



November 4, 2014

## Sempra Energy Earnings Rise In Third Quarter

- **Company Expects 2014 Results Near High End of Earnings-Per-Share Guidance Range of \$4.25 to \$4.55**
- **Cameron LNG Joint Venture Breaks Ground on Louisiana Liquefaction-Export Project**

SAN DIEGO, Nov. 4, 2014 - [Sempra Energy](#) (NYSE: SRE) today reported increased third-quarter 2014 earnings of \$348 million, or \$1.39 per diluted share, up from \$296 million, or \$1.19 per diluted share, in the third quarter 2013.

For the first nine months of 2014, Sempra Energy's earnings were \$864 million, or \$3.45 per diluted share, up from \$719 million, or \$2.89 per diluted share, in the first nine months of 2013. Nine-month 2013 results included retroactive impacts of \$77 million for the 2012 operations of San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas), based on the final California Public Utilities Commission (CPUC) General Rate Case decision issued in May 2013. Offsetting the retroactive earnings from the General Rate Case was a \$119 million charge in the second quarter 2013 related to Southern California Edison's decision to permanently retire the San Onofre Nuclear Generating Station (SONGS).

"Based on solid financial results across all of our businesses in the third quarter and through the first nine months of the year, we are confident we will be near the high end of our 2014 earnings-per-share guidance range," said Debra L. Reed, chairman and CEO of Sempra Energy. "We continue to accomplish new milestones in our growth plan. Last month, the Cameron LNG joint venture broke ground on its liquefaction-export project, which should be operational in 2018. Our Mexican unit, IEnova, completed the first phase of the Sonora pipeline and is nearing completion of the first phase of the Los Ramones pipeline. In addition, we will be bidding later this year on several additional pipeline projects under Mexico's energy privatization plan."

### **CALIFORNIA UTILITIES**

#### **San Diego Gas & Electric**

Earnings for SDG&E in the third quarter 2014 were \$157 million, compared with \$129 million in the third quarter of last year, due primarily to higher CPUC base operating margin and favorable resolution of prior-years' income tax items.

For the first nine months of 2014, SDG&E's earnings were \$379 million, compared with \$285 million in the first nine months of 2013. Excluding charges related to SONGS in both years and 2013 retroactive earnings from the General Rate Case related to 2012 operations, SDG&E's adjusted earnings for the first nine months of 2014 were \$388 million, compared with adjusted earnings of \$352 million in the first nine months of 2013.

#### **Southern California Gas Co.**

Third-quarter earnings for SoCalGas were \$98 million in 2014, compared with \$102 million in 2013.

For the nine-month period, SoCalGas' earnings were \$256 million in 2014, compared with \$266 million in 2013. Excluding retroactive earnings from the General Rate Case related to 2012 operations, SoCalGas' adjusted earnings in the first nine months of 2013 were \$241 million.

### **SEMPRA INTERNATIONAL**

#### **Sempra South American Utilities**

In the third quarter 2014, Sempra South American Utilities had earnings of \$32 million, compared with \$39 million in last year's third quarter, due primarily to higher taxes.

For the first nine months of 2014, earnings for Sempra South American Utilities were \$109 million, compared with \$110 million for the first nine months of 2013.

#### **Sempra Mexico**

Third-quarter earnings for Sempra Mexico were \$63 million in 2014, compared with \$39 million in 2013. The increase in quarterly earnings was due primarily to the gain on the sale of 50 percent of the first phase of the Energía Sierra Juárez wind-power project, as well as regulatory earnings from projects in construction.

For the first nine months of 2014, Sempra Mexico had earnings of \$139 million compared with \$96 million during the same period last year.

## **SEMPRA U.S. GAS & POWER**

### **Sempra Renewables**

Earnings for Sempra Renewables in the third quarter 2014 were \$17 million compared with \$37 million in the third quarter 2013, due primarily to \$24 million in gains recorded in last year's third quarter associated with the contribution of assets to 50-50 solar joint ventures with Consolidated Edison Development.

During the first nine months of 2014, earnings for Sempra Renewables were \$63 million, up from \$56 million in the same period last year.

Last month, Sempra U.S. Gas & Power put into service Broken Bow II, a 75-megawatt wind farm in Nebraska. The power from the facility is being sold to the Nebraska Public Power District under a 25-year contract.

### **Sempra Natural Gas**

Sempra Natural Gas had third-quarter earnings of \$26 million in 2014, compared with losses of \$7 million in 2013, due primarily to a Louisiana income-tax benefit.

For the first nine months of 2014, Sempra Natural Gas had earnings of \$39 million, compared with \$55 million in the first nine months of 2013. Earnings in the first nine months of 2013 included a \$44 million gain on the sale of half the Mesquite Power plant.

## **EARNINGS GUIDANCE**

Sempra Energy today said that, based on results to date and the outlook for the fourth quarter, the company expects to achieve earnings near the high end of its 2014 earnings-per-share guidance range of \$4.25 to \$4.55.

## **NON-GAAP FINANCIAL MEASURES**

Non-GAAP financial measures include adjusted earnings for the nine-month periods in 2014 and 2013 for SDG&E and 2013 for SoCalGas. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the third-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](http://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 9612952.

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," "confident," "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, 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; 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; delays in the timing of costs incurred and the timing of regulatory agency authorization to recover such costs in rates from customers; 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; cybersecurity threats to the energy grid 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; 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 that 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; 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 San Diego Gas & Electric Company'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 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](http://www.sec.gov), and on the company's website at [www.sempra.com](http://www.sempra.com).*

*Investors should not rely unduly on any forward-looking statement. 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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