



Sempra Energy Resources Completes Acquisition Of Texas Power Plant From Texas-New Mexico Power Company

SAN DIEGO and FORT WORTH, Texas, Nov. 1, 2002 - Sempra Energy Resources, the power generation subsidiary of Sempra Energy, today finalized its acquisition of a 305-megawatt (MW), coal-fired power plant from Texas-New Mexico Power Company (TNMP) for \$120 million.

Sempra Energy Resources and TNMP originally announced the transaction on June 17, 2002.

TNP One, which Sempra Energy Resources will rename Twin Oaks Power, was built in 1990. The power plant is fueled by lignite coal from a nearby mine and is the cleanest coal plant in Texas. It is located near Bremond, Texas, in Robertson County. The site is about 100 miles east of Austin, 150 miles south of Dallas and 160 miles north of Houston. Electricity from the plant will continue to be sold into the state's electricity grid, which is administered by the Electric Reliability Council of Texas.

"This acquisition achieves two strategic goals for Sempra Energy Resources," said Michael R. Niggli, president of Sempra Energy Resources. "It marks our entry into the Texas market and the company's first coal-fired generation facility -- the cleanest coal-fired plant in the state. The addition of the Twin Oaks Power project to our expanding generation portfolio demonstrates our commitment to geographic expansion and fuel diversity."

Niggli said the company has signed a five-year contract to sell all of the plant's power output.

"The sale of the plant is an important milestone for our company, because it marks our full departure from the generation business," said Jack Chambers, chairman, president and chief executive officer of TNMP. "Our core business is customer service and energy delivery, and this sale allows us to focus more attention to building on that strength. The sale also helps us continue to improve our financial position, with proceeds from the sale being used to reduce debt."

Today the employees at the plant become employees of Twin Oaks Power, LP, a subsidiary of Sempra Energy Resources.

The Twin Oaks Power plant uses fluidized-bed-combustion technology that minimizes emissions by using staged combustion. This method reduces oxides of nitrogen. The injection of crushed limestone in the process reduces sulfur dioxide.

Texas-New Mexico Power provides electricity service to 245,000 customers in 85 communities in Texas and New Mexico. The sale of its only power plant is in response to the deregulated electricity market in Texas, which began Jan. 1, 2002. The Texas Electric Choice Act requires electric utilities to separate their business activities into a power generation company, a retail electric provider, and a transmission and distribution utility.

Sempra Energy Resources -- a subsidiary of Sempra Energy Global Enterprises, the umbrella for Sempra Energy's growth businesses -- develops and operates power plants and energy infrastructure for the competitive market.

Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services holding company with 2001 revenues of \$8 billion. The Sempra Energy companies' nearly 12,000 employees serve more than 9 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

The discussions in this release that are not historical facts, including, but not limited to, the timing of the closing of the sale, are based on current expectations. Actual results may differ materially. Among the facts that could cause the results to differ materially from expectations are the following: timing of receipt of required regulatory approvals, and other factors described from time to time in Sempra Energy's and TNMP's reports filed with the Securities and Exchange Commission. TNMP and Sempra Energy wish to caution readers not to place undue reliance on such forward looking statements, which are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date of this release.