Second Quarter 2014 Earnings Results

August 7, 2014

Sempra Energy®

Information Regarding Forward-Looking Statements

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Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions and the timing of actions, including issuances of permits to construct and licenses for operation, by the California Public Utilities Commission, California State Legislature, U.S. Department of Energy, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, Atomic Safety and Licensing Board, California Energy Commission, U.S. Environmental Protection Agency, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries in which we operate; capital markets conditions, including the availability of credit and the liquidity of our investments; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; delays in the timing of costs incurred and the timing of the regulatory agency authorization to recover such costs in rates from customers; inflation, interest and exchange rates; the impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on our California Utilities' cost of capital; energy markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas, including disruptions caused by failures in the North American transmission grid, pipeline explosions and equipment failures and the decommissioning of San Onofre Nuclear Generating Station (SONGS); weather conditions, natural disasters, catastrophic accidents, and conservation efforts; risks inherent with nuclear power facilities and radioactive materials storage, including the catastrophic release of such materials, the disallowance of the recovery of the investment in, or operating costs of, the nuclear facility due to an extended outage and facility closure, and increased regulatory oversight; risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; risks posed by decisions and actions of third parties who control the operations of investments in which we do not have a controlling interest; wars, terrorist attacks that threaten system operations and critical infrastructure, and cybersecurity threats to the energy grid and the confidentiality of our proprietary information and the personal information of our customers; business, regulatory, environmental and legal decisions and requirements; expropriation of assets by foreign governments and title and other property disputes; the impact on reliability of San Diego Gas & Electric Company'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 of the growth in distributed and local power generation and the corresponding decrease in demand for power delivered through San Diego Gas & Electric Company's electric transmission and distribution system; the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements due to insufficient market interest, unattractive pricing or other factors; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These forward-looking statements speak only as of the date hereof and the company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on the company's website at www.sempra.com.

Agenda

- Q2-14 Financial Results
- Business Updates
  - Cameron Liquefaction
  - LNG Expansion of Existing Assets
  - USG&P
  - Sempra International
  - California Utilities

Second Quarter 2014 Results

(Unaudited; dollars, except EPS, and shares in millions)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
GAAP Earnings	$ 269	$ 245	$ 516	$ 423
Loss on San Onofre Nuclear Generating Station (SONGS) Plant Closure[1]	-	119	9	119
Retroactive 2012 Earnings from GRC	-	(77)	-	(77)
Retroactive Q1-13 Earnings from GRC	-	(29)	-	-
Adjusted Earnings[2]	$ 269	$ 258	$ 525	$ 465
Diluted weighted-average shares outstanding	250	249	250	248
GAAP EPS	$ 1.08	$ 0.98	$ 2.07	$ 1.70
Adjusted EPS[2]	$ 1.08	$ 1.04	$ 2.11	$ 1.87

- Given strong Q2-14 performance, together with the outlook for the second half of the year, we now expect to be at or above the midpoint of our 2014 earnings guidance of $4.25 to $4.55 per share

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(1) In 2013, SDG&E recorded a $119 million after-tax loss for the closure of the San Onofre Nuclear Generating Station (SONGS). In the first quarter of 2014, SDG&E revised the impairment to include an additional loss of $9 million after tax to reflect the results of a proposed settlement agreement, which requires CPUC approval.
(2) See Appendix for information regarding non-GAAP financial measures.

SDG&E

(Unaudited, dollars in millions)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
SDG&E GAAP Earnings	$ 123	$ 65	$ 222	$ 156
Loss on SONGS Plant Closure(1)	-	119	9	119
Retroactive 2012 Earnings from GRC	-	(52)	-	(52)
Retroactive Q1-13 Earnings from GRC	-	(17)	-	-
SDG&E Adjusted Earnings(2)	$ 123	$ 115	$ 231	$ 223

- Q2-14 adjusted earnings higher due primarily to:
  - Higher CPUC base margin and improved operating results

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(2) See Appendix for information regarding non-GAAP financial measures.

SoCalGas

(Unaudited, dollars in millions)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
SoCalGas GAAP Earnings	$ 80	$ 118	$ 158	$ 164
Retroactive 2012 Earnings from GRC	-	(25)	-	(25)
Retroactive Q1-13 Earnings from GRC	-	(12)	-	-
SoCalGas Adjusted Earnings[1]	$ 80	$ 81	$ 158	$ 139

- Q2-14 SoCalGas earnings compared to Q2-13 adjusted earnings include:
  - $9 million higher CPUC base margin and improved operating results, offset by
  - $6 million write-off of certain PSEP costs that were disallowed for recovery in the final PSEP decision, and
  - $4 million higher Q2-13 tax benefits related primarily to repair deductions

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

Sempra International

(Unaudited, dollars in millions)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Sempra South American Utilities	$ 42	$ 34	$ 77	$ 71
Sempra Mexico	34	26	76	57
Sempra International Earnings	$ 76	$ 60	$ 153	$ 128

- Q2-14 South America earnings higher primarily due to:
  - Higher operating earnings from growth in customers and energy sales combined with reduced costs, and
  - $4 million loss in Q2-13 from the sale of our investments in Argentina
- Q2-14 Mexico earnings higher due primarily to:
  - $11 million from AFUDC equity earnings on construction of the Sonora Pipeline

Sempra U.S. Gas & Power

(Unaudited, dollars in millions)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30,[1] 2014	Six months ended June 30,[1] 2013
Sempra Natural Gas	$ 4	$ 9	$ 13	$ 62
Sempra Renewables	18	15	46	19
Sempra U.S. Gas & Power Earnings[1]	$ 22	$ 24	$ 59	$ 81

- Q2-14 Natural Gas earnings lower from:
  - $9 million of lower gas storage earnings, primarily due to mark-to-market gains on our gas storage positions in Q2-13, offset by
  - $3 million lower depreciation at the Mesquite Power plant due to the asset being held for sale
- Q2-14 Renewables earnings increase from higher operating performance and deferred tax benefits for assets currently being placed in service

(1) Year-to-date earnings in 2013 include a $44 million gain on the sale of one block of the Mesquite power plant, and in 2014, a $16 million gain from the sale of a 50% interest in Copper Mountain Solar 3.

Cameron Liquefaction Updates

- FERC order received June 19, 2014
  - All FERC hurdles cleared; only important regulatory step remaining is receipt of final non-FTA permit from DOE
  - Expect to begin construction this year

- Financing documents executed and final investment decision made August 6, 2014
  - Total financing commitment of $7.4 billion
  - Provided by JBIC, NEXI, and 29 international commercial banks
  - 16-year tenor
  - Highly competitive pricing due to quality of lenders, sponsors, and customers

LNG Expansion of Existing Assets

- Cameron: now that we have reached FID on Cameron, we will begin working with our partners to complete development plans for trains 4-5 and to initiate FERC process
  - Cameron expansion would be one of the lower cost alternatives compared to greenfield development
- ECA: we are determining critical path items that influence size and feasibility, including
  - Gas supply and transportation
  - Customer interest and existing contracts
  - Regulatory requirements and timeline
    - Mexican energy reform legislation includes framework for exports
- Port Arthur, Texas: assessing potential design options and feasibility

USG&P Business Updates

- REX Pipeline(1)
  - 1.8 Bcf/d of east-to-west capacity fully contracted under long-term agreements starting in 2015
    - All but 0.2 Bcf/d represents capture of development opportunities additional to our five-year plan

- USG&P signed power-purchase contract with Southern California Edison for 94-MW Copper Mountain Solar 4
  - Project in service in 2016; Edison contract begins in 2020
  - Twenty-year contract subject to CPUC approval
  - Consistent with our model, Sempra plans to sell 50% of the project

(1) Sempra’s ownership share in REX is 25%. See Appendix for additional details.

Sempra International Business Updates

- Sempra Mexico
  - First phase of Sonora and Los Ramones pipelines on budget and expected to be in service by year-end
  - Financing of ESJ(1) wind project completed; sale of 50% closed in July 2014
  - CFE published bid documents for first two natural gas pipelines from the 5-year infrastructure plan(2)
    - Final bids due in October 2014 with awards scheduled for ~2 weeks later
    - Likely represents over $1 billion in potential investment
  - Energy reform provides significant additional opportunities for IEnova, including in liquids transportation, gathering and processing, and power transmission
- South America
  - Santa Teresa 1 hydro project to commence commissioning in August 2014
  - Developing 3 project opportunities for around 600 MW of additional hydro in Peru

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(1) Energía Sierra Juárez.
(2) See Appendix for additional details.

California Utilities Updates

- PSEP: Final Decision approved June 12, 2014
  - Adopts our overall implementation framework
  - Approves balancing account treatment, subject to reasonableness review
  - Anticipate spending of approximately $1.5 billion through 2018
- Notice of Intent for 2016 GRC filed July 25th for both utilities
  - Official application expected to be filed Q4-14
  - CPUC schedule indicates final decision by late 2015

Summary

- We now expect earnings to be at or above midpoint of full year guidance of $4.25 to $4.55 per share
- CPUC decision issued on PSEP that adopts our proposed framework for prioritization of projects
- Major projects progressing on schedule and development opportunities being captured
  - Cameron liquefaction on track to begin construction this year
    - Final investment decision made and financing documents signed
  - East-to-west service on REX pipeline now fully contracted beginning in 2015
  - Executed new contract for Copper Mountain Solar 4 with Southern California Edison
  - Continued growth in investment opportunities with Mexico and Peru

Appendix

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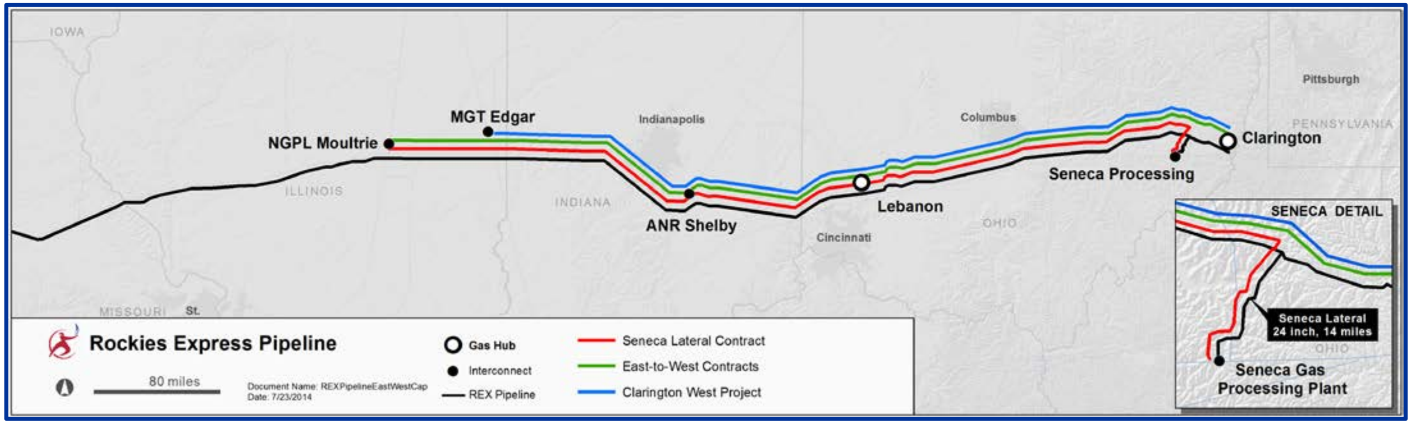
Non-GAAP Financial Measures

Sempra Energy Consolidated: Sempra Energy Adjusted Earnings and Adjusted Earnings Per Share exclude 1) in the three months ended June 30, 2013, a $119 million loss from plant closure resulting from the early retirement of the San Onofre Nuclear Generating Station (SONGS) and $77 million and $29 million retroactive impact of the 2012 General Rate Case (GRC) for the full-year 2012 and for the first quarter of 2013, respectively; 2) in the six months ended June 30, 2014, a $9 million charge to adjust the total loss from plant closure (in addition to the amount recorded in the second quarter of 2013) based upon a proposed settlement agreement filed with the California Public Utilities Commission (CPUC) in April 2014; and 3) in the six months ended June 30, 2013, the $119 million loss from plant closure and $77 million retroactive impact of the 2012 GRC for the full-year 2012. These are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States of America). Because of the significance and nature of these items, management believes that these non-GAAP financial measures provide a more meaningful comparison of the performance of Sempra Energy's business operations from 2014 to 2013 and to future periods, and also as a base for projection of future compounded annual growth rate.

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas): SDG&E Adjusted Earnings exclude 1) in the three months ended June 30, 2013, a $119 million loss from plant closure resulting from the early retirement of SONGS and $52 million and $17 million retroactive impact of the 2012 GRC for the full-year 2012 and for the first quarter of 2013, respectively; 2) in the six months ended June 30, 2014, a $9 million charge to adjust the total loss from plant closure (in addition to the amount recorded in the second quarter of 2013) based upon a proposed settlement agreement filed with the CPUC in April 2014; and 3) in the six months ended June 30, 2013, the $119 million loss from plant closure and $52 million retroactive impact of the 2012 GRC for the full-year 2012. SoCalGas Adjusted Earnings exclude 1) in the three months ended June 30, 2013, $25 million and $12 million retroactive impact of the 2012 GRC for the full-year 2012 and for the first quarter of 2013, respectively; and 2) in the six months ended June 30, 2013, $25 million retroactive impact of the 2012 GRC for the full-year 2012. SDG&E Adjusted Earnings and SoCalGas Adjusted Earnings are non-GAAP financial measures.

Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. Slides 4 through 6 of this presentation and Table A of our financial tables in our second-quarter 2014 earnings press release reconcile these non-GAAP financial measures to Sempra Energy Earnings and Diluted Earnings Per Common Share and SDG&E and SoCalGas Earnings, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP. Our second-quarter 2014 earnings press release is available in the News section of our website at www.sempra.com.

REX Update on Zone 3 East-to-West



Contract(s)	Volume (Bcf/d)	Route	Term	Contracted/ Indicative Rate ($/Dth)	Expected In-Service Date	Amount not in 5-yr Plan
Seneca Lateral	0.60	Seneca Processing Plant to NGPL Moultrie	Starting 6/14: 6 mos of 0.25 Bcf/d; then ~7 yrs of 0.60 Bcf/d; then ~8 yrs of 0.40 Bcf/d; then ~5 yrs of 0.20 Bcf/d	~$0.34[1]	Year-End 2014[2]	25% of 0.40 Bcf/d
East-to-West	1.2	Clarington OH to NGPL Moultrie	20 yrs	$0.50[3]	Q2-2015	25% of 1.2 Bcf/d
Clarington West (Non-Binding Open Season)	TBD	Clarington OH to Eastern IL	TBD	$0.40 - $0.45[4] $0.65 - $0.70[5]	TBD	25% of all additional volumes

(As of August 7, 2014; Sempra's ownership share of REX is 25%)

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(1) Weighted/blended rate over 2014 - 2034 period ranging from $0.23/Dth to $0.42/Dth.
(2) 0.25 Bcf/d was put into service June 25, 2014. The remainder will be in service by year-end.
(3) Price on precedent agreements going into binding open season; final rates have not been made public.
(4) Forecasted reservation rate to Lebanon.
(5) Forecasted reservation rate to ANR Shelby.

Mexico Opportunities – Natural Gas Pipelines[1]

USD $13 billion estimated required investment in new pipelines by 2018

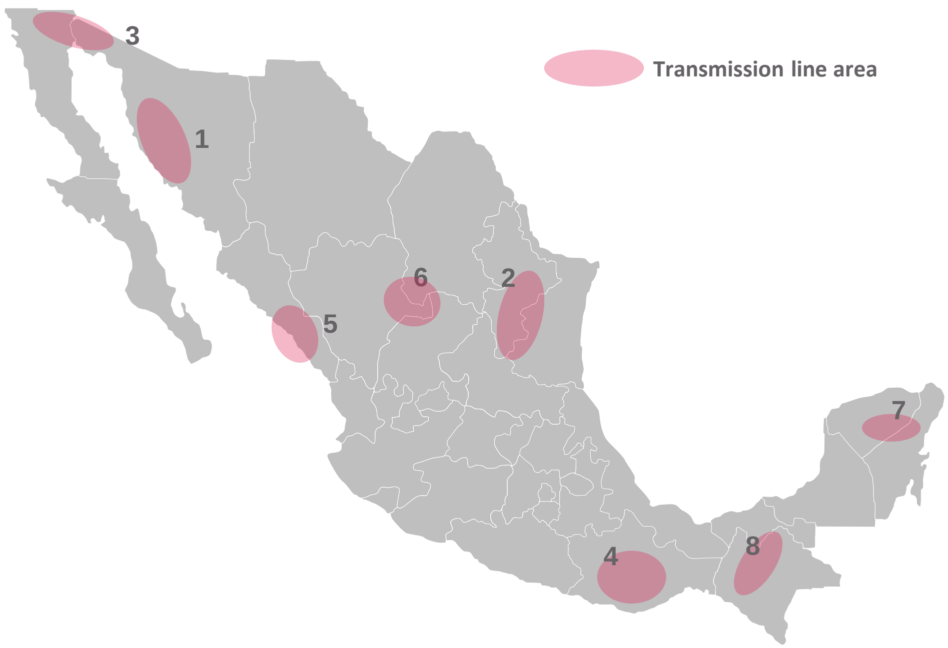
Project Name	Miles	CAPEX ($US mm)	Tender Date	COD
1. Ojinaga – El Encino	155	462	Sep-14	1Q 2017
2. El Encino – La Laguna	261	695	Sep-14	1Q 2017
3. Waha – Samalayuca **(U.S.)**	186	540	2014	1Q 2016
4. Waha – Ojinaga **(U.S.)**	143	393	2014	1Q 2017
5. Ehrenberg – Algodones **(U.S.)**	99	246	2014	1Q 2017
6. Mérida - Cancún	186	457	2014	3Q 2016
7. Texas – Tuxpan	388	2,947	2014	2Q 2018
8. Tula – Villa de Reyes	173	413	2014	2Q 2017
9. Tuxpan – Tula	147	393	2014	1Q 2017
10. Samalayuca - Sásabe	347	825	2014	2Q 2017
11. Colombia – Escobedo	158	368	2015	2Q 2017
12. Jaltipán – Salina Cruz	153	635	2015	4Q 2017
13. Los Ramones – Cempoala	531	1,986	2015	4Q 2017
14. Ville de Reyes – Guadalajara	221	545	2015	4Q 2017
15. La Laguna – Centro	373	884	2015	4Q 2018
16. Lázaro Cárdenas – Acapulco	206	450	2015	2018
17. Salina Cruz – Tapachula	273	436	2015	2018
Total	**4003**	**12,675**		

(1) Source: National Infrastructure Program (NIP), and updated information from the CFE.

Mexico Opportunities – Electric Transmission(1)

USD $1.7 billion estimated required investment in new transmission by 2018

Project Name	Miles	CAPEX ($US mm)
1. Transmission for Guaymas II & III	NA	272
2. Huasteca – Monterrey Interconnection	266	238
3. Baja California Interconnection	263	319
4. Transmission for Sureste II, IV, V, and VI Wind	724	448
5. Transmission for Mazatlán CC	289	183
6. Transmission for Norte V (Francisco Villa) CC	249	148
7. Riviera Maya Line	NA	63
8. Transmission for Chicoasén II Hydro	NA	2
Total	**1,790+**	**1,673**



(1) Source: National Infrastructure Program (NIP), as published by the CFE.

Mexican Project Summary

Name	Ultimate Ownership Interest	Length of Pipeline (miles)	Design Capacity	Expected Full COD	Contract Term (yrs)	Sempra's Share of Planned CapEx ($ in millions)
IN DEVELOPMENT						
Sonora Pipeline Phase 1	100%	314	770 MMcfd	2H-14	25	~$500
Los Ramones Phase 1	50%(1)	68	2,100 MMcfd	2H-14	25	~$250
Ethane Pipeline	50%(1)	140	152 MMcfd	1H-15	21	$165
Energía Sierra Juárez	50%(2)	NA	155 MW	1H-15	20	$150
Los Ramones Norte	25%(1)	273	1,400 MMcfd	2H-15	25	~$350
Sonora Pipeline Phase 2	100%	205	510 MMcfd	2H-16	25	~$500
IN OPERATION						
Guadalajara LPG Terminal	50%(1)	NA	80,000 Bbld(3)	Dec-13	15	
Samalayuca Pipeline	50%(1)	23	272 MMcfd	Dec-97	Annual	
Baja West Pipeline System	100%	28	940 MMcfd	Jun-00	20	
Baja East Pipeline System	100%	188	3,450 MMcfd(4)	Aug-02	20	
Aguaprieta Pipeline	100%	8	200 MMcfd	Nov-02	25	
San Fernando Pipeline	50%(1)	71	1,000 MMcfd	Nov-03	20	
TDF Pipeline and Terminal	50%(1)	118	30,000 Bbld(3)	Dec-07	20	
Energía Costa Azul	100%	NA	1 Bcf/d	May-08	20	
TOTAL		**1436**				**~$1,915**

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(1) Assets owned under our joint venture with PEMEX Gas.
(2) Asset owned under our joint venture with InterGen N.V.
(3) In barrels of LPG.
(4) Design capacity including compression.

Renewable Project Summary

Name	Location	Sempra's Share (MW)	PPA Term (yrs)	Tax Credits	Expected Full COD
CONTRACTED/UNDER CONSTRUCTION					
Broken Bow 2 Wind	Nebraska	38 MW[1]	25	PTC	2014
Copper Mountain Solar 2 (2nd Phase)	Nevada	29 MW (50%)	25	ITC	2015
Copper Mountain Solar 3	Nevada	125 MW (50%)	20	ITC	2015
Copper Mountain Solar 4	Nevada	47 MW[1]	20[2]	ITC	2016
IN OPERATION					
Fowler Ridge 2 Wind	Indiana	100 MW (50%)	20	PTC	2009
Copper Mountain Solar 1	Nevada	58 MW	20	ITC	2010
Cedar Creek 2 Wind	Colorado	125 MW (50%)	25	PTC	2011
Flat Ridge 2 Wind	Kansas	235 MW (50%)	20 - 25	PTC	2012
Mehoopany Wind	Pennsylvania	71 MW (50%)	20	PTC	2012
Mesquite Solar 1	Arizona	75 MW (50%)	20	Grant	2012
Copper Mountain Solar 2 (1st Phase)	Nevada	46 MW (50%)	25	Grant	2012
Auwahi Wind	Hawaii	11 MW (50%)	20	Grant	2012
California Solar Portfolio	California	55 MW (50%)	25	N/A	2013
TOTAL		**1,015 MW**			

(1) Reflects Sempra Renewables' expected net ownership interest of 50%.
(2) Beginning in 2020.