Sempra Energy

Third Quarter 2018 Earnings Results

November 7, 2018

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: actions and the timing of actions, including decisions, new regulations, and issuances of permits and other 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; the timing and success of business development efforts, major acquisitions such as our interest in Oncor, and construction projects, including risks in (i) timely obtaining or maintaining permits and other authorizations, (ii) completing construction projects on schedule and on budget, (iii) obtaining the consent and participation of partners and counterparties and their ability to fulfill contractual commitments, and (iv) not realizing anticipated benefits; the resolution of civil and criminal litigation and regulatory investigations; deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers; denial of approvals of proposed settlements; and delays in, or disallowance 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 greater degree and prevalence of wildfires in California in recent years and 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; 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 wildfires 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; our ability to successfully execute our plan to divest certain non-utility assets within the anticipated timeframe, if at all, or that such plan may not yield the anticipated benefits; actions of activist shareholders, which could impact the market price of our equity and debt securities and disrupt our operations as a result of, among other things, requiring significant time and attention by management and our board of directors; changes in capital markets, energy markets and economic conditions, including the availability of credit and the liquidity of our investments; and volatility in inflation, interest and currency exchange rates and commodity prices and our ability to effectively hedge the risk of such volatility; the impact of recent federal tax reform and uncertainty as to how it may be applied, and our ability to mitigate adverse impacts; 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; changes in foreign and domestic trade policies and laws, including border tariffs, and revisions to or replacement of international trade agreements, such as the North American Free Trade Agreement, that may increase our costs or impair our ability to resolve trade disputes; the ability to win competitively bid infrastructure projects against a number of strong and aggressive competitors; expropriation of assets by foreign governments and title and other property disputes; the impact on reliability of San Diego Gas & Electric's (SDG&E) electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources; the impact on competitive customer rates 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 commitments, or the determination by 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 November 7, 2018, 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

- Advancing our strategic vision of becoming North America's premier energy infrastructure company:
  - Advancing Cameron construction; Project remains on track for all 3 trains to be producing LNG in 2019
  - Progressing our LNG development projects through HOA and MOU announcements
  - Selling our U.S. renewables businesses and U.S. non-utility natural gas storage assets
  - Reinvesting a portion of the proceeds from the solar renewables sale into transmission assets in the high-growth Texas market
  - Strengthening our balance sheet by paying down parent debt
- Reporting Q3-2018 adjusted earnings of $1.23[1] per share compared to Q3-2017 adjusted earnings of $1.04[1] per share
- Reaffirming our 2018 adjusted earnings per share guidance of $5.30 - $5.80[1]

1) Attributable to common shares. Sempra Energy Adjusted Earnings Per Share (EPS) and Adjusted EPS guidance range are non-GAAP financial measures. Q3-2018 and Q3-2017 GAAP EPS were $0.99 and $0.22, respectively. 2018 GAAP EPS guidance range is $2.83 to $3.44. See appendix for information regarding non-GAAP financial measures.

Executing Strategy

Advancing our vision of becoming North America's premier energy infrastructure company

Action	Status
Improving the visibility of our T+D earnings mix	
▪ Oncor announced its agreement to acquire InfraREIT[(1)]	✓
▪ Sempra announced its agreement to acquire a 50% interest in Sharyland[(1)]	✓
▪ Sempra agreement with ConEd to sell the majority of its U.S. renewables business[(2)]	✓
▪ Sempra is advancing sales process for remaining U.S. wind portfolio + non-utility natural gas storage	Ongoing
Strengthening balance sheet to fund future growth	
▪ Sempra is focusing on paying down debt to improve balance sheet strength	Ongoing
▪ Sempra's existing parent credit rating was confirmed by all three rating agencies[(3)]	✓
Capturing additional growth projects	
▪ LNG | MOU + HOA announcements for potential new LNG offtake	✓
▪ Oncor | 5-Year capex plan increased to a projected $10.5B from $8.4B	✓
▪ IEnova | Acquisition of 51% interest in Manzanillo marine terminal development project	✓

1) Transaction is subject to customary closing conditions, including the approval by the Public Utility Commission of Texas and the Federal Energy Regulatory Commission ("FERC"), and expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, among others. In addition, Oncor's purchase of InfraREIT is also subject to approval of InfraREIT's shareholders, a standard go-shop provision whereby InfraREIT can solicit superior offers and approval by the Committee on Foreign Investment in the United States.
2) Transaction is also subject to customary closing conditions, including approval by the FERC and the Department of Energy ("DOE"), among others.
3) Current parent credit ratings are: Moody's Baa1 negative outlook, S&P BBB+ negative outlook, Fitch BBB+ stable outlook.

California Utilities Update

Updates	Status
Departing Load Charges ▪ Final decision regarding the Power Charge Indifference Adjustment (PCIA) helps ensure ratepayer indifference ▪ The updated PCIA rates for departing load are effective January 1, 2019	✓
Legislative Update ▪ SB 901 | Designed to help address certain wildfire exposure risk to California utilities[1] ▪ SB 1440 | Created to consider policies for renewable natural gas procurement goals ▪ SB 1371 | Received approval for California utilities leak abatement compliance program	✓
Pipeline Safety ▪ Pipeline Safety and Reliability Project filed alternative capex proposal of ~$670M, similar to previous proposed capital spending ▪ CPUC response for the alternative capex proposal expected by the end of the year	Pending
Regulatory Update ▪ 2019 General Rate Case | All filings completed ▪ FERC Rate Case | Filed updated Cost of Capital in October for 11.2% ROE	Pending

1) SB 901 does not eliminate strict liability for fires caused by utility equipment and retains CPUC discretion to approve, in whole or in part, or reject completely, recovery for wildfire costs.

LNG Strategic Vision

- LNG is a key component of Sempra's vision of becoming North America's premier energy infrastructure company
- Five strategically located LNG opportunities with ~45 Mtpa[1] of potential long-term export capacity
- Sempra is committed to growing its LNG business into a world-class organization
  - Dedicating key personnel to support growing business
  - Providing customers reliability, predictability, and flexibility in gas and LNG deliveries

Sempra's LNG business is key to maximizing the energy potential of North America

LNG Infrastructure Opportunities[2],[3]

Cameron LNG
Phase 1 (trains 1 – 3) | ~12 Mtpa

Cameron LNG
Phase 2 (trains 4 + 5) | ~8 Mtpa

ECA LNG
Phase 1 (mid-scale) | ~2.4 Mtpa

ECA LNG
Phase 2 (large-scale) | ~11 Mtpa

Port Arthur LNG | ~11 Mtpa

1) Represents 100% of projects, not Sempra's ownership. See Appendix for capacity details.
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. In addition, the Energía Costa Azul LNG mid-scale and large-scale opportunities, Port Arthur LNG opportunity, and the Cameron LNG Trains 4 and 5 opportunity are subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Cameron LNG facility currently under construction and these other opportunities.
3) Represents export capacity. See Appendix for capacity details.

Signed MOU with Total for up to 9 Mtpa[1]

TOTAL

- One of the world's leading major integrated oil and gas companies
- Holds the largest regasification capacity in Europe[2]
- Shareholder in twelve LNG liquefaction plants that currently generate 25% of global LNG output[2]

Sempra Energy®

- Goal to build and develop ~45 Mtpa of LNG export capacity in North America through brownfield and competitive greenfield projects
- Plan to offer LNG customers excellent service with access to low cost U.S. shale gas from multiple points on the West Coast and Gulf Coast of North America

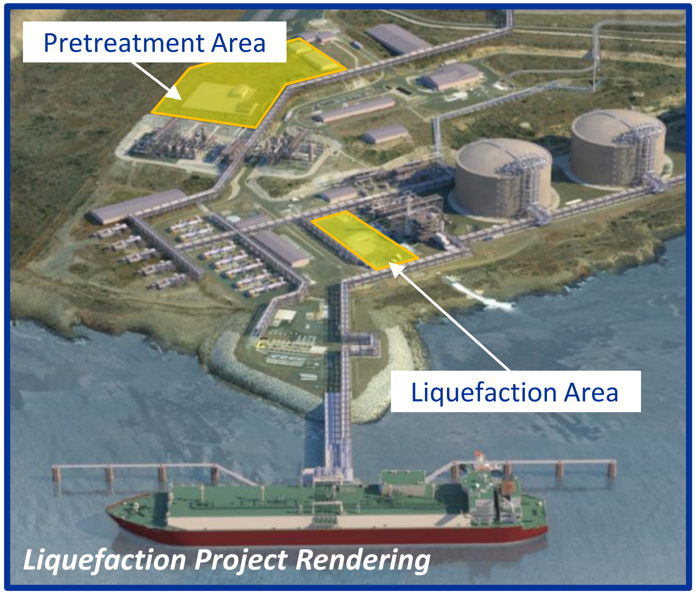
Goal of leveraging the competitive strengths of both companies to accelerate development of North American LNG exports to global markets

1) The ability to successfully develop LNG projects, such as the Energía Costa Azul LNG mid-scale and large-scale, Port Arthur LNG, and Cameron LNG Phase 2 opportunities are subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with these LNG opportunities. The ultimate participation by Total remains subject to negotiation and finalization of definitive agreements, among other factors.
2) Source: Total's Investor Day transcript, September 2018.

ECA Phase 1 (mid-scale) | Signed HOAs(1)

ECA Phase 1 Facility

- Brownfield project with premium West Coast location is uniquely positioned to provide cost-competitive LNG to customers in Asia
- ~2.4 Mtpa of planned export capacity
- Low-cost gas supply from Permian Basin
- Targeted FID late 2019
- Potential first LNG deliveries 2023



Liquefaction Project Rendering

ECA Phase 1 HOA

Partner	S&P Credit Rating	Offtake Capacity	Offtake Term (Years)
Mitsui	A(2)	~0.8 Mtpa	20
Tokyo Gas	AA-(3)	~0.8 Mtpa	20
Total	A+(4)	~0.8 Mtpa	20

1) The ability to develop projects, such as the Energía Costa Azul LNG mid-scale opportunity is subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Energía Costa Azul LNG mid-scale opportunity. The ultimate participation by Total, Mitsui, and Tokyo Gas in the ECA LNG project remains subject to negotiation and finalization of definitive agreements, among other factors.
2) Mitsui & Co Ltd. credit ratings for Moody's is (P)A3 and Fitch is not rated.
3) Tokyo Gas' credit ratings for Moody's is Aa3 and Fitch is not rated.
4) Total's credit ratings for Moody's is Aa3 and Fitch is AA-.

Cameron LNG Phase 1 (trains 1 – 3) Project Update(1)

- Project continues to have an excellent safety record
- Train 1 commissioning process underway and the project remains on track for all three trains to be producing LNG in 2019

Train 1 Key Milestones	Status
▪ Start up of support systems	
• Initiate start up of common support systems and utilities	✓
• Includes nitrogen, cooling, water and fire suppression, instrument air and control systems	✓
▪ Commence gas turbine test	✓
▪ Perform functional testing of safety systems	In Progress
▪ Transition from construction to operation	In Progress
▪ Commission all three flares ▪ Introduce fuel gas into the system	Expected YE-18
▪ Produce first LNG ▪ Stabilize production and complete performance test	Expected Q1-19

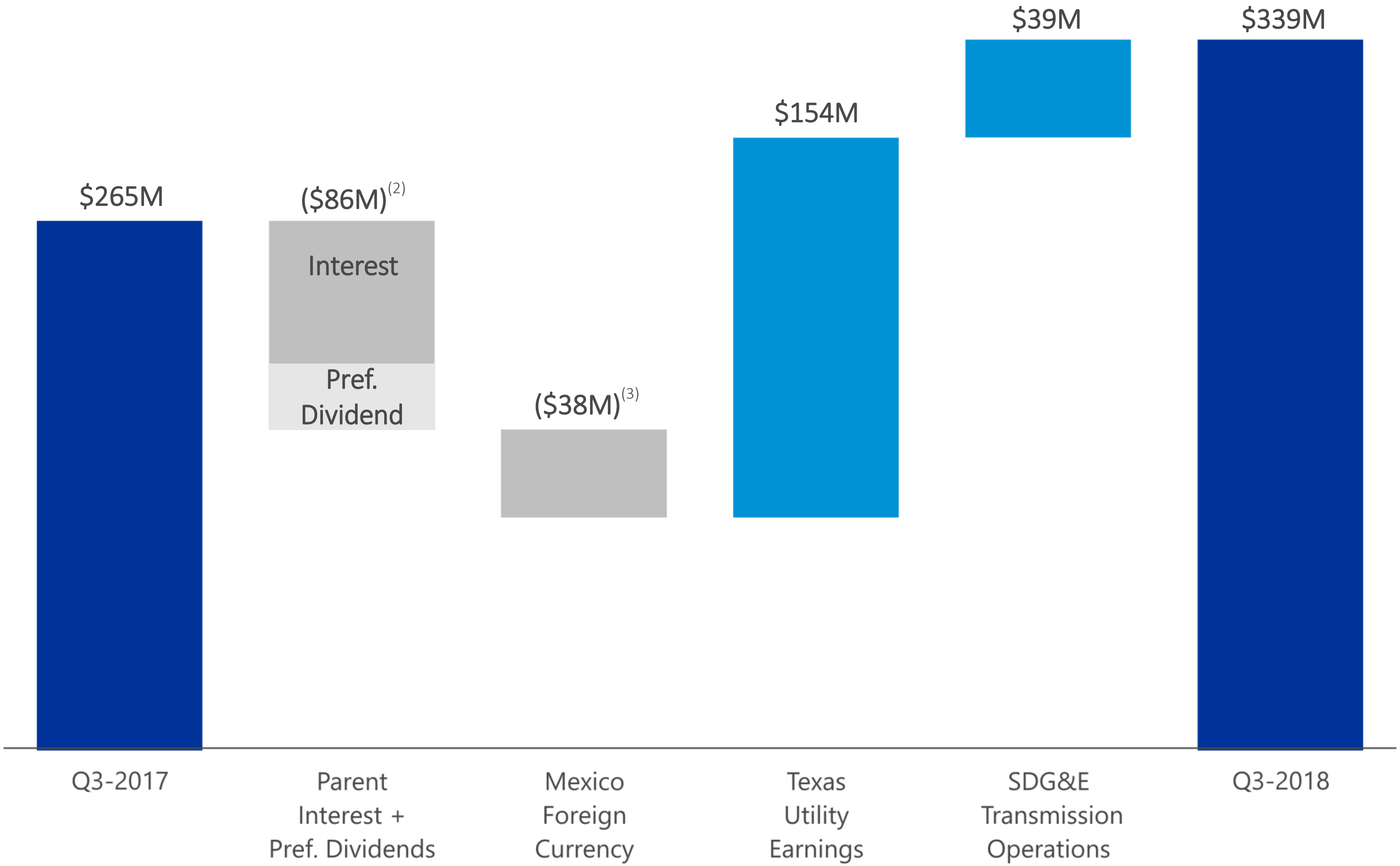
1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. Please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and "Factors Influencing Future Performance" in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Cameron LNG facility currently under construction.

Third Quarter 2018 Results

(Unaudited; dollars, except EPS, and shares, in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
GAAP Earnings[1]	$ 274	$ 57	$ 60	$ 757
Impairment of Non-Utility Natural Gas Storage Assets	-	-	755	-
Impairment of U.S. Wind Equity Method Investments	-	-	145	-
Impairment of Investment in RBS Sempra Commodities	65	-	65	-
Impact from the Tax Cuts and Jobs Act of 2017	-	-	25	-
Impacts Associated with Aliso Canyon Litigation	-	-	22	-
Write-off of Wildfire Regulatory Asset	-	208	-	208
Adjustments Related to Termoeléctrica de Mexicali (TdM)	-	-	-	42
Recoveries Related to 2016 Permanent Release of Pipeline Capacity	-	-	-	(28)
Adjusted Earnings[1]	$ 339	$ 265	$ 1,072	$ 979
Diluted weighted-average shares outstanding	276	253	268	253
GAAP Earnings Per Diluted Share[1]	$ 0.99	$ 0.22	$ 0.22	$ 2.99
Adjusted Earnings Per Diluted Share[1]	$ 1.23	$ 1.04	$ 4.00	$ 3.87

1) Attributable to common shares. Sempra Energy Adjusted Earnings and Adjusted EPS are non-GAAP financial measures. See appendix for information regarding non-GAAP financial measures and descriptions of adjustments above.

Q3-2018 Adjusted Earnings[1] Drivers



1) Attributable to common shares. Sempra Energy Adjusted Earnings is a non-GAAP financial measure. Q3-2018 and Q3-2017 GAAP Earnings were $274M and $57M, respectively. See appendix for information regarding non-GAAP financial measures.
2) Includes $50M increase in net interest expense and $36M of mandatory convertible preferred stock dividends.
3) Variances for Sempra Mexico are shown after noncontrolling interests.

Summary

- In Q3-18 we made significant progress towards advancing our strategic vision of becoming North America's premier energy infrastructure company
- Progressing our LNG development projects through HOA and MOU announcements
- Strengthening our balance sheet by paying down debt
- Reporting Q3-2018 adjusted earnings of $1.23[(1)] per share compared to Q3-2017 adjusted earnings of $1.04[(1)] per share
- Reaffirming our 2018 adjusted earnings per share guidance of $5.30 - $5.80[(1)]
- Planning to provide an update from the newly formed LNG and Business Development Committee at Analyst Conference in March

1) Attributable to common shares. Sempra Energy Adjusted Earnings Per Share (EPS) and Adjusted EPS guidance range are non-GAAP financial measures. Q3-2018 and Q3-2017 GAAP EPS were $0.99 and $0.22, respectively. 2018 GAAP EPS guidance range is $2.83 to $3.44. See appendix for information regarding non-GAAP financial measures.

APPENDIX

LNG Opportunities Overview[1]

Opportunities	Nameplate Capacity[2]	Design Capacity[3]	Export Capacity[4]	Status
Cameron Phase 1	~15 Mtpa	~13.5 Mtpa	~12 Mtpa	▪ Construction continues to progress ▪ All 3 trains expected to be producing LNG in 2019
Cameron Phase 2	~10 Mtpa	~9 Mtpa	~8 Mtpa	▪ FERC permits complete ▪ DOE licenses complete
ECA Phase 1	~3.2 Mtpa	~3 Mtpa	~2.4 Mtpa	▪ TechnipFMC and Kiewit selected as EPC contractor[5] ▪ HOA agreements signed with Mitsui, Total, Tokyo Gas[5]
ECA Phase 2	~14 Mtpa	~12 Mtpa	~11 Mtpa	▪ TechnipFMC and Kiewit selected as EPC contractor[5]
Port Arthur	~13.5 Mtpa	~12 Mtpa	~11 Mtpa	▪ Bechtel selected as EPC contractor[5] ▪ HOA for sale of 2 Mtpa per year to PGNiG[5] ▪ MOU with Kogas[5] ▪ Notice of Schedule from FERC received

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

1) The ability to successfully complete major construction projects, such as the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. In addition, the Energía Costa Azul LNG mid-scale and large-scale opportunities, Port Arthur LNG opportunity, and the Cameron LNG Trains 4 and 5 opportunity are subject to a number of risks and uncertainties. Please refer to “Risk Factors” in our most recent Annual Report on Form 10-K and “Factors Influencing Future Performance” in our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q for a description of the risks and other factors associated with the Cameron LNG facility currently under construction and these other opportunities.
2) Represents 100% of project, not Sempra’s ownership. Size represents nameplate capacity; LNG amount the plant can produce under standard atmospheric conditions running 365 days per year at full load.
3) Represents 100% of project, not Sempra’s ownership. Size represents design capacity; LNG amount the plant can produce at peak conditions guaranteed by the constructor under certain atmospheric conditions with some assumed service interruptions.
4) Represents 100% of project, not Sempra’s ownership. Size represents export capacity; LNG amount that the operator is comfortable assuming to deliver annually over a long-term contract taking into account planned and unplanned maintenance, as well as operator margin.
5) Subject to negotiating and reaching definitive agreements. The current arrangements with Bechtel, PGNiG (Polish Oil and Gas Company), Kogas, Total, Mitsui, and Tokyo Gas do not commit any party to enter into a definitive EPC contract or LNG sales and purchase agreement, as applicable, or otherwise participate in these projects.

2018 Rules of Thumb

Key Commodity and Market Forecasts	Current Guidance Assumption	Change in Assumption	Approximate 2018 Forecasted Earnings Sensitivity
Natural Gas Prices[1] ($/MMBtu)	$2.35	$1.00 increase / decrease	$18M / ($18)M in Sempra LNG & Midstream
Foreign Currency Exchange Rates[2]	633 CLP/USD 3.3 PEN/USD	5% appreciation / depreciation 5% appreciation / depreciation	$3M / ($3)M in Chile $7M / ($7)M in Peru
	20.98 MXN/USD	5% appreciation / depreciation 10% appreciation / depreciation 15% appreciation / depreciation	($40)M / $40M in Mexico ($70)M / $70M in Mexico ($80)M / $80M in Mexico

1) Annual average SoCal Border price.
2) Source: Bloomberg 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.

APPENDIX

Business Unit Earnings

SDG&E

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
SDG&E GAAP Earnings (Losses)	$ 205	$ (28)	$ 521	$ 276
Write-off of Wildfire Regulatory Asset	-	208	-	208
SDG&E Adjusted Earnings[(1)]	$ 205	$ 180	$ 521	$ 484

- Q3-2018 adjusted earnings[(1)] are higher than Q3-2017 primarily due to:
  - $39M higher earnings from electric transmission operations, including the annual FERC formulaic rate adjustment, and
  - $10M higher CPUC base operating margin authorized for 2018, primarily related to the lower federal income tax rate in 2018, partially offset by
  - $14M lower earnings due to decreased CPUC-authorized margin as a result of revised electric distribution seasonality factors in 2018, and
  - $8M higher net interest expense, of which $7M relates to the lower federal income tax rate in 2018

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 adjustment above.

SoCalGas

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
SoCalGas GAAP (Losses) Earnings	$ (14)	$ 7	$ 244	$ 268
Impacts Associated with Aliso Canyon Litigation	-	-	22	-
SoCalGas Adjusted (Losses) Earnings[1]	$ (14)	$ 7	$ 266	$ 268

- Q3-2018 losses compared to Q3-2017 earnings is primarily due to:
  - $12M lower CPUC base operating margin authorized for 2018, of which $7M relates to the lower federal income tax rate in 2018, and
  - $5M higher net interest expense, of which $3M relates to the lower federal income tax rate in 2018

1) SoCalGas Adjusted (Losses) 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 Texas Utility

(Unaudited, dollars in millions)	Three months ended September 30, 2018	2017	Nine months ended September 30, 2018	2017
Sempra Texas Utility GAAP Earnings	$ 154	$ -	$ 283	$ -

- Q3-2018 earnings represent equity earnings from our investment in Oncor Holdings
- The nine months ended September 30, 2018 include Sempra's share of Oncor earnings from acquisition close date of March 9, 2018

Sempra South American Utilities

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Sempra South American Utilities GAAP Earnings	$ 50	$ 42	$ 140	$ 134

- Q3-2018 earnings are higher than Q3-2017 primarily due to:
  - $7M gain on sale of a hydroelectric power plant development project in Peru

Sempra Mexico[1]

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Sempra Mexico GAAP Earnings	$ 44	$ 66	$ 161	$ 105
Adjustments Related to Termoeléctrica de Mexicali (TdM)	-	-	-	42
Sempra Mexico Adjusted Earnings[2]	$ 44	$ 66	$ 161	$ 147

- Q3-2018 earnings are lower than Q3-2017 primarily due to:
  - $38M lower earnings from unfavorable foreign currency and inflation effects net of foreign currency derivatives effects, **partially offset by**
  - $5M higher pipeline operational earnings, and
  - $5M improved operating results at TdM, mainly due to higher power prices

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

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Sempra Renewables GAAP Earnings (Losses)	$ 34	$ 15	$ (54)	$ 49
Impairment of U.S. Wind Equity Method Investments	-	-	145	-
Sempra Renewables Adjusted Earnings[1]	$ 34	$ 15	$ 91	$ 49

- Q3-2018 earnings are higher than Q3-2017 primarily due to $10M lower depreciation as a result of our solar and wind assets that are 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 adjustment above.

Sempra LNG & Midstream

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Sempra LNG & Midstream GAAP Earnings (Losses)	$ 16	$ (4)	$ (764)	$ 24
Impairment of Non-Utility Natural Gas Storage Assets	-	-	755	-
Impact from the Tax Cuts and Jobs Act of 2017	-	-	9	-
Recoveries Related to 2016 Permanent Release of Pipeline Capacity	-	-	-	(28)
Sempra LNG & Midstream Adjusted Earnings (Losses)[1]	$ 16	$ (4)	$ -	$ (4)

- Q3-2018 earnings compared to Q3-2017 losses is mainly due to higher earnings from midstream activities primarily driven by changes in natural gas prices, and lower depreciation and amortization as a result of natural gas storage assets held for sale

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.

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Parent & Other

(Unaudited, dollars in millions)	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Parent & Other Losses	$ (215)	$ (41)	$ (471)	$ (99)
Impairment of Investment in RBS Sempra Commodities	65	-	65	-
Impact from the Tax Cuts and Jobs Act of 2017	-	-	16	-
Parent & Other Adjusted Losses[(1)]	$ (150)	$ (41)	$ (390)	$ (99)

- Q3-2018 adjusted losses[(1)] are higher than Q3-2017 primarily due to:
  - $50M increase in net interest expense:
    - $35 million related to debt for the Oncor acquisition, and
    - $15 million due to the lower tax rate in 2018,
  - $36M of mandatory convertible preferred stock dividends,
  - $10M income tax expense in 2018 compared to $1 million income tax benefit in 2017, and
  - $7M lower earnings on investments in support of certain executive benefits

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.

APPENDIX

Non-GAAP Financial Measures

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (1 of 8)

Sempra Energy Adjusted Earnings and Adjusted Earnings Per Common Share exclude items (after the effects of income taxes and, if applicable, noncontrolling interests) in 2018 and 2017 as follows:

In the three months ended September 30, 2018:
- $(65) million impairment of RBS Sempra Commodities equity method investment at Parent and other

In the three months ended September 30, 2017:
- $(208) million write-off of wildfire regulatory asset at SDG&E

In the nine months ended September 30, 2018:
- $(65) million impairment of RBS Sempra Commodities equity method investment
- $(755) million impairment of certain non-utility natural gas storage assets in the southeast U.S. at Sempra LNG & Midstream
- $(145) million other-than-temporary impairment of certain U.S. wind equity method investments at Sempra Renewables
- $(25) million income tax expense to adjust the Tax Cuts and Jobs Act of 2017 (TCJA) provisional amounts
- $(22) million impacts associated with Aliso Canyon natural gas storage facility litigation at SoCalGas

In the nine months ended September 30, 2017:
- $(208) million write-off of wildfire regulatory asset at SDG&E
- $(47) million impairment of TdM assets that were held for sale until June 2018 at Sempra Mexico
- $5 million deferred income tax benefit on the TdM assets that were held for sale
- $28 million of recoveries related to 2016 permanent release of pipeline capacity at Sempra LNG & Midstream

Sempra Energy Adjusted Earnings and Adjusted Earnings Per Common Share 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 and GAAP Diluted Earnings Per Common Share, 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 8)

(Dollars in millions, except per share amounts)	Pretax amount	Income tax (benefit) expense[1]	Non-controlling interests	Earnings	Pretax amount	Income tax (benefit) expense[1]	Non-controlling interests	Earnings
	Three months ended September 30, 2018				Three months ended September 30, 2017			
Sempra Energy GAAP Earnings				$ 274				$ 57
Excluded items:								
Impairment of investment in RBS Sempra Commodities	$ 65	$ -	$ -	65	$ -	$ -	$ -	-
Write-off of wildfire regulatory asset	-	-	-	-	351	(143)	-	208
Sempra Energy Adjusted Earnings				$ 339				$ 265
Diluted earnings per common share:								
Sempra Energy GAAP Earnings				$ 0.99				$ 0.22
Sempra Energy Adjusted Earnings				$ 1.23				$ 1.04
Weighted-average number of shares outstanding, diluted (thousands)				275,907				253,364
	Nine months ended September 30, 2018				Nine months ended September 30, 2017			
Sempra Energy GAAP Earnings				$ 60				$ 757
Excluded items:								
Impairment of investment in RBS Sempra Commodities	$ 65	$ -	$ -	65	$ -	$ -	$ -	-
Impairment of non-utility natural gas storage assets	1,300	(499)	(46)	755	-	-	-	-
Impairment of U.S. wind equity method investments	200	(55)	-	145	-	-	-	-
Impacts associated with Aliso Canyon litigation	1	21	-	22	-	-	-	-
Impact from the TCJA	-	25	-	25	-	-	-	-
Write-off of wildfire regulatory asset	-	-	-	-	351	(143)	-	208
Impairment of TdM assets held for sale	-	-	-	-	71	-	(24)	47
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				$ 1,072				$ 979
Diluted earnings per common share:								
Sempra Energy GAAP Earnings				$ 0.22				$ 2.99
Sempra Energy Adjusted Earnings				$ 4.00				$ 3.87
Weighted-average number of shares outstanding, diluted (thousands)				267,644				252,987

(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.

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (3 of 8)

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

In the three and nine months ended September 30, 2017:

- $(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 item, 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 historical periods this non-GAAP financial measure to SDG&E GAAP (Losses) Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

(Dollars in millions)	Pretax amount	Income tax benefit[1]	(Losses) Earnings
	Three months ended September 30, 2017		
SDG&E GAAP Losses			$ (28)
Excluded item:			
Write-off of wildfire regulatory asset	$ 351	$ (143)	208
SDG&E Adjusted Earnings			$ 180
	Nine months ended September 30, 2017		
SDG&E GAAP Earnings			$ 276
Excluded item:			
Write-off of wildfire regulatory asset	$ 351	$ (143)	208
SDG&E Adjusted Earnings			$ 484

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

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (4 of 8)

SoCalGas Adjusted Earnings excludes an item (after the effects of income taxes) in 2018 as follows:

In the nine months ended September 30, 2018:

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

SoCalGas Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded item, 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 the historical period 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
(Dollars in millions)	Nine months ended September 30, 2018		
SoCalGas GAAP Earnings			$ 244
Excluded item:			
Impacts associated with Aliso Canyon litigation	$ 1	$ 21	22
SoCalGas Adjusted Earnings			$ 266

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

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (5 of 8)

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

In the nine months ended September 30, 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
(Dollars in millions)	Nine months ended September 30, 2017			
Sempra Mexico GAAP Earnings				$ 105
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				$ 147

(1) 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.

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (6 of 8)

Sempra Renewables Adjusted Earnings excludes an item (after the effects of income taxes) in 2018 as follows:

In the nine months ended September 30, 2018:

- $(145) million other-than-temporary impairment of certain U.S. wind equity method investments

Sempra Renewables Adjusted Earnings is a non-GAAP financial measure. Because of the significance and/or nature of the excluded item, 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 the historical period this non-GAAP financial measure to Sempra Renewables GAAP Losses, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Pretax amount	Income tax benefit[1]	(Losses) Earnings
(Dollars in millions)	Nine months ended September 30, 2018		
Sempra Renewables GAAP Losses			$ (54)
Excluded item:			
Impairment of U.S. wind equity method investments	$ 200	$ (55)	145
Sempra Renewables Adjusted Earnings			$ 91

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

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (7 of 8)

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

In the nine months ended September 30, 2018:

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

In the nine months ended September 30, 2017:

- $28 million of recoveries related to 2016 permanent release of pipeline capacity

Sempra LNG & Midstream Adjusted Losses is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes that this non-GAAP financial measure provides a meaningful comparison of the performance of 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 (Losses) Earnings, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

(Dollars in millions)	Nine months ended September 30, 2018				Nine months ended September 30, 2017		
	Pretax amount	Income tax (benefit) expense[1]	Non-controlling interests	(Losses)	Pretax amount	Income tax expense[1]	Earnings (Losses)
Sempra LNG & Midstream GAAP (Losses) Earnings				$ (764)			$ 24
Excluded items:							
Impairment of non-utility natural gas storage assets	$ 1,300	$ (499)	$ (46)	755	$ -	$ -	-
Impact from the TCJA	-	9	-	9	-	-	-
Recoveries related to 2016 permanent release of pipeline capacity	-	-	-	-	(47)	19	(28)
Sempra LNG & Midstream Adjusted Losses				$ -			$ (4)

(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.

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (8 of 8)

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

In the three months ended September 30, 2018:

- $(65) million impairment of RBS Sempra Commodities equity method investment

In the nine months ended September 30, 2018:

- $(65) million impairment of RBS Sempra Commodities equity method investment
- $(16) million income tax expense to adjust the TCJA provisional amounts

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 the historical period 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.

(Dollars in millions)	Pretax amount	Income tax expense[1]	(Losses)
	Three months ended September 30, 2018		
Parent & Other GAAP Losses			$ (215)
Excluded item:			
Impairment of investment in RBS Sempra Commodities	$ 65	$ -	65
Parent & Other Adjusted Losses			$ (150)
	Nine months ended September 30, 2018		
Parent & Other GAAP Losses			$ (471)
Excluded items:			
Impairment of investment in RBS Sempra Commodities	$ 65	$ -	65
Impact from the TCJA	-	16	16
Parent & Other Adjusted Losses			$ (390)

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

2018 Adjusted Earnings-Per-Share Guidance Range (Unaudited)

Sempra Energy 2018 Adjusted Earnings-Per-Share Guidance Range of $5.30 to $5.80 excludes 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 - $370 million estimated gain on sale, net of $128 million - $139 million[1] income tax expense, of the Sempra Renewables operating solar assets, Broken Bow 2 wind generation facility and its solar and battery storage development projects (the Renewables Sale) that is expected to close near the end of 2018

Sempra Energy 2018 Adjusted Earnings-Per-Share Guidance is a non-GAAP financial measure. Because of the significance and/or nature of the excluded items, management believes this non-GAAP financial measure provides additional clarity into the ongoing results of the business and the comparability of such results to prior and future periods and also as a base for projected earnings-per-share compound annual growth rate. Sempra Energy 2018 Adjusted Earnings-Per-Share Guidance should not be considered an alternative to Earnings-Per-Share Guidance determined in accordance with GAAP. The table below reconciles Sempra Energy 2018 Adjusted Earnings-Per-Share Guidance Range to Sempra Energy 2018 GAAP Earnings-Per-Share 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) Income taxes on estimated gain were calculated based on applicable statutory tax rates.