

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

FORM 10-Q

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

For the quarterly period ended September 30, 2000

Commission file number 1-1402

SOUTHERN CALIFORNIA GAS COMPANY

(Exact name of registrant as specified in its charter)

California

95-1240705

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

555 West Fifth Street, Los Angeles, California 90013-1011

(Address of principal executive offices)  
(Zip Code)

(213) 244-1200

(Registrant's telephone number, including area code)

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

Yes  No

Common stock outstanding: Wholly owned by Pacific Enterprises

PART I FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS.

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES  
STATEMENTS OF CONSOLIDATED INCOME  
Dollars in millions

|   | Three Months Ended<br>September 30, |       |
|---|-------------------------------------|-------|
|   | 2000                                | 1999  |
| Operating Revenues                                  | \$722                               | \$562 |
| Expenses  |                                     |       |
| Cost of natural gas distributed                     | 349                                 | 188   |
| Operation and maintenance                           | 175                                 | 179   |
| Depreciation  | 65                                  | 65    |
| Income taxes  | 45                                  | 42    |
| Other taxes and franchise payments                  | 19                                  | 20    |
| Total   | 653                                 | 494   |
| Operating Income                                    | 69                                  | 68    |
| Other Income and (Deductions)                       |                                     |       |
| Interest income                                     | 9                                   | 5     |
| Regulatory interest                                 | (4)                                 | (4)   |
| Allowance for equity funds used during construction | 1                                   | --    |
| Taxes on non-operating income                       | (2)                                 | (1)   |
| Other - net   | (2)                                 | 1     |

|   |       |       |
|---|-------|-------|
| Total   | 2     | 1     |
| Income Before Interest Charges                        | 71    | 69    |
| Interest Charges                                      |       |       |
| Long-term debt  | 17    | 19    |
| Other   | 2     | 2     |
| Allowance for borrowed funds used during construction | (1)   | --    |
| Total   | 18    | 21    |
| Net income  | \$ 53 | \$ 48 |

See notes to Consolidated Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES  
STATEMENTS OF CONSOLIDATED INCOME  
Dollars in millions

|   | Nine Months Ended<br>September 30, |         |
|---|------------------------------------|---------|
|   | 2000                               | 1999    |
| Operating Revenues                                    | \$2,050                            | \$1,793 |
| Expenses  |                                    |         |
| Cost of natural gas distributed                       | 959                                | 685     |
| Operating and maintenance                             | 492                                | 524     |
| Depreciation  | 196                                | 194     |
| Income taxes  | 132                                | 123     |
| Other taxes and franchise payments                    | 69                                 | 65      |
| Total   | 1,848                              | 1,591   |
| Operating Income                                      | 202                                | 202     |
| Other Income and (Deductions)                         |                                    |         |
| Interest income                                       | 20                                 | 12      |
| Regulatory interest                                   | (9)                                | (12)    |
| Allowance for equity funds used during construction   | 2                                  | 2       |
| Taxes on non-operating income                         | (6)                                | --      |
| Other - net   | (2)                                | (1)     |
| Total   | 5                                  | 1       |
| Income Before Interest Charges                        | 207                                | 203     |
| Interest Charges                                      |                                    |         |
| Long-term debt  | 52                                 | 57      |
| Other   | 6                                  | 5       |
| Allowance for borrowed funds used during construction | (2)                                | (1)     |
| Total   | 56                                 | 61      |
| Net Income  | 151                                | 142     |
| Preferred Dividend Requirements                       | 1                                  | 1       |
| Earnings Applicable to Common Shares                  | \$150                              | \$141   |

See notes to Consolidated Financial Statements.

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED STATEMENT OF CONSOLIDATED INCOME, BALANCE SHEET AND CASH FLOWS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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SOUTHERN CALIFORNIA GAS COMPANY

1,000,000

| 9-MOS | DEC-31-2000 | SEP-30-2000 | PER-BOOK |
|-------|-------------|-------------|----------|
|       | 2,756       |             |          |
|       | 0           |             |          |
|       | 845         |             |          |
|       | 61          |             |          |
|       |             | 68          |          |
|       |             | 3,730       |          |
|       |             |             | 835      |
|       | 0           |             |          |
|       | 497         |             |          |
| 1,348 |             |             |          |
|       | 0           |             |          |
|       | 940         |             | 22       |
|       | 0           |             |          |
| 0     | 0           |             |          |
| 0     | 0           |             |          |
|       | 0           |             |          |
|       |             | 0           |          |
| 1,420 |             |             |          |
| 3,730 |             |             |          |
|       | 2,050       |             |          |
|       |             | 132         |          |
|       | 1,716       |             |          |
|       | 1,848       |             |          |
|       | 202         |             |          |
|       |             | 5           |          |
| 207   |             |             |          |
|       | 56          |             |          |
|       |             |             | 151      |
|       | 1           |             |          |
| 150   |             |             |          |
|       | 100         |             |          |
|       | 41          |             |          |
|       | 588         |             |          |
|       |             |             | 0        |
|       |             |             | 0        |