

Edgar Filing: SEMPRA ENERGY - Form 10-Q

SEMPRA ENERGY

Form 10-Q

November 07, 2018

false--12-31Q320182018-09-3010-Q0001032208273660222falseLarge Accelerated FilerSempra EnergyfalseSRE0.22920.06290.00240.00680.10.080.1300000020000000.650.650.00410.0144130000000.822.362.473.860.92.0001032208 2018-01-01 2018-09-30 0001032208 2018-11-01 0001032208 us-gaap:ProductAndServiceOtherMember 2017-07-01 2017-09-30 0001032208 2017-01-01 2017-09-30 0001032208 2017-07-01 2017-09-30 0001032208 2018-07-01 2018-09-30 0001032208 us-gaap:ProductAndServiceOtherMember 2018-07-01 2018-09-30 0001032208 us-gaap:NaturalGasUsRegulatedMember 2017-01-01 2017-09-30 0001032208 us-gaap:NaturalGasUsRegulatedMember 2018-01-01 2018-09-30 0001032208 us-gaap:ProductAndServiceOtherMember 2017-01-01 2017-09-30 0001032208 us-gaap:ProductAndServiceOtherMember 2018-01-01 2018-09-30 0001032208 us-gaap:ElectricityUsRegulatedMember 2017-07-01 2017-09-30 0001032208 us-gaap:NaturalGasUsRegulatedMember 2017-07-01 2017-09-30 0001032208 sre:NaturalGasandElectricityUSRegulatedMember 2017-01-01 2017-09-30 0001032208 sre:NaturalGasandElectricityUSRegulatedMember 2017-07-01 2017-09-30 0001032208 us-gaap:ElectricityUsRegulatedMember 2018-01-01 2018-09-30 0001032208 sre:NaturalGasandElectricityUSRegulatedMember 2018-07-01 2018-09-30 0001032208 us-gaap:ElectricityUsRegulatedMember 2017-01-01 2017-09-30 0001032208 us-gaap:ElectricityUsRegulatedMember 2018-07-01 2018-09-30 0001032208 us-gaap:NaturalGasUsRegulatedMember 2018-07-01 2018-09-30 0001032208 sre:NaturalGasandElectricityUSRegulatedMember 2018-01-01 2018-09-30 0001032208 sre:TotalEquityMember 2018-01-01 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2017-01-01 2017-09-30 0001032208 sre:NetOfTaxAmountMember 2017-01-01 2017-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2018-01-01 2018-09-30 0001032208 sre:IncomeTaxExpenseBenefitMember 2017-01-01 2017-09-30 0001032208 sre:IncomeTaxExpenseBenefitMember 2018-01-01 2018-09-30 0001032208 sre:TotalEquityMember 2017-01-01 2017-09-30 0001032208 sre:NetOfTaxAmountMember 2018-01-01 2018-09-30 0001032208 sre:BeforeTaxAmountMember 2017-01-01 2017-09-30 0001032208 sre:BeforeTaxAmountMember 2018-01-01 2018-09-30 0001032208 sre:NetOfTaxAmountMember 2017-07-01 2017-09-30 0001032208 sre:NetOfTaxAmountMember 2018-07-01 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2017-07-01 2017-09-30 0001032208 sre:TotalEquityMember 2018-07-01 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2018-07-01 2018-09-30 0001032208 sre:BeforeTaxAmountMember 2018-07-01 2018-09-30 0001032208 sre:BeforeTaxAmountMember 2017-07-01 2017-09-30 0001032208 sre:IncomeTaxExpenseBenefitMember 2017-07-01 2017-09-30 0001032208 sre:IncomeTaxExpenseBenefitMember 2018-07-01 2018-09-30 0001032208 sre:TotalEquityMember 2017-07-01 2017-09-30 0001032208 2017-12-31 0001032208 2018-09-30 0001032208 sre:ConvertiblePreferredStockSeriesBMember 2017-12-31 0001032208 sre:ConvertiblePreferredStockSeriesAMember 2018-09-30 0001032208 sre:ConvertiblePreferredStockSeriesAMember 2017-12-31 0001032208 sre:ConvertiblePreferredStockSeriesBMember 2018-09-30 0001032208 sre:OwnershipInterestsHeldByOthersOtayMesaVieMember 2018-09-30 0001032208 sre:OwnershipInterestsHeldByOthersOtayMesaVieMember 2017-12-31 0001032208 2017-09-30 0001032208 2016-12-31 0001032208 us-gaap:CommonStockMember 2017-09-30 0001032208 us-gaap:PreferredStockMember 2017-09-30 0001032208 us-gaap:CommonStockMember 2018-09-30 0001032208 us-gaap:PreferredStockMember 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2018-01-01 2018-09-30 0001032208 us-gaap:CommonStockMember 2018-01-01 2018-09-30 0001032208 us-gaap:ConvertiblePreferredStockMember 2018-01-01 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2018-07-01 2018-09-30 0001032208 us-gaap:RetainedEarningsMember 2017-09-30 0001032208 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-06-30 0001032208 us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-07-01 2018-09-30 0001032208 2018-06-30 0001032208 us-gaap:SeriesBPreferredStockMember us-gaap:PreferredStockMember 2018-07-01 2018-09-30 0001032208 us-gaap:ParentMember 2017-07-01 2017-09-30 0001032208 us-gaap:ParentMember 2018-07-01

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-09-30 0001032208 us-gaap:SeriesBPreferredStockMember us-gaap:ParentMember 2018-07-01 2018-09-30  
0001032208 us-gaap:NoncontrollingInterestMember 2017-07-01 2017-09-30 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2017-07-01 2017-09-30 0001032208  
us-gaap:ParentMember 2018-09-30 0001032208 us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2017-09-30 0001032208 us-gaap:RetainedEarningsMember 2017-07-01 2017-09-30 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-06-30 0001032208  
us-gaap:SeriesAPreferredStockMember 2018-07-01 2018-09-30 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-09-30 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-09-30 0001032208  
us-gaap:SeriesAPreferredStockMember us-gaap:ParentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:SeriesBPreferredStockMember 2018-07-01 2018-09-30 0001032208 us-gaap:SeriesAPreferredStockMember  
us-gaap:RetainedEarningsMember 2018-07-01 2018-09-30 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2017-09-30 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-06-30 0001032208  
us-gaap:RetainedEarningsMember 2018-06-30 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-07-01 2018-09-30 0001032208  
us-gaap:ParentMember 2017-06-30 0001032208 us-gaap:PreferredStockMember 2017-06-30 0001032208  
us-gaap:NoncontrollingInterestMember 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2017-09-30  
0001032208 us-gaap:RetainedEarningsMember 2018-07-01 2018-09-30 0001032208  
us-gaap:RetainedEarningsMember 2018-09-30 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2017-06-30 0001032208  
us-gaap:NoncontrollingInterestMember 2018-06-30 0001032208 us-gaap:ParentMember 2018-06-30 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-07-01 2017-09-30 0001032208  
us-gaap:PreferredStockMember 2018-06-30 0001032208 us-gaap:SeriesBPreferredStockMember  
us-gaap:RetainedEarningsMember 2018-07-01 2018-09-30 0001032208 us-gaap:NoncontrollingInterestMember  
2017-06-30 0001032208 us-gaap:RetainedEarningsMember 2017-06-30 0001032208 2017-06-30 0001032208  
us-gaap:ParentMember 2017-09-30 0001032208 us-gaap:NoncontrollingInterestMember 2017-01-01 2017-09-30  
0001032208 us-gaap:ParentMember 2018-01-01 2018-09-30 0001032208 us-gaap:SeriesBPreferredStockMember  
us-gaap:PreferredStockMember 2018-01-01 2018-09-30 0001032208 us-gaap:PreferredStockMember 2016-12-31  
0001032208 us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2017-01-01 2017-09-30 0001032208  
us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-01-01 2018-09-30 0001032208  
us-gaap:ParentMember 2017-12-31 0001032208 us-gaap:SeriesAPreferredStockMember  
us-gaap:PreferredStockMember 2018-01-01 2018-09-30 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0001032208  
us-gaap:ParentMember 2017-01-01 2017-09-30 0001032208 us-gaap:SeriesAPreferredStockMember 2018-01-01  
2018-09-30 0001032208 us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2017-12-31 0001032208  
us-gaap:SeriesBPreferredStockMember us-gaap:ParentMember 2018-01-01 2018-09-30 0001032208  
us-gaap:RetainedEarningsMember 2016-12-31 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0001032208  
us-gaap:SeriesBPreferredStockMember 2018-01-01 2018-09-30 0001032208 us-gaap:RetainedEarningsMember  
2018-01-01 2018-09-30 0001032208 us-gaap:RetainedEarningsMember 2017-12-31 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-09-30 0001032208  
us-gaap:PreferredStockMember 2017-12-31 0001032208 us-gaap:SeriesBPreferredStockMember  
us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0001032208  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0001032208  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2016-12-31 0001032208  
us-gaap:SeriesAPreferredStockMember us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0001032208  
us-gaap:NoncontrollingInterestMember 2017-12-31 0001032208 us-gaap:SeriesAPreferredStockMember  
us-gaap:ParentMember 2018-01-01 2018-09-30 0001032208 us-gaap:ParentMember 2016-12-31 0001032208  
us-gaap:NoncontrollingInterestMember 2016-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-01-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2017-01-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:BeforeTaxAmountMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:IncomeTaxExpenseBenefitMember 2018-01-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2018-01-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:TotalEquityMember 2018-01-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:NetOfTaxAmountMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:TotalEquityMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:BeforeTaxAmountMember  
2018-01-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:IncomeTaxExpenseBenefitMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:NetOfTaxAmountMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:NetOfTaxAmountMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2017-07-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:IncomeTaxExpenseBenefitMember 2017-07-01  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:NetOfTaxAmountMember 2018-07-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:IncomeTaxExpenseBenefitMember  
2018-07-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:NoncontrollingInterestMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:BeforeTaxAmountMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:BeforeTaxAmountMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:TotalEquityMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:TotalEquityMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:OwnershipInterestsHeldByOthersOtayMesaVieMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:OwnershipInterestsHeldByOthersOtayMesaVieMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember 2018-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember  
2016-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2018-06-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember 2017-07-01  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-07-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2018-06-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2017-06-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember  
2018-01-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2017-07-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember  
2017-07-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:RetainedEarningsMember 2018-06-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ParentMember 2018-01-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2017-07-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember 2017-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember  
2017-06-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2017-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2017-06-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:ParentMember 2016-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2018-07-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:RetainedEarningsMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:NoncontrollingInterestMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2017-06-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:NetOfTaxAmountMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:NetOfTaxAmountMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:BeforeTaxAmountMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:BeforeTaxAmountMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:IncomeTaxExpenseBenefitMember 2017-01-01 2017-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember sre:IncomeTaxExpenseBenefitMember 2018-01-01  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:IncomeTaxExpenseBenefitMember  
2018-07-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:BeforeTaxAmountMember  
2018-07-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:NetOfTaxAmountMember  
2017-07-01 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:NetOfTaxAmountMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-07-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:IncomeTaxExpenseBenefitMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:BeforeTaxAmountMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember 2016-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PreferredStockMember 2017-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2018-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PreferredStockMember 2016-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2017-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2017-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PreferredStockMember 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2018-07-01  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:PreferredStockMember 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember 2018-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PreferredStockMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01  
2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2016-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-06-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2016-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember 2018-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommonStockIncludingAdditionalPaidInCapitalMember  
2017-06-30 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:RetainedEarningsMember 2016-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:PreferredStockMember 2018-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2017-06-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0001032208  
srt:ScenarioPreviouslyReportedMember 2017-01-01 2017-09-30 0001032208  
srt:ScenarioPreviouslyReportedMember 2017-07-01 2017-09-30 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember sre:SempraRenewablesSegmentMember  
2018-09-30 0001032208 sre:SempraRenewablesSegmentMember 2017-12-31 0001032208  
sre:SempraLNGMidstreamMember 2018-09-30 0001032208 sre:SempraMexicoSegmentMember 2018-09-30  
0001032208 sre:SoCalGasSegmentMember 2017-12-31 0001032208  
sre:SempraSouthAmericanUtilitiesSegmentMember 2018-09-30 0001032208 sre:SDGESegmentMember 2018-09-30  
0001032208 sre:SempraMexicoSegmentMember 2017-12-31 0001032208  
sre:SempraSouthAmericanUtilitiesSegmentMember 2017-12-31 0001032208 sre:SempraLNGMidstreamMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2017-12-31 0001032208 sre:SempraRenewablesSegmentMember 2018-09-30 0001032208  
sre:SDGESegmentMember 2017-12-31 0001032208 sre:SoCalGasSegmentMember 2018-09-30 0001032208  
sre:SempraLNGMidstreamMember 2018-06-01 2018-06-30 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember sre:SempraLNGMidstreamMember  
2018-06-01 2018-06-30 0001032208 us-gaap:OtherIntangibleAssetsMember 2018-09-30 0001032208  
sre:DevelopmentRightsMember 2017-12-31 0001032208 us-gaap:OtherIntangibleAssetsMember 2017-12-31  
0001032208 sre:OperationandMaintenanceAgreementMember 2018-01-01 2018-09-30 0001032208  
sre:DevelopmentRightsMember 2018-09-30 0001032208 sre:DevelopmentRightsMember 2018-01-01 2018-09-30  
0001032208 sre:OperationandMaintenanceAgreementMember 2018-09-30 0001032208 sre:StorageRightsMember  
2018-01-01 2018-09-30 0001032208 sre:SelfsupplyGenerationPermitsMember 2018-01-01 2018-09-30 0001032208  
sre:StorageRightsMember 2017-12-31 0001032208 sre:StorageRightsMember 2018-09-30 0001032208  
sre:SelfsupplyGenerationPermitsMember 2018-09-30 0001032208 sre:OperationandMaintenanceAgreementMember  
2017-12-31 0001032208 sre:SelfsupplyGenerationPermitsMember 2017-12-31 0001032208 srt:MinimumMember  
us-gaap:OtherIntangibleAssetsMember 2018-01-01 2018-09-30 0001032208 sre:SempraRenewablesMember  
sre:NoncontrollingTaxEquityInvestorsMember 2017-07-01 2017-09-30 0001032208 sre:SempraRenewablesMember  
sre:NoncontrollingTaxEquityInvestorsMember 2018-07-01 2018-09-30 0001032208 sre:SempraRenewablesMember  
sre:NoncontrollingTaxEquityInvestorsMember 2017-01-01 2017-09-30 0001032208 sre:SempraRenewablesMember  
sre:NoncontrollingTaxEquityInvestorsMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:OwnershipInterestsHeldByOthersOtayMesaVieMember  
2018-07-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:OwnershipInterestsHeldByOthersOtayMesaVieMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:OwnershipInterestsHeldByOthersOtayMesaVieMember  
2017-07-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:OwnershipInterestsHeldByOthersOtayMesaVieMember 2018-01-01 2018-09-30 0001032208  
sre:CameronLngHoldingsMember sre:SempraNaturalGasSegmentMember 2018-09-30 0001032208  
sre:SempraRenewablesMember sre:NoncontrollingTaxEquityInvestorsMember 2017-12-31 0001032208  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasUtilityMember 2018-09-30 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member 2018-03-09 0001032208  
sre:SempraTexasIntermediateHoldingCompanyLLCMember  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasHoldingsCorpMember 2018-03-09  
2018-03-09 0001032208 sre:SempraRenewablesMember sre:NoncontrollingTaxEquityInvestorsMember 2018-09-30  
0001032208 sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasUtilityMember 2018-01-01  
2018-09-30 0001032208 sre:CameronLngHoldingsMember sre:SempraNaturalGasSegmentMember 2017-12-31  
0001032208 us-gaap:PropertyPlantAndEquipmentMember sre:SempraRenewablesMember  
sre:NoncontrollingTaxEquityInvestorsMember 2018-01-01 2018-09-30 0001032208  
sre:TermoelectricaDeMexicaliMember 2018-01-01 2018-09-30 0001032208 sre:SempraRenewablesSegmentMember  
2018-01-01 2018-09-30 0001032208 sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2017-01-01 2017-09-30 0001032208  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
us-gaap:PensionPlansDefinedBenefitMember 2017-07-01 2017-09-30 0001032208  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2017-07-01 2017-09-30 0001032208  
us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
us-gaap:PensionPlansDefinedBenefitMember 2017-01-01 2017-09-30 0001032208  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-09-30 0001032208  
us-gaap:PensionPlansDefinedBenefitMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SanDiegoGasAndElectricCompanyMember us-gaap:PensionPlansDefinedBenefitMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PensionPlansDefinedBenefitMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:PensionPlansDefinedBenefitMember  
2018-01-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:QualifiedPlanMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:QualifiedPlanMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208 us-gaap:QualifiedPlanMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208  
sre:SempraTexasIntermediateHoldingCompanyLLCMember  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasHoldingsCorpMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-03-09 2018-03-09 0001032208  
us-gaap:QualifiedPlanMember us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:QualifiedPlanMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:QualifiedPlanMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:PensionPlansDefinedBenefitMember 2017-01-01 2017-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember  
2017-01-01 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:PensionPlansDefinedBenefitMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:PensionPlansDefinedBenefitMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember  
2017-07-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:PensionPlansDefinedBenefitMember 2017-07-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-07-01 2018-09-30 0001032208  
us-gaap:ConvertiblePreferredStockMember 2018-07-01 2018-09-30 0001032208  
sre:CommonStockForwardSalesMember 2018-01-01 2018-09-30 0001032208  
sre:StockoptionsRSAsandRSUsMember 2017-01-01 2017-09-30 0001032208  
sre:RestrictedStockUnitsRSUsPerformancebasedMember 2018-01-01 2018-09-30 0001032208  
sre:StockoptionsRSAsandRSUsMember 2018-07-01 2018-09-30 0001032208 sre:IenovaplansMember  
us-gaap:RestrictedStockUnitsRSUMember 2018-01-01 2018-09-30 0001032208  
sre:StockoptionsRSAsandRSUsMember 2018-01-01 2018-09-30 0001032208  
sre:RestrictedStockUnitsRSUsServicebasedMember 2018-01-01 2018-09-30 0001032208  
sre:StockoptionsRSAsandRSUsMember 2017-07-01 2017-09-30 0001032208  
sre:CommonStockForwardSalesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:ForeignExchangeContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-07-01 2018-09-30 0001032208 us-gaap:CrossCurrencyInterestRateContractMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-07-01 2017-09-30 0001032208  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-07-01 2018-09-30 0001032208  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-07-01 2017-09-30 0001032208  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceCostCreditMember 2018-07-01 2018-09-30  
0001032208 us-gaap:CrossCurrencyInterestRateContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-07-01 2018-09-30 0001032208  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-07-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-07-01 2018-09-30  
0001032208 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-07-01 2017-09-30  
0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2017-07-01  
2017-09-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-07-01 2018-09-30  
0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceCostCreditMember 2017-07-01  
2017-09-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-07-01 2017-09-30  
0001032208 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2017-07-01  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-07-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2017-07-01  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2018-07-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-07-01 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2017-07-01 2017-09-30  
0001032208 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2018-07-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2018-07-01 2018-09-30  
0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2018-07-01  
2018-09-30 0001032208 us-gaap:ForeignExchangeContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-07-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:InterestRateContractMember



Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-07-01 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-06-30 0001032208  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-07-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2018-06-30 0001032208 us-gaap:AccumulatedTranslationAdjustmentMember 2017-07-01 2017-09-30 0001032208  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-06-30 0001032208  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2017-09-30 0001032208 us-gaap:AccumulatedTranslationAdjustmentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-06-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2017-07-01 2017-09-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-09-30  
0001032208 us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-09-30  
0001032208 us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-07-01  
2017-09-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2017-06-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-06-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-06-30 0001032208  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-09-30 0001032208  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-06-30 0001032208  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2017-06-30 0001032208 us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember  
2018-06-30 0001032208 us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-09-30 0001032208  
us-gaap:ForeignExchangeContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-01-01 2018-09-30 0001032208  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-01-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:InterestRateContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-01-01 2018-09-30 0001032208  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2017-01-01 2017-09-30  
0001032208 us-gaap:CrossCurrencyInterestRateContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-01-01 2018-09-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01  
2018-09-30 0001032208 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-01-01 2018-09-30 0001032208  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2018-01-01  
2018-09-30 0001032208 sre:CommodityContractsNotSubjectToRateRecoveryMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2018-01-01 2018-09-30 0001032208  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2017-01-01  
2017-09-30 0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30  
0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceCostCreditMember 2017-01-01  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-01-01 2017-09-30  
0001032208 us-gaap:CrossCurrencyInterestRateContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceCostCreditMember 2018-01-01 2018-09-30  
0001032208 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2018-01-01  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2018-01-01 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2018-01-01  
2018-09-30 0001032208 us-gaap:ForeignExchangeContractMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2018-01-01 2018-09-30  
0001032208 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2017-01-01  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-01-01 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2017-01-01 2017-09-30  
0001032208 sre:CommodityContractsNotSubjectToRateRecoveryMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember 2017-01-01 2017-09-30  
0001032208 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-01-01 2017-09-30  
0001032208 us-gaap:AccumulatedTranslationAdjustmentMember 2018-01-01 2018-09-30 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2016-12-31 0001032208 us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember  
2018-01-01 2018-09-30 0001032208  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2018-01-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2016-12-31 0001032208 us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember  
2017-01-01 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-01-01 2017-09-30  
0001032208 us-gaap:AccumulatedTranslationAdjustmentMember 2017-01-01 2017-09-30 0001032208  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-01-01 2018-09-30  
0001032208 us-gaap:AccumulatedTranslationAdjustmentMember 2017-12-31 0001032208  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2017-01-01 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-12-31 0001032208  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2018-01-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-12-31 0001032208  
us-gaap:AccumulatedTranslationAdjustmentMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember  
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-09-30 0001032208  
us-gaap:CommonStockMember sre:SettlementofForwardSaleContractsMember 2018-01-01 2018-03-31 0001032208  
sre:SempraEnergyMember srt:MinimumMember us-gaap:SeriesBPreferredStockMember 2018-07-13 2018-07-13  
0001032208 us-gaap:CommonStockMember sre:SettlementofForwardSaleContractsMember 2018-04-01 2018-06-30  
0001032208 sre:SempraEnergyMember us-gaap:SeriesBPreferredStockMember  
us-gaap:OverAllotmentOptionMember 2018-07-13 2018-07-13 0001032208 sre:SempraEnergyMember  
us-gaap:SeriesAPreferredStockMember 2018-01-09 0001032208 sre:SempraEnergyMember  
us-gaap:SeriesBPreferredStockMember 2018-07-13 2018-07-13 0001032208 sre:SempraEnergyMember  
us-gaap:SeriesBPreferredStockMember 2018-07-13 0001032208 us-gaap:CommonStockMember  
us-gaap:OverAllotmentOptionMember 2018-01-09 2018-01-09 0001032208 us-gaap:CommonStockMember  
2018-07-13 2018-07-13 0001032208 sre:OwnershipInterestsHeldByOthersIEnovaSubsidiaryOneMember  
srt:SubsidiariesMember sre:SempraMexicoMember 2018-09-30 0001032208 us-gaap:CommonStockMember  
sre:PublicOfferingMember 2018-07-13 0001032208 us-gaap:CommonStockMember  
us-gaap:OverAllotmentOptionMember 2018-07-13 2018-07-13 0001032208 us-gaap:CommonStockMember  
sre:SettlementofForwardSaleContractsMember 2018-07-01 2018-09-30 0001032208 us-gaap:CommonStockMember  
sre:SettlementofForwardSaleContractsMember 2018-07-13 2018-07-13 0001032208 us-gaap:CommonStockMember  
sre:PublicOfferingMember 2018-07-13 2018-07-13 0001032208 us-gaap:CommonStockMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:PublicOfferingMember 2018-01-09 2018-01-09 0001032208 sre:SempraEnergyMember  
us-gaap:SeriesAPreferredStockMember 2018-07-13 0001032208 sre:SempraEnergyMember  
us-gaap:SeriesAPreferredStockMember 2018-07-13 2018-07-13 0001032208 sre:SempraEnergyMember  
srt:MaximumMember us-gaap:SeriesBPreferredStockMember 2018-07-13 2018-07-13 0001032208  
sre:SempraEnergyMember us-gaap:SeriesAPreferredStockMember us-gaap:OverAllotmentOptionMember  
2018-01-09 2018-01-09 0001032208 us-gaap:CommonStockMember sre:SettlementofForwardSaleContractsMember  
2018-01-01 2018-09-30 0001032208 sre:SempraEnergyMember us-gaap:SeriesAPreferredStockMember 2018-01-01  
2018-01-31 0001032208 sre:SolarPowerProjectsMember sre:SempraRenewablesSegmentMember  
sre:NoncontrollingTaxEquityInvestorsMember 2017-10-01 2017-12-31 0001032208 us-gaap:CommonStockMember  
sre:PublicOfferingMember 2018-01-09 0001032208  
sre:OwnershipInterestsHeldByOthersIEnovaSubsidiaryTwoMember srt:SubsidiariesMember  
sre:SempraMexicoMember 2018-09-30 0001032208 us-gaap:CommonStockMember 2018-01-09 2018-01-09  
0001032208 sre:OwnershipInterestsHeldByOthersChilquintaEnergiaMember  
sre:SempraSouthAmericanUtilitiesMember 2018-09-30 0001032208 us-gaap:CommonStockMember  
us-gaap:SubsequentEventMember sre:SettlementofForwardSaleContractsMember 2018-11-07 2018-11-07  
0001032208 sre:SempraEnergyMember us-gaap:SeriesAPreferredStockMember 2018-01-09 2018-01-09 0001032208  
us-gaap:CommonStockMember 2018-04-01 2018-06-30 0001032208 sre:SolarPowerProjectsMember  
sre:SempraRenewablesSegmentMember sre:NoncontrollingTaxEquityInvestorsMember 2018-04-01 2018-04-30  
0001032208 us-gaap:CommonStockMember 2018-01-01 2018-03-31 0001032208  
sre:OwnershipInterestsHeldByOthersBayGasStorageCompanyMember sre:SempraLNGMidstreamMember  
2018-09-30 0001032208 sre:OwnershipInterestsHeldByOthersTecsurMember  
sre:SempraSouthAmericanUtilitiesMember 2017-12-31 0001032208  
sre:OwnershipInterestsHeldByOthersOtayMesaVieMember sre:SanDiegoGasAndElectricCompanyMember  
2018-09-30 0001032208 sre:OwnershipInterestsHeldByOthersBayGasStorageCompanyMember  
sre:SempraLNGMidstreamMember 2017-12-31 0001032208  
sre:OwnershipInterestsHeldByOthersOtayMesaVieMember sre:SanDiegoGasAndElectricCompanyMember  
2017-12-31 0001032208 sre:PXISEnergySolutionsLLCMember sre:SempraRenewablesSegmentMember  
2017-12-31 0001032208 sre:NoncontrollingTaxEquityInvestorsSolarMember  
sre:SempraRenewablesSegmentMember 2017-12-31 0001032208  
sre:OwnershipInterestsHeldByOthersIenovaMember sre:SempraMexicoMember 2018-09-30 0001032208  
sre:OwnershipInterestsHeldByOthersLuzDelSurMember sre:SempraSouthAmericanUtilitiesMember 2018-09-30  
0001032208 sre:OwnershipInterestsHeldByOthersLuzDelSurMember sre:SempraSouthAmericanUtilitiesMember  
2017-12-31 0001032208 sre:OwnershipInterestsHeldByOthersChilquintaEnergiaMember  
sre:SempraSouthAmericanUtilitiesMember 2017-12-31 0001032208  
sre:OwnershipInterestsHeldByOthersLibertyGasStorageMember sre:SempraLNGMidstreamMember 2018-09-30  
0001032208 sre:OwnershipInterestsHeldByOthersTecsurMember sre:SempraSouthAmericanUtilitiesMember  
2018-09-30 0001032208 sre:OwnershipInterestsHeldByOthersIenovaMember sre:SempraMexicoMember 2017-12-31  
0001032208 sre:OwnershipInterestsHeldByOthersLibertyGasStorageMember sre:SempraLNGMidstreamMember  
2017-12-31 0001032208 sre:NoncontrollingTaxEquityInvestorsWindMember  
sre:SempraRenewablesSegmentMember 2017-12-31 0001032208  
sre:NoncontrollingTaxEquityInvestorsSolarMember sre:SempraRenewablesSegmentMember 2018-09-30  
0001032208 sre:PXISEnergySolutionsLLCMember sre:SempraRenewablesSegmentMember 2018-09-30  
0001032208 sre:NoncontrollingTaxEquityInvestorsWindMember sre:SempraRenewablesSegmentMember  
2018-09-30 0001032208 sre:OwnershipInterestsHeldByOthersChilquintaEnergiaMember srt:MinimumMember  
sre:SempraSouthAmericanUtilitiesMember 2018-09-30 0001032208  
sre:OwnershipInterestsHeldByOthersChilquintaEnergiaMember srt:MinimumMember  
sre:SempraSouthAmericanUtilitiesMember 2017-12-31 0001032208  
sre:OwnershipInterestsHeldByOthersChilquintaEnergiaMember srt:MaximumMember  
sre:SempraSouthAmericanUtilitiesMember 2017-12-31 0001032208  
sre:OwnershipInterestsHeldByOthersChilquintaEnergiaMember srt:MaximumMember  
sre:SempraSouthAmericanUtilitiesMember 2018-09-30 0001032208 sre:InfraestructuraMarinadelGolfoMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SempraMexicoSegmentMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:SubsidiaryOfCommonParentSDGEMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:SubsidiaryOfCommonParentSDGEMember 2017-12-31 0001032208 sre:AffiliateOfInvesteeMember  
sre:SempraSouthAmericanUtilitiesSegmentMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:MajorityShareholderMember 2018-09-30 0001032208  
sre:TAGPipelineNorteMember sre:SempraMexicoSegmentMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:SubsidiaryOfCommonParentSoCalGasMember 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:MajorityShareholderMember 2017-01-01  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:MajorityShareholderMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:SubsidiaryOfCommonParentSoCalGasMember 2017-12-31 0001032208 sre:AffiliateOfInvesteeMember  
sre:SempraSouthAmericanUtilitiesSegmentMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:MajorityShareholderMember 2018-01-01 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember sre:PacificEnterprisesMember 2018-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember sre:SempraMexicoSegmentMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:EnovaCorporationMember 2018-09-30 0001032208  
sre:EletransMember sre:SempraSouthAmericanUtilitiesSegmentMember 2017-12-31 0001032208  
sre:TAGPipelineNorteMember sre:SempraMexicoSegmentMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:AffiliateOfInvesteeMember 2017-12-31 0001032208  
sre:EsjJointVentureMember sre:SempraMexicoSegmentMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:MajorityShareholderMember 2017-12-31 0001032208  
sre:EletransMember sre:SempraSouthAmericanUtilitiesSegmentMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:EnovaCorporationMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:MajorityShareholderMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:MajorityShareholderMember 2017-01-01 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:AffiliateOfInvesteeMember 2018-09-30 0001032208  
sre:EsjJointVentureMember sre:SempraMexicoSegmentMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:MajorityShareholderMember 2018-01-01 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember sre:PacificEnterprisesMember 2017-12-31 0001032208  
sre:InfraestructuraMarinadelGolfoMember sre:SempraMexicoSegmentMember sre:InterbankEquilibriumRateMember  
2018-01-01 2018-09-30 0001032208 sre:EsjJointVentureMember  
us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-01 2018-09-30 0001032208  
sre:TAGPipelineNorteMember us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-01 2018-09-30  
0001032208 sre:TAGPipelineNorteMember 2018-01-01 2018-09-30 0001032208 sre:EletransMember  
sre:SempraSouthAmericanUtilitiesSegmentMember 2018-01-01 2018-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember sre:SempraMexicoMember 2017-07-01 2017-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember sre:SempraMexicoMember 2018-01-01 2018-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember sre:SempraMexicoMember 2018-07-01 2018-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember sre:SempraMexicoMember 2017-01-01 2017-09-30 0001032208  
2017-10-01 2017-12-31 0001032208 2017-01-01 2017-12-31 0001032208 srt:ScenarioPreviouslyReportedMember  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
srt:RestatementAdjustmentMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:ScenarioPreviouslyReportedMember  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:RestatementAdjustmentMember  
sre:AccountingStandardsUpdates201615and201618Member

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:RestatementAdjustmentMember  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:RestatementAdjustmentMember  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-09-30 0001032208  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2016-12-31 0001032208  
srt:ScenarioPreviouslyReportedMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-09-30 0001032208  
srt:ScenarioPreviouslyReportedMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2016-12-31 0001032208  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:ScenarioPreviouslyReportedMember  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2016-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:ScenarioPreviouslyReportedMember  
sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-09-30 0001032208  
srt:RestatementAdjustmentMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-09-30 0001032208  
srt:RestatementAdjustmentMember sre:AccountingStandardsUpdates201615and201618Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2016-12-31 0001032208  
sre:AccountingStandardsUpdate201802Member us-gaap:ScenarioForecastMember 2018-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:AccountingStandardsUpdate201802Member  
us-gaap:ScenarioForecastMember 2018-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:AccountingStandardsUpdate201802Member us-gaap:ScenarioForecastMember 2018-12-31 0001032208  
us-gaap:AccountingStandardsUpdate201712Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2018-01-01 0001032208  
sre:AccountingStandardsUpdate201601and201803Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2018-01-01 0001032208  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:RestatementAdjustmentMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:RestatementAdjustmentMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SouthernCaliforniaGasCompanyMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:RestatementAdjustmentMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
srt:RestatementAdjustmentMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:ScenarioPreviouslyReportedMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:ScenarioPreviouslyReportedMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:RestatementAdjustmentMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
srt:RestatementAdjustmentMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:ScenarioPreviouslyReportedMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
srt:ScenarioPreviouslyReportedMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:ScenarioPreviouslyReportedMember  
us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-07-01 2017-09-30 0001032208  
srt:ScenarioPreviouslyReportedMember us-gaap:AccountingStandardsUpdate201707Member  
us-gaap:NewAccountingPronouncementEarlyAdoptionEffectMember 2017-01-01 2017-09-30 0001032208  
2018-10-01 sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208 2018-10-01 2018-09-30  
0001032208 2019-01-01 sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208 2021-01-01  
sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208 2023-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208 2023-01-01  
sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208 2020-01-01 2018-09-30 0001032208  
2018-09-30 0001032208 2020-01-01 sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208  
2019-01-01 2018-09-30 0001032208 2022-01-01 2018-09-30 0001032208 2021-01-01 2018-09-30 0001032208  
2022-01-01 sre:SanDiegoGasAndElectricCompanyMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember sre:SempraMexicoMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember  
sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
us-gaap:ElectricityMember sre:SanDiegoGasAndElectricCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SanDiegoGasAndElectricCompanyMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesMember 2018-07-01 2018-09-30  
0001032208 srt:ConsolidationEliminationsMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember sre:SempraMexicoMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SanDiegoGasAndElectricCompanyMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraMexicoMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraMexicoMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
us-gaap:ElectricityMember sre:SouthernCaliforniaGasCompanyMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesMember 2018-01-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember sre:RenewablesServiceLineMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraMexicoMember us-gaap:TransferredOverTimeMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember  
sre:SempraSouthAmericanUtilitiesMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraSouthAmericanUtilitiesMember us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember sre:SempraMexicoMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember  
sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208 srt:ConsolidationEliminationsMember  
us-gaap:ElectricityMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:MidstreamServiceLineMember sre:SanDiegoGasAndElectricCompanyMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:SouthernCaliforniaGasCompanyMember  
us-gaap:TransferredAtPointInTimeMember 2018-01-01 2018-09-30 0001032208 sre:RenewablesServiceLineMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SouthernCaliforniaGasCompanyMember 2018-07-01 2018-09-30 0001032208 srt:NaturalGasReservesMember  
2018-07-01 2018-09-30 0001032208 sre:OtherServiceLineMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember sre:SempraRenewablesMember 2018-01-01  
2018-09-30 0001032208 srt:ConsolidationEliminationsMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SouthernCaliforniaGasCompanyMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember sre:SempraLNGMidstreamMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SanDiegoGasAndElectricCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember sre:SempraSouthAmericanUtilitiesMember  
2018-07-01 2018-09-30 0001032208 srt:ConsolidationEliminationsMember srt:NaturalGasReservesMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember  
sre:SouthernCaliforniaGasCompanyMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SouthernCaliforniaGasCompanyMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember sre:SempraMexicoMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:TransferredAtPointInTimeMember 2018-01-01 2018-09-30 0001032208  
us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:UtilitiesServiceLineMember sre:SempraRenewablesMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember sre:SanDiegoGasAndElectricCompanyMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember  
sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:UtilitiesServiceLineMember sre:SanDiegoGasAndElectricCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember sre:SouthernCaliforniaGasCompanyMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraMexicoMember  
us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:RenewablesServiceLineMember sre:SempraMexicoMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember sre:SouthernCaliforniaGasCompanyMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesMember  
us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember



Edgar Filing: SEMPRA ENERGY - Form 10-Q

srt:NaturalGasReservesMember sre:SanDiegoGasAndElectricCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraMexicoMember us-gaap:TransferredOverTimeMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SouthernCaliforniaGasCompanyMember  
us-gaap:TransferredOverTimeMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:MidstreamServiceLineMember sre:SempraRenewablesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember sre:SempraRenewablesMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember  
sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:UtilitiesServiceLineMember sre:SempraSouthAmericanUtilitiesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember  
sre:SanDiegoGasAndElectricCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember sre:SanDiegoGasAndElectricCompanyMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:TransferredOverTimeMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:ElectricityMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesMember  
us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30 0001032208  
us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:UtilitiesServiceLineMember sre:SempraMexicoMember 2018-07-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember sre:UtilitiesServiceLineMember 2018-01-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember sre:RenewablesServiceLineMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember sre:SempraSouthAmericanUtilitiesMember  
2018-01-01 2018-09-30 0001032208 srt:ConsolidationEliminationsMember sre:MidstreamServiceLineMember  
2018-07-01 2018-09-30 0001032208 sre:MidstreamServiceLineMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember sre:SanDiegoGasAndElectricCompanyMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SempraRenewablesMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:OtherServiceLineMember sre:SouthernCaliforniaGasCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember sre:SempraRenewablesMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember  
sre:SempraSouthAmericanUtilitiesMember 2018-07-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember sre:MidstreamServiceLineMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraMexicoMember us-gaap:TransferredAtPointInTimeMember  
2018-01-01 2018-09-30 0001032208 sre:UtilitiesServiceLineMember 2018-01-01 2018-09-30 0001032208  
us-gaap:ElectricityMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
srt:NaturalGasReservesMember sre:SempraMexicoMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraRenewablesMember us-gaap:TransferredOverTimeMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208 us-gaap:TransferredAtPointInTimeMember  
2018-01-01 2018-09-30 0001032208 sre:RenewablesServiceLineMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesMember  
us-gaap:TransferredOverTimeMember 2018-01-01 2018-09-30 0001032208 srt:ConsolidationEliminationsMember  
us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:MidstreamServiceLineMember sre:SempraSouthAmericanUtilitiesMember 2018-07-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember us-gaap:TransferredAtPointInTimeMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember  
us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:OtherServiceLineMember sre:SanDiegoGasAndElectricCompanyMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember sre:SanDiegoGasAndElectricCompanyMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SempraMexicoMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:MidstreamServiceLineMember sre:SouthernCaliforniaGasCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember sre:SouthernCaliforniaGasCompanyMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesMember  
us-gaap:TransferredAtPointInTimeMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
srt:NaturalGasReservesMember sre:SempraRenewablesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SouthernCaliforniaGasCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember sre:SempraMexicoMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesMember  
us-gaap:TransferredAtPointInTimeMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
us-gaap:ElectricityMember sre:SempraSouthAmericanUtilitiesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember sre:SempraLNGMidstreamMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember  
sre:SempraRenewablesMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
us-gaap:ElectricityMember sre:SempraSouthAmericanUtilitiesMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember sre:SouthernCaliforniaGasCompanyMember  
2018-01-01 2018-09-30 0001032208 srt:ConsolidationEliminationsMember sre:OtherServiceLineMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SouthernCaliforniaGasCompanyMember us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember  
sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208 sre:UtilitiesServiceLineMember 2018-07-01  
2018-09-30 0001032208 srt:ConsolidationEliminationsMember sre:UtilitiesServiceLineMember 2018-07-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember  
us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30 0001032208 sre:MidstreamServiceLineMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember  
sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208 us-gaap:TransferredOverTimeMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember  
sre:SempraRenewablesMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:RenewablesServiceLineMember sre:SempraRenewablesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember sre:SempraMexicoMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember  
us-gaap:TransferredAtPointInTimeMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:OtherServiceLineMember sre:SempraSouthAmericanUtilitiesMember 2018-01-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember srt:NaturalGasReservesMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember sre:SempraSouthAmericanUtilitiesMember  
2018-01-01 2018-09-30 0001032208 sre:OtherServiceLineMember 2018-07-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30 0001032208  
srt:NaturalGasReservesMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
us-gaap:ElectricityMember sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:TransferredOverTimeMember 2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SouthernCaliforniaGasCompanyMember us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30  
0001032208 srt:ConsolidationEliminationsMember us-gaap:TransferredOverTimeMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember  
sre:SanDiegoGasAndElectricCompanyMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember sre:SempraRenewablesMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember  
sre:SouthernCaliforniaGasCompanyMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember us-gaap:ElectricityMember sre:SempraMexicoMember 2018-01-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:RenewablesServiceLineMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SempraSouthAmericanUtilitiesMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraRenewablesMember us-gaap:TransferredAtPointInTimeMember 2018-07-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember sre:OtherServiceLineMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:UtilitiesServiceLineMember sre:SempraMexicoMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember  
us-gaap:TransferredOverTimeMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:OtherServiceLineMember sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:OtherServiceLineMember sre:SempraSouthAmericanUtilitiesMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember srt:NaturalGasReservesMember  
sre:SouthernCaliforniaGasCompanyMember 2018-01-01 2018-09-30 0001032208  
srt:ConsolidationEliminationsMember us-gaap:ElectricityMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:MidstreamServiceLineMember sre:SempraRenewablesMember 2018-01-01  
2018-09-30 0001032208 sre:DeferredCreditsandOtherMember 2018-09-30 0001032208 srt:MaximumMember  
sre:SempraMexicoMember 2018-09-30 0001032208 srt:MinimumMember sre:SempraMexicoMember 2018-09-30  
0001032208 us-gaap:OtherCurrentLiabilitiesMember 2018-09-30 0001032208  
us-gaap:TradeAccountsReceivableMember 2018-01-01 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:TradeAccountsReceivableMember 2018-01-01 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:AccountsReceivableOtherNetMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:TradeAccountsReceivableMember 2018-09-30 0001032208 sre:AccountsReceivableOtherNetMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember 2018-01-01 0001032208 2018-01-01  
0001032208 us-gaap:TradeAccountsReceivableMember 2018-09-30 0001032208  
sre:DueFromRelatedPartiesCurrentMember 2018-01-01 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:AccountsReceivableOtherNetMember 2018-01-01 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:DueFromRelatedPartiesCurrentMember 2018-09-30 0001032208 sre:DueFromRelatedPartiesCurrentMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:TradeAccountsReceivableMember  
2018-09-30 0001032208 sre:AssetsHeldforsaleMember 2018-01-01 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:DueFromRelatedPartiesCurrentMember 2018-01-01 0001032208  
sre:AccountsReceivableOtherNetMember 2018-01-01 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
2018-01-01 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:AccountsReceivableOtherNetMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:TradeAccountsReceivableMember  
2018-01-01 0001032208 sre:AssetsHeldforsaleMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:AccountsReceivableOtherNetMember 2018-01-01 0001032208  
srt:MinimumMember sre:SempraRenewablesMember 2018-09-30 0001032208 srt:MaximumMember  
sre:SempraRenewablesMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:CapitalStructureCommonEquityMember sre:CaliforniaPublicUtilitiesCommissionMember  
us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:CapitalStructureLongTermDebtMember sre:CaliforniaPublicUtilitiesCommissionMember  
us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CapitalStructureCommonEquityMember  
sre:CaliforniaPublicUtilitiesCommissionMember us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember sre:CapitalStructurePreferredStockMember  
sre:CaliforniaPublicUtilitiesCommissionMember us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:CapitalStructureLongTermDebtMember  
sre:CaliforniaPublicUtilitiesCommissionMember us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:CapitalStructurePreferredStockMember  
sre:CaliforniaPublicUtilitiesCommissionMember us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember sre:CaliforniaPublicUtilitiesCommissionMember  
us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CaliforniaPublicUtilitiesCommissionMember  
us-gaap:ScenarioForecastMember 2018-01-01 2019-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:CaliforniaPublicUtilitiesCommissionMember 2018-01-01 2018-09-30 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SanDiegoGasAndElectricCompanyMember sre:CaliforniaPublicUtilitiesCommissionMember 2018-01-01  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember 2018-04-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:MaximumMember 2018-04-01 2018-04-30 0001032208  
sre:SempraMexicoMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ScenarioForecastMember 2019-01-01 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:ScenarioForecastMember 2019-01-01 2019-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:GeneralRateCaseMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:FutureRefundofRatestoCustomersMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2017-10-06 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:GeneralRateCaseMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-04-01  
2018-04-30 0001032208 sre:SouthernCaliforniaGasCompanyMember 2017-10-06 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2018-04-01 2018-04-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:MinimumMember 2017-10-06 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:FutureRefundofRatestoCustomersMember 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember srt:MinimumMember 2018-04-01 2018-04-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:OtayMesaEnergyCenterMember 2018-04-01 2018-04-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember srt:MinimumMember 2017-10-06 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:FutureRefundofRatestoCustomersFERCMember 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember srt:MaximumMember 2017-10-06 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2017-10-06 2017-10-06 0001032208  
sre:SouthernCaliforniaGasCompanyMember 2017-10-06 2017-10-06 0001032208  
sre:SanDiegoGasAndElectricCompanyMember 2018-04-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:MaximumMember 2017-10-06 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:LossOnReacquiredDebtMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:PensionAndOtherPostretirementBenefitObligationsMember  
2018-09-30 0001032208 sre:SempraMexicoMember us-gaap:DeferredIncomeTaxChargesMember 2017-12-31  
0001032208 sre:SempraMexicoMember sre:OtherRegulatoryAssetsMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:RegulatoryBalancingAccountsSafetyandReliabilityMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:DeferredIncomeTaxChargesMember  
2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:OtherMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:EnvironmentalRestorationCostsMember 2017-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:RegulatoryBalancingAccountsSafetyandReliabilityMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AssetRetirementObligationCostsMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:RegulatoryBalancingAccountsPublicPurposeProgramsMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:DeferredIncomeTaxChargesMember 2017-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember sre:RegulatoryBalancingAccountsOtherMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:NetRegulatoryAssetsLiabilitiesSoCalGasMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:OtherMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:OtherMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:NetRegulatoryAssetsLiabilitiesSDGEMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:AssetRetirementObligationCostsMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:RegulatoryBalancingAccountsPublicPurposeProgramsMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:PensionAndOtherPostretirementBenefitObligationsMember  
2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:RegulatoryBalancingAccountsPublicPurposeProgramsMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:RegulatoryBalancingAccountsGasTransportationMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:RegulatoryBalancingAccountsOtherMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:RegulatoryBalancingAccountsGasTransportationMember  
2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:SunrisePowerlinkFireMitigationMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:PensionAndOtherPostretirementBenefitObligationsMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:LossOnReacquiredDebtMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:RegulatoryBalancingAccountsSafetyandReliabilityMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:EnvironmentalRestorationCostsMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:RegulatoryBalancingAccountsSafetyandReliabilityMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:WorkersCompensationCostsMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:EmployeeBenefitCostsMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:DeferredIncomeTaxChargesMember  
2018-09-30 0001032208 sre:SempraMexicoMember us-gaap:DeferredIncomeTaxChargesMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:LossOnReacquiredDebtMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:NetRegulatoryAssetsLiabilitiesSDGEMember  
2017-12-31 0001032208 sre:NetRegulatoryAssetsLiabilitiesSempraEnergyConsolidatedMember 2017-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:RegulatoryBalancingAccountsCommoditiesGasandTransportationMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:DeferredIncomeTaxChargesMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:LossOnReacquiredDebtMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:AssetRetirementObligationCostsMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:EnvironmentalRestorationCostsMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:WorkersCompensationCostsMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:RegulatoryBalancingAccountsOtherMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:OtherMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:RegulatoryBalancingAccountsPublicPurposeProgramsMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:RegulatoryBalancingAccountsOtherMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:EnvironmentalRestorationCostsMember 2017-12-31  
0001032208 sre:NetRegulatoryAssetsLiabilitiesSempraEnergyConsolidatedMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:RegulatoryBalancingAccountsCommoditiesElectricityMember  
2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:FixedPriceContractsAndOtherDerivativesMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:SunrisePowerlinkFireMitigationMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:RegulatoryBalancingAccountsCommoditiesElectricityMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:EmployeeBenefitCostsMember 2018-09-30  
0001032208 sre:SempraMexicoMember sre:OtherRegulatoryAssetsMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:AssetRetirementObligationCostsMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:FixedPriceContractsAndOtherDerivativesMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:NetRegulatoryAssetsLiabilitiesSoCalGasMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember  
sre:RegulatoryBalancingAccountsCommoditiesGasandTransportationMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:PensionAndOtherPostretirementBenefitObligationsMember  
2018-09-30 0001032208 us-gaap:CommonStockMember sre:SettlementofForwardSaleContractsMember 2018-03-08  
2018-03-08 0001032208 sre:OncorHoldingsElectricDeliveryCompanyLLCMember  
sre:SempraTexasHoldingsCorpMember 2018-03-09 2018-03-09 0001032208  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasHoldingsCorpMember  
us-gaap:CommercialPaperMember 2018-03-08 2018-03-08 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember sre:SempraRenewablesMember 2018-06-01  
2018-06-30 0001032208 sre:FisterraMidstreamMexicoMember sre:SempraMexicoMember 2018-02-28 2018-02-28  
0001032208 sre:OncorElectricDeliveryCompanyLLC.Member sre:SempraTexasHoldingsCorpMember 2018-03-09  
0001032208 sre:CompanaTransmisoradelNorteGrandeS.A.Member sre:SempraSouthAmericanUtilitiesMember  
2018-06-29 0001032208 sre:FisterraMidstreamMexicoMember sre:SempraMexicoMember 2018-02-28 0001032208  
sre:CompanaTransmisoradelNorteGrandeS.A.Member sre:DoublecircuitTransmissionLineMember  
sre:SempraSouthAmericanUtilitiesMember 2018-06-29 2018-06-29 0001032208 us-gaap:CommonStockMember  
2018-03-08 2018-03-08 0001032208 sre:TrafiguraMexicoS.A.deC.V.SubsidiaryMember sre:SempraMexicoMember  
2018-09-26 0001032208 srt:MinimumMember sre:TrafiguraMexicoS.A.deC.V.SubsidiaryMember  
sre:SempraMexicoMember 2018-09-26 0001032208 srt:MaximumMember  
sre:TrafiguraMexicoS.A.deC.V.SubsidiaryMember sre:SempraMexicoMember 2018-09-26 0001032208  
sre:InfraREITAcquisitionMember sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember 2018-10-18  
2018-10-18 0001032208 us-gaap:OperatingSegmentsMember sre:WindandSolarInvestmentsMember  
sre:SempraRenewablesMember 2018-09-30 0001032208 sre:InfraREITPartnersMember  
sre:InfraREITAcquisitionMember sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember 2018-10-18  
0001032208 sre:GreatValleySolarMember sre:SempraRenewablesMember 2017-07-10 2017-07-10 0001032208  
sre:SempraTexasIntermediateHoldingCompanyLLCMember  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember  
sre:OncorElectricDeliveryCompanyLLCAdditionalAcquisitionMember 2018-03-09 2018-03-09 0001032208  
sre:GreatValleySolarMember sre:SempraRenewablesMember 2017-07-10 0001032208  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasHoldingsCorpMember  
us-gaap:CommercialPaperMember 2018-03-08 0001032208 sre:SharylandUtilitiesMember  
sre:SharylandHoldingsLPMember sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember 2018-10-18  
0001032208 sre:BayGasMember us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:NonutilityNaturalgasStorageAssetsMember sre:SempraLNGMidstreamMember 2018-06-25 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember 2018-06-01 2018-06-30 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member sre:OncorHoldingsElectricDeliveryCompanyLLCMember  
sre:OncorElectricDeliveryCompanyLLCAdditionalAcquisitionMember 2018-03-09 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:NonutilityNaturalgasStorageAssetsMember sre:SempraLNGMidstreamMember 2018-06-25 0001032208  
sre:InfraREITMember sre:InfraREITAcquisitionMember sre:SempraTexasUtilityMember  
us-gaap:SubsequentEventMember 2018-10-18 0001032208 sre:CompanaTransmisoradelNorteGrandeS.A.Member  
sre:SempraSouthAmericanUtilitiesMember 2018-06-29 2018-06-29 0001032208  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:SempraTexasHoldingsCorpMember 2018-03-09  
0001032208 us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:SolarAssetsandOneWindGenerationFacilityMember sre:SempraRenewablesMember 2018-09-20 0001032208  
sre:TermoelectricaDeMexicaliMember sre:SempraMexicoMember 2016-02-01 2016-02-29 0001032208  
sre:SempraTexasHoldingsCorpMember 2018-01-01 2018-01-31 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member sre:OncorHoldingsElectricDeliveryCompanyLLCMember  
sre:OncorElectricDeliveryCompanyLLCAdditionalAcquisitionMember 2018-03-09 2018-03-09 0001032208  
sre:SharylandHoldingsLPMember sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember 2018-10-18  
2018-10-18 0001032208 sre:SharylandHoldingsLPMember us-gaap:SubsequentEventMember 2018-10-18  
0001032208 sre:InfraREITAcquisitionMember sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember  
2018-10-18 0001032208 2018-01-01 2018-01-31 0001032208 sre:SharylandHoldingsLPMember  
sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember 2018-10-18 0001032208  
sre:CompanaTransmisoradelNorteGrandeS.A.Member sre:SinglecircuitTransmissionLineMember  
sre:SempraSouthAmericanUtilitiesMember 2018-06-29 2018-06-29 0001032208  
sre:TexasTransmissionInvestmentLLCMember sre:OncorElectricDeliveryCompanyLLC.Member  
sre:SempraTexasHoldingsCorpMember 2018-03-09 0001032208 sre:OtherJointlyWindGenerationFacilitiesMember  
sre:SempraRenewablesMember 2018-09-30 0001032208 sre:SharylandUtilitiesMember  
sre:SharylandHoldingsLPMember sre:SempraTexasUtilityMember us-gaap:SubsequentEventMember 2018-10-18

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-10-18 0001032208 us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:NonutilityNaturalgasStorageAssetsMember sre:SempraLNGMidstreamMember 2018-09-30 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember sre:WindandSolarInvestmentsMember  
sre:SempraRenewablesMember 2018-09-30 0001032208 sre:OncorHoldingsElectricDeliveryCompanyLLCMember  
2018-03-09 0001032208 sre:OncorHoldingsElectricDeliveryCompanyLLCMember 2018-03-09 2018-03-09  
0001032208 sre:OncorHoldingsElectricDeliveryCompanyLLCMember  
sre:OncorElectricDeliveryCompanyLLC.Member sre:SempraTexasHoldingsCorpMember 2018-03-09 2018-03-09  
0001032208 sre:OncorHoldingsElectricDeliveryCompanyLLCMember 2018-03-09 2018-09-30 0001032208  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember 2018-07-01 2018-09-30 0001032208 2018-03-09  
2018-09-30 0001032208 sre:CameronLNGMember us-gaap:CorporateJointVentureMember  
sre:SempraLNGMidstreamMember 2017-01-01 2017-09-30 0001032208 sre:CameronLNGMember  
us-gaap:CorporateJointVentureMember sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member 2018-03-09 2018-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember us-gaap:CorporateJointVentureMember sre:SempraMexicoMember  
2017-01-01 2017-09-30 0001032208 sre:EletransMember us-gaap:CorporateJointVentureMember  
sre:SempraSouthAmericanUtilitiesMember 2017-01-01 2017-03-31 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member 2018-07-01 2018-09-30 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member 2018-04-23 2018-04-23 0001032208  
sre:OncorElectricDeliveryCompanyLLC.Member us-gaap:SubsequentEventMember 2018-11-02 2018-11-02  
0001032208 sre:WindInvestmentsMember sre:SempraRenewablesMember 2018-01-01 2018-09-30 0001032208  
sre:InfraestructuraMarinadelGolfoMember us-gaap:CorporateJointVentureMember sre:SempraMexicoMember  
2018-01-01 2018-09-30 0001032208 sre:RBSSempraCommoditiesMember 2018-09-01 2018-09-30 0001032208  
sre:EletransMember us-gaap:CorporateJointVentureMember sre:SempraSouthAmericanUtilitiesMember 2017-01-01  
2017-09-30 0001032208 sre:SempraTexasHoldingsCorpMember  
sre:FloatingRateNotesDueTwentyTwentyOneMember 2018-01-12 0001032208  
sre:SempraTexasHoldingsCorpMember sre:FourPercentSeniorNotesDueTwentyFortyEightMember 2018-01-12  
0001032208 sre:SempraTexasHoldingsCorpMember  
sre:TwoPointNinePercentSeniorNotesDueTwentyTwentyThreeMember 2018-01-12 0001032208  
sre:SempraTexasHoldingsCorpMember sre:TwoPointFourPercentSeniorNotesDueTwentyTwentyMember 2018-01-12  
0001032208 sre:SempraTexasHoldingsCorpMember sre:FloatingRateNotesDueTwentyNineteenMember 2018-01-12  
0001032208 sre:SempraTexasHoldingsCorpMember  
sre:ThreePointEightPercentSeniorNotesDueTwentyTwentyEightMember 2018-01-12 0001032208  
sre:SempraTexasHoldingsCorpMember sre:ThreePointFourPercentSeniorNotesDueTwentyTwentyEightMember  
2018-01-12 0001032208 sre:FourPointThreePercentBankLoansDueTwentyTwentyMember  
sre:SempraSouthAmericanUtilitiesMember 2018-09-30 0001032208  
sre:FourPointNineSixPercentBankLoansDueTwentyTwentyOneMember sre:SempraSouthAmericanUtilitiesMember  
2018-07-31 0001032208 sre:FourPointThreeTwoPercentBankLoansDueTwentyTwentyOneMember  
sre:SempraSouthAmericanUtilitiesMember 2018-06-30 0001032208  
sre:FourPointNineSixPercentBankLoansDueTwentyTwentyOneMember sre:SempraSouthAmericanUtilitiesMember  
2018-07-01 2018-07-31 0001032208 sre:FourPointThreeTwoPercentBankLoansDueTwentyTwentyOneMember  
sre:SempraSouthAmericanUtilitiesMember 2018-06-01 2018-06-30 0001032208  
sre:FourPointFourPercentBankLoansDueTwentyTwentyMember sre:SempraSouthAmericanUtilitiesMember  
2018-09-01 2018-09-30 0001032208 sre:FourPointThreePercentBankLoansDueTwentyTwentyMember  
sre:SempraSouthAmericanUtilitiesMember 2018-09-01 2018-09-30 0001032208  
sre:FourPointFourPercentBankLoansDueTwentyTwentyMember sre:SempraSouthAmericanUtilitiesMember  
2018-09-30 0001032208 sre:SempraEnergyMember 2018-09-30 0001032208  
sre:CaliforniaUtilitiesCombinedMember 2018-09-30 0001032208 sre:CaliforniaUtilitiesCombinedMember  
us-gaap:CommercialPaperMember 2018-09-30 0001032208 sre:SempraU.S.BusinessesMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:CommercialPaperMember 2018-09-30  
0001032208 sre:SempraGlobalMember 2018-09-30 0001032208 sre:SempraGlobalMember  
us-gaap:CommercialPaperMember 2018-09-30 0001032208 sre:SempraEnergyMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:CommercialPaperMember 2018-09-30 0001032208 sre:SempraU.S.BusinessesMember  
us-gaap:CommercialPaperMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:CommercialPaperMember 2018-09-30 0001032208 sre:SouthAmericanUtilitiesandMexicoCombinedMember  
2018-09-30 0001032208 sre:SempraSouthAmericanUtilitiesMember country:PE 2018-09-30 0001032208  
sre:SempraSouthAmericanUtilitiesMember country:CL 2018-09-30 0001032208  
sre:SempraenergyconsolidatedMember 2017-12-31 0001032208 sre:SempraGlobalMember 2018-01-17 0001032208  
sre:FourPointOneTwoFivePercentFirstMortgageBondsMaturingTwentyFortyEightMember  
sre:SouthernCaliforniaGasCompanyMember 2018-05-15 2018-05-15 0001032208 sre:SempraGlobalMember  
2018-01-17 2018-01-17 0001032208 sre:SempraEnergyMember 2018-01-17 2018-01-17 0001032208  
sre:SempraTexasHoldingsCorpMember sre:FloatingRateNotesDueTwentyNineteenMember  
us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-12 2018-01-12 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember sre:SempraRenewablesMember 2018-09-30  
0001032208 sre:SempraenergyconsolidatedMember 2018-09-30 0001032208 2018-01-12 2018-01-12 0001032208  
sre:FourPointThreePercentFirstMortgageBondsMaturingTwentyFortyNineMember  
sre:SouthernCaliforniaGasCompanyMember 2018-09-24 2018-09-24 0001032208  
sre:SempraTexasHoldingsCorpMember 2018-01-12 0001032208 sre:SempraEnergyMember 2018-01-16 0001032208  
sre:FourPointOneTwoFivePercentFirstMortgageBondsMaturingTwentyFortyEightMember  
sre:SouthernCaliforniaGasCompanyMember 2018-05-15 0001032208  
sre:FourPointThreePercentFirstMortgageBondsMaturingTwentyFortyNineMember  
sre:SouthernCaliforniaGasCompanyMember 2018-09-24 0001032208 sre:SempraGlobalMember 2018-01-16  
0001032208 sre:SempraTexasHoldingsCorpMember 2018-01-12 2018-01-12 0001032208  
sre:SempraTexasHoldingsCorpMember sre:FloatingRateNotesDueTwentyTwentyOneMember  
us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-12 2018-01-12 0001032208  
sre:SempraEnergyMember 2018-01-17 0001032208  
sre:FourPointOneFivePercentFirstMortgageBondsMaturingTwentyFortyEightMember  
sre:SanDiegoGasAndElectricCompanyMember 2018-05-17 0001032208  
sre:FourPointOneFivePercentFirstMortgageBondsMaturingTwentyFortyEightMember  
sre:SanDiegoGasAndElectricCompanyMember 2018-05-17 2018-05-17 0001032208 sre:SempraMexicoMember  
us-gaap:RevolvingCreditFacilityMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember 2017-12-31 0001032208 us-gaap:ForeignExchangeMember  
2017-12-31 0001032208 us-gaap:ForeignExchangeMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentLiabilitiesMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:NondesignedMember 2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:NondesignedMember 2017-12-31 0001032208  
us-gaap:OtherCurrentAssetsMember 2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherCurrentAssetsMember us-gaap:NondesignedMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentAssetsMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentLiabilitiesMember us-gaap:NondesignedMember  
2017-12-31 0001032208 us-gaap:OtherNoncurrentAssetsMember us-gaap:NondesignedMember 2017-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentAssetsMember 2017-12-31  
0001032208 us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:NondesignedMember 2017-12-31 0001032208  
us-gaap:OtherNoncurrentLiabilitiesMember 2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherCurrentAssetsMember 2017-12-31 0001032208 us-gaap:OtherCurrentAssetsMember  
us-gaap:NondesignedMember 2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherCurrentLiabilitiesMember 2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:NondesignedMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherNoncurrentAssetsMember 2017-12-31 0001032208



Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentAssetsMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentAssetsMember  
us-gaap:NondesignatedMember 2017-12-31 0001032208 us-gaap:OtherCurrentLiabilitiesMember 2017-12-31  
0001032208 us-gaap:OtherNoncurrentAssetsMember 2017-12-31 0001032208  
us-gaap:OtherCurrentLiabilitiesMember us-gaap:NondesignatedMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentLiabilitiesMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentAssetsMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentLiabilitiesMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherNoncurrentAssetsMember us-gaap:NondesignatedMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherNoncurrentLiabilitiesMember  
2017-12-31 0001032208 us-gaap:OtherCurrentLiabilitiesMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0001032208 us-gaap:OtherCurrentAssetsMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0001032208 us-gaap:OtherNoncurrentAssetsMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentAssetsMember  
us-gaap:NondesignatedMember 2017-12-31 0001032208 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember 2018-09-30 0001032208 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember 2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember 2018-09-30 0001032208 us-gaap:CommodityContractMember  
us-gaap:NondesignatedMember us-gaap:OperatingExpenseMember 2017-01-01 2017-09-30 0001032208  
us-gaap:CommodityContractMember us-gaap:NondesignatedMember us-gaap:SalesMember 2017-07-01 2017-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:CommodityContractMember  
us-gaap:NondesignatedMember us-gaap:OperatingExpenseMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommodityContractMember us-gaap:NondesignatedMember  
us-gaap:OperatingExpenseMember 2017-01-01 2017-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2017-07-01 2017-09-30 0001032208  
us-gaap:CommodityContractMember us-gaap:NondesignatedMember us-gaap:OperatingExpenseMember 2018-01-01  
2018-09-30 0001032208 us-gaap:CommodityContractMember us-gaap:NondesignatedMember  
us-gaap:OperatingExpenseMember 2018-07-01 2018-09-30 0001032208 us-gaap:ForeignExchangeMember  
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2018-01-01 2018-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2017-01-01 2017-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfNaturalGasMember 2017-01-01 2017-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:NondesignatedMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommodityContractMember us-gaap:NondesignatedMember  
us-gaap:OperatingExpenseMember 2018-07-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfNaturalGasMember 2017-07-01 2017-09-30 0001032208 us-gaap:ForeignExchangeMember  
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0001032208  
us-gaap:CommodityContractMember us-gaap:NondesignatedMember us-gaap:SalesMember 2018-01-01 2018-09-30  
0001032208 sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2018-01-01 2018-09-30 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:ForeignExchangeMember us-gaap:NondesignatedMember sre:EquityEarningsNetOfIncomeTaxMember  
2017-07-01 2017-09-30 0001032208 us-gaap:NondesignatedMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:NondesignatedMember sre:CostOfNaturalGasMember 2018-01-01 2018-09-30 0001032208  
us-gaap:NondesignatedMember 2017-07-01 2017-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfNaturalGasMember 2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2017-01-01 2017-09-30 0001032208  
us-gaap:ForeignExchangeMember us-gaap:NondesignatedMember sre:EquityEarningsNetOfIncomeTaxMember  
2018-07-01 2018-09-30 0001032208 us-gaap:ForeignExchangeMember us-gaap:NondesignatedMember  
sre:EquityEarningsNetOfIncomeTaxMember 2018-01-01 2018-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfNaturalGasMember 2018-07-01 2018-09-30 0001032208 us-gaap:ForeignExchangeMember  
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:NondesignatedMember 2018-07-01 2018-09-30 0001032208  
us-gaap:ForeignExchangeMember us-gaap:NondesignatedMember sre:EquityEarningsNetOfIncomeTaxMember  
2017-01-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2018-07-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:NondesignatedMember sre:CostOfElectricFuelAndPurchasedPowerMember 2018-01-01 2018-09-30  
0001032208 us-gaap:NondesignatedMember 2017-01-01 2017-09-30 0001032208 us-gaap:ForeignExchangeMember  
us-gaap:NondesignatedMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:NondesignatedMember sre:CostOfNaturalGasMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:NondesignatedMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CommodityContractMember us-gaap:NondesignatedMember us-gaap:SalesMember 2017-01-01 2017-09-30  
0001032208 us-gaap:NondesignatedMember 2018-07-01 2018-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfNaturalGasMember 2017-07-01 2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfElectricFuelAndPurchasedPowerMember 2017-07-01 2017-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:CommodityContractMember us-gaap:NondesignatedMember  
us-gaap:OperatingExpenseMember 2017-07-01 2017-09-30 0001032208  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:NondesignatedMember  
sre:CostOfNaturalGasMember 2018-01-01 2018-09-30 0001032208 us-gaap:CommodityContractMember  
us-gaap:NondesignatedMember us-gaap:SalesMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:NondesignatedMember 2017-07-01 2017-09-30 0001032208  
us-gaap:CommodityContractMember us-gaap:NondesignatedMember us-gaap:OperatingExpenseMember 2017-07-01  
2017-09-30 0001032208 sre:SDGESegmentMember sre:NaturalGasDerivativeMember 2017-01-01 2017-12-31  
0001032208 sre:NaturalGasDerivativeMember 2018-01-01 2018-09-30 0001032208 sre:SDGESegmentMember  
sre:CongestionRevenueRightsDerivativeMember 2018-01-01 2018-09-30 0001032208  
sre:CongestionRevenueRightsDerivativeMember 2018-01-01 2018-09-30 0001032208 sre:SDGESegmentMember  
sre:ElectricEnergyDerivativeMember 2017-01-01 2017-12-31 0001032208 sre:ElectricEnergyDerivativeMember  
2017-01-01 2017-12-31 0001032208 sre:NaturalGasDerivativeMember 2017-01-01 2017-12-31 0001032208  
sre:SDGESegmentMember sre:ElectricEnergyDerivativeMember 2018-01-01 2018-09-30 0001032208  
sre:SDGESegmentMember sre:NaturalGasDerivativeMember 2018-01-01 2018-09-30 0001032208  
sre:ElectricEnergyDerivativeMember 2018-01-01 2018-09-30 0001032208  
sre:CongestionRevenueRightsDerivativeMember 2017-01-01 2017-12-31 0001032208 sre:SDGESegmentMember  
sre:CongestionRevenueRightsDerivativeMember 2017-01-01 2017-12-31 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentAssetsMember  
us-gaap:NondesignatedMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:NondesignatedMember 2018-09-30 0001032208  
us-gaap:OtherCurrentAssetsMember us-gaap:NondesignatedMember 2018-09-30 0001032208  
us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:NondesignatedMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentAssetsMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherNoncurrentAssetsMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentAssetsMember us-gaap:NondesignatedMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:NondesignatedMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherCurrentAssetsMember us-gaap:NondesignatedMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentAssetsMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherNoncurrentLiabilitiesMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentLiabilitiesMember 2018-09-30 0001032208  
us-gaap:OtherNoncurrentLiabilitiesMember 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:OtherNoncurrentLiabilitiesMember 2018-09-30 0001032208 us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:NondesignatedMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherNoncurrentLiabilitiesMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30  
0001032208 us-gaap:OtherCurrentAssetsMember 2018-09-30 0001032208 us-gaap:OtherCurrentAssetsMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:NondesignatedMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherCurrentAssetsMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherCurrentLiabilitiesMember 2018-09-30 0001032208  
us-gaap:OtherNoncurrentAssetsMember us-gaap:NondesignatedMember 2018-09-30 0001032208  
us-gaap:OtherNoncurrentAssetsMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherCurrentAssetsMember 2018-09-30 0001032208 us-gaap:OtherCurrentLiabilitiesMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherNoncurrentLiabilitiesMember  
us-gaap:NondesignatedMember 2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:OtherNoncurrentAssetsMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:OtherNoncurrentAssetsMember us-gaap:NondesignatedMember  
2018-09-30 0001032208 us-gaap:OtherNoncurrentLiabilitiesMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208 us-gaap:OtherNoncurrentAssetsMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0001032208 sre:OtayMesaVieMember  
us-gaap:NoncontrollingInterestMember 2018-01-01 2018-09-30 0001032208 us-gaap:EquityMethodInvesteeMember  
2018-01-01 2018-09-30 0001032208 us-gaap:ForeignExchangeMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:SalesMember 2017-01-01 2017-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:InterestExpenseMember 2018-07-01 2018-09-30  
0001032208 us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:InterestExpenseMember 2018-01-01 2018-09-30  
0001032208 us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember  
us-gaap:InterestExpenseMember 2017-01-01 2017-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember sre:EquityEarningsNetOfIncomeTaxMember 2017-07-01

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember  
us-gaap:InterestExpenseMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30  
0001032208 us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember 2017-07-01  
2017-09-30 0001032208 us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-01-01 2017-09-30 0001032208 us-gaap:CrossCurrencyInterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:OtherIncomeMember  
2018-01-01 2018-09-30 0001032208 us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember sre:EquityEarningsNetOfIncomeTaxMember 2018-07-01  
2018-09-30 0001032208 us-gaap:ForeignExchangeMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:SalesMember 2017-07-01 2017-09-30 0001032208  
us-gaap:ForeignExchangeMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:SalesMember 2018-07-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:InterestExpenseMember 2017-07-01 2017-09-30  
0001032208 us-gaap:CommodityContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:SalesMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember sre:EquityEarningsNetOfIncomeTaxMember 2018-01-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember  
us-gaap:InterestExpenseMember 2018-07-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember sre:EquityEarningsNetOfIncomeTaxMember 2017-01-01  
2017-09-30 0001032208 us-gaap:CommodityContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:SalesMember 2017-01-01 2017-09-30 0001032208  
us-gaap:ForeignExchangeMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:SalesMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:InterestExpenseMember 2017-01-01 2017-09-30  
0001032208 us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-07-01  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember  
us-gaap:InterestExpenseMember 2017-07-01 2017-09-30 0001032208  
us-gaap:CrossCurrencyInterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30  
0001032208 srt:MinimumMember us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
2017-01-01 2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember srt:MinimumMember  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember 2018-01-01 2018-09-30 0001032208  
srt:MinimumMember us-gaap:CrossCurrencyInterestRateContractMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:MaximumMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember 2017-01-01 2017-12-31 0001032208 srt:MinimumMember  
us-gaap:CrossCurrencyInterestRateContractMember 2017-01-01 2017-12-31 0001032208 srt:MaximumMember  
us-gaap:CrossCurrencyInterestRateContractMember 2018-01-01 2018-09-30 0001032208 srt:MaximumMember  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:MinimumMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember 2017-01-01 2017-12-31 0001032208 srt:MinimumMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:ForeignExchangeMember 2018-01-01 2018-09-30 0001032208 srt:MinimumMember  
us-gaap:ForeignExchangeMember 2017-01-01 2017-12-31 0001032208 srt:MaximumMember  
us-gaap:ForeignExchangeMember 2017-01-01 2017-12-31 0001032208 srt:MaximumMember  
us-gaap:CrossCurrencyInterestRateContractMember 2017-01-01 2017-12-31 0001032208 srt:MinimumMember  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:MaximumMember us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember 2018-01-01 2018-09-30 0001032208 srt:MaximumMember  
us-gaap:ForeignExchangeMember 2018-01-01 2018-09-30 0001032208 srt:MaximumMember  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember 2017-01-01 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:MinimumMember us-gaap:ScenarioForecastMember 2018-01-01  
2018-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember srt:MaximumMember 2017-01-01  
2017-12-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember srt:MaximumMember  
us-gaap:ScenarioForecastMember 2018-01-01 2018-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember srt:MinimumMember 2017-01-01 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208



Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:CommodityContractsNotSubjectToRateRecoveryMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:CommodityContractsNotSubjectToRateRecoveryMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:CommodityContractsNotSubjectToRateRecoveryMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:InterestRateAndForeignExchangeContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-09-30 0001032208  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:CarryingReportedAmountFairValueDisclosureMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-09-30 0001032208 srt:MinimumMember  
2017-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-09-30 0001032208  
us-gaap:FairValueMeasuredAtNetAssetValuePerShareMember 2018-09-30 0001032208 srt:MinimumMember  
2018-09-30 0001032208 us-gaap:CarryingReportedAmountFairValueDisclosureMember sre:OtayMesaVieMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2017-12-31 0001032208 srt:MaximumMember  
2017-09-30 0001032208 srt:MaximumMember 2018-09-30 0001032208  
us-gaap:CarryingReportedAmountFairValueDisclosureMember sre:OtayMesaVieMember 2018-09-30 0001032208  
us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30  
0001032208 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
2017-12-31 0001032208 us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:EstimateOfFairValueFairValueDisclosureMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31  
0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueMeasurementsRecurringMember  
2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:CommodityContractsSubjectToRateRecoveryMember us-gaap:FairValueMeasurementsRecurringMember  
2017-12-31 0001032208 sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:CommodityContractsSubjectToRateRecoveryMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:NonutilityNaturalgasStorageAssetsMember  
sre:SempraLNGMidstreamMember us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25  
0001032208 us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:WindGenerationProjectsMember  
sre:SempraRenewablesMember us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:NonutilityNaturalgasStorageAssetsMember sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30  
0001032208 sre:LAStorageMember us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:NonutilityNaturalgasStorageAssetsMember sre:SempraLNGMidstreamMember 2018-06-25 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember



Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:FairValueMeasurementsNonrecurringMember sre:LAStorageMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-09-30 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:WindGenerationProjectsMember  
sre:SempraRenewablesMember us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-09-30 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:NonutilityNaturalgasStorageAssetsMember  
sre:SempraLNGMidstreamMember us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-09-30  
0001032208 us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
sre:WindGenerationProjectsMember sre:SempraRenewablesMember 2018-01-01 2018-09-30 0001032208  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:NonutilityNaturalgasStorageAssetsMember  
us-gaap:MeasurementInputDiscountRateMember sre:SempraLNGMidstreamMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208 srt:MinimumMember  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:WindGenerationProjectsMember  
us-gaap:MeasurementInputDiscountRateMember sre:SempraRenewablesMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208 srt:MaximumMember  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:WindGenerationProjectsMember  
us-gaap:MeasurementInputDiscountRateMember sre:SempraRenewablesMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208 srt:MaximumMember  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:WindGenerationProjectsMember  
us-gaap:MeasurementInputCommodityMarketPriceMember sre:SempraRenewablesMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208 srt:MinimumMember  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:WindGenerationProjectsMember  
us-gaap:MeasurementInputCommodityMarketPriceMember sre:SempraRenewablesMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208 srt:MinimumMember  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:NonutilityNaturalgasStorageAssetsMember  
sre:MeasurementInputStorageRateMember sre:SempraLNGMidstreamMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208 srt:MaximumMember  
us-gaap:DisposalGroupHeldforsaleNotDiscontinuedOperationsMember  
us-gaap:FairValueMeasurementsNonrecurringMember sre:NonutilityNaturalgasStorageAssetsMember  
sre:MeasurementInputStorageRateMember sre:SempraLNGMidstreamMember  
us-gaap:ValuationTechniqueDiscountedCashFlowMember 2018-06-25 0001032208  
us-gaap:CashAndCashEquivalentsMember 2018-09-30 0001032208 us-gaap:OtherDebtSecuritiesMember 2018-09-30  
0001032208 us-gaap:OtherDebtSecuritiesMember 2017-12-31 0001032208 us-gaap:DebtSecuritiesMember  
2017-12-31 0001032208 us-gaap:DebtSecuritiesMember 2018-09-30 0001032208 us-gaap:EquitySecuritiesMember  
2018-09-30 0001032208 us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0001032208  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30 0001032208  
us-gaap:CashAndCashEquivalentsMember 2017-12-31 0001032208 us-gaap:USTreasuryAndGovernmentMember  
2018-09-30 0001032208 us-gaap:EquitySecuritiesMember 2017-12-31 0001032208  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:SONGS1DecommissioningMember 2018-03-01 2018-03-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:JointlyOwnedNuclearPowerPlantMember  
2016-05-01 2016-05-31 0001032208 sre:SONGS2and3DecommissioningMember 2018-03-01 2018-03-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-01-09 0001032208 2017-03-13 2017-03-13  
0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-01-04 0001032208

Edgar Filing: SEMPRA ENERGY - Form 10-Q

sre:SanDiegoGasAndElectricCompanyMember us-gaap:JointlyOwnedNuclearPowerPlantMember 2018-07-01  
2018-07-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2017-02-01  
2017-02-28 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-04-05 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:SONGS2and3DecommissioningMember 2018-03-01 2018-03-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2018-04-01 2018-04-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember 2017-03-13 2017-03-13 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2017-10-01 2017-10-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:JointlyOwnedNuclearPowerPlantMember 2016-05-31  
0001032208 sre:SanDiegoGasAndElectricCompanyMember us-gaap:AssetRetirementObligationCostsMember  
2018-09-30 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-01-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:SanOnofreNuclearGeneratingStationOutageMember  
us-gaap:JointlyOwnedNuclearPowerPlantMember 2018-07-26 2018-07-26 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:JointlyOwnedNuclearPowerPlantMember 2017-05-01  
2017-05-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember 2018-01-05 0001032208  
sre:SONGS1DecommissioningMember 2018-03-01 2018-03-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:JointlyOwnedNuclearPowerPlantMember 2018-03-01  
2018-03-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember  
us-gaap:JointlyOwnedNuclearPowerPlantMember 2017-10-01 2017-10-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember us-gaap:JointlyOwnedNuclearPowerPlantMember 2018-09-30  
0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2016-09-01 2016-09-30  
0001032208 sre:SanOnofreNuclearGeneratingStationOutageMember  
us-gaap:JointlyOwnedNuclearPowerPlantMember 2018-07-26 2018-07-26 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2016-04-18 2016-04-18 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2018-05-01 2018-05-31 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:TotalOwnershipMember 2018-03-01 2018-03-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:ComplaintsFiledbyPublicEntitiesMember sre:CivilPenaltiesMember  
2018-08-01 2018-08-31 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember 2016-10-21 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember  
us-gaap:SubsequentEventMember 2018-11-02 0001032208 sre:SouthernCaliforniaGasCompanyMember  
us-gaap:DamagesFromProductDefectsMember 2016-09-01 2016-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember 2018-09-30  
0001032208 us-gaap:PendingLitigationMember sre:HmrcVatClaimMember 2018-01-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:MaximumMember  
sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:ComplaintsFiledbyFirefightersMember  
sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember us-gaap:SubsequentEventMember 2018-10-01  
2018-10-31 0001032208 sre:SanDiegoGasAndElectricCompanyMember sre:WildfireMember 2017-09-30  
0001032208 sre:EnergyFutureHoldingsCorp.Member 2018-09-30 0001032208 sre:RBSSempraCommoditiesMember  
2018-09-30 0001032208 sre:PlaintiffsMember sre:HmrcVatClaimMember 2018-01-01 2018-09-30 0001032208  
sre:SanDiegoGasAndElectricCompanyMember sre:WildfireMember 2017-07-01 2017-09-30 0001032208  
sre:RBSSempraCommoditiesMember sre:HmrcVatClaimMember 2014-10-01 0001032208  
sre:ConsolidatedClassActionComplaintsMember 2017-01-01 2017-01-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember srt:MinimumMember  
sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:ComplaintsFiledbyPublicEntitiesMember  
sre:FundingforEnvironmentalProjectsMember 2018-08-01 2018-08-31 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember  
sre:CompressorStationMember 2018-09-30 0001032208 sre:PropertyClassActionMember 2017-01-01 2017-01-31  
0001032208 sre:ComplaintsFiledbyPublicEntitiesMember 2018-07-01 2018-09-30 0001032208  
sre:SouthernCaliforniaGasCompanyMember sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

us-gaap:SubsequentEventMember 2018-11-02 2018-11-02 0001032208 sre:SouthernCaliforniaGasCompanyMember  
sre:AlisoCanyonNaturalGasStorageFacilityGasLeakMember 2018-01-01 2018-09-30 0001032208  
sre:HmrcVatClaimMember 2018-01-01 2018-09-30 0001032208 us-gaap:PendingLitigationMember  
sre:HmrcVatClaimMember 2018-07-20 2018-07-20 0001032208 sre:SempraMexicoMember  
sre:LiquidFuelsTerminalsandRenewablesProjectsMember 2018-01-01 2018-09-30 0001032208  
sre:SempraLNGMidstreamMember sre:OperatingLeaseMember sre:NaturalGasContractsMember 2018-01-01  
2018-09-30 0001032208 sre:SempraMexicoMember sre:MarineTerminalinthePortofTopolobampoinSinaloaMember  
2018-01-01 2018-09-30 0001032208 sre:SempraLNGMidstreamMember sre:LiquefiedNaturalGasContractsMember  
2018-01-01 2018-09-30 0001032208 sre:SouthernCaliforniaGasCompanyMember sre:OperatingLeaseMember  
sre:InterstatePipelineAgreementsMember 2018-01-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SoCalGasSegmentMember 2017-07-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SempraMexicoSegmentMember 2017-01-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SoCalGasSegmentMember 2018-01-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SempraMexicoSegmentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SempraLNGMidstreamMember 2018-07-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SDGESegmentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SempraLNGMidstreamMember 2018-01-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SempraMexicoSegmentMember 2017-07-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SoCalGasSegmentMember 2017-01-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SoCalGasSegmentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SempraLNGMidstreamMember 2017-07-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SDGESegmentMember 2018-01-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember sre:SDGESegmentMember 2017-07-01 2017-09-30 0001032208  
sre:OncorHoldingsElectricDeliveryCompanyLLCMember sre:OncorElectricDeliveryCompanyLLC.Member  
sre:SempraTexasUtilityMember 2018-09-30 0001032208 us-gaap:IntersegmentEliminationMember  
sre:SempraLNGMidstreamMember 2017-01-01 2017-09-30 0001032208 us-gaap:IntersegmentEliminationMember  
sre:SempraMexicoSegmentMember 2018-01-01 2018-09-30 0001032208 us-gaap:IntersegmentEliminationMember  
sre:SDGESegmentMember 2017-01-01 2017-09-30 0001032208 us-gaap:CorporateNonSegmentMember 2017-01-01  
2017-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesSegmentMember 2017-07-01  
2017-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesSegmentMember  
2017-07-01 2017-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SDGESegmentMember 2017-07-01  
2017-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SoCalGasSegmentMember 2018-07-01 2018-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:SempraMexicoSegmentMember 2017-01-01 2017-09-30  
0001032208 us-gaap:OperatingSegmentsMember sre:SDGESegmentMember 2018-01-01 2018-09-30 0001032208  
us-gaap:CorporateNonSegmentMember 2018-07-01 2018-09-30 0001032208 us-gaap:CorporateNonSegmentMember  
2017-07-01 2017-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraMexicoSegmentMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SDGESegmentMember 2018-07-01  
2018-09-30 0001032208 us-gaap:CorporateNonSegmentMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember 2017-01-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember 2017-07-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember 2017-07-01 2017-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraSouthAmericanUtilitiesSegmentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SoCalGasSegmentMember 2017-07-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SDGESegmentMember 2017-01-01 2017-09-30 0001032208  
us-gaap:IntersegmentEliminationMember 2017-01-01 2017-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SoCalGasSegmentMember 2017-01-01 2017-09-30 0001032208 us-gaap:IntersegmentEliminationMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraMexicoSegmentMember  
2017-07-01 2017-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesSegmentMember  
2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraRenewablesSegmentMember  
2018-07-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SoCalGasSegmentMember 2018-01-01  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesSegmentMember

Edgar Filing: SEMPRA ENERGY - Form 10-Q

2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraSouthAmericanUtilitiesSegmentMember 2017-01-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraRenewablesSegmentMember 2017-01-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraMexicoSegmentMember 2018-07-01 2018-09-30 0001032208  
us-gaap:IntersegmentEliminationMember 2018-07-01 2018-09-30 0001032208  
us-gaap:MaterialReconcilingItemsMember 2018-01-01 2018-09-30 0001032208  
us-gaap:MaterialReconcilingItemsMember 2017-07-01 2017-09-30 0001032208  
us-gaap:MaterialReconcilingItemsMember 2018-07-01 2018-09-30 0001032208  
us-gaap:MaterialReconcilingItemsMember 2017-01-01 2017-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraLNGMidstreamMember 2017-12-31 0001032208 us-gaap:CorporateNonSegmentMember 2017-12-31  
0001032208 us-gaap:OperatingSegmentsMember sre:SoCalGasSegmentMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraRenewablesSegmentMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraTexasUtilityMember 2017-12-31 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraTexasUtilityMember 2017-01-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SDGSESegmentMember 2017-12-31 0001032208  
us-gaap:IntersegmentEliminationMember 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraTexasUtilityMember 2017-07-01 2017-09-30 0001032208 us-gaap:CorporateNonSegmentMember  
2018-09-30 0001032208 us-gaap:OperatingSegmentsMember sre:SempraMexicoSegmentMember 2017-12-31  
0001032208 us-gaap:OperatingSegmentsMember sre:SDGSESegmentMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesSegmentMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraTexasUtilityMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraRenewablesSegmentMember 2017-12-31 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraTexasUtilityMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraMexicoSegmentMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:AllOtherOperatingSegmentsMember 2017-07-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:AllOtherOperatingSegmentsMember 2017-01-01 2017-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraLNGMidstreamMember 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:AllOtherOperatingSegmentsMember 2018-07-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:AllOtherOperatingSegmentsMember 2018-01-01 2018-09-30 0001032208  
us-gaap:OperatingSegmentsMember sre:SempraSouthAmericanUtilitiesSegmentMember 2017-12-31 0001032208  
us-gaap:IntersegmentEliminationMember 2017-12-31 0001032208 us-gaap:OperatingSegmentsMember  
sre:SempraTexasUtilityMember 2018-01-01 2018-09-30 0001032208 us-gaap:OperatingSegmentsMember  
sre:SoCalGasSegmentMember 2017-12-31 iso4217:USD iso4217:USD xbrli:shares xbrli:shares xbrli:pure utreg:MW  
utreg:Rate sre:subsidiary sre:facility iso4217:MXN sre:line\_of\_credit utreg:MWh sre:ppa sre:kv utreg:Bcf  
utreg:MMBTU utreg:bbl sre:plaintiff sre:proof\_of\_claim utreg:t sre:lawsuit iso4217:GBP sre:segment

UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF  
1934  
For the September 30, 2018  
quarterly

period ended

or

[ ] TRANSITION REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF  
1934  
For  
the  
transition to  
period  
from

Commission File No.	Exact Name of Registrants as Specified in their Charters, Address and Telephone Number	State of Incorporation	I.R.S. Employer Identification Nos.	Former name, former address and former fiscal year, if changed since last report No change
1-14201	SEMPRA ENERGY 488 8 <sup>th</sup> Avenue San Diego, California 92101 (619) 696-2000	California	33-0732627	No change
1-03779	SAN DIEGO GAS & ELECTRIC COMPANY 8326 Century Park Court San Diego, California 92123 (619) 696-2000	California	95-1184800	No change
1-01402	SOUTHERN CALIFORNIA GAS COMPANY 555 West Fifth Street	California	95-1240705	No change

Los Angeles,  
California  
90013  
(213) 244-1200

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
Sempra Energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
San Diego Gas & Electric Company	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Southern California Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Company  
If an emerging  
growth company,  
indicate by check  
mark if the  
registrant has  
elected not to use  
the extended  
transition period  
for complying with  
any new or revised  
financial  
accounting  
standards provided  
pursuant to Section  
13(a) of the  
Exchange Act.

Sempra  
Yes No  
Energy  
San  
Diego  
Gas  
Yes No  
&  
Electric  
Company  
Southern  
California  
Yes No  
Gas  
Company

Indicate by check  
mark whether the  
registrant is a shell  
company (as  
defined in Rule  
12b-2 of the  
Exchange Act).

Sempra  
Yes No X  
Energy  
San  
Diego  
Gas  
Yes No X  
&  
Electric  
Company  
Southern No X  
California  
Gas



Company

Indicate the number of shares outstanding of each of the issuers' classes of common stock, as of the latest practicable date.

Common stock outstanding on November 1, 2018:

Sempra Energy 273,660,222 shares

San Diego Gas & Electric Company Wholly owned by Enova Corporation, which is wholly owned by Sempra Energy

Southern California Gas Company Wholly owned by Pacific Enterprises, which is wholly owned by Sempra Energy

SEMPRA ENERGY FORM 10-Q  
 SAN DIEGO GAS & ELECTRIC COMPANY FORM 10-Q  
 SOUTHERN CALIFORNIA GAS COMPANY FORM 10-Q  
 TABLE OF CONTENTS

<b><u>Information Regarding Forward-Looking Statements</u></b>	<i>Page</i> <u>6</u>
<b>PART I – FINANCIAL INFORMATION</b>	
Item 1. <u>Financial Statements</u>	<u>9</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>105</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>151</u>
Item 4. <u>Controls and Procedures</u>	<u>152</u>
<b>PART II – OTHER INFORMATION</b>	
Item 1. <u>Legal Proceedings</u>	<u>152</u>
Item 1A. <u>Risk Factors</u>	<u>152</u>
Item 6. <u>Exhibits</u>	<u>154</u>
<u>Signatures</u>	<u>157</u>

This combined Form 10-Q is separately filed by Sempra Energy, San Diego Gas & Electric Company and Southern California Gas Company. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes representations only as to itself and makes no other representation whatsoever as to any other company. You should read this report in its entirety as it pertains to each respective reporting company. No one section of the report deals with all aspects of the subject matter. Separate Part I – Item 1 sections are provided for each reporting company, except for the Notes to Condensed Consolidated Financial Statements. The Notes to Condensed Consolidated Financial Statements for all of the reporting companies are combined. All Items other than Part I – Item 1 are combined for the reporting companies.

## Edgar Filing: SEMPRA ENERGY - Form 10-Q

The following terms and abbreviations appearing in the text of this report have the meanings indicated below.

### GLOSSARY

2016 GRC FD	final decision in the California Utilities' 2016 General Rate Case
AB	Assembly Bill
AFUDC	allowance for funds used during construction
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2017
AOCI	accumulated other comprehensive income (loss)
ASC	Accounting Standards Codification
Asset Exchange Agreement	agreement and plan of merger among Oncor, SDTS and SU
ASU	Accounting Standards Update
Bay Gas	Bay Gas Storage Company, Ltd.
Bcf	billion cubic feet
BP	British Petroleum or its subsidiaries
bps	basis points
Cal PA	California Public Advocates Office (formerly known as ORA)
California Utilities	San Diego Gas & Electric Company and Southern California Gas Company, collectively
Cameron LNG JV	Cameron LNG Holdings, LLC
CARB	California Air Resources Board
CCA	Community Choice Aggregation
CCM	cost of capital adjustment mechanism
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CFE	Comisión Federal de Electricidad (Federal Electricity Commission in Mexico)
Chevron	Chevron Corporation or its subsidiaries
Chilquinta Energía	Chilquinta Energía S.A. and its subsidiaries
COFECE	Comisión Federal de Competencia Económica (Mexican Competition Commission)
Con Ed	Consolidated Edison, Inc.
CNE	Comisión Nacional de Energía (National Energy Commission) (Chile)
CPUC	California Public Utilities Commission
CRE	Comisión Reguladora de Energía (Energy Regulatory Commission in Mexico)
CRR	congestion revenue right
DA	Direct Access
DEN	Ductos y Energéticos del Norte, S. de R.L. de C.V.
DOE	U.S. Department of Energy
DOGGR	California Department of Conservation's Division of Oil, Gas, and Geothermal Resources
DPH	Los Angeles County Department of Public Health
Dth	dekatherm
ECA	Energía Costa Azul
Ecogas	Ecogas México, S. de R.L. de C.V.
Edison	Southern California Edison Company, a subsidiary of Edison International
EFH	Energy Future Holdings Corp. (renamed Sempra Texas Holdings Corp.)
EFIH	Energy Future Intermediate Holding Company LLC (renamed Sempra Texas Intermediate Holding Company LLC)
EIR	environmental impact review
Eletrans	Eletrans S.A., Eletrans II S.A. and Eletrans III S.A., collectively
EPA	U.S. Environmental Protection Agency
EPC	engineering, procurement and construction
EPS	earnings per common share
ERCOT	Electric Reliability Council of Texas, Inc., the independent system operator and the regional coordinator of various electricity systems within Texas
ETR	effective income tax rate
FERC	Federal Energy Regulatory Commission
FTA	Free Trade Agreement
GHG	greenhouse gas
GRC	General Rate Case
HLBV	hypothetical liquidation at book value
HMRC	United Kingdom's Revenue and Customs Department
IEnova	Infraestructura Energética Nova, S.A.B. de C.V.
IMG	Infraestructura Marina del Golfo

**GLOSSARY (CONTINUED)**

InfraREIT	InfraREIT, Inc.
InfraREIT Merger Agreement	agreement and plan of merger among Oncor, 1912 Merger Sub LLC (a wholly owned subsidiary of Oncor), Oncor T&D Partners, LP (a wholly owned indirect subsidiary of Oncor), InfraREIT and InfraREIT Partners
InfraREIT Partners	InfraREIT Partners, LP
IRC	U.S. Internal Revenue Code of 1986 (as amended)
IRS	Internal Revenue Service
ISFSI	independent spent fuel storage installation
ISO	Independent System Operator
JP Morgan	J.P. Morgan Chase & Co.
km	kilometer
kV	kilovolt
LA Storage	LA Storage, LLC
LA Superior Court	Los Angeles County Superior Court
the Leak	the leak at the SoCalGas Aliso Canyon natural gas storage facility injection-and-withdrawal well, SS25, discovered by SoCalGas on October 23, 2015
LNG	liquefied natural gas
LPG	liquid petroleum gas
Luz del Sur	Luz del Sur S.A.A. and its subsidiaries
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	The merger of EFH with an indirect subsidiary of Sempra Energy, with EFH continuing as the surviving company and as an indirect, wholly owned subsidiary of Sempra Energy
Merger Agreement	Agreement and Plan of Merger dated August 21, 2017, as supplemented by a Waiver Agreement dated October 3, 2017 and an amendment dated February 15, 2018, between Sempra Energy, EFH, EFH and an indirect subsidiary of Sempra Energy
Merger Consideration	Pursuant to the Merger Agreement, Sempra Energy paid consideration of \$9.45 billion in cash
MHI	Mitsubishi Heavy Industries, Ltd., Mitsubishi Nuclear Energy Systems, Inc., and Mitsubishi Heavy Industries America, Inc., collectively
Mississippi Hub	Mississippi Hub, LLC
MMBtu	million British thermal units (of natural gas)
Moody's	Moody's Investors Service
MOU	Memorandum of Understanding
Mtpa	million tonnes per annum
MW	megawatt
MWh	megawatt hour
NAFTA	North American Free Trade Agreement
NCI	noncontrolling interest(s)
NDT	nuclear decommissioning trusts
NEIL	Nuclear Electric Insurance Limited
NOL	net operating loss
NRC	Nuclear Regulatory Commission
OCI	other comprehensive income (loss)
OII	Order Instituting Investigation
OIR	Order Instituting a Rulemaking
O&M	operation and maintenance expense
OMEC	Otay Mesa Energy Center
OMEC LLC	Otay Mesa Energy Center LLC
OMI	Oncor Management Investment LLC
Oncor	Oncor Electric Delivery Company LLC
Oncor Holdings	Oncor Electric Delivery Holdings Company LLC
ORA	CPUC Office of Ratepayer Advocates (now known as Cal PA)
Otay Mesa VIE	OMEC LLC VIE
PEMEX	Petróleos Mexicanos (Mexican state-owned oil company)
PG&E	Pacific Gas and Electric Company
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	power purchase agreement
PSEP	Pipeline Safety Enhancement Plan
PSRP	Pipeline Safety & Reliability Project
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
RAMP	Risk Assessment Mitigation Phase
RBS	The Royal Bank of Scotland plc

**GLOSSARY (CONTINUED)**

RBS SEE	RBS Sempra Energy Europe
RBS Sempra Commodities	RBS Sempra Commodities LLP
ROE	return on equity
RSA	restricted stock award
RSU	restricted stock unit
SB	Senate Bill
SCAQMD	South Coast Air Quality Management District
SDG&E	San Diego Gas & Electric Company
SDTS	Sharyland Distribution & Transmission Services, L.L.C. (a subsidiary of InfraREIT)
SEC	U.S. Securities and Exchange Commission
Securities Purchase Agreement	securities purchase agreement among SU, SU Investment Partners, L.P., Sempra Texas Utilities Holdings I, LLC (a wholly owned subsidiary of Sempra Energy) and Sempra Energy
SEDATU	Secretaría de Desarrollo Agrario, Territorial y Urbano (Mexican agency in charge of agriculture, land and urban development)
Sempra Global	holding company for most of Sempra Energy's subsidiaries not subject to California or Texas utility regulation
series A preferred stock	6% mandatory convertible preferred stock, series A
series B preferred stock	6.75% mandatory convertible preferred stock, series B
SFP	secondary financial protection
SGRP	Steam Generator Replacement Project
SoCalGas	Southern California Gas Company
SONGS	San Onofre Nuclear Generating Station
SONGS OII	CPUC's Order Instituting Investigation into the SONGS Outage
S&P	Standard & Poor's
SU	Sharyland Utilities, LP
TAG	TAG Pipelines Norte, S. de R.L. de C.V.
TCJA	Tax Cuts and Jobs Act of 2017
TdM	Termoeléctrica de Mexicali
Tecnored	Tecnored S.A.
Tecsur	Tecsur S.A.
TTI	Texas Transmission Investment LLC
TURN	The Utility Reform Network
U.S. GAAP	accounting principles generally accepted in the United States of America
VAT	value-added tax
VIE	variable interest entity

**INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

We make statements in this report that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the filing date of this report. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this report, when we use words such as “believes,” “expects,” “anticipates,” “plans,” “estimates,” “projects,” “forecasts,” “contemplates,” “assumes,” “depends,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “pursue,” “outlook,” “maintain,” or similar expressions, or when we discuss our guidance, strategy, plans, goals, vision, opportunities, projections, initiatives, objectives or intentions, we are making 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 CPUC, DOE, DOGGR, DPH, EPA, FERC, PHMSA, PUCT, states, cities and counties, and other regulatory and governmental bodies in the U.S. and other countries in which we operate;
- the timing and success of business development efforts, major acquisitions such as our interest in Oncor, and construction projects, including risks in (i) timely obtaining or maintaining permits and other authorizations, (ii) completing construction projects on schedule and on budget, (iii) obtaining the consent and participation of partners and counterparties and their ability to fulfill contractual commitments, and (iv) not realizing anticipated benefits;
- the resolution of civil and criminal litigation and regulatory investigations;
- deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers; denial of approvals of proposed settlements; and delays in, or disallowance or denial of, regulatory agency authorizations to recover costs in rates from customers or regulatory agency approval for projects required to enhance safety and reliability; and moves to reduce or eliminate reliance on natural gas;
- the greater degree and prevalence of wildfires in California in recent years and risk that we may be found liable for damages regardless of fault, such as where inverse condemnation applies, and risk that we may not be able to recover any such costs in rates from customers in California;
- the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures;
- risks posed by actions of third parties who control the operations of our investments;
- weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause wildfires and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance;
- cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers and employees;
- our ability to successfully execute our plan to divest certain non-utility assets within the anticipated timeframe, if at all, or that such plan may not yield the anticipated benefits;
- actions of activist shareholders, which could impact the market price of our equity and debt securities and disrupt our operations as a result of, among other things, requiring significant time and attention by management and our board of directors;
- changes in capital markets, energy markets and economic conditions, including the availability of credit and the liquidity of our investments; and volatility in inflation, interest and currency exchange rates and commodity prices and our ability to effectively hedge the risk of such volatility;
- the impact of recent federal tax reform and uncertainty as to how it may be applied, and our ability to mitigate adverse impacts;
- actions by credit rating agencies to downgrade our credit ratings or those of our subsidiaries or to place those ratings on negative outlook and our ability to borrow at favorable interest rates;
- changes in foreign and domestic trade policies and laws, including border tariffs, and revisions to or replacement of international trade agreements, such as NAFTA, that may increase our costs or impair our ability to resolve trade disputes;
- the ability to win competitively bid infrastructure projects against a number of strong and aggressive competitors;
- expropriation of assets by foreign governments and title and other property disputes;
- the impact on reliability of SDG&E's electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources;

the impact on competitive customer rates due to the growth in distributed and local power generation and from possible departing retail load resulting from customers transferring to DA and CCA or other forms of distributed and local power generation and the potential risk of nonrecovery for stranded assets and contractual obligations; Oncor's ability to eliminate or reduce its quarterly dividends due to regulatory capital requirements and commitments, or the determination by Oncor's independent directors or a minority member director to retain such amounts to meet future requirements; and other uncertainties, some of which may be difficult to predict and are beyond our control.

7

---

We caution you not to rely unduly on any forward-looking statements. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein, in our most recent Annual Report and in other reports that we file with the SEC.

8

---



## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## SEMPRA ENERGY

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

*(Dollars in millions, except per share amounts)*

	Three months ended September 30, 2018		Nine months ended September 30, 2017 <sup>(1)</sup>	
	2018	2017 <sup>(1)</sup>	2018	2017 <sup>(1)</sup>
(unaudited)				
<b>REVENUES</b>				
Utilities	\$2,460	\$2,277	\$7,248	\$7,172
Energy-related businesses	480	402	1,218	1,071
Total revenues	2,940	2,679	8,466	8,243
<b>EXPENSES AND OTHER INCOME</b>				
Utilities:				
Cost of electric fuel and purchased power	(675 )	(650 )	(1,778 )	(1,730 )
Cost of natural gas	(255 )	(190 )	(782 )	(903 )
Energy-related businesses:				
Cost of natural gas, electric fuel and purchased power	(119 )	(97 )	(257 )	(226 )
Other cost of sales	(17 )	(21 )	(54 )	(5 )
Operation and maintenance	(819 )	(759 )	(2,383 )	(2,226 )
Depreciation and amortization	(380 )	(378 )	(1,158 )	(1,106 )
Franchise fees and other taxes	(131 )	(114 )	(352 )	(325 )
Write-off of wildfire regulatory asset	—	(351 )	—	(351 )
Impairment losses	(4 )	(1 )	(1,304 )	(72 )
Other income, net	97	40	196	322
Interest income	22	12	76	26
Interest expense	(232 )	(165 )	(685 )	(493 )
Income (loss) before income taxes and equity earnings of unconsolidated subsidiaries	427	5	(15 )	1,154
Income tax (expense) benefit	(167 )	84	127	(378 )
Equity earnings	74	13	50	26
Net income	334	102	162	802
Earnings attributable to noncontrolling interests	(24 )	(45 )	(12 )	(44 )
Mandatory convertible preferred stock dividends	(36 )	—	(89 )	—
Preferred dividends of subsidiary	—	—	(1 )	(1 )
Earnings attributable to common shares	\$274	\$57	\$60	\$757
Basic earnings per common share	\$1.00	\$0.23	\$0.23	\$3.01
Weighted-average number of shares outstanding, basic (thousands)	273,944	251,692	265,963	251,425
Diluted earnings per common share	\$0.99	\$0.22	\$0.22	\$2.99
Weighted-average number of shares outstanding, diluted (thousands)	275,907	253,364	267,644	252,987

<sup>(1)</sup> As adjusted for the retrospective adoption of ASU 2017-07, which we discuss in Note 2, and a reclassification to conform to current year presentation, which we discuss in Note 1.

See Notes to Condensed Consolidated Financial Statements.



**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**(LOSS)**

(Dollars in millions)

	Sempra Energy shareholders' equity				
	Income		Noncontrolling		Total
	Pretax amount	tax (expense) benefit	Net-of-tax amount	interests (after-tax)	
(unaudited)					
Three months ended September 30, 2018 and 2017					
<b>2018:</b>					
Net income	\$477	\$ (167 )	\$ 310	\$ 24	\$334
Other comprehensive income (loss):					
Foreign currency translation adjustments	(16 )	—	(16 )	(2 )	(18 )
Financial instruments	22	(7 )	15	4	19
Pension and other postretirement benefits	(14 )	4	(10 )	—	(10 )
Total other comprehensive (loss) income	(8 )	(3 )	(11 )	2	(9 )
Comprehensive income	\$469	\$ (170 )	\$ 299	\$ 26	\$325
<b>2017:</b>					
Net (loss) income	\$(27 )	\$ 84	\$ 57	\$ 45	\$102
Other comprehensive income (loss):					
Foreign currency translation adjustments	27	—	27	(1 )	26
Financial instruments	7	(1 )	6	8	14
Pension and other postretirement benefits	11	(4 )	7	—	7
Total other comprehensive income	45	(5 )	40	7	47
Comprehensive income	\$18	\$ 79	\$ 97	\$ 52	\$149

Nine months ended September 30, 2018  
and 2017

<b>2018:</b>					
Net income	\$23	\$127	\$150	\$12	\$162
Other comprehensive income (loss):					
Foreign currency translation adjustments	(78 )	—	(78 )	(5 )	(83 )
Financial instruments	145	(45 )	100	20	120
Pension and other postretirement benefits	(8 )	3	(5 )	—	(5 )
Total other comprehensive income	59	(42 )	17	15	32
Comprehensive income	82	85	167	27	194
Preferred dividends of subsidiary	(1 )	—	(1 )	—	(1 )
Comprehensive income, after preferred dividends of subsidiary	\$81	\$85	\$166	\$27	\$193
<b>2017:</b>					
Net income	\$1,136	\$(378 )	\$758	\$44	\$802
Other comprehensive income (loss):					
Foreign currency translation adjustments	76	—	76	10	86
Financial instruments	(29 )	13	(16 )	6	(10 )
Pension and other postretirement benefits	16	(6 )	10	—	10
Total other comprehensive income	63	7	70	16	86
Comprehensive income	1,199	(371 )	828	60	888
Preferred dividends of subsidiary	(1 )	—	(1 )	—	(1 )
Comprehensive income, after preferred dividends of subsidiary	\$1,198	\$(371 )	\$827	\$60	\$887

*See Notes to Condensed Consolidated Financial Statements.*

10

---

**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)

	September 30, 2018	December 31, 2017 <sup>(1)</sup>
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 212	\$288
Restricted cash	73	62
Accounts receivable – trade, net	1,252	1,307
Accounts receivable – other, net	411	277
Due from unconsolidated affiliates	43	37
Income taxes receivable	99	110
Inventories	345	307
Regulatory assets	92	325
Fixed-price contracts and other derivatives	96	66
Greenhouse gas allowances	339	299
Assets held for sale	1,881	127
Other	202	136
Total current assets	5,045	3,341
Other assets:		
Restricted cash	3	14
Due from unconsolidated affiliates	682	598
Regulatory assets	1,469	1,517
Nuclear decommissioning trusts	1,042	1,033
Investment in Oncor Holdings	9,553	—
Other investments	2,561	2,527
Goodwill	2,363	2,397
Other intangible assets	229	596
Dedicated assets in support of certain benefit plans	443	455
Insurance receivable for Aliso Canyon costs	474	418
Deferred income taxes	116	170
Greenhouse gas allowances	275	93
Sundry	852	792
Total other assets	20,062	10,610
Property, plant and equipment:		
Property, plant and equipment	47,734	48,108
Less accumulated depreciation and amortization	(12,236	) (11,605 )
Property, plant and equipment, net (\$302 and \$321 at September 30, 2018 and December 31, 2017, respectively, related to Otay Mesa VIE)	35,498	36,503
Total assets	\$ 60,605	\$50,454

<sup>(1)</sup> Derived from audited financial statements.

See Notes to Condensed Consolidated Financial Statements.

**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)**

(Dollars in millions)

	September 30, 2018	December 31, 2017 <sup>(1)</sup>
	(unaudited)	
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 2,897	\$ 1,540
Accounts payable – trade	1,199	1,350
Accounts payable – other	176	173
Due to unconsolidated affiliates	7	7
Dividends and interest payable	495	342
Accrued compensation and benefits	356	439
Regulatory liabilities	284	109
Current portion of long-term debt (\$287 and \$10 at September 30, 2018 and December 31, 2017, respectively, related to Otay Mesa VIE)	1,464	1,427
Fixed-price contracts and other derivatives	63	109
Customer deposits	172	162
Reserve for Aliso Canyon costs	161	84
Greenhouse gas obligations	339	299
Liabilities held for sale	156	49
Other	722	545
Total current liabilities	8,491	6,635
Long-term debt (\$284 at December 31, 2017 related to Otay Mesa VIE)	21,335	16,445
Deferred credits and other liabilities:		
Customer advances for construction	146	150
Due to unconsolidated affiliates	36	35
Pension and other postretirement benefit plan obligations, net of plan assets	1,052	1,148
Deferred income taxes	2,231	2,767
Deferred investment tax credits	25	28
Regulatory liabilities	3,974	3,922
Asset retirement obligations	2,750	2,732
Fixed-price contracts and other derivatives	235	316
Greenhouse gas obligations	102	—
Deferred credits and other	1,117	1,136
Total deferred credits and other liabilities	11,668	12,234
Commitments and contingencies (Note 11)		
Equity:		
Preferred stock (50 million shares authorized):		
6% mandatory convertible preferred stock, series A (17.25 million shares issued and outstanding at September 30, 2018)	1,693	—
6.75% mandatory convertible preferred stock, series B (5.75 million shares issued and outstanding at September 30, 2018)	566	—
Common stock (750 million shares authorized; 274 million and 251 million shares outstanding at September 30, 2018 and December 31, 2017, respectively; no par value)	5,485	3,149
Retained earnings	9,485	10,147

Edgar Filing: SEMPRA ENERGY - Form 10-Q

Accumulated other comprehensive income (loss)	(612	) (626	)
Total Sempra Energy shareholders' equity	16,617		12,670
Preferred stock of subsidiary	20		20
Other noncontrolling interests	2,474		2,450
Total equity	19,111		15,140
Total liabilities and equity	\$ 60,605		\$50,454

*(1) Derived from audited financial statements.*

*See Notes to Condensed Consolidated Financial Statements.*

12

---

**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in millions)

	Nine months ended September 30, 2018    2017 <sup>(1)</sup> (unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 162	\$ 802
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,158	1,106
Deferred income taxes and investment tax credits	(289 )	302
Write-off of wildfire regulatory asset	—	351
Impairment losses	1,304	72
Equity earnings	(50 )	(26 )
Fixed-price contracts and other derivatives	(44 )	(142 )
Other	139	18
Net change in other working capital components	444	229
Insurance receivable for Aliso Canyon costs	(56 )	64
Changes in other noncurrent assets and liabilities, net	(177 )	(72 )
Net cash provided by operating activities	2,591	2,704
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditures for property, plant and equipment	(2,815 )	(2,880 )
Expenditures for investments and acquisitions	(9,921 )	(110 )
Proceeds from sale of assets	7	12
Distributions from investments	9	25
Purchases of nuclear decommissioning trust assets	(703 )	(1,082 )
Proceeds from sales of nuclear decommissioning trust assets	703	1,082
Advances to unconsolidated affiliates	(84 )	(321 )
Repayments of advances to unconsolidated affiliates	71	8
Other	29	6
Net cash used in investing activities	(12,704 )	(3,260 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Common dividends paid	(645 )	(561 )
Preferred dividends paid	(53 )	—
Preferred dividends paid by subsidiary	(1 )	(1 )
Issuances of mandatory convertible preferred stock, net of \$41 in offering costs	2,259	—
Issuances of common stock, net of \$41 in offering costs in 2018	2,261	37
Repurchases of common stock	(20 )	(15 )
Issuances of debt (maturities greater than 90 days)	8,628	2,395
Payments on debt (maturities greater than 90 days)	(2,967 )	(1,829 )
Increase in short-term debt, net	707	475
Proceeds from sales of noncontrolling interest, net of \$1 in offering costs	90	—
Net distributions to noncontrolling interests	(101 )	(109 )
Settlement of cross-currency swaps	(33 )	—
Other	(80 )	(11 )
Net cash provided by financing activities	10,045	381



Edgar Filing: SEMPRA ENERGY - Form 10-Q

Effect of exchange rate changes on cash, cash equivalents and restricted cash	(8	)	11
Decrease in cash, cash equivalents and restricted cash	(76	)	(164 )
Cash, cash equivalents and restricted cash, January 1	364		425
Cash, cash equivalents and restricted cash, September 30	\$288		\$261

*(1) As adjusted for the retrospective adoption of ASU 2016-15 and ASU 2016-18, which we discuss in Note 2. See Notes to Condensed Consolidated Financial Statements.*

**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

(Dollars in millions)

	Nine months ended September 30,	
	2018	2017 <sup>(1)</sup>
	(unaudited)	
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest payments, net of amounts capitalized	\$584	\$ 414
Income tax payments, net of refunds	120	126
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition:		
Assets acquired	\$9,670	\$ —
Liabilities assumed	(104)	) —
Cash paid	\$9,566	\$ —
Accrued capital expenditures	\$424	\$ 476
Accrued Merger-related transaction and financing costs	—	21
Increase in capital lease obligations for investment in property, plant and equipment	9	502
Equitization of note receivable due from unconsolidated affiliate	—	19
Preferred dividends declared but not paid	36	—
Common dividends issued in stock	41	40
Common dividends declared but not paid	252	214

<sup>(1)</sup> As adjusted for the retrospective adoption of ASU 2016-15 and ASU 2016-18, which we discuss in Note 2.  
See Notes to Condensed Consolidated Financial Statements.

**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Dollars in millions)

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non- controlling interests	Total equity
(unaudited)							
Three months ended September 30, 2018							
Balance at June 30, 2018	\$ 1,693	\$ 5,279	\$ 9,455	\$ (601 )	\$ 15,826	\$ 2,538	\$ 18,364
<b>Net income</b>			310		310	24	334
<b>Other comprehensive (loss) income</b>				(11 )	(11 )	2	(9 )
Share-based compensation expense		17			17		17
Dividends declared:							
Series A preferred stock (\$1.50/share)			(26 )		(26 )		(26 )
Series B preferred stock (\$1.73/share)			(10 )		(10 )		(10 )
Common stock (\$0.90/share)			(244 )		(244 )		(244 )
Issuance of series B preferred stock	566				566		566
Issuances of common stock		185			185		185
Noncontrolling interest activities:							
Equity contributions						2	2
Distributions						(86 )	(86 )
Sales, net of offering costs		4			4	1	5
Increase from acquisition						13	13
Balance at September 30, 2018	\$ 2,259	\$ 5,485	\$ 9,485	\$ (612 )	\$ 16,617	\$ 2,494	\$ 19,111
Three months ended September 30, 2017							
Balance at June 30, 2017	\$ —	\$ 3,046	\$ 11,004	\$ (718 )	\$ 13,332	\$ 2,273	\$ 15,605
<b>Net income</b>			57		57	45	102
<b>Other comprehensive income</b>				40	40	7	47
Share-based compensation expense		21			21		21
Dividends declared:							
Common stock (\$0.82/share)			(206 )		(206 )		(206 )
Issuances of common stock		22			22		22
Repurchases of common stock		(1 )			(1 )		(1 )
Noncontrolling interest activities:							
Equity contributions						1	1
Distributions						(89 )	(89 )
Balance at September 30, 2017	\$ —	\$ 3,088	\$ 10,855	\$ (678 )	\$ 13,265	\$ 2,237	\$ 15,502

See Notes to Condensed Consolidated Financial Statements.

**SEMPRA ENERGY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Dollars in millions)

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra Energy shareholders' equity	Non-controlling interests	Total equity
(unaudited)							
Nine months ended September 30, 2018							
Balance at December 31, 2017	\$—	\$ 3,149	\$ 10,147	\$ (626 )	\$ 12,670	\$ 2,470	\$ 15,140
Cumulative-effect adjustments from changes in accounting principles			2	(3 )	(1 )		(1 )
<b>Net income</b>			150		150	12	162
<b>Other comprehensive income</b>				17	17	15	32
Share-based compensation expense		50			50		50
Dividends declared:							
Series A preferred stock (\$4.60/share)			(79 )		(79 )		(79 )
Series B preferred stock (\$1.73/share)			(10 )		(10 )		(10 )
Common stock (\$2.69/share)			(724 )		(724 )		(724 )
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	566				566		566
Issuances of common stock		2,302			2,302		2,302
Repurchases of common stock		(20 )			(20 )		(20 )
Noncontrolling interest activities:							
Equity contributions						3	3
Distributions						(104 )	(104 )
Purchases						(1 )	(1 )
Sales, net of offering costs		4			4	86	90
Increase from acquisition						13	13
Balance at September 30, 2018	\$ 2,259	\$ 5,485	\$ 9,485	\$ (612 )	\$ 16,617	\$ 2,494	\$ 19,111
Nine months ended September 30, 2017							
Balance at December 31, 2016	\$—	\$ 2,982	\$ 10,717	\$ (748 )	\$ 12,951	\$ 2,290	\$ 15,241
<b>Net income</b>			758		758	44	802
<b>Other comprehensive income</b>				70	70	16	86
Share-based compensation expense		44			44		44
Dividends declared:							
Common stock (\$2.47/share)			(619 )		(619 )		(619 )
Preferred dividends of subsidiary			(1 )		(1 )		(1 )
Issuances of common stock		77			77		77
Repurchases of common stock		(15 )			(15 )		(15 )
Noncontrolling interest activities:							
Equity contributions						2	2
Distributions						(115 )	(115 )
Balance at September 30, 2017	\$—	\$ 3,088	\$ 10,855	\$ (678 )	\$ 13,265	\$ 2,237	\$ 15,502

See Notes to Condensed Consolidated Financial Statements.



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF**  
**OPERATIONS**

(Dollars in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 <sup>(1)</sup>	2018	2017 <sup>(1)</sup>
	(unaudited)			
Operating revenues				
Electric	\$1,192	\$1,131	\$3,014	\$2,952
Natural gas	107	105	391	399
Total operating revenues	1,299	1,236	3,405	3,351
Operating expenses				
Cost of electric fuel and purchased power	448	417	1,045	994
Cost of natural gas	30	29	110	132
Operation and maintenance	262	253	761	725
Depreciation and amortization	174	170	509	499
Franchise fees and other taxes	85	74	217	197
Write-off of wildfire regulatory asset	—	351	—	351
Total operating expenses	999	1,294	2,642	2,898
Operating income (loss)	300	(58 )	763	453
Other income, net	24	20	77	61
Interest income	1	—	3	—
Interest expense	(56 )	(53 )	(161 )	(151 )
Income (loss) before income taxes	269	(91 )	682	363
Income tax (expense) benefit	(53 )	72	(151 )	(72 )
Net income (loss)	216	(19 )	531	291
Earnings attributable to noncontrolling interest	(11 )	(9 )	(10 )	(15 )
Earnings (losses) attributable to common shares	\$205	\$(28 )	\$521	\$276

<sup>(1)</sup> As adjusted for the retrospective adoption of ASU 2017-07, which we discuss in Note 2.

See Notes to Condensed Consolidated Financial Statements.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Dollars in millions)

	SDG&E shareholder's equity				
	Pretax amount	Income tax (expense) benefit	Net-of-tax amount	Noncontrolling interest (after-tax)	Total
	(unaudited)				
	Three months ended September 30, 2018 and 2017				
<b>2018:</b>					
Net income	\$258	\$ (53 )	\$ 205	\$ 11	\$216
Other comprehensive income (loss):					
Financial instruments	—	—	—	2	2
Pension and other postretirement benefits	(8 )	2	(6 )	—	(6 )
Total other comprehensive (loss) income	(8 )	2	(6 )	2	(4 )
Comprehensive income	\$250	\$ (51 )	\$ 199	\$ 13	\$212
<b>2017:</b>					
Net (loss) income	\$(100 )	\$ 72	\$ (28 )	\$ 9	\$(19 )
Other comprehensive income (loss):					
Financial instruments	—	—	—	3	3
Pension and other postretirement benefits	1	—	1	—	1
Total other comprehensive income	1	—	1	3	4
Comprehensive (loss) income	\$(99 )	\$ 72	\$ (27 )	\$ 12	\$(15 )
	Nine months ended September 30, 2018 and 2017				
<b>2018:</b>					
Net income	\$672	\$(151 )	\$521	\$10	\$531
Other comprehensive income (loss):					
Financial instruments	—	—	—	7	7
Pension and other postretirement benefits	(8 )	2	(6 )	—	(6 )
Total other comprehensive (loss) income	(8 )	2	(6 )	7	1
Comprehensive income	\$664	\$(149 )	\$515	\$17	\$532
<b>2017:</b>					
Net income	\$348	\$(72 )	\$276	\$15	\$291
Other comprehensive income (loss):					
Financial instruments	—	—	—	7	7
Pension and other postretirement benefits	1	—	1	—	1
Total other comprehensive income	1	—	1	7	8
Comprehensive income	\$349	\$(72 )	\$277	\$22	\$299

See Notes to Condensed Consolidated Financial Statements.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)

	September 30, 2018	December 31, 2017 <sup>(1)</sup>
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 27	\$ 12
Restricted cash	17	6
Accounts receivable – trade, net	470	362
Accounts receivable – other, net	133	79
Due from unconsolidated affiliates	1	—
Inventories	103	105
Prepaid expenses	97	58
Regulatory assets	77	316
Fixed-price contracts and other derivatives	34	42
Greenhouse gas allowances	119	116
Other	35	4
Total current assets	1,113	1,100
Other assets:		
Restricted cash	—	11
Regulatory assets	399	451
Nuclear decommissioning trusts	1,042	1,033
Greenhouse gas allowances	153	83
Sundry	281	328
Total other assets	1,875	1,906
Property, plant and equipment:		
Property, plant and equipment	20,749	19,787
Less accumulated depreciation and amortization	(5,225	) (4,949 )
Property, plant and equipment, net (\$302 and \$321 at September 30, 2018 and December 31, 2017, respectively, related to VIE)	15,524	14,838
Total assets	\$ 18,512	\$ 17,844

<sup>(1)</sup> Derived from audited financial statements.

See Notes to Condensed Consolidated Financial Statements.



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)**

(Dollars in millions)

	September 30, 2018 (unaudited)	December 31, 2017 <sup>(1)</sup>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 48	\$253
Accounts payable	413	501
Due to unconsolidated affiliates	303	40
Interest payable	58	41
Accrued compensation and benefits	91	122
Accrued franchise fees	58	59
Current portion of long-term debt (\$287 and \$10 at September 30, 2018 and December 31, 2017, respectively, related to VIE)	336	220
Asset retirement obligations	92	77
Regulatory liabilities	73	18
Fixed-price contracts and other derivatives	46	60
Customer deposits	69	69
Greenhouse gas obligations	119	116
Other	78	46
Total current liabilities	1,784	1,622
Long-term debt (\$284 at December 31, 2017 related to VIE)	5,404	5,335
Deferred credits and other liabilities:		
Customer advances for construction	47	57
Pension and other postretirement benefit plan obligations, net of plan assets	172	182
Deferred income taxes	1,632	1,530
Deferred investment tax credits	16	18
Regulatory liabilities	2,319	2,225
Asset retirement obligations	774	762
Fixed-price contracts and other derivatives	107	153
Greenhouse gas obligations	29	—
Deferred credits and other	328	334
Total deferred credits and other liabilities	5,424	5,261
Commitments and contingencies (Note 11)		
Equity:		
Preferred stock (45 million shares authorized; none issued)	—	—
Common stock (255 million shares authorized; 117 million shares outstanding; no par value)	1,338	1,338
Retained earnings	4,539	4,268
Accumulated other comprehensive income (loss)	(14	) (8 )
Total SDG&E shareholder's equity	5,863	5,598
Noncontrolling interest	37	28
Total equity	5,900	5,626
Total liabilities and equity	\$ 18,512	\$17,844

*(1) Derived from audited financial statements.  
See Notes to Condensed Consolidated Financial Statements.*

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in millions)

	Nine months ended September 30, 2018    2017 <sup>(1)</sup> (unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$531	\$291
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	509	499
Deferred income taxes and investment tax credits	88	(5 )
Write-off of wildfire regulatory asset	—	351
Fixed-price contracts and other derivatives	(1 )	(1 )
Other	(30 )	(31 )
Net change in other working capital components	150	78
Changes in other noncurrent assets and liabilities, net	(16 )	(10 )
Net cash provided by operating activities	1,231	1,172
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditures for property, plant and equipment	(1,194)	(1,122)
Purchases of nuclear decommissioning trust assets	(703 )	(1,082)
Proceeds from sales of nuclear decommissioning trust assets	703	1,082
Decrease in loans to affiliate, net	—	31
Other	—	6
Net cash used in investing activities	(1,194)	(1,085)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Common dividends paid	—	(450 )
Issuances of debt (maturities greater than 90 days)	398	398
Payments on debt (maturities greater than 90 days)	(204 )	(183 )
(Decrease) increase in short-term debt, net	(205 )	185
Capital distributions made by VIE, net	(8 )	(20 )
Debt issuance costs	(3 )	(4 )
Net cash used in financing activities	(22 )	(74 )
Increase in cash, cash equivalents and restricted cash	15	13
Cash, cash equivalents and restricted cash, January 1	29	20
Cash, cash equivalents and restricted cash, September 30	\$44	\$33

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Interest payments, net of amounts capitalized	\$139	\$134
Income tax payments, net	79	13

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES**

Accrued capital expenditures	\$113	\$135
Increase in capital lease obligations for investment in property, plant and equipment	—	500
Common dividends declared but not paid	250	—

<sup>(1)</sup> As adjusted for the retrospective adoption of ASU 2016-15 and ASU 2016-18, which we discuss in Note 2.  
See Notes to Condensed Consolidated Financial Statements.



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Dollars in millions)

	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	SDG&E shareholder's equity	Noncontrolling interest	Total equity
(unaudited)						
Three months ended September 30, 2018						
Balance at June 30, 2018	\$ 1,338	\$ 4,584	\$ (8 )	\$ 5,914	\$ 29	\$ 5,943
<b>Net income</b>		205		<b>205</b>	11	<b>216</b>
<b>Other comprehensive (loss) income</b>			(6 )	<b>(6 )</b>	2	<b>(4 )</b>
Common stock dividends declared (\$2.14/share)		(250 )		<b>(250 )</b>		<b>(250 )</b>
Noncontrolling interest activities:						
Equity contributions					1	<b>1</b>
Distributions					(6 )	<b>(6 )</b>
Balance at September 30, 2018	\$ 1,338	\$ 4,539	\$ (14 )	\$ 5,863	\$ 37	\$ 5,900
Three months ended September 30, 2017						
Balance at June 30, 2017	\$ 1,338	\$ 4,440	\$ (8 )	\$ 5,770	\$ 34	\$ 5,804
<b>Net (loss) income</b>		(28 )		<b>(28 )</b>	9	<b>(19 )</b>
<b>Other comprehensive income</b>			1	<b>1</b>	3	<b>4</b>
Common stock dividends declared (\$2.36/share)		(275 )		<b>(275 )</b>		<b>(275 )</b>
Distributions to noncontrolling interest					(11 )	<b>(11 )</b>
Balance at September 30, 2017	\$ 1,338	\$ 4,137	\$ (7 )	\$ 5,468	\$ 35	\$ 5,503
Nine months ended September 30, 2018						
Balance at December 31, 2017	\$ 1,338	\$ 4,268	\$ (8 )	\$ 5,598	\$ 28	\$ 5,626
<b>Net income</b>		521		<b>521</b>	10	<b>531</b>
<b>Other comprehensive (loss) income</b>			(6 )	<b>(6 )</b>	7	<b>1</b>
Common stock dividends declared (\$2.14/share)		(250 )		<b>(250 )</b>		<b>(250 )</b>
Noncontrolling interest activities:						
Equity contributions					2	<b>2</b>
Distributions					(10 )	<b>(10 )</b>
Balance at September 30, 2018	\$ 1,338	\$ 4,539	\$ (14 )	\$ 5,863	\$ 37	\$ 5,900
Nine months ended September 30, 2017						
Balance at December 31, 2016	\$ 1,338	\$ 4,311	\$ (8 )	\$ 5,641	\$ 37	\$ 5,678
<b>Net income</b>		276		<b>276</b>	15	<b>291</b>
<b>Other comprehensive income</b>			1	<b>1</b>	7	<b>8</b>
Common stock dividends declared (\$3.86/share)		(450 )		<b>(450 )</b>		<b>(450 )</b>
Noncontrolling interest activities:						
Equity contributions					1	<b>1</b>

Edgar Filing: SEMPRA ENERGY - Form 10-Q

Distributions					(25	)	(25	)
Balance at September 30, 2017	\$ 1,338	\$ 4,137	\$ (7	)	\$ 5,468	\$ 35	\$ 5,503	

**SOUTHERN CALIFORNIA GAS COMPANY**  
**CONDENSED STATEMENTS OF OPERATIONS**

(Dollars in millions)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2018	2017 <sup>(1)</sup>	2018	2017 <sup>(1)</sup>
	(unaudited)			
Operating revenues	\$802	\$684	\$2,700	\$2,695
Operating expenses				
Cost of natural gas	224	153	663	740
Operation and maintenance	394	360	1,160	1,067
Depreciation and amortization	141	132	414	384
Franchise fees and other taxes	38	34	111	107
Total operating expenses	797	679	2,348	2,298
Operating income	5	5	352	397
Other income, net	3	13	49	51
Interest income	—	1	1	1
Interest expense	(29 )	(26 )	(82 )	(77 )
(Loss) income before income taxes	(21 )	(7 )	320	372
Income tax benefit (expense)	7	14	(75 )	(103 )
Net (loss) income	(14 )	7	245	269
Preferred dividend requirements	—	—	(1 )	(1 )
(Losses) earnings attributable to common shares	\$(14 )	\$7	\$244	\$268

<sup>(1)</sup> As adjusted for the retrospective adoption of ASU 2017-07, which we discuss in Note 2.  
See Notes to Condensed Financial Statements.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Dollars in millions)

	Pretax amount (unaudited)	Income tax benefit (expense)	Net-of-tax amount
Three months ended September 30, 2018 and 2017			
<b>2018:</b>			
Net loss/Comprehensive loss	\$ (21 )	\$ 7	\$ (14 )
<b>2017:</b>			
Net (loss) income/Comprehensive (loss) income	\$ (7 )	\$ 14	\$ 7
Nine months ended September 30, 2018 and 2017			
<b>2018:</b>			
Net income	\$ 320	\$ (75 )	\$ 245
Other comprehensive income (loss):			
Pension and other postretirement benefits	1	—	1
Total other comprehensive income	1	—	1
Comprehensive income	\$ 321	\$ (75 )	\$ 246
<b>2017:</b>			
Net income	\$ 372	\$ (103 )	\$ 269
Other comprehensive income (loss):			
Pension and other postretirement benefits	1	—	1
Total other comprehensive income	1	—	1
Comprehensive income	\$ 373	\$ (103 )	\$ 270

See Notes to Condensed Financial Statements.



**SOUTHERN CALIFORNIA GAS COMPANY**  
**CONDENSED BALANCE SHEETS**

(Dollars in millions)

	September 30, 2018	December 31, 2017 <sup>(1)</sup>
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4	\$8
Accounts receivable – trade, net	342	517
Accounts receivable – other, net	106	90
Due from unconsolidated affiliates	49	4
Income taxes receivable	4	10
Inventories	156	124
Regulatory assets	12	9
Greenhouse gas allowances	178	179
Other	47	38
Total current assets	898	979
Other assets:		
Regulatory assets	984	983
Insurance receivable for Aliso Canyon costs	474	418
Greenhouse gas allowances	108	9
Sundry	348	364
Total other assets	1,914	1,774
Property, plant and equipment:		
Property, plant and equipment	17,732	16,772
Less accumulated depreciation and amortization	(5,597)	(5,366)
Property, plant and equipment, net	12,135	11,406
Total assets	\$ 14,947	\$ 14,159

<sup>(1)</sup> Derived from audited financial statements.  
See Notes to Condensed Financial Statements.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**CONDENSED BALANCE SHEETS (CONTINUED)**

(Dollars in millions)

	September 30, 2018	December 31, 2017 <sup>(1)</sup>
	(unaudited)	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ —	\$ 116
Accounts payable – trade	453	502
Accounts payable – other	93	93
Due to unconsolidated affiliates	51	35
Accrued compensation and benefits	137	151
Regulatory liabilities	211	91
Current portion of long-term debt	3	501
Customer deposits	101	89
Reserve for Aliso Canyon costs	161	84
Greenhouse gas obligations	178	179
Other	274	205
Total current liabilities	1,662	2,046
Long-term debt	3,427	2,485
Deferred credits and other liabilities:		
Customer advances for construction	99	92
Pension obligation, net of plan assets	663	789
Deferred income taxes	1,121	995
Deferred investment tax credits	9	10
Regulatory liabilities	1,655	1,697
Asset retirement obligations	1,941	1,885
Greenhouse gas obligations	58	—
Deferred credits and other	210	253
Total deferred credits and other liabilities	5,756	5,721
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Preferred stock (11 million shares authorized; 1 million shares outstanding)	22	22
Common stock (100 million shares authorized; 91 million shares outstanding; no par value)	866	866
Retained earnings	3,234	3,040
Accumulated other comprehensive income (loss)	(20	) (21
Total shareholders' equity	4,102	3,907
Total liabilities and shareholders' equity	\$ 14,947	\$ 14,159

<sup>(1)</sup> Derived from audited financial statements.

See Notes to Condensed Financial Statements.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**CONDENSED STATEMENTS OF CASH FLOWS**

(Dollars in millions)

	Nine months ended September 30, 2018 2017 (unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$245	\$269
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	414	384
Deferred income taxes and investment tax credits	70	86
Other	(4 )	(22 )
Net change in other working capital components	391	359
Insurance receivable for Aliso Canyon costs	(56 )	64
Changes in other noncurrent assets and liabilities, net	(178 )	(74 )
Net cash provided by operating activities	882	1,066
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditures for property, plant and equipment	(1,127)	(1,033)
Increase in loans to affiliate, net	(88 )	—
Other	6	—
Net cash used in investing activities	(1,209)	(1,033)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Preferred dividends paid	(1 )	(1 )
Issuances of long-term debt	949	—
Payments on long-term debt	(500 )	—
Decrease in short-term debt, net	(116 )	(36 )
Debt issuance costs	(9 )	—
Net cash provided by (used in) financing activities	323	(37 )
Decrease in cash and cash equivalents	(4 )	(4 )
Cash and cash equivalents, January 1	8	12
Cash and cash equivalents, September 30	\$4	\$8
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest payments, net of amounts capitalized	\$71	\$65
Income tax (refunds) payments, net	(1 )	22
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Accrued capital expenditures	\$178	\$148
Increase in capital lease obligations for investment in property, plant and equipment	7	1
Common dividends declared but not paid	50	—
<i>See Notes to Condensed Financial Statements.</i>		

**SOUTHERN CALIFORNIA GAS COMPANY**  
**CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Dollars in millions)

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
(unaudited)					
Three months ended September 30, 2018					
Balance at June 30, 2018	\$22	\$ 866	\$3,298	\$ (20 )	\$ 4,166
<b>Net loss</b>			(14 )		(14 )
Dividends declared:					
Preferred stock (\$0.38/share)			—		—
Common stock (\$0.55/share)			(50 )		(50 )
Balance at September 30, 2018	\$22	\$ 866	\$3,234	\$ (20 )	\$ 4,102
Three months ended September 30, 2017					
Balance at June 30, 2017	\$22	\$ 866	\$2,905	\$ (21 )	\$ 3,772
<b>Net income</b>			7		7
Preferred stock dividends declared (\$0.38/share)			—		—
Balance at September 30, 2017	\$22	\$ 866	\$2,912	\$ (21 )	\$ 3,779
Nine months ended September 30, 2018					
Balance at December 31, 2017	\$22	\$ 866	\$3,040	\$ (21 )	\$ 3,907
<b>Net income</b>			245		245
<b>Other comprehensive income</b>				1	1
Dividends declared:					
Preferred stock (\$1.13/share)			(1 )		(1 )
Common stock (\$0.55/share)			(50 )		(50 )
Balance at September 30, 2018	\$22	\$ 866	\$3,234	\$ (20 )	\$ 4,102
Nine months ended September 30, 2017					
Balance at December 31, 2016	\$22	\$ 866	\$2,644	\$ (22 )	\$ 3,510
<b>Net income</b>			269		269
<b>Other comprehensive income</b>				1	1
Preferred stock dividends declared (\$1.13/share)			(1 )		(1 )
Balance at September 30, 2017	\$22	\$ 866	\$2,912	\$ (21 )	\$ 3,779

## SEMPRA ENERGY AND SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1. GENERAL INFORMATION AND OTHER FINANCIAL DATA

##### **PRINCIPLES OF CONSOLIDATION**

###### *Sempra Energy*

Sempra Energy's Condensed Consolidated Financial Statements include the accounts of Sempra Energy, a California-based Fortune 500 energy-services holding company, and its consolidated subsidiaries and VIEs. Sempra Global is the holding company for most of our subsidiaries that are not subject to California or Texas utility regulation. Sempra Energy's subsidiaries are managed within seven separate reportable segments, which we discuss in Note 12. All references in these Notes to our reportable segments are not intended to refer to any legal entity with the same or similar name.

###### *SDG&E*

SDG&E's Condensed Consolidated Financial Statements include its accounts and the accounts of a VIE of which SDG&E is the primary beneficiary, as we discuss below in "Variable Interest Entities." SDG&E's common stock is wholly owned by Enova Corporation, which is a wholly owned subsidiary of Sempra Energy.

###### *SoCalGas*

SoCalGas' common stock is wholly owned by Pacific Enterprises, which is a wholly owned subsidiary of Sempra Energy.

In this report, we refer to SDG&E and SoCalGas collectively as the California Utilities.

##### **BASIS OF PRESENTATION**

This is a combined report of Sempra Energy, SDG&E and SoCalGas. We provide separate information for SDG&E and SoCalGas as required. References in this report to "we," "our" and "Sempra Energy Consolidated" are to Sempra Energy and its consolidated entities, unless otherwise indicated by the context. We have eliminated intercompany accounts and transactions within the consolidated financial statements of each reporting entity.

Throughout this report, we refer to the following as Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements when discussed together or collectively:

the Condensed Consolidated Financial Statements and related Notes of Sempra Energy and its subsidiaries and VIEs; the Condensed Consolidated Financial Statements and related Notes of SDG&E and its VIE; and the Condensed Financial Statements and related Notes of SoCalGas.

We have prepared the Condensed Consolidated Financial Statements in conformity with U.S. GAAP and in accordance with the interim-period-reporting requirements of Form 10-Q. Results of operations for interim periods are not necessarily indicative of results for the entire year. We evaluated events and transactions that occurred after September 30, 2018 through the date the financial statements were issued and, in the opinion of management, the accompanying statements reflect all adjustments necessary for a fair presentation. These adjustments are only of a normal, recurring nature.

All December 31, 2017 balance sheet information in the Condensed Consolidated Financial Statements has been derived from our audited 2017 Consolidated Financial Statements in the Annual Report. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the interim-period-reporting provisions of U.S. GAAP and the SEC.

We describe our significant accounting policies in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report and the impact of the adoption of new accounting standards on those policies in Note 2 below. We follow the same accounting policies for interim reporting purposes.

You should read the information in this Quarterly Report in conjunction with the Annual Report.

**Reclassification on the Condensed Consolidated Statement of Operations**

We have made a reclassification on the Condensed Consolidated Statement of Operations for the three months and nine months ended September 30, 2017 to conform to current year presentation. Line item captions for equity earnings (losses) before income tax and net of income tax have been combined into one line and presented after income tax expense (benefit). This reclassification is intended to treat the presentation of earnings from all equity method investees consistently and simplify the presentation on the statement of operations, while continuing to provide additional detail in the notes to the financial statements. We discuss our equity method investments further in Note 6. The following table summarizes the financial statement line items that were affected by this reclassification:

**SEMPRA ENERGY – RECLASSIFICATION***(Dollars in millions)*

Three months ended September 30, 2017		Nine months ended September 30, 2017	
As previously presented	As currently presented	As previously presented	As currently presented
<b>Condensed Consolidated Statement of Operations:</b>			
Equity earnings, before income tax		— \$ 31	\$ —
Income before income taxes and equity earnings (losses) of certain unconsolidated subsidiaries		1,185	—
Income before income taxes and equity earnings of unconsolidated subsidiaries		—	1,154
Equity earnings (losses), net of income tax		(5 )	—
	13	—	26

Equity  
earnings

***Regulated Operations***

The California Utilities and Sempra Mexico's natural gas distribution utility, Ecogas, prepare their financial statements in accordance with the provisions of U.S. GAAP governing rate-regulated operations. We discuss the effects of regulation in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report and revenue recognition at our utilities in Note 3 below.

Our Sempra Texas Utility segment is comprised of our equity method investment in Oncor Holdings, which owns 80.25 percent of Oncor, as we discuss in Notes 5 and 6. Oncor is a regulated electric transmission and distribution utility in the state of Texas. Oncor's rates are regulated by the PUCT and certain cities and are subject to regulatory rate-setting processes and annual earnings oversight. Oncor prepares its financial statements in accordance with the provisions of U.S. GAAP governing rate-regulated operations.

Sempra South American Utilities has controlling interests in two electric distribution utilities in South America, Chilquinta Energía in Chile and Luz del Sur in Peru. Revenues are based on tariffs that are set by government agencies in their respective countries based on an efficient model distribution company defined by those agencies. Because the tariffs are based on a model and are intended to cover the costs of the model company, but are not based on the costs of the specific utility and may not result in full cost recovery, these utilities do not meet the requirements necessary for, and therefore do not apply, regulatory accounting treatment under U.S. GAAP.

Our Sempra Mexico segment includes the operating companies of our subsidiary, IEnova. Certain business activities at IEnova are regulated by the CRE and meet the regulatory accounting requirements of U.S. GAAP. Pipeline projects under construction at Sempra Mexico that meet the regulatory accounting requirements of U.S. GAAP record the impact of AFUDC related to equity. We discuss AFUDC below and in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

30

---

**RESTRICTED CASH**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported on the Condensed Consolidated Balance Sheets to the sum of such amounts reported on the Condensed Consolidated Statements of Cash Flows. We provide information about the nature of restricted cash in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

**RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH**

(Dollars in millions)

	September 30, 2018	December 31, 2017
<b>Sempra Energy Consolidated:</b>		
Cash and cash equivalents	\$ 212	\$ 288
Restricted cash, current	73	62
Restricted cash, noncurrent	3	14
Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows	\$ 288	\$ 364
<b>SDG&amp;E:</b>		
Cash and cash equivalents	\$ 27	\$ 12
Restricted cash, current	17	6
Restricted cash, noncurrent	—	11
Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows	\$ 44	\$ 29

**INVENTORIES**

The following table presents the components of inventories by segment.

**INVENTORY BALANCES**

(Dollars in millions)

	Natural gas		LNG		Materials and supplies		Total	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
SDG&E	\$ 1	\$ 4	\$ —	\$ —	\$ 102	\$ 101	\$ 103	\$ 105
SoCalGas	116	75	—	—	40	49	156	124
Sempra South American Utilities	—	—	—	—	41	30	41	30
Sempra Mexico	—	—	6	7	15	2	21	9
Sempra Renewables	—	—	—	—	—	5	—	5
Sempra LNG & Midstream	24	30	—	4	—	—	24	34
Sempra Energy Consolidated	\$ 141	\$ 109	\$ 6	\$ 11	\$ 198	\$ 187	\$ 345	\$ 307

At September 30, 2018, \$5 million of inventories at Sempra Renewables was classified as Assets Held for Sale on the Sempra Energy Condensed Consolidated Balance Sheet, as we discuss in Note 5.

**GOODWILL**

We discuss goodwill in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report. The decrease in goodwill from \$2,397 million at December 31, 2017 to \$2,363 million at September 30, 2018 was due to foreign currency translation at Sempra South American Utilities. We recorded the offset of this fluctuation in OCI.



**OTHER INTANGIBLE ASSETS**

The following table provides the detail of Other Intangible Assets included on the Sempra Energy Condensed Consolidated Balance Sheets.

**OTHER INTANGIBLE ASSETS**

(Dollars in millions)

	Amortization period (years)	September 30, 2018	December 31, 2017
Development rights	50	\$ —	\$ 322
Renewable energy transmission and consumption permit	19	154	154
Storage rights	46	—	138
O&M agreement	23	66	66
Other	10 years to indefinite	32	18
		252	698
Less accumulated amortization:			
Development rights		—	(60 )
Renewable energy transmission and consumption permit		(14 )	(8 )
Storage rights		—	(28 )
O&M agreement		(2 )	—
Other		(7 )	(6 )
		(23 )	(102 )
		\$ 229	\$ 596

In June 2018, we recognized an impairment of \$369 million for the net carrying value of Other Intangible Assets at Sempra LNG & Midstream, representing development and storage rights related to the natural gas storage facilities of Mississippi Hub and Bay Gas. This impairment is included in Sempra LNG & Midstream's total impairment of \$1.3 billion, which is included in Impairment Losses on Sempra Energy's Condensed Consolidated Statements of Operations in the nine months ended September 30, 2018, as we discuss in Notes 5 and 9.

In the nine months ended September 30, 2018, Other Intangible Assets increased due to Sempra Mexico's acquisition of self-supply permits for development projects. These self-supply permits allow generators to compete directly with CFE's retail tariffs and, thus, have access to PPAs with a competitive pricing position. The useful life of a self-supply permit is based on the life of the interconnection agreement with the CFE. Amortization of self-supply permits begins when the project has commenced planned operations.

Intangible assets subject to amortization are amortized over their estimated useful lives. Amortization expense for such intangible assets was \$3 million and \$5 million for the three months ended September 30, 2018 and 2017, respectively, and \$13 million for both the nine months ended September 30, 2018 and 2017. We estimate the amortization for the next five years to be \$12 million a year. We provide additional information about Other Intangible Assets in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

**CAPITALIZED FINANCING COSTS**

Capitalized financing costs include capitalized interest costs and AFUDC related to both debt and equity financing of construction projects. We capitalize interest costs incurred to finance capital projects and interest on equity method investments that have not commenced planned principal operations.

The table below summarizes capitalized interest and AFUDC.

**CAPITALIZED FINANCING COSTS**

(Dollars in millions)

Three months ended September 30,		Nine months ended September 30,	
2018	2017	2018	2017

Edgar Filing: SEMPRA ENERGY - Form 10-Q

Sempra Energy Consolidated	\$ 49	\$ 54	\$ 157	\$ 198
SDG&E	20	21	67	62
SoCalGas	10	15	39	45

## **VARIABLE INTEREST ENTITIES**

We consolidate a VIE if we are the primary beneficiary of the VIE. Our determination of whether we are the primary beneficiary is based upon qualitative and quantitative analyses, which assess:

the purpose and design of the VIE;

the nature of the VIE's risks and the risks we absorb;

the power to direct activities that most significantly impact the economic performance of the VIE; and

the obligation to absorb losses or the right to receive benefits that could be significant to the VIE.

We will continue to evaluate our VIEs for any changes that may impact our determination of the primary beneficiary.

### ***SDG&E***

SDG&E's power procurement is subject to reliability requirements that may require SDG&E to enter into various PPAs that include variable interests. SDG&E evaluates the respective entities to determine if variable interests exist and, based on the qualitative and quantitative analyses described above, if SDG&E, and thereby Sempra Energy, is the primary beneficiary.

### ***Tolling Agreements***

SDG&E has agreements under which it purchases power generated by facilities for which it supplies all of the natural gas to fuel the power plant (i.e., tolling agreements). SDG&E's obligation to absorb natural gas costs may be a significant variable interest. In addition, SDG&E has the power to direct the dispatch of electricity generated by these facilities. Based on our analysis, the ability to direct the dispatch of electricity may have the most significant impact on the economic performance of the entity owning the generating facility because of the associated exposure to the cost of natural gas, which fuels the plants, and the value of electricity produced. To the extent that SDG&E (1) is obligated to purchase and provide fuel to operate the facility, (2) has the power to direct the dispatch, and (3) purchases all of the output from the facility for a substantial portion of the facility's useful life, SDG&E may be the primary beneficiary of the entity owning the generating facility. SDG&E determines if it is the primary beneficiary in these cases based on a qualitative approach in which we consider the operational characteristics of the facility, including its expected power generation output relative to its capacity to generate and the financial structure of the entity, among other factors. If we determine that SDG&E is the primary beneficiary, SDG&E and Sempra Energy consolidate the entity that owns the facility as a VIE.

### ***Otay Mesa VIE***

SDG&E has a tolling agreement to purchase power generated at OMEC, a 605-MW generating facility. A related agreement provided SDG&E with the option to purchase OMEC at a predetermined price (referred to as the call option). SDG&E's call option has since expired unexercised. Under the terms of the agreement, the counterparty can require SDG&E to purchase the power plant for \$280 million, subject to adjustments, on or before October 3, 2019 (referred to as the put option), or upon earlier termination of the PPA.

The facility owner, OMEC LLC, is a VIE, which we refer to as Otay Mesa VIE, of which SDG&E is the primary beneficiary. SDG&E has no OMEC LLC voting rights, holds no equity in OMEC LLC and does not operate OMEC. In addition to the risks absorbed under the tolling agreement, SDG&E absorbs separately through the put option a significant portion of the risk that the value of Otay Mesa VIE could decline. Accordingly, SDG&E and Sempra Energy consolidate Otay Mesa VIE. Otay Mesa VIE's equity of \$37 million at September 30, 2018 and \$28 million at December 31, 2017 is included on the Condensed Consolidated Balance Sheets in Other Noncontrolling Interests for Sempra Energy and in Noncontrolling Interest for SDG&E.

On October 24, 2018, SDG&E and OMEC LLC signed a resource adequacy capacity agreement for a term that would commence at the expiration of the current tolling agreement in October 2019 and end on August 31, 2024. The capacity agreement is contingent upon receiving approval from OMEC LLC's lenders by December 31, 2018, and receiving approval from the CPUC by March 15, 2019. If the resource adequacy capacity agreement is approved, OMEC LLC will waive its right to exercise the put option and, as a result, SDG&E would no longer consolidate Otay Mesa VIE. SDG&E filed for CPUC approval of the resource adequacy capacity agreement in October 2018.

OMEC LLC has a loan outstanding of \$287 million at September 30, 2018, the proceeds of which were used for the construction of OMEC. The loan is with third party lenders and is collateralized by OMEC's assets. SDG&E is not a party to the loan agreement and does not have any additional implicit or explicit financial responsibility to OMEC

LLC, nor would SDG&E be required to assume OMEC's loan under the call or put option purchase scenarios. The loan fully matures in April 2019, prior to the expiration of the put option, and bears interest at rates varying with market rates. In addition, OMEC LLC has entered into

33

---

interest rate swap agreements to moderate its exposure to interest rate changes. We provide additional information concerning the interest rate swaps in Note 8.

The Condensed Consolidated Statements of Operations of Sempra Energy and SDG&E include the following amounts associated with Otay Mesa VIE. The amounts are net of eliminations of transactions between SDG&E and Otay Mesa VIE. The captions in the table below correspond to SDG&E's Condensed Consolidated Statements of Operations.

**AMOUNTS ASSOCIATED WITH OTAY MESA VIE**

*(Dollars in millions)*

	Three months ended September 30, 2018		Nine months ended September 30, 2017	
Operating expenses				
Cost of electric fuel and purchased power	\$(28)	\$(26)	\$(60)	\$(65)
Operation and maintenance	3	4	11	13
Depreciation and amortization	8	7	23	21
Total operating expenses	(17)	(15)	(26)	(31)
Operating income	17	15	26	31
Interest expense	(6)	(6)	(16)	(16)
Income before income taxes/Net income	11	9	10	15
Earnings attributable to noncontrolling interest	(11)	(9)	(10)	(15)
Earnings attributable to common shares	\$—	\$—	\$—	\$—

SDG&E has determined that no contracts, other than the one relating to Otay Mesa VIE mentioned above, resulted in SDG&E being the primary beneficiary of a VIE at September 30, 2018. In addition to the tolling agreements described above, other variable interests involve various elements of fuel and power costs, and other components of cash flows expected to be paid to or received by our counterparties. In most of these cases, the expectation of variability is not substantial, and SDG&E generally does not have the power to direct activities that most significantly impact the economic performance of the other VIEs. In addition, SDG&E is not exposed to losses or gains as a result of these other VIEs, because all such variability would be recovered in rates. If our ongoing evaluation of these VIEs were to conclude that SDG&E becomes the primary beneficiary and consolidation by SDG&E becomes necessary, the effects could be significant to the financial position and liquidity of SDG&E and Sempra Energy. We provide additional information about PPAs with power plant facilities that are VIEs of which SDG&E is not the primary beneficiary in Note 15 of the Notes to Consolidated Financial Statements in the Annual Report.

We provide additional information regarding Otay Mesa VIE in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

***Sempra Texas Utility***

On March 9, 2018, we completed the acquisition of an indirect, 100-percent interest in Oncor Holdings, a VIE that owns an 80.25-percent interest in Oncor. Sempra Energy is not the primary beneficiary of the VIE because of the structural and operational ring-fencing measures in place that prevent us from having the power to direct the significant activities of Oncor Holdings. As a result, we do not consolidate Oncor Holdings and instead account for our ownership interest as an equity method investment. See Notes 5 and 6 for additional information about our equity method investment in Oncor Holdings and restrictions in our ability to influence its activities. Our current maximum exposure to loss from our interest in Oncor Holdings did not exceed the carrying value of our investment, which was \$9,553 million at September 30, 2018. Our maximum exposure will fluctuate over time, including as a result of our commitment to contribute \$1,025 million in capital (excluding Sempra Energy's share of approximately \$40 million for a management agreement termination fee, as well as other customary transaction costs incurred by InfraREIT that will be borne by Oncor as part of the acquisition) to partially fund Oncor's acquisition of interests in InfraREIT, which we discuss in Note 5.

***Sempra Renewables***

Certain of Sempra Renewables' wind and solar power generation projects are held by limited liability companies whose members are Sempra Renewables and financial institutions. The financial institutions are noncontrolling tax equity investors to which earnings, tax attributes and cash flows are allocated in accordance with the respective limited liability company agreements. These entities are VIEs and Sempra Energy is the primary beneficiary, generally due to Sempra Energy's power as the operator of the renewable energy projects to direct the activities that most significantly impact the economic performance of these VIEs. As the primary beneficiary of these tax equity limited liability companies, we consolidate them.

Sempra Energy's Condensed Consolidated Balance Sheets include \$1,412 million of property, plant and equipment, net, at December 31, 2017 and equity of \$656 million and \$631 million of Other Noncontrolling Interests at September 30, 2018 and December 31, 2017, respectively, associated with these entities. At September 30, 2018, \$1,414 million of property, plant and equipment, net, plus other assets and liabilities associated with these entities, are classified as held for sale, as we discuss in Note 5.

Sempra Energy's Condensed Consolidated Statements of Operations include the following amounts associated with the tax equity limited liability companies, net of eliminations of transactions between Sempra Energy and these entities.

**AMOUNTS  
ASSOCIATED  
WITH  
TAX  
EQUITY  
ARRANGEMENTS**

(Dollars  
in

millions)

Three months ended September 30, 2018	2017	Nine months ended September 30, 2018	2017
--	------	---	------

**REVENUES**

Energy-related businesses	\$28	\$17	\$77	\$48
------------------------------	------	------	------	------

**EXPENSES**

Operation and maintenance	(6 )	(5 )	(13 )	(14 )
---------------------------------	------	------	-------	-------

Depreciation and amortization	(13 )	(8 )	(36 )	(24 )
-------------------------------------	-------	------	-------	-------

Income before income taxes	10	4	28	10
-------------------------------------	----	---	----	----

Income tax expense	(4 )	(3 )	(16 )	(9 )
--------------------------	------	------	-------	------

Net income	6	1	12	1
---------------	---	---	----	---

Losses attributable to noncontrolling interests <sup>(1)</sup>	9	6	50	16
--	---	---	----	----

Earnings attributable to common shares	\$15	\$7	\$62	\$17
--	------	-----	------	------

--	--	--	--	--

--	--	--	--	--

--	--	--	--	--

--	--	--	--	--

--	--	--	--	--

--	--	--	--	--

<sup>(1)</sup> Net income or loss attributable to NCI is computed using the HLBV method and is not based on ownership percentages.

We provide additional information regarding the tax equity limited liability companies in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

**Sempra LNG & Midstream**

Sempra Energy's equity method investment in Cameron LNG JV is considered to be a VIE principally due to

contractual provisions that transfer certain risks to customers. Sempra Energy is not the primary beneficiary of the VIE because we do not have the power to direct the most significant activities of Cameron LNG JV. The carrying value of our investment in Cameron LNG JV, including amounts recognized in AOCI related to interest-rate cash flow hedges at Cameron LNG JV, was \$1,252 million at September 30, 2018 and \$997 million at December 31, 2017. Our current maximum exposure to loss, which fluctuates over time, includes the carrying value of our investment and the guarantees that we discuss in Note 6 below and in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

***Other Variable Interest Entities***

Sempra Energy's other businesses also enter into arrangements which could include variable interests. We evaluate these arrangements and applicable entities based on the qualitative and quantitative analyses described above. Certain of these entities are service or project companies that are VIEs. As the primary beneficiary of these companies, we consolidate them; however, their financial statements are not material to the financial statements of Sempra Energy. In all other cases, we have determined that these arrangements are not variable interests in a VIE and therefore are not subject to the U.S. GAAP requirements concerning the consolidation of VIEs.



**ASSET RETIREMENT OBLIGATIONS**

We discuss asset retirement obligations in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report. We summarize changes in asset retirement obligations in the following table.

**CHANGES IN ASSET RETIREMENT OBLIGATIONS**

(Dollars in millions)

Sempra Energy		SDG&E		SoCalGas	
Consolidated		2018	2017	2018	2017
2018	2017				
Balance					
at					
\$2,877	\$2,553	\$839	\$830	\$1,953	\$1,659
January 1 <sup>(1)</sup>					
Accretion expense	81	29	30	58	49
Liabilities incurred	22	—	17	—	—
Reclassifications <sup>(2)</sup>	—	—	—	—	—
Payments	(44)	(31)	(43)	(2)	(1)
Revisions	(8)	29	—	(2)	(8)
Balance					
at					
\$2,908	\$2,604	\$866	\$834	\$2,007	\$1,699
September 30 <sup>(1)</sup>					

<sup>(1)</sup> Current portions of the obligations for Sempra Energy Consolidated and SoCalGas are included in Other Current Liabilities on the Condensed Consolidated Balance Sheets.

<sup>(2)</sup> In 2018, we reclassified \$57 million at Sempra Renewables and \$8 million at Sempra LNG & Midstream to Liabilities Held for Sale, and \$5 million related to TdM from Liabilities Held for Sale, as we discuss in Note 5.

**PENSION AND OTHER POSTRETIREMENT BENEFITS*****Sale of Qualified Pension Plan Annuity Contracts***

In March 2018, an insurance company purchased annuities for certain current annuitants in the SDG&E and SoCalGas qualified pension plans and assumed the obligation for payment of these annuities. At SDG&E in the first quarter of 2018 and at SoCalGas in the second quarter of 2018, the liability transferred for these annuities, plus the total year-to-date lump-sum payments, exceeded the settlement threshold, which triggered settlement accounting. This resulted in a reduction of the recorded pension liability and pension plan assets of \$300 million at Sempra Energy Consolidated, including \$108 million at SDG&E and \$192 million at SoCalGas. This also resulted in settlement charges in net periodic benefit cost of \$3 million and \$42 million at Sempra Energy Consolidated, including \$1 million and \$17 million at SDG&E and \$2 million and \$25 million at SoCalGas in the three months and nine months ended September 30, 2018, respectively. The settlement charges were recorded as regulatory assets on the Condensed Consolidated Balance Sheets.

***Acquisition***

On March 9, 2018, Sempra Energy completed the Merger, as we discuss in Note 5, and assumed other postretirement employee benefits obligations for health care and life insurance benefits, resulting in an increase of \$21 million in the other postretirement benefit plan liability at Sempra Energy Consolidated.

**Net Periodic Benefit Cost**

The following three tables provide the components of net periodic benefit cost.

**NET PERIODIC BENEFIT COST – SEMPRA ENERGY CONSOLIDATED**

(Dollars in millions)

	Pension benefits		Other postretirement benefits	
	Three months ended September 30,			
	2018	2017	2018	2017
Service cost	\$29	\$31	\$4	\$4
Interest cost	36	39	9	9
Expected return on assets	(36 )	(41 )	(18 )	(16 )
Amortization of:				
Prior service cost	3	3	—	—
Actuarial loss (gain)	7	11	(2 )	(2 )
Settlements	9	8	—	—
Special termination benefits	—	—	5	16
Net periodic benefit cost	48	51	(2 )	11
Regulatory adjustment	(11 )	(18 )	2	(11 )
Total expense recognized	\$37	\$33	\$—	\$—

	Nine months ended September 30,			
	2018	2017	2018	2017
Service cost	\$95	\$88	\$15	\$15
Interest cost	105	113	27	29
Expected return on assets	(117)	(121)	(53 )	(49 )
Amortization of:				
Prior service cost	8	8	—	—
Actuarial loss (gain)	26	27	(4 )	(3 )
Settlements	48	8	—	—
Special termination benefits	—	—	5	16
Net periodic benefit cost	165	123	(10 )	8
Regulatory adjustment	(91 )	(59 )	11	(7 )
Total expense recognized	\$74	\$64	\$1	\$1

**NET PERIODIC BENEFIT COST – SDG&E***(Dollars in millions)*

	Pension benefits		Other postretirement benefits	
	2018	2017	2018	2017
	Three months ended September 30,			
Service cost	\$7	\$7	\$ 1	\$ 1
Interest cost	9	9	2	2
Expected return on assets	(10 )	(11 )	(3 )	(2 )
Amortization of:				
Actuarial loss (gain)	—	3	(1 )	—
Settlements	1	—	—	—
Special termination benefits	—	—	3	—
Net periodic benefit cost	7	8	2	1
Regulatory adjustment	(7 )	(7 )	(2 )	(1 )
Total expense recognized	\$—	\$1	\$ —	\$ —

	Pension benefits		Other postretirement benefits	
	2018	2017	2018	2017
	Nine months ended September 30,			
Service cost	\$23	\$22	\$ 3	\$ 4
Interest cost	26	28	5	6
Expected return on assets	(35 )	(35 )	(10 )	(9 )
Amortization of:				
Prior service cost	1	1	2	2
Actuarial loss (gain)	3	7	(2 )	—
Settlements	17	—	—	—
Special termination benefits	—	—	3	—
Net periodic benefit cost	35	23	1	3
Regulatory adjustment	(34 )	(21 )	(1 )	(3 )
Total expense recognized	\$1	\$2	\$ —	\$ —

**NET PERIODIC BENEFIT COST – SOCALGAS***(Dollars in millions)*

	Pension benefits		Other postretirement benefits	
	2018	2017	2018	2017
	Three months ended September 30,			
Service cost	\$19	\$21	\$3	\$4
Interest cost	23	25	6	6
Expected return on assets	(22 )	(26 )	(13 )	(14 )
Amortization of:				
Prior service cost (credit)	2	3	(1 )	(1 )
Actuarial loss (gain)	3	6	(1 )	(1 )
Settlements	2	—	—	—
Special termination benefits	—	—	2	16
Net periodic benefit cost	27	29	(4 )	10
Regulatory adjustment	(4 )	(11 )	4	(10 )
Total expense recognized	\$23	\$18	\$—	\$—

	Pension benefits		Other postretirement benefits	
	2018	2017	2018	2017
	Nine months ended September 30,			
Service cost	\$62	\$57	\$11	\$11
Interest cost	68	73	20	21
Expected return on assets	(73 )	(77 )	(41 )	(40 )
Amortization of:				
Prior service cost (credit)	6	7	(2 )	(2 )
Actuarial loss (gain)	15	14	(2 )	(2 )
Settlements	25	—	—	—
Special termination benefits	—	—	2	16
Net periodic benefit cost	103	74	(12 )	4
Regulatory adjustment	(57 )	(38 )	12	(4 )
Total expense recognized	\$46	\$36	\$—	\$—

***Benefit Plan Contributions***

The following table shows our year-to-date contributions to pension and other postretirement benefit plans and the amounts we expect to contribute in 2018.

**BENEFIT PLAN CONTRIBUTIONS***(Dollars in millions)*

	Sempra Energy Consolidated	SDG&E	SoCalGas
Contributions through September 30, 2018:			
Pension plans	\$ 76	\$ 3	\$ 46
Other postretirement benefit plans	2	—	1
Total expected contributions in 2018:			
Pension plans	\$ 192	\$ 48	\$ 105
Other postretirement benefit plans	6	1	2

**RABBI TRUST**

In support of its Supplemental Executive Retirement, Cash Balance Restoration and Deferred Compensation Plans,

Sempra Energy maintains dedicated assets, including a Rabbi Trust and investments in life insurance contracts, which totaled \$443 million and \$455 million at September 30, 2018 and December 31, 2017, respectively.

**EARNINGS PER COMMON SHARE**

The following table provides EPS computations for the three months and nine months ended September 30, 2018 and 2017. Basic EPS is calculated by dividing earnings attributable to common shares by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the potential dilution of common stock equivalent shares that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

**EARNINGS PER COMMON SHARE COMPUTATIONS**

(Dollars in millions, except per share amounts; shares in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Numerator:				
Earnings attributable to common shares	\$274	\$ 57	\$60	\$ 757
Denominator:				
Weighted-average common shares outstanding for basic EPS <sup>(1)</sup>	273,944	251,692	265,962	251,425
Dilutive effect of stock options, RSAs and RSUs <sup>(2)</sup>	854	1,672	736	1,562
Dilutive effect of common shares sold forward	1,109	—	945	—
Weighted-average common shares outstanding for diluted EPS	275,902	253,364	267,642	252,987
EPS:				
Basic	\$1.00	\$ 0.23	\$0.23	\$ 3.01
Diluted	\$0.99	\$ 0.22	\$0.22	\$ 2.99

*Includes 645 and 612 average fully vested RSUs held in our Deferred Compensation Plan for the three months ended September 30, 2018 and <sup>(1)</sup>2017, respectively, and 638 and 607 of such RSUs for the nine months ended September 30, 2018 and 2017, respectively. These fully vested RSUs are included in weighted-average common shares outstanding for basic EPS because there are no conditions under which the corresponding shares will not be issued.*

*Due to market fluctuations of both Sempra Energy common stock and the comparative indices used to determine the vesting percentage of our <sup>(2)</sup> total shareholder return performance-based RSUs, which we discuss in Note 8 of the Notes to Consolidated Financial Statements in the Annual Report, dilutive RSUs may vary widely from period-to-period.*

The potentially dilutive impact from stock options, RSAs and RSUs is calculated under the treasury stock method. Under this method, proceeds based on the exercise price and unearned compensation are assumed to be used to repurchase shares on the open market at the average market price for the period, reducing the number of potential new shares to be issued and sometimes causing an antidilutive effect. The computation of diluted EPS for the three months ended September 30, 2018 and 2017 excludes 508 and 2,608 potentially dilutive shares, respectively, because to include them would be antidilutive for the period. The computation of diluted EPS for the nine months ended September 30, 2018 and 2017 excludes 1,552 and 2,608 such potentially dilutive shares, respectively. However, these shares could potentially dilute basic EPS in the future.

The potentially dilutive impact from the forward sale of our common stock pursuant to the forward sale agreements that we discuss below in “Shareholders’ Equity and Noncontrolling Interests – Sempra Energy Common Stock Offerings,” is reflected in our diluted EPS calculation using the treasury stock method. We anticipate there will be a dilutive effect on our EPS when the average market price of shares of our common stock is above the applicable adjusted forward sale price, subject to increase or decrease based on the overnight bank funding rate, less a spread, and subject to decrease by amounts related to expected dividends on shares of our common stock during the term of the forward sale agreements. The computation of diluted EPS for the three months and nine months ended September 30, 2018 excludes zero and 2,857,143 potentially dilutive shares, respectively, because to include them would be antidilutive for the period. Additionally, if we decide to physically settle or net share settle the forward sale agreements, delivery of our shares to the forward purchasers on any such physical settlement or net share settlement of the forward sale agreements would result in dilution to our EPS.

The potentially dilutive impact from mandatory convertible preferred stock that we issued in 2018 is calculated under the if-converted method. The computation of diluted EPS for the three months and nine months ended September 30, 2018 excludes 19,152,109 and 15,863,530 potentially dilutive shares, respectively, because to include them would be antidilutive for the period. However, these shares could potentially dilute basic EPS in the future. We discuss the 2018 issuances of our mandatory convertible preferred stock in “Shareholders’ Equity and Noncontrolling Interests – Sempra Energy Mandatory Convertible Preferred Stock Offerings” below.

Pursuant to our Sempra Energy share-based compensation plans, Sempra Energy's Board of Directors granted 358,363 performance-based RSUs and 266,990 service-based RSUs in the nine months ended September 30, 2018, primarily in January. In the nine months ended September 30, 2018, IEnova granted 969,482 RSUs from the IEnova 2013 Long-Term Incentive Plan, under which awards are cash settled at vesting based on the price of IEnova common stock.

We discuss share-based compensation plans and related awards further in Note 8 of the Notes to Consolidated Financial Statements in the Annual Report.

### COMPREHENSIVE INCOME

The following tables present the changes in AOCI by component and amounts reclassified out of AOCI to net income, excluding amounts attributable to NCI.

#### CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT<sup>(1)</sup>

(Dollars in millions)

	Foreign currency translation adjustments	Financial instruments	Pension and other postretirement benefits	Total accumulated other comprehensive income (loss)
Three months ended September 30, 2018 and 2017				
<b>Sempra Energy Consolidated:</b>				
Balance as of June 30, 2018	\$ (482)	\$ (40)	\$ (79)	\$ (601)
OCI before reclassifications	(16)	19	(18)	(15)
Amounts reclassified from AOCI	—	(4)	8	4
Net OCI	(16)	15	(10)	(11)
Balance as of September 30, 2018	\$ (498)	\$ (25)	\$ (89)	\$ (612)
.				
Balance as of June 30, 2017	\$ (478)	\$ (147)	\$ (93)	\$ (718)
OCI before reclassifications	27	8	—	35
Amounts reclassified from AOCI	—	(2)	7	5
Net OCI	27	6	7	40
Balance as of September 30, 2017	\$ (451)	\$ (141)	\$ (86)	\$ (678)
<b>SDG&amp;E:</b>				
Balance as of June 30, 2018			\$ (8)	\$ (8)
OCI before reclassifications			(6)	(6)
Net OCI			(6)	(6)
Balance as of September 30, 2018			\$ (14)	\$ (14)
Balance as of June 30, 2017			\$ (8)	\$ (8)
Amounts reclassified from AOCI			1	1
Net OCI			1	1
Balance as of September 30, 2017			\$ (7)	\$ (7)
<b>SoCalGas:</b>				
Balance as of June 30, 2018 and September 30, 2018		\$ (13)	\$ (7)	\$ (20)
Balance as of June 30, 2017 and September 30, 2017		\$ (13)	\$ (8)	\$ (21)

<sup>(1)</sup> All amounts are net of income tax, if subject to tax, and exclude NCI.



**CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT<sup>(1)</sup>***(Dollars in millions)*

	Foreign currency translation adjustments	Financial instruments	Pension and other postretirement benefits	Total accumulated other comprehensive income (loss)
Nine months ended September 30, 2018 and 2017				
<b>Sempra Energy Consolidated:</b>				
Balance as of December 31, 2017	\$ (420 )	\$ (122 )	\$ (84 )	\$ (626 )
Cumulative-effect adjustment from change in accounting principle <sup>(2)</sup>	—	(3 )	—	(3 )
OCI before reclassifications	(78 )	104	(17 )	9
Amounts reclassified from AOCI	—	(4 )	12	8
Net OCI	(78 )	100	(5 )	17
Balance as of September 30, 2018	\$ (498 )	\$ (25 )	\$ (89 )	\$ (612 )
Balance as of December 31, 2016	\$ (527 )	\$ (125 )	\$ (96 )	\$ (748 )
OCI before reclassifications	76	(20 )	—	56
Amounts reclassified from AOCI	—	4	10	14
Net OCI	76	(16 )	10	70
Balance as of September 30, 2017	\$ (451 )	\$ (141 )	\$ (86 )	\$ (678 )
<b>SDG&amp;E:</b>				
Balance as of December 31, 2017			\$ (8 )	\$ (8 )
OCI before reclassifications			(6 )	(6 )
Net OCI			(6 )	(6 )
Balance as of September 30, 2018			\$ (14 )	\$ (14 )
Balance as of December 31, 2016			\$ (8 )	\$ (8 )
Amounts reclassified from AOCI			1	1
Net OCI			1	1
Balance as of September 30, 2017			\$ (7 )	\$ (7 )
<b>SoCalGas:</b>				
Balance as of December 31, 2017	\$ (13 )		\$ (8 )	\$ (21 )
Amounts reclassified from AOCI	—		1	1
Net OCI	—		1	1
Balance as of September 30, 2018	\$ (13 )		\$ (7 )	\$ (20 )
Balance as of December 31, 2016	\$ (13 )		\$ (9 )	\$ (22 )
Amounts reclassified from AOCI	—		1	1
Net OCI	—		1	1
Balance as of September 30, 2017	\$ (13 )		\$ (8 )	\$ (21 )

<sup>(1)</sup> All amounts are net of income tax, if subject to tax, and exclude NCI.<sup>(2)</sup> Represents impact from adoption of ASU 2017-12, which we discuss in Note 2.

**RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)***(Dollars in millions)*

Details about accumulated other comprehensive income (loss) components	Amounts reclassified from accumulated other comprehensive income (loss) Three months ended September 30,		Affected line item on Condensed Consolidated Statements of Operations
	2018	2017	
<b>Sempra Energy Consolidated:</b>			
Financial instruments:			
Interest rate and foreign exchange instruments	\$(11 )	\$—	Other Income, Net
Interest rate and foreign exchange instruments	3	—	Equity Earnings
Foreign exchange instruments	—	(2 )	Revenues: Energy-Related Businesses
Total before income tax	(8 )	(2 )	
	4	1	Income Tax (Expense) Benefit
Net of income tax	(4 )	(1 )	
	—	(1 )	Earnings Attributable to Noncontrolling Interests
	\$(4 )	\$(2 )	
Pension and other postretirement benefits:			
Amortization of actuarial loss <sup>(1)</sup>	\$9	\$11	Other Income, Net
Amortization of prior service cost <sup>(1)</sup>	1	—	Other Income, Net
Total before income tax	10	11	
	(2 )	(4 )	Income Tax (Expense) Benefit
Net of income tax	\$8	\$7	
Total reclassifications for the period, net of tax	\$4	\$5	
<b>SDG&amp;E:</b>			
Financial instruments:			
Interest rate instruments <sup>(2)</sup>	\$2	\$3	Interest Expense
	(2 )	(3 )	Earnings Attributable to Noncontrolling Interest
	\$—	\$—	
Pension and other postretirement benefits:			
Amortization of actuarial loss <sup>(1)</sup>	\$—	\$1	Other Income, Net
Total reclassifications for the period, net of tax	\$—	\$1	

<sup>(1)</sup> Amounts are included in the computation of net periodic benefit cost (see "Pension and Other Postretirement Benefits" above).

<sup>(2)</sup> All of SDG&E's interest rate derivative activity relates to Otay Mesa VIE.

For the three months ended September 30, 2018 and 2017, reclassifications out of AOCI to net income were negligible for SoCalGas.

**RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)***(Dollars in millions)*

Details about accumulated other comprehensive income (loss) components	Amounts reclassified from accumulated other comprehensive income (loss) Nine months ended September 30,		Affected line item on Condensed Consolidated Statements of Operations
	2018	2017	
<b>Sempra Energy Consolidated:</b>			
Financial instruments:			
Interest rate and foreign exchange instruments <sup>(1)</sup>	\$ (1 )	\$ (4 )	Interest Expense
	(11 )	—	Other Income, Net
Interest rate and foreign exchange instruments	8	9	Equity Earnings
Foreign exchange instruments	(1 )	(1 )	Revenues: Energy-Related Businesses
Commodity contracts not subject to rate recovery	—	9	Revenues: Energy-Related Businesses
Total before income tax	(5 )	13	
	3	(4 )	Income Tax (Expense) Benefit
Net of income tax	(2 )	9	
	(2 )	(5 )	Earnings Attributable to Noncontrolling Interests
	\$ (4 )	\$ 4	
Pension and other postretirement benefits:			
Amortization of actuarial loss <sup>(2)</sup>	\$ 15	\$ 16	Other Income, Net
Amortization of prior service cost <sup>(2)</sup>	1	—	Other Income, Net
Total before income tax	16	16	
	(4 )	(6 )	Income Tax (Expense) Benefit
Net of income tax	\$ 12	\$ 10	
Total reclassifications for the period, net of tax	\$ 8	\$ 14	
<b>SDG&amp;E:</b>			
Financial instruments:			
Interest rate instruments <sup>(1)</sup>	\$ 6	\$ 9	Interest Expense
	(6 )	(9 )	Earnings Attributable to Noncontrolling Interest
	\$ —	\$ —	
Pension and other postretirement benefits:			
Amortization of actuarial loss <sup>(2)</sup>	\$ —	\$ 1	Other Income, Net
Total reclassifications for the period, net of tax	\$ —	\$ 1	
<b>SoCalGas:</b>			
Pension and other postretirement benefits:			
Amortization of actuarial loss <sup>(2)</sup>	\$ 1	\$ 1	Other Income, Net
Total reclassifications for the period, net of tax	\$ 1	\$ 1	

<sup>(1)</sup> Amounts include Otay Mesa VIE. All of SDG&E's interest rate derivative activity relates to Otay Mesa VIE.<sup>(2)</sup> Amounts are included in the computation of net periodic benefit cost (see "Pension and Other Postretirement Benefits" above).**SHAREHOLDERS' EQUITY AND NONCONTROLLING INTERESTS*****Sempra Energy Mandatory Convertible Preferred Stock Offerings***  
***6% Mandatory Convertible Preferred Stock, Series A***

On January 9, 2018, we issued 17,250,000 shares of our series A preferred stock in a registered public offering at \$100.00 per share (or \$98.20 per share after deducting underwriting discounts), including 2,250,000 shares purchased by the underwriters directly from us as a result of fully exercising their option to purchase such shares from us solely to cover overallocments. Each share of series A preferred stock has a liquidation value of \$100.00. We used the net proceeds of approximately \$1.69 billion (net of underwriting discounts and equity issuance costs of \$32 million) to fund a portion of the Merger Consideration, as we discuss in Note 5.

Generally, and subject to the terms of the series A preferred stock, at any time prior to January 15, 2021, holders may elect to convert each share of the series A preferred stock into shares of our common stock at the minimum conversion rate of 0.7629 shares of our common stock per share of the series A preferred stock (or an aggregate of approximately 13.2 million common shares, if all outstanding series A preferred stock were converted early), subject to anti-dilution adjustments.

We discuss the terms of the series A preferred stock in Note 18 of the Notes to Consolidated Financial Statements in the Annual Report.

#### *6.75% Mandatory Convertible Preferred Stock, Series B*

On July 13, 2018, we issued 5,750,000 shares of our series B preferred stock in a registered public offering at \$100.00 per share (or \$98.35 per share after deducting underwriting discounts), including 750,000 shares purchased by the underwriters directly from us as a result of fully exercising their option to purchase such shares from us solely to cover overallocments. Each share of series B preferred stock has a liquidation value of \$100.00. We used the net proceeds of approximately \$566 million (net of underwriting discounts and equity issuance costs of \$9 million) to repay commercial paper, to fund working capital and for other general corporate purposes.

**Mandatory Conversion.** Unless earlier converted, each share of the series B preferred stock will automatically convert on the mandatory conversion date of July 15, 2021 into not less than 0.7326 shares and not more than 0.8791 shares of our common stock, subject to anti-dilution adjustments. The number of shares of our common stock issuable on conversion of the series B preferred stock will be determined based on the volume-weighted average market value per share of our common stock over the 20-consecutive trading day period beginning on and including the 21st scheduled trading day immediately preceding July 15, 2021. The following table illustrates the conversion rate per share of the series B preferred stock, subject to certain anti-dilution adjustments.

#### **CONVERSION RATES**

Applicable market value per share of our common stock	Conversion rate (number of shares of our common stock to be received upon conversion of each share of series B preferred stock)
Greater than \$136.50 (which is the threshold appreciation price)	0.7326 shares (approximately equal to \$100.00 divided by the threshold appreciation price)
Equal to or less than \$136.50 but greater than or equal to \$113.75	Between 0.7326 and 0.8791 shares, determined by dividing \$100.00 by the applicable market value of our common stock
Less than \$113.75 (which is the initial price)	0.8791 shares (approximately equal to \$100.00 divided by the initial price)

**Conversion at the Option of the Holder.** Generally, and subject to the terms of the series B preferred stock, at any time prior to July 15, 2021, holders may elect to convert each share of the series B preferred stock into shares of our common stock at the minimum conversion rate of 0.7326 shares of our common stock per share of the series B preferred stock (or an aggregate of approximately 4.2 million common shares, if all outstanding series B preferred stock were converted early), subject to anti-dilution adjustments. Further, if holders elect to convert any shares of the series B preferred stock during a specified period beginning on the effective date of a fundamental change, as defined in the certificate of determination of preferences of the series B preferred stock, such shares of the series B preferred stock will be converted into shares of our common stock at a fundamental change conversion rate, and the holders will also be entitled to receive a fundamental change dividend make-whole amount and accumulated dividend amount.

**Dividends.** Dividends on the series B preferred stock are payable quarterly on a cumulative basis when, as and if declared by our board of directors. The first quarterly dividend was paid on October 15, 2018. We may pay quarterly declared dividends in cash or, subject to certain limitations, in shares of our common stock, no par value, or in any combination of cash and shares of our common stock. Shares of common stock used to pay dividends will be valued at 97 percent of the volume-weighted average price per share over the five-consecutive trading day period beginning on, and including the sixth trading day prior to, the applicable dividend payment date. The holders of series B preferred stock do not have voting rights. However, under certain circumstances regarding nonpayment for six or more dividend periods, whether or not consecutive, the authorized number of directors on our board of directors will automatically be increased by two and the holders of the series B preferred stock, voting together as a single class with holders of any

and all other outstanding preferred stock of equal rank having similar voting rights (which currently consists of the series A preferred stock), will be entitled to elect two directors to fill such newly created directorships. This right shall terminate when all accumulated dividends have been paid in full and the authorized number of directors shall automatically decrease by two, subject to the revesting of that right in the event of each subsequent nonpayment.

**Ranking.** The series B preferred stock ranks with respect to dividend rights and distribution rights upon our liquidation, winding-up or dissolution:

- senior to our common stock, including our capital stock established in the future, unless the terms of such capital stock expressly provide otherwise;
- on parity with our series A preferred stock, including our capital stock established in the future, unless the terms of such capital stock expressly provide otherwise;
- junior to our capital stock established in the future, if the terms provide that such class of series will rank senior to the series B preferred stock;
- junior to our existing and future indebtedness and other liabilities; and
- structurally subordinated to any existing and future indebtedness and other liabilities of our subsidiaries and capital stock of our subsidiaries held by third parties.

***Sempra Energy Common Stock Offerings***

On January 9, 2018, we completed the offering of 23,364,486 shares of our common stock, no par value, in a registered public offering at \$107.00 per share (approximately \$105.07 per share after deducting underwriting discounts), pursuant to forward sale agreements with each of Morgan Stanley & Co. LLC, an affiliate of RBC Capital Markets, LLC and an affiliate of Barclays Capital Inc. (the forward purchasers). The shares offered pursuant to the forward sale agreements were borrowed by the underwriters and therefore are not newly issued shares. The underwriters of the offering fully exercised the option we granted them to purchase an additional 3,504,672 shares of common stock directly from us solely to cover overallotments. After the offering, including the issuance of shares pursuant to the exercise of the overallotment option, the aggregate shares of common stock sold in the offering totaled 26,869,158. We received net proceeds of \$367 million (net of underwriting discounts and equity issuance costs of \$8 million) from the sale of shares to cover overallotments. We did not initially receive any proceeds from the sale of our common stock sold pursuant to the forward sale agreements.

In the first quarter of 2018, we settled approximately \$900 million (net of underwriting discounts of \$16 million) and in the second quarter of 2018, we settled approximately \$800 million (net of underwriting discounts of \$14 million) of forward sales under the forward sale agreements by delivering 8,556,630 shares and 7,651,671 shares, respectively, of newly issued Sempra Energy common stock at forward sale prices ranging from approximately \$104.53 to approximately \$105.18 per share.

We used the net proceeds from the sale of shares in the January 2018 offering and from the settlement of forward sales in the first quarter of 2018 under the forward sale agreements to fund a portion of the Merger Consideration, as we discuss in Note 5. We used the net proceeds from the settlement of forward sales in the second quarter of 2018 to repay long-term debt maturing in June 2018 and to repay commercial paper used to fund a portion of the Merger Consideration.

On July 13, 2018, we completed the offering of 9,750,000 shares of our common stock, no par value, in a registered public offering at \$113.75 per share (approximately \$111.87 per share after deducting underwriting discounts), pursuant to forward sale agreements with an affiliate of Citigroup Global Markets Inc. and an affiliate of J.P. Morgan Securities LLC (the forward purchasers). The shares offered pursuant to the forward sale agreements were borrowed by the underwriters and therefore are not newly issued shares. The underwriters of the offering fully exercised the option we granted them to purchase an additional 1,462,500 shares of common stock directly from us solely to cover overallotments. After the offering, including the issuance of shares pursuant to the exercise of the overallotment option, the aggregate shares of common stock sold in the offering totaled 11,212,500. We received net proceeds of \$164 million (net of underwriting discounts and equity issuance costs of \$3 million) from the sale of shares to cover overallotments. We did not initially receive any proceeds from the sale of our common stock sold pursuant to the forward sale agreements. We used the net proceeds from the sale of the overallotment shares to the underwriters, and we expect to use the net proceeds from the sale of shares of our common stock pursuant to the forward sale agreements, to repay commercial paper, to fund working capital and for other general corporate purposes.

As of November 7, 2018, a total of 16,906,185 shares of Sempra Energy common stock from our January 2018 and July 2018 offerings remain subject to future settlement under these forward sale agreements, which may be settled on one or more dates specified by us occurring no later than December 15, 2019, which is the final settlement date under

the agreements. Although we expect to settle the forward sale agreements entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, we may, subject to certain conditions, elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreements. The forward sale agreements are also subject to acceleration by the forward purchasers upon the occurrence of certain events.

*SoCalGas Preferred Stock*

46

---



The preferred stock at SoCalGas is presented at Sempra Energy as a noncontrolling interest. Sempra Energy records charges against income related to NCI for preferred stock dividends declared by SoCalGas. We provide additional information regarding preferred stock in Note 11 of the Notes to Consolidated Financial Statements in the Annual Report.

### **Other Noncontrolling Interests**

Ownership interests that are held by owners other than Sempra Energy and SDG&E in subsidiaries or entities consolidated by them are accounted for and reported as NCI. As a result, NCI is reported as a separate component of equity on the Condensed Consolidated Balance Sheets. Earnings or losses attributable to NCI are separately identified on the Condensed Consolidated Statements of Operations, and net income or loss and comprehensive income or loss attributable to NCI are separately identified on the Condensed Consolidated Statements of Comprehensive Income (Loss) and Condensed Consolidated Statements of Changes in Equity.

The following table provides information on noncontrolling ownership interests held by others (not including preferred shareholders) in Other Noncontrolling Interests in Total Equity on Sempra Energy's Condensed Consolidated Balance Sheets.

### **OTHER NONCONTROLLING INTERESTS**

(Dollars in millions)

	Percent ownership held by noncontrolling interests		Equity (deficit) held by noncontrolling interests	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
<b>SDG&amp;E:</b>				
Otay Mesa VIE	100	%100	37	\$ 28
<b>Sempra South American Utilities:</b>				
Chilquinta Energía subsidiaries <sup>(1)</sup>	19.8 – 43.4	22.9 – 43.4	23	24
Luz del Sur	16.4	16.4	193	189
Tecsur	9.8	9.8	4	4
<b>Sempra Mexico:</b>				
IEnova <sup>(2)(3)</sup>	33.6	33.6	1,564	1,532
<b>Sempra Renewables:</b>				
Tax equity arrangements – wind <sup>(4)</sup>	NA	NA	161	181
Tax equity arrangements – solar <sup>(4)</sup>	NA	NA	495	450
PXiSE Energy Solutions, LLC	11.1	—	1	—
<b>Sempra LNG &amp; Midstream:</b>				
Bay Gas	9.1	9.1	8	28
Liberty Gas Storage, LLC	24.6	24.6	(12 )	14
Total Sempra Energy			\$2,474	\$ 2,450

(1) Chilquinta Energía has four subsidiaries with NCI held by others. Percentage range reflects the highest and lowest ownership percentages among these subsidiaries.

(2) IEnova has a subsidiary with a 10-percent NCI held by others. The equity held by NCI is negligible at both September 30, 2018 and December 31, 2017.

(3) IEnova has a subsidiary with a 49-percent NCI held by others. The equity held by NCI is \$13 million at September 30, 2018.

(4) Net income or loss attributable to NCI is computed using the HLBV method and is not based on ownership percentages.

### **Sempra Renewables**

In the fourth quarter of 2017, Sempra Renewables entered into a membership interest purchase agreement with a financial institution to form a tax equity limited liability company that includes a Sempra Renewables portfolio of four solar power generation projects located in Fresno County, California. Sempra Renewables received tax equity funding for three of the four phases in the fourth quarter of 2017. Additional funding of \$85 million, net of offering costs, for the fourth phase of the tax equity arrangement occurred in April 2018. Sempra Renewables continues to consolidate the entity and report NCI representing the financial institution's membership interest in the tax equity arrangement.



**TRANSACTIONS WITH AFFILIATES**

We summarize amounts due from and to unconsolidated affiliates at Sempra Energy Consolidated, SDG&E and SoCalGas in the following table.

**AMOUNTS DUE FROM (TO) UNCONSOLIDATED AFFILIATES**

(Dollars in millions)

	September 30, 2018	December 31, 2017
<b>Sempra Energy Consolidated:</b>		
Total due from various unconsolidated affiliates – current	\$ 43	\$ 37
Sempra South American Utilities <sup>(1)</sup> :		
Eletrans – 4% Note <sup>(2)</sup>	\$ 40	\$ 103
Other related party receivables	1	1
Sempra Mexico <sup>(1)</sup> :		
IMG – Note due March 15, 2022 <sup>(3)</sup>	638	487
Energía Sierra Juárez – Note <sup>(4)</sup>	3	7
Total due from unconsolidated affiliates – noncurrent	\$ 682	\$ 598
Total due to various unconsolidated affiliates – current	\$ (7 )	\$ (7 )
Sempra Mexico <sup>(1)</sup> :		
Total due to unconsolidated affiliates – noncurrent – TAG – Note due December 20, 2021	\$ (36 )	\$ (35 )
<b>SDG&amp;E:</b>		
Total due from unconsolidated affiliates – current – SoCalGas	\$ 1	\$ —
Sempra Energy	\$ (45 )	\$ (30 )
SoCalGas	—	(4 )
Enova Corporation	(250 )	—
Various affiliates	(8 )	(6 )
Total due to unconsolidated affiliates – current	\$ (303 )	\$ (40 )
Income taxes due from Sempra Energy <sup>(6)</sup>	\$ 44	\$ 27
<b>SoCalGas:</b>		
SDG&E	\$ —	\$ 4
Sempra Energy <sup>(7)</sup>	49	—
Total due from unconsolidated affiliates – current	\$ 49	\$ 4
SDG&E	\$ (1 )	\$ —
Sempra Energy	—	(35 )
Pacific Enterprises	(50 )	—
Total due to unconsolidated affiliates – current	\$ (51 )	\$ (35 )
Income taxes due from Sempra Energy <sup>(6)</sup>	\$ 3	\$ 10

<sup>(1)</sup> Amounts include principal balances plus accumulated interest outstanding.

<sup>(2)</sup> U.S. dollar-denominated loan, at a fixed interest rate with no stated maturity date, to provide project financing for the construction of transmission lines at Eletrans, comprising joint ventures of Chilquinta Energía.

<sup>(3)</sup> Mexican peso-denominated revolving line of credit for up to \$14.2 billion Mexican pesos or approximately \$757 million U.S. dollar-equivalent, at

<sup>(4)</sup> a variable interest rate based on the 91-day Interbank Equilibrium Interest Rate plus 220 bps (10.37 percent at September 30, 2018), to finance construction of the natural gas marine pipeline.

<sup>(6)</sup>

## Edgar Filing: SEMPRA ENERGY - Form 10-Q

*U.S. dollar-denominated loan, at a variable interest rate based on the 30-day LIBOR plus 637.5 bps (8.63 percent at September 30, 2018) with no stated maturity date, to finance the first phase of the Energía Sierra Juárez wind project, which is a joint venture of IEnova.*

<sup>(5)</sup> *U.S. dollar-denominated loan, at a variable interest rate based on the 6-month LIBOR plus 290 bps (5.50 percent at September 30, 2018).*

<sup>(6)</sup> *SDG&E and SoCalGas are included in the consolidated income tax return of Sempra Energy and are allocated income tax expense from Sempra Energy in an amount equal to that which would result from each company having always filed a separate return.*

<sup>(7)</sup> *At September 30, 2018, net receivable included outstanding advances to Sempra Energy of \$88 million at an interest rate of 2.35 percent.*

The following table summarizes revenues and cost of sales from unconsolidated affiliates.

**REVENUES AND COST OF SALES  
FROM UNCONSOLIDATED  
AFFILIATES**

(Dollars in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Sempra Energy Consolidated	\$ 17	\$ 13	\$ 49	\$ 28
SDG&E	1	2	4	6
SoCalGas	15	21	47	56
<b>Cost of Sales:</b>				
Sempra Energy Consolidated	\$ 9	\$ 8	\$ 36	\$ 36
SDG&E	21	16	56	55

**Guarantees**

Sempra Energy has provided guarantees to certain of its joint ventures, entered into guarantees related to the financing of the Cameron LNG JV project and provided guarantees to certain third parties for the benefit of IMG, as we discuss in Note 6 below and in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

**OTHER INCOME, NET**

Other Income, Net on the Condensed Consolidated Statements of Operations consisted of the following:

**OTHER INCOME, NET**

(Dollars in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017 <sup>(1)</sup>	2018	2017 <sup>(1)</sup>
<b>Sempra Energy Consolidated:</b>				
Allowance for equity funds used during construction	\$23	\$ 27	\$79	\$ 139
Investment gains <sup>(2)</sup>	8	13	13	43
Gains on interest rate and foreign exchange instruments, net	39	5	46	99
Foreign currency transaction gains (losses), net <sup>(3)</sup>	28	(10 )	17	7
Non-service component of net periodic benefit (cost) credit	(4 )	(1 )	35	21
Interest on regulatory balancing accounts, net	1	1	2	3
Sundry, net	2	5	4	10
Total	\$97	\$ 40	\$196	\$322
<b>SDG&amp;E:</b>				
Allowance for equity funds used during construction	\$15	\$ 15	\$49	\$46
Non-service component of net periodic benefit credit	8	4	25	12
Interest on regulatory balancing accounts, net	2	1	4	3
Sundry, net	(1 )	—	(1 )	—
Total	\$24	\$ 20	\$77	\$61
<b>SoCalGas:</b>				
Allowance for equity funds used during construction	\$8	\$ 11	\$30	\$33
Non-service component of net periodic benefit (cost) credit	(1 )	5	27	23
Interest on regulatory balancing accounts, net	(1 )	—	(2 )	—
Sundry, net	(3 )	(3 )	(6 )	(5 )

## Edgar Filing: SEMPRA ENERGY - Form 10-Q

Total \$3 \$ 13 \$49 \$51

(1) *As adjusted for the retrospective adoption of ASU 2017-07, which we discuss in Note 2.*

*Represents investment gains on dedicated assets in support of our executive retirement and deferred compensation plans. These amounts are*

(2) *partially offset by corresponding changes in compensation expense related to the plans, recorded in O&M on the Condensed Consolidated Statements of Operations.*

*Includes gains of \$33 million and \$25 million in the three months and nine months ended September 30, 2018, respectively, and losses of \$6*

(3) *million and a negligible amount in the three months and nine months ended September 30, 2017, respectively, from translation to U.S. dollars of a Mexican peso-denominated loan to the IMG joint venture, which are offset by corresponding amounts included in Equity Earnings on the Condensed Consolidated Statements of Operations.*

49

---

**INCOME TAXES****INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES***(Dollars in millions)*

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
<b>Sempra Energy Consolidated:</b>				
Income tax expense (benefit)	\$ 167	\$ (84)	\$ (127)	\$ 378
Income (loss) before income taxes and equity earnings of unconsolidated subsidiaries	\$ 427	\$ 5	\$ (15 )	\$ 1,154
Equity (losses) earnings, before income tax <sup>(1)</sup>	(52 )	10	(236 )	31
Pretax income (loss)	\$ 375	\$ 15	\$ (251)	\$ 1,185
Effective income tax rate	45 %	(560 )%	51 %	32 %
<b>SDG&amp;E:</b>				
Income tax expense (benefit)	\$ 53	\$ (72)	\$ 151	\$ 72
Income (loss) before income taxes	\$ 269	\$ (91)	\$ 682	\$ 363
Effective income tax rate	20 %	79 %	22 %	20 %
<b>SoCalGas:</b>				
Income tax (benefit) expense	\$ (7 )	\$ (14)	\$ 75	\$ 103
(Loss) income before income taxes	\$ (21 )	\$ (7 )	\$ 320	\$ 372
Effective income tax rate	33 %	200 %	23 %	28 %

<sup>(1)</sup> We discuss how we recognize equity earnings in Note 6.

Sempra Energy, SDG&E and SoCalGas record income taxes for interim periods utilizing a forecasted ETR anticipated for the full year, in accordance with U.S. GAAP. Unusual and infrequent items and items that cannot be reliably estimated are recorded in the interim period in which they occur, which can result in variability in the ETR.

For SDG&E and SoCalGas, the CPUC requires flow-through rate-making treatment for the current income tax benefit or expense arising from certain property-related and other temporary differences between the treatment for financial reporting and income tax, which will reverse over time. Under the regulatory accounting treatment required for these flow-through temporary differences, deferred income tax assets and liabilities are not recorded to deferred income tax expense, but rather to a regulatory asset or liability, which impacts the ETR. As a result, changes in the relative size of these items compared to pretax income, from period to period, can cause variations in the ETR. The following items are subject to flow-through treatment:

- repairs expenditures related to a certain portion of utility plant assets

- the equity portion of AFUDC

- a portion of the cost of removal of utility plant assets

- utility self-developed software expenditures

- depreciation on a certain portion of utility plant assets

- state income taxes

The AFUDC related to equity recorded for regulated construction projects at Sempra Mexico has similar flow-through treatment.

We record income tax (expense) benefit from the transactional effects of foreign currency and inflation. Such effects are partially mitigated by net gains (losses) from foreign currency derivatives that are hedging Sempra Mexico parent's exposure to movements in the Mexico peso from its controlling interest in IEnova.

On December 22, 2017, the TCJA was signed into law. The TCJA reduced the U.S. statutory corporate federal income tax rate from 35 percent to 21 percent, effective January 1, 2018. In the fourth quarter of 2017, we recorded \$870 million of income tax expense related to the effects of the TCJA. This expense was provisional, using our best estimates and the information available to us through the date those financial statements were issued. As permitted by and in accordance with the guidance issued by the SEC and codified in ASU 2018-05, we may adjust our provisional estimates in reporting periods throughout 2018 as we complete our analysis and as more information becomes available, and these adjustments may affect earnings. Events and information that may still result in adjustments to our provisional estimates include interpretations of the TCJA by the U.S. Department of the Treasury, conformity by the states of the application of the TCJA, assessment of the impact of the TCJA global intangible low-taxed income provisions on the realizability of deferred tax assets, and the finalization of our calculation of foreign undistributed earnings. In the nine months ended September 30, 2018, Sempra Energy recorded \$25 million of additional income tax expense to adjust the provisional estimates recorded in 2017. Additionally, SDG&E and SoCalGas adjusted their provisional estimates relating to the remeasurement of deferred income taxes. In the nine months ended September 30, 2018, SDG&E's deferred tax liabilities decreased by \$38 million and SoCalGas' deferred tax liabilities increased by \$5 million, with each amount offset by a change in their respective regulatory liabilities.

We provide additional information about the TCJA and our accounting for income taxes in Notes 1 and 6 of the Notes to Consolidated Financial Statements in the Annual Report.

## NOTE 2. NEW ACCOUNTING STANDARDS

We describe below recent accounting pronouncements that have had or may have a significant effect on our financial condition, results of operations, cash flows or disclosures.

**ASU 2014-09, "Revenue from Contracts with Customers," ASU 2015-14, "Deferral of the Effective Date," ASU 2016-08, "Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," ASU 2016-10, "Identifying Performance Obligations and Licensing" and ASU 2016-12, "Narrow-Scope Improvements and Practical Expedients":** ASU 2014-09 adds ASC 606 to provide accounting guidance for the recognition of revenue from contracts with customers and affects all entities that enter into contracts to provide goods or services to their customers. The guidance also provides a model for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets, such as property and equipment, including real estate. This guidance must be adopted using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. Amending ASU 2014-09, ASU 2016-08 clarifies the implementation guidance on principal versus agent considerations, ASU 2016-10 clarifies the determination of whether a good or service is separately identifiable from other promises and revenue recognition related to licenses of intellectual property, and ASU 2016-12 provides guidance on transition, collectability, noncash consideration, and the presentation of sales and other similar taxes. The ASUs are codified in ASC 606.

We adopted ASC 606 on January 1, 2018, applying the modified retrospective transition method to all contracts as of January 1, 2018 and elected to use certain practical expedients available under the transition guidance. The impact from adoption was not material to our financial statements, and the timing of our revenue recognition has remained materially consistent before and after the adoption of ASC 606. The new revenue standard provides specific guidance for combining contracts, which resulted in a prospective reclassification between cost of sales and revenues within our Sempra LNG & Midstream segment. This reclassification had no impact on Sempra Energy's consolidated revenues or cost of sales. Our additional disclosures about the nature, amount, timing and uncertainty of revenues arising from contracts with customers are included in Note 3.

**ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities" and ASU 2018-03, "Technical Corrections and Improvements to Financial Instruments – Overall":** In addition to the presentation and disclosure requirements for financial instruments, ASU 2016-01 requires entities to measure equity investments, other than those accounted for under the equity method, at fair value and recognize changes in fair value in net income. Entities will no longer be able to use the cost method of accounting for equity securities. However, for equity investments without readily determinable fair values that do not qualify for the practical expedient to estimate fair value using net asset value per share, entities may elect a measurement alternative that will allow those investments to



be recorded at cost, less impairment, and adjusted for subsequent observable price changes. ASU 2018-03 clarifies that the prospective transition approach for equity investments without readily determinable fair values is meant only for instances in which the measurement alternative is elected. Entities must record a cumulative-effect adjustment to the balance sheet as of the beginning of the first reporting period in which the standard is adopted, except for equity investments without readily determinable fair values, for which the guidance will be applied prospectively.

We adopted ASU 2016-01 and ASU 2018-03 on January 1, 2018. Sempra Energy recognized a cumulative-effect adjustment to decrease Retained Earnings and Other Investments as of January 1, 2018 by \$1 million.

**ASU 2016-02, “Leases,” ASU 2018-01, “Land Easement Practical Expedient for Transition to Topic 842,” ASU 2018-10, “Codification Improvements to Topic 842, Leases” and ASU 2018-11, “Leases (Topic 842): Targeted Improvements”:** ASU 2016-02 requires entities to include substantially all leases on the balance sheet by requiring the recognition of right-of-use assets and lease liabilities for all leases. Entities may elect to exclude from the balance sheet those leases with a term of less than 12 months. For lessees, a lease is classified as finance or operating, and the asset and liability are initially measured at the present value of the fixed lease payments. For lessors, accounting for leases is largely unchanged from previous provisions of U.S. GAAP, other than certain changes to align lessor accounting to specific changes made to lessee accounting and ASC 606. ASU 2016-02 also requires new qualitative and quantitative disclosures for both lessees and lessors. ASU 2018-10 makes technical corrections and clarifications to the accounting guidance in ASC 842.

For public entities, these ASUs are effective for fiscal years beginning after December 15, 2018, including interim periods therein, with early adoption permitted. ASU 2016-02 requires lessees and lessors to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2018-11 provides entities an optional transition method to apply the new guidance as of the adoption date, rather than as of the earliest period presented. In transition, entities may elect certain practical expedients when applying ASU 2016-02. These include a package of practical expedients that must be applied in its entirety to all leases commencing before the effective date, unless the lease is modified, to not reassess (a) the existence of a lease, (b) lease classification or (c) determination of initial direct costs, which effectively allows entities to carryforward accounting conclusions under previous U.S. GAAP. ASU 2016-02 also includes a practical expedient to use hindsight in making judgments when determining the lease term and any long-lived asset impairment. ASU 2018-01 allows entities to elect a practical expedient that would exclude application of ASU 2016-02 to land easements that existed prior to its adoption, if they were not accounted for as leases under previous U.S. GAAP. In addition, ASU 2016-02 and ASU 2018-11 provide practical expedients to the lessee and lessor, respectively, for separating lease and non-lease components.

We are currently evaluating the effect of the standards on our ongoing financial reporting and plan to adopt the standards on January 1, 2019, using the optional transition method to apply the new guidance as of January 1, 2019, rather than as of the earliest period presented. As part of our evaluation, we formed a steering committee comprised of members from Sempra Energy’s business units, have compiled our population of contracts and are preparing our lease accounting assessments. Based on our assessment to date, we have determined that we will elect the package of practical expedients, the land easement practical expedient, and the practical expedient to not separate lease and non-lease components available under the transition guidance described above, but will not elect to use the hindsight practical expedient.

**ASU 2016-13, “Measurement of Credit Losses on Financial Instruments”:** ASU 2016-13 changes how entities will measure credit losses for most financial assets and certain other instruments. The standard introduces an “expected credit loss” impairment model that requires immediate recognition of estimated credit losses expected to occur over the remaining life of most financial assets measured at amortized cost, including trade and other receivables, loan commitments and financial guarantees. ASU 2016-13 also requires use of an allowance to record estimated credit losses on available-for-sale debt securities and expands disclosure requirements regarding an entity’s assumptions, models and methods for estimating the credit losses.

For public entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods therein, with early adoption permitted for fiscal years beginning after December 15, 2018. The amendments are to be applied using a modified retrospective approach through a cumulative-effect adjustment to retained earnings at the beginning of the first reporting period in the year of adoption. We are currently evaluating the effect of the standard on our ongoing financial reporting and plan to adopt the standard on January 1, 2020.

**ASU 2016-15, “Classification of Certain Cash Receipts and Cash Payments” and ASU 2016-18, “Restricted Cash”:** ASU 2016-15 provides guidance on how certain cash receipts and cash payments are to be presented and classified in the statement of cash flows to reduce diversity in practice.

ASU 2016-18 requires amounts classified as restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. A reconciliation between the balance sheet and the statement of cash flows must be disclosed when the balance sheet includes more than one line item for cash, cash equivalents, restricted cash and restricted cash equivalents.

We early adopted ASU 2016-15 and ASU 2016-18 on a retrospective basis in the fourth quarter of 2017. Neither ASU impacted SoCalGas' Condensed Statements of Cash Flows. Upon adoption of these ASUs, Sempra Energy's and SDG&E's Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 were impacted as follows:

**IMPACT FROM ADOPTION OF ASU 2016-15 AND ASU 2016-18***(Dollars in millions)*

	Nine months ended September 30, 2017		
	As previously reported	Effect of adoption	As adjusted
<b>Sempra Energy Condensed Consolidated Statement of Cash Flows:</b>			
Cash flows from operating activities:			
Changes in other noncurrent assets and liabilities, net <sup>(1)</sup>	\$(66)	\$ (6 )	\$ (72 )
Net cash provided by operating activities	2,710	(6 )	2,704
Cash flows from investing activities:			
Increases in restricted cash	(293 )	293	—
Decreases in restricted cash	298	(298 )	—
Other	1	5	6
Effect of exchange rate changes on cash and cash equivalents	9	(9 )	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	11	11
Decrease in cash and cash equivalents	(160 )	160	—
Decrease in cash, cash equivalents, and restricted cash	—	(164 )	(164 )
Cash and cash equivalents, January 1	349	(349 )	—
Cash, cash equivalents and restricted cash, January 1	—	425	425
Cash and cash equivalents, September 30	189	(189 )	—
Cash, cash equivalents and restricted cash, September 30	—	261	261
<b>SDG&amp;E Condensed Consolidated Statement of Cash Flows:</b>			
Cash flows from operating activities:			
Changes in other noncurrent assets and liabilities, net <sup>(1)</sup>	\$(4 )	\$ (6 )	\$ (10 )
Net cash provided by operating activities	1,178	(6 )	1,172
Cash flows from investing activities:			
Increases in restricted cash	(21 )	21	—
Decreases in restricted cash	18	(18 )	—
Other	—	6	6
Net cash used in investing activities	(1,094)	9	(1,085 )
Increase in cash and cash equivalents	10	(10 )	—
Increase in cash, cash equivalents, and restricted cash	—	13	13
Cash and cash equivalents, January 1	8	(8 )	—
Cash, cash equivalents and restricted cash, January 1	—	20	20
Cash and cash equivalents, September 30	18	(18 )	—
Cash, cash equivalents and restricted cash, September 30	—	33	33

<sup>(1)</sup> "As previously reported" amounts in "Changes in other assets" and "Changes in other liabilities" have been combined into one line, "Changes in other noncurrent assets and liabilities, net" to conform to current year presentation.

**ASU 2017-04, "Simplifying the Test for Goodwill Impairment":** ASU 2017-04 removes the second step of the goodwill impairment test, which requires a hypothetical purchase price allocation. An entity will be required to apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying

amount over its fair value, not to exceed the carrying amount of goodwill. For public entities, ASU 2017-04 is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019, with early adoption permitted. The amendments are to be applied on a prospective basis. We have not yet selected the year in which we will adopt the standard.

**ASU 2017-05, “Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets”:** ASU 2017-05 clarifies the scope of accounting for the derecognition or partial sale of nonfinancial assets to exclude all businesses and nonprofit activities. ASU 2017-05 also provides a definition for in-substance nonfinancial assets and additional guidance on partial sales of nonfinancial assets. We adopted the standard in conjunction with our adoption of ASC 606 on January

1, 2018 using the modified retrospective transition method and it did not materially affect our financial condition, results of operations or cash flows.

**ASU 2017-07, “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost”:** ASU 2017-07 requires the service cost component of net periodic benefit costs to be presented in the same income statement line item as other employee compensation costs arising from services rendered during the period and the other components of net periodic benefit costs to be presented separately outside of operating income. The guidance also allows only the service cost component to be eligible for capitalization. Amendments are to be applied retrospectively for presentation of costs and prospectively for capitalization of service costs. The guidance allows a practical expedient that permits use of previously disclosed service costs and other costs from the pension and other postretirement benefit plan disclosure in the comparative periods as appropriate estimates when retrospectively changing the presentation of these costs in the statements of operations. We adopted the standard on January 1, 2018 and elected the practical expedient available under the transition guidance.

Upon adoption of ASU 2017-07, our Condensed Consolidated Statements of Operations were impacted as follows:

**IMPACT FROM ADOPTION OF ASU 2017-07**

(Dollars in millions)

	Three months ended September 30, 2017			Nine months ended September 30, 2017		
	As previously reported	Effect of adoption	As adjusted	As previously reported	Effect of adoption	As adjusted
<b>Sempra Energy:</b>						
Operation and maintenance <sup>(1)</sup>	\$760	\$ (1 )	\$ 759	\$2,205	\$ 21	\$ 2,226
Other income, net	41	(1 )	40	301	21	322
<b>SDG&amp;E:</b>						
Operation and maintenance	\$249	\$ 4	\$ 253	\$713	\$ 12	\$ 725
Total operating expenses	1,290	4	1,294	2,886	12	2,898
Operating (loss) income	(54 )	(4 )	(58 )	465	(12 )	453
Other income, net	16	4	20	49	12	61
<b>SoCalGas:</b>						
Operation and maintenance	\$355	\$ 5	\$ 360	\$1,044	\$ 23	\$ 1,067
Total operating expenses	674	5	679	2,275	23	2,298
Operating income	10	(5 )	5	420	(23 )	397
Other income, net	8	5	13	28	23	51

<sup>(1)</sup> “As previously reported” amounts in “Operation and maintenance” and “Gain on sale of assets” have been combined into one line, “Operation and maintenance” to conform to current year presentation.

**ASU 2017-12, “Targeted Improvements to Accounting for Hedging Activities”:** ASU 2017-12 changes the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge accounting results. More specifically, the guidance expands the exposures that can be hedged to align with an entity’s risk management strategies, alleviates documentation requirements, eliminates the concept of recognizing periodic hedge ineffectiveness for cash flow and net investment hedges and requires entities to present the entire change in the fair value of a hedging instrument in the same income statement line item as the earnings effect of the hedged item. Transition elections are available for all hedges that exist at the date of adoption. We early adopted ASU 2017-12 on January 1, 2018 by applying the modified retrospective approach to the accounting for existing hedging relationships. Sempra Energy recognized a cumulative-effect adjustment to increase Retained Earnings and Accumulated Other Comprehensive Loss as of January 1, 2018 by \$3 million.

**ASU 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income”:** ASU 2018-02 contains amendments that allow a reclassification from AOCI to retained earnings for stranded tax effects resulting from the TCJA. Under ASU 2018-02, an entity will be required to provide certain disclosures regarding stranded tax effects, including its accounting policy related to releasing the income tax effects from AOCI. The amendments in this update can be applied either as of the beginning of the period of adoption or retrospectively as of

the date of enactment of the TCJA and to each period in which the effect of the TCJA is recognized. For public entities, ASU 2018-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods therein, with early adoption permitted. We will adopt ASU 2018-02 on a prospective basis on January 1, 2019 and will reclassify the income tax effects of the TCJA from AOCI to retained earnings.

We expect the impact from adoption of ASU 2018-02 on January 1, 2019 to be as follows:

Sempra Energy: increase of \$42 million to beginning Retained Earnings, \$2 million to noncurrent Regulatory Liabilities and

\$44 million to Accumulated Other Comprehensive Loss;

SDG&E: increase of \$2 million to beginning Retained Earnings and Accumulated Other Comprehensive Loss; and SoCalGas: increase of \$2 million to beginning Retained Earnings, \$2 million to noncurrent Regulatory Liabilities and \$4 million to Accumulated Other Comprehensive Loss.

**ASU 2018-05, “Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118”:** As a result of the TCJA, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which provides guidance on accounting for the TCJA’s impact. Under SAB 118, an entity may apply an approach similar to the measurement period in a business combination. That is, an entity would record those impacts for which the accounting is complete. For matters that are not certain, the entity would either (1) recognize provisional amounts to the extent that they are reasonably estimable and adjust them over time as more information becomes available, or (2) for any specific income tax effects of the TCJA for which a reasonable estimate cannot be determined, continue to apply ASC 740, *Income Taxes*, on the basis of the provisions of the tax laws that were in effect immediately before the TCJA was signed into law; the entity would not adjust current or deferred taxes for those tax effects of the TCJA until a reasonable estimate can be determined. ASU 2018-05 amends ASC 740 by incorporating SAB 118 and is effective upon issuance. We are applying SAB 118 and ASU 2018-05. The income tax effects of the TCJA that we recorded in 2017 were provisional, and we have adjusted and may continue to adjust our provisional estimates in reporting periods throughout 2018, as we discuss in Note 1.

**ASU 2018-13, “Changes to the Disclosure Requirements for Fair Value Measurement” and ASU 2018-14, “Changes to the Disclosure Requirements for Defined Benefit Plans”:** ASU 2018-13 and ASU 2018-14 are intended to improve the effectiveness of disclosures. ASU 2018-13 adds, removes and modifies certain disclosure requirements related to fair value measurements in ASC 820. ASU 2018-14 adds, removes, and clarifies certain disclosure requirements related to defined benefit pension and other postretirement plans. For public entities, ASU 2018-13 is effective for annual reporting periods beginning after December 15, 2019, including interim periods therein, with early adoption permitted for eliminated or modified disclosures. For public entities, ASU 2018-14 is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the effect of the standards on our financial statement disclosures and have not yet selected the year in which we will adopt the standards.

### NOTE 3. REVENUES

The following table disaggregates our revenues from contracts with customers by major service line, market and timing of recognition and provides a reconciliation to total revenues by segment.



Edgar Filing: SEMPRA ENERGY - Form 10-Q

**DISAGGREGATED REVENUES**

(Dollars in millions)

Three months ended September 30, 2018

	SDG&E	SoCalGas	Sempra South American Utilities	Sempra Mexico	Sempra Renewables	Sempra LNG & Midstream	Consolidating adjustments	Sempra Energy Consolidated
<b>By major service line:</b>								
Utilities	\$ 1,577	\$ 719	\$ 358	\$ 17	\$ —	\$ —	\$ (16)	\$ 2,655
Midstream	—	—	—	194	—	82	(71)	205
Renewables	—	—	—	32	14	1	(1)	46
Other	—	—	16	71	—	1	(2)	86
Revenues from contracts with customers	\$ 1,577	\$ 719	\$ 374	\$ 314	\$ 14	\$ 84	\$ (90)	\$ 2,992
<b>By market:</b>								
Electric	\$ 1,486	\$ —	\$ 374	\$ 100	\$ 14	\$ 2	\$ (4)	\$ 1,972
Gas	91	719	—	214	—	82	(86)	1,020
Revenues from contracts with customers	\$ 1,577	\$ 719	\$ 374	\$ 314	\$ 14	\$ 84	\$ (90)	\$ 2,992
<b>By timing of recognition:</b>								
Over time	\$ 1,549	\$ 688	\$ 370	\$ 314	\$ 14	\$ 84	\$ (90)	\$ 2,929
Point in time	28	31	4	—	—	—	—	63
Revenues from contracts with customers	\$ 1,577	\$ 719	\$ 374	\$ 314	\$ 14	\$ 84	\$ (90)	\$ 2,992
Revenues from contracts with customers	\$ 1,577	\$ 719	\$ 374	\$ 314	\$ 14	\$ 84	\$ (90)	\$ 2,992
Utilities regulatory revenues (278 )	83	—	—	—	—	—	—	(195 )
Other revenues	—	—	1	96	24	63	(41)	143
Total revenues	\$ 1,299	\$ 802	\$ 375	\$ 410	\$ 38	\$ 147	\$ (131)	\$ 2,940

Nine months ended September 30, 2018

<b>By major service line:</b>								
Utilities	\$ 3,707	\$ 2,529	\$ 1,136	\$ 58	\$ —	\$ —	\$ (51)	\$ 7,379
Midstream	—	—	—	484	—	171	(105)	550
Renewables	—	—	—	85	37	2	(1)	123
Other	—	—	50	142	—	5	(5)	192
Revenues from contracts with customers	\$ 3,707	\$ 2,529	\$ 1,186	\$ 769	\$ 37	\$ 178	\$ (162)	\$ 8,244
<b>By market:</b>								
Electric	\$ 3,335	\$ —	\$ 1,186	\$ 224	\$ 37	\$ 7	\$ (9)	\$ 4,780
Gas	372	2,529	—	545	—	171	(153)	3,464
Revenues from contracts with customers	\$ 3,707	\$ 2,529	\$ 1,186	\$ 769	\$ 37	\$ 178	\$ (162)	\$ 8,244
<b>By timing of recognition:</b>								
Over time	\$ 3,625	\$ 2,438	\$ 1,173	\$ 769	\$ 37	\$ 156	\$ (152)	\$ 8,046
Point in time	82	91	13	—	—	22	(10)	198
Revenues from contracts with customers	\$ 3,707	\$ 2,529	\$ 1,186	\$ 769	\$ 37	\$ 178	\$ (162)	\$ 8,244
Revenues from contracts with customers	\$ 3,707	\$ 2,529	\$ 1,186	\$ 769	\$ 37	\$ 178	\$ (162)	\$ 8,244

Edgar Filing: SEMPRA ENERGY - Form 10-Q

Utilities regulatory revenues (302 )	171	—	—	—	—	—	(131 )
Other revenues	—	—	4	259	66	152	(128 ) 353
Total revenues	\$3,405	\$ 2,700	\$ 1,190	\$ 1,028	\$ 103	\$ 330	\$ (290 ) \$ 8,466

**REVENUES FROM CONTRACTS WITH CUSTOMERS**

Our revenues from contracts with customers are primarily related to the generation, transmission and distribution of electricity and transmission, distribution and storage of natural gas through our regulated utilities. We also provide other midstream and renewable energy-related services. We assess our revenues on a contract-by-contract as well as a portfolio basis to determine the nature, amount, timing and uncertainty, if any, of revenues being recognized.

We generally recognize revenues when performance of the promised commodity service is provided to our customers and invoice our customers for an amount that reflects the consideration we are entitled to in exchange for those services. We consider the delivery and transmission of electricity and natural gas and providing of natural gas storage services as ongoing and integrated services. Generally, electricity or natural gas services are received and consumed by the customer simultaneously. Our performance obligations related to these services are satisfied over time and represent a series of distinct services that are substantially the same and that have the same pattern of transfer to the customers. We recognize revenue based on units delivered, as the satisfaction of our performance obligations can be directly measured by the amount of electricity or natural gas delivered to the customer. In most cases, the right to consideration from the customer directly corresponds to the value transferred to the customer and we recognize revenue in the amount that we have the right to invoice. We provide further details of our revenue streams below. The payment terms in our customer contracts vary. Typically, we have an unconditional right to customer payments, which are due after the performance obligation to the customer is satisfied. The term between invoicing and when payment is due is typically between 10 and 90 days.

We have elected the practical expedient to exclude sales and usage-based taxes from revenues. In addition, the California Utilities pay franchise fees to operate in various municipalities. The California Utilities bill these franchise fees to their customers based on a CPUC-authorized rate. These franchise fees, which are required to be paid regardless of the California Utilities' ability to collect from the customer, are accounted for on a gross basis and reflected in utilities revenues from contracts with customers and operating expense.

#### ***Utilities Revenues***

Utilities revenues represent the majority of our consolidated revenues from contracts with customers and include:

The generation, transmission and distribution of electricity at:

SDG&E

Sempra South American Utilities' Chilquinta Energía and Luz del Sur

The distribution, transportation and storage of natural gas at:

SDG&E

SoCalGas

Sempra Mexico's Ecogas

Utilities revenues are derived from and recognized upon the delivery of electricity or natural gas services to customers. Amounts that we bill our customers are based on tariffs set by regulators within the respective state or country. For SDG&E and SoCalGas, which follow the provisions of U.S. GAAP governing rate-regulated operations as we discuss in Note 1, amounts that we bill to customers also include adjustments for previously recognized regulatory revenues.

The California Utilities and Ecogas recognize revenues based on regulator-approved revenue requirements, which allows the utilities to recover their reasonable cost of O&M and provides the opportunity to realize their authorized rates of return on their investments. While the California Utilities' revenues are not affected by actual sales volumes, the pattern of their revenue recognition during the year is affected by seasonality. SoCalGas recognizes annual authorized revenue for core natural gas customers using seasonal factors established in the Triennial Cost Allocation Proceeding. Accordingly, a significant portion of SoCalGas' annual earnings are recognized in the first and fourth quarters of each year. SDG&E's authorized revenue recognition is also impacted by seasonal factors, resulting in higher earnings in the third quarter when electric loads are typically higher than in the other three quarters of the year. SDG&E has an arrangement to provide the California ISO with the ability to control its high voltage transmission lines for prices approved by a regulator. Revenue is recognized over time as access is provided to the California ISO. Chilquinta Energía and Luz del Sur, our electric distribution utilities in South America, recognize revenues based on tariffs designed to provide for a pass-through to customers of transmission and energy costs, recovery of reasonable O&M based on an efficient model distribution company, incentives to reduce costs and make needed capital investments and a regulated rate of return on the distributor's regulated asset base.

Factors that can affect the amount, timing and uncertainty of revenues and cash flows include weather, seasonality and timing of customer billings, which may result in unbilled revenues that can vary significantly from month to month and generally approximate one-half month's deliveries.



The California Utilities recognize revenues from the sale of allocated California GHG emissions allowances at quarterly auctions administered by CARB. GHG allowances are delivered to CARB in advance of the quarterly auctions, and the California Utilities have the right to payment when the GHG allowances are sold at auction. GHG revenue is recognized on a point in time basis within the quarter the auction is held. The California Utilities balance costs and revenues associated with the GHG program through regulatory balancing accounts.

#### ***Midstream Revenues***

Midstream revenues at Sempra Mexico and Sempra LNG & Midstream typically represent revenues from long-term, U.S. dollar-based contracts with customers for the sale of natural gas and LNG, as well as storage and transportation of natural gas. Invoiced amounts are based on the volume of natural gas delivered and contracted prices. Sempra Mexico's marketing operations sell natural gas to the CFE and other customers under supply agreements. Sempra Mexico recognizes the revenue from the sale of natural gas upon transfer of the natural gas via pipelines to customers at the agreed upon delivery points, and in the case of the CFE, at its thermoelectric power plants. Through its marketing operations, Sempra LNG & Midstream has contracts to sell natural gas and LNG to Sempra Mexico that allow Sempra Mexico to satisfy its obligations under supply agreements with the CFE and other customers, and to supply Sempra Mexico's TdM power plant. Because Sempra Mexico either immediately delivers the natural gas to its customers or consumes the benefits simultaneously (by using the gas to supply TdM), revenues from Sempra LNG & Midstream's sale of natural gas to Sempra Mexico are generally recognized over time as delivered. Revenues from LNG sales are recognized at the point when the cargo is delivered to Sempra Mexico. Revenues from the sale of LNG and natural gas by Sempra LNG & Midstream to Sempra Mexico are adjusted for indemnity payments and profit sharing. We consider these adjustments to be forms of variable consideration that are associated with the sale of LNG and natural gas to Sempra Mexico, and therefore, the related costs have been recorded as an offset to revenues.

We recognize storage revenue from firm capacity reservation agreements, under which we collect a fee for reserving storage capacity for customers in our underground storage facilities. Under these firm agreements, customers pay a monthly fixed reservation fee based on the storage capacity reserved rather than the actual volumes stored. For the fixed-fee component, revenue is recognized on a straight-line basis over the term of the contract. We bill customers for any capacity used in excess of the contracted capacity and such revenues are recognized in the month of occurrence. We also recognize revenue for interruptible storage services. As we discuss in Note 5, on June 25, 2018, our board of directors approved a plan to sell certain of our non-utility natural gas storage assets.

We generate pipeline transportation revenues from firm agreements, under which customers pay a fee for reserving transportation capacity. Revenue is recognized when the volumes are delivered to the customers' agreed upon delivery point. We recognize revenues for our stand-ready obligation to provide capacity and transportation services throughout the contractual delivery period, as the benefits are received and consumed simultaneously as customers utilize pipeline capacity for the transport and receipt of natural gas and LPG. Invoiced amounts are based on a variable usage fee and a fixed capacity charge, adjusted for the Consumer Price Index, the effects of any foreign currency translation and the actual quantity of commodity transported.

#### ***Renewables Revenues***

Sempra Renewables and Sempra Mexico develop, invest in and operate solar and wind facilities that have long-term PPAs to sell the electricity and the related green energy attributes they generate to customers, generally load serving entities, and also for Sempra Mexico, industrial and other customers. Load serving entities will sell electric service to their end-users and wholesale customers immediately upon receipt of our power delivery, and industrial and other customers immediately consume the electricity to run their facilities, and thus, we recognize the revenue under the PPAs as the electricity is generated. We invoice customers based on the volume of energy delivered at rates pursuant to the PPAs. As we discuss in Note 5, on June 25, 2018, our board of directors approved a plan to sell our U.S. wind and U.S. solar assets.

Sempra LNG & Midstream has a contractual agreement to provide scheduling and marketing of renewable power for Sempra Renewables. Invoiced amounts are based on a fixed fee per MWh scheduled.

#### ***Other Revenues from Contracts with Customers***

Tecnored and Tecsur, our energy services companies in South America, generate revenues from the retail sale of electric materials and providing electric construction and infrastructure services to their customers.

58

---

TdM is a natural gas-fired power plant that generates revenues from selling electricity and/or resource adequacy to the California ISO and to governmental, public utility and wholesale power marketing entities, as the power is delivered at the interconnection point.

### ***Remaining Performance Obligations***

We do not disclose information about remaining performance obligations for (a) contracts with an original expected length of one year or less, (b) revenues recognized at the amount at which we have the right to invoice for services performed, or (c) variable consideration allocated to wholly unsatisfied performance obligations.

For contracts greater than one year, at September 30, 2018, we expected to recognize revenue related to the fixed fee component of the consideration as shown below. SoCalGas did not have any such remaining performance obligations at September 30, 2018.

### **REMAINING PERFORMANCE OBLIGATIONS<sup>(1)</sup>**

*(Dollars in millions)*

	Sempra Energy Consolidated	SDG&E
2018	\$ 181	\$ 1
2019	550	3
2020	544	3
2021	538	3
2022	537	3
Thereafter	3,386	55
Total revenues to be recognized	\$ 5,736	\$ 68

*(1) Excludes intercompany transactions.*

### ***Contract Balances from Revenues from Contracts with Customers***

From time to time, we receive payments in advance of satisfying the performance obligations associated with customer contracts. We defer such revenues as contract liabilities and recognize them in earnings as the performance obligations are satisfied.

Activities within Sempra Energy's contract liabilities are presented below. There were no contract liabilities at SDG&E or SoCalGas at September 30, 2018.

### **CONTRACT LIABILITIES**

*(Dollars in millions)*

<b>Opening balance, January 1, 2018</b>	\$—
Adoption of ASC 606 adjustment	(68 )
Revenue from performance obligations satisfied during reporting period	23
Payments received in advance	(25 )
<b>Closing balance, September 30, 2018<sup>(1)</sup></b>	<b>\$(70)</b>

*(1) Includes \$6 million in Other Current Liabilities, a negligible amount in Liabilities Held for Sale and \$64 million in Deferred Credits and Other on the Sempra Energy Condensed Consolidated Balance Sheet.*

**Receivables from Revenues from Contracts with Customers**

The table below shows receivable balances associated with revenues from contracts with customers on our Condensed Consolidated Balance Sheets.

**RECEIVABLES FROM REVENUES FROM CONTRACTS WITH CUSTOMERS**

(Dollars in millions)

	September 30, 2018	January 1, 2018
<b>Sempra Energy Consolidated:</b>		
Accounts receivable – trade, net	\$ 1,121	\$ 1,194
Accounts receivable – other, net	13	10
Due from unconsolidated affiliates – current <sup>(1)</sup>	4	8
Assets held for sale	10	—
Total	\$ 1,148	\$ 1,212
<b>SDG&amp;E:</b>		
Accounts receivable – trade, net	\$ 470	\$ 362
Accounts receivable – other, net	6	3
Due from unconsolidated affiliates – current <sup>(1)</sup>	3	3
Total	\$ 479	\$ 368
<b>SoCalGas:</b>		
Accounts receivable – trade, net	\$ 342	\$ 517
Accounts receivable – other, net	7	7
Total	\$ 349	\$ 524

<sup>(1)</sup> Amount is presented net of amounts due to unconsolidated affiliates on the Condensed Consolidated Balance Sheets, when right of offset exists.

**REVENUES FROM SOURCES OTHER THAN CONTRACTS WITH CUSTOMERS**

Certain of our revenues are derived from sources other than contracts with customers and are accounted for under other accounting standards outside the scope of ASC 606.

**Utilities Regulatory Revenues***Alternative Revenue Programs*

We recognize revenues from alternative revenue programs when the regulator-specified conditions for recognition have been met and adjust these revenues as they are recovered or refunded through future utility service.

**Decoupled revenues.** As discussed earlier, the regulatory framework requires the California Utilities to recover authorized revenue based on estimated annual demand forecasts approved in regular proceedings before the CPUC. However, actual demand for electricity and natural gas will generally vary from CPUC-approved forecasted demand due to the impacts from weather volatility, energy efficiency programs, rooftop solar and other factors affecting consumption. The CPUC regulatory framework provides for the California Utilities to use a “decoupling” mechanism, which allows the California Utilities to record revenue shortfalls or excess revenues resulting from any difference between actual and forecasted demand to be recovered or refunded in authorized revenue in a subsequent period based on the nature of the account.

**Incentive mechanisms.** The CPUC applies performance-based measures and incentive mechanisms to all California investor-owned utilities, under which the California Utilities have earnings potential above authorized base margins if they achieve or exceed specific performance and operating goals. Generally, for performance-based awards, if performance is above or below specific benchmarks, the utility is eligible for financial awards or subject to financial penalties.

Incentive awards are included in revenues when we receive required CPUC approval of the award, the timing of which may not be consistent from year to year. We would record penalties for results below the specified benchmarks against revenues when we believe it is probable that the CPUC would assess a penalty.



*Other Cost-Based Regulatory Recovery*

The CPUC authorizes the California Utilities to collect revenue requirements for costs that they have been authorized to recover from customers, including the costs to purchase electricity and natural gas, costs associated with administering public purpose, demand response, and customer energy efficiency programs and other programmatic activities authorized as part of the GRC or separately from the GRC. Actual costs are recovered as the commodity or service is delivered, or to the extent actual amounts vary from forecasts, and are generally recovered or refunded within a subsequent period based on the nature of the account through a balancing account mechanism. In general, the revenue recognition criteria for pass-through costs billed to customers are met at the time the costs are incurred. Because SDG&E's and SoCalGas' cost of electricity and/or natural gas is substantially recovered in rates through a balancing account mechanism, changes in these costs are reflected in the changes in revenues, and therefore do not impact earnings.

The CPUC authorizes balancing accounts for certain programmatic activities. Amounts billed to customers, if any, are recorded in these accounts, as well as actual O&M and applicable capital-related costs (such as depreciation, taxes and ROE). Differences between actual and authorized expenditures are tracked and may be recovered or refunded within a GRC cycle or as part of the subsequent GRC request. Examples of these types of programs include, but are not limited to, gas distribution, gas transmission, and gas storage integrity management. The CPUC may impose various review procedures before authorizing recovery or refund for programs authorized separately from the GRC, including limitations on the total cost of the program, revenue requirement limits or reviews of costs for reasonableness. These procedures could result in disallowances of recovery from ratepayers. Examples of programs subject to reasonableness review procedures include, but are not limited to, PSEP.

We discuss balancing accounts and their effects further in Note 4 below and in Note 14 of the Notes to Consolidated Financial Statements in the Annual Report.

*Other Revenues*

Sempra LNG & Midstream has an agreement to supply LNG to Sempra Mexico's ECA LNG terminal. Although the LNG sale and purchase agreement specifies a number of cargoes to be delivered annually, actual cargoes delivered by the supplier have traditionally been significantly lower than the maximum specified under the agreement. As a result, Sempra LNG & Midstream is contractually required to make monthly indemnity payments to Sempra Mexico for failure to deliver the contracted LNG. The revenue from the indemnity payments, along with an amount for profit sharing, allows Sempra Mexico to recover the costs of operating the ECA terminal.

Sempra Mexico generates lease revenues from operating lease agreements with PEMEX for the use of natural gas and ethane pipelines and LPG storage facilities. Certain PPAs at Sempra Renewables are also accounted for as operating leases. The operating leases have terms ranging from 15 to 25 years.

Sempra LNG & Midstream recognizes other revenues from:

fees related to contractual counterparty obligations for non-delivery of LNG cargoes, as described above.

sales of electricity and natural gas under short-term and long-term contracts and into the spot market and other competitive markets. Revenues include the net realized gains and losses on physical and derivative settlements and net unrealized gains and losses from the change in fair values of the derivatives.

**NOTE 4. REGULATORY MATTERS**

We discuss regulatory matters in Note 14 of the Notes to Consolidated Financial Statements in the Annual Report, and provide updates to those discussions and information about new regulatory matters below.

**REGULATORY ASSETS AND LIABILITIES**

We show the details of regulatory assets and liabilities in the following table.

**REGULATORY ASSETS (LIABILITIES)**

(Dollars in millions)

	September 30, 2018	December 31, 2017
<b>SDG&amp;E:</b>		
Fixed-price contracts and other derivatives	\$47	\$96
Deferred income taxes refundable in rates	(267 )	(281 )
Pension and other postretirement benefit plan obligations	130	153
Removal obligations	(1,894 )	(1,846 )
Unamortized loss on reacquired debt	7	9
Environmental costs	28	29
Sunrise Powerlink fire mitigation	119	119
Regulatory balancing accounts <sup>(1)</sup>		
Commodity – electric	23	82
Gas transportation	22	22
Safety and reliability	64	48
Public purpose programs	(73 )	(70 )
Other balancing accounts	30	233
Other regulatory liabilities	(152 )	(70 )
Total SDG&E	(1,916 )	(1,476 )
<b>SoCalGas:</b>		
Pension and other postretirement benefit plan obligations	378	513
Employee benefit costs	45	45
Removal obligations	(868 )	(924 )
Deferred income taxes refundable in rates	(383 )	(437 )
Unamortized loss on reacquired debt	7	8
Environmental costs	24	22
Workers' compensation	9	12
Regulatory balancing accounts <sup>(1)</sup>		
Commodity – gas, including transportation	139	151
Safety and reliability	312	266
Public purpose programs	(276 )	(274 )
Other balancing accounts	(147 )	(114 )
Other regulatory liabilities	(110 )	(64 )
Total SoCalGas	(870 )	(796 )
<b>Sempra Mexico:</b>		
Deferred income taxes recoverable in rates	83	83
Other regulatory assets	6	—
<b>Total Sempra Energy Consolidated</b>	<b>\$(2,697 )</b>	<b>\$(2,189 )</b>

At September 30, 2018 and December 31, 2017, the noncurrent portion of regulatory balancing accounts – net undercollected for SDG&E was <sup>(1)</sup> \$79 million and \$63 million, respectively. At September 30, 2018 and December 31, 2017, the noncurrent portion of regulatory balancing accounts – net undercollected for SoCalGas was \$236 million and \$118 million, respectively.

**CALIFORNIA UTILITIES MATTERS****CPUC General Rate Case**

The CPUC uses a GRC proceeding to set sufficient rates to allow the California Utilities to recover their reasonable cost of O&M and to provide the opportunity to realize their authorized rates of return on their investment.

**2019 General Rate Case**

On October 6, 2017, SDG&E and SoCalGas filed their 2019 GRC applications requesting CPUC approval of test year revenue requirements for 2019 and attrition year adjustments for 2020 through 2022. SDG&E and SoCalGas are seeking revenue requirements for 2019 of \$2.203 billion and \$2.937 billion, respectively, which is an increase of \$221 million and \$481 million

over their respective 2018 revenue requirements (the 2019 proposed and 2018 actual revenue requirements reflect the impact of various updates made during the course of the proceeding). The California Utilities are proposing post-test year revenue requirement annual attrition percentages that are estimated to result in annual increases of approximately 5 percent to 7 percent at SDG&E and approximately 6 percent to 8 percent at SoCalGas. The original GRC applications filed in October 2017 did not reflect the impact of the TCJA, which we discuss in “2016 General Rate Case” below, in Note 1 above and in Note 6 of the Notes to Consolidated Financial Statements in the Annual Report. In April 2018, SDG&E and SoCalGas updated their applications to reflect the impact of the TCJA and filed a joint proposal to address the impacts. The TCJA impact to SDG&E is a reduction of approximately \$58 million to its 2019 test year revenue requirement; however, SDG&E’s 2019 requested revenue requirement is unchanged as we evaluate potentially higher costs associated with mitigating wildfire risks. The TCJA impact to SoCalGas’ 2019 requested revenue requirement is a reduction of approximately \$58 million, which is reflected in its updated request. During the course of the proceeding, Cal PA recommended 2019 revenue requirements of \$1.918 billion and \$2.695 billion for SDG&E and SoCalGas, respectively, which is a net decrease of \$64 million for SDG&E and a net increase of \$239 million for SoCalGas compared to the 2018 revenue requirements. Cal PA’s proposal reduces the three-year annual attrition percentages to 4 percent for SDG&E and a range of 4 percent to 5 percent for SoCalGas. Cal PA recommends addressing SDG&E’s potential ownership of OMEC in a separate proceeding. As a result, Cal PA’s proposed 2019 revenue requirement does not include the estimated \$68 million associated with owning and operating the generating facility. SDG&E’s acquisition of OMEC is subject to a CPUC-approved agreement under which the current owner of the facility can exercise a put option at a designated price on or before October 3, 2019, as we discuss in Note 1. TURN and other intervenors oppose various components of our revenue requirement requests in the 2019 GRC applications.

As part of the 2019 GRC, the CPUC reviewed the California Utilities’ interim accountability reports, which compare the authorized and actual spending for certain safety-related activities for 2014 through 2016. In June 2017, SDG&E and SoCalGas filed their first interim accountability reports comparing authorized and actual spending in 2014 and 2015 for certain safety-related activities. Similar data for 2016 was provided with the 2019 GRC application filings in a second interim accountability report filed in October 2017. The stated purpose of the initial interim accountability reports is to provide data and metrics for key safety and risk mitigation areas that will be considered in the 2019 GRC. In October 2018, the CPUC confirmed that the 2014, 2015 and 2016 interim accountability reports were compliant with the requirements and also recommended improvements for subsequent reports.

The results of the rate case may materially and adversely differ from what is contained in the GRC applications. We expect a final decision from the CPUC in the first half of 2019.

#### *Risk Assessment Mitigation Phase Reporting and Impact on the 2019 GRC Application Filings*

In December 2014, the CPUC issued a decision incorporating a risk-based decision-making framework into all future GRC application filings for major natural gas and electric utilities in California. The framework is intended to assist in assessing safety risks and the utilities’ plans to help ensure that such risks are adequately addressed. In advance of filing the California Utilities’ 2019 GRC applications discussed above, two proceedings occurred: the Safety Model Assessment Proceeding and the RAMP. In the Safety Model Assessment Proceeding, the California Utilities demonstrated the models used to prioritize and mitigate risks in order for the CPUC to establish guidelines and standards for these models.

In November 2016, as part of the new framework, SDG&E and SoCalGas filed their first RAMP report presenting a comprehensive assessment of their key safety risks and proposed activities for mitigating such risks. The report details these key safety risks, which include critical operational issues such as natural gas pipeline safety and wildfire safety, and addresses their classification, scoring, mitigation, alternatives, safety culture, quantitative analysis, data collection and lessons learned.

In March 2017, the CPUC’s Safety and Enforcement Division issued its evaluation report providing generally favorable feedback on the California Utilities’ RAMP report, but recommended a more detailed analysis of the risks presented in the report. The new GRC framework does not require the CPUC to adopt the RAMP report. However, SDG&E and SoCalGas included funding requests in their respective 2019 GRC filings for proposed projects or activities outlined in their RAMP reports. In April 2018, the CPUC granted SDG&E’s and SoCalGas’ motion to close

the proceeding, as all RAMP procedures have been completed.

**Senate Bill 549.** In September 2017, SB 549 was signed into law and became effective January 1, 2018. The bill requires that SDG&E and SoCalGas (as electric and gas corporations) annually notify the CPUC when revenue authorized by the CPUC for maintenance, safety or reliability is redirected to other purposes. The CPUC will incorporate this requirement into the accountability reports that are due beginning in December 2018.

*2016 General Rate Case*

As we discuss in Notes 6 and 14 of the Notes to Consolidated Financial Statements in the Annual Report, the 2016 GRC FD issued by the CPUC in June 2016 required SDG&E and SoCalGas to each establish a two-way income tax expense memorandum account to track revenue variances resulting from certain differences between the income tax expense forecasted in the GRC and the income tax expense incurred from 2016 through 2018. The tracking accounts will remain open until the CPUC decides to close the accounts, which we expect will be reviewed in the 2019 GRC proceedings.

At September 30, 2018, the recorded regulatory liability associated with these tracked amounts totaled \$74 million and \$86 million for SDG&E and SoCalGas, respectively. The recorded liability is primarily related to lower income tax expense incurred than was forecasted in the GRC relating to tax repairs deductions, self-developed software deductions and certain book-over-tax depreciation.

**Impacts of the TCJA.** As we discuss in Note 1, in the fourth quarter of 2017, we recorded the effect of the remeasurement of our deferred income tax balances at the new federal statutory income tax rate enacted by the TCJA. The remeasurement of deferred income tax balances at SDG&E and SoCalGas resulted in excess deferred income taxes from amounts previously collected from ratepayers at the higher rate. These excess deferred income taxes have been recorded as regulatory liabilities and will be refunded to ratepayers in accordance with the IRC's normalization provisions and as determined by the CPUC and the FERC. The income tax effects from the TCJA that we recorded in 2017 were provisional. We may adjust our provisional estimates in future reporting periods throughout 2018, and these adjustments may affect regulatory liabilities, the tracking accounts and/or earnings.

The 2016 GRC FD revenue requirement was authorized using a federal income tax rate of 35 percent. As a result of the TCJA, the federal income tax rate became 21 percent effective January 1, 2018. Since SDG&E and SoCalGas continue to collect 2018 authorized revenues based on a 35 percent tax rate, SDG&E and SoCalGas are recording revenue deferrals, aligned with authorized seasonality factors, that reflect the estimated reduction in the 2018 revenue requirement. As of September 30, 2018, SDG&E and SoCalGas recorded regulatory liabilities of \$51 million and \$40 million, respectively, in anticipation of amounts that will benefit customers in future rates. SDG&E also recorded a \$50 million regulatory liability at September 30, 2018, relating to its FERC jurisdictional rates, in anticipation of amounts that will benefit customers in future rates for the decrease in the federal income tax rate.

**CPUC Cost of Capital**

In October 2017, the CPUC approved the embedded cost of debt presented in advice letters filed by SDG&E and SoCalGas, resulting in a revised return on rate base for SDG&E of 7.55 percent and for SoCalGas of 7.34 percent, effective January 1, 2018, as depicted in the table below:

**AUTHORIZED COST OF CAPITAL AND RATE STRUCTURE – CPUC**

SDG&E				SoCalGas		
Authorized weighting	Return on rate base	Weighted return on rate base		Authorized weighting	Return on rate base	Weighted return on rate base
45.25	% 4.59	% 2.08	<b>Long-Term Debt</b>	45.60	% 4.33	% 1.97
2.75	6.22	0.17	<b>Preferred Stock</b>	2.40	6.00	0.14
52.00	10.20	5.30	<b>Common Equity</b>	52.00	10.05	5.23
<b>100.00%</b>		<b>7.55 %</b>		<b>100.00%</b>		<b>7.34 %</b>

The changes to the embedded cost of debt and return on rate base resulting from the updates included in the filed advice letters are summarized below:

**CHANGES TO THE EMBEDDED COST OF DEBT**

SDG&E		SoCalGas	
Cost of debt	Return on rate base	Cost of debt	Return on rate base

Edgar Filing: SEMPRA ENERGY - Form 10-Q

Previously	5.00 %	7.79 %	5.77 %	8.02 %
Authorized, effective January 1, 2018	4.59 %	7.55 %	4.33 %	7.34 %
Differences	(41 ) bps	(24 ) bps	(144) bps	(68 ) bps

The automatic CCM will be in effect to adjust 2019 cost of capital, if necessary. Unless changed by the operation of the CCM, the updated costs of long-term debt and the new ROEs will remain in effect through December 31, 2019. The cost of capital changes will also apply to capital expenditures in 2018 and 2019 for incremental projects not funded through the GRC revenue requirement.

#### *FERC Formulaic Rate Filing*

SDG&E submitted its Electric Transmission Owner Formula Rate (TO5) filing with the FERC in October 2018 to be effective January 1, 2019, subject to refund. This proceeding will establish the revenue requirement, including rate of return, for SDG&E's FERC-regulated electric transmission operations and assets. SDG&E's TO5 filing proposes to continue most aspects of its existing FERC-authorized formula rate. SDG&E's TO5 filing is requesting: (1) rates to be determined by a base period of historical costs and a forecast of capital investments, (2) a true-up period, which is similar to a balancing account that is designed to provide SDG&E earnings of no more and no less than its actual cost of service including its authorized return on investment, (3) a true-up of accumulated deferred income tax and (4) a refund of amounts collected in rates in 2018 that presumed a 35 percent federal income tax rate. The net impact of our TO5 filing is a revenue requirement of \$911 million, an increase in rates of \$88 million, or 10.6 percent, above 2018's revenue requirement.

This TO5 proceeding will also set SDG&E's authorized FERC ROE. SDG&E's current authorized FERC ROE is 10.05 percent and SDG&E's TO5 filing proposes a FERC ROE of 11.2 percent. SDG&E expects a decision on its TO5 filing in the second half of 2019.

#### **SEMPRA SOUTH AMERICAN UTILITIES**

Luz del Sur serves primarily regulated customers in Peru and revenues are based on rates set by the Energy and Mining Investment Supervisory Body (Organismo Supervisor de la Inversión en Energía y Minería, or OSINERGMIN). The rates are reviewed and adjusted every four years. OSINERGMIN's final distribution rate setting resolution for the 2018-2022 period was published on October 16, 2018, and went into effect on November 1, 2018. The resolution decreases the rates Luz del Sur can charge its regulated customers, resulting in a modest reduction in regulated revenues per annum. Luz del Sur will submit a petition for reconsideration to the regulator in November 2018 and expects a response from the regulator by the end of 2018.

Chilquinta Energía serves regulated and unregulated customers in Chile. Distribution revenues and rates are reviewed and set by the National Energy Commission (Comisión Nacional de Energía or CNE) every four years; the most recent review process was completed in November 2016, covering the period from November 2016 through October 2020. On September 28, 2018, a distribution interim rate case, which included an adjustment to rates, was approved to allow adequate recovery of the incremental investment, including the deployment of smart meters to all customers, necessary to comply with the new distribution standards set by the CNE in December 2017. These interim adjusted rates will be applicable from September 28, 2018 through October 2020.

Chilquinta Energía's most recent review process for zonal transmission rates was completed in September 2017. The final decree approving the rates was published on October 5, 2018. The authorized transmission rates will cover the period from January 2018 through December 2019.

#### **SEMPRA MEXICO**

On July 23, 2018, the CRE adjusted Ecogas' natural gas distribution rates charged to end-users in 2014 through 2016. Ecogas recorded a regulatory asset of \$7 million for this tariff adjustment, which is recoverable in rates effective September 1, 2018 through December 31, 2020.

#### **NOTE 5. ACQUISITION AND DIVESTITURE ACTIVITY**

We consolidate assets acquired and liabilities assumed as of the purchase date and include earnings from acquisitions in consolidated earnings after the purchase date.

#### **ACQUISITIONS**



***Sempra Texas Utility***

After satisfying all conditions precedent, including final approval from the PUCT, on March 9, 2018, Sempra Energy completed the acquisition of an indirect, 100-percent interest in Oncor Holdings, which owned 80.03 percent of Oncor, and other EFH assets and liabilities unrelated to Oncor, pursuant to the Merger Agreement with EFH. Oncor is a regulated electric transmission and distribution business that operates the largest transmission and distribution system in Texas. This acquisition expanded our regulated earnings base, while serving as a platform for future growth in the Texas energy market and U.S. Gulf Coast region.

Under the Merger Agreement, we paid Merger Consideration of \$9.45 billion in cash and an additional \$31 million representing an adjustment for dividends and payments pursuant to a tax sharing agreement with Oncor and Oncor Holdings. Also on March 9, 2018, in a separate transaction, Sempra Energy, through its interest in Oncor Holdings, acquired an additional 0.22 percent of the outstanding membership interests in Oncor from OMI for approximately \$26 million in cash, bringing Sempra Energy's indirect ownership in Oncor to 80.25 percent. TTI, an investment vehicle indirectly owned by third parties unaffiliated with Oncor Holdings or Sempra Energy, continues to own 19.75 percent of Oncor's outstanding membership interests.

Pursuant to the Merger Agreement, the reorganized EFH (renamed Sempra Texas Holdings Corp.) merged with an indirect subsidiary of Sempra Energy, with Sempra Texas Holdings Corp. continuing as the surviving company and an indirect, wholly owned subsidiary of Sempra Energy. Sempra Texas Holdings Corp. wholly owns EFIH (renamed Sempra Texas Intermediate Holding Company LLC), which holds our 100-percent interest in Oncor Holdings. Sempra Texas Intermediate Holding Company LLC is included in our newly formed Sempra Texas Utility reportable segment. Other assets and liabilities unrelated to Oncor that were acquired with Sempra Texas Holdings Corp. have been subsumed into our parent organization, Parent and other.

Due to ring-fencing measures, governance mechanisms, and commitments in effect following the Merger, we do not have the power to direct the significant activities of Oncor Holdings and Oncor. Consequently, we account for our 100-percent ownership interest in Oncor Holdings as an equity method investment. See Note 6 for additional information about our equity method investment in Oncor Holdings and related ring-fencing measures.

The Sempra Texas Utility reportable segment comprises:

*The foregoing is a simplified ownership structure that does not show all the subsidiaries of, or other equity interests owned by, these entities.*

In anticipation of the Merger, in January 2018, we completed registered public offerings of our common stock (including shares offered pursuant to forward sale agreements), series A preferred stock and long-term debt, as we discuss in Notes 1 and 7 herein and in Note 18 of the Notes to Consolidated Financial Statements in the Annual Report. These offerings provided total initial net

proceeds of approximately \$7.0 billion for partial funding of the Merger Consideration, of which approximately \$800 million was used to temporarily pay down commercial paper, pending the closing of the Merger.

On March 8, 2018, to fund a portion of the Merger Consideration, we settled approximately \$900 million (net of underwriting discounts of \$16 million) of forward sales under the forward sale agreements entered into in connection with the public offering of common stock in January 2018 by delivery of 8,556,630 shares of newly issued Sempra Energy common stock, as we discuss in Note 1. We raised the remaining portion of the Merger Consideration through issuances of approximately \$2.6 billion in commercial paper with a weighted-average maturity of 47 days and a weighted-average interest rate of 2.2 percent per annum.

The total purchase price paid was comprised of the following:

\$9,450 million of Merger Consideration;

\$31 million adjustment for dividends and payments pursuant to a tax sharing agreement with Oncor and Oncor Holdings;

\$26 million paid in a separate transaction to acquire an additional 0.22 percent of the outstanding membership interests in Oncor from OMI; and

\$59 million of transaction costs included in the basis of our investment in Oncor Holdings.

We accounted for the Merger as an asset acquisition, as the equity method investment in Oncor Holdings represents substantially all of the fair value of the gross assets acquired. The following table sets forth the allocation of the total purchase price paid to the identifiable assets acquired and liabilities assumed.

#### **PURCHASE PRICE ALLOCATION**

*(Dollars in millions)*

	At March 9, 2018
<b>Assets acquired:</b>	
Accounts receivable – other, net	\$1
Due from unconsolidated affiliates	46
Investment in Oncor Holdings	9,161
Deferred income tax assets	353
Other noncurrent assets	109
Total assets acquired	9,670
<b>Liabilities assumed:</b>	
Other current liabilities	23
Pension and other postretirement benefit plan obligations	21
Deferred credits and other	60
Total liabilities assumed	104
Net assets acquired	\$9,566
Total purchase price paid	\$9,566

The fair value of the equity method investment in Oncor Holdings is primarily attributable to Oncor's business. Therefore, we considered the underlying assets and liabilities of Oncor when determining the fair value of our equity method investment. As a regulated entity, Oncor's rates are set and approved by the PUCT, and are designed to recover the cost of providing service and the opportunity to earn a reasonable return on its investments. Accordingly, Oncor applies the guidance under the provisions of U.S. GAAP governing rate-regulated operations. Under U.S. GAAP, regulation is viewed as being a characteristic (restriction) of a regulated entity's assets and liabilities, and the impact of regulation is considered a fundamental input to measuring the fair value of Oncor's assets and liabilities. Under this premise, we concluded that the carrying values of all assets and liabilities recoverable through rates are representative of their fair values.

Deferred income tax assets acquired have been recognized based on the facts and circumstances that existed as of the acquisition date related to the resolution of claims in EFH's emergence from bankruptcy. Should the final resolution of these claims result in a change in deferred income tax assets allocated to us, an adjustment will be made to the purchase price allocation.

***Sempra Mexico***

On September 26, 2018, Sempra Mexico acquired a 51-percent interest (with an option to increase its ownership interest to 82.5 percent) in a subsidiary of Trafigura Mexico, S.A. de C.V. that owns certain permits and land where the Manzanillo Terminal will be built. We consolidate this subsidiary and report NCI for the 49-percent ownership interest held by Trafigura Mexico, S.A. de C.V. IEnova intends to invest \$102 million to \$165 million (depending on ownership interest) to develop, construct and operate

the Manzanillo Terminal, a marine terminal for the receipt, storage and delivery of refined products located in Colima, Mexico. IEnova and Trafigura Mexico, S.A. de C.V. also entered into a long-term, U.S. dollar-denominated terminal services agreement for 50 percent of the terminal's initial storage capacity of 1.48 million barrels. We expect operations to commence in the fourth quarter of 2020.

On February 28, 2018, Sempra Mexico completed the asset acquisition of Fistera Midstream Mexico, S. de R.L. de C.V., for a purchase price of \$5 million. Substantially all of the fair value of the gross assets acquired is attributable to a self-supply permit that allows generators to compete directly with CFE's retail tariffs and, thus, have access to PPAs with a competitive pricing position. IEnova intends to invest \$130 million to develop, construct and operate the Don Diego Solar Complex, a 125-MW solar facility in Sonora, Mexico. IEnova entered into a 15-year, U.S. dollar-denominated PPA with various subsidiaries of El Puerto de Liverpool, S.A.B. de C.V., for a portion of the capacity. We expect operations to commence in the second half of 2019.

### ***Sempra Renewables***

On July 10, 2017, Sempra Renewables paid \$124 million in cash for an asset acquisition of the Great Valley Solar Project, a portfolio of four solar projects located in Fresno County, California, that were under construction. We placed three of these projects into service in the fourth quarter of 2017 and placed the fourth project into service in April 2018. The portfolio of solar projects is capable of producing up to 200 MW of solar power. The solar projects are fully contracted under four long-term PPAs, with an average contract term of 18 years.

## **PENDING ACQUISITIONS**

### ***Sempra Texas Utility***

On October 18, 2018, Oncor entered into the InfraREIT Merger Agreement, whereby Oncor will acquire 100 percent of the issued and outstanding shares of InfraREIT and 100 percent of the limited partnership units of its subsidiary, InfraREIT Partners, for approximately \$1,275 million, or \$21 per share and unit, plus approximately \$40 million for a management agreement termination fee, as well as other customary transaction costs incurred by InfraREIT that will be borne by Oncor as part of the acquisition. In addition, the transaction includes InfraREIT's outstanding debt, which as of September 30, 2018 was approximately \$945 million. Consummation of the InfraREIT Merger Agreement is subject to the satisfaction of certain closing conditions, including the substantially concurrent consummation of the transactions contemplated by the Asset Exchange Agreement and Securities Purchase Agreement, discussed below. On October 18, 2018, Oncor entered into the Asset Exchange Agreement, whereby SDTS will accept and assume certain assets and liabilities of SU in exchange for certain SDTS assets. As currently contemplated, SDTS will receive certain real property and other assets used in the electric transmission and distribution business in Central, North and West Texas, as well as the equity interests in GS Project Entity, L.L.C. (a wholly owned subsidiary of SU) and SU will receive certain real property and other assets that are near the Texas-Mexico border. Immediately prior to completing the exchange, SDTS will become a wholly owned, indirect subsidiary of InfraREIT Partners. Consummation of the Asset Exchange Agreement is subject to the satisfaction of certain closing conditions, including the substantially concurrent consummation of the transactions contemplated by the Securities Purchase Agreement, discussed below.

On October 18, 2018, Sempra Energy entered into the Securities Purchase Agreement, whereby Sempra Texas Utilities Holdings I, LLC (a wholly owned subsidiary of Sempra Energy in our Sempra Texas Utility reportable segment) will acquire a 50 percent economic interest in Sharyland Holdings, LP for approximately \$98 million, subject to customary closing adjustments. In connection with and prior to the consummation of the Securities Purchase Agreement, Sharyland Holdings, LP will own 100 percent of the membership interests in SU and SU will convert into a limited liability company, which is expected to be named Sharyland Utilities, LLC. Upon consummation of the Securities Purchase Agreement, Sempra Texas Utilities Holdings I, LLC will indirectly own and account for its 50 percent membership interest in Sharyland Utilities, LLC as an equity method investment. Consummation of the Securities Purchase Agreement is subject to the satisfaction of certain closing conditions, including the substantially concurrent consummation of the transactions contemplated by the InfraREIT Merger Agreement and the Asset Exchange Agreement.

For Oncor to fund its acquisition of interests in InfraREIT, Sempra Energy and certain indirect equity holders of TTI have committed to make capital contributions proportionate to Sempra Energy's and TTI's respective ownership

interests in Oncor, with the amount estimated to be contributed by Sempra Energy equal to approximately \$1,025 million, excluding Sempra Energy's share of the approximately \$40 million for a management agreement termination fee, as well as other customary transaction costs incurred by InfraREIT that will be borne by Oncor as part of the acquisition. We expect to fund our capital contribution to Oncor and to purchase the 50-percent limited-partner interest in Sharyland Holdings, LP by utilizing a portion of

68

---

the anticipated proceeds of \$1.54 billion (subject to potential customary adjustments) from the pending sale of certain of our non-utility U.S. renewables business to a subsidiary of Con Ed, which we discuss below. The capital contributions are contingent on the satisfaction of customary conditions, including the substantially simultaneous closing of the transactions contemplated by the InfraREIT Merger Agreement, but are not a condition to the transactions contemplated therein.

The transactions contemplated by the agreements discussed above require approval by the PUCT and the FERC and expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as well as the satisfaction of other regulatory requirements, certain lender consents and other customary closing conditions. In addition, the acquisition of InfraREIT requires the approval of the InfraREIT stockholders, is subject to a standard go shop process whereby InfraREIT can, among other things, solicit offers that may be superior to the terms of the transaction that Oncor has proposed, and the approval by the Committee on Foreign Investment in the United States. We expect that the transactions will close in mid-2019.

#### ***Sempra South American Utilities***

On June 29, 2018, Chilquinta Energía entered into a sales and purchase agreement with AES Gener S.A. and its subsidiary Sociedad Eléctrica Angamos S.A. to acquire a 100-percent interest in Compañía Transmisora del Norte Grande S.A. (CTNG). CTNG owns regulated transmission assets in the Valparaíso, Metropolitana and Antofagasta regions of Chile. The fully operating transmission assets include a 114-mile, 110-kV single-circuit transmission line, an 82-mile, 220-kV double-circuit transmission line, other transmission assets and substations. CTNG's regulated revenues are based on tariffs that are set by the CNE and are reviewed by the CNE every four years. This business acquisition is consistent with our long-term growth strategy of owning and operating regulated transmission and distribution assets. We expect to fund the purchase price of approximately \$220 million, subject to customary adjustments, with available cash on hand at Sempra South American Utilities. The transaction is subject to various closing conditions, including regulatory approval by the Fiscalía Nacional Económica. We expect the transaction to close in the fourth quarter of 2018.

#### **ASSETS HELD FOR SALE**

We classify assets as held for sale when management approves and commits to a formal plan to actively market an asset for sale and we expect the sale to close within the next 12 months. Upon classifying an asset as held for sale, we record the asset at the lower of its carrying value or its estimated fair value reduced for selling costs.

#### ***Sempra Mexico***

##### ***Termoeléctrica de Mexicali***

In February 2016, management approved a plan to market and sell Sempra Mexico's TdM, a 625-MW natural gas-fired power plant located in Mexicali, Baja California, Mexico. As a result, we classified TdM as held for sale, stopped depreciating the plant, and have since recorded it each period at the lower of its carrying value or fair value less costs to sell.

On June 1, 2018, management terminated its sales process for TdM due to evolving strategic considerations for projects under development at IEnova. As a result, the assets and liabilities previously classified as held for sale were reclassified as held and used, and depreciation resumed. We reclassified the property, plant and equipment at its carrying value (which approximated fair value) at the date of the subsequent decision not to sell.

#### ***Planned Sale of U.S. Renewables and Natural Gas Storage Assets***

On June 25, 2018, our board of directors approved a plan to divest certain non-utility natural gas storage assets in the southeast U.S., and all our U.S. wind and U.S. solar assets (collectively, the Assets). The plan to sell the Assets resulted from the most recent comprehensive strategic portfolio review by the board of directors and management. As a result of our plan to sell the Assets, we recorded total impairment charges totaling \$1.5 billion (\$900 million after tax and noncontrolling interests) in June 2018. These charges included \$1.3 billion (\$755 million after tax and noncontrolling interests) at Sempra LNG & Midstream, which is included in Impairment Losses on Sempra Energy's Condensed Consolidated Statement of Operations, and \$200 million (\$145 million after tax) at Sempra Renewables, which is included in Equity Earnings on Sempra Energy's Condensed Consolidated Statement of Operations. These impairment charges primarily represent an adjustment of the related assets' carrying values to estimated fair values, less costs to sell when applicable, which we discuss further in Notes 6 and 9.

*Sempra LNG & Midstream*

69

---

Included in the plan of sale are the following non-utility natural gas storage assets at our Sempra LNG & Midstream reportable segment:

• Mississippi Hub, an underground salt dome with 22 Bcf of working natural gas storage capacity located near Jackson, Mississippi and related compression and pipeline facilities; and  
 our 90.9-percent ownership interest in Bay Gas, a facility located near Mobile, Alabama and related compression and pipeline facilities, that provides underground storage (20 Bcf of working natural gas storage capacity) and delivery of natural gas.

#### *Sempra Renewables*

Also included in the plan of sale are all wind assets and investments and solar assets and investments, including our wholly owned facilities, joint venture and tax equity investments and projects in development in our Sempra Renewables reportable segment, all of which are located in the U.S.

On September 20, 2018, Sempra Renewables entered into an agreement with a subsidiary of Con Ed to sell, for \$1.54 billion (subject to potential customary adjustments):

all of its operating solar assets, including assets that are either currently owned through joint ventures or through tax equity arrangements (other than those interests held by tax equity investors);

its solar and battery storage development projects; and

Broken Bow 2 wind generation facility owned through a joint venture.

The pending sale does not include Sempra Renewables' 50-percent interests in its other jointly owned wind generation facilities or its tax equity interests in U.S. wind facilities. The transaction is subject to various closing conditions, including approvals from the FERC and the DOE and obtaining consents to replace certain contractual obligations. We expect the transaction to close in the fourth quarter of 2018.

We continue to actively pursue the sale of the remaining Assets, which we expect to complete in 2019.

The carrying amounts of the major classes of assets and related liabilities classified as held for sale associated with Sempra Renewables and Sempra LNG & Midstream are summarized in the following table.

#### **ASSETS HELD FOR SALE AT SEPTEMBER 30, 2018**

*(Dollars in millions)*

	Sempra Renewables	Sempra LNG & Midstream
	U.S. wind and solar assets	Non-utility natural gas storage assets
Cash and cash equivalents	\$ 26	\$ —
Restricted cash	4	—
Accounts receivable – trade, net	13	4
Accounts receivable – other, net	1	—
Due from unconsolidated affiliates	3	—
Inventories	5	—
Fixed-price contracts and other derivatives, current	1	—
Other current assets	4	6
Property, plant and equipment, net	1,664	143
Fixed-price contracts and other derivatives, noncurrent	2	—
Other noncurrent assets	4	1
Total assets held for sale	\$ 1,727	\$ 154
Accounts payable – trade	\$ 8	\$ —
Current portion of long-term debt	7	—
Fixed-price contracts and other derivatives, current <sup>(1)</sup>	2	—
Other current liabilities	6	5
Long-term debt	63	—



Edgar Filing: SEMPRA ENERGY - Form 10-Q

Asset retirement obligations	57	8
Other noncurrent liabilities	2	—
Total liabilities held for sale	\$ 145	\$ 13

<sup>(1)</sup> *Intercompany activity is eliminated on the Sempra Energy Condensed Consolidated Balance Sheet.*

70

---

Additionally, Sempra Renewables' wind and solar equity method investments totaling \$600 million at September 30, 2018, which are included in the plan of sale, continue to be classified as Other Investments on Sempra Energy's Condensed Consolidated Balance Sheet, in conformity with U.S. GAAP. See Note 6 for further discussion.

#### NOTE 6. INVESTMENTS IN UNCONSOLIDATED ENTITIES

Sempra Energy uses the equity method to account for investments in affiliated companies over which we have the ability to exercise significant influence, but not control. Equity earnings and losses, both before and net of income tax, are combined and presented as Equity Earnings on the Condensed Consolidated Statements of Operations. See Note 1 for information regarding the pretax income or loss used to calculate our ETR.

Our equity method investments include various domestic and foreign entities. Our domestic equity method investees are typically partnerships that are pass-through entities for income tax purposes and therefore they do not record income tax. Sempra Energy's income tax on earnings from these equity method investees, other than Oncor Holdings as we discuss below, is included in Income Tax (Expense) Benefit on the Condensed Consolidated Statements of Operations.

Oncor is a partnership for U.S. federal income tax purposes and is not included in the consolidated income tax return of Sempra Energy. Rather, only our equity earnings from our investment in Oncor Holdings (a disregarded entity for tax purposes) are included in our consolidated income tax return. A tax sharing agreement with TTI, Oncor Holdings and Oncor provides for the calculation of an income tax liability substantially as if Oncor Holdings and Oncor were taxed as corporations, and requires tax payments determined on that basis. While partnerships are not subject to income taxes, in consideration of the tax sharing agreement and Oncor being subject to the provisions of U.S. GAAP governing rate-regulated operations, Oncor recognizes amounts determined under cost-based regulatory rate-setting processes (with such costs including income taxes), as if it were taxed as a corporation. As a result, since Oncor Holdings consolidates Oncor, we recognize equity earnings from our investment in Oncor Holdings net of its recorded income tax.

With the exception of RBS Sempra Commodities, discussed below, our foreign equity method investees are corporations whose operations are taxable on a stand-alone basis in the countries in which they operate, and we recognize our equity in such income or losses net of investee income tax. We may be subject to additional taxes related to these foreign investments, such as taxes on cash dividends or other cash distributions, which are recorded in Income Tax (Expense) Benefit on the Condensed Consolidated Statements of Operations.

We provide additional information concerning our equity method investments in Note 5 above and in Notes 3 and 4 of the Notes to Consolidated Financial Statements in the Annual Report.

#### **SEMPRA TEXAS UTILITY**

As we discuss in Note 5, on March 9, 2018, we completed the acquisition of an indirect, 100-percent interest in Oncor Holdings, which owns an 80.25-percent interest in Oncor. Due to ring-fencing measures, governance mechanisms, and commitments in effect following the Merger, we do not have the power to direct the significant activities of Oncor Holdings and Oncor, which we discuss in the following paragraph. Consequently, we account for our investment in Oncor Holdings under the equity method, which comprises our Sempra Texas Utility reportable segment.

As we discuss in Note 5, reorganized EFH (renamed Sempra Texas Holdings Corp.) was merged with an indirect subsidiary of Sempra Energy and its assets and liabilities relating to non-Oncor operations have been subsumed into our parent organization. Certain existing ring-fencing measures, governance mechanisms and restrictions remain in effect following the Merger, which are intended to enhance Oncor Holdings' and Oncor's separateness from their owners and to mitigate the risk that these entities would be negatively impacted by the bankruptcy of, or other adverse financial developments affecting, EFH or its other subsidiaries or the owners of EFH. Sempra Energy does not control Oncor Holdings or Oncor, and the ring-fencing measures, governance mechanisms and restrictions limit our ability to direct the management, policies and operations of Oncor Holdings and Oncor, including the deployment or disposition of their assets, declarations of dividends, strategic planning and other important corporate issues and actions. These limitations include limited representation on the Oncor Holdings and Oncor boards of directors, as Oncor Holdings and Oncor will continue to have a majority of independent directors. Thus, Oncor Holdings and Oncor will continue to be managed independently (i.e., ring-fenced).



As such, upon consummation of the acquisition, we account for our 100-percent ownership interest in Oncor Holdings as an equity method investment. The initial fair value of our equity method investment was \$9,161 million, which includes \$2,672 million of equity method goodwill related to the excess of purchase price paid over the fair value of the assets and liabilities of Oncor Holdings.

We recognized equity earnings, net of income tax, of \$154 million and \$283 million for the three months ended September 30, 2018 and for the period since the acquisition date through September 30, 2018, respectively. We contributed \$117 million in cash, commensurate with our ownership interest, to Oncor on April 23, 2018 in accordance with the terms of the Merger Agreement to enable Oncor to achieve its required capital structure calculated for regulatory purposes. We contributed an additional \$112 million in cash on November 2, 2018. We provide summarized income statement information for Oncor Holdings in the following table.

**SUMMARIZED FINANCIAL INFORMATION –  
ONCOR HOLDINGS**

*(Dollars in millions)*

	Three months ended September 30, 2018	March 9 - September 30, 2018
Operating revenues	\$ 1,095	\$ 2,352
Operating expense	(748 )	(1,663 )
Income from operations	347	689
Interest expense	(89 )	(198 )
Income tax expense	(53 )	(105 )
Net income	191	351
Noncontrolling interest held by TTI	(38 )	(70 )
Earnings attributable to Sempra Energy <sup>(1)</sup>	153	281

<sup>(1)</sup> Earnings at Oncor Holdings differ from earnings at the Sempra Texas Utility segment due to basis differences in AOCI.

**SEMPRA SOUTH AMERICAN UTILITIES**

In the first quarter of 2017, Sempra South American Utilities recorded the equitization of its \$19 million note receivable due from Eletrans, resulting in an increase in its investment in this unconsolidated joint venture. Sempra South American Utilities invested cash of \$1 million in Eletrans in the nine months ended September 30, 2017.

**SEMPRA MEXICO**

Sempra Mexico invested cash of \$45 million and \$72 million in its unconsolidated joint ventures in the nine months ended September 30, 2018 and 2017, respectively.

**SEMPRA RENEWABLES**

On June 25, 2018, our board of directors approved a plan to sell all wind assets and investments and solar assets and investments, including our wholly owned facilities, joint venture and tax equity investments and projects in development in our Sempra Renewables reportable segment, all of which are located in the U.S. On September 20, 2018, Sempra Renewables entered into an agreement with a subsidiary of Con Ed to sell all of its operating solar assets, including its solar equity method investments, and one wind equity method investment. We discuss the plan of sale and the pending sale agreement with Con Ed in Note 5.

Because of our expectation of a shorter holding period as a result of this plan of sale, we evaluated the recoverability of the carrying amounts of our wind and solar equity method investments and concluded there is an other-than-temporary impairment on certain of our wind equity method investments totaling \$200 million, which is included in Equity Earnings on Sempra Energy's Condensed Consolidated Statement of Operations for the nine months ended September 30, 2018. Our wind and solar investments totaling \$600 million at September 30, 2018, which are also included in the plan of sale, continue to be classified as Other Investments on Sempra Energy's Condensed Consolidated Balance Sheet, in conformity with U.S. GAAP. We discuss non-recurring fair value measures in Note 9.

**SEMPRA LNG & MIDSTREAM**



Sempra LNG & Midstream capitalized \$34 million and \$36 million of interest in the nine months ended September 30, 2018 and 2017, respectively, related to its investment in Cameron LNG JV, which has not commenced planned principal operations. In the nine months ended September 30, 2018 and 2017, Sempra LNG & Midstream invested cash of \$149 million and \$1 million, respectively, in this unconsolidated joint venture.

### **RBS SEMPra COMMODITIES**

RBS Sempra Commodities is a United Kingdom limited liability partnership formed by Sempra Energy and RBS in 2008 to own and operate the commodities-marketing businesses previously operated through wholly owned subsidiaries of Sempra Energy. We and RBS sold substantially all of the partnership's businesses and assets in four separate transactions completed in 2010 and 2011. Since 2011, our investment balance has reflected our share of amounts retained by the partnership to help offset unanticipated future general and administrative costs necessary to complete the dissolution of the partnership, and the distribution of the partnership's remaining assets, if any. We account for our investment in RBS Sempra Commodities under the equity method.

In September 2018, we fully impaired our remaining equity method investment in RBS Sempra Commodities by recording a charge of \$65 million in Equity Earnings on Sempra Energy's Condensed Consolidated Statement of Operations. We discuss matters related to RBS Sempra Commodities further in Note 11.

### **GUARANTEES**

At September 30, 2018, we had outstanding guarantees aggregating a maximum of \$4.5 billion with an aggregate carrying value of \$20 million. We discuss these guarantees in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

## **NOTE 7. DEBT AND CREDIT FACILITIES**

### **LINES OF CREDIT**

On January 17, 2018, pursuant to the terms of the Sempra Energy and Sempra Global credit facilities, the amounts available under the lines of credit were increased by \$250 million, from \$1.0 billion to \$1.25 billion, for Sempra Energy and by \$850 million, from \$2.335 billion to \$3.185 billion, for Sempra Global. At September 30, 2018, Sempra Energy Consolidated had an aggregate of approximately \$5.4 billion in three primary committed lines of credit for Sempra Energy, Sempra Global and the California Utilities to provide liquidity and to support commercial paper. The principal terms of these committed lines of credit, which expire in October 2020, are described below and in Note 5 of the Notes to Consolidated Financial Statements in the Annual Report. Available unused credit on these lines at September 30, 2018 was approximately \$3.2 billion. Our foreign operations have additional general purpose credit facilities aggregating \$1.7 billion, with approximately \$1.0 billion available unused credit at September 30, 2018.

**PRIMARY U.S.  
COMMITTED LINES OF  
CREDIT**

(Dollars in millions)

September 30, 2018		
Total facility	Commercial paper outstanding <sup>(1)</sup>	Available unused credit
Sempra Energy <sup>(2)</sup>	\$ —	\$ 1,250
Sempra Global <sup>(3)</sup>	(2,147 )	1,038
California Utilities <sup>(4)</sup> :		
SDG&E (48 )		702
SoCalGas		750
Less: combined limit of \$1 (500 ) billion for both utilities		(500 )
1,000 (48 )		952
<b>Total</b>	<b>\$ (2,195 )</b>	<b>\$ 3,240</b>

(1) Because the commercial paper programs are supported by these lines, we reflect the amount of commercial paper outstanding as a reduction to the available unused credit.

(2) The facility also provides for issuance of up to \$400 million of letters of credit on behalf of Sempra Energy with the amount of borrowings otherwise available under the facility reduced by the amount of outstanding letters of credit. No letters of credit were outstanding at September 30, 2018.

(3) Sempra Energy guarantees Sempra Global's obligations under the credit facility.

(4) The facility also provides for the issuance of letters of credit on behalf of each utility, subject to a combined letter of credit commitment of \$250

(4) million for both utilities. The amount of borrowings otherwise available under the facility is reduced by the amount of outstanding letters of credit. No letters of credit were outstanding at September 30, 2018.

Sempra Energy, SDG&E and SoCalGas must maintain a ratio of indebtedness to total capitalization (as defined in each of the applicable credit facilities) of no more than 65 percent at the end of each quarter. Each entity is in compliance with this and all other financial covenants under its respective credit facility at September 30, 2018.

**CREDIT FACILITIES IN SOUTH AMERICA AND MEXICO**

(U.S. dollar-equivalent in millions)

September 30, 2018				
Denominated in	Total facility	Amounts outstanding		Available unused credit
Sempra South American Utilities <sup>(1)</sup> :				
Peru <sup>(2)</sup> Peruvian sol	\$ 456	\$ (146 )	<sup>(3)</sup>	\$ 310
Chile Chilean peso	115	—		115
Sempra Mexico:				
INova <sup>(4)</sup> U.S. dollar	1,170	(615 )		555
<b>Total</b>	<b>\$ 1,741</b>	<b>\$ (761 )</b>		<b>\$ 980</b>

- (1) The credit facilities were entered into to finance working capital and for general corporate purposes and expire between 2018 and 2021.*
- (2) The Peruvian facilities require a debt to equity ratio of no more than 170 percent, with which we were in compliance at September 30, 2018.*
- (3) Includes bank guarantees of \$18 million.*
- (4) Five-year revolver expiring in August 2020 with a syndicate of eight lenders.*

Outside of these domestic and foreign committed credit facilities, we have bilateral unsecured letter of credit capacity with select lenders that is uncommitted and supported by reimbursement agreements. At September 30, 2018, we had approximately \$603 million in letters of credit outstanding under these agreements.

#### **WEIGHTED AVERAGE INTEREST RATES**

The weighted average interest rates on total short-term debt at Sempra Energy Consolidated were 2.65 percent and 1.92 percent at September 30, 2018 and December 31, 2017, respectively. The weighted average interest rates on total short-term debt at SDG&E were 2.35 percent and 1.65 percent at September 30, 2018 and December 31, 2017, respectively. The weighted average interest rate on total short-term debt at SoCalGas was 1.64 percent at December 31, 2017.



**LONG-TERM DEBT*****Sempra Energy***

On January 12, 2018, we issued the following debt securities and received net proceeds of \$4.9 billion (after deducting discounts and debt issuance costs of \$68 million):

**NOTES ISSUED IN LONG-TERM DEBT OFFERING**

(Dollars in millions)

Title of each class of securities	Aggregate principal amount	Maturity	Interest payments
Floating Rate <sup>(1)</sup> Notes due 2019	\$ 500	July 15, 2019	Quarterly
Floating Rate <sup>(2)</sup> Notes due 2021	700	January 15, 2021	Quarterly
2.400% Senior Notes due 2020	500	February 1, 2020	Semi-annually
2.900% Senior Notes due 2023	500	February 1, 2023	Semi-annually
3.400% Senior Notes due 2028	1,000	February 1, 2028	Semi-annually
3.800% Senior Notes due 2038	1,000	February 1, 2038	Semi-annually
4.000% Senior Notes due 2048	800	February 1, 2048	Semi-annually

<sup>(1)</sup> Bears interest at a rate per annum equal to the 3-month LIBOR rate, plus 25 bps.

<sup>(2)</sup> Bears interest at a rate per annum equal to the 3-month LIBOR rate, plus 50 bps.

The Floating Rate Notes due 2019 are not subject to redemption at our option. At our option, we may redeem some or all of the Floating Rate Notes due 2021 at any time on or after January 14, 2019 at the applicable redemption price per the terms of the notes. At our option, we may redeem some or all of the fixed rate notes of each series at any time at the applicable redemption price for such series of fixed rate notes.

We used a substantial portion of the net proceeds from this offering to finance a portion of the Merger Consideration and associated transaction costs, as we discuss in Note 5, and approximately \$800 million to pay down commercial paper.

***Ranking***

The notes are unsecured and unsubordinated obligations, ranking on a parity in right of payment with all of our other unsecured and unsubordinated indebtedness and guarantees. The notes rank senior to all our existing and future indebtedness, if any, that is subordinated to the notes. The notes are effectively subordinated to any secured indebtedness we have or may incur (to the extent of the collateral securing that indebtedness) and are also effectively subordinated to all indebtedness and other liabilities of our subsidiaries.

***SDG&E***

On May 17, 2018, SDG&E completed its public offer and sale of \$400 million of 4.15-percent, first mortgage bonds maturing in 2048. SDG&E used the proceeds from the offering to repay outstanding commercial paper.

***SoCalGas***

On May 15, 2018, SoCalGas completed its public offer and sale of \$400 million of 4.125-percent, first mortgage bonds maturing in 2048. SoCalGas used the proceeds from the offering to repay outstanding commercial paper. On September 24, 2018, SoCalGas completed its public offer and sale of \$550 million of 4.30-percent, first mortgage bonds maturing in 2049. SoCalGas used the proceeds from the offering to repay outstanding commercial paper and for other general corporate purposes.

***Sempra South American Utilities***

Luz del Sur drew bank loans in 2018 as follows:

**2018 BANK LOAN DRAWS – LUZ DEL SUR***(Dollars in millions)*

Month issued	Amount at issuance	Interest rate	Maturity date
June <sup>(1)</sup>	\$ 22	4.32%	June 2021
July	20	4.96%	July 2021
September <sup>(1)</sup>	30	4.30%	September 2020
September	8	4.40%	September 2020

<sup>(1)</sup> Bank loans are included in amounts outstanding under Peruvian credit facilities in the Credit Facilities in South America and Mexico table above.

**Sempra Renewables**

At September 30, 2018, \$63 million of long-term debt and \$7 million of current portion of long-term debt at Sempra Renewables is classified as Liabilities Held for Sale on the Sempra Energy Condensed Consolidated Balance Sheet, as we discuss in Note 5.

**INTEREST RATE SWAPS**

We discuss our interest rate swaps to hedge cash flows in Note 8.

**NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS**

We use derivative instruments primarily to manage exposures arising in the normal course of business. Our principal exposures are commodity market risk, benchmark interest rate risk and foreign exchange rate exposures. Our use of derivatives for these risks is integrated into the economic management of our anticipated revenues, anticipated expenses, assets and liabilities. Derivatives may be effective in mitigating these risks (1) that could lead to declines in anticipated revenues or increases in anticipated expenses, or (2) that our asset values may fall or our liabilities increase. Accordingly, our derivative activity summarized below generally represents an impact that is intended to offset associated revenues, expenses, assets or liabilities that are not included in the tables below.

In certain cases, we apply the normal purchase or sale exception to derivative instruments and have other commodity contracts that are not derivatives. These contracts are not recorded at fair value and are therefore excluded from the disclosures below.

In all other cases, we record derivatives at fair value on the Condensed Consolidated Balance Sheets. We designate each derivative as (1) a cash flow hedge, (2) a fair value hedge, or (3) undesignated. Depending on the applicability of hedge accounting and, for the California Utilities and other operations subject to regulatory accounting, the requirement to pass impacts through to customers, the impact of derivative instruments may be offset in OCI (cash flow hedge), on the balance sheet (fair value hedges and regulatory offsets), or recognized in earnings. We classify cash flows from the principal settlements of cross-currency swaps that hedge exposure related to Mexican peso-denominated debt as financing activities, and settlements of other derivative instruments as operating activities, on the Condensed Consolidated Statements of Cash Flows.

**HEDGE ACCOUNTING**

We may designate a derivative as a cash flow hedging instrument if it effectively converts anticipated cash flows associated with revenues or expenses to a fixed dollar amount. We may utilize cash flow hedge accounting for derivative commodity instruments, foreign currency instruments and interest rate instruments. Designating cash flow hedges is dependent on the business context in which the instrument is being used, the effectiveness of the instrument in offsetting the risk that the future cash flows of a given revenue or expense item may vary, and other criteria.

We may designate an interest rate derivative as a fair value hedging instrument if it effectively converts our own debt from a fixed interest rate to a variable rate. The combination of the derivative and debt instrument results in fixing that portion of the fair value of the debt that is related to benchmark interest rates. Designating fair value hedges is dependent on the instrument being used, the effectiveness of the instrument in offsetting changes in the fair value of our debt instruments, and other criteria.



## ENERGY DERIVATIVES

Our market risk is primarily related to natural gas and electricity price volatility and the specific physical locations where we transact. We use energy derivatives to manage these risks. The use of energy derivatives in our various businesses depends on the particular energy market, and the operating and regulatory environments applicable to the business, as follows:

The California Utilities use natural gas and electricity derivatives, for the benefit of customers, with the objective of managing price risk and basis risks, and stabilizing and lowering natural gas and electricity costs. These derivatives include fixed price natural gas and electricity positions, options, and basis risk instruments, which are either exchange-traded or over-the-counter financial instruments, or bilateral physical transactions. This activity is governed by risk management and transacting activity plans that have been filed with and approved by the CPUC. Natural gas and electricity derivative activities are recorded as commodity costs that are offset by regulatory account balances and are recovered in rates. Net commodity cost impacts on the Condensed Consolidated Statements of Operations are reflected in Cost of Electric Fuel and Purchased Power or in Cost of Natural Gas.

SDG&E is allocated and may purchase CRRs, which serve to reduce the regional electricity price volatility risk that may result from local transmission capacity constraints. Unrealized gains and losses do not impact earnings, as they are offset by regulatory account balances. Realized gains and losses associated with CRRs, which are recoverable in rates, are recorded in Cost of Electric Fuel and Purchased Power on the Condensed Consolidated Statements of Operations.

Sempra Mexico, Sempra LNG & Midstream, and Sempra Renewables may use natural gas and electricity derivatives, as appropriate, to optimize the earnings of their assets which support the following businesses: LNG, natural gas transportation and storage, and power generation. Gains and losses associated with undesignated derivatives are recognized in Energy-Related Businesses Revenues or in Cost of Natural Gas, Electric Fuel and Purchased Power on the Condensed Consolidated Statements of Operations. Certain of these derivatives may also be designated as cash flow hedges. Sempra Mexico may also use natural gas energy derivatives with the objective of managing price risk and lowering natural gas prices at its distribution operations. These derivatives, which are recorded as commodity costs that are offset by regulatory account balances and recovered in rates, are recognized in Cost of Natural Gas on the Condensed Consolidated Statements of Operations.

From time to time, our various businesses, including the California Utilities, may use other energy derivatives to hedge exposures such as the price of vehicle fuel and GHG allowances.

The following table summarizes net energy derivative volumes.

### NET ENERGY DERIVATIVE VOLUMES

*(Quantities in millions)*

Commodity	Unit of measure	September 30, 2018	December 31, 2017
<b>Sempra Energy Consolidated:</b>			
Natural gas	MMBtu	38	46
Electricity	MWh	2	3
Congestion revenue rights	MWh	49	59
<b>SDG&amp;E:</b>			
Natural gas	MMBtu	35	39
Electricity	MWh	2	3
Congestion revenue rights	MWh	49	59

In addition to the amounts noted above, we frequently use commodity derivatives to manage risks associated with the physical locations of contractual obligations and assets, such as natural gas purchases and sales.

### INTEREST RATE DERIVATIVES

We are exposed to interest rates primarily as a result of our current and expected use of financing. The California Utilities, as well as Sempra Energy and its other subsidiaries and joint ventures, periodically enter into interest rate derivative agreements intended to moderate our exposure to interest rates and to lower our overall costs of borrowing.

We may utilize interest rate swaps, typically designated as fair value hedges, as a means to achieve our targeted level of variable rate debt as a percent of total debt. In addition, we may utilize interest rate swaps, typically designated as cash flow hedges, to lock in interest rates on outstanding debt or in anticipation of future financings. Separately, Otoy Mesa VIE has entered into interest rate swap agreements, designated as cash flow hedges, to moderate its exposure to interest rate changes.

The following table presents the net notional amounts of our interest rate derivatives, excluding joint ventures.

### INTEREST RATE DERIVATIVES

(Dollars in millions)

	September 30, 2018	December 31, 2017
	Notional debt Maturities	Notional debt Maturities
<b>Sempra Energy Consolidated:</b>		
Cash flow hedges <sup>(1)</sup>	\$ 808 2018-2032	\$ 861 2018-2032
<b>SDG&amp;E:</b>		
Cash flow hedge <sup>(1)</sup>	287 2018-2019	295 2018-2019

<sup>(1)</sup> Includes Otay Mesa VIE. All of SDG&E's interest rate derivatives relate to Otay Mesa VIE.

### FOREIGN CURRENCY DERIVATIVES

We utilize cross-currency swaps to hedge exposure related to Mexican peso-denominated debt at our Mexican subsidiaries and joint ventures. These cash flow hedges exchange our Mexican peso-denominated principal and interest payments into the U.S. dollar and swap Mexican variable interest rates for U.S. fixed interest rates. From time to time, Sempra Mexico and its joint ventures may use other foreign currency derivatives to hedge exposures related to cash flows associated with revenues from contracts denominated in Mexican pesos that are indexed to the U.S. dollar.

We are also exposed to exchange rate movements at our Mexican subsidiaries and joint ventures, which have U.S. dollar-denominated cash balances, receivables, payables and debt (monetary assets and liabilities) that give rise to Mexican currency exchange rate movements for Mexican income tax purposes. They also have deferred income tax assets and liabilities denominated in the Mexican peso, which must be translated to U.S. dollars for financial reporting purposes. In addition, monetary assets and liabilities and certain nonmonetary assets and liabilities are adjusted for Mexican inflation for Mexican income tax purposes. We utilize foreign currency derivatives as a means to manage the risk of exposure to significant fluctuations in our income tax expense and equity earnings from these impacts, however we generally do not hedge our deferred income tax assets and liabilities or inflation.

In addition, Sempra South American Utilities and its joint ventures may use foreign currency derivatives to manage foreign currency rate risk. We discuss these derivatives at Chilquinta Energía's Eletrans joint venture investment in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

The following table presents the net notional amounts of our foreign currency derivatives, excluding joint ventures.

### FOREIGN CURRENCY DERIVATIVES

(Dollars in millions)

	September 30, 2018	December 31, 2017
	Notional amount Maturities	Notional amount Maturities
<b>Sempra Energy Consolidated:</b>		
Cross-currency swaps	\$ 306 2018-2023	\$ 408 2018-2023
Other foreign currency derivatives	1,122 2018-2020	345 2018-2019

### FINANCIAL STATEMENT PRESENTATION

The Condensed Consolidated Balance Sheets reflect the offsetting of net derivative positions and cash collateral with the same counterparty when a legal right of offset exists. The following tables provide the fair values of derivative instruments on the Condensed Consolidated Balance Sheets, including the amount of cash collateral receivables that were not offset, as the cash collateral was in excess of liability positions.

**DERIVATIVE INSTRUMENTS ON THE CONDENSED CONSOLIDATED BALANCE SHEETS**
*(Dollars in millions)*

	September 30, 2018			
	Current assets: Fixed-price contracts and other derivatives <sup>(1)</sup>	Other assets: Sundry derivatives <sup>(1)</sup>	Current liabilities: Fixed-price contracts and other derivatives <sup>(2)</sup>	Deferred credits and other liabilities: Fixed-price contracts and other derivatives
<b>Sempra Energy Consolidated:</b>				
Derivatives designated as hedging instruments:				
Interest rate and foreign exchange instruments <sup>(3)(4)</sup>	\$1	\$6	\$ (7 )	\$ (125 )
Derivatives not designated as hedging instruments:				
Foreign exchange instruments	38	—	—	—
Commodity contracts not subject to rate recovery	93	10	(95 )	(9 )
Associated offsetting commodity contracts	(86 )	(6 )	86	6
Commodity contracts subject to rate recovery	17	98	(49 )	(81 )
Associated offsetting commodity contracts	(6 )	(3 )	6	3
Associated offsetting cash collateral	—	—	2	1
Net amounts presented on the balance sheet	57	105	(57 )	(205 )
Additional cash collateral for commodity contracts not subject to rate recovery	11	—	—	—
Additional cash collateral for commodity contracts subject to rate recovery	29	—	—	—
Total <sup>(5)</sup>	\$97	\$105	\$ (57 )	\$ (205 )
<b>SDG&amp;E:</b>				
Derivatives designated as hedging instruments:				
Interest rate instruments <sup>(3)</sup>	\$—	\$—	\$ (4 )	\$—
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	14	98	(44 )	(81 )
Associated offsetting commodity contracts	(6 )	(3 )	6	3
Associated offsetting cash collateral	—	—	2	1
Net amounts presented on the balance sheet	8	95	(40 )	(77 )
Additional cash collateral for commodity contracts subject to rate recovery	26	—	—	—
Total <sup>(5)</sup>	\$34	\$95	\$ (40 )	\$ (77 )
<b>SoCalGas:</b>				
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	\$3	\$—	\$ (5 )	\$—
Net amounts presented on the balance sheet	3	—	(5 )	—
Additional cash collateral for commodity contracts subject to rate recovery	3	—	—	—
Total	\$6	\$—	\$ (5 )	\$—

<sup>(1)</sup> Included in Current Assets: Other for SoCalGas.

<sup>(2)</sup> Included in Current Liabilities: Other for SoCalGas.

<sup>(3)</sup> Includes Otay Mesa VIE. All of SDG&E's amounts relate to Otay Mesa VIE.

<sup>(4)</sup> Includes \$1 million of current assets and \$2 million of noncurrent assets in Assets Held for Sale, as we discuss in Note 5.

<sup>(5)</sup> Normal purchase contracts previously measured at fair value are excluded.





**DERIVATIVE INSTRUMENTS ON THE CONDENSED CONSOLIDATED BALANCE SHEETS**
*(Dollars in millions)*

	December 31, 2017			
	Current assets: Fixed-price contracts and other derivatives <sup>(1)</sup>	Other assets: Sundry derivatives <sup>(1)</sup>	Current liabilities: Fixed-price contracts and other derivatives <sup>(2)</sup>	Deferred credits and other liabilities: Fixed-price contracts and other derivatives
<b>Sempra Energy Consolidated:</b>				
Derivatives designated as hedging instruments:				
Interest rate and foreign exchange instruments <sup>(3)</sup>	\$5	\$2	\$ (51)	\$ (165)
Derivatives not designated as hedging instruments:				
Foreign exchange instruments	—	—	(1)	—
Commodity contracts not subject to rate recovery	81	8	(72)	(6)
Associated offsetting commodity contracts	(67)	(5)	67	5
Commodity contracts subject to rate recovery	28	101	(65)	(120)
Associated offsetting commodity contracts	—	(1)	—	1
Associated offsetting cash collateral	—	—	19	4
Net amounts presented on the balance sheet	47	105	(103)	(281)
Additional cash collateral for commodity contracts not subject to rate recovery	2	—	—	—
Additional cash collateral for commodity contracts subject to rate recovery	17	—	—	—
Total <sup>(4)</sup>	\$66	\$105	\$ (103)	\$ (281)
<b>SDG&amp;E:</b>				
Derivatives designated as hedging instruments:				
Interest rate instruments <sup>(3)</sup>	\$—	\$—	\$ (10)	\$ (3)
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	26	101	(63)	(120)
Associated offsetting commodity contracts	—	(1)	—	1
Associated offsetting cash collateral	—	—	19	4
Net amounts presented on the balance sheet	26	100	(54)	(118)
Additional cash collateral for commodity contracts subject to rate recovery	16	—	—	—
Total <sup>(4)</sup>	\$42	\$100	\$ (54)	\$ (118)
<b>SoCalGas:</b>				
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	\$2	\$—	\$ (2)	\$—
Net amounts presented on the balance sheet	2	—	(2)	—
Additional cash collateral for commodity contracts subject to rate recovery	1	—	—	—
Total	\$3	\$—	\$ (2)	\$—

<sup>(1)</sup> Included in Current Assets: Other for SoCalGas.

<sup>(2)</sup> Included in Current Liabilities: Other for SoCalGas.

<sup>(3)</sup> Includes Otay Mesa VIE. All of SDG&E's amounts relate to Otay Mesa VIE.

<sup>(4)</sup> Normal purchase contracts previously measured at fair value are excluded.

The table below includes the effects of derivative instruments designated as cash flow hedges on the Condensed Consolidated Statements of Operations and in OCI and AOCI:

**CASH FLOW HEDGE IMPACTS***(Dollars in millions)*

	Pretax gain (loss) recognized in OCI		Location	Pretax gain (loss) reclassified from AOCI into earnings	
	Three months ended September 30,	Three months ended September 30,		Three months ended September 30,	Three months ended September 30,
	2018	2017		2018	2017
<b>Sempra Energy Consolidated:</b>					
Interest rate and foreign exchange instruments <sup>(1)</sup>	\$ 16	\$ 14	Interest Expense <sup>(1)</sup>	\$—	\$—
			Other Income, Net	11	—
Interest rate and foreign exchange instruments	20	(2 )	Equity Earnings	(3 )	—
Foreign exchange instruments	(5 )	5	Revenues: Energy-Related Businesses	—	2
Total	\$ 31	\$ 17		\$ 8	\$ 2

**SDG&E:**

Interest rate instruments <sup>(1)</sup>	\$—	\$—	Interest Expense <sup>(1)</sup>	\$(2 )	\$(3 )
--	-----	-----	---------------------------------	--------	--------

	Nine months ended September 30,		Location	Nine months ended September 30,	
	2018	2017		2018	2017
<b>Sempra Energy Consolidated:</b>					
Interest rate and foreign exchange instruments <sup>(1)</sup>	\$ 57	\$ 22	Interest Expense <sup>(1)</sup>	\$ 1	\$ 4
			Other Income, Net	11	—
Interest rate and foreign exchange instruments	123	(57 )	Equity Earnings	(8 )	(9 )
Foreign exchange instruments	(7 )	(5 )	Revenues: Energy-Related Businesses	1	1
Commodity contracts not subject to rate recovery	—	3	Revenues: Energy-Related Businesses	—	(9 )
Total	\$ 173	\$(37 )		\$ 5	\$(13 )

**SDG&E:**

Interest rate instruments <sup>(1)</sup>	\$ 1	\$(2 )	Interest Expense <sup>(1)</sup>	\$(6 )	\$(9 )
--	------	--------	---------------------------------	--------	--------

<sup>(1)</sup> Amounts include Otay Mesa VIE. All of SDG&E's interest rate derivative activity relates to Otay Mesa VIE.

For Sempra Energy Consolidated, we expect that net gains of \$15 million, which are net of income tax, that are currently recorded in AOCI (including \$4 million of losses in NCI related to Otay Mesa VIE at SDG&E) related to cash flow hedges will be reclassified into earnings during the next 12 months as the hedged items affect earnings. SoCalGas expects that \$1 million of losses, net of income tax benefit, that are currently recorded in AOCI related to cash flow hedges will be reclassified into earnings during the next 12 months as the hedged items affect earnings. Actual amounts ultimately reclassified into earnings depend on the interest rates in effect when derivative contracts mature.

For all forecasted transactions, the maximum remaining term over which we are hedging exposure to the variability of cash flows at September 30, 2018 is approximately 13 years and 1 year for Sempra Energy Consolidated and SDG&E,

respectively. The maximum remaining term for which we are hedging exposure to the variability of cash flows at our equity method investees is 17 years.

81

---

The following table summarizes the effects of derivative instruments not designated as hedging instruments on the Condensed Consolidated Statements of Operations.

### UNDESIGNATED DERIVATIVE IMPACTS

(Dollars in millions)

	Location	Pretax gain (loss) on derivatives recognized in earnings			
		Three months ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
<b>Sempra Energy Consolidated:</b>					
Foreign exchange instruments	Other Income, Net	\$28	\$4	\$35	\$101
Foreign exchange instruments	Equity Earnings	—	1	—	1
Commodity contracts not subject to rate recovery	Revenues: Energy-Related Businesses	9	(3 )	—	27
Commodity contracts not subject to rate recovery	Operation and Maintenance	—	—	—	(1 )
Commodity contracts subject to rate recovery	Cost of Electric Fuel and Purchased Power	62	59	70	36
Commodity contracts subject to rate recovery	Cost of Natural Gas	(2 )	(1 )	(1 )	(1 )
Total		\$97	\$60	\$104	\$163
<b>SDG&amp;E:</b>					
Commodity contracts subject to rate recovery	Cost of Electric Fuel and Purchased Power	\$62	\$59	\$70	\$36
<b>SoCalGas:</b>					
Commodity contracts not subject to rate recovery	Operation and Maintenance	\$—	\$1	\$—	\$—
Commodity contracts subject to rate recovery	Cost of Natural Gas	(2 )	(1 )	(1 )	(1 )
Total		\$(2 )	\$—	\$(1 )	\$(1 )

### CONTINGENT FEATURES

For Sempra Energy Consolidated and SDG&E, certain of our derivative instruments contain credit limits which vary depending on our credit ratings. Generally, these provisions, if applicable, may reduce our credit limit if a specified credit rating agency reduces our ratings. In certain cases, if our credit ratings were to fall below investment grade, the counterparty to these derivative liability instruments could request immediate payment or demand immediate and ongoing full collateralization.

For Sempra Energy Consolidated, the total fair value of this group of derivative instruments in a net liability position at September 30, 2018 and December 31, 2017 was \$3 million and \$6 million, respectively. At September 30, 2018, if the credit ratings of Sempra Energy were reduced below investment grade, \$6 million of additional assets could be required to be posted as collateral for these derivative contracts.

For SDG&E, the total fair value of this group of derivative instruments in a net liability position was \$1 million at December 31, 2017.

For Sempra Energy Consolidated, SDG&E and SoCalGas, some of our derivative contracts contain a provision that would permit the counterparty, in certain circumstances, to request adequate assurance of our performance under the contracts. Such additional assurance, if needed, is not material and is not included in the amounts above.

### NOTE 9. FAIR VALUE MEASUREMENTS

We discuss the valuation techniques and inputs we use to measure fair value and the definition of the three levels of the fair value hierarchy in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

## RECURRING FAIR VALUE MEASURES

The three tables below, by level within the fair value hierarchy, set forth our financial assets and liabilities that were accounted for at fair value on a recurring basis at September 30, 2018 and December 31, 2017. We classify financial assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities, and their placement within the fair value hierarchy. We have not changed the valuation techniques or types of inputs we use to measure recurring fair value during the nine months ended September 30, 2018.

The fair value of commodity derivative assets and liabilities is presented in accordance with our netting policy, as we discuss in Note 8 under “Financial Statement Presentation.”

The determination of fair values, shown in the tables below, incorporates various factors, including but not limited to, the credit standing of the counterparties involved and the impact of credit enhancements (such as cash deposits, letters of credit and priority interests).

Our financial assets and liabilities that were accounted for at fair value on a recurring basis in the tables below include the following (other than a \$10 million investment at September 30, 2018 measured at net asset value):

Nuclear decommissioning trusts reflect the assets of SDG&E’s NDT, excluding cash balances. A third party trustee values the trust assets using prices from a pricing service based on a market approach. We validate these prices by comparison to prices from other independent data sources. Securities are valued using quoted prices listed on nationally recognized securities exchanges or based on closing prices reported in the active market in which the identical security is traded (Level 1). Other securities are valued based on yields that are currently available for comparable securities of issuers with similar credit ratings (Level 2).

For commodity contracts, interest rate derivatives and foreign exchange instruments, we primarily use a market approach with market participant assumptions to value these derivatives. Market participant assumptions include those about risk, and the risk inherent in the inputs to the valuation techniques. These inputs can be readily observable, market corroborated, or generally unobservable. We have exchange-traded derivatives that are valued based on quoted prices in active markets for the identical instruments (Level 1). We also may have other commodity derivatives that are valued using industry standard models that consider quoted forward prices for commodities, time value, current market and contractual prices for the underlying instruments, volatility factors, and other relevant economic measures (Level 2). Level 3 recurring items relate to CRRs and long-term, fixed-price electricity positions at SDG&E, as we discuss below in “Level 3 Information.”

Rabbi Trust investments include marketable securities that we value using a market approach based on closing prices reported in the active market in which the identical security is traded (Level 1). These investments in marketable securities were negligible at both September 30, 2018 and December 31, 2017.

There were no transfers into or out of Level 1, Level 2 or Level 3 for Sempra Energy Consolidated, SDG&E or SoCalGas during the periods presented.

**RECURRING FAIR VALUE MEASURES – SEMPRA ENERGY  
CONSOLIDATED**
*(Dollars in millions)*

	Fair value at September 30, 2018			
	Level 1	Level 2	Level 3	Total
Assets:				
Nuclear decommissioning trusts:				
Equity securities	\$482	\$4	\$—	\$486
Debt securities:				
Debt securities issued by the U.S. Treasury and other				
U.S. government corporations and agencies	40	10	—	50
Municipal bonds	—	258	—	258
Other securities	—	231	—	231
Total debt securities	40	499	—	539
Total nuclear decommissioning trusts <sup>(1)</sup>	522	503	—	1,025
Interest rate and foreign exchange instruments <sup>(2)</sup>	—	45	—	45
Commodity contracts not subject to rate recovery	4	7	—	11
Effect of netting and allocation of collateral <sup>(3)</sup>	11	—	—	11
Commodity contracts subject to rate recovery	—	5	101	106
Effect of netting and allocation of collateral <sup>(3)</sup>	24	—	5	29
Total	\$561	\$560	\$106	\$1,227

Liabilities:				
Interest rate and foreign exchange instruments	\$—	\$132	\$—	\$132
Commodity contracts not subject to rate recovery	—	12	—	12
Commodity contracts subject to rate recovery	3	5	113	121
Effect of netting and allocation of collateral <sup>(3)</sup>	(3 )	—	—	(3 )
Total	\$—	\$149	\$113	\$262

	Fair value at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets:				
Nuclear decommissioning trusts:				
Equity securities	\$491	\$5	\$—	\$496
Debt securities:				
Debt securities issued by the U.S. Treasury and other				
U.S. government corporations and agencies	45	9	—	54
Municipal bonds	—	250	—	250
Other securities	—	217	—	217
Total debt securities	45	476	—	521
Total nuclear decommissioning trusts <sup>(1)</sup>	536	481	—	1,017
Interest rate and foreign exchange instruments	—	7	—	7
Commodity contracts not subject to rate recovery	5	12	—	17
Effect of netting and allocation of collateral <sup>(3)</sup>	2	—	—	2
Commodity contracts subject to rate recovery	—	2	126	128
Effect of netting and allocation of collateral <sup>(3)</sup>	12	—	5	17
Total	\$555	\$502	\$131	\$1,188

## Edgar Filing: SEMPRA ENERGY - Form 10-Q

Liabilities:

Interest rate and foreign exchange instruments	\$—	\$217	\$—	\$217
Commodity contracts not subject to rate recovery	—	6	—	6
Commodity contracts subject to rate recovery	23	7	154	184
Effect of netting and allocation of collateral <sup>(3)</sup>	(23 )	—	—	(23 )
Total	\$—	\$230	\$154	\$384

<sup>(1)</sup> Excludes cash balances and cash equivalents.

<sup>(2)</sup> Includes \$3 million of interest rate instruments classified as Assets Held for Sale, as we discuss in Note 5.

<sup>(3)</sup> Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.



**RECURRING FAIR VALUE MEASURES – SDG&E***(Dollars in millions)*

	Fair value at September 30, 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Nuclear decommissioning trusts:				
Equity securities	\$482	\$4	\$—	\$486
Debt securities:				
Debt securities issued by the U.S. Treasury and other				
U.S. government corporations and agencies	40	10	—	50
Municipal bonds	—	258	—	258
Other securities	—	231	—	231
Total debt securities	40	499	—	539
Total nuclear decommissioning trusts <sup>(1)</sup>	522	503	—	1,025
Commodity contracts subject to rate recovery	—	2	101	103
Effect of netting and allocation of collateral <sup>(2)</sup>	21	—	5	26
Total	\$543	\$505	\$106	\$1,154

<b>Liabilities:</b>				
Interest rate instruments	\$—	\$4	\$—	\$4
Commodity contracts subject to rate recovery	3	—	113	116
Effect of netting and allocation of collateral <sup>(2)</sup>	(3 )	—	—	(3 )
Total	\$—	\$4	\$113	\$117

	Fair value at December 31, 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Nuclear decommissioning trusts:				
Equity securities	\$491	\$5	\$—	\$496
Debt securities:				
Debt securities issued by the U.S. Treasury and other				
U.S. government corporations and agencies	45	9	—	54
Municipal bonds	—	250	—	250
Other securities	—	217	—	217
Total debt securities	45	476	—	521
Total nuclear decommissioning trusts <sup>(1)</sup>	536	481	—	1,017
Commodity contracts subject to rate recovery	—	—	126	126
Effect of netting and allocation of collateral <sup>(2)</sup>	11	—	5	16
Total	\$547	\$481	\$131	\$1,159

<b>Liabilities:</b>				
Interest rate instruments	\$—	\$13	\$—	\$13
Commodity contracts subject to rate recovery	23	5	154	182
Effect of netting and allocation of collateral <sup>(2)</sup>	(23 )	—	—	(23 )
Total	\$—	\$18	\$154	\$172

<sup>(1)</sup> Excludes cash balances and cash equivalents.<sup>(2)</sup> Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.



**RECURRING FAIR VALUE MEASURES – SOCIALGAS**

(Dollars in millions)

	Fair value at September 30, 2018			Total
	Level 1	Level 2	Level 3	
Assets:				
Commodity contracts subject to rate recovery	\$—	\$ 3	\$	—\$ 3
Effect of netting and allocation of collateral <sup>(1)</sup>	3	—	—	3
Total	\$3	\$ 3	\$	—\$ 6

Liabilities:

Commodity contracts subject to rate recovery	\$—	\$ 5	\$	—\$ 5
Total	\$—	\$ 5	\$	—\$ 5

	Fair value at December 31, 2017			Total
	Level 1	Level 2	Level 3	
Assets:				
Commodity contracts subject to rate recovery	\$—	\$ 2	\$	—\$ 2
Effect of netting and allocation of collateral <sup>(1)</sup>	1	—	—	1
Total	\$1	\$ 2	\$	—\$ 3

Liabilities:

Commodity contracts subject to rate recovery	\$—	\$ 2	\$	—\$ 2
Total	\$—	\$ 2	\$	—\$ 2

<sup>(1)</sup> Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.

**Level 3 Information**

The following table sets forth reconciliations of changes in the fair value of CRRs and long-term, fixed-price electricity positions classified as Level 3 in the fair value hierarchy for Sempra Energy Consolidated and SDG&E.

**LEVEL 3 RECONCILIATIONS<sup>(1)</sup>**

(Dollars in millions)

	Three months ended September 30,	
	2018	2017
Balance at July 1	\$(31)	\$(90)
Realized and unrealized gains	6	30
Settlements	13	23
Balance at September 30	\$(12)	\$(37)
Change in unrealized gains (losses) relating to instruments still held at September 30	\$6	\$38
	Nine months ended September 30,	
	2018	2017
Balance at January 1	\$(28)	\$(74)
Realized and unrealized gains	21	14
Allocated transmission instruments	3	—
Settlements	(8)	23
Balance at September 30	\$(12)	\$(37)
Change in unrealized gains (losses) relating to instruments still held at September 30	\$—	\$26

<sup>(1)</sup>

## Edgar Filing: SEMPRA ENERGY - Form 10-Q

*Excludes the effect of the contractual ability to settle contracts under master netting agreements.*

SDG&E's Energy and Fuel Procurement department, in conjunction with SDG&E's finance group, is responsible for determining the appropriate fair value methodologies used to value and classify CRRs and long-term, fixed-price electricity positions on an ongoing basis. Inputs used to determine the fair value of CRRs and fixed-price electricity positions are reviewed and compared with market conditions to determine reasonableness. SDG&E expects all costs related to these instruments to be recoverable through customer rates. As such, there is no impact to earnings from changes in the fair value of these instruments.

86

---

CRRs are recorded at fair value based almost entirely on the most current auction prices published by the California ISO, an objective source. Annual auction prices are published once a year, typically in the middle of November, and are the basis for valuing CRRs settling in the following year. For the CRRs settling from January 1 to December 31, the auction price inputs, at a given location, were in the following ranges for the years indicated below:

**CONGESTION REVENUE  
RIGHTS AUCTION PRICE  
INPUTS**

Settlement year	Price per MWh
2018	\$(7.25 )to\$11.99
2017	(11.88 )to6.93

The impact associated with discounting is negligible. Because these auction prices are a less observable input, these instruments are classified as Level 3. The fair value of these instruments is derived from auction price differences between two locations. Positive values between two locations represent expected future reductions in congestion costs, whereas negative values between two locations represent expected future charges. Valuation of our CRRs is sensitive to a change in auction price. If auction prices at one location increase (decrease) relative to another location, this could result in a higher (lower) fair value measurement. We summarize CRR volumes in Note 8.

Long-term, fixed-price electricity positions that are valued using significant unobservable data are classified as Level 3 because the contract terms relate to a delivery location or tenor for which observable market rate information is not available. The fair value of the net electricity positions classified as Level 3 is derived from a discounted cash flow model using market electricity forward price inputs. These inputs range from \$20.40 per MWh to \$59.85 per MWh at September 30, 2018, and \$21.35 per MWh to \$48.97 per MWh at September 30, 2017. A significant increase or decrease in market electricity forward prices would result in a significantly higher or lower fair value, respectively.

We summarize long-term, fixed-price electricity position volumes in Note 8.

Realized gains and losses associated with CRRs and long-term electricity positions, which are recoverable in rates, are recorded in Cost of Electric Fuel and Purchased Power on the Condensed Consolidated Statements of Operations.

Unrealized gains and losses are recorded as regulatory assets and liabilities and therefore do not affect earnings.

***Fair Value of Financial Instruments***

The fair values of certain of our financial instruments (cash, accounts and notes receivable, short-term amounts due to/from unconsolidated affiliates, dividends and accounts payable, short-term debt and customer deposits) approximate their carrying amounts because of the short-term nature of these instruments. Investments in life insurance contracts that we hold in support of our Supplemental Executive Retirement, Cash Balance Restoration and Deferred Compensation Plans are carried at cash surrender values, which represent the amount of cash that could be realized under the contracts. The following table provides the carrying amounts and fair values of certain other financial instruments that are not recorded at fair value on the Condensed Consolidated Balance Sheets:

**FAIR VALUE OF FINANCIAL INSTRUMENTS***(Dollars in millions)*

	September 30, 2018				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Sempra Energy Consolidated:</b>					
Long-term amounts due from unconsolidated affiliates <sup>(1)</sup>	\$626	\$—	\$599	\$40	\$639
Long-term amounts due to unconsolidated affiliates <sup>(2)</sup>	35	—	32	—	32
Total long-term debt <sup>(3)(4)(5)</sup>	22,207	732	20,791	487	22,016
<b>SDG&amp;E:</b>					
Total long-term debt <sup>(5)(6)</sup>	\$5,064	\$—	\$4,902	\$287	\$5,189
<b>SoCalGas:</b>					
Total long-term debt <sup>(7)</sup>	\$3,459	\$—	\$3,474	\$—	\$3,474

	December 31, 2017				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Sempra Energy Consolidated:</b>					
Long-term amounts due from unconsolidated affiliates <sup>(1)</sup>	\$604	\$—	\$528	\$96	\$624
Long-term amounts due to unconsolidated affiliates <sup>(2)</sup>	35	—	32	—	32
Total long-term debt <sup>(4)(5)</sup>	17,138	817	17,134	458	18,409
<b>SDG&amp;E:</b>					
Total long-term debt <sup>(5)(6)</sup>	\$4,868	\$—	\$5,073	\$295	\$5,368
<b>SoCalGas:</b>					
Total long-term debt <sup>(7)</sup>	\$3,009	\$—	\$3,192	\$—	\$3,192

*Excludes accumulated interest outstanding of \$66 million and \$29 million at September 30, 2018 and December 31, 2017, respectively, and*

<sup>(1)</sup> *excludes foreign currency translation losses of \$10 million and \$35 million on a Mexican peso-denominated loan at September 30, 2018 and December 31, 2017, respectively.*

<sup>(2)</sup> *Excludes accumulated interest of \$1 million outstanding at September 30, 2018 and negligible interest outstanding at December 31, 2017.*

<sup>(3)</sup> *Includes \$70 million of long-term debt classified as Liabilities Held for Sale, as we discuss in Notes 5 and 7.*

*Before reductions for unamortized discount (net of premium) and debt issuance costs of \$211 million and \$143 million at September 30, 2018 and December 31, 2017, respectively, and excludes build-to-suit and capital lease obligations of \$873 million and \$877 million at September 30, 2018 and December 31, 2017, respectively. We discuss our long-term debt in Note 7 above and in Note 5 of the Notes to Consolidated Financial Statements in the Annual Report.*

<sup>(5)</sup> *Level 3 instruments include \$287 million and \$295 million at September 30, 2018 and December 31, 2017, respectively, related to Otay Mesa VIE.*

*Before reductions for unamortized discount and debt issuance costs of \$49 million and \$45 million at September 30, 2018 and December 31, 2017, respectively, and excludes capital lease obligations of \$725 million and \$732 million at September 30, 2018 and December 31, 2017, respectively.*

*Before reductions for unamortized discount and debt issuance costs of \$33 million and \$24 million at September 30, 2018 and December 31, 2017, respectively, and excludes capital lease obligations of \$4 million and \$1 million at September 30, 2018 and December 31, 2017, respectively.*

We provide the fair values for the securities held in the NDT related to SONGS in Note 10.

**NON-RECURRING FAIR VALUE MEASURES*****Sempra Renewables******U.S. Wind Investments***

As we discuss in Notes 5 and 6, on June 25, 2018, our board of directors approved a plan to sell all our wind and solar equity method investments at Sempra Renewables. Because of our expectation of a shorter holding period as a result of this plan of sale, we evaluated the recoverability of the carrying amounts of each of these investments and

concluded there is an other-than-temporary impairment on certain of our wind equity method investments totaling \$200 million (\$145 million after tax), which we recorded in Equity Earnings on Sempra Energy's Condensed Consolidated Statement of Operations for the nine months ended September 30, 2018. We measured the estimated fair value of \$145 million at June 25, 2018 using a discounted cash flow model including significant unobservable inputs, adjusted for our applicable ownership percentages, which is a Level 3 measurement in the fair value hierarchy. The key inputs to the methodology were contracted and merchant pricing, and the discount rate.

**Sempra LNG & Midstream****Non-Utility Natural Gas Storage Assets**

As we discuss in Note 5, on June 25, 2018, our board of directors approved a plan to sell Mississippi Hub and our 90.9-percent ownership interest in Bay Gas (the non-utility natural gas storage assets). We also own other U.S. midstream assets that are not included in the plan of sale and primarily include our 75.4-percent interest in LA Storage, a salt cavern development project in Cameron Parish, Louisiana. The LA Storage project also includes an existing 23.3-mile pipeline header system that is not currently contracted.

Because of the plan of sale, we considered a market participant's view of the total value of the non-utility natural gas storage assets and determined that their fair value, less costs to sell, may be less than their carrying value.

Additionally, our inability to secure customer contracts that would support further investment in LA Storage has led us to assess and conclude that the full carrying value of these other U.S. midstream assets may not be recoverable. As a result, we recorded an impairment of \$1.3 billion (\$755 million after tax and noncontrolling interest) in Impairment Losses on Sempra Energy's Condensed Consolidated Statement of Operations for the nine months ended September 30, 2018.

We measured the estimated fair value of \$190 million at June 25, 2018 using a discounted cash flow approach. This approach included unobservable inputs, resulting in a Level 3 measurement in the fair value hierarchy. We considered a market participant's view of the values of the non-utility natural gas storage assets based on an estimation of future net cash flows. To estimate future net cash flows, we considered the non-utility natural gas storage assets' prospects for generating revenues and cash flows beyond their existing contracted capacity and tenors, including natural gas price volatility and seasonality factors, as well as discount rates commensurate with the risks inherent in the cash flows.

The following table summarizes significant inputs that impacted our non-recurring fair value measures.

**NON-RECURRING FAIR VALUE MEASURES – SEMPRA ENERGY CONSOLIDATED**

	Estimated fair value (in millions)	Valuation technique	Fair value hierarchy	% of fair value measurement	Inputs used to develop measurement	Range of inputs
Certain of our U.S. wind equity method investments	\$ 145 (1)	Discounted cash flows	Level 3	100%	Contracted and observable merchant prices per MWh Discount rate	\$29 - \$92 (2) 8% - 10% (3)
Non-utility natural gas storage assets	\$ 190 (4)	Discounted cash flows	Level 3	100%	Storage rates per Dth/month Discount rate	\$0.06 - \$0.22 (2) 10% (3)

(1) At measurement date of June 25, 2018. At September 30, 2018, these U.S. wind equity method investments had a carrying value of \$136 million reflecting subsequent business activity.

(2) Generally, significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.

(3) An increase in the discount rate would result in a decrease in fair value.

(4) At measurement date of June 25, 2018. At September 30, 2018, Mississippi Hub and Bay Gas were classified as held for sale and had a net carrying value of \$141 million, reflecting subsequent business activity and estimated costs to sell, as we discuss in Note 5. Our other U.S. midstream assets that were measured at fair value, including LA Storage, continue to be classified as property, plant and equipment and had a net carrying value of \$32 million at September 30, 2018.

**NOTE 10. SAN ONOFRE NUCLEAR GENERATING STATION**

We provide below updates to ongoing matters related to SONGS, a nuclear generating facility near San Clemente, California that ceased operations in June 2013, and in which SDG&E has a 20-percent ownership interest. We discuss SONGS further in Note 13 of the Notes to Consolidated Financial Statements in the Annual Report.

**SONGS STEAM GENERATOR REPLACEMENT PROJECT**



As part of the SGRP, the steam generators were replaced in SONGS Units 2 and 3, and the Units returned to service in 2010 and 2011, respectively. Both Units were shut down in early 2012 after a water leak occurred in the Unit 3 steam generator. Edison concluded that the leak was due to unexpected wear from tube-to-tube contact. At the time the leak was identified, Edison also inspected and tested Unit 2 and subsequently found unexpected tube wear in Unit 2's steam generator. These issues with the steam generators ultimately resulted in Edison's decision to permanently retire SONGS.

The replacement steam generators were designed and provided by MHI. In 2013, Edison instituted arbitration proceedings against MHI seeking recovery of damages. The other SONGS co-owners, SDG&E and the City of Riverside, participated as claimants and respondents. On March 13, 2017, the International Chamber of Commerce International Court of Arbitration Tribunal (the Tribunal) overseeing the arbitration found MHI liable for breach of contract, subject to a contractual limitation of liability, and rejected the claimants' other claims. The Tribunal awarded \$118 million in damages to the SONGS co-owners, but determined that MHI was the prevailing party and awarded it 95 percent of its arbitration costs. The damage award was offset by these costs, resulting in a net award of approximately \$60 million in favor of the SONGS co-owners. SDG&E's specific allocation of the damage award was \$24 million reduced by costs awarded to MHI of approximately \$12 million, resulting in a net damage award of \$12 million, which was paid by MHI to SDG&E in March 2017. In accordance with the Amended Settlement Agreement discussed below, SDG&E recorded the proceeds from the MHI arbitration by reducing O&M for previously incurred legal costs of \$11 million, and shared the remaining \$1 million equally between ratepayers and shareholders.

#### **SETTLEMENT AGREEMENT TO RESOLVE THE CPUC'S ORDER INSTITUTING INVESTIGATION INTO THE SONGS OUTAGE**

In 2012, in response to the SONGS outage, the CPUC issued the SONGS OII, which was intended to determine the ultimate recovery of the investment in SONGS and the costs incurred since the commencement of this outage.

In November 2014, the CPUC issued a final decision approving an Amended Settlement Agreement in the SONGS OII proceeding. We describe the terms and provisions of the Amended Settlement Agreement in Note 13 of the Notes to Consolidated Financial Statements in the Annual Report.

In May 2016, following the filing of petitions for modification by various parties, the CPUC issued a procedural ruling reopening the record of the OII to address the issue of whether the Amended Settlement Agreement is reasonable and in the public interest.

In December 2016, the CPUC issued another procedural ruling directing parties to the SONGS OII to determine whether an agreement could be reached to modify the Amended Settlement Agreement previously approved by the CPUC, to resolve allegations that unreported *ex parte* communications between Edison and the CPUC resulted in an unfair advantage at the time the settlement agreement was negotiated.

On January 30, 2018, SDG&E, Edison, Cal PA, TURN and other intervenors entered into a settlement agreement (the Revised Settlement Agreement). On the same date, a Joint Motion for Adoption of the Settlement Agreement was filed with the CPUC. The Revised Settlement Agreement resolves all issues under consideration in the SONGS OII and modifies the Amended Settlement Agreement. The Revised Settlement Agreement was the result of multiple mediation sessions in 2017 and January 2018 and was signed following a settlement conference in the SONGS OII, as required under CPUC rules. In February 2018, the parties filed a motion to stay the proceedings in the OII pending the CPUC's consideration of the Revised Settlement Agreement. In February and March of 2018, the CPUC granted the parties' request and established a procedural schedule for 2018 that includes additional testimony, a status conference and briefing, and public participation and evidentiary hearings in April through July.

On July 26, 2018, the CPUC issued a final decision approving the Revised Settlement Agreement with only one modification: removal of the GHG emissions reduction research program that was to be funded by utility shareholders over a five-year period in the amount of \$12.5 million, of which \$2.5 million was SDG&E's share. On August 2, 2018, parties to the Revised Settlement Agreement submitted a notice that they accept the settlement agreement, as modified.

In connection with the Revised Settlement Agreement, and in exchange for the release of certain SONGS-related claims, SDG&E and Edison entered into the Utility Shareholder Agreement, described below, in which Edison has agreed to pay for the amounts that SDG&E would have received in rates under the Amended Settlement Agreement

but will not receive upon implementation of the Revised Settlement Agreement.

90

---

***Disallowances, Refunds and Recoveries***

Under the Revised Settlement Agreement, SDG&E and Edison ceased rate recovery of SONGS costs as authorized under the Amended Settlement Agreement as of December 19, 2017, when the present value of their combined remaining SONGS regulatory assets equaled \$775 million, of which \$152 million represents SDG&E's share. Under the Utility Shareholder Agreement, Edison is obligated to pay SDG&E the full amount of SDG&E's revenue requirement not recovered from ratepayers, as described below. SDG&E began refunding to customers SONGS-related amounts recovered in rates after December 19, 2017 on October 1, 2018.

***Utility Shareholder Agreement***

On January 10, 2018, SDG&E and Edison entered into the Utility Shareholder Agreement. Under the terms of the Utility Shareholder Agreement, Edison has an obligation to compensate SDG&E for the revenue requirement amounts that SDG&E will no longer recover because of the Revised Settlement Agreement. In exchange for Edison's reimbursement, the parties mutually released each other from the "SONGS Issues," a defined term that consists of 18 broad categories. The effect of the agreement is that the parties released each other from any and all claims that each party had or could have asserted related to the steam generator replacement failure and its aftermath. The Utility Shareholder Agreement became effective upon CPUC approval of the Revised Settlement Agreement. Edison's payment obligation commenced on October 30, 2018, and amounts are due to SDG&E quarterly thereafter until April 2022, which approximates the amounts and timing of amounts of what would have been SDG&E's recoveries from ratepayers contemplated under the Amended Settlement Agreement.

***Accounting and Financial Impacts***

As a result of the Revised Settlement Agreement by the settling parties and the Utility Shareholder Agreement, at September 30, 2018, SDG&E has a receivable from Edison, including accrued interest, totaling \$152 million, with \$59 million classified as current and \$93 million classified as noncurrent. This receivable reflects amounts Edison is obligated to pay to SDG&E in lieu of amounts SDG&E would have collected from ratepayers associated with the SONGS regulatory asset.

**NUCLEAR DECOMMISSIONING AND FUNDING**

As a result of Edison's decision to permanently retire SONGS Units 2 and 3, Edison began the decommissioning phase of the plant. Decommissioning of Unit 1, removed from service in 1992, is largely complete. The remaining work for Unit 1 will be done once Units 2 and 3 are dismantled. Edison contracted with a joint venture of AECOM and EnergySolutions (known as SONGS Decommissioning Solutions) as the general contractor to complete the dismantlement of SONGS. The majority of the dismantlement work is expected to take 10 years. SDG&E is responsible for approximately 20 percent of the total contract price.

In accordance with state and federal requirements and regulations, SDG&E has assets held in the NDT to fund its share of decommissioning costs for SONGS Units 1, 2 and 3. The amounts collected in rates for SONGS' decommissioning are invested in the NDT, which is comprised of externally managed trust funds. Amounts held by the NDT are invested in accordance with CPUC regulations. The NDT assets are presented on the Sempra Energy and SDG&E Condensed Consolidated Balance Sheets at fair value with the offsetting credits recorded in noncurrent Regulatory Liabilities.

In March 2018, SDG&E and Edison jointly filed an application requesting CPUC approval of revised remaining decommissioning cost estimates (for costs estimated to be incurred in 2018 and beyond) for SONGS Unit 1 of \$207 million (in 2014 dollars), of which SDG&E's share is \$41 million, and SONGS Units 2 and 3 of \$3.2 billion (in 2014 dollars), of which SDG&E's share is \$638 million. In addition, SDG&E has estimated internal decommissioning costs (for costs estimated to be incurred in 2018 and beyond) of \$3 million (in 2014 dollars) for SONGS Unit 1 and \$43 million (in 2014 dollars) for SONGS Units 2 and 3. We expect a ruling by the CPUC on the joint application in 2019. Except for the use of funds for the planning of decommissioning activities or NDT administrative costs, CPUC approval is required for SDG&E to access the NDT assets to fund SONGS decommissioning costs for Units 2 and 3. SDG&E has received authorization from the CPUC to access NDT funds of up to \$362 million for 2013 through 2018 (2018 forecasted) SONGS decommissioning costs. This includes up to \$60 million authorized by the CPUC in January 2018 to be withdrawn from the NDT for forecasted 2018 SONGS Units 2 and 3 costs as decommissioning costs are incurred.

In December 2016, the IRS and the U.S. Department of the Treasury issued proposed regulations that clarify the definition of “nuclear decommissioning costs,” which are costs that may be paid for or reimbursed from a qualified trust fund. The proposed regulations state that costs related to the construction and maintenance of independent spent fuel management installations are included in the definition of “nuclear decommissioning costs.” The proposed regulations will be effective prospectively once they are finalized; however, the IRS has stated that it will not challenge taxpayer positions consistent with the proposed regulations for taxable years ending on or after the date the proposed regulations were issued. SDG&E is awaiting the adoption of, or additional

refinement to, the proposed regulations before determining whether the proposed regulations will allow SDG&E to access the NDT funds for reimbursement or payment of the spent fuel management costs incurred in 2017 and subsequent years. Further clarification of the proposed regulations could enable SDG&E to access the NDT to recover spent fuel management costs before Edison reaches final settlement with the DOE regarding the DOE's reimbursement of these costs. Historically, the DOE's reimbursements of spent fuel storage costs have not resulted in timely or complete recovery of these costs. We discuss the DOE's responsibility for spent nuclear fuel below. The IRS held public hearings on the proposed regulations in October 2017. It is unclear when clarification of the proposed regulations might be provided or when the proposed regulations will be finalized.

The following table shows the fair values and gross unrealized gains and losses for the securities held in the NDT. We provide additional fair value disclosures for the NDT in Note 9.

#### NUCLEAR DECOMMISSIONING TRUSTS

(Dollars in millions)

	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
<b>At September 30, 2018:</b>				
Debt securities:				
Debt securities issued by the U.S. Treasury and other				
U.S. government corporations and agencies <sup>(1)</sup>	\$51	\$ —	\$ (1)	\$ 50
Municipal bonds <sup>(2)</sup>	259	2	(3)	258
Other securities <sup>(3)</sup>	233	1	(3)	231
Total debt securities	543	3	(7)	539
Equity securities	166	324	(4)	486
Cash and cash equivalents	17	—	—	17
Total	\$726	\$ 327	\$ (11)	\$ 1,042
<b>At December 31, 2017:</b>				
Debt securities:				
Debt securities issued by the U.S. Treasury and other				
U.S. government corporations and agencies	\$54	\$ —	\$ —	\$ 54
Municipal bonds	245	7	(2)	250
Other securities	215	3	(1)	217
Total debt securities	514	10	(3)	521
Equity securities	171	326	(1)	496
Cash and cash equivalents	16	—	—	16
Total	\$701	\$ 336	\$ (4)	\$ 1,033

<sup>(1)</sup> Maturity dates are 2019-2048.

<sup>(2)</sup> Maturity dates are 2018-2056.

<sup>(3)</sup> Maturity dates are 2018-2064.

The following table shows the proceeds from sales of securities in the NDT and gross realized gains and losses on those sales.

#### SALES OF SECURITIES IN THE NDT

(Dollars in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Proceeds from sales	\$216	\$259	\$703	\$1,082
Gross realized gains	3	8	32	132
Gross realized losses	(1)	(3)	(6)	(11)

Net unrealized gains and losses, as well as realized gains and losses that are reinvested in the NDT, are included in noncurrent Regulatory Liabilities on Sempra Energy's and SDG&E's Condensed Consolidated Balance Sheets. We determine the cost of securities in the trusts on the basis of specific identification.

**U.S. DEPARTMENT OF ENERGY NUCLEAR FUEL DISPOSAL**

Spent nuclear fuel from SONGS is currently stored on-site in an ISFSI licensed by the NRC or temporarily in spent fuel pools. In October 2015, the California Coastal Commission approved Edison's application for the proposed expansion of the ISFSI at SONGS. The ISFSI expansion began construction in 2016 and is expected to be fully loaded with spent fuel in 2019 and to operate until 2049, when it is assumed that the DOE will have taken custody of all the SONGS spent fuel. The ISFSI would then be decommissioned, and the site restored to its original environmental state. Until then, SONGS owners are responsible for interim storage of spent nuclear fuel at SONGS.

The Nuclear Waste Policy Act of 1982 made the DOE responsible for accepting, transporting, and disposing of spent nuclear fuel. However, it is uncertain when the DOE will begin accepting spent nuclear fuel from SONGS. This delay will lead to increased costs for spent fuel storage. SDG&E will continue to support Edison in its pursuit of claims on behalf of the SONGS co-owners against the DOE for its failure to timely accept the spent nuclear fuel. In April 2016, Edison executed a spent fuel settlement agreement with the DOE for \$162 million covering damages incurred from 2006 through 2013. In May 2016, Edison refunded SDG&E \$32 million for its respective share of the damage award paid. In applying this refund, SDG&E recorded a \$23 million reduction to the SONGS regulatory asset, an \$8 million reduction of its nuclear decommissioning balancing account and a \$1 million reduction in its SONGS O&M cost balancing account.

In September 2016, Edison filed claims with the DOE for \$56 million in spent fuel management costs incurred in 2014 and 2015 on behalf of the SONGS co-owners under the terms of the 2016 spent fuel settlement agreement. In February 2017, the DOE reduced the request to approximately \$43 million primarily due to reductions to the claimed fuel canister costs. SDG&E received its \$9 million respective share of the claim from Edison in May 2017 and recorded the proceeds in balancing accounts or as reductions to regulatory assets for the benefit of ratepayers.

In October 2017, Edison filed claims with the DOE for \$58 million in spent fuel management costs incurred in 2016 on behalf of the SONGS co-owners under the terms of the 2016 spent fuel settlement agreement. SDG&E's respective share of the claim is \$12 million. In March 2018, the DOE issued its determination of allowable costs for the claim as \$44 million, with SDG&E's respective share as \$9 million. In April 2018, Edison requested reconsideration from the DOE of \$1 million of the DOE's deductions from the claimed amount. In May 2018, the DOE issued a supplemental determination that the \$1 million requested for reconsideration is allowable and should be reimbursed. In July 2018, SDG&E received its \$9 million total share of the 2016 claim.

The 2016 spent fuel settlement agreement governs the submission of claims for costs incurred through December 31, 2016. It is unclear whether Edison will enter into a new settlement with the DOE or pursue litigation claims for spent fuel management costs incurred on or after January 1, 2017.

## **NUCLEAR INSURANCE**

Edison requested and was granted approval in January 2018 by the NRC to reduce the nuclear liability and property damage insurance requirement. However, these changes in SONGS nuclear insurance levels require approval from all SONGS owners, as described below.

SDG&E and the other owners of SONGS have insurance to cover claims from nuclear liability incidents arising at SONGS. Currently, this insurance provides \$450 million in coverage limits, the maximum amount available, including coverage for acts of terrorism. In addition, the Price-Anderson Act provides an additional \$110 million of coverage. If a nuclear liability loss occurs at SONGS and exceeds the \$450 million insurance limit, this additional coverage would be available to provide a total of \$560 million in coverage limits per incident. The SFP is a program that provides additional insurance. If a nuclear liability loss occurs at any U.S. licensed/commercial reactor and exceeds the \$450 million insurance, all SFP participants would be required to contribute to the SFP. Effective January 5, 2018, the NRC approved Edison's request to reduce the nuclear liability insurance requirement from \$450 million to \$100 million and withdraw from participation in the SFP for SONGS. On April 5, 2018, the SONGS co-owners approved withdrawing from participation in the SFP for SONGS, but maintaining the nuclear liability insurance coverage at current levels (\$450 million). Confirmation of SONGS' withdrawal from the SFP has been received and became effective January 5, 2018.

The SONGS owners, including SDG&E, also maintain nuclear property damage insurance that exceeds the minimum federal requirements of \$1.06 billion. This insurance coverage is provided through NEIL. The NEIL policies have specific exclusions and limitations that can result in reduced or eliminated coverage. Insured members as a group are

subject to retrospective premium assessments to cover losses sustained by NEIL under all issued policies. SDG&E could be assessed up to \$10.4 million of retrospective premiums based on overall member claims. All of SONGS' insurance claims arising out of the failures of the MHI replacement steam generators have been settled with NEIL. Effective January 10, 2018, the NRC approved Edison's request to reduce its minimum property damage insurance requirement for SONGS from \$1.06 billion to \$50 million. However, on April 5,



2018, the SONGS co-owners approved maintaining its current property damage insurance at \$1.5 billion, but with a new \$500 million property damage sublimit on the ISFSI.

The nuclear property insurance program includes an industry aggregate loss limit for non-certified acts of terrorism (as defined by the Terrorism Risk Insurance Act) of \$3.24 billion. This is the maximum amount that will be paid to insured members who suffer losses or damages from these non-certified terrorist acts.

## NOTE 11. COMMITMENTS AND CONTINGENCIES

### LEGAL PROCEEDINGS

We accrue losses for a legal proceeding when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. However, the uncertainties inherent in legal proceedings make it difficult to reasonably estimate the costs and effects of resolving these matters. Accordingly, actual costs incurred may differ materially from amounts accrued, may exceed applicable insurance coverage and could materially adversely affect our business, cash flows, results of operations, financial condition and prospects. Unless otherwise indicated, we are unable to estimate reasonably possible losses in excess of any amounts accrued.

At September 30, 2018, loss contingency accruals for legal matters, including associated legal fees, that are probable and estimable were \$230 million for Sempra Energy Consolidated, including \$3 million for SDG&E and \$176 million for SoCalGas. Amounts for Sempra Energy and SoCalGas include \$127 million for matters related to the Aliso Canyon natural gas storage facility gas leak, which we discuss below.

#### ***SDG&E***

##### *2007 Wildfire Litigation and Net Cost Recovery Status*

SDG&E has resolved all litigation associated with three wildfires that occurred in October 2007.

As a result of a CPUC decision denying SDG&E's request to recover wildfire costs, SDG&E wrote off the wildfire regulatory asset, resulting in a charge of \$351 million (\$208 million after-tax) in the third quarter of 2017. SDG&E will continue to vigorously pursue recovery of these costs, which were incurred through settling claims brought under the doctrine of inverse condemnation. SDG&E applied to the CPUC for rehearing of its decision on January 2, 2018. On July 12, 2018, the CPUC adopted a decision denying the rehearing requests filed by SDG&E and other parties. On August 3, 2018, SDG&E filed an appeal with the California Court of Appeal seeking to reverse the CPUC's decision. The filing also asked the court to direct the CPUC to award SDG&E recovery for payments made to settle inverse condemnation and limit any reasonableness review to the amounts of those payments. On September 7, 2018, the CPUC and two other parties filed responses with the California Court of Appeal requesting that SDG&E's petition be denied. SDG&E submitted a reply to those parties on October 2, 2018 and is now awaiting court action on the appeal. The California Court of Appeal is not required to hear this appeal, in which case, SDG&E's recourse would be to appeal this decision to the California Supreme Court.

#### ***SoCalGas***

##### *Aliso Canyon Natural Gas Storage Facility Gas Leak*

On October 23, 2015, SoCalGas discovered a leak at one of its injection-and-withdrawal wells, SS25, at its Aliso Canyon natural gas storage facility (the Leak), located in the northern part of the San Fernando Valley in Los Angeles County. The Aliso Canyon natural gas storage facility has been operated by SoCalGas since 1972. SS25 is one of more than 100 injection-and-withdrawal wells at the storage facility. SoCalGas worked closely with several of the world's leading experts to stop the Leak, and on February 18, 2016, DOGGR confirmed that the well was permanently sealed. SoCalGas calculated that approximately 4.62 Bcf of natural gas was released from the Aliso Canyon natural gas storage facility as a result of the Leak.

**Local Community Mitigation Efforts.** Pursuant to a stipulation and order by the LA Superior Court, SoCalGas provided temporary relocation support to residents in the nearby community who requested it before the well was permanently sealed. Following the permanent sealing of the well, the DPH conducted testing in certain homes in the Porter Ranch community, and concluded that indoor conditions did not present a long-term health risk and that it was safe for residents to return home. In May



2016, the LA Superior Court ordered SoCalGas to offer to clean residents' homes at SoCalGas' expense as a condition to ending the relocation program. SoCalGas completed the residential cleaning program and the relocation program ended in July 2016.

In May 2016, the DPH also issued a directive that SoCalGas additionally professionally clean (in accordance with the proposed protocol prepared by the DPH) the homes of all residents located within the Porter Ranch Neighborhood Council boundary, or who participated in the relocation program, or who are located within a five-mile radius of the Aliso Canyon natural gas storage facility and experienced symptoms from the Leak (the Directive). SoCalGas disputes the Directive, contending that it is invalid and unenforceable, and has filed a petition for writ of mandate to set aside the Directive.

The costs incurred to remediate and stop the Leak and to mitigate local community impacts have been significant and may increase, and we may be subject to potentially significant damages, restitution, and civil, administrative and criminal fines, penalties and other costs. To the extent any of these costs are not covered by insurance (including any costs in excess of applicable policy limits), if there were to be significant delays in receiving insurance recoveries, or if the insurance recoveries are subject to income taxes, such amounts could have a material adverse effect on SoCalGas' and Sempra Energy's cash flows, financial condition and results of operations.

**Cost Estimates and Accounting Impact.** At September 30, 2018, SoCalGas' best estimate of costs related to the Leak was \$1,039 million (the cost estimate), which includes \$1,012 million of costs recovered or probable of recovery from insurance. Approximately 55 percent of the cost estimate is for the temporary relocation program (including cleaning costs and certain labor costs). The remaining portion of the cost estimate includes legal costs incurred to defend litigation, the estimated costs to settle certain actions, the estimated cost of the root cause analysis being conducted by an independent third party, efforts to control the well, the costs to mitigate the actual natural gas released, the value of lost gas, and other costs. The value of lost gas reflects the replacement cost of all lost gas. SoCalGas adjusts its estimated total liability associated with the Leak as additional information becomes available. A substantial portion of the cost estimate has been paid and \$161 million is accrued as Reserve for Aliso Canyon Costs as of September 30, 2018 on SoCalGas' and Sempra Energy's Condensed Consolidated Balance Sheets for amounts expected to be paid after September 30, 2018.

As of September 30, 2018, we recorded the expected recovery of the cost estimate related to the Leak of \$474 million as Insurance Receivable for Aliso Canyon Costs on SoCalGas' and Sempra Energy's Condensed Consolidated Balance Sheets. This amount is net of insurance retentions and \$538 million of insurance proceeds we received through September 30, 2018 related to portions of the cost estimate described above, including temporary relocation costs, control-of-well expenses, legal costs and lost gas. If we were to conclude that this receivable or a portion of it is no longer probable of recovery from insurers, some or all of this receivable would be charged against earnings, which could have a material adverse effect on SoCalGas' and Sempra Energy's cash flows, financial condition and results of operations.

As described in "Governmental Investigations and Civil and Criminal Litigation" below, the actions seek compensatory, statutory and punitive damages, restitution, and civil, administrative and criminal fines, penalties and other costs, which except for the amounts paid or estimated to settle certain actions, are not included in the cost estimate as it is not possible at this time to predict the outcome of these actions or reasonably estimate the amount of damages, restitution or civil, administrative or criminal fines, penalties or other costs that may be imposed. The recorded amounts above also do not include the costs to clean additional homes pursuant to the Directive, future legal costs necessary to defend litigation, and other potential costs that we currently do not anticipate incurring or that we cannot reasonably estimate. Furthermore, the cost estimate does not include certain other costs expensed by Sempra Energy through September 30, 2018 associated with defending against shareholder derivative lawsuits.

In March 2016, the CPUC ordered SoCalGas to establish a memorandum account to prospectively track its authorized revenue requirement and all revenues that it receives for its normal, business-as-usual costs to own and operate the Aliso Canyon natural gas storage facility and, in September 2016, approved SoCalGas' request to begin tracking these revenues as of March 17, 2016. The CPUC will determine at a later time whether, and to what extent, the authorized revenues tracked in the memorandum account will be refunded to ratepayers.

**Insurance.** Excluding directors' and officers' liability insurance, we have at least four kinds of insurance policies that together we estimate provide between \$1.2 billion to \$1.4 billion in insurance coverage, depending on the nature of the claims. We cannot predict all of the potential categories of costs or the total amount of costs that we may incur as a result of the Leak. Subject to various policy limits, exclusions and conditions, based on what we know as of the filing date of this report, we believe that our insurance policies collectively should cover the following categories of costs: costs incurred for temporary relocation (including cleaning costs and certain labor costs), costs to address the Leak and stop or reduce emissions, the root cause analysis being conducted to investigate the cause of the Leak, the value of lost gas, costs incurred to mitigate the actual natural gas released, costs associated with litigation and claims by nearby residents and businesses, any costs to clean additional homes pursuant to the Directive, and, in some circumstances depending on their nature and manner of assessment, fines and penalties. We have been communicating with our insurance carriers and, as discussed above, we have received insurance payments for portions of the

costs described above, including temporary relocation costs, control-of-well expenses, legal costs and lost gas. We intend to pursue the full extent of our insurance coverage for the costs we have incurred or may incur. There can be no assurance that we will be successful in obtaining additional insurance recovery for these costs under the applicable policies, and to the extent we are not successful in obtaining coverage or these costs exceed the amount of our coverage, such costs could have a material adverse effect on SoCalGas' and Sempra Energy's cash flows, financial condition and results of operations.

At September 30, 2018, SoCalGas' estimated costs related to the Leak of \$1,039 million include \$1,012 million of costs recovered or probable of recovery from insurance. This estimate may rise significantly as more information becomes available. Any costs not included in the \$1,039 million cost estimate could be material. To the extent not covered by insurance (including any costs in excess of applicable policy limits), if there were to be significant delays in receiving insurance recoveries, or if the insurance recoveries are subject to income taxes, such amounts could have a material adverse effect on SoCalGas' and Sempra Energy's cash flows, financial condition and results of operations.

**Governmental Investigations and Civil and Criminal Litigation.** Various governmental agencies, including DOGGR, DPH, SCAQMD, CARB, Los Angeles Regional Water Quality Control Board, California Division of Occupational Safety and Health, CPUC, PHMSA, EPA, Los Angeles County District Attorney's Office and California Attorney General's Office, have investigated or are investigating this incident. Other federal agencies (e.g., the DOE and the U.S. Department of the Interior) investigated the incident as part of a joint interagency task force. In January 2016, DOGGR and the CPUC selected Blade Energy Partners to conduct, under their supervision, an independent analysis of the technical root cause of the Leak, to be funded by SoCalGas. The timing of the root cause analysis is under the control of Blade Energy Partners, DOGGR and the CPUC.

As of November 2, 2018, 388 lawsuits, including approximately 48,000 plaintiffs, are pending against SoCalGas, some of which have also named Sempra Energy. All of these cases, other than a matter brought by the Los Angeles County District Attorney and the federal securities class action discussed below, are coordinated before a single court in the LA Superior Court for pretrial management (the Coordination Proceeding).

Pursuant to the Coordination Proceeding, in March 2017, the individuals and business entities asserting tort and Proposition 65 claims filed a Second Amended Consolidated Master Case Complaint for Individual Actions, through which their separate lawsuits will be managed for pretrial purposes. The consolidated complaint asserts causes of action for negligence, negligence per se, private and public nuisance (continuing and permanent), trespass, inverse condemnation, strict liability, negligent and intentional infliction of emotional distress, fraudulent concealment, loss of consortium and violations of Proposition 65 against SoCalGas, with certain causes also naming Sempra Energy. The consolidated complaint seeks compensatory and punitive damages for personal injuries, lost wages and/or lost profits, property damage and diminution in property value, injunctive relief, costs of future medical monitoring, civil penalties (including penalties associated with Proposition 65 claims alleging violation of requirements for warning about certain chemical exposures), and attorneys' fees.

In January 2017, pursuant to the Coordination Proceeding, two consolidated class action complaints were filed against SoCalGas and Sempra Energy, one on behalf of a putative class of persons and businesses who own or lease real property within a five-mile radius of the well (the Property Class Action), and a second on behalf of a putative class of all persons and entities conducting business within five miles of the facility (the Business Class Action). Both complaints assert claims for strict liability for ultra-hazardous activities, negligence and violation of California Unfair Competition Law. The Property Class Action also asserts claims for negligence per se, trespass, permanent and continuing public and private nuisance, and inverse condemnation. The Business Class Action also asserts a claim for negligent interference with prospective economic advantage. Both complaints seek compensatory, statutory and punitive damages, injunctive relief and attorneys' fees. In December 2017, the California Court of Appeal, Second Appellate District ruled that the purely economic damages alleged in the Business Class Action are not recoverable under the law. In February 2018, the California Supreme Court granted a petition filed by the plaintiffs to review that ruling. In September and October of 2017, property developers filed two complaints, one of which was amended in July 2018, against SoCalGas and Sempra Energy alleging causes of action for strict liability, negligence per se, negligence, continuing nuisance, permanent nuisance and violation of the California Unfair Competition Law, as well as claims for negligence against certain directors of SoCalGas. The complaints seek compensatory, statutory and

punitive damages, injunctive relief and attorneys' fees. These claims are joined in the Coordination Proceeding. In October 2018, a complaint was filed on behalf of 36 plaintiffs who are firefighters stationed near the Aliso Canyon natural gas storage facility and allege they were injured by exposure to chemicals released during the Leak. The complaint against SoCalGas and Sempra Energy asserts causes of actions for negligence, negligence per se, private and public nuisance (continuing and permanent), trespass, inverse condemnation, strict liability, negligent and intentional infliction of emotional distress, fraudulent concealment and loss of consortium. The complaint seeks compensatory and punitive damages for personal injuries, lost wages and/or lost profits, property damage and diminution in property value, and attorney's fees. SoCalGas expects this case will be joined in the Coordination Proceeding.

In addition to the lawsuits described above, a federal securities class action alleging violation of the federal securities laws has been filed against Sempra Energy and certain of its officers and certain of its directors in the United States District Court for the Southern District of California. In March 2018, the District Court dismissed the action with prejudice, and in April 2018 the plaintiffs moved for reconsideration of the order.

Five shareholder derivative actions are also pending in the Coordination Proceeding alleging breach of fiduciary duties against certain officers and certain directors of Sempra Energy and/or SoCalGas, four of which were joined in a Consolidated Shareholder Derivative Complaint in August 2017.

Three actions filed by public entities are pending in the Coordination Proceeding. First, in July 2016, the County of Los Angeles, on behalf of itself and the people of the State of California, filed a complaint against SoCalGas in the LA Superior Court for public nuisance, unfair competition, breach of franchise agreement, breach of lease, and damages. This suit alleges that the four natural gas storage fields operated by SoCalGas in Los Angeles County require safety upgrades, including the installation of a sub-surface safety shut-off valve on every well. It additionally alleges that SoCalGas failed to comply with the DPH Directive. It seeks preliminary and permanent injunctive relief, civil penalties, and damages for the County's costs to respond to the Leak, as well as punitive damages and attorneys' fees.

Second, in August 2016, the California Attorney General, acting in an independent capacity and on behalf of the people of the State of California and the CARB, together with the Los Angeles City Attorney, filed a third amended complaint on behalf of the people of the State of California against SoCalGas alleging public nuisance, violation of the California Unfair Competition Law, violations of California Health and Safety Code sections 41700 (prohibiting discharge of air contaminants that cause annoyance to the public) and 25510 (requiring reporting of the release of hazardous material), as well as California Government Code section 12607 for equitable relief for the protection of natural resources. The complaint seeks an order for injunctive relief, to abate the public nuisance, and to impose civil penalties.

Third, a petition for writ of mandate filed by the County of Los Angeles is pending against DOGGR and its State Oil and Gas Supervisor and the CPUC and its Executive Director, as to which SoCalGas is the real party in interest. The petition alleges that in issuing its July 2017 determination that the requirements for the resumption of injection operations were met (discussed under "Natural Gas Storage Operations and Reliability" below), DOGGR failed to comply with the provisions of SB 380, which requires a comprehensive safety review of the Aliso Canyon natural gas storage facility before injection of natural gas may resume. The County alleges, among other things, that DOGGR failed to comply with the provisions of SB 380 in declaring the safety review complete and authorizing the resumption of injection of natural gas into the facility before the root cause analysis was complete, failing to make its safety-review documents available to the public and failing to address seismic risks to the field as part of its safety review. The County further alleges that CEQA required DOGGR to prepare an EIR before the resumption of injection of natural gas at the facility may be approved. The petition seeks a writ of mandate requiring DOGGR and the State Oil and Gas Supervisor to comply with SB 380 and CEQA, and to produce records in response to the County's Public Records Act request, as well as declaratory and injunctive relief against any authorization to inject natural gas and attorneys' fees.

In August 2018, SoCalGas entered into a settlement agreement with the Los Angeles City Attorney's Office, the County of Los Angeles, the California Office of the Attorney General and CARB (collectively, the Government Plaintiffs) to settle the three public entity actions for payments and funding for environmental projects totaling \$120 million, including \$21 million in civil penalties (the Government Plaintiffs Settlement). Under the settlement agreement, SoCalGas agreed to continue its fence line methane monitoring program, establish a safety committee and hire an independent ombudsman to monitor and report on the safety at the facility. This settlement also fully resolves SoCalGas' commitment to mitigate the actual natural gas released during the Leak and fulfills the requirements of the Governor's Order, described below, for SoCalGas to pay for a mitigation program developed by CARB. The Government Plaintiffs Settlement requires the approval of the LA Superior Court.

Separately, in February 2016, the Los Angeles County District Attorney's Office filed a misdemeanor criminal complaint against SoCalGas seeking penalties and other remedies for alleged failure to provide timely notice of the Leak pursuant to California Health and Safety Code section 25510(a), Los Angeles County Code section 12.56.030,

and Title 19 California Code of Regulations section 2703(a), and for allegedly violating California Health and Safety Code section 41700 prohibiting discharge of air contaminants that cause annoyance to the public. Pursuant to a settlement agreement with the Los Angeles County District Attorney's Office, SoCalGas agreed to plead no contest to the notice charge under Health and Safety Code section 25510(a) and agreed to pay the maximum fine of \$75,000, penalty assessments of approximately \$233,500, and operational commitments estimated to cost approximately \$6 million, reimbursement and assessments in exchange for the Los Angeles County District Attorney's Office moving to dismiss the remaining counts at sentencing and settling the complaint (the District Attorney Settlement). In November 2016, SoCalGas completed the commitments and obligations under the District Attorney Settlement, and on November 29, 2016, the LA Superior Court approved the settlement and entered judgment on the notice charge. Certain individuals who object to the settlement have filed an appeal of the judgment, contending they should be granted restitution.



The costs of defending against these civil and criminal lawsuits, cooperating with these investigations, and any damages, restitution, and civil, administrative and criminal fines, penalties and other costs, if awarded or imposed, as well as the costs of mitigating the actual natural gas released, could be significant and to the extent not covered by insurance (including any costs in excess of applicable policy limits), if there were to be significant delays in receiving insurance recoveries, or if the insurance recoveries are subject to income taxes, such amounts could have a material adverse effect on SoCalGas' and Sempra Energy's cash flows, financial condition and results of operations.

**Regulatory Proceedings.** In February 2017, the CPUC opened a proceeding pursuant to SB 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility, while still maintaining energy and electric reliability for the region. The CPUC indicated it intends to conduct the proceeding in two phases, with Phase 1 undertaking a comprehensive effort to develop the appropriate analyses and scenarios to evaluate the impact of reducing or eliminating the use of the Aliso Canyon natural gas storage facility and Phase 2 using those analyses and scenarios to evaluate the impacts of reducing or eliminating the use of the Aliso Canyon natural gas storage facility.

The order establishing the scope of the proceeding expressly excludes issues with respect to air quality, public health, causation, culpability or cost responsibility regarding the Leak. The CPUC adopted an initial Phase 1 schedule contemplating public participation hearings and workshops beginning in April 2017, but no hearings until Phase 2. In May 2018, the CPUC updated the Phase 1 schedule, providing for Phase 1 to be concluded November 14, 2018 with issuance of a Ruling Adopting Scenarios, Assumptions and Models.

Section 455.5 of the California Public Utilities Code, among other things, directs regulated utilities to notify the CPUC if all or any portion of a major facility has been out of service for nine consecutive months. Although SoCalGas did not believe the Aliso Canyon natural gas storage facility or any portion of the facility was out of service (as that term is meant in section 455.5) for nine consecutive months, SoCalGas provided notification out of an abundance of caution to demonstrate its commitment to regulatory compliance and transparency, and because obtaining authorization to resume injection operations at the facility required more time than initially contemplated. In response, and as required by section 455.5, the CPUC issued an OII to address whether the Aliso Canyon natural gas storage facility or any portion of the facility was out of service for nine consecutive months under section 455.5, and if so, whether the CPUC should disallow costs for such period from SoCalGas' rates. In September 2018, the CPUC issued a final decision finding that the Aliso Canyon natural gas storage facility was not out of service for nine consecutive months.

**Governmental Orders and Additional Regulation.** In January 2016, the Governor of the State of California issued an order (the Governor's Order) proclaiming a state of emergency in Los Angeles County due to the Leak. The Governor's Order imposes various orders with respect to: stopping the Leak; protecting public health and safety; ensuring accountability; and strengthening oversight. Most of the directives in the Governor's Order have been fulfilled, with the following remaining open items: (1) applicable agencies must convene an independent panel of scientific and medical experts to review public health concerns stemming from the natural gas leak and evaluate whether additional measures are needed to protect public health; (2) the CPUC must ensure that SoCalGas covers costs related to the natural gas leak and its response while protecting ratepayers; (3) CARB must develop a program to fully mitigate the leak's emissions of methane by March 31, 2016, with such program to be funded by SoCalGas; and (4) DOGGR, CPUC, CARB and the CEC must submit to the Governor's Office a report that assesses the long-term viability of natural gas storage facilities in California. The development of a mitigation program per the Government Plaintiffs Settlement, discussed above, satisfies the third remaining open item.

In December 2015, SoCalGas made a commitment to mitigate the actual natural gas released from the Leak and has been working on a plan to accomplish the mitigation. In March 2016, pursuant to the Governor's Order, the CARB issued its *Aliso Canyon Methane Leak Climate Impacts Mitigation Program*, which set forth its recommended approach to achieve full mitigation of the emissions from the Leak. In October 2016, CARB issued its final report concluding that the incident resulted in total emissions from 90,350 to 108,950 metric tons of methane, and asserting that SoCalGas should mitigate 109,000 metric tons of methane to fully mitigate the GHG impacts of the Leak. The Government Plaintiffs Settlement described above fully resolves SoCalGas' commitment to mitigate the actual natural gas released from the Leak.

**Natural Gas Storage Operations and Reliability.** Natural gas withdrawn from storage is important for service reliability during peak demand periods, including peak electric generation needs in the summer and heating needs in the winter. The Aliso Canyon natural gas storage facility, with a storage capacity of 86 Bcf (which represents 63 percent of SoCalGas' natural gas storage inventory capacity), is the largest SoCalGas storage facility and an important element of SoCalGas' delivery system. Beginning October 25, 2015, pursuant to orders by DOGGR and the Governor of the State of California, and in accordance with SB 380, SoCalGas suspended injection of natural gas into the Aliso Canyon natural gas storage facility. In April and June of 2017, SoCalGas advised the California ISO, CEC, CPUC and PHMSA of its concerns that the inability to inject natural gas into the Aliso Canyon natural gas storage facility posed a risk to energy reliability in Southern California. Limited withdrawals of natural

gas from the Aliso Canyon natural gas storage facility have been made to augment natural gas supplies during critical demand periods.

On July 19, 2017, DOGGR issued its determination that SoCalGas had met the requirements of SB 380 for the resumption of injection operations, including all safety requirements. On the same date, the CPUC's Executive Director issued his concurrence with that determination, and DOGGR issued its *Order to: Test and Take Temporary Actions Upon Resuming Injection: Aliso Canyon Gas Storage Facility* lifting the prohibition on injection at the Aliso Canyon natural gas storage facility, subject to certain requirements after injection resumed, including limitations on the rate at which SoCalGas may withdraw natural gas from the field. The County of Los Angeles filed a petition for writ of mandate seeking declaratory and injunctive relief and a stay of DOGGR's order lifting the prohibition against injecting natural gas at the facility. We provide further detail regarding the County of Los Angeles' suit and the settlement agreement to resolve this dispute, which is subject to the approval of the LA Superior Court, above in "Governmental Investigations and Civil and Criminal Litigation." Having completed the steps outlined by state agencies to safely begin injections at the Aliso Canyon natural gas storage facility, as of July 31, 2017, SoCalGas resumed limited injections. The CPUC has issued a series of directives to SoCalGas establishing the range of working gas to be maintained in the Aliso Canyon natural gas storage facility to help ensure safety and reliability for the region and just and reasonable rates in California, the most recent of which, issued July 2, 2018, directed SoCalGas to maintain up to 34 Bcf of working gas.

If the Aliso Canyon natural gas storage facility were to be permanently closed, or if future cash flows were otherwise insufficient to recover its carrying value, it could result in an impairment of the facility and significantly higher than expected operating costs and/or additional capital expenditures, and natural gas reliability and electric generation could be jeopardized. At September 30, 2018, the Aliso Canyon natural gas storage facility had a net book value of \$696 million, including \$285 million for the recently completed construction of a new compressor station. Any significant impairment of this asset could have a material adverse effect on SoCalGas' and Sempra Energy's results of operations for the period in which it is recorded. Higher operating costs and additional capital expenditures incurred by SoCalGas may not be recoverable in customer rates, and could have a material adverse effect on SoCalGas' and Sempra Energy's cash flows, financial condition and results of operations.

### ***Sempra Mexico***

#### *Property Disputes and Permit Challenges*

**Energía Costa Azul.** Sempra Mexico has been engaged in a long-running land dispute relating to property adjacent to its ECA LNG terminal near Ensenada, Mexico. A claimant to the adjacent property filed complaints in the federal Agrarian Court challenging the refusal of SEDATU in 2006 to issue a title to him for the disputed property. In November 2013, the federal Agrarian Court ordered that SEDATU issue the requested title and cause it to be registered. Both SEDATU and Sempra Mexico challenged the ruling, due to lack of notification of the underlying process. Both challenges are pending to be resolved by a Federal Court in Mexico. Sempra Mexico expects additional proceedings regarding the claims.

Several administrative challenges are pending in Mexico before the Mexican environmental protection agency and the Federal Tax and Administrative Courts seeking revocation of the environmental impact authorization issued to ECA in 2003. These cases generally allege that the conditions and mitigation measures in the environmental impact authorization are inadequate and challenge findings that the activities of the terminal are consistent with regional development guidelines.

Additionally, in August 2018, a claimant filed a challenge in the federal district court in Ensenada, Baja California in relation to the environmental and social impact permits issued to ECA in September 2017 and December 2017, respectively, to allow natural gas liquefaction activities at the ECA LNG terminal. The court issued a provisional injunction on September 28, 2018 that has uncertain application and requires clarification by the court, which is being pursued through additional proceedings.

Cases involving two parcels of real property have been filed against ECA. In one case, filed in the federal Agrarian Court in 2006, the plaintiffs seek to annul the recorded property title for a parcel on which the ECA LNG terminal is situated and to obtain possession of a different parcel that allegedly sits in the same place. Another civil complaint filed in the state court was served in April 2012 seeking to invalidate the contract by which ECA purchased another of

the terminal parcels, on the grounds the purchase price was unfair; the plaintiff filed a second complaint in 2013 in the federal Agrarian Court seeking an order that SEDATU issue title to her. In January 2016, the federal Agrarian Court ruled against the plaintiff, and the plaintiff appealed the ruling. In May 2018, the state court dismissed the civil complaint, and the plaintiff has appealed. Sempra Mexico expects further proceedings on these two matters.

**Guaymas-El Oro Segment of the Sonora Pipeline.** IEnova's Sonora natural gas pipeline consists of two segments, the Sasabe-Puerto Libertad-Guaymas segment, and the Guaymas-El Oro segment. Each segment has its own service agreement with the CFE. In 2015, the Yaqui tribe, with the exception of some members living in the Bácum community, granted its consent and a right-of-way easement agreement for the construction of the Guaymas-El Oro segment of the Sonora natural gas pipeline that crosses its

territory. Representatives of the B́acum community filed a legal challenge in Mexican Federal Court demanding the right to withhold consent for the project, the stoppage of work in the Yaqui territory and damages. In 2016, the judge granted a suspension order that prohibited the construction of such segment through the B́acum community territory. Because the pipeline does not pass through the B́acum community, IEnova did not believe the 2016 suspension order prohibited construction in the remainder of the Yaqui territory. Because of the dispute, however, IEnova was delayed in the construction of the approximately 14 kilometers of pipeline that pass through territory of the Yaqui tribe. IEnova declared a force majeure under its contract with the CFE as a result of such construction delays. The CFE agreed to extend the deadline for commercial operations of the Guaymas-El Oro segment until the second quarter of 2017 and to pay fixed charge payments pursuant to the service agreement during such extension. Construction of the Guaymas-El Oro segment was completed, and commercial operations began in May 2017. Following the start of commercial operations of the Guaymas-El Oro segment, an appellate court ruled that the scope of the 2016 suspension order encompassed the wider Yaqui territory. The legal challenge remains pending. IEnova has subsequently reported damage and declared a force majeure event for the Guaymas-El Oro segment of the Sonora pipeline in the Yaqui territory that has interrupted its operations since August 23, 2017. IEnova will continue to exercise its rights under the contract, which include (i) force majeure payments; and (ii) just compensation following the expiration of the period such force majeure payments are required to be made. The Sasabe-Puerto Libertad-Guaymas segment of the Sonora pipeline remains in full operation.

#### ***Other Litigation***

Sempra Energy holds a noncontrolling interest in RBS Sempra Commodities, a limited liability partnership in the process of being liquidated. NatWest Markets Plc, formerly RBS, our partner in the joint venture, paid an assessment of £86 million (approximately \$138 million in U.S. dollars) in October 2014 to HMRC for denied VAT refund claims filed in connection with the purchase of carbon credit allowances by RBS SEE, a subsidiary of RBS Sempra Commodities. RBS SEE has since been sold to JP Morgan and later to Mercuria Energy Group, Ltd. HMRC asserted that RBS was not entitled to reduce its VAT liability by VAT paid on certain carbon credit purchases during 2009 because RBS knew or should have known that certain vendors in the trading chain did not remit their own VAT to HMRC. After paying the assessment, RBS filed a Notice of Appeal of the assessment with the First-Tier Tribunal. The First-Tier Tribunal held a preliminary hearing in September 2016 to determine whether HMRC's assessment was time-barred. In January 2017, the First-Tier Tribunal ruled that HMRC's assessment was timely. There will be a hearing on the substantive matter regarding whether RBS knew or should have known that certain vendors in the trading chain did not remit their VAT to HMRC.

During 2015, liquidators acting on behalf of ten companies (the Liquidating Companies) that engaged in carbon credit trading via chains that included a company that RBS SEE traded with directly filed a claim in the High Court of Justice asserting damages of £160 million (approximately \$209 million in U.S. dollars at September 30, 2018) against RBS and Mercuria Energy Europe Trading Limited (the Defendants). The claim alleges that the Defendants' participation in the purchase and sale of carbon credits resulted in the Liquidating Companies' carbon credit trading transactions creating a VAT liability they were unable to pay. The £160 million is comprised of a claim by the Liquidating Companies for £80 million (approximately \$104 million in U.S. dollars at September 30, 2018) for equitable compensation due to dishonest assistance, and a claim by the liquidators for compensation in the same amount under the U.K. Insolvency Act of 1986. The parties have agreed that to the extent the Liquidating Companies' claims are successful, the liquidators cannot collect under the U.K. Insolvency Act of 1986; however, the award amount is ultimately determined by the court. The hearing for this matter began on June 14, 2018 and concluded on July 20, 2018. On the final day of the trial, the claimants withdrew a portion of their claim, which reduced the £160 million claim to £143 million (approximately \$186 million in U.S. dollars at September 30, 2018), equally split between the Liquidating Companies and the liquidators. JP Morgan has notified us that Mercuria Energy Group, Ltd. has sought indemnity for the claim, and JP Morgan has in turn sought indemnity from Sempra Energy and RBS. While the ultimate outcome remains uncertain, we continue to evaluate the likelihood of recovery of our investment. Accordingly, in the third quarter of 2018, we fully impaired our remaining \$65 million equity method investment in RBS Sempra Commodities, which is included in Equity Earnings on Sempra Energy's Condensed Consolidated Statement of Operations.

Certain EFH subsidiaries that we acquired as part of the Merger are defendants in personal injury lawsuits brought in state courts throughout the U.S. As of November 2, 2018, 115 such lawsuits are pending. These cases allege illness or death as a result of exposure to asbestos in power plants designed and/or built by companies whose assets were purchased by predecessor entities to the EFH subsidiaries, and generally assert claims for product defects, negligence, strict liability and wrongful death. They seek compensatory and punitive damages. Additionally, in connection with the EFH bankruptcy proceeding, approximately 28,000 proofs of claim were filed on behalf of persons who allege exposure to asbestos under similar circumstances and assert the right to file such lawsuits in the future. We anticipate additional lawsuits will be filed. None of these claims or lawsuits were discharged in the EFH bankruptcy proceeding.

We are also defendants in ordinary routine litigation incidental to our businesses, including personal injury, employment litigation, product liability, property damage and other claims. Juries have demonstrated an increasing willingness to grant large awards, including punitive damages, in these types of cases.

### **CONTRACTUAL COMMITMENTS**

We discuss below significant changes in the first nine months of 2018 to contractual commitments discussed in Notes 1 and 15 of the Notes to Consolidated Financial Statements in the Annual Report.

#### ***Natural Gas Contracts***

SoCalGas' reservation charges for interstate pipeline capacity agreements have increased by \$158 million since December 31, 2017 primarily due to new capacity agreements entered into in the third quarter of 2018, which replace existing or expiring agreements. Net future payments are expected to decrease by \$79 million in 2018, and increase by \$57 million in 2019, \$89 million in 2020, \$79 million in 2021 and \$12 million in 2022 compared to December 31, 2017.

Sempra LNG & Midstream's natural gas purchase and transportation commitments have decreased by \$61 million since December 31, 2017, primarily due to payments on existing contracts and changes in forward natural gas prices in the first nine months of 2018. We expect net future payments to decrease by \$147 million in 2018, and increase by \$33 million in 2019, \$10 million in 2020, \$6 million in 2021, \$4 million in 2022 and \$33 million thereafter compared to December 31, 2017.

#### ***LNG Purchase Agreement***

Sempra LNG & Midstream has a sale and purchase agreement for the supply of LNG to the ECA terminal. The commitment amount is calculated using a predetermined formula based on estimated forward prices of the index applicable from 2018 to 2029. At September 30, 2018, we expect the commitment amount to decrease by \$288 million in 2018, increase by \$23 million in 2019, and decrease by \$22 million in 2020, \$41 million in 2021, \$56 million in 2022 and \$230 million thereafter (through contract termination in 2029) compared to December 31, 2017, reflecting changes in estimated forward prices since December 31, 2017 and actual transactions for the first nine months of 2018. These LNG commitment amounts are based on the assumption that all LNG cargoes, less those already confirmed to be diverted, under the agreement are delivered. Although this agreement specifies a number of cargoes to be delivered, under its terms, the customer may divert certain cargoes, which would reduce amounts paid under the agreement by Sempra LNG & Midstream. Actual LNG purchases in the current and prior years have been significantly lower than the maximum amount provided under the agreement due to the customer electing to divert cargoes as allowed by the agreement.

#### ***Construction and Development Projects***

##### ***Sempra Mexico***

In the first nine months of 2018, significant net increases to contractual commitments at Sempra Mexico were \$90 million, primarily for contracts related to the construction of liquid fuels terminals and the construction of renewables projects. We expect net future payments under these contractual commitments to increase by \$54 million in 2018, \$34 million in 2019 and \$2 million thereafter compared to December 31, 2017.

Sempra Mexico was awarded a 20-year concession with the Administración Portuaria Integral de Topolobampo, S.A. de C.V. for the right to build, use, leverage and benefit from the operation of the marine terminal in the Port of Topolobampo in Sinaloa. The agreement will commence in the fourth quarter of 2018 and terminate in 2038 (subject to a renewal option). We expect future payments under this contractual commitment to be \$110 million in total, with payments of \$19 million in 2018, \$2 million in each of 2019 and 2020, \$3 million in each of 2021 and 2022, and \$81 million thereafter.

**CONCENTRATION OF CREDIT RISK**

We maintain credit policies and systems designed to manage our overall credit risk. These policies include an evaluation of potential counterparties' financial condition and an assignment of credit limits. These credit limits are established based on risk and return considerations under terms customarily available in the industry. We grant credit to utility customers and counterparties, substantially all of whom are located in our service territory, which covers most of Southern California and a portion of central California for SoCalGas, and all of San Diego County and an adjacent portion of Orange County for SDG&E. We also grant credit to utility customers and counterparties of our other companies providing natural gas or electric services in Mexico, Chile and Peru.

Projects and businesses owned or partially owned by Sempra Energy place significant reliance on the ability of their suppliers, customers and partners to perform on long-term agreements and on our ability to enforce contract terms in the event of nonperformance. We consider many factors, including the negotiation of supplier and customer agreements, when we evaluate and approve development projects and investment opportunities.

**NOTE 12. SEGMENT INFORMATION**

We have seven separately managed, reportable segments, as follows:

*SDG&E* provides electric service to San Diego and southern Orange counties and natural gas service to San Diego County.

*SoCalGas* is a natural gas distribution utility, serving customers throughout most of Southern California and part of central California.

*Sempra Texas Utility* holds our investment in Oncor Holdings, which owns an 80.25-percent interest in Oncor, a regulated electric transmission and distribution utility serving customers in the north-central, eastern and western parts of Texas. As we discuss in Note 5, we completed our acquisition of the investment in March 2018.

*Sempra South American Utilities* develops, owns and operates, or holds interests in, electric transmission, distribution and generation infrastructure in Chile and Peru.

*Sempra Mexico* develops, owns and operates, or holds interests in, natural gas, electric, LNG, LPG, ethane and liquid fuels infrastructure, and has marketing operations for the purchase of LNG and the purchase and sale of natural gas in Mexico.

*Sempra Renewables* develops, owns and operates, or holds interests in, wind and solar energy generation facilities serving wholesale electricity markets in the U.S. In June 2018, our board of directors approved a plan to market and sell all the segment's wind assets and investments and solar assets and investments, as we discuss in Note 5.

*Sempra LNG & Midstream* develops, owns and operates, or holds interests in, a terminal for the import and export of LNG and sale of natural gas, and natural gas pipelines, storage facilities and marketing operations, all within the U.S. In June 2018, our board of directors approved a plan to market and sell our natural gas storage assets at Mississippi Hub and our 90.9-percent ownership interest in Bay Gas, as we discuss in Note 5.

We evaluate each segment's performance based on its contribution to Sempra Energy's reported earnings and cash flows. The California Utilities operate in essentially separate service territories, under separate regulatory frameworks and rate structures set by the CPUC. The California Utilities' operations are based on rates set by the CPUC and the FERC. We describe the accounting policies of all of our segments in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

The cost of common services shared by the business segments is assigned directly or allocated based on various cost factors, depending on the nature of the service provided. Interest income and expense is recorded on intercompany loans. The loan balances and related interest are eliminated in consolidation.

The following tables show selected information by segment from our Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets. Amounts labeled as "All other" in the following tables consist primarily of activities of parent organizations.



**SEGMENT INFORMATION***(Dollars in millions)*

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
<b>REVENUES</b>				
SDG&E	\$1,299	\$1,236	\$3,405	\$3,351
SoCalGas	802	684	2,700	2,695
Sempra South American Utilities	375	376	1,190	1,169
Sempra Mexico	410	336	1,028	873
Sempra Renewables	38	26	103	74
Sempra LNG & Midstream	147	152	330	406
Adjustments and eliminations	—	—	(2)	—
Intersegment revenues <sup>(1)</sup>	(131)	(131)	(288)	(325)
Total	\$2,940	\$2,679	\$8,466	\$8,243
<b>INTEREST EXPENSE</b>				
SDG&E	\$56	\$53	\$161	\$151
SoCalGas	29	26	82	77
Sempra South American Utilities	10	10	30	30
Sempra Mexico	30	21	90	73
Sempra Renewables	5	3	15	11
Sempra LNG & Midstream	3	9	18	29
All other	122	74	371	209
Intercompany eliminations	(23)	(31)	(82)	(87)
Total	\$232	\$165	\$685	\$493
<b>INTEREST INCOME</b>				
SDG&E	\$1	\$—	\$3	\$—
SoCalGas	—	1	1	1
Sempra South American Utilities	6	6	19	17
Sempra Mexico	17	7	48	12
Sempra Renewables	2	1	6	4
Sempra LNG & Midstream	10	14	36	43
All other	1	1	14	1
Intercompany eliminations	(15)	(18)	(51)	(52)
Total	\$22	\$12	\$76	\$26
<b>DEPRECIATION AND AMORTIZATION</b>				
SDG&E	\$174	\$170	\$509	\$499
SoCalGas	141	132	414	384
Sempra South American Utilities	14	14	43	40
Sempra Mexico	45	41	131	114
Sempra Renewables	—	9	27	28
Sempra LNG & Midstream	2	10	24	31
All other	4	2	10	10
Total	\$380	\$378	\$1,158	\$1,106
<b>INCOME TAX EXPENSE (BENEFIT)</b>				
SDG&E	\$53	\$(72)	\$151	\$72
SoCalGas	(7)	(14)	75	103
Sempra South American Utilities	23	18	64	57
Sempra Mexico	126	34	226	278

Edgar Filing: SEMPRA ENERGY - Form 10-Q

Sempra Renewables	(2	)	(9	)	(67	)	(25	)
Sempra LNG & Midstream	6		(2	)	(488	)	17	
All other	(32	)	(39	)	(88	)	(124	)
Total	\$167		\$(84	)	\$(127	)	\$378	

103

---

**SEGMENT INFORMATION (CONTINUED)***(Dollars in millions)*

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
<b>EQUITY EARNINGS (LOSSES)</b>				
Equity earnings (losses) before income tax:				
Sempra Renewables	\$12	\$7	\$(170)	\$25
Sempra LNG & Midstream	—	3	1	6
All other	(64)	—	(67)	—
	(52)	10	(236)	31
Equity earnings (losses) net of income tax:				
Sempra Texas Utility	154	—	283	—
Sempra South American Utilities	—	1	1	2
Sempra Mexico	(28)	2	2	(7)
	126	3	286	(5)
Total	\$74	\$13	\$50	\$26
<b>EARNINGS (LOSSES) ATTRIBUTABLE TO COMMON SHARES</b>				
SDG&E	\$205	\$(28)	\$521	\$276
SoCalGas <sup>(2)</sup>	(14)	7	244	268
Sempra Texas Utility	154	—	283	—
Sempra South American Utilities	50	42	140	