SEMPRA ENERGY NYSE-SRE

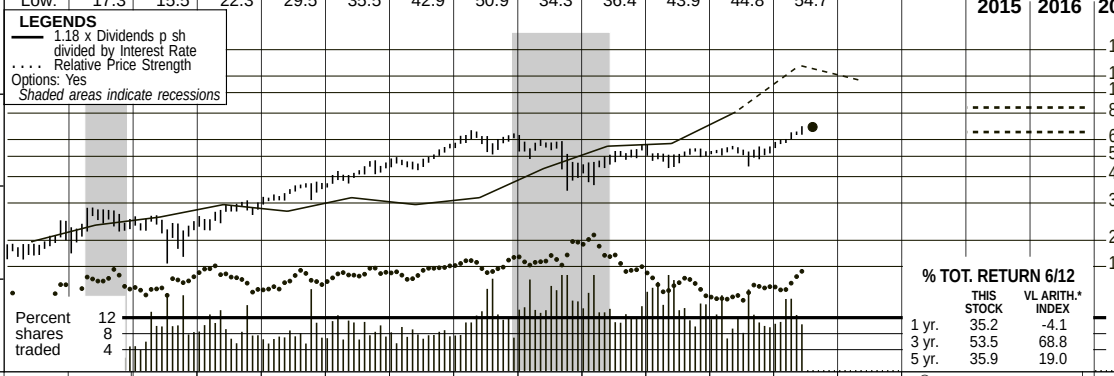
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
68.77	16.6	(Trailing: 15.7 Median: 11.0)	1.17	3.6%	VALUE LINE

TIMELINESS 3 Lowered 5/11/12
SAFETY 2 Lowered 2/4/00
TECHNICAL 3 Raised 7/13/12
BETA .80 (1.00 = Market)

High:	28.6	26.3	30.9	37.9	47.9	57.3	66.4	63.0	57.2	57.2	56.0	70.9
Low:	17.3	15.5	22.3	29.5	35.5	42.9	50.9	34.3	36.4	43.9	44.8	54.7

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 1.18 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+25%)	9%
Low	65	(-5%)	3%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	0	1	0	0	2	4	3
to Sell	3	0	1	2	1	0	4	4	4

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	165	189	195
to Sell	182	172	188
Hld's(000)	162639	157203	165731

% TOT. RETURN 6/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.2	-4.1
3 yr.	53.5	68.8
5 yr.	35.9	19.0

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
17.09	19.51	23.31	22.89	35.38	39.27	29.38	34.81	40.18	45.64	44.89	43.79	44.21	32.88	37.44	41.83	*41.10*	*43.80*	Revenues per sh	*53.00*
4.83	5.27	5.16	5.36	4.91	5.39	5.71	5.56	6.58	5.96	6.74	6.93	7.40	7.94	7.76	8.58	*8.50*	*9.10*	"Cash Flow" per sh	*11.25*
1.98	2.20	1.24	1.66	2.06	2.55	2.79	3.01	3.93	3.52	4.23	4.26	4.43	4.78	4.02	4.47	*4.15*	*4.25*	Earnings per sh A	*5.75*
1.56	1.56	1.56	1.56	1.00	1.00	1.00	1.00	1.00	1.16	1.20	1.24	1.37	1.56	1.56	1.92	*2.40*	*2.50*	Div'd Decl'd per sh B ■	*2.80*
1.79	1.74	1.85	2.48	3.76	5.22	5.92	4.63	4.62	5.46	7.28	7.70	8.47	7.76	8.58	11.85	*13.10*	*10.25*	Cap'l Spending per sh	*11.00*
13.46	13.82	12.29	12.58	12.35	13.17	13.79	17.17	20.78	23.95	28.66	31.87	32.75	36.54	37.54	41.00	*42.65*	*44.30*	Book Value per sh C	*51.50*
116.63	113.63	237.00	237.40	201.90	204.48	204.91	226.60	234.18	257.19	262.01	261.21	243.32	246.51	240.45	239.93	*241.00*	*242.00*	Common Shs Outst'g D	*246.00*
11.3	10.8	21.1	12.8	9.4	9.7	8.2	9.0	8.6	11.8	11.5	14.0	11.8	10.1	12.6	11.8	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.71	.62	1.10	.73	.61	.50	.45	.51	.45	.63	.62	.74	.71	.67	.80	.74	*Value Line*		Relative P/E Ratio	*.85*
7.0%	6.6%	6.0%	7.4%	5.2%	4.1%	4.4%	3.7%	2.9%	2.8%	2.5%	2.1%	2.6%	3.2%	3.1%	3.6%	*estimates*		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 3/31/12
Total Debt $11319 mill. **Due in 5 Yrs** $3915.0 mill.
LT Debt $10180 mill. **LT Interest** $519.0 mill.
(LT interest earned: 3.6x)
Leases, Uncapitalized Annual rentals $73.0 mill.
Pension Assets-12/11 $2.33 bill. **Oblig.** $3.41 bill.
Pfd Stock $99.0 mill. **Pfd Div'd** $6.0 mill.
1,373,770 shs. 4.40%-5% cumulative, $20 par, callable $20.25-$24; 2,040,000 shs. $1.70-$1.82 cum., no par, callable $25.17-$26; 811,073 shs. 6% cum., $25 par.
Common Stock 240,991,088 shs.
as of 4/30/12
MARKET CAP: $17 billion (Large Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
6020.0	7887.0	9410.0	11737	11761	11438	10758	8106.0	9003.0	10036	*9900*	*10600*	Revenues ($mill)	*13000*
586.0	655.0	930.0	898.0	1118.0	1135.0	1123.0	1193.0	1008.0	1088.0	*1055*	*1085*	Net Profit ($mill)	*1465*
19.9%	23.2%	17.2%	- -	31.3%	33.6%	29.2%	30.5%	26.5%	25.3%	*30.0%*	*34.0%*	Income Tax Rate	*34.0%*
10.8%	8.4%	2.9%	5.3%	7.2%	11.5%	13.2%	10.6%	11.3%	15.2%	*15.0%*	*13.0%*	AFUDC % to Net Profit	*11.0%*
58.6%	48.4%	45.3%	43.1%	37.0%	34.8%	44.5%	44.8%	49.4%	50.4%	*50.5%*	*51.0%*	Long-Term Debt Ratio	*51.5%*
38.6%	49.0%	52.6%	55.1%	61.4%	63.7%	54.2%	54.1%	49.6%	49.2%	*49.0%*	*48.5%*	Common Equity Ratio	*48.0%*
7312.0	7931.0	9255.0	11178	12229	13071	14692	16646	18186	20015	*21050*	*22150*	Total Capital ($mill)	*26300*
6832.0	10474	11086	12101	13175	14884	16865	18281	19876	23572	*25675*	*27000*	Net Plant ($mill)	*31100*
9.8%	9.8%	11.3%	9.2%	10.3%	9.6%	8.5%	8.3%	6.8%	6.7%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.0%*
19.3%	16.0%	18.4%	14.1%	14.5%	13.3%	13.8%	13.0%	10.9%	10.9%	*10.0%*	*9.5%*	Return on Shr. Equity	*11.0%*
20.4%	16.6%	18.9%	14.4%	14.8%	13.5%	14.0%	13.1%	11.1%	11.0%	*10.0%*	*9.5%*	Return on Com Equity E	*11.0%*
13.1%	11.3%	14.9%	10.1%	11.0%	9.7%	9.7%	9.3%	7.0%	6.5%	*4.0%*	*4.0%*	Retained to Com Eq	*6.0%*
37%	33%	22%	31%	26%	29%	31%	29%	37%	41%	*55%*	*56%*	All Div'ds to Net Prof	*47%*

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-2.6	-3.1	+.1
Avg. Indust. Use (MWH)	4463	4224	4157
Avg. Indust. Revs. per KWH (¢)	10.42	10.75	12.13
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.5	+.5	+.6
Fixed Charge Cov. (%)	275	296	319

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	1.5%	-3.0%	*6.0%*
"Cash Flow"	4.5%	4.5%	*5.5%*
Earnings	8.0%	2.5%	*4.5%*
Dividends	3.5%	8.5%	*9.0%*
Book Value	11.5%	9.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	2108	1689	1853	2456	8106
2010	2534	2008	2116	2345	9003
2011	2434	2422	2576	2604	10036
2012	2383	*2300*	*2600*	*2617*	*9900*
2013	*2650*	*2500*	*2700*	*2750*	*10600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1.29	1.06	1.27	1.16	4.78
2010	.81	.89	1.18	1.15	4.02
2011	1.07	.97	1.22	1.21	4.47
2012	.97	*.93*	*1.15*	*1.10*	*4.15*
2013	*1.05*	*.95*	*1.15*	*1.10*	*4.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.31	.32	.35	.35	1.33
2009	.35	.39	.39	.39	1.52
2010	.39	.39	.39	.39	1.56
2011	.39	.48	.48	.48	1.83
2012	.48	.60	.60		

BUSINESS: Sempra Energy is a holding co. for San Diego Gas & Electric Co., which sells electricity and gas mainly in San Diego County, & Southern California Gas Co., which distributes gas to most of Southern California. Customers: 1.4 mill. electric, 6.6 mill. gas. Elec. rev. breakdown: res'l, 44%; comm'l, 37%; industrial, 9%; other, 10%. Purchases most of its power; the rest is nuclear & gas. Has subs. in gas pipeline & storage, power generation, and liquefied natural gas. Sold commodities bus. in '10. Power costs: 40% of revs. '11 reported deprec. rates: 1.6%-8.3%. Has 17,500 empls. Chairman: Donald E. Felsinger. CEO: Debra L. Reed. President: Mark A. Snell. Inc.: CA. Address: 101 Ash St., San Diego, CA 92101-3017. Tel.: 619-696-2034. Internet: www.sempra.com.

Sempra Energy's utilities have two rate cases pending before the California Public Utilities Commission (CPUC). One is a general rate case. Southern California Gas requested a rate hike of $268 million. San Diego Gas & Electric filed for a total electric and gas increase of $235 million. The latter request includes $67 million for cost recovery of incremental wildfire insurance premiums, which stemmed from wildfires in 2007. No matter when the CPUC's order comes out, new tariffs will be retroactive to the start of 2012. Separately, the utilities made their cost of capital applications. SoCalGas and SDG&E are seeking allowed returns on equity of 10.9% and 11%, respectively, and a 52% common-equity ratio. The utilities are asking for a continuation of a regulatory mechanism that automatically adjusts the cost of capital each year, based on changes in interest rates. A ruling from the CPUC is expected in late 2012, and will take effect at the start of 2013.

We have cut our 2012 earnings estimate by $0.05 a share. That's mainly because first-quarter profits fell short of our expectation. Our revised estimate of $4.15 a share is still within Sempra's targeted range of $4.00-$4.30. (Earnings are likely to decline this year due to the expiration of a power contract in 2011.) We are sticking with our 2013 profit forecast of $4.25 a share.

Sempra is making significant investments in both the utility and nonutility sides of its business. In June, SDG&E completed a transmission project at a cost of about $1.9 billion. The utilities proposed a $2.8 billion pipeline safety-enhancement program, which requires the approval of the CPUC. The CPUC has already okayed a $435 million project to build and modernize electric substations. On the nonutility end, Sempra is developing projects in gas storage, liquefied natural gas, and renewable energy.

Sempra stock has been one of the top-performing electric utility issues so far in 2012, having risen 25% year to date. A hefty dividend increase in the first quarter helped. Following the run-up, however, the stock doesn't stand out for utility investors for either the short or long term.

Paul E. Debbas, CFA *August 3, 2012*

(A) Diluted egs. Excl. nonrec. gains (losses): '05, 17¢; '06, (6¢); '09, (26¢); '10, ($1.05); '11, $1.15; gain (losses) from disc. ops.: '04, (10¢); '05, (4¢); '06, $1.21; '07, (10¢). '10 EPS don't add due to rounding. Next earnings report due early Nov. (B) Div'ds historically paid mid-Jan., Apr., July and Oct. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '11: $17.77/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate allowed on com. eq.: SDG&E in '08: 11.1%; SoCalGas in '03: 10.82%; earned on avg. com. eq., '11: 11.6%. Regulatory Climate: Above Average.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	95
Earnings Predictability	90

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