September 6, 2017

U.S. Bankruptcy Court Approves Sempra Energy's Merger Agreement With Energy Future

SAN DIEGO, Sept. 6, 2017 /PRNewswire/ -- Sempra Energy (NYSE: SRE) today announced that the U.S. Bankruptcy Court for the District of Delaware (Bankruptcy Court) has approved the merger agreement that Energy Future Holdings Corp. (Energy Future) entered into with Sempra Energy on Aug. 21, 2017. This approval is an important step in Sempra Energy's proposal to acquire Energy Future's 80-percent ownership interest in Oncor Electric Delivery Company, LLC (Oncor).

"We are pleased that our plan to resolve Energy Future's long-running bankruptcy proceeding has received approval from the Bankruptcy Court to move forward," said Debra L. Reed, chairman, president and CEO of Sempra Energy. "The next step in the approval process is making our regulatory filing with the Public Utility Commission of Texas. Oncor is a well-managed, top-tier utility, operating in one of the strongest U.S. growth markets. We believe it will be an excellent strategic fit with our portfolio of utility and energy infrastructure businesses, while opening up a new avenue for our long-term growth."

Sempra Energy has committed to ensuring that Oncor remains independent, financially strong and based in Dallas with local management, while keeping in place the ring-fence measures that help insulate Oncor from Energy Future's bankruptcy proceedings.

"Sempra Energy is a well-respected and experienced utility operator with a quality workforce and management team," said Bob Shapard, CEO of Oncor. "We look forward to working with Sempra Energy, regulators and other stakeholders as the process unfolds. Oncor takes great pride in powering the Texas economy, and we wake up every single day with one mission in mind, keeping the lights on for more than 10 million Texans."

Oncor and Sempra Energy are expected to file a joint application with the Public Utility Commission of Texas in October for approval of the transaction.

Sempra Energy will pay approximately $9.45 billion in cash to acquire Energy Future and its 80-percent ownership interest in Oncor. Sempra Energy expects its equity ownership after the transaction will be approximately 60 percent of Energy Future.

In addition to approving Energy Future's entry into the Sempra Energy merger agreement, today's Bankruptcy Court's order approved the debtors' plan support agreement with Sempra Energy and certain affiliates of Elliott Capital Management (Elliott), which hold a majority of the claims against the debtors. Under the plan support agreement, the debtors and Elliott have agreed to take all action that is reasonably necessary to implement the merger agreement, and Elliott has agreed to support the transaction and to vote its claims to accept the plan. In a separate order, the Bankruptcy Court also authorized the debtors to solicit votes on the plan.

The merger agreement remains subject to customary closing conditions, including further approvals by the Bankruptcy Court, the Public Utility Commission of Texas, the Federal Energy Regulatory Commission, and the U.S. Department of Justice under the Hart-Scott-Rodino Act.

For more information, visit Sempra.com/newsroom/oncornews.shtml.

Headquartered in Dallas, Oncor is a regulated electric transmission and distribution service provider that serves approximately 10 million Texans. Using cutting-edge technology, more than 3,900 employees work to safely maintain reliable electric delivery service with the largest distribution and transmission system in Texas; made up of approximately 122,000 miles of lines and more than 3.4 million meters across the state.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2016 revenues of more than $10 billion. The Sempra Energy companies' more than 16,000 employees serve approximately 32 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 such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "assumes," "depends," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "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.*

Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of the proposed merger involving Sempra Energy and Energy Future, including future financial or operating results of Sempra Energy or Oncor, Sempra Energy's, Energy Future's or Oncor's plans, objectives, expectations or intentions, the expected timing of completion of the transaction, the anticipated improvement in credit ratings of Oncor, and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by any such forward-looking statements include risks and uncertainties relating to: the risk that Sempra Energy, Energy Future or Oncor may be unable to obtain bankruptcy court and governmental and regulatory approvals required for the merger, or that required bankruptcy court and governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the transaction or be onerous to Sempra; the risk that a condition to closing of the merger may not be satisfied, including receipt of a satisfactory supplemental private letter ruling from the Internal Revenue Service; the expected timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; and the diversion of management time and attention to merger-related issues.

Additional factors, among others, that could cause actual results and future actions to differ materially from those described in forward-looking statements include: actions and the timing of actions, including decisions, new regulations, and issuances of permits and other authorizations by the California Public Utilities Commission, U.S. Department of Energy, California Division of Oil, Gas, and Geothermal Resources, Federal Energy Regulatory Commission, U.S. Environmental Protection Agency, Pipeline and Hazardous Materials Safety Administration, Los Angeles County Department of Public Health, states, cities and counties, and other regulatory and governmental bodies in the United States and other countries in which we operate; the timing and success of business development efforts and construction projects, including risks in obtaining or maintaining permits and other authorizations on a timely basis, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners; the resolution of civil and criminal litigation and regulatory investigations; deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers; modifications of settlements; delays in, or disallowance or denial of, regulatory agency authorizations to recover costs in rates from customers (including with respect to regulatory assets associated with the San Onofre Nuclear Generating Station facility and 2007 wildfires) or regulatory agency approval for projects required to enhance safety and reliability; the availability of electric power, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the transmission grid, moratoriums or limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures; changes in energy markets; volatility in commodity prices; moves to reduce or eliminate reliance on natural gas; the impact on the value of our investment in natural gas storage and related assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for storage services; risks posed by actions of third parties who control the operations of our investments, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of greenhouse gases, radioactive materials and harmful emissions, cause wildfires and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits) or may be disputed by insurers; cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers and employees; capital markets and economic conditions, including the availability of credit and the liquidity of our investments; fluctuations in inflation, interest and currency exchange rates and our ability to effectively hedge the risk of such fluctuations; changes in the tax code as a result of potential federal tax reform, such as the elimination of the deduction for interest and non-deductibility of all, or a portion of, the cost of imported materials, equipment and commodities; changes in foreign and domestic trade policies and laws, including border tariffs, revisions to favorable international trade agreements, and changes that make our exports less competitive or otherwise restrict our ability to export; the ability to win competitively bid infrastructure projects against a number of strong and aggressive competitors; expropriation of assets by foreign governments and title and other property disputes; the impact on reliability of San Diego Gas & Electric Company's (SDG&E) electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources; the impact on competitive customer rates due to the growth in distributed and local power generation and the corresponding decrease in demand for power delivered through SDG&E's electric transmission and distribution system and from possible departing retail load resulting from customers transferring to Direct Access and Community Choice Aggregation or other forms of distributed and local power generation, and the potential risk of nonrecovery for stranded assets and contractual obligations; and other uncertainties, some of which may be difficult to predict and are beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the U.S. 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. Investors should not rely unduly on any forward-

looking statements. 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 South American Utilities, Sempra Infrastructure, Sempra LNG & Midstream, Sempra Renewables, Sempra Mexico and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same as the California Utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), and are not regulated by the California Public Utilities Commission.

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