



Sempra Energy Announces Improved 2010 Results From Non-Commodities Operations

- **2010 Earnings per Share of \$3.61, Exceeding Company Guidance**
- **34-percent Increase in Fourth-quarter Earnings per Share**

SAN DIEGO, Feb. 24, 2011 - [Sempra Energy](#) (NYSE: SRE) today reported 2010 earnings of \$739 million, or \$2.98 per diluted share, compared with 2009 earnings of \$1.12 billion, or \$4.52 per diluted share.

Excluding the results of Sempra Commodities, whose assets have been sold, Sempra Energy's earnings per share for the full year rose 14 percent to \$3.61 per diluted share in 2010 from \$3.16 per diluted share in 2009. Sempra Commodities recorded a loss of \$155 million, or \$0.63 per diluted share, in 2010, compared with earnings of \$338 million, or \$1.36 per diluted share in 2009.

In the fourth quarter 2010, Sempra Energy's earnings were \$280 million, or \$1.15 per diluted share, compared with \$288 million, or \$1.16 per diluted share, in the prior year's quarter. Excluding the results of Sempra Commodities, Sempra Energy's earnings per share for the fourth quarter rose 34 percent to \$1.18 per diluted share in 2010 from \$0.88 per diluted share in 2009.

"Exiting the commodities-trading business marks a new chapter for our company," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "We have narrowed our strategic focus to concentrate on utilities and contracted energy infrastructure, reducing both our risk profile and earnings volatility, while leveraging our core strengths. This business mix has allowed us to significantly increase dividends to our shareholders and reinvest capital for future growth."

Earlier this week, Sempra Energy announced a 23-percent increase in the dividend on shares of the company's common stock to \$1.92 per share, on an annualized basis, from \$1.56 per share. Sempra Energy's board of directors also established a targeted dividend payout ratio of 45 percent to 50 percent of earnings.

SUBSIDIARY OPERATING RESULTS

San Diego Gas & Electric

Earnings for [San Diego Gas & Electric](#) (SDG&E) rose to \$369 million in 2010 from \$344 million in 2009. SDG&E's fourth-quarter 2010 earnings were \$105 million, up from \$67 million in the fourth quarter 2009, due primarily to higher authorized margins, favorable resolution of a regulatory matter and the favorable impact of the resolution of prior years' tax issues.

Southern California Gas Co.

[Southern California Gas Co.](#) (SoCalGas) earned \$286 million in 2010, up from \$273 million in 2009. In the fourth quarter 2010, SoCalGas earned \$74 million, compared with \$75 million in the prior year's fourth quarter.

Sempra Generation

[Sempra Generation's](#) 2010 earnings were \$103 million, compared with \$169 million in 2009. Sempra Generation's fourth-quarter earnings were \$43 million in 2010, compared with \$45 million in 2009. Results in 2010 included \$87 million in after-tax charges related to a litigation settlement.

In December, Sempra Generation completed the sale of its 50-percent interest in the Elk Hills Power generation facility to Occidental Petroleum Corporation, Inc., for \$175 million. The seven-year-old natural gas-fueled power plant, located near Bakersfield, Calif., was jointly owned by Sempra Generation and Occidental.

Also in December, Sempra Generation completed construction on its Copper Mountain Solar plant outside Las Vegas. The power from the 48-megawatt facility - currently the largest photovoltaic solar power plant in the U.S. - is being sold to Pacific Gas & Electric under a 20-year contract.

Sempra Pipelines & Storage

[Sempra Pipelines & Storage's](#) earnings increased to \$159 million in 2010 from \$101 million in 2009. Fourth-quarter earnings for Sempra Pipelines & Storage were \$39 million in 2010, compared with \$37 million in 2009.

Last month, Sempra Pipelines & Storage announced an agreement to acquire AEI's stake in two South American electric utilities for approximately \$875 million. Currently, Sempra Pipelines & Storage and AEI jointly own Chilquinta Energía S.A. in Chile and

Luz del Sur in Peru, with the remaining shares of Luz del Sur held by institutional investors and the general public. Upon completion of the transaction, Sempra Pipelines & Storage will own 100 percent of Chilquinta Energía and approximately 76 percent of Luz del Sur. Scheduled to close in the second quarter 2011, the acquisition is expected to contribute additional earnings per share for Sempra Energy of approximately \$0.15 in 2011 and \$0.22 in 2012. Completion of the transaction is subject to obtaining regulatory approvals and the resolution of certain tax matters.

Sempra LNG

In 2010, [Sempra LNG](#) had earnings of \$68 million, up from \$16 million in 2009. In the fourth quarter 2010, Sempra LNG had earnings of \$18 million, compared with \$35 million in the fourth quarter 2009, due primarily to reduced payments by customers for contracted cargoes that were not delivered.

Sempra Commodities

Sempra Commodities recorded a loss of \$7 million, or \$0.03 per diluted share, in the fourth quarter 2010, compared with earnings of \$69 million, or \$0.28 per diluted share in the fourth quarter 2009.

In December, Sempra Energy and The Royal Bank of Scotland completed the sale of the last of the principal assets of their RBS Sempra Commodities joint venture to a unit of JP Morgan Chase & Co. These assets included wholesale natural gas and power trading agreements, as well as over-the-counter and exchange-traded transactions, with counterparties across North America.

2011 Outlook

Sempra Energy today reaffirmed its 2011 earnings-per-share outlook range of \$4.00 to \$4.30.

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 Web site 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 3365622.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2010 revenues of \$9 billion. The Sempra Energy companies' 13,500 employees serve about 25 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," "intends," "plans," "estimates," "may," "will," "would," "could," "should," "potential," "target," "depends," or similar expressions, or discussions of strategies, plans 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 by the California Public Utilities Commission, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, and other regulatory and governmental bodies in the United States and other countries where the company does business; capital market conditions and inflation, interest and exchange rates; 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; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; 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.

Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and Sempra Energy Trading LLC are not the same companies as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and Sempra Energy Trading LLC are not regulated by the California Public Utilities Commission.

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