



2013 Statistical Report

Unaudited Supplement to the Financial Report





2013

Statistical Report

(unaudited)

Supplement to the 2013 Annual Report

Sempra Energy® is a San Diego-based Fortune 500 energy services holding company with 2013 revenues of approximately \$10.5 billion. The Sempra Energy companies' approximately 17,000 employees serve more than 31 million consumers worldwide. The company develops energy infrastructure, operates utilities and provides energy-related services to customers around the world. Sempra Energy common shares trade on the New York Stock Exchange (NYSE) under the symbol "SRE." Additional information is available on the web at www.sempra.com.

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

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Selected Financial Data 2011 - 2013

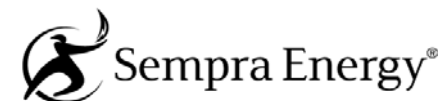


(In millions, except per share amounts)	At December 31 or for the years then ended		
	2013	2012	2011
Revenues			
Utilities:			
Electric	\$ 4,911	\$ 4,568	\$ 3,833
Natural gas	4,398	3,873	4,489
Energy-related businesses	1,248	1,206	1,714
Total revenues	<u>\$ 10,557</u>	<u>\$ 9,647</u>	<u>\$ 10,036</u>
Income from continuing operations	\$ 1,088	\$ 920	\$ 1,381
Earnings from continuing operations attributable to noncontrolling interests	(79)	(55)	(42)
Call premium on preferred stock of subsidiary	(3)	—	—
Preferred dividends of subsidiaries	(5)	(6)	(8)
Earnings/Income from continuing operations attributable to common shares	<u>\$ 1,001</u>	<u>\$ 859</u>	<u>\$ 1,331</u>
Attributable to common shares:			
Earnings/Income from continuing operations			
Basic	\$ 4.10	\$ 3.56	\$ 5.55
Diluted	\$ 4.01	\$ 3.48	\$ 5.51
Adjusted earnings ⁽¹⁾	\$ 1,043	\$ 1,073	\$ 1,054
Adjusted earnings per share, diluted ⁽¹⁾	\$ 4.18	\$ 4.35	\$ 4.36
Weighted-average number of common shares outstanding (diluted, in millions)	249.3	246.7	241.5
Dividends declared per common share	\$ 2.52	\$ 2.40	\$ 1.92
Return on common equity	9.4%	8.6%	14.2%
Effective income tax rate	26%	6%	23%
Price range of common shares	\$ 93.00-70.61	\$ 72.87-54.70	\$ 55.97-44.78
At December 31,			
Total assets	\$ 37,244	\$ 36,499	\$ 33,249
Long-term debt (excludes current portion)	\$ 11,253	\$ 11,621	\$ 10,078
Short-term debt ⁽²⁾	\$ 1,692	\$ 1,271	\$ 785
Sempra Energy shareholders' equity	\$ 11,008	\$ 10,282	\$ 9,775
Common shares outstanding	244.5	242.4	239.9
Book value per common share	\$ 45.03	\$ 42.43	\$ 40.74

⁽¹⁾ Please refer to page 15 for an explanation of these non-GAAP measures.

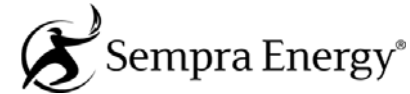
⁽²⁾ Includes long-term debt due within one year.

Consolidated Statements of Operations



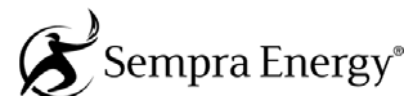
(Dollars in millions, except per share amounts)	Years ended December 31,		
	2013	2012	2011
Revenues			
Utilities	\$ 9,309	\$ 8,441	\$ 8,322
Energy-related businesses	1,248	1,206	1,714
Total revenues	<u>10,557</u>	<u>9,647</u>	<u>10,036</u>
Expenses and Other Income			
Utilities:			
Cost of natural gas	(1,646)	(1,290)	(1,866)
Cost of electric fuel and purchased power	(1,932)	(1,760)	(1,397)
Energy-related businesses:			
Cost of natural gas, electric fuel and purchased power	(435)	(481)	(746)
Other cost of sales	(178)	(159)	(137)
Operation and maintenance	(2,995)	(2,956)	(2,825)
Depreciation and amortization	(1,113)	(1,090)	(976)
Franchise fees and other taxes	(374)	(359)	(343)
Loss from plant closure	(200)	—	—
Gain on sale of assets	114	7	—
Equity earnings (losses), before income tax	31	(319)	9
Remeasurement of equity method investments	—	—	277
Other income, net	140	172	130
Interest income	20	24	26
Interest expense	(559)	(493)	(465)
Income before income taxes and equity earnings of certain unconsolidated subsidiaries	1,430	943	1,723
Income tax expense	(366)	(59)	(394)
Equity earnings, net of income tax	<u>24</u>	<u>36</u>	<u>52</u>
Net income	1,088	920	1,381
Earnings attributable to noncontrolling interests	(79)	(55)	(42)
Call premium on preferred stock of subsidiary	(3)	—	—
Preferred dividends of subsidiaries	(5)	(6)	(8)
Earnings	<u>\$ 1,001</u>	<u>\$ 859</u>	<u>\$ 1,331</u>
Basic earnings per common share	<u>\$ 4.10</u>	<u>\$ 3.56</u>	<u>\$ 5.55</u>
Weighted-average number of shares outstanding, basic (thousands)	<u>243,863</u>	<u>241,347</u>	<u>239,720</u>
Diluted earnings per common share	<u>\$ 4.01</u>	<u>\$ 3.48</u>	<u>\$ 5.51</u>
Weighted-average number of shares outstanding, diluted (thousands)	<u>249,332</u>	<u>246,693</u>	<u>241,523</u>
Dividends declared per share of common stock	<u>\$ 2.52</u>	<u>\$ 2.40</u>	<u>\$ 1.92</u>

Consolidated Balance Sheets



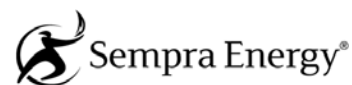
(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 904	\$ 475	\$ 252
Restricted cash	24	46	24
Trade accounts receivable, net	1,308	1,146	1,198
Other accounts and notes receivable, net	214	153	147
Due from unconsolidated affiliates	4	—	—
Income taxes receivable	85	56	—
Deferred income taxes	301	148	—
Inventories	287	408	346
Regulatory balancing accounts – undercollected	556	395	38
Regulatory assets	38	62	89
Fixed-price contracts and other derivatives	106	95	85
U.S. Treasury grants receivable	—	258	—
Assets held for sale, power plant	—	296	—
Other	170	157	153
Total current assets	<u>3,997</u>	<u>3,695</u>	<u>2,332</u>
Investments and other assets:			
Restricted cash	25	22	22
Due from unconsolidated affiliate	14	—	—
Regulatory assets arising from pension and other postretirement benefit obligations	435	1,151	1,126
Regulatory assets arising from wildfire litigation costs	330	364	594
Regulatory asset arising from plant closure	303	—	—
Regulatory balancing accounts – undercollected	213	—	—
Regulatory assets arising from fixed-price contracts and other derivatives	63	110	191
Other regulatory assets	1,204	1,117	869
Nuclear decommissioning trusts	1,034	908	804
Investment in RBS Sempra Commodities LLP	73	126	126
Other investments	1,502	1,390	1,545
Goodwill	1,024	1,111	1,036
Other intangible assets	426	436	448
Sundry	1,141	878	691
Total investments and other assets	<u>7,787</u>	<u>7,613</u>	<u>7,452</u>
Property, plant and equipment:			
Property, plant and equipment	34,407	33,528	31,192
Less accumulated depreciation and amortization	(8,947)	(8,337)	(7,727)
Property, plant and equipment, net	<u>25,460</u>	<u>25,191</u>	<u>23,465</u>
Total assets	<u>\$ 37,244</u>	<u>\$ 36,499</u>	<u>\$ 33,249</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 545	\$ 546	\$ 449
Accounts payable - trade	1,088	976	983
Accounts payable - other	127	134	124
Income taxes payable	—	—	5
Deferred income taxes	—	—	173
Dividends and interest payable	271	266	219
Accrued compensation and benefits	376	337	323
Regulatory balancing accounts – overcollected	91	141	105
Current portion of long-term debt	1,147	725	336
Fixed-price contracts and other derivatives	55	77	92
Customer deposits	154	143	142
Reserve for wildfire litigation	63	305	586
Other	452	608	615
Total current liabilities	<u>4,369</u>	<u>4,258</u>	<u>4,152</u>
Long-term debt	<u>11,253</u>	<u>11,621</u>	<u>10,078</u>
Deferred credits and other liabilities:			
Customer advances for construction	155	144	142
Pension and other postretirement benefit obligations, net of plan assets	667	1,456	1,423
Deferred income taxes	2,804	2,100	1,520
Deferred investment tax credits	42	46	49
Regulatory liabilities arising from removal obligations	2,623	2,720	2,551
Asset retirement obligations	2,084	2,033	1,905
Other regulatory liabilities	97	1	87
Fixed-price contracts and other derivatives	228	252	301
Deferred credits and other	1,072	1,106	784
Total deferred credits and other liabilities	<u>9,772</u>	<u>9,858</u>	<u>8,762</u>
Contingently redeemable preferred stock of subsidiary	<u>—</u>	<u>79</u>	<u>79</u>
Equity:			
Preferred stock	—	—	—
Common stock	2,409	2,217	2,104
Retained earnings	8,827	8,441	8,162
Deferred compensation	—	—	(2)
Accumulated other comprehensive income (loss)	(228)	(376)	(489)
Total Sempra Energy shareholders' equity	<u>11,008</u>	<u>10,282</u>	<u>9,775</u>
Preferred stock of subsidiaries	20	20	20
Other noncontrolling interests	822	381	383
Total equity	<u>11,850</u>	<u>10,683</u>	<u>10,178</u>
Total liabilities and equity	<u>\$ 37,244</u>	<u>\$ 36,499</u>	<u>\$ 33,249</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income	\$ 1,088	\$ 920	\$ 1,381
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,113	1,090	976
Deferred income taxes and investment tax credits	334	(43)	3
Gain on sale of assets	(114)	(7)	—
Loss on plant closure	200	—	—
Equity (earnings) losses	(55)	324	(61)
Remeasurement of equity method investments	—	—	(277)
Fixed-price contracts and other derivatives	(21)	(26)	2
Other	13	41	(15)
Net change in other working capital components	(620)	(630)	(224)
Distributions from RBS Sempra Commodities LLP	—	—	53
Changes in other assets	(171)	219	34
Changes in other liabilities	17	130	(5)
Net cash provided by operating activities	<u>1,784</u>	<u>2,018</u>	<u>1,867</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(2,572)	(2,956)	(2,844)
Proceeds from sale of assets and investments	570	74	2
Expenditures for investments and acquisition of businesses, net of cash acquired	(22)	(445)	(941)
Proceeds from U.S. Treasury grants	238	—	—
Distributions from RBS Sempra Commodities LLP	50	—	570
Distributions from other investments	102	207	64
Purchases of nuclear decommissioning and other trust assets	(697)	(738)	(755)
Proceeds from sales by nuclear decommissioning and other trusts	695	733	753
Decrease in restricted cash	329	196	653
Increase in restricted cash	(356)	(218)	(541)
Advances to unconsolidated affiliates	(14)	—	—
Other	(12)	(11)	(31)
Net cash used in investing activities	<u>(1,689)</u>	<u>(3,158)</u>	<u>(3,070)</u>
Cash Flows from Financing Activities			
Common dividends paid	(606)	(550)	(440)
Redemption of preferred stock of subsidiaries	(82)	—	(80)
Preferred dividends paid by subsidiaries	(5)	(6)	(8)
Issuances of common stock	62	78	28
Repurchases of common stock	(45)	(16)	(18)
Issuances of debt (maturities greater than 90 days)	2,081	3,097	2,098
Payments on debt (maturities greater than 90 days)	(1,788)	(1,112)	(482)
Proceeds from sale of noncontrolling interest, net of \$25 in offering costs	574	—	—
Increase (decrease) in short-term debt, net	256	(47)	(498)
Purchase of noncontrolling interests	—	(7)	(43)
Distributions to noncontrolling interests	(69)	(61)	(16)
Other	(40)	(21)	(7)
Net cash provided by financing activities	<u>338</u>	<u>1,355</u>	<u>534</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(4)</u>	<u>8</u>	<u>9</u>
Increase (decrease) in cash and cash equivalents	429	223	(660)
Cash and cash equivalents, January 1	475	252	912
Cash and cash equivalents, December 31	<u>\$ 904</u>	<u>\$ 475</u>	<u>\$ 252</u>

Consolidated Statements of Cash Flows



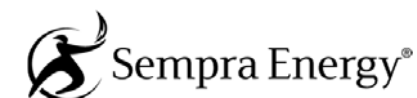
(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Changes in Other Working Capital Components			
(Excluding cash and cash equivalents, and debt due within one year)			
Accounts and notes receivable	\$ (273)	\$ 36	\$ (32)
Income taxes, net	(38)	(29)	269
Inventories	116	(78)	(84)
Regulatory balancing accounts	(198)	(291)	(150)
Regulatory assets and liabilities	1	(6)	(2)
Other current assets	15	180	295
Accounts and notes payable	(28)	3	60
Other current liabilities	(215)	(445)	(580)
Net change in other working capital components	<u>\$ (620)</u>	<u>\$ (630)</u>	<u>\$ (224)</u>
Supplemental Disclosure of Cash Flow Information			
Interest payments, net of amounts capitalized	\$ 544	\$ 458	\$ 440
Income tax payments, net of refunds	\$ 120	\$ 130	\$ 144

Consolidated Statements of Comprehensive Income and Changes in Equity



	Years ended December 31, 2013, 2012 and 2011						
(Dollars in millions)	Common Stock	Retained Earnings	Deferred Compensation Relating to ESOP	Accumulated Other Comprehensive Income (Loss)	Sempra Energy Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2010	\$ 2,036	\$ 7,292	\$ (8)	\$ (330)	\$ 8,990	\$ 211	\$ 9,201
Net income		1,339			1,339	42	1,381
Other comprehensive income (loss):							
Foreign currency translation adjustments				(76)	(76)	6	(70)
Reclassification to net income of foreign currency translation adjustment related to remeasurement of equity method investments				(54)	(54)		(54)
Available-for-sale securities				(1)	(1)		(1)
Pension and other postretirement benefits				(12)	(12)		(12)
Financial instruments				(16)	(16)	(36)	(52)
Comprehensive income (loss)				(159)	1,180	12	1,192
Share-based compensation expense	48				48		48
Common stock dividends declared		(461)			(461)		(461)
Preferred dividends of subsidiaries		(8)			(8)		(8)
Issuance of common stock	28				28		28
Repurchases of common stock	(18)				(18)		(18)
Common stock released from ESOP	14		6		20		20
Distributions to noncontrolling interests						(16)	(16)
Equity contributed by noncontrolling interests						36	36
Acquisition of South American entities						279	279
Purchase of noncontrolling interests in subsidiary	(4)				(4)	(39)	(43)
Redemption of preferred stock of subsidiary						(80)	(80)
Balance at December 31, 2011	2,104	8,162	(2)	(489)	9,775	403	10,178
Net income		865			865	55	920
Other comprehensive income (loss):							
Foreign currency translation adjustments				119	119	15	134
Pension and other postretirement benefits				(2)	(2)		(2)
Financial instruments				(4)	(4)	(11)	(15)
Comprehensive income				113	978	59	1,037
Share-based compensation expense	44				44		44
Common stock dividends declared		(580)			(580)		(580)
Preferred dividends of subsidiaries		(6)			(6)		(6)
Issuance of common stock	78				78		78
Repurchases of common stock	(16)				(16)		(16)
Common stock released from ESOP	7		2		9		9
Distributions to noncontrolling interests						(62)	(62)
Equity contributed by noncontrolling interests						8	8
Purchase of noncontrolling interest in subsidiary						(7)	(7)
Balance at December 31, 2012	\$ 2,217	\$ 8,441	\$ —	\$ (376)	\$ 10,282	\$ 401	\$ 10,683

Consolidated Statements of Comprehensive Income and Changes in Equity



Years ended December 31, 2013, 2012 and 2011

(Dollars in millions)	Common Stock	Retained Earnings	Deferred Compensation Relating to ESOP	Accumulated Other Comprehensive Income (Loss)	Sempra Energy Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2012	\$ 2,217	\$ 8,441	\$ —	\$ (376)	\$ 10,282	\$ 401	\$ 10,683
Net income		1,009			1,009	79	1,088
Other comprehensive income (loss):							
Foreign currency translation adjustments				111	111	(27)	84
Pension and other postretirement benefits				28	28		28
Financial instruments				9	9	19	28
Comprehensive income				148	1,157	71	1,228
Share-based compensation expense	40				40		40
Common stock dividends declared		(615)			(615)		(615)
Preferred dividends of subsidiaries		(5)			(5)		(5)
Issuance of common stock	62				62		62
Repurchases of common stock	(45)				(45)		(45)
Sale of noncontrolling interests, net of offering costs	135				135	439	574
Distributions to noncontrolling interests						(69)	(69)
Call premium on preferred stock of subsidiary		(3)			(3)		(3)
Balance at December 31, 2013	\$ 2,409	\$ 8,827	\$ —	\$ (228)	\$ 11,008	\$ 842	\$ 11,850

Segment Earnings and Capital Expenditures and Investments



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Earnings (Losses)			
California Utilities:			
San Diego Gas & Electric ⁽¹⁾	\$ 404	\$ 484	\$ 431
Southern California Gas ⁽²⁾	364	289	287
Sempra International:			
Sempra South American Utilities	153	164	425
Sempra Mexico	122	157	192
Sempra U.S. Gas & Power:			
Sempra Renewables	62	61	7
Sempra Natural Gas	64	(241)	115
Parent and Other	(168)	(55)	(126)
Earnings	<u>\$ 1,001</u>	<u>\$ 859</u>	<u>\$ 1,331</u>
Capital Expenditures and Investments			
California Utilities:			
San Diego Gas & Electric	\$ 978	\$ 1,237	\$ 1,831
Southern California Gas	762	639	683
Sempra International:			
Sempra South American Utilities	200	184	(132) ⁽³⁾
Sempra Mexico	371	45	16
Sempra U.S. Gas & Power:			
Sempra Renewables	193	1,089	493
Sempra Natural Gas	87	202	241
Parent and Other	3	5	858 ⁽³⁾
Eliminations ⁽⁴⁾	—	—	(205)
Consolidated Capital Expenditures and Investments	<u>\$ 2,594</u>	<u>\$ 3,401</u>	<u>\$ 3,785</u>

⁽¹⁾ After preferred dividends and 2013 call premium on preferred stock.

⁽²⁾ After preferred dividends.

⁽³⁾ The \$611 million of net cash used to fund the purchase of controlling interests in our investments in Chile and Peru in the second quarter of 2011 is recorded as a net expenditure of \$852 million at Parent and Other, partially offset by \$241 million of cash acquired in the purchase, which is recorded at Sempra South American Utilities.

⁽⁴⁾ Amount represents elimination of intercompany sale of El Dorado power plant in October 2011.

Schedule of Capitalization



(Dollars in millions)	December 31,					
	2013		2012		2011	
Capitalization						
Short-term debt	\$ 545	2.2 %	\$ 546	2.3 %	\$ 449	2.1 %
Current portion of long-term debt	1,147	4.6	725	3.1	336	1.6
Long-term debt	11,253	45.4	11,621	49.1	10,078	47.7
Total debt	12,945	52.2	12,892	54.5	10,863	51.4
Contingently redeemable preferred stock of subsidiary	—	—	79	0.3	79	0.4
Equity:						
Common stock	2,409	9.7	2,217	9.4	2,104	10.0
Retained earnings	8,827	35.6	8,441	35.7	8,162	38.6
Deferred compensation	—	—	—	—	(2)	—
Accumulated other comprehensive income (loss)	(228)	(0.9)	(376)	(1.6)	(489)	(2.3)
Total Sempra Energy shareholders' equity	11,008	44.4	10,282	43.5	9,775	46.3
Preferred stock of subsidiaries	20	0.1	20	0.1	20	0.1
Other noncontrolling interests	822	3.3	381	1.6	383	1.8
Total equity	11,850	47.8	10,683	45.2	10,178	48.2
Total capitalization	\$ 24,795	100.0 %	\$ 23,654	100.0 %	\$ 21,120	100.0 %

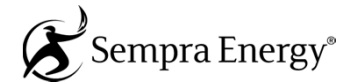
Schedule of Coverage Ratios and Common Stock



	Years ended December 31,		
	2013	2012	2011
Interest coverage ratios ⁽¹⁾			
Before income taxes	3.60	2.99	4.82
After income taxes	2.95	2.87	3.97
Market price of common stock			
High	\$ 93.00	\$ 72.87	\$ 55.97
Low	\$ 70.61	\$ 54.70	\$ 44.78
Close	\$ 89.76	\$ 70.94	\$ 55.00
Dividends declared per common share	\$ 2.52	\$ 2.40	\$ 1.92
Dividend yield on common stock (at December 31)	2.8%	3.4%	3.5%
Dividend payout ratio (diluted)	62.8%	69.0%	34.8%
Book value at December 31	\$ 45.03	\$ 42.43	\$ 40.74
Return on common equity	9.4%	8.6%	14.2%
Ratio of market price to book value per share at December 31	1.99	1.67	1.35
Common shares outstanding at December 31 (millions)	244.5	242.4	239.9
Weighted average number of shares outstanding (diluted, in millions)	249.3	246.7	241.5
Average daily trading volume (shares)	1,057,314	1,260,286	1,337,388
Common shareholders at December 31 (estimate)	230,000	245,000	200,000

⁽¹⁾ Excludes interest expense.

Schedule of Long-Term Debt



(Dollars in millions)	Outstanding at 12/31/13	Redemption prices (at 12/31/13 unless otherwise noted)
SDG&E		
First mortgage bonds:		
5.3% November 15, 2015	\$ 250	
1.65% July 1, 2018	161	100% at 09/14/15
3% August 15, 2021	350	
3.6% September 1, 2023	450	
6% June 1, 2026	250	
5% to 5.25% December 1, 2027	150	\$45 currently at 102.00%; \$105 beginning 12/01/15 at 102.00%
5.875% January and February 2034	176	100.00% at 06/01/19
5.35% May 15, 2035	250	
6.125% September 15, 2037	250	
4% May 1, 2039	75	100.00% at 09/13/17
6% June 1, 2039	300	
5.35% May 15, 2040	250	
4.5% August 15, 2040	500	
3.95% November 15, 2041	250	
4.3% April 1, 2042	250	
Other long-term debt (unsecured unless otherwise noted):		
5.9% Notes June 1, 2014	15	
5.3% Notes July 1, 2021	39	102.00% at 06/02/14
5.5% Notes December 1, 2021	60	102.00% at 06/02/14
4.9% Notes March 1, 2023	25	102.00% at 03/01/14
5.2925% OMEC LLC loan payable 2014 through April 2019 (secured by plant assets)	335	
Capital lease obligations:		
Purchased-power agreements	176	
Other	3	
SoCalGas		
First mortgage bonds:		
5.5% March 15, 2014	250	
5.45% April 15, 2018	250	
5.75% November 15, 2035	250	
5.125% November 15, 2040	300	
3.75% September 15, 2042	350	
Other long-term debt (unsecured):		
4.75% Notes May 14, 2016	8	100.00% ⁽¹⁾ at 05/14/16
5.67% Notes January 18, 2028	5	
Capital lease obligations	2	
Sempra Energy		
Other long-term debt (unsecured):		
2% Notes March 15, 2014	500	
Notes at variable rates (1.01% at December 31, 2013) March 15, 2014	300	
6.5% Notes June 1, 2016, including \$300 at variable rates after fixed-to-floating rate swaps effective January 2011 (4.46% at December 31, 2013)	750	
2.3% Notes April 1, 2017	600	
6.15% Notes June 15, 2018	500	
9.8% Notes February 15, 2019	500	
2.875% Notes October 1, 2022	500	
4.05% Notes December 1, 2023	500	
6% Notes October 15, 2039	750	
Market value adjustments for interest rate swaps, net (expire November 2013 and June 2016)	12	
Build-to-suit lease	14	

Schedule of Long-Term Debt (continued)

(Dollars in millions)	Outstanding at 12/31/13	Redemption prices (at 12/31/13 unless otherwise noted)
Sempra Global		
Other long-term debt (unsecured):		
Commercial paper borrowings at variable rates, classified as long-term debt (0.35% weighted average at December 31, 2013)	\$ 200	
Sempra South American Utilities⁽²⁾		
Other long-term debt (unsecured):		
Chilquinta Energía		
4.25% Series B Bonds October 30, 2030	209	100.00% at 10/30/14
Luz del Sur		
Bank loans 5.5% to 6.75% payable 2016 through December 2018	70	
Notes at 4.75% to 7.09% payable 2014 through October 2022	292	
Sempra Mexico⁽²⁾		
Other long-term debt (unsecured):		
Notes February 8, 2018 at variable rates at 2.66% after floating-to-fixed rate cross-currency swaps effective February 2013	100	
6.3% Notes February 2, 2023 (4.12% after cross-currency swap)	298	
Sempra Renewables		
Other long-term debt (secured):		
Loan at variable rates payable 2014 through December 2028, including \$78 at 4.54% after floating-to-fixed rate swaps effective June 2012 (2.75% at December 31, 2013)	104	100.00%
Sempra Natural Gas		
First mortgage bonds (Mobile Gas):		
4.14% September 30, 2021	20	
5% September 30, 2031	42	
Other long-term debt (unsecured unless otherwise noted):		
Notes at 2.87% to 3.51% payable October 1, 2016	18	100.00%
8.45% Notes payable 2014 through December 2017, secured	21	
3.1% Notes December 30, 2018, secured	5	100.00%
4.5% Notes July 1, 2024, secured	77	100.00%
Industrial development bonds at variable rates (0.05% at December 31, 2013)		
August 1, 2037, secured	55	100.00%
Total long-term debt outstanding	12,417	
Current portion of long-term debt	(1,147)	
Unamortized discount on long-term debt	(24)	
Unamortized premium on long-term debt	7	
Total	<u>\$ 11,253</u>	

⁽¹⁾ Denominated in Swiss Francs. Redemption price varies based on exchange rate.

⁽²⁾ Amounts at December 31, 2013 include foreign currency fluctuations.

At the option of Sempra Energy, SDG&E and SoCalGas, \$1.2 billion of debt is callable subject to premiums at various dates: \$637 million in 2014, \$266 million in 2015, \$8 million in 2016, \$75 million in 2017 and \$176 million after 2018. In addition, \$9.4 billion of bonds are callable subject to make-whole provisions, and the OMEC LLC project financing loan may be prepaid at the borrower's option.

Excluding capital lease obligations and market value adjustments for interest rate swaps, maturities of long-term debt are \$1.1 billion in 2014, \$312 million in 2015, \$846 million in 2016, \$672 million in 2017, \$1.1 billion in 2018 and \$8.2 billion thereafter.

Reconciliation of Sempra Energy Earnings to Sempra Energy Adjusted Earnings



Sempra Energy Adjusted Earnings and Adjusted Earnings Per Share excluding 1) in 2013, a \$119 million loss from plant closure resulting from the early retirement of the San Onofre Nuclear Generating Station (SONGS) and \$77 million retroactive impacts of the 2012 General Rate Case (GRC) for the full-year 2012, 2) in 2012, a \$214 million impairment charge on our investment in Rockies Express Pipeline LLC (Rockies Express), net of a \$25 million Kinder Morgan receipt and 3) in 2011, a \$277 million gain from the remeasurement of equity method investments in Chilquinta Energía and Luz del Sur as a result of acquiring controlling interests in these entities, are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States). 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 2013 to 2011 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods these non-GAAP financial measures to Sempra Energy Earnings and Diluted Earnings Per Common Share, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

(Dollars in millions, except per share amounts)	Years ended December 31,		
	2013	2012	2011
Sempra Energy Earnings (GAAP)	\$ 1,001	\$ 859	\$ 1,331
Add: Loss from Plant Closure in 2013	119	—	—
Less: Retroactive Impact in 2013 of 2012 GRC for Full-Year 2012	(77)	—	—
Add: Rockies Express Impairment Charge, Net of Kinder Morgan Receipt, in 2012	—	214	—
Less: Remeasurement Gain in 2011	—	—	(277)
Sempra Energy Adjusted Earnings	\$ 1,043	\$ 1,073	\$ 1,054
Diluted earnings per common share:			
Sempra Energy Earnings (GAAP)	\$ 4.01	\$ 3.48	\$ 5.51
Sempra Energy Adjusted Earnings	\$ 4.18	\$ 4.35	\$ 4.36
Weighted-average number of shares outstanding, diluted (thousands)	249,332	246,693	241,523

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Selected Financial Data and Comparative Statistics 2011 - 2013



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Net income (before preferred dividends and call premium on preferred stock, and including earnings/losses attributable to noncontrolling interest)	\$ 435	\$ 515	\$ 455
Earnings attributable to common shares	\$ 404	\$ 484	\$ 431
Capital expenditures	\$ 978	\$ 1,237	\$ 1,831
Weighted average rate base	\$ 7,244	\$ 6,295	\$ 5,071
Authorized rate of return on:			
Rate base	7.79%	8.40%	8.40%
Common equity	10.30%	11.10%	11.10%
Achieved return on common equity	9.13%	12.16%	12.59%
Electric revenues			
Residential	\$ 1,283	\$ 1,242	\$ 1,215
Commercial	1,080	1,017	1,000
Industrial	257	249	247
Other	163	161	162
Electric revenues in rates	2,783	2,669	2,624
CAISO shared transmission revenue - net ⁽¹⁾	268	64	11
Other revenues	172	134	106
Balancing accounts	314	359	89
Total electric revenues	\$ 3,537	\$ 3,226	\$ 2,830
Electric volumes (millions of kWhs)			
Residential	7,392	7,587	7,374
Commercial	6,722	6,902	6,736
Industrial	1,962	2,042	2,037
Other	3,680	3,494	3,365
Total	19,756	20,025	19,512
Cooling degree days	908	1,102	768
Electric customers at December 31,			
Residential	1,252,434	1,245,916	1,238,899
Commercial	148,039	147,390	147,702
Industrial	453	464	478
Other	7,478	7,547	6,999
Total number of electric customers	1,408,404	1,401,317	1,394,078

(1) California Independent System Operator (CAISO) shared transmission revenue increased in both 2013 and 2012 compared to the prior year due to the Sunrise powerlink transmission line being placed in service in June 2012.

**Selected Financial Data and
Comparative Statistics 2011 - 2013 (continued)**



(Dollars in millions, except average cost of natural gas)	Years ended December 31,		
	2013	2012	2011
Natural gas revenues			
Residential	\$ 324	\$ 267	\$ 342
Commercial and industrial	111	87	113
Electric generation plants	15	15	8
Natural gas revenues in rates	450	369	463
Other revenues	42	40	36
Balancing accounts	37	59	44
Total natural gas revenues	<u>\$ 529</u>	<u>\$ 468</u>	<u>\$ 543</u>
Natural gas volumes delivered (billion cubic feet)			
Residential	31	30	32
Commercial and industrial	24	23	23
Electric generation plants	25	37	25
Total	<u>80</u>	<u>90</u>	<u>80</u>
Core	50	49	50
Noncore	30	41	30
Total	<u>80</u>	<u>90</u>	<u>80</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 4.49</u>	<u>\$ 3.62</u>	<u>\$ 4.83</u>
Heating degree days	<u>1,334</u>	<u>1,247</u>	<u>1,396</u>
Natural gas customers at December 31,			
Residential	831,793	827,047	823,574
Commercial	28,618	28,630	28,941
Off-system sales and transportation	3,746	3,637	1,864
Total number of natural gas customers	<u>864,157</u>	<u>859,314</u>	<u>854,379</u>

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Operating revenues			
Electric	\$ 3,537	\$ 3,226	\$ 2,830
Natural gas	529	468	543
Total operating revenues	<u>4,066</u>	<u>3,694</u>	<u>3,373</u>
Operating expenses			
Cost of electric fuel and purchased power	1,019	892	715
Cost of natural gas	204	151	226
Operation and maintenance	1,157	1,154	1,072
Depreciation and amortization	494	490	422
Franchise fees and other taxes	210	198	183
Loss from plant closure	200	—	—
Total operating expenses	<u>3,284</u>	<u>2,885</u>	<u>2,618</u>
Operating income	<u>782</u>	<u>809</u>	<u>755</u>
Other income (expense), net			
Allowance for equity funds used during construction	39	71	80
Regulatory interest income, net	4	2	2
Losses on interest rate instruments	—	—	(1)
Sundry, net	(3)	(4)	(2)
Total	<u>40</u>	<u>69</u>	<u>79</u>
Interest income	1	—	—
Interest expense	(197)	(173)	(142)
Income before income taxes	<u>626</u>	<u>705</u>	<u>692</u>
Income tax expense	(191)	(190)	(237)
Net income	<u>435</u>	<u>515</u>	<u>455</u>
Earnings attributable to noncontrolling interest	(24)	(26)	(19)
Earnings	<u>411</u>	<u>489</u>	<u>436</u>
Call premium on preferred stock	(3)	—	—
Preferred dividend requirements	(4)	(5)	(5)
Earnings attributable to common shares	<u>\$ 404</u>	<u>\$ 484</u>	<u>\$ 431</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 27	\$ 87	\$ 29
Restricted cash	6	10	21
Accounts receivable - trade, net	266	252	267
Accounts receivable - other, net	28	21	23
Due from unconsolidated affiliates	1	39	67
Income taxes receivable	32	35	102
Deferred income taxes	103	—	—
Inventories	86	82	82
Regulatory balancing accounts, net	556	395	38
Regulatory assets arising from fixed-price contracts and other derivatives	—	39	67
Other regulatory assets	29	10	11
Fixed-price contracts and other derivatives	61	41	27
Other	75	76	61
Total current assets	1,270	1,087	795
Other assets:			
Restricted cash	25	22	22
Deferred taxes recoverable in rates	788	718	570
Regulatory assets arising from fixed-price contracts and other derivatives	63	110	191
Regulatory assets arising from pension and other postretirement benefit obligations	106	303	309
Regulatory assets arising from wildfire litigation costs	330	364	594
Regulatory assets arising from plant closure	303	—	—
Regulatory balancing accounts - undercollected	161	—	—
Other regulatory assets	197	252	160
Nuclear decommissioning trusts	1,034	908	804
Sundry	254	117	70
Total other assets	3,261	2,794	2,720
Property, plant and equipment:			
Property, plant and equipment	14,346	14,124	13,003
Less accumulated depreciation and amortization	(3,500)	(3,261)	(2,963)
Property, plant and equipment, net	10,846	10,863	10,040
Total assets	\$ 15,377	\$ 14,744	\$ 13,555

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 59	\$ —	\$ —
Accounts payable	420	300	375
Due to unconsolidated affiliates	39	19	14
Deferred income taxes	—	26	62
Dividends and interest payable	39	36	32
Accrued compensation and benefits	113	129	124
Current portion of long-term debt	29	16	19
Fixed-price contracts and other derivatives	38	56	55
Customer deposits	71	60	62
Reserve for wildfire litigation	63	305	586
Other	208	157	107
Total current liabilities	<u>1,079</u>	<u>1,104</u>	<u>1,436</u>
Long-term debt	<u>4,525</u>	<u>4,292</u>	<u>4,058</u>
Deferred credits and other liabilities:			
Customer advances for construction	34	17	20
Pension and other postretirement benefit obligations, net of plan assets	132	340	342
Deferred income taxes	2,021	1,636	1,167
Deferred investment tax credits	24	25	26
Regulatory liabilities arising from removal obligations	1,403	1,603	1,462
Asset retirement obligations	861	733	693
Fixed-price contracts and other derivatives	175	209	243
Deferred credits and other	404	408	188
Total deferred credits and other liabilities	<u>5,054</u>	<u>4,971</u>	<u>4,141</u>
Contingently redeemable preferred stock	<u>—</u>	<u>79</u>	<u>79</u>
Equity:			
Common stock (255 million shares authorized, 117 million shares outstanding)	1,338	1,338	1,338
Retained earnings	3,299	2,895	2,411
Accumulated other comprehensive income (loss)	(9)	(11)	(10)
Total SDG&E shareholder's equity	<u>4,628</u>	<u>4,222</u>	<u>3,739</u>
Noncontrolling interests	<u>91</u>	<u>76</u>	<u>102</u>
Total equity	<u>4,719</u>	<u>4,298</u>	<u>3,841</u>
Total liabilities and equity	<u>\$ 15,377</u>	<u>\$ 14,744</u>	<u>\$ 13,555</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income	\$ 435	\$ 515	\$ 455
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	494	490	422
Deferred income taxes and investment tax credits	171	285	290
Loss from plant closure	200	—	—
Fixed-price contracts and other derivatives	(8)	(12)	(13)
Other	(37)	(63)	(68)
Changes in other assets	(150)	201	33
Changes in other liabilities	19	129	7
Changes in working capital components:			
Accounts receivable	(40)	12	6
Due to/from affiliates, net	38	29	6
Inventories	(14)	—	(11)
Other current assets	7	208	309
Income taxes	(50)	85	(111)
Accounts payable	50	(42)	68
Regulatory balancing accounts	(140)	(322)	(87)
Interest payable	4	5	6
Other current liabilities	(260)	(419)	(430)
Net cash provided by operating activities	719	1,101	882
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(978)	(1,237)	(1,831)
Purchases of nuclear decommissioning trust assets	(692)	(732)	(748)
Proceeds from sales by nuclear decommissioning trusts	685	723	741
Proceeds from sale of assets	11	—	1
Decrease in restricted cash	82	92	520
Increase in restricted cash	(81)	(81)	(447)
Net cash used in investing activities	(973)	(1,235)	(1,764)
Cash Flows from Financing Activities			
Capital contribution	—	—	200
Redemption of preferred stock	(82)	—	—
Preferred dividends paid	(5)	(5)	(5)
Issuances of long-term debt	450	249	598
Payments on long-term debt	(199)	(10)	(10)
Capital contribution received by Otay Mesa VIE	—	—	5
Capital distributions made by Otay Mesa VIE	(26)	(40)	—
Increase in short-term debt, net	59	—	—
Other	(3)	(2)	(4)
Net cash provided by financing activities	194	192	784
(Decrease) increase in cash and cash equivalents	(60)	58	(98)
Cash and cash equivalents, January 1	87	29	127
Cash and cash equivalents, December 31	\$ 27	\$ 87	\$ 29
Supplemental Disclosure of Cash Flow Information			
Interest payments, net of amounts capitalized	\$ 187	\$ 162	\$ 131
Income tax payments (refunds), net	\$ 84	\$ (242)	\$ 59

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Selected Financial Data and Comparative Statistics 2011 - 2013



(Dollars in millions, except average cost of natural gas)	Years ended December 31,		
	2013	2012	2011
Net income (before preferred dividends)	\$ 365	\$ 290	\$ 288
Earnings attributable to common shares	\$ 364	\$ 289	\$ 287
Common dividends to parent	\$ 50	\$ 250	\$ 50
Capital expenditures	\$ 762	\$ 639	\$ 683
Weighted average rate base	\$ 3,499	\$ 3,178	\$ 2,948
Authorized rate of return on:			
Rate base	8.02%	8.68%	8.68%
Common equity	10.10%	10.82%	10.82%
Achieved return on common equity	15.36%	13.18%	13.99%
Natural gas revenues			
Residential	\$ 2,212	\$ 1,971	\$ 2,362
Commercial and industrial	933	848	978
Electric generation plants	44	39	42
Wholesale	27	24	19
Natural gas revenues in rates	3,216	2,882	3,401
Other revenues	101	91	99
Balancing accounts	419	309	316
Total operating revenues	<u>\$ 3,736</u>	<u>\$ 3,282</u>	<u>\$ 3,816</u>
Natural gas volumes delivered (billion cubic feet)			
Residential	236	236	254
Commercial and industrial	393	384	375
Electric generation plants	200	231	166
Wholesale	170	175	148
Total	<u>999</u>	<u>1,026</u>	<u>943</u>
Core	350	348	366
Noncore	649	678	577
Total	<u>999</u>	<u>1,026</u>	<u>943</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 4.08</u>	<u>\$ 3.21</u>	<u>\$ 4.41</u>
Heating degree days	<u>1,210</u>	<u>1,289</u>	<u>1,581</u>
Customers at December 31,			
Residential	5,568,155	5,545,498	5,527,531
Commercial	246,683	246,103	245,683
Industrial	27,007	27,282	27,538
Electric generation plants and wholesale	44	49	46
Total number of customers	<u>5,841,889</u>	<u>5,818,932</u>	<u>5,800,798</u>

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Operating revenues	\$ 3,736	\$ 3,282	\$ 3,816
Operating expenses			
Cost of natural gas	1,362	1,074	1,568
Operation and maintenance	1,324	1,304	1,305
Depreciation and amortization	383	362	331
Franchise fees and other taxes	128	122	126
Total operating expenses	3,197	2,862	3,330
Operating income	539	420	486
Other income (expense), net			
Allowance for equity funds used during construction	17	25	19
Regulatory interest income (expense), net	1	(1)	—
Sundry, net	(7)	(7)	(6)
Total	11	17	13
Interest income	—	—	1
Interest expense	(69)	(68)	(69)
Income before income taxes	481	369	431
Income tax expense	(116)	(79)	(143)
Net income	365	290	288
Preferred dividend requirements	(1)	(1)	(1)
Earnings attributable to common shares	\$ 364	\$ 289	\$ 287

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 27	\$ 83	\$ 36
Accounts receivable - trade, net	595	539	578
Accounts receivable - other, net	97	51	63
Due from unconsolidated affiliates	21	24	40
Income taxes receivable	25	104	17
Deferred income taxes	—	3	—
Inventories	69	151	151
Regulatory assets	5	4	9
Other	34	35	28
Total current assets	<u>873</u>	<u>994</u>	<u>922</u>
Other assets:			
Regulatory assets arising from pension obligations	326	694	545
Regulatory assets arising from other postretirement benefit obligations	—	141	263
Regulatory balancing accounts - undercollected	52	—	—
Other regulatory assets	210	148	137
Other postretirement benefit assets, net of plan liabilities	95	—	—
Sundry	124	77	8
Total other assets	<u>807</u>	<u>1,060</u>	<u>953</u>
Property, plant and equipment:			
Property, plant and equipment	11,831	11,187	10,565
Less accumulated depreciation and amortization	<u>(4,364)</u>	<u>(4,170)</u>	<u>(3,965)</u>
Property, plant and equipment, net	<u>7,467</u>	<u>7,017</u>	<u>6,600</u>
Total assets	<u>\$ 9,147</u>	<u>\$ 9,071</u>	<u>\$ 8,475</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term debt	\$ 42	\$ —	\$ —
Accounts payable - trade	346	383	315
Accounts payable - other	79	82	78
Due to unconsolidated affiliates	16	37	2
Deferred income taxes	45	—	44
Accrued compensation and benefits	141	116	99
Regulatory balancing accounts, net	91	141	105
Current portion of long-term debt	252	4	257
Customer deposits	75	76	75
Other	125	124	172
Total current liabilities	1,212	963	1,147
Long-term debt	1,159	1,409	1,064
Deferred credits and other liabilities:			
Customer advances for construction	108	111	110
Pension obligation, net of plan assets	339	714	570
Regulatory liabilities arising from other postretirement benefit assets	95	—	—
Other postretirement benefit obligations, net of plan assets	—	141	263
Deferred income taxes	993	881	576
Deferred investment tax credits	18	20	23
Regulatory liabilities arising from removal obligations	1,205	1,103	1,075
Asset retirement obligations	1,182	1,238	1,161
Deferred taxes refundable in rates	—	—	87
Deferred credits and other	287	256	206
Total deferred credits and other liabilities	4,227	4,464	4,071
Shareholders' equity:			
Preferred stock	22	22	22
Common stock (100 million shares authorized; 91 million shares outstanding; no par value)	866	866	866
Retained earnings	1,679	1,365	1,326
Accumulated other comprehensive income (loss)	(18)	(18)	(21)
Total shareholders' equity	2,549	2,235	2,193
Total liabilities and shareholders' equity	\$ 9,147	\$ 9,071	\$ 8,475

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income	\$ 365	\$ 290	\$ 288
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	383	362	331
Deferred income taxes and investment tax credits	117	128	130
Other	(5)	(12)	(6)
Changes in other assets	(52)	14	19
Changes in other liabilities	(4)	4	(7)
Changes in working capital components:			
Accounts receivable	(113)	37	(57)
Inventories	82	(1)	(46)
Other current assets	3	(6)	5
Accounts payable	(54)	54	(7)
Income taxes	51	(83)	(12)
Due to/from affiliates, net	(57)	51	(18)
Regulatory balancing accounts	(58)	31	(63)
Customer deposits	(1)	1	2
Other current liabilities	24	(24)	(5)
Net cash provided by operating activities	<u>681</u>	<u>846</u>	<u>554</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(762)	(639)	(683)
Decrease (increase) in loans to affiliates, net	34	(4)	49
Net cash used in investing activities	<u>(728)</u>	<u>(643)</u>	<u>(634)</u>
Cash Flows from Financing Activities			
Common dividends paid	(50)	(250)	(50)
Preferred dividends paid	(1)	(1)	(1)
Issuances of long-term debt	—	348	—
Payments on long-term debt	—	(250)	(250)
Debt issuance costs	—	(3)	—
Increase in short-term debt, net	42	—	—
Net cash used in financing activities	<u>(9)</u>	<u>(156)</u>	<u>(301)</u>
(Decrease) increase in cash and cash equivalents	(56)	47	(381)
Cash and cash equivalents, January 1	83	36	417
Cash and cash equivalents, December 31	<u>\$ 27</u>	<u>\$ 83</u>	<u>\$ 36</u>
Supplemental Disclosure of Cash Flow Information			
Interest payments, net of amounts capitalized	\$ 65	\$ 62	\$ 65
Income tax (refunds) payments, net	\$ (52)	\$ 16	\$ 25

Selected Financial Data and Comparative Statistics 2011 - 2013



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Earnings			
Sempra South American Utilities ⁽¹⁾	\$ 153	\$ 164	\$ 148
Sempra Mexico	122	157	192
Remeasurement of equity method investments	—	—	277
Total	<u>\$ 275</u>	<u>\$ 321</u>	<u>\$ 617</u>
Natural gas distribution operations			
Volumes delivered (billion cubic feet)			
Mexico	<u>24</u>	<u>23</u>	<u>22</u>
Customers (in thousands, at December 31)			
Mexico	<u>99</u>	<u>93</u>	<u>90</u>
Electric distribution operations			
Volumes (millions of kWhs)			
Peru ⁽²⁾	6,984	6,668	6,309
Chile ⁽²⁾	2,856	2,698	2,520
Total	<u>9,840</u>	<u>9,366</u>	<u>8,829</u>
Customers (in thousands, at December 31)			
Peru ⁽²⁾	996	959	926
Chile ⁽²⁾	640	623	609
Total	<u>1,636</u>	<u>1,582</u>	<u>1,535</u>
Power Sold			
Volumes (millions of kWhs)			
Mexico ⁽³⁾	<u>3,752</u>	<u>3,817</u>	<u>3,063</u>

⁽¹⁾ In 2013, includes \$11 million equity losses (\$7 million impairment and \$4 million loss on sale) associated with Sempra South American Utilities' Argentine investments, which were sold in the second quarter of 2013.

⁽²⁾ Represents 100 percent of the distribution operations in the countries noted. The subsidiaries in Peru and Chile were accounted for under the equity method until April 6, 2011, when they became consolidated entities upon our acquisition of additional ownership.

⁽³⁾ Sales in 2011 were to Sempra Natural Gas.

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

Sempra South American Utilities Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Revenues			
Utilities - electric	\$ 1,383	\$ 1,349	\$ 1,009
Energy-related businesses	112	92	71
Total revenues	1,495	1,441	1,080
Expenses and other income			
Utilities:			
Cost of electric fuel and purchased power	(913)	(868)	(682)
Energy-related businesses:			
Other cost of sales	(84)	(66)	(45)
Operation and maintenance	(170)	(177)	(132)
Depreciation and amortization	(59)	(56)	(40)
Other taxes	(2)	—	(1)
Other income, net ⁽¹⁾	9	13	299
Interest income	14	15	22
Interest expense	(27)	(32)	(34)
Income before income taxes and equity (losses) earnings of certain unconsolidated subsidiaries	263	270	467
Income tax expense	(67)	(78)	(42)
Equity (losses) earnings, net of income tax	(15)	—	23
Net income	181	192	448
Earnings attributable to noncontrolling interests	(28)	(28)	(23)
Earnings	\$ 153	\$ 164	\$ 425

⁽¹⁾ Includes \$277 million gain in 2011 from the remeasurement of equity method investments related to the acquisition of additional interests in Chilquinta Energía S.A. in Chile and Luz del Sur S.A. in Peru on April 6, 2011.

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

**Sempra South American Utilities
Consolidated Balance Sheets**



(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 384	\$ 54	\$ 24
Accounts receivable	257	248	271
Due from unconsolidated affiliates	26	50	43
Deferred income taxes	80	98	99
Inventories	40	34	36
Other	7	7	4
Total current assets	794	491	477
Investments	7	11	11
Due from unconsolidated affiliates	15	11	10
Goodwill and other intangible assets	929	1,017	951
Property, plant and equipment, net	1,777	1,778	1,531
Other	9	2	1
Total assets	\$ 3,531	\$ 3,310	\$ 2,981
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 55	\$ 19	\$ 28
Accounts payable	153	147	143
Due to unconsolidated affiliates	114	187	181
Income taxes payable	12	25	31
Current portion of long-term debt	55	41	40
Other ⁽¹⁾	70	313	310
Total current liabilities	459	732	733
Long-term debt	523	592	473
Other noncurrent liabilities:			
Due to unconsolidated affiliates	329	144	122
Deferred income taxes	159	169	155
Other liabilities	62	68	65
Total other noncurrent liabilities	550	381	342
Equity			
Shareholder's equity	1,747	1,336	1,179
Noncontrolling interests	252	269	254
Total equity	1,999	1,605	1,433
Total liabilities and equity	\$ 3,531	\$ 3,310	\$ 2,981

⁽¹⁾ Includes \$240 million in 2012 and 2011 related to impairment of Sempra South American Utilities' Argentine investments, which were sold in June 2013.

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Sempra South American Utilities
Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income	\$ 181	\$ 192	\$ 448
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	59	56	40
Deferred income taxes	3	6	(4)
Equity losses (earnings)	15	—	(23)
Remeasurement of equity method investments	—	—	(277)
Fixed-price contracts and other derivatives	—	—	5
Other	1	6	(8)
Changes in other assets	(7)	(1)	—
Changes in other liabilities	5	(1)	6
Net change in working capital components	(31)	5	(9)
Net cash provided by operating activities	<u>226</u>	<u>263</u>	<u>178</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(200)	(183)	(110)
Proceeds from sale of investments	13	—	—
Expenditure for investment and cash acquired in acquisition of businesses	—	(1)	241
Decrease (increase) in loans to affiliates, net	344	—	(10)
Decrease in restricted cash	8	10	3
Increase in restricted cash	(9)	(10)	(3)
Net cash provided by (used in) investing activities	<u>156</u>	<u>(184)</u>	<u>121</u>
Cash Flows from Financing Activities			
Dividends paid	(222)	(113)	(299)
Capital contributed	99	—	—
Issuances of debt (maturities greater than 90 days)	191	121	39
Payments on debt (maturities greater than 90 days)	(168)	(66)	(39)
Increase in short-term debt, net	1	8	18
Increase in loans from affiliates, net	72	22	54
Purchase of noncontrolling interests	—	(7)	(43)
Distributions to noncontrolling interests	(22)	(21)	(15)
Net cash used in financing activities	<u>(49)</u>	<u>(56)</u>	<u>(285)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3)</u>	<u>7</u>	<u>9</u>
Increase in cash and cash equivalents	330	30	23
Cash and cash equivalents, January 1	54	24	1
Cash and cash equivalents, December 31	<u>\$ 384</u>	<u>\$ 54</u>	<u>\$ 24</u>

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

Sempra Mexico
Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Revenues			
Utilities	\$ 97	\$ 75	\$ 91
Energy-related businesses	578	530	645
Total revenues	675	605	736
Expenses and other income			
Utilities:			
Cost of natural gas	(63)	(45)	(63)
Energy-related businesses:			
Cost of natural gas, electric fuel and purchased power	(253)	(197)	(276)
Other cost of sales	(10)	(21)	(4)
Operation and maintenance	(124)	(94)	(98)
Depreciation and amortization	(63)	(62)	(63)
Other taxes	(2)	(2)	(1)
Other income (expense), net	24	16	(13)
Interest income	2	2	1
Interest expense	(17)	(8)	(19)
Income before income taxes and equity earnings of certain unconsolidated subsidiaries	169	194	200
Income tax expense	(60)	(73)	(37)
Equity earnings, net of income tax	39	36	29
Net income	148	157	192
Earnings attributable to noncontrolling interests ⁽¹⁾	(26)	—	—
Earnings attributable to common shares	\$ 122	\$ 157	\$ 192

⁽¹⁾ In the first quarter of 2013, Sempra Energy's subsidiary, Infraestructura Energética Nova, S.A.B. de C.V. (IEnova), completed a private offering in the U.S. and outside of Mexico and a concurrent public offering in Mexico of common stock. The aggregate shares of common stock sold in the offerings represent approximately 18.9 percent of IEnova's outstanding ownership interest. IEnova is reported within the Sempra Mexico reportable segment.

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Sempra Mexico
Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 311	\$ 85	\$ 28
Restricted cash	12	—	—
Accounts receivable	104	97	76
Due from unconsolidated affiliates	93	43	36
Income taxes receivable	—	8	50
Inventories	12	16	17
Fixed-price contracts and other derivatives	18	11	11
Other	23	17	15
Total current assets	573	277	233
Investments	379	340	302
Goodwill and other intangible assets	30	30	33
Due from unconsolidated affiliates	—	20	—
Fixed-price contracts and other derivatives	22	43	45
Property, plant and equipment, net	2,218	1,879	1,887
Other	24	2	2
Total assets	\$ 3,246	\$ 2,591	\$ 2,502
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ —	\$ 1	\$ 1
Accounts payable	51	25	27
Due to unconsolidated affiliates	128	216	158
Income taxes payable	16	—	—
Deferred income taxes	2	10	8
Fixed-price contracts and other derivatives	11	11	11
Other	43	22	21
Total current liabilities	251	285	226
Long-term debt	398	—	—
Other noncurrent liabilities:			
Due to unconsolidated affiliates	65	332	335
Deferred income taxes	149	141	128
Fixed-price contracts and other derivatives	54	38	42
Other	39	65	65
Total other noncurrent liabilities	307	576	570
Equity:			
Sempra Mexico shareholder's equity	1,848	1,730	1,706
Noncontrolling interests ⁽¹⁾	442	—	—
Total equity	2,290	1,730	1,706
Total liabilities and equity	\$ 3,246	\$ 2,591	\$ 2,502

⁽¹⁾ The IEnova IPO took place in March 2013.

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

Sempra Mexico
Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income	\$ 148	\$ 157	\$ 192
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	63	62	63
Deferred income taxes	16	14	(49)
Equity earnings	(39)	(36)	(29)
Fixed-price contracts and other derivatives	4	(11)	(2)
Other	(14)	(3)	2
Changes in other assets	(12)	—	—
Changes in other liabilities	(1)	(1)	3
Net changes in working capital components	(41)	7	97
Net cash provided by operating activities	<u>124</u>	<u>189</u>	<u>277</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(371)	(45)	(16)
Decrease (increase) in loans to affiliates, net	20	(20)	—
Decrease in restricted cash	15	—	—
Increase in restricted cash	(27)	—	—
Other	(7)	(8)	(9)
Net cash used in investing activities	<u>(370)</u>	<u>(73)</u>	<u>(25)</u>
Cash Flows from Financing Activities			
Issuances of debt (maturities greater than 90 days)	408	—	—
Proceeds from sale of noncontrolling interest, net of \$25 in offering costs ⁽¹⁾	574	—	—
Dividends paid	(134)	(140)	(80)
(Decrease) increase in short-term debt, net	(1)	—	1
(Decrease) increase in loans from affiliates, net	(349)	80	(200)
Distributions to noncontrolling interests	(22)	—	—
Other	(3)	—	—
Net cash provided by (used in) financing activities	<u>473</u>	<u>(60)</u>	<u>(279)</u>
Effect of exchange rate changes on cash and cash equivalents	(1)	1	—
Increase (decrease) in cash and cash equivalents	226	57	(27)
Cash and cash equivalents, January 1	85	28	55
Cash and cash equivalents, December 31	<u>\$ 311</u>	<u>\$ 85</u>	<u>\$ 28</u>

⁽¹⁾ Proceeds from IEnova IPO.

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Selected Financial Data and Comparative Statistics 2011 - 2013



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Earnings (losses)			
Sempra Renewables	\$ 62	\$ 61	\$ 7
Sempra Natural Gas ⁽¹⁾	64	(241)	115
Total	<u>\$ 126</u>	<u>\$ (180)</u>	<u>\$ 122</u>
Natural gas distribution operations			
Volumes delivered (billion cubic feet)			
Mobile Gas	40	43	40
Willmut Gas ⁽²⁾	3	1	—
Total	<u>43</u>	<u>44</u>	<u>40</u>
Customers (in thousands, at December 31)			
Mobile Gas	87	88	89
Willmut Gas ⁽²⁾	19	20	—
Total	<u>106</u>	<u>108</u>	<u>89</u>
Power Sold			
Volumes (millions of kWhs)			
Sempra Renewables ⁽³⁾	2,470	1,207	633
Sempra Natural Gas ⁽⁴⁾	4,328	6,580	10,621
Total	<u>6,798</u>	<u>7,787</u>	<u>11,254</u>

(1) In 2012, includes \$214 million after-tax impairment charge, net of a payment received from Kinder Morgan, related to Sempra Natural Gas' investment in Rockies Express Pipeline LLC.

(2) Acquired in May 2012.

(3) Includes 50% of total power sold related to solar and wind projects in which Sempra Energy has a 50% ownership. These subsidiaries are not consolidated within Sempra Energy and the related investments are accounted for under the equity method.

(4) Sempra Natural Gas sold one 625-megawatt (MW) block of its 1,250-MW Mesquite Power natural gas-fired power plant in February 2013.

Sempra U.S. Gas & Power, LLC is not the same company as the California utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra U.S. Gas & Power, LLC is not regulated by the California Public Utilities Commission.

Sempra Renewables
Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Revenues	\$ 82	\$ 68	\$ 22
Expenses and other income			
Cost of sales	(3)	(3)	—
Operation and maintenance	(46)	(34)	(17)
Depreciation and amortization	(21)	(16)	(6)
Gain on sale of assets	40	7	—
Equity losses	(12)	(6)	(6)
Other taxes	(3)	—	(1)
Other income (expense), net	9	(2)	—
Interest income	20	6	—
Interest expense	(23)	(22)	(13)
Income (loss) before income taxes	43	(2)	(21)
Income tax benefit	19	63	28
Earnings/net income	\$ 62	\$ 61	\$ 7

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

Sempra Renewables
Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 2	\$ —	\$ —
Restricted cash	6	35	—
Accounts receivable	16	7	2
Due from unconsolidated affiliates	29	601	263
Income taxes receivable	40	40	137
U.S. Treasury grants receivable	—	258	—
Other	3	11	18
Total current assets	96	952	420
Investments in unconsolidated affiliates	707	592	390
Property, plant and equipment, net	370	873	400
Other	46	22	—
Total assets	\$ 1,219	\$ 2,439	\$ 1,210
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 62	\$ 52	\$ 76
Due to unconsolidated affiliates	87	585	746
Current portion of long-term debt	7	7	—
Other	10	8	5
Total current liabilities	166	652	827
Long-term debt	97	390	—
Other noncurrent liabilities:			
Due to unconsolidated affiliates	4	3	4
Deferred income taxes	454	428	220
Asset retirement obligations	6	32	19
Other	16	14	11
Total other noncurrent liabilities	480	477	254
Equity	476	920	129
Total liabilities and equity	\$ 1,219	\$ 2,439	\$ 1,210

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Sempra Renewables

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income	\$ 62	\$ 61	\$ 7
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	21	16	6
Deferred income taxes	—	212	(10)
Gain on sale of assets	(40)	(7)	—
Equity losses	12	6	6
Other	(5)	—	2
Changes in other liabilities	3	2	1
Net change in working capital components	(21)	(267)	84
Net cash provided by operating activities	<u>32</u>	<u>23</u>	<u>96</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(176)	(717)	(248)
Expenditures for investments	(17)	(372)	(245)
Proceeds from sale of investments	175	9	—
Proceeds from U.S. Treasury grants	238	—	—
Distributions from investments	67	167	7
Decrease in loans to affiliates, net	(169)	(3)	(4)
Increase in restricted cash	(238)	(126)	—
Decrease in restricted cash	222	91	—
Net cash used in investing activities	<u>102</u>	<u>(951)</u>	<u>(490)</u>
Cash Flows from Financing Activities			
Dividends paid	(188)	—	—
Issuances of long-term debt	158	403	—
Payments on long-term debt	(9)	(6)	—
(Decrease) increase in loans from affiliates, net	(89)	540	394
Other	(4)	(9)	—
Net cash (used in) provided by financing activities	<u>(132)</u>	<u>928</u>	<u>394</u>
Change in cash and cash equivalents	2	—	—
Cash and cash equivalents, January 1	—	—	—
Cash and cash equivalents, December 31	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ —</u>

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Sempra Natural Gas

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Revenues			
Utilities	\$ 109	\$ 96	\$ 93
Energy-related businesses	799	835	1,539
Total revenues	908	931	1,632
Expenses and other income			
Utilities:			
Cost of natural gas	(35)	(25)	(27)
Energy-related businesses:			
Cost of natural gas, electric fuel and purchased power	(497)	(581)	(1,034)
Other cost of sales	(91)	(90)	(89)
Operation and maintenance	(167)	(168)	(169)
Depreciation and amortization	(81)	(93)	(103)
Gain on sale of assets	74	—	—
Other taxes	(28)	(25)	(22)
Equity earnings (losses) ⁽¹⁾	47	(312)	43
Other income, net	3	9	1
Interest expense	(116)	(98)	(80)
Interest income	88	55	34
Income (losses) before income taxes	105	(397)	186
Income tax (expense) benefit	(40)	157	(72)
Net income (loss)	65	(240)	114
(Earnings) losses attributable to noncontrolling interests	(1)	(1)	1
Earnings (losses)	\$ 64	\$ (241)	\$ 115

⁽¹⁾ In 2012, includes \$400 million impairment offset by \$41 million payment received from Kinder Morgan related to Sempra Natural Gas' investment in Rockies Express Pipeline LLC.

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

Sempra Natural Gas
Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2013	2012	2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 8	\$ 5	\$ 2
Accounts receivable	173	85	65
Due from unconsolidated affiliates	543	626	1,142
Income taxes receivable	54	—	—
Deferred income taxes	1	—	4
Inventories	78	122	60
Fixed-price contracts and other derivatives	16	32	37
Asset held for sale, power plant	—	296	—
Other	19	24	13
Total current assets	892	1,190	1,323
Investments	406	435	821
Goodwill	72	72	62
Other intangible assets	418	428	437
Due from unconsolidated affiliates	2,604	206	55
Property, plant and equipment, net	2,747	2,751	2,968
Other assets	61	63	72
Total assets	\$ 7,200	\$ 5,145	\$ 5,738
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 87	\$ 103	\$ 75
Due to unconsolidated affiliates	106	729	564
Income taxes payable	—	39	72
Deferred income taxes	—	7	—
Current portion of long-term debt	5	5	12
Other	66	47	61
Total current liabilities	264	930	784
Long-term debt	233	229	180
Other noncurrent liabilities:			
Due to unconsolidated affiliates	3,163	1,782	1,454
Deferred income taxes	416	376	487
Other liabilities	53	72	64
Total other noncurrent liabilities	3,632	2,230	2,005
Equity			
Shareholder's equity	3,034	1,720	2,742
Noncontrolling interests	37	36	27
Total equity	3,071	1,756	2,769
Total liabilities and equity	\$ 7,200	\$ 5,145	\$ 5,738

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

Sempra Natural Gas
Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2013	2012	2011
Cash Flows from Operating Activities			
Net income (loss)	\$ 65	\$ (240)	\$ 114
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortization	81	93	103
Gain on sale of assets, net	(74)	(6)	—
Deferred income taxes	31	(102)	264
Equity (earnings) losses	(47)	353	(43)
Fixed-price contracts and other derivatives	(7)	(3)	16
Other	8	38	(48)
Distributions from investments	68	50	40
Changes in other assets	(6)	(5)	(1)
Changes in other liabilities	(1)	—	(2)
Net change in working capital components	(312)	(130)	(153)
Net cash (used in) provided by operating activities	(194)	48	290
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(83)	(131)	(157)
Proceeds from sale of assets, net of cash sold	371	7	215
Expenditures for investments	(4)	(71)	(84)
Distributions from investments	31	37	57
(Increase) decrease in loans to affiliates, net	(1,692)	296	193
Decrease in restricted cash	—	—	27
Other	(3)	(6)	(22)
Net cash (used in) provided by investing activities	(1,380)	132	229
Cash Flows from Financing Activities			
Capital contributions	3	3	2
Dividends paid	(183)	(133)	(588)
Issuances of long-term debt	8	53	146
Payments on long-term debt	(4)	(9)	(23)
Increase (decrease) in loans from affiliates, net	1,770	(91)	(53)
Other	(17)	—	(5)
Net cash provided by (used in) financing activities	1,577	(177)	(521)
Increase (decrease) in cash and cash equivalents	3	3	(2)
Cash and cash equivalents, January 1	5	2	4
Cash and cash equivalents, December 31	\$ 8	\$ 5	\$ 2

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

Shareholder Information and Research Coverage

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News and Information

To hear corporate news reports and stock updates or to request materials, call 877-773-6397. Sempra Energy's Annual Report to the Securities and Exchange Commission on Form 10-K is available to shareholders at no charge through the Investors section of Sempra Energy's website (www.Sempra.com) or by writing to Shareholder Services.

Preferred Stock of Southern California Gas Co.

SoCalGas preferred stocks are not listed on any exchange and trade over-the-counter.

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