



Second-Quarter 2008 Earnings Results

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Second-Quarter 2008 Results

<i>(Dollars and shares in millions, except EPS - Unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net Income	\$ 244	\$ 277	\$ 486	\$ 505
Diluted weighted-average shares outstanding	250	265	256	265
EPS - Net Income	\$ 0.98	\$ 1.05	\$ 1.90	\$ 1.91

- ▶ Strong results in first half 2008
- ▶ Sempra Utilities Q2-08 net income up 11% over Q2-07
- ▶ Better than expected performance from RBS Sempra Commodities
- ▶ 2008 earnings guidance increased to a range of \$3.80 to \$4.00 per share from \$3.65 to \$3.85 per share

Sempra Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
SDG&E Net Income	\$ 61	\$ 51	\$ 135	\$ 113
SoCalGas Net Income	56	54	113	109
Total Sempra Utilities	<u>\$ 117</u>	<u>\$ 105</u>	<u>\$ 248</u>	<u>\$ 222</u>

- ▶ SDG&E Q2-08 increase due primarily to \$5 million higher performance awards and \$4 million from lower effective tax rate
- ▶ Results for first half 2008 do not include increased revenues from resolution of General Rate Cases
 - \$42 million earnings benefit related to the first half of 2008 will be recorded in Q3-08 (\$36 million at SDG&E and \$6 million at SoCalGas)

Sempra Commodities

<i>(Unaudited, dollars in millions)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net Income	\$ 130	\$ 155	\$ 189	\$ 226

- ▶ Strong net income of \$130 million in Q2-08 includes:
 - \$93 million from RBS Sempra Commodities income allocation
 - \$67 million gain on sale, offset by \$30 million in charges, primarily related to litigation and tax matters

RBS Sempra Commodities Income Allocation

(in millions of U.S. dollars)

	Three Months Ended June 30, 2008	
	Joint Venture Total	Sempra Share*
Margin	\$ 646	
Operating and other expenses	(312)	
Joint venture distributable income	<u>\$ 334</u>	
Preferred return on capital	\$ 148	\$ 60
1 st allocation - 70% Sempra / 30% RBS	125	87
2 nd allocation - 30% Sempra / 70% RBS	61	18
Distributable income	<u>\$ 334</u>	<u>\$ 165</u>
Sempra Earnings from Joint Venture:		
Sempra share of distributable income - IFRS basis		\$ 165
U.S. GAAP conversion impact		(19)
Sempra equity earnings - U.S. GAAP basis		146
Income tax expense		(53)
Sempra equity earnings from joint venture		<u><u>\$ 93</u></u>

Sempra Generation

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net Income	\$ 23	\$ 10	\$ 68	\$ 64

- ▶ Increase in Q2-08 net income due primarily to \$17 million higher contribution from plant operations due to impact of scheduled maintenance and associated downtime in Q2-07

Sempra Pipelines & Storage

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net Income	\$ 24	\$ 17	\$ 50	\$ 33

- ▶ Q2-08 includes \$7 million contribution from Rockies Express
- ▶ Year-to-date 2008 includes \$12 million contribution from Rockies Express

Net Income by Business Unit

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Sempra Utilities:				
San Diego Gas & Electric	\$ 61	\$ 51	\$ 135	\$ 113
Southern California Gas	56	54	113	109
Total Sempra Utilities	<u>117</u>	<u>105</u>	<u>248</u>	<u>222</u>
Sempra Global:				
Sempra Commodities	130	155	189	226
Sempra Generation	23	10	68	64
Sempra Pipelines & Storage	24	17	50	33
Sempra LNG	(28)	(13)	(37)	(23)
Total Sempra Global	<u>149</u>	<u>169</u>	<u>270</u>	<u>300</u>
Parent & Other	<u>(22)</u>	<u>6</u>	<u>(32)</u>	<u>(15)</u>
Continuing Operations	244	280	486	507
Discontinued Operations, Net of Income Tax	-	(3)	-	(2)
Consolidated Net Income	<u>\$ 244</u>	<u>\$ 277</u>	<u>\$ 486</u>	<u>\$ 505</u>

Financial Summary

- ▶ Q2-08 strong results support increasing 2008 guidance
 - 11% increase in Sempra Utilities' earnings
 - 41% increase in Pipelines & Storage earnings
- ▶ Year-to-date 2008
 - Recorded net income of \$486 million
 - Does not include the first-half benefit of \$42 million retroactive treatment of the General Rate Case decision
 - Received 15.4 million shares from share repurchase program
 - Increased dividend by 13%

Sempra Utilities Operational Update

▶ General Rate Cases

- Received final CPUC decision on July 31
- Revenue requirement increase of \$209 million in 2008 (including the impact of the Cost of Capital decision) and by an average of \$95 million in each of the next three years
- No earnings sharing mechanism

▶ Sunrise Powerlink final decision expected by year-end 2008

▶ SDG&E announced \$250 million solar program

▶ SDG&E Smart Meters

- Began initial installations
- Announced meter vendor selection

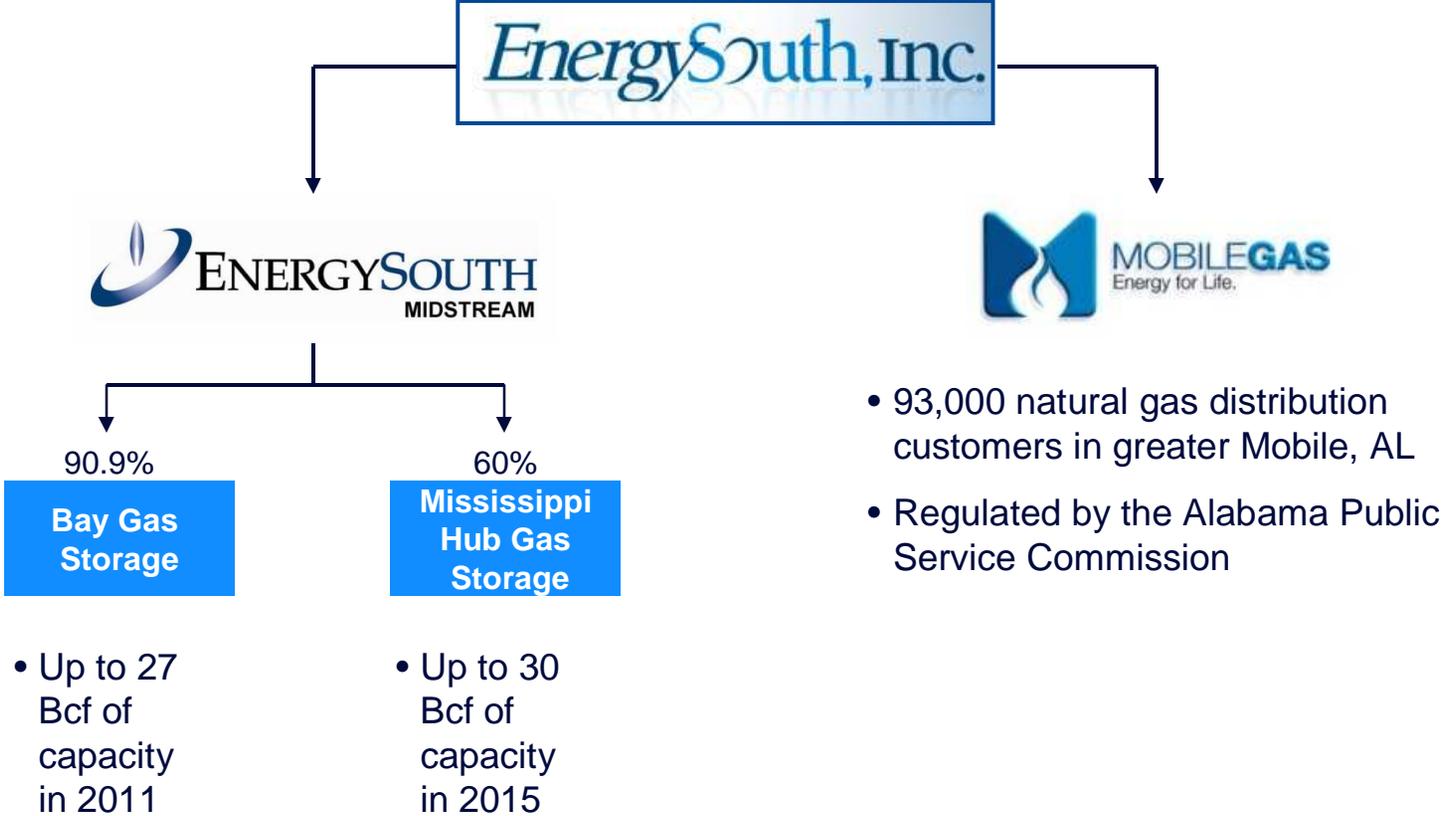
Acquisition of EnergySouth

- ▶ Complements Sempra's growing position in high-value storage market

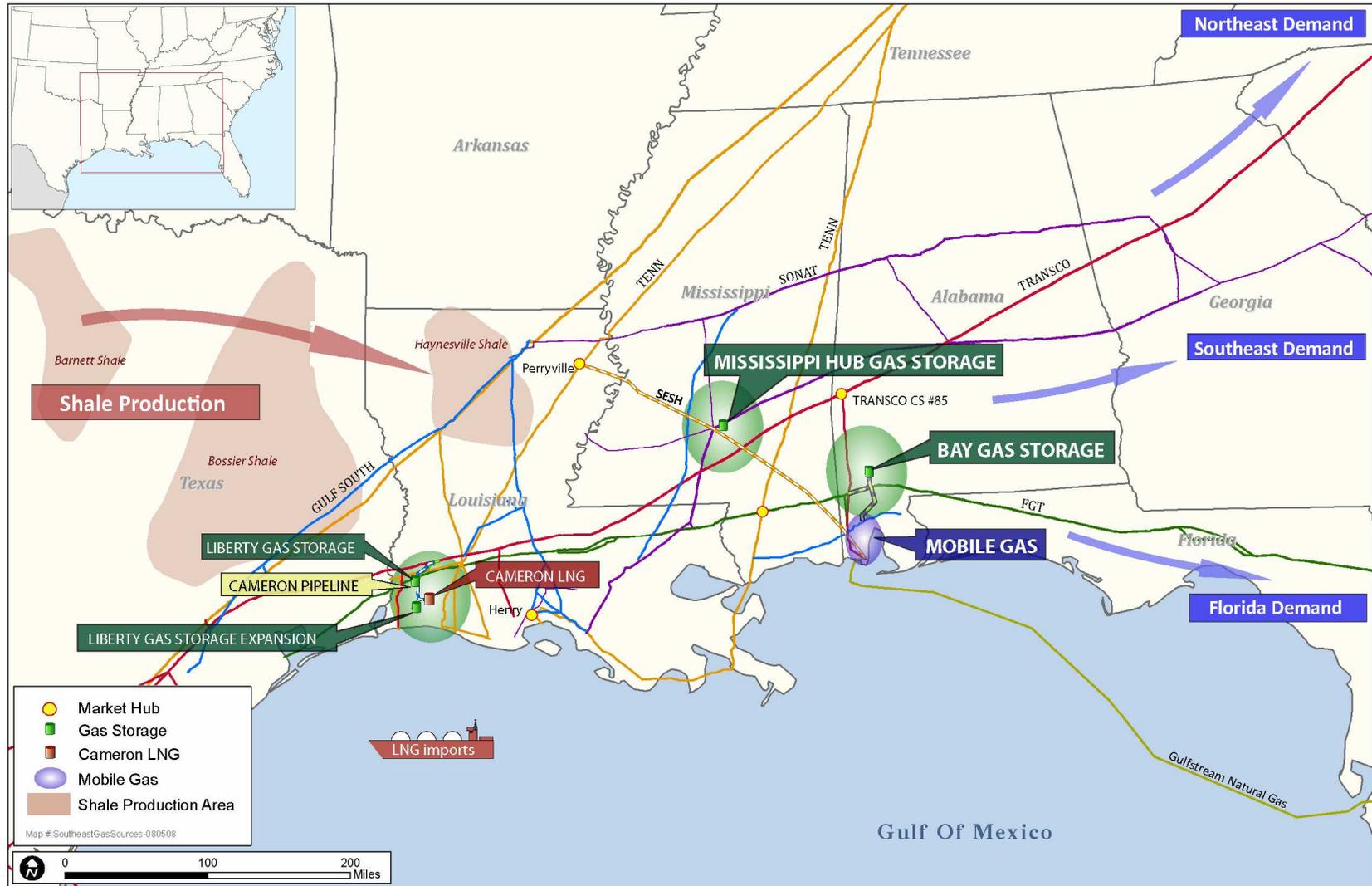
- ▶ EnergySouth's midstream business includes:
 - Majority ownership in two salt-dome storage projects
 - Total storage capacity up to 57 Bcf when fully developed

- ▶ Transaction overview
 - \$510 million in cash
 - Slightly accretive to earnings in 2009 and up to \$0.30 per share accretive in 2012
 - Expected close by year-end 2008, subject to EnergySouth shareholder approval and Hart-Scott-Rodino review

Overview of EnergySouth



Expanded Gulf Coast Natural Gas Footprint



Pipelines & LNG Update

Pipelines & Storage

- ▶ REX-West
 - Began full service in May
 - Currently flowing 1.5 Bcf/d
- ▶ REX-East
 - Received final FERC decision in Q2-08
 - Began construction
 - Interim service expected by year-end 2008
 - Completion targeted Q3-09

LNG

- ▶ Energía Costa Azul
 - Began operations in May
 - Receiving capacity revenue on 50% of facility
 - Nitrogen plant construction to commence Q3-08
- ▶ Cameron LNG
 - Construction 85% complete
 - Completion targeted by year-end 2008

Summary

- ▶ Strong financial results for the quarter and first half of 2008
 - Led by growth at Sempra Utilities
- ▶ RBS Sempra Commodities off to great start
- ▶ Growing midstream business
 - Continued focus on completing natural gas projects
 - EnergySouth acquisition to expand Gulf Coast footprint
- ▶ Increasing 2008 earnings guidance to range of \$3.80 to \$4.00 per share from \$3.65 to \$3.85 per share