

SEMPRA ENERGY
Form 424B5
May 18, 2004
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Filed Pursuant To Rule 424(b)(5)

Registration No. 333-103588

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. The registration statement filed with the Securities Exchange Commission is effective. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated May 18, 2004.

PROSPECTUS SUPPLEMENT

(To Prospectus Dated March 18, 2003)

\$ % Notes due 20

\$ Floating Rate Notes due 20

We are offering \$ of our % Notes due 20 (the fixed rate notes) and \$ of our Floating Rate Notes due 20 (the floating rate notes). We refer to the fixed rate notes and the floating rate notes as the notes.

We will pay interest on the fixed rate notes semiannually on and of each year, beginning on , 2004, at the rate of % per year. The fixed rate notes will mature on , 20 . At our option, we may redeem some or all of the fixed rate notes at any time under a make-whole redemption provision described in this prospectus supplement.

We will pay interest on the floating rate notes quarterly on , , and of each year, beginning on , 2004. Interest on the floating rate notes, initially % per year, will be reset on each interest payment date, beginning on , 2004, based on the 3 Month LIBOR Rate plus % per year. The floating rate notes will mature on , 20 . At our option, we may redeem some or all of the floating rate notes on any interest payment date on or after , 20 at a redemption price of

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100% of principal amount plus accrued and unpaid interest to the redemption date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Note</u>	<u>Total</u>
Public Offering Price	%	\$
Underwriting Discount	%	\$
Proceeds to Sempra Energy (before expenses)	%	\$

Interest on the notes will accrue from May , 2004. Purchasers of notes must pay the accrued interest if settlement occurs after that date.

We expect the notes will be ready for delivery through The Depository Trust Company on or about , 2004.

Joint Book-Running Managers

ABN AMRO Incorporated

Citigroup

Deutsche Bank Securities

RBS Greenwich Capital

Scotia Capital

SG Corporate & Investment Banking

UBS Investment Bank

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Prospectus Supplement dated _____, 2004

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which does not apply to the notes. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and in the accompanying prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the documents they incorporate by reference may contain statements that are not historical fact and constitute forward-looking statements. When we use words like believes, expects, anticipates, intends, plans, may, should or similar expressions, or when we discuss our strategy or plans, we are making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results may differ materially from those expressed in these forward-looking statements. These statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others:

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

actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources and the Federal Energy Regulatory Commission;

capital market conditions, inflation rates, interest rates and exchange rates;

energy and trading markets, including the timing and extent of changes in commodity prices;

weather conditions and conservation efforts;

war and terrorist attacks;

business, regulatory and legal decisions;

the pace of deregulation of retail natural gas and electricity delivery;

the timing and success of business development efforts; and

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

You are cautioned not to rely unduly on any forward-looking statements. These risks and uncertainties are discussed in more detail under Risk Factors, Business and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2003 and other documents on file with the Securities and Exchange Commission. You may obtain copies of these documents as described under Where You Can Find More Information in the accompanying prospectus.

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SUMMARY INFORMATION

The following information supplements, and should be read together with, the information contained in the accompanying prospectus. You should carefully read this prospectus supplement and the accompanying prospectus, as well as the documents they incorporate by reference, before making an investment decision. Unless we state otherwise or the context otherwise requires, references appearing in this prospectus supplement to we, us and our should be read to refer to Sempra Energy and its subsidiaries.

Sempra Energy

Sempra Energy, based in San Diego, California, is a Fortune 500 energy services holding company. Our subsidiaries provide a wide spectrum of value-added electric and natural gas products and services to a diverse range of customers. Our operations are divided principally between our California utility subsidiaries and Sempra Energy Global Enterprises.

At December 31, 2003, our California utility subsidiaries, Southern California Gas Company and San Diego Gas & Electric Company, served over 22 million consumers. Natural gas service was provided throughout Southern California and portions of Central California through over 6.2 million meters. Electric service was provided throughout San Diego County and portions of Orange County, both in Southern California, through over 1.3 million meters.

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Our other subsidiaries provide the following energy-related products and services:

Sempra Energy Trading is a wholesale trader of physical and financial energy products, including natural gas, power, crude oil and associated commodities, and a trader and wholesaler of metals, serving a broad range of customers;

Sempra Energy Resources acquires, develops and operates power plants;

Sempra Energy LNG is developing regasification terminals for the importation of liquefied natural gas and currently has projects in Louisiana, Texas and Baja California, Mexico;

Sempra Energy International engages in energy distribution and pipeline projects primarily outside the United States and, as of December 31, 2003, had interests in companies that provided natural gas and electricity services to over 2.8 million customers in Argentina, Chile, Mexico and Peru and in two small natural gas distribution utilities in the Eastern United States; and

Sempra Energy Solutions provides energy-related products and services on a retail basis, including commodity sales to electricity and natural gas consumers, and energy efficiency engineering services.

Our principal executive offices are located at 101 Ash Street, San Diego, California 92101 and our telephone number is (619) 696-2034.

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Ratings

The notes have been assigned a rating of BBB+ by Standard & Poor's, Baa1 by Moody's and A by Fitch.

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We intend to use the net proceeds of approximately \$ _____ million from the sale of the notes to repay all of our outstanding 6.80% notes (\$500,000,000 principal amount) maturing on July 1, 2004 and for other general corporate purposes. We estimate that the expenses for this offering, excluding underwriting discounts and commissions, will be approximately \$250,000.

CAPITALIZATION

The following table sets forth our unaudited consolidated capitalization and short-term debt as of March 31, 2004 (i) on an historical basis and (ii) on an as adjusted basis to give effect to the sale of \$ _____ million aggregate principal amount of notes pursuant to this offering and the application of the net proceeds. See Use of Proceeds above. This table should be read in conjunction with the Summary Historical Condensed Consolidated Financial Information and other financial information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<u>March 31, 2004</u>	
	<u>Historical</u>	<u>As Adjusted</u>
	(dollars in millions)	
Cash and cash equivalents	\$ 653	\$ _____
Debt:		
Short-term debt	\$ 139	\$ _____
Current portion of long-term debt (1)	610	
Long-term debt (1)(2)	3,822	
Total debt	4,571	
Preferred stock of subsidiaries	179	
Total shareholders' equity	4,088	
Total capitalization	\$ 8,838	\$ _____

(1) Long-term debt includes \$180 million, and the current portion of long-term debt includes \$66 million, of Rate Reduction Notes issued by a subsidiary of San Diego Gas & Electric Company in 1997 to finance a legislatively mandated rate reduction. The notes are repayable solely through a special charge on customer bills and are nonrecourse to San Diego Gas & Electric Company.

(2) Long-term debt includes \$600 million of notes due 2007 that comprise a component of our equity units issued in 2002.

Table of Contents**RATIO OF EARNINGS TO COMBINED FIXED CHARGES**

The following table sets forth our ratio of earnings to combined fixed charges for each of the years in the five-year period ended December 31, 2003 and for each of the three month periods ended March 31, 2004 and 2003:

	Years Ended December 31,					Three Months Ended March 31,	
	2003	2002	2001	2000	1999	2004	2003
Ratio of Earnings to Combined Fixed Charges	2.93	3.01	2.86	2.90	3.21	4.15	2.42

We determined the ratio of earnings to combined fixed charges by dividing (a) the sum of pretax income and fixed charges by (b) fixed charges. Fixed charges consist of all interest expense (before allowances for borrowed funds used during construction), preferred dividends by subsidiaries, one-third of rent expense (which approximates the interest component of such expense) and amortization of debt issuance costs.

Table of Contents**SUMMARY HISTORICAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The following table contains our summary historical condensed consolidated financial information. The summary information as of December 31, 2003 and for the two years then ended has been derived from our audited consolidated financial statements. The summary information as of March 31, 2004 and for the three month periods ended March 31, 2004 and 2003, has been derived from our unaudited consolidated financial statements and, in our opinion, reflects all adjustments necessary for a fair presentation. These adjustments are only of a normal recurring nature.

The summary historical condensed consolidated financial information should be read in conjunction with and is qualified in its entirety by reference to the audited and unaudited consolidated financial statements and the related notes thereto from which it has been derived. More comprehensive financial information is included in the consolidated financial statements and related notes contained in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which we file with the SEC.

Condensed Consolidated Statements of Income

(millions of dollars)

	For the Three Months		For the Years Ended	
	Ended March 31,		December 31,	
	2004	2003	2003	2002
	(unaudited)			
Revenues	\$ 2,360	\$ 1,923	\$ 7,885	\$ 6,047
Expenses	(2,028)	(1,708)	(6,923)	(5,061)
Other income	28	10	135	67
Preferred dividends of subsidiaries	(2)	(7)	(19)	(29)
Income before interest and income taxes	358	218	1,078	1,024
Interest	(80)	(74)	(311)	(295)
Income taxes	(57)	(24)	(48)	(146)
Income from continuing operations	221	120	719	583
Loss from discontinued operations, net of tax (1)	(24)	(3)	(24)	(8)
Income before extraordinary item and cumulative effect of changes in accounting principles, net of tax	197	117	695	575
Extraordinary item, net of tax (2)				16
Cumulative effect of changes in accounting principles, net of tax (3)		(29)	(46)	
Net Income	\$ 197	\$ 88	\$ 649	\$ 591

(1) Atlantic Electric & Gas, which was sold in April 2004, has been reported as a discontinued operation for the three months ended March 31, 2004 and 2003 and, in accordance with generally accepted accounting principles, certain items for the years ended December 31, 2003 and

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2002 have been reclassified from their original presentation to give effect to discontinued operations treatment.

- (2) Acquisition gains, in accordance with Statement of Financial Accounting Standards 141.
- (3) Combined effects of the rescission of Emerging Issues Task Force Consensus 98-10 (affecting mark-to-market accounting) and the implementation of Financial Interpretation 46 (affecting variable-interest entities).

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(dollars in millions)

	March 31,	December 31,
	2004	2003
	<u> </u>	<u> </u>
	(unaudited)	
Assets		
Current assets	\$ 7,272	\$ 7,866
Investments and other assets	3,586	3,649
Property, plant and equipment	10,550	10,474
	<u> </u>	<u> </u>
Total assets	\$ 21,408	\$ 21,989
	<u> </u>	<u> </u>
Liabilities and Shareholders' Equity		
Liabilities		
Current liabilities	\$ 7,700	\$ 8,360
Long-term debt	3,822	3,841
Deferred credits and other liabilities	5,619	5,719
	<u> </u>	<u> </u>
Total liabilities	17,141	17,920
	<u> </u>	<u> </u>
Preferred stock of subsidiaries	179	179
	<u> </u>	<u> </u>
Shareholders' Equity		
Common stock	2,087	2,028
Retained earnings	2,438	2,298
Deferred compensation relating to ESOP	(35)	(35)
Accumulated other comprehensive income (loss)	(402)	(401)
	<u> </u>	<u> </u>
Total shareholders' equity	4,088	3,890
	<u> </u>	<u> </u>
Total liabilities and shareholders' equity	\$ 21,408	\$ 21,989
	<u> </u>	<u> </u>

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DESCRIPTION OF THE NOTES

The fixed rate notes and the floating rate notes will constitute two separate series of our senior debt securities to be issued under an indenture between Sempra Energy, as issuer, and U.S. Bank National Association, as trustee. In this section, references to Sempra Energy, we, our, us and the Company mean Sempra Energy excluding, unless otherwise expressly stated or the context otherwise requires, its subsidiaries.

The summary of selected provisions of the notes and the indenture referred to below supplements, and to the extent inconsistent supersedes and replaces, the description of the general terms and provisions of the senior debt securities and the indenture contained in the accompanying prospectus. This summary is not complete and is qualified by reference to provisions of the notes and the indenture. Forms of the notes and the indenture have been or will be filed with the SEC and you may obtain copies as described under Where You Can Find More Information in the accompanying prospectus.

Interest Rate and Maturity

Fixed Rate Notes

Interest on the fixed rate notes will be payable semiannually, in arrears, on _____ and _____ of each year, beginning on _____, 2004, to the holders of record at the close of business 15 days immediately preceding the applicable interest payment date. The fixed rate notes will bear interest at the rate of _____ % per year. Interest on the fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months.

The fixed rate notes will mature on _____, 20____ and are subject to earlier redemption at our option as described under Optional Redemption Fixed Rate Notes.

Floating Rate Notes

Interest on the floating rate notes will be payable quarterly, in arrears, on _____, _____, _____, and _____ of each year, beginning on _____, 2004, to the holders of record at the close of business 15 days immediately preceding the applicable interest payment date. Interest on the floating rate notes will be reset on each interest payment date, beginning on _____, 2004, based on the 3 Month LIBOR Rate plus _____ % per year. The interest rate on the floating rate notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

The floating rate notes will mature on _____, 20____ and are subject to earlier redemption at our option as described under Optional Redemption Floating Rate Notes.

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The 3 Month LIBOR Rate will be reset quarterly on each interest payment date for the floating rate notes (each of these dates is called an interest reset date), beginning on _____, 2004. The initial interest rate for the period from and including _____, 2004 to but excluding the first interest payment date will be ____%.

3 Month LIBOR Rate means the rate for deposits in U.S. dollars for the 3-month period commencing on the applicable interest reset date which appears on Telerate Page 3750 at approximately 11:00 a.m., London time, on the second London banking day prior to the applicable interest reset date. If this rate does not appear on Telerate Page 3750, the calculation agent will determine the rate on the basis of the rates at which deposits in U.S. dollars are offered by four major banks in the London interbank market (selected by the calculation agent) at approximately 11:00 a.m., London time, on the second London banking day prior to the applicable interest reset date to prime banks in the London interbank market for a period of three months commencing on that interest

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reset date and in a principal amount equal to an amount not less than \$1,000,000 that is representative for a single transaction in such market at such time. In such case, the calculation agent will request the principal London office of each of the aforesaid major banks to provide a quotation of such rate. If at least two such quotations are provided, the rate for that interest reset date will be the arithmetic mean of the quotations, and, if fewer than two quotations are provided as requested, the rate for that interest reset date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the calculation agent, at approximately 11:00 a.m., New York City time, on the second London banking day prior to the applicable interest reset date for loans in U.S. dollars to leading European banks for a period of three months commencing on that interest reset date and in a principal amount equal to an amount not less than \$1,000,000 that is representative for a single transaction in such market at such time. A London banking day is any business day in which dealings in U.S. dollars are transacted in the London interbank market.

Telerate Page 3750 means the display page so designated on the Moneyline Telerate, Inc. (or such other page as may replace such page on that service or any successor service for the purpose of displaying London interbank offered rates of major banks).

The calculation agent will, upon the request of the holder of any floating rate note, provide the interest rate then in effect. The trustee will serve as the calculation agent until such time as we appoint a successor calculation agent. All calculations made by the calculation agent in the absence of manifest error shall be conclusive for all purposes and binding on us and the holders of the floating rate notes. We may appoint a successor calculation agent with the written consent of the trustee.

All percentages resulting from any calculation of the interest rate with respect to the floating rate notes will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (for example, 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all dollar amounts in or resulting from any such calculation will be rounded to the nearest cent (with one-half cent being rounded upwards).

Interest on the floating rate notes will be computed on the basis of a 360-day year and the actual number of days in each quarterly interest period.

General

If any interest payment date, redemption date or the maturity date of the notes is not a business day at any place of payment, then payment of the principal, premium, if any, and interest may be made on the next business day at that place of payment. In that case, no interest will accrue on the amount payable for the period from and after the applicable interest payment date, redemption date or maturity date, as the case may be.

We will pay principal of and any premium on the notes at stated maturity, upon redemption or otherwise, upon presentation of the notes at the office of the trustee, as our paying agent. In our discretion, we may appoint one or more additional paying agents and security registrars and designate one or more additional places for payment and for registration of transfer, but we must at all times maintain a place of payment of the notes and a place for registration of transfer of the notes in the Borough of Manhattan, The City of New York.

Ranking

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The notes will be our unsecured and unsubordinated obligations and will rank on a parity in right of payment with all of our other unsecured and unsubordinated indebtedness. The notes are our obligations exclusively, and are not the obligations of any of our subsidiaries. Because we conduct our operations primarily through our subsidiaries and substantially all of our consolidated assets are held by our subsidiaries, the notes will be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. At

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March 31, 2004, our subsidiaries had total consolidated liabilities of \$16.7 billion including \$2.8 billion of amounts owed to us. See Description of Debt Securities Guarantee of Sempra Energy; Holding Company Structure in the accompanying prospectus.

Optional Redemption

We will be entitled to redeem the notes at our option as described below. The notes will not be subject to a sinking fund and you will not be permitted to require us to redeem or repurchase the notes at your option.

Fixed Rate Notes

All or a portion of the fixed rate notes may be redeemed at our option at any time or from time to time. The redemption price for the fixed rate notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

100% of principal amount; or

the sum of the present values of the remaining scheduled payments of principal and interest on the fixed rate notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus _____ basis points, as determined by the Reference Treasury Dealer (as defined below),

plus, in each case, accrued and unpaid interest thereon to the redemption date. Notwithstanding the foregoing, installments of interest on fixed rate notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the fixed rate notes and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Adjusted Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the fixed rate notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date or (B) if only one Reference Treasury Dealer Quotation is received, such Quotation.

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Reference Treasury Dealer means (A) [ABN AMRO Incorporated], [Citigroup Global Markets Inc.] and [Deutsche Bank Securities Inc.] (or their respective affiliates which are Primary Treasury Dealers), and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by us.

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such redemption date.

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Floating Rate Notes

We may, at our option, redeem the floating rate notes in whole or in part on any interest payment date on or after _____, 20____ at a redemption price equal to 100% of the principal amount of the floating rate notes being redeemed plus accrued and unpaid interest to the date of redemption.

General

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the notes to be redeemed. Once notice of redemption is mailed, the notes called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date. If we elect to redeem all or a portion of the notes, that redemption will not be conditional upon receipt by the paying agent or the trustee of monies sufficient to pay the redemption price. See "Description of Debt Securities - Redemption" in the accompanying prospectus.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

Other

We may, from time to time, without notice to or the consent of the holders of the notes, increase the principal amount of the floating rate notes and/or the fixed rate notes under the indenture and issue such increased principal amount (or any portion thereof), in which case any additional notes so issued shall have the same form and terms (other than the date of issuance and, under certain circumstances, the date from which interest thereon shall begin to accrue and the first interest payment date), and shall carry the same right to receive accrued and unpaid interest, as the notes previously issued, and such additional notes shall form a single series with the floating rate notes or the fixed rate notes, as applicable.

The notes initially will be issued in book-entry form and represented by one or more global notes deposited with, or on behalf of, The Depository Trust Company, as Depositary, and registered in the name of Cede & Co., its nominee. This means that you will not be entitled to receive a certificate for the notes that you purchase except under the limited circumstances described under the caption "Global Securities - Book-Entry, Delivery and Form" of the accompanying prospectus. If any of the notes are issued in certificated form they will be issued only in fully registered form without coupons, in denominations of \$1,000 and integral multiples of \$1,000.

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MATERIAL UNITED STATES FEDERAL TAX CONSIDERATIONS

The following is a summary of the material United States federal income and estate tax considerations relating to the purchase, ownership and disposition of the notes by holders thereof, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary supersedes, in its entirety, the discussion in the base prospectus entitled "Certain United States Federal Income Tax Consequences, to the extent it relates to debt securities. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated under the Code, administrative rulings and judicial decisions, each as of the date hereof. These authorities may be changed, perhaps retroactively, so as to result in United States federal income and estate tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service or an opinion of counsel with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the Internal Revenue Service will agree with such statements and conclusions.

This summary assumes that the notes are held as capital assets and holders purchase the notes upon their initial issuance pursuant to this prospectus at the notes' initial offering price and does not address the tax considerations of subsequent purchasers of the notes. This summary also does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction. In addition, this discussion does not address all tax considerations that may be applicable to a holder's particular circumstances or to holders that may be subject to special tax rules, including, without limitation:

holders subject to the alternative minimum tax;

banks, insurance companies or certain financial institutions;

tax-exempt organizations;

dealers in securities or commodities;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

U.S. holders (as defined below) whose functional currency is not the United States dollar;

persons that will hold the notes as a position in a hedging transaction, straddle, conversion transaction or other risk reduction transaction; or

persons deemed to sell the notes under the constructive sale provisions of the Code.

If a partnership holds notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our notes, you should consult your tax advisor regarding the tax consequences of the ownership and disposition of the notes.

THIS SUMMARY OF THE MATERIAL UNITED STATES FEDERAL TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF UNITED STATES FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE UNITED STATES FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Consequences to U.S. Holders

The following is a summary of the United States federal tax consequences that will apply to you if you are a U.S. holder of the notes. Certain consequences to non-U.S. holders of the notes are described under the caption Consequences to Non-U.S. Holders below. U.S. holder means a beneficial owner of a note that is:

a citizen or resident of the United States as determined for federal income tax purposes;

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a corporation or partnership created or organized in or under the laws of the United States or any political subdivision of the United States;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust if (1) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Payments of Interest

It is expected that the notes will be issued without original issue discount for U.S. federal income tax purposes. Accordingly, stated interest on the notes will generally be taxable to you as ordinary income from domestic sources at the time it is paid or accrues in accordance with your method of accounting for U.S. federal income tax purposes. If, however, the notes' stated redemption price at maturity (which is the sum of all payments required under the notes other than payments of stated interest) exceeds the issue price by more than a *de minimis* amount, a U.S. Holder will be required to include such excess in income as original issue discount, as it accrues, in accordance with a constant yield method potentially before the receipt of cash payments attributable to this income.

Sale, Exchange or Other Taxable Disposition of Notes

You will generally recognize gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a note equal to the difference between the amount realized upon the sale, exchange or other disposition (less any amount attributable to any accrued interest not previously included in income, which will be taxable as interest income) and your adjusted tax basis in the note. Your adjusted tax basis in a note will generally equal the amount you paid for the note. Any gain or loss recognized on a disposition of the note will be capital gain or loss. Under current law, if you are an individual and have held the note for more than one year, such capital gain will generally be subject to tax at a maximum rate of 15% for taxable years beginning before January 1, 2009. Your ability to deduct capital losses may be limited.

Discharge of Obligations

Under certain circumstances, we may discharge our obligations under the indenture prior to maturity of the notes by depositing funds with the trustee in an amount which, together with earnings thereon, will be sufficient to pay and discharge the entire amount of principal and interest due on the notes through maturity. See "Description of Debt Securities Satisfaction and Discharge" in the accompanying prospectus. If we choose to exercise this right, it is possible that you will recognize income or gain at different times and/or in different amounts than otherwise described in this discussion of United States federal tax considerations.

Backup Withholding and Information Reporting

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Payments of interest and principal on notes held by U.S. holders and the proceeds received upon the sale or other disposition of such notes may be subject to information reporting and backup withholding tax. Payments to certain holders (including, among others, corporations and certain tax-exempt organizations) are generally not subject to information reporting or backup withholding. If you are a U.S. holder, payments to you will be subject to information reporting and backup withholding tax if:

you fail to furnish your taxpayer identification number (TIN), which, for an individual, is ordinarily his or her social security number, in the manner required by the Code and applicable Treasury Regulations;

we or our agent (or other payor) are notified by the Internal Revenue Service that the TIN you furnished is incorrect;

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there has been a notified payee underreporting with respect to interest or dividends paid to you, as described in the Code; or

you have failed to certify under penalty of perjury that you are not subject to withholding under the Code.

The amount of any reportable payments, including interest, made to you (unless you are an exempt recipient) and the amount of tax withheld, if any, with respect to such payments will be reported to you and to the Internal Revenue Service for each calendar year.

You should consult your tax advisor regarding your qualification for an exemption from backup withholding and information reporting and the procedures for obtaining such an exemption, if applicable. The backup withholding tax is not an additional tax, and you may use amounts withheld as a credit against your United States federal income tax liability or may claim a refund as long as you timely provide certain information to the Internal Revenue Service.

Consequences to Non-U.S. Holders

The following is a summary of the United States federal tax consequences that will apply to you if you are a non-U.S. holder of notes. The term non-U.S. holder means a beneficial owner of a note that is not a U.S. holder.

Special rules may apply to certain non-U.S. holders such as controlled foreign corporations, passive foreign investment companies and foreign personal holding companies. Such entities should consult their tax advisors to determine the United States federal, state, local and other tax consequences that may be relevant to them.

Payment of Interest

The 30% United States federal withholding tax will not apply to any payment to you of principal or interest on a note provided that:

you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock that are entitled to vote within the meaning of Section 871(h)(3) of the Code;

you are not a controlled foreign corporation that is related to us through stock ownership;

you are not a bank whose receipt of interest on a note is described in Section 881(c)(3)(A) of the Code; and

(a) you provide your name and address, and certify, under penalties of perjury, that you are not a United States person (which certification may be made on an Internal Revenue Service Form W-8BEN (or a successor form)) or (b) a securities clearing organization, bank, or other financial institution that holds customers securities in the ordinary course of its business holds the note on your behalf and certifies, under penalties of perjury, that it has received Internal Revenue Service Form W-8BEN from you or from

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another qualifying financial institution intermediary, and, in certain circumstances, provides a copy of the Internal Revenue Service Form W-8BEN. If you hold your notes through certain foreign intermediaries or certain foreign partnerships, such foreign intermediaries or partnerships must also satisfy the certification requirements of applicable Treasury Regulations.

If you cannot satisfy the requirements described above, payments of interest will be subject to the 30% United States federal withholding tax, unless you provide us with a properly executed (1) Internal Revenue Service Form W-8BEN claiming an exemption from or reduction in withholding under the benefit of an applicable tax treaty or (2) Internal Revenue Service Form W-8ECI stating that interest paid on the note is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States. Alternative documentation may be applicable in certain circumstances.

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If you are engaged in a trade or business in the United States and interest on a note is effectively connected with the conduct of that trade or business, you will be required to pay United States federal income tax on that interest on a net income basis (although you will be exempt from the 30% withholding tax provided the certification requirement described above is met) in the same manner as if you were a United States person as defined under the Code, except as otherwise provided by an applicable tax treaty. In addition, if you are a foreign corporation, you may be required to pay a branch profits tax equal to 30% (or lower applicable treaty rate) of your effectively connected earnings and profits for the taxable year, subject to adjustments, that are effectively connected with your conduct of a trade or business in the United States. For this purpose, interest will be included in the earnings and profits of such foreign corporation.

Sale, Exchange or Other Taxable Disposition of Notes

Any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a note (except with respect to accrued and unpaid interest, which would be taxable as described above) generally will not be subject to United States federal income tax unless:

that gain is effectively connected with your conduct of a trade or business in the United States;

you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

you are subject to Code provisions applicable to certain United States expatriates.

If your gain is effectively connected with your conduct of a United States trade or business, you generally will be required to pay United States federal income tax on the net gain derived from the sale, except as otherwise required by an applicable tax treaty. If you are a corporation, any such effectively connected gain received by you may also, under certain circumstances, be subject to the branch profits tax at a 30% rate (or such lower rate as may be prescribed under an applicable United States income tax treaty). If you are described in the second bullet point above, you will be subject to a flat 30% United States federal income tax on the gain derived from the sale, which may be offset by United States source capital losses, even though the holder is not considered a resident of the United States. If you are described in the third bullet point above, you should consult your tax advisor to determine the United States federal, state, local and other tax consequences that may be relevant to you.

United States Federal Estate Tax

The United States federal estate tax will not apply to the notes owned by you at the time of your death, provided that (1) you do not own actually or constructively 10% or more of the total combined voting power of all classes of our voting stock (within the meaning of the Code and the Treasury Regulations) and (2) interest on the note would not have been, if received at the time of your death, effectively connected with your conduct of a trade or business in the United States.

Backup Withholding and Information Reporting

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Backup withholding will likely not apply to payments of principal or interest made by us or our paying agents, in their capacities as such, to a non-U.S. holder of a note if the holder certifies that it is not a U.S. holder. However, information reporting on Internal Revenue Service Form 1042-S may still apply with respect to interest payments. Payments of the proceeds from a disposition by a non-U.S. holder of a note made to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that information reporting (but generally not backup withholding) may apply to those payments if the broker is:

a United States person;

a controlled foreign corporation for United States federal income tax purposes;

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a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period; or

a foreign partnership, if at any time during its tax year, one or more of its partners are United States persons, as defined in Treasury Regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership or if, at any time during its tax year, the foreign partnership is engaged in a United States trade or business.

Payment of the proceeds from a disposition by a non-U.S. holder of a note made to or through the United States office of a broker is generally subject to information reporting and backup withholding unless the holder or beneficial owner establishes an exemption from information reporting and backup withholding.

Non-U.S. holders should consult their tax advisors regarding application of withholding and backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from withholding and backup withholding under current Treasury Regulations. In this regard, the current Treasury Regulations provide that a certification may not be relied on if we or our agent (or other payor) know or have reason to know that the certification may be false. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder will be allowed as a credit against the holder's United States federal income tax liability or such holder may claim a refund, provided the required information is furnished to the Internal Revenue Service on a timely basis.

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UNDERWRITING

ABN AMRO Incorporated, Citigroup Global Markets Inc. and Deutsche Bank Securities Inc. are acting as representatives for the underwriters named below.

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name.

Name	Principal Amount of Notes
ABN AMRO Incorporated	\$
Citigroup Global Markets Inc.	\$
Deutsche Bank Securities Inc.	\$
Greenwich Capital Markets, Inc.	\$
Scotia Capital (USA) Inc.	\$
SG Americas Securities, LLC	\$
UBS Securities LLC	\$
Total	\$

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes.

The underwriters propose to offer some of the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the notes to dealers at the public offering price less a concession not to exceed % of the principal amount of the notes. The underwriters may allow, and dealers may reallow, a concession not to exceed % of the principal amount of the notes on sales to other dealers. After the initial offering of the notes to the public, the representatives may change the public offering price and concessions.

The notes will not have an established trading market when issued. There can be no assurance of a secondary market for the notes or the continued liquidity of such market if one develops. It is not anticipated that the notes will be listed on any securities exchange.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

Paid by
Sempra Energy

Per note

%

In connection with the offering, ABN AMRO Incorporated, Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., on behalf of the underwriters, may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

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The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when ABN AMRO Incorporated, Citigroup Global Markets Inc. or Deutsche Bank Securities Inc., in covering syndicate short positions or making stabilizing purchases, repurchases notes originally sold by that syndicate member.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

Certain of the underwriters will make the notes available for distribution on the Internet through a proprietary web site and/or a third-party system operated by Market Axess Inc., an Internet-based communications technology provider. Market Axess Inc. is providing the system as a conduit for communications between these underwriters and their customers and is not a party to any transactions. Market Axess Inc., a registered broker-dealer, will receive compensation based on transactions conducted through the system. Certain of the underwriters will make the notes available to their customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

We estimate that our total expenses for this offering will be \$250,000, excluding underwriting discounts and commissions.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

LEGAL MATTERS

Gary W. Kyle, Chief Corporate Counsel of Sempra Energy will pass upon the validity of the notes and various other legal matters relating to the issuance and sale of the notes on behalf of Sempra Energy. Latham & Watkins LLP, Los Angeles, California, will pass upon certain other legal matters relating to the issuance and sale of the notes on behalf of Sempra Energy. Sidley Austin Brown & Wood LLP, San Francisco, California will act as counsel for the underwriters. Paul Pringle is a partner of Sidley Austin Brown & Wood LLP and owns 2,412 shares of common stock and 1,000 equity units of Sempra Energy.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements and the related financial statement schedule as of December 31, 2003 and 2002 and for each of the three years in the period ended December 31, 2003 incorporated by reference into Sempra Energy's registration statement on Form S-3 filed with the SEC on March 4, 2003 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports.

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PROSPECTUS

\$2,900,000,000

SEMPRA ENERGY

Debt Securities, Common Stock, Preferred Stock, Guarantees, Warrants to Purchase Debt Securities, Common Stock and Preferred Stock, Securities Purchase Contracts, Securities Purchase Units and Depositary Shares

SEMPRA ENERGY GLOBAL ENTERPRISES

Debt Securities Guaranteed by Sempra Energy and
Warrants to Purchase Debt Securities

SEMPRA ENERGY CAPITAL TRUST II

SEMPRA ENERGY CAPITAL TRUST III

Trust Preferred Securities Guaranteed by Sempra Energy

We may offer and sell the securities from time to time in one or more offerings. This prospectus provides you with a general description of the securities we may offer.

Each time we sell securities, we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the securities. The supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the accompanying prospectus supplement before you invest in any of our securities.

Sempra Energy

Sempra Energy may offer and sell the following securities:

debt securities;

common stock;

preferred stock;

guarantees of debt securities and trust preferred securities;

warrants to purchase debt securities, common stock and preferred stock;

securities purchase contracts and securities purchase units; and/or

depository shares.

Sempra Energy Global Enterprises

Sempra Energy Global Enterprises may offer and sell debt securities guaranteed by Sempra Energy and warrants to purchase debt securities.

The Sempra Energy Trusts

Sempra Energy Capital Trust II and Sempra Energy Capital Trust III may offer and sell trust preferred securities guaranteed by Sempra Energy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 18, 2003.

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that we filed with the United States Securities and Exchange Commission. By using a shelf registration statement, we may sell up to \$2,900,000,000 offering price of any combination of the securities described in this prospectus from time to time and in one or more offerings. This prospectus only provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide a supplement to this prospectus that contains specific information about the terms of the securities. The supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should carefully read both this prospectus and the accompanying prospectus supplement, together with the additional information described under the heading Where You Can Find More Information.

This prospectus does not contain separate financial statements for Sempra Energy Global Enterprises or Sempra Energy Capital Trust II or Sempra Energy Capital Trust III. Sempra Energy files consolidated financial information with the SEC that includes Sempra Energy Global Enterprises and each of the trusts. The trusts have no historical operations and do not have any independent function other than to issue securities and to purchase subordinated debt securities from Sempra Energy. We do not believe that additional financial information regarding Sempra Energy Global Enterprises or the trusts would be useful to you.

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You should rely only on the information contained or incorporated by reference in this prospectus and in any supplement to this prospectus. We have not authorized any other person to provide you with different

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information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus and the accompanying prospectus supplement is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

FORWARD-LOOKING STATEMENTS

This prospectus, any accompanying prospectus supplement and the documents they incorporate by reference may contain statements that are not historical fact and constitute forward-looking statements. When we use words like believes, expects, anticipates, intends, plans, estimates, should or similar expressions, or when we discuss our strategy or plans, we are making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results may differ materially from those expressed in these forward-looking statements. These statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others:

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

actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources and the Federal Energy Regulatory Commission;

capital market conditions, inflation rates, interest rates and exchange rates;

energy and trading markets, including the timing and extent of changes in commodity prices;

weather conditions and conservation efforts;

war and terrorist attacks;

business, regulatory and legal decisions;

the pace of deregulation of retail natural gas and electricity delivery;

the timing and success of business development efforts; and

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

You are cautioned not to rely unduly on any forward-looking statements. These risks and uncertainties are discussed in more detail under Business and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2002 and other documents on file with the SEC. You may obtain copies of these documents as described under Where You Can Find More Information below.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

Sempra Energy files reports, proxy statements and other information with the SEC. Information filed with the SEC by Sempra Energy can be inspected and copied at the Public Reference Room maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington D.C. 20549.

You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. Further information on the

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operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, such as Sempra Energy, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Sempra Energy's common stock is listed on the New York Stock Exchange under the symbol SRE, and reports, proxy statements and other information concerning Sempra Energy can also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement that we filed with the SEC. The full registration statement may be obtained from the SEC or Sempra Energy, as indicated below. Forms of the indentures, the declarations of trust and other documents establishing the terms of the offered securities and the guarantees are filed as exhibits to the registration statement. Statements in this prospectus about these documents are summaries. You should refer to the actual documents for a more complete description of the relevant matters.

Incorporation by Reference

The rules of the SEC allow us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about Sempra Energy.

<u>SEC Filings (File No. 1-14201)</u>	<u>Period</u>
Annual Report on Form 10-K	Year ended December 31, 2002
Current Reports on Form 8-K	Filed February 21, 2003
Registration Statement on Form 8-A	Filed June 5, 1998

We are also incorporating by reference all additional documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, between the date of this prospectus and the termination of the offering of securities described in this prospectus.

Sempra Energy will provide without charge to each person to whom a copy of this prospectus has been delivered a copy of any and all of these filings. You may request a copy of these filings by writing or telephoning us at:

Sempra Energy

101 Ash Street

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San Diego, California 92101

Attention: Corporate Secretary

Telephone: (619) 696-2034

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SEMPRA ENERGY

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company. Our family of companies provides a wide spectrum of value-added electric and gas products and services to a diverse range of customers. Our operations are divided between our delivery services, which are comprised of our California utility subsidiaries, and Sempra Energy Global Enterprises, our growth businesses, as described below.

As of December 31, 2002, our California utility subsidiaries, Southern California Gas Company and San Diego Gas & Electric company, served over 21 million consumers. Natural gas service was provided throughout Southern California and portions of Central California through approximately 6.1 million meters as of December 31, 2002. Electric service was provided throughout San Diego County and portions of Orange County, both in Southern California, through approximately 1.3 million meters as of December 31, 2002. Through other subsidiaries, Sempra Energy also provides other energy-related products and services.

The information above concerning Sempra Energy and its subsidiaries is only a summary and does not purport to be comprehensive. For additional information concerning Sempra Energy and its subsidiaries, you should refer to the information described under the caption "Where You Can Find More Information" above.

Our principal executive offices are located at 101 Ash Street, San Diego, California 92101 and our telephone number is (619) 696-2034.

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SEMPRA ENERGY GLOBAL ENTERPRISES

Sempra Energy Global Enterprises is a wholly owned subsidiary of Sempra Energy. It is a holding company for many of the subsidiaries of Sempra Energy that are not subject to California utility regulation.

Sempra Energy Global Enterprises principal subsidiaries provide the following energy-related products and services:

Sempra Energy Resources acquires, develops and operates power plants for the competitive market;

Sempra Energy Trading is a wholesale trader of physical and financial energy products, including natural gas, power, crude oil and other commodities, and a trader and wholesaler of metals, serving a broad range of customers;

Sempra Energy International engages in energy-infrastructure projects outside the United States and, as of December 31, 2002, had interests in companies that provide natural gas and electricity services to over 2.6 million customers in Argentina, Chile, Mexico and Peru; and

Sempra Energy Solutions provides energy-related products and services on a retail basis, including energy efficiency engineering services, to various markets.

Sempra Energy Global Enterprises may, in the future, engage in other businesses.

Sempra Energy Global Enterprises offices are located at 101 Ash Street, San Diego, California 92101 and the telephone number is (619) 696-2034.

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SEMPRA ENERGY CAPITAL TRUST II AND SEMPRA ENERGY CAPITAL TRUST III

Sempra Energy created Sempra Energy Capital Trust II and Sempra Energy Capital Trust III. Sempra Energy will file an Amended and Restated Declaration of Trust (a Declaration) for each trust, which will state the terms and conditions for each trust to issue and sell its trust preferred securities and trust common securities. A form of Declaration is filed as an exhibit to the registration statement of which this prospectus forms a part.

Each trust exists solely to:

issue and sell its trust preferred securities (representing beneficial interests in the trust) to investors;

issue and sell its trust common securities (representing beneficial interests in the trust) to Sempra Energy;

use the proceeds from the sale of its trust preferred and trust common securities to purchase a series of Sempra Energy's subordinated debt securities;

distribute the cash payments it receives on the subordinated debt securities it owns to the holders of its trust preferred and trust common securities;

maintain its status as a grantor trust for federal income tax purposes; and

engage in other activities that are necessary or incidental to these purposes.

Sempra Energy will purchase all of the trust common securities of each trust. The trust common securities will represent an aggregate liquidation amount equal to at least 3% of each trust's total capitalization. The trust preferred securities will represent the remaining portion of the trust's total capitalization. The trust common securities will have terms substantially identical to, and will rank equal in priority of payment with, the trust preferred securities. However, if Sempra Energy defaults on the related subordinated debt securities, then cash distributions and liquidation, redemption and other amounts payable on the trust common securities will be subordinate to the trust preferred securities in priority of payment.

The trust preferred securities will be guaranteed by Sempra Energy as described later in this prospectus.

Sempra Energy has appointed five trustees to conduct each trust's business and affairs:

The Bank of New York, as property trustee;

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The Bank of New York (Delaware), as Delaware trustee; and

Three Sempra Energy officers, as regular trustees.

Only Sempra Energy, as owner of the trust common securities, can remove or replace the trustees. In addition, Sempra Energy can increase or decrease the number of trustees.

Sempra Energy will pay all fees and expenses related to each trust and each offering of the related trust preferred securities and will pay all ongoing costs and expenses of each trust, except the respective trust's obligations under the related trust preferred and trust common securities.

The trusts will not have separate financial statements. The statements would not be material to holders of the trust preferred securities because no trust will have any independent operations. Each trust exists solely for the reasons described above.

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USE OF PROCEEDS

Unless stated otherwise in the applicable prospectus supplement, the net proceeds from the sale of the offered securities will be:

used by Sempra Energy and/or its subsidiaries for general corporate purposes, including investing in unregulated business activities and reducing short-term debt incurred to provide interim financing for such purposes; and

used by the respective trusts to purchase subordinated debt securities of Sempra Energy, which will in turn use the proceeds from the issuance of subordinated debt securities for the purposes stated above.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS**

The following table sets forth the ratio of Sempra Energy earnings to combined fixed charges and preferred stock dividends for each of the five years in the five-year period ended December 31, 2002:

	Years Ended December 31,				
	2002	2001	2000	1999	1998
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	3.01	2.86	2.90	3.21	2.74

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DESCRIPTION OF SECURITIES

The following is a general description of the terms and provisions of the securities we may offer and sell by this prospectus. These summaries are not meant to be a complete description of each security. This prospectus and any accompanying prospectus supplement will contain the material terms and conditions for each security. The accompanying prospectus supplement may add, update or change the terms and conditions of the securities as described in this prospectus. For more information about the securities offered by us, please refer to:

the indenture between Sempra Energy and U.S. Bank National Association, as successor trustee to U.S. Bank Trust National Association, relating to the issuance of each series of senior debt securities by Sempra Energy (the senior indenture);

the indenture between Sempra Energy and The Bank of New York, as trustee, relating to the issuance of each series of subordinated debt securities by Sempra Energy (the subordinated indenture);

the indenture among Sempra Energy Global Enterprises, Sempra Energy, as Guarantor, and U.S. Bank National Association, as successor trustee to U.S. Bank Trust National Association, relating to the issuance of each series of senior debt securities by Sempra Energy Global Enterprises;

the Declaration of each trust; and

Sempra Energy's guarantee of the trust preferred securities issued by each trust.

Forms of these documents are filed as exhibits to the registration statement of which this prospectus is a part. The indentures are subject to and governed by the Trust Indenture Act of 1939, as amended, and may be supplemented or amended from time to time following their execution.

DESCRIPTION OF DEBT SECURITIES

Unless indicated differently in a prospectus supplement, the following description sets forth the general terms and provisions of the debt securities that Sempra Energy and Sempra Energy Global Enterprises may offer by this prospectus. The debt securities may be issued as senior debt securities or subordinated debt securities in the case of Sempra Energy and as senior debt securities in the case of Sempra Energy Global Enterprises.

The senior debt securities will be governed by the senior indenture and the subordinated debt securities will be governed by the subordinated indenture. Each indenture gives the issuer broad authority to set the particular terms of each series of debt securities, including the right to modify certain of the terms contained in the indenture. The particular terms of a series of debt securities and the extent, if any, to which the particular terms of the issue modify the terms of the applicable indenture will be described in the accompanying prospectus supplement relating to such series of debt securities.

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Each indenture contains the full legal text of the matters described in this section. Because this section is a summary, it does not describe every aspect of the debt securities or the applicable indentures. This summary is subject to and qualified in its entirety by reference to all the provisions of the applicable indenture, including definitions of terms used in such indenture. We also include references in parentheses to certain sections of the indentures. Whenever we refer to particular sections or defined terms of the indentures in this prospectus or in a prospectus supplement, these sections or defined terms are incorporated by reference into this prospectus or into the prospectus supplement. This summary also is subject to and qualified by reference to the description of the particular terms of a particular series of debt securities described in the applicable prospectus supplement or supplements.

General

Sempra Energy and Sempra Energy Global Enterprises may issue an unlimited amount of debt securities under the indentures in one or more series. Neither company is required to issue all debt securities of one series

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at the same time and, unless otherwise provided in a prospectus supplement, either company may reopen a series, without the consent of the holders of the debt securities of that series, for issuances of additional debt securities of that series.

The debt securities of Sempra Energy and Sempra Energy Global Enterprises will be unsecured obligations of the company issuing the security, and the debt securities of Sempra Energy Global Enterprises will be unconditionally guaranteed by Sempra Energy as to payment of principal, premium, if any, and interest as described under the caption "Guarantee of Sempra Energy; Holding Company Structure" below.

Before the issuance of each series of debt securities, the terms of the particular securities will be specified in either a supplemental indenture (including any pricing supplement) and a board resolution of the issuing company or in one or more officers' certificates of the issuing company pursuant to a supplemental indenture or a board resolution. We refer you to the applicable prospectus supplement for a description of the following terms of each series of debt securities:

- (a) the title of the debt securities;
- (b) any limit upon the principal amount of the debt securities;
- (c) the date or dates on which principal will be payable or how to determine the dates;
- (d) the rate or rates or method of determination of interest; the date from which interest will accrue; the dates on which interest will be payable, which we refer to as the "interest payment dates"; and any record dates for the interest payable on the interest payment dates;
- (e) any obligation or option of the issuing company to redeem, purchase or repay debt securities, or any option of the registered holder to require the issuing company to redeem or repurchase debt securities, and the terms and conditions upon which the debt securities will be redeemed, purchased or repaid;
- (f) the denominations in which the debt securities will be issuable (if other than denominations of \$1,000 and any integral multiple thereof);
- (g) whether the debt securities are to be issued in whole or in part in the form of one or more global debt securities and, if so, the identity of the depository for the global debt securities; and
- (h) any other terms of the debt securities that may be different from those described below.

(See Section 301.)

Ranking

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The senior debt securities will be the unsecured and unsubordinated obligations of the company issuing the security. The indebtedness represented by the senior debt securities will rank equally with all other unsecured and unsubordinated debt of the company issuing the senior debt security (either Sempra Energy or Sempra Energy Global Enterprises). The indebtedness represented by the subordinated debt securities will rank junior and subordinate in right of payment to the prior payment in full of the senior debt of Sempra Energy, to the extent and in the manner set forth under the caption "Subordination" below and as may be set forth in a prospectus supplement. The debt securities are obligations of Sempra Energy and Sempra Energy Global Enterprises exclusively, and are not the obligations of any of their respective subsidiaries. Because each company conducts its operations primarily through its respective subsidiaries and substantially all of its respective consolidated assets are held by its respective subsidiaries, the debt securities will be effectively subordinated to all existing and future indebtedness and other liabilities of each issuing company's respective subsidiaries.

Guarantee of Sempra Energy; Holding Company Structure

Sempra Energy will unconditionally guarantee the payment of principal of and any premium and interest on the debt securities issued by Sempra Energy Global Enterprises, when due and payable, whether at the stated

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maturity date, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of the debt securities and the applicable indenture. These guarantees are referred to as the debt securities guarantees in this prospectus. The debt securities guarantees will remain in effect until the entire principal of and any premium and interest on the debt securities has been paid in full or otherwise discharged in accordance with the provisions of the applicable indenture.

Sempra Energy conducts its operations primarily through its subsidiaries and substantially all of its consolidated assets are held by its subsidiaries. Accordingly, Sempra Energy's cash flow and its ability to meet its obligations under its debt securities and the debt securities guarantees are largely dependent upon the earnings of its subsidiaries and the distribution or other payment of these earnings to Sempra Energy in the form of dividends or loans or advances and repayment of loans and advances from Sempra Energy. Except for Sempra Energy Global Enterprises, with respect to repayment of their debt securities, the subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the Sempra Energy debt securities or to make any funds available for payment of amounts due on these debt securities or the debt securities guarantees.

Because Sempra Energy is a holding company, its obligations under the debt securities and the debt securities guarantees will be structurally subordinated to all existing and future liabilities of its subsidiaries. Therefore, Sempra Energy's rights and the rights of its creditors, including the rights of the holders of the debt securities issued by Sempra Energy and any debt securities guarantees, to participate in the assets of any subsidiary upon the liquidation or reorganization of the subsidiary will be subject to the prior claims of the subsidiary's creditors. To the extent that Sempra Energy may itself be a creditor with recognized claims against any of its subsidiaries, Sempra Energy's claims would still be effectively subordinated to any security interest in, or mortgages or other liens on, the assets of the subsidiary and would be subordinated to any indebtedness or other liabilities of the subsidiary that are senior to the claims held by Sempra Energy. Sempra Energy expects to incur, and expects that each of its subsidiaries will incur, substantial additional amounts of indebtedness.

Sempra Energy Global Enterprises also conducts its operations primarily through its subsidiaries and substantially all of its consolidated assets are held by its subsidiaries. Accordingly, the discussion above is equally applicable to Sempra Energy Global Enterprises and the debt securities it issues.

Payment of Debt Securities Interest

Unless indicated differently in a prospectus supplement, the issuing company will pay interest on the debt securities on each interest payment date by check mailed to the person in whose name the debt securities are registered as of the close of business on the regular record date relating to the interest payment date.

However, if the issuing company defaults in paying interest on a debt security, the issuing company will pay defaulted interest in either of the two following ways:

- (a) The issuing company will first propose to the trustee a payment date for the defaulted interest. Next, the trustee will choose a special record date for determining which registered holders are entitled to the payment. The special record date will be between ten and 15 days before the proposed payment date. Finally, the issuing company will pay the defaulted interest on the payment date to the registered holder of the debt security as of the close of business on the special record date.
- (b)

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Alternatively, the issuing company can propose to the trustee any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the debt securities are listed for trading. If the trustee thinks the proposal is practicable, payment will be made as proposed.

(See Section 307.)

Payment of Debt Securities Principal

The company issuing the debt securities will pay principal of and any premium and interest on the debt securities at stated maturity, upon redemption or otherwise, upon presentation of the debt securities at the office

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of the paying agent, which initially will be the trustee or such other paying agent designated in accordance with the applicable indenture. Any other paying agent initially designated for the debt securities of a particular series will be named in the applicable prospectus supplement.

If any interest payment date, redemption date or the maturity date of the debt securities is not a business day at any place of payment, then payment of the principal, premium, if any, and interest may be made on the next business day at that place of payment. In that case, no interest will accrue on the amount payable for the period from and after the applicable interest payment date, redemption date or maturity date, as the case may be.

The issuing company will pay principal of and any premium on the debt securities at stated maturity, upon redemption or otherwise, upon presentation of the debt securities at the office of the paying agent. In the discretion of the company issuing the debt securities, the issuing company may appoint one or more additional paying agents and security registrars and designate one or more additional places for payment and for registration of transfer, but must at all times maintain a place of payment of the debt securities and a place for registration of transfer of the debt securities in the Borough of Manhattan, the City of New York. (See Section 1002.)

Form; Transfers; Exchanges

The debt securities will be issued:

- (a) only in fully registered form;
- (b) without interest coupons; and
- (c) on denominations that are even multiples of \$1,000.

You may have your debt securities divided into debt securities of smaller denominations (of at least \$1,000) or combined into debt securities of larger denominations, as long as the total principal amount is not changed. This is called an exchange. (See Section 305.)

You may exchange or transfer debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring debt securities. The company issuing the debt securities may appoint another agent or act as its own agent for this purpose. The entity performing the role of maintaining the list of registered holders is called the security registrar. It will also perform transfers. (See Section 305.)

In the discretion of the company issuing the debt securities, the issuing company may change the place for registration of transfer of the debt securities and may remove and/or appoint one or more additional security registrars. (See Sections 305 and 1002.)

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There will be no service charge for any transfer or exchange of the debt securities, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange.

We may block the transfer or exchange of (a) debt securities during a period of 15 days before giving any notice of redemption or (b) any debt security selected for redemption in whole or in part, except the unredeemed portion of any debt security being redeemed in part. (See Section 305.)

Optional Redemption

Unless indicated differently in a prospectus supplement, all or a portion of the debt securities may be redeemed at the option of the issuing company at any time or from time to time. The redemption price for the debt securities to be redeemed on any redemption date will be equal to the greater of the following amounts:

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100% of the principal amount of the debt securities being redeemed on the redemption date; or

the sum of the present values of the remaining scheduled payments of principal and interest on the debt securities being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus a number of basis points as set forth in any accompanying prospectus supplement, as determined by the Reference Treasury Dealer (as defined below).

plus, in each case, accrued and unpaid interest thereon to the redemption date. Notwithstanding the foregoing, installments of interest on the debt securities that are due and payable on interest payment dates falling on or before a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the debt securities and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The company issuing the debt securities will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the debt securities to be redeemed. Once notice of redemption is mailed, the debt securities called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date. If the issuing company elects to redeem all or a portion of the debt securities, that redemption will not be conditional upon receipt by the paying agent or the trustee of monies sufficient to pay the redemption price. (See Section 1104.)

Debt securities will cease to bear interest on the redemption date. The issuer of the debt securities will pay the redemption price and any accrued interest once you surrender the debt security for redemption. (See Section 1105.) If only part of a debt security is redeemed, the trustee will deliver to you a new debt security of the same series for the remaining portion without charge. (Section 1106.)

Unless the company issuing the debt securities defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the debt securities or portions thereof called for redemption.

Adjusted Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the debt securities to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such debt securities.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the trustee receives fewer than three Such Reference Treasury Dealer Quotations, the average of all such Quotations, or (C) if the trustee receives only one Reference Treasury Dealer Quotation, such Quotation.

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Reference Treasury Dealer means (A) the underwriters referenced in any applicable prospectus supplement; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a *Primary Treasury Dealer*), the company issuing the debt securities will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by the company issuing the debt securities.

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Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the company issuing the debt securities, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the company issuing the debt securities by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such redemption date.

Events of Default

An event of default occurs with respect to the debt securities of any series if:

- (a) the issuing company does not pay any interest on any debt securities of the applicable series within 30 days of the due date;
- (b) the issuing company does not pay any principal of or premium on any debt securities of the applicable series on the due date;
- (c) the issuing company or, if applicable, the guarantor of the debt securities remains in breach of a covenant or warranty (excluding covenants and warranties solely applicable to another series of debt securities issued under the applicable indenture) in the applicable indenture or the debt securities of the applicable series for 60 days after it receives a written notice of default stating it is in breach and requiring remedy of the breach; the notice must be sent by either the trustee or registered holders of at least 25% of the principal amount of the outstanding debt securities of the affected series;
- (d) default occurs under any bond, note, debenture or other instrument evidencing any indebtedness for money borrowed by the issuing company or, if applicable, the guarantor of the debt securities, excluding any of the issuing company's subsidiaries (including a default with respect to any other series of debt securities issued under the applicable indenture), or under any mortgage, indenture or other instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the issuing company (or the payment of which is guaranteed by the issuing company or, if applicable, the guarantor of the debt securities), excluding any of the issuing company's subsidiaries, whether such indebtedness or guarantee exists on the date of the applicable indenture or is issued or entered into following the date of the applicable indenture, if:
 - (1) either:
 - such default results from the failure to pay any such indebtedness when due; or
 - as a result of such default the maturity of such indebtedness has been accelerated prior to its expressed maturity; and
 - (2) the principal amount of such indebtedness, together with the principal amount of any other such indebtedness in default for failure to pay any such indebtedness when due or the maturity of which has been so accelerated, aggregates at least \$25 million;
- (e) the issuing company or, if applicable, the guarantor of the debt securities files for bankruptcy or other specified events in bankruptcy, insolvency, receivership or reorganization occur; or
- (f) any other event of default specified in the applicable prospectus supplement for such series occurs.

(See Section 501.)

No event of default with respect to a series of debt securities necessarily constitutes an event of default with respect to the debt securities of any other series issued under the applicable indenture.

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Remedies

Acceleration

If an event of default occurs and is continuing with respect to any series of debt securities, then either the trustee or the registered holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount of all of the debt securities of that series, together with accrued and unpaid interest thereon, to be due and payable immediately. (See Section 502.)

Rescission of Acceleration

After the declaration of acceleration has been made with respect to any series of debt securities and before the trustee has obtained a judgment or decree for payment of the money due, the declaration and its consequences will be rescinded and annulled, if:

- (a) the company issuing the debt securities of that series pays or deposits with the trustee a sum sufficient to pay:
 - (1) all overdue interest on the debt securities of that series, other than interest which has become due by declaration of acceleration;
 - (2) the principal of and any premium on the debt securities of that series which have become due, otherwise than by the declaration of acceleration, and overdue interest on these amounts;
 - (3) interest on overdue interest, other than interest which has become due by declaration of acceleration, on the debt securities of that series to the extent lawful; and
 - (4) all amounts due to the trustee under the applicable indenture; and

- (b) all events of default with respect to the debt securities of that series, other than the nonpayment of the principal and interest which has become due solely by the declaration of acceleration, have been cured or waived as provided in the applicable indenture.

(See Section 502.)

For more information as to waiver of defaults, see [Waiver of Default and of Compliance](#) below.

Control by Registered Holders; Limitations

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If an event of default with respect to the debt securities of any series occurs and is continuing, the registered holders of a majority in principal amount of the outstanding debt securities of that series, voting as a single class, without regard to the holders of outstanding debt securities of any other series that may also be in default, will have the right to direct the time, method and place of:

- (a) conducting any proceeding for any remedy available to the trustee with respect to the debt securities of that series; and
- (b) exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

These rights of registered holders to give directions are subject to the following limitations:

- (a) the registered holders' directions do not conflict with any law or the applicable indenture; and
- (b) the direction is not unduly prejudicial to the rights of holders of the debt securities of that series who do not join in that action.

The trustee may also take any other action it deems proper which is consistent with the registered holders' direction. (See Sections 512 and 603.)

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In addition, each indenture provides that no registered holder of debt securities of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the applicable indenture or for the appointment of a receiver or for any other remedy thereunder unless:

- (a) that registered holder has previously given the trustee written notice of a continuing event of default;
- (b) the registered holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have made written request to the trustee to institute proceedings in respect of that event of default and have offered the trustee reasonable indemnity against costs and liabilities incurred in complying with the request; and
- (c) for 60 days after receipt of the notice, the trustee has failed to institute a proceeding and no direction inconsistent with the request has been given to the trustee during the 60-day period by the registered holders of a majority in aggregate principal amount of outstanding debt securities of that series.

Furthermore, no registered holder will be entitled to institute any action if and to the extent that the action would disturb or prejudice the rights of other registered holders of debt securities. (See Section 507.)

However, each registered holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 508.)

Notice of Default

The trustee is required to give the registered holders of debt securities of the affected series notice of any default under the applicable indenture to the extent required by the Trust Indenture Act, unless the default has been cured or waived; except that in the case of an event of default of the character specified above in clause (c) under Events of Default, no notice shall be given to such registered holders until at least 30 days after the occurrence of the default. The Trust Indenture Act currently permits the trustee to withhold notices of default (except for certain payment defaults) if the trustee in good faith determines the withholding of the notice to be in the interests of the registered holders. (See Section 602.)

The company issuing the debt securities will furnish the trustee with an annual statement as to its compliance with the conditions and covenants in the applicable indenture.

Waiver of Default and of Compliance

The registered holders of a majority in aggregate principal amount of the outstanding debt securities of any series, voting as a single class, without regard to the holders of outstanding debt securities of any other series, may waive, on behalf of all registered holders of the debt securities of that series, any past default under the applicable indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the applicable indenture that cannot be amended without the consent of the registered holder of each outstanding debt security of that series. (See Section 513.)

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Unless indicated differently in a prospectus supplement, compliance with certain covenants in the applicable indenture or otherwise provided with respect to debt securities of any series may be waived before the time specified for compliance by the registered holders of a majority in aggregate principal amount of the debt securities of such series. (See Section 1006.)

Consolidation, Merger and Conveyance of Assets as an Entirety; No Financial Covenants

Sempra Energy and Sempra Energy Global Enterprises have each agreed not to consolidate or merge with or into any other entity, or to sell, transfer, lease or otherwise convey its properties and assets as an entirety or substantially as an entirety to any entity, unless:

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- (a) it is the continuing entity (in the case of a merger) or the successor entity formed by such consolidation or into which it is merged or which acquires by sale, transfer, lease or other conveyance its properties and assets, as an entirety or substantially as an entirety, is a corporation organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and expressly assumes, by supplemental indenture, (i) the due and punctual payment of the principal, premium and interest on all the debt securities and the performance of all of the covenants under the indenture and (ii) in the case of Sempra Energy, the due and punctual payment of all amounts under the debt securities guarantees; and
- (b) immediately after giving effect to the transaction, no event of default, and no event which after notice or lapse of time or both would become an event of default, has or will have occurred and be continuing.

Neither the applicable indenture nor the debt securities guarantee contains any financial or other similar restrictive covenants.

(See Section 801.)

Modification of Indenture

Without Registered Holder Consent. Without the consent of any registered holders of debt securities, the company issuing the debt securities and the trustee may enter into one or more supplemental indentures for any of the following purposes:

- (a) to evidence the succession of another entity to the company issuing the debt securities; or
- (b) to add one or more covenants for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred upon the company issuing the debt securities; or
- (c) to add any additional events of default for all or any series of debt securities; or
- (d) to change or eliminate any provision of the applicable indenture so long as the change or elimination does not apply to any debt securities entitled to the benefit of such provision or to add any new provision to the applicable indenture (in addition to the provisions which may otherwise be added to the applicable indenture pursuant to the other clauses of this paragraph) so long as the addition does not apply to any outstanding debt securities; or
- (e) to provide security for the debt securities of any series; or
- (f) to establish the form or terms of debt securities of any series, as permitted by the applicable indenture; or
- (g) to evidence and provide for the acceptance of appointment of a separate or successor trustee; or
- (h) to cure any ambiguity, defect or inconsistency or to make any other changes with respect to any series of debt securities that does not adversely affect the interests of the holders of debt securities of that series in any material respect.

(See Section 901.)

With Registered Holder Consent. Subject to the following sentence, the company issuing the debt securities and the trustee may, with some exceptions, amend or modify the applicable indenture with the consent of the registered holders of at least a majority in aggregate principal amount of the debt securities of each series affected by the amendment or modification. However, no amendment or modification may, without the consent of the registered holder of each outstanding debt security affected thereby:

- (a) change the stated maturity of the principal or interest on any debt security or reduce the principal amount, interest or premium payable or change any place of payment where or the currency in which any debt security is payable, or impair the right to bring suit to enforce any payment;

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- (b) reduce the percentages of registered holders whose consent is required for any supplemental indenture or waiver;
- (c) modify or affect in any manner the terms and conditions of the obligations of Sempra Energy in respect of the due and punctual payment of the principal of, or premium, if any, or interest on any debt securities guarantees; or
- (d) modify certain provisions in the applicable indenture relating to supplemental indentures and waivers of certain covenants and past defaults.

A supplemental indenture which changes or eliminates any provision of the applicable indenture expressly included solely for the benefit of holders of debt securities of one or more particular series will be deemed not to affect the interests under the applicable indenture of the holders of debt securities of any other series.

(See Section 902.)

Defeasance

The indentures provide, unless the terms of the particular series of debt securities provide otherwise, that the company issuing the debt securities or, if applicable, the guarantor of the debt securities, may, upon satisfying several conditions, cause it to be discharged from its respective obligations, with some exceptions, with respect to any series of debt securities, which we refer to as defeasance.

One condition the issuing company or, if applicable, the guarantor of the debt securities must satisfy is the irrevocable deposit with the trustee, in trust, of money and/or government obligations which, through the scheduled payment of principal and interest on those obligations, would provide sufficient moneys to pay the principal of and any premium and interest on those debt securities on the maturity dates of the payments or upon redemption.

In addition, the company issuing the debt securities or, if applicable, the guarantor of the debt securities will be required to deliver an opinion of counsel to the effect that a holder of debt securities will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax on the same amounts, at the same times and in the same manner as if that defeasance had not occurred. The opinion of counsel must be based upon a ruling of the Internal Revenue Service or a change in law after the date of the applicable indenture.

(See Article XIII.)

Satisfaction and Discharge

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The applicable indenture will cease to be of further effect with respect to any series of debt securities, and we will be deemed to have satisfied and discharged all of our obligations under the applicable indenture, except as noted below, when:

all outstanding debt securities of such series have become due or will become due within one year at their stated maturity or on a redemption date; and

the issuing company deposits with the trustee, in trust, funds that are sufficient to pay and discharge all remaining indebtedness on the outstanding debt securities of such series.

The company issuing the debt securities and, as applicable, guaranteeing the debt securities, of such series will remain obligated to pay all other amounts due under the applicable indenture and guarantee and to perform certain ministerial tasks as described in the applicable indenture.

(See Section 401.)

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Resignation and Removal of the Trustee; Deemed Resignation

The trustee with respect to any series of debt securities may resign at any time by giving written notice to us. The trustee may also be removed with respect to the debt securities of any series by act of the registered holders of a majority in principal amount of the then outstanding debt securities of such series. No resignation or removal of the trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the applicable indenture. Under certain circumstances, the company issuing a series of debt securities may appoint a successor trustee with respect to such series of debt securities, and if the successor trustee accepts, the trustee will be deemed to have resigned. (See Section 610.)

Subordination

Unless indicated differently in a prospectus supplement, Sempra Energy's subordinated debt securities will be subordinated in right of payment to the prior payment in full of all its senior debt. This means that upon:

- (a) any distribution of the assets of Sempra Energy upon its dissolution, winding-up, liquidation or reorganization in bankruptcy, insolvency, receivership or other proceedings; or
- (b) acceleration of the maturity of the subordinated debt securities; or
- (c) a failure to pay any senior debt or interest thereon when due and continuance of that default beyond any applicable grace period; or
- (d) acceleration of the maturity of any senior debt as a result of a default,

the holders of all of Sempra Energy's senior debt will be entitled to receive:

in the case of clauses (a) and (b) above, payment of all amounts due or to become due on all senior debt; and

in the case of clauses (c) and (d) above, payment of all amounts due on all senior debt,

before the holders of any of the subordinated debt securities are entitled to receive any payment. So long as any of the events in clauses (a), (b), (c) or (d) above has occurred and is continuing, any amounts payable on the subordinated debt securities will instead be paid directly to the holders of all senior debt to the extent necessary to pay the senior debt in full and, if any payment is received by the subordinated indenture trustee under the subordinated indenture or the holders of any of the subordinated debt securities before all senior debt is paid in full, the payment or distribution must be paid over to the holders of the unpaid senior debt. Subject to paying the senior debt in full, the holders of the subordinated debt securities will be subrogated to the rights of the holders of the senior debt to the extent that payments are made to the holders of senior debt out of the distributive share of the subordinated debt securities. (See Section 1401.)

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senior debt means with respect to the subordinated debt securities, the principal of, and premium, if any, and interest on and any other payment in respect of indebtedness due pursuant to any of the following, whether outstanding on the date the subordinated debt securities are issued or thereafter incurred, created or assumed:

- (a) all of the indebtedness of Sempra Energy evidenced by notes, debentures, bonds or other securities sold by it for money or other obligations for money borrowed;
- (b) all indebtedness of others of the kinds described in the preceding clause (a) assumed by or guaranteed in any manner by Sempra Energy or in effect guaranteed by Sempra Energy through an agreement to purchase, contingent or otherwise, as applicable; and
- (c) all renewals, extensions or refundings of indebtedness of the kinds described in either of the preceding clauses (a) and (b), unless, in the case of any particular indebtedness, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same by its terms

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provides that such indebtedness, renewal, extension or refunding is not superior in right of payment to or is pari passu with such securities. (See Section 101.)

Due to the subordination, if assets of Sempra Energy are distributed upon insolvency, certain of its general creditors may recover more, ratably, than holders of subordinated debt securities. The subordination provisions will not apply to money and securities held in trust under the satisfaction and discharge and the defeasance provisions of the applicable subordinated indenture. (See Section 1410.)

The subordinated debt securities, the subordinated indenture and the trust preferred securities guarantee do not limit Sempra Energy or any of its subsidiaries' ability to incur additional indebtedness, including indebtedness that will rank senior to subordinated debt securities and trust preferred securities guarantees. Sempra Energy expects that it will incur, and that each of its subsidiaries will incur, substantial additional amounts of indebtedness in the future. (See Section 301.)

Conversion Rights

The terms and conditions of any series of debt securities being offered that are convertible into common stock of Sempra Energy will be set forth in a prospectus supplement. These terms will include the conversion price, the conversion period, provisions as to whether conversion will be at the option of the holder or the company issuing the debt securities, the events requiring an adjustment of the conversion price and provisions affecting conversion if such series of debt securities are redeemed.

Miscellaneous Provisions

Each indenture provides that certain debt securities, including those for which payment or redemption money has been deposited or set aside in trust as described under "Satisfaction and Discharge" above, will not be deemed to be outstanding in determining whether the registered holders of the requisite principal amount of the outstanding debt securities have given or taken any demand, direction, consent or other action under the indenture as of any date, or are present at a meeting of registered holders for quorum purposes. (See Section 101.)

The company issuing the debt securities will be entitled to set any day as a record date for the purpose of determining the registered holders of outstanding debt securities of any series entitled to give or take any demand, direction, consent or other action under the applicable indenture, in the manner and subject to the limitations provided in the applicable indenture. In certain circumstances, the trustee also will be entitled to set a record date for action by registered holders of any series of outstanding debt securities. If a record date is set for any action to be taken by registered holders of particular debt securities, the action may be taken only by persons who are registered holders of the respective debt securities on the record date. (See Section 104.)

Governing Law

Each indenture and the related debt securities will be governed by and construed in accordance with the laws of the State of New York. (See Section 112.)

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DESCRIPTION OF SEMPRA ENERGY S

COMMON STOCK AND PREFERRED STOCK

Unless indicated differently in a prospectus supplement, this section describes the terms of Sempra Energy's common stock and preferred stock. The following description of Sempra Energy's common stock and preferred stock is only a summary and is qualified in its entirety by reference to the articles of incorporation and bylaws of Sempra Energy. Therefore, you should read carefully the more detailed provisions of Sempra Energy's Amended and Restated Articles of Incorporation, Sempra Energy's Amended and Restated Bylaws, and Sempra Energy's Rights Agreement, dated May 26, 1998, between Sempra Energy and First Chicago Trust Company of New York, as rights agent, copies of which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

General

The authorized capital stock of Sempra Energy consists of (1) 750,000,000 shares of Sempra Energy common stock, without par value, and (2) 50,000,000 shares of preferred stock, without par value. As of December 31, 2002, there were 204,911,572 issued and outstanding shares of Sempra Energy common stock and no shares of Sempra Energy preferred stock. No other classes of capital stock are authorized under the Sempra Energy articles of incorporation. The issued and outstanding shares of Sempra Energy common stock are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights.

Sempra Energy Common Stock

The holders of Sempra Energy common stock are entitled to receive such dividends as the Sempra Energy board of directors may from time to time declare, subject to any rights of holders of outstanding shares of Sempra Energy preferred stock. Except as otherwise provided by law, each holder of Sempra Energy common stock is entitled to one vote per share on each matter submitted to a vote of a meeting of shareholders, subject to any class or series voting rights of holders of Sempra Energy preferred stock. Under the Sempra Energy articles of incorporation, the Sempra Energy board of directors is classified into three classes, each consisting of a number as nearly equal as possible to one-third of the total number of directors constituting the entire Sempra Energy board of directors. The holders of shares of Sempra Energy common stock are not entitled to cumulate votes for the election of directors.

In the event of any liquidation, dissolution or winding up of Sempra Energy, whether voluntary or involuntary, the holders of shares of Sempra Energy common stock, subject to any rights of the holders of outstanding shares of Sempra Energy preferred stock, are entitled to receive any remaining assets of Sempra Energy after the discharge of its liabilities.

Holders of Sempra Energy common stock are not entitled to preemptive rights to subscribe for or purchase any part of any new or additional issue of stock or securities convertible into stock. Sempra Energy common stock does not contain any redemption provisions or conversion rights and is not liable to assessment or further call.

Each outstanding share of Sempra Energy common stock is accompanied by a right to purchase one one-hundredth of a share of Class A Junior Participating Preferred Stock, without par value, of Sempra Energy at a price of \$80 per right, subject to certain anti-dilution adjustments. The Sempra Energy board of directors has reserved 7,500,000 shares of such Class A preferred stock for issuance upon exercise of the rights, as

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more fully discussed below under the caption Description of Preferred Share Purchase Rights.

The registrar and transfer agent for the Sempra Energy common stock is First Chicago Trust Company of New York.

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Sempra Energy Preferred Stock

The Sempra Energy board of directors is authorized, pursuant to the Sempra Energy articles of incorporation, to issue up to 50,000,000 shares of Sempra Energy preferred stock in one or more series and to fix and determine the number of shares of Sempra Energy preferred stock of any series, to determine the designation of any such series, to increase or decrease the number of shares of any such series after the issue of shares of that series, and to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any such series. Currently, there are no shares of Sempra Energy preferred stock outstanding. However, the Sempra Energy board of directors has reserved 7,500,000 shares of Class A preferred stock for issuance in connection with rights issued under the Sempra Energy rights agreement.

Before the issuance of shares of each series of Sempra Energy preferred stock, the board of directors is required to adopt resolutions and file a certificate of determination with the Secretary of State of the State of California. The certificate of determination will fix for each series the designation and number of shares and the rights, preferences, privileges and restrictions of the shares including, but not limited to, the following:

- (a) the title and stated value of the Sempra Energy preferred stock;
- (b) voting rights, if any, of the Sempra Energy preferred stock;
- (c) any rights and terms of redemption (including sinking fund provisions);
- (d) the dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation applicable to the Sempra Energy preferred stock;
- (e) whether dividends are cumulative or non-cumulative and, if cumulative, the date from which dividends on the Sempra Energy preferred stock will accumulate;
- (f) the relative ranking and preferences of the Sempra Energy preferred stock as to dividend rights and rights upon the liquidation, dissolution or winding up of Sempra Energy's affairs;
- (g) the terms and conditions, if applicable, upon which the Sempra Energy preferred stock will be convertible into Sempra Energy common stock, including the conversion price (or manner of calculation) and conversion period;
- (h) the provision for redemption, if applicable, of the Sempra Energy preferred stock;
- (i) the provisions for a sinking fund, if any, for the Sempra Energy preferred stock;
- (j) liquidation preferences;
- (k) any limitations on issuance of any class or series of Sempra Energy preferred stock ranking senior to or on a parity with the class or series of Sempra Energy preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of Sempra Energy's affairs; and

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- (1) any other specific terms, preferences, rights, limitations or restrictions of the Sempra Energy preferred stock.

All shares of Sempra Energy preferred stock will, when issued, be fully paid and nonassessable and will not have any preemptive or similar rights.

In addition to the terms listed above, we will set forth in a prospectus supplement the following terms relating to the class or series of Sempra Energy preferred stock being offered:

- (a) the number of shares of the Sempra Energy preferred stock offered, the liquidation preference per share and the offering price of the Sempra Energy preferred stock;
- (b) the procedures for any auction and remarketing, if any, for the Sempra Energy preferred stock;
- (c) any listing of the Sempra Energy preferred stock on any securities exchange; and

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- (d) a discussion of any material and/or special United States federal income tax considerations applicable to the Sempra Energy preferred stock.

Rank

The Sempra Energy preferred stock will rank, with respect to dividends and upon our liquidation, dissolution or winding up:

- (a) senior to all classes or series of Sempra Energy common stock and to all of our equity securities ranking junior to the Sempra Energy preferred stock;
- (b) on a parity with all of Sempra Energy's equity securities, the terms of which specifically provide that the equity securities rank on a parity with the Sempra Energy preferred stock; and
- (c) junior to all of Sempra Energy's equity securities, the terms of which specifically provide that the equity securities rank senior to the Sempra Energy preferred stock.

Description of Preferred Share Purchase Rights

On May 26, 1998, the Sempra Energy board of directors adopted a preferred share purchase rights plan providing that one preferred share purchase right will attach to each share of Sempra Energy common stock (each, a "purchase right"). The description and terms of the rights are set forth in a rights agreement, dated as of May 26, 1998, by and between Sempra Energy and First Chicago Trust Company of New York, as rights agent. The purchase rights have an anti-takeover effect that is intended to discourage coercive or unfair takeover tactics and to encourage any potential acquirer to negotiate a fair price to all Sempra Energy shareholders. The purchase rights may cause substantial dilution to any party that may attempt to acquire Sempra Energy on terms not approved by the Sempra Energy board of directors. However, the purchase rights are structured in a way so as not to interfere with any negotiated merger or other business combination. The purchase rights will expire on May 31, 2008. Until a purchase right is exercised, the holder of the purchase right will have no rights as a shareholder of Sempra Energy beyond those rights afforded to existing shareholders, including the right to vote or to receive dividends.

The purchase rights are designed to assure that all of Sempra Energy's shareholders receive fair and equal treatment in the event of any proposed takeover of Sempra Energy and to guard against partial tender offers, open market accumulations and other abusive tactics that may be deployed to gain control of Sempra Energy without a control premium paid to all shareholders. Any time before the first date that a person or group has become an "acquiring person" as defined in the rights agreement, the purchase rights should not interfere with any merger or other business combination that is approved by the Sempra Energy board of directors.

Anti-Takeover Provisions

The Sempra Energy articles of incorporation and bylaws contain provisions that may have the effect of discouraging persons from acquiring large blocks of Sempra Energy stock or delaying or preventing a change in control of Sempra Energy. The material provisions that may have such an effect are:

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- (a) classification of the Sempra Energy board of directors into three classes with the term of only one class expiring each year;
- (b) a provision permitting the Sempra Energy board of directors to make, amend or repeal the Sempra Energy bylaws;
- (c) authorization for the Sempra Energy board of directors to issue Sempra Energy preferred stock in series and to fix rights and preferences of the series (including, among other things, whether, and to what extent, the shares of any series will have voting rights and the extent of the preferences of the shares of any series with respect to dividends and other matters);

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- (d) a provision that shareholders may take action only at annual or special meetings or by unanimous written consent in lieu of a meeting;
- (e) advance notice procedures with respect to nominations of directors or proposals other than those adopted or recommended by the Sempra Energy board of directors; and
- (f) provisions permitting amendment of certain of these provisions only by an affirmative vote of the holders of at least two-thirds of the outstanding shares of Sempra Energy common stock entitled to vote.

Some acquisitions of Sempra Energy's outstanding voting shares would also require approval of the SEC under the Public Utility Holding Company Act of 1935 and of various state and foreign regulatory authorities.

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DESCRIPTION OF WARRANTS

This section describes the general terms of the warrants that Sempra Energy may offer and sell by this prospectus. This prospectus and any accompanying prospectus supplement will contain the material terms and conditions for each warrant. The accompanying prospectus supplement may add, update or change the terms and conditions of the warrants as described in this prospectus. In this section, references to we, our and us mean Sempra Energy excluding, unless otherwise expressly stated or the context otherwise requires, its subsidiaries.

General

We, and/or Sempra Energy Global Enterprises, may issue warrants to purchase debt securities, preferred stock or common stock. Warrants may be issued independently or together with any securities and may be attached to or separate from those securities. The warrants will be issued under warrant agreements to be entered into between us and a bank or trust company, as warrant agent, all of which will be described in the prospectus supplement relating to the warrants we are offering. The warrant agent will act solely as our agent in connection with the warrants and will not have any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. A copy of the warrant agreement will be filed with the SEC in connection with the offering of the warrants.