



2018 Statistical Report

SEMPRA ENERGY

Unaudited Supplement to the Financial Report



2018 Statistical Report

Unaudited Supplement to the 2018 Annual Report

Sempra Energy® is a San Diego-based Fortune 500 energy-services holding company with 2018 revenues of more than \$11.6 billion. The company is focused on delivering energy with purpose by investing in, developing and operating electric and gas infrastructure. Sempra Energy's mission is to be North America's premier energy infrastructure company. Additional information is available on the web at www.sempra.com.

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Sempra Energy Common Stock:
Ticker Symbol: SRE
New York Stock Exchange

Sempra Energy Preferred Stocks:
Ticker Symbols: SREPRA and SREPRB
New York Stock Exchange

Southern California Gas Co. Preferred Stock:
SoCalGas preferred stock is not listed on any exchange and trades over-the-counter.

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Selected Financial Data



(In millions, except per share amounts)	At December 31 or for the years then ended		
	2018	2017	2016
Total revenues	\$ 11,687	\$ 11,207	\$ 10,183
Income from continuing operations	\$ 1,126	\$ 351	\$ 1,519
Earnings from continuing operations attributable to noncontrolling interests	(76)	(94)	(148)
Mandatory convertible preferred stock dividends	(125)	—	—
Preferred dividends of subsidiary	(1)	(1)	(1)
Earnings/Income from continuing operations attributable to common shares	<u>\$ 924</u>	<u>\$ 256</u>	<u>\$ 1,370</u>
Weighted-average common shares outstanding, diluted	269.9	252.3	251.2
Earnings/Income from continuing operations per common share:			
Basic	\$ 3.45	\$ 1.02	\$ 5.48
Diluted	\$ 3.42	\$ 1.01	\$ 5.46
Adjusted earnings ⁽¹⁾	\$ 1,503	\$ 1,368	\$ 1,267
Adjusted earnings per common share, diluted ⁽¹⁾	\$ 5.57	\$ 5.42	\$ 5.05
Dividends declared per common share	\$ 3.58	\$ 3.29	\$ 3.02
Dividend yield on common shares	3.3%	3.1%	3.0%
Dividend payout ratio, diluted	104.7%	325.7%	55.3%
Ratio of market closing price to book value per common share	1.99	2.12	1.94
Book value per common share	\$ 54.35	\$ 50.40	\$ 51.77
Common shares outstanding	273.8	251.4	250.2
Total assets	\$ 60,638	\$ 50,454	\$ 47,786
Long-term debt (excludes current portion) ⁽²⁾	\$ 21,611	\$ 16,445	\$ 14,429
Short-term debt ⁽³⁾	\$ 3,752	\$ 2,967	\$ 2,692
Sempra Energy shareholders' equity	\$ 17,138	\$ 12,670	\$ 12,951
Effective income tax rate	12%	81%	21%

(1) Please refer to page 14 for an explanation of these non-GAAP measures.

(2) Includes capital lease obligations.

(3) Includes long-term debt due within one year and current portion of capital lease obligations.

Consolidated Statements of Operations



(Dollars in millions, except per share amounts)	Years ended December 31,		
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
Revenues			
Utilities:			
Electric	\$ 5,506	\$ 5,415	\$ 5,211
Natural gas	4,540	4,361	4,050
Energy-related businesses	1,641	1,431	922
Total revenues	<u>11,687</u>	<u>11,207</u>	<u>10,183</u>
Expenses and Other Income			
Utilities:			
Cost of electric fuel and purchased power	(2,323)	(2,281)	(2,188)
Cost of natural gas	(1,208)	(1,190)	(1,067)
Energy-related businesses:			
Cost of natural gas, electric fuel and purchased power	(355)	(339)	(277)
Other cost of sales	(78)	(24)	(322)
Operation and maintenance	(3,309)	(3,096)	(2,976)
Depreciation and amortization	(1,549)	(1,490)	(1,312)
Franchise fees and other taxes	(472)	(436)	(426)
Write-off of wildfire regulatory asset	—	(351)	—
Impairment losses	(1,122)	(72)	(153)
Gain on sale of assets	524	3	134
Remeasurement of equity method investment	—	—	617
Other income, net	72	233	138
Interest income	104	46	26
Interest expense	(925)	(659)	(553)
Income before income taxes and equity earnings of unconsolidated entities	1,046	1,551	1,824
Income tax expense	(96)	(1,276)	(389)
Equity earnings	176	76	84
Net income	1,126	351	1,519
Earnings attributable to noncontrolling interests	(76)	(94)	(148)
Mandatory convertible preferred stock dividends	(125)	—	—
Preferred dividends of subsidiary	(1)	(1)	(1)
Earnings attributable to common shares	<u>\$ 924</u>	<u>\$ 256</u>	<u>\$ 1,370</u>
Basic earnings per common share	<u>\$ 3.45</u>	<u>\$ 1.02</u>	<u>\$ 5.48</u>
Weighted-average shares outstanding, basic (thousands)	<u>268,072</u>	<u>251,545</u>	<u>250,217</u>
Diluted earnings per common share	<u>\$ 3.42</u>	<u>\$ 1.01</u>	<u>\$ 5.46</u>
Weighted-average shares outstanding, diluted (thousands)	<u>269,852</u>	<u>252,300</u>	<u>251,155</u>

(1) As adjusted for the retrospective adoption of Accounting Standards Update (ASU) 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost."

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 190	\$ 288	\$ 349
Restricted cash	35	62	66
Accounts receivable – trade, net	1,488	1,307	1,390
Accounts receivable – other, net	362	277	164
Due from unconsolidated affiliates	39	37	26
Income taxes receivable	68	110	43
Inventories	296	307	258
Regulatory assets	138	325	348
Greenhouse gas allowances	59	299	40
Assets held for sale	713	127	201
Other	257	202	225
Total current assets	<u>3,645</u>	<u>3,341</u>	<u>3,110</u>
Other assets:			
Restricted cash	21	14	10
Due from unconsolidated affiliates	688	598	201
Regulatory assets	1,589	1,517	3,414
Nuclear decommissioning trusts	974	1,033	1,026
Investment in Oncor Holdings	9,652	—	—
Other investments	2,337	2,527	2,097
Goodwill	2,373	2,397	2,364
Other intangible assets	272	596	548
Dedicated assets in support of certain benefit plans	416	455	430
Insurance receivable for Aliso Canyon costs	461	418	606
Deferred income taxes	151	170	234
Greenhouse gas allowances	289	93	295
Sundry	974	792	520
Total other assets	<u>20,197</u>	<u>10,610</u>	<u>11,745</u>
Property, plant and equipment:			
Property, plant and equipment	49,315	48,108	43,624
Less accumulated depreciation and amortization	<u>(12,519)</u>	<u>(11,605)</u>	<u>(10,693)</u>
Property, plant and equipment, net	<u>36,796</u>	<u>36,503</u>	<u>32,931</u>
Total assets	<u>\$ 60,638</u>	<u>\$ 50,454</u>	<u>\$ 47,786</u>

Consolidated Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2018	2017	2016
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 2,079	\$ 1,540	\$ 1,779
Accounts payable – trade	1,324	1,350	1,346
Accounts payable – other	150	173	130
Due to unconsolidated affiliates	10	7	11
Dividends and interest payable	499	342	319
Accrued compensation and benefits	469	439	409
Regulatory liabilities	105	109	122
Current portion of long-term debt	1,673	1,427	913
Reserve for Aliso Canyon costs	160	84	53
Greenhouse gas obligations	59	299	40
Liabilities held for sale	25	49	47
Other	970	816	758
Total current liabilities	<u>7,523</u>	<u>6,635</u>	<u>5,927</u>
Long-term debt	<u>21,611</u>	<u>16,445</u>	<u>14,429</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	37	35	—
Pension and other postretirement benefit plan obligations, net of plan assets	1,161	1,148	1,208
Deferred income taxes	2,571	2,767	3,745
Deferred investment tax credits	24	28	28
Regulatory liabilities	4,016	3,922	2,876
Asset retirement obligations	2,787	2,732	2,431
Greenhouse gas obligations	131	—	171
Deferred credits and other	1,529	1,602	1,730
Total deferred credits and other liabilities	<u>12,256</u>	<u>12,234</u>	<u>12,189</u>
Equity:			
Preferred stock	2,258	—	—
Common stock	5,540	3,149	2,982
Retained earnings	10,104	10,147	10,717
Accumulated other comprehensive income (loss)	(764)	(626)	(748)
Total Sempra Energy shareholders' equity	<u>17,138</u>	<u>12,670</u>	<u>12,951</u>
Preferred stock of subsidiary	20	20	20
Other noncontrolling interests	2,090	2,450	2,270
Total equity	<u>19,248</u>	<u>15,140</u>	<u>15,241</u>
Total liabilities and equity	<u>\$ 60,638</u>	<u>\$ 50,454</u>	<u>\$ 47,786</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net income	\$ 1,126	\$ 351	\$ 1,519
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,549	1,490	1,312
Deferred income taxes and investment tax credits	(182)	1,160	217
Write-off of wildfire regulatory asset	—	351	—
Impairment losses	1,122	72	153
Gain on sale of assets	(524)	(3)	(134)
Remeasurement of equity method investment	—	—	(617)
Equity earnings, net	(176)	(76)	(84)
Share-based compensation expense	83	82	52
Fixed-price contracts and other derivatives	(10)	7	21
Other	315	67	10
Net change in other working capital components	173	57	(59)
Insurance receivable for Aliso Canyon costs	(43)	188	(281)
Changes in other noncurrent assets and liabilities, net	14	(121)	202
Net cash provided by operating activities	<u>3,447</u>	<u>3,625</u>	<u>2,311</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(3,784)	(3,949)	(4,214)
Expenditures for investments and acquisitions, net of cash, cash equivalents and restricted cash acquired	(10,376)	(270)	(1,504)
Proceeds from sale of assets, net of cash and restricted cash sold	1,593	17	763
Distributions from investments	10	26	25
Purchases of nuclear decommissioning trust assets	(890)	(1,314)	(1,034)
Proceeds from sales by nuclear decommissioning trust assets	890	1,314	1,134
Advances to unconsolidated affiliates	(102)	(531)	(25)
Repayments of advances to unconsolidated affiliates	71	9	11
Other	31	(2)	9
Net cash used in investing activities	<u>(12,557)</u>	<u>(4,700)</u>	<u>(4,835)</u>
Cash Flows from Financing Activities			
Common dividends paid	(877)	(755)	(686)
Preferred dividends paid	(89)	—	—
Preferred dividends paid by subsidiary	(1)	(1)	(1)
Issuances of mandatory convertible preferred stock, net of \$42 in offering costs in 2018	2,258	—	—
Issuances of common stock, net of \$41 in offering costs in 2018	2,272	47	51
Repurchases of common stock	(21)	(15)	(56)
Issuances of debt (maturities greater than 90 days)	9,174	4,509	2,951
Payments on debt (maturities greater than 90 days)	(3,510)	(2,800)	(2,057)
(Decrease) increase in short-term debt, net	(124)	(36)	692
Advances from unconsolidated affiliates	—	35	—
Proceeds from sale of noncontrolling interests, net of \$1, \$3 and \$40 in offering costs, respectively	90	196	1,692
Net distributions to noncontrolling interests	(43)	(130)	(63)
Settlement of cross-currency swaps	(33)	—	—
Other	(90)	(43)	(21)
Net cash provided by financing activities	<u>9,006</u>	<u>1,007</u>	<u>2,502</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(14)</u>	<u>7</u>	<u>(3)</u>
Decrease in cash, cash equivalents and restricted cash	(118)	(61)	(25)
Cash, cash equivalents and restricted cash, January 1	364	425	450
Cash, cash equivalents and restricted cash, December 31	<u>\$ 246</u>	<u>\$ 364</u>	<u>\$ 425</u>

Consolidated Statements of Cash Flows (continued)



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Changes in Other Working Capital Components			
(Excluding cash, cash equivalents and restricted cash, and debt due within one year)			
Accounts receivable	\$ (144)	\$ 17	\$ (42)
Income taxes receivable, net	83	(70)	3
Inventories	23	(49)	(20)
Regulatory balancing accounts	263	108	198
Other current assets	(81)	(12)	(41)
Accounts payable	92	83	122
Reserve for Aliso Canyon costs	56	31	(221)
Other current liabilities	(119)	(51)	(58)
Net change in other working capital components	<u>\$ 173</u>	<u>\$ 57</u>	<u>\$ (59)</u>
Supplemental Disclosure of Cash Flow Information			
Interest payments, net of amounts capitalized	\$ 812	\$ 619	\$ 532
Income tax payments, net of refunds	174	172	160

Consolidated Statements of Comprehensive Income (Loss) and Changes in Equity



(Dollars in millions)	Years ended December 31, 2018, 2017 and 2016						
	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2015	\$ —	\$ 2,621	\$ 9,994	\$ (806)	\$ 11,809	\$ 770	\$ 12,579
Cumulative-effect adjustment from change in accounting principle			107		107		107
Net income			1,371		1,371	148	1,519
Other comprehensive income (loss):							
Foreign currency translation adjustments				42	42	(3)	39
Financial instruments				5	5	17	22
Pension and other postretirement benefits				(9)	(9)		(9)
Comprehensive income			1,371	38	1,409	162	1,571
Share-based compensation expense		52			52		52
Dividends declared:							
Common stock (\$3.02/share)			(754)		(754)		(754)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuances of common stock		104			104		104
Repurchases of common stock		(56)			(56)		(56)
Other noncontrolling interest activities:							
Equity contributions						3	3
Distributions						(65)	(65)
Sales, net of offering costs		261		20	281	1,420	1,701
Balance at December 31, 2016	\$ —	\$ 2,982	\$ 10,717	\$ (748)	\$ 12,951	\$ 2,290	\$ 15,241
Net income			257		257	94	351
Other comprehensive income (loss):							
Foreign currency translation adjustments				107	107	8	115
Financial instruments				3	3	12	15
Pension and other postretirement benefits				12	12		12
Comprehensive income			257	122	379	114	493
Share-based compensation expense		82			82		82
Dividends declared:							
Common stock (\$3.29/share)			(826)		(826)		(826)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuances of common stock		100			100		100
Repurchases of common stock		(15)			(15)		(15)
Other noncontrolling interest activities:							
Equity contributions						2	2
Distributions						(132)	(132)
Sales, net of offering costs						196	196
Balance at December 31, 2017	\$ —	\$ 3,149	\$ 10,147	\$ (626)	\$ 12,670	\$ 2,470	\$ 15,140

**Consolidated Statements of Comprehensive Income (Loss) and
Changes in Equity (continued)**



(Dollars in millions)	Years ended December 31, 2018, 2017 and 2016						
	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2017	\$ —	\$ 3,149	\$ 10,147	\$ (626)	\$ 12,670	\$ 2,470	\$ 15,140
Cumulative-effect adjustments from change in accounting principles			2	(3)	(1)		(1)
Net income			1,050		1,050	76	1,126
Other comprehensive income (loss):							
Foreign currency translation adjustments				(144)	(144)	(11)	(155)
Financial instruments				43	43	13	56
Pension and other postretirement benefits				(34)	(34)		(34)
Comprehensive income			1,050	(135)	915	78	993
Share-based compensation expense		83			83		83
Dividends declared:							
Series A preferred stock (\$6.10/share)			(105)		(105)		(105)
Series B preferred stock (\$3.41/share)			(20)		(20)		(20)
Common stock (\$3.58/share)			(969)		(969)		(969)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuance of series A preferred stock	1,693				1,693		1,693
Issuance of series B preferred stock	565				565		565
Issuances of common stock		2,326			2,326		2,326
Repurchases of common stock		(21)			(21)		(21)
Other noncontrolling interest activities:							
Equity contributions						66	66
Distributions						(110)	(110)
Purchases		(1)			(1)	(7)	(8)
Sales, net of offering costs		4			4	86	90
Increase from acquisition						13	13
Decrease from divestiture						(486)	(486)
Balance at December 31, 2018	\$ 2,258	\$ 5,540	\$ 10,104	\$ (764)	\$ 17,138	\$ 2,110	\$ 19,248

Segment Earnings (Losses) and Capital Expenditures, Investments and Acquisitions



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Earnings (Losses)			
San Diego Gas & Electric	\$ 669	\$ 407	\$ 570
Southern California Gas ⁽¹⁾	400	396	349
Sempra Texas Utility	371	—	—
Sempra South American Utilities	199	186	156
Sempra Mexico	237	169	463
Sempra Renewables	328	252	55
Sempra LNG & Midstream	(617)	150	(107)
Parent and other ⁽¹⁾	(663)	(1,304)	(116)
Total	<u>\$ 924</u>	<u>\$ 256</u>	<u>\$ 1,370</u>
Capital Expenditures, Investments and Acquisitions			
San Diego Gas & Electric	\$ 1,542	\$ 1,555	\$ 1,399
Southern California Gas	1,538	1,367	1,319
Sempra Texas Utility	9,457	—	—
Sempra South American Utilities	448	245	194
Sempra Mexico	468	467	1,750
Sempra Renewables	56	497	871
Sempra LNG & Midstream	306	68	164
Parent and other	345	20	21
Total	<u>\$ 14,160</u>	<u>\$ 4,219</u>	<u>\$ 5,718</u>

(1) After preferred dividends.

Schedule of Capitalization



(Dollars in millions)	December 31,					
	2018		2017		2016	
Capitalization						
Short-term debt	\$ 2,079	4.7 %	\$ 1,540	4.5 %	\$ 1,779	5.5 %
Current portion of long-term debt	1,673	3.8	1,427	4.1	913	2.8
Long-term debt	21,611	48.4	16,445	47.6	14,429	44.6
Total debt	<u>25,363</u>	<u>56.9</u>	<u>19,412</u>	<u>56.2</u>	<u>17,121</u>	<u>52.9</u>
Equity:						
Preferred stock	2,258	5.1	—	—	—	—
Common stock	5,540	12.4	3,149	9.1	2,982	9.2
Retained earnings	10,104	22.6	10,147	29.4	10,717	33.1
Accumulated other comprehensive income (loss)	(764)	(1.7)	(626)	(1.8)	(748)	(2.3)
Total Sempra Energy shareholders' equity	<u>17,138</u>	<u>38.4</u>	<u>12,670</u>	<u>36.7</u>	<u>12,951</u>	<u>40.0</u>
Preferred stock of subsidiary	20	—	20	—	20	0.1
Other noncontrolling interests	2,090	4.7	2,450	7.1	2,270	7.0
Total equity	<u>19,248</u>	<u>43.1</u>	<u>15,140</u>	<u>43.8</u>	<u>15,241</u>	<u>47.1</u>
Total capitalization	<u>\$ 44,611</u>	<u>100.0 %</u>	<u>\$ 34,552</u>	<u>100.0 %</u>	<u>\$ 32,362</u>	<u>100.0 %</u>

Schedule of Long-Term Debt



(Dollars in millions)	Outstanding at 12/31/18	Redemption prices (at 12/31/18 unless otherwise noted)
SDG&E		
First mortgage bonds (collateralized by plant assets):		
3% August 15, 2021	\$ 350	
1.914% payable 2015 through February 2022	125	
3.6% September 1, 2023	450	
2.5% May 15, 2026	500	
6% June 1, 2026	250	
5.875% January and February 2034 ⁽¹⁾	176	100% at 06/01/19
5.35% May 15, 2035	250	
6.125% September 15, 2037	250	
4% May 1, 2039 ⁽¹⁾	75	100%
6% June 1, 2039	300	
5.35% May 15, 2040	250	
4.5% August 15, 2040	500	
3.95% November 15, 2041	250	
4.3% April 1, 2042	250	
3.75% June 1, 2047	400	
4.15% May 15, 2048	400	
Other long-term debt:		
OMEC LLC variable-rate loan (4.7896% at December 31, 2018 except for \$142 at 5.2925% after floating-to-fixed rate swaps through April 1, 2019), payable 2019 through 2024 (collateralized by OMEC plant assets)	220	
Capital lease obligations:		
Purchased-power contracts	1,270	
Other	2	
SoCalGas		
First mortgage bonds (collateralized by plant assets):		
3.15% September 15, 2024	500	
3.2% June 15, 2025	350	
2.6% June 15, 2026	500	
5.75% November 15, 2035	250	
5.125% November 15, 2040	300	
3.75% September 15, 2042	350	
4.45% March 15, 2044	250	
4.125% June 1, 2048	400	
4.3% January 15, 2049	550	
Other long-term debt (uncollateralized):		
1.875% Notes payable 2016 through May 2026 ⁽¹⁾⁽²⁾	4	100% at 05/14/26
5.67% Notes January 18, 2028	5	
Capital lease obligations	3	
Sempra Energy		
Other long-term debt (uncollateralized):		
9.8% Notes February 15, 2019	500	
Notes at variable rates (2.69% at December 31, 2018) July 15, 2019	500	
1.625% Notes October 7, 2019	500	
2.4% Notes February 1, 2020	500	
2.4% Notes March 15, 2020	500	
2.85% Notes November 15, 2020	400	
Notes at variable rates (2.94% at December 31, 2018) January 15, 2021 ⁽¹⁾	700	100% at 01/14/19
Notes at variable rates (3.24% at December 31, 2018) March 15, 2021	850	

Schedule of Long-Term Debt (continued)



(Dollars in millions)	Outstanding at 12/31/18	Redemption prices (at 12/31/18 unless otherwise noted)
Sempra Energy (continued)		
2.875% Notes October 1, 2022	500	
2.9% Notes February 1, 2023	500	
4.05% Notes December 1, 2023	500	
3.55% Notes June 15, 2024	500	
3.75% Notes November 15, 2025	350	
3.25% Notes June 15, 2027	750	
3.4% Notes February 1, 2028	1,000	
3.8% Notes February 1, 2038	1,000	
6% Notes October 15, 2039	750	
4% Notes February 1, 2048	800	
Build-to-suit lease	138	
Sempra South American Utilities⁽³⁾		
Other long-term debt (uncollateralized):		
Chilquinta Energía – 4.25% Series B Bonds October 30, 2030	186	
Luz del Sur:		
Bank loans 4.3% to 5.7% payable 2017 through December 2021	105	
Corporate bonds at 4.75% to 8.75% payable 2014 through September 2029	432	
Other bonds at 3.77% to 4.61% payable 2020 through May 2022	4	
Capital lease obligations	6	
Sempra Mexico		
Other long-term debt (uncollateralized unless otherwise noted):		
6.3% Notes February 2, 2023 (4.12% after cross-currency swap) ⁽²⁾	198	
Notes at variable rates (4.88% after floating-to-fixed rate swaps effective 2014), payable 2016 through December 2026, collateralized by plant assets	275	
3.75% Notes January 14, 2028	300	
Bank loans including \$246 at a weighted-average fixed rate of 6.67%, \$164 at variable rates (weighted-average rate of 6.33% after floating-to-fixed rate swaps effective 2014) and \$37 at variable rates (5.82% at December 31, 2018), payable 2016 through March 2032, collateralized by plant assets	447	
4.875% Notes January 14, 2048	540	
Loan at variable rates (6.07% at December 31, 2018) July 31, 2028	4	
Sempra LNG & Midstream		
Other long-term debt (uncollateralized) – Notes at 2.87% to 3.51% October 1, 2026 ⁽¹⁾	21	100%
Total long-term debt outstanding	23,486	
Current portion of long-term debt	(1,673)	
Unamortized discount on long-term debt	(56)	
Unamortized premium on long-term debt	4	
Unamortized debt issuance costs	(150)	
Total	<u>\$ 21,611</u>	

(1) Callable long-term debt not subject to make-whole provisions.

(2) Denominated in Swiss Francs. Redemption price varies based on exchange rate.

(3) Amounts include foreign currency fluctuations.

At the option of Sempra Energy, SDG&E and SoCalGas, \$976 million of debt is callable at various dates: \$972 million in 2019 and \$4 million in 2026. In addition, \$18.3 billion of bonds are callable subject to make-whole provisions, and the OMEC LLC project financing loan may be prepaid at OMEC LLC's option.

Excluding capital lease obligations, build-to-suit lease, fair value adjustments for interest rate swaps, discounts, premiums and debt issuance costs, maturities of long-term debt are \$1.7 billion in 2019, \$1.6 billion in 2020, \$2.1 billion in 2021, \$0.7 billion in 2022, \$1.8 billion in 2023 and \$14.2 billion thereafter.

Reconciliation of Sempra Energy GAAP Earnings to Sempra Energy Adjusted Earnings



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

In 2018:

- \$367 million gain on the sale of certain Sempra Renewables assets
- \$(65) million impairment of RBS Sempra Commodities LLP (RBS Sempra Commodities) equity method investment at Parent and Other
- \$(629) million impairment of certain non-utility natural gas storage assets at Sempra LNG & Midstream
- \$(145) million other-than-temporary impairment of certain U.S. wind equity method investments at Sempra Renewables
- \$(22) million impacts associated with Aliso Canyon natural gas storage facility litigation at SoCalGas
- \$(85) million income tax expense in 2018 to adjust the Tax Cuts and Jobs Act of 2017 (TCJA) provisional amounts recorded in 2017

In 2017:

- \$(870) million income tax expense from the impact of the TCJA
- \$(208) million write-off of wildfire regulatory asset at SDG&E
- \$(47) million impairment of Termoeléctrica de Mexicali (TdM) assets that were held for sale until June 2018 at Sempra Mexico
- \$(20) million associated with Aliso Canyon litigation reserves at SoCalGas
- \$5 million deferred income tax benefit on the TdM assets that were held for sale
- \$28 million of recoveries related to 2016 permanent releases of pipeline capacity at Sempra LNG & Midstream

In 2016:

- \$350 million noncash gain from the remeasurement of our equity method investment in IEnova Pipelines (formerly Gasoductos de Chihuahua or GdC), a 50-50 joint venture between our Mexican subsidiary, IEnova, and Petróleos Mexicanos (PEMEX), in connection with IEnova's September 2016 acquisition of PEMEX's 50-percent interest in GdC
- \$78 million gain at Sempra LNG & Midstream on the September 2016 sale of EnergySouth Inc., the parent company of Mobile Gas and Willmut Gas
- \$(123) million losses from the permanent releases of pipeline capacity at Sempra LNG & Midstream
- \$(80) million adjustments related to tax repairs deductions reallocated to ratepayers as a result of the 2016 General Rate Case Final Decision (2016 GRC FD) at the California Utilities
- \$(27) million impairment charge related to Sempra LNG & Midstream's investment in Rockies Express Pipeline LLC (Rockies Express)
- \$(90) million impairment of TdM assets that were held for sale
- \$(5) million deferred income tax expense related to our decision to hold TdM for sale

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 Sempra Energy's business operations from 2018 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 and GAAP Diluted Earnings Per Common Share (GAAP EPS), which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

Reconciliation of Sempra Energy GAAP Earnings to Sempra Energy Adjusted Earnings (continued)



	Pretax amount	Income tax expense (benefit) ⁽¹⁾	Noncontrolling interests	Earnings	Diluted earnings per common share
(Dollars in millions, except per share amounts; shares in thousands)					
Year ended December 31, 2018					
Sempra Energy GAAP Earnings				\$ 924	\$ 3.42
Excluded items:					
Gain on sale of certain Sempra Renewables assets	\$ (513)	\$ 146	\$ —	(367)	(1.36)
Impairment of investment in RBS Sempra Commodities	65	—	—	65	0.24
Impairment of non-utility natural gas storage assets	1,117	(452)	(36)	629	2.33
Impairment of U.S. wind equity method investments	200	(55)	—	145	0.54
Impacts associated with Aliso Canyon litigation	1	21	—	22	0.08
Impact from the TCJA	—	85	—	85	0.32
Sempra Energy Adjusted Earnings				\$ 1,503	\$ 5.57
Weighted-average shares outstanding, diluted					269,852
Year ended December 31, 2017					
Sempra Energy GAAP Earnings				\$ 256	\$ 1.01
Excluded items:					
Impact from the TCJA	\$ —	\$ 870	\$ —	870	3.45
Write-off of wildfire regulatory asset	351	(143)	—	208	0.82
Impairment of TdM assets held for sale	71	—	(24)	47	0.19
Aliso Canyon litigation reserves	20	—	—	20	0.08
Deferred income tax benefit associated with TdM	—	(8)	3	(5)	(0.02)
Recoveries related to 2016 permanent release of pipeline capacity	(47)	19	—	(28)	(0.11)
Sempra Energy Adjusted Earnings				\$ 1,368	\$ 5.42
Weighted-average shares outstanding, diluted					252,300
Year ended December 31, 2016					
Sempra Energy GAAP Earnings				\$ 1,370	\$ 5.46
Excluded items:					
Remeasurement gain in connection with GdC acquisition	\$ (617)	\$ 185	\$ 82	(350)	(1.39)
Gain on sale of EnergySouth	(130)	52	—	(78)	(0.31)
Permanent release of pipeline capacity	206	(83)	—	123	0.49
SDG&E tax repairs adjustments related to 2016 GRC FD	52	(21)	—	31	0.12
SoCalGas tax repairs adjustments related to 2016 GRC FD	83	(34)	—	49	0.19
Impairment of investment in Rockies Express	44	(17)	—	27	0.11
Impairment of TdM assets held for sale	131	(20)	(21)	90	0.36
Deferred income tax expense associated with TdM	—	8	(3)	5	0.02
Sempra Energy Adjusted Earnings				\$ 1,267	\$ 5.05
Weighted-average shares outstanding, diluted					251,155

(1) Except for adjustments that are solely income tax and tax related to outside basis differences, income taxes were primarily calculated based on applicable statutory tax rates. Income taxes associated with TdM were calculated based on the applicable statutory tax rate, including translation from historic to current exchange rates. An income tax benefit of \$12 million associated with the 2017 TdM impairment has been fully reserved.

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Selected Financial Data and Comparative Statistics



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Net income (including earnings and losses attributable to noncontrolling interest)	\$ 676	\$ 421	\$ 565
Earnings attributable to common shares	\$ 669	\$ 407	\$ 570
Common dividends to parent	\$ 250	\$ 450	\$ 175
Capital expenditures	\$ 1,542	\$ 1,555	\$ 1,399
Weighted average rate base	\$ 9,619	\$ 8,549	\$ 8,019
CPUC-authorized rate of return:			
Rate base	7.55%	7.79%	7.79%
Common equity	10.20%	10.30%	10.30%
Achieved return on common equity	11.52%	7.24%	10.49%
Electric volumes (millions of kilowatt hours)			
Residential	6,336	6,577	6,685
Commercial	6,539	6,763	6,700
Industrial	2,169	2,198	2,189
Street and highway lighting	81	79	75
	15,125	15,617	15,649
Community choice aggregation and direct access	3,628	3,394	3,515
Total	18,753	19,011	19,164
Cooling degree days	1,469	1,541	1,395
Electric customer meters at December 31 (thousands)			
Residential	1,294	1,286	1,276
Commercial	150	152	151
Industrial	—	1	—
Street and highway lighting	2	2	2
	1,446	1,441	1,429
Community choice aggregation and direct access	13	5	5
Total	1,459	1,446	1,434

**Selected Financial Data and
Comparative Statistics (continued)**



	Years ended December 31,		
	2018	2017	2016
<u>(Dollars in millions, except average cost of natural gas)</u>			
Natural gas volumes delivered (billion cubic feet)			
Residential	25	26	26
Commercial and industrial	24	23	23
Electric generation plants	19	26	22
Total	<u>68</u>	<u>75</u>	<u>71</u>
Core	45	45	45
Noncore	23	30	26
Total	<u>68</u>	<u>75</u>	<u>71</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 3.81</u>	<u>\$ 4.08</u>	<u>\$ 3.20</u>
Heating degree days	<u>809</u>	<u>760</u>	<u>817</u>
Natural gas customer meters at December 31 (thousands)			
Residential	857	851	846
Commercial	29	29	28
Electric generation and transportation	3	3	4
Total number of natural gas customers	<u>889</u>	<u>883</u>	<u>878</u>

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
Operating revenues			
Electric	\$ 4,003	\$ 3,935	\$ 3,754
Natural gas	565	541	499
Total operating revenues	<u>4,568</u>	<u>4,476</u>	<u>4,253</u>
Operating expenses			
Cost of electric fuel and purchased power	1,370	1,293	1,187
Cost of natural gas	152	164	127
Operation and maintenance	1,058	1,024	1,062
Depreciation and amortization	688	670	646
Franchise fees and other taxes	290	265	255
Write-off of wildfire regulatory asset	—	351	—
Total operating expenses	<u>3,558</u>	<u>3,767</u>	<u>3,277</u>
Operating income	<u>1,010</u>	<u>709</u>	<u>976</u>
Other income (expense), net			
Allowance for equity funds used during construction	61	63	46
Non-service component of net periodic benefit (cost) credit	(6)	4	14
Interest on regulatory balancing accounts, net	4	3	3
Sundry, net	(3)	—	1
Total other income, net	<u>56</u>	<u>70</u>	<u>64</u>
Interest income	4	—	—
Interest expense	<u>(221)</u>	<u>(203)</u>	<u>(195)</u>
Income before income taxes	849	576	845
Income tax expense	<u>(173)</u>	<u>(155)</u>	<u>(280)</u>
Net income	676	421	565
(Earnings) losses attributable to noncontrolling interest	(7)	(14)	5
Earnings attributable to common shares	<u>\$ 669</u>	<u>\$ 407</u>	<u>\$ 570</u>

(1) As adjusted for the retrospective adoption of ASU 2017-07.

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 8	\$ 12	\$ 8
Restricted cash	11	6	11
Accounts receivable – trade, net	368	362	354
Accounts receivable – other, net	106	79	17
Due from unconsolidated affiliates	—	—	4
Income taxes receivable	—	—	122
Inventories	102	105	80
Prepaid expenses	74	58	59
Regulatory assets	123	316	340
Fixed-price contracts and other derivatives	82	42	58
Greenhouse gas allowances	15	116	16
Other	5	4	3
Total current assets	894	1,100	1,072
Other assets:			
Restricted cash	18	11	1
Regulatory assets	454	451	2,012
Nuclear decommissioning trusts	974	1,033	1,026
Greenhouse gas allowances	155	83	182
Sundry	420	328	176
Total other assets	2,021	1,906	3,397
Property, plant and equipment:			
Property, plant and equipment	21,662	19,787	17,844
Less accumulated depreciation and amortization	(5,352)	(4,949)	(4,594)
Property, plant and equipment, net	16,310	14,838	13,250
Total assets	\$ 19,225	\$ 17,844	\$ 17,719

Consolidated Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2018	2017	2016
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 291	\$ 253	\$ —
Accounts payable	439	501	460
Due to unconsolidated affiliates	61	40	15
Accrued compensation and benefits	117	122	121
Accrued franchise fees	64	59	43
Regulatory liabilities	53	18	—
Current portion of long-term debt	81	220	191
Customer deposits	70	69	76
Greenhouse gas obligations	15	116	16
Asset retirement obligations	96	77	79
Other	141	147	167
Total current liabilities	<u>1,428</u>	<u>1,622</u>	<u>1,168</u>
Long-term debt	<u>6,138</u>	<u>5,335</u>	<u>4,658</u>
Deferred credits and other liabilities:			
Pension and other postretirement benefit plan obligations, net of plan assets	212	182	232
Deferred income taxes	1,616	1,530	2,829
Deferred investment tax credits	16	18	16
Regulatory liabilities	2,404	2,225	1,725
Asset retirement obligations	778	762	751
Greenhouse gas obligations	30	—	72
Deferred credits and other	488	544	590
Total deferred credits and other liabilities	<u>5,544</u>	<u>5,261</u>	<u>6,215</u>
Equity:			
Preferred stock	—	—	—
Common stock	1,338	1,338	1,338
Retained earnings	4,687	4,268	4,311
Accumulated other comprehensive income (loss)	(10)	(8)	(8)
Total SDG&E shareholder's equity	<u>6,015</u>	<u>5,598</u>	<u>5,641</u>
Noncontrolling interest	100	28	37
Total equity	<u>6,115</u>	<u>5,626</u>	<u>5,678</u>
Total liabilities and equity	<u>\$ 19,225</u>	<u>\$ 17,844</u>	<u>\$ 17,719</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net income	\$ 676	\$ 421	\$ 565
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	688	670	646
Deferred income taxes and investment tax credits	39	(10)	258
Write-off of wildfire regulatory asset	—	351	—
Fixed-price contracts and other derivatives	(3)	(2)	(3)
Other	(14)	(22)	(35)
Changes in other noncurrent assets and liabilities, net	9	(30)	(9)
Changes in working capital components:			
Accounts receivable	30	(76)	(31)
Due to/from affiliates, net	(2)	(10)	(19)
Inventories	3	(25)	(5)
Other current assets	(6)	9	25
Income taxes	23	136	(115)
Accounts payable	(1)	75	39
Regulatory balancing accounts	138	56	35
Other current liabilities	4	4	(28)
Net cash provided by operating activities	<u>1,584</u>	<u>1,547</u>	<u>1,323</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(1,542)	(1,555)	(1,399)
Purchases of nuclear decommissioning trust assets	(890)	(1,314)	(1,034)
Proceeds from sales by nuclear decommissioning trusts	890	1,314	1,134
Decrease (increase) in loans to affiliate, net	—	31	(31)
Other	—	9	6
Net cash used in investing activities	<u>(1,542)</u>	<u>(1,515)</u>	<u>(1,324)</u>
Cash Flows from Financing Activities			
Common dividends paid	(250)	(450)	(175)
Issuances of debt (maturities greater than 90 days)	618	398	498
Payments on debt (maturities greater than 90 days)	(492)	(186)	(204)
Increase (decrease) in short-term debt, net	38	253	(114)
Capital contributions (distributions) made to (by) VIE, net	57	(34)	(21)
Debt issuance costs	(5)	(4)	(6)
Net cash used in financing activities	<u>(34)</u>	<u>(23)</u>	<u>(22)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	8	9	(23)
Cash, cash equivalents and restricted cash, January 1	29	20	43
Cash, cash equivalents and restricted cash, December 31	<u>\$ 37</u>	<u>\$ 29</u>	<u>\$ 20</u>
Supplemental Disclosure of Cash Flow Information			
Interest payments, net of amounts capitalized	\$ 214	\$ 195	\$ 187
Income tax payments, net	112	27	137

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Selected Financial Data and Comparative Statistics



(Dollars in millions, except average cost of natural gas)	Years ended December 31,		
	2018	2017	2016
Net income (before preferred dividends)	\$ 401	\$ 397	\$ 350
Earnings attributable to common shares	\$ 400	\$ 396	\$ 349
Common dividends to parent	\$ 50	\$ —	\$ —
Capital expenditures	\$ 1,538	\$ 1,367	\$ 1,319
Weighted average rate base	\$ 6,413	\$ 5,493	\$ 4,775
CPUC-authorized rate of return on:			
Rate base	7.34%	8.02%	8.02%
Common equity	10.05%	10.10%	10.10%
Achieved return on common equity	9.85%	10.74%	10.55%
Natural gas volumes delivered (billion cubic feet)			
Residential	208	211	203
Commercial and industrial	394	394	390
Electric generation plants	127	153	171
Wholesale	121	146	140
Total	<u>850</u>	<u>904</u>	<u>904</u>
Core	322	324	315
Noncore	528	580	589
Total	<u>850</u>	<u>904</u>	<u>904</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 3.58</u>	<u>\$ 3.44</u>	<u>\$ 3.05</u>
Heating degree days	<u>1,016</u>	<u>963</u>	<u>1,010</u>
Customer meters at December 31 (thousands)			
Residential	5,722	5,689	5,657
Commercial	248	248	247
Industrial	26	26	26
Total ⁽¹⁾	<u>5,996</u>	<u>5,963</u>	<u>5,930</u>

(1) Includes negligible number of electric generation plants and wholesale customers.

Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
Operating revenues	\$ 3,962	\$ 3,785	\$ 3,471
Operating expenses			
Cost of natural gas	1,048	1,025	891
Operation and maintenance	1,613	1,474	1,391
Depreciation and amortization	556	515	476
Franchise fees and other taxes	154	144	140
Impairment losses	—	—	22
Total operating expenses	3,371	3,158	2,920
Operating income	591	627	551
Other income (expense), net			
Allowance for equity funds used during construction	36	44	40
Non-service component of net periodic benefit (cost) credit	(10)	(5)	6
Interest on regulatory balancing accounts, net	(2)	—	1
Sundry, net	(9)	(8)	(9)
Total other income, net	15	31	38
Interest income	2	1	1
Interest expense	(115)	(102)	(97)
Income before income taxes	493	557	493
Income tax expense	(92)	(160)	(143)
Net income	401	397	350
Preferred dividend requirements	(1)	(1)	(1)
Earnings attributable to common shares	\$ 400	\$ 396	\$ 349

(1) As adjusted for the retrospective adoption of ASU 2017-07.

Balance Sheets



(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 18	\$ 8	\$ 12
Accounts receivable – trade, net	634	517	608
Accounts receivable – other, net	97	90	77
Due from unconsolidated affiliates	7	4	8
Inventories	134	124	58
Regulatory assets	12	9	8
Greenhouse gas allowances	37	179	24
Other	31	48	41
Total current assets	<u>970</u>	<u>979</u>	<u>836</u>
Other assets:			
Regulatory assets	1,051	983	1,331
Insurance receivable for Aliso Canyon costs	461	418	606
Greenhouse gas allowances	116	9	109
Sundry	352	364	290
Total other assets	<u>1,980</u>	<u>1,774</u>	<u>2,336</u>
Property, plant and equipment:			
Property, plant and equipment	18,138	16,772	15,344
Less accumulated depreciation and amortization	<u>(5,699)</u>	<u>(5,366)</u>	<u>(5,092)</u>
Property, plant and equipment, net	<u>12,439</u>	<u>11,406</u>	<u>10,252</u>
Total assets	<u>\$ 15,389</u>	<u>\$ 14,159</u>	<u>\$ 13,424</u>

Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2018	2017	2016
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term debt	\$ 256	\$ 116	\$ 62
Accounts payable – trade	556	502	481
Accounts payable – other	93	93	74
Due to unconsolidated affiliates	34	35	28
Accrued compensation and benefits	159	151	150
Regulatory liabilities	52	91	122
Current portion of long-term debt	3	501	—
Customer deposits	101	89	76
Reserve for Aliso Canyon costs	160	84	53
Greenhouse gas obligations	37	179	24
Asset retirement obligations	90	68	43
Other	217	137	128
Total current liabilities	1,758	2,046	1,241
Long-term debt	3,427	2,485	2,982
Deferred credits and other liabilities:			
Pension obligation, net of plan assets	760	789	762
Deferred income taxes	1,177	995	1,709
Deferred investment tax credits	8	10	12
Regulatory liabilities	1,612	1,697	1,151
Asset retirement obligations	1,973	1,885	1,616
Greenhouse gas obligations	86	—	96
Deferred credits and other	330	345	345
Total deferred credits and other liabilities	5,946	5,721	5,691
Shareholders' equity:			
Preferred stock	22	22	22
Common stock	866	866	866
Retained earnings	3,390	3,040	2,644
Accumulated other comprehensive income (loss)	(20)	(21)	(22)
Total shareholders' equity	4,258	3,907	3,510
Total liabilities and shareholders' equity	\$ 15,389	\$ 14,159	\$ 13,424

Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net income	\$ 401	\$ 397	\$ 350
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	556	515	476
Deferred income taxes and investment tax credits	78	137	103
Impairment losses	—	—	22
Other	(7)	11	(26)
Insurance receivable for Aliso Canyon costs	(43)	188	(281)
Changes in other noncurrent assets and liabilities, net	(144)	(93)	42
Changes in working capital components:			
Accounts receivable	(87)	72	37
Inventories	(2)	(66)	4
Other current assets	11	—	(13)
Accounts payable	71	39	36
Income taxes	14	(5)	(2)
Due to/from affiliates, net	(10)	7	6
Regulatory balancing accounts	125	53	163
Reserve for Aliso Canyon costs	56	31	(221)
Other current liabilities	(6)	20	(25)
Net cash provided by operating activities	<u>1,013</u>	<u>1,306</u>	<u>671</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(1,538)	(1,367)	(1,319)
Decrease in loans to affiliate, net	—	—	50
Other	7	4	—
Net cash used in investing activities	<u>(1,531)</u>	<u>(1,363)</u>	<u>(1,269)</u>
Cash Flows from Financing Activities			
Common dividends paid	(50)	—	—
Preferred dividends paid	(1)	(1)	(1)
Issuances of long-term debt	949	—	499
Payments on long-term debt	(500)	—	(3)
Increase in short-term debt, net	140	54	62
Debt issuance costs	(10)	—	(5)
Net cash provided by financing activities	<u>528</u>	<u>53</u>	<u>552</u>
Increase (decrease) in cash and cash equivalents	10	(4)	(46)
Cash and cash equivalents, January 1	8	12	58
Cash and cash equivalents, December 31	<u>\$ 18</u>	<u>\$ 8</u>	<u>\$ 12</u>
Supplemental Disclosure of Cash Flow Information			
Interest payments, net of amounts capitalized	\$ 105	\$ 97	\$ 92
Income tax payments, net	—	28	41

Sempra Texas Utility Selected Financial Data and Statistics

Sempra Texas Utility is comprised of our equity method investment in Oncor Electric Delivery Holdings Company LLC (Oncor Holdings), which we acquired on March 9, 2018. Oncor Holdings owns an 80.25-percent interest in Oncor Electric Delivery Company LLC (Oncor), a regulated electric transmission and distribution utility that operates in the north-central, eastern and western parts of Texas. We provide information on our investment in Oncor Holdings and selected statistics for Oncor below.

(Dollars in millions)	March 9, 2018 to December 31, 2018
Acquisition of Oncor Holdings	\$ 9,227
Capital contributions	230
Total expenditures for investment and acquisition	9,457
Equity earnings	371
Distributions of earnings	(149)
Other	(27)
Investment in Oncor Holdings at December 31, 2018	<u>\$ 9,652</u>
Oncor:	Year ended December 31, 2018
Capital expenditures	\$ 1,767
Average rate base ⁽¹⁾	\$ 12,124
PUCT-authorized return on equity	9.80%
Adjusted return on equity ⁽²⁾	12.16%
Electric volumes (millions of kilowatt hours)	
Residential	46,007
Commercial, industrial and other	84,049
Total ⁽³⁾	<u>130,056</u>
Cooling degree days	<u>1,958</u>
Heating degree days	<u>896</u>
Electric customer meters at December 31 (thousands)	<u>3,621</u>

(1) Average rate base equals the average of a) the estimated December 31, 2018 total rate base of \$12,640 million that is expected to be included in Oncor's annual Earnings Monitoring Report to be filed with the Public Utility Commission of Texas (PUCT) in April 2019, and b) the December 31, 2017 total rate base of \$11,607 million that was included in Oncor's 2017 Earnings Monitoring Report that was filed with the PUCT in April 2018.

(2) Adjusted return on equity is a non-GAAP financial measure and excludes the effects of acquisition accounting on equity from a 2007 transaction that included recording the initial goodwill and fair value adjustments and subsequent related impairments and amortization. A reconciliation to return on equity computed in accordance with GAAP is as follows:

	Net income	Average equity	Return on equity
GAAP	\$ 545	\$ 8,182	6.66%
Excluded item: Average equity from acquisition accounting	—	(3,701)	
Adjusted	<u>\$ 545</u>	<u>\$ 4,481</u>	12.16%

(3) Electric volumes since March 9, 2018 acquisition date were 107,276 million kilowatt hours.

Sempra Texas Utility is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra Texas Utility is not regulated by the California Public Utilities Commission.

Sempra South American Utilities
Consolidated Statements of Operations and Comparative Statistics

(Dollars in millions)	Years ended December 31,		
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
Revenues			
Utilities – electric	\$ 1,507	\$ 1,486	\$ 1,463
Energy-related businesses	78	81	93
Total revenues	1,585	1,567	1,556
Expenses and Other Income			
Utilities:			
Cost of electric fuel and purchased power	(965)	(988)	(1,001)
Energy-related businesses:			
Cost of purchased power	(18)	(20)	(13)
Other cost of sales	(58)	(52)	(69)
Operation and maintenance	(178)	(169)	(171)
Depreciation and amortization	(58)	(54)	(49)
Gain on sale of assets	11	1	—
Other operating income	1	1	—
Other income, net	14	13	20
Interest income	31	28	21
Interest expense	(40)	(38)	(38)
Income before income taxes and equity earnings of unconsolidated entities	325	289	256
Income tax expense	(95)	(80)	(80)
Equity earnings	1	4	3
Net income	231	213	179
Earnings attributable to noncontrolling interests	(32)	(27)	(23)
Earnings	\$ 199	\$ 186	\$ 156
Electric Distribution Operations			
Volumes delivered (millions of kilowatt hours)			
Peru	9,145	8,921	8,752
Chile	3,251	3,034	2,990
Total	12,396	11,955	11,742
Customer meters at December 31 (thousands)			
Peru	1,134	1,102	1,078
Chile	722	704	688
Total	1,856	1,806	1,766

(1) As adjusted for the retrospective adoption of ASU 2017-07.

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Sempra South American Utilities Consolidated Balance Sheets

(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 88	\$ 94	\$ 195
Accounts receivable	315	312	264
Due from unconsolidated affiliates	390	502	334
Inventories	38	30	27
Other	16	21	22
Total current assets	<u>847</u>	<u>959</u>	<u>842</u>
Due from unconsolidated affiliates	44	104	97
Goodwill and other intangible assets	819	797	750
Deferred income taxes	10	9	8
Property, plant and equipment, net	2,357	2,164	1,863
Other	30	27	31
Total assets	<u>\$ 4,107</u>	<u>\$ 4,060</u>	<u>\$ 3,591</u>
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 55	\$ 104	\$ 91
Accounts payable	176	199	180
Due to unconsolidated affiliates	77	77	78
Income taxes payable	24	11	3
Current portion of long-term debt	29	73	59
Other	84	77	72
Total current liabilities	<u>445</u>	<u>541</u>	<u>483</u>
Long-term debt	<u>708</u>	<u>616</u>	<u>564</u>
Other noncurrent liabilities:			
Due to unconsolidated affiliates	30	65	47
Deferred income taxes	250	208	180
Other	55	54	50
Total other noncurrent liabilities	<u>335</u>	<u>327</u>	<u>277</u>
Equity:			
Sempra South American Utilities shareholders' equity	2,399	2,359	2,068
Noncontrolling interests	220	217	199
Total equity	<u>2,619</u>	<u>2,576</u>	<u>2,267</u>
Total liabilities and equity	<u>\$ 4,107</u>	<u>\$ 4,060</u>	<u>\$ 3,591</u>

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Sempra South American Utilities Consolidated Statements of Cash Flows

(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net income	\$ 231	\$ 213	\$ 179
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	58	54	49
Deferred income taxes	15	20	33
Gain on sale of assets	(11)	(1)	—
Equity earnings	(1)	(4)	(3)
Other	45	28	24
Changes in other noncurrent assets	—	3	1
Net change in working capital components	(41)	(27)	(28)
Net cash provided by operating activities	<u>296</u>	<u>286</u>	<u>255</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(240)	(244)	(194)
Expenditures for investments	(208)	(1)	—
Proceeds from sale of assets	13	2	2
Decrease (increase) in loans to affiliates, net	170	(193)	(115)
Net cash used in investing activities	<u>(265)</u>	<u>(436)</u>	<u>(307)</u>
Cash Flows from Financing Activities			
Dividends paid	(69)	—	(6)
Issuances of debt (maturities greater than 90 days)	247	249	167
Payments on debt (maturities greater than 90 days)	(168)	(213)	(115)
(Decrease) increase in short-term debt, net	(40)	3	(6)
Increase (decrease) in loans from affiliates, net	22	17	(20)
Distributions to noncontrolling interests	(17)	(16)	(16)
Net cash (used in) provided by financing activities	<u>(25)</u>	<u>40</u>	<u>4</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(12)	9	10
Decrease in cash, cash equivalents and restricted cash	(6)	(101)	(38)
Cash, cash equivalents and restricted cash, January 1	94	195	233
Cash, cash equivalents and restricted cash, December 31	<u>\$ 88</u>	<u>\$ 94</u>	<u>\$ 195</u>

Sempra South American Utilities is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra South American Utilities is not regulated by the California Public Utilities Commission.

Sempra Mexico
Consolidated Statements of Operations and Comparative Statistics

(Dollars in millions)	Years ended December 31,		
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
Revenues			
Utility – natural gas	\$ 78	\$ 110	\$ 88
Energy-related businesses	1,298	1,086	637
Total revenues	<u>1,376</u>	<u>1,196</u>	<u>725</u>
Expenses and Other Income			
Utility:			
Cost of natural gas	(21)	(70)	(52)
Energy-related businesses:			
Cost of natural gas, electric fuel and purchased power	(354)	(252)	(200)
Other cost of sales	(9)	(9)	(10)
Operation and maintenance	(239)	(234)	(149)
Depreciation and amortization	(175)	(156)	(77)
Impairment losses	(4)	(72)	(131)
Other taxes	(6)	(3)	(1)
Remeasurement of equity method investment	—	—	617
Other income (expense), net			
Gains (losses) on interest rate and foreign exchange instruments	1	76	(32)
Allowance for equity funds used during construction	1	59	27
Foreign currency transaction losses	(4)	(33)	(1)
Sundry, net	3	3	—
Total other income (expense), net	<u>1</u>	<u>105</u>	<u>(6)</u>
Interest income	65	23	6
Interest expense	(120)	(97)	(13)
Income before income taxes and equity earnings of unconsolidated entities	<u>514</u>	<u>431</u>	<u>709</u>
Income tax expense	(185)	(227)	(188)
Equity earnings	40	38	75
Net income	<u>369</u>	<u>242</u>	<u>596</u>
Earnings attributable to noncontrolling interests	(132)	(73)	(133)
Earnings attributable to common shares	<u>\$ 237</u>	<u>\$ 169</u>	<u>\$ 463</u>
Natural Gas Distribution Operations			
Volumes delivered (billion cubic feet)	<u>7</u>	<u>29</u>	<u>29</u>
Customer meters at December 31 (thousands)	<u>123</u>	<u>120</u>	<u>119</u>
Power Generated and Sold			
Volumes (millions of kilowatt hours) ⁽²⁾	<u>5,250</u>	<u>4,337</u>	<u>3,173</u>

(1) As adjusted for the retrospective adoption of ASU 2017-07.

(2) Includes power generated and sold at the TdM natural gas-fired power plant and the Ventika wind power generation facilities. Also includes 50 percent of total power sold at the Energía Sierra Juárez wind power generation facility, in which Sempra Energy has a 50-percent ownership interest. Energía Sierra Juárez is not consolidated within Sempra Energy, and the related investment is accounted for under the equity method.

Sempra Mexico and IEnova are not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra Mexico and IEnova are not regulated by the California Public Utilities Commission.

Sempra Mexico
Consolidated Balance Sheets

(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 51	\$ 38	\$ 25
Restricted cash	24	53	52
Accounts receivable	254	154	140
Due from unconsolidated affiliates	175	163	110
Income taxes receivable	72	99	10
Inventories	19	9	7
Assets held for sale	—	123	197
Other	25	19	18
Total current assets	620	658	559
Restricted cash	3	3	9
Due from unconsolidated affiliates	644	494	104
Regulatory assets	84	83	71
Investments	747	624	180
Goodwill and other intangible assets	1,823	1,819	1,774
Deferred income taxes	80	99	202
Property, plant and equipment, net	5,053	4,739	4,634
Other	111	35	9
Total assets	\$ 9,165	\$ 8,554	\$ 7,542
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 808	\$ 137	\$ 446
Accounts payable	100	73	95
Due to unconsolidated affiliates	463	700	351
Fixed-price contracts and other derivatives	5	43	10
Current portion of long-term debt	62	127	50
Liabilities held for sale	—	49	47
Other	150	82	95
Total current liabilities	1,588	1,211	1,094
Long-term debt	1,670	1,726	1,033
Other noncurrent liabilities:			
Due to unconsolidated affiliates	89	172	116
Deferred income taxes	742	680	563
Contract liabilities	70	—	—
Deferred revenue	—	65	32
Fixed-price contracts and other derivatives	147	162	216
Other	92	57	57
Total other noncurrent liabilities	1,140	1,136	984
Equity:			
Sempra Mexico shareholders' equity	3,162	2,949	2,907
Noncontrolling interests	1,605	1,532	1,524
Total equity	4,767	4,481	4,431
Total liabilities and equity	\$ 9,165	\$ 8,554	\$ 7,542

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Sempra Mexico

Consolidated Statements of Cash Flows

(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net income	\$ 369	\$ 242	\$ 596
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	175	156	77
Deferred income taxes	74	159	86
Impairment losses	4	72	131
Remeasurement of equity method investment	—	—	(617)
Equity earnings	(40)	(38)	(75)
Fixed-price contracts and other derivatives	(70)	7	3
Foreign currency transaction losses	4	33	1
Other	93	(8)	(1)
Changes in other noncurrent assets and liabilities, net	(55)	4	18
Net change in working capital components	(66)	(159)	7
Net cash provided by operating activities	<u>488</u>	<u>468</u>	<u>226</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(368)	(248)	(330)
Expenditures for investments and acquisitions, net of cash, cash equivalents and restricted cash acquired	(100)	(219)	(1,420)
(Increase) decrease in loans to affiliates, net	(91)	(496)	11
Other	(16)	(4)	(5)
Net cash used in investing activities	<u>(575)</u>	<u>(967)</u>	<u>(1,744)</u>
Cash Flows from Financing Activities			
Dividends paid	(140)	(133)	(114)
Issuances of debt (maturities greater than 90 days)	917	1,737	805
Payments on debt (maturities greater than 90 days)	(374)	(1,258)	(459)
Decrease in short-term debt, net	—	(96)	(125)
(Decrease) increase in loans from affiliates, net	(222)	358	(113)
Proceeds from sale of noncontrolling interests, net of \$35 in offering costs in 2016 ⁽¹⁾	2	—	1,569
Distributions to noncontrolling interests	(71)	(67)	(26)
Debt issuance costs	—	(33)	—
Settlement of cross-currency swaps	(33)	—	—
Other	(6)	1	(1)
Net cash provided by financing activities	<u>73</u>	<u>509</u>	<u>1,536</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(2)</u>	<u>(2)</u>	<u>(12)</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(16)	8	6
Cash, cash equivalents and restricted cash, January 1	94	86	80
Cash, cash equivalents and restricted cash, December 31	<u>\$ 78</u>	<u>\$ 94</u>	<u>\$ 86</u>

(1) Represents proceeds from IEnova's private offerings in the U.S. and outside of Mexico and a public offering in Mexico of its common stock, and includes \$351 million from Sempra Energy's participation.

Sempra Mexico and IEnova are not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra Mexico and IEnova are not regulated by the California Public Utilities Commission.

Consolidated Statements of Operations and Comparative Statistics



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Revenues	\$ 124	\$ 94	\$ 34
Expenses and Other Income			
Operation and maintenance	(89)	(73)	(54)
Depreciation and amortization	(27)	(38)	(6)
Gain on sale of assets	513	—	4
Other taxes	(5)	(3)	(2)
Other income, net	1	2	2
Interest income	12	7	5
Interest expense	(19)	(15)	(4)
Income (loss) before income taxes and equity earnings of unconsolidated entities	510	(26)	(21)
Income tax (expense) benefit	(71)	226	38
Equity (losses) earnings	(169)	29	34
Net income	270	229	51
Losses attributable to noncontrolling interests	58	23	4
Earnings	\$ 328	\$ 252	\$ 55
Power Generated and Sold			
Volumes (millions of kilowatt hours) ⁽¹⁾	4,799	4,175	2,956

(1) Includes 50 percent of total power generated and sold related to solar and wind projects in which Sempra Renewables has a 50-percent ownership. These subsidiaries are not consolidated within Sempra Renewables, and the related investments are accounted for under the equity method. On June 25, 2018, our board of directors approved a plan to sell all U.S. wind and solar assets and investments. For assets and investments sold in December 2018, we include their power generated and sold up to the date of the sale.

Sempra Renewables is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra Renewables is not regulated by the California Public Utilities Commission.

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 4	\$ 23	\$ 88
Restricted cash	—	3	3
Accounts receivable	2	6	8
Due from unconsolidated affiliates	1,844	376	1,469
Assets held for sale	377	—	—
Other	3	7	13
Total current assets	<u>2,230</u>	<u>415</u>	<u>1,581</u>
Investments in unconsolidated entities	291	813	844
Due from unconsolidated affiliates	28	14	6
Property, plant and equipment, net	—	1,651	1,209
Other	—	5	4
Total assets	<u>\$ 2,549</u>	<u>\$ 2,898</u>	<u>\$ 3,644</u>
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 19	\$ 47	\$ 70
Due to unconsolidated affiliates	413	763	1,944
Current portion of long-term debt	—	7	7
Income taxes payable	420	21	2
Liabilities held for sale	12	—	—
Other	7	8	13
Total current liabilities	<u>871</u>	<u>846</u>	<u>2,036</u>
Long-term debt	<u>—</u>	<u>65</u>	<u>72</u>
Other noncurrent liabilities:			
Deferred income taxes	136	402	602
Asset retirement obligations	—	49	35
Other	5	11	14
Total other noncurrent liabilities	<u>141</u>	<u>462</u>	<u>651</u>
Equity:			
Sempra Renewables shareholder's equity	1,378	894	417
Noncontrolling interests	159	631	468
Total equity	<u>1,537</u>	<u>1,525</u>	<u>885</u>
Total liabilities and equity	<u>\$ 2,549</u>	<u>\$ 2,898</u>	<u>\$ 3,644</u>

Sempra Renewables is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra Renewables is not regulated by the California Public Utilities Commission.

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net income	\$ 270	\$ 229	\$ 51
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	27	38	6
Deferred income taxes	(272)	(202)	20
Gain on sale of assets	(513)	—	(4)
Equity losses (earnings)	169	(29)	(34)
Other	13	3	1
Distributions from investments	54	39	44
Changes in other noncurrent assets and liabilities, net	(3)	(3)	2
Net change in working capital components	375	22	47
Net cash provided by operating activities	<u>120</u>	<u>97</u>	<u>133</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(51)	(497)	(835)
Expenditures for investments and acquisitions	(5)	—	(36)
Proceeds from sale of assets	1,571	4	—
Distributions from investments	9	26	25
Increase in loans to affiliates, net	(1,495)	(218)	(485)
Net cash provided by (used in) investing	<u>29</u>	<u>(685)</u>	<u>(1,331)</u>
Cash Flows from Financing Activities			
Payments on long-term debt	(3)	(7)	(7)
(Decrease) increase in loans from affiliates, net	(244)	344	825
Proceeds from sale of noncontrolling interests, net of \$1, \$3 and \$5 in offering costs, respectively ⁽¹⁾	90	196	474
Distributions to noncontrolling interests	(14)	(10)	—
Other	—	—	(7)
Net cash (used in) provided by financing	<u>(171)</u>	<u>523</u>	<u>1,285</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(22)	(65)	87
Cash, cash equivalents and restricted cash, January 1	26	91	4
Cash, cash equivalents and restricted cash, December 31	<u>\$ 4</u>	<u>\$ 26</u>	<u>\$ 91</u>

(1) Represents proceeds from the formation of tax equity limited liability companies that include certain Sempra Renewables' solar and wind power generation projects.

Sempra Renewables is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra Renewables is not regulated by the California Public Utilities Commission.

Consolidated Statements of Operations and Comparative Statistics



(Dollars in millions)	Years ended December 31,		
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
Revenues			
Utilities – natural gas	\$ —	\$ —	\$ 68
Energy-related businesses	472	540	440
Total revenues	<u>472</u>	<u>540</u>	<u>508</u>
Expenses and Other Income			
Utilities:			
Cost of natural gas	—	—	(17)
Energy-related businesses:			
Cost of natural gas, electric fuel and purchased power	(294)	(382)	(337)
Other cost of sales	(19)	30	(251)
Operation and maintenance	(123)	(123)	(155)
Depreciation and amortization	(26)	(42)	(47)
Impairment losses	(1,117)	—	—
Gain on sale of assets	—	2	130
Other taxes	(10)	(16)	(19)
Other income, net	—	3	2
Interest income	49	56	71
Interest expense	(21)	(39)	(43)
(Loss) income before income taxes and equity earnings of unconsolidated entities	<u>(1,089)</u>	<u>29</u>	<u>(158)</u>
Income tax benefit	435	119	80
Equity earnings (losses)	<u>—</u>	<u>5</u>	<u>(28)</u>
Net (loss) income	(654)	153	(106)
Losses (earnings) attributable to noncontrolling interests	37	(3)	(1)
(Losses) earnings	<u>\$ (617)</u>	<u>\$ 150</u>	<u>\$ (107)</u>

(1) As adjusted for the retrospective adoption of ASU 2017-07.

Sempra LNG & Midstream is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra LNG & Midstream is not regulated by the California Public Utilities Commission.

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2018	2017	2016
Assets			
Current assets:			
Cash and cash equivalents	\$ 2	\$ —	\$ 1
Accounts receivable	63	58	86
Due from unconsolidated affiliates	780	820	1,078
Income taxes receivable	36	4	140
Inventories	3	34	82
Fixed-price contracts and other derivatives	39	16	15
Assets held for sale	336	4	4
Other	7	15	12
Total current assets	1,266	951	1,418
Investments	1,271	997	997
Other intangible assets	4	377	387
Deferred income taxes	49	43	45
Due from unconsolidated affiliates	1,025	1,006	1,189
Property, plant and equipment, net	432	1,492	1,516
Other	13	6	12
Total assets	\$ 4,060	\$ 4,872	\$ 5,564
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 62	\$ 51	\$ 45
Due to unconsolidated affiliates	85	114	97
Current portion of long-term debt	—	—	6
Liabilities held for sale	13	—	—
Other	116	123	112
Total current liabilities	276	288	260
Long-term debt	21	20	20
Other noncurrent liabilities:			
Due to unconsolidated affiliates	1,881	2,472	2,734
Deferred income taxes	—	359	462
Other	9	57	130
Total other noncurrent liabilities	1,890	2,888	3,326
Equity:			
Sempra LNG & Midstream shareholder's equity	1,867	1,634	1,916
Noncontrolling interests	6	42	42
Total equity	1,873	1,676	1,958
Total liabilities and equity	\$ 4,060	\$ 4,872	\$ 5,564

Sempra LNG & Midstream is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas), and Sempra LNG & Midstream is not regulated by the California Public Utilities Commission.

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities			
Net (loss) income	\$ (654)	\$ 153	\$ (106)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Depreciation and amortization	26	42	47
Gain on sale of assets	—	(2)	(130)
Impairment losses	1,117	—	—
Deferred income taxes	(373)	(86)	37
Equity (earnings) losses	—	(5)	28
Fixed-price contracts and other derivatives	55	2	19
Other	6	(4)	(2)
Distributions from investments	—	—	9
Changes in other noncurrent assets and liabilities, net	(2)	(2)	95
Net change in working capital components	(101)	93	(259)
Net cash provided by (used in) operating activities	<u>74</u>	<u>191</u>	<u>(262)</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(31)	(20)	(117)
Expenditures for investments	(275)	(48)	(47)
Proceeds from sale of assets, net of cash sold	6	7	761
(Increase) decrease in loans to affiliates, net	(110)	(107)	20
Other	38	4	4
Net cash (used in) provided by investing activities	<u>(372)</u>	<u>(164)</u>	<u>621</u>
Cash Flows from Financing Activities			
Capital contributions (distributions), net	3	(2)	(171)
Dividends paid	—	—	(513)
Payments on long-term debt	—	(6)	(5)
Increase (decrease) in loans from affiliates, net	297	(20)	311
Net cash provided by (used in) financing activities	<u>300</u>	<u>(28)</u>	<u>(378)</u>
Increase (decrease) in cash and cash equivalents	2	(1)	(19)
Cash and cash equivalents, January 1	—	1	20
Cash and cash equivalents, December 31	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 1</u>

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Annual Report

Sempra Energy's Annual Report to the U.S. Securities and Exchange Commission on Form 10-K is available to shareholders at no charge through the Investors section of Sempra Energy's website (www.sempra.com) or by writing to Shareholder Services at our Corporate Headquarters.

Research Coverage

The following firms provide equity investment research coverage of Sempra Energy:

Argus Research Company
Bank of America Merrill Lynch
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Evercore ISI
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