



The Gas Company, Consumer Groups File Rate Case Settlement

If Approved, Residential Monthly Bills Decline 1 Percent

LOS ANGELES, Dec. 19, 2003 - Southern California Gas Company (The Gas Company) today announced it has joined with the California Public Utilities Commission (CPUC) Office of Ratepayer Advocates, The Utility Reform Network (TURN), the Utility Workers Union of America, the Greenlining Institute and the Southern California Generation Coalition to request that the CPUC approve a comprehensive all-party settlement agreement reached in The Gas Company's Cost-of-Service rate case.

The Cost-of-Service settlement establishes how much The Gas Company would be allowed to charge in customer rates during 2004 to cover most of its costs, including operating and maintenance expenses. The cost of purchasing natural gas and transporting it to California is not covered by the settlement.

"This tentative settlement ensures that we will be able to continue to provide safe and reliable energy and exceptional service to our customers and generate a fair return to our shareholders on their investments," said Edwin A. Guiles, chairman and chief executive officer of The Gas Company.

If adopted, the settlement will reduce customer delivery charges by \$33 million from their current annual levels. Residential gas customers would see roughly a 1 percent decrease in the average monthly natural gas bill. The settlement can be found on the company's Web site at socalgas.com.

Under the CPUC's review process, the settlement parties filed their detailed agreement with the Commission today, to be followed by written comments and briefs with a final deadline of Feb. 19, 2004. The Commission can act on the settlement anytime thereafter.

The Gas Company is the nation's largest natural gas distribution utility, providing safe and reliable energy to 19 million consumers through 5.4 million meters. The company's service territory encompasses 23,000 square miles in most of central and Southern California. The Gas Company strives to provide exceptional customer service to enhance the quality of life in the community. The Gas Company is part of Sempra Energy Utilities -- Sempra Energy's regulated California utilities. Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services holding company.

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