

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act  
of 1934

Date of Report

(Date of earliest event reported): May 2, 2006

SAN DIEGO GAS &amp; ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

|  |                             |   |
|--|-----------------------------|---|
| CALIFORNIA   | 1-3779                      | 95-1184800                              |
| (State of incorporation<br>or organization)        | (Commission<br>File Number) | (I.R.S. Employer<br>Identification No.) |
| 8330 CENTURY PARK COURT, SAN DIEGO, CA             |                             | 92123                                   |
| (Address of principal executive offices)           |                             | (Zip Code)                              |
| Registrant's telephone number, including area code | (619) 696-2000              |   |

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

FORM 8-K

**Item 2.02 Results of Operations and Financial Condition**

*The information furnished in this Item 2.02 and in Exhibits 99.1 and 99.2 shall not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, nor shall it be deemed to be incorporated by reference in any filing of San Diego Gas & Electric Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.*

On May 2, 2006, Sempra Energy, of which San Diego Gas & Electric Company is a consolidated subsidiary, issued a press release announcing consolidated net income of \$255 million, or \$0.98 per diluted share of common stock, for the first quarter of 2006. The press release has been posted on Sempra Energy's website ([www.sempra.com](http://www.sempra.com)) and a copy is attached as Exhibit 99.1.

Concurrently with the website posting of such press release and as noted therein, Sempra Energy also posted its Income Statement Data by Business Unit for the three months ended March 31, 2006 and 2005. A copy of such information is attached as Exhibit 99.2

The Sempra Energy financial information contained in the press release includes, on a consolidated basis, information regarding San Diego Gas & Electric Company's results of operations and financial condition.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

99.1 May 2, 2006 Sempra Energy News Release (including tables)

99.2 Sempra Energy's Income Statement Data by Business Unit for the three months ended March 31, 2006 and 2005.

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.

SAN DIEGO GAS & ELECTRIC COMPANY  
(Registrant)

Date: May 2, 2006

By: /s/ S.D. Davis

-----  
S.D. Davis  
Sr. Vice President-External Relations  
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## SEMPRA ENERGY'S FIRST-QUARTER 2006 NET INCOME RISES 14 PERCENT

SAN DIEGO, May 2, 2006 - Sempra Energy today reported first-quarter 2006 net income of \$255 million, or \$0.98 per diluted share, up 14 percent over first-quarter 2005 net income of \$223 million, or \$0.92 per diluted share. First-quarter 2005 results included \$59 million in net income related to the favorable resolution of federal and state income-tax issues from prior years.

Revenues in the first quarter 2006 were \$3.3 billion, compared with \$2.7 billion in the year-ago period.

"Our Commodities group drove our strong first-quarter results," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "We are pleased with our 52-percent increase in operating income during the quarter and are off to a solid start to meet our previously announced guidance for the year of \$3.40 to \$3.60 per share."

Sempra Generation recently announced the sale of its two coal-fired power plants in Texas, the jointly owned, 632-megawatt (MW) Coletto Creek Power facility and 305-MW Twin Oaks plant. Coletto Creek Power is being sold for \$1.14 billion - the highest price paid for a U.S. coal-fired power plant in more than a decade - to International Power plc. Sempra Generation and its partner, Riverstone Holdings, acquired Coletto Creek for \$430 million in July 2004. Last month, Sempra Generation completed the sale of Twin Oaks to PNM Resources, Inc., for \$480 million in cash. The plant was acquired by Sempra Generation in November 2002 for \$120 million. During the first quarter 2006, Sempra Generation also entered into agreements to sell its businesses in energy-facilities management and energy-performance contracting.

"Our strategy is focused on developing natural gas infrastructure, primarily in our non-utility businesses, and expanding the energy-delivery capabilities of our California utilities," Felsing said. "We are repositioning our portfolio, divesting some assets that are not core to this strategy. Through these asset sales, we expect to generate more than \$1 billion in pre-tax proceeds to help fund our ongoing investments."

### SUBSIDIARY OPERATING RESULTS

#### Sempra Utilities

First-quarter net income for San Diego Gas & Electric (SDG&E) was \$47 million in 2006, compared with \$59 million in 2005, due primarily to the favorable resolution of tax issues in the prior-year's quarter.

Net income for Southern California Gas Co. (SoCalGas) in the first quarter 2006 was \$49 million, compared with \$69 million in the year-ago period. In the first quarter 2005, SoCalGas benefited from favorable adjustments related to a California Public Utilities Commission ratemaking decision and favorable resolution of tax issues.

At the end of the first quarter 2006, SDG&E assumed ownership and operation of the 550-MW Palomar Energy Center in Escondido, Calif., the first major power plant built in San Diego County in more than 30 years.

#### Sempra Commodities

Sempra Commodities recorded \$116 million in net income during the first quarter 2006, a 300-percent increase over first-quarter 2005 net income of \$29 million. The sharp increase was due primarily to stronger natural gas and power marketing in North America.

"In the first quarter, Sempra Commodities continued a performance trend over the past nine months of outstanding results," Felsing said.

#### Sempra Generation

First-quarter net income for Sempra Generation was \$43 million in 2006, compared with \$45 million in 2005, due primarily to a \$15 million after-tax charge taken for an arbitration decision related to Sempra Generation's electricity-supply contract with the California Department of Water Resources. The charge was offset by gains related to the transfer of Palomar Energy to SDG&E during the quarter.

#### Sempra Pipelines & Storage

Sempra Pipelines & Storage had net income of \$11 million in the first quarter 2006, compared with \$13 million in the same quarter a year ago.

During the most recent quarter, Sempra Pipelines & Storage and Kinder Morgan Energy Partners announced that they have secured binding commitments from natural gas shippers for the entire capacity of the Rockies Express Pipeline project. The \$4.4 billion, 1,323-mile pipeline will connect natural gas supply basins in the Rocky Mountain region to the eastern United States, transporting 1.8 billion cubic feet of gas per day when the project is completed in 2009. Sempra Pipelines & Storage currently owns one-third of the project.

#### Sempra LNG

Sempra LNG recorded a net loss of \$5 million during the first quarter 2006, unchanged from the previous year.

In the first quarter 2006, Sempra LNG announced an open season to gauge market interest in an expansion of Energía Costa Azul, the company's liquefied natural gas (LNG) receipt terminal under construction in Baja California, Mexico. The terminal is more than 30-percent complete and, when operational in early 2008, it will be the first LNG receipt facility on the west coast of North America.

### INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. Eastern Time with senior management of the company. Access is available by logging onto the Web site at [www.sempra.com](http://www.sempra.com). For those unable to log onto the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (706) 645-9291 and entering passcode 7944055.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2005 revenues of \$11.7 billion. The Sempra Energy companies' 14,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

Income-statement information by business unit is available on Sempra Energy's Web site at [http://www.sempra.com/downloads/1Q2006\\_Table\\_All.pdf](http://www.sempra.com/downloads/1Q2006_Table_All.pdf).

###

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, [www.sec.gov](http://www.sec.gov) and on the company's Web site, [www.sempra.com](http://www.sempra.com).

Sempra LNG and Sempra Pipelines & Storage are not the same companies as the utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission. Sempra Energy Trading, doing business as Sempra Commodities, and Sempra Generation are not the same companies as the utilities, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of their products and services.

# SEMPRA ENERGY

Table A

## STATEMENTS OF CONSOLIDATED INCOME

| (Dollars in millions, except per share amounts)  | Three months ended<br>March 31, |          |
|--|---------------------------------|----------|
|  | 2006                            | 2005     |
|  | (Unaudited)                     |          |
| <b>Operating revenues</b>  |                                 |          |
| California utilities   | \$ 2,128                        | \$ 1,827 |
| Sempra Global and parent   | 1,221                           | 828      |
|  |                                 |          |
| Total operating revenues   | 3,349                           | 2,655    |
|  |                                 |          |
| <b>Operating expenses</b>  |                                 |          |
| California utilities:  |                                 |          |
| Cost of natural gas  | 1,130                           | 913      |
| Cost of electric fuel and purchased power  | 210                             | 145      |
| Other cost of sales  | 679                             | 560      |
| Litigation expense   | 33                              | 8        |
| Other operating expenses   | 643                             | 528      |
| Depreciation and amortization  | 159                             | 158      |
| Franchise fees and other taxes   | 77                              | 68       |
| Impairment losses  | 2                               | 1        |
|  |                                 |          |
| Total operating expenses   | 2,933                           | 2,381    |
|  |                                 |          |
| <b>Operating income</b>  | 416                             | 274      |
| Other income, net  | 4                               | 10       |
| Interest income  | 14                              | 10       |
| Interest expense   | (96)                            | (74)     |
| Preferred dividends of subsidiaries  | (2)                             | (2)      |
|  |                                 |          |
| <b>Income from continuing operations before income taxes and equity in earnings of certain unconsolidated subsidiaries</b> | 336                             | 218      |
| Income tax expense   | 110                             | 7        |
| Equity in earnings of certain unconsolidated subsidiaries  | 10                              | 10       |
|  |                                 |          |
| <b>Income from continuing operations</b>   | 236                             | 221      |
| Discontinued operations, net of income tax   | 19                              | 2        |
|  |                                 |          |
| <b>Net income</b>  | \$ 255                          | \$ 223   |
|  |                                 |          |
|  |                                 |          |
| <b>Basic earnings per share:</b>   |                                 |          |
| Income from continuing operations  | \$ 0.93                         | \$ 0.95  |
| Discontinued operations, net of tax  | 0.07                            | 0.01     |
|  |                                 |          |
| Net income   | \$ 1.00                         | \$ 0.96  |
|  |                                 |          |
|  |                                 |          |
| <b>Weighted-average number of shares outstanding (thousands)</b>   | 254,257                         | 232,939  |
|  |                                 |          |
|  |                                 |          |
| <b>Diluted earnings per share:</b>   |                                 |          |
| Income from continuing operations  | \$ 0.91                         | \$ 0.91  |
| Discontinued operations, net of tax  | 0.07                            | 0.01     |
|  |                                 |          |
| Net income   | \$ 0.98                         | \$ 0.92  |
|  |                                 |          |
|  |                                 |          |
| <b>Weighted-average number of shares outstanding (thousands)</b>   | 259,251                         | 241,105  |
|  |                                 |          |
|  |                                 |          |
| <b>Dividends declared per share of common stock</b>  | \$ 0.30                         | \$ 0.29  |
|  |                                 |          |
|  |                                 |          |

The statements above reflect the decision in the first quarter of 2006 to dispose of the Twin Oaks power plant and the Energy Services and Facilities Management businesses within Sempra Generation.

# SEMPRA ENERGY

Table B

## CONSOLIDATED BALANCE SHEETS

| (Dollars in millions)  | March 31,<br>2006 | December 31,<br>2005 |
|--|-------------------|----------------------|
|  | (Unaudited)       |                      |
| <b>Assets</b>  |                   |                      |
| Current assets:  |                   |                      |
| Cash and cash equivalents  | \$ 650            | \$ 770               |
| Short-term investments   | 4                 | 12                   |
| Accounts receivable  | 1,091             | 1,143                |
| Due from unconsolidated affiliates   | 8                 | 3                    |
| Deferred income taxes  | 173               | 134                  |
| Interest receivable  | 32                | 29                   |
| Trading-related receivables and deposits, net                              | 2,809             | 3,370                |
| Derivative trading instruments   | 4,265             | 4,502                |
| Commodities owned  | 2,106             | 2,498                |
| Regulatory assets  | 249               | 255                  |
| Inventories  | 98                | 206                  |
| Other  | 212               | 285                  |
|  | █                 | █                    |
| Current assets of continuing operations                                    | 11,697            | 13,207               |
| Current assets of discontinued operations                                  | 391               | 454                  |
|  | █                 | █                    |
| Total current assets   | 12,088            | 13,661               |
|  | █                 | █                    |
| Investments and other assets:  |                   |                      |
| Due from unconsolidated affiliates   | 21                | 21                   |
| Regulatory assets arising from fixed-price contracts and other derivatives | 389               | 398                  |
| Other regulatory assets  | 711               | 713                  |
| Nuclear decommissioning trusts   | 654               | 638                  |
| Investments  | 1,201             | 1,102                |
| Sundry   | 817               | 802                  |
|  | █                 | █                    |
| Total investments and other assets   | 3,793             | 3,674                |
|  | █                 | █                    |
| Property, plant and equipment, net   | 12,169            | 11,881               |
|  | █                 | █                    |
| Total assets   | \$ 28,050         | \$ 29,216            |
|  | █                 | █                    |
|  | █                 | █                    |
| <b>Liabilities and Shareholders' Equity</b>                                |                   |                      |
| Current liabilities:   |                   |                      |
| Short-term debt  | \$ 673            | \$ 1,043             |
| Accounts payable   | 989               | 1,396                |
| Income taxes payable   | 195               | 69                   |
| Trading-related payables   | 3,297             | 4,127                |
| Derivative trading instruments   | 3,210             | 3,246                |
| Commodities sold with agreement to repurchase                              | 432               | 634                  |
| Dividends and interest payable   | 151               | 140                  |
| Regulatory balancing accounts, net   | 406               | 192                  |
| Fixed-price contracts and other derivatives                                | 126               | 130                  |
| Current portion of long-term debt  | 89                | 98                   |
| Other  | 1,005             | 1,012                |
|  | █                 | █                    |
| Current liabilities of continuing operations                               | 10,573            | 12,087               |
| Current liabilities of discontinued operations                             | 143               | 131                  |
|  | █                 | █                    |
| Total current liabilities  | 10,716            | 12,218               |
|  | █                 | █                    |
| Long-term debt   | 4,778             | 4,815                |
|  | █                 | █                    |
| Deferred credits and other liabilities:                                    |                   |                      |
| Due to unconsolidated affiliate  | 162               | 162                  |
| Customer advances for construction   | 116               | 110                  |
| Postretirement benefits other than pensions                                | 119               | 121                  |
| Deferred income taxes  | 223               | 219                  |
| Deferred investment tax credits  | 71                | 73                   |
| Regulatory liabilities arising from removal obligations                    | 2,343             | 2,313                |
| Asset retirement obligations   | 972               | 958                  |
| Other regulatory liabilities   | 206               | 200                  |
| Fixed-price contracts and other derivatives                                | 398               | 400                  |
| Deferred credits and other   | 1,284             | 1,288                |
|  | █                 | █                    |
| Total deferred credits and other liabilities                               | 5,894             | 5,844                |
|  | █                 | █                    |
| Preferred stock of subsidiaries  | 179               | 179                  |
|  | █                 | █                    |
| Shareholders' equity   | 6,483             | 6,160                |
|  | █                 | █                    |
| Total liabilities and shareholders' equity                                 | \$ 28,050         | \$ 29,216            |
|  | █                 | █                    |
|  | █                 | █                    |

The statements above reflect the decision in the first quarter of 2006 to dispose of the Twin Oaks power plant and the Energy Services and Facilities Management businesses within Sempra Generation.

## SEMPRA ENERGY

Table C

### CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

| (Dollars in millions)   | Three months ended<br>March 31, |        |
|---|---------------------------------|--------|
|   | 2006                            | 2005   |
|   | (Unaudited)                     |        |
| <b>Cash Flows from Operating Activities:</b>                                      |                                 |        |
| Net income  | \$ 255                          | \$ 223 |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                 |        |
| Depreciation and amortization   | 159                             | 161    |
| Deferred income taxes and investment tax credits                                  | (43)                            | (68)   |
| Accretion of interest   | 7                               | -      |
| Other   | 23                              | 3      |
| Net changes in other working capital components                                   | 384                             | 394    |
| Changes in other assets   | 64                              | 2      |
| Changes in other liabilities  | 6                               | (3)    |
| Net cash provided by operating activities   | 855                             | 712    |
| <b>Cash Flows from Investing Activities:</b>                                      |                                 |        |
| Expenditures for property, plant and equipment                                    | (420)                           | (269)  |
| Proceeds from sale of assets  | 24                              | 11     |
| Investments in subsidiaries   | (103)                           | (1)    |
| Purchases of nuclear decommissioning and other trust assets                       | (122)                           | (84)   |
| Proceeds from sales by nuclear decommissioning and other trusts                   | 116                             | 88     |
| Dividends received from unconsolidated affiliates                                 | -                               | 2      |
| Other   | (1)                             | 14     |
| Net cash used in investing activities   | (506)                           | (239)  |
| <b>Cash Flows from Financing Activities:</b>                                      |                                 |        |
| Common dividends paid   | (65)                            | (50)   |
| Issuances of common stock   | 17                              | 90     |
| Repurchases of common stock   | (12)                            | (6)    |
| Redemption of mandatorily redeemable preferred securities                         | -                               | (200)  |
| Payments on long-term debt  | (45)                            | (50)   |
| Decrease in short-term debt, net  | (366)                           | (64)   |
| Other   | 2                               | (3)    |
| Net cash used in financing activities   | (469)                           | (283)  |
| Increase (decrease) in cash and cash equivalents                                  | (120)                           | 190    |
| Cash and cash equivalents, January 1  | 770                             | 416    |
| Cash and cash equivalents, March 31   | \$ 650                          | \$ 606 |

## SEMPRA ENERGY

Table D

### BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS (Unaudited)

| (Dollars in millions)      | Three months ended<br>March 31, |       |
|----------------------------|---------------------------------|-------|
|                            | 2006                            | 2005  |
| <b>Net Income</b>          |                                 |       |
| California Utilities:      |                                 |       |
| San Diego Gas & Electric   | \$ 47                           | \$ 59 |
| Southern California Gas    | 49                              | 69    |
| Total California Utilities | 96                              | 128   |

|                            |        |        |
|----------------------------|--------|--------|
| Sempra Global:             |        |        |
| Sempra Commodities         | 116    | 29     |
| Sempra Generation          | 43     | 45     |
| Sempra Pipelines & Storage | 11     | 13     |
| Sempra LNG                 | (5)    | (5)    |
|                            | █      | █      |
| Total Sempra Global        | 165    | 82     |
|                            | █      | █      |
| Sempra Financial           | 5      | 4      |
| Parent & Other             | (30)   | 7      |
|                            | █      | █      |
| Continuing Operations      | 236    | 221    |
| Discontinued Operations    | 19     | 2      |
|                            | █      | █      |
| Consolidated Net Income    | \$ 255 | \$ 223 |
|                            | █      | █      |
|                            | █      | █      |

The statements above reflect the decision in the first quarter of 2006 to dispose of the Twin Oaks power plant and the Energy Services and Facilities Management businesses within Sempra Generation.

|   | Three months ended |        |
|---|--------------------|--------|
|   | March 31,          |        |
| (Dollars in millions)                             | 2006               | 2005   |
|   | █                  | █      |
| <b>Capital Expenditures and Investments</b>       |                    |        |
| California Utilities:                             |                    |        |
| San Diego Gas & Electric                          | \$ 583             | \$ 94  |
| Southern California Gas                           | 97                 | 63     |
|   | █                  | █      |
| Total California Utilities                        | 680                | 157    |
|   | █                  | █      |
| Sempra Global:                                    |                    |        |
| Sempra Generation                                 | 34                 | 49     |
| Sempra Commodities                                | 20                 | 13     |
| Sempra Pipelines & Storage                        | 105                | 4      |
| Sempra LNG  | 152                | 45     |
|   | █                  | █      |
| Total Sempra Global                               | 311                | 111    |
|   | █                  | █      |
| Parent & Other                                    | (468) (1)          | 2      |
|   | █                  | █      |
| Consolidated Capital Expenditures and Investments | \$ 523             | \$ 270 |
|   | █                  | █      |
|   | █                  | █      |

(1) Reflects the transfer of the Palomar plant to SDG&E from Sempra Generation.

## SEMPRA ENERGY

Table E

### OTHER OPERATING STATISTICS (Unaudited)

|  | Three months ended |          |
|--|--------------------|----------|
|  | March 31,          |          |
| CALIFORNIA UTILITIES                   | 2006               | 2005     |
|  | █                  | █        |
| Revenues (Dollars in millions)         |                    |          |
| SDG&E (excludes intercompany sales)    | \$ 718             | \$ 616   |
| SoCalGas (excludes intercompany sales) | \$ 1,410           | \$ 1,211 |
| Gas Sales (Bcf)                        | 141                | 137      |
| Transportation and Exchange (Bcf)      | 122                | 122      |
|  | █                  | █        |
| Total Deliveries (Bcf)                 | 263                | 259      |
|  | █                  | █        |
| Total Gas Customers (Thousands)        | 6,406              | 6,316    |
| Electric Sales (Millions of kWhs)      | 4,043              | 3,906    |
| Direct Access (Millions of kWhs)       | 898                | 820      |
|  | █                  | █        |

|                                      |       |       |
|--------------------------------------|-------|-------|
| Total Deliveries (Millions of kWhs)  | 4,941 | 4,726 |
| Total Electric Customers (Thousands) | 1,342 | 1,323 |

#### SEMPRA GENERATION

|                               |       |       |     |
|-------------------------------|-------|-------|-----|
| Power Sold (Millions of kWhs) | 5,750 | 4,989 | (1) |
|-------------------------------|-------|-------|-----|

(1) Revised to exclude the Twin Oaks power plant as a discontinued operation.

#### SEMPRA PIPELINES & STORAGE

(Represents 100% of these subsidiaries, although only the Mexican subsidiaries are 100% owned by Sempra Energy).

|                                   |       |       |
|-----------------------------------|-------|-------|
| Natural Gas Sales (Bcf)           |       |       |
| Argentina                         | 52    | 51    |
| Mexico                            | 10    | 10    |
| Chile                             | 1     | 1     |
| Natural Gas Customers (Thousands) |       |       |
| Argentina                         | 1,511 | 1,459 |
| Mexico                            | 99    | 97    |
| Chile                             | 38    | 38    |
| Electric Sales (Millions of kWhs) |       |       |
| Peru                              | 1,165 | 1,052 |
| Chile                             | 614   | 733   |
| Electric Customers (Thousands)    |       |       |
| Peru                              | 772   | 753   |
| Chile                             | 525   | 512   |

## SEMPRA ENERGY

Table E (Continued)

#### SEMPRA COMMODITIES

|                                | Three months ended |         |
|--------------------------------|--------------------|---------|
|                                | March 31,          |         |
| Margin * (Dollars in millions) | 2006               | 2005    |
| Geographical:                  |                    |         |
| North America                  | \$ 359             | \$ 125  |
| Europe/Asia                    | 6                  | 29      |
| Total                          | \$ 365             | \$ 154  |
| Product Line:                  |                    |         |
| Gas                            | \$ 179             | \$ (15) |
| Power                          | 101                | 42      |
| Oil - Crude & Products         | 53                 | 80      |
| Metals                         | 27                 | 14      |
| Other                          | 5                  | 33      |
| Total                          | \$ 365             | \$ 154  |

\* Margin consists of net revenues less related costs (primarily brokerage, transportation and storage) plus or minus net interest expense/income, and is used by management in evaluating its geographical and product line performance.

|  | Three months ended |       |
|--|--------------------|-------|
|  | March 31,          |       |
| Effect of EITF 02-03 (Dollars in millions) | 2006               | 2005  |
| Mark-to-Market Earnings **                 | \$ 160             | \$ 52 |
| Effect of EITF 02-03 ***                   | (44)               | (23)  |
| GAAP Net Income                            | \$ 116             | \$ 29 |

\*\* Represents the fair market value of all commodities transactions. This metric is a useful measurement of profitability because it simultaneously recognizes changes in the various components of transactions and reflects how the business is managed.

\*\*\* Consists of the income statement effect of not recognizing changes in the fair market value of certain physical inventories and capacity contracts for transportation and storage.

Fair  
Market Value  
March 31,

Scheduled Maturity (in months)



| <i>Net Unrealized Revenue (Dollars in millions)</i>        | 2006            | 0 - 12        | 13 - 24       | 25 - 36       | > 36          |
|--|-----------------|---------------|---------------|---------------|---------------|
| <b>Sources of Over-the-Counter (OTC) Fair Value:</b>       |                 |               |               |               |               |
| Prices actively quoted                                     | \$ 978          | \$ 185        | \$ 316        | \$ 397        | \$ 80         |
| Prices provided by other external sources                  | 51              | (1)           | 1             | (1)           | 52            |
| Prices based on models and other valuation methods         | (9)             | -             | -             | -             | (9)           |
| <b>Total OTC Fair Value (1)</b>                            | <b>1,020</b>    | <b>184</b>    | <b>317</b>    | <b>396</b>    | <b>123</b>    |
| <b>Maturity of OTC Fair Value - Cumulative Percentages</b> |                 |               |               |               |               |
|  |                 | 18.0%         | 49.1%         | 87.9%         | 100.0%        |
| <b>Exchange Contracts (2)</b>                              |                 |               |               |               |               |
|  | 223             | 501           | (112)         | (145)         | (21)          |
| <b>Total Net Unrealized Revenue at March 31, 2006</b>      | <b>\$ 1,243</b> | <b>\$ 685</b> | <b>\$ 205</b> | <b>\$ 251</b> | <b>\$ 102</b> |
| <b>Net Unrealized Revenue - Cumulative Percentages</b>     |                 |               |               |               |               |
|  |                 | 55.1%         | 71.6%         | 91.8%         | 100.0%        |

(1) The present value of unrealized revenue to be received or (paid) from outstanding OTC contracts

(2) Cash received or (paid) associated with open Exchange Contracts

| <i>Credit Quality of Unrealized Trading Assets (net of margin)</i> | March 31,<br>2006 | December 31,<br>2005 |
|--|-------------------|----------------------|
| Commodity Exchanges  | 5%                | 2%                   |
| Investment Grade   | 69%               | 75%                  |
| Below Investment Grade   | 26%               | 23%                  |

| <i>Risk Adjusted Performance Indicators (Mark-to-Market Basis)</i> | Three months ended<br>March 31, |         |
|--|---------------------------------|---------|
|  | 2006                            | 2005    |
| VaR at 95% (Dollars in millions) (1)                               | \$ 22.0                         | \$ 8.5  |
| VaR at 99% (Dollars in millions) (2)                               | \$ 31.1                         | \$ 11.9 |
| Risk Adjusted Return on Capital (RAROC) (3)                        | 37%                             | 38%     |

(1) Average Daily Value-at-Risk for the period using a 95% confidence level

(2) Average Daily Value-at-Risk for the period using a 99% confidence level

(3) Average Daily Trading Margin/Average Daily VaR at 95% confidence level

| <i>Physical Statistics</i>                |       |       |
|---|-------|-------|
| Natural Gas (BCF/Day)                     | 12.6  | 12.2  |
| Electric (Billions of kWhs)               | 114.9 | 107.8 |
| Oil & Liquid Products (Millions Bbls/Day) | 0.7   | 0.9   |

## SEMPRA ENERGY

Table F (Unaudited)

## Income Statement Data by Business Unit

Three Months Ended March 31, 2006

| (Dollars in millions)                                   | SDG&E  | SoCalGas | Commodities | Generation | Pipelines & Storage | LNG    | Financial | Consolidating Adjustments, Parent & Other |
|---|--------|----------|-------------|------------|---------------------|--------|-----------|---|
| Operating Revenues                                      | \$ 722 | \$ 1,425 | \$ 780      | \$ 404     | \$ 80               | \$ -   | \$ -      | \$ (62)                                   |
| Cost of Sales and Other Operating Expenses              | 556    | 1,258    | 573         | 291        | 73                  | 10     | -         | (22)                                      |
| Litigation Expense                                      | -      | -        | 5           | 26         | 1                   | -      | -         | 1   |
| Depreciation & Amortization                             | 67     | 66       | 7           | 13         | 4                   | -      | -         | 2   |
| Impairment Losses                                       | -      | -        | -           | -          | -                   | -      | 2         | -   |
| Operating Income  | 99     | 101      | 195         | 74         | 2                   | (10)   | (2)       | (43)                                      |
| Other Income (Expense), Net                             | 1      | -        | (1)         | 1          | 1                   | (1)    | (3)       | 6   |
| Income before Interest & Taxes <sup>(1)</sup>           | 100    | 101      | 194         | 75         | 3                   | (11)   | (5)       | (37)                                      |
| Net Interest Expense (Income) <sup>(2)</sup>            | 18     | 15       | 16          | 6          | (1)                 | -      | 1         | 29  |
| Income Tax Expense/(Benefit)                            | 35     | 37       | 62          | 26         | 3                   | (6)    | (11)      | (36)                                      |
| Equity in Income of Certain Unconsolidated Subsidiaries | -      | -        | -           | -          | 10                  | -      | -         | -   |
| Discontinued Operations                                 | -      | -        | -           | -          | -                   | -      | -         | 19  |
| Net Income  | \$ 47  | \$ 49    | \$ 116      | \$ 43      | \$ 11               | \$ (5) | \$ 5      | \$ (11)                                   |

Three Months Ended March 31, 2005

| (Dollars in millions)                                   | SDG&E  | SoCalGas | Commodities | Generation | Pipelines & Storage | LNG    | Financial | Consolidating Adjustments, Parent & Other |
|---|--------|----------|-------------|------------|---------------------|--------|-----------|---|
| Operating Revenues                                      | \$ 621 | \$ 1,241 | \$ 458      | \$ 382     | \$ 69               | \$ -   | \$ -      | \$ (116)                                  |
| Cost of Sales and Other Operating Expenses              | 461    | 1,049    | 397         | 301        | 61                  | 7      | 1         | (63)                                      |
| Litigation Expense                                      | -      | -        | 4           | 4          | -                   | -      | -         | -   |
| Depreciation & Amortization                             | 65     | 66       | 7           | 9          | 4                   | -      | 5         | 2   |
| Impairment Losses                                       | -      | -        | -           | -          | -                   | -      | 1         | -   |
| Operating Income  | 95     | 126      | 50          | 68         | 4                   | (7)    | (7)       | (55)                                      |
| Other Income (Expense), Net                             | 2      | (1)      | -           | 7          | -                   | (1)    | (1)       | 4   |
| Income before Interest & Taxes <sup>(1)</sup>           | 97     | 125      | 50          | 75         | 4                   | (8)    | (8)       | (51)                                      |
| Net Interest Expense <sup>(2)</sup>                     | 11     | 9        | 6           | 3          | -                   | -      | 1         | 36  |
| Income Tax Expense/(Benefit)                            | 27     | 47       | 15          | 27         | 1                   | (3)    | (13)      | (94)                                      |
| Equity in Income of Certain Unconsolidated Subsidiaries | -      | -        | -           | -          | 10                  | -      | -         | -   |
| Discontinued Operations                                 | -      | -        | -           | -          | -                   | -      | -         | 2   |
| Net Income  | \$ 59  | \$ 69    | \$ 29       | \$ 45      | \$ 13               | \$ (5) | \$ 4      | \$ 9                                      |

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

The statements above reflect the decision in the first quarter of 2006 to dispose of the Twin Oaks power plant and the Energy Services and Facilities Management businesses within Sempra Generation.