



## NEWS RELEASE

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# SEMPRA ENERGY ANNOUNCES 2012 FINANCIAL RESULTS

- **Earnings-per-Share Guidance Range of \$4.30 to \$4.80 Set for 2013**
- **Company Advances Strategic Plan With 2012 Accomplishments:**
  - ❖ **Sunrise Powerlink Transmission Line Energized**
  - ❖ **Mexican Pipeline Projects Added**
  - ❖ **Renewable Energy Generation Portfolio More Than Doubled**
  - ❖ **Cameron LNG Export Project Achieved Key Milestones**

SAN DIEGO, Feb. 26, 2013 – [Sempra Energy](http://www.sempra.com) (NYSE: SRE) today reported 2012 earnings of \$859 million, or \$3.48 per diluted share, compared with \$1.3 billion, or \$5.51 per diluted share, in 2011.

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Earnings in 2012 included \$239 million in non-cash charges related to a write-down on Sempra U.S. Gas & Power's 25-percent ownership stake in the Rockies Express Pipeline. The charges were partially offset by the receipt of a \$25 million after-tax cash payment in the fourth quarter 2012 from Kinder Morgan related to the sale of its 50-percent stake in the Rockies Express Pipeline. In 2011, Sempra Energy benefited from a gain of \$277 million, reflecting the write-up in value of Sempra International's South American utility investments. Excluding the net write-down in 2012 and gain in 2011, Sempra Energy's adjusted earnings were \$1.07 billion, or \$4.35 per diluted share, in 2012, compared with \$1.05 billion, or \$4.36 per diluted share, in 2011.

Sempra Energy's fourth-quarter 2012 earnings were \$293 million, or \$1.18 per diluted share, compared with fourth-quarter 2011 earnings of \$285 million, or \$1.18 per diluted share. Excluding the receipt from Kinder Morgan, adjusted earnings in the fourth quarter 2012 were \$268 million, or \$1.08 per diluted share.

"In 2012, we met our key operational and financial goals and made significant progress in executing on our strategy," said Debra L. Reed, chairman and CEO of Sempra Energy. "Our domestic and international utilities performed well; San Diego Gas & Electric put its Sunrise Powerlink transmission line into service; we were awarded bids in Mexico to construct and own approximately \$1 billion of natural gas pipelines; we more than doubled our renewable energy generation portfolio; and we completed regulatory filings for our Cameron LNG export project. We remain on track with our goal to deliver compound annual earnings growth of 6 percent to 8 percent, along with an increased dividend."

Last week, Sempra Energy's board of directors approved a 5-percent increase in the dividend to \$2.52 per share from \$2.40 per share, on an annualized basis.

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In December 2012, following successful completion of the pre-filing process at the Federal Energy Regulatory Commission (FERC), the company filed its formal FERC permit application seeking approval to begin construction of the Cameron LNG liquefaction and export terminal in Louisiana. The company expects to receive all necessary regulatory permits by the end of this year for the project, which is expected to begin operations in 2017 and process up to 1.7 billion cubic feet per day of natural gas for export to international markets.

### **CALIFORNIA UTILITIES**

As previously reported, the revenue requirement established in the General Rate Cases for San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas) will be retroactive to Jan. 1, 2012. Until the California Public Utilities Commission reaches a final decision, both utilities are recording revenues based on 2011 authorized levels, as adjusted for the recovery of incremental wildfire insurance premiums. SoCalGas and SDG&E will record the cumulative change resulting from the decision, retroactive to the beginning of 2012, in the quarter a final decision is approved.

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

Earnings for SDG&E increased to \$484 million in 2012 from \$431 million in 2011. In the fourth quarter 2012, SDG&E earned \$110 million, compared with \$158 million in the prior year's fourth quarter, primarily due to higher revenues for incremental wildfire insurance premiums in the fourth quarter 2011 and higher expenses with no authorized revenue increase in 2012.

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**Southern California Gas Co.**

SoCalGas earned \$289 million in 2012, compared with \$287 million in 2011. In the fourth quarter, SoCalGas' earnings were \$99 million in 2012, compared with \$79 million in 2011, due to lower income taxes, partially offset by higher depreciation and other operating expenses.

**SEMPRA INTERNATIONAL**

**Sempra South American Utilities**

In 2012, earnings for Sempra South American Utilities were \$164 million, compared with \$425 million in 2011. Earnings in 2011 were higher due to the \$277 million second-quarter gain from the write-up in value of the company's South American utility investments. In the fourth quarter 2012, Sempra South American Utilities had earnings of \$46 million, up from \$39 million in the prior year's fourth quarter.

**Sempra Mexico**

Sempra Mexico's earnings in 2012 were \$157 million, compared with \$192 million in 2011. Sempra Mexico's fourth-quarter earnings were \$35 million in 2012, compared with \$80 million in 2011. During the fourth quarter 2012, a change in an intercompany agreement resulted in lower earnings at Sempra Mexico and higher earnings at Sempra Natural Gas.

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

**Sempra Renewables**

In 2012, earnings for Sempra Renewables increased to \$61 million from \$7 million in 2011. Fourth-quarter earnings for Sempra Renewables were \$14 million in 2012, compared with a loss of \$2 million in 2011, due primarily to the addition of solar and wind assets in 2012.

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Since the beginning of 2012, Sempra U.S. Gas & Power has put into service more than 500 megawatts (MW) of wind and solar power projects stretching from Hawaii to Pennsylvania. The company's portfolio of renewable energy now totals nearly 850 MW.

### **Sempra Natural Gas**

Sempra Natural Gas posted a loss of \$241 million in 2012, compared with earnings of \$115 million in 2011. Sempra Natural Gas' 2012 results included the \$239 million of non-cash charges for the write-down of its investment in the Rockies Express Pipeline, offset by the receipt of the \$25 million cash payment from Kinder Morgan related to the sale of its ownership in the pipeline. In the fourth quarter 2012, Sempra Natural Gas earned \$19 million, compared with a loss of \$36 million in the fourth quarter 2011. The higher fourth-quarter earnings were due primarily to the receipt of the cash payment from Kinder Morgan and the change in the intercompany agreement with Sempra Mexico, partially offset by lower earnings from LNG marketing operations.

### **2013 EARNINGS GUIDANCE**

Sempra Energy today announced an earnings-per-share guidance range for 2013 of \$4.30 to \$4.80, which includes recording the anticipated 2012 impact of the final decision in SDG&E's and SoCalGas' General Rate Cases (expected in the first half of 2013) and approximately \$0.30 per share in higher tax expense from repatriation of dividends from international operations.

### **NON-GAAP FINANCIAL MEASURES**

Adjusted earnings for 2012 and 2011 are non-GAAP financial measures. 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](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 2184727.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2012 revenues of approximately \$10 billion. The Sempra Energy companies' nearly 17,000 employees serve more than 31 million consumers worldwide.

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*On Jan. 1, 2012, Sempra Energy consolidated Sempra Generation, Sempra Pipelines & Storage and Sempra LNG into two new operating units: Sempra International and Sempra U.S. Gas & Power. Sempra International is comprised of two new reporting segments: Sempra South American Utilities and Sempra Mexico. Sempra U.S. Gas & Power also is comprised of two new reporting segments: Sempra Renewables and Sempra Natural Gas. Beginning in the first quarter 2012, in addition to San Diego Gas & Electric and Southern California Gas Co., Sempra Energy began reporting financial results under each of the above segments.*

*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," "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 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).*

*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 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.*