Sempra Energy

Second Quarter 2019 Earnings Results

August 2, 2019

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 such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "assumes," "depends," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "outlook," "maintain," or similar expressions or when we discuss our guidance, strategy, plans, goals, vision, mission, 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.

Factors, among others, that could cause our actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: the greater degree and prevalence of wildfires in California in recent years and the risk that we may be found liable for damages regardless of fault, such as where inverse condemnation applies, and risk that we may not be able to recover any such costs in rates from customers in California or otherwise, including due to insufficient amounts in the wildfire fund; actions and the timing of actions, including decisions, investigations, new regulations and issuances of permits and other authorizations and renewal of franchises by the Comisión Federal de Electricidad (CFE), California Public Utilities Commission, U.S. Department of Energy, California Department of Conservation's Division of Oil, Gas, and Geothermal Resources, Los Angeles County Department of Public Health, U.S. Environmental Protection Agency, Federal Energy Regulatory Commission, Pipeline and Hazardous Materials Safety Administration, Public Utility Commission of Texas, states, cities and counties, and other regulatory and governmental bodies in the U.S. and other countries in which we operate; the success of business development efforts, construction projects, and major acquisitions, divestitures and internal structural changes, including risks in (i) obtaining or maintaining authorizations; (ii) completing construction projects on schedule and budget; (iii) obtaining the consent of partners; (iv) counterparties' ability to fulfill contractual commitments; (v) winning competitively bid infrastructure projects; (vi) the ability to complete contemplated acquisitions and/or divestitures and the disruptions caused by such efforts; and (vii) the ability to realize anticipated benefits from any of these efforts once completed; the resolution of civil and criminal litigation, regulatory investigations and proceedings, and arbitrations; actions by credit rating agencies to downgrade our credit ratings or those of our subsidiaries or to place those ratings on negative outlook and our ability to borrow at favorable interest rates; deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers; denial of approvals of proposed settlements; delays in, or denial of, regulatory agency authorizations to recover costs in rates from customers or regulatory agency approval for projects required to enhance safety and reliability; and moves to reduce or eliminate reliance on natural gas; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures; expropriation of assets, the failure to honor the terms of contracts by foreign governments and state-owned entities such as the CFE, and other property disputes; risks posed by actions of third parties who control the operations of our investments; weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires 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 (including costs in excess of applicable policy limits), may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; cybersecurity threats to the energy grid, 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; actions of activist shareholders, which could impact the market price of our securities and disrupt our operations as a result of, among other things, requiring significant time by management and our board of directors; changes in capital markets, energy markets and economic conditions, including the availability of credit; volatility in currency exchange, interest and inflation rates and commodity prices and our ability to effectively hedge the risk of such volatility; the impact of federal or state tax reform and our ability to mitigate adverse impacts; changes in foreign and domestic trade policies and laws, including border tariffs and revisions to or replacement of international trade agreements, such as the North American Free Trade Agreement, that may increase our costs or impair our ability to resolve trade disputes; the impact at San Diego Gas & Electric Company on competitive customer rates and reliability of electric transmission and distribution systems due to the growth in distributed and local power generation and from possible departing retail load resulting from customers transferring to Direct Access and Community Choice Aggregation or other forms of distributed and local power generation and the potential risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory capital requirements and other regulatory and governance commitments, including the determination by a majority of Oncor's independent directors or a minority member director to retain such amounts to meet future requirements; and other uncertainties, some of which may be difficult to predict and are beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the U.S. Securities and Exchange Commission (SEC). 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. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of August 2, 2019, and the company undertakes no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.

Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG, Sempra Renewables, Sempra Mexico, Sempra Texas Utilities, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG, Sempra Renewables, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the California Public Utilities Commission.

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Executive Summary

- Continuing to execute on our goal to be North America's premier energy infrastructure company
  - ✓ Completed the sales of our U.S. wind, U.S. solar and certain non-utility U.S. natural gas storage assets resulting in ~$2.5B of proceeds
  - ✓ Closed Oncor's acquisition of InfraREIT + Sempra's acquisition of a 50% interest in Sharyland
  - ✓ Produced first LNG and expect commercial operations under the tolling agreements in mid-August at Cameron LNG Train 1
  - ✓ Continued to advance our LNG development opportunities through execution of an HOA with Aramco Services Company at Port Arthur LNG
  - ✓ Advanced the planned sale of our South American businesses
  - ✓ Elected to participate in the wildfire fund at SDG&E, which provides revised prudency standards and helps further mitigate wildfire risks
- Reaffirming FY-2019 adjusted earnings per common share (EPS) guidance range of $5.70 - $6.30[(1),(2)]
- Reporting Q2-2019 adjusted EPS of $1.10 and year-to-date adjusted EPS of $3.03[(3)]

1) Sempra Energy 2019 Adjusted EPS Guidance Range is a non-GAAP financial measure. See appendix for information regarding non-GAAP financial measures.
2) Sempra Energy's guidance range includes assumptions for foreign currency impacts. See appendix in the 2019 Investor Day slides for information regarding 2019 rules of thumb.
3) Attributable to common shares. Sempra Energy Adjusted EPS is a non-GAAP financial measure. GAAP EPS for Q2-2019 and YTD-2019 were $1.26 and $2.85, respectively. See appendix for information regarding non-GAAP financial measures.

California Update: Regulatory Model Improves

Improvement	Summary
Wildfire Fund Improves Liquidity	▪ \$21B wildfire fund (SDG&E's share is \$323M upfront + \$13M annually over a 10-year period), estimated to cover ~\$40B-\$50B of wildfire damages[1] ▪ Fund provides liquidity on claims in excess of insurance coverage
ASC Establishes Presumption of Prudency	▪ SDG&E received its Annual Safety Certification (ASC) on July 26th ▪ Enables liability cap and results in a presumption of prudent conduct
Prudency Standard Revision Limits Risk	▪ CPUC to apply an improved standard similar to FERC standard of review to determine reasonableness of utility conduct related to an ignition ▪ Utility deemed reasonable if holding a valid ASC, unless a serious doubt is raised regarding the utility's conduct
Liability Cap Minimizes Shareholder Exposure	▪ Establishes a cap on potential shareholder liability; initial cap of ~\$825M based on SDG&E's 2018 electric T+D rate base ▪ Caps any potential future wildfire losses found to be imprudently incurred on a 3-year rolling basis until wildfire fund is exhausted
Wildfire Spending Improves Safety	▪ IOUs required to spend \$5B (SDG&E's share is \$215M) on wildfire safety capex tied to their Wildfire Mitigation Plans ▪ IOUs will recover capital + financing costs; no return on equity

The new legislation[2] enhances the operating environment and financial health of California's electric utilities, enabling them to advance the state's goals of providing clean, safe and reliable electricity, while helping reduce the threat of wildfires across the state.

1) PG&E's participation in the Wildfire Fund is subject to specific conditions. If PG&E does not contribute to the Wildfire Fund, the total amount in the fund would be materially less.
2) California AB 1054 and AB 111.

California Update: Regulatory Matters

Topic	Commentary
2019 General Rate Case (GRC)[1] ▪ SDG&E ▪ SoCalGas	▪ First to incorporate RAMP[2] into GRC proceedings ▪ Expect a Proposed Decision in the coming weeks + a Final Decision by year-end 2019 ▪ Revenue requirement to be effective 1/1/2019 + will be recorded retroactively upon Final Decision
FERC Cost of Capital[3] ▪ SDG&E	▪ Continuing to have dialogue with intervenors while case has evolved from settlement discussions to litigation phase ▪ Initial decision expected 2H-2020 unless discussions progress ▪ Rates became effective 6/1/2019, subject to refund based on the outcome of the case[4]
CPUC Cost of Capital[5] ▪ SDG&E ▪ SoCalGas	▪ Filed revised testimony for ROE of 12.38% at SDG&E to account for new wildfire legislation; 56% equity layer request unchanged ▪ Filed revised testimony at SoCalGas with no changes to ROE of 10.7% and equity layer request of 56% ▪ Per CPUC schedule, Final Decision expected by year-end 2019, with rates effective 1/1/2020

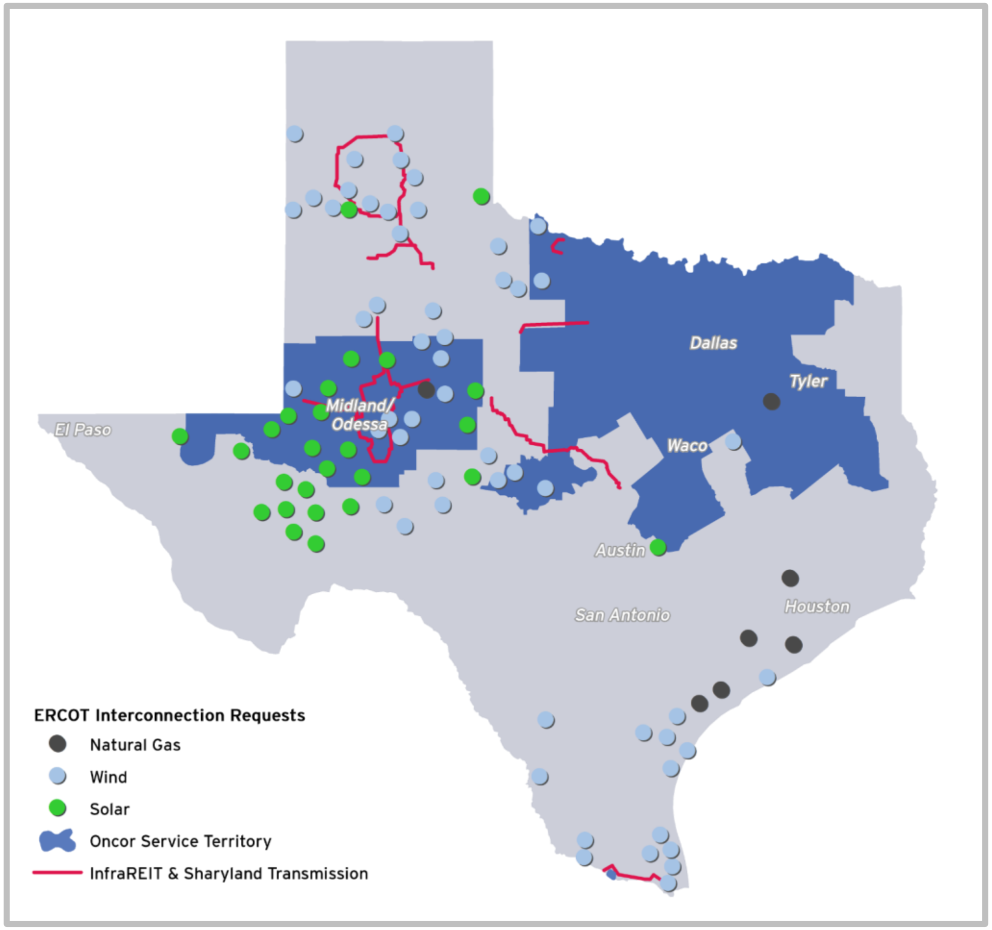
1) Subject to CPUC approval; docket number A.17-10-007 and A.17-10-008 for SDG&E and SoCalGas, respectively.
2) Risk Assessment Mitigation Phase.
3) Subject to FERC approval; docket number ER19-221-000: TO5 Cycle 1 Formula Rate Filing.
4) The current ROE of 10.05% is the basis of SDG&E's FERC-related revenue recognition until a new ROE is authorized.
5) Subject to CPUC approval; docket number A.19-04-017 and A.19-04-018 for SDG&E and SoCalGas, respectively.

Texas Update: Growth Continues

- Oncor completed its acquisition of InfraREIT and Sempra completed its acquisition of a 50% interest in Sharyland
- Market conditions in Texas continue to drive required T+D infrastructure investments
- Dallas-Fort Worth area remains the fastest growing metro region in the U.S.
- Renewables growth ongoing
  - ~36 GW of wind + ~59 GW of solar under study in ERCOT[(1)]
  - Solar MW under study have increased over 145% since the end of 2017[(1)]
- Oil and gas production in the Permian Basin region continues its rapid growth topping 4 Mbls/day and 14.5 Bcf/d, respectively[(2)]

Oncor's assets are strategically advantaged:

- ***Potential new renewables in West Texas***
- ***Load growth in the Permian Basin***
- ***Population growth in Dallas-Fort Worth region***



1) Source: ERCOT June Generator Interconnection Status Report.
2) Source: U.S. Energy Information Administration (EIA) https://www.eia.gov/petroleum/drilling/pdf/permian.pdf.

Sempra Energy

Infrastructure Update: Projects Continue to Advance

Project	Status
Cameron LNG Phase 1[1] | Train 1 producing LNG; Train 2 + 3 on-schedule	
▪ Train 1 Produced first LNG	✓
▪ Train 1 Stabilized production and completed performance test	✓
▪ Train 1 Received authorization from FERC to commence service	✓
▪ Train 1 Commercial operations under the tolling agreements expected in mid-August	Pending
▪ Train 2 CCJV targeted first LNG production[1],[2]	Q1-20
▪ Train 3 CCJV targeted first LNG production[1],[2]	Q2-20
LNG Development[1] | Continuing to advance ECA + Port Arthur	
▪ Port Arthur LNG | Signed HOA with Aramco Services Company for 5 Mtpa + 25% equity[3]	✓
▪ ECA LNG Phase 1 | Project continues to advance towards FID	Ongoing
IEnova | Capturing infrastructure opportunities across Mexico	
▪ Storage Terminals | Announced offtake agreements with Marathon Petroleum and BP for capacity on the Guadalajara and Manzanillo liquids terminals	✓
▪ Marine Pipeline | 2.6 Bcf/d natural gas pipeline, completed in June 2019 | Discussions with CFE[4] underway with arbitration pending	Ongoing

1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. In addition, the Energía Costa Azul LNG mid-scale and large-scale opportunities, Port Arthur LNG opportunity, and the Cameron LNG Trains 4 and 5 opportunity are subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Cameron LNG facility currently under construction and these other opportunities.
2) According to McDermott's Q2-2019 earnings call and financial disclosures. CCJV is a joint venture between McDermott and Chiyoda International Corporation.
3) Subject to negotiating and executing a definitive agreement.
4) Comisión Federal de Electricidad.

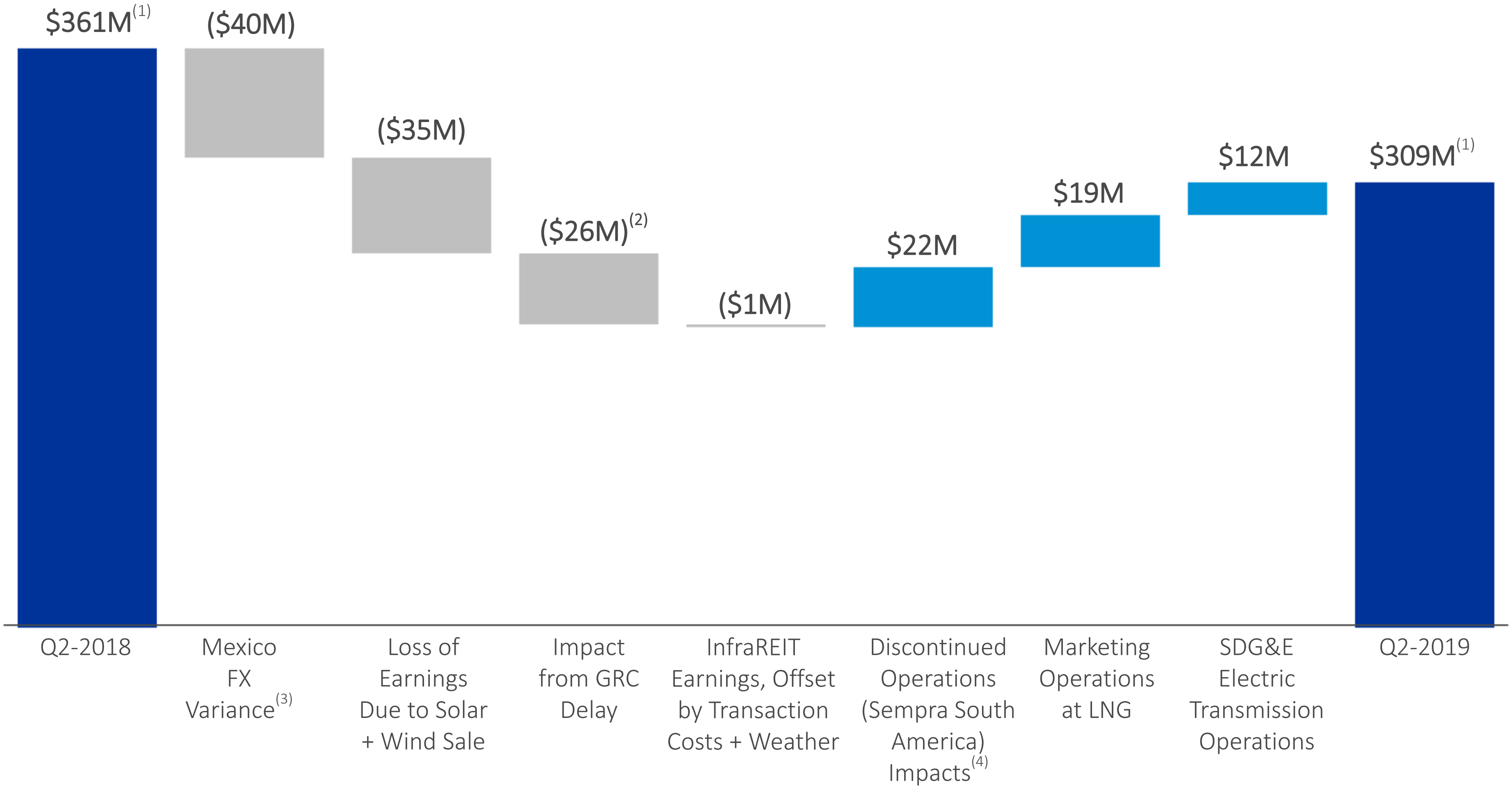
Financial Results: Second Quarter 2019 Results

(Unaudited; Dollars, except EPS, and shares, in millions)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
GAAP Earnings (Losses)	$ 354	$ (561)	$ 795	$ (214)
Gain on Sale of U.S. Wind Assets	(45)	-	(45)	-
Tax Impacts from Expected Sale of South American Businesses[1]	-	-	93	-
Impairment of Non-utility U.S. Natural Gas Storage Assets	-	755	-	755
Impairment of U.S. Wind Equity Method Investments	-	145	-	145
Impacts Associated with Aliso Canyon Litigation	-	22	-	22
Impact from the Tax Cuts and Jobs Act of 2017	-	-	-	25
Adjusted Earnings[2]	$ 309	$ 361	$ 843	$ 733
Diluted Weighted-Average Common Shares Outstanding	280	268	278	264
GAAP Earnings (Losses) Per Diluted Common Share	$ 1.26	$ (2.11)[3]	$ 2.85	$ (0.82)[3]
Adjusted Earnings Per Diluted Common Share[2]	$ 1.10	$ 1.35	$ 3.03	$ 2.78

1) $103M increase to adjusted earnings due to change in indefinite reinvestment assertion of basis differences in discontinued operations, partially offset by $10M reduction in tax valuation allowance against certain net operating loss carryforwards at Parent & Other.
2) Sempra Energy Adjusted Earnings and Adjusted EPS are non-GAAP financial measures. See appendix for information regarding non-GAAP financial measures and descriptions of the adjustments above.
3) Weighted-average common shares outstanding for the three months and six months ended June 30, 2018 used to calculate EPS exclude common stock equivalents as they are antidilutive given the net loss in these periods.

Key Drivers: Q2-2019 Adjusted Earnings[1] Drivers

Unfavorable impact relative to Q2-2018 is primarily driven by fluctuations in the Mexican peso, the impact of the pending GRC outcome and loss of earnings due to Sempra Renewables sale



1) Attributable to common shares. Sempra Energy Adjusted Earnings is a non-GAAP financial measure. Q2-2019 and Q2-2018 GAAP Earnings (Losses) were $354M and $(561M), respectively. See appendix for information regarding non-GAAP financial measures.
2) $26M unfavorable impact includes $15M and $11M lower CPUC base operating margin in 2019 at SDG&E and SoCalGas, respectively due to the delay in the 2019 GRC decision while absorbing higher operating costs.
3) All variance explanations for Sempra Mexico are shown after noncontrolling interests.
4) This result is due to higher earnings from South American operations and is reflected as Discontinued Operations.

Key Takeaways

- Continuing to execute on our goal to be North America's premier energy infrastructure company
  - ✓ Completed the sales of our U.S. wind, U.S. solar and certain non-utility U.S. natural gas storage assets resulting in ~$2.5B of proceeds
  - ✓ Closed Oncor's acquisition of InfraREIT + Sempra's acquisition of a 50% interest in Sharyland
  - ✓ Produced first LNG and expect commercial operations under the tolling agreements in mid-August at Cameron LNG Train 1
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  - ✓ Elected to participate in the wildfire fund at SDG&E, which provides revised prudency standards and helps further mitigate wildfire risks
- Reaffirming FY-2019 adjusted EPS guidance range of $5.70 - $6.30(1),(2)
- Reporting Q2-2019 adjusted EPS of $1.10 and year-to-date adjusted EPS of $3.03(3)

1) Sempra Energy 2019 Adjusted EPS Guidance Range is a non-GAAP financial measure. See appendix for information regarding non-GAAP financial measures.
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APPENDIX

Continuing Focus on 2019 Goals

1 Continue to effectively manage and improve public and employee safety as a cultural imperative
- ***COMPLETED:*** *Created Safety Sub Committee at SDG&E's Board*
- ***COMPLETED:*** *Received Annual Safety Certification at SDG&E*
- ***COMPLETED:*** *76M work hours w/o lost time incident at Cameron*

2 Optimize and complete remaining announced divestitures
- ***COMPLETED:*** *U.S. Solar*
- ***COMPLETED:*** *Non-utility Natural Gas Storage*
- ***COMPLETED:*** *U.S Wind*
- ***ON-TRACK:*** *South American Utilities*

3 Enhance IEnova franchise value by aligning strategy and execution with new Mexican government policies

4 Proactively manage and seek to reduce legal and regulatory exposure related to utility operations
- ***COMPLETED:*** *SDG&E Wildfire Mitigation Plan approved*
- ***COMPLETED:*** *AB 1054 + AB 111 signed into law*
- ***COMPLETED:*** *Elected to participate in the wildfire fund*
- ***COMPLETED:*** *Wildfire Safety Division + Wildfire Safety Advisory*

5 Continue to optimize our cost structure
- ***ON-TRACK:*** *Identified ~$50M pretax cost savings*

6 Materially improve the franchise value of our LNG business through progressing our five development projects(1)
- ***COMPLETED:*** *FERC Environmental Impact Statement at Port Arthur*
- ***COMPLETED:*** *DOE FTA + Non-FTA export permit at ECA*
- ***COMPLETED:*** *FERC authorization at Port Arthur*
- ***COMPLETED:*** *DOE Non-FTA export permit at Port Arthur*
- ***COMPLETED:*** *First LNG produced at Cameron Train 1*
- ***COMPLETED:*** *HOA with Aramco Services Company at Port Arthur(1)*
- ***COMPLETED:*** *FERC filing for expansion at Port Arthur*
- ***COMPLETED:*** *FERC authorization to place Cameron Train 1 in service*

7 Execute Oncor growth initiatives in Texas and complete the InfraREIT transaction
- ***COMPLETED:*** *InfraREIT + Sharyland transactions*

8 Improve the franchise value of CA utilities by receiving a final decision on the 2019 GRC and achieving an appropriate Cost of Capital(2)

9 Continue to foster and invest in a culture of high performance, diversity and leadership development
- ***COMPLETED:*** *Roll-out of refreshed Vision, Mission, Values*
- ***COMPLETED:*** *Energy with Purpose Awards Program*

10 Deliver financial results consistent with 2019 adjusted EPS guidance range(3) + strengthen balance sheet
- ***ON-TRACK:*** *YTD adjusted EPS of $3.03(4)*
- ***ON-TRACK:*** *Maintain investment-grade plus credit ratings*

1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. In addition, the Energía Costa Azul LNG mid-scale and large-scale opportunities, Port Arthur LNG opportunity, and the Cameron LNG Trains 4 and 5 opportunity are subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Cameron LNG facility currently under construction and these other opportunities. HOAs are subject to reaching a definitive agreement and do not obligate the parties to participate in the project.
2) Subject to CPUC and FERC approvals.
3) Sempra Energy 2019 Adjusted EPS Guidance Range is a non-GAAP financial measure. See appendix for information regarding non-GAAP financial measures.
4) Attributable to common shares. Sempra Energy Adjusted EPS is a non-GAAP financial measure. GAAP YTD-2019 EPS was $2.85. See appendix for information regarding non-GAAP financial measures.

LNG Opportunities Overview[1]

Opportunities	Nameplate Capacity[2]	Offtake Capacity[3]	Status
Cameron Phase 1	~15 Mtpa	~12 Mtpa	▪ Train 1 Produced first LNG ▪ Train 1 Stabilized production and completed performance test ▪ Train 1 Commercial operations under tolling agreements expected in mid-Aug. ▪ Train 2 + 3 first LNG production targeted in Q1-2020 + Q2-2020, respectively
Cameron Phase 2	~10 Mtpa	~8 Mtpa	▪ FERC permits received ▪ DOE FTA and Non-FTA authorizations received ▪ MOU signed with Total[4]
ECA Phase 1	~3.2 Mtpa	~2.4 Mtpa	▪ Technip + Kiewit performed Front End Engineering Design (FEED)[4] ▪ HOAs signed for 100% of offtake capacity[4] ▪ Goal of reaching FID around YE-2019 ▪ DOE FTA and Non-FTA authorizations received
ECA Phase 2	~14 Mtpa	~12 Mtpa	▪ MOU signed with Total[4] ▪ DOE FTA and Non-FTA authorizations received
Port Arthur	~13.5 Mtpa	~11 Mtpa	▪ HOA with Aramco Services Company for 5 Mtpa + 25% equity[4] ▪ Definitive LNG SPA for sale of 2 Mtpa per year to PGNiG[5] ▪ Bechtel performed FEED[4] ▪ FERC issued Final Environmental Impact Statement ▪ DOE FTA and Non-FTA authorizations received

Note: All but Cameron Phase 1 capacities are illustrative and estimated, as final design has not been completed

1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. In addition, the Energía Costa Azul LNG mid-scale and large-scale opportunities, Port Arthur LNG opportunity, and the Cameron LNG Trains 4 and 5 opportunity are subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Cameron LNG facility currently under construction and these other opportunities.
2) Represents 100% of project, not Sempra's ownership. Size represents nameplate capacity; LNG amount the plant can produce under standard atmospheric conditions running 365 days per year at full load.
3) Represents 100% of project, not Sempra's ownership.
4) Subject to negotiating and reaching definitive agreements and do not commit any party to enter into a definitive agreement, or otherwise participate in these projects.
5) The SPA with PGNiG is subject to certain conditions precedent, including Sempra Energy making a final investment decision.

APPENDIX

Business Unit Earnings

SDG&E

(Unaudited, Dollars in millions)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
SDG&E GAAP Earnings	$ 143	$ 146	$ 319	$ 316

- Q2-2019 earnings are lower than Q2-2018 primarily due to:
  - $15M lower CPUC base operating margin in 2019 due to the delay in the 2019 GRC decision while absorbing higher operating costs, including higher wildfire insurance premiums, **offset by**
  - $12M higher earnings from electric transmission operations

SoCalGas

(Unaudited, Dollars in millions)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
SoCalGas GAAP Earnings	$ 30	$ 33	$ 294	$ 258
Impacts Associated with Aliso Canyon Litigation	-	22	-	22
SoCalGas Adjusted Earnings[(1)]	$ 30	$ 55	$ 294	$ 280

- Q2-2019 earnings are lower than Q2-2018 adjusted earnings[(1)] primarily due to:
  - $11M lower CPUC base operating margin in 2019 due to the delay in the 2019 GRC decision while absorbing higher operating costs,
  - $6M higher net interest expense and
  - $5M lower AFUDC equity

1) SoCalGas Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 24 for information regarding non-GAAP financial measures and a description of the adjustment above.

Sempra Texas Utilities

(Unaudited, Dollars in millions)	Three months ended June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Sempra Texas Utilities GAAP Earnings	$ 113	$ 114	$ 207	$ 129

- Q2-2019 earnings are in-line with Q2-2018 earnings and include equity earnings from Oncor's acquisition of InfraREIT in May 2019, net of transaction costs recorded during the quarter, and offset by higher consumption in Q2-2018 primarily driven by weather

Sempra Mexico[1]

(Unaudited, Dollars in millions)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Sempra Mexico GAAP Earnings	$ 73	$ 97	$ 130	$ 117

- Q2-2019 earnings are lower than Q2-2018 primarily due to:
  - $40M variance from foreign currency and inflation effects net of foreign currency derivatives effects, driven by a $34M benefit in Q2-2018 and a $6M unfavorable impact in Q2-2019, offset by
  - $20M variance in income tax expense primarily from the outside basis differences in joint venture investments

1) All variance explanations are shown after noncontrolling interests.

Sempra Renewables

(Unaudited, Dollars in millions)	Three months ended June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Sempra Renewables GAAP Earnings (Losses)	$ 46	$ (109)	$ 59	$ (88)
Impairment of U.S. Wind Equity Method Investments	-	145	-	145
Gain on Sale of U.S. Wind Assets	(45)	-	(45)	-
Sempra Renewables Adjusted Earnings[1]	$ 1	$ 36	$ 14	$ 57

- Q2-2019 adjusted earnings[1] are lower than Q2-2018 primarily due to lower earnings from assets sold in December 2018 and April 2019

1) Sempra Renewables Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 24 for information regarding non-GAAP financial measures and a description of the adjustments above.

Sempra LNG

(Unaudited, Dollars in millions)	Three months ended June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Sempra LNG GAAP Earnings (Losses)	$ 6	$ (764)	$ 11	$ (780)
Impairment of Non-utility U.S. Natural Gas Storage Assets	-	755	-	755
Impact from the Tax Cuts and Jobs Act of 2017	-	-	-	9
Sempra LNG Adjusted Earnings (Losses)[1]	$ 6	$ (9)	$ 11	$ (16)

- Q2-2019 earnings compared to Q2-2018 adjusted losses[1] mainly due to $19M higher earnings from our marketing operations primarily driven by optimization of natural gas transport contracts related to our ongoing businesses and LNG development projects

1) Sempra LNG Adjusted Losses is a non-GAAP financial measure. See Appendix beginning on page 24 for information regarding non-GAAP financial measures and a description of the adjustments above.

Parent & Other

(Unaudited, Dollars in millions)	Three months ended June 30 2019	Three months ended June 30 2018[1]	Six months ended June 30 2019	Six months ended June 30 2018[1]
Parent & Other GAAP Losses	$ (127)	$ (126)	$ (244)	$ (235)
Reduction in Tax Valuation Allowance Against Certain NOL Carryforwards	-	-	(10)	-
Parent & Other Adjusted Losses[2]	$ (127)	$ (126)	$ (254)	$ (235)

- Q2-2019 losses are higher than Q2-2018 primarily due to:
  - $16M primarily related to settlement charges from our non-qualified pension plan and
  - $10M increase in mandatory convertible preferred stock dividends primarily from the issuance of series B preferred stock in July 2018, **offset by**
  - $11M lower net interest expense and
  - $8M higher investment gains in 2019 on dedicated assets in support of our employee non-qualified benefit plan obligations, net of deferred compensation expenses

1) Amounts have been adjusted for discontinued operations.
2) Parent & Other Adjusted Losses is a non-GAAP financial measure. See Appendix beginning on page 24 for information regarding non-GAAP financial measures and a description of the adjustments above.

Discontinued Operations[1] (Sempra South American Utilities)

(Unaudited, Dollars in millions)	Three months ended June 30 2019	Three months ended June 30 2018	Six months ended June 30 2019	Six months ended June 30 2018
Discontinued Operations GAAP Earnings	$ 70	$ 48	$ 19	$ 69
Change in Indefinite Reinvestment Assertion of Basis Differences in Discontinued Operations	-	-	103	-
Impacts from the Tax Cuts and Jobs Act of 2017	-	-	-	16
Discontinued Operations Adjusted Earnings[2]	$ 70	$ 48	$ 122	$ 85

- Q2-2019 earnings are higher than Q2-2018 primarily due to higher earnings from operations mainly from higher rates, lower cost of purchased power at Peru, and including $10M lower depreciation expense due to assets classified as held for sale

1) Discontinued Operations include the operations of Sempra's South American businesses and income tax impacts associated with holding the businesses for sale.
2) Discontinued Operations Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 24 for information regarding non-GAAP financial measures and a description of the adjustments above.

APPENDIX

Non-GAAP Financial Measures

Adjusted Earnings and Adjusted EPS (Unaudited) (1 of 2)

Sempra Energy Adjusted Earnings and Adjusted EPS exclude items (after the effects of income taxes and, if applicable, noncontrolling interests) in 2019 and 2018 as follows:

In the three months ended June 30, 2019:

- $45 million gain on the sale of certain Sempra Renewables assets

In the three months ended June 30, 2018:

- $(755) million impairment of certain non-utility natural gas storage assets in the southeast U.S. at Sempra LNG
- $(145) million other-than-temporary impairment of certain U.S. wind equity method investments at Sempra Renewables
- $(22) million impacts associated with Aliso Canyon litigation at Southern California Gas Company (SoCalGas)

In the six months ended June 30, 2019:

- $45 million gain on the sale of certain Sempra Renewables assets

Associated with holding the South American businesses for sale:

- $(103) million income tax expense from outside basis differences in our South American businesses primarily related to the change in our indefinite reinvestment assertion from our decision in January 2019 to hold these businesses for sale
- $10 million income tax benefit from a reduction in a valuation allowance against certain net operating loss (NOL) carryforwards as a result of our decision to sell our South American businesses

In the six months ended June 30, 2018:

- $(755) million impairment of certain non-utility natural gas storage assets at Sempra LNG
- $(145) million other-than-temporary impairment of certain U.S. wind equity method investments at Sempra Renewables
- $(22) million impacts associated with Aliso Canyon litigation at SoCalGas
- $(25) million income tax expense to adjust Tax Cuts and Jobs Act of 2017 (TCJA) provisional amounts

Sempra Energy Adjusted Earnings and Adjusted EPS are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States of America). Because of the significance and/or nature of the excluded items, management believes that these non-GAAP financial measures provide a meaningful comparison of the performance of business operations to prior and future 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 below reconciles for historical periods these non-GAAP financial measures to Sempra Energy GAAP Earnings (Losses) and GAAP EPS, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

Adjusted Earnings and Adjusted EPS (Unaudited) (2 of 2)

(Dollars in millions, except per share amounts; shares in thousands)	Pretax amount	Income tax expense (benefit)[1]	Earnings	Pretax amount	Income tax (benefit) expense[1]	Non-controlling interests	(Losses) earnings
	Three months ended June 30, 2019			Three months ended June 30, 2018			
Sempra Energy GAAP Earnings (Losses)			$ 354				$ (561)
Excluded items:							
Gain on sale of certain Sempra Renewables assets	$ (61)	$ 16	(45)	$ -	$ -	$ -	-
Impairment of non-utility natural gas storage assets	-	-	-	1,300	(499)	(46)	755
Impairment of U.S. wind equity method investments	-	-	-	200	(55)	-	145
Impacts associated with Aliso Canyon litigation	-	-	-	1	21	-	22
Sempra Energy Adjusted Earnings			$ 309				$ 361
Diluted earnings (losses) per common share:							
Sempra Energy GAAP EPS			$ 1.26				$ (2.11) [2]
Sempra Energy Adjusted EPS			$ 1.10				$ 1.35
Weighted-average common shares outstanding, diluted - GAAP			279,619				267,536 [2]
	Six months ended June 30, 2019			Six months ended June 30, 2018			
Sempra Energy GAAP Earnings (Losses)			$ 795				$ (214)
Excluded items:							
Gain on sale of certain Sempra Renewables assets	$ (61)	$ 16	(45)	$ -	$ -	$ -	-
Associated with holding the South American businesses for sale:							
Change in indefinite reinvestment assertion of basis differences discontinued operations	-	103	103	-	-	-	-
Reduction in tax valuation allowance against certain NOL carryforwards	-	(10)	(10)	-	-	-	-
Impairment of non-utility natural gas storage assets	-	-	-	1,300	(499)	(46)	755
Impairment of U.S. wind equity method investments	-	-	-	200	(55)	-	145
Impacts associated with Aliso Canyon litigation	-	-	-	1	21	-	22
Impact from the TCJA	-	-	-	-	25	-	25
Sempra Energy Adjusted Earnings			$ 843				$ 733
Diluted earnings (losses) per common share:							
Sempra Energy GAAP EPS			$ 2.85				$ (0.82) [2]
Sempra Energy Adjusted EPS			$ 3.03				$ 2.78
Weighted-average common shares outstanding, diluted - GAAP			278,424				263,584 [2]

(1) Except for adjustments that are solely income tax and tax related to outside basis differences, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates.

(2) In both the three months and six months ended June 30, 2018, total weighted-average potentially dilutive securities of 1.7 million were not included in the computation of GAAP losses per common share since to do so would have decreased the loss per share.

Business Unit Adjusted Earnings (Unaudited) (1 of 5)

SoCalGas Adjusted Earnings in both the three months and six months ended June 30, 2018 exclude:

- $(22) million impacts associated with Aliso Canyon litigation

SoCalGas Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of business operations to prior and future 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 below reconciles for historical periods this non-GAAP financial measure to SoCalGas GAAP Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

(Dollars in millions)	Pretax amount	Income tax expense[1]	Earnings
	Three months ended June 30, 2018		
SoCalGas GAAP Earnings			$ 33
Excluded item:			
Impacts associated with Aliso Canyon litigation	$ 1	$ 21	22
SoCalGas Adjusted Earnings			$ 55
	Six months ended June 30, 2018		
SoCalGas GAAP Earnings			$ 258
Excluded item:			
Impacts associated with Aliso Canyon litigation	$ 1	$ 21	22
SoCalGas Adjusted Earnings			$ 280

(1) Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates.

Business Unit Adjusted Earnings (Unaudited) (2 of 5)

Sempra Renewables Adjusted Earnings excludes items in 2019 and 2018 as follows:

In both the three months and six months ended June 30, 2019:
- $45 million gain on the sale of certain Sempra Renewables assets

In both the three months and six months ended June 30, 2018:
- $(145) million other-than-temporary impairment of certain U.S. wind equity method investments

Sempra Renewables Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of business operations to prior and future 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 below reconciles for historical periods this non-GAAP financial measure to Sempra Renewables GAAP Earnings (Losses), which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax expense[1]	Earnings	Pretax amount	Income tax benefit[1]	(Losses) earnings
(Dollars in millions)	Three months ended June 30, 2019			Three months ended June 30, 2018		
Sempra Renewables GAAP Earnings (Losses)			$ 46			$ (109)
Excluded items:						
Gain on sale of certain Sempra Renewables assets	$ (61)	$ 16	(45)	$ -	$ -	-
Impairment of U.S. wind equity method investments	-	-	-	200	(55)	145
Sempra Renewables Adjusted Earnings			$ 1			$ 36
	Six months ended June 30, 2019			Six months ended June 30, 2018		
Sempra Renewables GAAP Earnings (Losses)			$ 59			$ (88)
Excluded items:						
Gain on sale of certain Sempra Renewables assets	$ (61)	$ 16	(45)	$ -	$ -	-
Impairment of U.S. wind equity method investments	-	-	-	200	(55)	145
Sempra Renewables Adjusted Earnings			$ 14			$ 57

(1) Income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates.

Business Unit Adjusted Earnings (Unaudited) (3 of 5)

Sempra LNG Adjusted Losses excludes items in 2018 as follows:

In the three months ended June 30, 2018:

- $(755) million impairment of certain non-utility natural gas storage assets in the southeast U.S.

In the six months ended June 30, 2018:

- $(755) million impairment of certain non-utility natural gas storage assets
- $(9) million income tax expense to adjust TCJA provisional amounts

Sempra LNG Adjusted Losses is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of business operations to prior and future 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 below reconciles for historical periods this non-GAAP financial measure to Sempra LNG GAAP Losses, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax (benefit) expense[1]	Non-controlling interests	Losses
(Dollars in millions)	Three months ended June 30, 2018			
Sempra LNG GAAP Losses				$ (764)
Excluded item:				
Impairment of non-utility natural gas storage assets	$ 1,300	$ (499)	$ (46)	755
Sempra LNG Adjusted Losses				$ (9)
	Six months ended June 30, 2018			
Sempra LNG GAAP Losses				$ (780)
Excluded items:				
Impairment of non-utility natural gas storage assets	$ 1,300	$ (499)	$ (46)	755
Impact from the TCJA	-	9	-	9
Sempra LNG Adjusted Losses				$ (16)

(1) Except for adjustments that are solely income tax and tax related to outside basis differences, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates.

Business Unit Adjusted Earnings (Unaudited) (4 of 5)

Discontinued Operations Adjusted Earnings excludes items in 2019 and 2018 as follows:

In the six months ended June 30, 2019:

Associated with holding the South American businesses for sale:

- $(103) million income tax expense from outside basis differences in our South American businesses primarily related to the change in our indefinite reinvestment assertion from our decision in January 2019 to hold these businesses for sale

In the six months ended June 30, 2018:

- $(16) million income tax expense to adjust TCJA provisional amounts

Discontinued Operations Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of business operations to prior and future 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 below reconciles for historical periods this non-GAAP financial measure to Discontinued Operations GAAP Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Income tax expense	Earnings	Income tax expense	Earnings
(Dollars in millions)	Six months ended June 30, 2019		Six months ended June 30, 2018	
Discontinued Operations GAAP Earnings		$ 19		$ 69
Excluded items:				
Associated with holding the South American businesses for sale:				
Change in indefinite reinvestment assertion of basis differences discontinued operations	$ 103	103	$ -	-
Impact from the TCJA	-	-	16	16
Discontinued Operations Adjusted Earnings		$ 122		$ 85

Business Unit Adjusted Earnings (Unaudited) (5 of 5)

Sempra Parent & Other Adjusted Losses for the six months ended June 30, 2019 excludes:

Associated with holding the South American businesses for sale:

- $10 million income tax benefit from a reduction in a valuation allowance against certain NOL carryforwards as a result of our decision to sell our South American businesses

Sempra Parent & Other Adjusted Losses is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of business operations to prior and future 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 below reconciles for historical periods this non-GAAP financial measure to Sempra Parent & Other GAAP Losses, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Income tax benefit	Losses
(Dollars in millions)	Six months ended June 30, 2019	
Sempra Parent & Other GAAP Losses		$ (244)
Excluded item:		
Associated with holding the South American businesses for sale:		
Reduction in tax valuation allowance against certain NOL carryforwards	$ (10)	(10)
Sempra Parent & Other Adjusted Losses		$ (254)

2019 Adjusted Earnings Per Common Share Guidance Range (Unaudited)

Sempra Energy 2019 Adjusted EPS Guidance Range of $5.70 to $6.30 excludes:

- $103 million income tax expense from outside basis differences in our South American businesses primarily related to the change in our indefinite reinvestment assertion from our decision in January 2019 to hold these businesses for sale.
- $10 million income tax benefit from a reduction in a valuation allowance against certain NOL carryforwards as a result of our decision to sell our South American businesses.
- $45 million after-tax gain related to the April 2019 sale of the remaining U.S. renewables assets and investments to American Electric Power Company, Inc.
- any potential charge from SDG&E's $322.5 million initial contribution in September 2019 and annual contributions of $12.9 million in each of the next 10 years to the California wildfire fund pursuant to the wildfire legislation that was recently signed into law. We are evaluating the accounting and tax treatment of the initial and annual contributions.
- any potential gain from the planned sale of our South American businesses. Because the sale process for the planned divestiture of our South American businesses initiated in January 2019 is ongoing, the terms and structure of any potential sale transaction(s) are unknown, including the terms that would impact the final income tax expense resulting from the expected change in our assertion regarding indefinite reinvestment of foreign undistributed earnings, including timing and amounts of repatriation of such earnings.

Sempra Energy 2019 Adjusted EPS Guidance is a non-GAAP financial measure. Because of the significance and nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of business operations to prior and future periods. Sempra Energy 2019 Adjusted EPS Guidance should not be considered an alternative to GAAP EPS Guidance. 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. Due to the uncertainty surrounding the accounting and tax treatment of SDG&E's contributions to the California wildfire fund and the terms and structure of any potential transaction(s) associated with the planned sale of our South American businesses, 2019 GAAP EPS Guidance, the most directly comparable financial measure calculated in accordance with GAAP, is inestimable.