



First-Quarter 2010 Earnings Results

May 4, 2010

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First-Quarter 2010 Results

<i>(Dollars in millions, except EPS - Unaudited)</i>	Three months ended March 31,	
	2010	2009
Earnings	\$ 106	\$ 316
Diluted weighted-average shares outstanding	250	245
EPS	\$ 0.42	\$ 1.29

- Q1-10 earnings negatively impacted by:
 - \$96 million after-tax reserve (\$0.38 per share) for energy crisis litigation settlement
 - Poor performance from RBS Sempra Commodities joint venture in Q1-10

Sempra Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	2010	2009
SDG&E Earnings	\$ 83	\$ 99
SoCalGas Earnings	65	59
Total	<u>\$ 148</u>	<u>\$ 158</u>

- SDG&E Q1-10 decrease due primarily to:
 - \$5 million higher wildfire insurance premiums
 - \$3 million charge related to passage of the Health Care Bill
 - \$5 million benefit from resolution of litigation matter in Q1-09
- SoCalGas Q1-10 included higher operating margin, offset by \$13 million charge related to passage of the Health Care Bill

Sempra Generation

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2010</u>	<u>2009</u>
Earnings (loss)	\$ (53)	\$ 43

- Q1-10 decrease due to:
 - \$84 million charge related to energy crisis litigation settlement
 - \$12 million lower earnings from operations, primarily due to scheduled major maintenance and associated down time in 2010

Sempra Pipelines & Storage

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	2010	2009
Earnings	\$ 38	\$ 37

- Q1-10 increase due primarily to:
 - \$6 million higher earnings due to foreign currency exchange-rate effects, offset by
 - \$4 million lower earnings from storage operations

Sempra LNG

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2010</u>	<u>2009</u>
Earnings (loss)	\$ 32	\$ (7)

- Q1-10 included:
 - \$11 million related to payments from counterparties for non-delivery - not expected to recur over the long-term
 - \$7 million of mark-to-market earnings
- Signed agreement with Gazprom for the supply of up to two cargoes per month to the Cameron LNG terminal

Sempra Commodities

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	<u>2010</u>	<u>2009</u>
Earnings (loss)	\$ (5)	\$ 114

- Q1-10 decrease due to poor performance in oil and European natural gas and from higher retention costs
- Q1-10 included \$12 million charge for energy crisis litigation settlement

Earnings By Business Unit

<i>(Unaudited, dollars in millions)</i>	Three months ended March 31,	
	2010	2009
San Diego Gas & Electric	\$ 83	\$ 99
Southern California Gas	65	59
Sempra Generation	(53)	43
Sempra Pipelines & Storage	38	37
Sempra LNG	32	(7)
Parent & Other	(54)	(29)
Subtotal	111	202
Sempra Commodities	(5)	114
Earnings	<u>\$ 106</u>	<u>\$ 316</u>

Energy Crisis Litigation Settlement

- Agreement in principle with state of California and California parties to settle substantially all remaining energy crisis litigation, including:
 - FERC Refund Proceedings against Sempra Commodities
 - CDWR contract litigation with Sempra Generation
- \$410 million pretax settlement
 - Requires FERC approval
- Existing reserves and receivables at RBS Sempra Commodities used to fund \$260 million of settlement
- \$96 million after-tax charge recorded in Q1-10 and expected to be paid in late 2010

Utility Operational Update

- Sunrise Powerlink
 - Expect approval from U.S. Forest Service in Q2-10
 - Pre-construction activities continue; expect project in-service in 2012
- Smart Meters
 - Over 800,000 electric and gas meters installed by SDG&E
 - CPUC approved SoCalGas program (\$900 million capital)
- SDG&E and SoCalGas to file applications for 2012 General Rate Cases in second half of 2010
 - Rate case plan calls for decision by year-end 2011

Infrastructure Business Update

Generation

- Construction under way on 48 MW Copper Mountain Solar

LNG

- Supply option agreement with Gazprom announced for Cameron

Pipelines & Storage

- Acquisition of Mexican natural gas infrastructure completed

Summary

- 2010 EPS guidance of \$3.15 to \$3.40
 - Includes \$96 million after-tax litigation charge recorded in Q1-10
 - Assumes break-even performance at RBS Sempra Commodities
- 2010 priorities
 - Move forward with major Utility projects
 - Complete construction of Copper Mountain Solar in late-2010 / early 2011 and begin construction of Mesquite Solar
 - Complete construction on 12.5 Bcf of Gulf Coast natural gas storage
 - Complete sales of RBS Sempra Commodities