

SEMPRA ENERGY

Table A

STATEMENTS OF CONSOLIDATED INCOME

(Dollars in millions, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(unaudited)			
Revenues				
Sempra Utilities	\$ 2,013	\$ 1,515	\$ 6,190	\$ 5,194
Sempra Global and parent	679	1,148	2,275	3,134
Total revenues	<u>2,692</u>	<u>2,663</u>	<u>8,465</u>	<u>8,328</u>
Expenses and Other Income				
Sempra Utilities:				
Cost of natural gas	(689)	(389)	(2,708)	(2,042)
Cost of electric fuel and purchased power	(311)	(184)	(694)	(496)
Sempra Global and parent:				
Cost of natural gas, electric fuel and purchased power	(431)	(331)	(1,353)	(945)
Other cost of sales	(15)	(256)	(168)	(796)
Operation and maintenance	(564)	(758)	(1,816)	(2,140)
Depreciation and amortization	(162)	(174)	(508)	(514)
Franchise fees and other taxes	(76)	(72)	(230)	(221)
Gains on sale of assets	-	-	114	6
Equity earnings (losses):				
RBS Sempra Commodities LLP	(4)	-	142	-
Other	14	1	29	(11)
Other income (expense), net	(13)	4	23	72
Interest income	12	12	36	62
Interest expense	(67)	(68)	(165)	(204)
Preferred dividends of subsidiaries	(2)	(2)	(7)	(7)
Income from continuing operations before income taxes and equity earnings of certain unconsolidated subsidiaries	384	446	1,160	1,092
Income tax expense	(94)	(135)	(423)	(341)
Equity earnings, net of income tax	18	19	57	86
Income from continuing operations	<u>308</u>	<u>330</u>	<u>794</u>	<u>837</u>
Discontinued operations, net of income tax	-	(25)	-	(27)
Net income	<u>\$ 308</u>	<u>\$ 305</u>	<u>\$ 794</u>	<u>\$ 810</u>
Basic earnings per share:				
Income from continuing operations	\$ 1.26	\$ 1.27	\$ 3.18	\$ 3.23
Discontinued operations, net of income tax	-	(0.10)	-	(0.11)
Net income	<u>\$ 1.26</u>	<u>\$ 1.17</u>	<u>\$ 3.18</u>	<u>\$ 3.12</u>
Weighted-average number of shares outstanding (thousands)	<u>243,793</u>	<u>259,563</u>	<u>249,311</u>	<u>259,742</u>
Diluted earnings per share:				
Income from continuing operations	\$ 1.24	\$ 1.24	\$ 3.13	\$ 3.16
Discontinued operations, net of income tax	-	(0.09)	-	(0.10)
Net income	<u>\$ 1.24</u>	<u>\$ 1.15</u>	<u>\$ 3.13</u>	<u>\$ 3.06</u>
Weighted-average number of shares outstanding (thousands)	<u>247,904</u>	<u>264,279</u>	<u>253,407</u>	<u>264,416</u>
Dividends declared per share of common stock	<u>\$ 0.35</u>	<u>\$ 0.31</u>	<u>\$ 1.02</u>	<u>\$ 0.93</u>

SEMPRA ENERGY

Table B

CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	September 30, 2008	December 31, 2007
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 198	\$ 668
Short-term investments	413	-
Accounts receivable, net	796	1,074
Income taxes receivable	189	99
Deferred income taxes	150	247
Trading-related receivables and deposits, net	-	2,719 *
Derivative trading instruments	-	2,170 *
Commodities owned	-	2,231
Inventories	461	224
Regulatory assets	119	106
Fixed-price contracts and other derivatives	91	28 *
Other	153	398
Total current assets	2,570	9,964
Investments and other assets:		
Regulatory assets arising from fixed-price contracts and other derivatives	281	309
Regulatory assets arising from pension and other postretirement benefit obligations	144	162
Other regulatory assets	499	460
Nuclear decommissioning trusts	636	739
Investment in RBS Sempra Commodities LLP	1,912	-
Other investments	1,247	1,243
Sundry	746	956
Total investments and other assets	5,465	3,869
Property, plant and equipment, net	15,814	14,884
Total assets	\$ 23,849	\$ 28,717
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term debt	\$ 319	\$ 1,064
Accounts payable	743	1,563
Due to unconsolidated affiliates	37	60
Trading-related payables	-	2,265 *
Derivative trading instruments	-	1,672 *
Commodities sold with agreement to repurchase	-	500
Dividends and interest payable	164	145
Regulatory balancing accounts, net	264	481
Current portion of long-term debt	302	7
Fixed-price contracts and other derivatives	175	53 *
Other	1,131	1,210
Total current liabilities	3,135	9,020
Long-term debt	5,864	4,553
Deferred credits and other liabilities:		
Due to unconsolidated affiliate	102	102
Customer advances for construction	153	153
Pension and other postretirement benefit obligations, net of plan assets	412	434
Deferred income taxes	799	531
Deferred investment tax credits	58	61
Regulatory liabilities arising from removal obligations	2,420	2,522
Asset retirement obligations	1,165	1,129
Other regulatory liabilities	234	265
Fixed-price contracts and other derivatives	315	332
Deferred credits and other	911	949
Total deferred credits and other liabilities	6,569	6,478
Preferred stock of subsidiaries	179	179
Minority interests	204	148
Shareholders' equity	7,898	8,339
Total liabilities and shareholders' equity	\$ 23,849	\$ 28,717

* December 31, 2007 amounts have been reclassified due to the adoption of FASB Staff Position FIN 39-1.

SEMPRA ENERGY

Table C

CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

(Dollars in millions)	Nine months ended	
	September 30,	
	2008	2007
	(unaudited)	
Cash Flows from Operating Activities:		
Net income	\$ 794	\$ 810
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations	-	27
Depreciation and amortization	508	514
Deferred income taxes and investment tax credits	165	42
Equity earnings	(228)	(75)
Gains on sale of assets	(114)	(6)
Fixed-price contracts and other derivatives	7	8
Tax benefits from share-based awards	(7)	(12)
Other	83	37
Net changes in other working capital components	(408)	131
Distribution from RBS Sempra Commodities LLP	56	-
Changes in other assets	(3)	35
Changes in other liabilities	(55)	63
Net cash provided by continuing operations	798	1,574
Net cash used in discontinued operations	-	(3)
Net cash provided by operating activities	798	1,571
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(1,541)	(1,357)
Proceeds from sale of assets, net of cash sold	2,071	77
Expenditures for investments	(2,180)	(17)
Distributions from investments	23	13
Purchases of nuclear decommissioning and other trust assets	(361)	(498)
Proceeds from sales by nuclear decommissioning and other trusts	350	458
Decrease in notes receivable from unconsolidated affiliates	60	-
Other	(18)	(19)
Net cash used for investing activities	(1,596)	(1,343)
Cash Flows from Financing Activities:		
Common dividends paid	(252)	(234)
Issuances of common stock	17	36
Repurchases of common stock	(1,002)	(161)
Increase in short-term debt, net	985	954
Issuance of long-term debt	650	359
Payments on long-term debt	(75)	(1,069)
Tax benefits from share-based awards	7	12
Other	(2)	(2)
Net cash provided by (used in) financing activities	328	(105)
Increase (decrease) in cash and cash equivalents	(470)	123
Cash and cash equivalents, January 1	668	920
Cash assumed in connection with FIN 46(R) initial consolidation	-	29
Cash and cash equivalents, September 30	\$ 198	\$ 1,072

SEMPRA ENERGY

Table D

BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS (Unaudited)

(Dollars in millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Net Income				
San Diego Gas & Electric	\$ 123	\$ 123	\$ 258	\$ 236
Southern California Gas	77	63	190	172
Sempra Commodities*	(8)	87	181	313
Sempra Generation	94	58	162	122
Sempra Pipelines & Storage	34	17	84	50
Sempra LNG	4	(4)	(33)	(27)
Parent & Other	(16)	(14)	(48)	(29)
Continuing Operations	308	330	794	837
Discontinued Operations, Net of Income Tax	-	(25)	-	(27)
Consolidated Net Income	<u>\$ 308</u>	<u>\$ 305</u>	<u>\$ 794</u>	<u>\$ 810</u>

* Includes the company's portion of RBS Sempra Commodities' joint venture earnings since the formation of the joint venture on April 1, 2008, and 100% of the commodities' marketing businesses prior to April 1, 2008. Also includes the operating results of Sempra Rockies Marketing, as well as interest, income taxes, cost allocations and other items associated with the joint venture.

(Dollars in millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Capital Expenditures and Investments*				
San Diego Gas & Electric	\$ 277 **	\$ 174	\$ 942 **	\$ 479
Southern California Gas	108	109	350	300
Sempra Commodities	-	24	37	49
Sempra Generation	2	4	15	8
Sempra Pipelines & Storage	43	43	345	180
Sempra LNG	61	122	310	346
Parent & Other	165 **	4	426 **	12
Eliminations	(229) ***	-	(304) ***	-
Consolidated Capital Expenditures and Investments	<u>\$ 427</u>	<u>\$ 480</u>	<u>\$ 2,121</u>	<u>\$ 1,374</u>

* Investments do not include the \$1.6 billion contribution to RBS Sempra Commodities in the second quarter of 2008.

** Purchases of industrial development bonds for SDG&E and Parent & Other were \$68 and \$161, respectively, in the three months ended September 30, 2008 and \$304 and \$413, respectively, for the nine months ended September 30, 2008.

*** Represents purchases and sales of industrial development bonds between SDG&E and Parent & Other.

SEMPRA ENERGY

Table E

OTHER OPERATING STATISTICS (Unaudited)

SEMPRA UTILITIES	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Revenues (Dollars in millions)				
SDG&E (excludes intercompany sales)	\$ 945	\$ 714	\$ 2,439	\$ 2,074
SoCalGas (excludes intercompany sales)	\$ 1,068	\$ 801	\$ 3,751	\$ 3,120
Gas Sales (Bcf)	63	65	288	290
Transportation and Exchange (Bcf)	171	178	445	421
Total Deliveries (Bcf)	<u>234</u>	<u>243</u>	<u>733</u>	<u>711</u>
Total Gas Customers (Thousands)			6,565	6,517
Electric Sales (Millions of kWhs)	4,716	4,788	13,012	12,847
Direct Access (Millions of kWhs)	781	907	2,296	2,401
Total Deliveries (Millions of kWhs)	<u>5,497</u>	<u>5,695</u>	<u>15,308</u>	<u>15,248</u>
Total Electric Customers (Thousands)			1,370	1,363
SEMPRA GENERATION				
Power Sold (Millions of kWhs)	5,707	5,718	16,825	15,243
SEMPRA PIPELINES & STORAGE				
(Represents 100% of these subsidiaries, although only the Mexican subsidiaries are 100% owned by Sempra Energy.)				
Natural Gas Sales (Bcf)				
Argentina	102	100	254	241
Mexico	12	13	36	35
Chile	-	1	-	1
Natural Gas Customers (Thousands)				
Argentina			1,658	1,589
Mexico			95	95
Chile			39	39
Electric Sales (Millions of kWhs)				
Peru	1,347	1,273	4,063	3,800
Chile	565	582	1,797	1,868
Electric Customers (Thousands)				
Peru			829	803
Chile			559	545

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 and six months ended September 30, 2008, 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 represents 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)

<i>RBS Sempra Commodities LLP - Joint Venture level margin*</i>	Three months ended September 30, 2008	Six months ended September 30, 2008
Geographical:		
North America	\$ (79)	\$ 443
Europe/Asia	139	263
Total	<u>\$ 60</u>	<u>\$ 706</u>
Product Line:		
Natural Gas	\$ 57	\$ 363
Oil - Crude & Products	22	114
Metals	62	104
Power	(81)	93
Other	-	32
Total	<u>\$ 60</u>	<u>\$ 706</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.

Financial Information

(in millions of US dollars)

<i>RBS Sempra Commodities LLP</i>	Three months ended September 30, 2008	
	Joint Venture Total	Sempra Share**
Fee income and trading revenue, net of selling costs	\$ 60	
Operating and other expenses	(93)	
Joint Venture distributable income	<u>\$ (33)</u>	
Preferred return on capital	\$ 131	\$ 60
1st allocation - 70% Sempra / 30% RBS	(103)	(71)
2nd allocation - 30% Sempra / 70% RBS	(61)	(18)
Distributable income	<u>\$ (33)</u>	<u>\$ (29)</u>
	Six months ended September 30, 2008	
	Joint Venture Total	Sempra Share**
Fee income and trading revenue, net of selling costs	\$ 706	
Operating and other expenses	(405)	
Joint Venture distributable income	<u>\$ 301</u>	
Preferred return on capital	\$ 279	\$ 120
1st allocation - 70% Sempra / 30% RBS	22	16
2nd allocation - 30% Sempra / 70% RBS	-	-
Distributable income	<u>\$ 301</u>	<u>\$ 136</u>

Sempra Earnings from RBS Sempra Commodities LLP

<i>(in millions of US dollars)</i>	Three months ended September 30, 2008	Six months ended September 30, 2008
Sempra share of distributable income - IFRS basis	\$ (29)	\$ 136
U.S. GAAP conversion impact	25	6
Sempra equity earnings - U.S. GAAP basis	(4)	142
Income tax expense	1	(52)
Sempra equity earnings from RBS Sempra Commodities LLP	<u>\$ (3)</u>	<u>\$ 90</u>

**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. The preferred returns and the 1st allocation (the \$500 million tranche) are prorated over the year. Negative amounts in the three-month period represent reductions required to reflect the YTD calculations of the 1st and 2nd allocations.

SEMPRA ENERGY
Table F (Unaudited)

Income Statement Data by Business Unit

Three Months Ended September 30, 2008

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 949	\$ 1,077	\$ 13	\$ 498	\$ 127	\$ 49	\$ (21)	\$ 2,692
Cost of Sales and Other Expenses	(689)	(879)	(15)	(349)	(112)	(31)	(11)	(2,086)
Depreciation & Amortization	(68)	(67)	-	(14)	(5)	(6)	(2)	(162)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	(4)	8	10	-	(4)	10
Other Income (Expense), Net	10	(1)	-	(1)	(1)	(2)	(18)	(13)
Income (Loss) Before Interest & Tax ⁽¹⁾	202	130	(6)	142	19	10	(56)	441
Net Interest (Expense) Income ⁽²⁾	(25)	(12)	(3)	(2)	2	(3)	(14)	(57)
Income Tax (Expense) Benefit	(54)	(41)	1	(46)	(5)	(3)	54	(94)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	18	-	-	18
Net Income (Loss)	\$ 123	\$ 77	\$ (8)	\$ 94	\$ 34	\$ 4	\$ (16)	\$ 308

Three Months Ended September 30, 2007

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 716	\$ 819	\$ 679	\$ 390	\$ 81	\$ -	\$ (22)	\$ 2,663
Cost of Sales and Other Expenses	(474)	(631)	(506)	(294)	(77)	(9)	1	(1,990)
Depreciation & Amortization	(75)	(71)	(6)	(16)	(3)	-	(3)	(174)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	-	7	(2)	-	(4)	1
Other Income (Expense), Net	8	-	-	1	1	-	(6)	4
Income (Loss) Before Interest & Tax ⁽¹⁾	175	117	167	88	-	(9)	(34)	504
Net Interest (Expense) Income ⁽²⁾	(24)	(10)	(14)	2	(1)	(1)	(10)	(58)
Income Tax (Expense) Benefit	(28)	(44)	(66)	(32)	(1)	6	30	(135)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	19	-	-	19
Discontinued Operations	-	-	-	-	-	-	(25)	(25)
Net Income (Loss)	\$ 123	\$ 63	\$ 87	\$ 58	\$ 17	\$ (4)	\$ (39)	\$ 305

⁽¹⁾ Management believes "Income (Loss) before Interest & Taxes" 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) Income includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.

SEMPRA ENERGY
Table F (Unaudited)

Income Statement Data by Business Unit

Nine Months Ended September 30, 2008

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 2,449	\$ 3,776	\$ 486	\$ 1,426	\$ 338	\$ 44	\$ (54)	\$ 8,465
Cost of Sales and Other Expenses	(1,796)	(3,225)	(410)	(1,131)	(314)	(75)	(18)	(6,969)
Depreciation & Amortization	(223)	(209)	(6)	(42)	(10)	(8)	(10)	(508)
Gains (Losses) on Sale of Assets	3	-	110	2	-	-	(1)	114
Equity Earnings (Losses) Recorded Before Income Tax	-	-	142	10	30	-	(11)	171
Other Income (Expense), Net	18	1	-	1	2	13	(12)	23
Income (Loss) Before Interest & Tax ⁽¹⁾	451	343	322	266	46	(26)	(106)	1,296
Net Interest (Expense) Income ⁽²⁾	(72)	(36)	(12)	(6)	4	(5)	(9)	(136)
Income Tax (Expense) Benefit	(121)	(117)	(132)	(98)	(20)	(2)	67	(423)
Equity Earnings Recorded Net of Income Tax	-	-	3	-	54	-	-	57
Net Income (Loss)	\$ 258	\$ 190	\$ 181	\$ 162	\$ 84	\$ (33)	\$ (48)	\$ 794

Nine Months Ended September 30, 2007

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 2,084	\$ 3,168	\$ 1,901	\$ 1,064	\$ 242	\$ (11)	\$ (120)	\$ 8,328
Cost of Sales and Other Expenses	(1,463)	(2,630)	(1,437)	(842)	(227)	(30)	(11)	(6,640)
Depreciation & Amortization	(225)	(210)	(19)	(41)	(9)	-	(10)	(514)
Gains on Sale of Assets	2	2	-	-	-	-	2	6
Equity Earnings (Losses) Recorded Before Income Tax	-	-	-	6	(5)	-	(12)	(11)
Other Income (Expense), Net	10	(4)	-	-	2	-	64	72
Income (Loss) Before Interest & Tax ⁽¹⁾	408	326	445	187	3	(41)	(87)	1,241
Net Interest (Expense) Income ⁽²⁾	(71)	(32)	(16)	11	(1)	(2)	(38)	(149)
Income Tax (Expense) Benefit	(101)	(122)	(156)	(76)	2	16	96	(341)
Equity Earnings Recorded Net of Income Tax	-	-	40	-	46	-	-	86
Discontinued Operations	-	-	-	-	-	-	(27)	(27)
Net Income (Loss)	\$ 236	\$ 172	\$ 313	\$ 122	\$ 50	\$ (27)	\$ (56)	\$ 810

⁽¹⁾ Management believes "Income (Loss) before Interest & Taxes" 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) Income includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.