

SEMPRA ENERGY
Form 424B5
January 09, 2018
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary 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 JANUARY 9, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated January 2, 2018)

\$ Floating Rate Notes due 2019
\$ Floating Rate Notes due 2021
\$ % Notes due 2020
\$ % Notes due 2023
\$ % Notes due 2028
\$ % Notes due 2038
\$ % Notes due 2048

We are offering \$ _____ aggregate principal amount of our Floating Rate Notes due 2019 (the 2019 floating rate notes), \$ _____ aggregate principal amount of our Floating Rate Notes due 2021 (the 2021 floating rate notes), \$ _____ aggregate principal amount of our % Notes due 2020 (the 2020 notes), \$ _____ aggregate principal amount of our % Notes due 2023 (the 2023 notes), \$ _____ aggregate principal amount of our % Notes due 2028 (the 2028 notes), \$ _____ aggregate principal amount of our % Notes due 2038 (the 2038 notes) and \$ _____

aggregate principal amount of our % Notes due 2048 (the 2048 notes). We sometimes refer to the 2019 floating rate notes and the 2021 floating rate notes as the floating rate notes. We sometimes refer to the 2020 notes, the 2023 notes, the 2028 notes, the 2038 notes and the 2048 notes as the fixed rate notes. We sometimes refer to the floating rate notes and the fixed rate notes as the notes.

The 2019 floating rate notes will bear interest at a per annum rate equal to the 3 Month LIBOR Rate (as defined herein), which rate will be reset quarterly as described in this prospectus supplement, plus basis points, and will mature on , 2019. The 2021 floating rate notes will bear interest at a per annum rate equal to the 3 Month LIBOR Rate, which rate will be reset quarterly as described in this prospectus supplement, plus basis points, and will mature on , 2021. Interest on the floating rate notes will accrue from , 2018 and will be payable quarterly in arrears on , , and of each year, beginning on , 2018, and at their respective maturity dates, subject to possible adjustment of such interest payment dates as described herein.

The 2020 notes will bear interest at the rate of % per year and mature on , 2020. The 2023 notes will bear interest at the rate of % per year and mature on , 2023. The 2028 notes will bear interest at the rate of % per year and mature on , 2028. The 2038 notes will bear interest at the rate of % per year and mature on , 2038. The 2048 notes will bear interest at the rate of % per year and mature on , 2048. Interest on the fixed rate notes will accrue from , 2018 and will be payable semi-annually in arrears on and of each year, beginning on , 2018.

The 2019 floating rate notes will not be subject to redemption at our option. At our option, we may redeem some or all of the 2021 floating rate notes at any time on or after , 2019 at the applicable redemption price described in this prospectus supplement. At our option, we may redeem some or all of the fixed rate notes of each series at any time at the applicable redemption price for such series of fixed rate notes described in this prospectus supplement.

We intend to use the net proceeds from this offering to finance a portion of the cost of our proposed merger (the Merger) with Energy Future Holdings Corp., as described herein under the heading Summary Information Recent Developments Proposed Acquisition of Energy Future Holdings Corp. and to pay related fees and expenses. However, the completion of this offering is not contingent upon the completion of the Merger. If we do not consummate the Merger on or prior to December 1, 2018, or if, on or prior to such date, the Merger Agreement (as defined herein) is terminated, we will be required to redeem all of the outstanding notes (other than the 2028 notes) on the Special Mandatory Redemption Date (as defined herein) at a redemption price equal to 101% of the principal amount of the notes we are required to redeem plus accrued and unpaid interest, if any, to, but excluding, the Special Mandatory Redemption Date as described under the caption Description of the Notes Special Mandatory Redemption. The 2028 notes are not subject to special mandatory redemption. If we are required to redeem notes because the Merger is not consummated or the Merger Agreement is terminated, we may use all or a portion of the net proceeds from the sale of the notes to pay all or a portion of the redemption price of the notes we are required to redeem and we intend to use any remaining net proceeds for general corporate purposes, which may include, in our sole discretion, voluntary redemption of our Mandatory Convertible Preferred Stock (as defined herein), if issued, repayment of other debt, including repayment of commercial paper, capital expenditures, investments and possibly, repurchases of our common stock at the discretion of our board of directors. See Summary Information and Use of Proceeds.

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 and guarantees.

Investing in the notes involves risks. See the Risk Factors section on page S-27 of this prospectus supplement.

	Per 2019 Floating Rate Note	Per 2021 Floating Rate Note	Per 2020 Note	Per 2023 Note	Per 2028 Note	Per 2038 Note	Per 2048 Note	Total
Public Offering Price ⁽¹⁾	%	%	%	%	%	%	%	\$
Underwriting Discount	%	%	%	%	%	%	%	\$
Proceeds to Sempra Energy (before expenses) ⁽¹⁾	\$	\$	\$	\$	\$	\$	\$	\$

(1) Plus accrued interest from _____, 2018, if settlement occurs after that date.

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

The underwriters expect to deliver the notes in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking S.A. and Euroclear Bank SA/NV, as operator of the Euroclear System, against payment in New York, New York on or about _____, 2018.

Joint Book-Running Managers

RBC Capital Markets	Morgan Stanley	Barclays
(All notes)	(All notes)	(All notes)
BBVA	HSBC	Santander
(2028 notes)	(2048 notes)	(2023 notes)
		SOCIETE GENERALE
		(2038 notes)

Co-Managers

BBVA	HSBC	Santander	SOCIETE GENERALE
(2019 floating rate	(2019 floating rate	(2019 floating rate	(2019 floating rate

notes, 2021	notes, 2021	notes, 2021	notes, 2021
floating rate notes,	floating rate notes,	floating rate notes,	floating rate notes,
2020 notes, 2023	2020 notes, 2023	2020 notes, 2028	2020 notes, 2023
notes, 2038 notes,	notes, 2028 notes,	notes, 2038 notes,	notes, 2028 notes,
2048 notes)	2038 notes)	2048 notes)	2048 notes)
		, 2018	

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ABOUT THIS PROSPECTUS SUPPLEMENT

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 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 notes or the offering of the notes 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, the accompanying prospectus and any related free writing prospectus issued by us. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell the notes and seeking offers to buy the notes only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and any such free writing prospectus is accurate only as of their respective dates and the information contained in documents incorporated by reference is accurate only as of the respective dates of those documents, in each case regardless of the time of delivery of this prospectus supplement or the accompanying prospectus or any such free writing prospectus or any sale of the notes. Our business, financial condition, results of operations and prospects may have changed since those dates.

The distribution of this prospectus supplement, the accompanying prospectus and any related free writing prospectus filed with the U.S. Securities and Exchange Commission (the "SEC") and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus and any such free writing prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement, the accompanying prospectus and any such free writing prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See "Underwriting."

Prohibition of Sales to European Economic Area Retail Investors The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This prospectus supplement and the accompanying prospectus are not prospectuses for the purpose of the Prospectus Directive as implemented in Member States of the EEA. This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") will only be made to a legal entity which is a qualified investor under the Prospectus Directive ("Qualified Investors"). Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so with respect to Qualified Investors. Neither

we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of the notes other than to Qualified Investors.

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The communication of this prospectus supplement, the accompanying prospectus and any other document or materials relating to the issue of the notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Financial Promotion Order)), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as relevant persons). In the United Kingdom, the notes offered hereby are only available to, and any investment or investment activity to which this prospectus supplement and the accompanying prospectus relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement or the accompanying prospectus or any of their contents.

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CERTAIN DEFINITIONS; BASIS OF PRESENTATION

In this prospectus supplement, unless otherwise expressly stated or the context requires otherwise:

Sempra, Sempra Energy, we, us, our and similar references refer to Sempra Energy and its subsidiaries to the proposed Merger;

Oncor refers to Oncor Electric Delivery Company LLC;

Oncor Holdings refers to Oncor Electric Delivery Holdings Company LLC;

EFH refers to Energy Future Holdings Corp.;

EFIH refers to Energy Future Intermediate Holding Company LLC;

Acquisition Termination Event means either (1) the Merger Agreement (as defined herein) is terminated or (2) we determine in our reasonable judgment that the Merger will not occur;

Additional Financing means the indebtedness (other than the notes offered hereby) that we expect to incur (which may include commercial paper supported by our revolving credit facilities and/or borrowings under our revolving credit facilities), cash on hand and any common stock or other equity securities (other than the common stock that we sell to the underwriters or the forward purchasers in connection with the Common Stock Offering (as defined herein) and the Mandatory Convertible Preferred Stock that we sell in the Mandatory Convertible Preferred Stock Offering (as defined herein)) that we may issue, incur or apply to finance a portion of the Merger Consideration (as defined herein) and to pay related costs and expenses, including, as described, following the closing date of the Merger.

Unless otherwise expressly stated or the context otherwise requires, for purposes of this prospectus supplement, we have assumed that the Additional Financing used to pay a portion of the Merger Consideration on the closing date of the Merger, if completed, and related fees and expenses will consist of commercial paper supported by our revolving credit facilities and borrowings under our revolving credit facilities. References herein to the initial Additional Financing (and similar references) refer to such commercial paper supported by our revolving credit facilities and borrowings under our revolving credit facilities. We plan to issue shares of our common stock (including shares we expect to issue upon full physical settlement of a portion of the forward sale agreements in connection with the Common Stock Offering subsequent to the closing date of the Merger, if completed) and, possibly, other equity securities subsequent to the closing of the Merger, if completed, and to use the proceeds therefrom to, among other possible uses, repay a portion of the notes offered hereby and of the indebtedness incurred as part of the initial Additional Financing and pay related fees and expenses. We may also use cash on hand and proceeds from asset sales to repay a portion of the notes offered hereby and the indebtedness incurred as part of the initial Additional Financing;

combined company refers to Sempra Energy and its subsidiaries after completion of the Transactions referred to below, including the Merger;

Common Stock Offering means the offering of 23,364,486 shares of our common stock pursuant to the forward sale agreements described herein and 3,504,672 additional shares of our common stock that the underwriters in such offering have elected to purchase as a result of fully exercising their option to purchase such shares directly from us solely to cover over-allotments;

Financing Transactions means this offering, the Common Stock Offering, the Mandatory Convertible Preferred Stock Offering and any Additional Financing, and initial Financing Transactions means this offering, the Common Stock Offering, the Mandatory Convertible Preferred Stock Offering and any initial Additional Financing;

Mandatory Convertible Preferred Stock means our 6% Mandatory Convertible Preferred Stock, Series A;

Mandatory Convertible Preferred Stock Offering means the offering of 15,000,000 shares of our Mandatory Convertible Preferred Stock and 2,250,000 additional shares of our Mandatory Convertible

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Preferred Stock that the underwriters in such offering have elected to purchase as a result of fully exercising their option to purchase such shares from us solely to cover over-allotments;

Merger refers to the proposed Merger of EFH with an indirect, wholly owned subsidiary of Sempra Energy, with EFH continuing as the surviving company and an indirect, wholly owned subsidiary of Sempra Energy;

Merger Consideration means the \$9.45 billion in cash we will be required to pay as consideration for the Merger, subject to possible adjustment based on the timing of dividends paid by Oncor to Oncor Holdings and the consummation of the Merger;

this offering means our offering of the notes pursuant to this prospectus supplement and the accompanying prospectus; and

Transactions refers to the Merger, the Financing Transactions and the application of the net proceeds from the Financing Transactions to pay the Merger Consideration and related fees and expenses.

Unless otherwise specified or the context requires otherwise, information in this prospectus supplement assumes that (1) we effect full physical settlement of the forward sale agreements that we entered into in connection with the Common Stock Offering, (2) there is no adjustment to the Merger Consideration of \$9.45 billion, and (3) we elect to pay all dividends with respect to the Mandatory Convertible Preferred Stock, if issued, in cash.

Although the Merger has not yet occurred and, if completed, will not occur until after the closing of this offering, the Common Stock Offering, the Mandatory Convertible Preferred Stock Offering and the initial Additional Financing and although none of the initial Financing Transactions are contingent upon the completion of the other initial Financing Transactions or the Merger, the pro forma and as adjusted information included and incorporated by reference in this prospectus supplement and the accompanying prospectus gives pro forma effect to some or all of the Merger and the initial Financing Transactions as if we had completed all such transactions as of September 30, 2017, in the case of balance sheet data, and as of January 1, 2016, in the case of statement of operations data, unless otherwise specified. Moreover, the unaudited pro forma condensed combined financial information included in our Current Report on Form 8-K filed with the SEC on January 2, 2018, which is incorporated by reference in the accompanying prospectus and may be obtained as described under **Where You Can Find More Information in the accompanying prospectus, has been calculated on the basis of assumptions made by our management at the time such information was prepared. In particular, such unaudited pro forma condensed combined financial information reflects assumptions regarding the amount of proceeds we receive from the Common Stock Offering, the Mandatory Convertible Preferred Stock Offering and this offering, the number of shares of our common stock sold in the Common Stock Offering and the number and forward sale price of the shares of common stock we have agreed to issue and sell pursuant to the forward sale agreements entered into in connection with the Common Stock Offering, and, although we priced the Common Stock Offering and the Mandatory Convertible Preferred Stock Offering and entered into the forward sale agreements on January 4, 2018, this pro forma information has not been updated to reflect the actual amount of proceeds we expect to receive from those offerings or from settlement of the forward sale agreements (assuming full physical settlement), the actual number of shares sold in those offerings or that we have agreed to sell pursuant to the forward sale agreements, or the actual size of this offering. In that regard, although the underwriters in the Common Stock Offering and the Mandatory Convertible Preferred Stock Offering have fully exercised their options to purchase additional shares of**

common stock and Mandatory Convertible Preferred Stock from us, this pro forma and as adjusted financial information does not give effect to the issuance and sale of those additional shares. As a result, purchasers of the notes in this offering should not place undue reliance on the pro forma and as adjusted information included and incorporated by reference in this prospectus supplement and the accompanying prospectus because this offering is not contingent upon completion of any of the other transactions reflected in that information.

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If the Merger does not occur, we will have the option to redeem the Mandatory Convertible Preferred Stock, if issued, in whole but not in part, as described herein. If we do not consummate the Merger on or prior to December 1, 2018, or if, on or prior to such date, the Merger Agreement is terminated, we will be required to redeem all of the outstanding notes (other than the 2028 notes) on the Special Mandatory Redemption Date (as defined herein) at a redemption price equal to 101% of the principal amount of the notes we are required to redeem plus accrued and unpaid interest, if any, to, but excluding, the Special Mandatory Redemption Date as described under the caption Description of the Notes Special Mandatory Redemption. The 2028 notes are not subject to special mandatory redemption.

All references to currency amounts included in this prospectus supplement are in U.S. dollars unless specifically noted otherwise.

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FORWARD-LOOKING STATEMENTS AND MARKET DATA

This prospectus supplement, the accompanying prospectus and the documents they incorporate by reference contain, and any related free writing prospectus issued by us may contain, statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are based upon assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward-looking statements. Unless otherwise expressly stated, these forward-looking statements represent our estimates and assumptions only as of the respective dates of the documents in which such forward-looking statements appear. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

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

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

actions and the timing of actions, including decisions, new regulations, and issuances of permits and other authorizations by the California Public Utilities Commission, U.S. Department of Energy, California Division of Oil, Gas, and Geothermal Resources, Federal Energy Regulatory Commission, U.S. Environmental Protection Agency, Pipeline and Hazardous Materials Safety Administration, Los Angeles County Department of Public Health, states, cities and counties, and other regulatory and governmental bodies in the United States and other countries in which we operate;

the timing and success of business development efforts and construction projects, including risks in obtaining or maintaining permits and other authorizations on a timely basis, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners;

the resolution of civil and criminal litigation and regulatory investigations;

deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers; modifications of settlements; and delays in, or disallowance or denial of, regulatory agency authorizations to recover costs in rates from customers (including with respect to regulatory assets associated with the San Onofre Nuclear Generating Station facility and 2007 wildfires) or regulatory agency approval for projects required to enhance safety and reliability;

the availability of electric power, natural gas and liquefied natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the transmission grid, moratoriums or limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures;

changes in energy markets; volatility in commodity prices; moves to reduce or eliminate reliance on natural gas; and the impact on the value of our investment in natural gas storage and related assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for storage services;

risks posed by actions of third parties who control the operations of our investments, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments;

weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of greenhouse gases, radioactive materials and harmful emissions, cause wildfires and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits) or may be disputed by insurers;

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cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers and employees;

capital markets and economic conditions, including the availability of credit and the liquidity of our investments; and fluctuations in inflation, interest and currency exchange rates and our ability to effectively hedge the risk of such fluctuations;

the impact of changes in the tax code as a result of recent federal tax reform and uncertainty as to how certain of those changes may be applied;

actions by rating agencies to downgrade credit ratings of us or our subsidiaries or to place these ratings on negative outlook;

changes in foreign and domestic trade policies and laws, including border tariffs, revisions to international trade agreements, such as the North American Free Trade Agreement, and changes that make our exports less competitive or otherwise restrict our ability to export or resolve trade disputes;

the ability to win competitively bid infrastructure projects against a number of strong and aggressive competitors;

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

the impact on reliability of San Diego Gas & Electric Company's (SDG&E) electric transmission and distribution system due to increased amount and variability of power supply from renewable energy sources;

the impact on competitive customer rates due to the growth in distributed and local power generation and the corresponding decrease in demand for power delivered through SDG&E's electric transmission and distribution system and from possible departing retail load resulting from customers transferring to Direct Access and Community Choice Aggregation or other forms of distributed and local power generation and the potential risk of nonrecovery for stranded assets and contractual obligations; and

other uncertainties, some of which may be difficult to predict and are beyond our control.

Forward-looking statements also include statements about the anticipated benefits of the proposed Merger involving Sempra Energy, EFH, and EFH's indirect interest in Oncor, including future financial or operating results of Sempra Energy or Oncor, Sempra Energy's, EFH's or Oncor's plans, objectives, expectations or intentions, the expected financing plans for the Merger, the anticipated impact of the Merger, if consummated, on the credit ratings of Sempra or Oncor, the expected timing of completion of the Merger, plans regarding future capital investments by Sempra Energy or Oncor, the projected growth in gross domestic product and population in Texas and the United States as a whole, future return on equity or capital structure of Sempra Energy or Oncor, and other statements that are not

historical facts.

Additional factors that could cause actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to:

the risk that Sempra Energy, EFH or Oncor may be unable to obtain bankruptcy court and governmental and regulatory approvals required for the Merger, or that required bankruptcy court and governmental and regulatory approvals may delay the Merger or result in the imposition of conditions that could cause the parties to abandon the Merger or be onerous to Sempra Energy;

the risk that a condition to closing of the Merger may not be satisfied;

the risk that the Merger may not be completed for other reasons, or may not be completed on the terms or timing currently contemplated;

the risk that the anticipated benefits from the Merger may not be fully realized or may take longer to realize than expected;

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the risk that Sempra Energy may be unable to obtain the external financing necessary to pay the consideration and expenses related to the Merger on terms favorable to Sempra Energy, if at all;

the risk that, if the Merger is completed, Oncor's results of operations after the Merger will not be consistent with our expectations or that its capital investment spending will be less than anticipated;

disruption from the Merger making it more difficult to maintain relationships with customers, employees or suppliers;

the diversion of management time and attention to Merger-related issues and related legal, accounting and other costs, whether or not the Merger is completed; and

the risk that Oncor will eliminate or reduce its quarterly dividends due to its requirement to meet and maintain its new regulatory capital structure, or because any of the three major rating agencies rates its senior secured debt securities below BBB (or its equivalent) or its independent directors determine it is in the best interest of Oncor to retain such amounts to meet future capital expenditures.

Investing in the notes involves risk. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein and in the Business, Risk Factors, and Management's Discussion and Analysis of Financial Condition and Results of Operations sections and other sections in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. These risks, uncertainties and other factors could cause you to suffer a loss of all or part of your investment in the notes. Before making an investment decision, you should carefully consider these factors and risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any related free writing prospectus issued by us. Risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations, financial results and the value of the notes.

We caution you not to rely unduly on any forward-looking statements. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein and in our reports and other documents on file with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus and any related free writing prospectus issued by us. You may obtain copies of these reports and documents as described under Where You Can Find More Information in the accompanying prospectus.

This prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus include, and any free writing prospectus we provide you in connection with this offering may include, market, demographic and industry data and forecasts that are based on or derived from sources such as independent industry publications, publicly available information, government data and other information from third parties or that have been compiled or prepared by our management or employees, as well as information regarding Oncor and the markets in which it operates. We do not guarantee the accuracy or completeness of any of this information, and we have not independently verified any of the information provided by third party sources or any of the information regarding Oncor or its markets. In addition, market, demographic and industry data and forecasts involve estimates, assumptions and other uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus supplement and under

similar headings in documents that are incorporated or deemed to be incorporated by reference in the accompanying prospectus. In that regard, we understand that statements that Oncor operates the largest distribution and transmission system in Texas are based upon the number of customers. Accordingly, you should not place undue reliance on any of this information.

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SUMMARY INFORMATION

The following information supplements, and should be read together with, the information contained in the accompanying prospectus and the documents incorporated by reference herein and therein. You should carefully read this prospectus supplement and the accompanying prospectus, as well as the documents they incorporate by reference and any related free writing prospectus issued by us, 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 whose operating units invest in, develop and operate energy infrastructure, and provide gas and electricity services to their customers in North and South America. Our operating units are Sempra Utilities, which includes our Southern California Gas Company, San Diego Gas & Electric Company and Sempra South American Utilities reportable segments; and Sempra Infrastructure, which includes our Sempra Mexico, Sempra LNG & Midstream and Sempra Renewables reportable segments.

Our California utility subsidiaries, Southern California Gas Company and San Diego Gas & Electric Company, serve a population of approximately 25 million. Natural gas service is provided throughout Southern California and portions of Central California through approximately 6.8 million meters. Electric service is provided throughout San Diego County and an adjacent portion of Orange County, both in Southern California, through approximately 1.4 million meters. Our California utilities had a combined rate base of approximately \$14 billion as of September 30, 2017, with the California Public Utilities Commission (CPUC) authorized returns on equity of 10.05% for Southern California Gas Company and 10.2% for San Diego Gas & Electric Company effective as of January 1, 2018, in each case as calculated for regulatory purposes.

Our principal executive offices are located at 488 8th Avenue, San Diego, California 92101, and our telephone number is (619) 696-2000.

Recent Developments

Proposed Acquisition of Energy Future Holdings Corp.

On August 21, 2017, Sempra Energy, along with an indirect, wholly owned subsidiary (Merger Sub), entered into an Agreement and Plan of Merger, as supplemented by a Waiver Agreement dated October 3, 2017 (together referred to as the Merger Agreement), with Energy Future Holdings Corp. (EFH), the indirect owner of 80.03% of the outstanding membership interests in Oncor Electric Delivery Company LLC (Oncor), and EFH s subsidiary Energy Future Intermediate Holding Company LLC (EFIH). Oncor is a regulated electric distribution and transmission business that operates the largest distribution and transmission system in Texas.

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Pursuant to the Merger Agreement and subject to the satisfaction of certain closing conditions described below, EFH will be merged with Merger Sub, with EFH continuing as the surviving company and an indirect, wholly owned subsidiary of Sempra Energy (the Merger), as follows:

The foregoing is a simplified ownership structure that does not show all the subsidiaries of, or other equity interests owned by, these entities.

Texas Transmission Investment LLC (TTI), an investment vehicle indirectly owned by third parties unaffiliated with EFH or Sempra Energy, owns 19.75% of Oncor s outstanding membership interests, and certain current and former directors and officers of Oncor indirectly beneficially own 0.22% of Oncor s outstanding membership interests through their ownership of Class B membership interests in Oncor Management Investment LLC (OMI). On October 3, 2017, Sempra Energy provided written confirmation to Oncor Electric Delivery Holdings Company LLC (Oncor Holdings) and Oncor that, contemporaneously with the closing of the Merger, equivalent value (approximately \$25.9 million) will be provided in exchange for the Class B membership interests in OMI in the form of cash or, if mutually agreed by the parties, alternative benefit and/or incentive plans. The consummation of the Merger is not conditioned on the acquisition of the interests in OMI, and there has been no formal agreement by us or the owners of these interests to accept the terms of our written confirmation.

On August 25, 2017, Sempra Energy and Merger Sub entered into a letter agreement (the Oncor Letter Agreement) with Oncor Holdings and Oncor providing for, among other things, certain rights and obligations of the parties to cooperate with respect to regulatory filings and appearances made in connection with the transactions contemplated by the Merger Agreement and with respect to Sempra Energy s arrangement of any debt or equity issuance contemplated by the Merger Agreement.

Strategic Rationale for the Merger. Oncor is a regulated electricity transmission and distribution company with no ownership of power generating assets. Oncor is principally engaged in supplying electricity delivery services to retail electric providers that sell power in the north-central, eastern and western parts of Texas. As of September 30, 2017, Oncor served 91 counties in Texas through its more than 122,000 miles of transmission and distribution lines.

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We believe that the acquisition of EFH and its indirect ownership interest in Oncor will provide meaningful strategic benefits to us, including:

Expanding our U.S. regulated utility footprint

The Merger represents an opportunity for us to expand our U.S. regulated utility footprint, consistent with our strategy of targeting operations with stable, visible earnings streams. As a pure-play electric transmission and distribution utility, with a history of paying dividends, Oncor is expected to generate predictable revenues from its regulated utility business without subjecting us to incremental electricity generation-related risk. Oncor's results of operations are supported by its substantial regulatory rate base of approximately \$11 billion as of December 31, 2016, and Oncor's current rate case provides for equity capitalization of 42.5% and authorized return on equity of 9.80%, in each case as calculated for regulatory purposes. This further complements the \$14 billion combined regulatory rate base of our California utilities subsidiaries, San Diego Gas & Electric Company and Southern California Gas Company as of September 30, 2017, and their CPUC authorized return on equity of 10.2% and 10.05%, respectively, in each case as calculated for regulatory purposes, effective as of January 1, 2018. The expansion of our U.S. utility exposure is expected to bolster the stability and visibility of our operating results and reflects our strategy of meaningfully increasing the U.S. and utility contributions to our earnings mix.

Providing exposure to the attractively positioned Texas market

Oncor is a regulated electric distribution and transmission business located in the attractively positioned Texas market. Oncor served 91 counties in Texas as of September 30, 2017, including the Dallas / Fort Worth area. In 2016, Texas generated approximately \$1.6 trillion in gross state product and approximately \$233 billion in annual exports, according to data from the U.S. Bureau of Economic Analysis. Texas was also the top energy producing and consuming state in the United States for 2016, according to information from the Energy Information Administration. The estimated 2.8% compound annual growth rate in Texas' gross state product and its estimated 1.3% compound annual population growth rate from 2016 through 2030 outpaces the estimated 1.8% compound annual growth in gross domestic product and estimated 0.5% compound annual population growth rate for the United States as a whole over that period, according to data from Information Handling Service Markit. We believe that the diversification of our U.S. utility business into a state with these attractive fundamentals positions us for future growth.

Serving as a regional growth platform for Sempra Energy's operations in the Gulf Coast

Oncor's ownership of the largest electric transmission and distribution business in Texas (according to data from S&P Global Market Intelligence), together with our existing investments and development projects in the Gulf Coast area, is expected to strengthen our competitive position in that region, consistent with our strategy of expanding our investment and overall presence in this attractive market. We have a substantial footprint of operational assets in the region, including our approximately 42 billion cubic feet (Bcf) of natural gas storage facilities and through our 66.4% ownership interest in IEnova, which owns or has investments in the region, including natural gas pipelines with approximately 6.3 Bcf of capacity under contract and a wind power generation facility with capacity of approximately 252 megawatts. Additionally, our 50.2% joint venture interest in the Cameron Louisiana regasification terminal and liquefied natural gas (LNG) liquefaction project under construction and the ongoing regulatory and design activities for a potential LNG liquefaction facility at our Port Arthur, Texas site, reflect the core strategy of expanding operations within the Gulf Coast.

Offering highly visible path to future growth

As a key element in our growth plan, we seek to identify and execute on new, attractive investment opportunities that fall within our core business strategy of growing earnings from regulated businesses. With its \$8.4 billion of planned investment spending during years 2018 through 2022, we believe that Oncor offers

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attractive intermediate-term opportunities for growing its regulated businesses, fitting squarely within our broader growth strategy.

Merger Consideration and Financing. Under the Merger Agreement, Sempra Energy will pay total Merger consideration of \$9.45 billion in cash, subject to possible adjustment based on the timing of dividends paid by Oncor to Oncor Holdings and the consummation of the Merger (the Merger Consideration).

We currently intend to initially finance the Merger Consideration, as well as associated transaction costs, with the net proceeds from debt and equity issuances, consisting of the common stock to be sold pursuant to the forward sale agreements and in the Common Stock Offering, the Mandatory Convertible Preferred Stock to be sold in the Mandatory Convertible Preferred Stock Offering, the notes offered hereby, and initial Additional Financing consisting of commercial paper supported by our revolving credit facilities and borrowings under our revolving credit facilities, although we could also utilize cash on hand. We expect to ultimately fund approximately 65% of the total Merger Consideration with the net proceeds from sales of Sempra Energy common stock (including the common stock to be sold pursuant to the forward sale agreements in connection with the Common Stock Offering) and other equity securities (including the Mandatory Convertible Preferred Stock to be sold in the Mandatory Convertible Preferred Stock Offering), although we may use cash on hand and proceeds from asset sales in place of some of this equity financing, and approximately 35% with the net proceeds from issuances of Sempra Energy debt securities (including the notes offered hereby). Some of these equity issuances will likely occur following the Merger (including the issuance of some of the shares we expect to issue upon full physical settlement of the forward sale agreements that we entered into in connection with the Common Stock Offering) to repay outstanding indebtedness, including indebtedness we expect to incur to initially finance the Merger Consideration and associated transaction costs (including a portion of the notes offered hereby). We may also use cash on hand and proceeds from asset sales to repay indebtedness initially incurred to pay a portion of the Merger Consideration and related fees and expenses. We have entered into a commitment letter with a syndicate of banks providing, subject to customary conditions, for a \$4.0 billion, 364-day senior unsecured bridge facility (the Bridge Facility) to backstop a portion of our obligation to pay the Merger Consideration. However, the \$4.0 billion commitment is reduced by the amount of funds received through our sales of equity securities and debt securities, subject to certain exceptions (which exceptions are inapplicable to the common stock to be sold pursuant to the forward sale agreements we entered into in connection with the Common Stock Offering, the Mandatory Convertible Preferred Stock to be sold in the Mandatory Convertible Preferred Stock Offering and the notes offered hereby), and by increases in our borrowing capacity under our existing revolving credit facilities. If this offering or the Common Stock Offering and the Mandatory Convertible Preferred Stock Offering are completed on the terms that we currently contemplate, we anticipate that there will be no remaining borrowing capacity under the Bridge Facility. In addition, our revolving credit facilities for Sempra Energy and Sempra Global (which is guaranteed by Sempra Energy), a wholly owned subsidiary of Sempra Energy, contain provisions that allow us to increase, in one or more requests, the lenders' commitments thereunder (accordion feature) by an aggregate amount of approximately \$1.1 billion, subject to customary conditions and consent of the lenders. On December 4, 2017, we notified the lenders under these revolving credit facilities of our request to increase our borrowing capacity thereunder by an aggregate amount of approximately \$1.1 billion. Upon the effectiveness of this increase, this additional borrowing capacity would be available to us for working capital, capital expenditures and other general corporate purposes. This additional borrowing capacity is intended to provide us with additional liquidity and to support commercial paper that we may utilize from time to time to fund our strategic and growth initiatives, separate and apart from the Merger. If we successfully exercise the accordion feature, the borrowing capacity increase under our revolving credit facilities will reduce our borrowing capacity under the Bridge Facility to the extent that any capacity remains.

Ring-Fencing. In April 2014, EFH and the substantial majority of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. The

bankruptcy does not include Oncor Holdings or Oncor. Certain existing ring-fencing measures,

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governance mechanisms and restrictions will remain in effect following the Merger, which are intended to enhance Oncor Holdings and Oncor's separateness from their owners and to mitigate the risk that these entities would be negatively impacted by the bankruptcy of, or other adverse financial developments affecting, EFH or its other subsidiaries or the owners of EFH. In accordance with the ring-fencing measures and commitments made by us as part of the joint application (the Joint Application) with Oncor to the Public Utility Commission of Texas (the PUCT) for regulatory approval of the Merger, we will be subject to certain restrictions following the Merger. We will not control Oncor Holdings or Oncor, and the ring-fencing measures, governance mechanisms and restrictions, as well as the Stipulation referred to below, will limit our ability to direct the management, policies and operations of Oncor Holdings and Oncor, including the deployment or disposition of their assets, declarations of dividends, strategic planning and other important corporate issues and actions. These limitations include limited representation on the Oncor Holdings and Oncor boards of directors. Following consummation of the Merger, the board of directors of Oncor is expected to consist of thirteen members and be constituted as follows:

seven members will be independent directors in all material respects under the rules of the New York Stock Exchange in relation to Sempra Energy and its subsidiaries and affiliated entities and any entity with a direct or indirect ownership interest in Oncor or Oncor Holdings (and those directors must have no material relationship with Sempra Energy or its affiliates or any entity with a direct or indirect ownership interest in Oncor or Oncor Holdings at the time of the Merger or within the previous ten years) (independent directors),

two members will be designated by Sempra Energy,

two members will be appointed by TTI, and

two members will be current or former officers of Oncor (the Oncor Officer Directors), initially Robert S. Shapard and E. Allen Nye, Jr., who no later than the closing of the Merger will be the chair of the Oncor board and chief executive officer of Oncor, respectively (in order for a current or former officer of Oncor to be eligible to serve as an Oncor Officer Director, such officer cannot have worked for Sempra or any of its affiliates (excluding Oncor Holdings and Oncor) or any other entity with a direct or indirect ownership interest in Oncor or Oncor Holdings in the ten years prior to such officer being employed by Oncor). Oncor Holdings, at the direction of EFIH (a subsidiary of EFH, which will be a wholly owned indirect subsidiary of, and controlled by, Sempra Energy following the Merger), will have the right to nominate and/or seek the removal of the Oncor Officer Directors, with such nomination or removal subject to approval by a majority of the Oncor board of directors.

The composition of the Oncor board of directors described above must be maintained subsequent to the Merger, unless we were to acquire TTI's ownership interest in Oncor, in which case the two members of the Oncor board of directors appointed by TTI would be eliminated and the size of the Oncor board of directors reduced by two members. In addition, following consummation of the Merger, Oncor Holdings must have a board comprised of 10 members, six of which must be independent directors, two of which must be current or former officers of Oncor Holdings (the Oncor Holdings Officer Directors) (which initially will be the same two Oncor officers who will be the initial Oncor Officer Directors described above), and two of which shall be designated by us. The eligibility requirements for serving as an Oncor Holdings Officer Director are the same as the eligibility requirements for serving as an Oncor Officer Director as described in the preceding paragraph. EFIH will have the right to nominate and/or seek the removal of the Oncor Holdings Officer Directors, subject to approval by a majority of the Oncor Holdings board of

directors. Thus, Oncor Holdings and Oncor will continue to be managed independently (i.e., ring-fenced). Upon consummation of the Merger, we will consolidate EFH, and EFH will continue to account for its ownership in Oncor Holdings as an equity method investment.

On December 14, 2017, Sempra Energy and Oncor entered into a comprehensive stipulation (the Stipulation) with the staff of the PUCT and three other key stakeholders in the PUCT proceeding regarding the

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Joint Application. Pursu