



Sempra Energy Announces Increased Second-Quarter 2011 Earnings

- **Excluding \$277 Million Gain on South American Acquisition:**
 - **Second-Quarter Earnings per Share Rise 9 Percent**
 - **Company Reaffirms 2011 Earnings-per-Share Guidance of \$4 to \$4.30**
- **Generation Unit Halfway Toward 2016 Target of 1,000 MW in Renewable Power Contracts**

SAN DIEGO, Aug. 9, 2011 - [Sempra Energy](#) (NYSE: SRE) today reported second-quarter 2011 earnings of \$511 million, or \$2.12 per diluted share, up from earnings of \$222 million, or \$0.89 per diluted share, in the second quarter 2010.

This year's second-quarter earnings included a gain of \$277 million, or \$1.15 per diluted share, reflecting the write-up in the value of the company's original investments in Chile and Peru as a result of the acquisition of a controlling interest in those utilities earlier this year.

Excluding this gain, Sempra Energy's diluted earnings per share in the second quarter 2011 increased approximately 9 percent to \$0.97 over second-quarter 2010 earnings per share of \$0.89.

Sempra Energy's earnings through the first six months of 2011 were \$769 million, or \$3.19 per diluted share, compared with \$328 million, or \$1.31 per diluted share, in 2010. First-quarter 2010 earnings included an after-tax charge of \$96 million, or \$0.38 per diluted share, related to a litigation settlement.

"Through the first half of the year, we are performing well across the board and are on track to meet our 2011 earnings guidance," said Debra L. Reed, chief executive officer of Sempra Energy. "Our utility and pipeline acquisitions are providing strong contributions to our earnings. We also are making excellent progress on our major California utility projects and our build-out of contracted renewable energy infrastructure."

As previously announced, Reed was elected chief executive officer of Sempra Energy June 27, succeeding Donald E. Felsing. Felsing will continue to serve as executive chairman.

Sempra Energy today reaffirmed its 2011 earnings-per-share guidance of \$4 to \$4.30, excluding the \$1.15 related to the company's acquisition of controlling interests in the Chile and Peru utilities (earnings-per-share guidance of \$5.15 to \$5.45, on a GAAP basis).

SUBSIDIARY OPERATING RESULTS

San Diego Gas & Electric

In the second quarter 2011, earnings for [San Diego Gas & Electric](#) (SDG&E) were \$71 million, compared with \$75 million in the second quarter 2010.

For the first six months of 2011, SDG&E earned \$160 million, up from \$158 million in the same period last year.

Southern California Gas Co.

[Southern California Gas Co.](#) (SoCalGas) had second-quarter earnings of \$59 million in 2011, compared with \$69 million in the prior-year's second quarter, due primarily to lower natural gas storage revenues, and higher employee benefit costs and other expenses.

SoCalGas' earnings in the first half of 2011 were \$127 million, compared with \$134 million in the first half of 2010.

Sempra Pipelines & Storage

In the second quarter 2011, [Sempra Pipelines & Storage](#) earned \$337 million, up from \$39 million in the prior year's quarter. Second-quarter 2011 results included a non-cash gain of \$277 million from the write-up in the value of the original investments in Sempra Pipelines & Storage's electric utilities in Chile and Peru and \$14 million in higher earnings primarily from increased ownership in these companies.

For the first six months of 2011, Sempra Pipelines & Storage's earnings increased to \$391 million from \$77 million in the same period last year, due primarily to the gain on the Chile and Peru utility acquisitions and higher earnings from those utilities, as well as from a Mexican pipeline acquired in the second quarter 2010.

Sempra LNG

[Sempra LNG's](#) earnings in the second quarter 2011 rose to \$18 million from \$13 million in last year's second quarter, due primarily to payments by customers for contracted cargoes that were not delivered.

In the first half of 2011, Sempra LNG earned \$51 million, compared with \$45 million in the first half of 2010.

Sempra Generation

[Sempra Generation's](#) second-quarter 2011 earnings were \$50 million, compared with \$52 million in last year's second quarter.

During the first six months of 2011, Sempra Generation had earnings of \$94 million, up from \$1 million during the same period last year. In the first quarter 2010, Sempra Generation took a charge of \$84 million related to a litigation settlement.

Last week, Sempra Generation announced a 25-year contract with Pacific Gas & Electric to supply renewable power from a 150-megawatt (MW) expansion of Sempra Generation's Copper Mountain Solar complex in Nevada. The contract is subject to approval by the California Public Utilities Commission.

Additionally, in July, Sempra Generation and BP Wind Energy commenced operations of the 250-MW Cedar Creek 2 Wind Farm in Colorado. The renewable energy from the facility has been sold under a long-term power-purchase agreement to the Public Service Company of Colorado.

INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT with senior management of the company. Access is available by logging onto the website 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 7671494.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2010 revenues of \$9 billion. The Sempra Energy companies' nearly 16,000 employees serve about 26 million consumers worldwide.

NON-GAAP FINANCIAL MEASURES

The 9-percent increase in second-quarter 2011 earnings per share and the 2011 earnings-per-share guidance, excluding the gain on the Chile and Peru utility acquisitions, are non-GAAP financial measures. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the second-quarter financial tables.

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

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