



First-Quarter 2008 Earnings Results

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Introduction

- ▶ Key value drivers
 - Higher EPS growth rate
 - Higher dividend growth rate
 - Lower risk
- ▶ Recent accomplishments
 - RBS Sempra Commodities transaction closed
 - REX-West in service
 - REX-East Final Environmental Impact Statement issued
 - Energía Costa Azul received first LNG cargo

First-Quarter 2008 Results

- ▶ EPS up 7%
- ▶ EBITDA* up 17%

<i>(Dollars and shares in millions, except EPS - Unaudited)</i>	Three months ended March 31,	
	2008	2007
EBITDA*	\$ 592	\$ 505
Net Income	\$ 242	\$ 228
Diluted weighted-average shares outstanding	263	264
EPS	\$ 0.92	\$ 0.86

Sempra Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2008</u>	<u>2007</u>
SDG&E Net Income	\$ 74	\$ 62
SoCalGas Net Income	57	55
Total Sempra Utilities Net Income	<u>\$ 131</u>	<u>\$ 117</u>

- ▶ SDG&E increase due primarily to \$9 million favorable tax adjustments in Q1-08

Sempra Commodities

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2008</u>	<u>2007</u>
Net Income	\$ 59	\$ 71

- ▶ Q1-08 includes:
 - Strong results in North American power
 - \$17 million write-down related to a single mining counterparty
- ▶ Q1-07 results included \$18 million benefit from gain on sale of equity investments

Sempra Generation

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2008</u>	<u>2007</u>
Net Income	\$ 45	\$ 54

► Q1-07 included:

- \$6 million mark-to-market gain on long-term hedges
- \$4 million benefit from intercompany interest income

Sempra Pipelines & Storage

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2008</u>	<u>2007</u>
Net Income	\$ 26	\$ 16

- ▶ Q1-08 increase in net income primarily due to the following:
 - Began service on REX-West
 - Favorable foreign exchange-rate effects on investments in Chile and Peru

Net Income by Business Unit

(Unaudited, dollars in millions)	Three months ended March 31,	
	2008	2007
Sempra Utilities:		
San Diego Gas & Electric	\$ 74	\$ 62
Southern California Gas	57	55
Total Sempra Utilities	<u>131</u>	<u>117</u>
Sempra Global:		
Sempra Commodities	59	71
Sempra Generation	45	54
Sempra Pipelines & Storage	26	16
Sempra LNG	(9)	(10)
Total Sempra Global	<u>121</u>	<u>131</u>
Parent & Other	<u>(10)</u>	<u>(21)</u>
Continuing Operations	242	227
Discontinued Operations, Net of Income Tax	-	1
Consolidated Net Income	<u>\$ 242</u>	<u>\$ 228</u>

Financial Summary

- ▶ Strong Q1-08 financial results
 - EPS up 7%
 - EBITDA* up 17%
- ▶ Strong balance sheet
- ▶ Commenced \$1.5 to \$2.0 billion share repurchase plan
 - \$1 billion to be completed in 2008
- ▶ Dividend increases
 - Increased by 3% to \$0.32 per share effective February quarterly payment
 - Expect board to approve additional 9% increase to \$0.35 per share effective July quarterly payment

Sempra Utilities Operational Update

- ▶ General Rate Case Settlements (SDG&E and SoCalGas)
 - Revenue requirement increase of \$197 million (7%) in first year and by an average of \$96 million (3%) in each of the remaining years
 - No earnings sharing mechanism
 - Final decision expected Q2-08
- ▶ Smart Meter Program
 - SDG&E will begin initial phase meter installations Q2-08 with large-scale installations beginning in Q1-09
 - SoCalGas filing expected second half 2008
- ▶ Sunrise Powerlink final decision by year-end 2008

LNG Operational Update

- ▶ **Energía Costa Azul**
 - Received first cargo
 - Commercial operations to begin later this month
 - Capacity revenue on 50% of facility expected to begin in May

- ▶ **Cameron LNG**
 - Construction 80% complete
 - Construction complete by year-end 2008



Rockies Express Pipeline Update

► REX-West

- Began service in January
- Currently flowing 1.2 Bcf/d
- Expect full service in May

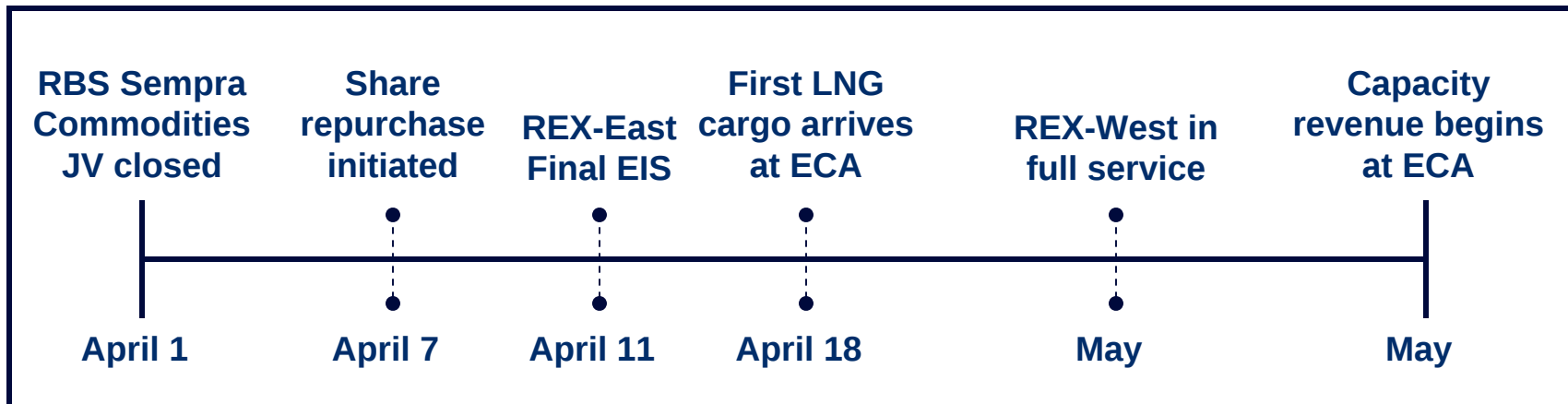


► REX-East

- Final Environmental Impact Statement issued
- Anticipate final FERC decision in Q2-08
- In-service date expected by year-end 2008

Summary

- ▶ Strong Q1-08 financial results
 - EPS up 7%
 - EBITDA* up 17%
- ▶ Execution focused
- ▶ Key progress in Q2-08



Appendix

Reconciliation of EBITDA to Net Income

(Unaudited, dollars in millions)	Three months ended March 31,	
	2008	2007
GAAP Net Income	\$ 242	\$ 228
After-tax discontinued operations	-	(1)
Depreciation and amortization	175	169
Interest income	(14)	(26)
Interest expense	60	70
Preferred dividends of subsidiaries	2	2
Income tax expense	127	63
EBITDA*	<u>\$ 592</u>	<u>\$ 505</u>