



Sempra Energy Unit To Sell Michigan, Louisiana Natural Gas Storage Assets

SAN DIEGO, Aug. 22, 2005 – Sempra Energy (NYSE: SRE) today announced a definitive agreement to sell an indirect subsidiary whose principal assets are two natural gas storage facilities, Bluewater Gas Storage and Pine Prairie Energy Center, for approximately \$250 million to Plains All American Pipeline, L.P. (NYSE: PAA) and Vulcan Capital.

Bluewater Gas Storage, located in St. Clair, Mich., is a gas storage facility with current capacity of 20 billion cubic feet (Bcf) that went into operation in May 2004. Pine Prairie Energy Center is a planned salt-cavern gas storage project with expected capacity of 24 Bcf under development in Evangeline Parish, La.

"Due to current favorable market conditions, we believe this is an opportune time to monetize these gas storage assets, which are not critical to our liquefied natural gas (LNG) and gas infrastructure strategy," said Mark Snell, group president of Sempra Global, the umbrella for Sempra Energy's businesses operating in competitive energy and commodity markets. "We remain committed to developing gas storage and pipeline assets consistent with our strategy to meet growing energy demand in North America."

Through its Sempra Pipelines & Storage unit, Sempra Global has signed binding agreements and will construct, own and operate the Cameron Interstate Pipeline, a 36-inch, 35-mile natural gas pipeline that will connect Cameron LNG, a terminal being constructed by affiliate Sempra LNG near Lake Charles, La., to interstate and intrastate pipelines.

Sempra Pipelines & Storage also is developing Liberty Gas Storage, a 17 Bcf salt cavern gas storage facility in Calcasieu Parish, La., located about 200 yards from the Cameron Pipeline. Liberty Gas is strategically located near several market hubs in the Gulf region, where marked production declines have contributed to tight supplies and volatility in daily and monthly prices increasing the demand for storage.

Additionally, Sempra Pipelines & Storage last week announced a Memorandum of Understanding with Kinder Morgan Energy Partners to develop a 1,500-mile pipeline to move natural gas from the Rocky Mountain region to the Midwest and East Coast. The companies expect to hold an open season later this year to determine market interest.

Snell said that the proposed pipeline would allow Sempra to evaluate and develop storage opportunities along its route.

Liberty Gas is expected to be operational next year and, Cameron LNG and Cameron Interstate Pipeline, in 2008.

The transaction is subject to approval by the Federal Trade Commission under the Hart-Scott-Rodino Act.

The agreement includes the sale of Energy Center Investments Corporation, whose two principal assets are Bluewater Gas Storage and Pine Prairie Energy Center.

Sempra Energy based in San Diego, is a Fortune 500 energy services holding company with 2004 revenues of \$9.4 billion. The Sempra Energy companies' 13,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

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. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. 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, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of 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 company's reports

filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra LNG and Sempra Pipelines & Storage are not the same companies as the utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission.

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