



May 5, 2015

Sempra Energy's First-Quarter 2015 Earnings Rise

- **Company Reports Strong First-Quarter Operating Results**
- **SoCalGas Now Recognizing Revenues on Seasonal Basis**

SAN DIEGO, May 5, 2015 - [Sempra Energy](#) (NYSE: SRE) today reported first-quarter 2015 earnings of \$437 million, or \$1.74 per diluted share, up from \$247 million, or \$0.99 per diluted share, in the first quarter 2014.

Beginning in the first quarter 2015, Southern California Gas Co. (SoCalGas) adopted an order by the California Public Utilities Commission (CPUC) to recognize revenues from the utility's core activities on a seasonally adjusted basis. The application of seasonality in revenues for SoCalGas will result in substantially all of SoCalGas' annual earnings being reported in the first and fourth quarters of the year, but will not affect full-year operating earnings.

The \$190 million increase in Sempra Energy's first-quarter 2015 earnings included \$113 million incremental earnings due to the seasonal adjustment at SoCalGas.

Sempra Energy's first-quarter adjusted earnings were \$428 million, or \$1.71 per diluted share, in 2015, compared with \$256 million, or \$1.03 per diluted share, in 2014. First-quarter 2015 GAAP results included a benefit of \$13 million after-tax, due to the reduction in the loss related to the San Onofre Nuclear Generating Station (SONGS) closure, offset by a \$4 million after-tax liquefied natural gas (LNG) development expense. Last year's first-quarter GAAP results included a \$9 million after-tax charge related to the closure of SONGS.

"Our strong first-quarter operating results keep us on track to meet both our growth expectations and our 2015 adjusted earnings guidance," said Debra L. Reed, chairman and CEO of Sempra Energy.

CALIFORNIA UTILITIES

Southern California Gas Co.

Earnings for SoCalGas rose to \$214 million in the first quarter 2015 from \$78 million in last year's first quarter, due primarily to higher authorized margin and the \$113 million seasonal adjustment related to its core activities. This seasonal adjustment will result in a higher percentage of SoCalGas' earnings being reported in the first and fourth quarters, but will have no effect on full-year operating earnings.

San Diego Gas & Electric

First-quarter earnings for SDG&E were \$147 million in the first quarter 2015, up from \$99 million in the year-earlier period, due primarily to higher CPUC-authorized margin, increased earnings from electric transmission operations and the benefit of \$13 million from the reduction in the current year to the loss related to the SONGS closure. In the first quarter 2014, SDG&E recorded a \$9 million charge related to the SONGS closure.

SEMPRA INTERNATIONAL

Sempra Mexico

Sempra Mexico's first-quarter earnings increased to \$47 million in 2015 from \$42 million in 2014, due primarily to revenue from the start-up of operations of the Los Ramones I pipeline and a section of the Sonora pipeline in the fourth quarter 2014.

Sempra South American Utilities

Sempra South American Utilities had earnings of \$41 million in the first quarter 2015, up from \$35 million in the first quarter 2014, due primarily to growth in electricity sales.

SEMPRA U.S. GAS & POWER

Sempra Renewables

Sempra Renewables had first-quarter earnings of \$13 million in 2015, compared with \$28 million in 2014. In last year's first quarter, the company had a \$16 million gain on the sale of a 50-percent equity interest in the Copper Mountain Solar 3 project.

Sempra Natural Gas

Earnings for Sempra Natural Gas were \$2 million in the first quarter 2015, compared with \$9 million in the first quarter 2014, due

primarily to lower LNG earnings resulting from lower natural gas prices and LNG liquefaction development expense.

2015 ADJUSTED EARNINGS GUIDANCE

As announced previously, Sempra Energy's adjusted earnings-per-share guidance range for 2015 is \$4.60 to \$5, which excludes the increase in earnings from the reduction in the current year to the loss related to the SONGS closure and the earnings decrease from potential LNG-related development activities. Adjusted earnings-per-share guidance for 2015 also excludes the increase in earnings from the sale of the remainder of the Mesquite Power natural gas-fired generating facility, which will be recorded in the second quarter 2015.

NON-GAAP FINANCIAL MEASURES

Adjusted first-quarter earnings and adjusted earnings per share for both 2015 and 2014, as well as adjusted earnings guidance for 2015, are non-GAAP financial measures. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the first-quarter financial tables.

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 1953559.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2014 revenues of \$11 billion. The Sempra Energy companies' 17,000 employees serve more than 32 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," "confident," "may," "potential," "possible," "proposed," "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; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining, maintaining or extending permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; energy markets, including the timing and extent of changes and volatility in commodity prices, and the impact of any protracted reduction in oil prices from historical averages; the impact on the value of our natural gas storage assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for natural gas storage services; delays in the timing of costs incurred and the timing of the regulatory agency authorization to recover such costs in rates from customers; capital markets conditions, including the availability of credit and the liquidity of our investments; inflation, interest and currency exchange rates; the impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on our California Utilities' cost of capital; the availability of electric power, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, 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); cybersecurity threats to the energy grid, natural gas storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers, terrorist attacks that threaten system operations and critical infrastructure, and wars; the ability to win competitively bid infrastructure projects against a number of strong competitors willing to aggressively bid for these projects; weather conditions, conservation efforts, natural disasters, catastrophic accidents, and other events that may disrupt our operations, damage our facilities and systems, and subject us to third-party liability for property damage or personal injuries; risks that our 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; 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; 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 (SDG&E) 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 SDG&E'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 our control. 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 statements. 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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