



Sempra Energy Earnings Increase in 2009

SAN DIEGO, Feb. 25, 2010 - [Sempra Energy](#) (NYSE: SRE) today reported 2009 earnings of \$1.12 billion, or \$4.52 per diluted share, compared with 2008 earnings of \$1.11 billion, or \$4.43 per diluted share.

Sempra Energy's 2009 earnings per diluted share increased 8 percent over the prior year, excluding the impact of an asset write-off of \$64 million, or \$0.26 per diluted share, at [Sempra Pipelines & Storage](#) in the second quarter.

In the fourth quarter 2009, Sempra Energy's earnings were \$288 million, or \$1.16 per diluted share, compared with earnings of \$319 million, or \$1.30 per diluted share in the same quarter of 2008.

"We posted solid financial results in 2009," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "Our five-year build-out of natural gas infrastructure projects sets the foundation for the next decade of growth. Together with our California utilities, these projects should enable us to benefit from stable cash flows well into the future."

SUBSIDIARY OPERATING RESULTS

San Diego Gas & Electric

Earnings for [San Diego Gas & Electric](#) (SDG&E) rose to \$344 million in 2009 from \$339 million in 2008. SDG&E's fourth-quarter 2009 earnings were \$67 million, compared with \$81 million in the prior-year's fourth quarter, due primarily to lower regulatory incentive awards in 2009.

Southern California Gas Co.

Earnings for [Southern California Gas Co.](#) (SoCalGas) in 2009 increased to \$273 million from \$244 million in 2008. In the fourth quarter 2009, SoCalGas earned \$75 million, compared with \$54 million in the prior-year's fourth quarter. The fourth-quarter improvement was due primarily to higher authorized operating margins and lower litigation expenses in 2009.

RBS Sempra Commodities

Sempra Energy generated earnings of \$345 million in 2009 from its commodity operations, on par with 2008 earnings. Sempra Energy formed its commodities joint venture, [RBS Sempra Commodities](#), with [The Royal Bank of Scotland](#) (RBS) at the beginning of the second quarter of 2008. Fourth quarter 2009 earnings were \$71 million, compared with \$164 million in the fourth quarter 2008, due primarily to reduced margins in natural gas and other product segments.

On Feb. 16, Sempra Energy and RBS agreed to sell certain assets of RBS Sempra Commodities to [J.P. Morgan Chase & Co.](#) for an expected \$1.7 billion. Sempra Energy's share of the proceeds is expected to be approximately \$940 million. The assets being sold include the joint venture's global oil and metals businesses, along with its European power and natural gas businesses. The transaction, which is subject to regulatory approvals, is expected to be completed in the second quarter 2010.

In November 2009, RBS announced its intention to divest its share of the joint venture, following a directive from the European Commission to dispose of certain assets.

Sempra Generation

[Sempra Generation's](#) 2009 earnings were \$162 million, compared with \$222 million in 2008. In the fourth quarter 2009, Sempra Generation's earnings were \$43 million, compared with \$60 million in the fourth quarter 2008, primarily due to higher foreign-tax benefits in 2008.

In December 2009, Sempra Generation and [BP Wind Energy](#) began commercial operations of a 200-megawatt wind farm in Indiana. The two companies are equal partners in the project.

Also in December 2009, the California Public Utilities Commission approved Pacific Gas & Electric's 20-year contract with [Sempra Generation to purchase 48 megawatts of solar power from Sempra Generation's Copper Mountain Solar facility](#) under development in Nevada. Last month, Sempra Generation started construction on the plant, which is expected to be completed in late 2010.

Sempra Pipelines & Storage

[Sempra Pipelines & Storage](#) earned \$101 million in 2009, compared with \$106 million in 2008. Sempra Pipelines & Storage's fourth-quarter earnings rose to \$37 million in 2009 from \$22 million in 2008, due primarily to improvement in the company's Mexican operations and South American investments. Sempra Pipelines & Storage's 2009 results included a second-quarter

charge of \$64 million for the write-off of certain assets at Liberty Gas Storage in Louisiana.

Yesterday, [Sempra Pipelines & Storage announced an agreement to acquire the Mexican pipeline and gas infrastructure assets of El Paso Corp.](#) for \$300 million (\$260 million, net of cash and debt). The transaction includes acquisition of El Paso's natural gas pipeline and compression assets in the Mexican border state of Sonora, as well as a 50-percent ownership in a joint venture with PEMEX (Mexico's state-owned oil company). The joint venture operates natural gas pipelines and a propane system in northern Mexico. The transaction, which should be completed in the second quarter 2010, is expected to add \$0.05 per diluted share in earnings for 2010 and \$0.10 per diluted share in earnings for 2011.

Sempra LNG

In 2009, [Sempra LNG](#) had earnings of \$16 million, compared with losses of \$46 million in 2008. In the fourth quarter 2009, Sempra LNG had earnings of \$35 million, compared with losses of \$13 million in the prior-year's fourth quarter. The improvement in the fourth quarter 2009 was due primarily to the start-up of marketing and terminal operations. Both of Sempra LNG's liquefied natural gas receipt terminals are now operational.

2010 Outlook

Sempra Energy today confirmed a 2010 earnings-per-share outlook of \$4.25 to \$4.50.

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 4889875.

[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 more than 29 million consumers worldwide.

Complete financial tables, including income-statement information by business unit, are available on Sempra Energy's Web site at <http://www.sempra.com/downloads/4Q2009.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 without charge at the SEC's Web site, www.sec.gov and on the company's Web site, 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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