

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report

(Date of earliest event reported): August 2, 2005

SAN DIEGO GAS & ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

CALIFORNIA	1-3779	95-1184800
-----	-----	-----
(State of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
8330 CENTURY PARK COURT, SAN DIEGO, CA		92123
-----	-----	-----
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code	(619) 696-2000	-----

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

FORM 8-K

Item 2.02 Results of Operations and Financial Condition

The information furnished in this Item 2.02 and in Exhibits 99.1 and 99.2 shall not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, nor shall it be deemed to be incorporated by reference in any filing of San Diego Gas & Electric Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

On August 2, 2005, Sempra Energy, of which San Diego Gas & Electric Company is a consolidated subsidiary, issued a press release announcing consolidated net income of \$121 million, or \$0.48 per diluted share of common stock, for the second quarter of 2005. The press release has been posted on Sempra Energy's website (www.sempra.com) and a copy is attached as Exhibit 99.1.

Concurrently with the website posting of such press release and as noted therein, Sempra Energy also posted its Income Statement Data by Business Unit for the three months and the six months ended June 30, 2005 and 2004. A copy of such information is attached as Exhibit 99.2

The Sempra Energy financial information contained in the press release includes, on a consolidated basis, information regarding San Diego Gas & Electric Company's results of operations and financial condition.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 August 2, 2005 Sempra Energy News Release (including tables)

99.2 Sempra Energy's Income Statement Data by Business Unit for the three months and the six months ended June 30, 2005 and 2004.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

San Diego Gas & Electric Company

Date: August 2, 2005

By: /s/ S.D. Davis
-----S.D. Davis
Sr. Vice President-External Relations
and Chief Financial Officer

News Release

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SEMPRA ENERGY REPORTS SECOND-QUARTER 2005 EARNINGS

- **Company Increases 2005 Earnings-Per-Share Guidance to \$3.20 to \$3.40**
- **Construction to Commence on Louisiana LNG Receipt Terminal**

SAN DIEGO, Aug. 2, 2005 - Sempra Energy today reported unaudited second-quarter 2005 earnings of \$121 million, or \$0.48 per diluted share, compared with \$121 million, or \$0.52 per diluted share, in the second quarter 2004.

For the first six months of 2005, Sempra Energy's earnings were \$344 million, or \$1.40 per diluted share, up approximately 8 percent from \$318 million, or \$1.37 per diluted share, during the same period last year. Earnings per share in 2005 have been affected by a greater number of shares outstanding.

Sempra Energy today also increased its 2005 earnings-per-share guidance to a range of \$3.20 to \$3.40 from a range of \$3.10 to \$3.30. The increase is based on expected earnings improvements primarily at the company's utility and commodities businesses during the second half of the year.

"We are pleased with our second-quarter performance and expect improved results from our California utilities, Sempra Commodities and other businesses over the next two quarters to meet our increased earnings guidance for the year," said Stephen L. Baum, chairman and chief executive officer of Sempra Energy. "In addition to our reported earnings, at the end of the second quarter, our commodities group had approximately \$50 million of unrecognized mark-to-market, after-tax profits, most of which will be recognized as GAAP net income by the end of this year. Also, during the second half of the year, our California utilities' net income should benefit from approximately \$55 million in expected performance-based-ratemaking incentives and a pending settlement with the California Independent System Operator."

Revenues for Sempra Energy were \$2.3 billion in the second quarter 2005, compared with \$2 billion in the year-ago quarter, due primarily to higher natural gas commodity prices at the California utilities and increased power and natural gas sales by other Sempra Energy businesses.

OPERATING HIGHLIGHTS

Sempra Utilities

Net income for Southern California Gas Co. rose to \$58 million during the second quarter 2005 from \$50 million in the year-earlier period, due primarily to lower operating expenses.

Net income for San Diego Gas & Electric (SDG&E) in the second quarter 2005 was \$29 million, compared with \$30 million in last year's second quarter, as a result of reduced revenues and higher operating costs attributable to the company's share of the San Onofre Nuclear Generating Station.

Baum said that, during the final half of the year, the utilities expect approval by the California Public Utilities Commission of performance-based-ratemaking incentive awards for demand-side-management programs, resulting in approximately \$30 million in net income. Also in the second half of the year, SDG&E expects to benefit from the favorable settlement of a dispute with the California Independent System Operator over grid-management charges, resulting in approximately \$25 million in net income.

Sempra Commodities

Sempra Commodities recorded \$26 million in net income during the second quarter 2005, compared with \$46 million during the year-ago period. At the end of the second quarter, Sempra Commodities had significant inventories of natural gas and oil that had been sold for future delivery. The company expects most of the approximately \$50 million in after-tax profits from these transactions to be recognized before the end of 2005.

Sempra Generation

Sempra Generation's second-quarter net income increased to \$27 million in 2005 from \$19 million last year. The company benefited from increased power sales from its Texas generating facilities, including the Coletto Creek power plant, which was acquired in July 2004. Second-quarter 2004 results included a provision for litigation expense. Last week, Sempra Generation completed its acquisition of Reliant Energy's 50-percent interest in the 480-megawatt El Dorado Energy power plant in Boulder City, Nev. Sempra Generation now owns the entire plant.

Sempra Pipelines & Storage

Net income for Sempra Pipelines & Storage in the second quarter 2005 was \$16 million, compared with \$17 million in the year-ago quarter. During the quarter, Sempra Pipelines & Storage recorded a \$3 million gain from the sale of a 25-percent ownership interest in its Liberty Gas Storage, a natural gas storage facility under development in Louisiana. In last year's second quarter, the company benefited from \$5 million in net income from the sale of a portion of the common stock in its jointly owned Peruvian utility, Luz del Sur.

Sempra LNG

Sempra LNG reported a net loss of \$5 million in the second quarter 2005, compared with a net loss of \$2 million in the second quarter 2004.

Yesterday, Sempra LNG announced that it had executed a 20-year agreement to provide Eni S.p.A. with approximately 40 percent, or 600 million cubic feet per day, of the capacity of Sempra LNG's Cameron liquefied natural gas (LNG) receipt terminal under development near Lake Charles, La. The terminal is expected to begin operations in 2008.

"With the Eni agreement finalized and additional commercial negotiations underway, we will commence construction on the Cameron LNG terminal this quarter," said Baum. "Construction on our Mexico terminal, Energia Costa Azul, is progressing and it will be the first LNG receipt terminal on the West Coast of North America."

Internet Broadcast

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT with key company executives. Access is available by logging onto the Web site at www.sempra.com. For those unable to log onto the live Webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (706) 645-9291 and entering the passcode 7177131.

Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services holding company with 2004 revenues of \$9.4 billion. The Sempra Energy companies' 13,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

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This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking 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, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and

legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra LNG and Sempra Pipelines & Storage are not the same companies as the utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission. Sempra Energy Trading, doing business as Sempra Commodities, and Sempra Generation are not the same companies as the utilities, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of their products and services.

SEMPRA ENERGY

Table A

STATEMENTS OF CONSOLIDATED INCOME (Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
(Dollars in millions, except per share amounts)	2005	2004	2005	2004
Operating revenues				
California utilities:				
Natural gas	\$ 1,055	\$ 947	\$ 2,488	\$ 2,280
Electric	406	420	800	801
Other	811	629	1,676	1,275
Total operating revenues	2,272	1,996	4,964	4,356
Operating expenses				
California utilities:				
Cost of natural gas	600	482	1,513	1,306
Cost of electric fuel and purchased power	146	155	291	282
Other cost of sales	560	375	1,144	702
Other operating expenses	534	546	1,076	1,067
Depreciation and amortization	163	165	324	330
Franchise fees and other taxes	56	53	124	117
Total operating expenses	2,059	1,776	4,472	3,804
Operating income	213	220	492	552
Other income, net	9	13	26	18
Interest income	12	10	23	33
Interest expense	(72)	(80)	(146)	(160)
Preferred dividends of subsidiaries	(3)	(3)	(5)	(5)
Income from continuing operations before income taxes	159	160	390	438
Income tax expense	36	31	44	88
Income from continuing operations	123	129	346	350
Loss from discontinued operations, net of tax	-	(6)	-	(30)
Loss on disposal of discontinued operations, net of tax	(2)	(2)	(2)	(2)
Net income	\$ 121	\$ 121	\$ 344	\$ 318
Basic earnings per share:				
Income from continuing operations	\$ 0.51	\$ 0.56	\$ 1.45	\$ 1.53
Discontinued operations, net of tax	(0.01)	(0.04)	(0.01)	(0.14)
Net income	\$ 0.50	\$ 0.52	\$ 1.44	\$ 1.39
Weighted-average number of shares outstanding (thousands)	243,898	230,432	238,448	229,245
Diluted earnings per share:				
Income from continuing operations	\$ 0.49	\$ 0.55	\$ 1.41	\$ 1.51
Discontinued operations, net of tax	(0.01)	(0.03)	(0.01)	(0.14)
Net income	\$ 0.48	\$ 0.52	\$ 1.40	\$ 1.37
Weighted-average number of shares outstanding (thousands)	250,073	234,312	245,772	232,738
Dividends declared per share of common stock	\$ 0.29	\$ 0.25	\$ 0.58	\$ 0.50

SEMPRA ENERGY

Table B

CONSOLIDATED BALANCE SHEETS (Unaudited)

(Dollars in millions)	June 30, 2005	December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 726	\$ 419
Short-term investments	12	15
Accounts receivable	768	1,032
Due from unconsolidated affiliate	4	4
Deferred income taxes	62	15
Interest receivable	22	80
Trading-related receivables and deposits, net	2,327	2,606
Derivative trading instruments	3,126	2,339
Commodities owned	1,531	1,547
Regulatory assets arising from fixed-price contracts and other derivatives	132	152
Other regulatory assets	108	103
Inventories	101	172
Other	172	222
	9,091	8,706
Current assets of continuing operations		
Current assets of discontinued operations	58	70
	9,149	8,776
Investments and other assets:		
Due from unconsolidated affiliates	27	42
Regulatory assets arising from fixed-price contracts and other derivatives	438	500
Other regulatory assets	577	619
Nuclear decommissioning trusts	617	612
Investments	1,109	1,164
Sundry	854	844
	3,622	3,781
Total investments and other assets		
Property, plant and equipment, net	11,434	11,086
	\$ 24,205	\$ 23,643
Total assets		
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term debt	\$ 251	\$ 405
Accounts payable	796	1,126
Due to unconsolidated affiliates (mandatorily redeemable preferred securities)	-	205

Income taxes payable	97	187
Trading-related payables	2,946	3,182
Derivative trading instruments	2,376	1,484
Commodities sold with agreement to repurchase	181	513
Dividends and interest payable	136	123
Regulatory balancing accounts, net	577	509
Fixed-price contracts and other derivatives	135	157
Current portion of long-term debt	401	398
Other	863	776
Current liabilities of continuing operations	8,759	9,065
Current liabilities of discontinued operations	6	17
Total current liabilities	8,765	9,082
Long-term debt	4,369	4,192
Deferred credits and other liabilities:		
Due to unconsolidated affiliates	162	162
Customer advances for construction	95	97
Postretirement benefits other than pensions	125	129
Deferred income taxes	361	420
Deferred investment tax credits	76	78
Regulatory liabilities arising from cost of removal obligations	2,416	2,359
Regulatory liabilities arising from asset retirement obligations	330	333
Other regulatory liabilities	63	67
Fixed-price contracts and other derivatives	438	500
Asset retirement obligations	332	326
Deferred credits and other	847	854
Total deferred credits and other liabilities	5,245	5,325
Preferred stock of subsidiaries	179	179
Shareholders' equity	5,647	4,865
Total liabilities and shareholders' equity	\$ 24,205	\$ 23,643

SEMPRA ENERGY

Table C

CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (Unaudited)

(Dollars in millions)	Six months ended	
	June 30,	
	2005	2004
Cash Flows from Operating Activities:		
Net income	\$ 344	\$ 318
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations, net of tax	-	30
Loss on disposal of discontinued operations, net of tax	2	2
Depreciation and amortization	324	330
Deferred income taxes and investment tax credits	(59)	(12)
Other	21	49
Net changes in other working capital components	(65)	34
Changes in other assets	(1)	(61)
Changes in other liabilities	(1)	8

Net cash provided by continuing operations	565	698
Net cash used in discontinued operations	-	(30)
Net cash provided by operating activities	565	668
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(585)	(498)
Proceeds from sale of assets	8	363 (1)
Proceeds from disposal of discontinued operations	-	112
Investments in subsidiaries	(6)	(13)
Dividends received from affiliates	43	47
Other	6	9
Net cash provided by (used in) investing activities	(534)	20
Cash Flows from Financing Activities:		
Common dividends paid	(119)	(96)
Issuances of common stock	666	60
Repurchases of common stock	(95)	(5)
Issuances of long-term debt	250	896
Redemption of mandatorily redeemable preferred securities	(200)	-
Payments on long-term debt	(69)	(877)
Increase (decrease) in short-term debt, net	(154)	63
Other	(3)	(3)
Net cash provided by financing activities	276	38
Increase in cash and cash equivalents	307	726
Cash and cash equivalents, January 1	419	409
Cash and cash equivalents, June 30	\$ 726	\$ 1,135

(1) Proceeds from the sale of U.S. Treasury obligations which previously securitized the Mesquite synthetic lease.

SEMPRA ENERGY

Table D

BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS (Unaudited)

(Dollars in millions)	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
Net Income				
California Utilities:				
San Diego Gas & Electric	\$ 29	\$ 30	\$ 88	\$ 80
Southern California Gas	58	50	127	106
Total California Utilities	87	80	215	186
Sempra Global:				
Sempra Commodities	26	46	55	103
Sempra Generation	27	19	73	54
Sempra Pipelines & Storage	16	17	29	28
Sempra LNG	(5)	(2)	(10)	4
Total Sempra Global	64	80	147	189
Sempra Financial	7	6	11	16
Parent & Other	(35)	(37)	(27)	(41)
Continuing Operations	123	129	346	350
Discontinued Operations (1)	(2)	(8)	(2)	(32)
Consolidated Net Income	\$ 121	\$ 121	\$ 344	\$ 318

(1) Reflects Atlantic Electric & Gas.

Three months ended June 30,	Six months ended June 30,

(Dollars in millions)	2005	2004	2005	2004
Capital Expenditures and Investments				
California Utilities:				
San Diego Gas & Electric	\$ 102	\$ 112	\$ 196	\$ 181
Southern California Gas	83	82	146	144
Total California Utilities	185	194	342	325
Sempra Global:				
Sempra Generation	45	34	94	48
Sempra Commodities	16	36	29	82
Sempra Pipelines & Storage	3	11	7	16
Sempra LNG	68	-	113	22
Total Sempra Global	132	81	243	168
Parent & Other	4	10	6	18
Consolidated Capital Expenditures and Investments	\$ 321	\$ 285	\$ 591	\$ 511

SEMPRA ENERGY

Table E

OTHER OPERATING STATISTICS (Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2005	2004	2005	2004
CALIFORNIA UTILITIES				
Revenues (Dollars in millions)				
SDG&E (excludes intercompany sales)	\$ 535	\$ 529	\$ 1,151	\$ 1,104
SoCalGas (excludes intercompany sales)	\$ 926	\$ 838	\$ 2,137	\$ 1,977
Gas Sales (Bcf)	86	81	223	221
Transportation and Exchange (Bcf)	117	128	239	249
Total Deliveries (Bcf)	203	209	462	470
Total Gas Customers (Thousands)			6,335	6,251
Electric Sales (Millions of kWhs)	3,782	3,747	7,688	7,559
Direct Access (Millions of kWhs)	808	929	1,628	1,658
Total Deliveries (Millions of kWhs)	4,590	4,676	9,316	9,217
Total Electric Customers (Thousands)			1,327	1,306
SEMPRA GENERATION				
Power Sold (Millions of kWhs)	5,010	3,884	10,649	8,361

SEMPRA PIPELINES & STORAGE

(Represents 100% of these subsidiaries, although only the Mexican subsidiaries are 100% owned by Sempra Energy).

Natural Gas Sales (Bcf)

Argentina	71	62	122	113
Mexico	11	10	21	20
Chile	-	-	1	1

Natural Gas Customers (Thousands)

Argentina			1,473	1,429
Mexico			98	103
Chile			38	37

Electric Sales (Millions of kWhs)

Peru	1,075	1,016	2,127	2,023
Chile	508	502	1,241	1,010

Electric Customers (Thousands)

Peru			757	740
Chile			516	502

SEMPRA ENERGY
Table E (Continued)
SEMPRA COMMODITIES

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
<i>Margin * (Dollars in millions)</i>				
Geographical:				
North America	\$ 169	\$ 147	\$ 294	\$ 267
Europe/Asia	(35)	36	(6)	120
Total	\$ 134	\$ 183	\$ 288	\$ 387
Product Line:				
Gas	\$ 16	\$ 52	\$ 1	\$ 94
Power	82	9	124	54
Oil - Crude & Products	(9)	49	71	91
Metals	25	51	39	109
Other	20	22	53	39
Total	\$ 134	\$ 183	\$ 288	\$ 387

* Margin consists of net revenues less related costs (primarily brokerage, transportation and storage) plus or minus net interest expense/income.

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
<i>Effect of EITF 02-03 (Dollars in millions)</i>				
Mark-to-Market Earnings **	\$ 77	\$ 44	\$ 129	\$ 99
Effect of EITF 02-03 ***	(51)	2	(74)	4
GAAP Net Income	\$ 26	\$ 46	\$ 55	\$ 103

** Represents the fair market value of all commodities transactions. This metric is a useful measurement of profitability because it simultaneously recognizes changes in the various components of transactions and reflects how the business is managed.

*** Consists of the income statement effect of not recognizing changes in the fair market value of certain physical inventories and capacity contracts for transportation and storage.

	Fair Market Value June 30,	Scheduled Maturity (in months)			
		0 - 12	13 - 24	25 - 36	> 36
<i>Net Unrealized Revenue (Dollars in millions)</i>					
Sources of Over-the-Counter (OTC) Fair Value:					
Prices actively quoted	\$ 718	\$ 659	\$ (89)	\$ 61	\$ 87
Prices provided by other external sources	25	(5)	1	-	29
Prices based on models and other valuation methods	(7)	5	-	-	(12)
Total OTC Fair Value (1)	\$ 736	\$ 659	\$ (88)	\$ 61	\$ 104

Maturity of OTC Fair Value

Percentage	100.0%	89.6%	(12.0%)	8.3%	14.1%
Cumulative Percentages		89.6%	77.6%	85.9%	100.0%
Exchange Contracts (2)	\$ 166	\$ 258	\$ 25	\$ (70)	\$ (47)
Total Net Unrealized Revenue at June 30, 2005	\$ 902				

- (1) The present value of unrealized revenue to be received or (paid) from outstanding OTC contracts
(2) Cash received or (paid) associated with open Exchange Contracts

	June 30, 2005	December 31, 2004
<i>Credit Quality of Unrealized Trading Assets (net of margin)</i>		
Commodity Exchanges	15%	10%
Investment Grade	70%	66%
Below Investment Grade	15%	24%

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
<i>Risk Adjusted Performance Indicators (Mark-to-Market Basis)</i>				
VaR at 95% (Dollars in millions) (1)	\$ 9.6	\$ 6.4	\$ 9.1	\$ 6.1
VaR at 99% (Dollars in millions) (2)	\$ 13.6	\$ 9.0	\$ 12.8	\$ 8.5
Risk Adjusted Return on Capital (RAROC) (3)	35%	33%	36%	37%

- (1) Average Daily Value-at-Risk for the period using a 95% confidence level
(2) Average Daily Value-at-Risk for the period using a 99% confidence level
(3) Average Daily Trading Margin/Average Daily VaR at 95% confidence level

Physical Statistics

Natural Gas (BCF/Day)	10.6	12.8	11.4	13.3
Electric (Billions of kWhs)	57.3	79.2	165.1	175.8
Oil & Liquid Products (Millions Bbls/Day)	2.0	1.7	2.0	1.9

SEMPRA ENERGY
(Unaudited)

Income Statement Data by Business Unit

Three Months Ended June 30, 2005

(Dollars in millions)	SDG&E	SoCal Gas	Commodities	Generation	Pipelines & Storage	LNG	Financial	Consolidating Adjustments, Parent & Other
Operating Revenues	\$ 539	\$ 940	\$ 446	\$ 355	\$ 75	\$ -	\$ -	\$ (83)
Operating Expenses	403	773	391	283	69	8	-	(31)
Depreciation & Amortization	66	66	7	14	3	-	5	2
Operating Income	70	101	48	58	3	(8)	(5)	(54)
Other Income, net	(2)	-	-	(6)	13	-	-	4
Income before Interest & Taxes ⁽¹⁾	68	101	48	52	16	(8)	(5)	(50)
Net Interest Expense ⁽²⁾	19	9	7	3	-	-	2	23
Income Tax Expense/(Benefit)	20	34	15	22	-	(3)	(14)	(38)
Discontinued Operations	-	-	-	-	-	-	-	(2)
Net Income	\$ 29	\$ 58	\$ 26	\$ 27	\$ 16	\$ (5)	\$ 7	\$ (37)

Three Months Ended June 30, 2004

(Dollars in millions)	SDG&E	SoCal Gas	Commodities	Generation	Pipelines & Storage	LNG	Financial	Consolidating Adjustments, Parent & Other
Operating Revenues	\$ 536	\$ 847	\$ 344	\$ 436	\$ 63	\$ -	\$ -	\$ (230)
Operating Expenses	395	678	263	380	63	4	1	(173)
Depreciation & Amortization	67	76	5	10	3	-	-	4
Operating Income	74	93	76	46	(3)	(4)	(1)	(61)
Other Income, net	1	4	-	(10)	32	-	(15)	1
Income before Interest & Taxes ⁽¹⁾	75	97	76	36	29	(4)	(16)	(60)
Net Interest Expense ⁽²⁾	18	9	2	9	1	-	2	32
Income Tax Expense/(Benefit)	27	38	28	8	11	(2)	(24)	(55)
Discontinued Operations	-	-	-	-	-	-	-	(8)
Net Income	\$ 30	\$ 50	\$ 46	\$ 19	\$ 17	\$ (2)	\$ 6	\$ (45)

(1) Management believes "Income before Interest & Taxes" (Operating Income plus Other Income, net) is a useful measurement of our business units' performance because it can be used to evaluate the effectiveness of our operations exclusive of interest and income taxes, neither of which is directly relevant to the efficiency of those operations.

(2) Net Interest Expense includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.

SEMPRA ENERGY
(Unaudited) (continued)

Income Statement Data by Business Unit

Six Months Ended June 30, 2005

(Dollars in millions)	SDG&E	SoCal Gas	Commodities	Generation	Pipelines &	LNG	Financial	Consolidating
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Operating Revenues	\$ 1,160	\$ 2,181	\$ 904	\$ 775	\$ 144	\$ -	\$ -	\$ (200)
Operating Expenses	864	1,822	792	618	130	15	1	(94)
Depreciation & Amortization	131	132	14	27	7	-	11	2
Operating Income	165	227	98	130	7	(15)	(12)	(108)
Other Income, net	1	(1)	-	-	23	-	(1)	4
Income before Interest & Taxes ⁽¹⁾	166	226	98	130	30	(15)	(13)	(104)
Net Interest Expense ⁽²⁾	31	18	13	8	-	1	3	54
Income Tax Expense/(Benefit)	47	81	30	49	1	(6)	(27)	(131)
Discontinued Operations	-	-	-	-	-	-	-	(2)
Net Income	\$ 88	\$ 127	\$ 55	\$ 73	\$ 29	\$ (10)	\$ 11	\$ (29)

Six Months Ended June 30, 2004

(Dollars in millions)	SDG&E	SoCal Gas	Commodities	Generation	Pipelines & Storage	LNG	Financial	Consolidating Adjustments, Parent & Other
Operating Revenues	\$ 1,116	\$ 1,995	\$ 652	\$ 736	\$ 127	\$ -	\$ -	\$ (270)
Operating Expenses	800	1,641	481	602	120	6	1	(177)
Depreciation & Amortization	135	150	11	22	7	-	2	3
Operating Income	181	204	160	112	-	(6)	(3)	(96)
Other Income, net	3	1	-	(14)	41	13	(27)	1
Income before Interest & Taxes ⁽¹⁾	184	205	160	98	41	7	(30)	(95)
Net Interest Expense ⁽²⁾	31	18	4	13	1	-	4	61
Income Tax Expense/(Benefit)	73	81	53	31	12	3	(50)	(115)
Discontinued Operations	-	-	-	-	-	-	-	(32)
Net Income	\$ 80	\$ 106	\$ 103	\$ 54	\$ 28	\$ 4	\$ 16	\$ (73)

(1) Management believes "Income before Interest & Taxes" (Operating Income plus Other Income, net) is a useful measurement of our business units' performance because it can be used to evaluate the effectiveness of our operations exclusive of interest and income taxes, neither of which is directly relevant to the efficiency of those operations.

(2) Net Interest Expense includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.