

SEMPRA ENERGY

Table A

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)	Three months ended March 31,	
	2013	2012
	(unaudited)	
REVENUES		
Utilities	\$ 2,334	\$ 2,091
Energy-related businesses	316	292
Total revenues	2,650	2,383
EXPENSES AND OTHER INCOME		
Utilities:		
Cost of natural gas	(556)	(431)
Cost of electric fuel and purchased power	(447)	(388)
Energy-related businesses:		
Cost of natural gas, electric fuel and purchased power	(111)	(129)
Other cost of sales	(48)	(33)
Operation and maintenance	(724)	(671)
Depreciation and amortization	(295)	(257)
Franchise fees and other taxes	(106)	(96)
Gain on sale of asset	74	-
Equity earnings, before income tax	10	12
Other income, net	37	75
Interest income	6	5
Interest expense	(138)	(113)
Income before income taxes and equity earnings		
of certain unconsolidated subsidiaries	352	357
Income tax expense	(178)	(117)
Equity earnings, net of income tax	4	11
Net income	178	251
Losses (earnings) attributable to noncontrolling interests	2	(13)
Preferred dividends of subsidiaries	(2)	(2)
Earnings	\$ 178	\$ 236
Basic earnings per common share	\$ 0.73	\$ 0.98
Weighted-average number of shares outstanding, basic (thousands)	243,294	240,566
Diluted earnings per common share	\$ 0.72	\$ 0.97
Weighted-average number of shares outstanding, diluted (thousands)	247,534	243,761
Dividends declared per share of common stock	\$ 0.63	\$ 0.60

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Table B

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	March 31, 2013 (unaudited)	December 31, 2012(1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,471	\$ 475
Restricted cash	57	46
Accounts receivable	1,329	1,299
Income taxes receivable	73	56
Deferred income taxes	28	148
Inventories	270	408
Regulatory balancing accounts – undercollected	411	395
Regulatory assets	42	62
Fixed-price contracts and other derivatives	88	95
U.S. Treasury grants receivable	236	258
Asset held for sale, power plant	-	296
Other	118	157
Total current assets	4,123	3,695
Investments and other assets:		
Restricted cash	19	22
Regulatory assets arising from pension and other postretirement benefit obligations	1,167	1,151
Regulatory assets arising from wildfire litigation costs	360	364
Other regulatory assets	1,233	1,227
Nuclear decommissioning trusts	952	908
Investments	1,519	1,516
Goodwill	1,113	1,111
Other intangible assets	434	436
Sundry	895	878
Total investments and other assets	7,692	7,613
Property, plant and equipment, net	25,458	25,191
Total assets	\$ 37,273	\$ 36,499
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 762	\$ 546
Accounts payable	990	1,110
Dividends and interest payable	323	266
Accrued compensation and benefits	217	337
Regulatory balancing accounts – overcollected	294	141
Current portion of long-term debt	1,381	725
Fixed-price contracts and other derivatives	71	77
Customer deposits	142	143
Reserve for wildfire litigation	221	305
Other	788	608
Total current liabilities	5,189	4,258
Long-term debt	10,680	11,621
Deferred credits and other liabilities:		
Customer advances for construction	139	144
Pension and other postretirement benefit obligations, net of plan assets	1,466	1,456
Deferred income taxes	2,248	2,100
Deferred investment tax credits	46	46
Regulatory liabilities arising from removal obligations	2,783	2,720
Asset retirement obligations	2,056	2,033
Fixed-price contracts and other derivatives	254	252
Reserve for wildfire litigation	45	22
Deferred credits and other	1,027	1,085
Total deferred credits and other liabilities	10,064	9,858
Contingently redeemable preferred stock of subsidiary	79	79
Equity:		
Total Sempra Energy shareholders' equity	10,423	10,282
Preferred stock of subsidiary	20	20
Other noncontrolling interests	818	381
Total equity	11,261	10,683
Total liabilities and equity	\$ 37,273	\$ 36,499

(1) Derived from audited financial statements.

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Table C

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	Three months ended	
	2013	2012
	March 31,	
	(unaudited)	
Cash Flows from Operating Activities		
Net income	\$ 178	\$ 251
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	295	257
Deferred income taxes and investment tax credits	252	31
Gain on sale of asset	(74)	—
Equity earnings	(14)	(23)
Fixed-price contracts and other derivatives	17	(12)
Other	6	14
Net change in other working capital components	149	168
Changes in other assets	17	12
Changes in other liabilities	9	1
Net cash provided by operating activities	<u>835</u>	<u>699</u>
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(531)	(811)
Expenditures for investments	(5)	(51)
Proceeds from sale of asset	371	—
Distributions from investments	15	8
Purchases of nuclear decommissioning and other trust assets	(136)	(134)
Proceeds from sales by nuclear decommissioning and other trusts	134	135
Decrease in restricted cash	52	39
Increase in restricted cash	(60)	(40)
Other	(2)	(5)
Net cash used in investing activities	<u>(162)</u>	<u>(859)</u>
Cash Flows from Financing Activities		
Common dividends paid	(145)	(115)
Preferred dividends paid by subsidiaries	(2)	(2)
Issuances of common stock	15	13
Repurchases of common stock	(45)	(16)
Issuances of debt (maturities greater than 90 days)	608	1,008
Payments on debt (maturities greater than 90 days)	(645)	(347)
Proceeds from sale of noncontrolling interests, net of \$25 in offering costs	574	—
Decrease in short-term debt, net	(43)	(224)
Distributions to noncontrolling interests	(1)	(3)
Other	4	(4)
Net cash provided by financing activities	<u>320</u>	<u>310</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3</u>	<u>2</u>
Increase in cash and cash equivalents	996	152
Cash and cash equivalents, January 1	475	252
Cash and cash equivalents, March 31	<u>\$ 1,471</u>	<u>\$ 404</u>

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Table D

SEGMENT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS

(Dollars in millions)	Three months ended March 31,	
	2013	2012
	(unaudited)	
Earnings (Losses)		
California Utilities:		
San Diego Gas & Electric	\$ 91	\$ 105
Southern California Gas	46	66
Sempra International:		
Sempra South American Utilities	37	40
Sempra Mexico	31	33
Sempra U.S. Gas & Power:		
Sempra Renewables	4	10
Sempra Natural Gas	53	1
Parent and other	(84)	(19)
Earnings	<u>\$ 178</u>	<u>\$ 236</u>

(Dollars in millions)	Three months ended March 31,	
	2013	2012
	(unaudited)	
Capital Expenditures and Investments		
California Utilities:		
San Diego Gas & Electric	\$ 237	\$ 398
Southern California Gas	179	165
Sempra International:		
Sempra South American Utilities	22	20
Sempra Mexico	61	5
Sempra U.S. Gas & Power:		
Sempra Renewables	11	251
Sempra Natural Gas	26	22
Parent and other	-	1
Consolidated Capital Expenditures and Investments	<u>\$ 536</u>	<u>\$ 862</u>

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Table E

OTHER OPERATING STATISTICS (Unaudited)

UTILITIES	Three months ended	
	2013	2012
California Utilities - SDG&E and SoCalGas		
Gas Sales (bcf) ⁽¹⁾	140	134
Transportation (bcf) ⁽¹⁾	168	171
Total Deliveries (bcf) ⁽¹⁾	308	305
Total Gas Customers (Thousands)	6,685	6,660
Electric Sales (Millions of kWh) ⁽¹⁾	4,024	4,089
Direct Access (Millions of kWh)	835	752
Total Deliveries (Millions of kWh) ⁽¹⁾	4,859	4,841
Total Electric Customers (Thousands)	1,403	1,395
Other Utilities⁽²⁾		
Natural Gas Sales (bcf)		
Argentina	64	73
Mexico	6	6
Mobile Gas	11	12
Willmut Gas ⁽³⁾	1	-
Natural Gas Customers (Thousands)		
Argentina	1,868	1,819
Mexico	94	90
Mobile Gas	89	90
Willmut Gas ⁽³⁾	20	-
Electric Sales (Millions of kWh)		
Peru	1,746	1,690
Chile	761	745
Electric Customers (Thousands)		
Peru	968	934
Chile	628	613
ENERGY-RELATED BUSINESSES		
Sempra International		
Power Sold (Millions of kWh)		
Sempra Mexico	1,044	1,078
Sempra U.S. Gas & Power		
Power Sold (Millions of kWh)		
Sempra Renewables ⁽⁴⁾	698	273
Sempra Natural Gas	1,132	1,940

(1) Includes intercompany sales.

(2) Represents 100% of the distribution operations of the subsidiary, although the subsidiary in Argentina is not consolidated within Sempra Energy and the related investments are accounted for under the equity method.

(3) Acquired in May 2012.

(4) Includes 50% of total power sold related to wind projects in which Sempra Energy has a 50% ownership. These subsidiaries are not consolidated within Sempra Energy and the related investments are accounted for under the equity method.

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Table F (Unaudited)

Statement of Operations Data by Segment

Three Months Ended March 31, 2013

(Dollars in millions)	SDG&E	SoCalGas	Sempra South American Utilities	Sempra Mexico	Sempra Renewables	Sempra Natural Gas	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 939	\$ 983	\$ 384	\$ 168	\$ 21	\$ 253	\$ (98)	\$ 2,650
Cost of Sales and Other Expenses	(637)	(800)	(301)	(113)	(13)	(220)	92	(1,992)
Gain on Sale of Asset	-	-	-	-	-	74	-	74
Depreciation & Amortization	(134)	(100)	(15)	(16)	(8)	(20)	(2)	(295)
Equity Earnings Recorded Before Income Tax	-	-	-	-	1	9	-	10
Other Income, Net	11	4	3	9	-	2	8	37
Income Before Interest & Tax ⁽¹⁾	179	87	71	48	1	98	-	484
Net Interest Expense ⁽²⁾	(48)	(17)	(2)	(1)	(5)	(12)	(49)	(134)
Income Tax (Expense) Benefit	(51)	(24)	(17)	(26)	8	(33)	(35) ⁽³⁾	(178)
Equity (Losses) Earnings Recorded Net of Income Tax	-	-	(7)	11	-	-	-	4
Losses (Earnings) Attributable to Noncontrolling Interests	11	-	(8)	(1)	-	-	-	2
Earnings (Losses)	\$ 91	\$ 46	\$ 37	\$ 31	\$ 4	\$ 53	\$ (84)	\$ 178

Three Months Ended March 31, 2012

(Dollars in millions)	SDG&E	SoCalGas	Sempra South American Utilities	Sempra Mexico	Sempra Renewables	Sempra Natural Gas	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 834	\$ 880	\$ 357	\$ 136	\$ 8	\$ 269	\$ (101)	\$ 2,383
Cost of Sales and Other Expenses	(544)	(674)	(281)	(75)	(9)	(245)	80	(1,748)
Depreciation & Amortization	(112)	(87)	(13)	(16)	(3)	(23)	(3)	(257)
Equity Earnings Recorded Before Income Tax	-	-	-	-	1	11	-	12
Other Income, Net	30	4	2	15	-	-	24	75
Income (Loss) Before Interest & Tax ⁽¹⁾	208	123	65	60	(3)	12	-	465
Net Interest Expense ⁽²⁾	(37)	(17)	(6)	(3)	(4)	(9)	(34)	(110)
Income Tax (Expense) Benefit	(60)	(40)	(13)	(35)	17	(2)	16	(117)
Equity Earnings Recorded Net of Income Tax	-	-	-	11	-	-	-	11
Earnings Attributable to Noncontrolling Interests	(6)	-	(6)	-	-	-	(1)	(13)
Earnings (Losses)	\$ 105	\$ 66	\$ 40	\$ 33	\$ 10	\$ 1	\$ (19)	\$ 236

⁽¹⁾ Management believes "Income (Loss) Before Interest & Tax" is a useful measurement of our segments' performance because it can be used to evaluate the effectiveness of our operations exclusive of interest and income tax, 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.

⁽³⁾ Includes \$63 million income tax expense resulting from a corporate reorganization in connection with the IEnova stock offerings.