

SDG&E issues \$350 million in bonds jointly led by minority-owned investment bank

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SAN DIEGO, Aug. 18, 2011 – [San Diego Gas & Electric](http://www.sdge.com) (SDG&E), a unit of Sempra Energy (NYSE: SRE), today closed a public offering of \$350 million of 10-year first-mortgage bonds. This transaction marks the second time SDG&E has used a minority-owned investment bank as co-lead in a bond offering.

As part of its overall commitment to supplier diversity, SDG&E selected [CastleOak Securities L.P.](#), a New York-based, African-American-owned investment bank, to be one of four joint lead managers, along with [Deutsche Bank Securities Inc.](#), [RBC Capital Markets, LLC](#) and UBS Investment Bank.

"We are proud of our ongoing commitment to provide opportunities for minority-owned banks and investment banking firms to participate on an equal footing with other major financial institutions in these kinds of transactions," said Lee Schavrien, senior vice president of finance, regulatory and legislative affairs for SDG&E.

"Diversity is an everyday core value at SDG&E," said Schavrien. "Having CastleOak as a joint lead on this deal is just another example of good business decisions we believe benefit our customers and the communities we serve."

The bonds bear an interest rate of 3.0 percent and mature on Aug. 15, 2021. According to the underwriters, at the time of issuance, this deal was record-breaking -- the lowest coupon ever issued for a 10-year utility bond offering -- although new records continue to be set this week. The bonds are rated "Aa3" by [Moody's Investors Service](#) and "A+" by [Standard & Poor's Corp.](#)

Two other minority-owned underwriters -- [Guzman & Company](#) and The [Williams Capital Group](#) -- were co-managers on this bond issuance.

Proceeds of the bonds will be used to fund SDG&E's robust, five-year capital investment plan that includes construction of the Sunrise Powerlink transmission line, which is on target to be in service next year, as well as the purchase of the El Dorado power plant in Nevada from SDG&E's sister affiliate company [Sempra Generation](#).

"SDG&E continues to lead the way among California utilities in 'walking the talk' on diversity and in creating new opportunities for minority companies in this dynamic capital market," said Timothy Alan Simon, a commissioner on the [California Public Utilities Commission](#) (CPUC). "We commend SDG&E for making significant strides toward the goals of the Commission's General Order 156."

CPUC General Order 156 requires investor-owned utilities to submit annual plans for increasing the participation of businesses owned by women, minorities and disabled veterans in utility procurement.

[SDG&E](#) is a regulated public utility that provides safe and reliable energy service to 3.5 million consumers through 1.4 million electric meters and more than 850,000 natural gas meters in San Diego and southern Orange

counties. The utility's area spans 4,100 square miles. SDG&E is committed to creating ways to help our customers save energy and money every day. SDG&E is a subsidiary of [Sempra Energy](#) (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego.

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