GAAP measures, which are Net Cash Flows from Operating Activities and Total Debt on Sempra Energy's Statement of Cash Flows and Balance Sheet, respectively. Total Debt on Sempra Energy's Balance Sheet includes Short-Term Debt, Current Portion of Long-Term Debt and Long-Term Debt. Non-GAAP measures are supplementary information that should be considered in addition to, but not as a substitute for, the information in accordance with GAAP.

As we discuss in the slide "Sempra 2016 Adjusted Earnings, 2016 Adjusted Earnings-Per-Share Guidance Range and Projected Adjusted Earnings-Per-Share CAGR for 2016 – 2020," we are unable to provide a corresponding GAAP equivalent for 2016 Adjusted Earnings. Accordingly, we are unable to provide a corresponding GAAP equivalent for Net Cash Flows from Operating Activities as a basis for Adjusted FFO/Debt for 2016.

SDG&E 2015 & 2016 and SoCalGas 2016 Adjusted Earnings and 2016-2020 Adjusted Earnings CAGRs

(Dollars in millions)	Years Ended December 31, 2015	2016	2020	'16-'20 CAGR
SDG&E GAAP Earnings[1]	$ 587	$ 519-569	$ 660-710	5-6%
Adjustments:				
Adjustments to Loss on SONGS Plant Closure	(15)	-	-	
Adjustments Related to Tax Repairs	-	31	-	
SDG&E Adjusted Earnings[1]	$ 572	$ 550-600	$ 660-710	4-5%
SoCalGas GAAP Earnings[1]		$ 331-371	$ 465-515	8-9%
Adjustments:				
Adjustment Related to Tax Repairs		49	-	
SoCalGas Adjusted Earnings[1]		$ 380-420	$ 465-515	4-5%

San Diego Gas & Electric Company (SDG&E) Adjusted Earnings (Unaudited) exclude, in 2015, a $15 million after-tax reduction ($26 million pretax) to the total plant closure loss related to the San Onofre Nuclear Generating Station (SONGS), primarily due to the California Public Utilities Commission (CPUC) approval of SDG&E's compliance filing for authorized recovery of its investment in SONGS, and in 2016, a $31 million after-tax charge ($52 million pretax) expected to be recorded in the second quarter of 2016 due to a reallocation to ratepayers of benefits of 2015 income tax repairs allowance deductions and the true up of 2012-2014 estimates to actual, pursuant to the CPUC final decision in the California Utilities' 2016 General Rate Case.

Southern California Gas Company (SoCalGas) 2016 Adjusted Earnings (Unaudited) exclude a $49 million after-tax charge ($83 million pretax) expected to be recorded in the second quarter of 2016 due to a reallocation to ratepayers of benefits of 2015 income tax repairs allowance deductions and the true-up of 2012-2014 estimates to actual, pursuant to the CPUC final decision in the California Utilities' 2016 General Rate Case.

Adjusted Earnings for SDG&E and SoCalGas, and the compound annual growth rates (CAGR) for 2016-2020 based on 2016 adjusted earnings, are non-GAAP financial measures. Because of the significance and nature of the excluded items, management believes that these non-GAAP financial measures provide a more meaningful comparison of the performance of SDG&E's and SoCalGas' business operations to future and prior periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table above reconciles these non-GAAP financial measures to SDG&E and SoCalGas Earnings and Earnings CAGR, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

1) Attributable to common shares

Sempra International 2016 Adjusted Earnings

<u>Sempra International 2016 Adjusted Earnings (unaudited) exclude:</u>

1) Any potential gain from the remeasurement of our equity method investment in Gasoductos de Chihuahua (GdC), a 50-50 joint venture between our Mexican subsidiary, IEnova, and Petróleos Mexicanos (PEMEX), in connection with the potential acquisition by IEnova of PEMEX's 50-percent interest in GdC, and
2) any earnings impact from any transaction to sell the Termoeléctrica de Mexicali (TdM) natural gas-fired power plant in Mexico, including the $24 million deferred tax expense recorded in the first quarter of 2016.

Sempra International 2016 Adjusted Earnings Guidance Range is a non-GAAP measure. Because of the significance and nature of the excluded items, management believes this non-GAAP measure provides greater clarity into the ongoing results of the business and the comparability of such results to prior and future periods. As the parties are in the process of restructuring the GdC transaction and an agreement for the sale of the TdM plant has yet to be obtained, any potential earnings impacts, other than the TdM deferred income tax expense recorded in the first quarter of 2016, from these transactions cannot be reasonably estimated at this time. Accordingly, we are not able to provide a corresponding GAAP equivalent to Sempra International's 2016 Adjusted Earnings. Non-GAAP measures are supplementary information that should be considered in addition to, but not as a substitute for, the information in accordance with GAAP.

Sempra Mexico 2013-2015 EBITDA

(Dollars in millions)	Years Ended December 31, 2013	2014	2015
Sempra Mexico Earnings	**$122**	**$192**	**$213**
Add Back:			
Interest Expense	15	13	16
Depreciation and Amortization	63	64	70
Income taxes	60	5	11
Sempra Mexico EBITDA	**$260**	**$274**	**$310**

Earnings Before Interest, Income Taxes and Depreciation and Amortization, or EBITDA, is a non-GAAP financial measure that management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

1) operating performance as compared to industry peers, without regard to historical cost basis of assets or financing methods;
2) the ability to support our operations and distributions to shareholders;
3) the ability to incur debt and fund capital expenditures; and
4) the viability of capital expenditure projects and the returns on investment of various investment opportunities.

Management believes that the presentation of EBITDA also provides useful information to investors in assessing results of operations. The GAAP measure most directly comparable to Sempra Mexico EBITDA is earnings. EBITDA should not be considered an alternative to GAAP earnings as a measure of operating performance. EBITDA has important limitations as an analytical tool because it excludes some, but not all, items that affect earnings. Additionally, because EBITDA may be defined differently by other companies in the same industry, our definition of EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Sempra Natural Gas 2016 Adjusted Earnings

(Dollars in millions)	**Low**	**-**	**High**
Sempra Natural Gas 2016 GAAP Earnings	**($147)**	**-**	**($122)**
Less:			
Loss related to REX sale	$27	-	$27
Gain on sale of Energy South	($65)	-	($75)
Permanent capacity releases	$125	-	$120
Sempra Natural Gas 2016 Adjusted Earnings	**($60)**	**-**	**($50)**

Sempra Natural Gas 2016 Adjusted Earnings (unaudited) exclude:

1) a $27 million after-tax ($44 million pretax) Rockies Express impairment charge related to Sempra Natural Gas' investment in Rockies Express Pipeline LLC (Rockies Express) recorded in the first quarter of 2016,
2) approximately $70 million after-tax ($117 million pretax) gain from the pending sale of Energy South, the parent company of Mobile Gas and Willmut Gas, in 2016, and
3) approximately $120 million to $125 million after-tax charge ($200 million to $208 million pretax) expected in the second quarter of 2016 from Sempra Natural Gas' permanent release of uncontracted pipeline capacity.

Sempra Natural Gas 2016 Adjusted Earnings is a non-GAAP financial measure. Because of the significance and nature of the excluded items, management believes this non-GAAP measure provides greater clarity into the ongoing results of the business and the comparability of such results to prior and future periods. Non-GAAP measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP.

Sempra Energy®

Debbie Reed

Chairman & Chief Executive Officer

Concluding Remarks

Analyst Conference

July 19, 2016

Key Investor Questions

1. Why are you confident in your top-tier EPS growth rate?
2. How strong is your balance sheet over the plan?
3. What are the growth drivers and risks in your international businesses?
4. Does your growth depend on a better global LNG market?
5. How are your CA Utilities addressing aging infrastructure?
6. How will you sustain higher than average growth post-2020?

Key Investor Questions Answered

1. Projected 12% Adj. EPS CAGR[1] is ~2x utility average and based on utility and contracted cash flows
2. Balance sheet expected to strengthen; $1B-$3B of credit capacity for more projects and/or higher payouts
3. Large infrastructure needs; solid international businesses/environments; currency risk minimized
4. Cameron Trains 1-3 are toll; LNG development is compelling future option not in Base Plan
5. CA utility spending priorities of safety & reliability are consistent with state priorities
6. Many potential diverse growth opportunities stemming from utility, international, and LNG investments

1) Projected Adjusted Earnings-Per-Share Compound Annual Growth Rate (CAGR) for 2016-2020 is a non-GAAP measure. See appendix in Financial section for further details.