

SEMPRA ENERGY

Table A

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
	(unaudited)			
REVENUES				
Sempra Utilities	\$ 1,512	\$ 1,316	\$ 3,424	\$ 2,958
Sempra Global and parent	496	373	1,118	839
Total revenues	<u>2,008</u>	<u>1,689</u>	<u>4,542</u>	<u>3,797</u>
EXPENSES AND OTHER INCOME				
Sempra Utilities:				
Cost of natural gas	(359)	(249)	(1,117)	(789)
Cost of electric fuel and purchased power	(129)	(129)	(277)	(300)
Sempra Global and parent:				
Cost of natural gas, electric fuel and purchased power	(257)	(187)	(595)	(455)
Other cost of sales	(20)	(16)	(45)	(33)
Litigation expense	1	(4)	(167)	3
Other operation and maintenance	(616)	(582)	(1,192)	(1,105)
Depreciation and amortization	(215)	(189)	(425)	(372)
Franchise fees and other taxes	(77)	(69)	(167)	(151)
Write-off of long-lived assets	-	(132)	-	(132)
Equity earnings (losses):				
RBS Sempra Commodities LLP	(16)	126	(9)	279
Other	8	2	16	9
Other income, net	8	70	16	73
Interest income	4	5	8	11
Interest expense	(103)	(79)	(212)	(161)
Income before income taxes and equity earnings of certain unconsolidated subsidiaries	237	256	376	674
Income tax expense	(59)	(90)	(117)	(199)
Equity earnings, net of income tax	27	23	46	39
Net income	<u>205</u>	<u>189</u>	<u>305</u>	<u>514</u>
Losses attributable to noncontrolling interests	20	12	28	5
Preferred dividends of subsidiaries	(3)	(3)	(5)	(5)
Earnings	<u>\$ 222</u>	<u>\$ 198</u>	<u>\$ 328</u>	<u>\$ 514</u>
Basic earnings per common share	<u>\$ 0.90</u>	<u>\$ 0.82</u>	<u>\$ 1.33</u>	<u>\$ 2.12</u>
Weighted-average number of shares outstanding, basic (thousands)	<u>246,784</u>	<u>242,718</u>	<u>246,435</u>	<u>242,245</u>
Diluted earnings per common share	<u>\$ 0.89</u>	<u>\$ 0.80</u>	<u>\$ 1.31</u>	<u>\$ 2.09</u>
Weighted-average number of shares outstanding, diluted (thousands)	<u>249,727</u>	<u>247,090</u>	<u>249,835</u>	<u>246,039</u>
Dividends declared per share of common stock	<u>\$ 0.39</u>	<u>\$ 0.39</u>	<u>\$ 0.78</u>	<u>\$ 0.78</u>

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Table B

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	June 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 188	\$ 110
Restricted cash	3	35
Accounts receivable	818	1,130
Due from unconsolidated affiliates	32	41
Income taxes receivable	196	221
Deferred income taxes	-	10
Inventories	151	197
Regulatory assets	82	54
Fixed-price contracts and other derivatives	77	77
Insurance receivable related to wildfire litigation	150	273
Other	176	147
Total current assets	1,873	2,295
Investments and other assets:		
Restricted cash	27	-
Regulatory assets arising from fixed-price contracts and other derivatives	243	241
Regulatory assets arising from pension and other postretirement benefit obligations	967	959
Other regulatory assets	836	603
Nuclear decommissioning trusts	675	678
Investment in RBS Sempra Commodities LLP	1,956	2,172
Other investments	2,451	2,151
Goodwill and other intangible assets	538	524
Sundry	596	608
Total investments and other assets	8,289	7,936
Property, plant and equipment, net	18,924	18,281
Total assets	\$ 29,086	\$ 28,512
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 923	\$ 618
Accounts payable	649	693
Due to unconsolidated affiliates	12	29
Deferred income taxes	2	-
Dividends and interest payable	181	190
Accrued compensation and benefits	220	264
Regulatory balancing accounts, net	525	382
Current portion of long-term debt	307	573
Fixed-price contracts and other derivatives	99	95
Customer deposits	138	145
Reserve for wildfire litigation	241	270
Other	754	629
Total current liabilities	4,051	3,888
Long-term debt	7,562	7,460
Deferred credits and other liabilities:		
Due to unconsolidated affiliate	-	2
Customer advances for construction	147	146
Pension and other postretirement benefit obligations, net of plan assets	1,242	1,252
Deferred income taxes	1,466	1,318
Deferred investment tax credits	53	54
Regulatory liabilities arising from removal obligations	2,588	2,557
Asset retirement obligations	1,319	1,277
Other regulatory liabilities	156	181
Fixed-price contracts and other derivatives	326	312
Deferred credits and other	687	735
Total deferred credits and other liabilities	7,984	7,834
Contingently redeemable preferred stock of subsidiary	79	79
Equity:		
Total Sempra Energy shareholders' equity	9,190	9,007
Preferred stock of subsidiaries	100	100
Other noncontrolling interests	120	144
Total equity	9,410	9,251
Total liabilities and equity	\$ 29,086	\$ 28,512

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Table C

CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

(Dollars in millions)	Six months ended June 30,	
	2010	2009
	(unaudited)	
Cash Flows from Operating Activities:		
Net income	\$ 305	\$ 514
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	425	372
Deferred income taxes and investment tax credits	96	90
Equity earnings	(53)	(327)
Write-off of long-lived assets	-	132
Fixed-price contracts and other derivatives	14	(38)
Other	(6)	48
Net change in other working capital components	294	364
Distributions from RBS Sempra Commodities LLP	198	375
Changes in other assets	53	21
Changes in other liabilities	(19)	(26)
Net cash provided by operating activities	<u>1,307</u>	<u>1,525</u>
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(839)	(938)
Proceeds from sale of assets	-	179
Expenditures for investments and acquisition of businesses, net of cash acquired	(370)	(217)
Distributions from investments	36	9
Purchases of nuclear decommissioning and other trust assets	(159)	(99)
Proceeds from sales by nuclear decommissioning and other trusts	159	93
Other	6	(14)
Net cash used in investing activities	<u>(1,167)</u>	<u>(987)</u>
Cash Flows from Financing Activities:		
Common dividends paid	(172)	(170)
Preferred dividends paid by subsidiaries	(5)	(5)
Issuances of common stock	22	28
Repurchases of common stock	(2)	-
Increase (decrease) in short-term debt, net	534	(612)
Issuances of debt (maturities greater than 90 days)	270	1,108
Payments on debt (maturities greater than 90 days)	(710)	(311)
Purchase of noncontrolling interest	-	(94)
Other	1	5
Net cash used in financing activities	<u>(62)</u>	<u>(51)</u>
Increase in cash and cash equivalents	78	487
Cash and cash equivalents, January 1	110	331
Cash and cash equivalents, June 30	<u>\$ 188</u>	<u>\$ 818</u>

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Table D

BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS

(Dollars in millions)	Three months ended		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
	(unaudited)			
Earnings (Losses)				
San Diego Gas & Electric	\$ 75	\$ 70	\$ 158	\$ 169
Southern California Gas	69	65	134	124
Sempra Generation	48	33	(5)	76
Sempra Pipelines & Storage	39	(27)	77	10
Sempra LNG	13	(12)	45	(19)
Parent & Other	(22)	(16)	(76)	(45)
Earnings before Sempra Commodities	<u>222</u>	<u>113</u>	<u>333</u>	<u>315</u>
Sempra Commodities	-	85	(5)	199
Earnings	<u>\$ 222</u>	<u>\$ 198</u>	<u>\$ 328</u>	<u>\$ 514</u>

(Dollars in millions)	Three months ended		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
	(unaudited)			
Capital Expenditures and Investments				
San Diego Gas & Electric	\$ 232	\$ 366	\$ 522	\$ 595
Southern California Gas	102	115	216	227
Sempra Generation	1	10	5	13
Sempra Pipelines & Storage	350	227	460	328
Sempra LNG	2	71	4	142
Parent & Other	2	1	2	2
Eliminations(1)	-	(152)	-	(152)
Consolidated Capital Expenditures and Investments	<u>\$ 689</u>	<u>\$ 638</u>	<u>\$ 1,209</u>	<u>\$ 1,155</u>

(1) In the second quarter of 2009, SDG&E purchased \$152 industrial development bonds from Parent and Other.

SEMPRA ENERGY
Table E

OTHER OPERATING STATISTICS (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
SEMPRA UTILITIES				
Revenues (Dollars in millions)				
SDG&E (excludes intercompany sales)	\$ 688	\$ 629	\$ 1,429	\$ 1,359
SoCalGas (excludes intercompany sales)	\$ 824	\$ 687	\$ 1,995	\$ 1,599
Gas Sales (bcf)	85	80	217	211
Transportation (bcf)	113	123	230	251
Total Deliveries (bcf)	198	203	447	462
Total Gas Customers (Thousands)			6,622	6,590
Electric Sales (Millions of kWhs)	3,763	3,968	7,818	8,132
Direct Access (Millions of kWhs)	764	750	1,484	1,490
Total Deliveries (Millions of kWhs)	4,527	4,718	9,302	9,622
Total Electric Customers (Thousands)			1,383	1,375
SEMPRA GENERATION				
Power Sold (Millions of kWhs)	5,553	5,482	10,505	11,209
SEMPRA PIPELINES & STORAGE				
(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	83	83	147	148
Mexico	5	4	11	9
Mobile Gas	8	7	18	16
Natural Gas Customers (Thousands)				
Argentina			1,731	1,693
Mexico			90	93
Mobile Gas			90	94
Electric Sales (Millions of kWhs)				
Peru	1,483	1,380	2,962	2,773
Chile	570	593	1,170	1,270
Electric Customers (Thousands)				
Peru			877	851
Chile			586	569

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Table E (Continued)

SEMPRA COMMODITIES

The following information for the Sempra Commodities segment includes information related to RBS Sempra Commodities LLP. 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)

<i>RBS Sempra Commodities LLP - Joint Venture level margin(1)</i>	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Geographical:				
North America	\$ 180	\$ 220	\$ 292	\$ 472
Europe/Asia	10	103	105	205
Total	<u>\$ 190</u>	<u>\$ 323</u>	<u>\$ 397</u>	<u>\$ 677</u>
Product Line:				
Oil - Crude & Products	\$ 9	\$ 70	\$ (4)	\$ 193
Power	160	94	265	187
Natural Gas	(44)	67	(11)	145
Metals	41	81	102	135
Other	24	11	45	17
Total	<u>\$ 190</u>	<u>\$ 323</u>	<u>\$ 397</u>	<u>\$ 677</u>

Financial Information

(in millions of US dollars)

<i>RBS Sempra Commodities LLP</i>	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Fee income and trading revenue, net of selling costs	\$ 190	\$ 323	\$ 397	\$ 677
Operating and other expenses	(163)	(181)	(371)	(381)
Joint Venture distributable income	<u>\$ 27</u>	<u>\$ 142</u>	<u>\$ 26</u>	<u>\$ 296</u>
Joint Venture Total:				
Preferred return on capital	\$ 26	\$ 84	\$ 26	\$ 161
Reversal of Q1 2010 loss	1	-	-	-
1st allocation - 70% Sempra / 30% RBS	-	58	-	135
2nd allocation - 30% Sempra / 70% RBS	-	-	-	-
Distributable income	<u>\$ 27</u>	<u>\$ 142</u>	<u>\$ 26</u>	<u>\$ 296</u>
Sempra's Share(2):				
Preferred return on capital	\$ 26	\$ 60	\$ 26	\$ 119
Reversal of Q1 2010 loss	1	-	-	-
1st allocation - 70% Sempra / 30% RBS	-	41	-	94
2nd allocation - 30% Sempra / 70% RBS	-	-	-	-
Certain allocated costs	5	1	5	3
Distributable income	<u>\$ 32</u>	<u>\$ 102</u>	<u>\$ 31</u>	<u>\$ 216</u>

Sempra Commodities Earnings

<i>(in millions of US dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Sempra share of distributable income - IFRS basis	\$ 32	\$ 102	\$ 31	\$ 216
U.S. GAAP conversion impact	(48)	24	(40)	63
Sempra equity earnings (losses) before income taxes - U.S. GAAP basis	(16)	126	(9)	279
Income tax (expense) benefit	14	(39)	15	(76)
Sempra equity earnings (losses) from RBS Sempra Commodities LLP	(2)	87	6	203
Other segment activity	2	(2)	(11)	(4)
Sempra Commodities earnings (losses)	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ (5)</u>	<u>\$ 199</u>

(1) 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.

(2) 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. Losses are shared equally between Sempra and RBS.

SEMPRA ENERGY
Table F (Unaudited)

Statement of Operations Data by Business Unit

Three Months Ended June 30, 2010

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 692	\$ 834	\$ 26	\$ 242	\$ 75	\$ 166	\$ (27)	\$ 2,008
Cost of Sales and Other Expenses	(458)	(638)	(22)	(178)	(54)	(123)	15	(1,458)
Litigation Adjustment (Expense)	7	(1)	-	(2)	(1)	(1)	(1)	1
Depreciation & Amortization	(95)	(77)	-	(16)	(10)	(13)	(4)	(215)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	(16)	(1)	12	-	(3)	(8)
Other Income (Expense), Net	(16)	2	-	6	(1)	-	17	8
Income (Loss) Before Interest & Tax ⁽¹⁾	130	120	(12)	51	21	29	(3)	336
Net Interest Expense ⁽²⁾	(32)	(17)	-	-	(2)	(12)	(39)	(102)
Income Tax (Expense) Benefit	(44)	(34)	12	(3)	(7)	(4)	21	(59)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	27	-	-	27
Losses Attributable to Noncontrolling Interests	21	-	-	-	-	-	(1)	20
Earnings (Losses)	\$ 75	\$ 69	\$ -	\$ 48	\$ 39	\$ 13	\$ (22)	\$ 222

Three Months Ended June 30, 2009

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 631	\$ 694	\$ 13	\$ 245	\$ 98	\$ 25	\$ (17)	\$ 1,689
Cost of Sales and Other Expenses	(437)	(501)	(14)	(157)	(208) ⁽³⁾	(38)	(9)	(1,364)
Litigation Expense	-	(2)	-	-	(1)	(1)	-	(4)
Depreciation & Amortization	(81)	(75)	-	(15)	(9)	(7)	(2)	(189)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	126	(6)	11	-	(3)	128
Other Income, Net	27	4	-	1	1	1	36	70
Income (Loss) Before Interest & Tax ⁽¹⁾	140	120	125	68	(108)	(20)	5	330
Net Interest Expense ⁽²⁾	(22)	(18)	(3)	(1)	(3)	(2)	(28)	(77)
Income Tax (Expense) Benefit	(28)	(37)	(37)	(34)	29	10	7	(90)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	23	-	-	23
(Earnings) Losses Attributable to Noncontrolling Interests	(20)	-	-	-	32	-	-	12
Earnings (Losses)	\$ 70	\$ 65	\$ 85	\$ 33	\$ (27)	\$ (12)	\$ (16)	\$ 198

⁽¹⁾ 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.

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

⁽³⁾ Includes \$132 million write-off of long-lived assets.

SEMPRA ENERGY
Table F (Unaudited)

Statement of Operations Data by Business Unit

Six Months Ended June 30, 2010

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 1,434	\$ 2,016	\$ 49	\$ 537	\$ 185	\$ 371	\$ (50)	\$ 4,542
Cost of Sales and Other Expenses	(963)	(1,611)	(45)	(411)	(132)	(259)	28	(3,393)
Litigation Expense	-	(1)	(20)	(141)	(1)	(2)	(2)	(167)
Depreciation & Amortization	(187)	(152)	-	(31)	(21)	(25)	(9)	(425)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	(9)	(1)	22	-	(5)	7
Other Income (Expense), Net	(16)	6	1	7	(2)	-	20	16
Income (Loss) Before Interest & Tax ⁽¹⁾	268	258	(24)	(40)	51	85	(18)	580
Net Interest Expense ⁽²⁾	(64)	(34)	(1)	(2)	(7)	(24)	(77)	(209)
Income Tax (Expense) Benefit	(75)	(90)	20	37	(13)	(16)	20	(117)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	46	-	-	46
Losses Attributable to Noncontrolling Interests	29	-	-	-	-	-	(1)	28
Earnings (Losses)	\$ 158	\$ 134	\$ (5)	\$ (5)	\$ 77	\$ 45	\$ (76)	\$ 328

Six Months Ended June 30, 2009

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 1,363	\$ 1,614	\$ 26	\$ 542	\$ 230	\$ 57	\$ (35)	\$ 3,797
Cost of Sales and Other Expenses	(925)	(1,239)	(26)	(384)	(303) ⁽³⁾	(81)	(7)	(2,965)
Litigation Adjustment (Expense)	8	(2)	-	-	(1)	(1)	(1)	3
Depreciation & Amortization	(158)	(147)	-	(29)	(19)	(13)	(6)	(372)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	279	(6)	21	-	(6)	288
Other Income, Net	44	5	-	1	-	1	22	73
Income (Loss) Before Interest & Tax ⁽¹⁾	332	231	279	124	(72)	(37)	(33)	824
Net Interest Expense ⁽²⁾	(48)	(34)	(6)	(2)	(6)	(4)	(55)	(155)
Income Tax (Expense) Benefit	(88)	(73)	(74)	(46)	17	22	43	(199)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	39	-	-	39
(Earnings) Losses Attributable to Noncontrolling Interests	(27)	-	-	-	32	-	-	5
Earnings (Losses)	\$ 169	\$ 124	\$ 199	\$ 76	\$ 10	\$ (19)	\$ (45)	\$ 514

⁽¹⁾ 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.

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

⁽³⁾ Includes \$132 million write-off of long-lived assets.