Sempra Energy®

2007

STATISTICAL REPORT

Unaudited Supplement to the
Financial Report

Sempra Energy®

2007 Statistical Report

(unaudited)

Supplement to the 2007 Annual Report

Based in San Diego, Sempra Energy® is an energy company with 2007 revenues of more than $11 billion. With 14,000 employees worldwide, Sempra Energy companies develop energy infrastructure, operate utilities and provide related products and services to more than 29 million consumers around the world. Sempra Energy common shares trade on the New York Stock Exchange (NYSE) under the symbol "SRE." Additional information is available on the Web at www.sempra.com.

Shareholder Services

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Sempra Energy Common Stock:
Ticker Symbol: SRE
New York Stock Exchange

Sempra Energy Trading, Sempra Generation and Sempra Pipelines & Storage are not the same company as the utility, SDG&E or SoCalGas, and Sempra Energy Trading, Sempra Generation and Sempra Pipelines & Storage are not regulated by the California Public Utilities Commission.

Sempra Energy Solutions is not the same company as the utility, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of Sempra Energy Solutions' products and services.

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Selected Financial Data 2003 - 2007

(Dollars in millions, except per-share amounts)	Years ended December 31, 2007	2006	2005	2004	2003
Operating revenues					
Sempra Utilities:					
Natural gas	$ 4,869	$ 4,763	$ 5,253	$ 4,537	$ 4,005
Electric	2,184	2,136	1,789	1,658	1,786
Sempra Global and parent	4,385	4,862	4,470	3,039	1,906
Total	$ 11,438	$ 11,761	$ 11,512	$ 9,234	$ 7,697
Operating income	$ 1,679	$ 1,785	$ 1,089	$ 1,272	$ 1,012
Net income	$ 1,099	$ 1,406	$ 920	$ 895	$ 649
Net income per common share:					
Basic	$ 4.24	$ 5.48	$ 3.74	$ 3.92	$ 3.07
Diluted	$ 4.16	$ 5.38	$ 3.65	$ 3.83	$ 3.03
Dividends declared per common share	$ 1.24	$ 1.20	$ 1.16	$ 1.00	$ 1.00
Weighted average number of common shares outstanding (diluted, in millions)	264.0	261.4	252.1	233.9	214.5
Return on common equity	13.9%	20.6%	16.7%	20.5%	19.3%
Effective income tax rate	34%	33%	4%	18%	9%
Price range of common shares	$ 66.38-50.95	$ 57.35-42.90	$ 47.86-35.53	$ 37.93-29.51	$ 30.90-22.25
At December 31,					
Current assets	$ 11,338	$ 12,016	$ 13,827	$ 9,306	$ 8,310
Total assets	$ 30,091	$ 28,949	$ 29,246	$ 23,847	$ 22,053
Current liabilities	$ 10,394	$ 10,349	$ 12,253	$ 9,183	$ 8,662
Long-term debt (excludes current portion)	$ 4,553	$ 4,525	$ 4,815	$ 4,182	$ 3,828
Shareholders' equity	$ 8,339	$ 7,511	$ 6,160	$ 4,865	$ 3,890
Common shares outstanding (in millions)	261.2	262.0	257.2	234.2	226.6
Book value per common share	$ 31.93	$ 28.67	$ 23.95	$ 20.77	$ 17.17

Comparative Statistics 2003 - 2007 - Sempra Utilities

(Dollars in millions, except average cost of natural gas)	Years ended December 31, 2007	2006	2005	2004	2003
Natural gas operations					
Revenues					
Residential	$ 3,070	$ 3,129	$ 3,199	$ 2,911	$ 2,486
Commercial and industrial	1,374	1,380	1,447	1,211	1,052
Electric generation plants	113	120	91	92	82
Wholesale	8	8	6	6	4
Natural gas revenues in rates	4,565	4,637	4,743	4,220	3,624
Balancing accounts and other	304	126	510	317	381
Total natural gas revenues	$ 4,869	$ 4,763	$ 5,253	$ 4,537	$ 4,005
Volumes delivered (billion cubic feet)					
Residential	278	279	272	289	275
Commercial and industrial	409	400	396	402	398
Electric generation plants	264	248	202	252	241
Wholesale	19	21	19	20	20
Total	970	948	889	963	934
Core	405	399	392	410	386
Noncore	565	549	497	553	548
Total	970	948	889	963	934
At December 31,					
Customers					
Residential	6,230,700	6,169,879	6,085,907	6,000,853	5,916,482
Commercial	271,638	269,877	268,651	267,248	265,412
Industrial	28,086	28,039	28,078	28,207	28,118
Off-system sales and transportation	939	675	364	210	184
Electric generation plants and wholesale	50	29	31	30	31
Total	6,531,413	6,468,499	6,383,031	6,296,548	6,210,227
Average cost of natural gas (per million British thermal units)	$ 6.49	$ 6.54	$ 7.83	$ 5.94	$ 5.06

Electric operations (provided on page 17)

Statements of Consolidated Income

(Dollars in millions, except per-share amounts)	Years ended December 31, 2007	2006	2005	2004	2003
OPERATING REVENUES					
Sempra Utilities	$ 7,053	$ 6,899	$ 7,042	$ 6,195	$ 5,791
Sempra Global and parent	4,385	4,862	4,470	3,039	1,906
Total operating revenues	11,438	11,761	11,512	9,234	7,697
OPERATING EXPENSES					
Sempra Utilities:					
Cost of natural gas	2,763	2,756	3,232	2,593	2,071
Cost of electric fuel and purchased power	699	721	624	576	541
Sempra Global and parent:					
Cost of natural gas, electric fuel and purchased power	1,302	1,221	1,321	1,032	559
Other cost of sales	988	1,468	1,267	597	540
Litigation expense	73	56	551	150	72
Other operating expenses	2,954	2,814	2,583	2,187	2,053
Depreciation and amortization	686	657	626	603	597
Franchise fees and other taxes	295	275	246	231	223
Gains on sale of assets, net	(6)	(1)	(112)	(15)	(16)
Impairment losses	5	9	85	8	45
Total operating expenses	9,759	9,976	10,423	7,962	6,685
Operating income	1,679	1,785	1,089	1,272	1,012
Other income (expense), net	81	381	51	32	(43)
Interest income	72	109	72	69	104
Interest expense	(272)	(351)	(310)	(320)	(302)
Preferred dividends of subsidiaries	(10)	(10)	(10)	(10)	(10)
Trust preferred distributions of subsidiary	-	-	-	-	(9)
Income from continuing operations before income taxes and equity in earnings (losses) of certain unconsolidated subsidiaries	1,550	1,914	892	1,043	752
Income tax expense	524	641	34	190	69
Equity in earnings (losses) of certain unconsolidated subsidiaries	99	(182)	55	62	62
Income from continuing operations	1,125	1,091	913	915	745
Discontinued operations, net of income tax	(26)	315	7	(20)	(50)
Income before cumulative effect of changes in accounting principles	1,099	1,406	920	895	695
Cumulative effect of changes in accounting principles, net of income tax	-	-	-	-	(46)
Net income	$ 1,099	$ 1,406	$ 920	$ 895	$ 649
Basic earnings per share:					
Income from continuing operations	$ 4.34	$ 4.25	$ 3.71	$ 4.01	$ 3.53
Discontinued operations, net of income tax	(0.10)	1.23	0.03	(0.09)	(0.24)
Cumulative effect of changes in accounting principles, net of income tax	-	-	-	-	(0.22)
Net income	$ 4.24	$ 5.48	$ 3.74	$ 3.92	$ 3.07
Weighted-average number of shares outstanding (thousands)	259,269	256,477	245,906	228,271	211,740
Diluted earnings per share:					
Income from continuing operations	$ 4.26	$ 4.17	$ 3.62	$ 3.92	$ 3.48
Discontinued operations, net of income tax	(0.10)	1.21	0.03	(0.09)	(0.24)
Cumulative effect of changes in accounting principles, net of income tax	-	-	-	-	(0.21)
Net income	$ 4.16	$ 5.38	$ 3.65	$ 3.83	$ 3.03
Weighted-average number of shares outstanding (thousands)	264,004	261,368	252,088	233,852	214,482
Dividends declared per share of common stock	$ 1.24	$ 1.20	$ 1.16	$ 1.00	$ 1.00

Consolidated Balance Sheets

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003	
Assets						
Current assets:						
Cash and cash equivalents	$ 668	$ 920	$ 769	$ 415	$ 405	
Restricted cash and short-term investments	1	4	12	15	386	*
Trade accounts receivable, net	960	938	973	930	733	
Other accounts and notes receivable, net	114	97	172	61	94	
Due from unconsolidated affiliates	-	-	3	4	-	
Income taxes receivable	99	-	-	-	-	
Deferred income taxes	247	270	134	23	-	
Interest receivable	4	40	29	80	62	
Trading assets	8,485	8,960	10,370	6,492	5,377	
Inventories	224	215	205	166	142	
Regulatory assets	106	193	255	255	233	
Other	430	317	294	213	149	
Current assets of continuing operations	11,338	11,954	13,216	8,654	7,581	
Current assets of discontinued operations	-	62	611	652	729	
Total current assets	11,338	12,016	13,827	9,306	8,310	
Investments and other assets:						
Due from unconsolidated affiliates	-	-	21	42	55	
Regulatory assets arising from fixed-price contracts and other derivatives	309	353	398	500	650	
Regulatory assets arising from pension and other postretirement benefit obligations	162	356	213	150	22	
Other regulatory assets	460	472	500	601	530	
Nuclear decommissioning trusts	739	702	638	612	570	
Investments	1,243	1,086	1,091	1,164	1,112	
Sundry	956	789	802	735	677	
Total investments and other assets	3,869	3,758	3,663	3,804	3,616	
Property, plant and equipment:						
Property, plant and equipment	20,917	18,916	17,136	15,772	14,904	
Accumulated depreciation and amortization	(6,033)	(5,741)	(5,380)	(5,035)	(4,777)	
Property, plant and equipment, net	14,884	13,175	11,756	10,737	10,127	
Total assets	$ 30,091	$ 28,949	$ 29,246	$ 23,847	$ 22,053	

* Includes the collateralized U.S. Treasury obligations on the Mesquite synthetic lease of $363.

Consolidated Balance Sheets (continued)

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Liabilities and Shareholders' Equity					
Current liabilities:					
Short-term debt	$ 1,064	$ 252	$ 1,043	$ 388	$ -
Accounts payable - trade	1,374	1,432	1,255	1,006	711
Accounts payable - other	189	155	139	105	62
Due to unconsolidated affiliates	60	7	-	205	1
Income taxes payable	-	9	86	201	342
Deferred income taxes	-	-	-	-	23
Trading liabilities	5,802	6,052	8,007	5,179	4,517
Dividends and interest payable	145	145	140	123	136
Regulatory balancing accounts, net	481	332	192	509	424
Fixed-price contracts and other derivatives	62	87	130	157	148
Current portion of long-term debt	7	681	98	395	1,429
Other	1,210	1,190	1,012	759	668
Current liabilities of continuing operations	10,394	10,342	12,102	9,027	8,461
Current liabilities of discontinued operations	-	7	151	156	201
Total current liabilities	10,394	10,349	12,253	9,183	8,662
Long-term debt	4,553	4,525	4,815	4,182	3,828
Deferred credits and other liabilities:					
Due to unconsolidated affiliates	102	162	162	162	362
Customer advances for construction	153	126	110	97	89
Pension and other postretirement benefit obligations, net of plan assets	434	609	391	375	364
Deferred income taxes	531	412	214	432	391
Deferred investment tax credits	61	67	73	78	84
Regulatory liabilities arising from removal obligations	2,522	2,330	2,313	2,692	2,541
Asset retirement obligations	1,129	1,128	958	326	313
Other regulatory liabilities	265	221	200	199	109
Fixed-price contracts and other derivatives	332	358	400	500	680
Deferred credits and other	949	961	1,014	577	561
Total deferred credits and other liabilities	6,478	6,374	5,835	5,438	5,494
Preferred stock of subsidiaries	179	179	179	179	179
Minority interests	148	11	4	-	-
Shareholders' Equity					
Common stock	3,198	3,245	2,958	2,301	2,028
Retained earnings	5,464	4,681	3,588	2,961	2,298
Deferred compensation	(22)	(25)	(28)	(32)	(35)
Accumulated other comprehensive income (loss)	(301)	(390)	(358)	(365)	(401)
Total shareholders' equity	8,339	7,511	6,160	4,865	3,890
Total liabilities and shareholders' equity	$ 30,091	$ 28,949	$ 29,246	$ 23,847	$ 22,053

Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Cash Flows from Operating Activities					
Net income	$ 1,099	$ 1,406	$ 920	$ 895	$ 649
Adjustments to reconcile net income to net cash provided by operating activities:					
Discontinued operations	26	(315)	(7)	20	50
Depreciation and amortization	686	657	626	603	597
Gains on sale of assets, net	(6)	(1)	(112)	(15)	(16)
Impairment losses	5	9	85	8	45
Deferred income taxes and investment tax credits	149	77	(298)	7	(99)
Noncash rate-reduction bond expense	55	60	68	75	68
Equity in income of unconsolidated subsidiaries	(90)	(156)	(66)	(36)	(5)
Cumulative effect of changes in accounting principles, net of tax	-	-	-	-	46
Other	41	38	(6)	23	28
Quasi-reorganization resolution	-	12	-	-	-
Net changes in other working capital components	25	(183)	(1,196)	(404)	(140)
Changes in other assets	22	20	21	(47)	(18)
Changes in other liabilities	79	42	458	(22)	(24)
Net cash provided by continuing operations	2,091	1,666	493	1,107	1,181
Net cash provided by (used in) discontinued operations	(3)	(37)	31	(98)	(2)
Net cash provided by operating activities	2,088	1,629	524	1,009	1,179
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(2,011)	(1,907)	(1,377)	(1,065)	(1,034)
Proceeds from sale of assets from continuing operations	103	40	277	377	29
Expenditures for investments and acquisition of subsidiaries, net of cash acquired	(121)	(257)	(86)	(74)	(202)
Distributions from investments	18	104	-	-	-
Purchases of nuclear decommissioning and other trust assets	(646)	(546)	(299)	(319)	(330)
Proceeds from sales by nuclear decommissioning and other trusts	613	503	262	262	283
Dividends received from unconsolidated affiliates	-	431	73	59	72
Increase in loans to unconsolidated affiliates, net	-	-	-	-	(99)
Other	(29)	(27)	(12)	10	3
Net cash used in continuing operations	(2,073)	(1,659)	(1,162)	(750)	(1,278)
Net cash provided by (used in) discontinued operations	-	793	(25)	140	(9)
Net cash used in investing activities	(2,073)	(866)	(1,187)	(610)	(1,287)
Cash Flows from Financing Activities					
Common dividends paid	(316)	(283)	(268)	(195)	(182)
Issuances of common stock	40	97	694	110	505
Repurchases of common stock	(185)	(37)	(95)	(5)	(7)
Issuances of long-term debt	404	552	762	997	900
Payments on long-term debt	(1,072)	(263)	(529)	(1,666)	(598)
Redemption of mandatorily redeemable preferred securities	-	-	(200)	-	-
Increase (decrease) in short-term debt, net	812	(791)	659	384	(537)
Financing transaction related to Sempra Financial	-	83	-	-	-
Other	21	28	(6)	(14)	(7)
Net cash provided by (used in) continuing operations	(296)	(614)	1,017	(389)	74
Net cash provided by discontinued operations	-	2	-	-	16
Net cash provided by (used in) financing activities	(296)	(612)	1,017	(389)	90
Increase (decrease) in cash and cash equivalents	(281)	151	354	10	(18)
Cash and cash equivalents, January 1	920	769	415	405	423
Cash assumed in connection with FIN 46(R) initial consolidation	29	-	-	-	-
Cash and cash equivalents, December 31	$ 668	$ 920	$ 769	$ 415	$ 405

Statements of Consolidated Cash Flows (continued)

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Changes in Other Working Capital Components					
(Excluding cash and cash equivalents, and debt due within one year)					
Accounts and notes receivable	$ (63)	$ 94	$ (79)	$ (285)	$ (176)
Net trading assets	303	(543)	(1,105)	(455)	59
Income taxes, net	(73)	(51)	(76)	(52)	71
Inventories	(9)	(3)	(38)	(27)	(12)
Regulatory balancing accounts	120	170	(321)	78	(155)
Regulatory assets and liabilities	-	4	(4)	(23)	(30)
Other current assets	(109)	(2)	(42)	(31)	(7)
Accounts payable	(82)	227	280	299	74
Other current liabilities	(62)	(79)	189	92	36
Net changes in other working capital components	$ 25	$ (183)	$ (1,196)	$ (404)	$ (140)
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	$ 380	$ 337	$ 294	$ 317	$ 290
Income tax payments, net of refunds	$ 443	$ 601	$ 429	$ 254	$ 295

Statements of Consolidated Comprehensive Income and Changes in Shareholders' Equity

Sempra Energy®

(Dollars in millions)	Comprehensive Income	Common Stock	Retained Earnings	Deferred Compensation Relating to ESOP	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2003		$ 2,028	$ 2,298	$ (35)	$ (401)	$ 3,890
Net income	$ 895		895			895
Comprehensive income adjustments:						
Foreign currency translation adjustments	40				40	40
Pension adjustment	28				28	28
Available-for-sale securities	4				4	4
Financial instruments	(36)				(36)	(36)
Comprehensive income	$ 931					
Common stock dividends declared			(232)			(232)
Quasi-reorganization adjustment		86				86
Issuance of common stock		172				172
Tax benefit related to employee stock options		16				16
Repurchase of common stock		(5)				(5)
Common stock released from ESOP		4		3		7
Balance at December 31, 2004		2,301	2,961	(32)	(365)	4,865
Net income	$ 920		920			920
Comprehensive income adjustments:						
Foreign currency translation adjustments	30				30	30
Available-for-sale securities	(4)				(4)	(4)
Financial instruments	(19)				(19)	(19)
Comprehensive income	$ 927					
Common stock dividends declared			(293)			(293)
Issuance of common stock		720				720
Tax benefit related to employee stock options		26				26
Repurchase of common stock		(95)				(95)
Common stock released from ESOP		6		4		10
Balance at December 31, 2005		2,958	3,588	(28)	(358)	6,160
Net income	$ 1,406		1,406			1,406
Comprehensive income adjustments:						
Foreign currency translation adjustments	(12)				(12)	(12)
Available-for-sale securities	18				18	18
Pension adjustment	(7)				(7)	(7)
Financial instruments	8				8	8
Comprehensive income	$ 1,413					
Adoption of FASB Statement No. 158					(39)	(39)
Adoption of FASB Statement No. 123 (R)		96				96
Common stock dividends declared			(313)			(313)
Quasi-reorganization adjustment		13				13
Issuance of common stock		175				175
Tax benefit related to employee stock options		32				32
Repurchase of common stock		(37)				(37)
Common stock released from ESOP		8		3		11
Balance at December 31, 2006		3,245	4,681	(25)	(390)	7,511
Adoption of FASB Statement No. 157			12			12
Adoption of FIN 48			(2)			(2)
Net income	$ 1,099		1,099			1,099
Comprehensive income adjustments:						
Foreign currency translation adjustments	38				38	38
Available-for-sale securities	10				10	10
Pension and other post retirement benefits	15				15	15
Financial instruments	26				26	26
Comprehensive income	$ 1,188					
Share-based compensation expense		43				43
Common stock dividends declared			(326)			(326)
Quasi-reorganization adjustment		(2)				(2)
Issuance of common stock		62				62
Tax benefit related to employee stock options		26				26
Repurchase of common stock		(185)				(185)
Common stock released from ESOP		9		3		12
Balance at December 31, 2007		$ 3,198	$ 5,464	$ (22)	$ (301)	$ 8,339

Schedule of Capitalization

(Dollars in millions)	December 31, 2007		2006		2005		2004		2003	
Capitalization										
Short-term debt	$ 1,064	7.4 %	$ 252	1.9 %	$ 1,043	8.5 %	$ 388	3.9 %	$ -	- %
Current portion of long-term debt	7	-	681	5.2	98	0.8	395	3.9	1,429	15.3
Long-term debt	4,553	31.9	4,525	34.4	4,815	39.1	4,182	41.8	3,828	41.1
Total debt	5,624	39.3	5,458	41.5	5,956	48.4	4,965	49.6	5,257	56.4
Preferred stock of subsidiaries	179	1.3	179	1.4	179	1.5	179	1.8	179	1.9
Minority interests	148	1.0	11	0.1	4	-	-	-	-	-
Shareholders' equity:										
Common stock	3,198	22.4	3,245	24.7	2,958	24.0	2,301	23.0	2,028	21.8
Retained earnings	5,464	38.2	4,681	35.5	3,588	29.2	2,961	29.5	2,298	24.6
Deferred compensation relating to ESOP	(22)	(0.1)	(25)	(0.2)	(28)	(0.2)	(32)	(0.3)	(35)	(0.4)
Accumulated other comprehensive income (loss)	(301)	(2.1)	(390)	(3.0)	(358)	(2.9)	(365)	(3.6)	(401)	(4.3)
Total shareholders' equity	8,339	58.4	7,511	57.0	6,160	50.1	4,865	48.6	3,890	41.7
Total capitalization	$ 14,290	100.0 %	$ 13,159	100.0 %	$ 12,299	100.0 %	$ 10,009	100.0 %	$ 9,326	100.0 %

Schedule of Coverage Ratios and Common Stock

	Years ended December 31,				
	2007	2006	2005	2004	2003
Interest coverage ratios *					
Before income taxes	7.06	5.93	4.05	4.45	3.70
After income taxes	5.14	4.11	3.95	3.86	3.47
Market price of common stock					
High	$ 66.38	$ 57.35	$ 47.86	$ 37.93	$ 30.90
Low	$ 50.95	$ 42.90	$ 35.53	$ 29.51	$ 22.25
Close	$ 61.88	$ 56.04	$ 44.84	$ 36.68	$ 30.06
Dividends declared per common share	$ 1.24	$ 1.20	$ 1.16	$ 1.00	$ 1.00
Dividend yield on common stock (at December 31)	2.0%	2.1%	2.6%	2.7%	3.3%
Dividend payout ratio (diluted) **	29.8%	22.3%	31.8%	26.1%	30.9%
Book value at December 31	$ 31.93	$ 28.67	$ 23.95	$ 20.77	$ 17.17
Return on common equity	13.9%	20.6%	16.7%	20.5%	19.3%
Ratio of market price to book value per share at December 31	1.94	1.95	1.87	1.77	1.75
Common shares outstanding at December 31 (millions)	261.2	262.0	257.2	234.2	226.6
Weighted average number of shares outstanding (diluted, in millions)	264.0	261.4	252.1	233.9	214.5
Average daily trading volume (shares)	1,537,247	1,023,821	1,104,518	951,297	993,072
Common shareholders at December 31 (estimate)	300,000	260,000	240,000	220,000	200,000

* Excludes interest expense, discontinued operations and cumulative effect of changes in accounting principles.

** Based on net income before cumulative effect of changes in accounting principles.

Schedule of Long-Term Debt

(Dollars in millions)	Original issue Date	Original issue Amount	Outstanding at 12/31/07	Redemption prices (at 12/31/07 unless otherwise noted)
First mortgage bonds:				
Variable rate (5.29% at December 31, 2007) December 1, 2009	12/10/04	$ 100	$ 100	
4.375% January 15, 2011	12/15/03	100	100	
Variable rates after fixed-to-floating rate swaps (3.88% at December 31, 2007) January 15, 2011	12/15/03	150	150	
4.8% October 1, 2012	10/7/02	250	250	
6.8% June 1, 2015	12/10/91	14	14	
5.3% November 15, 2015	11/17/05	250	250	
5.45% April 15, 2018	10/17/03	250	250	
Variable rate (3.80% at December 31, 2007) July 2018	9/21/06	161	161	100.00%
5.85% June 1, 2021	6/29/93	60	60	100.00%
6.0% June 1, 2026	6/8/06	250	250	
5% to 5.25% December 1, 2027	12/15/92	150	150	$105 on 12/01/15 at 102.00%; $45 on 12/02/13 at 102.00%
2.516% to 2.832%* January and February 2034	6/17/04	176	176	100.00%
5.35% May 15, 2035	5/19/05	250	250	
5.75% November 15, 2035	11/18/05	250	250	
6.125% September 15, 2037	9/20/07	250	250	
2.8275%* May 1, 2039	6/17/04	75	75	100.00%
Total			2,736	
Other long-term debt (unsecured unless otherwise noted):				
4.621% Notes May 17, 2007	1/31/03	400	400	
6.0% Notes February 1, 2013	2/23/00	300	300	
Notes at variable rates after fixed-to-floating swap (8.3% at December 31, 2006) March 1, 2010	5/21/04	300	300	
Notes at variable rates (5.85% at December 31, 2006) May 21, 2008	2/23/00	200	200	
4.75% Notes May 15, 2009	7/2/96	130	130	
7.95% Notes March 1, 2010	12/1/06	128	128	100.00%
5.9% June 1, 2014	11/21/96	60	60	102.00% at 06/02/14
Debt payable at 6.3% December 31, 2021				
Employee Stock Ownership Plan	Various	50	50	100.00% at 07/01/10
Bonds at 4.213% November 1, 2014	Various	80	33	100.00%
Bonds at variable rates (5.9% at December 31, 2006) November 1, 2014	8/2/96	39	39	102.00% at 06/02/14
6.37% Rate-reduction bonds, payable through 2007	Various	41	41	100%
5.5% December 1, 2021	10/1/97	25	25	102.00% at 03/01/14
5.3% July 1, 2021				
Notes at 3.92% to 5.05% payable 2010 through 2011	Various	284	9	
4.9% March 1, 2023	5/14/96	75	8	159.00%** at 05/14/16
4.75% May 14, 2016	1/15/98	75	5	
5.67% January 18, 2028	5/3/07	63	63	100.00%
Other debt	Various	47	28	
Market value adjustments for interest-rate swaps, net (expiring 2010 - 2011)			11	
Total			4,566	
Current portion of long-term debt			(7)	
Unamortized discount on long-term debt			(6)	
Total			$ 4,553	

* After floating-to-fixed rate swaps expiring in 2009.

** Denominated in Swiss Francs. Redemption price varies based on exhange rate.

*** After floating-to-fixed rate swaps expiring in 2019.

At the company's option, certain debt is callable subject to premiums at various dates: $674 million in 2008, $50 million in 2010 and $282 million after 2012. In addition, $3.2 billion of bonds are callable subject to make-whole provisions. In addition, the OMEC LLC project financing loan (included in Other Debt) with $63 million of borrowings at December 31, 2007, may be prepaid at the borrower's option.

Excluding market value adjustments for interest-rate swaps, maturities of long-term debt are $7 million in 2008, $423 million in 2009, $513 million in 2010, $270 million in 2011, $258 million in 2012 and $3.1 billion thereafter.

Selected Financial Data and Comparative Statistics 2003 - 2007

Southern California Gas Company A Sempra Energy utility®

(Dollars in millions, except average cost of natural gas)	Years ended December 31, 2007	2006	2005	2004	2003
Net income (before preferred dividends)	$ 231	$ 224	$ 212	$ 233	$ 210
Common dividends to parent	$ 250	$ 150	$ 200	$ 200	$ 200
Capital expenditures	$ 457	$ 413	$ 361	$ 311	$ 318
Weighted average rate base	$ 2,642	$ 2,477	$ 2,386	$ 2,351	$ 2,268
Authorized rate of return on:					
Rate base	8.68%	8.68%	8.68%	8.68%	8.68%
Common equity	10.82%	10.82%	10.82%	10.82%	10.82%
Achieved return on common equity	15.78%	15.58%	15.18%	16.94%	15.64%
Natural gas revenues					
Residential	$ 2,665	$ 2,732	$ 2,818	$ 2,579	$ 2,195
Commercial and industrial	1,207	1,205	1,269	1,066	925
Electric generation plants	72	74	49	54	49
Wholesale	59	44	61	45	34
Natural gas revenues in rates	4,003	4,055	4,197	3,744	3,203
Balancing accounts and other	279	126	420	253	338
Total operating revenues	$ 4,282	$ 4,181	$ 4,617	$ 3,997	$ 3,541
Natural gas volumes delivered (billion cubic feet)					
Residential	246	248	241	256	243
Commercial and industrial	388	379	375	381	379
Electric generation plants	204	183	142	178	179
Wholesale	142	136	141	156	138
Total	980	946	899	971	939
Core	625	350	343	358	339
Noncore	355	596	556	613	600
Total	980	946	899	971	939
Average cost of natural gas (per million British thermal units)	$ 6.39	$ 6.49	$ 7.71	$ 5.92	$ 5.05
Heating degree days	1,404	1,422	1,227	1,382	1,342
Customers at December 31,					
Residential	5,423,472	5,367,739	5,292,256	5,218,953	5,146,177
Commercial	242,364	240,723	239,051	237,618	235,880
Industrial	28,079	28,026	28,062	28,189	28,096
Electric generation plants and wholesale	50	29	31	30	31
Total number of customers	5,693,965	5,636,517	5,559,400	5,484,790	5,410,184

Statements of Consolidated Income

Southern California Gas Company A Sempra Energy utility®

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Operating revenues	$ 4,282	$ 4,181	$ 4,617	$ 3,997	$ 3,541
Operating expenses					
Cost of natural gas	2,420	2,410	2,830	2,283	1,830
Other operating expenses	1,020	951	954	908	916
Depreciation	281	267	264	255	289
Franchise fees and other taxes	125	121	121	114	106
Litigation expense	1	(2)	99	41	34
Gains on sale of assets	(2)	(5)	-	(15)	-
Impairment losses	-	-	2	2	1
Total operating expenses	3,845	3,742	4,270	3,588	3,176
Operating income	437	439	347	409	365
Other income (expense), net					
Regulatory interest, net	(6)	(6)	(3)	9	3
Allowance for equity funds used during construction	5	6	5	5	9
Sundry, net	(2)	(1)	(4)	(1)	(6)
Total	(3)	(1)	(2)	13	6
Interest income	27	29	12	4	34
Interest expense	(70)	(70)	(48)	(39)	(45)
Income before income taxes	391	397	309	387	360
Income tax expense	160	173	97	154	150
Net income	231	224	212	233	210
Preferred dividend requirements	1	1	1	1	1
Earnings applicable to common shares	$ 230	$ 223	$ 211	$ 232	$ 209

Consolidated Balance Sheets

Southern California Gas Company A Sempra Energy utility®

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Assets					
Current assets:					
Cash and cash equivalents	$ 59	$ 211	$ 90	$ 34	$ 32
Accounts receivable - trade	671	640	694	673	509
Accounts receivable - other	22	33	37	13	36
Interest receivable	-	10	9	31	30
Due from unconsolidated affiliates	129	108	1	-	22
Income taxes receivable	-	-	85	-	1
Deferred income taxes	33	42	20	17	-
Inventories	98	106	121	72	74
Regulatory assets arising from fixed-price contracts and other derivatives	-	-	52	97	85
Other regulatory assets	40	41	36	26	8
Other	22	18	15	10	9
Total current assets	1,074	1,209	1,160	973	806
Other assets:					
Regulatory assets arising from fixed-price contracts and other derivatives	-	-	-	52	148
Other regulatory assets	100	231	143	132	-
Pension plan assets in excess of benefit obligations	62	8	17	46	79
Sundry	16	11	16	15	20
Total other assets	178	250	176	245	247
Property, plant and equipment:					
Property, plant and equipment	8,446	8,148	7,762	7,369	7,120
Less accumulated depreciation	(3,292)	(3,248)	(3,091)	(2,954)	(2,824)
Property, plant and equipment, net	5,154	4,900	4,671	4,415	4,296
Total assets	$ 6,406	$ 6,359	$ 6,007	$ 5,633	$ 5,349

Consolidated Balance Sheets (continued)

Southern California Gas Company A Sempra Energy utility®

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Liabilities and Shareholders' Equity					
Current liabilities:					
Short-term debt	$ -	$ -	$ 88	$ 30	$ -
Accounts payable - trade	300	416	344	314	227
Accounts payable - other	130	114	76	65	44
Due to unconsolidated affiliates	171	74	102	55	55
Income taxes payable	26	13	-	63	-
Deferred income taxes	-	-	-	-	15
Regulatory balancing accounts, net	183	167	13	178	86
Fixed-price contracts and other derivatives	-	4	52	97	86
Customer deposits	90	88	80	49	43
Current portion of long-term debt	-	-	8	-	175
Other	310	300	280	267	280
Total current liabilities	1,210	1,176	1,043	1,118	1,011
Long-term debt	1,113	1,107	1,100	864	762
Deferred credits and other liabilities:					
Customer advances for construction	123	91	74	55	40
Pension and other postretirement benefit obligations, net of plan assets	58	172	89	84	21
Deferred income taxes	117	124	145	147	136
Deferred investment tax credits	33	36	38	41	44
Regulatory liabilities arising from removal obligations	1,187	1,019	1,097	1,446	1,392
Asset retirement obligations	562	655	504	8	10
Other regulatory liabilities	265	221	200	199	181
Fixed-price contracts and other derivatives	-	3	2	52	148
Deferred credits and other	268	265	298	212	228
Total deferred credits and other liabilities	2,613	2,586	2,447	2,244	2,200
Shareholders' equity:					
Preferred stock	22	22	22	22	22
Common stock (100 million shares authorized; 91 million shares outstanding; no par value)	866	866	866	866	866
Retained earnings	586	607	534	523	491
Accumulated other comprehensive income (loss)	(4)	(5)	(5)	(4)	(3)
Total shareholders' equity	1,470	1,490	1,417	1,407	1,376
Total liabilities and shareholders' equity	$ 6,406	$ 6,359	$ 6,007	$ 5,633	$ 5,349

Statements of Consolidated Cash Flows

Southern California Gas Company
A Sempra Energy utility®

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Cash Flows from Operating Activities					
Net income	$ 231	$ 224	$ 212	$ 233	$ 210
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	281	267	264	255	289
Deferred income taxes and investment tax credits	8	(24)	(9)	(17)	44
Gains on sale of assets	(2)	(5)	-	(15)	-
Other	5	6	2	2	1
Changes in other assets	-	(5)	15	1	(6)
Changes in other liabilities	37	31	115	(25)	(39)
Changes in working capital components:					
Accounts and interest receivable	(21)	51	(20)	(145)	(74)
Fixed-price contracts and other derivatives	-	-	-	(2)	(2)
Inventories	8	18	(49)	2	2
Other current assets	(2)	(7)	(1)	1	13
Accounts payable	(79)	83	49	107	36
Income taxes	38	98	(148)	62	42
Due to/from affiliates, net	1	(22)	(9)	(26)	37
Regulatory balancing accounts	(13)	185	(168)	93	(99)
Regulatory assets and liabilities	-	-	-	(23)	(24)
Customer deposits	3	8	31	6	(64)
Other current liabilities	(17)	(35)	(20)	(8)	19
Net cash provided by operating activities	478	873	264	501	385
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(457)	(413)	(361)	(311)	(318)
Decrease (increase) in loans to unconsolidated affiliates, net	(24)	(111)	-	51	34
Proceeds from sale of assets	2	11	-	7	5
Net cash used in investing activities	(479)	(513)	(361)	(253)	(279)
Cash Flows from Financing Activities					
Common dividends paid	(150)	(150)	(150)	(200)	(200)
Preferred dividends paid	(1)	(1)	(1)	(1)	(1)
Issuances of long-term debt	-	-	250	100	500
Payments on long-term debt	-	-	-	(175)	(395)
Increase (decrease) in short-term debt	-	(88)	58	30	-
Other	-	-	(4)	-	-
Net cash provided by (used in) financing activities	(151)	(239)	153	(246)	(96)
Increase in cash and cash equivalents	(152)	121	56	2	10
Cash and cash equivalents, January 1	211	90	34	32	22
Cash and cash equivalents, December 31	$ 59	$ 211	$ 90	$ 34	$ 32
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	$ 66	$ 63	$ 40	$ 43	$ 47
Income tax payments, net of refunds	$ 114	$ 99	$ 254	$ 111	$ 99

Selected Financial Data and Comparative Statistics 2003 - 2007

SDGE A Sempra Energy utility®

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Net income (before preferred dividends)	$ 288	$ 242	$ 267	$ 213	$ 340
Common dividends to parent	$ -	$ -	$ 75	$ 205	$ 200
Capital expenditures	$ 714	$ 1,070	$ 464	$ 414	$ 444
Weighted average rate base	$ 3,846	$ 3,474	$ 2,902	$ 2,755	$ 2,619
Authorized rate of return on:					
Rate base	8.23%	8.23%	8.18%	8.77%	8.77%
Common equity	10.70%	10.70%	10.37%	10.90%	10.90%
Achieved return on common equity	13.75%	13.95%	18.85%	16.24%	27.74%
Electric revenues					
Residential	$ 980	$ 910	$ 738	$ 692	$ 731
Commercial	852	723	654	644	674
Industrial	229	181	142	134	162
Other	130	143	125	116	98
Electric revenues	2,191	1,957	1,659	1,586	1,665
Balancing accounts and other	3	190	144	92	136
Total electric revenues	$ 2,194	$ 2,147	$ 1,803	$ 1,678	$ 1,801
Electric volumes (millions of kWhs)					
Residential	7,520	7,501	7,075	7,038	6,702
Commercial	7,154	6,983	6,674	6,592	6,263
Industrial	2,275	2,261	2,159	2,084	1,987
Other	3,327	3,492	3,306	3,538	3,421
Total	20,276	20,237	19,214	19,252	18,373
Cooling degree days	985	1,209	862	1,087	1,046
Electric customers at December 31,					
Residential	1,210,636	1,202,383	1,188,040	1,169,744	1,149,445
Commercial	146,302	144,121	140,858	138,706	136,149
Industrial	512	505	479	458	457
Other	7,455	7,855	8,695	9,605	10,195
Total number of electric customers	1,364,905	1,354,864	1,338,072	1,318,513	1,296,246

Selected Financial Data and Comparative Statistics 2003 - 2007 (continued)

(Dollars in millions, except average cost of natural gas)	Years ended December 31, 2007	2006	2005	2004	2003
Natural gas revenues					
Residential	$ 405	$ 397	$ 381	$ 332	$ 291
Commercial and industrial	167	176	179	146	132
Electric generation plants	41	46	42	38	33
Natural gas revenues in rates	613	619	602	516	456
Balancing accounts and other	45	19	107	80	51
Total natural gas revenues	$ 658	$ 638	$ 709	$ 596	$ 507
Natural gas volumes delivered (billion cubic feet)					
Residential	32	31	31	33	32
Commercial and industrial	21	22	21	22	21
Electric generation plants	60	65	60	74	62
Total	113	118	112	129	115
Core	50	49	49	52	49
Noncore	63	69	63	77	66
Total	113	118	112	129	115
Average cost of natural gas (per million British thermal units)	$ 7.17	$ 6.94	$ 8.67	$ 6.11	$ 5.14
Heating degree days	1,427	1,313	1,153	1,286	1,288
Natural gas customers at December 31,					
Residential	807,228	802,140	793,651	781,900	770,305
Commercial	29,274	29,154	29,600	29,630	29,532
Industrial	7	13	16	18	22
Off-system sales and transportation	939	675	364	210	184
Total number of natural gas customers	837,448	831,982	823,631	811,758	800,043

Statements of Consolidated Income

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Operating revenues					
Electric	$ 2,194	$ 2,147	$ 1,803	$ 1,678	$ 1,801
Natural gas	658	638	709	596	507
Total operating revenues	2,852	2,785	2,512	2,274	2,308
Operating expenses					
Cost of electric fuel and purchased power	699	721	624	576	541
Cost of natural gas	392	380	456	347	274
Other operating expenses	797	774	603	574	611
Depreciation and amortization	301	291	264	259	242
Franchise fees and other taxes	155	140	119	113	114
Litigation expense	10	3	52	19	17
Gain on sale of assets	(2)	(1)	(1)	(1)	(9)
Impairment losses (adjustments)	-	-	2	(6)	3
Total operating expenses	2,352	2,308	2,119	1,881	1,793
Operating income	500	477	393	393	515
Other income, net					
Regulatory interest, net	(7)	(3)	(3)	(6)	(5)
Allowance for equity funds used during construction	17	10	9	9	12
Sundry, net	1	1	8	8	(3)
Total	11	8	14	11	4
Interest income	8	6	23	25	42
Interest expense	(96)	(97)	(74)	(68)	(73)
Income before income taxes	423	394	356	361	488
Income tax expense	135	152	89	148	148
Net income	288	242	267	213	340
Preferred dividend requirements	5	5	5	5	6
Earnings applicable to common shares	$ 283	$ 237	$ 262	$ 208	$ 334

Consolidated Balance Sheets

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Assets					
Current assets:					
Cash and cash equivalents	$ 158	$ 9	$ 236	$ 9	$ 148
Accounts receivable - trade	207	206	188	185	173
Accounts receivable - other	49	26	83	30	17
Interest receivable	1	15	17	55	37
Due from unconsolidated affiliates	22	24	32	30	151
Income taxes receivable	56	25	-	-	-
Deferred income taxes	67	41	7	-	-
Inventories	113	97	78	88	60
Regulatory assets arising from fixed-price contracts and other derivatives	52	83	76	55	59
Other regulatory assets	14	69	91	77	81
Other	60	71	39	31	27
Total current assets	799	666	847	560	753
Other assets:					
Due from unconsolidated affiliate	5	5	-	-	-
Deferred taxes recoverable in rates	312	318	294	278	271
Regulatory assets arising from fixed-price contracts and other derivatives	309	353	398	448	502
Regulatory assets arising from pensions and other postretirement benefit obligations	162	220	165	150	22
Other regulatory assets	48	59	111	191	259
Nuclear decommissioning trusts	739	702	638	612	570
Sundry	123	72	66	58	42
Total other assets	1,698	1,729	1,672	1,737	1,666
Property, plant and equipment:					
Property, plant and equipment	8,282	7,495	6,931	6,359	5,781
Accumulated depreciation and amortization	(2,271)	(2,095)	(1,958)	(1,822)	(1,739)
Property, plant and equipment, net	6,011	5,400	4,973	4,537	4,042
Total assets	$ 8,508	$ 7,795	$ 7,492	$ 6,834	$ 6,461

Consolidated Balance Sheets (continued)

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Liabilities and Shareholders' Equity					
Current liabilities:					
Short-term debt	$ -	$ 72	$ -	$ -	$ -
Accounts payable	290	273	243	200	193
Due to unconsolidated affiliates	10	5	441	15	-
Income taxes payable	-	-	6	225	217
Deferred income taxes	-	-	-	15	26
Regulatory balancing accounts, net	298	165	179	331	338
Fixed-price contracts and other derivatives	61	83	76	55	59
Customer deposits	52	47	52	45	40
Mandatorily redeemable preferred securities	14	3	3	3	3
Current portion of long-term debt	-	66	66	66	66
Other	259	287	279	253	239
Total current liabilities	984	1,001	1,345	1,208	1,181
Long-term debt	1,958	1,638	1,455	1,022	1,087
Deferred credits and other liabilities:					
Due to unconsolidated affiliates	-	-	-	267	21
Customer advances for construction	33	38	39	45	49
Pension and other postretirement benefit obligations, net of plan assets	190	249	194	179	156
Deferred income taxes	506	520	591	522	485
Deferred investment tax credits	29	31	34	37	40
Regulatory liabilities arising from removal obligations	1,335	1,311	1,216	1,246	1,149
Asset retirement obligations	554	462	444	318	303
Fixed-price contracts and other derivatives	329	353	398	448	502
Mandatorily redeemable preferred securities	-	14	16	19	21
Deferred credits and other	176	184	198	147	124
Total deferred credits and other liabilities	3,152	3,162	3,130	3,228	2,850
Minority interest	135	-	-	-	-
Shareholders' Equity					
Preferred stock not subject to mandatory redemption	79	79	79	79	79
Common stock (255 million shares authorized, 117 million shares outstanding)	1,138	1,138	938	938	938
Retained earnings	1,078	796	559	372	369
Accumulated other comprehensive income (loss)	(16)	(19)	(14)	(13)	(43)
Total shareholders' equity	2,279	1,994	1,562	1,376	1,343
Total liabilities and shareholders' equity	$ 8,508	$ 7,795	$ 7,492	$ 6,834	$ 6,461

Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Cash Flows from Operating Activities					
Net income	$ 288	$ 242	$ 267	$ 213	$ 340
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	301	291	264	259	242
Deferred income taxes and investment tax credits	(40)	(130)	37	-	(29)
Noncash rate-reduction bond expense	55	60	68	75	68
Other	12	3	(3)	(7)	(6)
Changes in other assets	5	9	13	(53)	(3)
Changes in other liabilities	(5)	(16)	37	(25)	(7)
Changes in working capital components:					
Accounts and interest receivable	(44)	41	(17)	(42)	(46)
Due to/from affiliates, net	7	(12)	(1)	13	2
Inventories	(16)	(19)	10	(27)	(14)
Other current assets	6	(19)	(16)	(1)	(23)
Income taxes	(31)	(32)	(231)	15	8
Accounts payable	10	9	28	6	34
Regulatory balancing accounts	133	(14)	(152)	(15)	(56)
Other current liabilities	(21)	(16)	34	24	57
Net cash provided by operating activities	660	397	338	435	567
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(714)	(1,070)	(464)	(414)	(444)
Purchases of nuclear decommissioning trust assets	(587)	(481)	(230)	(244)	(271)
Proceeds from sales by nuclear decommissioning trusts	592	484	234	247	277
Decrease (increase) in loans to unconsolidated affiliates, net	-	(1)	1	122	129
Proceeds from sale of assets	2	1	1	-	4
Net cash used in investing activities	(707)	(1,067)	(458)	(289)	(305)
Cash Flows from Financing Activities					
Capital contribution	-	200	-	-	-
Common dividends paid	-	-	(75)	(205)	(200)
Preferred dividends paid	(5)	(5)	(5)	(5)	(6)
Redemptions of preferred stock	(3)	(3)	(3)	(3)	(1)
Issuances of long-term debt	313	411	500	251	-
Payments on long-term debt	(66)	(227)	(66)	(317)	(66)
Increase in short-term debt, net	(72)	72	-	-	-
Other	-	(5)	(4)	(6)	-
Net cash provided by (used in) financing activities	167	443	347	(285)	(273)
Increase (decrease) in cash and cash equivalents	120	(227)	227	(139)	(11)
Cash and cash equivalents, January 1	9	236	9	148	159
Cash assumed in connection with FIN 46(R) initial consolidation	29	-	-	-	-
Cash and cash equivalents, December 31	$ 158	$ 9	$ 236	$ 9	$ 148
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	$ 85	$ 91	$ 66	$ 63	$ 68
Income tax payments, net of refunds	$ 206	$ 313	$ 291	$ 129	$ 167

Selected Financial Data and Comparative Statistics 2003 - 2007

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Margin *					
Geographical					
North America	$ 1,202	$ 1,313	$ 1,091	$ 689	$ 439
Europe and Asia	359	325	255	338	172
Total	$ 1,561	$ 1,638	$ 1,346	$ 1,027	$ 611
Product line					
Gas	$ 570	$ 792	$ 439	$ 318	$ 146
Power	460	431	443	170	137
Oil - crude and products	195	198	292	268	128
Metals	292	138	54	180	96
Other	44	79	118	91	104
Total	$ 1,561	$ 1,638	$ 1,346	$ 1,027	$ 611
Reconciliation of GAAP information to margin					
Revenues	$ 2,674	$ 3,256	$ 2,724	$ 1,689	$ 1,227
Cost of sales	(988)	(1,468)	(1,267)	(597)	(542)
	1,686	1,788	1,457	1,092	685
Other related costs	(125)	(150)	(111)	(65)	(74)
Margin *	$ 1,561	$ 1,638	$ 1,346	$ 1,027	$ 611
Net income	$ 499	$ 504	$ 460	$ 320	$ 128 **
Physical statistics					
Natural gas (billions of cubic feet/day)	13.4	12.0	11.7	13.0	13.3
Electricity (billions of kWhs)	519.1	475.5	413.2	373.7	324.4
Oil and liquid products (millions of bbls/day)	0.7	0.7	1.0	2.1	1.7
At December 31,					
Trading assets	$ 8,573	$ 9,012	$ 10,414	$ 6,510	$ 5,450
Trading liabilities	5,859	6,135	8,107	5,188	4,525
Net trading assets	$ 2,714	$ 2,877	$ 2,307	$ 1,322	$ 925

* Margin is a non-GAAP financial measure, consisting of operating revenues less cost of sales (primarily transportation and storage costs), both GAAP financial measures, reduced by certain transaction-related execution costs (primarily brokerage and other fees) and net interest income/expense.

** After a $29 charge for the cumulative effect of change in accounting principle from implementing a new accounting pronouncement.

Sempra Energy Trading and Sempra Energy Solutions, doing business as Sempra Commodities, are not the same company as the utility, SDG&E or SoCalGas, and Sempra Energy Trading is not regulated by the California Public Utilities Commission.

Sempra Energy Solutions is not the same company as the utility, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of Sempra Energy Solutions' products and services.

Statements of Consolidated Income

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Operating revenues	$ 2,674	$ 3,256	$ 2,724	$ 1,689	$ 1,227
Operating expenses					
Cost of sales	988	1,468	1,267	597	542
Litigation expense	58	10	38	17	15
Other operating expenses	860	869	811	556	414
Depreciation and amortization	26	25	28	23	23
Losses (gains) on sale of assets, net	-	7	(106)	-	(10)
Total operating expenses	1,932	2,379	2,038	1,193	984
Operating income	742	877	686	496	243
Other income, net	-	(1)	1	-	-
Interest income	17	10	14	10	12
Interest expense	(48)	(72)	(49)	(25)	(31)
Income before income taxes and equity in earnings (losses) of certain unconsolidated subsidiaries	711	814	652	481	224
Income tax expense	252	294	192	161	67
Equity in earnings (losses) of certain unconsolidated subsidiaries	40	(16)	-	-	-
Income before cumulative effect of a change in accounting principle	499	504	460	320	157
Cumulative effect of change in accounting principle, net of income tax	-	-	-	-	(29)
Net income	$ 499	$ 504	$ 460	$ 320	$ 128

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Consolidated Balance Sheets

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Assets					
Current assets:					
Cash and cash equivalents	$ 393	$ 177	$ 143	$ 272	$ 91
Due from unconsolidated affiliates	171	161	179	245	181
Trading assets	8,573	9,012	10,414	6,510	5,450
Income taxes receivable	-	-	-	-	46
Other	261	205	216	155	96
Total current assets	9,398	9,555	10,952	7,182	5,864
Property, plant and equipment, net	100	83	88	209	101
Goodwill	165	165	165	165	165
Other assets	322	78	57	16	14
Total assets	$ 9,985	$ 9,881	$ 11,262	$ 7,572	$ 6,144
Liabilities and Shareholder's Equity					
Current liabilities:					
Short-term debt	$ 422	$ 180	$ 82	$ 139	$ -
Accounts payable and other current liabilities	731	703	630	444	234
Income taxes payable	128	244	166	7	49
Trading liabilities	5,859	6,135	8,107	5,188	4,525
Due to unconsolidated affiliates	105	420	668	579	430
Total current liabilities	7,245	7,682	9,653	6,357	5,238
Other liabilities	69	86	22	53	32
Shareholder's equity	2,671	2,113	1,587	1,162	874
Total liabilities and shareholder's equity	$ 9,985	$ 9,881	$ 11,262	$ 7,572	$ 6,144

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Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Cash Flows from Operating Activities					
Net income	$ 499	$ 504	$ 460	$ 320	$ 128
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	26	25	28	23	23
Losses (gains) on sale of assets, net	-	7	(106)	-	(10)
Deferred income taxes and investment tax credits	(38)	(16)	(111)	57	70
Equity in (income) losses of unconsolidated subsidaries	(40)	16	-	-	-
Cumulative effect of change in accounting principle, net of tax	-	-	-	-	29
Other	(32)	-	-	-	-
Changes in other liabilities	(1)	18	-	-	-
Net changes in working capital components	155	(316)	(746)	(497)	(17)
Net cash provided by (used in) operating activities	569	238	(475)	(97)	223
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(43)	(29)	(57)	(126)	(51)
Proceeds from sale of assets	71	12	253	-	18
Expenditures for investments and acquisition of subsidiaries, net of cash acquired	(21)	(24)	(15)	(5)	-
Decrease (increase) in loans to unconsolidated affiliates, net	(264)	(12)	-	174	(94)
Other	-	-	-	-	2
Net cash provided by (used in) investing activities	(257)	(53)	181	43	(125)
Cash Flows from Financing Activities					
Increase (decrease) in short-term debt, net	241	99	(52)	133	(116)
Increase (decrease) in loans from affiliates, net	(337)	(250)	217	81	(58)
Issuance of long-term debt	-	-	-	21	-
Other	-	-	-	-	(2)
Net cash provided by (used in) financing activities	(96)	(151)	165	235	(176)
Increase (decrease) in cash and cash equivalents	216	34	(129)	181	(78)
Cash and cash equivalents, January 1	177	143	272	91	169
Cash and cash equivalents, December 31	$ 393	$ 177	$ 143	$ 272	$ 91

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Statements of Consolidated Income

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Operating revenues	$ 1,476	$ 1,454	$ 1,708	$ 1,472	$ 587
Operating expenses					
Cost of sales	1,059	1,019	1,209	1,088	395
Other operating expenses	102	96	99	85	70
Litigation expense	1	38	43	29	5
Depreciation and amortization	56	46	39	28	6
Impairment losses	-	-	66	-	-
Other	7	5	4	-	4
Total operating expenses	1,225	1,204	1,460	1,230	480
Operating income	251	250	248	242	107
Other income (expense), net	-	1	2	1	1
Equity in income (losses) of unconsolidated subsidiaries	9	354 *	25	3	(6)
Interest income	28	32	5	7	17
Interest expense	(15)	(19)	(28)	(34)	(28)
Income before income taxes	273	618	252	219	91
Income tax expense	111	243	103	87	22
Income before cumulative effect of change in accounting principle	162	375	149	132	69
Cumulative effect of change in accounting principle, net of income tax	-	-	-	-	9
Net income	$ 162	$ 375	$ 149	$ 132	$ 78
Net income (loss) by type of operation:					
Power generation	$ 152	$ 366	$ 144	$ 129	$ 73
Oil and gas	10	8	4	4	8
Other	-	1	1	(1)	(3)
Net income	$ 162	$ 375	$ 149	$ 132	$ 78

* Includes a $344 gain on sale of the Topaz power plants.

Sempra Generation is not the same company as the utility, SDG&E or SoCalGas, and Sempra Generation is not regulated by the California Public Utilities Commission.

Consolidated Balance Sheets

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003	
Assets						
Current assets:						
Cash and cash equivalents	$ 1	$ -	$ 4	$ 4	$ 6	
Short-term investments	-	-	-	-	363	*
Accounts receivable	58	67	69	50	69	
Due from unconsolidated affiliates	13	647	492	409	90	
Income taxes receivable	27	-	-	-	38	
Fixed-price contracts and other derivatives with unconsolidated affiliate	95	89	132	17	3	
Other	27	40	20	18	5	
Total current assets	221	843	717	498	574	
Investments and other assets	296	304	372	366	297	
Due from unconsolidated affiliates	-	-	-	267	-	
Property, plant and equipment, net	1,242	1,224	1,224	1,129	1,275	**
Total assets	$ 1,759	$ 2,371	$ 2,313	$ 2,260	$ 2,146	
Liabilities and Shareholder's Equity						
Current liabilities:						
Accounts payable	$ 75	$ 27	$ 20	$ 80	$ 20	
Due to unconsolidated affiliates	40	4	606	1,021	514	
Income taxes payable	1	46	32	10	-	
Current portion of long-term debt	-	-	-	-	630	**
Fixed-price contracts and other derivatives with unconsolidated affiliate	53	45	80	14	-	
Other	19	50	84	7	7	
Total current liabilities	188	172	822	1,132	1,171	
Due to unconsolidated affiliates	206	207	218	-	-	
Other liabilities	166	159	120	126	83	
Shareholder's equity	1,199	1,833	1,153	1,002	892	
Total liabilities and shareholder's equity	$ 1,759	$ 2,371	$ 2,313	$ 2,260	$ 2,146	

* Represents the collateralized U.S. Treasury obligations on the Mesquite synthetic lease.

** As a result of implementing FIN 46, the Mesquite Trust was consolidated, which resulted in increases in total assets and total liabilities of $643 and $630, respectively, in 2003.

Sempra Generation is not the same company as the utility, SDG&E or SoCalGas, and Sempra Generation is not regulated by the California Public Utilities Commission.

Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Cash Flows from Operating Activities					
Net income	$ 162	$ 375	$ 149	$ 132	$ 78
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	56	46	39	28	6
Impairment losses	-	-	66	-	-
Deferred income taxes	29	20	(8)	35	79
Fixed-price contracts and other derivatives (income) loss	2	9	(49)	(1)	(3)
Equity in (income) losses of unconsolidated subsidiaries	(9)	(354)	(25)	(3)	6
Cumulative effect of change in accounting principle, net of tax	-	-	-	-	(9)
Other	(6)	-	2	(50)	10
Changes in other assets	-	5	(11)	(20)	(13)
Changes in other liabilities	3	6	(1)	-	1
Net changes in working capital components	(13)	427	16	62	(51)
Net cash provided by operating activities	224	534	178	183	104
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(13)	(40)	(158)	(125)	(135)
Proceeds from sale of assets	1	-	-	363	-
Expenditures for investments and acquisitions of subsidiaries, net of cash acquired	-	-	(71)	(53)	(156)
Dividends received from unconsolidated affiliates	-	411	43	4	-
Decrease (increase) in loans to unconsolidated affiliates, net	590	(582)	487	(531)	108
Distributions from investment	14	-	-	-	-
Other	(23)	(27)	(25)	-	1
Net cash provided by (used in) investing activities	569	(238)	276	(342)	(182)
Cash Flows from Financing Activities					
Increase (decrease) in loans from unconsolidated affiliates, net	18	(75)	(300)	737	183
Payments on long-term debt	-	-	(122)	(630)	(100)
Capital contributions	(810)	(225)	(32)	50	-
Other	-	-	-	-	1
Net cash provided by (used in) financing activities	(792)	(300)	(454)	157	84
Increase (decrease) in cash and cash equivalents	1	(4)	-	(2)	6
Cash and cash equivalents, January 1	-	4	4	6	-
Cash and cash equivalents, December 31	$ 1	$ -	$ 4	$ 4	$ 6

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Selected Financial Data and Comparative Statistics 2003 - 2007

Sempra℠ Pipelines & Storage

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Net income (loss)					
Peru	$ 27	$ 24	$ 21	$ 29	$ 25
Argentina	7	(215) **	11	21	20
Mexico	25	30	23	23	16
Chile	28	25	25	16	14
U.S. operations and other costs	(23)	(29)	(16)	(25)	(20)
Total	$ 64	$ (165)	$ 64	$ 64	$ 55
Natural gas operations *					
Revenues					
Argentina	$ 227	$ 207	$ 244	$ 206	$ 186
Mexico	291	268	292	237	184
Chile	14	20	18	16	14
Total	$ 532	$ 495	$ 554	$ 459	$ 384
Volumes delivered (billion cubic feet)					
Argentina	320	278	272	251	232
Mexico	46	44	42	42	40
Chile	1	2	3	3	3
Total	367	324	317	296	275
Customers (in thousands, at December 31)					
Argentina	1,603	1,542	1,495	1,449	1,404
Mexico	96	101	98	97	95
Chile	39	39	38	37	37
Total	1,738	1,682	1,631	1,583	1,536
Electric operations *					
Revenues					
Peru	$ 431	$ 441	$ 379	$ 327	$ 319
Chile	391	242	231	159	132
Total	$ 822	$ 683	$ 610	$ 486	$ 451
Volumes (millions of kWhs)					
Peru	5,078	5,108	4,298	4,044	4,032
Chile	2,500	2,324	2,289	1,959	1,832
Total	7,578	7,432	6,587	6,003	5,864
Customers (in thousands, at December 31)					
Peru	809	788	767	748	732
Chile	549	534	521	508	496
Total	1,358	1,322	1,288	1,256	1,228

* Represents 100 percent of these subsidiaries, although only the Mexican subsidiaries are 100% owned by Sempra Energy. Except for the Mexican subsidiaries, these subsidiaries are not consolidated within Sempra Energy and the related investments are accounted for under the equity method. U.S. operations are not shown due to immateriality.

** Includes $221 impairment loss associated with Sempra Pipelines & Storage's Argentine investments.

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Statements of Consolidated Income

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Natural gas and other revenues	$ 314	$ 295	$ 317	$ 260	$ 202
Operating expenses					
Cost of natural gas	255	233	261	205	163
Other operating expenses	42	36	37	38	39
Depreciation and amortization	11	12	12	12	11
Other	-	7	3	-	(2)
Total operating expenses	308	288	313	255	211
Operating income (loss)	6	7	4	5	(9)
Other income (expense), net	(1)	2	2	2	2
Interest income	14	18	17	17	16
Interest expense	(16)	(14)	(16)	(17)	(20)
Income (loss) before income taxes and equity in earnings of unconsolidated subsidiaries	3	13	7	7	(11)
Income tax (benefit)	(2)	12	3	5	(4)
Equity in earnings (losses) of certain unconsolidated subsidiaries	59	(166)	55	62	62
Net income (loss)	$ 64	$ (165)	$ 59	$ 64	$ 55

Sempra Pipelines & Storage is not the same company as the utility, SDG&E or SoCalGas, and Sempra Pipelines & Storage is not regulated by the California Public Utilities Commission.

Consolidated Balance Sheets

Sempra℠ Pipelines & Storage

(Dollars in millions)	December 31, 2007	2006	2005	2004	2003
Assets					
Current assets:					
Cash and cash equivalents	$ 49	$ 91	$ 113	$ 71	$ 63
Accounts receivable	42	40	43	35	33
Due from unconsolidated affiliates	12	8	23	18	22
Deferred income taxes	84	87	1	-	-
Other	88	11	26	9	15
Total current assets	275	237	206	133	133
Investments and other assets	879	775	706	650	621
Due from unconsolidated affiliates	405	695	494	108	74
Property, plant and equipment, net	728	448	269	261	259
Total assets	$ 2,287	$ 2,155	$ 1,675	$ 1,152	$ 1,087
Liabilities and Shareholder's Equity					
Current liabilities:					
Accounts payable	$ 62	$ 39	$ 28	$ 26	$ 24
Due to unconsolidated affiliates	503	637	524	167	189
Other	206 *	217 *	22	18	16
Total current liabilities	771	893	574	211	229
Long-term debt	169	160	12	-	-
Other noncurrent liabilities:					
Due to unconsolidated affiliates	235	567	264	162	162
Minority interest	13	11	4	-	-
Other	62	41	35	2	2
Total other noncurrent liabilities	310	619	303	164	164
Shareholder's equity	1,037	483	786	777	694
Total liabilities and shareholder's equity	$ 2,287	$ 2,155	$ 1,675	$ 1,152	$ 1,087

* Includes $190 related to impairment of Sempra Pipelines & Storage's Argentine investments.

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Statements of Consolidated Cash Flows

Sempra℠ Pipelines & Storage

(Dollars in millions)	Years ended December 31, 2007	2006	2005	2004	2003
Cash Flows from Operating Activities					
Net income (loss)	$ 64	$ (165)	$ 64	$ 64	$ 55
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	11	12	12	12	11
Deferred income taxes	30	12	23	2	5
Equity in (income) losses of unconsolidated subsidiaries	(55)	165	(55)	(62)	(62)
Foreign currency loss (gain)	-	-	-	(1)	8
Other	-	1	(1)	(8)	(3)
Changes in other assets	20	-	-	-	-
Changes in other liabilities	(1)	-	7	1	-
Net changes in working capital components	23	33	2	(7)	(22)
Net cash provided by (used in) operating activities	92	58	52	1	(8)
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(267)	(181)	(18)	(20)	(22)
Proceeds from sale of assets	-	-	4	-	-
Expenditures for investments and acquisition of subsidiaries, net of cash acquired	(100)	(233)	-	-	(23)
Distribution from investment	-	104	-	-	-
Decrease (increase) in loans to unconsolidated affiliates, net	186	(348)	(485)	29	-
Dividends received	-	18	28	55	71
Net cash provided by (used in) investing activities	(181)	(640)	(471)	64	26
Cash Flows from Financing Activities					
Increase (decrease) in loans from unconsolidated affiliates, net	(65)	415	445	(57)	(17)
Capital contribution	101	-	-	-	-
Issuances of long-term debt	9	141	12	-	-
Other	2	4	4	-	-
Net cash provided by (used in) financing activities	47	560	461	(57)	(17)
Increase (decrease) in cash and cash equivalents	(42)	(22)	42	8	1
Cash and cash equivalents, January 1	91	113	71	63	62
Cash and cash equivalents, December 31	$ 49	$ 91	$ 113	$ 71	$ 63

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Shareholder Information and Research Coverage

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News and Information
To hear corporate news reports and stock updates or to request materials, call 877-773-6397. Sempra Energy's Annual Report to the Securities and Exchange Commission (Form 10-K) is available to shareholders at no charge through the Investor section of Sempra Energy's website (www.Sempra.com) or by writing to Shareholder Services.

Preferred and Preference Stock of Subsidiaries
SDG&E preferred and preference stocks are listed on the American Stock Exchange under the ticker symbol SDO. The 4.6% preferred and $1.70 preference series are not listed and trade over-the-counter. PE preferred stock is listed on the American Stock Exchange under the ticker symbol PET. SoCalGas preferred stocks are not listed on any exchange and trade over-the-counter.

Research Coverage
The following firms provide equity investment research coverage of Sempra Energy:

Argus Research Corp.
Banc of America Securities, LLC
BMO Capital Markets
Citigroup
Deutsche Bank
Goldman Sachs & Co.
J.P. Morgan
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