

Sempra Energy Corporate Compliance and Ethics Plan

(This page is managed by the Director of Business Conduct (Last revised on 2/10/2011))

Sempra Energy and its Business Units (the “Company”) conduct business in compliance with applicable federal, state and local laws and regulations. International subsidiaries conduct their businesses in compliance with applicable laws and regulations in each country where they are located.

This Compliance Plan is designed, implemented and enforced to be effective in establishing and maintaining a culture and environment that encourage lawful and ethical conduct. Specifically, the Compliance Plan covers the following areas:

- Oversight by high-level personnel
- Due care in delegating substantial discretionary authority
- Effective communication to all levels of employees
- Reasonable steps to achieve compliance
 - Systems for monitoring and auditing
 - Reporting suspected wrongdoing without fear of reprisal
- Consistent enforcement of compliance standards, including disciplinary mechanisms
- Reasonable steps to respond to and prevent further similar offenses upon detection of a violation

Oversight by high level personnel

A. Chief Compliance Officer

Sempra’s Chief Compliance Officer is responsible for the Company’s implementation of the Corporate Compliance and Ethics Plan, and focusing on the strategic direction and execution of compliance responsibilities. The Chief Compliance Officer has the responsibility to work in collaboration and coordination with all other officers with compliance responsibilities, and to ensure that the business unit compliance programs include all the pertinent policy, standards, training and communication components. The Chief Compliance Officer will coordinate with the Audit Committee of the Board of Directors for regular reports, updates and related presentations. Currently, Sempra Energy’s President & Chief Operating Officer serves as Sempra’s Chief Compliance Officer.

B. Chief Ethics Officer

Sempra’s Chief Ethics Officer is responsible for providing oversight and direction for the Corporate Compliance and Ethics Plan’s corporate policies, compliance training curriculum, ethics helpline activities, and regularly reporting to and updating the Audit Committee of the Board of Directors.

C. Corporate Compliance Committee

Regular compliance communication occurs through Business Unit Board meetings to Sempra Energy senior management. In addition, there is a Corporate Compliance Committee that may also convene periodically to review the effectiveness of the companies' compliance and ethics programs. The Vice President of Audit Services and the Sempra Chief Compliance Officer will periodically assess the potential need for Corporate Compliance Committee review of the Company's compliance activities.

Issues can also be brought to the attention of the Committee through a variety of avenues; namely, audit findings, ethics helpline incidents, employee concerns expressed directly to committee members, etc.

The Committee will include at a minimum, the following members:

- President & Chief Operating Office – Chair
- Executive Vice President & General Counsel – Vice Chair
- Senior Vice President – Human Resources, Diversity & Inclusion
- Vice President – Audit Services
- Vice President – Risk Analysis & Management
- President & CEO – Generation
- President & CEO – LNG
- President & CEO – Pipelines & Storage
- President & CEO – San Diego Gas & Electric
- President & CEO – Southern California Gas

Business Unit Chief Executive Officers are the Chief Compliance Officers of their respective business units.

Other officers and/or responsible individuals may be invited to meetings as their specific areas of responsibility are being discussed or reviewed.

All company officers are responsible for ensuring their organizations are compliant with federal, state and local laws and regulations. This responsibility includes identifying applicable laws and regulations and having the necessary mechanisms in place to achieve compliance.

Due care in delegating substantial discretionary authority

Sempra's management is required to exercise due care in delegating substantial discretionary and decision-making authority to employees. The company's Corporate Approval and Commitment policy clearly defines the approval requirements for expenditure authorization levels and delegations of authority. This policy prohibits any commitment, disbursement of funds, or disposition of assets prior to receiving appropriate approvals. The policy owners' are the Vice President – Corporate Planning and the Senior Vice President & Controller.

All employees at point of hire have a background check completed, and whenever an employee is promoted to a higher level of responsibility, there are several managers involved in this decision-making process. Strong determinants in these decisions are the employee's current job performance as well as the last several years' of performance appraisals.

Effective communication to all levels of employees

The requirements of the Company's compliance and ethics programs will be regularly communicated to all employees through appropriate programs.

Sempra's Code of Business Conduct is the company's standard for maintaining a legally compliant and ethical workplace. Employees are provided with the latest version of the Code every two years, in addition to annual compliance training considering their level and specific job description.

The current compliance training curriculum is comprised of twelve different courses addressing topics such as insider trading, Sarbanes-Oxley compliance, Foreign Corrupt Practices Act, Federal Energy Regulatory (FERC) and Californian Public Utilities Commission (CPUC) standards of conduct, preventing sexual harassment, and preventing workplace violence.

Employees are expected to conduct their business affairs in a lawful manner. Conduct must conform to company compliance guidelines and policies, and in a manner that is consistent with the company's values and ethical standards.

Effective compliance and ethics training is a requirement of all employees. Training is done at the time of hiring and at regularly scheduled intervals as appropriate. This training is designed to detect areas of potential exposure and prevent any activity that is inconsistent with company requirements. This training curriculum is determined, scheduled, monitored and reported on under the Chief Ethics Officer's direction. Sempra-wide and Business Unit policies are communicated and available to employees.

Corporate policies continue to apply to the Company and compliance with policies is the responsibility of the Business Units. Any changes to policies by the Business Units must be approved by the Business Unit's Board of Directors.

Reasonable steps to achieve compliance, which include systems for monitoring, auditing, and reporting suspected wrongdoing without fear of reprisal

Sempra's Ethics & Compliance policy provides that no adverse action will be taken against employees making a good faith report of a business conduct concern. The policy language states: "This policy establishes that it is the responsibility of all employees to speak up and raise concerns regarding unethical or illegal behavior. It is the company's obligation to ensure that any such concerns, when raised in good faith, will be appropriately investigated and resolved, without retaliation."

Sempra maintains both an anonymous helpline and direct email site to allow employees to report on areas of concern.

- The Chief Ethics Officer will manage the anonymous helpline and other reporting channels.
- Sempra's Energy's Ethics & Compliance Helpline domestic contact is (800) 241-5689 or internationally 001-770-582-5249
- In collaboration with the Law Department, Vice President – Audit Services, and the Chief Compliance Officer, the Chief Ethics Officer will coordinate delegation of appropriate investigations and/or responses to issues raised.

Each business unit has Environmental, Health & Safety self-assessment programs.

Compliance with Affiliate Transaction Rules is regularly addressed throughout the Business Units.

Review of Business Unit compliance is a scheduled agenda item at all Business Unit Board meetings.

Audit Services establishes and implements a regular auditing schedule for Sempra and its Business Units based on an annual risk assessment process that involves extensive analysis and input from throughout the Sempra organization. .

Consistent enforcement of compliance standards, including disciplinary mechanisms

The Company is committed to maintaining a legally compliant and ethical workplace and consistently enforces the Code of Business Conduct and supporting policies by recognizing compliance and disciplining non-compliance.

The Company's employee performance evaluations include a section on ethical behavior and acting in accordance with the rules, laws, and regulations enforced by State and Federal regulatory commissions.

Investigations of employee wrongdoing are conducted across Sempra Energy's business units in a consistent and uniform manner under the guidance and direction of the Chief Ethics Officer and the Legal department. This investigation approach ensures consistent investigation activities, discipline decisions and overall compliance monitoring capability.

Non-compliance will result in discipline on a consistent basis. Discipline may include, among other items, counseling, oral/written reprimands, warnings, probation/suspension, reductions in salary, termination of employment, and restitution.

Disciplinary measures may include other employees involved in the wrongdoing besides the violator, such as:

- Employees who fail to use reasonable care to detect a violation
- Employees who withhold pertinent information
- Supervisors who condone violations or attempt to retaliate against employees who reported violations

Reasonable steps to respond to and prevent further similar offenses upon detection of a violation

Once a potential offense has been identified, an appropriate investigation will be conducted. The investigation will evaluate information as to credibility and gravity, and will initiate an informal inquiry or formal investigation.

In the event that an investigation indicates there has been criminal wrongdoing, the Company will report violations and cooperate with any appropriate legal process.

The Company will review and revise its internal controls related to any such area in order to prevent any future occurrences.

Sempra routinely considers lessons learned regarding compliance, audit findings and significant events to enhance controls and compliance.

- Business Unit boards routinely review compliance issues
- The Disclosure Committee meets quarterly to review significant matters related to disclosures regarding the Company's operations and financial conditions
- The Corporate Compliance Committee may convene as necessary to review major matters and/or facilitate communications regarding best practices and lessons learned

The Company is committed to maintaining a legally compliant and ethical workplace. This Compliance Plan is designed, implemented and enforced to be effective in establishing and maintaining a culture and environment that encourage lawful and ethical conduct by all of our employees.