Sempra Energy®

Sempra Energy

Fourth Quarter 2018 Earnings Results

February 26, 2019

Information Regarding Forward-Looking Statements

This presentation contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "assumes," "depends," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "outlook," "maintain," or similar expressions or discussions of guidance, strategies, plans, goals, vision, opportunities, projections, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements.

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

These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of charge on the SEC's website, www.sec.gov, and on the company's website at www.sempra.com. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of February 26, 2019, and the company undertakes no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.

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

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Executive Summary

- Reporting FY-2018 adjusted earnings per share of $5.57[1] compared to FY-2017 adjusted earnings per share of $5.42[1] and Q4-2018 adjusted earnings per share of $1.56[1] compared to Q4-2017 adjusted earnings per share of $1.54[1]

- Advancing our strategic mission to become North America's premier energy infrastructure company:

  - Recycling capital into U.S. T+D businesses and reducing parent debt

  - Advancing Cameron Train 1 construction; completion + earnings expected in mid-2019[2]

  - Identifying ~$50M of pretax cost savings on an annualized basis to be implemented over the next few years

- Affirming our 2019 adjusted earnings-per-share guidance range of $5.70 - $6.30[3]

- Raising the annualized dividend by 8% to $3.87 from $3.58 per share[4]

1) Attributable to common shares. Sempra Energy Adjusted Earnings Per Share (EPS) is a non-GAAP financial measure. FY-2018 and FY-2017 GAAP EPS were $3.42 and $1.01, respectively. Q4-2018 and Q4-2017 GAAP EPS were $3.03 and ($1.99), respectively. See appendix for information regarding non-GAAP financial measures.
2) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. Please refer to "Risk Factors" and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K for a description of the risks and other factors associated with the Cameron LNG facility currently under construction.
3) Sempra Energy 2019 Adjusted EPS Guidance Range is a non-GAAP Financial measure. See appendix for information regarding non-GAAP financial measures.
4) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.

Executing Strategy | Accomplishments

Accomplishments support our strategic mission to become North America's premier energy infrastructure company

Action	Status
▪ Received EEI Edison award at SDG&E for our efforts to enhance wildfire preparedness and grid resiliency	✓
▪ Completed acquisition of ~80% equity interest in Oncor	✓
▪ Announced agreements for Oncor to acquire 100% interest in InfraREIT and Sempra to acquire a 50% interest in Sharyland(1)	✓
▪ Closed sale of U.S. solar portfolio + one wind asset to Consolidated Edison	✓
▪ Completed sale of non-utility U.S. natural gas storage to ArcLight Capital Partners	✓
▪ Entered into an agreement to sell remaining U.S wind portfolio to American Electric Power ("AEP")(2)	✓

Expect to receive ~$2.5B in proceeds from our renewables and midstream divestitures

1) Transactions are subject to customary closing conditions, including the approval by the Public Utility Commission of Texas ("PUCT"), and the Federal Energy Regulatory Commission ("FERC") In addition, Oncor's purchase of InfraREIT is subject to approval by the Committee on Foreign Investment in the United States.
2) The sale is subject to customary closing conditions and consents, FERC and Hart-Scott-Rodino Antitrust Improvements Act approvals.

Executing Strategy | South America

Announced decision to sell South American businesses allows Sempra to focus capital investments on North American opportunities; expect to close by year-end 2019

Strategic Criteria	Considerations
Growth Prospects	Backlog of potential incremental investments of over $2 billion; 10-year expected electric consumption CAGR of ~5% in Peru + ~4% in Chile(1)
Attractive Market	Both Peru and Chile are stable countries with strong economies and constructive regulatory environments
Credit Impacts	While Peru and Chile are credit positive to Sempra, their contributions to credit will be less significant over time
Geographic Focus	Investments in Peru and Chile are not aligned with Sempra's strategic mission to geographically focus on North America
Earnings | Value Contribution	Peru and Chile are projected to generate less than 10% of Sempra's 2020 earnings
Clear Valuation	Chilquinta Energía is not publicly traded; the regulatory constructs in these regions can be less familiar to our investors

1) CNE (Comisión Nacional de Energía) (Chile), and COES (Comité de Operación Económica del Sistema) (Peru).

Executing Strategy | Continuous Cost Improvements

- Sempra continuously reviews its corporate cost structure for efficiencies
- After the announced plan to sell Sempra's U.S. wind, U.S. solar and certain non-utility U.S. natural gas storage businesses, Sempra identified costs associated with these businesses that could be reduced over time
- By divesting non-core assets, Sempra now has the opportunity to be more focused, more disciplined and more profitable

Continuous Cost Improvements

2016 | 2017	2018 | 2019
Continued our cost improvement process designed to yield long-term savings	**Will reduce corporate costs as part of our announced divestitures**
■ Identified $65 million of annual savings at our California Utilities ■ Incorporated into our 2019 GRC filings[(1)] ■ Will provide benefits to our customers by allowing us to allocate these dollars towards safety + reliability	■ Included corporate functions and non-utility businesses ■ Identified ~$50 million of pretax cost savings, on an annualized basis ■ Planned to implement cost savings over the next few years

1) Subject to CPUC approval.

Mexico Update

- Mexico is the world's 15th largest economy[1] and has significant infrastructure needs
  - Mexico imports >50% of its natural gas demand[2]
  - Residential electricity demand is expected to double by 2040[3]
  - Refined product storage supply requirements of 11-13 days from ~3 days by 2025[4]
- IEnova has a successful 22-year track record in Mexico and remains focused on the development of energy infrastructure that will promote economic development in a sustainable and socially responsible way
- IEnova continues to develop infrastructure projects that benefit the country, diversify its customer base and increase its share of revenue from private companies
  - Refined product terminals
  - Renewable projects
  - Conversion of Energía Costa Azul to LNG export[5]
- IEnova continues to maintain constructive relationships with the Mexican government and its institutions, and remains committed to being a responsible partner that contributes to the country's long-term economic and social development

1) IMF Data Mapper, utilizing World Economic Outlook Data (April 2018).
2) FTI Consulting Outlook for Natural Gas in Mexico: The Electricity Sector Will Drive the Market.
3) 2016 International Energy Agency (IEA) Mexico Energy Outlook (2014-2040).
4) Ministry of Energy.
5) The Energía Costa Azul mid-scale and large-scale opportunities are subject to a number of risks and uncertainties. Please refer to "Risk Factors" and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K for a description of the risks and other factors associated with this opportunity.

Cameron LNG Update[1]

- Train 1 commissioning process well underway with projected earnings in mid-2019; stated contractor schedule is consistent with Q3-18 disclosure[2]
- Project continues to have an excellent safety record with over 67 million hours worked without a lost-time incident

Key Milestones	Status
Start-up of common support systems and utilities; includes nitrogen, cooling water, fire suppression, and instrument air	✓
Complete gas turbine testing	✓
Commission boil-off gas compressors	✓
Introduce fuel gas into the system	✓
Complete flare ignition testing	✓
Introduce feed gas	Expected Q1-19
Produce first LNG	Expected Q2-19
Stabilize production and complete performance test	Expected Q2-19
Train 1 CCJV targeted completion[2]	Q2-19
Train 2 CCJV targeted completion[2]	Q4-19
Train 3 CCJV targeted completion[2]	Q1-20

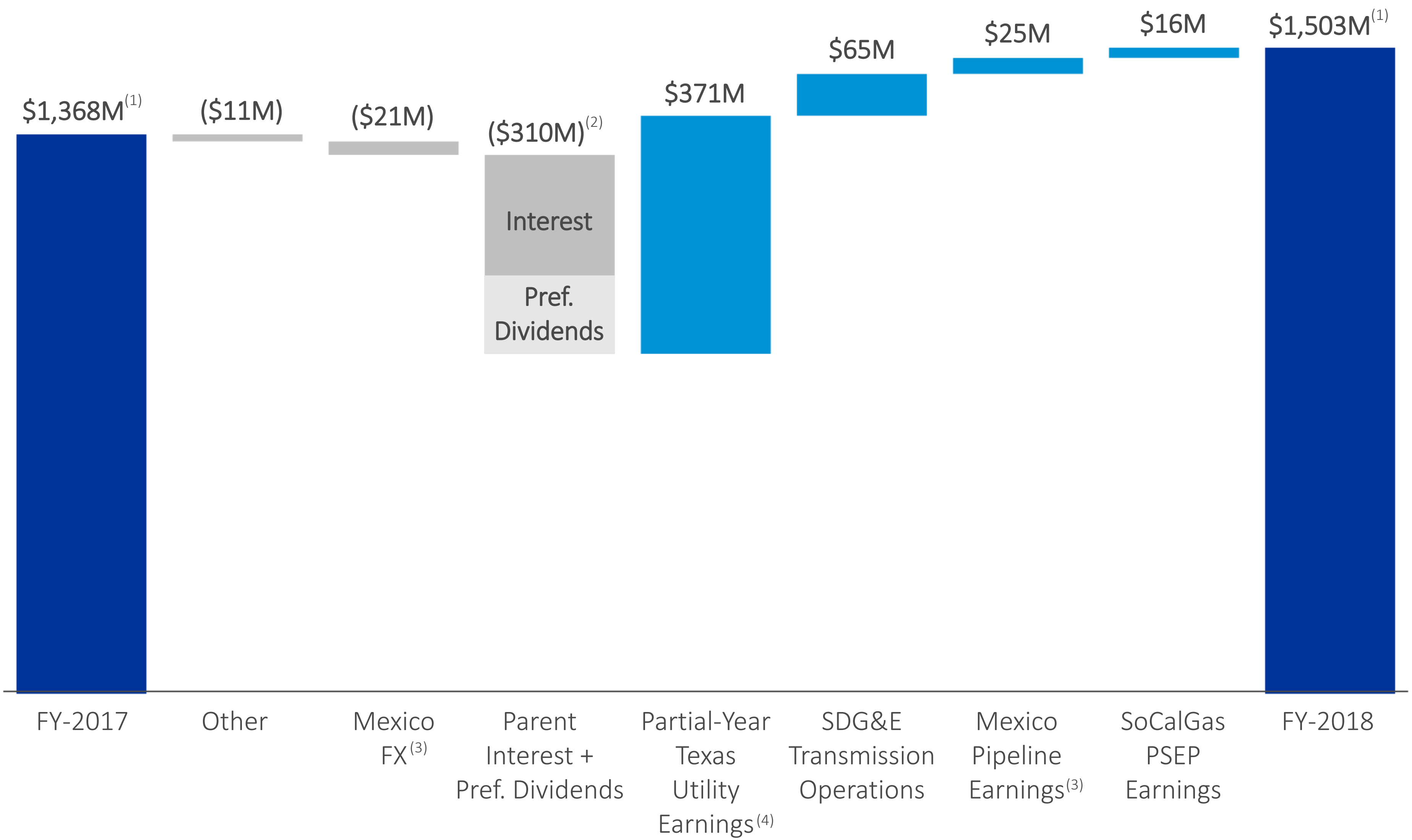
1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. Please refer to "Risk Factors" and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K for a description of the risks and other factors associated with the Cameron LNG facility currently under construction.
2) According to McDermott's Q4-2018 earnings call and financial disclosures. CCJV is a joint-venture between McDermott and Chiyoda International Corporation.

Fourth Quarter + Full-Year 2018 Results

(Dollars, except EPS, and shares, in millions)	Three months ended December 31 2018	Three months ended December 31 2017	Years ended December 31 2018	Years ended December 31 2017
	(Unaudited)			
GAAP Earnings (Losses)(1)	$ 864	$ (501)	$ 924	$ 256
Gain on Sale of Certain Sempra Renewables Assets	(367)	-	(367)	-
Impairment of Investment in RBS Sempra Commodities	-	-	65	-
(Adjustment)/Impairment of Non-Utility U.S. Natural Gas Storage Assets	(126)	-	629	-
Impairment of U.S. Wind Equity Method Investments	-	-	145	-
Impacts Associated with Aliso Canyon Litigation	-	20	22	20
Impact from the Tax Cuts and Jobs Act of 2017	60	870	85	870
Write-Off of Wildfire Regulatory Asset	-	-	-	208
Adjustments Related to Termoeléctrica de Mexicali (TdM) Held For Sale	-	-	-	42
Recoveries Related to Permanent Releases of Pipeline Capacity	-	-	-	(28)
Adjusted Earnings(1)	$ 431	$ 389	$ 1,503	$ 1,368
GAAP diluted weighted-average shares outstanding	296	252	270	252
GAAP Earnings (Losses) Per Diluted Share(1)	$ 3.03 (2)	$ (1.99)	$ 3.42	$ 1.01
Adjusted diluted weighted-average shares outstanding(1)	276	253	270	252
Adjusted Earnings Per Diluted Share(1)	$ 1.56	$ 1.54	$ 5.57	$ 5.42

1) Attributable to common shares. Sempra Energy Adjusted Earnings, Adjusted EPS and Adjusted Diluted Weighted-Average Shares Outstanding are non-GAAP financial measures. See appendix for information regarding non-GAAP financial measures and descriptions of adjustments above.
2) Due to the dilutive effect of the mandatory convertible preferred stock for GAAP earnings, the numerator used to calculate GAAP EPS includes an add-back of $36 million of mandatory preferred stock dividends declared in the quarter.

Full-Year 2018 Adjusted Earnings Drivers



1) Attributable to common shares. Sempra Energy Adjusted Earnings is a non-GAAP financial measure. FY-2018 and FY-2017 GAAP Earnings were $924M and $256M, respectively. See appendix for information regarding non-GAAP financial measures.
2) Includes $185M increase in net interest expense and $125M of mandatory convertible preferred stock dividends.
3) All variance explanations are shown after noncontrolling interests.
4) Acquisition closing date of March 9, 2018.

Sempra Energy

2019 Adjusted Guidance Update[1]

Sempra continues to high-grade its portfolio with additional T+D investments

- 2019 adjusted EPS guidance range[1] remains unchanged relative to the previous range given
- Guidance incorporates several new events that have occurred since the 2018 Analyst Conference
- Additional items we are monitoring could potentially impact the 2019 adjusted EPS guidance range[1]
  - California General Rate Case[2]
  - SDG&E FERC ROE[2]
  - Planned sale of South American businesses
  - U.S. wind assets sale[3]
  - Mexican Peso movements

Key Events Impacting 2019 Adjusted Guidance	
2019 guidance range announced at 2018 Analyst Conference	$5.70 - $6.30
Announced | completed divestitures of U.S. solar, U.S. wind, and non-utility U.S. natural gas storage assets (ongoing earnings impact)	–
Planned acquisitions of 100% InfraREIT and 50% Sharyland[4]	+
Debt paydown with remaining proceeds from planned and completed asset sales	+
Current 2019 adjusted EPS guidance range	**$5.70 - $6.30[1]**

1) Sempra Energy Adjusted EPS Guidance Range is a non-GAAP financial measure. See appendix for further details.
2) Assumes CPUC annual attrition of 3.5% and ROE of 10.2%, FERC ROE of 10.05%, all subject to CPUC and FERC approvals.
3) The sale is subject to customary closing conditions and consents, including Federal Energy Regulatory Commission and Hart-Scott-Rodino Antitrust Improvements Act approvals.
4) Transactions are subject to customary closing conditions, including the approval by the PUCT and the FERC. In addition, Oncor's purchase of InfraREIT is subject to approval by the Committee on Foreign Investment in the United States.

2019 Goals | Support Our Strategic Mission

Actions

1. Continue to effectively manage and improve public and employee safety as a cultural imperative
2. Optimize and complete remaining announced divestitures
3. Enhance IEnova franchise value by aligning strategy and execution with new Mexican government policies
4. Proactively manage and seek to reduce legal and regulatory exposure related to utility operations
5. Continue to optimize our cost structure
6. Materially improve the franchise value of our LNG business through progressing our five development projects[(1)]
7. Execute Oncor growth initiatives in Texas and complete the InfraREIT transaction[(2)]
8. Improve the franchise value of CA utilities by receiving a final decision on the 2019 GRC and achieving an appropriate Cost of Capital[(3)]
9. Continue to foster and invest in a culture of high performance, diversity and leadership development
10. Deliver financial results consistent with EPS guidance range + strengthen balance sheet

1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. In addition, the Energía Costa Azul LNG mid-scale and large-scale opportunities, Port Arthur LNG opportunity, and the Cameron LNG Trains 4 and 5 opportunity are subject to a number of risks and uncertainties. Please refer to “Risk Factors” and “Factors Influencing Future Performance” in our most recent Annual Report on Form 10-K for a description of the risks and other factors associated with the Cameron LNG facility currently under construction and these other opportunities.
2) Transactions are subject to customary closing conditions, including the approval by the PUCT and the FERC. In addition, Oncor’s purchase of InfraREIT is subject to approval by the Committee on Foreign Investment in the United States.
3) Subject to CPUC and FERC approvals..

Summary

- Reporting FY-2018 adjusted earnings per share of $5.57[1] compared to FY-2017 adjusted earnings per share of $5.42[1] and Q4-2018 adjusted earnings per share of $1.56[1] compared to Q4-2017 adjusted earnings per share of $1.54[1]
- Advancing our strategic mission to become North America's premier energy infrastructure company:
  - Recycling capital into U.S. T+D businesses and reducing parent debt
  - Advancing Cameron Train 1 construction; completion + earnings expected in mid-2019[2]
  - Identifying ~$50M of pretax cost savings on an annualized basis to be implemented over the next few years
- Affirming our 2019 adjusted earnings-per-share guidance range of $5.70 - $6.30[3]
- Raising the annualized dividend by 8% to $3.87 from $3.58 per share[4]

1) Attributable to common shares. Sempra Energy Adjusted EPS is a non-GAAP financial measure. FY-2018 and FY-2017 GAAP EPS were $3.42 and $1.01, respectively. Q4-2018 and Q4-2017 GAAP EPS were $3.03 and ($1.99), respectively. See appendix for information regarding non-GAAP financial measures.
2) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. Please refer to "Risk Factors" and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K for a description of the risks and other factors associated with the Cameron LNG facility currently under construction.
3) Sempra Energy 2019 Adjusted EPS Guidance Range is a non-GAAP Financial measure. See appendix for information regarding non-GAAP financial measures.
4) The amount and timing of dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.

APPENDIX

2019 Rules of Thumb

Key Commodity and Market Forecasts	Current Guidance Assumption	Change in Assumption	Approximate 2019 Forecasted Earnings Sensitivity
Natural Gas Prices(1) ($/MMBtu)	$2.79	$1.00 increase / decrease	$18M / ($18)M in Sempra LNG & Midstream
Foreign Currency Exchange Rates(2),(3)	668 CLP/USD 3.3 PEN/USD	5% appreciation / depreciation 5% appreciation / depreciation	$4M / ($4)M in Chile $8M / ($8)M in Peru
	20.72 MXN/USD	5% appreciation / depreciation 10% appreciation / depreciation	($50)M / $50M in Mexico ($80)M / $100M in Mexico

1) Annual average SoCal Border price.
2) Source: Forward curve at year-end for Mexico and average forecasted exchange rates from LatinFocus for South America. For Mexico, the earnings sensitivity excludes any offset related to inflation. For South America, earnings sensitivities reflect the translation impact on earnings and exclude foreign exchange rate impacts on tariff adjustments. In all cases, we engage in hedging activity from time to time that may limit earnings sensitivity for larger changes in currency rates than those reflected above. The rules of thumb are applicable on a full-year basis.
3) The Peso ended 2018 at 19.68 MXN/USD.

APPENDIX

Business Unit Earnings

SDG&E

(Dollars in millions)	Three months ended December 31, 2018		Three months ended December 31, 2017		Years ended December 31, 2018		Years ended December 31, 2017	
	(Unaudited)							
SDG&E GAAP Earnings	$	148	$	131	$	669	$	407
Impact from the Tax Cuts and Jobs Act of 2017		-		28		-		28
Write-Off of Wildfire Regulatory Asset		-		-		-		208
SDG&E Adjusted Earnings(1)	$	148	$	159	$	669	$	643

- Q4-2018 adjusted earnings(1) are lower than Q4-2017 primarily due to $10M higher net interest expense(2)
- FY-2018 adjusted earnings(1) are higher than FY-2017 primarily due to:
  - $65M higher earnings from electric transmission operations in 2018, including the annual FERC formulaic rate adjustment, and
  - $27M higher CPUC base operating margin authorized for 2018(2); **partially offset by**
  - $35M higher net interest expense(2), and
  - $11M unfavorable impact due to lower cost of capital related to GRC base business in 2018(2)

1) SDG&E Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 27 for information regarding non-GAAP financial measures and a description of the adjustments above.
2) Includes amounts related to change in tax rate.

SoCalGas

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
SoCalGas GAAP Earnings	$ 156	$ 128	$ 400	$ 396
Impact from the Tax Cuts and Jobs Act of 2017	-	2	-	2
Impacts Associated with Aliso Canyon Litigation	-	20	22	20
SoCalGas Adjusted Earnings(1)	$ 156	$ 150	$ 422	$ 418

- Q4-2018 adjusted earnings(1) are higher than Q4-2017 primarily due to:
  - $16M higher CPUC base operating margin authorized for 2018, net of expenses including depreciation(2), **partially offset by**
  - $9M higher net interest expense(2)
- FY-2018 adjusted earnings(1) are higher than FY-2017 primarily due to:
  - $36M higher CPUC base operating margin authorized for 2018, net of expenses including depreciation(2), and
  - $16M higher PSEP earnings, **partially offset by**
  - $22M higher net interest expense(2), and
  - $21M unfavorable impact due to lower cost of capital related to GRC base business in 2018(2)

1) SoCalGas Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 27 for information regarding non-GAAP financial measures and a description of the adjustments above.
2) Includes amounts related to change in tax rate.

Sempra Texas Utility

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
Sempra Texas Utility GAAP Earnings	$ 88	$ -	$ 371	$ -

- The year ended December 31, 2018 includes Sempra's share of Oncor earnings from the acquisition close date of March 9, 2018

Sempra South American Utilities

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
Sempra South American Utilities GAAP Earnings	$ 59	$ 52	$ 199	$ 186

- Q4-2018 earnings are higher than Q4-2017 primarily due to $7M higher earnings from lower cost of purchased power
- FY-2018 earnings are higher than FY-2017 primarily due to:
  - $11M higher earnings from lower cost of purchased power, and
  - $6M gain on the sale of a hydroelectric power plant development project in Peru

Sempra Mexico[1]

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
Sempra Mexico GAAP Earnings	$ 76	$ 64	$ 237	$ 169
Adjustments Related to TdM Held for Sale	-	-	-	42
Sempra Mexico Adjusted Earnings[2]	$ 76	$ 64	$ 237	$ 211

- Q4-2018 adjusted earnings[2] are higher than Q4-2017 primarily due to:
  - $27M lower income tax expense in 2018 mainly on the outside basis differences in joint venture investments, and
  - $7M higher pipeline operational earnings, **partially offset by**
  - $22M unfavorable impact from foreign currency and inflation effects net of foreign currency hedges
- FY-2018 adjusted earnings[2] are higher than FY-2017 primarily due to:
  - $25M higher pipeline operational earnings, and
  - $21 million improved operating results primarily as a result of major maintenance in the second quarter of 2017 and higher revenues in 2018 for TdM, **partially offset by**
  - $21M unfavorable impact from foreign currency and inflation effects net of foreign currency hedges

1) All variance explanations are shown after noncontrolling interests.
2) Sempra Mexico Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 27 for information regarding non-GAAP financial measures and a description of the adjustment above.

Sempra Renewables

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
Sempra Renewables GAAP Earnings	$ 382	$ 203	$ 328	$ 252
Impairment of U.S. Wind Equity Method Investments	-	-	145	-
Impact of the Tax Cuts and Jobs Act of 2017	-	(192)	-	(192)
Gain on Sale of Certain Sempra Renewables Assets	(367)	-	(367)	-
Sempra Renewables Adjusted Earnings[(1)]	$ 15	$ 11	$ 106	$ 60

- FY-2018 adjusted earnings[(1)] are higher than FY-2017 primarily due to:
  - $35M higher pretax losses attributed to NCI on tax equity projects, and
  - $19M lower depreciation as a result of solar and wind assets held for sale

1) Sempra Renewables Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 27 for information regarding non-GAAP financial measures and a description of the adjustments above.

Sempra LNG & Midstream

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
Sempra LNG & Midstream GAAP Earnings (Losses)	$ 147	$ 126	$ (617)	$ 150
(Adjustment)/Impairment of Non-Utility U.S. Natural Gas Storage Assets	(126)	-	629	-
Impact from the Tax Cuts and Jobs Act of 2017	-	(133)	9	(133)
Recoveries Related to Permanent Releases of Pipeline Capacity	-	-	-	(28)
Sempra LNG & Midstream Adjusted Earnings (Losses)[(1)]	$ 21	$ (7)	$ 21	$ (11)

- Q4-2018 adjusted earnings[(1)] compared to Q4-2017 adjusted losses[(1)] mainly due to $18M higher earnings primarily driven by changes in natural gas prices and lower depreciation and amortization as a result of natural gas storage assets held for sale
- FY-2018 adjusted earnings[(1)] compared to FY-2017 adjusted losses primarily due to:
  - $24M higher earnings primarily driven by lower depreciation and amortization as a result of natural gas storage assets held for sale, and
  - $15M improved results in 2018 from LNG marketing activities

1) Sempra LNG & Midstream Adjusted Earnings (Losses) is a non-GAAP financial measure. See Appendix beginning on page 27 for information regarding non-GAAP financial measures and a description of the adjustments above.

Parent & Other

(Dollars in millions)	Three months ended December 31, 2018	Three months ended December 31, 2017	Years ended December 31, 2018	Years ended December 31, 2017
	(Unaudited)			
Parent & Other GAAP Losses	$ (192)	$ (1,205)	$ (663)	$ (1,304)
Impairment of Investment in RBS Sempra Commodities	-	-	65	-
Impact from the Tax Cuts and Jobs Act of 2017	60	1,165	76	1,165
Parent & Other Adjusted Losses[1]	$ (132)	$ (40)	$ (522)	$ (139)

- Q4-2018 adjusted losses[1] are higher than Q4-2017 primarily due to:
  - $49M increase in net interest expense in 2018[2], and
  - $36M of mandatory convertible preferred stock dividends declared
- FY-2018 adjusted losses[1] are higher than FY-2017 primarily due to:
  - $185M increase in net interest expense in 2018[2],
  - $125M of mandatory convertible preferred stock dividends declared, and
  - $15 million investment losses in 2018 compared to $41 million investment gains in 2017 on dedicated assets in support of our executive retirement and deferred compensation plans, net of associated deferred compensation expense

1) Parent & Other Adjusted Losses is a non-GAAP financial measure. See Appendix beginning on page 27 for information regarding non-GAAP financial measures and a description of the adjustments above.
2) Includes amounts related to change in tax rate.

APPENDIX

Non-GAAP Financial Measures

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (1 of 2)

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) in 2018 and 2017 as follows:

In the three months ended December 31, 2018:

- $367 million gain on the sale of certain Sempra Renewables assets
- $126 million reduction in the impairment of certain non-utility natural gas storage assets in the southeast U.S. at Sempra LNG & Midstream
- $(60) million income tax expense in 2018 to adjust the Tax Cuts and Jobs Act of 2017 (TCJA) provisional amounts recorded in 2017

In the three months ended December 31, 2017:

- $(870) million income tax expense from the impact of the TCJA
- $(20) million associated with Aliso Canyon litigation reserves at Southern California Gas Company (SoCalGas)

In the year ended December 31, 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 TCJA provisional amounts recorded in 2017

In the year ended December 31, 2017:

- $(870) million income tax expense from the impact of the TCJA
- $(208) million write-off of wildfire regulatory asset at San Diego Gas & Electric Company (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

Sempra Energy Adjusted Earnings, Weighted-Average 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 from 2018 to 2017 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods these non-GAAP financial measures to Sempra Energy GAAP Earnings (Losses), Weighted-Average Shares Outstanding-GAAP and GAAP Diluted Earnings (Losses) Per Common Share (GAAP EPS), which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (2 of 2)

(Dollars in millions, except per share amounts)	Pretax amount	Income tax expense (benefit)[1]	Non-controlling interests	Earnings	Pretax amount	Income tax expense (benefit)[1]	Non-controlling interests	(Losses) Earnings
	Three months ended December 31, 2018				Three months ended December 31, 2017			
Sempra Energy GAAP Earnings (Losses)				$ 864				$ (501)
Excluded items:								
Gain on sale of certain Sempra Renewables assets	$ (513)	$ 146	$ -	(367)	$ -	$ -	$ -	-
Reduction of impairment of non-utility natural gas storage assets	(183)	47	10	(126)	-	-	-	-
Impact from the TCJA	-	60	-	60	-	870	-	870
Aliso Canyon litigation reserves	-	-	-	-	20	-	-	20
Sempra Energy Adjusted Earnings				$ 431				$ 389
Diluted earnings (losses) per common share [2]								
Sempra Energy GAAP Earnings (Losses)				$ 900 [3]				$ (501)
Weighted-average shares oustanding, diluted - GAAP				296,429				251,902
Sempra Energy GAAP EPS				$ 3.03 [3]				$ (1.99)
Sempra Energy Adjusted Earnings				$ 431				$ 389
Weighted-average shares outstanding, diluted - Adjusted				276,230 [4]				252,725 [5]
Sempra Energy Adjusted EPS				$ 1.56 [4]				$ 1.54 [5]
	Year ended December 31, 2018				Year ended December 31, 2017			
Sempra Energy GAAP Earnings				$ 924				$ 256
Excluded items:								
Gain on sale of certain Sempra Renewables assets	$ (513)	$ 146	$ -	(367) #	$ -	$ -	$ -	-
Impairment of investment in RBS Sempra Commodities	65	-	-	65	-	-	-	-
Impairment of non-utility natural gas storage assets	1,117	(452)	(36)	629	-	-	-	-
Impairment of U.S. wind equity method investments	200	(55)	-	145	-	-	-	-
Impacts associated with Aliso Canyon litigation	1	21	-	22	-	-	-	-
Impact from the TCJA	-	85	-	85	-	870	-	870
Write-off of wildfire regulatory asset	-	-	-	-	351	(143)	-	208
Impairment of TdM assets held for sale	-	-	-	-	71	-	(24)	47
Aliso Canyon litigation reserves	-	-	-	-	20	-	-	20
Deferred income tax benefit associated with TdM	-	-	-	-	-	(8)	3	(5)
Recoveries related to 2016 permanent release of pipeline capacity	-	-	-	-	(47)	19	-	(28)
Sempra Energy Adjusted Earnings				$ 1,503				$ 1,368
Diluted earnings per common share:								
Sempra Energy GAAP EPS				$ 3.42				$ 1.01
Sempra Energy Adjusted EPS				$ 5.57				$ 5.42
Weighted-average number of shares outstanding, diluted (thousands)				269,852				252,300

(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.

(2) For the three months ended December 31, 2018, the assumed conversion of the mandatory convertible preferred stock is dilutive for GAAP earnings, but antidilutive for the lower adjusted earnings.

(3) Due to the dilutive effect of the mandatory convertible preferred stock, the numerator used to calculate GAAP EPS includes an add-back of $36 million of mandatory convertible preferred stock dividends declared in the quarter.

(4) Due to the antidilutive effect of the mandatory convertible preferred stock, the denominator used to calculate Adjusted EPS excludes 20,199 shares of mandatory convertible preferred stock.

(5) The denominator used to calculate Adjusted EPS includes 823 shares of potentially dilutive securities, which were excluded from GAAP EPS because to include them would have decreased the loss per share.

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

SDG&E Adjusted Earnings excludes items (after the effects of income taxes) in 2017 as follows:

In the three months ended December 31, 2017:
- $(28) million income tax expense from the impact of the TCJA

In the year ended December 31, 2017:
- $(28) million income tax expense from the impact of the TCJA
- $(208) million write-off of wildfire regulatory asset

SDG&E Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of SDG&E's business operations from 2018 to 2017 and to 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 the historical period this non-GAAP financial measure to SDG&E GAAP Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax expense[1]	Earnings	Pretax amount	Income tax expense (benefit)[1]	Earnings
(Dollars in millions)	Three months ended December 31, 2018			Three months ended December 31, 2017		
SDG&E GAAP Earnings			$ 148			$ 131
Excluded item:						
Impact from the TCJA	$ -	$ -	-	$ -	$ 28	28
SDG&E Adjusted Earnings			$ 148			$ 159
	Year ended December 31, 2018			Year ended December 31, 2017		
SDG&E GAAP Earnings			$ 669			$ 407
Excluded items:						
Impact from the TCJA	$ -	$ -	-	$ -	$ 28	28
Write-off of wildfire regulatory asset	-	-	-	351	(143)	208
SDG&E Adjusted Earnings			$ 669			$ 643

(1) Income taxes were calculated based on applicable statutory tax rates, except for adjustments that are solely income tax.

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

SoCalGas Adjusted Earnings excludes items (after the effects of income taxes) in 2018 and 2017 as follows:

In the three months ended December 31, 2017:

- $(2) million income tax expense from the impact of the TCJA
- $(20) million associated with Aliso Canyon litigation reserves

In the year ended December 31, 2018:

- $(22) million impacts associated with Aliso Canyon natural gas storage facility litigation

In the year ended December 31, 2017:

- $(2) million income tax expense from the impact of the TCJA
- $(20) million associated with Aliso Canyon litigation reserves

SoCalGas Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of SoCalGas' business operations from 2018 to 2017 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods this non-GAAP financial measure to SoCalGas GAAP Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax expense(1)	Earnings	Pretax amount	Income tax expense(1)	Earnings
(Dollars in millions)	Three months ended December 31, 2018			Three months ended December 31, 2017		
SoCalGas GAAP Earnings			$ 156			$ 128
Excluded items:						
Impact from the TCJA	$ -	$ -	-	$ -	$ 2	2
Aliso Canyon litigation reserves	-	-	-	20	-	20
SoCalGas Adjusted Earnings			$ 156			$ 150
	Year ended December 31, 2018			Year ended December 31, 2017		
SoCalGas GAAP Earnings			$ 400			$ 396
Excluded items:						
Impact from the TCJA	$ -	$ -	-	$ -	$ 2	2
Impacts associated with Aliso Canyon litigation	1	21	22	-	-	-
Aliso Canyon litigation reserves	-	-	-	20	-	20
SoCalGas Adjusted Earnings			$ 422			$ 418

(1) Income taxes were calculated based on applicable statutory tax rates, except for adjustments that are solely income tax.

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

Sempra Mexico Adjusted Earnings excludes items (after the effects of income taxes and noncontrolling interests) in 2017 as follows :

In the year ended December 31, 2017:

- $(47) million impairment of TdM assets that were held for sale until June 2018
- $5 million deferred income tax benefit on the TdM assets that were held for sale

Sempra Mexico Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of Sempra Mexico's business operations from 2018 to 2017 and to 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 the historical period this non-GAAP financial measure to Sempra Mexico GAAP Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax (benefit)(1)	Non-controlling interests	Earnings	Pretax amount	Income tax (benefit)(1)	Non-controlling interests	Earnings
(Dollars in millions)	Year ended December 31, 2018				Year ended December 31, 2017			
Sempra Mexico GAAP Earnings				$ 237				$ 169
Excluded items:								
Impairment of TdM assets held for sale	$ -	$ -	$ -	-	$ 71	$ -	$ (24)	47
Deferred income tax benefit associated with TdM	-	-	-	-	-	(8)	3	(5)
Sempra Mexico Adjusted Earnings				$ 237				$ 211

(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 statuary 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.

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

Sempra Renewables Adjusted Earnings excludes items (after the effects of income taxes) in 2018 and 2017 as follows:

In the three months ended December 31, 2018:
- $367 million gain on the sale of certain Sempra Renewables assets

In the three months ended December 31, 2017:
- $192 million income tax benefit from the impact of the TCJA

In the year ended December 31, 2018:
- $367 million gain on the sale of certain Sempra Renewables assets
- $(145) million other-than-temporary impairment of certain U.S. wind equity method investments

In the year ended December 31, 2017:
- $192 million income tax benefit from the impact of the TCJA

Sempra Renewables Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of Sempra Renewables' business operations from 2018 to 2017 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods this non-GAAP financial measure to Sempra Renewables GAAP Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax expense (benefit)[1]	Earnings	Pretax amount	Income tax (benefit)[1]	Earnings
(Dollars in millions)	Three months ended December 31, 2018			Three months ended December 31, 2017		
Sempra Renewables GAAP Earnings			$ 382			$ 203
Excluded items:						
Gain on sale of certain Sempra Renewables assets	$ (513)	$ 146	(367)	$ -	$ -	-
Impact from the TCJA	-	-	-	-	(192)	(192)
Sempra Renewables Adjusted Earnings			$ 15			$ 11
	Year ended December 31, 2018			Year ended December 31, 2017		
Sempra Renewables GAAP Earnings			$ 328			$ 252
Excluded items:						
Gain on sale of certain Sempra Renewables assets	$ (513)	$ 146	(367)	$ -	$ -	-
Impairment of U.S. wind equity method investments	200	(55)	145	-	-	-
Impact from the TCJA	-	-	-	-	(192)	(192)
Sempra Renewables Adjusted Earnings			$ 106			$ 60

(1) Income taxes were calculated based on applicable statutory tax rates, except for adjustments that are solely income tax.

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

Sempra LNG & Midstream Adjusted Earnings (Losses) excludes items (after the effects of income taxes and, if applicable, noncontrolling interests) in 2018 and 2017 as follows:

In the three months ended December 31, 2018:
- $126 million reduction in the impairment of certain non-utility natural gas storage assets in the southeast U.S.

In the three months ended December 31, 2017:
- $133 million income tax benefit from the impact of the TCJA

In the year ended December 31, 2018:
- $(629) million impairment of certain non-utility natural gas storage assets
- $(9) million income tax expense in 2018 to adjust the TCJA provisional amounts recorded in 2017

In the year ended December 31, 2017:
- $133 million income tax benefit from the impact of the TCJA
- $28 million of recoveries related to 2016 permanent releases of pipeline capacity

Sempra LNG & Midstream Adjusted Earnings (Losses) is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of Sempra LNG & Midstream's business operations from 2018 to 2017 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods this non-GAAP financial measure to Sempra LNG & Midstream GAAP Earnings (Losses), which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

(Dollars in millions)	Pretax amount	Income tax expense (benefit)(1)	Non-controlling interests	Earnings	Pretax amount	Income tax (benefit) expense(1)	Non-controlling interests	Earnings (Losses)
	Three months ended December 31, 2018				Three months ended December 31, 2017			
Sempra LNG & Midstream GAAP Earnings				$ 147				$ 126
Excluded items:								
Reduction of impairment of non-utility natural gas storage assets	$ (183)	$ 47	$ 10	(126)	$ -	$ -	$ -	-
Impact from the TCJA	-	-	-	-	-	(133)	-	(133)
Sempra LNG & Midstream Adjusted Earnings (Losses)				$ 21				$ (7)
	Year ended December 31, 2018				Year ended December 31, 2017			
Sempra LNG & Midstream GAAP (Losses) Earnings				$ (617)				$ 150
Excluded items:								
Impairment of non-utility natural gas storage assets	$ 1,117	$ (452)	$ (36)	629	$ -	$ -	$ -	-
Impact from the TCJA	-	9	-	9	-	(133)	-	(133)
Recoveries related to 2016 permanent releases of pipeline capacity	-	-	-	-	(47)	19	-	(28)
Sempra LNG & Midstream Adjusted Earnings (Losses)				$ 21				$ (11)

(1) Income taxes were calculated based on applicable statutory tax rates, except for adjustments that are solely income tax.

Parent & Other Adjusted Losses (Unaudited)

Parent & Other Adjusted Losses excludes items in 2018 and 2017 as follows:

In the three months ended December 31, 2018:
- $(60) million income tax expense in 2018 to adjust the TCJA provisional amounts recorded in 2017

In the three months ended December 31, 2017:
- $(1,165) million income tax expense from the impact of the TCJA

In the year ended December 31, 2018:
- $(65) million impairment of RBS Sempra Commodities equity method investment
- $(76) million income tax expense in 2018 to adjust the TCJA provisional amounts recorded in 2017

In the year ended December 31, 2017:
- $(1,165) million income tax expense from the impact of the TCJA

Parent & Other Adjusted Losses is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of Parent & Other results from 2018 to 2017 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods this non-GAAP financial measure to Parent & Other GAAP Losses, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax expense[(1)]	Non-controlling interests	Losses	Pretax amount	Income tax expense[(1)]	Non-controlling interests	Losses
(Dollars in millions)	Three months ended December 31, 2018				Three months ended December 31, 2017			
Sempra Parent & Other GAAP Losses				$ (192)				$ (1,205)
Excluded item:								
Impact from the TCJA	$ -	$ 60	$ -	60	$ -	$ 1,165	$ -	1,165
Sempra Parent & Other Adjusted Losses				$ (132)				$ (40)
	Year ended December 31, 2018				Year ended December 31, 2017			
Sempra Parent & Other GAAP Losses				$ (663)				$ (1,304)
Excluded items:								
Impairment of investment in RBS Sempra Commodities	$ 65	$ -	$ -	65	$ -	$ -	$ -	-
Impact from the TCJA	-	76	-	76	-	1,165	-	1,165
Sempra Parent & Other Adjusted Losses				$ (522)				$ (139)

(1) Income taxes were calculated based on applicable statutory tax rates, except for adjustments that are solely income tax.

2018 Adjusted Earnings Per Common Share Guidance Range (Unaudited)[1]

Sempra Energy 2018 Adjusted EPS Guidance Range of $5.30 to $5.80 excluded items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

- $(965) million in impairments of certain assets and equity method investments
- $(22) million impacts associated with Aliso Canyon natural gas storage facility litigation
- $(25) million income tax expense to adjust the TCJA provisional amounts
- $340 million to $370 million estimated gain on the pending sale, net of $128 million to $139 million income tax expense[2], of the Sempra Renewables operating solar assets, Broken Bow 2 wind generation facility and its solar and battery storage development projects (the Renewables Sale)

Sempra Energy 2018 Adjusted EPS Guidance is a non-GAAP financial measure. Because of the significance and nature of the excluded items, management believes this non-GAAP financial measure provided additional clarity into the ongoing results of the business and the comparability of such results to prior and future periods. Sempra Energy 2018 Adjusted EPS Guidance should not be considered an alternative to diluted earnings per common share guidance determined in accordance with GAAP. The table below reconciles Sempra Energy 2018 Adjusted EPS Guidance Range to Sempra Energy 2018 GAAP EPS Guidance Range, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Full Year 2018		
Sempra Energy GAAP Earnings-Per-Share Guidance Range	$ 2.83	to	$ 3.44
Excluded Items:			
Impairments of certain assets and equity method investments	3.55		3.55
Impacts associated with Aliso Canyon litigation	0.08		0.08
Impact from the TCJA	0.09		0.09
Estimated gain on the Renewables Sale	(1.25)		(1.36)
Sempra Energy Adjusted Earnings-Per-Share Guidance Range	$ 5.30	to	$ 5.80
Weighted-average number of shares outstanding, diluted (millions)			272

1) As presented in the appendix to our Third Quarter 2018 Earnings Results presentation on November 7, 2018.
2) Income taxes on estimated gain were calculated based on applicable statutory tax rates.

2019 Adjusted Earnings Per Common Share Guidance Range (Unaudited)

Sempra Energy 2019 Adjusted EPS Guidance Range of $5.70 to $6.30 excludes items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

- an approximate $35 million after-tax[(1)] (approximately $50 million pretax) gain, plus working capital and other customary adjustments, related to our agreement to sell the remaining U.S. renewables assets and investments to American Electric Power
- any potential gain from the planned sale, as well as income tax expense related to an expected change in our indefinite reinvestment assertions, resulting from our decision in January 2019 to hold our South American businesses for sale

Sempra Energy 2019 Adjusted EPS Guidance is a non-GAAP financial measure. Because of the significance and nature of the excluded items, management believes that this non-GAAP measure provides better clarity into the ongoing results of the business and the comparability of such results to prior and future periods. Sempra Energy 2019 Adjusted EPS Guidance should not be considered an alternative to GAAP EPS Guidance. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP . Because the sale process for the planned divestiture of our South American businesses was only recently initiated in January 2019, the terms and structure of any potential sale transaction or transactions are unknown, including terms that would impact income tax expense resulting from an expected change in our assertion regarding indefinite reinvestment of foreign undistributed earnings, including the timing and amounts of repatriation of such earnings.

1) Income taxes were estimated based on statutory tax rates.