

First-Quarter 2007 Earnings Results

Don Felsing

Chairman & Chief Executive Officer



BUILDING OUR ENERGY FUTURE

May 2, 2007

Safe Harbor Statement

This presentation 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," "could," "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 environmental and 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 and liquefied 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 website, www.sec.gov, and on the company's website, www.sempra.com.

First-Quarter 2007 Results

- ▶ Net income excludes after-tax mark-to-market profits deferred under current accounting rules at Sempra Commodities; \$86 million in Q1-07 and \$44 million in Q1-06
- ▶ On track to achieve 2007 earnings guidance of \$3.75 to \$3.95 per share

	Three months ended March 31,	
	2007	2006
<i>(Dollars and shares in millions, except EPS - Unaudited)</i>		
Income from Continuing Operations	\$ 227	\$ 234
Net Income	\$ 228	\$ 255
<hr/>		
Diluted weighted-average shares outstanding	264	259
EPS - Continuing Operations	\$ 0.86	\$ 0.90
EPS - Net Income	\$ 0.86	\$ 0.98

Sempra Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2007</u>	<u>2006</u>
SDG&E Net Income	\$ 62	\$ 47
SoCalGas Net Income	55	49
Total Sempra Utilities Net Income	<u>\$ 117</u>	<u>\$ 96</u>

- ▶ SDG&E increase primarily due to higher earnings from Palomar Energy Center and SONGS
- ▶ SoCalGas increase primarily due to improved operations

Sempra Commodities

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2007</u>	<u>2006</u>
Net Income	\$ 71	\$ 116

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2007</u>	<u>2006</u>
Mark-to-Market Earnings *	\$ 157	\$ 160
Effect of EITF 02-03 **	(86)	(44)
GAAP Net Income	<u>\$ 71</u>	<u>\$ 116</u>

* Represents earnings from 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 and derivative hedging activities related to synthetic fuels tax credits.

Sempra Generation

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2007</u>	<u>2006</u>
Net Income	\$ 54	\$ 41

- ▶ Increase primarily due to mark-to-market gains on long-term contracts with Sempra Commodities and higher interest income

Sempra Pipelines & Storage

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2007</u>	<u>2006</u>
Net Income	\$ 16	\$ 11

- ▶ Increase due to lower tax expense and improved operational results in Mexico and South America

Net Income by Business Unit

<i>(Dollars in millions)</i>	Three months ended	
	March 31,	
	2007	2006
	(Unaudited)	
Sempra Utilities:		
San Diego Gas & Electric	\$ 62	\$ 47
Southern California Gas	55	49
Total Sempra Utilities	<u>117</u>	<u>96</u>
Sempra Global:		
Sempra Commodities	71	116
Sempra Generation*	54	41
Sempra Pipelines & Storage*	16	11
Sempra LNG	(10)	(5)
Total Sempra Global	<u>131</u>	<u>163</u>
Parent & Other	<u>(21)</u>	<u>(25)</u>
Continuing Operations	227	234
Discontinued Operations, Net of Income Tax	1	21
Consolidated Net Income	<u><u>\$ 228</u></u>	<u><u>\$ 255</u></u>

* Excludes amounts now classified as discontinued operations.

Financial Summary

- ▶ Sempra Utilities' earnings increased 22%
- ▶ Operating cash flow increases to \$1.4 billion from \$855 million
- ▶ Nearly \$1.7 billion in cash
- ▶ \$600 million of debt due in Q2-07
- ▶ Debt to capitalization improves to 40% from 42%

Sempra Utilities

- ▶ CPUC approved Smart Metering program
- ▶ Sunrise Powerlink decision expected Q1-08
- ▶ General Rate Case decision expected by year-end
- ▶ Otay Metro transmission expected in-service Q2-07



Sempra Pipelines & Storage

- ▶ Rockies Express - 192-mile segment from Wyoming to Colorado now in service
- ▶ Received FERC approval to begin construction on Rockies Express – West
- ▶ Filed for FERC approval for Rockies Express - East



Sempra LNG



▶ Energía Costa Azul

- Construction over 70% complete and 100% contracted



▶ Cameron LNG

- Construction over 45% complete and initial capacity sold 40% firm

Summary

- ▶ Sempra Utilities' earnings up 22%
- ▶ Smart Metering program approved by CPUC
- ▶ Natural gas and utility infrastructure projects on track
- ▶ Majority of deferred profits at Sempra Commodities expected to be recognized by year-end
- ▶ Reaffirm 2007 earnings guidance of \$3.75 to \$3.95 per share