



2019 Statistical Report

SEMPRA ENERGY

Unaudited Supplement to the Financial Report



2019

Statistical Report

Unaudited Supplement to the 2019 Annual Report

Sempra Energy® is a California-based energy-services holding company with 2019 revenues of approximately \$10.8 billion. Sempra Energy's mission is to be North America's premier energy infrastructure company. The company is focused on generating stable, predictable earnings and cash flows by investing in, developing and operating electric and gas infrastructure with the goal of delivering access to safer and more reliable, lower-carbon energy solutions to our customers. Additional information is available on the web at www.sempra.com.

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

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

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

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

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Selected Financial Data



(In millions, except per share amounts)	At December 31 or for the years then ended		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
Revenues:			
Utilities			
Natural gas	\$ 5,185	\$ 4,540	\$ 4,361
Electric	4,263	3,999	3,929
Energy-related businesses	1,381	1,563	1,350
Total revenues	<u>\$ 10,829</u>	<u>\$ 10,102</u>	<u>\$ 9,640</u>
Earnings attributable to common shares	\$ 2,055	\$ 924	\$ 256
Earnings per common share (EPS), diluted	\$ 7.29	\$ 3.42	\$ 1.01
Adjusted earnings ⁽²⁾	\$ 1,911	\$ 1,503	\$ 1,368
Adjusted EPS, diluted ⁽²⁾	\$ 6.78	\$ 5.57	\$ 5.42
Weighted-average common shares outstanding, diluted	282.0	269.9	252.3
Dividends declared per common share	\$ 3.87	\$ 3.58	\$ 3.29
Dividend yield per common share	2.6%	3.3 %	3.1%
Dividend payout ratio per common share, diluted	53.1%	104.7 %	325.7%
Ratio of market closing price to book value per common share	2.50	1.99	2.12
Book value per common share	\$ 60.58	\$ 54.35	\$ 50.40
Common shares outstanding	291.7	273.8	251.4
Total assets	\$ 65,665	\$ 60,638	\$ 50,454
Long-term debt and finance leases (excludes current portion) ⁽³⁾	\$ 20,785	\$ 20,903	\$ 15,829
Short-term debt ⁽⁴⁾	\$ 5,031	\$ 3,668	\$ 2,790
Sempra Energy shareholders' equity	\$ 19,929	\$ 17,138	\$ 12,670
Effective income tax rate from continuing operations	18%	(10)%	73%

(1) Amounts have been retrospectively adjusted for discontinued operations.

(2) Please refer to pages 14 and 15 for an explanation and reconciliation of these non-GAAP measures.

(3) Excludes discontinued operations.

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

Consolidated Statements of Operations



	Years ended December 31,		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
(Dollars in millions, except per share amounts; shares in thousands)			
REVENUES			
Utilities	\$ 9,448	\$ 8,539	\$ 8,290
Energy-related businesses	1,381	1,563	1,350
Total revenues	10,829	10,102	9,640
EXPENSES AND OTHER INCOME			
Utilities:			
Cost of natural gas	(1,139)	(1,208)	(1,190)
Cost of electric fuel and purchased power	(1,188)	(1,358)	(1,293)
Energy-related businesses cost of sales	(344)	(357)	(291)
Operation and maintenance	(3,466)	(3,150)	(2,947)
Depreciation and amortization	(1,569)	(1,491)	(1,436)
Franchise fees and other taxes	(496)	(472)	(436)
Write-off of wildfire regulatory asset	—	—	(351)
Impairment losses	(43)	(1,122)	(72)
Gain on sale of assets	63	513	2
Other income, net	77	58	220
Interest income	87	85	24
Interest expense	(1,077)	(886)	(622)
Income from continuing operations before income taxes and equity earnings	1,734	714	1,248
Income tax (expense) benefit	(315)	49	(938)
Equity earnings	580	175	72
Income from continuing operations, net of income tax	1,999	938	382
Income (loss) from discontinued operations, net of income tax	363	188	(31)
Net income	2,362	1,126	351
Earnings attributable to noncontrolling interests	(164)	(76)	(94)
Mandatory convertible preferred stock dividends	(142)	(125)	—
Preferred dividends of subsidiary	(1)	(1)	(1)
Earnings attributable to common shares	\$ 2,055	\$ 924	\$ 256
Basic EPS:			
Earnings from continuing operations	\$ 6.22	\$ 2.86	\$ 1.25
Earnings (losses) from discontinued operations	\$ 1.18	\$ 0.59	\$ (0.23)
Earnings	\$ 7.40	\$ 3.45	\$ 1.02
Weighted-average common shares outstanding	277,904	268,072	251,545
Diluted EPS:			
Earnings from continuing operations	\$ 6.13	\$ 2.84	\$ 1.24
Earnings (losses) from discontinued operations	\$ 1.16	\$ 0.58	\$ (0.23)
Earnings	\$ 7.29	\$ 3.42	\$ 1.01
Weighted-average common shares outstanding	282,033	269,852	252,300

(1) Amounts have been retrospectively adjusted for discontinued operations.

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 108	\$ 102	\$ 194
Restricted cash	31	35	62
Accounts receivable – trade, net	1,261	1,215	1,035
Accounts receivable – other, net	455	320	237
Due from unconsolidated affiliates	32	37	34
Income taxes receivable	112	60	103
Inventories	277	258	277
Regulatory assets	222	138	325
Greenhouse gas allowances	72	59	299
Assets held for sale	—	713	127
Assets held for sale in discontinued operations	445	459	460
Other current assets	324	249	188
Total current assets	<u>3,339</u>	<u>3,645</u>	<u>3,341</u>
Other assets:			
Restricted cash	3	21	14
Due from unconsolidated affiliates	742	644	494
Regulatory assets	1,930	1,589	1,517
Nuclear decommissioning trusts	1,082	974	1,033
Investment in Oncor Holdings	11,519	9,652	—
Other investments	2,103	2,320	2,511
Goodwill	1,602	1,602	1,602
Other intangible assets	213	224	594
Dedicated assets in support of certain benefit plans	488	416	455
Insurance receivable for Aliso Canyon costs	339	461	418
Deferred income taxes	155	141	161
Greenhouse gas allowances	470	289	93
Right-of-use assets – operating leases	591	—	—
Wildfire fund	392	—	—
Assets held for sale in discontinued operations	3,513	3,259	3,101
Other long-term assets	732	962	781
Total other assets	<u>25,874</u>	<u>22,554</u>	<u>12,774</u>
Property, plant and equipment:			
Property, plant and equipment	49,329	46,615	45,626
Less accumulated depreciation and amortization	<u>(12,877)</u>	<u>(12,176)</u>	<u>(11,287)</u>
Property, plant and equipment, net	<u>36,452</u>	<u>34,439</u>	<u>34,339</u>
Total assets	<u>\$ 65,665</u>	<u>\$ 60,638</u>	<u>\$ 50,454</u>

(1) Amounts have been retrospectively adjusted for discontinued operations.

Consolidated Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 3,505	\$ 2,024	\$ 1,436
Accounts payable – trade	1,234	1,160	1,177
Accounts payable – other	179	138	147
Due to unconsolidated affiliates	5	10	7
Dividends and interest payable	515	480	323
Accrued compensation and benefits	476	440	409
Regulatory liabilities	319	105	109
Current portion of long-term debt and finance leases	1,526	1,644	1,354
Reserve for Aliso Canyon costs	9	160	84
Greenhouse gas obligations	72	59	299
Liabilities held for sale in discontinued operations	444	368	464
Other current liabilities	866	935	826
Total current liabilities	<u>9,150</u>	<u>7,523</u>	<u>6,635</u>
Long-term debt and finance leases	<u>20,785</u>	<u>20,903</u>	<u>15,829</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	195	37	35
Pension and other postretirement benefit plan obligations, net of plan assets	1,067	1,143	1,128
Deferred income taxes	2,577	2,321	2,559
Deferred investment tax credits	21	24	28
Regulatory liabilities	3,741	4,016	3,922
Asset retirement obligations	2,923	2,786	2,731
Greenhouse gas obligations	301	131	—
Liabilities held for sale in discontinued operations	1,052	1,013	878
Deferred credits and other	2,048	1,493	1,569
Total deferred credits and other liabilities	<u>13,925</u>	<u>12,964</u>	<u>12,850</u>
Equity:			
Preferred stock	2,258	2,258	—
Common stock	7,480	5,540	3,149
Retained earnings	11,130	10,104	10,147
Accumulated other comprehensive income (loss)	(939)	(764)	(626)
Total Sempra Energy shareholders' equity	<u>19,929</u>	<u>17,138</u>	<u>12,670</u>
Preferred stock of subsidiary	20	20	20
Other noncontrolling interests	1,856	2,090	2,450
Total equity	<u>21,805</u>	<u>19,248</u>	<u>15,140</u>
Total liabilities and equity	<u>\$ 65,665</u>	<u>\$ 60,638</u>	<u>\$ 50,454</u>

(1) Amounts have been retrospectively adjusted for discontinued operations.

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 2,362	\$ 1,126	\$ 351
Less: (Income) loss from discontinued operations, net of income tax	(363)	(188)	31
Income from continuing operations, net of income tax	1,999	938	382
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,569	1,491	1,436
Deferred income taxes and investment tax credits	189	(242)	889
Write-off of wildfire regulatory asset	—	—	351
Impairment losses	43	1,122	72
Gain on sale of assets	(63)	(513)	(2)
Equity earnings	(580)	(175)	(72)
Share-based compensation expense	75	83	82
Other	26	112	22
Net change in other working capital components:			
Accounts receivable	(91)	(145)	29
Income taxes receivable/payable, net	(166)	88	(78)
Inventories	(22)	32	(42)
Other current assets	(88)	(79)	(6)
Accounts payable	12	96	84
Regulatory balancing accounts	13	263	108
Reserve for Aliso Canyon costs	(144)	56	31
Other current liabilities	(99)	52	(19)
Intercompany activities with discontinued operations, net	378	70	8
Insurance receivable for Aliso Canyon costs	122	(43)	188
Wildfire fund, current and noncurrent	(323)	—	—
Changes in other noncurrent assets and liabilities, net	(152)	14	(124)
Net cash provided by continuing operations	2,698	3,220	3,339
Net cash provided by discontinued operations	390	296	286
Net cash provided by operating activities	3,088	3,516	3,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(3,708)	(3,544)	(3,705)
Expenditures for investments and acquisitions, net of cash and cash equivalents acquired	(1,797)	(10,168)	(269)
Proceeds from sale of assets	899	1,580	15
Purchases of nuclear decommissioning trust assets	(914)	(890)	(1,314)
Proceeds from sales of nuclear decommissioning trust assets	914	890	1,314
Advances to unconsolidated affiliates	(16)	(95)	(505)
Repayments of advances to unconsolidated affiliates	3	3	9
Intercompany activities with discontinued operations, net	8	(22)	(18)
Other	30	41	24
Net cash used in continuing operations	(4,581)	(12,205)	(4,449)
Net cash used in discontinued operations	(12)	(265)	(436)
Net cash used in investing activities	(4,593)	(12,470)	(4,885)

(1) Amounts have been retrospectively adjusted for discontinued operations.

Consolidated Statements of Cash Flows (continued)



(Dollars in millions)	Years ended December 31,		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(993)	(877)	(755)
Preferred dividends paid	(142)	(89)	—
Issuances of mandatory convertible preferred stock, net	—	2,258	—
Issuances of common stock, net	1,830	2,272	47
Repurchases of common stock	(26)	(21)	(15)
Issuances of debt (maturities greater than 90 days)	4,296	8,927	4,260
Payments on debt (maturities greater than 90 days) and finance leases	(3,667)	(3,342)	(2,587)
Increase (decrease) in short-term debt, net	656	(84)	(39)
Advances from unconsolidated affiliates	155	—	35
Proceeds from sale of noncontrolling interests, net	5	90	196
Purchases of noncontrolling interests	(30)	(7)	—
Contributions from (distributions to) noncontrolling interests, net	98	(26)	(114)
Intercompany activities with discontinued operations, net	(266)	(109)	167
Other	(49)	(117)	(43)
Net cash provided by continuing operations	1,867	8,875	1,152
Net cash (used in) provided by discontinued operations	(392)	(25)	40
Net cash provided by financing activities	1,475	8,850	1,192
Effect of exchange rate changes in continuing operations	—	(2)	(2)
Effect of exchange rate changes in discontinued operations	1	(12)	9
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1	(14)	7
Decrease in cash, cash equivalents and restricted cash, including discontinued operations	(29)	(118)	(61)
Cash, cash equivalents and restricted cash, including discontinued operations, January 1	246	364	425
Cash, cash equivalents and restricted cash, including discontinued operations, December 31	\$ 217	\$ 246	\$ 364
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 1,051	\$ 773	\$ 599
Income tax payments, net of refunds	254	107	122

(1) Amounts have been retrospectively adjusted for discontinued operations.

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



	Years ended December 31, 2019, 2018 and 2017						
(Dollars in millions)	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2016	\$ —	\$ 2,982	\$ 10,717	\$ (748)	\$ 12,951	\$ 2,290	\$ 15,241
Net income			257		257	94	351
Other comprehensive income:							
Foreign currency translation adjustments				107	107	8	115
Financial instruments				3	3	12	15
Pension and other postretirement benefits				12	12		12
Comprehensive income			257	122	379	114	493
Share-based compensation expense		82			82		82
Dividends declared:							
Common stock (\$3.29/share)			(826)		(826)		(826)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuances of common stock		100			100		100
Repurchases of common stock		(15)			(15)		(15)
Noncontrolling interest activities:							
Contributions						2	2
Distributions						(132)	(132)
Sales, net of offering costs						196	196
Balance at December 31, 2017	—	3,149	10,147	(626)	12,670	2,470	15,140
Cumulative-effect adjustments from change in accounting principles			2	(3)	(1)		(1)
Net income			1,050		1,050	76	1,126
Other comprehensive (loss) income:							
Foreign currency translation adjustments				(144)	(144)	(11)	(155)
Financial instruments				43	43	13	56
Pension and other postretirement benefits				(34)	(34)		(34)
Comprehensive income			1,050	(135)	915	78	993
Share-based compensation expense		83			83		83
Dividends declared:							
Series A preferred stock (\$6.10/share)			(105)		(105)		(105)
Series B preferred stock (\$3.41/share)			(20)		(20)		(20)
Common stock (\$3.58/share)			(969)		(969)		(969)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuance of series A preferred stock	1,693				1,693		1,693
Issuance of series B preferred stock	565				565		565
Issuances of common stock		2,326			2,326		2,326
Repurchases of common stock		(21)			(21)		(21)
Noncontrolling interest activities:							
Contributions						66	66
Distributions						(110)	(110)
Purchases		(1)			(1)	(7)	(8)
Sales, net of offering costs		4			4	86	90
Acquisition						13	13
Deconsolidations						(486)	(486)
Balance at December 31, 2018	\$ 2,258	\$ 5,540	\$ 10,104	\$ (764)	\$ 17,138	\$ 2,110	\$ 19,248

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



(Dollars in millions)	Years ended December 31, 2019, 2018 and 2017						
	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2018	\$ 2,258	\$ 5,540	\$ 10,104	\$ (764)	\$ 17,138	\$ 2,110	\$ 19,248
Cumulative-effect adjustments from change in accounting principles			57	(42)	15		15
Net income			2,198		2,198	164	2,362
Other comprehensive (loss) income:							
Foreign currency translation adjustments				(43)	(43)	3	(40)
Financial instruments				(108)	(108)	(10)	(118)
Pension and other postretirement benefits				18	18		18
Comprehensive income			2,198	(133)	2,065	157	2,222
Share-based compensation expense		75			75		75
Dividends declared:							
Series A preferred stock (\$6.00/share)			(103)		(103)		(103)
Series B preferred stock (\$6.75/share)			(39)		(39)		(39)
Common stock (\$3.87/share)			(1,086)		(1,086)		(1,086)
Preferred dividends of subsidiary			(1)		(1)		(1)
Issuances of common stock		1,885			1,885		1,885
Repurchases of common stock		(26)			(26)		(26)
Noncontrolling interest activities:							
Contributions						175	175
Distributions		5			5	(103)	(98)
Purchases		(3)			(3)	(27)	(30)
Sale		4			4	1	5
Acquisition						3	3
Deconsolidations						(440)	(440)
Balance at December 31, 2019	\$ 2,258	\$ 7,480	\$ 11,130	\$ (939)	\$ 19,929	\$ 1,876	\$ 21,805

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



(Dollars in millions)	Years ended December 31,		
	2019	2018 ⁽¹⁾	2017 ⁽¹⁾
EARNINGS (LOSSES) ATTRIBUTABLE TO COMMON SHARES			
SDG&E	\$ 767	\$ 669	\$ 407
SoCalGas	641	400	396
Sempra Texas Utilities	528	371	—
Sempra Mexico	253	237	169
Sempra Renewables	59	328	252
Sempra LNG	(6)	(617)	150
Parent and other	(515)	(620)	(1,060)
Discontinued operations	328	156	(58)
Total	<u>\$ 2,055</u>	<u>\$ 924</u>	<u>\$ 256</u>
CAPITAL EXPENDITURES, INVESTMENTS AND ACQUISITIONS			
SDG&E	\$ 1,522	\$ 1,542	\$ 1,555
SoCalGas	1,439	1,538	1,367
Sempra Texas Utilities	1,685	9,457	—
Sempra Mexico	624	468	467
Sempra Renewables	2	56	497
Sempra LNG	222	306	68
Parent and other	11	345	20
Total	<u>\$ 5,505</u>	<u>\$ 13,712</u>	<u>\$ 3,974</u>

(1) Amounts have been retrospectively adjusted for discontinued operations.

Schedule of Capitalization



(Dollars in millions)	December 31,					
	2019		2018 ⁽¹⁾		2017 ⁽¹⁾	
CAPITALIZATION						
Short-term debt	\$ 3,505	7.4 %	\$ 2,024	4.6 %	\$ 1,436	4.3 %
Current portion of long-term debt and finance leases	1,526	3.2	1,644	3.8	1,354	4.0
Long-term debt and finance leases	20,785	43.6	20,903	47.7	15,829	46.9
Total debt	25,816	54.2	24,571	56.1	18,619	55.2
Equity:						
Preferred stock	2,258	4.8	2,258	5.1	—	—
Common stock	7,480	15.7	5,540	12.6	3,149	9.3
Retained earnings	11,130	23.4	10,104	23.1	10,147	30.1
Accumulated other comprehensive loss	(939)	(2.0)	(764)	(1.7)	(626)	(1.9)
Total Sempra Energy shareholders' equity	19,929	41.9	17,138	39.1	12,670	37.5
Preferred stock of subsidiary	20	—	20	—	20	—
Other noncontrolling interests	1,856	3.9	2,090	4.8	2,450	7.3
Total equity	21,805	45.8	19,248	43.9	15,140	44.8
Total capitalization	\$ 47,621	100.0 %	\$ 43,819	100.0 %	\$ 33,759	100.0 %

(1) Amounts have been retrospectively adjusted for discontinued operations.

Schedule of Long-Term Debt



(Dollars in millions)	Outstanding at 12/31/19
SDG&E:	
First mortgage bonds (collateralized by plant assets):	
3% August 15, 2021	\$ 350
1.914% payable 2015 through February 2022	89
3.6% September 1, 2023	450
2.5% May 15, 2026	500
6% June 1, 2026	250
5.875% January and February 2034 ⁽¹⁾	176
5.35% May 15, 2035	250
6.125% September 15, 2037	250
4% May 1, 2039 ⁽¹⁾	75
6% June 1, 2039	300
5.35% May 15, 2040	250
4.5% August 15, 2040	500
3.95% November 15, 2041	250
4.3% April 1, 2042	250
3.75% June 1, 2047	400
4.15% May 15, 2048	400
4.1% June 15, 2049	400
Finance lease obligations:	
Purchased-power contracts	1,255
Other	15
SoCalGas:	
First mortgage bonds (collateralized by plant assets):	
3.15% September 15, 2024	500
3.2% June 15, 2025	350
2.6% June 15, 2026	500
5.75% November 15, 2035	250
5.125% November 15, 2040	300
3.75% September 15, 2042	350
4.45% March 15, 2044	250
4.125% June 1, 2048	400
4.3% January 15, 2049	550
3.95% February 15, 2050	350
Other long-term debt (uncollateralized):	
1.875% Notes May 14, 2026 ⁽¹⁾	4
5.67% Notes January 18, 2028	5
Finance lease obligations	19

Schedule of Long-Term Debt (continued)



(Dollars in millions)	Outstanding at 12/31/19
Sempra Energy:	
2.4% Notes February 1, 2020	500
2.4% Notes March 15, 2020	500
2.85% Notes November 15, 2020	400
Notes at variable rates (2.50% at December 31, 2019) January 15, 2021 ⁽¹⁾	700
Notes at variable rates (3.069% after floating-to-fixed rate swaps effective 2019) March 15, 2021	850
2.875% Notes October 1, 2022	500
2.9% Notes February 1, 2023	500
4.05% Notes December 1, 2023	500
3.55% Notes June 15, 2024	500
3.75% Notes November 15, 2025	350
3.25% Notes June 15, 2027	750
3.4% Notes February 1, 2028	1,000
3.8% Notes February 1, 2038	1,000
6% Notes October 15, 2039	750
4% Notes February 1, 2048	800
5.75% Junior Subordinated Notes July 1, 2079 ⁽¹⁾	758
Sempra Mexico:	
Other long-term debt (uncollateralized unless otherwise noted):	
6.3% Notes February 2, 2023 (4.124% after cross-currency swap effective 2013)	207
Notes at variable rates (4.88% after floating-to-fixed rate swaps effective 2014), payable 2016 through December 2026, collateralized by plant assets	237
3.75% Notes January 14, 2028	300
Bank loans including \$241 at a weighted-average fixed rate of 6.87%, \$147 at variable rates (weighted-average rate of 6.54% after floating-to-fixed rate swaps effective 2014) and \$35 at variable rates (5.12% at December 31, 2019), payable 2016 through March 2032, collateralized by plant assets	423
4.875% Notes January 14, 2048	540
Loan at variable rates (5.75% at December 31, 2019) July 31, 2028 ⁽¹⁾	11
Loan at variable rates (4.0275% after floating-to-fixed rate swap effective 2019) payable 2022 through November 2034 ⁽¹⁾	200
Sempra LNG:	
Other long-term debt (uncollateralized) – Notes at 2.87% to 3.51% October 1, 2026 ⁽¹⁾	22
Total long-term debt outstanding	22,536
Current portion of long-term debt	(1,526)
Unamortized discount on long-term debt	(54)
Unamortized debt issuance costs	(171)
Total	<u>\$ 20,785</u>

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

At the option of Sempra Energy, SDG&E and SoCalGas, \$1.9 billion of debt is callable subject to premiums. In addition, \$17.8 billion of bonds are callable subject to make-whole provisions.

Excluding finance lease obligations, discounts and debt issuance costs, maturities of long-term debt are \$1.5 billion in 2020, \$2.0 billion in 2021, \$0.6 billion in 2022, \$1.7 billion in 2023, \$1.0 billion in 2024 and \$14.4 billion thereafter.

Reconciliation of Sempra Energy Adjusted Earnings to Sempra Energy GAAP Earnings



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

In 2019:

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

Associated with holding the South American businesses for sale:

- \$89 million income tax benefit from outside basis differences in our South American businesses primarily related to the change in our indefinite reinvestment assertion from our decision in January 2019 to hold those businesses for sale and a change in the anticipated structure of the sale
- \$10 million income tax benefit to reduce a valuation allowance against certain net operating loss (NOL) carryforwards as a result of our decision to sell our South American businesses

In 2018:

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

In 2017:

- \$(208) million write-off of wildfire regulatory asset at SDG&E
- \$(20) million associated with Aliso Canyon litigation reserves at SoCalGas
- \$(47) million impairment of Termoeléctrica de Mexicali (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 releases of pipeline capacity at Sempra LNG
- \$(870) million income tax expense from the impact of the TCJA

Sempra Energy Adjusted Earnings and Adjusted EPS are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States of America). Because of the significance and/or nature of the excluded items, management believes that these non-GAAP financial measures provide a meaningful comparison of the performance of Sempra Energy's business operations to prior and future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods these non-GAAP financial measures to Sempra Energy GAAP Earnings and GAAP Diluted EPS (GAAP EPS), which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

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



	Pretax amount	Income tax expense (benefit) ⁽¹⁾	Noncontrolling interests	Earnings
(Dollars in millions, except per share amounts; shares in thousands)				
Year ended December 31, 2019				
Sempra Energy GAAP Earnings				\$ 2,055
Excluded items:				
Gain on sale of certain Sempra Renewables assets	\$ (61)	\$ 16	\$ —	(45)
Associated with holding the South American businesses for sale:				
Change in indefinite reinvestment assertion of basis differences and structure of sale of discontinued operations	—	(89)	—	(89)
Reduction in tax valuation allowance against certain NOL carryforwards	—	(10)	—	(10)
Sempra Energy Adjusted Earnings				<u>\$ 1,911</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted				282,033
Sempra Energy GAAP EPS				<u>\$ 7.29</u>
Sempra Energy Adjusted EPS				<u>\$ 6.78</u>
Year ended December 31, 2018				
Sempra Energy GAAP Earnings				\$ 924
Excluded items:				
Impacts associated with Aliso Canyon litigation	\$ 1	\$ 21	\$ —	22
Impairment of U.S. wind equity method investments	200	(55)	—	145
Gain on sale of certain Sempra Renewables assets	(513)	146	—	(367)
Impairment of non-utility natural gas storage assets	1,117	(452)	(36)	629
Impairment of investment in RBS Sempra Commodities	65	—	—	65
Impact from the TCJA	—	85	—	85
Sempra Energy Adjusted Earnings				<u>\$ 1,503</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted				269,852
Sempra Energy GAAP EPS				<u>\$ 3.42</u>
Sempra Energy Adjusted EPS				<u>\$ 5.57</u>
Year ended December 31, 2017				
Sempra Energy GAAP Earnings				\$ 256
Excluded items:				
Write-off of wildfire regulatory asset	\$ 351	\$ (143)	\$ —	208
Aliso Canyon litigation reserves	20	—	—	20
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)
Impact from the TCJA	—	870	—	870
Sempra Energy Adjusted Earnings				<u>\$ 1,368</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted				252,300
Sempra Energy GAAP EPS				<u>\$ 1.01</u>
Sempra Energy Adjusted EPS				<u>\$ 5.42</u>

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

Selected Financial Data and Comparative Statistics



(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
Net income	\$ 774	\$ 676	\$ 421
Earnings attributable to common shares	\$ 767	\$ 669	\$ 407
Common dividends to parent	\$ —	\$ 250	\$ 450
Capital expenditures	\$ 1,522	\$ 1,542	\$ 1,555
Weighted average rate base	\$ 10,467	\$ 9,619	\$ 8,549
CPUC-authorized rate of return:			
Rate base	7.55%	7.55%	7.79%
Common equity	10.20%	10.20%	10.30%
Achieved return on common equity	11.70%	11.52%	7.24%
Electric volumes (millions of kilowatt hours)			
Residential	5,982	6,336	6,577
Commercial	6,295	6,539	6,763
Industrial	2,044	2,169	2,198
Street and highway lighting	76	81	79
	14,397	15,125	15,617
Community choice aggregation and direct access	3,549	3,628	3,394
Total	17,946	18,753	19,011
Cooling degree days	869	1,469	1,541
Electric customer meters at December 31 (thousands)			
Residential	1,305	1,294	1,286
Commercial	151	150	152
Industrial	1	—	1
Street and highway lighting	2	2	2
	1,459	1,446	1,441
Community choice aggregation and direct access	12	13	5
Total	1,471	1,459	1,446

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



	Years ended December 31,		
	2019	2018	2017
<i>(Dollars in millions, except average cost of natural gas)</i>			
Natural gas volumes delivered (billion cubic feet)			
Residential	29	25	26
Commercial and industrial	26	24	23
Electric generation plants	16	19	26
Total	<u>71</u>	<u>68</u>	<u>75</u>
Core	50	45	45
Noncore	21	23	30
Total	<u>71</u>	<u>68</u>	<u>75</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 3.91</u>	<u>\$ 3.81</u>	<u>\$ 4.08</u>
Heating degree days	<u>1,360</u>	<u>809</u>	<u>760</u>
Natural gas customer meters at December 31 (thousands)			
Residential	863	857	851
Commercial	29	29	29
Electric generation and transportation	3	3	3
Total	<u>895</u>	<u>889</u>	<u>883</u>

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Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
Operating revenues			
Electric	\$ 4,267	\$ 4,003	\$ 3,935
Natural gas	658	565	541
Total operating revenues	<u>4,925</u>	<u>4,568</u>	<u>4,476</u>
Operating expenses			
Cost of electric fuel and purchased power	1,194	1,370	1,293
Cost of natural gas	176	152	164
Operation and maintenance	1,181	1,058	1,024
Depreciation and amortization	760	688	670
Franchise fees and other taxes	301	290	265
Write-off of wildfire regulatory asset	—	—	351
Total operating expenses	<u>3,612</u>	<u>3,558</u>	<u>3,767</u>
Operating income	<u>1,313</u>	<u>1,010</u>	<u>709</u>
Other income (expense), net			
Allowance for equity funds used during construction	56	61	63
Non-service component of net periodic benefit (cost) credit	(20)	(6)	4
Interest on regulatory balancing accounts, net	13	4	3
Sundry, net	(10)	(3)	—
Total other income, net	<u>39</u>	<u>56</u>	<u>70</u>
Interest income	4	4	—
Interest expense	(411)	(221)	(203)
Income before income taxes	945	849	576
Income tax expense	(171)	(173)	(155)
Net income	774	676	421
Earnings attributable to noncontrolling interest	(7)	(7)	(14)
Earnings attributable to common shares	<u>\$ 767</u>	<u>\$ 669</u>	<u>\$ 407</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2019	2018	2017
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10	\$ 8	\$ 12
Restricted cash	—	11	6
Accounts receivable – trade, net	398	368	362
Accounts receivable – other, net	119	106	79
Income taxes receivable	128	—	—
Inventories	94	102	105
Prepaid expenses	120	74	58
Regulatory assets	209	123	316
Fixed-price contracts and other derivatives	43	82	42
Greenhouse gas allowances	13	15	116
Other current assets	24	5	4
Total current assets	<u>1,158</u>	<u>894</u>	<u>1,100</u>
Other assets:			
Restricted cash	—	18	11
Regulatory assets	440	454	451
Nuclear decommissioning trusts	1,082	974	1,033
Greenhouse gas allowances	189	155	83
Right-of-use assets – operating leases	130	—	—
Wildfire fund	392	—	—
Other long-term assets	202	420	328
Total other assets	<u>2,435</u>	<u>2,021</u>	<u>1,906</u>
Property, plant and equipment:			
Property, plant and equipment	22,504	21,662	19,787
Less accumulated depreciation and amortization	<u>(5,537)</u>	<u>(5,352)</u>	<u>(4,949)</u>
Property, plant and equipment, net	<u>16,967</u>	<u>16,310</u>	<u>14,838</u>
Total assets	<u>\$ 20,560</u>	<u>\$ 19,225</u>	<u>\$ 17,844</u>

Consolidated Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2019	2018	2017
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 80	\$ 291	\$ 253
Accounts payable	496	439	501
Due to unconsolidated affiliates	53	61	40
Accrued compensation and benefits	138	117	122
Accrued franchise fees	53	64	59
Regulatory liabilities	76	53	18
Current portion of long-term debt and finance leases	56	81	220
Customer deposits	74	70	69
Greenhouse gas obligations	13	15	116
Asset retirement obligations	95	96	77
Other current liabilities	176	141	147
Total current liabilities	<u>1,310</u>	<u>1,428</u>	<u>1,622</u>
Long-term debt and finance leases	<u>6,306</u>	<u>6,138</u>	<u>5,335</u>
Deferred credits and other liabilities:			
Pension obligation, net of plan assets	153	212	182
Deferred income taxes	1,848	1,616	1,530
Deferred investment tax credits	14	16	18
Regulatory liabilities	2,319	2,404	2,225
Asset retirement obligations	771	778	762
Greenhouse gas obligations	62	30	—
Deferred credits and other	677	488	544
Total deferred credits and other liabilities	<u>5,844</u>	<u>5,544</u>	<u>5,261</u>
Equity:			
Preferred stock	—	—	—
Common stock	1,660	1,338	1,338
Retained earnings	5,456	4,687	4,268
Accumulated other comprehensive income (loss)	(16)	(10)	(8)
Total SDG&E shareholder's equity	<u>7,100</u>	<u>6,015</u>	<u>5,598</u>
Noncontrolling interest	—	100	28
Total equity	<u>7,100</u>	<u>6,115</u>	<u>5,626</u>
Total liabilities and equity	<u>\$ 20,560</u>	<u>\$ 19,225</u>	<u>\$ 17,844</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 774	\$ 676	\$ 421
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	760	688	670
Deferred income taxes and investment tax credits	105	39	(10)
Write-off of wildfire regulatory asset	—	—	351
Other	13	(17)	(24)
Net change in other working capital components:			
Accounts receivable	(15)	30	(76)
Due to/from affiliates, net	(8)	(2)	(10)
Income taxes receivable/payable, net	(126)	23	136
Inventories	4	3	(25)
Other current assets	(19)	(6)	9
Accounts payable	32	(1)	75
Regulatory balancing accounts	(101)	138	56
Other current liabilities	4	4	4
Wildfire fund, current and noncurrent	(323)	—	—
Changes in other noncurrent assets and liabilities, net	(10)	9	(30)
Net cash provided by operating activities	<u>1,090</u>	<u>1,584</u>	<u>1,547</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(1,522)	(1,542)	(1,555)
Decrease in cash from deconsolidation of Otay Mesa VIE	(8)	—	—
Purchases of nuclear decommissioning trust assets	(914)	(890)	(1,314)
Proceeds from sales of nuclear decommissioning trust assets	914	890	1,314
Decrease in loans to affiliate, net	—	—	31
Other	8	—	9
Net cash used in investing activities	<u>(1,522)</u>	<u>(1,542)</u>	<u>(1,515)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	—	(250)	(450)
Equity contribution from Sempra Energy	322	—	—
Issuances of debt (maturities greater than 90 days)	400	618	398
Payments on debt (maturities greater than 90 days) and finance leases	(274)	(492)	(186)
(Decrease) increase in short-term debt, net	(211)	38	253
Contributions from (distributions to) noncontrolling interest, net	172	57	(34)
Debt issuance costs	(4)	(5)	(4)
Net cash provided by (used in) financing activities	<u>405</u>	<u>(34)</u>	<u>(23)</u>
(Decrease) increase in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash, January 1	(27)	8	9
Cash, cash equivalents and restricted cash, December 31	<u>37</u>	<u>29</u>	<u>20</u>
	<u>\$ 10</u>	<u>\$ 37</u>	<u>\$ 29</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 405	\$ 214	\$ 195
Income tax payments, net of refunds	191	112	27

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Selected Financial Data and Comparative Statistics



(Dollars in millions, except average cost of natural gas)	Years ended December 31,		
	2019	2018	2017
Net income (before preferred dividends)	\$ 642	\$ 401	\$ 397
Earnings attributable to common shares	\$ 641	\$ 400	\$ 396
Common dividends to parent	\$ 150	\$ 50	\$ —
Capital expenditures	\$ 1,439	\$ 1,538	\$ 1,367
Weighted average rate base	\$ 7,401	\$ 6,413	\$ 5,493
CPUC-authorized rate of return on:			
Rate base	7.34%	7.34%	8.02%
Common equity	10.05%	10.05%	10.10%
Achieved return on common equity	14.30%	9.85%	10.74%
Natural gas volumes delivered (billion cubic feet)			
Residential	236	208	211
Commercial and industrial	392	394	394
Electric generation plants	123	127	153
Wholesale	125	121	146
Total	<u>876</u>	<u>850</u>	<u>904</u>
Core	355	322	324
Noncore	521	528	580
Total	<u>876</u>	<u>850</u>	<u>904</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 3.07</u>	<u>\$ 3.58</u>	<u>\$ 3.44</u>
Heating degree days	<u>1,328</u>	<u>1,016</u>	<u>963</u>
Customer meters at December 31 (thousands)			
Residential	5,756	5,722	5,689
Commercial	248	248	248
Industrial	25	26	26
Total ⁽¹⁾	<u>6,029</u>	<u>5,996</u>	<u>5,963</u>

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

Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
Operating revenues	\$ 4,525	\$ 3,962	\$ 3,785
Operating expenses			
Cost of natural gas	977	1,048	1,025
Operation and maintenance	1,780	1,613	1,474
Depreciation and amortization	602	556	515
Franchise fees and other taxes	173	154	144
Impairment losses	37	—	—
Total operating expenses	<u>3,569</u>	<u>3,371</u>	<u>3,158</u>
Operating income	<u>956</u>	<u>591</u>	<u>627</u>
Other income (expense), net			
Allowance for equity funds used during construction	34	36	44
Non-service component of net periodic benefit cost	(72)	(10)	(5)
Penalties related to billing practices Order Instituting Investigation	(8)	—	—
Interest on regulatory balancing accounts, net	1	(2)	—
Sundry, net	(10)	(9)	(8)
Total other (expense) income, net	<u>(55)</u>	<u>15</u>	<u>31</u>
Interest income	2	2	1
Interest expense	<u>(141)</u>	<u>(115)</u>	<u>(102)</u>
Income before income taxes	762	493	557
Income tax expense	<u>(120)</u>	<u>(92)</u>	<u>(160)</u>
Net income	642	401	397
Preferred dividends	(1)	(1)	(1)
Earnings attributable to common shares	<u>\$ 641</u>	<u>\$ 400</u>	<u>\$ 396</u>

Balance Sheets



(Dollars in millions)	December 31,		
	2019	2018	2017
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10	\$ 18	\$ 8
Accounts receivable – trade, net	710	634	517
Accounts receivable – other, net	87	97	90
Due from unconsolidated affiliates	11	7	4
Income taxes receivable, net	161	2	10
Inventories	136	134	124
Regulatory assets	7	12	9
Greenhouse gas allowances	52	37	179
Other current assets	44	29	38
Total current assets	<u>1,218</u>	<u>970</u>	<u>979</u>
Other assets:			
Regulatory assets	1,407	1,051	983
Insurance receivable for Aliso Canyon costs	339	461	418
Greenhouse gas allowances	248	116	9
Right-of-use assets – operating leases	94	—	—
Other long-term assets	447	352	364
Total other assets	<u>2,535</u>	<u>1,980</u>	<u>1,774</u>
Property, plant and equipment:			
Property, plant and equipment	19,362	18,138	16,772
Less accumulated depreciation and amortization	<u>(6,038)</u>	<u>(5,699)</u>	<u>(5,366)</u>
Property, plant and equipment, net	<u>13,324</u>	<u>12,439</u>	<u>11,406</u>
Total assets	<u>\$ 17,077</u>	<u>\$ 15,389</u>	<u>\$ 14,159</u>

Balance Sheets (continued)



(Dollars in millions)	December 31,		
	2019	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$ 630	\$ 256	\$ 116
Accounts payable – trade	545	556	502
Accounts payable – other	110	93	93
Due to unconsolidated affiliates	47	34	35
Accrued compensation and benefits	182	159	151
Regulatory liabilities	243	52	91
Current portion of long-term debt and finance leases	6	3	501
Customer deposits	71	101	89
Reserve for Aliso Canyon costs	9	160	84
Greenhouse gas obligations	52	37	179
Asset retirement obligations	65	90	68
Other current liabilities	222	217	137
Total current liabilities	<u>2,182</u>	<u>1,758</u>	<u>2,046</u>
Long-term debt and finance leases	<u>3,788</u>	<u>3,427</u>	<u>2,485</u>
Deferred credits and other liabilities:			
Pension obligation, net of plan assets	785	760	789
Deferred income taxes	1,403	1,177	995
Deferred investment tax credits	7	8	10
Regulatory liabilities	1,422	1,612	1,697
Asset retirement obligations	2,112	1,973	1,885
Greenhouse gas obligations	208	86	—
Deferred credits and other	422	330	345
Total deferred credits and other liabilities	<u>6,359</u>	<u>5,946</u>	<u>5,721</u>
Shareholders' equity:			
Preferred stock	22	22	22
Common stock	866	866	866
Retained earnings	3,883	3,390	3,040
Accumulated other comprehensive income (loss)	(23)	(20)	(21)
Total shareholders' equity	<u>4,748</u>	<u>4,258</u>	<u>3,907</u>
Total liabilities and shareholders' equity	<u>\$ 17,077</u>	<u>\$ 15,389</u>	<u>\$ 14,159</u>

Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 642	\$ 401	\$ 397
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	602	556	515
Deferred income taxes and investment tax credits	88	78	137
Impairment losses	37	—	—
Other	(5)	(7)	11
Net change in working capital components:			
Accounts receivable	(73)	(87)	72
Due to/from affiliates, net	(1)	(10)	7
Income taxes receivable/payable, net	(156)	14	(5)
Inventories	1	(2)	(66)
Other current assets	(9)	11	—
Accounts payable	(7)	71	39
Regulatory balancing accounts	114	125	53
Reserve for Aliso Canyon costs	(144)	56	31
Other current liabilities	(21)	(6)	20
Insurance receivable for Aliso Canyon costs	122	(43)	188
Changes in other noncurrent assets and liabilities, net	(322)	(144)	(93)
Net cash provided by operating activities	<u>868</u>	<u>1,013</u>	<u>1,306</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(1,439)	(1,538)	(1,367)
Other	1	7	4
Net cash used in investing activities	<u>(1,438)</u>	<u>(1,531)</u>	<u>(1,363)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(150)	(50)	—
Preferred dividends paid	(1)	(1)	(1)
Issuances of debt (maturities greater than 90 days)	349	949	—
Payments on debt (maturities greater than 90 days) and finance leases	(6)	(500)	—
Increase in short-term debt, net	374	140	54
Debt issuance costs	(4)	(10)	—
Net cash provided by financing activities	<u>562</u>	<u>528</u>	<u>53</u>
(Decrease) increase in cash and cash equivalents			
Cash and cash equivalents, January 1	(8)	10	(4)
Cash and cash equivalents, December 31	<u>18</u>	<u>8</u>	<u>12</u>
	<u>\$ 10</u>	<u>\$ 18</u>	<u>\$ 8</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 126	\$ 105	\$ 97
Income tax payments, net of refunds	188	—	28

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Sempra Texas Utilities Selected Financial Data and Comparative Statistics

Sempra Texas Utilities is comprised of our equity method investments in Oncor Electric Delivery Holdings Company LLC (Oncor Holdings), which we acquired in March 2018, and Sharyland Holdings, L.P. (Sharyland Holdings), which we acquired in May 2019. As of December 31, 2019, Oncor Holdings owns an 80.25% interest in Oncor Electric Delivery Company LLC (Oncor), a regulated electric transmission and distribution utility that operates in the north-central, eastern, western and panhandle regions of Texas. We provide information on Sempra Texas Utilities' equity method investments and selected statistics for Oncor below.

(Dollars in millions)	2019		March 9, 2018 to December 31, 2018
	Oncor Holdings	Sharyland Holdings	Oncor Holdings
Total investments at January 1	\$ 9,652	\$ —	\$ —
Acquisitions	—	95	9,227
Capital contributions	1,587	3	230
Total expenditures for investments and acquisitions	1,587	98	9,457
Equity earnings	526	2	371
Distributions of earnings	(246)	—	(149)
Other	—	—	(27)
Total investments at December 31	\$ 11,519	\$ 100	\$ 9,652
Oncor:	Years ended December 31		
	2019	2018	
Capital expenditures	\$ 2,097	\$ 1,767	
Average rate base ⁽¹⁾	\$ 14,071	\$ 12,124	
PUCT-authorized return on equity	9.80%	9.80%	
Electric volumes (millions of kilowatt hours)			
Residential	45,340	46,007	
Commercial, industrial and other	88,038	84,049	
Total ⁽²⁾	133,378	130,056	
Cooling degree days	1,838	1,958	
Heating degree days	925	896	
Electric customer meters at December 31 (thousands)	3,685	3,621	

(1) Average rate base is calculated as the average of total rate base for the last two years included in the Earnings Monitoring Report that is filed with the Public Utility Commission of Texas (PUCT) annually in April of the following year. The estimated total rate base for 2019 is \$15,500 million and the filed total rate base for 2018 and 2017 was \$12,641 million and \$11,607 million, respectively.

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

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Sempra Mexico

Consolidated Statements of Operations and Comparative Statistics

(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
REVENUES			
Utility – natural gas	\$ 73	\$ 78	\$ 110
Energy-related businesses	1,302	1,298	1,086
Total revenues	1,375	1,376	1,196
EXPENSES AND OTHER INCOME			
Utility cost of natural gas	(14)	(21)	(70)
Energy-related businesses cost of sales	(373)	(363)	(261)
Operation and maintenance	(256)	(239)	(234)
Depreciation and amortization	(183)	(175)	(156)
Impairment losses	—	(4)	(72)
Other taxes	(6)	(6)	(3)
Other income (expense), net			
Gains on interest rate and foreign exchange instruments	49	3	76
Allowance for equity funds used during construction	3	1	59
Foreign currency transaction gains (losses)	21	(6)	(33)
Sundry, net	3	3	3
Total other income, net	76	1	105
Interest income	78	65	23
Interest expense	(119)	(120)	(97)
Income before income taxes and equity earnings	578	514	431
Income tax expense	(227)	(185)	(227)
Equity earnings	24	40	38
Net income	375	369	242
Earnings attributable to noncontrolling interests	(122)	(132)	(73)
Earnings attributable to common shares	\$ 253	\$ 237	\$ 169
Natural Gas Distribution Operations			
Volumes delivered (billion cubic feet)	3	7	29
Customer meters at December 31 (thousands)	132	123	120
Power Generated and Sold			
Termoeléctrica de Mexicali (TdM) (millions of kilowatt hours)	3,873	4,074	3,144
Wind and solar (millions of kilowatt hours) ⁽¹⁾	1,442	1,176	1,193

(1) Includes 50% of the total power generated and sold at the Energía Sierra Juárez wind power generation facility, in which Sempra Energy has a 50% ownership interest. Energía Sierra Juárez is not consolidated within Sempra Energy, and the related investment is accounted for under the equity method.

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

Sempra Mexico Consolidated Balance Sheets

(Dollars in millions)	December 31,		
	2019	2018	2017
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 58	\$ 51	\$ 38
Restricted cash	31	24	53
Accounts receivable	285	254	154
Due from unconsolidated affiliates	172	175	163
Income taxes receivable	23	72	99
Inventories	28	19	9
Assets held for sale	—	—	123
Other current assets	75	25	19
Total current assets	<u>672</u>	<u>620</u>	<u>658</u>
Restricted cash	3	3	3
Due from unconsolidated affiliates	766	644	494
Regulatory assets	83	84	83
Investments	741	747	624
Goodwill and other intangible assets	1,811	1,823	1,819
Deferred income taxes	52	80	99
Right-of-use assets – operating leases	179	—	—
Property, plant and equipment, net	5,555	5,053	4,739
Other long-term assets	76	111	35
Total assets	<u>\$ 9,938</u>	<u>\$ 9,165</u>	<u>\$ 8,554</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 1,174	\$ 808	\$ 137
Accounts payable	149	100	73
Due to unconsolidated affiliates	168	463	700
Current portion of long-term debt	65	62	127
Liabilities held for sale	—	—	49
Other current liabilities	194	155	125
Total current liabilities	<u>1,750</u>	<u>1,588</u>	<u>1,211</u>
Long-term debt	<u>1,813</u>	<u>1,670</u>	<u>1,726</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	237	89	172
Deferred income taxes	808	742	680
Contract liabilities	72	70	—
Deferred revenue	1	—	65
Fixed-price contracts and other derivatives	141	147	162
Operating lease liabilities	102	—	—
Deferred credits and other	114	92	57
Total deferred credits and other liabilities	<u>1,475</u>	<u>1,140</u>	<u>1,136</u>
Equity:			
Sempra Mexico shareholders' equity	3,277	3,162	2,949
Noncontrolling interests	1,623	1,605	1,532
Total equity	<u>4,900</u>	<u>4,767</u>	<u>4,481</u>
Total liabilities and equity	<u>\$ 9,938</u>	<u>\$ 9,165</u>	<u>\$ 8,554</u>

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Sempra Mexico

Consolidated Statements of Cash Flows

(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 375	\$ 369	\$ 242
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	183	175	156
Deferred income taxes	93	74	159
Impairment losses	—	4	72
Equity earnings	(24)	(40)	(38)
Fixed-price contracts and other derivatives	(44)	(72)	7
Foreign currency transaction (gains) losses	(21)	6	33
Other	4	51	(32)
Net change in working capital components	(31)	(24)	(135)
Changes in other noncurrent assets and liabilities, net	(13)	(55)	4
Net cash provided by operating activities	<u>522</u>	<u>488</u>	<u>468</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(624)	(368)	(248)
Expenditures for investments and acquisitions, net of cash and cash equivalents acquired	—	(100)	(219)
Increase in loans to affiliates, net	(16)	(91)	(496)
Other	(46)	(16)	(4)
Net cash used in investing activities	<u>(686)</u>	<u>(575)</u>	<u>(967)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(145)	(140)	(133)
Issuances of debt (maturities greater than 90 days)	1,477	917	1,737
Payments on debt (maturities greater than 90 days)	(967)	(374)	(1,258)
Decrease in short-term debt, net	—	—	(96)
(Decrease) increase in loans from affiliates, net	(88)	(222)	358
Distributions to noncontrolling interests	(73)	(71)	(67)
Debt issuance costs	(4)	—	(33)
Settlement of cross-currency swaps	—	(33)	—
Other	(22)	(4)	1
Net cash provided by financing activities	<u>178</u>	<u>73</u>	<u>509</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(2)	(2)
Increase (decrease) in cash, cash equivalents and restricted cash	14	(16)	8
Cash, cash equivalents and restricted cash, January 1	78	94	86
Cash, cash equivalents and restricted cash, December 31	<u>\$ 92</u>	<u>\$ 78</u>	<u>\$ 94</u>

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Consolidated Statements of Operations



(Dollars in millions)	December 31,		
	2019	2018	2017
REVENUES – Energy-related businesses	\$ 410	\$ 472	\$ 540
EXPENSES AND OTHER INCOME			
Energy-related businesses cost of sales	(299)	(313)	(352)
Operation and maintenance	(156)	(123)	(123)
Depreciation and amortization	(10)	(26)	(42)
Impairment losses	—	(1,117)	—
Gain on sale of assets	—	—	2
Other taxes	(7)	(10)	(16)
Other income, net	—	—	3
Interest income	61	49	56
Interest expense	(35)	(21)	(39)
(Loss) income before income taxes and equity earnings	(36)	(1,089)	29
Income tax benefit	5	435	119
Equity earnings	24	—	5
Net (loss) income	(7)	(654)	153
Losses (earnings) attributable to noncontrolling interests	1	37	(3)
(Losses) earnings	\$ (6)	\$ (617)	\$ 150

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

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2019	2018	2017
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 18	\$ 2	\$ —
Accounts receivable	38	63	58
Due from unconsolidated affiliates	844	780	820
Income taxes receivable	60	36	4
Inventories	19	3	34
Fixed-price contracts and other derivatives	45	39	16
Assets held for sale	—	336	4
Other current assets	5	7	15
Total current assets	<u>1,029</u>	<u>1,266</u>	<u>951</u>
Due from unconsolidated affiliates	1,040	1,025	1,006
Investment in Cameron LNG JV	1,256	1,271	997
Intangible assets	4	4	377
Deferred income taxes	—	49	43
Property, plant and equipment, net	555	432	1,492
Other long-term assets	17	13	6
Total assets	<u>\$ 3,901</u>	<u>\$ 4,060</u>	<u>\$ 4,872</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 63	\$ 62	\$ 51
Due to unconsolidated affiliates	63	85	114
Other current liabilities	56	129	123
Total current liabilities	<u>182</u>	<u>276</u>	<u>288</u>
Long-term debt	<u>22</u>	<u>21</u>	<u>20</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	2,043	1,881	2,472
Deferred income taxes	184	—	359
Deferred credits and other	15	9	57
Total deferred credits and other liabilities	<u>2,242</u>	<u>1,890</u>	<u>2,888</u>
Equity:			
Sempra LNG shareholder's equity	1,456	1,867	1,634
Noncontrolling interests	(1)	6	42
Total equity	<u>1,455</u>	<u>1,873</u>	<u>1,676</u>
Total liabilities and equity	<u>\$ 3,901</u>	<u>\$ 4,060</u>	<u>\$ 4,872</u>

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Consolidated Statements of Cash Flows



(Dollars in millions)	December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ (7)	\$ (654)	\$ 153
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	10	26	42
Gain on sale of assets	—	—	(2)
Impairment losses	—	1,117	—
Deferred income taxes	226	(373)	(86)
Equity earnings	(24)	—	(5)
Fixed-price contracts and other derivatives	18	55	2
Other	(7)	6	(4)
Net change in working capital components	(86)	(101)	93
Changes in other noncurrent assets and liabilities, net	—	(2)	(2)
Net cash provided by operating activities	<u>130</u>	<u>74</u>	<u>191</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(112)	(31)	(20)
Expenditures for investments	(110)	(275)	(48)
Proceeds from sale of assets	327	6	7
Increase in loans to affiliates, net	(462)	(110)	(107)
Other	18	38	4
Net cash used in investing activities	<u>(339)</u>	<u>(372)</u>	<u>(164)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchases of noncontrolling interests	(20)	—	—
Capital contributions (distributions), net	1	3	(2)
Payments on long-term debt	—	—	(6)
Increase (decrease) in loans from affiliates, net	244	297	(20)
Net cash provided by (used in) financing activities	<u>225</u>	<u>300</u>	<u>(28)</u>
Increase (decrease) in cash and cash equivalents	16	2	(1)
Cash and cash equivalents, January 1	2	—	1
Cash and cash equivalents, December 31	<u>\$ 18</u>	<u>\$ 2</u>	<u>\$ —</u>

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

(Dollars in millions)	Years ended December 31,		
	2019	2018	2017
Revenues	\$ 1,614	\$ 1,585	\$ 1,567
Cost of sales	(1,012)	(1,041)	(1,060)
Operating expenses	(159)	(206)	(202)
Interest and other	(11)	(6)	(2)
Income before income taxes and equity earnings	432	332	303
Income tax expense	(72)	(145)	(338)
Equity earnings	3	1	4
Income (loss) from discontinued operations, net of income tax	363	188	(31)
Earnings attributable to noncontrolling interests	(35)	(32)	(27)
Earnings (losses) from discontinued operations attributable to common shares	<u>\$ 328</u>	<u>\$ 156</u>	<u>\$ (58)</u>
Net cash provided by operating activities	\$ 390	\$ 296	\$ 286
Net cash used in investing activities	(12)	(265)	(436)
Net cash (used in) provided by financing activities	(392)	(25)	40
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1	(12)	9
Decrease in cash, cash equivalents and restricted cash	(13)	(6)	(101)
Cash, cash equivalents and restricted cash, January 1	88	94	195
Cash, cash equivalents and restricted cash, December 31	<u>\$ 75</u>	<u>\$ 88</u>	<u>\$ 94</u>

Discontinued Operations

Assets Held for Sale

(Dollars in millions)	December 31,		
	2019	2018	2017
Cash and cash equivalents	\$ 74	\$ 88	\$ 94
Restricted cash	1	—	—
Accounts receivable, net	303	315	312
Due from unconsolidated affiliates	2	2	3
Inventories	36	38	30
Other current assets	29	16	21
Current assets	<u>\$ 445</u>	<u>\$ 459</u>	<u>\$ 460</u>
Due from unconsolidated affiliates	\$ 54	\$ 44	\$ 104
Goodwill and other intangible assets	801	819	797
Property, plant and equipment, net	2,618	2,357	2,164
Other noncurrent assets	40	39	36
Noncurrent assets	<u>\$ 3,513</u>	<u>\$ 3,259</u>	<u>\$ 3,101</u>
Short-term debt	\$ 52	\$ 55	\$ 104
Accounts payable	201	176	199
Current portion of long-term debt and finance leases	85	29	73
Other current liabilities	106	108	88
Current liabilities	<u>\$ 444</u>	<u>\$ 368</u>	<u>\$ 464</u>
Long-term debt and finance leases	\$ 702	\$ 708	\$ 616
Deferred income taxes	284	250	208
Other noncurrent liabilities	66	55	54
Noncurrent liabilities	<u>\$ 1,052</u>	<u>\$ 1,013</u>	<u>\$ 878</u>

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Annual Report

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

Research Coverage

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

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