



Sempra Energy Reports Higher First-Quarter 2005 Earnings

SAN DIEGO, May 4, 2005 - Sempra Energy today reported first-quarter 2005 earnings of \$223 million, or \$0.92 per diluted share, compared with \$197 million, or \$0.85 per diluted share, in the first quarter 2004.

"Operating results in the first quarter were solid for all of our businesses and put us on track to accomplish our financial goals for the year," said Stephen L. Baum, chairman and chief executive officer of Sempra Energy. "We are reaffirming our earnings-per-share guidance for 2005 of \$3.10 to \$3.30."

Net income in the first quarter 2005 included \$59 million related to the favorable resolution of federal and state income-tax issues from prior years for both the parent company and the California utilities. First-quarter 2004 results included a \$24 million loss related to discontinued operations and \$16 million in net income related to the favorable resolution of prior years' income-tax issues.

Revenues in the first quarter 2005 were \$2.7 billion, compared with \$2.4 billion in the same quarter last year, due to increased power and commodity sales.

SUBSIDIARY OPERATING RESULTS

Sempra Utilities

Net income for San Diego Gas & Electric was \$59 million in the first quarter 2005, up from \$50 million in the year-ago quarter. The increase was due primarily to the favorable resolution of income-tax issues.

Net income for Southern California Gas Co. in the first quarter 2005 rose to \$69 million from \$56 million in the first quarter 2004, primarily due to a favorable adjustment related to the utility's recent rate-making decision.

Sempra Commodities

Sempra Commodities' first-quarter 2005 net income was \$29 million, versus \$57 million in the same quarter last year. The decrease in quarterly net income was primarily due to lower income in natural gas and metals trading.

"Accounting rules impact the timing of earnings recognition for our commodity operations, as was the case in our natural gas trading operations during the first quarter," Baum said. "Even though we will continue to see quarter-to-quarter variation in reported earnings for this business, we expect Sempra Commodities to meet its 2005 financial plan."

Sempra Generation

First-quarter net income for Sempra Generation rose to \$46 million in 2005 from \$35 million last year, primarily as a result of increased power sales from the company's generating facilities in Texas. Sempra Generation acquired its half of the Coletto Creek facility and eight other Texas power plants in July 2004.

Sempra Pipelines & Storage

Sempra Pipelines & Storage had net income of \$13 million during the first quarter 2005, up from \$11 million in the year-ago quarter, due primarily to improved results from the company's Latin American utility operations.

Sempra LNG

Sempra LNG recorded a net loss of \$5 million during the first quarter 2005, versus net income of \$6 million in the first quarter 2004. Last year's quarterly results included an \$8 million contribution from the favorable buy-out of a future obligation related to the Cameron LNG project.

"We are pleased that our liquefied natural gas business is making good progress," Baum said. "Capacity for our Energía Costa Azul receipt terminal in Baja California, Mexico, is fully subscribed and construction on the terminal is underway. We are working toward finalizing several non-binding, preliminary agreements this summer for capacity at our Cameron LNG terminal in

Louisiana and expect to begin construction later this year. Finally, last week we announced a preliminary agreement with Gazprom - the world's largest natural gas producer - which wants to enter the North American market with sufficient quantities of gas to launch our Port Arthur LNG terminal in Texas. We expect to receive federal regulatory approvals for this terminal by year-end. "

INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. Eastern Time with senior management of the company. Access is available by logging onto the Web site 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 (706) 645-9291 and entering passcode number 5582676.

Sempra Energy, based in San Diego, is a Fortune 500 energy-services holding company with 2004 revenues of \$9.4 billion. The Sempra Energy companies' more than 13,000 employees serve more than 10 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

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. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. 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 by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the outcome of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra LNG and Sempra Pipelines & Storage are not the same companies as the utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission. Sempra Energy Trading, doing business as Sempra Commodities, and Sempra Generation are not the same companies as the utilities, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of their products and services.

[Financial Tables](#)

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