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Sempra Energy Reports Higher 2014 Earnings

- **Company Sets 2015 Adjusted Earnings-per-Share Guidance Range at \$4.60 to \$5**
- **Annualized Dividend Increased 6 Percent to \$2.80 Per Share**

SAN DIEGO, Feb. 26, 2015 - [Sempra Energy](#) (NYSE: SRE) today reported 2014 earnings of \$1.16 billion, or \$4.63 per diluted share, compared with 2013 earnings of \$1 billion, or \$4.01 per diluted share.

Sempra Energy's 2014 results reflected \$21 million in charges related to the early closure of the San Onofre Nuclear Generating Station (SONGS), including \$12 million in the fourth quarter. Sempra Energy's 2013 results included \$77 million for the 2012 retroactive impact of the California Public Utilities Commission (CPUC) General Rate Case decision for San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas), offset by a \$119 million charge related to the SONGS closure.

Excluding the SONGS charges in 2014 and 2013 and the retroactive earnings from the rate case in 2013, Sempra Energy's adjusted earnings in 2014 were \$1.18 billion, or \$4.71 per diluted share, up from adjusted earnings of \$1.04 billion, or \$4.18 per diluted share, in 2013.

Sempra Energy's fourth-quarter earnings increased to \$297 million, or \$1.18 per diluted share, from \$282 million, or \$1.13 per diluted share, in 2013. Excluding the SONGS charge in the fourth quarter 2014, Sempra Energy's adjusted earnings in the fourth quarter 2014 were \$309 million, or \$1.23 per diluted share.

"We achieved excellent results in 2014," said Debra L. Reed, chairman and CEO of Sempra Energy. "We delivered strong, year-over-year earnings growth and we advanced the Cameron LNG liquefaction-export facility and our other major infrastructure projects that are central to our five-year growth plan. We have made great progress toward achieving compound annual growth in earnings per share toward the upper end of our stated growth-rate range of 9 percent to 11 percent from 2014 through 2019."

Last week, Sempra Energy's board of directors approved a 6-percent increase in the company's annualized dividend to \$2.80 per share from \$2.64 per share.

CALIFORNIA UTILITIES

San Diego Gas & Electric

SDG&E's fourth-quarter earnings increased to \$128 million in 2014 from \$119 million in 2013, due primarily to higher margin from electric transmission and CPUC base operations, and lower legal costs, offset by the \$12 million charge related to the SONGS closure.

Earnings for SDG&E increased to \$507 million in 2014 from \$404 million in 2013. SDG&E's 2014 results included a charge of \$21 million related to the closure of SONGS. In 2013, SDG&E took a \$119 million charge related to the SONGS closure, offset by \$52 million in retroactive earnings for 2012 operations as a result of the CPUC General Rate Case decision.

Southern California Gas Co.

In the fourth quarter 2014, SoCalGas' earnings were \$76 million, compared with \$98 million in the fourth quarter 2013, due primarily to lower income-tax expense in 2013.

SoCalGas' earnings were \$332 million in 2014, compared with \$364 million in 2013. In 2013, SoCalGas recorded \$25 million in retroactive earnings for 2012 operations as a result of the CPUC General Rate Case decision.

SEMPRA INTERNATIONAL

Sempra South American Utilities

In the fourth quarter 2014, Sempra South American Utilities' earnings rose to \$63 million from \$43 million, due primarily to lower deferred taxes related to Peruvian tax reform.

In 2014, earnings for Sempra South American Utilities increased to \$172 million from \$153 million in 2013.

Sempra Mexico

Sempra Mexico's fourth-quarter earnings were \$53 million in 2014, compared with \$26 million in 2013, due primarily to the net favorable impact of foreign currency exchange and inflation effects, and higher deferred tax expense in 2013 related to Mexican tax reform.

Sempra Mexico's earnings in 2014 increased to \$192 million from \$122 million in 2013, primarily due to higher earnings from operations, including improved margins, new assets placed into service and regulatory earnings from projects in construction.

SEMPRA U.S. GAS & POWER

Sempra Natural Gas

In the fourth quarter 2014, Sempra Natural Gas earned \$11 million, compared with \$9 million in the fourth quarter 2013.

Sempra Natural Gas earned \$50 million in 2014, compared with \$64 million in 2013. In 2014, Sempra Natural Gas recognized a \$25 million tax benefit related to advancement of the Cameron LNG project. In 2013, Sempra Natural Gas recorded a \$44 million gain on the sale of a 625-megawatt block of the Mesquite Power facility.

Sempra Renewables

Fourth-quarter earnings for Sempra Renewables increased to \$18 million in 2014 from \$6 million in 2013, due primarily to the gain on sale of 50 percent of the Broken Bow 2 wind-power project and higher deferred income-tax benefits.

In 2014, earnings for Sempra Renewables were \$81 million, up from \$62 million in 2013.

2015 EARNINGS GUIDANCE

Sempra Energy announced today that it set its adjusted earnings-per-share guidance range for 2015 at \$4.60 to \$5, which excludes the estimated earnings impact of the expected sale of the remainder of the Mesquite Power natural gas-fired generating facility (\$0.12 per share to \$0.15 per share) and the earnings impact of potential LNG-related development activities.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures for Sempra Energy include fourth-quarter 2014 and full-year 2014 and 2013 adjusted earnings and adjusted earnings per share, and 2015 adjusted earnings-per-share guidance. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the fourth-quarter financial tables.

INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EST with senior management of the company. Access is available by logging onto the website at www.sempra.com. For those unable to log onto the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (888) 203-1112 and entering passcode 1395267.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2014 revenues of \$11 billion. The Sempra Energy companies' 17,000 employees serve more than 32 million consumers worldwide.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "intends," "depends," "should," "could," "would," "will," "confident," "may," "potential," "target," "pursue," "goals," "outlook," "maintain" or similar expressions, or discussions of guidance, strategies, plans, goals, opportunities, projections, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements.

Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, 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; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining, maintaining or extending permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; energy markets, including the timing and extent of changes and volatility in commodity prices, and the impact of any protracted reduction in oil prices from historical averages; the impact on the value of our natural gas storage assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for natural gas storage services; delays in the timing of costs incurred and the timing of the regulatory agency authorization to recover such costs in rates from customers; capital markets conditions, including the availability of credit and the liquidity of our investments; inflation, interest and currency exchange rates; the impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on our California Utilities' cost of capital; the availability of electric power, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the North American transmission grid, pipeline explosions and equipment failures and the decommissioning of San Onofre Nuclear Generating Station (SONGS); cybersecurity threats to the energy grid,

natural gas storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers, terrorist attacks that threaten system operations and critical infrastructure, and wars; the ability to win competitively bid infrastructure projects against a number of strong competitors willing to aggressively bid for these projects; weather conditions, conservation efforts; natural disasters, catastrophic accidents, and other events that may disrupt our operations, damage our facilities and systems, and subject us to third-party liability for property damage or personal injuries; 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; 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; 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 (SDG&E) 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 SDG&E's electric transmission and distribution system; the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements due to insufficient market interest, unattractive pricing or other factors; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond our control. 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.

Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.

Sempra International, LLC, and Sempra U.S. Gas & Power, LLC, are not the same companies as the California utilities, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra International, LLC, and Sempra U.S. Gas & Power, LLC, are not regulated by the California Public Utilities Commission. Sempra International's underlying entities include Sempra Mexico and Sempra South American Utilities. Sempra U.S. Gas & Power's underlying entities include Sempra Renewables and Sempra Natural Gas.

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