2015 Earnings Results

February 26, 2016

Sempra Energy®

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 like "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "assumes," "intends," "depends," "should," "could," "would," "will," "confident," "may," "potential," "possible," "proposed," "target," "pursue," "goals," "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. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks.

Factors, among others, that could cause our actual results and future actions to differ materially from those described in our forward-looking statements include: local, regional, national and international economic, competitive, political, legislative, legal and regulatory conditions, decisions and developments; actions and the timing of actions, including general rate case decisions, new regulations, issuances of permits to construct, operate and maintain facilities and equipment and use land, franchise agreements and licenses for operation, by the California Public Utilities Commission, California State Legislature, U.S. Department of Energy, California Division of Oil, Gas, and Geothermal Resources, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, California Energy Commission, U.S. Environmental Protection Agency, Pipeline and Hazardous Materials Safety Administration, California Air Resources Board, South Coast Air Quality Management District, Mexican Competition Commission, cities and counties, and other regulatory, governmental and environmental bodies in the United States and other countries in which we operate; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining, maintaining or extending permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers, and delays in regulatory agency authorization to recover costs in rates from customers; 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 North American transmission grid, moratoriums on the ability to withdraw natural gas from or inject natural gas into storage facilities, pipeline explosions and equipment failures; energy markets; the timing and extent of changes and volatility in commodity prices; and the impact on the value of our natural gas storage assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for natural gas storage services; the resolution of civil and criminal litigation and regulatory investigations; risks posed by decisions and actions of third parties who control the operations of investments in which we do not have a controlling interest, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; capital markets conditions, including the availability of credit and the liquidity of our investments, and inflation, interest and currency exchange rates; cybersecurity threats to the energy grid, natural gas 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; terrorist attacks that threaten system operations and critical infrastructure; and wars; the ability to win competitively bid infrastructure projects against a number of strong competitors willing to aggressively bid for these projects; weather conditions, natural disasters, catastrophic accidents, equipment failures and other events that may disrupt our operations, damage our facilities and systems, cause the release of greenhouse gasses, radioactive materials and harmful emissions, and subject us to third-party liability for property damage or personal injuries, some of which may not be covered by insurance; disallowance of regulatory assets associated with, or decommissioning costs of, the San Onofre Nuclear Generating Station facility due to increased regulatory oversight, including motions to modify settlements; 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 and increased reliance on natural gas and natural gas transmission systems; the impact on competitive customer rates of 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; the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements due to insufficient market interest, unattractive pricing or other factors; and other uncertainties, all of which are difficult to predict and many of which are beyond our control.

These forward-looking statements speak only as of February 26, 2016 and the company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. 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.

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Executive Summary and 2016 Dividend Increase

- **2015 adjusted earnings**[1] **of $5.21** per share exceeded our adjusted guidance
  - Full-year adjusted earnings[1] driven largely by growth in operating income at the California Utilities and Sempra International
- **Increasing 2016 dividend** by 8% to $3.02 per share on an annualized basis
  - Dividend underpinned by confidence in regulated and long-term contracted cash flows
  - Strategy to target dividend growth of 8%-9% per annum for the next several years[2]
- **Providing updated 2016 adjusted earnings guidance**[1] **range** of $4.80 to $5.20 per share
  - Compared with 2015 results, we forecast a higher consolidated effective tax rate in 2016, including ~$60M of annual repair allowance tax benefits at our California Utilities now going to ratepayers as part of the standard rate case true-up
  - Compared with our prior 2016 guidance,[3] key updated assumptions include:
    - Our estimate for the California Utilities' GRC outcome based on our settlement agreement,[4] market assumptions for commodities and foreign exchange rates that have changed considerably since last year, and ~$20M-$25M of estimated LNG development expense now included in guidance

1) See appendix for information regarding non-GAAP financial measures.
2) The amount and timing of dividends payable and the dividend policy are within the sole discretion of Sempra Energy's board of directors and, if declared and paid, dividends may be in amounts that are less than might be expected by shareholders.
3) Our prior 2016 earnings guidance was provided at last year's analyst conference.
4) We filed a multi-party settlement agreement with the CPUC in September 2015. We expect to receive a final CPUC decision on the GRC in Q2-16.

2016 Adjusted EPS Guidance[1]

- 2016 adjusted EPS[1] range of $4.80-$5.20 reflects updated assumptions[2] from prior guidance

Impact (type/segment)	**Updated assumptions** (all earnings figures provided on a per-share basis)
LNG development expenses	~$0.08-$0.10 of projected after-tax expense for LNG liquefaction and related infrastructure development opportunities now included in guidance
Natural gas price forecasts	~$0.05-$0.07 of reduced earnings from lower natural gas forward curve
TDM Power Plant	~$0.04-$0.06 of reduced earnings from lower power prices and lower expected capacity revenues
Parent	~$0.08-$0.10 of lower income tax expense from reduced repatriation, offset in part by ~$0.04 of higher interest on financings
Foreign currency forecasts	~$0.09-$0.11 of reduced earnings from further strengthening of the dollar against the Chilean and Peruvian currencies, offset in part by ~$0.05-$0.07 of reduced tax expense from further strengthening of the dollar against the Mexican currency
PEMEX JV acquisition	~$0.02 of accretion from the potential transaction that is assumed in our guidance to close Q3-16 following a competitive auction for two assets, among other things[3]
Wind production forecasts	~$0.02 of reduced earnings from lower wind resource and availability forecasts based on historical performance[4]
New renewable projects	328MW announced in 2015 with projects in service at end-2016; earnings impact begins 2017
California Utilities	Projected earnings updated to more closely align with our proposed GRC settlement agreement[5]

1) See appendix for information regarding non-GAAP financial measures.
2) See appendix for additional detail. These assumptions are based on management's current expectations and are subject to risks and uncertainties outside our control. There can be no assurance that these assumptions will turn out to be valid.
3) Negotiation of terms and regulatory approvals will also be required to move forward with the transaction.
4) 2015 wind production was approximately 5 percent to 10 percent lower than in 2014 across our sites.
5) In addition to the GRC updated assumptions, we include about $0.01 per share of reduced earnings for the two utilities combined for the impact of the recent extension of bonus depreciation on FERC and non-GRC capex.

Business Update

- <u>California Utilities General Rate Case</u>
  - Expect final decision in Q2-16

- <u>Aliso Canyon Update</u>
  - SS25, the leaking well, was confirmed by DOGGR[1] to be permanently sealed on 2/18/16; storage field stable with ~15 Bcf of natural gas in storage
  - Independent engineering firm will conduct root cause investigation at the direction of DOGGR and the CPUC
  - SoCalGas in close cooperation with agencies involved to ensure reliable service this summer and next winter, and enhanced leak detection and well inspection activities are underway
  - Cost estimates:
    - Total costs for certain amounts paid and forecasted to be paid are now estimated at \$330M,[2] for which we have concluded it is probable we will receive insurance recovery, less retentions, of \$325M
  - Insurance policies have a combined limit in excess of \$1B[3]

1) California Department of Conservation's Division of Oil, Gas, and Geothermal Resources.
2) Of this amount, approximately 90 percent is for the temporary relocation program, costs to address the leak, and attempts to stop or reduce the emissions. The remaining amount includes, among other items, the value of lost gas and estimated costs to mitigate the GHG emissions from the actual natural gas released. This estimate excludes any damage awards, fines, or penalties that may be imposed, and any associated legal costs.
3) These policies are subject to various limits, exclusions, and conditions. Please refer to Note 15 of our audited financial statements in our 2015 Annual Report for information on our insurance coverage.

Business Update (Cont'd)

- IEnova
  - Submitted bid for one pipeline earlier this month, in process of submitting a bid for a second, and preparing to submit a third bid in March[(1)]

CFE Pipeline Bid	CFE Estimated Capex ($U.S. M)	Bid Date
La Laguna - Aguascalientes	$1,000	Feb-2016
Villa de Reyes - Guadalajara	$555	Feb-2016
Tula – Villa de Reyes	$420	Mar-2016

  - Preparing to participate in Mexico's first auction of renewable energy certificates; CFE could be off-taker for up to 2,500 MW under 15- to 20-year contracts

- Sempra LNG
  - Cameron Trains 1-3: construction proceeding on time and on budget
  - Cameron Expansion:[(2)] received FERC Environmental Assessment 2/12/16
  - Port Arthur:[(2)] executed a Joint Development Agreement with Woodside Petroleum 2/25/16
    - Outlines how Sempra and Woodside will contribute technical knowledge and share costs related to development, design, permitting and structuring of commercial agreements

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1) Additional details are provided in the appendix.
2) Our LNG opportunities and the ability to reach final investment decision are subject to receiving a number of permits and approvals, finding suitable partners and customers, obtaining financing and negotiating suitable agreements. Please refer to the risk factors section of our most recent Form 10-K for the risks associated with these opportunities.

Fourth Quarter and Full Year 2015 Results

(Dollars, except EPS, and shares in millions)	Three months ended December 31, 2015	Three months ended December 31, 2014	Years ended December 31, 2015	Years ended December 31, 2014
	(Unaudited)			
GAAP Earnings	$ 369	$ 297	$ 1,349	$ 1,161
Gain on Sale of Mesquite Power Block 2	-	-	(36)	-
Adjustments to Loss on SONGS Plant Closure[1]	(2)	12	(15)	21
LNG Liquefaction Development Expenses	3	-	10	-
Adjusted Earnings[2]	$ 370	$ 309	$ 1,308	$ 1,182
Diluted weighted-average shares outstanding	251	251	251	251
GAAP EPS	$ 1.47	$ 1.18	$ 5.37	$ 4.63
Adjusted EPS[2]	$ 1.47	$ 1.23	$ 5.21	$ 4.71

- Full-year 2015 adjusted earnings per share[2] grew 11%[2]

1) In 2013, SDG&E recorded a $119M after-tax loss for the closure of the San Onofre Nuclear Generating Station (SONGS). In Q1-14, SDG&E revised the impairment to include an additional $9M after-tax loss to reflect the terms of a proposed settlement agreement. In Q4-14, SDG&E further revised the impairment to include an additional $12M after-tax adjustment. In Q1-15, SDG&E reduced the loss on the SONGS plant closure by $13M, after-tax, as a result of the CPUC's acceptance of SDG&E's compliance filing and establishment of the revenue requirement associated with the settlement. In Q4-15, a further $2M after-tax reduction to the loss on SONGS plant closure was a result of recording the shareholder portion of the $80M pretax NEIL insurance settlement.
2) See appendix for information regarding non-GAAP financial measures.

Fourth Quarter 2015 Key Drivers

- Q4-15 adjusted earnings[1] compared to prior year include:
  - $48M higher earnings at SoCalGas due to the application of seasonality to revenues,
  - $21M lower income tax expense at Parent, including $15M favorable resolution of prior years' income tax matters and $4M related to reduced tax on repatriation of dividends from Mexico, and
  - $16M higher earnings at SoCalGas due to higher CPUC base margin, net of operating expenses
- Offset by:
  - $18M favorable impact in 2014 in South America related to Peruvian tax reform

1) See appendix for information regarding non-GAAP financial measures.

Summary

- Strong 2015 financial results[1]
  - Growth in operating earnings drove the 11% annual increase in adjusted EPS
- 2016 dividend increased to $3.02 per share, representing 8% annual growth
  - Strategy to target annual dividend increases of 8%-9% per year over the next several years to better align with the projected long-term EPS growth rate[2]
- 2016 adjusted earnings guidance[1] range of $4.80 to $5.20 per share
- Focused on providing top-tier long-term total shareholder returns
- 2016 Analyst Conference will be held May 23-24 in San Diego

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1) See appendix for information regarding non-GAAP financial measures.
2) The amount and timing of dividends payable and the dividend policy are within the sole discretion of Sempra Energy's board of directors and, if declared and paid, dividends may be in amounts that are less than might be expected by shareholders.

Business Unit Earnings

SDG&E

(Dollars in millions)	Three months ended December 31, 2015	Three months ended December 31, 2014	Years ended December 31, 2015	Years ended December 31, 2014
	(Unaudited)			
SDG&E GAAP Earnings	$ 144	$ 128	$ 587	$ 507
Adjustments to Loss on SONGS Plant Closure(1)	(2)	12	(15)	21
SDG&E Adjusted Earnings(2)	$ 142	$ 140	$ 572	$ 528

- Q4-15 adjusted earnings(2) in line with last year
- 2015 adjusted earnings(2) include:
  - $26M higher earnings from electric transmission operations,
  - $14M higher CPUC base margin, net of operating expenses, and
  - $7M higher favorable resolution of prior years' income tax matters

1) In 2013, SDG&E recorded a $119M after-tax loss for the closure of the San Onofre Nuclear Generating Station (SONGS). In Q1-14, SDG&E revised the impairment to include an additional $9M after-tax loss to reflect the terms of a proposed settlement agreement. In Q4-14, SDG&E further revised the impairment to include an additional $12M after-tax adjustment. In Q1-15, SDG&E reduced the loss on the SONGS plant closure by $13M, after-tax, as a result of the CPUC's acceptance of SDG&E's compliance filing and establishment of the revenue requirement associated with the settlement. In Q4-15, a further $2M after-tax reduction to the loss on SONGS plant closure was a result of recording the shareholder portion of the $80M pretax NEIL insurance settlement.
2) See appendix for information regarding non-GAAP financial measures.

SoCalGas

(Dollars in millions)	Three months ended December 31, 2015	Three months ended December 31, 2014	Years ended December 31, 2015	Years ended December 31, 2014
	(Unaudited)			
SoCalGas Earnings	$ 143	$ 76	$ 419	$ 332

- Q4-15 earnings higher primarily due to:
  - $48M increase from the application of seasonality to revenues[1] and $16M higher CPUC base margin, net of operating expenses
  - Aliso Canyon insurance receivable recorded for certain estimated costs, less $2M after-tax of retentions[2]
- 2015 earnings include:
  - $34M higher earnings due to a lower effective tax rate, including $11M higher favorable resolution of prior years' income tax matters
  - $31M higher CPUC base margin, net of operating expenses
  - $11M retroactive benefit from higher 2012-2014 rate base approved by the CPUC in 2015 as the result of a favorable IRS decision, and
  - $10M higher AFUDC equity earnings

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1) While applying seasonality to revenues does not impact full-year earnings or cash flows, it does impact the collection of balancing accounts and reduces interim adjustments of such accounts.
2) Please refer to Note 15 of our audited financial statements in our 2015 Annual Report for information about these costs and our insurance coverage.

Sempra International

(Dollars in millions)	Three months ended December 31, 2015	Three months ended December 31, 2014	Years ended December 31, 2015	Years ended December 31, 2014
	(Unaudited)			
Sempra South American Utilities	$ 46	$ 63	$ 175	$ 172
Sempra Mexico	53	53	213	192
Sempra International Earnings	$ 99	$ 116	$ 388	$ 364

- Q4-15 South America earnings include $20M higher income tax expense, primarily due to $18M benefit in 2014 related to Peruvian tax reform
- Q4-15 Mexico earnings were in line with last year

Sempra International Cont'd

- 2015 earnings for South America include:
  - $31M of higher earnings from operations in Peru due mainly to an increase in volumes and rates and the start of operations of the Santa Teresa hydro power plant, partially offset by
  - $20M of lower earnings from foreign currency translation effects, and
  - $9M higher net income tax expense, largely related to net impact of 2014 tax reforms in Peru and Chile
- 2015 earnings for Sempra Mexico include:[(1)]
  - $37M of higher pipeline earnings, primarily due to the start of operations of certain pipelines in the fourth quarter of 2014
  - $31M favorable variance due to effects from foreign currency and inflation, offset by
  - $14M lower earnings due to the gain in 2014 from the sale of a 50% equity interest in the first phase of the ESJ wind project,
  - $5M loss at the TDM power plant in 2015 compared with $13M of earnings in 2014, and
  - $10M lower earnings due to income tax items other than foreign currency and inflation

1) Listed items exclude amounts attributable to noncontrolling interests of $6 million.

Sempra U.S. Gas & Power

(Dollars in millions)	Three months ended December 31, 2015	Three months ended December 31, 2014	Years ended December 31, 2015	Years ended December 31, 2014
	(Unaudited)			
Sempra Natural Gas	$ 1	$ 11	$ 44	$ 50
Sempra Renewables	16	18	63	81
Sempra U.S. Gas & Power Earnings	17	29	107	131
LNG Liquefaction Development Expenses	3	-	10	-
Gain on Sale of Mesquite Power Block 2	-	-	(36)	-
Sempra U.S. Gas & Power Earnings, excluding Gain and LNG Liquefaction Development Expenses[1]	$ 20	$ 29	$ 81	$ 131

- Q4-15 Natural Gas earnings, excluding LNG liquefaction development expenses, lower primarily due to the impact of lower natural gas prices on operational earnings from gas storage and LNG, partially offset by higher pipeline earnings and lower net losses from the Mesquite Power plant
- Q4-15 Renewables earnings lower primarily due to $8M gain on sale of 50% equity interest in Broken Bow 2 in Q4-14, partially offset by $5M gain on sale of Rosamond Solar in Q4-15

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1) See appendix for information regarding non-GAAP financial measures.

Sempra U.S. Gas & Power Cont'd

- 2015 Natural Gas earnings relative to 2014 include:
  - $29M lower earnings from LNG marketing operations, driven primarily by the effect of lower natural gas prices,[1]
  - $25M tax benefit in 2014 from the release of a Louisiana state tax valuation allowance, and
  - $10M in LNG development expense, offset by
  - $36M gain on the sale of the remaining block of the Mesquite Power plant,
  - $11M higher equity earnings at Rockies Express due to additional East to West capacity placed in service in 2015, and
  - $9M lower net losses from the Mesquite Power plant due to the sale of the remaining block in April 2015
- 2015 Renewables earnings include:
  - $24M lower earnings from gains in 2014 on the sale of 50% equity interests in Copper Mountain Solar 3 and Broken Bow 2, partially offset by
  - $5M gain on sale of Rosamond Solar in 2015

1) Average SoCal Border gas prices per MMBTU were $4.51 in 2014 vs. $2.69 in 2015.

Appendix

Non-GAAP Financial Measures

<u>Sempra Energy Adjusted Earnings and Adjusted Earnings-Per-Share (Unaudited)</u> exclude 1) in the year ended December 31, 2015, a $36 million gain on the sale of the remaining block of the Mesquite Power plant, 2) also in the year ended December 31, 2015, a $15 million reduction in the plant closure loss related to the San Onofre Nuclear Generating Station (SONGS), including $13 million in the first quarter, primarily due to California Public Utilities Commission (CPUC) approval of a compliance filing related to San Diego Gas & Electric Company's (SDG&E) authorized recovery of its investment in SONGS and $2 million in net proceeds received in the fourth quarter for the shareholder portion of a settlement agreement with Nuclear Electric Insurance Limited (NEIL) to resolve all of SONGS' insurance claims arising out of the failures of replacement steam generators, 3) in the year ended December 31, 2014, a $21 million charge, including $12 million in the fourth quarter, to adjust the total plant closure loss resulting from the early retirement of SONGS, and 4) in the three months and year ended December 31, 2015, $3 million and $10 million, respectively, of liquefied natural gas (LNG) liquefaction development expenses. Sempra Energy Adjusted Earnings and Adjusted Earnings Per Share, and the Earnings-Per-Share Growth Rate based on Adjusted Earnings Per Share, are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States of America). Because of the significance and nature of these items, management believes that these non-GAAP financial measures provide a more meaningful comparison of the performance of Sempra Energy's business operations from 2014 to 2015 and to future periods, and also as a base for projection of future compounded annual growth rate.

<u>San Diego Gas & Electric Company (SDG&E) Adjusted Earnings (Unaudited)</u> exclude 1) in the year ended December 31, 2015, a $15 million reduction in the plant closure loss related to SONGS, including $13 million in the first quarter, primarily due to CPUC approval of a compliance filing related to SDG&E's authorized recovery of its investment in SONGS and $2 million in net proceeds received in the fourth quarter for the shareholder portion of a settlement agreement with NEIL to resolve all of SONGS' insurance claims arising out of the failures of replacement steam generators, and 2) in the year ended December 31, 2014, a $21 million charge, including $12 million in the fourth quarter, to adjust the total plant closure loss resulting from the early retirement of SONGS. SDG&E Adjusted Earnings is a non-GAAP financial measure. Because of the significance and nature of these items, management believes that this non-GAAP financial measure provides a more meaningful comparison of the performance of SDG&E's business operations from 2014 to 2015 and to future periods.

<u>Sempra Energy 2015 and 2016 Adjusted Earnings-Per-Share Guidance Ranges (Unaudited)</u>: Sempra Energy 2015 Adjusted Earnings-Per-Share Guidance Range of $4.95 to $5.15 excluded 1) a $0.14 per diluted share after-tax gain from the April 2015 sale of the remaining block of the Mesquite Power plant, 2) $0.05 per diluted share from a reduction in the first quarter of 2015 in the plant closure loss related to SONGS, and 3) $0.05 per diluted share for estimated after-tax development expenses associated with LNG liquefaction development. Sempra Energy 2016 Adjusted Earnings-Per-Share Guidance Range of $4.80 to $5.20 excludes 1) any potential gain from the remeasurement of our equity method investment in Gasoductos de Chihuahua (GdC), a 50-50 joint venture between our Mexican subsidiary, IEnova, and Petróleos Mexicanos (PEMEX), in connection with the potential acquisition by IEnova of PEMEX’s 50-percent interest in GdC, and 2) any earnings impact as a result of our plan to market and sell the Termoeléctrica de Mexicali natural gas-fired power plant in Mexico. Sempra Energy 2015 and 2016 Adjusted Earnings-Per-Share Guidance are non-GAAP financial measures. Because of the significance and nature of the excluded items, management believes these non-GAAP measures provide better clarity into the ongoing results of the business and the comparability of such results to prior and future periods. Sempra Energy 2015 and 2016 Adjusted Earnings-Per-Share Guidance should not be considered an alternative to diluted earnings per share determined in accordance with GAAP. As the parties are in the process of restructuring the GdC transaction, and an agreement for the sale of the Termoeléctrica de Mexicali plant has yet to be obtained, any potential earnings impact from these transactions cannot be reasonably estimated at this time, and accordingly, we are not able to provide a corresponding GAAP equivalent to our 2016 Adjusted Earnings-Per-Share Guidance.

Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. Slides 8 and 12 of this presentation and Table A of our financial tables in our fourth quarter and full year 2015 earnings press release reconcile these non-GAAP financial measures to Sempra Energy Earnings and Diluted Earnings Per Common Share, Earnings Per-Share Growth Rate, and SDG&E Earnings, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP. Our fourth quarter and full year 2015 earnings press release is available in the News section of our website at www.sempra.com.

2016 Adjusted EPS Guidance[1] Assumptions[2]

Key Updated Assumptions from Prior Guidance

California Utilities General Rate Case

- 2016 and beyond repair allowance tax benefits go to ratepayers; tax benefits for prior years assumed to be retained by shareholders
- GRC outcome in line with proposed settlement agreement
- No change in regulated returns: CPUC regulated returns and approved capital structures extended through 2017 and FERC approved returns effective through 2018
- No expected impact from recent extension of bonus depreciation on GRC capex; FERC and non-GRC capex impact included at less than $5M for the two utilities combined

Natural gas prices and foreign exchange rate forecasts

- SoCal Border Forward Curve for Natural gas prices ($/MMBTU): $2.60 in current guidance vs. $3.60 in prior guidance
- Chile average currency exchange rate: 702 CLP/USD in current guidance vs. 585 CLP/USD in prior guidance
- Peru average currency exchange rate: 3.4 PEN/USD in current guidance vs. 3.0 PEN/USD in prior guidance
- Mexico year-end currency exchange rate: 17.8 MXN/USD in current guidance vs. 17.2 MXN/USD at year-end 2015

New renewable projects

- 328MW of additional renewable projects announced in 2015 that will be in service by end-2016

IEnova's potential acquisition of PEMEX' 50% equity interest in their shared joint venture

- Transaction moves forward with same assets as originally proposed and closes in Q3-16[3]
- Guidance excludes any gain associated with a potential remeasurement of our investment in the joint venture

Other

- Sempra does not repatriate dividends from Mexico in 2016 in order to participate in a potential IEnova equity offering
- Guidance excludes any potential gain or loss associated with a sale of the TDM power plant

1) See slide 19 for information regarding non-GAAP financial measures.
2) These assumptions are based on management's current expectations and are subject to risks and uncertainties outside our control, and there can be no assurance that these assumptions will turn out to be valid.
3) Prior to closing of the transaction, the joint venture must conduct a bidding process for two assets, negotiate changes to the deal with PEMEX reflecting the auction outcome, and obtain regulatory approvals.

Estimated Price Sensitivities in 2016 Adjusted Earnings Guidance[1]

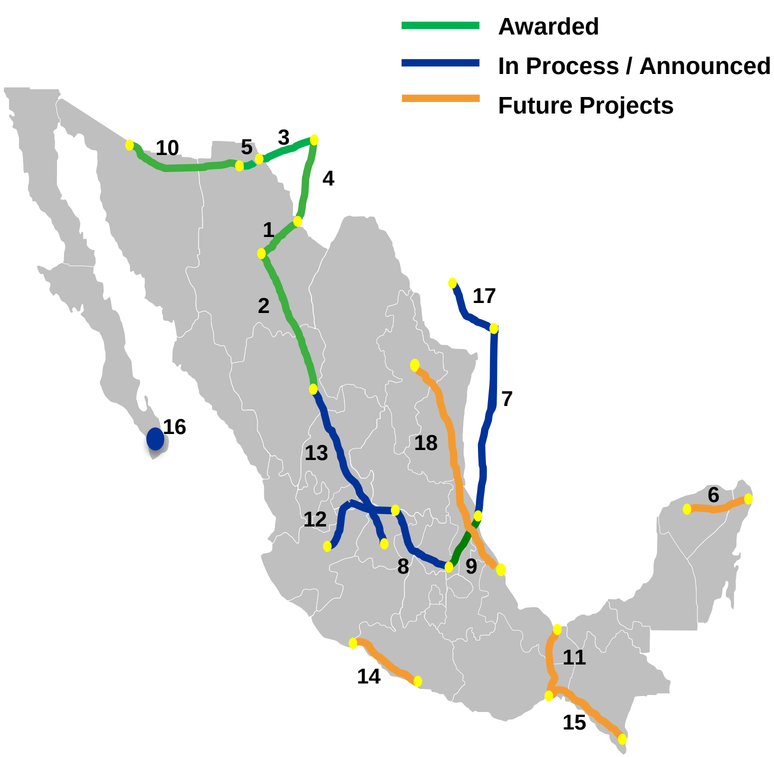
Key Commodity and Market Forecasts	Current Guidance Assumption	Change in Assumption	Approximate 2016 Forecasted Earnings Sensitivity
Natural Gas Prices[2] ($/MMBtu)	$2.60	$1.00 increase/decrease	+/- $15M in U.S. Gas & Power
Foreign Currency Exchange Rates[3]	17.8 MXN/USD 702 CLP/USD 3.4 PEN/USD	5% appreciation/depreciation 5% appreciation/depreciation 5% appreciation/depreciation	-/+ $10M in Mexico +/- $3M in Chile +/- $6M in Peru

1) See slide 19 for information regarding non-GAAP financial measures.
2) Annual average SoCal Border price.
3) Source: Bloomberg forward curve at year-end for Mexico and average forecasted exchange rates from LatinFocus (December 2015) for South America. For Mexico, the earnings sensitivity includes an 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.

Development Opportunities – Pipeline Bids

~$11 billion of estimated remaining investment in new pipelines by 2018

Projects Not Yet Awarded	Capex ($U.S. M)	Bid Date[1]	Award Date[1]	Map Key
La Laguna – Aguascalientes*	$1,000	Feb-2016	Mar-2016	13
Villa de Reyes – Guadalajara*	$555	Feb-2016	TBD	12
Tula – Villa de Reyes*	$420	Mar-2016	TBD	8
Baja Sur[2]	$600	Q2-2016	Q3-2016	16
Texas – Tuxpan (marine pipe)	$3,100	Q2-2016	TBD	7
Nueces – Brownsville (U.S.)	$1,550	Q2-2016	TBD	17
Mérida – Cancún	$250	TBD	TBD	6
Jaltipán – Salina Cruz (PEMEX)	$643	TBD	TBD	11
Ramones – Cempoala (PEMEX)	$1,980	TBD	TBD	18
Lázaro Cárdenas – Acapulco	$456	TBD	TBD	14
Salina Cruz – Tapachula	$442	TBD	TBD	15
Total	**~$11B**			



* **Note**: IEnova submitted bids for La Laguna – Aguascalientes and Villa de Reyes – Guadalajara in February and is preparing to submit a bid for Tula – Villa de Reyes in March.

1) Future Bid and Award dates represent estimates published by CENEGAS, CFE and PEMEX and may be subject to change.
2) Baja Sur is a bid announced to supply 228 mmcf/d of natural gas via ship or pipeline.

Mexico Project Summary[1]

Name	Ultimate Ownership Interest	Length of Pipeline (miles)	Design Capacity	Expected Full COD	Contract Term (yrs)	IEnova Share of Planned CapEx ($US M)
IN DEVELOPMENT						
San Isidro – Samalayuca	100%	14	1,135 MMcfd	1H-2017	25	~$110
Ojinaga – El Encino Pipeline	100%	137	1,400 MMcfd	1H-2017	25	~$300
Sonora Pipeline Phase 2	100%	205	510 MMcfd	2H-2016	25	~$500
IN OPERATION						
Los Ramones Norte	25%[2]	275	1,400 MMcfd	Q1-2016	25	
Ethane Pipeline	50%[2]	140	152 MMcfd	Q4-2015	21	
Energía Sierra Juárez	50%[3]	NA	155 MW	Jun-2015	20	
Sonora Pipeline Phase 1	100%	314	770 MMcfd	Oct-2014	25	
Los Ramones Phase 1	50%[2]	72	2,100 MMcfd	Dec-2014	25	
Guadalajara LPG Terminal	50%[2]	NA	80,000 Bbld[4]	Dec-2013	15	
Energía Costa Azul	100%	NA	1 Bcf/d	May-2008	20	
TDF Pipeline and Terminal	50%[2]	118	30,000 Bbld[4]	Dec-2007	20	
San Fernando Pipeline	50%[2]	71	1,000 MMcfd	Nov-2003	20	
Baja East Pipeline System	100%	188	3,450 MMcfd[5]	Aug-2002	20	
Aguaprieta Pipeline	100%	8	200 MMcfd	Nov-2002	25	
Baja West Pipeline System	100%	28	940 MMcfd	Jun-2000	20	
Samalayuca Pipeline	50%[2]	23	272 MMcfd	Dec-1997	Annual	

Indicates assets for which IEnova has proposed to purchase PEMEX's 50% equity interest, with the transaction assumed to close Q3-16 subject to regulatory approvals. The TDF Pipeline and Terminal and the San Fernando Pipeline are subject to a competitive bidding process.

1) Additional assets owned by IEnova include three wholly owned compressor stations and three within the PEMEX JV, the 625-MW TDM combined-cycle plant, and Ecogas natural gas distribution utility.
2) Assets currently owned under joint venture between IEnova and PEMEX Gas.
3) ESJ owned under our joint venture with InterGen N.V.
4) In barrels of LPG.
5) Design capacity including compression.

Sempra Energy®

Renewable Project Summary

Name	Location	Sempra's Share (MW)	PPA Term (yrs)	Tax Credits	Expected Full COD
CONTRACTED/UNDER CONSTRUCTION					
Mesquite Solar 3	Arizona	150 MW	25	ITC*	2016
Mesquite Solar 2	Arizona	100 MW	20	ITC*	2016
Black Oak Getty Wind	Minnesota	78 MW	20	PTC*	2016
Copper Mountain Solar 4	Nevada	94 MW	20[1]	ITC*	2016
IN OPERATION					
Copper Mountain Solar 3	Nevada	125 MW (50%)	20	ITC	2015
Copper Mountain Solar 2 (2nd Phase)	Nevada	29 MW (50%)	25	ITC	2015
Broken Bow 2 Wind	Nebraska	38 MW (50%)	25	PTC	2014
California Solar Portfolio	California	55 MW (50%)	25	N/A	2013
Mesquite Solar 1	Arizona	75 MW (50%)	20	Grant	2012
Mehoopany Wind	Pennsylvania	71 MW (50%)	20	PTC	2012
Flat Ridge 2 Wind	Kansas	235 MW (50%)	20 - 25	PTC	2012
Copper Mountain Solar 2 (1st Phase)	Nevada	46 MW (50%)	25	Grant	2012
Auwahi Wind	Hawaii	11 MW (50%)	20	Grant	2012
Cedar Creek 2 Wind	Colorado	125 MW (50%)	25	PTC	2011
Copper Mountain Solar 1	Nevada	58 MW	20	ITC	2010
Fowler Ridge 2 Wind	Indiana	100 MW (50%)	20	PTC	2009
TOTAL		**1,390 MW**			

* We expect to use tax equity financing for projects under construction.

1) Beginning in 2020.