

2020 Statistical Report

SEMPRA ENERGY

Unaudited Supplement to the Financial Report



2020 Statistical Report

Unaudited Supplement to the 2020 Annual Report

Sempra Energy[®] is a California-based holding company with energy infrastructure investments in North America with 2020 revenues of approximately \$11.4 billion. Sempra Energy's mission is to be North America's premier energy infrastructure company. The company is focused on transmission and distribution investments among other areas that the company believes are capable of producing stable cash flows and improved earnings visibility, with the goal of delivering safe and reliable energy to customers and increasing shareholder value. Additional information is available on the web at www.sempra.com.

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

Sempra Energy Preferred Stock
Trading Symbol: SREPRB
New York Stock Exchange

Series C preferred stock is not listed on any national securities exchange

Sempra Energy Junior Subordinated Notes:
Trading Symbol: SREA
New York Stock Exchange

Southern California Gas Co. Preferred Stock:
SoCalGas preferred stock is not listed on any national securities 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,		
	2020	2019	2018
Revenues:			
Utilities			
Natural gas	\$ 5,411	\$ 5,185	\$ 4,540
Electric	4,614	4,263	3,999
Energy-related businesses	1,345	1,381	1,563
Total revenues	<u>\$ 11,370</u>	<u>\$ 10,829</u>	<u>\$ 10,102</u>
Earnings attributable to common shares	\$ 3,764	\$ 2,055	\$ 924
Earnings per common share (EPS), diluted	\$ 12.88	\$ 7.29	\$ 3.42
Adjusted earnings for adjusted EPS ⁽¹⁾	\$ 2,454	\$ 1,911	\$ 1,503
Adjusted EPS, diluted ⁽¹⁾	\$ 8.03	\$ 6.78	\$ 5.57
Weighted-average common shares outstanding, diluted – adjusted ⁽¹⁾	305.7	282.0	269.9
Dividends declared per common share	\$ 4.18	\$ 3.87	\$ 3.58
Dividend yield per common share	3.3 %	2.6 %	3.3 %
Dividend payout ratio per common share, diluted	32.5 %	53.1 %	104.7 %
Ratio of market closing price to book value per common share	1.82	2.50	1.99
Book value per common share	\$ 70.11	\$ 60.58	\$ 54.35
Common shares outstanding	288.5	291.7	273.8
Total assets	\$ 66,623	\$ 65,665	\$ 60,638
Long-term debt and finance leases (excludes current portion) ⁽²⁾	\$ 21,781	\$ 20,785	\$ 20,903
Short-term debt ⁽³⁾	\$ 2,425	\$ 5,031	\$ 3,668
Sempra Energy shareholder's equity	\$ 23,373	\$ 19,929	\$ 17,138
Effective income tax rate from continuing operations	14 %	18 %	(10)%

(1) Please refer to pages 16, 17 and 18 for an explanation and reconciliation of these non-GAAP measures.

(2) Excludes discontinued operations.

(3) Includes long-term debt due within one year and current portion of finance lease obligations. Excludes discontinued operations.

Consolidated Statements of Operations



(Dollars in millions, except per share amounts; shares in thousands)	Years ended December 31,		
	2020	2019	2018
REVENUES			
Utilities	\$ 10,025	\$ 9,448	\$ 8,539
Energy-related businesses	1,345	1,381	1,563
Total revenues	<u>11,370</u>	<u>10,829</u>	<u>10,102</u>
EXPENSES AND OTHER INCOME			
Utilities:			
Cost of natural gas	(925)	(1,139)	(1,208)
Cost of electric fuel and purchased power	(1,187)	(1,188)	(1,358)
Energy-related businesses cost of sales	(276)	(344)	(357)
Operation and maintenance	(3,940)	(3,466)	(3,150)
Aliso Canyon litigation and regulatory matters	(307)	—	—
Depreciation and amortization	(1,666)	(1,569)	(1,491)
Franchise fees and other taxes	(543)	(496)	(472)
Impairment losses	(1)	(43)	(1,122)
(Loss) gain on sale of assets	(3)	63	513
Other (expense) income, net	(48)	77	58
Interest income	96	87	85
Interest expense	(1,081)	(1,077)	(886)
Income from continuing operations before income taxes and equity earnings	<u>1,489</u>	<u>1,734</u>	<u>714</u>
Income tax (expense) benefit	(249)	(315)	49
Equity earnings	1,015	580	175
Income from continuing operations, net of income tax	<u>2,255</u>	<u>1,999</u>	<u>938</u>
Income from discontinued operations, net of income tax	<u>1,850</u>	<u>363</u>	<u>188</u>
Net income	<u>4,105</u>	<u>2,362</u>	<u>1,126</u>
Earnings attributable to noncontrolling interests	(172)	(164)	(76)
Preferred dividends	(168)	(142)	(125)
Preferred dividends of subsidiary	(1)	(1)	(1)
Earnings attributable to common shares	<u>\$ 3,764</u>	<u>\$ 2,055</u>	<u>\$ 924</u>
Basic EPS:			
Earnings from continuing operations	\$ 6.61	\$ 6.22	\$ 2.86
Earnings from discontinued operations	\$ 6.32	\$ 1.18	\$ 0.59
Earnings	\$ 12.93	\$ 7.40	\$ 3.45
Weighted-average common shares outstanding	291,077	277,904	268,072
Diluted EPS:			
Earnings from continuing operations	\$ 6.58	\$ 6.13	\$ 2.84
Earnings from discontinued operations	\$ 6.30	\$ 1.16	\$ 0.58
Earnings	\$ 12.88	\$ 7.29	\$ 3.42
Weighted-average common shares outstanding	292,252	282,033	269,852

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2020	2019	2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 960	\$ 108	\$ 102
Restricted cash	22	31	35
Accounts receivable – trade, net	1,578	1,261	1,215
Accounts receivable – other, net	403	455	320
Due from unconsolidated affiliates	20	32	37
Income taxes receivable	113	112	60
Inventories	308	277	258
Regulatory assets	190	222	138
Greenhouse gas allowances	553	72	59
Assets held for sale	—	—	713
Assets held for sale in discontinued operations	—	445	459
Other current assets	364	324	249
Total current assets	<u>4,511</u>	<u>3,339</u>	<u>3,645</u>
Other assets:			
Restricted cash	3	3	21
Due from unconsolidated affiliates	780	742	644
Regulatory assets	1,822	1,930	1,589
Nuclear decommissioning trusts	1,019	1,082	974
Investment in Oncor Holdings	12,440	11,519	9,652
Other investments	1,388	2,103	2,320
Goodwill	1,602	1,602	1,602
Other intangible assets	202	213	224
Dedicated assets in support of certain benefit plans	512	488	416
Insurance receivable for Aliso Canyon costs	445	339	461
Deferred income taxes	136	155	141
Greenhouse gas allowances	101	470	289
Right-of-use assets – operating leases	543	591	—
Wildfire fund	363	392	—
Assets held for sale in discontinued operations	—	3,513	3,259
Other long-term assets	753	732	962
Total other assets	<u>22,109</u>	<u>25,874</u>	<u>22,554</u>
Property, plant and equipment:			
Property, plant and equipment	53,928	49,329	46,615
Less accumulated depreciation and amortization	<u>(13,925)</u>	<u>(12,877)</u>	<u>(12,176)</u>
Property, plant and equipment, net	<u>40,003</u>	<u>36,452</u>	<u>34,439</u>
Total assets	<u>\$ 66,623</u>	<u>\$ 65,665</u>	<u>\$ 60,638</u>

Consolidated Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2020	2019	2018
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 885	\$ 3,505	\$ 2,024
Accounts payable – trade	1,359	1,234	1,160
Accounts payable – other	154	179	138
Due to unconsolidated affiliates	45	5	10
Dividends and interest payable	551	515	480
Accrued compensation and benefits	446	476	440
Regulatory liabilities	140	319	105
Current portion of long-term debt and finance leases	1,540	1,526	1,644
Reserve for Aliso Canyon costs	150	9	160
Greenhouse gas obligations	553	72	59
Liabilities held for sale in discontinued operations	—	444	368
Other current liabilities	1,016	866	935
Total current liabilities	<u>6,839</u>	<u>9,150</u>	<u>7,523</u>
Long-term debt and finance leases	<u>21,781</u>	<u>20,785</u>	<u>20,903</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	234	195	37
Pension and other postretirement benefit plan obligations, net of plan assets	1,059	1,067	1,143
Deferred income taxes	2,871	2,577	2,321
Regulatory liabilities	3,372	3,741	4,016
Reserve for Aliso Canyon costs	301	7	—
Asset retirement obligations	3,113	2,923	2,786
Greenhouse gas obligations	—	301	131
Liabilities held for sale in discontinued operations	—	1,052	1,013
Deferred credits and other	2,119	2,062	1,517
Total deferred credits and other liabilities	<u>13,069</u>	<u>13,925</u>	<u>12,964</u>
Equity:			
Preferred stock	3,147	2,258	2,258
Common stock	7,053	7,480	5,540
Retained earnings	13,673	11,130	10,104
Accumulated other comprehensive income (loss)	(500)	(939)	(764)
Total Sempra Energy shareholders' equity	<u>23,373</u>	<u>19,929</u>	<u>17,138</u>
Preferred stock of subsidiary	20	20	20
Other noncontrolling interests	1,541	1,856	2,090
Total equity	<u>24,934</u>	<u>21,805</u>	<u>19,248</u>
Total liabilities and equity	<u>\$ 66,623</u>	<u>\$ 65,665</u>	<u>\$ 60,638</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 4,105	\$ 2,362	\$ 1,126
Less: Income from discontinued operations, net of income tax	(1,850)	(363)	(188)
Income from continuing operations, net of income tax	2,255	1,999	938
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,666	1,569	1,491
Deferred income taxes and investment tax credits	159	189	(242)
Impairment losses	1	43	1,122
Loss (gain) on sale of assets	3	(63)	(513)
Equity earnings	(1,015)	(580)	(175)
Foreign currency transaction losses (gains), net	25	(21)	6
Share-based compensation expense	71	75	83
Other	132	47	106
Net change in other working capital components:			
Accounts receivable	(315)	(91)	(145)
Income taxes receivable/payable, net	(94)	(166)	88
Inventories	(35)	(22)	32
Other current assets	38	(88)	(79)
Accounts payable	73	12	96
Regulatory balancing accounts	(231)	13	263
Reserve for Aliso Canyon costs	141	(144)	56
Other current liabilities	(127)	(99)	52
Intercompany activities with discontinued operations, net	—	378	70
Distributions from investments	651	247	202
Insurance receivable for Aliso Canyon costs	(106)	122	(43)
Wildfire fund, current and noncurrent	—	(323)	—
Reserve for Aliso Canyon costs, noncurrent	294	—	—
Changes in other noncurrent assets and liabilities, net	56	(399)	(188)
Net cash provided by continuing operations	3,642	2,698	3,220
Net cash (used in) provided by discontinued operations	(1,051)	390	296
Net cash provided by operating activities	2,591	3,088	3,516
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(4,676)	(3,708)	(3,544)
Expenditures for investments and acquisitions	(652)	(1,797)	(10,168)
Proceeds from sale of assets	19	899	1,580
Distributions from investments	761	9	10
Purchases of nuclear decommissioning trust assets	(1,439)	(914)	(890)
Proceeds from sales of nuclear decommissioning trust assets	1,439	914	890
Advances to unconsolidated affiliates	(92)	(16)	(95)
Repayments of advances to unconsolidated affiliates	7	3	3
Intercompany activities with discontinued operations, net	—	8	(22)
Other	15	21	31
Net cash used in continuing operations	(4,618)	(4,581)	(12,205)
Net cash provided by (used in) discontinued operations	5,171	(12)	(265)
Net cash provided by (used in) investing activities	553	(4,593)	(12,470)

Consolidated Statements of Cash Flows (continued)



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(1,174)	(993)	(877)
Preferred dividends paid	(157)	(142)	(89)
Issuances of preferred stock, net	891	—	2,258
Issuances of common stock, net	11	1,830	2,272
Repurchases of common stock	(566)	(26)	(21)
Issuances of debt (maturities greater than 90 days)	6,051	4,296	8,927
Payments on debt (maturities greater than 90 days) and finance leases	(5,864)	(3,667)	(3,342)
(Decrease) increase in short-term debt, net	(1,759)	656	(84)
Advances from unconsolidated affiliates	64	155	—
Proceeds from sale of noncontrolling interests, net	26	5	90
Purchases of noncontrolling interests	(248)	(30)	(7)
Contributions from (distributions to) noncontrolling interests, net	1	98	(26)
Intercompany activities with discontinued operations, net	—	(266)	(109)
Other	(50)	(49)	(117)
Net cash (used in) provided by continuing operations	(2,774)	1,867	8,875
Net cash provided by (used in) discontinued operations	401	(392)	(25)
Net cash (used in) provided by financing activities	(2,373)	1,475	8,850
Effect of exchange rate changes in continuing operations	—	—	(2)
Effect of exchange rate changes in discontinued operations	(3)	1	(12)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3)	1	(14)
Increase (decrease) in cash, cash equivalents and restricted cash, including discontinued operations	768	(29)	(118)
Cash, cash equivalents and restricted cash, including discontinued operations, January 1	217	246	364
Cash, cash equivalents and restricted cash, including discontinued operations, December 31	<u>\$ 985</u>	<u>\$ 217</u>	<u>\$ 246</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 1,046	\$ 1,051	\$ 773
Income tax payments, including discontinued operations, net of refunds	1,385	360	174

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



Years ended December 31, 2020, 2019 and 2018

(Dollars in millions)	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
Adoption of ASU 2017-12			2	(3)	(1)		(1)
Adjusted balance at December 31, 2017	—	3,149	10,149	(629)	12,669	2,470	15,139
Net income			1,050		1,050	76	1,126
Other comprehensive (loss) income:							
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)
Noncontrolling interest activities:							
Contributions						66	66
Distributions						(110)	(110)
Purchases		(1)			(1)	(7)	(8)
Sales, net of offering costs		4			4	86	90
Acquisition						13	13
Deconsolidations						(486)	(486)
Balance at December 31, 2018	\$ 2,258	\$ 5,540	\$ 10,104	\$ (764)	\$ 17,138	\$ 2,110	\$ 19,248

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



Years ended December 31, 2020, 2019 and 2018

(Dollars in millions)	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non- controlling interests	Total equity
Balance at December 31, 2018	\$ 2,258	\$ 5,540	\$ 10,104	\$ (764)	\$ 17,138	\$ 2,110	\$ 19,248
Adoption of ASU 2016-02			17		17		17
Adoption of ASU 2018-02			40	(42)	(2)		(2)
Adjusted balance at December 31, 2018	<u>2,258</u>	<u>5,540</u>	<u>10,161</u>	<u>(806)</u>	<u>17,153</u>	<u>2,110</u>	<u>19,263</u>
Net income			2,198		2,198	164	2,362
Other comprehensive (loss) income:							
Foreign currency translation adjustments				(43)	(43)	3	(40)
Financial instruments				(108)	(108)	(10)	(118)
Pension and other postretirement benefits				18	18		18
Comprehensive income			<u>2,198</u>	<u>(133)</u>	<u>2,065</u>	<u>157</u>	<u>2,222</u>
Share-based compensation expense		75			75		75
Dividends declared:							
Series A preferred stock (\$6.00/share)			(103)		(103)		(103)
Series B preferred stock (\$6.75/share)			(39)		(39)		(39)
Common stock (\$3.87/share)			(1,086)		(1,086)		(1,086)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuances of common stock		1,885			1,885		1,885
Repurchases of common stock		(26)			(26)		(26)
Noncontrolling interest activities:							
Contributions						175	175
Distributions		5			5	(103)	(98)
Purchases		(3)			(3)	(27)	(30)
Sale		4			4	1	5
Acquisition						3	3
Deconsolidations						(440)	(440)
Balance at December 31, 2019	<u>\$ 2,258</u>	<u>\$ 7,480</u>	<u>\$ 11,130</u>	<u>\$ (939)</u>	<u>\$ 19,929</u>	<u>\$ 1,876</u>	<u>\$ 21,805</u>

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



Years ended December 31, 2020, 2019 and 2018

(Dollars in millions)	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2019	\$ 2,258	\$ 7,480	\$ 11,130	\$ (939)	\$ 19,929	\$ 1,876	\$ 21,805
Adoption of ASU 2016-13			(7)	—	(7)	(2)	(9)
Adjusted balance at December 31, 2019	2,258	7,480	11,123	(939)	19,922	1,874	21,796
Net income			3,933		3,933	172	4,105
Other comprehensive income (loss):							
Foreign currency translation adjustments				547	547	(12)	535
Financial instruments				(113)	(113)	(12)	(125)
Pension and other postretirement benefits				12	12		12
Comprehensive income			3,933	446	4,379	148	4,527
Share-based compensation expense		71			71		71
Dividends declared:							
Series A preferred stock (\$6.00/share)			(104)		(104)		(104)
Series B preferred stock (\$6.75/share)			(39)		(39)		(39)
Series C preferred stock (\$27.90/share)			(25)		(25)		(25)
Common stock (\$4.18/share)			(1,214)		(1,214)		(1,214)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuance of series C preferred stock	889				889		889
Issuances of common stock		33			33		33
Repurchases of common stock		(566)			(566)		(566)
Noncontrolling interest activities:							
Contributions						1	1
Distributions						(1)	(1)
Purchases		34		(7)	27	(275)	(248)
Sale		1			1	27	28
Acquisition						1	1
Equitization of long-term debt for deficit held by NCI						22	22
Deconsolidation						(236)	(236)
Balance at December 31, 2020	\$ 3,147	\$ 7,053	\$ 13,673	\$ (500)	\$ 23,373	\$ 1,561	\$ 24,934

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



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
EARNINGS (LOSSES) ATTRIBUTABLE TO COMMON SHARES			
SDG&E	\$ 824	\$ 767	\$ 669
SoCalGas	504	641	400
Sempra Texas Utilities	579	528	371
Sempra Mexico	259	253	237
Sempra LNG	320	(6)	(617)
Sempra Renewables	—	59	328
Parent and other	(562)	(515)	(620)
Discontinued operations	1,840	328	156
Total	<u>\$ 3,764</u>	<u>\$ 2,055</u>	<u>\$ 924</u>
CAPITAL EXPENDITURES, INVESTMENTS AND ACQUISITIONS			
SDG&E	\$ 1,942	\$ 1,522	\$ 1,542
SoCalGas	1,843	1,439	1,538
Sempra Texas Utilities	648	1,685	9,457
Sempra Mexico	611	624	468
Sempra LNG	272	222	306
Sempra Renewables	—	2	56
Parent and other	12	11	345
Total	<u>\$ 5,328</u>	<u>\$ 5,505</u>	<u>\$ 13,712</u>

Schedule of Capitalization



(Dollars in millions)	December 31,					
	2020		2019		2018	
CAPITALIZATION						
Short-term debt	\$ 885	1.8 %	\$ 3,505	7.4 %	\$ 2,024	4.6 %
Current portion of long-term debt and finance leases	1,540	3.1	1,526	3.2	1,644	3.8
Long-term debt and finance leases	21,781	44.4	20,785	43.6	20,903	47.7
Total debt	24,206	49.3	25,816	54.2	24,571	56.1
Equity:						
Preferred stock	3,147	6.4	2,258	4.8	2,258	5.1
Common stock	7,053	14.4	7,480	15.7	5,540	12.6
Retained earnings	13,673	27.8	11,130	23.4	10,104	23.1
Accumulated other comprehensive loss	(500)	(1.0)	(939)	(2.0)	(764)	(1.7)
Total Sempra Energy shareholders' equity	23,373	47.6	19,929	41.9	17,138	39.1
Preferred stock of subsidiary	20	—	20	—	20	—
Other noncontrolling interests	1,541	3.1	1,856	3.9	2,090	4.8
Total equity	24,934	50.7	21,805	45.8	19,248	43.9
Total capitalization	\$ 49,140	100.0 %	\$ 47,621	100.0 %	\$ 43,819	100.0 %

Schedule of Long-Term Debt



(Dollars in millions)	Outstanding at December 31, 2020
SDG&E:	
First mortgage bonds (collateralized by plant assets):	
3% August 15, 2021	\$ 350
1.914% payable 2015 through February 2022	53
3.6% September 1, 2023	450
2.5% May 15, 2026	500
6% June 1, 2026	250
1.7% October 1, 2030	800
5.35% May 15, 2035	250
6.125% September 15, 2037	250
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
4.1% June 15, 2049	400
3.32 % April 15, 2050	400
Other long-term debt (uncollateralized):	
Variable rate (0.95% at December 31, 2020) 364-day term loan March 18, 2021 ⁽¹⁾	200
Finance lease obligations:	
Purchased-power contracts	1,237
Other	39
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
2.55% February 1, 2030	650
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
3.95% February 15, 2050	350
Other long-term debt (uncollateralized):	
Notes at variable rates (0.57% at December 31, 2020) September 14, 2023 ⁽¹⁾	300
1.875% Notes May 14, 2026 ⁽¹⁾	4
5.67% Notes January 18, 2028	5
Finance lease obligations	54

Schedule of Long-Term Debt (continued)

(Dollars in millions)	Outstanding at December 31, 2020
Sempra Energy:	
Notes at variable rates (3.069% after floating-to-fixed rate swaps effective 2019) March 15, 2021	850
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
5.75% Junior Subordinated Notes July 1, 2079 ⁽¹⁾	758
Sempra Mexico:	
Other long-term debt (uncollateralized unless otherwise noted):	
6.3% Notes February 2, 2023 (4.124% after cross-currency swap effective 2013)	197
Notes at variable rates (4.88% after floating-to-fixed rate swaps effective 2014), payable 2016 through December 2026, collateralized by plant assets	196
3.75% Notes January 14, 2028	300
Bank loans including \$234 at a weighted-average fixed rate of 6.87%, \$130 at variable rates (weighted-average rate of 6.54% after floating-to-fixed rate swaps effective 2014) and \$34 at variable rates (3.45% at December 31, 2020), payable 2016 through March 2032, collateralized by plant assets	398
4.875% Notes January 14, 2048	540
Loan at variable rates (4.0275% after floating-to-fixed rate swap effective 2019) payable 2022 through November 2034 ⁽¹⁾	200
4.75% notes September 15, 2051	800
Loan at variable rates (2.38% after floating-to-fixed rate swap effective 2020) payable November 2034 ⁽¹⁾	100
2.90% loan November 15, 2034 ⁽¹⁾	241
Sempra LNG:	
Loan at variable rates (2.82% at December 31, 2020) December 9, 2025 ⁽¹⁾	17
Total long-term debt outstanding	23,589
Current portion of long-term debt	(1,540)
Unamortized discount on long-term debt	(76)
Unamortized debt issuance costs	(192)
Total	<u>\$ 21,781</u>

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

At the option of Sempra Energy, SDG&E and SoCalGas, \$1.8 billion of debt is callable subject to premiums. In addition, \$19.0 billion of bonds are callable subject to make-whole provisions.

Excluding finance lease obligations, discounts and debt issuance costs, maturities of long-term debt are \$1.5 billion in 2021, \$0.6 billion in 2022, \$2.0 billion in 2023, \$1.1 billion in 2024, \$0.8 billion in 2025 and \$16.2 billion thereafter.

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



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

In 2020:

- \$(233) million from impacts associated with Aliso Canyon natural gas storage facility litigation and regulatory matters at SoCalGas
- \$(100) million equity losses at RBS Sempra Commodities LLP, which represent an estimate of our obligations to settle pending tax matters and related legal costs at our equity method investment at Parent and Other
- \$1,747 million gain on the sale of our South American businesses

In 2019:

- \$45 million gain on the sale of certain Sempra Renewables assets
- Associated with holding the South American businesses for sale:
 - \$89 million income tax benefit 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 those businesses for sale and a change in the anticipated structure of the sale
 - \$10 million income tax benefit to reduce a valuation allowance against certain net operating loss (NOL) carryforwards as a result of our decision to sell our South American businesses

In 2018:

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

Sempra Energy Adjusted Earnings, Weighted-Average Common Shares Outstanding – Adjusted 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 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, Weighted-Average Common Shares Outstanding – GAAP and GAAP EPS, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

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



	Pretax amount	Income tax (benefit) expense ⁽¹⁾	Noncontrolling interests	Earnings
(Dollars in millions, except per share amounts; shares in thousands)				
Year ended December 31, 2020				
Sempra Energy GAAP Earnings				\$ 3,764
Excluded items:				
Impacts associated with Aliso Canyon litigation and regulatory matters	\$ 307	\$ (74)	\$ —	233
Losses from investment in RBS Sempra Commodities LLP	100	—	—	100
Gain on sale of South American businesses	(2,899)	1,152	—	(1,747)
Sempra Energy Adjusted Earnings				<u>\$ 2,350</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted – GAAP				292,252
Sempra Energy GAAP EPS				<u>\$ 12.88</u>
Sempra Energy Adjusted Earnings				\$ 2,350
Add back dividends for dilutive series A preferred stock				104
Sempra Energy Adjusted Earnings for Adjusted EPS				<u>\$ 2,454</u>
Weighted-average common shares outstanding, diluted – Adjusted ⁽²⁾				<u>305,669</u>
Sempra Energy Adjusted EPS				<u>\$ 8.03</u>
Year ended December 31, 2019				
Sempra Energy GAAP Earnings				\$ 2,055
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 and structure of sale of discontinued operations	—	(89)	—	(89)
Reduction in tax valuation allowance against certain NOL carryforwards	—	(10)	—	(10)
Sempra Energy Adjusted Earnings				<u>\$ 1,911</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted – GAAP				282,033
Sempra Energy GAAP EPS				<u>\$ 7.29</u>
Sempra Energy Adjusted EPS				<u>\$ 6.78</u>

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



	Pretax amount	Income tax expense (benefit) ⁽¹⁾	Noncontrolling interests	Earnings
(Dollars in millions, except per share amounts; shares in thousands)				
Year ended December 31, 2018				
Sempra Energy GAAP Earnings				\$ 924
Excluded items:				
Impacts associated with Aliso Canyon litigation	\$ 1	\$ 21	\$ —	22
Impairment of U.S. wind equity method investments	200	(55)	—	145
Gain on sale of certain Sempra Renewables assets	(513)	146	—	(367)
Impairment of non-utility natural gas storage assets	1,117	(452)	(36)	629
Impairment of investment in RBS Sempra Commodities LLP	65	—	—	65
Impact from the TCJA	—	85	—	85
Sempra Energy Adjusted Earnings				<u>\$ 1,503</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted – GAAP				269,852
Sempra Energy GAAP EPS				<u>\$ 3.42</u>
Sempra Energy Adjusted EPS				<u>\$ 5.57</u>

- (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. We did not record an income tax benefit for the equity losses from our investment in RBS Sempra Commodities LLP in 2020 because, even though a portion of the liabilities may be deductible under United Kingdom tax law, it is not probable that the deduction will reduce United Kingdom taxes.
- (2) In the year ended December 31, 2020, because the assumed conversion of the series A preferred stock is dilutive for Adjusted Earnings, 13,417 series A preferred stock shares are added back to the denominator used to calculate Adjusted EPS.

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Selected Financial Data and Comparative Statistics



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
Net income	\$ 824	\$ 774	\$ 676
Earnings attributable to common shares	\$ 824	\$ 767	\$ 669
Common dividends to parent	\$ 200	\$ —	\$ 250
Capital expenditures	\$ 1,942	\$ 1,522	\$ 1,542
Weighted average rate base	\$ 11,109	\$ 10,467	\$ 9,619
CPUC-authorized rate of return:			
Rate base	7.55 %	7.55 %	7.55 %
Common equity	10.20 %	10.20 %	10.20 %
Achieved return on common equity	11.11 %	11.70 %	11.52 %
Electric volumes (millions of kilowatt hours)			
Residential	6,606	5,982	6,336
Commercial	5,873	6,295	6,539
Industrial	1,842	2,044	2,169
Street and highway lighting	77	76	81
	<u>14,398</u>	<u>14,397</u>	<u>15,125</u>
Community choice aggregation and direct access	3,482	3,549	3,628
Total	<u>17,880</u>	<u>17,946</u>	<u>18,753</u>
Cooling degree days	<u>1,153</u>	<u>869</u>	<u>1,469</u>
Electric customer meters at December 31 (thousands)			
Residential	1,317	1,305	1,294
Commercial	151	151	150
Industrial	1	1	—
Street and highway lighting	2	2	2
	<u>1,471</u>	<u>1,459</u>	<u>1,446</u>
Community choice aggregation and direct access	12	12	13
Total	<u>1,483</u>	<u>1,471</u>	<u>1,459</u>

Selected Financial Data and Comparative Statistics (Continued)



	Years ended December 31,		
	2020	2019	2018
<i>(Dollars in millions, except average cost of natural gas)</i>			
Natural gas volumes delivered (billion cubic feet)			
Residential	29	29	25
Commercial and industrial	23	26	24
Electric generation plants	31	16	19
Total	<u>83</u>	<u>71</u>	<u>68</u>
Core	48	50	45
Noncore	35	21	23
Total	<u>83</u>	<u>71</u>	<u>68</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 3.74</u>	<u>\$ 3.91</u>	<u>\$ 3.81</u>
Heating degree days	<u>1,319</u>	<u>1,360</u>	<u>809</u>
Natural gas customer meters at December 31 (thousands)			
Residential	869	863	857
Commercial	29	29	29
Electric generation and transportation	3	3	3
Total	<u>901</u>	<u>895</u>	<u>889</u>

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Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
Operating revenues			
Electric	\$ 4,619	\$ 4,267	\$ 4,003
Natural gas	694	658	565
Total operating revenues	<u>5,313</u>	<u>4,925</u>	<u>4,568</u>
Operating expenses			
Cost of electric fuel and purchased power	1,191	1,194	1,370
Cost of natural gas	162	176	152
Operation and maintenance	1,455	1,181	1,058
Depreciation and amortization	801	760	688
Franchise fees and other taxes	331	301	290
Total operating expenses	<u>3,940</u>	<u>3,612</u>	<u>3,558</u>
Operating income	<u>1,373</u>	<u>1,313</u>	<u>1,010</u>
Other income (expense), net			
Allowance for equity funds used during construction	79	56	61
Non-service component of net periodic benefit cost	(20)	(20)	(6)
Fine related to Energy Efficiency Program Inquiry	(6)	—	—
Interest on regulatory balancing accounts, net	9	13	4
Sundry, net	(10)	(10)	(3)
Total other income, net	<u>52</u>	<u>39</u>	<u>56</u>
Interest income	2	4	4
Interest expense	(413)	(411)	(221)
Income before income taxes	<u>1,014</u>	<u>945</u>	<u>849</u>
Income tax expense	(190)	(171)	(173)
Net income	<u>824</u>	<u>774</u>	<u>676</u>
Earnings attributable to noncontrolling interest	—	(7)	(7)
Earnings attributable to common shares	<u>\$ 824</u>	<u>\$ 767</u>	<u>\$ 669</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2020	2019	2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 262	\$ 10	\$ 8
Restricted cash	—	—	11
Accounts receivable - trade, net	573	398	368
Accounts receivable - other, net	143	119	106
Income taxes receivable, net	—	128	—
Inventories	104	94	102
Prepaid expenses	153	120	74
Regulatory assets	174	209	123
Fixed-price contracts and other derivatives	56	43	82
Greenhouse gas allowances	113	13	15
Other current assets	22	24	5
Total current assets	<u>1,600</u>	<u>1,158</u>	<u>894</u>
Other assets:			
Restricted cash	—	—	18
Regulatory assets	534	440	454
Nuclear decommissioning trusts	1,019	1,082	974
Greenhouse gas allowances	83	189	155
Right-of-use assets – operating leases	102	130	—
Wildfire fund	363	392	—
Other long-term assets	189	202	420
Total other assets	<u>2,290</u>	<u>2,435</u>	<u>2,021</u>
Property, plant and equipment:			
Property, plant and equipment	24,436	22,504	21,662
Less accumulated depreciation and amortization	(6,015)	(5,537)	(5,352)
Property, plant and equipment, net	<u>18,421</u>	<u>16,967</u>	<u>16,310</u>
Total assets	<u>\$ 22,311</u>	<u>\$ 20,560</u>	<u>\$ 19,225</u>

Consolidated Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2020	2019	2018
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ —	\$ 80	\$ 291
Accounts payable	553	496	439
Due to unconsolidated affiliates	64	53	61
Interest payable	46	43	42
Accrued compensation and benefits	135	138	117
Accrued franchise fees	56	53	64
Regulatory liabilities	61	76	53
Current portion of long-term debt and finance leases	611	56	81
Customer deposits	56	74	70
Greenhouse gas obligations	113	13	15
Asset retirement obligations	117	95	96
Other current liabilities	199	133	99
Total current liabilities	2,011	1,310	1,428
Long-term debt and finance leases	6,866	6,306	6,138
Deferred credits and other liabilities:			
Pension obligation, net of plan assets	92	153	212
Deferred income taxes	2,019	1,848	1,616
Deferred investment tax credits	13	14	16
Regulatory liabilities	2,195	2,319	2,404
Asset retirement obligations	759	771	778
Greenhouse gas obligations	—	62	30
Deferred credits and other	626	677	488
Total deferred credits and other liabilities	5,704	5,844	5,544
Equity:			
Preferred stock	—	—	—
Common stock	1,660	1,660	1,338
Retained earnings	6,080	5,456	4,687
Accumulated other comprehensive income (loss)	(10)	(16)	(10)
Total SDG&E shareholder's equity	7,730	7,100	6,015
Noncontrolling interest	—	—	100
Total equity	7,730	7,100	6,115
Total liabilities and equity	\$ 22,311	\$ 20,560	\$ 19,225

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 824	\$ 774	\$ 676
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	801	760	688
Deferred income taxes and investment tax credits	35	105	39
Other	27	13	(17)
Net change in other working capital components:			
Accounts receivable	(134)	(15)	30
Due to/from affiliates, net	11	(8)	(2)
Income taxes receivable/payable, net	129	(126)	23
Inventories	(10)	4	3
Other current assets	4	(19)	(6)
Accounts payable	31	32	(1)
Regulatory balancing accounts	(71)	(101)	138
Other current liabilities	(100)	4	4
Wildfire fund, current and noncurrent	—	(323)	—
Changes in other noncurrent assets and liabilities, net	(158)	(10)	9
Net cash provided by operating activities	<u>1,389</u>	<u>1,090</u>	<u>1,584</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(1,942)	(1,522)	(1,542)
Decrease in cash from deconsolidation of Otay Mesa VIE	—	(8)	—
Purchases of nuclear decommissioning trust assets	(1,439)	(914)	(890)
Proceeds from sales of nuclear decommissioning trust assets	1,439	914	890
Other	8	8	—
Net cash used in investing activities	<u>(1,934)</u>	<u>(1,522)</u>	<u>(1,542)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(200)	—	(250)
Equity contribution from Sempra Energy	—	322	—
Issuances of debt (maturities greater than 90 days)	1,598	400	618
Payments on debt (maturities greater than 90 days) and finance leases	(510)	(274)	(492)
(Decrease) increase in short-term debt, net	(80)	(211)	38
Contributions from noncontrolling interest, net	—	172	57
Debt issuance costs	(11)	(4)	(5)
Net cash provided by (used in) financing activities	<u>797</u>	<u>405</u>	<u>(34)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	252	(27)	8
Cash, cash equivalents and restricted cash, January 1	10	37	29
Cash, cash equivalents and restricted cash, December 31	<u>\$ 262</u>	<u>\$ 10</u>	<u>\$ 37</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 404	\$ 405	\$ 214
Income tax payments, net of refunds	25	191	112

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Selected Financial Data and Comparative Statistics



(Dollars in millions, except average cost of natural gas)	Years ended December 31,		
	2020	2019	2018
Net income (before preferred dividends)	\$ 505	\$ 642	\$ 401
Earnings attributable to common shares	\$ 504	\$ 641	\$ 400
Common dividends to parent	\$ 100	\$ 150	\$ 50
Capital expenditures	\$ 1,843	\$ 1,439	\$ 1,538
Weighted average rate base	\$ 8,228	\$ 7,401	\$ 6,413
CPUC-authorized rate of return on:			
Rate base	7.30 %	7.34 %	7.34 %
Common equity	10.05 %	10.05 %	10.05 %
Achieved return on common equity	10.24 %	14.30 %	9.85 %
Natural gas volumes delivered (billion cubic feet)			
Residential	232	236	208
Commercial and industrial	368	392	394
Electric generation plants	147	123	127
Wholesale	137	125	121
Total	<u>884</u>	<u>876</u>	<u>850</u>
Core	335	355	322
Noncore	549	521	528
Total	<u>884</u>	<u>876</u>	<u>850</u>
Average cost of natural gas (per thousand cubic feet)	\$ 2.59	\$ 3.07	\$ 3.58
Heating degree days	<u>1,134</u>	<u>1,328</u>	<u>1,016</u>
Customer meters at December 31 (thousands)			
Residential	5,792	5,756	5,722
Commercial	249	248	248
Industrial	25	25	26
Total ⁽¹⁾	<u>6,066</u>	<u>6,029</u>	<u>5,996</u>

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

Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
Operating revenues	\$ 4,748	\$ 4,525	\$ 3,962
Operating expenses			
Cost of natural gas	783	977	1,048
Operation and maintenance	2,029	1,780	1,613
Aliso Canyon litigation and regulatory matters	307	—	—
Depreciation and amortization	654	602	556
Franchise fees and other taxes	190	173	154
Impairment losses	—	37	—
Total operating expenses	3,963	3,569	3,371
Operating income	785	956	591
Other (expense) income, net			
Allowance for equity funds used during construction	41	34	36
Non-service component of net periodic benefit cost	(54)	(72)	(10)
Penalties related to billing practices Order Instituting Investigation	—	(8)	—
Interest on regulatory balancing accounts, net	5	1	(2)
Sundry, net	(20)	(10)	(9)
Total other (expense) income, net	(28)	(55)	15
Interest income	2	2	2
Interest expense	(158)	(141)	(115)
Income before income taxes	601	762	493
Income tax expense	(96)	(120)	(92)
Net income	505	642	401
Preferred dividends	(1)	(1)	(1)
Earnings attributable to common shares	\$ 504	\$ 641	\$ 400

Balance Sheets



(Dollars in millions)	December 31,		
	2020	2019	2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4	\$ 10	\$ 18
Accounts receivable – trade, net	786	710	634
Accounts receivable – other, net	64	87	97
Due from unconsolidated affiliates	22	11	7
Income taxes receivable, net	—	161	2
Inventories	153	136	134
Regulatory assets	16	7	12
Greenhouse gas allowances	390	52	37
Other current assets	47	44	29
Total current assets	<u>1,482</u>	<u>1,218</u>	<u>970</u>
Other assets:			
Regulatory assets	1,208	1,407	1,051
Insurance receivable for Aliso Canyon costs	445	339	461
Greenhouse gas allowances	9	248	116
Right-of-use assets – operating leases	74	94	—
Other long-term assets	499	447	352
Total other assets	<u>2,235</u>	<u>2,535</u>	<u>1,980</u>
Property, plant and equipment:			
Property, plant and equipment	21,180	19,362	18,138
Less accumulated depreciation and amortization	(6,437)	(6,038)	(5,699)
Property, plant and equipment, net	<u>14,743</u>	<u>13,324</u>	<u>12,439</u>
Total assets	<u>\$ 18,460</u>	<u>\$ 17,077</u>	<u>\$ 15,389</u>

Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2020	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$ 113	\$ 630	\$ 256
Accounts payable – trade	600	545	556
Accounts payable – other	122	110	93
Due to unconsolidated affiliates	31	47	34
Accrued compensation and benefits	189	182	159
Regulatory liabilities	79	243	52
Current portion of long-term debt and finance leases	10	6	3
Customer deposits	48	71	101
Reserve for Aliso Canyon costs	150	9	160
Greenhouse gas obligations	390	52	37
Asset retirement obligations	59	65	90
Other current liabilities	291	222	217
Total current liabilities	2,082	2,182	1,758
Long-term debt and finance leases	4,763	3,788	3,427
Deferred credits and other liabilities:			
Pension obligation, net of plan assets	853	785	760
Deferred income taxes	1,406	1,403	1,177
Deferred investment tax credits	8	7	8
Regulatory liabilities	1,177	1,422	1,612
Reserve for Aliso Canyon costs	301	7	—
Asset retirement obligations	2,309	2,112	1,973
Greenhouse gas obligations	—	208	86
Deferred credits and other	417	415	330
Total deferred credits and other liabilities	6,471	6,359	5,946
Shareholders' equity:			
Preferred stock	22	22	22
Common stock	866	866	866
Retained earnings	4,287	3,883	3,390
Accumulated other comprehensive income (loss)	(31)	(23)	(20)
Total shareholders' equity	5,144	4,748	4,258
Total liabilities and shareholders' equity	\$ 18,460	\$ 17,077	\$ 15,389

Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 505	\$ 642	\$ 401
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	654	602	556
Deferred income taxes and investment tax credits	(112)	88	78
Impairment losses	—	37	—
Other	59	(5)	(7)
Net change in working capital components:			
Accounts receivable	(101)	(73)	(87)
Due to/from affiliates, net	(27)	(1)	(10)
Income taxes receivable/payable, net	189	(156)	14
Inventories	(19)	1	(2)
Other current assets	(12)	(9)	11
Accounts payable	64	(7)	71
Regulatory balancing accounts	(160)	114	125
Reserve for Aliso Canyon costs	141	(144)	56
Other current liabilities	(21)	(21)	(6)
Insurance receivable for Aliso Canyon costs	(106)	122	(43)
Reserve for Aliso Canyon costs, noncurrent	294	—	—
Changes in other noncurrent assets and liabilities, net	178	(322)	(144)
Net cash provided by operating activities	<u>1,526</u>	<u>868</u>	<u>1,013</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(1,843)	(1,439)	(1,538)
Other	—	1	7
Net cash used in investing activities	<u>(1,843)</u>	<u>(1,438)</u>	<u>(1,531)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(100)	(150)	(50)
Preferred dividends paid	(1)	(1)	(1)
Issuances of debt (maturities greater than 90 days)	949	349	949
Payments on debt (maturities greater than 90 days) and finance leases	(12)	(6)	(500)
(Decrease) increase in short-term debt, net	(517)	374	140
Debt issuance costs	(8)	(4)	(10)
Net cash provided by financing activities	<u>311</u>	<u>562</u>	<u>528</u>
(Decrease) increase in cash and cash equivalents	(6)	(8)	10
Cash and cash equivalents, January 1	10	18	8
Cash and cash equivalents, December 31	<u>\$ 4</u>	<u>\$ 10</u>	<u>\$ 18</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 146	\$ 126	\$ 105
Income tax payments, net of refunds	19	188	—

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Sempra Texas Utilities Selected Financial Data and Comparative Statistics

Sempra Texas Utilities is comprised of our equity method investments in Oncor Electric Delivery Holdings Company LLC (Oncor Holdings), which we acquired in March 2018, and Sharyland Holdings, L.P. (Sharyland Holdings), which we acquired in May 2019. Oncor Holdings owns an 80.25% interest in Oncor Electric Delivery Company LLC (Oncor), a regulated electric transmission and distribution utility that operates in the north-central, eastern, western and panhandle regions of Texas. We provide information on Sempra Texas Utilities' equity method investments and selected statistics for Oncor below.

(Dollars in millions)	2020		2019		March 9, 2018 to December 31, 2018
	Oncor Holdings	Sharyland Holdings	Oncor Holdings	Sharyland Holdings	Oncor Holdings
Total investments at January 1	\$ 11,519	\$ 100	\$ 9,652	\$ —	\$ —
Acquisitions	—	—	—	95	9,227
Capital contributions	632	—	1,587	3	230
Total expenditures for investments and acquisitions	632	—	1,587	98	9,457
Equity earnings	577	3	526	2	371
Distributions of earnings	(285)	(1)	(246)	—	(149)
Other	(3)	—	—	—	(27)
Total investments at December 31	\$ 12,440	\$ 102	\$ 11,519	\$ 100	\$ 9,652

Oncor:	Years ended December 31		
	2020	2019	2018
Capital expenditures	\$ 2,540	\$ 2,097	\$ 1,767
Average rate base ⁽¹⁾	\$ 16,331	\$ 14,073	\$ 12,124
PUCT-authorized return on equity	9.80 %	9.80 %	9.80 %
Electric volumes (millions of kilowatt hours)			
Residential	44,628	45,340	46,007
Commercial, industrial and other	86,529	88,038	84,049
Total ⁽²⁾	131,157	133,378	130,056
Cooling degree days	1,660	1,838	1,958
Heating degree days	676	925	896
Electric customer meters at December 31 (thousands)	3,762	3,685	3,621

(1) Average rate base is calculated as the average of total rate base for the last two years included in the Earnings Monitoring Report that is filed with the Public Utility Commission of Texas (PUCT) annually in April of the following year. The estimated total rate base for 2020 is \$17,158 million and the filed total rate base for 2019 and 2018 was \$15,504 million and \$12,641 million, respectively.

(2) Electric volumes from the March 9, 2018 acquisition date through December 31, 2018 were 107,276 million kilowatt hours.

Sempra Texas Utilities is not the same company as the California utilities, San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas). Sempra Texas 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,		
	2020	2019	2018
REVENUES			
Utility – natural gas	\$ 58	\$ 73	\$ 78
Energy-related businesses	1,198	1,302	1,298
Total revenues	1,256	1,375	1,376
EXPENSES AND OTHER INCOME			
Utility cost of natural gas	(12)	(14)	(21)
Energy-related businesses cost of sales	(283)	(373)	(363)
Operation and maintenance	(279)	(256)	(239)
Depreciation and amortization	(189)	(183)	(175)
Impairment losses	—	—	(4)
Other taxes	(7)	(6)	(6)
Other (expense) income, net			
(Losses) gains on interest rate and foreign exchange instruments, net	(64)	49	3
Allowance for equity funds used during construction	8	3	1
Foreign currency transaction (losses) gains, net	(25)	21	(6)
Sundry, net	4	3	3
Total other (expense) income, net	(77)	76	1
Interest income	60	78	65
Interest expense	(132)	(119)	(120)
Income before income taxes and equity earnings	337	578	514
Income tax expense	(57)	(227)	(185)
Equity earnings	144	24	40
Net income	424	375	369
Earnings attributable to noncontrolling interests	(165)	(122)	(132)
Earnings attributable to common shares	\$ 259	\$ 253	\$ 237
Natural Gas Distribution Operations			
Volumes delivered (billion cubic feet)	3	3	7
Customer meters at December 31 (thousands)	136	132	123
Power Generated and Sold			
Termoeléctrica de Mexicali (TdM) (millions of kilowatt hours)	2,905	3,873	4,074
Wind and solar (millions of kilowatt hours) ⁽¹⁾	1,724	1,442	1,176

(1) Includes 50% of the total power generated and sold at the Energía Sierra Juárez wind power generation facility, in which Sempra Energy has a 50% 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,		
	2020	2019	2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 293	\$ 58	\$ 51
Restricted cash	22	31	24
Accounts receivable	348	285	254
Due from unconsolidated affiliates	126	172	175
Income taxes receivable	67	23	72
Inventories	27	28	19
Other current assets	<u>93</u>	<u>75</u>	<u>25</u>
Total current assets	976	672	620
Restricted cash	3	3	3
Due from unconsolidated affiliates	832	766	644
Regulatory assets	80	83	84
Investments	852	741	747
Goodwill and other intangible assets	1,801	1,811	1,823
Deferred income taxes	64	52	80
Right-of-use assets – operating leases	169	179	—
Property, plant and equipment, net	5,927	5,555	5,053
Other long-term assets	<u>48</u>	<u>76</u>	<u>111</u>
Total assets	<u>\$ 10,752</u>	<u>\$ 9,938</u>	<u>\$ 9,165</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 772	\$ 1,174	\$ 808
Accounts payable	83	149	100
Due to unconsolidated affiliates	180	168	463
Current portion of long-term debt	69	65	62
Other current liabilities	<u>295</u>	<u>194</u>	<u>155</u>
Total current liabilities	1,399	1,750	1,588
Long-term debt	<u>2,834</u>	<u>1,813</u>	<u>1,670</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	278	237	89
Deferred income taxes	768	808	742
Contract liabilities	72	72	70
Fixed-price contracts and other derivatives	162	141	147
Operating lease liabilities	98	102	—
Deferred credits and other	<u>92</u>	<u>115</u>	<u>92</u>
	1,470	1,475	1,140
Equity:			
Sempra Mexico shareholders' equity	3,555	3,277	3,162
Noncontrolling interests	<u>1,494</u>	<u>1,623</u>	<u>1,605</u>
Total equity	5,049	4,900	4,767
Total liabilities and equity	<u>\$ 10,752</u>	<u>\$ 9,938</u>	<u>\$ 9,165</u>

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Sempra Mexico

Consolidated Statements of Cash Flows

(Dollars in millions)	Years ended December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 424	\$ 375	\$ 369
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	189	183	175
Deferred income taxes	(37)	93	74
Impairment losses	—	—	4
Equity earnings	(144)	(24)	(40)
Fixed-price contracts and other derivatives	58	(44)	(72)
Foreign currency transaction losses (gains), net	25	(21)	6
Other	18	4	51
Net change in working capital components	(68)	(31)	(24)
Changes in other noncurrent assets and liabilities, net	8	(13)	(55)
Net cash provided by operating activities	<u>473</u>	<u>522</u>	<u>488</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(611)	(624)	(368)
Expenditures for investments and acquisitions, net of cash and cash equivalents acquired	—	—	(100)
Increase in loans to affiliates, net	(85)	(16)	(91)
Other	(28)	(46)	(16)
Net cash used in investing activities	<u>(724)</u>	<u>(686)</u>	<u>(575)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	—	(145)	(140)
Issuances of debt (maturities greater than 90 days)	1,888	1,477	917
Payments on debt (maturities greater than 90 days)	(1,249)	(967)	(374)
Increase (decrease) in loans from affiliates, net	93	(88)	(222)
Distributions to noncontrolling interests	—	(73)	(71)
Debt issuance costs	(14)	(4)	—
Purchases of noncontrolling interests	(241)	(10)	(7)
Settlement of cross-currency swaps	—	—	(33)
Other	—	(12)	3
Net cash provided by financing activities	<u>477</u>	<u>178</u>	<u>73</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	(2)
Increase (decrease) in cash, cash equivalents and restricted cash	226	14	(16)
Cash, cash equivalents and restricted cash, January 1	92	78	94
Cash, cash equivalents and restricted cash, December 31	<u>\$ 318</u>	<u>\$ 92</u>	<u>\$ 78</u>

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Consolidated Statements of Operations



(Dollars in millions)	December 31,		
	2020	2019	2018
REVENUES – Energy-related businesses	\$ 374	\$ 410	\$ 472
EXPENSES AND OTHER INCOME			
Energy-related businesses cost of sales	(218)	(299)	(313)
Operation and maintenance	(159)	(156)	(123)
Depreciation and amortization	(9)	(10)	(26)
Impairment losses	—	—	(1,117)
Other taxes	(7)	(7)	(10)
Interest income	81	61	49
Interest expense	(43)	(35)	(21)
Income (loss) before income taxes and equity earnings	19	(36)	(1,089)
Income tax (expense) benefit	(92)	5	435
Equity earnings	391	24	—
Net income (loss)	318	(7)	(654)
Losses attributable to noncontrolling interests	2	1	37
Earnings (losses)	<u>\$ 320</u>	<u>\$ (6)</u>	<u>\$ (617)</u>

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

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2020	2019	2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 31	\$ 18	\$ 2
Accounts receivable	64	38	63
Due from unconsolidated affiliates	343	844	780
Income taxes receivable	63	60	36
Inventories	24	19	3
Fixed-price contracts and other derivatives	24	45	39
Assets held for sale	—	—	336
Other current assets	17	5	7
Total current assets	566	1,029	1,266
Due from unconsolidated affiliates	325	1,040	1,025
Investment in Cameron LNG JV	433	1,256	1,271
Intangible assets	3	4	4
Deferred income taxes	—	—	49
Property, plant and equipment, net	852	555	432
Other long-term assets	26	17	13
Total assets	\$ 2,205	\$ 3,901	\$ 4,060
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 114	\$ 63	\$ 62
Due to unconsolidated affiliates	41	63	85
Other current liabilities	64	56	129
Total current liabilities	219	182	276
Long-term debt	1	22	21
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	640	2,043	1,881
Deferred income taxes	828	184	—
Deferred credits and other	29	15	9
Total deferred credits and other liabilities	1,497	2,242	1,890
Equity:			
Sempra LNG shareholder's equity	442	1,456	1,867
Noncontrolling interests	46	(1)	6
Total equity	488	1,455	1,873
Total liabilities and equity	\$ 2,205	\$ 3,901	\$ 4,060

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

Consolidated Statements of Cash Flows



(Dollars in millions)	December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ 318	\$ (7)	\$ (654)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	9	10	26
Impairment losses	—	—	1,117
Deferred income taxes	666	226	(373)
Equity earnings	(391)	(24)	—
Fixed-priced contracts and other derivatives	(50)	18	55
Other	(8)	(7)	6
Net change in working capital components	95	(86)	(101)
Distributions from investments	365	—	—
Changes in other noncurrent assets and liabilities, net	—	—	(2)
Net cash provided by operating activities	<u>1,004</u>	<u>130</u>	<u>74</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(268)	(112)	(31)
Expenditures for investments	(4)	(110)	(275)
Proceeds from sale of assets	—	327	6
Distributions from investments	753	—	—
Increase in loans to affiliates, net	(1,406)	(462)	(110)
Other	6	18	38
Net cash used in investing activities	<u>(919)</u>	<u>(339)</u>	<u>(372)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchases of noncontrolling interests	(7)	(20)	—
Proceeds from sale of noncontrolling interests, net	25	—	—
Capital contributions, net	—	1	3
Issuance of long-term debt	17	—	—
(Decrease) increase in loans from affiliates, net	(94)	244	297
Debt issuance costs	(15)	—	—
Other	2	—	—
Net cash (used in) provided by financing activities	<u>(72)</u>	<u>225</u>	<u>300</u>
Increase in cash and cash equivalents	13	16	2
Cash and cash equivalents, January 1	18	2	—
Cash and cash equivalents, December 31	<u>\$ 31</u>	<u>\$ 18</u>	<u>\$ 2</u>

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

Discontinued Operations Summarized Information on Consolidated Statements of Operations and Cash Flows

(Dollars in millions)	Years ended December 31,		
	2020 ⁽¹⁾	2019	2018
Revenues	\$ 570	\$ 1,614	\$ 1,585
Cost of sales	(364)	(1,012)	(1,041)
Gain on sale of discontinued operations	2,899	—	—
Operating expenses	(66)	(159)	(206)
Interest and other	(3)	(11)	(6)
Income before income taxes and equity earnings	3,036	432	332
Income tax expense	(1,186)	(72)	(145)
Equity earnings	—	3	1
Income from discontinued operations, net of income tax	1,850	363	188
Earnings attributable to noncontrolling interests	(10)	(35)	(32)
Earnings from discontinued operations attributable to common shares	\$ 1,840	\$ 328	\$ 156
Net cash (used in) provided by operating activities	\$ (1,051)	\$ 390	\$ 296
Net cash provided by (used in) investing activities	5,171	(12)	(265)
Net cash provided by (used in) financing activities	401	(392)	(25)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3)	1	(12)
Increase (decrease) in cash, cash equivalents and restricted cash	4,518	(13)	(6)
Cash, cash equivalents and restricted cash, January 1	75	88	94
Cash, cash equivalents and restricted cash, December 31 ⁽²⁾	\$ 4,593	\$ 75	\$ 88

(1) Results include activity until deconsolidation of our Peruvian businesses on April 24, 2020 and Chilean businesses on June 24, 2020 and post-closing adjustments related to the sales of these businesses.

(2) In the Sempra Energy Consolidated Statement of Cash Flows for the year ended December 31, 2020, the ending cash, cash equivalents and restricted cash balance in discontinued operations of \$4.6 billion is considered to be cash, cash equivalents and restricted cash for continuing operations following the sales of the South American businesses.

Discontinued Operations Assets Held for Sale

(Dollars in millions)	December 31,	
	2019	2018
Cash and cash equivalents	\$ 74	\$ 88
Restricted cash ⁽¹⁾	1	—
Accounts receivable, net	303	315
Due from unconsolidated affiliates	2	2
Inventories	36	38
Other current assets	29	16
Current assets	<u>\$ 445</u>	<u>\$ 459</u>
Due from unconsolidated affiliates	\$ 54	\$ 44
Goodwill and other intangible assets	801	819
Property, plant and equipment, net	2,618	2,357
Other noncurrent assets	40	39
Noncurrent assets	<u>\$ 3,513</u>	<u>\$ 3,259</u>
Short-term debt	\$ 52	\$ 55
Accounts payable	201	176
Current portion of long-term debt and finance leases	85	29
Other current liabilities	106	108
Current liabilities	<u>\$ 444</u>	<u>\$ 368</u>
Long-term debt and finance leases	\$ 702	\$ 708
Deferred income taxes	284	250
Other noncurrent liabilities	66	55
Noncurrent liabilities	<u>\$ 1,052</u>	<u>\$ 1,013</u>

(1) Primarily represents funds held in accordance with Peruvian tax law.

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Annual Report

Sempra Energy's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission 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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BMO Capital Markets
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Evercore ISI
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