

SEMPRA ENERGY

Table A

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)	Three months ended March 31,	
	2010	2009
	(unaudited)	
REVENUES		
Sempra Utilities	\$ 1,912	\$ 1,642
Sempra Global and parent	622	466
Total revenues	<u>2,534</u>	<u>2,108</u>
EXPENSES AND OTHER INCOME		
Sempra Utilities:		
Cost of natural gas	(758)	(540)
Cost of electric fuel and purchased power	(148)	(171)
Sempra Global and parent:		
Cost of natural gas, electric fuel and purchased power	(338)	(268)
Other cost of sales	(25)	(17)
Litigation expense	(168)	7
Other operation and maintenance	(576)	(523)
Depreciation and amortization	(210)	(183)
Franchise fees and other taxes	(90)	(82)
Equity earnings:		
RBS Sempra Commodities LLP	7	153
Other	8	7
Other income, net	8	3
Interest income	4	6
Interest expense	(109)	(82)
Income before income taxes and equity earnings of certain unconsolidated subsidiaries	139	418
Income tax expense	(58)	(109)
Equity earnings, net of income tax	19	16
Net income	<u>100</u>	<u>325</u>
Losses (earnings) attributable to noncontrolling interests	8	(7)
Preferred dividends of subsidiaries	(2)	(2)
Earnings	<u>\$ 106</u>	<u>\$ 316</u>
Basic earnings per common share	<u>\$ 0.43</u>	<u>\$ 1.31</u>
Weighted-average number of shares outstanding, basic (thousands)	<u>246,083</u>	<u>241,766</u>
Diluted earnings per common share	<u>\$ 0.42</u>	<u>\$ 1.29</u>
Weighted-average number of shares outstanding, diluted (thousands)	<u>250,373</u>	<u>245,017</u>
Dividends declared per share of common stock	<u>\$ 0.39</u>	<u>\$ 0.39</u>

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Table B

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	March 31, 2010	December 31, 2009
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 222	\$ 110
Restricted cash	44	35
Accounts receivable, net	978	1,130
Due from unconsolidated affiliates	29	41
Income taxes receivable	156	221
Deferred income taxes	5	10
Inventories	160	197
Regulatory assets	90	54
Fixed-price contracts and other derivatives	85	77
Insurance receivable related to wildfire litigation	194	273
Other	144	147
Total current assets	2,107	2,295
Investments and other assets:		
Regulatory assets arising from fixed-price contracts and other derivatives	251	241
Regulatory assets arising from pension and other postretirement benefit obligations	978	959
Other regulatory assets	739	603
Nuclear decommissioning trusts	706	678
Investment in RBS Sempra Commodities LLP	2,178	2,172
Other investments	2,202	2,151
Goodwill and other intangible assets	523	524
Sundry	598	608
Total investments and other assets	8,175	7,936
Property, plant and equipment, net	18,490	18,281
Total assets	\$ 28,772	\$ 28,512
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 912	\$ 618
Accounts payable	669	693
Due to unconsolidated affiliates	6	29
Dividends and interest payable	223	190
Accrued compensation and benefits	162	264
Regulatory balancing accounts, net	517	382
Current portion of long-term debt	327	573
Fixed-price contracts and other derivatives	108	95
Customer deposits	144	145
Reserve for wildfire litigation	300	270
Other	870	629
Total current liabilities	4,238	3,888
Long-term debt	7,198	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	1,268	1,252
Deferred income taxes	1,419	1,318
Deferred investment tax credits	53	54
Regulatory liabilities arising from removal obligations	2,598	2,557
Asset retirement obligations	1,298	1,277
Other regulatory liabilities	172	181
Fixed-price contracts and other derivatives	309	312
Deferred credits and other	698	735
Total deferred credits and other liabilities	7,962	7,834
Contingently redeemable preferred stock of subsidiary	79	79
Equity:		
Total Sempra Energy shareholders' equity	9,060	9,007
Preferred stock of subsidiaries	100	100
Other noncontrolling interests	135	144
Total equity	9,295	9,251
Total liabilities and equity	\$ 28,772	\$ 28,512

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Table C

CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

(Dollars in millions)	Three months ended	
	2010	2009
	March 31,	
	(unaudited)	
Cash Flows from Operating Activities:		
Net income	\$ 100	\$ 325
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	210	183
Deferred income taxes and investment tax credits	61	(29)
Equity earnings	(34)	(176)
Other	7	49
Net change in other working capital components	534	491
Distribution from RBS Sempra Commodities LLP	-	305
Changes in other assets	18	10
Changes in other liabilities	(8)	(19)
Net cash provided by operating activities	<u>888</u>	<u>1,139</u>
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(446)	(492)
Expenditures for investments	(74)	(25)
Distributions from investments	24	5
Purchases of nuclear decommissioning and other trust assets	(44)	(45)
Proceeds from sales by nuclear decommissioning and other trusts	46	42
Other	(2)	(7)
Net cash used in investing activities	<u>(496)</u>	<u>(522)</u>
Cash Flows from Financing Activities:		
Common dividends paid	(86)	(86)
Preferred dividends paid by subsidiaries	(2)	(2)
Issuances of common stock	14	10
Repurchases of common stock	(2)	-
Increase (decrease) in short-term debt, net	294	(77)
Issuances of debt (maturities greater than 90 days)	12	22
Payments on debt (maturities greater than 90 days)	(507)	(6)
Purchase of noncontrolling interest	-	(94)
Other	(3)	5
Net cash used in financing activities	<u>(280)</u>	<u>(228)</u>
Increase in cash and cash equivalents	112	389
Cash and cash equivalents, January 1	110	331
Cash and cash equivalents, March 31	<u>\$ 222</u>	<u>\$ 720</u>

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Table D

BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS

(Dollars in millions)	Three months ended	
	March 31,	
	2010	2009
	(unaudited)	
Earnings (Losses)		
San Diego Gas & Electric	\$ 83	\$ 99
Southern California Gas	65	59
Sempra Commodities	(5)	114
Sempra Generation	(53)	43
Sempra Pipelines & Storage	38	37
Sempra LNG	32	(7)
Parent & Other	(54)	(29)
Earnings	<u>\$ 106</u>	<u>\$ 316</u>

(Dollars in millions)	Three months ended	
	March 31,	
	2010	2009
	(unaudited)	
Capital Expenditures and Investments		
San Diego Gas & Electric	\$ 290	\$ 229
Southern California Gas	114	112
Sempra Generation	4	3
Sempra Pipelines & Storage	110	101
Sempra LNG	2	71
Parent & Other	-	1
Consolidated Capital Expenditures and Investments	<u>\$ 520</u>	<u>\$ 517</u>

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Table E

OTHER OPERATING STATISTICS (Unaudited)

	Three months ended March 31,	
	2010	2009
SEMPRA UTILITIES		
Revenues (Dollars in millions)		
SDG&E (excludes intercompany sales)	\$ 741	\$ 730
SoCalGas (excludes intercompany sales)	\$ 1,171	\$ 912
Gas Sales (bcf)	132	131
Transportation (bcf)	117	128
Total Deliveries (bcf)	249	259
Total Gas Customers (Thousands)	6,614	6,582
Electric Sales (Millions of kWhs)	4,055	4,164
Direct Access (Millions of kWhs)	720	740
Total Deliveries (Millions of kWhs)	4,775	4,904
Total Electric Customers (Thousands)	1,380	1,373
SEMPRA GENERATION		
Power Sold (Millions of kWhs)	4,952	5,727
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	64	65
Mexico	6	5
Mobile Gas	10	9
Natural Gas Customers (Thousands)		
Argentina	1,717	1,680
Mexico	91	94
Mobile Gas	92	94
Electric Sales (Millions of kWhs)		
Peru	1,479	1,393
Chile	600	677
Electric Customers (Thousands)		
Peru	870	845
Chile	582	566

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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)

<u>RBS Sempra Commodities LLP - Joint Venture level margin(1)</u>	Three months ended March 31, 2010	Three months ended March 31, 2009
Geographical:		
North America	\$ 112	\$ 252
Europe/Asia	95	102
Total	<u>\$ 207</u>	<u>\$ 354</u>
Product Line:		
Oil - Crude & Products	\$ (13)	\$ 123
Power	105	93
Natural Gas	33	78
Metals	61	54
Other	21	6
Total	<u>\$ 207</u>	<u>\$ 354</u>

Financial Information

(in millions of US dollars)

<u>RBS Sempra Commodities LLP</u>	Three months ended March 31, 2010		Three months ended March 31, 2009	
	Joint Venture Total	Sempra Share(2)	Joint Venture Total	Sempra Share(2)
Fee income and trading revenue, net of selling costs	\$ 207		\$ 354	
Operating and other expenses	(208)		(200)	
Joint Venture (losses) distributable income	<u>\$ (1)</u>		<u>\$ 154</u>	
Preferred return on capital	\$ -	\$ -	\$ 77	\$ 59
Loss allocation - 50% Sempra / 50%RBS(3)	(1)	(1)	-	-
1st allocation - 70% Sempra / 30% RBS(3)	-	-	77	55
2nd allocation - 30% Sempra / 70% RBS	-	-	-	-
(Losses) distributable income	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 154</u>	<u>\$ 114</u>

Sempra Commodities Earnings

(in millions of US dollars)

<u>(in millions of US dollars)</u>	Three months ended March 31, 2010	Three months ended March 31, 2009
Sempra share of (losses) distributable income - IFRS basis	\$ (1)	\$ 114
U.S. GAAP conversion impact	8	39
Sempra equity earnings before income taxes - U.S. GAAP basis	7	153
Income tax (expense) benefit	1	(37)
Sempra equity earnings from RBS Sempra Commodities LLP	8	116
Other segment activity	(13)	(2)
Sempra Commodities earnings (losses)	<u>\$ (5)</u>	<u>\$ 114</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.
- (3) Includes certain transition costs specifically allocated to Sempra and RBS.

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Table F (Unaudited)

Statement of Operations Data by Business Unit

Three Months Ended March 31, 2010

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 742	\$ 1,182	\$ 23	\$ 295	\$ 110	\$ 205	\$ (23)	\$ 2,534
Cost of Sales and Other Expenses	(505)	(973)	(23)	(233)	(78)	(136)	13	(1,935)
Litigation Expense	(7)	-	(20)	(139)	-	(1)	(1)	(168)
Depreciation & Amortization	(92)	(75)	-	(15)	(11)	(12)	(5)	(210)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	7	-	10	-	(2)	15
Other Income (Expense), Net	-	4	1	1	(1)	-	3	8
Income (Loss) Before Interest & Tax ⁽¹⁾	138	138	(12)	(91)	30	56	(15)	244
Net Interest Expense ⁽²⁾	(32)	(17)	(1)	(2)	(5)	(12)	(38)	(107)
Income Tax (Expense) Benefit	(31)	(56)	8	40	(6)	(12)	(1)	(58)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	19	-	-	19
Losses Attributable to Noncontrolling Interests	8	-	-	-	-	-	-	8
Earnings (Losses)	\$ 83	\$ 65	\$ (5)	\$ (53)	\$ 38	\$ 32	\$ (54)	\$ 106

Three Months Ended March 31, 2009

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 732	\$ 920	\$ 13	\$ 297	\$ 132	\$ 32	\$ (18)	\$ 2,108
Cost of Sales and Other Expenses	(488)	(738)	(12)	(227)	(95)	(43)	2	(1,601)
Litigation Adjustment (Expense)	8	-	-	-	-	-	(1)	7
Depreciation & Amortization	(77)	(72)	-	(14)	(10)	(6)	(4)	(183)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	153	-	10	-	(3)	160
Other Income (Expense), Net	17	1	-	-	(1)	-	(14)	3
Income (Loss) Before Interest & Tax ⁽¹⁾	192	111	154	56	36	(17)	(38)	494
Net Interest Expense ⁽²⁾	(26)	(16)	(3)	(1)	(3)	(2)	(27)	(78)
Income Tax (Expense) Benefit	(60)	(36)	(37)	(12)	(12)	12	36	(109)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	16	-	-	16
Earnings Attributable to Noncontrolling Interests	(7)	-	-	-	-	-	-	(7)
Earnings (Losses)	\$ 99	\$ 59	\$ 114	\$ 43	\$ 37	\$ (7)	\$ (29)	\$ 316

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