



Sempra Energy Reports Third-Quarter 2010 Earnings

Non-Commodity Earnings Rise 10 Percent

SAN DIEGO, Nov. 9, 2010 - [Sempra Energy](#) (NYSE: SRE) today reported third-quarter 2010 earnings of \$131 million, or \$0.53 per diluted share, compared with earnings of \$317 million, or \$1.27 per diluted share, in the third quarter 2009.

Third-quarter 2010 results included a previously announced \$139 million after-tax charge from the write-down of Sempra Energy's investment in the RBS Sempra Commodities joint venture.

Excluding Sempra Commodities, which is being sold, Sempra Energy had earnings of \$265 million in the third quarter 2010, up approximately 10 percent from earnings of \$242 million in last year's third quarter.

Sempra Energy's earnings for the first nine months of 2010 were \$459 million, or \$1.84 per diluted share, compared with \$831 million, or \$3.37 per diluted share, in the same period last year.

"The solid results from our core businesses in the third quarter keep us on track to meet our 2010 earnings guidance," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "Additionally, with our recent sale announcements, we essentially have exited the commodities trading business - a key goal this year."

OPERATING HIGHLIGHTS

San Diego Gas & Electric

Third-quarter earnings for [San Diego Gas & Electric](#) (SDG&E) were \$106 million in 2010, compared with \$108 million in 2009.

For the first nine months, SDG&E's earnings were \$264 million in 2010, compared with \$277 million in 2009.

Southern California Gas Co.

Earnings for [Southern California Gas Co.](#) (SoCalGas) in the third quarter 2010 were \$78 million, compared with \$74 million in last year's third quarter.

For the nine-month period, SoCalGas' earnings increased to \$212 million in 2010 from \$198 million in 2009.

Sempra Generation

In the third quarter 2010, [Sempra Generation's](#) earnings rose to \$56 million from \$43 million in the third quarter 2009, due primarily to renewable energy tax credits from investment in Copper Mountain Solar, the company's new solar energy project in Nevada.

For the first nine months of 2010, Sempra Generation's earnings were \$51 million, compared with \$119 million in the same period last year. In the first quarter 2010, Sempra Generation took a charge of \$84 million related to a proposed energy-crisis litigation settlement.

Last week, Sempra Generation announced it has become an equal partner with BP Wind Energy in the development of the Cedar Creek Wind Farm in Colorado, which is expected to be operational in mid-2011. The project's entire 250-megawatt (MW) output already has been sold under a 25-year power-purchase agreement to Public Service Co. of Colorado.

On Oct. 12, Sempra Generation announced a 20-year power-purchase agreement with Pacific Gas & Electric to sell solar power produced at Sempra Generation's 150-MW Mesquite Solar project under construction outside Phoenix. Sempra Generation controls sufficient land to develop an additional 450 MW of solar power at the site.

Sempra Pipelines & Storage

Third-quarter 2010 earnings for [Sempra Pipelines & Storage](#) were \$43 million, compared with earnings of \$54 million in last

year's third quarter. The reduction in quarterly earnings was due primarily to higher income tax in 2010 and a write-down of the company's investment in Argentina, offset by a favorable legal settlement.

For the nine-month period, earnings for Sempra Pipelines & Storage increased to \$120 million in 2010 from \$64 million in 2009. In the second quarter 2009, Sempra Pipelines & Storage recorded an after-tax charge of \$64 million for the write-off of some of its Louisiana natural gas storage assets.

During the third quarter, Sempra Pipelines & Storage commenced operations of the first of two storage caverns under development at its Mississippi Hub natural gas storage facility in Simpson County, Miss. Last month, Sempra Pipelines & Storage also announced it has commenced operations of Cavern 4 at Bay Gas Storage in Alabama. Through the two new caverns, Sempra Pipelines & Storage has added approximately 12 billion cubic feet of new natural gas storage capacity.

Sempra LNG

[Sempra LNG](#) earned \$5 million in the third quarter 2010, compared with a break-even third quarter a year ago. The improvement was due to a full quarter of earnings contribution from Sempra LNG's Louisiana receipt terminal, which started operations in late July 2009, as well as from a major supply contract activated in September 2009. The increased earnings in the most recent quarter were offset by the impact of lower natural gas prices, including a reduction in the carrying value of inventory, and higher taxes.

For the nine-month period, Sempra LNG had earnings of \$50 million in 2010, compared with a loss of \$19 million last year.

Sempra Commodities

Sempra Energy's commodity operations recorded a loss of \$134 million in the third quarter 2010, compared with earnings of \$75 million in the third quarter 2009. Third-quarter 2010 results included the \$139 million charge for the write-down of Sempra Energy's investment in the RBS Sempra Commodities joint venture.

For the first nine months of 2010, Sempra Energy's commodity operations had a loss of \$139 million, compared with earnings of \$274 million in the same period last year.

The equity earnings from the joint venture in both the quarter and nine-month periods were adversely impacted by the sale of the international commodity businesses, as well as reduced volatility in U.S. natural gas and power markets.

On Sept. 20 and Oct. 7, Sempra Energy and The Royal Bank of Scotland (RBS) announced two separate agreements to sell the principal North American assets of the RBS Sempra Commodities joint venture to Noble Group Ltd. and JP Morgan Ventures Energy. The transaction with Noble Group was completed last week and the transaction with JP Morgan is expected to close next month. In July, Sempra Energy and RBS completed the sale of the joint venture's global metals and oil businesses, and European natural gas and power businesses to JP Morgan Chase & Co.

As previously reported, Sempra Energy expects its share of the proceeds from the sale of all of the joint venture's businesses and related cash distributions to total \$1.8 billion to \$1.9 billion.

Earnings Outlook

Sempra Energy today reaffirmed its prior earnings-per-share guidance for 2010 of \$3.15 to \$3.40, excluding Sempra Commodities.

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 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 (888) 203-1112 and entering passcode 4415915.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2009 revenues of more than \$8 billion. The Sempra Energy companies' 13,800 employees serve about 25 million consumers worldwide.

Complete financial tables, including earnings information by business unit, are available on Sempra Energy's Web site at <http://www.sempra.com/downloads/3Q2010.pdf>.

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," "intends," "plans," "estimates," "may," "would," "could," "should," or similar expressions, or discussions of strategies, plans 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 by the California Public Utilities Commission, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, and other regulatory and governmental bodies in the United States and other countries where the company does business; capital market conditions and inflation, interest and exchange rates; energy and trading markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied 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 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.

Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and RBS Sempra Commodities dba Sempra Energy Solutions and Sempra Energy Trading are not the same companies as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and RBS Sempra Commodities dba Sempra Energy Solutions and Sempra Energy Trading are not regulated by the California Public Utilities Commission.

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