



2012

Earnings Results

February 26, 2013

Information Regarding Forward-Looking Statements

This presentation 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,” “will,” “would,” “could,” “should,” “potential,” “target,” “outlook,” “depends,” “pursue” or similar expressions, or discussions of guidance, strategies, plans, goals, 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, Federal Energy Regulatory Commission, U.S. Department of Energy, Nuclear Regulatory Commission, California Energy Commission, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries where the company does business; capital market conditions, including the availability of credit and the liquidity of investments; inflation, interest and exchange rates; the impact of benchmark interest rates, generally the U.S. Treasury bond and Moody’s A-rated utility bond yields, on the California utilities’ cost of capital; 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; 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; weather conditions, natural disasters, catastrophic accidents, and conservation efforts; risks inherent in nuclear power generation and radioactive materials storage, including catastrophic release of such materials, the disallowance of the recovery of the investment in, or operating costs of, the generation facility due to an extended outage, and increased regulatory oversight; risks posed by decisions and actions of fourth parties who control the operations of investments in which the company does not have a controlling interest; wars, terrorist attacks and cyber security threats; business, regulatory, environmental and legal decisions and requirements; expropriation of assets by foreign governments and title and other property disputes; the status of deregulation of retail natural gas and electricity delivery; 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 forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise these forward-looking statements whether as a result of new information, future events or otherwise. 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

Dividend Increase and 2013 Guidance

- ▶ Dividend increased to \$2.52 per share on an annualized basis
 - 5% increase
 - Dividend per share has grown at CAGR of 17% since 2010

- ▶ Updated 2013 guidance of \$4.30 - \$4.80 per share includes:
 - Estimated impact from General Rate Cases, including 2012 impact which will be recorded in 2013
 - ~\$0.20 per share for the \$50 million gain on sale related to Mesquite
 - ~\$0.30 per share tax expense from repatriation of international dividends announced last year
 - Dilutive effect of reduced ownership in Sempra Mexico and related costs

Fourth Quarter and Full Year 2012 Results

<i>(Dollars, except EPS, and shares in millions)</i>	Three months ended		Years ended	
	December 31,		December 31,	
	2012	2011	2012	2011
	<i>(Unaudited)</i>			
GAAP Earnings	\$ 293	\$ 285	\$ 859	\$ 1,331
Rockies Express Pipeline (REX) Impairment offset by Kinder Receipt	(25)	-	214	-
Remeasurement Gain on Chile/Peru Acquisition	-	-	-	(277)
Adjusted Earnings ⁽¹⁾	<u>\$ 268</u>	<u>\$ 285</u>	<u>\$ 1,073</u>	<u>\$ 1,054</u>
Diluted weighted-average shares outstanding	248	242	247	242
GAAP EPS	\$ 1.18	\$ 1.18	\$ 3.48	\$ 5.51
Adjusted EPS ⁽¹⁾	\$ 1.08	\$ 1.18	\$ 4.35	\$ 4.36

- ▶ Strong fourth quarter and full year 2012 earnings without the benefit of any increased revenues from a final GRC decision

(1) See appendix for information regarding non-GAAP financial measures.

SDG&E and SoCalGas

<i>(Dollars in millions)</i>	Three months ended December 31,		Years ended December 31,	
	2012	2011	2012	2011
	<i>(Unaudited)</i>			
SDG&E	\$ 110	\$ 158	\$ 484	\$ 431
SoCalGas	99	79	289	287
Total	\$ 209	\$ 237	\$ 773	\$ 718

- ▶ Q4-12 SDG&E earnings decreased primarily due to \$50 million in last year's Q4 related to regulatory approval to recover wildfire insurance premiums
- ▶ SoCalGas quarterly earnings up primarily due to a \$34 million tax benefit
- ▶ Quarterly and full year earnings at both utilities were negatively impacted by increased expenses with no authorized revenue increase due to a delay in final GRC decision

Sempra International

<i>(Dollars in millions)</i>	Three months ended		Years ended	
	December 31,		December 31,	
	2012	2011	2012	2011
	<i>(Unaudited)</i>			
Sempra South American Utilities	\$ 46	\$ 39	\$ 164	\$ 425
Remeasurement Gain on Chile/Peru Acquisition	-	-	-	(277)
Sempra South American Utilities excl. Gain ⁽¹⁾	46	39	164	148
Sempra Mexico	35	80	157	192
Adjusted Sempra International Earnings ⁽¹⁾	\$ 81	\$ 119	\$ 321	\$ 340

- ▶ Q4-12 increase at South American Utilities due primarily to foreign currency loss in Q4-11 on U.S. dollar position previously held in Chile
- ▶ Electric sales growth of 4% for the quarter and 6% for the year at South American utilities
- ▶ Mexico quarterly earnings lower primarily due to pricing changes to intercompany agreement with Sempra Natural Gas

(1) See appendix for information regarding non-GAAP financial measures.

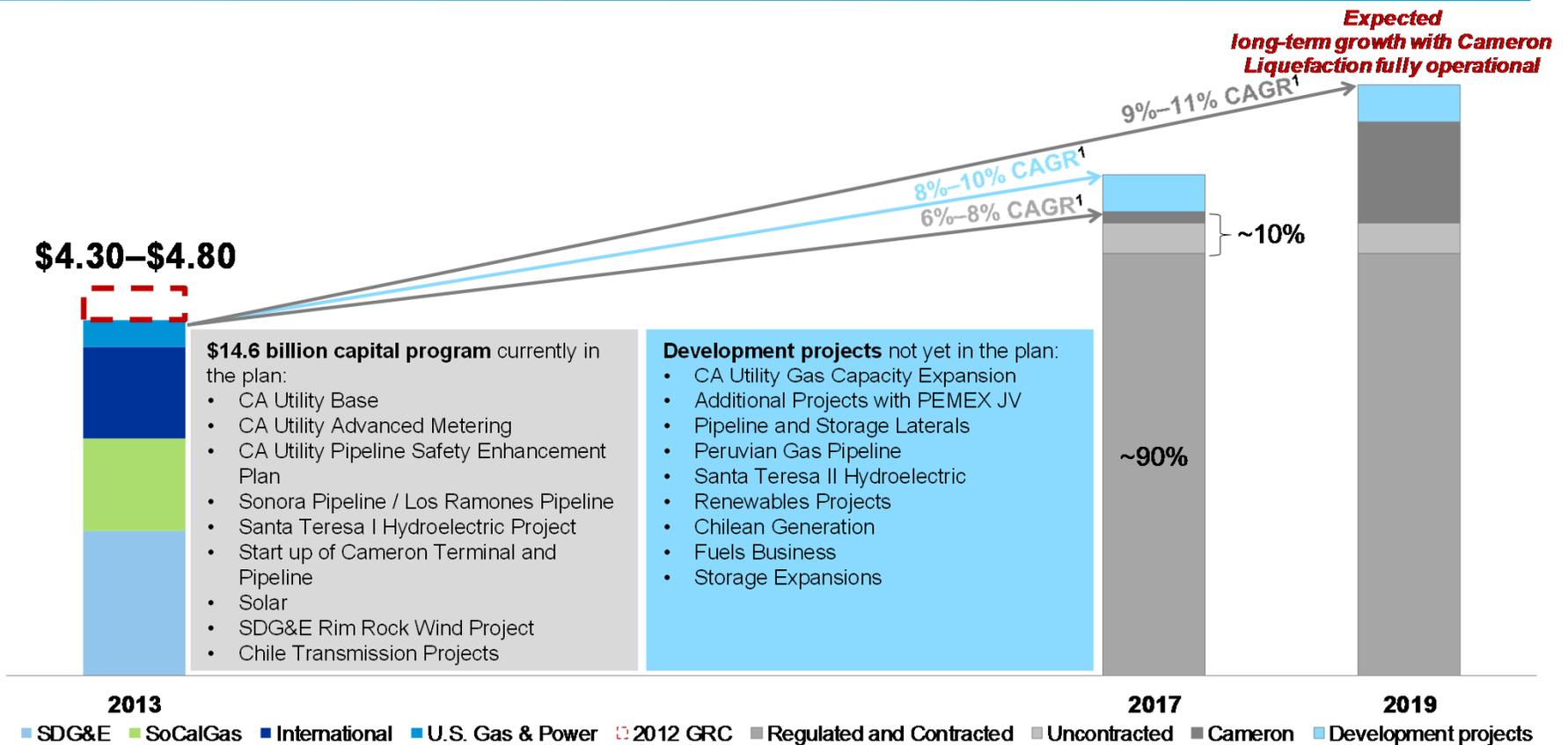
Sempra U.S. Gas & Power

<i>(Dollars in millions)</i>	Three months ended		Years ended	
	December 31,		December 31,	
	2012	2011	2012	2011
	<i>(Unaudited)</i>			
Sempra Natural Gas	\$ 19	\$ (36)	\$ (241)	\$ 115
REX Impairment offset by Kinder Receipt	(25)	-	214	-
Sempra Natural Gas excluding impact from REX ⁽¹⁾	(6)	(36)	(27)	115
Sempra Renewables	14	(2)	61	7
Adjusted Sempra U.S. Gas & Power Earnings ⁽¹⁾	\$ 8	\$ (38)	\$ 34	\$ 122

- ▶ Quarterly results improvement at Natural Gas, excluding impact from REX, driven primarily from pricing changes to intercompany agreement with Sempra Mexico, offset by lower earnings from LNG marketing operations
- ▶ Renewables Q4-12 earnings growth driven primarily by an increase in solar and wind assets over the same period in 2011

(1) See appendix for information regarding non-GAAP financial measures.

Long-term EPS Growth

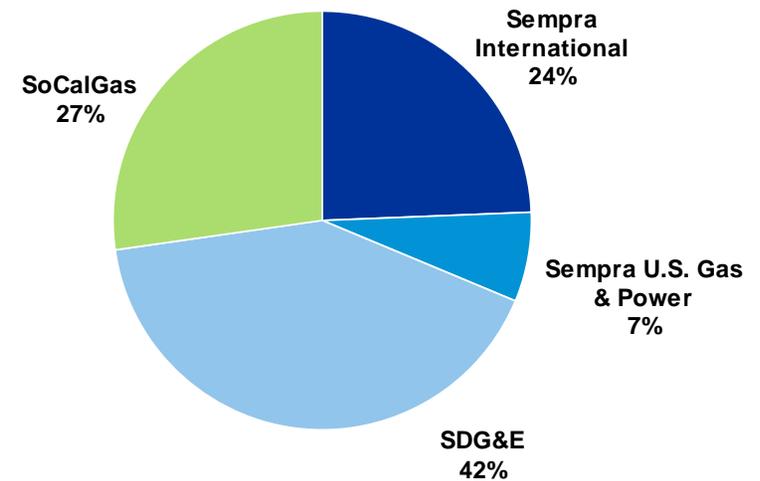


- ▶ Adjusted earnings growth at least 6%–8%⁽¹⁾, entailing a 5-year, \$14.6 billion capital program
- ▶ Additional growth could be achieved through execution of some of the development projects not yet in the plan

1) Calculations exclude amounts for the General Rate Case decision delay that is planned for 2013 but related to 2012 earnings.

Business Unit Earnings Outlook

(\$mm, except per share amounts)	2013 Outlook	
	Low	High
SDG&E	\$500	\$580
SoCalGas	320	390
Sempra U.S. Gas & Power	80	100
Sempra International	305	330
Parent and Other	(190)	(150)
Sempra Consolidated	\$1,015	\$1,250
Wtd. avg. diluted shares outstanding (mm)	249	
Diluted Earnings Per Share	\$4.30	\$4.80



- ▶ Utility ranges include GRC decision expected in 2013 including retroactive effect for 2012
- ▶ Includes anticipated reduced ownership in Mexico
- ▶ Includes \$50 million, after-tax gain on sale of Mesquite gas plant in Sempra U.S. Gas & Power
- ▶ Repatriation tax reduces earnings by approximately \$0.30 per share starting in 2013 and is included in Parent and Other

Note: Pie chart reflects mid-point of earnings ranges and excludes Parent and Other

SDG&E and SoCalGas Key Regulatory Proceedings

- ▶ CPUC Cost of Capital decision reached December 20, 2012

	SDG&E		SoCalGas	
	Prior	Current	Prior	Current
ROE	11.1%	10.3%	10.82%	10.1%
Equity Ratio	49%	52%	48%	52%

- ▶ General Rate Cases
- ▶ SONGS
- ▶ Wildfire Cost Recovery
- ▶ Pipeline Safety Enhancement Plan
- ▶ FERC Transmission Formula Rate Case
 - Requested 11.3% ROE; new rates effective September 1, 2013

Sempra U.S. Gas & Power Update

- ▶ Copper Mountain Solar 3
 - Signed PPAs with cities of Los Angeles and Burbank for 250 MW; project should be complete in late 2015
- ▶ Sale of Mesquite Power Plant
 - Sale of 625 MW block to Salt River Project expected to close shortly; expect an after-tax gain of about \$50 million
- ▶ Cameron Liquefaction Project
 - Filed formal FERC permit application and sent bid packages to EPC contractors
 - Facility designed for nameplate capacity of 13.5 mtpa; provides export potential of 12 mtpa
 - Incremental construction costs estimated at \$6 - \$7 billion; earnings contribution also expected to increase
 - Operations expected to begin in 2H-17

Summary

- ▶ Strong performance in Q4-12 and full-year 2012 without impact of decision on GRC
- ▶ New 2013 guidance of \$4.30 - \$4.80 per share
- ▶ Growth at core businesses should drive long-term EPS increases of 6% – 8%⁽¹⁾ with upside from numerous projects including Cameron liquefaction

(1) Calculations exclude amounts for the General Rate Case decision delay that is planned for 2013 but related to 2012 earnings.



Appendix

Non-GAAP Financial Measures

Sempra Energy Adjusted Earnings and Adjusted Earnings Per Share excluding a \$214 million impairment charge on our investment in Rockies Express Pipeline LLC (REX) in the full year 2012, net of a \$25 million receipt from Kinder Morgan in the fourth-quarter of 2012 related to the sale of its share of REX, and a \$277 million gain from the remeasurement of equity method investments in Chilquinta Energía and Luz del Sur in the full year 2011 are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States). Because of the significance and nature of these items, management believes that these non-GAAP financial measures provide a more meaningful comparison of the performance of Sempra Energy's business operations from 2012 to 2011 and to future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. Slides 3, 5 and 6 of this presentation and Table A of our financial tables in our fourth-quarter and full year 2012 earnings press release reconcile for historical periods these non-GAAP financial measures to Sempra Energy Earnings and Diluted Earnings Per Common Share, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP. Our fourth-quarter and year-end 2012 earnings press release is available in the News section of our website at www.sempra.com.

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	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	20	ITC	2015
Energía Sierra Juárez Wind ⁽⁴⁾	Baja California, Mexico	78 MW (50%) ⁽¹⁾	20	NA ⁽³⁾	2014

(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 ^(3,4)	50% ⁽¹⁾	110 ⁽⁵⁾	2,100 MMcfd	2H-14 ⁽⁵⁾	20
SONORA PIPELINE EXPANSION					
Sásabe-Guaymas ⁽³⁾	100%	505	770 MMcfd	2H-14	25
Guaymas-El Oro ⁽³⁾	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 ⁽³⁾	50% ⁽¹⁾	NA	80,000 Bbld ⁽⁶⁾	1H-13	15
ETHANE PIPELINE					
Ethane Pipeline ⁽³⁾	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) Projects currently under development or in construction.

(4) Per Pemex announcement; parties still under discussion and terms / specifics of project are not yet agreed.

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

(6) In barrels of LPG.