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Sempra Energy Reports Solid Third-Quarter 2013 Earnings

SAN DIEGO, Nov. 5, 2013 - [Sempra Energy](#) (NYSE: SRE) today reported third-quarter 2013 earnings of \$296 million, or \$1.19 per diluted share, up from \$268 million, or \$1.09 per diluted share in the third quarter 2012.

Sempra Energy's third-quarter 2012 earnings included a charge of \$60 million, or \$0.24 per diluted share, related to a write-down on Sempra U.S. Gas & Power's minority stake in the Rockies Express Pipeline. On an adjusted basis, third-quarter 2012 earnings were \$328 million, or \$1.33 per diluted share.

For the first nine months of 2013, Sempra Energy's earnings were \$719 million, or \$2.89 per diluted share, compared with \$566 million, or \$2.31 per diluted share, in the first nine months of 2012.

Nine-month 2013 earnings included \$77 million, or \$0.31 per diluted share, in earnings recorded in the second quarter from the retroactive impact of the final decision in the California Public Utilities Commission (CPUC) General Rate Case for San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas). Nine-month 2013 earnings also reflected the impact of a \$119 million, or \$0.48-per-diluted-share, charge taken in the second quarter related to the closure of the San Onofre Nuclear Generating Station (SONGS). Nine-month 2012 earnings included \$239 million, or \$0.98 per diluted share, in charges on the write-down related to the Rockies Express Pipeline.

For comparison with 2013 earnings-per-share guidance of \$4.30 to \$4.60, Sempra Energy's nine-month earnings -- excluding the charge related to SONGS -- were \$838 million, or \$3.37 per diluted share, in 2013.

"During the quarter, we continued to make progress on several of our key infrastructure projects and also entered into new joint ventures consistent with our strategy for our growing renewable energy business," said Debra L. Reed, chairman and CEO of Sempra Energy.

CALIFORNIA UTILITIES

San Diego Gas & Electric

Earnings for SDG&E in the third quarter 2013 were \$129 million, compared with \$174 million in the third quarter 2012. In last year's third quarter, SDG&E had a \$33 million tax benefit from adopting a tax treatment change for deducting certain repairs. In the third quarter 2013, higher CPUC base operating margin and higher electric transmission margin were largely offset by the lower authorized rate of return for cost of capital and the loss of revenue from SONGS.

For the first nine months of 2013, SDG&E's earnings were \$285 million, compared with \$374 million in the first nine months of 2012, primarily due to the impact of the \$119 million charge related to SONGS in 2013.

Southern California Gas Co.

Third-quarter earnings for SoCalGas increased to \$102 million in 2013 from \$71 million in 2012, due primarily to higher CPUC base operating margin and a reduction in the income-tax rate.

For the nine-month period, SoCalGas' earnings rose to \$266 million in 2013 from \$190 million in 2012.

SEMPRA INTERNATIONAL

Sempra South American Utilities

In the third quarter 2013, Sempra South American Utilities had earnings of \$39 million, compared with \$40 million in last year's third quarter.

For the first nine months of 2013, earnings for Sempra South American Utilities were \$110 million -- including a loss on the previously announced sale of the company's Argentine utility interests -- compared with earnings of \$118 million in the same period last year.

Sempra Mexico

Sempra Mexico recorded third-quarter earnings of \$39 million in 2013, compared with \$42 million in 2012.

For the first nine months of 2013, Sempra Mexico had earnings of \$96 million, compared with \$122 million in the same period in 2012. Earnings for the most recent quarter and first nine months of 2013 were lower, primarily due to Sempra Energy's reduced ownership in IEnova, the company's Mexican operating subsidiary. In March, Sempra Energy successfully completed an initial public offering for nearly 19 percent of IEnova.

Last month, Mexico's state-owned oil company, Pemex, announced that its joint venture with IEnova would participate in the development and operation of the 275-mile northern segment of the Los Ramones II natural gas pipeline in Nuevo Leon, Mexico. Terms of the joint venture's participation still are being finalized, but the northern segment is expected to be completed in 2015 at a cost of approximately \$1 billion. IEnova's joint venture with Pemex previously was awarded a contract to develop and operate the 70-mile Los Ramones I natural gas pipeline, which is expected to be completed in the second half of 2014.

SEMPRA U.S. GAS & POWER

Sempra Renewables

Third-quarter earnings for Sempra Renewables increased to \$37 million in 2013 from \$13 million in 2012, due primarily to \$24 million in gains associated with the contribution of assets to 50-50 solar joint ventures with Consolidated Edison Development. The formation of the joint ventures is consistent with Sempra U.S. Gas & Power's strategy to project-finance and own 50 percent of its renewable energy facilities.

During the first nine months of 2013, earnings for Sempra Renewables were \$56 million compared with \$47 million in the same period last year.

Sempra Natural Gas

Sempra Natural Gas posted a third-quarter loss of \$7 million in 2013, compared with a loss of \$68 million in 2012. Third-quarter 2012 results reflected a \$60 million charge related to the Rockies Express Pipeline.

For the first nine months of 2013, Sempra Natural Gas had earnings of \$55 million, compared with a loss of \$260 million in 2012, which included \$239 million in charges related to the Rockies Express Pipeline.

EARNINGS GUIDANCE

Today, Sempra Energy affirmed that it still expects annual earnings to be within the company's existing earnings-per-share guidance range for 2013 of \$4.30 to \$4.60. The company said that pending Mexican tax reform legislation is expected to reduce 2013 earnings per share by approximately \$0.05. Without the reform, Sempra Energy anticipated full-year results to be near the mid-point of its 2013 earnings guidance range. The company also is working actively to complete a joint venture for the Energía Sierra Juárez wind project. If the joint venture is not formed as planned this year, approximately \$0.05 per share of earnings would be deferred from 2013.

As stated previously, the current guidance range for 2013 includes the \$0.31-per-share benefit for the retroactive impacts from the General Rate Case for SDG&E and SoCalGas, but excludes the \$0.48-per-share charge related to the announced closure of SONGS.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures for Sempra Energy include: third-quarter 2012 adjusted earnings; nine-month 2013 earnings, excluding the charge related to SONGS; and 2013 earnings-per-share guidance. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the third-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 8281617.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2012 revenues of approximately \$10 billion. The Sempra Energy companies' nearly 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," "forecasts," "contemplates," "intends," "depends," "should," "could," "would," "will," "may," "would," "could," "should," "potential," "target," "pursue," "goals," "outlook," "project," "maintain," "depends," "pursue" 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 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, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries where the company operates; capital market conditions, including the availability of credit and the liquidity of investments; the timing and success of business development efforts and construction, maintenance and capital projects, including risks inherent in the ability to obtain, and the timing of the granting of, permits, licenses, certificates and other authorizations; inflation, interest and exchange rates; the impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on the 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, equipment failure and the decommissioning of 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 posed by decisions and actions of third parties who control the operations of investments in which the company does not have a controlling interest; wars, terrorist attacks and cybersecurity threats; 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 SDG&E's electric transmission and distribution system due to increased 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 our 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; 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. The company cautions not to unduly rely on these forward-looking statements. These risks and uncertainties are further discussed in the most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q 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.

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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