



First Quarter 2013

Earnings Results

May 2, 2013

Information Regarding Forward-Looking Statements

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Summary

- ▶ Q1-13 financial results
- ▶ Mexican IPO and debt offering
- ▶ Proposed decision (PD) in General Rate Cases
- ▶ Cameron Liquefaction update



Items Impacting Q1-13 Earnings

Item	\$mm Impact	EPS Impact	Comment
Delay in General Rate Case			Final decision expected in Q2-13
One-Time Items			
Gain on Mesquite	\$44	\$0.18	Planned gain on sale
Tax Expense on IEnova Transaction	(63)	(0.25)	Deferred tax charge related to IPO
Impairment at Argentina	(7)	(0.03)	Impairment charge in anticipation of sale
Lower Renewable Grant Receivable	(5)	(0.02)	Due to federal budget sequestration
Items are Expected to Reverse by Year-End			
Mark to Market Loss at U.S. Gas & Power	(12)	(0.05)	Natural gas price movement
Consolidated Tax Expense	(8)	(0.03)	Effective tax rate adjustment
Gas Transmission Pipeline Integrity Costs in Excess of Revenues	(4)	(0.02)	Recovered and balanced under the CPUC Proposed Decision



First Quarter 2013 Results

<i>(Unaudited; dollars, except EPS, and shares in millions)</i>	Three months ended March 31,	
	2013	2012
Earnings	\$ 178	\$ 236
Diluted weighted-average shares outstanding	248	244
EPS	\$ 0.72	\$ 0.97

- ▶ Plan to update 2013 guidance at Analyst Conference assuming final GRC decision is voted out at May 9 CPUC meeting
- ▶ Expect changes to be made to PD, but if it is adopted as written, we would expect to be at low end of earnings range of \$4.30 to \$4.80 per share in 2013



SDG&E and SoCalGas

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	2013	2012
SDG&E Earnings	\$ 91	\$ 105
SoCalGas Earnings	46	66
Total	\$ 137	\$ 171

- ▶ Lower earnings at both California utilities primarily due to:
 - Higher operating expenses, including depreciation, with no increase in authorized revenue since 2011 due to the delay in our final GRC decision, and
 - Lower revenue from cost of capital decision primarily reflecting lower embedded cost of debt
- ▶ SDG&E Q1-13 positively impacted by higher transmission earnings



Sempra International

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	2013	2012
Sempra South American Utilities	\$ 37	\$ 40
Sempra Mexico	31	33
Total Sempra International	\$ 68	\$ 73

- ▶ South American Q1-13 results include higher earnings from operations in Chile and Peru, more than offset by a \$7 million write-down related to our investment in Argentina



Sempra U.S. Gas & Power

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	2013	2012
Sempra Natural Gas	\$ 53	\$ 1
Sempra Renewables	4	10
Total Sempra U.S. Gas & Power	\$ 57	\$ 11

- ▶ Natural Gas earnings include \$44 million gain on sale of Mesquite power plant
- ▶ Renewables Q1-13 earnings lower due primarily to a reduction in cash grants as a result of federal sequestration and higher solar tax benefits in 2012, partially offset by higher wind production tax credits in 2013



Mexico IPO and Debt Offering

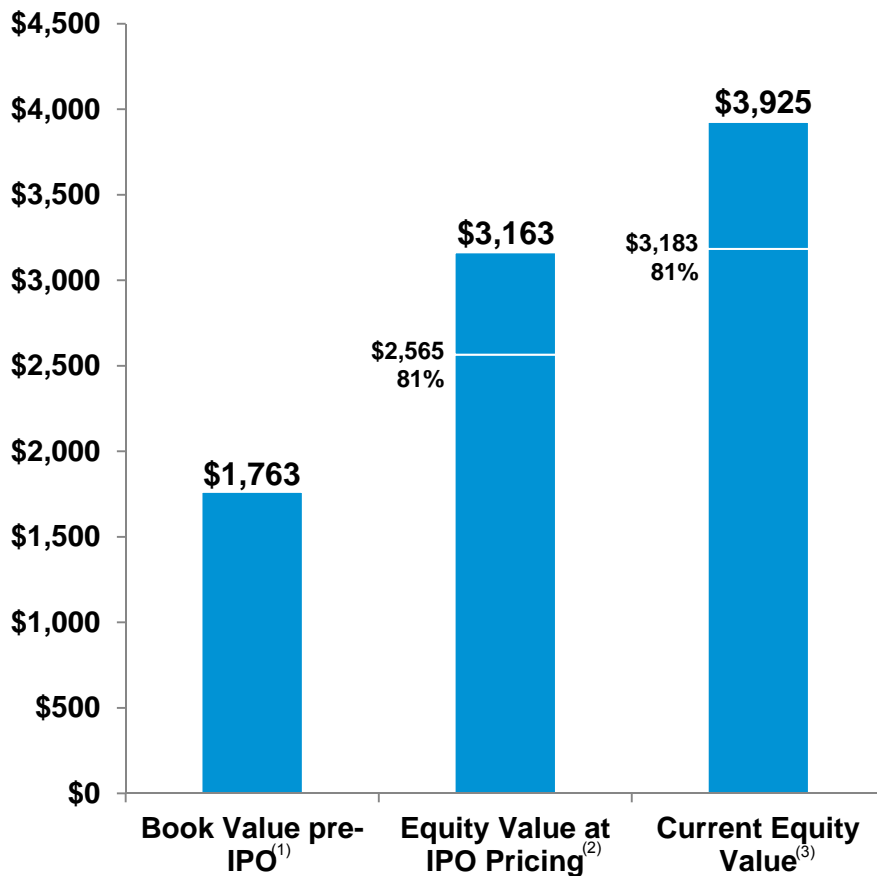


- ▶ Executed a very successful carve-out of 18.9% of our Mexico subsidiary (“IEnova”) for ~\$575mm
 - 1st energy company to go public in Mexico
 - Offering priced at the top of the range, a first in Mexico in five years
 - Over 50% of initial allocations to Mexican investors
 - Strong valuation at pricing of 10.7x 2013E EBITDA under IFRS
- ▶ IPO preceded by highly successful Mexican debt offering of ~\$400mm all swapped into U.S. dollars and at fixed interest rates

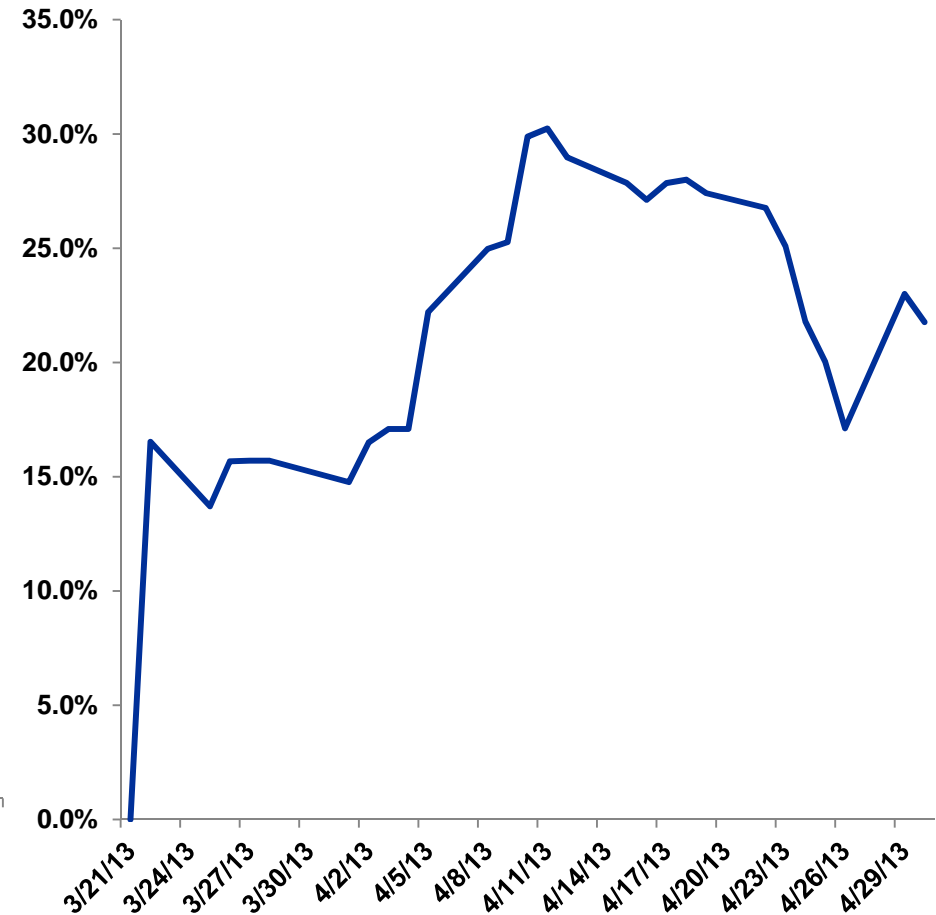


IEnova IPO Created Significant Shareholder Value

Value Creation Since IPO (U.S. \$ in mm)



Stock Performance through 5/1/13⁽⁴⁾



(1) Book value of IEnova as of December 31, 2012 under IFRS.

(2) Based on IPO price of 34 pesos, 1.154 billion shares outstanding and USD/MXN exchange rate as of March 21, 2013.

(3) Based on the price and USD/MXN exchange rate as of May 1, 2013 and 1.154 billion shares outstanding.

(4) Source: Bloomberg as of May 1, 2013.

General Rate Case Proposed Decision

- ▶ Proposed decision (PD) filed in March; expect final decision in Q2-13

	SDG&E	SoCalGas
Test Year 2012 PD Revenue Requirement (\$ in millions)	\$1,749	\$1,952
Increase over Currently Authorized Revenue Requirement	8%	6%

- ▶ Sets four-year rate case cycle and allows for continued use of Z-factor mechanism for qualifying cost recovery
- ▶ SDG&E and SoCalGas filed comments proposing significant changes to address key areas of concern
 - Request that SDG&E and SoCalGas receive equal treatment relative to other California utilities as it relates to attrition mechanism and employee compensation
 - Reverse funding reductions for critical operations at SoCalGas



Cameron Liquefaction Update

- ▶ FERC issued its schedule for the environmental review of the project
 - Only currently pending application to have reached this milestone
- ▶ Expect action on DOE non-FTA permit in 2013
- ▶ On-schedule to begin construction next year and operations should begin in the second half of 2017
- ▶ Anticipate signing tolling and JV agreements this month



Summary

- ▶ Successful execution of IEnova IPO and debt offering
- ▶ Proposed Decision in GRC; final decision expected in Q2-13
- ▶ Will begin repatriation of cash from International operations earlier than originally forecasted
- ▶ Expect to update 2013 guidance at May 23 Analyst Conference assuming final GRC decision is voted out at May 9 CPUC meeting





Appendix



Renewable Project Summary

Name	Location	MW	PPA Term (yrs)	Tax Credits	Full COD
IN OPERATION					
Fowler Ridge 2 Wind	Indiana	100 MW (50%) ⁽¹⁾	20	PTC	2009
Copper Mountain Solar 1	Nevada	58 MW	20	ITC	2010
Cedar Creek 2 Wind	Colorado	125 MW (50%) ⁽¹⁾	25	PTC	2011
Flat Ridge 2 Wind	Kansas	235 MW (50%) ⁽¹⁾	20 - 25	PTC	2012
Mehoopany Wind	Pennsylvania	71 MW (50%) ⁽¹⁾	20	PTC	2012
Mesquite Solar 1	Arizona	150 MW ⁽²⁾	20	Grant	2012
Copper Mountain Solar 2 (1 st Phase)	Nevada	92 MW ⁽²⁾	25	Grant	2012
Auwahi Wind	Hawaii	11 MW (50%) ⁽¹⁾	20	Grant	2012
CONTRACTED					
Copper Mountain Solar 2 (2 nd Phase)	Nevada	58 MW ⁽²⁾	25	ITC	2015
Copper Mountain Solar 3	Nevada	250 MW ⁽²⁾	20	ITC	2015
Energía Sierra Juárez Wind ⁽⁴⁾	Baja California, Mexico	156 MW ⁽²⁾	20	NA ⁽³⁾	2015

- (1) Reflects Sempra's actual or expected net ownership interests.
- (2) Reflects total capacity of project; Sempra Renewables' net ownership interest expected to be 50%.
- (3) Mexican tax law allows for full depreciation of project in first year of commercial operations.
- (4) Project reported in Sempra Mexico segment.

Mexican Midstream Asset Summary

Name	Ownership Interest	Length of Pipeline (km)	Design Capacity	Full COD	Contract Term (yrs)
NATURAL GAS SYSTEMS					
Samalayuca Pipeline	50% ⁽¹⁾	37	272 MMcfd	Dec-97	Annual
Baja West Pipeline System	100%	45	940 MMcfd	Jun-00	20
Baja East Pipeline System	100%	302	3,450 MMcfd ⁽²⁾	Aug-02	20
Aguaprieta Pipeline	100%	13	200 MMcfd	Nov-02	25
San Fernando Pipeline	50% ⁽¹⁾	114	1,000 MMcfd	Nov-03	20
Los Ramones Pipeline ⁽³⁾	50% ⁽¹⁾	110 ⁽⁵⁾	2,100 MMcfd	2H-14 ⁽⁵⁾	20
SONORA PIPELINE EXPANSION					
Sásabe-Guaymas ⁽⁴⁾	100%	505	770 MMcfd	2H-14	25
Guaymas-El Oro ⁽⁴⁾	100%	330	510 MMcfd	2H-16	25
LNG FACILITY					
Energía Costa Azul	100%	NA	1 Bcf/d	May-08	20
LPG SYSTEM					
TDF Pipeline and Terminal	50% ⁽¹⁾	190	30,000 Bbld ⁽⁶⁾	Dec-07	20
Guadalajara Terminal ⁽⁴⁾	50% ⁽¹⁾	NA	80,000 Bbld ⁽⁶⁾	1H-13	15
ETHANE PIPELINE					
Ethane Pipeline ⁽⁴⁾	50% ⁽¹⁾	226	152 MMcfd	2H-14	21

(1) Assets owned under our 50% joint venture with Pemex Gas.

(2) Design capacity including compression.

(3) Per Pemex announcement; parties still negotiating terms of the transportation services agreement

(4) Projects currently under development or in construction.

(5) Represents phase 1 of Los Ramones project only.

(6) In barrels of LPG.