

# SEMPRA ENERGY

Table A

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)	Three months ended December 31,		Years ended December 31,	
	2009	2008*	2009	2008*
	(unaudited)			
<b>REVENUES</b>				
Sempra Utilities	\$ 1,838	\$ 1,782	\$ 6,220	\$ 7,972
Sempra Global and parent	618	511	1,886	2,786
Total revenues	<u>2,456</u>	<u>2,293</u>	<u>8,106</u>	<u>10,758</u>
<b>EXPENSES AND OTHER INCOME</b>				
Sempra Utilities:				
Cost of natural gas	(533)	(536)	(1,530)	(3,244)
Cost of electric fuel and purchased power	(164)	(206)	(672)	(900)
Sempra Global and parent:				
Cost of natural gas, electric fuel and purchased power	(301)	(318)	(976)	(1,671)
Other cost of sales	(28)	(14)	(80)	(182)
Operation and maintenance	(798)	(720)	(2,474)	(2,536)
Depreciation and amortization	(207)	(179)	(775)	(687)
Franchise fees and other taxes	(68)	(82)	(296)	(312)
Gains on sale of assets	-	-	3	114
Write-off of long-lived assets	-	-	(132)	-
Equity earnings:				
RBS Sempra Commodities LLP	79	241	463	383
Other	9	8	36	37
Other income (expense), net	52	(139)	149	(109)
Interest income	5	9	21	45
Interest expense	(110)	(88)	(367)	(253)
Income before income taxes and equity earnings				
of certain unconsolidated subsidiaries	392	269	1,476	1,443
Income tax expense	(95)	(15)	(422)	(438)
Equity earnings, net of income tax	9	6	68	63
Net income	<u>306</u>	<u>260</u>	<u>1,122</u>	<u>1,068</u>
(Earnings) losses attributable to noncontrolling interests	(15)	62	7	55
Preferred dividends of subsidiaries	(3)	(3)	(10)	(10)
Earnings	<u>\$ 288</u>	<u>\$ 319</u>	<u>\$ 1,119</u>	<u>\$ 1,113</u>
Basic earnings per common share	<u>\$ 1.18</u>	<u>\$ 1.32</u>	<u>\$ 4.60</u>	<u>\$ 4.50</u>
Weighted-average number of shares outstanding, basic (thousands)	<u>244,923</u>	<u>241,660</u>	<u>243,339</u>	<u>247,387</u>
Diluted earnings per common share	<u>\$ 1.16</u>	<u>\$ 1.30</u>	<u>\$ 4.52</u>	<u>\$ 4.43</u>
Weighted-average number of shares outstanding, diluted (thousands)	<u>248,749</u>	<u>244,531</u>	<u>247,384</u>	<u>251,159</u>
Dividends declared per share of common stock	<u>\$ 0.39</u>	<u>\$ 0.35</u>	<u>\$ 1.56</u>	<u>\$ 1.37</u>

\* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

# SEMPRA ENERGY

Table B

## CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	December 31, 2009	December 31, 2008*
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 110	\$ 331
Short-term investments	-	176
Restricted cash	35	27
Accounts receivable, net	1,130	981
Due from unconsolidated affiliates	41	4
Income taxes receivable	221	195
Deferred income taxes	10	31
Inventories	197	320
Regulatory assets	54	121
Fixed-price contracts and other derivatives	77	160
Insurance receivable related to wildfire litigation	273	-
Other	147	130
Total current assets	<u>2,295</u>	<u>2,476</u>
Investments and other assets:		
Regulatory assets arising from fixed-price contracts and other derivatives	241	264
Regulatory assets arising from pension and other postretirement benefit obligations	959	1,188
Other regulatory assets	603	534
Nuclear decommissioning trusts	678	577
Investment in RBS Sempra Commodities LLP	2,172	2,082
Other investments	2,151	1,166
Goodwill and other intangible assets	524	539
Sundry	608	709
Total investments and other assets	<u>7,936</u>	<u>7,059</u>
Property, plant and equipment, net	<u>18,281</u>	<u>16,865</u>
Total assets	<u>\$ 28,512</u>	<u>\$ 26,400</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Short-term debt	\$ 618	\$ 503
Accounts payable	693	856
Due to unconsolidated affiliates	29	38
Dividends and interest payable	190	156
Accrued compensation and benefits	264	280
Regulatory balancing accounts, net	382	335
Current portion of long-term debt	573	410
Fixed-price contracts and other derivatives	95	180
Customer deposits	145	170
Reserve for wildfire litigation	270	-
Other	629	684
Total current liabilities	<u>3,888</u>	<u>3,612</u>
Long-term debt	<u>7,460</u>	<u>6,544</u>
Deferred credits and other liabilities:		
Due to unconsolidated affiliate	2	102
Customer advances for construction	146	155
Pension and other postretirement benefit obligations, net of plan assets	1,252	1,487
Deferred income taxes	1,318	946
Deferred investment tax credits	54	57
Regulatory liabilities arising from removal obligations	2,557	2,430
Asset retirement obligations	1,277	1,159
Other regulatory liabilities	181	219
Fixed-price contracts and other derivatives	312	392
Deferred credits and other	735	909
Total deferred credits and other liabilities	<u>7,834</u>	<u>7,856</u>
Preferred stock of subsidiary	<u>79</u>	<u>79</u>
Equity:		
Total Sempra Energy shareholders' equity	9,007	7,969
Preferred stock of subsidiaries	100	100
Other noncontrolling interests	144	240
Total equity	<u>9,251</u>	<u>8,309</u>
Total liabilities and equity	<u>\$ 28,512</u>	<u>\$ 26,400</u>

\* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

# SEMPRA ENERGY

## Table C

### CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

(Dollars in millions)	Years ended	
	December 31,	
	2009	2008*
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 1,122	\$ 1,068
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	775	687
Gains on sale of assets	(3)	(114)
Deferred income taxes and investment tax credits	295	324
Equity earnings	(567)	(483)
Write-off of long-lived assets	132	-
Fixed-price contracts and other derivatives	(30)	46
Other	(45)	150
Net change in other working capital components	(256)	(483)
Distributions from RBS Sempra Commodities LLP	407	85
Changes in other assets	139	(15)
Changes in other liabilities	(94)	(74)
Net cash provided by operating activities	<u>1,875</u>	<u>1,191</u>
<b>Cash Flows from Investing Activities:</b>		
Expenditures for property, plant and equipment	(1,912)	(2,061)
Proceeds from sale of assets from continuing operations net of cash sold	179	2,295
Expenditures for investments and acquisition of businesses, net of cash acquired	(939)	(2,675)
Distributions from investments	23	34
Purchases of nuclear decommissioning and other trust assets	(267)	(485)
Proceeds from sales by nuclear decommissioning and other trusts	230	469
Decrease in notes receivable from unconsolidated affiliate	100	60
Purchase of bonds issued by unconsolidated affiliate	(50)	-
Other	(36)	(23)
Net cash used in investing activities	<u>(2,672)</u>	<u>(2,386)</u>
<b>Cash Flows from Financing Activities:</b>		
Common dividends paid	(341)	(339)
Preferred dividends paid by subsidiaries	(10)	(10)
Issuances of common stock	73	18
Repurchases of common stock	(22)	(1,018)
Issuances of debt (maturities greater than 90 days)	2,151	1,706
Payments on debt (maturities greater than 90 days)	(435)	(19)
(Decrease) increase in short-term debt, net	(659)	564
Payments on notes payable to unconsolidated affiliate	(100)	(60)
Purchase of noncontrolling interest	(94)	-
Other	13	16
Net cash provided by financing activities	<u>576</u>	<u>858</u>
Decrease in cash and cash equivalents	(221)	(337)
Cash and cash equivalents, January 1	331	668
Cash and cash equivalents, December 31	<u>\$ 110</u>	<u>\$ 331</u>

\* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

# SEMPRA ENERGY

Table D

## BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS

(Dollars in millions)	Three months ended		Years ended	
	December 31,		December 31,	
	2009	2008	2009	2008
	(unaudited)			
<b>Earnings (Losses)</b>				
San Diego Gas & Electric	\$ 67	\$ 81	\$ 344	\$ 339
Southern California Gas	75	54	273	244
Sempra Commodities <sup>(1)</sup>	71	164	345	345
Sempra Generation	43	60	162	222
Sempra Pipelines & Storage	37	22	101	106
Sempra LNG	35	(13)	16	(46)
Parent & Other	(40)	(49)	(122)	(97)
Earnings	<u>\$ 288</u>	<u>\$ 319</u>	<u>\$ 1,119</u>	<u>\$ 1,113</u>

<sup>(1)</sup> With the exception of the first quarter of 2008, results for 2009 and 2008 include the company's portion of RBS Sempra Commodities' joint venture earnings and interest, income taxes, cost allocations and other items associated with the joint venture. Results for the first quarter of 2008 include 100% of the commodities-marketing businesses. Both 2009 and 2008 include the results of Sempra Rockies Marketing.

(Dollars in millions)	Three months ended		Years ended	
	December 31,		December 31,	
	2009	2008	2009	2008
	(unaudited)			
<b>Capital Expenditures and Investments<sup>(1)</sup></b>				
San Diego Gas & Electric	\$ 322	\$ 430 <sup>(2)</sup>	\$ 1,107	\$ 1,372 <sup>(2)</sup>
Southern California Gas	144	104	480	454
Sempra Commodities	-	-	-	37
Sempra Generation	69	44	276	59
Sempra Pipelines & Storage <sup>(3)</sup>	227	564	950	909
Sempra LNG	5	55	235	365
Parent & Other	1	229 <sup>(2)</sup>	5	655 <sup>(2)</sup>
Eliminations <sup>(2)</sup>	-	(411)	(152)	(715)
Consolidated Capital Expenditures and Investments	<u>\$ 768</u>	<u>\$ 1,015</u>	<u>\$ 2,901</u>	<u>\$ 3,136</u>

<sup>(1)</sup> Investments do not include the \$1.6 billion contribution to RBS Sempra Commodities in the second quarter of 2008.

<sup>(2)</sup> During the year ended December 31, 2008, SDG&E and Parent & Other purchased \$488 and \$640, respectively, of SDG&E's industrial development bonds, including purchases and sales between the entities. As their cash flow needs changed, SDG&E purchased \$184 of the bonds from Parent & Other during the three months ended December 31, 2008 and Parent & Other purchased \$227 of the bonds from SDG&E in the same period. In the second quarter of 2009, SDG&E purchased \$152 of the bonds from Parent & Other to facilitate their remarketing.

<sup>(3)</sup> Amounts for the three months and the year ended December 31, 2008 include \$495 for the acquisition of EnergySouth, which is net of cash acquired.

# SEMPRA ENERGY

Table E

## OTHER OPERATING STATISTICS (Unaudited)

<b>SEMPRA UTILITIES</b>	Three months ended December 31,		Years ended December 31,	
	2009	2008	2009	2008
Revenues (Dollars in millions)				
SDG&E (excludes intercompany sales)	\$ 778	\$ 801	\$ 2,908	\$ 3,240
SoCalGas (excludes intercompany sales)	\$ 1,060	\$ 981	\$ 3,312	\$ 4,732
Gas Sales (Bcf)	108	103	380	391
Transportation (Bcf)	133	156	554	601
Total Deliveries (Bcf)	<u>241</u>	<u>259</u>	<u>934</u>	<u>992</u>
Total Gas Customers (Thousands)			6,607	6,575
Electric Sales (Millions of kWhs)	4,214	4,386	16,982	17,398
Direct Access (Millions of kWhs)	829	939	3,119	3,235
Total Deliveries (Millions of kWhs)	<u>5,043</u>	<u>5,325</u>	<u>20,101</u>	<u>20,633</u>
Total Electric Customers (Thousands)			1,379	1,372
<b>SEMPRA GENERATION</b>				
Power Sold (Millions of kWhs)	5,742	5,903	22,268	22,728
<b>SEMPRA PIPELINES &amp; STORAGE</b>				
(Represents 100% of the distribution operations of these subsidiaries, although subsidiaries in Argentina, Chile and Peru are not 100% owned by Sempra Energy. These subsidiaries are not consolidated within Sempra Energy and the related investments are accounted for under the equity method).				
Natural Gas Sales (Bcf)				
Argentina	81	78	330	332
Mexico	5	5	19	19
Mobile Gas(1)	8	9	32	9
Natural Gas Customers (Thousands)				
Argentina			1,710	1,670
Mexico			91	95
Mobile Gas			92	93
Electric Sales (Millions of kWhs)				
Peru	1,409	1,352	5,560	5,415
Chile	565	620	2,402	2,417
Electric Customers (Thousands)				
Peru			863	837
Chile			576	562

(1) Mobile Gas was acquired in October 2008.

# SEMPRA ENERGY

## Table E (Continued)

### SEMPRA COMMODITIES

The following information for the Sempra Commodities segment includes information related to RBS Sempra Commodities LLP. RBS Sempra Commodities LLP acquired the commodity-marketing businesses of Sempra Energy on April 1, 2008. For the three months and the year ended December 31, 2009, the Sempra Commodities segment is composed primarily of the company's equity interest in RBS Sempra Commodities LLP, but also includes the results of Sempra Rockies Marketing. The margin and financial data below represent the total results of RBS Sempra Commodities LLP as calculated under International Financial Reporting Standards (IFRS).

### RBS Sempra Commodities LLP

#### **Operating Statistics**

(in millions of US dollars)

	Three months ended December 31, 2009	Three months ended December 31, 2008	Year ended December 31, 2009
<i>RBS Sempra Commodities LLP - Joint Venture level margin*</i>			
Geographical:			
North America	\$ 123	\$ 373	\$ 695
Europe/Asia	156	340	473
Total	<u>\$ 279</u>	<u>\$ 713</u>	<u>\$ 1,168</u>
Product Line:			
Oil - Crude & Products	\$ 100	\$ 243	\$ 317
Power	62	129	257
Natural Gas	(16)	171	232
Metals	88	149	309
Other	45	21	53
Total	<u>\$ 279</u>	<u>\$ 713</u>	<u>\$ 1,168</u>

#### **Financial Information**

(in millions of US dollars)

<i>RBS Sempra Commodities LLP</i>	Three months ended December 31, 2009		Three months ended December 31, 2008		Year ended December 31, 2009	
	Joint Venture Total	Sempra Share**	Joint Venture Total	Sempra Share**	Joint Venture Total	Sempra Share**
Fee income and trading revenue, net of selling costs	\$ 279		\$ 713		\$ 1,168	
Operating and other expenses	(251)		(339)		(761)	
Joint Venture distributable income	<u>\$ 28</u>		<u>\$ 374</u>		<u>\$ 407</u>	
Preferred return on capital	\$ 84	\$ 60	\$ 103	\$ 61	\$ 330	\$ 240
1st allocation - 70% Sempra / 30% RBS***	(56)	(36)	271	192	77	60
2nd allocation - 30% Sempra / 70% RBS	-	-	-	-	-	-
Distributable income	<u>\$ 28</u>	<u>\$ 24</u>	<u>\$ 374</u>	<u>\$ 253</u>	<u>\$ 407</u>	<u>\$ 300</u>

### Sempra Commodities Earnings

(in millions of US dollars)

	Three months ended December 31, 2009	Three months ended December 31, 2008	Year ended December 31, 2009
Sempra share of distributable income - IFRS basis	\$ 24	\$ 253	\$ 300
U.S. GAAP conversion impact	55	(12)	163
Sempra equity earnings before income taxes - U.S. GAAP basis	79	241	463
Income tax expense	(5)	(79)	(111)
Sempra equity earnings from RBS Sempra Commodities LLP	74	162	352
Other segment activity	(3)	2	(7)
Sempra Commodities earnings	<u>\$ 71</u>	<u>\$ 164</u>	<u>\$ 345</u>

\* Margin consists of operating revenues less cost of sales (primarily transportation and storage costs) reduced by certain transaction-related execution costs (primarily brokerage and other fees) and net interest income/expense.

\*\* After a 15% preferred return to Sempra and then a 15% return to RBS, Sempra receives 70% of the next \$500 million and 30% of any remaining income on an annual basis.

\*\*\* Includes certain transition costs specifically allocated to Sempra and RBS.

**SEMPRA ENERGY**  
Table F (Unaudited)

**Statement of Operations Data by Business Unit**

**Three Months Ended December 31, 2009**

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 780	\$ 1,079	\$ 23	\$ 314	\$ 137	\$ 153	\$ (30)	\$ 2,456
Cost of Sales and Other Expenses	(561)	(888)	(25)	(233)	(95)	(78)	(12)	(1,892)
Depreciation & Amortization	(90)	(73)	-	(15)	(13)	(12)	(4)	(207)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	79	-	11	-	(2)	88
Other Income (Expense), Net	19	3	(2)	3	2	1	26	52
Income (Loss) Before Interest & Tax <sup>(1)</sup>	148	121	75	69	42	64	(22)	497
Net Interest (Expense) Income <sup>(2)</sup>	(30)	(17)	-	1	(7)	(12)	(43)	(108)
Income Tax (Expense) Benefit	(36)	(29)	(4)	(27)	(6)	(17)	24	(95)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	9	-	-	9
(Earnings) Losses Attributable to Noncontrolling Interests	(15)	-	-	-	(1)	-	1	(15)
Earnings (Losses)	\$ 67	\$ 75	\$ 71	\$ 43	\$ 37	\$ 35	\$ (40)	\$ 288

**Three Months Ended December 31, 2008**

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 802	\$ 992	\$ 14	\$ 358	\$ 119	\$ 30	\$ (22)	\$ 2,293
Cost of Sales and Other Expenses	(590)	(829)	(18)	(278)	(99)	(55)	(7)	(1,876)
Depreciation & Amortization	(75)	(71)	-	(14)	(10)	(7)	(2)	(179)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	241	(2)	13	-	(3)	249
Other Income (Expense), Net	(55)	1	-	(2)	-	(2)	(81)	(139)
Income (Loss) Before Interest & Tax <sup>(1)</sup>	82	93	237	62	23	(34)	(115)	348
Net Interest Expense <sup>(2)</sup>	(23)	(16)	(4)	-	(4)	(2)	(33)	(82)
Income Tax (Expense) Benefit	(40)	(23)	(69)	(2)	(3)	23	99	(15)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	6	-	-	6
Losses Attributable to Noncontrolling Interests	62	-	-	-	-	-	-	62
Earnings (Losses)	\$ 81	\$ 54	\$ 164	\$ 60	\$ 22	\$ (13)	\$ (49)	\$ 319

<sup>(1)</sup> Management believes "Income (Loss) before Interest & Tax" 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 tax, neither of which is directly relevant to the efficiency of those operations.

<sup>(2)</sup> Net Interest (Expense) Income includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.

# SEMPRA ENERGY

## Table F (Unaudited)

### Statement of Operations Data by Business Unit

#### Year Ended December 31, 2009

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 2,916	\$ 3,355	\$ 73	\$ 1,106	\$ 465	\$ 278	\$ (87)	\$ 8,106
Cost of Sales and Other Expenses <sup>(1)</sup>	(1,998)	(2,586)	(74)	(784)	(473) <sup>(1)</sup>	(220)	(22)	(6,157)
Depreciation & Amortization	(329)	(293)	-	(58)	(45)	(35)	(15)	(775)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	463	(2)	50	-	(12)	499
Other Income (Expense), Net	64	7	(2)	3	2	2	73	149
Income (Loss) Before Interest & Tax <sup>(2)</sup>	653	483	460	265	(1)	25	(63)	1,822
Net Interest Expense <sup>(3)</sup>	(108)	(66)	(7)	-	(17)	(24)	(134)	(356)
Income Tax (Expense) Benefit	(177)	(144)	(108)	(103)	20	15	75	(422)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	68	-	-	68
(Earnings) Losses Attributable to Noncontrolling Interests	(24)	-	-	-	31	-	-	7
Earnings (Losses)	\$ 344	\$ 273	\$ 345	\$ 162	\$ 101	\$ 16	\$ (122)	\$ 1,119

#### Year Ended December 31, 2008

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 3,251	\$ 4,768	\$ 500	\$ 1,784	\$ 457	\$ 74	\$ (76)	\$ 10,758
Cost of Sales and Other Expenses	(2,386)	(4,054)	(428)	(1,409)	(413)	(130)	(25)	(8,845)
Depreciation & Amortization	(298)	(280)	(6)	(56)	(20)	(15)	(12)	(687)
Gains (Losses) on Sale of Assets	3	-	110	2	-	-	(1)	114
Equity Earnings (Losses) Recorded Before Income Tax	-	-	383	8	43	-	(14)	420
Other Income (Expense), Net	(29)	2	-	(1)	1	11	(93)	(109)
Income (Loss) Before Interest & Tax <sup>(2)</sup>	541	436	559	328	68	(60)	(221)	1,651
Net Interest Expense <sup>(3)</sup>	(95)	(52)	(16)	(6)	-	(7)	(42)	(218)
Income Tax (Expense) Benefit	(161)	(140)	(201)	(100)	(23)	21	166	(438)
Equity Earnings Recorded Net of Income Tax	-	-	3	-	60	-	-	63
Losses Attributable to Noncontrolling Interests	54	-	-	-	1	-	-	55
Earnings (Losses)	\$ 339	\$ 244	\$ 345	\$ 222	\$ 106	\$ (46)	\$ (97)	\$ 1,113

<sup>(1)</sup> Includes \$132 million write-off of long-lived assets.

<sup>(2)</sup> Management believes "Income (Loss) before Interest & Tax" 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 tax, neither of which is directly relevant to the efficiency of those operations.

<sup>(3)</sup> Net Interest (Expense) Income includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.