UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1994, or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission file number 1-40

Pacific Enterprises
(Exact name of registrant as specified in its charter)

California	94-0743670
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

633 West Fifth Street, Los Angeles, California 90071-2006
(Address of principal executive offices)
(Zip Code)

(213) 895-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

The number of shares of common stock outstanding on July 29, 1994 was 84,434,616.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED INCOME
(Dollars are in Millions
except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
	(Unaudited)			
Revenues and Other Income:				
Operating revenues	$651	$652	$1,356	$1,425
Other	5	7	11	13
Total	656	659	1,367	1,438
Expenses:				
Cost of gas distributed	228	213	560	568
Operating expenses	232	249	418	468
Depreciation and amortization	62	61	123	120
Franchise payments and other taxes	28	26	60	61
Preferred dividends of a subsidiary	3	3	5	5
Total	553	552	1,166	1,222
Income from Operations Before Interest and Taxes	103	107	201	216
Interest	29	29	60	67
Income from Operations Before Income Taxes	74	78	141	149
Income Taxes	32	36	61	69
Net Income	42	42	80	80
Dividends on Preferred Stock	3	4	6	8
Net Income Applicable to Common Stock	$ 39	$ 38	$ 74	$ 72
Net Income per Share of Common Stock	$.47	$.49	$.90	$.94
Dividends Declared per Share of Common Stock	$.64	$.30	$.94	$.30
Weighted Average Number of Shares of Common Stock Outstanding (000)	81,937	78,673	81,843	77,029

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET
ASSETS
(Millions of Dollars)

	June 30 1994 (Unaudited)	December 31 1993
Property, Plant and Equipment	$5,842	$5,763
Less Accumulated Depreciation and Amortization	2,578	2,476
Total property, plant and equipment-net	3,264	3,287
Current Assets:		
Cash and cash equivalents	187	152
Accounts receivable (less allowance for doubtful receivables of $21 million at June 30, 1994 and $19 million at December 31, 1993)	337	519
Income taxes receivable		20
Deferred income taxes	31	8
Gas in storage	11	53
Other inventories	35	33
Regulatory accounts receivable	385	449
Prepaid expenses	24	30
Total current assets	1,010	1,264
Other Investments	52	51
Other Receivables	31	31
Regulatory Assets	906	918
Other Assets	77	45
Total	$5,340	$5,596

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET
CAPITALIZATION AND LIABILITIES
(Millions of Dollars)

	June 30 1994 (Unaudited)	December 31 1993
Capitalization:		
Shareholders' equity:		
Capital stock		
Remarketed preferred	$ 128	$ 148
Preferred	110	110
Common	1,089	1,048
Total capital stock	1,327	1,306
Retained earnings, after elimination of accumulated deficit of $452 million against common stock at December 31, 1992 as part of quasi-reorganization	112	116
Deferred compensation relating to Employee Stock Ownership Plan	(52)	(138)
Total shareholders' equity	1,387	1,284
Preferred stocks of a subsidiary	195	195
Long-term debt	1,231	1,262
Debt of Employee Stock Ownership Plan	130	132
Total capitalization	2,943	2,873
Current Liabilities:		
Short-term debt	180	267
Accounts payable	714	940
Accrued income taxes	68	
Other taxes payable	17	52
Long-term debt due within one year	87	58
Accrued interest	61	62
Other	110	84
Total current liabilities	1,237	1,463
Long-Term Liabilities	222	251
Customer Advances for Construction	46	45
Postretirement Benefits Other than Pensions	249	255
Deferred Income Taxes	151	181
Deferred Investment Tax Credits	71	73
Other Deferred Credits	421	455
Total	$5,340	$5,596

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
(Millions of Dollars)

	Six Months Ended June 30 1994	1993
	(Unaudited)	
Cash Flows from Operating Activities:		
Net Income	$ 80	$ 80
Adjustments to reconcile net income to net cash provided by continuing operations:		
Depreciation and amortization	123	120
Deferred income taxes	40	37
Other	(5)	(23)
Net change in other working capital components	83	165
Net cash provided by continuing operation	321	379
Changes in operating assets and liabilities of discontinued operations		106
Net cash provided by operating activities	321	485
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(100)	(117)
Increase in other investments	(1)	(3)
Increase in other receivables, regulatory assets and other assets	(20)	(23)
Net investing activities relating to discontinued operations		102
Net cash used in investing activities	(121)	(41)

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS (CONTINUED)
(Millions of Dollars)

	Six Months Ended June 30 1994	1993
	(Unaudited)	
Cash Flows from Financing Activities:		
Sale of common stock	4	173
Redemption of remarketed preferred stock	(20)	
Sale of preferred stock of a subsidiary		75
Redemption of preferred stock of a subsidiary		(75)
Increase in long-term debt		656
Decrease in long-term debt	(5)	(1,366)
Decrease in short-term debt	(87)	(188)
Common dividends paid	(51)	
Preferred dividends paid	(6)	(8)
Net cash used in financing activities	(165)	(733)
Increase in cash and cash equivalents	35	(289)
Cash and cash equivalents, January 1	152	432
Cash and cash equivalents, June 30	$ 187	$ 143
Supplemental Disclosure of Cash Flow Information:		
Cash paid (refunded) during the period for:		
Interest (net of amount capitalized)	$61	$80
Income taxes	$20	$(53)

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SUMMARY OF ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements have been prepared in accordance with the interim period reporting requirements of Form 10-Q. Reference is made to the Form 10-K for the year ended December 31, 1993 for additional information.

Results of operations for interim periods are not necessarily indicative of results for the entire year. In order to match revenues and costs for interim reporting purposes, Southern California Gas Company (SoCalGas or Utility) defers revenues related to costs which are expected to be incurred later in the year. In the opinion of management, the accompanying statements reflect all adjustments which are necessary for a fair presentation. These adjustments are of a normal recurring nature. Certain changes in account classification have been made in the prior years' consolidated financial statements to conform to the 1994 financial statement presentation.

2. DISCONTINUED OPERATIONS AND QUASI-REORGANIZATION

During 1993, Pacific Enterprises (Company) completed a strategic plan to refocus on its natural gas utility and related businesses. The strategy included the divestiture of its retailing operations and substantially all of its oil and gas exploration and production business. In connection with the divestitures, the Company effected a quasi-reorganization for financial reporting purposes effective December 31, 1992. Fair value adjustments charged to shareholders' equity totaled $190 million. Additionally, the accumulated deficit in retained earnings of $452 million at December 31, 1992 was eliminated by a reduction in the common stock account.

The Company resumed its common dividend at a $1.20 per common share annual rate in the third quarter of 1993 after having suspended the regular quarterly dividend in the second quarter of 1992. In April 1994 the Company increased the quarterly dividend to $.32 per share. Two common dividends of $.32 per share were declared in the second quarter, payable in the second and third quarters of 1994.

In connection with the sale of retailing, the Company assumed Thrifty's Employee Stock Ownership Plan (ESOP) and related indebtedness, and Thrifty's buyer agreed to reimburse the Company for a portion of the ESOP quarterly debt service. In April 1994, the Company received a $65 million payment from the buyer primarily reflecting the settlement of the buyer's remaining debt service obligation and cancellation of a warrant granted to the Company in connection with the Thrifty sale to purchase approximately 10% of the buyer's common stock. Since the sale of retailing was recorded prior to the quasi-reorganization, the settlement and resolution of other contingencies related to the ESOP resulted in a $114 million increase to shareholders' equity, of which $37 million was to common stock.

3. ACCOUNTING FOR EMPLOYEE STOCK OWNERSHIP PLAN

At January 1, 1994, the Company adopted the provisions of the American Institute of Certified Public Accountants Statement of Position No. 93-6, Employers' Accounting for Employee Stock Ownership Plans (SOP 93-6). SOP 93-6 reduces the weighted average shares of common stock outstanding by the number of unallocated shares in the ESOP (2.5 million shares for the three and six months ended June 30, 1994) and thus increased earnings per share by $.01 and $.03 for the three and six months ended June 30, 1994, respectively.

4. RESTRUCTURING OF GAS SUPPLY CONTRACTS AND COMPREHENSIVE SETTLEMENT OF REGULATORY ISSUES

RESTRUCTURING OF GAS SUPPLY CONTRACTS. The Company and its gas supply affiliates have reached agreements with suppliers of California offshore and Canadian natural gas for a restructuring of long-term gas supply contracts. The cost of these supplies to SoCalGas had been substantially in excess of SoCalGas' average delivered cost of gas. During 1993, these excess costs totaled approximately $125 million.

The agreements substantially reduce the ongoing delivered costs of these gas supplies and provide lump sum settlement payments of $375 million to the suppliers. The expiration date for the Canadian gas supply contract has been shortened from 2012 to 2003, and the supplier of California offshore gas continues to have an option to purchase related gas treatment and pipeline facilities owned by the Company's gas supply affiliate. The agreement with the suppliers of Canadian gas is subject to certain Canadian regulatory approvals.

COMPREHENSIVE SETTLEMENT OF REGULATORY ISSUES. The Utility and a number of interested parties (including the Division of Ratepayer Advocates (DRA) of the California Public Utilities Commission (CPUC), large noncore customers and ratepayer groups) proposed for CPUC approval a comprehensive settlement (Comprehensive Settlement) of a number of pending regulatory issues including partial rate recovery of restructuring costs associated with the gas supply contracts discussed above. The Comprehensive Settlement was approved by the CPUC on July 20, 1994 and will permit the Company to recover in utility rates approximately 80 percent of the contract restructuring costs of $375 million and accelerated amortization of related pipeline assets of its gas supply affiliates of approximately $130 million, together with interest, over a period of approximately five years. In addition to the gas supply issues, the Comprehensive Settlement addresses noncore customer rates, reasonableness reviews, a gas cost incentive mechanism and attrition. The Company reflected the impact of the Comprehensive Settlement in its financial statements in 1993. SoCalGas has obtained authorization from the CPUC for the borrowing of up to $425 million primarily to provide for funds needed under the Comprehensive Settlement.

5. GAS COST INCENTIVE MECHANISM

On March 16, 1994, the CPUC approved a new process for evaluating SoCalGas' gas purchases, replacing the previous process of reasonableness reviews. The new gas cost incentive mechanism (GCIM) is a three-year pilot program beginning April 1, 1994. The GCIM essentially compares SoCalGas' cost of gas with a benchmark level, which is the average price of 30-day firm spot supplies delivered to the SoCalGas market area.

If SoCalGas' cost of gas exceeds the benchmark level by a tolerance band, then the excess costs will be shared equally between ratepayers and shareholders. Savings from gas purchased below the benchmark level will also be shared equally between ratepayers and shareholders. For the first year of the program, the GCIM provides a 4.5 percent tolerance band. For the second and third years of the program, the tolerance band decreases to 4.0 percent.

6. COMMITMENTS AND CONTINGENT LIABILITIES

The Gas Company has identified and reported to California environmental authorities 42 former gas manufacturing sites for which it (together with other utilities as to 21 of the sites) may have remedial obligations under environmental laws. In addition, the Company is one of a large number of major corporations that have been named by federal authorities as potentially responsible parties for environmental remediation of two other industrial sites and a landfill site. As of June 30, 1994, five gas manufacturing sites had been remediated and certified by California environmental authorities. One industrial site had also been removed from the list of environmental liabilities through settlement and subsequent release by the committee of responsible parties and federal authorities. There are 37 gas manufacturing sites which remain to be investigated or remediated, in addition to one landfill site and one industrial disposal site. It is anticipated that the investigation, and if necessary, remediation of these sites will be completed over a period of from 10 years to 20 years.

In November 1993, a collaborative settlement agreement between the Utility and other California energy utilities and the DRA was submitted to the CPUC for approval. The settlement recommended a ratemaking mechanism that would provide recovery of 90 percent of environmental investigation and remediation costs without reasonableness review. In addition, the utilities would have the opportunity to retain a percentage of any insurance recoveries to offset the 10 percent of costs not recovered in rates. On May 4, 1994, the CPUC adopted the cost sharing mechanism discussed above.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pacific Enterprises (Company) is a public utility holding company and parent of Southern California Gas Company (SoCalGas or Utility). The Utility owns and operates a natural gas transmission, storage and distribution system that serves almost 16 million persons through approximately 4.7 million meters in 535 cities and communities throughout most of southern California and parts of central California, a service area of 23,000 square miles. The Utility is dedicated to providing high quality gas service to residential, commercial, industrial, utility electric generation (UEG) and wholesale customers. The Utility is subject to regulation by the California Public Utilities Commission (CPUC) which, among other things, establishes rates charged for gas service, including an authorized rate of return on investment. Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Condensed Consolidated Financial Statements and the Company's Annual Report on Form 10-K.

CONSOLIDATED

Net income for the quarter ended June 30, 1994 was $42 million, or $.47 per common share, compared to $42 million, or $.49 per common share, in 1993.

Net income for the six months ended June 30, 1994 was $80 million, or $.90 per common share, compared to $80 million, or $.94 per common share in 1993.

The weighted average number of shares of common stock outstanding in the second quarter of 1994 increased 4 percent from the second quarter of 1993 to 82 million shares. The increase was due primarily to 8 million shares issued in the May 1993 public offering partially offset by the effects of the adoption of SOP 93-6 in 1994 (See Note 3 of Notes to Condensed Consolidated Financial Statements).

As discussed in Note 2 of Notes to Condensed Consolidated Financial Statements, the Company completed sales of its retailing and oil and gas operations, and is focusing primarily on its natural gas utility and related businesses. In 1992, the Company recorded losses on disposal of these operations and effected a quasi-reorganization for financial reporting purposes.

At March 31, 1994, the Company adjusted common stock and other Employee Stock Ownership Plan (ESOP) related accounts on the balance sheet for the settlement of certain ESOP issues which had been provided for in the loss on sale of retailing in 1992 (See Note 2 of Notes to Condensed Consolidated Financial Statements).

UTILITY AND RELATED OPERATIONS

Net income includes income of the Utility for the second quarter of 1994 of $43 million, compared to $45 million for the same period in 1993. Utility earnings declined primarily due to the reduction in the authorized rate of return on common equity from 11.9 percent in 1993 to 11.0 percent in 1994 partially offset by the growth in rate base and higher earnings from the noncore market.

Net income includes income of the Utility for the six months ended June 30, 1994 and 1993 of $ 85 million and $89 million, respectively. The reduction in the authorized rate of return on common equity was partially offset by the growth in rate base.

SoCalGas' operating revenues and cost of gas distributed for the six months ended June 30, 1994 decreased $73 million and $12 million, respectively, compared to the same period in 1993. The decreases reflect lower volumes of gas sold to core customers and decreases in authorized gas margin and the average unit cost of gas.

RECENT CPUC REGULATORY ACTIVITY. The Utility and a number of interested parties (including the Division of Ratepayer Advocates of the CPUC, large noncore customers and ratepayer groups) proposed for CPUC approval a comprehensive settlement (Comprehensive Settlement) of a number of pending regulatory issues including partial rate recovery of restructuring costs associated with gas supply contracts (See Note 4 of Notes to Condensed Consolidated Financials Statements). The Comprehensive Settlement was approved by the CPUC on July 20, 1994 and will permit the Utility to recover in rates approximately 80 percent of its contract restructuring cost of $375 million and accelerated depreciation of related pipeline assets of approximately $130 million, together with interest, over a period of approximately five years. The Utility has obtained authorization from the CPUC for the borrowing of up to $425 million primarily to provide for funds needed under the Comprehensive Settlement.

In August 1993, the Utility filed for a $134 million rate increase with the CPUC. Included in this BCAP filing is a rate structure designed to further reduce subsidies by nonresidential core customers to residential customers by better aligning residential rates with the cost of providing residential service. The CPUC, in an interim decision, granted the Utility a $121 million revenue increase effective January 1, 1994. A final CPUC decision is expected in late 1994.

FACTORS INFLUENCING FUTURE PERFORMANCE. Based on existing ratemaking policies, future Utility earnings and cash flow will be determined primarily by the allowed rate of return on common equity, the growth in rate base, noncore pricing and the ability of management to control expenses and investment in line with the amounts authorized by the CPUC to be collected in rates. Also, the Company's ability to earn revenues in excess of SoCalGas' authorized return from noncore customers due to volume increases will be eliminated for the five years beginning August 1, 1994 per the Comprehensive Settlement described above. This is because forecasted deliveries in excess of the 1991 throughput levels used to establish rates were contemplated in estimating the costs of the Comprehensive Settlement at December 31, 1993. The impact of any future regulatory restructuring and increased competitiveness in the industry, including the continuing threat of customers bypassing SoCalGas' system and obtaining service directly from interstate pipelines, could also affect SoCalGas' future performance.

The Utility's earnings for 1994 will be affected by the reduction in the authorized rate of return on common equity, reflecting the overall decline in cost of capital, offset by higher rate base growth than in 1993. For 1994, the Utility is authorized to earn a rate of return on rate base of 9.22 percent and an 11.00 percent rate of return on common equity compared to 9.99 percent and 11.90 percent, respectively, in 1993. Rate base is expected to increase by approximately 4 percent to 5 percent in 1994. At 1994 authorized levels, a 1 percent change in weighted average rate base changes earnings by approximately $.02 per share. A change in the authorized return on common equity of 1 percent changes earnings by approximately $.17 per share.

In April, the CPUC announced it will review the structure of California's electric utility service, a review that could lead to significant changes in the way California's investor-owned electric utilities do business. The CPUC's proposal has no immediate effect on the Utility's operations, although future volumes of natural gas the Utility transports for electric utilities could be affected. The Utility is closely monitoring the process and has taken an active role in the proceedings because of its considerable experience with natural gas deregulation and because the treatment of some electric utility regulatory issues could have indirect implications for the Utility.

The Utility's operations are affected by a growing number of environmental laws and regulations. These laws and regulations affect current operations as well as future expansion and also require clean-up of facilities no longer in use. Because of expected regulatory treatment, the Utility believes that compliance with these laws will not have a significant impact on its financial statements. For further discussion of regulatory and environmental matters, see Notes 4, 5 and 6 of Notes to Condensed Consolidated Financial Statements.

On January 17, 1994, SoCalGas' service area was struck by a major earthquake. The result was a temporary disruption to approximately 150,000 of its customers and damage to some facilities. The financial impact of the damages related to the earthquake not recovered by insurance is expected to be recovered in rates under an existing balancing account mechanism, and should have no impact on the Company's financial statements.

PARENT COMPANY

Parent company expenses after taxes were $2 million for the three months ended June 30, 1994 and 1993, and $4 million for the six months ended June 30, 1994 and 1993.

CAPITAL EXPENDITURES

Capital expenditures were $100 million and $117 million for the first six months of 1994 and 1993, respectively. Capital expenditures are estimated to be approximately $300 million in 1994, and will be financed primarily by internally generated funds and by issuance of long-term debt. Capital expenditures primarily represent investment in Utility operations.

LIQUIDITY AND DIVIDENDS

The payment of future dividends will depend upon the existence of funds legally available for dividends (primarily retained earnings), the prior payment of dividends on Preferred Stock and Class A Preferred Stock, the Company's then existing and anticipated financial condition and results of operations, then existing and anticipated business conditions, capital requirements, opportunities and prospects and such other factors as the Board of Directors may from time to time deem relevant.

On June 1, 1994 the Company redeemed $20 million of remarketed preferred stock and may redeem or repurchase additional shares of remarketed preferred stock in the future.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(b) There were no reports on Form 8-K filed during the quarter ended June 30, 1994.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACIFIC ENTERPRISES
- - -------------------
(Registrant)

/s/ Lloyd A. Levitin
- - --------------------
Lloyd A. Levitin
Executive Vice President and
Chief Financial Officer
(Chief Accounting Officer
and duly authorized signatory)

Date: August 12,1994
