



August 7, 2014

Sempra Energy Earnings Rise In Second Quarter 2014

- **Cameron LNG Receives FERC Authorization to Construct; Liquefaction-Export Project Advances with Final Investment Decision, Execution of Financing Documents**
- **California Utilities Gain Regulatory Approval for Pipeline Safety Enhancement Plan**
- **2014 Earnings-per-Share Guidance Range of \$4.25 to \$4.55 Reaffirmed; Company Expects to Be at or Above Midpoint**

SAN DIEGO, Aug. 7, 2014 - [Sempra Energy](#) (NYSE: SRE) today reported second-quarter 2014 earnings of \$269 million, or \$1.08 per diluted share, up from 2013 earnings of \$245 million, or \$0.98 per diluted share.

Second-quarter 2013 financial results included retroactive impacts for San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas), based on the final California Public Utilities Commission (CPUC) General Rate Case decision issued in May 2013: \$77 million for the 2012 operations of SDG&E and SoCalGas; and \$29 million for the first-quarter 2013 operations of SDG&E and SoCalGas. Offsetting the retroactive earnings from the General Rate Case was a \$119 million charge in the second quarter 2013 related to Southern California Edison's decision to permanently retire the San Onofre Nuclear Generating Station (SONGS). Excluding the SONGS charge and the retroactive earnings from the General Rate Case, Sempra Energy's second-quarter 2013 adjusted earnings were \$258 million, or \$1.04 per diluted share.

Sempra Energy's earnings for the first six months of 2014 increased to \$516 million, or \$2.07 per diluted share, from \$423 million, or \$1.70 per diluted share in the first six months of 2013. SDG&E recorded an additional \$9 million charge in the first quarter 2014 related to the closure of SONGS. Excluding the SONGS charges in both years and the \$77 million General Rate Case benefit in 2013 related to 2012 operations, Sempra Energy's adjusted earnings for the first six months of 2014 were \$525 million, or \$2.11 per diluted share, compared with adjusted earnings of \$465 million, or \$1.87 per diluted share, in the year-earlier period.

"Our financial performance in the second quarter and the first half of 2014 was strong and consistent with our full-year earnings guidance," said Debra L. Reed, chairman and CEO of Sempra Energy. "Additionally, we have made significant progress on several of our key projects. With permitting nearly complete for the Cameron LNG liquefaction-export project, we and our partners have made the final investment decision to proceed and we plan to break ground later this year. Our California utilities received the final CPUC decision that will allow them to move forward with their Pipeline Safety Enhancement Plan. And, last week, Sempra U.S. Gas & Power signed a long-term power-purchase agreement with Southern California Edison for a major expansion of our Copper Mountain Solar complex in Nevada."

Yesterday, affiliates of Sempra Energy, Mitsubishi Corporation, Mitsui & Co., Ltd. and GDF SUEZ S.A., executed financing documents and completed the final investment decision to proceed with the Cameron LNG liquefaction-export project. The three-train liquefaction facility in Hackberry, La., will provide an export capability of 12 million tonnes per annum of liquefied natural gas (LNG), or approximately 1.7 billion cubic feet per day (Bcf/d). On June 19, Cameron LNG received authorization from the Federal Energy Regulatory Commission to site, construct and operate the facility.

CALIFORNIA UTILITIES

San Diego Gas & Electric

Earnings for SDG&E were \$123 million in the second quarter 2014, up from \$65 million in last year's second quarter, due primarily to higher CPUC base margin and improved operating results. SDG&E's second-quarter 2013 earnings included \$69 million in retroactive earnings from the General Rate Case decision, offset by the \$119 million charge related to the closure of SONGS. Excluding the SONGS charge and the retroactive earnings from the General Rate Case, SDG&E's adjusted second-quarter 2013 earnings were \$115 million.

SDG&E's earnings for the first six months of 2014 were \$222 million, compared with \$156 million in 2013. Excluding the charges related to SONGS in both years and 2013 retroactive earnings from the General Rate Case related to 2012 operations, SDG&E's adjusted earnings for the first six months of 2014 were \$231 million, compared with adjusted earnings of \$223 million in the first half of 2013.

Southern California Gas Co.

SoCalGas earnings in the second quarter 2014 were \$80 million, compared with \$118 million in last year's second quarter. SoCalGas' second-quarter 2013 earnings included \$37 million in retroactive earnings from the General Rate Case decision. Excluding the retroactive earnings from the General Rate Case, SoCalGas' adjusted second-quarter 2013 earnings were \$81 million.

In the first half of 2014, SoCalGas' earnings were \$158 million, compared with \$164 million in the year-ago period. Excluding retroactive earnings from the General Rate Case related to 2012 operations, SoCalGas' adjusted earnings in the first six months of 2013 were \$139 million.

On June 12, the CPUC issued a final decision on SoCalGas' and SDG&E's Pipeline Safety Enhancement Plan application, adopting the utilities' implementation plan and approving a process for cost recovery. In 2011, the CPUC ordered each of the state's natural gas utilities to develop an implementation plan for orderly and cost-effective testing or replacement of all natural gas transmission pipelines that have not been pressure-tested.

SEMPRA INTERNATIONAL

Sempra South American Utilities

In the second quarter 2014, Sempra South American Utilities had earnings of \$42 million, up from \$34 million in the second quarter 2013, due primarily to growth in customers and energy sales, as well as reduced operating costs.

For the first six months of 2014, earnings for Sempra South American Utilities were \$77 million, compared with \$71 million in the first six months of 2013.

Sempra Mexico

Sempra Mexico's second-quarter earnings increased to \$34 million from \$26 million in 2013, due primarily to regulatory earnings from projects in construction.

For the first six months of 2014, Sempra Mexico had earnings of \$76 million, up from \$57 million in the first half of 2013.

On July 16, Sempra Energy's Mexican subsidiary, IEnova, announced the completion of the sale to a wholly owned subsidiary of InterGen N.V. of 50 percent of the first phase of Energía Sierra Juárez, a 155-megawatt (MW) wind energy project in Baja California, Mexico. The first phase of the project is expected to come online in the first half of 2015. Energía Sierra Juárez has a 20-year power-purchase agreement with SDG&E.

SEMPRA U.S. GAS & POWER

Sempra Renewables

Second-quarter earnings for Sempra Renewables were \$18 million, compared with \$15 million in 2013.

In the first half of 2014, earnings for Sempra Renewables were \$46 million, up from \$19 million during the same period last year, due primarily to a \$16 million gain in the first quarter 2014 on the sale of a 50-percent equity interest in the Copper Mountain Solar 3 facility.

On July 31, Sempra U.S. Gas & Power signed a 20-year power-purchase agreement with Southern California Edison for the Copper Mountain Solar 4 project. The agreement is for a 94-MW expansion, bringing total capacity to 550 MW at the Nevada solar energy complex. Pending CPUC approval of the agreement, Copper Mountain Solar 4 is expected to be operational by the end of 2016.

Sempra Natural Gas

Earnings for Sempra Natural Gas in the second quarter 2014 were \$4 million, compared with \$9 million in the second quarter 2013.

For the first six months of 2014, Sempra Natural Gas had earnings of \$13 million, compared with \$62 million in the first half of 2013. Earnings in the first six months of 2013 included a \$44 million first-quarter gain on the sale of a portion of the Mesquite Power plant.

In June, Sempra U.S. Gas & Power and its partners in the Rockies Express Pipeline initiated service on the 14.3-mile Seneca Lateral, allowing natural gas to be delivered to points west in Ohio, Indiana and Illinois. The 1.8 Bcf/d of east-to-west capacity on the Rockies Express Pipeline now is fully contracted under long-term agreements.

EARNINGS GUIDANCE

Sempra Energy today said that, based on results to date and the outlook for the second half of the year, the company expects to achieve earnings at or above the midpoint of its 2014 earnings-per-share guidance range of \$4.25 to \$4.55.

INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT 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 9576063.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures include Sempra Energy's adjusted earnings and adjusted earnings per share for second quarter 2013 and the first six months of 2014 and 2013. Adjusted earnings for 2014 and 2013 for SDG&E and for 2013 for SoCalGas also are non-GAAP measures. Additional information regarding these non-GAAP measures is in the appendix on Table A of the second-quarter financial tables.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2013 revenues of more than \$10.5 billion. The Sempra Energy companies' 17,000 employees serve more than 31 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," "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; 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 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 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 proprietary information and the personal information of 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 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 statement. 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.

Media Contact:

Doug Kline

Sempra Energy

(877) 340-8875

dkline@sempra.com

www.sempra.com

Financial Contacts:

Kendall Helm

Sempra Energy

(877) 736-7727

investor@sempra.com

[Click here to view tables](#)

[Click here for printer friendly version of this release](#)