



February 27, 2014

Sempra Energy Reports 2013 Financial Results

- **Company Reaffirms 2014 Consolidated Earnings-per-Share Guidance Range of \$4.25 to \$4.55**
- **Dividend Increased 5 Percent to \$2.64 Per Share Annually**
- **Cameron LNG Project Advances with Key Permit for Exports to Non-FTA Countries, FERC Environmental Review**

SAN DIEGO, Feb. 27, 2014 - [Sempra Energy](#) (NYSE: SRE) today reported 2013 earnings of \$1 billion, or \$4.01 per diluted share, compared with 2012 earnings of \$859 million, or \$3.48 per diluted share.

As previously announced, full-year 2013 results included \$77 million for the 2012 retroactive benefit from the California Public Utilities Commission (CPUC) General Rate Case decision for San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas), offset by a \$119 million charge related to the closure of the San Onofre Nuclear Generating Station (SONGS). Sempra Energy's 2012 results included \$239 million of non-cash charges for the write-down of its investment in the Rockies Express Pipeline, offset by the receipt of a \$25 million after-tax cash payment from Kinder Morgan related to the sale of its ownership in the pipeline.

Sempra Energy's fourth-quarter earnings were \$282 million, or \$1.13 per diluted share, in 2013, compared with \$293 million, or \$1.18 per diluted share, in 2012.

Earnings for Guidance Comparison

For comparison with 2013 earnings-per-share guidance of \$4.30 to \$4.60, Sempra Energy's full-year diluted earnings per share in 2013 were \$4.49, which excluded the \$119 million charge related to SONGS, but included the \$77 million retroactive benefit for 2012 from the CPUC General Rate Case.

"In 2013, we laid the foundation for our future growth, while continuing to achieve our financial and operational objectives," said Debra L. Reed, chairman and CEO of Sempra Energy. "We launched the first successful initial public offering for an energy company in Mexico. We also advanced several key projects, including Cameron LNG, new Mexican pipelines, and hydropower and electric transmission in South America. Additionally, our California utilities resolved their 2012 General Rate Case and continued to make significant investments in critical new infrastructure, technology and safety programs for their customers. All of these activities support earnings growth and an increasing dividend."

Last week, Sempra Energy's board of directors approved a 5-percent increase in the company's dividend to \$2.64 per share from \$2.52 per share, on an annualized basis.

On Feb. 11, Sempra Energy received a conditional permit from the U.S. Department of Energy to export natural gas to non-Free-Trade-Agreement countries from the company's Cameron LNG facility in Louisiana. Cameron LNG is one of only six U.S. projects to date to receive an export permit. Among natural gas export projects currently under federal regulatory review, Cameron LNG is the first to have received a schedule for environmental review from the Federal Energy Regulatory Commission (FERC). The FERC schedule calls for issuance of a Final Environmental Impact Statement on or before April 30, the last major regulatory step before Cameron LNG receives a FERC order authorizing construction and operation of the project. The company expects to break ground on the project later this year, with the first LNG being produced for export in 2018 and the first full year of commercial operations of all three liquefaction trains in 2019.

"Exporting natural gas will lead to the creation of thousands of new jobs and bolster U.S. economic growth," Reed said.

CALIFORNIA UTILITIES

San Diego Gas & Electric

Earnings for SDG&E in 2013 were \$404 million, compared with \$484 million in 2012. The decrease in earnings for the year was due primarily to the \$119 million charge related to the closure of SONGS and lower authorized rates of return. The lower earnings were offset partially by higher CPUC base operating margin and increased operating efficiencies in 2013, as well as a \$52 million retroactive benefit in 2013 for 2012 operations as a result of the General Rate Case decision.

SDG&E's fourth-quarter earnings increased to \$119 million in 2013 from \$110 million in 2012, due primarily to higher CPUC base margin, partially offset by lower authorized rates of return and reduced revenues related to the closure of SONGS.

Southern California Gas Co.

SoCalGas' earnings rose to \$364 million in 2013 from \$289 million in 2012, due primarily to higher CPUC base operating margin and recovery of certain costs associated with the utility's pipeline integrity program. In 2013, SoCalGas also recorded a \$25 million retroactive benefit for 2012 operations as a result of the General Rate Case decision. In the fourth quarter 2013, SoCalGas' earnings were \$98 million, compared with earnings of \$99 million in the fourth quarter 2012.

SEMPRA INTERNATIONAL

Sempra South American Utilities

In 2013, earnings for Sempra South American Utilities were \$153 million, compared with \$164 million in 2012, due primarily to \$11 million in losses related to the 2013 sale of the company's Argentine investments. In the fourth quarter 2013, Sempra South American Utilities had earnings of \$43 million, compared with \$46 million in the fourth quarter 2012.

Sempra Mexico

Sempra Mexico's earnings in 2013 were \$122 million, compared with \$157 million in 2012. Sempra Mexico's fourth-quarter earnings were \$26 million in 2013, compared with \$35 million in 2012. The decrease in Sempra Mexico's earnings for both the quarter and the year was due primarily to dilution from the effect of the IEnova initial public offering and a change in Mexican tax law that resulted in a \$13 million increase in deferred tax expense.

SEMPRA U.S. GAS & POWER

Sempra Natural Gas

Sempra Natural Gas earned \$64 million in 2013, compared with a loss of \$241 million in 2012. In 2013, Sempra Natural Gas recorded a \$44 million gain on the sale of a 625-megawatt block of the Mesquite Power Plant. Sempra Natural Gas' 2012 results included the \$239 million charge related to the Rockies Express Pipeline, partially offset by the \$25 million after-tax cash payment from Kinder Morgan. In the fourth quarter 2013, Sempra Natural Gas earned \$9 million, compared with earnings of \$19 million in the fourth quarter 2012, due primarily to the \$25 million Kinder Morgan payment in 2012, offset by lower LNG operating costs in 2013.

Sempra Renewables

In 2013, earnings for Sempra Renewables were \$62 million, compared with \$61 million in 2012. Fourth-quarter earnings for Sempra Renewables were \$6 million in 2013, compared with \$14 million in 2012, due primarily to deferred tax benefits in 2012 from assets placed into service.

2014 EARNINGS GUIDANCE

Sempra Energy today reaffirmed its consolidated earnings-per-share guidance range for 2014 of \$4.25 to \$4.55.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures for Sempra Energy include 2013 earnings-per-share guidance and 2013 earnings per share for guidance comparison. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the fourth-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 8066611.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2013 revenues of more than \$10.5 billion. The Sempra Energy companies' 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," "projects," "forecasts," "contemplates," "intends," "depends," "should," "could," "would," "will," "may," "potential," "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, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries in which we operate; capital markets conditions, including the availability of credit and the liquidity of our investments; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; inflation, interest and exchange rates; the

impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on our 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 and equipment failures and the decommissioning of San Onofre Nuclear Generating Station (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 we do 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 San Diego Gas & Electric Company's 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 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. 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.

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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