

SEMPRA ENERGY
Form 8-K
December 01, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 30, 2015

| Commission File Number | Exact Name of Registrants as Specified in their Charters, State of Incorporation, Address and Telephone Number | I.R.S. Employer Identification Number |
|---------------------------|---|---|
| 1-14201 | SEMPRA ENERGY (A California Corporation) 488 8 th Avenue San Diego, California 92101 (619) 696-2000 | 33-0732627 |
| 1-03779 | SAN DIEGO GAS & ELECTRIC COMPANY (A California Corporation) 8326 Century Park Court San Diego, California 92123 (619) 696-2000 | 95-1184800 |

1-01402

SOUTHERN CALIFORNIA GAS
COMPANY
(A California Corporation)
555 West Fifth Street
Los Angeles, California 90013
(213) 244-1200

95-1240705

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

One Year Extension to File a Cost of Capital Application

On November 30, 2015, by letter dated November 25, 2015, the California Public Utilities Commission (CPUC) advised San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) that it had granted both SDG&E and SoCalGas an extension of their deadlines for filing the cost of capital application by one year, from April 20, 2016 to April 20, 2017. The one year extension was made in response to a request filed jointly by SDG&E, SoCalGas, Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (Edison) (collectively, the Joint Investor-Owned Utilities or Joint IOUs) with the CPUC on November 5, 2015.

Additionally, the agreement leaves the current automatic Cost of Capital Adjustment Mechanism (CCM) in place, but the Joint IOUs have agreed that there will be no changes to their respective costs of capital during the one year extension, regardless of what the CCM might otherwise indicate. To effectuate this condition of the agreement, the Joint IOUs, Office of Ratepayer Advocates and The Utility Reform Network are directed to file a petition to modify previous CPUC Decisions (D.) 08-05-035 and D.13-03-015 that established the CCM.

We provide additional information regarding the CPUC's cost of capital proceeding and the CCM in Note 14 of the Notes to Consolidated Financial Statements in Sempra Energy's, SDG&E's and SoCalGas' combined Annual Report on Form 10-K for the year ended December 31, 2014.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this report that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are necessarily based upon assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. These forward-looking statements represent our estimates and assumptions only as of the filing date of this report. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this report, when we use words such as believes, expects, anticipates, plans, estimates, projects, forecasts, contemplates, intends, depends, should, could, would, will, confident, may, potential, possible, pursue, goals, outlook, maintain, or similar expressions, or when we discuss our guidance, strategy, plans, goals, opportunities, projections, initiatives, objectives or intentions, we are making forward-looking statements.

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Factors, among others, that could cause our actual results and future actions to differ materially from those described in forward-looking statements include

§local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments;

§actions and the timing of actions, including issuances of permits to construct and licenses for operation, by the California Public Utilities Commission, California State Legislature, U.S. Department of Energy, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, Atomic Safety and Licensing Board, California Energy Commission, U.S. Environmental Protection Agency, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries in which we operate;

§the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining, maintaining or extending permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects;

§energy markets, including the timing and extent of changes and volatility in commodity prices, and the impact of any protracted reduction in oil and natural gas prices from historical averages;

§the impact on the value of our natural gas storage assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for natural gas storage services;

§delays in the timing of costs incurred and the timing of the regulatory agency authorization to recover such costs in rates from customers;

§deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers;

§capital markets conditions, including the availability of credit and the liquidity of our investments;

§inflation, interest and currency exchange rates;

§the impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on our California Utilities' cost of capital;

§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 North American transmission grid, pipeline explosions and equipment failures and the decommissioning of San Onofre Nuclear Generating Station (SONGS);

§cybersecurity threats to the energy grid, natural gas 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, terrorist attacks that threaten system operations and critical infrastructure, and wars;

§the ability to win competitively bid infrastructure projects against a number of strong competitors willing to aggressively bid for these projects;

§weather conditions, conservation efforts, natural disasters, catastrophic accidents, and other events that may disrupt our operations, damage our facilities and systems, and subject us to third-party liability for property damage or personal injuries;

§risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments;

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§risks posed by decisions and actions of third parties who control the operations of investments in which we do not have a controlling interest;

§risks inherent with nuclear power facilities and radioactive materials storage, including the catastrophic release of such materials, the disallowance of the recovery of the investment in, or operating costs of, the nuclear facility due to an extended outage and facility closure, and increased regulatory oversight, including motions to modify settlements;

§business, regulatory, environmental and legal decisions and requirements;

§expropriation of assets by foreign governments and title and other property disputes;

§the impact on reliability of SDG&E's electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources and increased reliance on natural gas and natural gas transmission systems;

§the impact on competitive customer rates of 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;

§the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements due to insufficient market interest, unattractive pricing or other factors;

§the resolution of litigation; and

§other uncertainties, all of which are difficult to predict and many of which are beyond our control.

We caution you not to rely unduly on any forward-looking statements. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described in this report and in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on a combined basis for Sempra Energy, SDG&E and SoCalGas.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

SEMPRA ENERGY
(Registrant)

Date: December 1, 2015

By: /s/ Trevor I. Mihalik
Trevor I. Mihalik
Senior Vice President, Controller and
Chief Accounting Officer

SAN DIEGO GAS & ELECTRIC COMPANY
(Registrant)

Date: December 1, 2015

By: /s/ Bruce A. Folkmann
Bruce A. Folkmann
Vice President, Controller and
Chief Financial Officer

SOUTHERN CALIFORNIA GAS COMPANY
(Registrant)

Date: December 1, 2015

By: /s/ Bruce A. Folkmann
Bruce A. Folkmann
Vice President, Controller and
Chief Financial Officer