Sempra Energy

First Quarter 2018 Earnings Results

May 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, 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 (CPUC), U.S. Department of Energy, California 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 United States and other countries in which we operate; the timing and success of business development efforts and construction projects, including risks in obtaining or maintaining permits and other authorizations on a timely basis, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners and counterparties; 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 or modifications of settlements; and delays in, or disallowance or denial of, regulatory agency authorizations to recover costs in rates from customers (including with respect to amounts associated with the San Onofre Nuclear Generating Station facility and 2007 wildfires) or regulatory agency approval for projects required to enhance safety and reliability, any of which may raise our cost of capital and materially impair our ability to finance our operations; 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 in cases 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, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the transmission grid, moratoriums or limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures; changes in energy markets; volatility in commodity prices; moves to reduce or eliminate reliance on natural gas; and the impact on the value of our investments in natural gas storage and related assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for storage services; risks posed by actions of third parties who control the operations of our investments, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; 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 greenhouse gases, radioactive materials and harmful emissions, 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 insurance, to the extent that such insurance is available or not prohibitively expensive; 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; capital markets and economic conditions, including the availability of credit and the liquidity of our investments; and fluctuations in inflation, interest and currency exchange rates and our ability to effectively hedge the risk of such fluctuations; 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; changes in foreign and domestic trade policies and laws, including border tariffs, and revisions to international trade agreements, such as the North American Free Trade Agreement, that make us less competitive 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 Company'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 the corresponding decrease in demand for power delivered through SDG&E's electric transmission and distribution system 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; the ability to realize the anticipated benefits from our investment in Oncor Electric Delivery Holdings Company LLC (Oncor Holdings); the ability to obtain additional permanent equity financing for the acquisition of our investment in Oncor Holdings on favorable terms; indebtedness we have incurred to fund the acquisition of our investment in Oncor Holdings, which may make it more difficult for us to repay or refinance our debt or may require us to take other actions that may decrease business flexibility and increase borrowing costs; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to its requirement to meet and maintain its regulatory capital structure, or because any of the three major credit rating agencies rates Oncor's senior secured debt securities below BBB (or the equivalent) or Oncor's independent directors or a minority member director determine it is in the best interest of Oncor to retain such amounts to meet future capital expenditures; 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 May 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 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 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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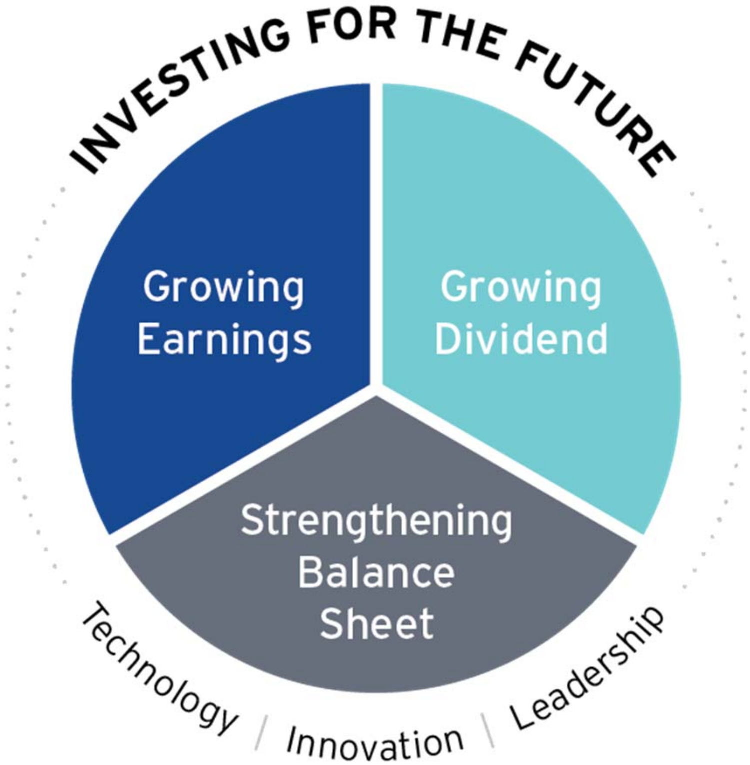
Executive Summary

- Oncor acquisition and succession plan implementation highlight Sempra's continued focus on pursuing strong growth with a utility-like risk profile
- Q1-2018 adjusted earnings of $1.43[1] per share compared to Q1-2017 of $1.74[1]
- Q1-2018 reflects full quarter of financing with only ~20 days of earnings from Oncor and $30M[2] unfavorable foreign currency and inflation effects, net of foreign currency derivatives at Mexico
- 2018 adjusted earnings per share guidance of $5.30 to $5.80 reaffirmed[1]; continue to monitor movements in the Mexican peso and developments regarding the tax on Global Intangible Low-Taxed Income



1) Attributable to common shares. Sempra Energy Adjusted Earnings Per Share (EPS) and Adjusted Earnings Per Share Guidance are non-GAAP financial measures. Q1-2018 GAAP EPS and Q1-2017 GAAP EPS were $1.33 and $1.75, respectively. 2018 GAAP Earnings Per Share Guidance is $5.21 to $5.71. See appendix for information regarding non-GAAP financial measures.
2) After noncontrolling interests.

2018 Accomplishments

Accomplishments To Date	Status
Oncor	
▪ Closed Oncor transaction on March 9th	✓
▪ Successfully raised $9.6B with strong demand	✓
▪ Expect $320M - $360M earnings from Oncor in 2018; Sempra's share of partial year	✓
California Regulatory Matters	
▪ Filed revised 2019 GRC testimony reflecting impact of tax reform, including increases in 2019 rate base of $172M at SDG&E and $232M at SoCalGas(1)	✓
▪ Continue to execute our 3-pronged wildfire liability mitigation strategy	✓
Cameron(2)	
▪ Advancing Cameron LNG construction to have all 3 trains producing LNG in 2019	✓
IEnova Investments	
▪ Awarded contract to build liquids terminal for $130M with long-term, U.S.$ capacity agreements(3) at IEnova for 100% of capacity	✓

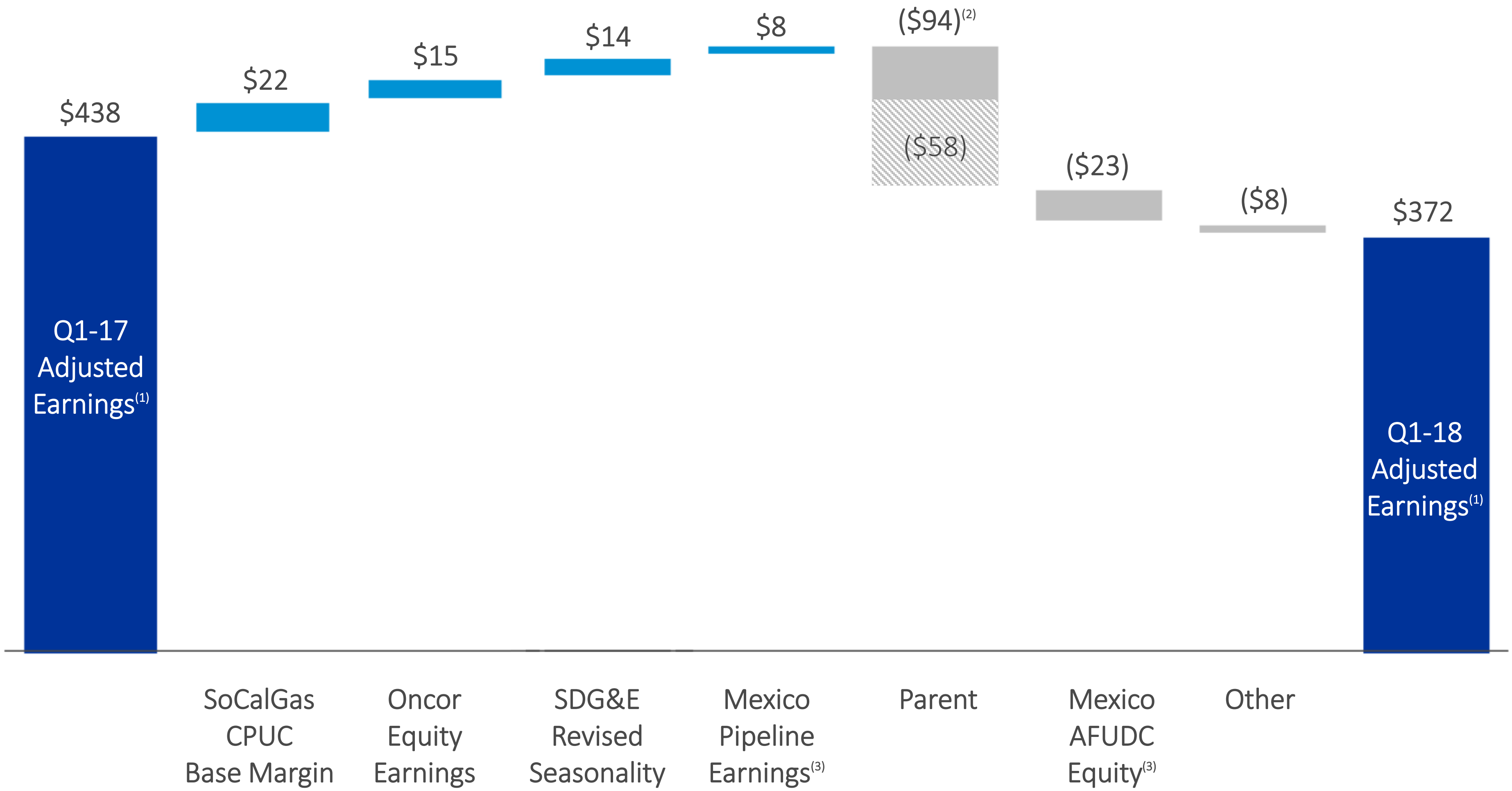
1) See appendix for additional details.
2) The ability to successfully complete major construction projects, including the Cameron LNG facility currently under construction, is subject to a number of risks and uncertainties. Please refer to the "Risk Factors" and "Factors Influencing Future Performance" sections of our most recent Annual Report on Form 10-K and the "Factors Influencing Future Performance" section of our most recent Form 10-Q for a description of the risks and other factors associated with this opportunity.
3) Contracts for 100% of the capacity include 50% with an affiliate of Chevron.

First Quarter 2018 Results

(Unaudited; dollars, except EPS, and shares, in millions)	Three months ended March 31, 2018	2017
GAAP Earnings[1]	$ 347	$ 441
Impact from the Tax Cuts and Jobs Act of 2017[2]	25	-
Adjustments Related to Termoeléctrica de Mexicali (TdM) Held For Sale	-	(3)
Adjusted Earnings[1],[3]	$ 372	$ 438
Diluted weighted-average shares outstanding	259	252
GAAP Earnings Per Diluted Share[1]	$ 1.33	$ 1.75
Adjusted Earnings Per Diluted Share[1],[3]	$ 1.43	$ 1.74

1) Attributable to Common Shares.
2) Includes $16M at Parent and $9M at Sempra LNG & Midstream.
3) 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.

First Quarter 2018 Key Drivers



1) Attributable to common shares. Sempra Energy Adjusted Earnings is a non-GAAP financial measure. Q1-2018 GAAP Earnings and Q1-2017 GAAP Earnings were $347M and $441M, respectively. See appendix for information regarding non-GAAP financial measures.
2) $94M higher adjusted losses at Parent includes $58M higher net interest expense and preferred dividends. Parent adjusted losses are a non-GAAP financial measure. On a GAAP basis, Parent losses were $110M higher in 2018 due to $16M income tax expense in 2018 to adjust Tax Cuts and Jobs Act of 2017 provisional amounts recorded in 2017.
3) All variance explanations are shown after noncontrolling interests.

Summary

- Accomplishments to date set the stage for a successful 2018
- Q1-2018 adjusted earnings of $1.43[(1)] per share, which reflects:
  - Full quarter of financing with only ~20 days of earnings from Oncor, and
  - $30M[(2)] unfavorable foreign currency and inflation effects, net of foreign currency derivatives at Mexico
- 2018 adjusted earnings guidance of $5.30 to $5.80[(1)] reaffirmed; continue to monitor movements in the Mexican peso and developments regarding the tax on Global Intangible Low-Taxed Income

Analyst Conference to be held on June 28th in NYC

We will review our:	
Sempra Overview	Strategy | Vision
Business Unit Presentations	Segment Details | Growth Drivers
Earnings Guidance	2018 | 2019 | 2020
Financing Plan	Capital Rotation | Repatriation | Other Financing

1) Attributable to common shares. Sempra Energy Adjusted Earnings Per Share (EPS) and Adjusted Earnings Per Share Guidance are non-GAAP financial measures. Q1-2018 GAAP EPS and Q1-2017 GAAP EPS were $1.33 and $1.75, respectively. 2018 GAAP Earnings Per Share Guidance is $5.21 to $5.71. See appendix for information regarding non-GAAP financial measures.
2) After noncontrolling interests.

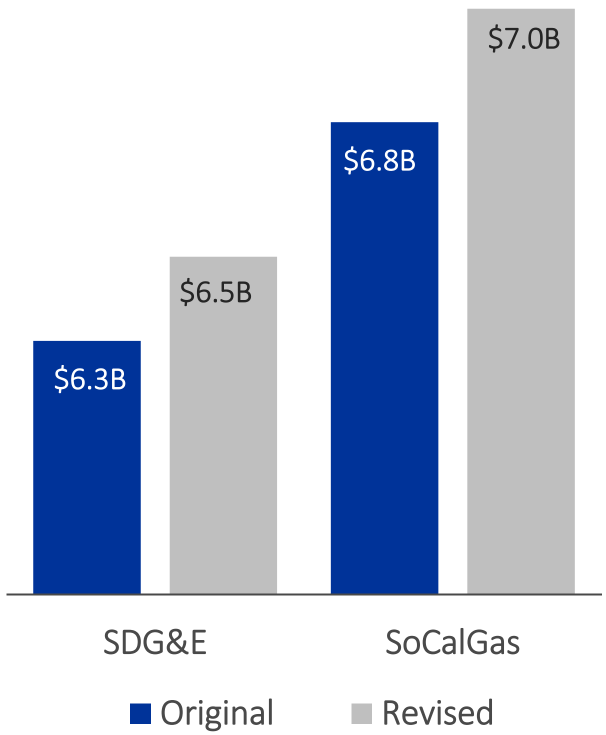
Appendix

2019 GRC Updated Filing[1]

2019 Revenue Requirement *Dollars in Millions*	SoCalGas	SDG&E
Original Application[2]	$2,989	$2,199
Revised Application[3]	$2,931	$2,199
(Decrease)	($59)	$0[4]

- ($58M) revenue requirement revision at SDG&E due to TCJA, offset by expected increase in wildfire insurance and costs related to additional fire safety equipment
- Elimination of bonus depreciation resulting in an increase in projected rate base

2019 Weighted Average Rate Base Request



1) Our GRC Applications are subject to the approval of the CPUC and our final approved plans may differ materially and adversely from the requested Revenue Requirements and Weighted Average Rate Base set forth above.
2) Figures from October 6, 2017 GRC applications.
3) Figures from April 6, 2018 Supplemental Tax Testimony.
4) Request for no change in revenue requirement. Revenue requirement would reduce by ~$58M due to TCJA, but offset by expected increase in wildfire insurance and costs related to additional fire safety equipment.

Cameron LNG Trains 1-3 Progress – April 2018[(1)]

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

2018 Guidance Assumptions

Key 2018 Assumptions
California Utilities
▪ CPUC Authorized ROE (SoCalGas = 10.05% and SDG&E = 10.2%)
LNG & Midstream
▪ Assumes no earnings from Cameron Trains 1 - 3 in 2018
Parent & Other
▪ Includes annualized dividend increase of ~9% to $3.58 per common share(1)
▪ Includes assumed impact from tax reform
▪ Plan to repatriate ~$500M cash from Mexico and Peru, with no material incremental tax expense
▪ Weighted-average common shares outstanding 271M(2)
Natural gas prices and foreign exchange rate forecasts(3)
▪ SoCal Border Forward Curve for Natural gas prices ($/MMBTU): $2.56 in current guidance vs. $2.94 in prior guidance
▪ Mexico year-end currency exchange rate: 21.00 MXN/USD in current guidance vs. 22.99 MXN/USD in prior guidance
▪ Chile average currency exchange rate: 633 CLP/USD in current guidance vs. 678 CLP/USD in prior guidance
▪ Peru average currency exchange rate: 3.30 PEN/USD in current guidance vs. 3.52 PEN/USD in prior guidance

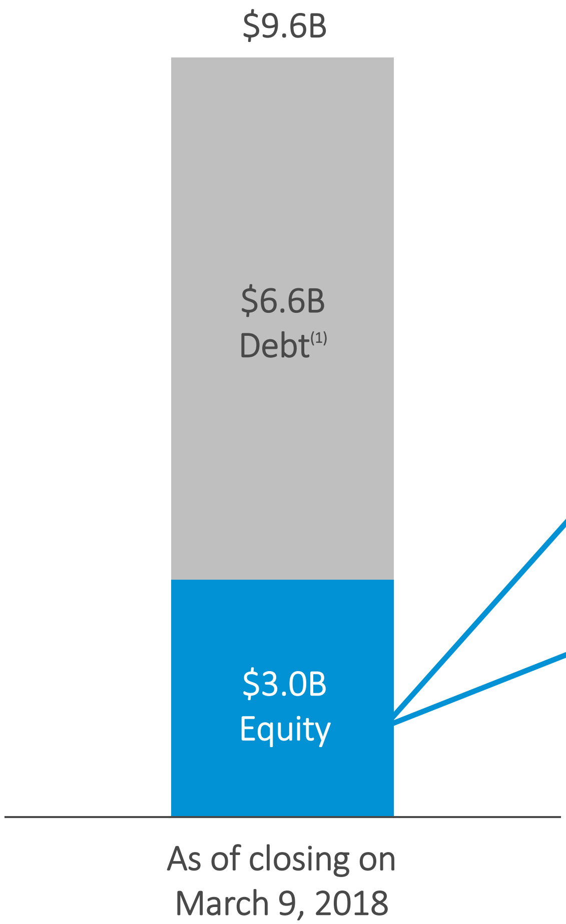
1) The amount and timing of common dividends payable and the dividend policy are at the sole discretion of the Sempra Energy Board of Directors and, if declared and paid, dividends may be in amounts that are less than projected.
2) Assumes weighted-average share count of 271 million common shares, though the timing of the settlement of our equity forward sales agreements and future equity issuances is subject to market conditions and other factors.
3) See Appendix slide "Rules of Thumb" for planned rates.

2018 Rules of Thumb

Key Commodity and Market Forecasts	Guidance Assumption	Change in Assumption	Approximate 2018 Forecasted Earnings Sensitivity
Natural Gas Prices[1] ($/MMBtu)	$2.56	$1.00 increase / decrease	$18M / $(18)M in Sempra LNG & Midstream
Foreign Currency Exchange Rates[2]	633 CLP/USD 3.30 PEN/USD	5% appreciation / depreciation 5% appreciation / depreciation	$3M / $(3)M in Chile $7M / $(7)M in Peru
	21.0 MXN/USD	5% appreciation / depreciation 10% appreciation / depreciation 15% appreciation / depreciation	~$(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 (December 2017) 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.

Oncor Funding



Common Shares

- $2,500M of common shares sold via forward sale agreements and $375M greenshoe shares issued
  - $107.00 per share[(2)]
  - 26.869M shares[(3)]
    - ~3.5M greenshoe shares settled Jan-2018, for ~$375M
    - ~8.6M common shares settled Mar-2018, for ~$916M
    - Remaining 14.8M forward shares must settle by Dec-2019[(4)]

6% Mandatory Convertible Preferred Shares, Series A

- $1,725M of mandatory convertible preferred shares issued, including greenshoe shares
  - $100.00 per share[(5)]
  - 17.25M shares, including 2.25M greenshoe shares
  - Mandatory conversion date is January 15, 2021[(6)]

1) Includes $5.0B of long-term debt.
2) $105.074 per share after deducting the underwriting discount.
3) Sold 23,364,486 shares of common stock pursuant to forward sales agreements and 3,504,672 shares issued as a result of the underwriters fully exercising their option to purchase such shares from us solely to cover overallotments.
4) Expect to settle and thereby issue common stock in multiple settlements on or prior to December 15, 2019, which is the final settlement date under the forward sale agreements. Although we expect to elect to settle by physical delivery of common shares, at our option and in lieu of settling by physical delivery of common shares, we can net settle or settle for cash all or a portion of the remaining shares under the forward sales agreements.
5) $98.20 per share after deducting the underwriting discount.
6) Unless earlier converted, each share of the mandatory convertible preferred stock will automatically convert on the mandatory conversion date, which is expected to be January 15, 2021, into not less than 0.7629 and not more than 0.9345 shares of our common stock, subject to anti-dilution adjustments.

SDG&E – Seasonalization of Electric Distribution Revenues

2017 As Reported[1]					
Dollars in millions	Q1	Q2	Q3	Q4	Full Year
Operating Revenues[2]	$1,057	$1,058	$1,236	$1,125	$4,476
Earnings	$155	$149	($28)	$131	$407
% of Total Earnings	38%	37%	(7%)	32%	

2017 Seasonally Adjusted for Electric Distribution Revenues[2]					
Dollars in millions	Q1	Q2	Q3	Q4	Full Year
Operating Revenues[3]	$1,073	$1,053	$1,222	$1,128	$4,476
Earnings[4]	$165	$146	($37)	$133	$407
% of Total Earnings	40%	36%	(9%)	33%	

- Electric distribution margin in 2018 will be recognized based on revised seasonality factors to reflect recent historical consumption by month (e.g. solar adoption)
- Does not impact full-year operating revenues, earnings or cash flows
- Reduces interim period adjustments in regulatory balancing accounts as customer billings will more closely match interim period margin recognition

1) As filed in the 2017 Annual Report on Form 10-K.
2) Reflects seasonally adjusted operating revenues and earnings assuming change to seasonality factors occurred on January 1, 2017.
3) Tables reflect total operating revenues, but seasonalization applies to electric distribution revenues only – expenses are recognized in the period in which they are incurred, not collected via rates.
4) Assumes that any change in revenue due to the adoption of the seasonal factor was taxed at the actual effective tax rate excl. discrete items applicable to each quarter: Q1 YTD ETR 36%, Q2 YTD ETR 34%, Q3 YTD ETR 33%, and Full Year ETR 26%.

APPENDIX

Business Unit Earnings

SDG&E

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	Three months ended March 31, 2017
SDG&E GAAP Earnings	$ 170	$ 155

- Q1-2018 earnings higher than Q1-2017 primarily due:
  - $14M higher earnings due to the application of revised seasonality to electric distribution revenues in 2018,
  - $12M higher CPUC base margin, due primarily to a lower tax rate in 2018, and
  - $6M higher FERC earnings, due to a lower tax rate in 2018, partially offset by
  - $8M higher interest expense, and
  - $6M higher operating costs due to a refund of legal costs from SONGS MHI settlement in 2017
- Revised seasonality is driven by a change in consumption patterns and does not impact full-year results

SoCalGas

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	2017
SoCalGas GAAP Earnings	$ 225	$ 203

- Q1-2018 earnings higher than Q1-2017 earnings primarily due to:
  - $31M higher CPUC base margin, primarily due to the effect of a lower tax rate in 2018 on the higher margin of the first quarter, partially offset by
  - $7M unfavorable impact due to lower cost of capital in 2018

Sempra Texas Utility

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	Three months ended March 31, 2017
Sempra Texas Utility GAAP Earnings	$ 15	$ -

- Q1-2018 earnings are attributable to equity earnings from our investment in Oncor beginning March 9, 2018

Sempra South American Utilities

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	2017
Sempra South American Utilities GAAP Earnings	$ 46	$ 47

- Q1-2018 earnings in-line with Q1-2017 earnings

Sempra Mexico[1]

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	2017
Sempra Mexico GAAP Earnings	$ 20	$ 48
Adjustments Related to Termoeléctrica de Mexicali (TdM) Held For Sale	-	(3)
Sempra Mexico Adjusted Earnings[2]	$ 20	$ 45

- Q1-2018 adjusted earnings[2] are lower than Q1-2017 primarily due to[3]:
  - $23M lower earnings from the recognition of AFUDC equity in Q1-2017, of which $12M is related to a cumulative amount recognized when regulatory recovery became probable for the Ojinaga and San Isidro pipeline projects, and
  - $7M higher unfavorable foreign currency and inflation effects, net of foreign currency derivatives at Mexico in 2018 as compared to 2017, partially offset by
  - $8M higher pipeline earnings primarily attributable to assets placed in service in Q2-2017

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 24 for information regarding non-GAAP financial measures and descriptions of the adjustments above.
3) See Appendix for further details on foreign currency exposure.

Sempra LNG & Midstream

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	2017
Sempra LNG & Midstream GAAP (Losses) Earnings	$ (16)	$ 1
Impact from the Tax Cuts and Jobs Act of 2017	9	-
Sempra LNG & Midstream Adjusted (Losses) Earnings[1]	$ (7)	$ 1

- Q1-2018 adjusted losses compared to Q1-2017 adjusted earnings primarily due to $11M lower earnings from midstream activities

1) Sempra LNG & Midstream Adjusted Earnings is a non-GAAP financial measure. See Appendix beginning on page 24 for information regarding non-GAAP financial measures and descriptions of the adjustments above.

Sempra Renewables

(Unaudited, Dollars in millions)	Three months ended March 31, 2018	Three months ended March 31, 2017
Sempra Renewables GAAP Earnings	$ 21	$ 11

- Q1-2018 earnings are higher than Q1-2017 due primarily to a $9M impact resulting from applying the provisions of the Tax Cuts and Jobs Act of 2017 for the first time, on wind tax equity earnings. This impact will not have any material effect after Q1-2018

APPENDIX

Non-GAAP Financial Measures

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (1 of 3)

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

In the three months ended March 31, 2018:

- $(25) million income tax expense in 2018 to adjust Tax Cuts and Jobs Act of 2017 (TCJA) provisional amounts

In the three months ended March 31, 2017:

- $3 million deferred income tax benefit on Termoeléctrica de Mexicali (TdM) assets held for sale at Sempra Mexico

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.

	Income tax expense	Earnings	Income tax benefit[1]	Noncontrolling interests	Earnings
(Dollars in millions, except per share amounts)	Three months ended March 31, 2018		Three months ended March 31, 2017		
Sempra Energy GAAP Earnings		$ 347			$ 441
Excluded items:					
Impact from the TCJA	$ 25	25	$ -	$ -	-
Deferred income tax expense associated with TdM	-	-	(5)	2	(3)
Sempra Energy Adjusted Earnings		$ 372			$ 438
Diluted earnings per common share:					
Sempra Energy GAAP Earnings		$ 1.33			$ 1.75
Sempra Energy Adjusted Earnings		$ 1.43			$ 1.74
Weighted-average number of shares outstanding, diluted (thousands)		259,490			252,246

(1) Income taxes associated with TdM were calculated based on the applicable statutory tax rate, including translation from historic to current exchange rates.

Adjusted Earnings and Adjusted Earnings Per Share (Unaudited) (2 of 3)

Sempra Mexico Adjusted Earnings (unaudited) excludes an income tax item (after the effects of noncontrolling interests) in 2017 as follows:

In the three months ended March 31, 2017:

- $3 million deferred income tax benefit on TdM assets held for sale at Sempra Mexico

Sempra Mexico 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 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 historical periods 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.

(Dollars in millions)	Income tax expense	Earnings	Income tax benefit[1]	Noncontrolling interests	Earnings
	Three months ended March 31, 2018		Three months ended March 31, 2017		
Sempra Mexico GAAP Earnings		$ 20			$ 48
Excluded item:					
Deferred income tax expense associated with TdM	$ -	-	$ (5)	$ 2	(3)
Sempra Mexico Adjusted Earnings		$ 20			$ 45

(1) Income taxes associated with TdM were calculated based on the applicable statutory tax rate, including translation from historic to current exchange rates.

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

Sempra LNG & Midstream Adjusted (Losses) Earnings (unaudited) excludes an income tax item in 2018 as follows:

In the three months ended March 31, 2018:

- $(9) million income tax expense in 2018 to adjust TCJA provisional amounts

Sempra LNG & Midstream Adjusted (Losses) 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 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)	Income tax expense	(Losses) Earnings	Income tax expense	Earnings
	Three months ended March 31, 2018		Three months ended March 31, 2017	
Sempra LNG & Midstream GAAP (Losses) Earnings		$ (16)		$ 1
Excluded item:				
Impact from the TCJA	$ 9	9	$ -	-
Sempra LNG & Midstream Adjusted (Losses) Earnings		$ (7)		$ 1

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

Sempra Energy 2018 Adjusted Earnings-Per-Common Share Guidance Range (unaudited) excludes:

In the three months ended March 31, 2018:

- $(25) million income tax expense in 2018 to adjust Tax Cuts and Jobs Act of 2017 (TCJA) provisional amounts

Sempra Energy 2018 Adjusted Earnings-Per-Share Guidance is a non-GAAP financial measure. Because of the significance and/or nature of the excluded item, 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 EPS Guidance Range[1]	$ 5.21	to	$ 5.71
Excluded Item:			
Impact from the TCJA	0.09		0.09
Sempra Energy Adjusted EPS Guidance Range[1]	$ 5.30	to	$ 5.80
Weighted-average number of shares outstanding, diluted (millions)		271	

1) Attributable to common shares. Sempra Energy GAAP EPS Guidance Range and Sempra Energy Adjusted EPS Guidance Range are calculated using a weighted average number of common shares (diluted) of 271 million.