

**SEMPRA ENERGY**  
Table A

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in millions, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(unaudited)			
<b>REVENUES</b>				
Sempra Utilities	\$ 1,575	\$ 1,424	\$ 4,999	\$ 4,382
Sempra Global and parent	541	429	1,659	1,268
Total revenues	2,116	1,853	6,658	5,650
<b>EXPENSES AND OTHER INCOME</b>				
Sempra Utilities:				
Cost of natural gas	(285)	(208)	(1,402)	(997)
Cost of electric fuel and purchased power	(203)	(208)	(480)	(508)
Sempra Global and parent:				
Cost of natural gas, electric fuel and purchased power	(292)	(220)	(887)	(675)
Other cost of sales	(23)	(19)	(68)	(52)
Litigation expense	(17)	(3)	(184)	-
Other operation and maintenance	(590)	(568)	(1,782)	(1,673)
Depreciation and amortization	(218)	(196)	(643)	(568)
Franchise fees and other taxes	(76)	(77)	(243)	(228)
Write-off of long-lived assets	-	-	-	(132)
Equity earnings (losses):				
RBS Sempra Commodities LLP	(281)	105	(290)	384
Other	8	18	24	27
Other income, net	66	24	82	97
Interest income	5	5	13	16
Interest expense	(111)	(96)	(323)	(257)
Income before income taxes and equity earnings of certain unconsolidated subsidiaries	99	410	475	1,084
Income tax benefit (expense)	32	(128)	(85)	(327)
Equity earnings (losses), net of income tax	(4)	20	42	59
Net income	127	302	432	816
Losses attributable to noncontrolling interests	6	17	34	22
Preferred dividends of subsidiaries	(2)	(2)	(7)	(7)
Earnings	\$ 131	\$ 317	\$ 459	\$ 831
Basic earnings per common share	\$ 0.53	\$ 1.30	\$ 1.86	\$ 3.42
Weighted-average number of shares outstanding, basic (thousands)	246,668	243,925	246,513	242,806
Diluted earnings per common share	\$ 0.53	\$ 1.27	\$ 1.84	\$ 3.37
Weighted-average number of shares outstanding, diluted (thousands)	249,811	248,461	249,773	246,875
Dividends declared per share of common stock	\$ 0.39	\$ 0.39	\$ 1.17	\$ 1.17

# SEMPRA ENERGY

Table B

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	September 30, 2010	December 31, 2009
	(unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 547	\$ 110
Restricted cash	4	35
Accounts receivable	776	1,130
Due from unconsolidated affiliates	30	41
Income taxes receivable	312	221
Deferred income taxes	-	10
Inventories	296	197
Regulatory assets	97	54
Fixed-price contracts and other derivatives	84	77
Insurance receivable related to wildfire litigation	150	273
Other	199	147
Total current assets	2,495	2,295
Investments and other assets:		
Restricted cash	27	-
Regulatory assets arising from fixed-price contracts and other derivatives	241	241
Regulatory assets arising from pension and other postretirement benefit obligations	950	959
Other regulatory assets	973	603
Nuclear decommissioning trusts	737	678
Investment in RBS Sempra Commodities LLP	825	2,172
Other investments	2,317	2,151
Goodwill and other intangible assets	542	524
Sundry	621	608
Total investments and other assets	7,233	7,936
Property, plant and equipment, net	19,221	18,281
Total assets	\$ 28,949	\$ 28,512
<b>Liabilities and Equity</b>		
Current liabilities:		
Short-term debt	\$ 574	\$ 618
Accounts payable	702	693
Due to unconsolidated affiliates	12	29
Deferred income taxes	16	-
Dividends and interest payable	232	190
Accrued compensation and benefits	247	264
Regulatory balancing accounts, net	242	382
Current portion of long-term debt	313	573
Fixed-price contracts and other derivatives	107	95
Customer deposits	133	145
Reserve for wildfire litigation	344	270
Other	855	629
Total current liabilities	3,777	3,888
Long-term debt	8,032	7,460
Deferred credits and other liabilities:		
Due to unconsolidated affiliate	-	2
Customer advances for construction	147	146
Pension and other postretirement benefit obligations, net of plan assets	1,225	1,252
Deferred income taxes	1,516	1,318
Deferred investment tax credits	52	54
Regulatory liabilities arising from removal obligations	2,635	2,557
Asset retirement obligations	1,327	1,277
Other regulatory liabilities	144	181
Fixed-price contracts and other derivatives	336	312
Deferred credits and other	672	735
Total deferred credits and other liabilities	8,054	7,834
Contingently redeemable preferred stock of subsidiary	79	79
Equity:		
Total Sempra Energy shareholders' equity	8,802	9,007
Preferred stock of subsidiaries	100	100
Other noncontrolling interests	105	144
Total equity	9,007	9,251
Total liabilities and equity	\$ 28,949	\$ 28,512

# SEMPRA ENERGY

## Table C

### CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

(Dollars in millions)	Nine months ended September 30,	
	2010	2009
	(unaudited)	
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 432	\$ 816
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	643	568
Deferred income taxes and investment tax credits	133	181
Equity losses (earnings)	224	(470)
Write-off of long-lived assets	-	132
Fixed-price contracts and other derivatives	19	(27)
Other	(24)	42
Net change in other working capital components	(77)	220
Distributions from RBS Sempra Commodities LLP	198	407
Changes in other assets	76	81
Changes in other liabilities	(22)	(66)
Net cash provided by operating activities	<u>1,602</u>	<u>1,884</u>
<b>Cash Flows from Investing Activities:</b>		
Expenditures for property, plant and equipment	(1,354)	(1,371)
Proceeds from sale of assets	-	179
Expenditures for investments and acquisition of businesses, net of cash acquired	(385)	(762)
Distributions from RBS Sempra Commodities LLP	849	-
Distributions from other investments	259	16
Purchases of nuclear decommissioning and other trust assets	(261)	(167)
Proceeds from sales by nuclear decommissioning and other trusts	261	155
Other	(2)	(20)
Net cash used in investing activities	<u>(633)</u>	<u>(1,970)</u>
<b>Cash Flows from Financing Activities:</b>		
Common dividends paid	(269)	(255)
Preferred dividends paid by subsidiaries	(7)	(7)
Issuances of common stock	29	52
Repurchases of common stock	(502)	-
Increase (decrease) in short-term debt, net	184	(52)
Issuances of debt (maturities greater than 90 days)	771	1,181
Payments on debt (maturities greater than 90 days)	(727)	(325)
Purchase of noncontrolling interest	-	(94)
Other	(11)	11
Net cash (used in) provided by financing activities	<u>(532)</u>	<u>511</u>
Increase in cash and cash equivalents	437	425
Cash and cash equivalents, January 1	110	331
Cash and cash equivalents, September 30	<u>\$ 547</u>	<u>\$ 756</u>

# SEMPRA ENERGY

Table D

## BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS

(Dollars in millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(unaudited)			
<b>Earnings (Losses)</b>				
San Diego Gas & Electric	\$ 106	\$ 108	\$ 264	\$ 277
Southern California Gas	78	74	212	198
Sempra Generation	56	43	51	119
Sempra Pipelines & Storage	43	54	120	64
Sempra LNG	5	-	50	(19)
Parent & Other	(23)	(37)	(99)	(82)
Earnings before Sempra Commodities	265	242	598	557
Sempra Commodities	(134)	75	(139)	274
Earnings	<u>\$ 131</u>	<u>\$ 317</u>	<u>\$ 459</u>	<u>\$ 831</u>
(Dollars in millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(unaudited)			
<b>Capital Expenditures and Investments</b>				
San Diego Gas & Electric	\$ 300	\$ 190	\$ 822	\$ 785
Southern California Gas	121	109	337	336
Sempra Generation	27	194	32	207
Sempra Pipelines & Storage	75	395	535	723
Sempra LNG	5	88	9	230
Parent & Other	2	2	4	4
Eliminations(1)	-	-	-	(152)
Consolidated Capital Expenditures and Investments	<u>\$ 530</u>	<u>\$ 978</u>	<u>\$ 1,739</u>	<u>\$ 2,133</u>

(1) In the second quarter of 2009, SDG&E purchased \$152 of industrial development bonds from Parent and Other.

**SEMPRA ENERGY**  
Table E

**OTHER OPERATING STATISTICS (Unaudited)**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
<b>SEMPRA UTILITIES</b>				
Revenues (Dollars in millions)				
SDG&E (excludes intercompany sales)	\$ 810	\$ 771	\$ 2,239	\$ 2,130
SoCalGas (excludes intercompany sales)	\$ 765	\$ 653	\$ 2,760	\$ 2,252
Gas Sales (bcf)	64	61	281	272
Transportation (bcf)	144	170	374	421
Total Deliveries (bcf)	<u>208</u>	<u>231</u>	<u>655</u>	<u>693</u>
Total Gas Customers (Thousands)			6,629	6,599
Electric Sales (Millions of kWhs)	4,279	4,636	12,097	12,768
Direct Access (Millions of kWhs)	881	800	2,365	2,290
Total Deliveries (Millions of kWhs)	<u>5,160</u>	<u>5,436</u>	<u>14,462</u>	<u>15,058</u>
Total Electric Customers (Thousands)			1,385	1,377
<b>SEMPRA GENERATION</b>				
Power Sold (Millions of kWhs)	5,350	5,317	15,272	16,526
<b>SEMPRA PIPELINES &amp; STORAGE</b>				
<small>(Represents 100% of the distribution operations of these subsidiaries, although subsidiaries in Argentina, Chile and Peru are not 100% owned by Sempra Energy. These subsidiaries are not consolidated within Sempra Energy and the related investments are accounted for under the equity method).</small>				
Natural Gas Sales (bcf)				
Argentina	104	101	251	249
Mexico	5	5	16	14
Mobile Gas	9	8	27	24
Natural Gas Customers (Thousands)				
Argentina			1,747	1,702
Mexico			89	91
Mobile Gas			90	92
Electric Sales (Millions of kWhs)				
Peru	1,483	1,378	4,445	4,151
Chile	566	567	1,736	1,837
Electric Customers (Thousands)				
Peru			884	856
Chile			589	574

**SEMPRA ENERGY**  
Table F (Unaudited)

**Statement of Operations Data by Business Unit**

**Three Months Ended September 30, 2010**

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 811	\$ 776	\$ 24	\$ 269	\$ 77	\$ 183	\$ (24)	\$ 2,116
Cost of Sales and Other Expenses	(505)	(564)	(28)	(180)	(55)	(150)	13	(1,469)
Litigation Expense	(12)	-	-	(2)	-	(2)	(1)	(17)
Depreciation & Amortization	(96)	(78)	-	(16)	(11)	(13)	(4)	(218)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	(281)	(1)	10	-	(1)	(273)
Other Income (Expense), Net	(2)	2	-	2	55	2	7	66
Income (Loss) Before Interest & Tax <sup>(1)</sup>	196	136	(285)	72	76	20	(10)	205
Net Interest (Expense) Income <sup>(2)</sup>	(39)	(16)	4	2	(6)	(12)	(41)	(108)
Income Tax (Expense) Benefit	(56)	(42)	147	(18)	(23)	(3)	27	32
Equity Losses Recorded Net of Income Tax	-	-	-	-	(4)	-	-	(4)
Losses Attributable to Noncontrolling Interests	5	-	-	-	-	-	1	6
Earnings (Losses)	\$ 106	\$ 78	\$ (134)	\$ 56	\$ 43	\$ 5	\$ (23)	\$ 131

**Three Months Ended September 30, 2009**

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 773	\$ 662	\$ 24	\$ 250	\$ 98	\$ 68	\$ (22)	\$ 1,853
Cost of Sales and Other Expenses	(518)	(457)	(23)	(167)	(73)	(60)	(2)	(1,300)
Litigation Expense	(2)	-	-	-	(1)	-	-	(3)
Depreciation & Amortization	(81)	(73)	-	(14)	(13)	(10)	(5)	(196)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	105	4	18	-	(4)	123
Other Income (Expense), Net	1	(1)	-	(1)	-	-	25	24
Income (Loss) Before Interest & Tax <sup>(1)</sup>	173	131	106	72	29	(2)	(8)	501
Net Interest (Expense) Income <sup>(2)</sup>	(30)	(15)	(1)	1	(4)	(8)	(36)	(93)
Income Tax (Expense) Benefit	(53)	(42)	(30)	(30)	9	10	8	(128)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	20	-	-	20
(Earnings) Losses Attributable to Noncontrolling Interests	18	-	-	-	-	-	(1)	17
Earnings (Losses)	\$ 108	\$ 74	\$ 75	\$ 43	\$ 54	\$ -	\$ (37)	\$ 317

<sup>(1)</sup> Management believes "Income (Loss) before Interest & Tax" 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 tax, neither of which is directly relevant to the efficiency of those operations.

<sup>(2)</sup> Net Interest (Expense) Income includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.

**SEMPRA ENERGY**  
Table F (Unaudited)

**Statement of Operations Data by Business Unit**

**Nine Months Ended September 30, 2010**

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 2,245	\$ 2,792	\$ 73	\$ 806	\$ 262	\$ 554	\$ (74)	\$ 6,658
Cost of Sales and Other Expenses	(1,468)	(2,175)	(73)	(591)	(187)	(409)	41	(4,862)
Litigation Expense	(12)	(1)	(20)	(143)	(1)	(4)	(3)	(184)
Depreciation & Amortization	(283)	(230)	-	(47)	(32)	(38)	(13)	(643)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	(290)	(2)	32	-	(6)	(266)
Other Income (Expense), Net	(18)	8	1	9	53	2	27	82
Income (Loss) Before Interest & Tax <sup>(1)</sup>	464	394	(309)	32	127	105	(28)	785
Net Interest (Expense) Income <sup>(2)</sup>	(103)	(50)	3	-	(13)	(36)	(118)	(317)
Income Tax (Expense) Benefit	(131)	(132)	167	19	(36)	(19)	47	(85)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	42	-	-	42
Losses Attributable to Noncontrolling Interests	34	-	-	-	-	-	-	34
Earnings (Losses)	\$ 264	\$ 212	\$ (139)	\$ 51	\$ 120	\$ 50	\$ (99)	\$ 459

**Nine Months Ended September 30, 2009**

(Dollars in millions)	SDG&E	SoCalGas	Commodities	Generation	Pipelines & Storage	LNG	Consolidating Adjustments, Parent & Other	Total
Revenues	\$ 2,136	\$ 2,276	\$ 50	\$ 792	\$ 328	\$ 125	\$ (57)	\$ 5,650
Cost of Sales and Other Expenses	(1,443)	(1,696)	(49)	(551)	(376) <sup>(3)</sup>	(141)	(9)	(4,265)
Litigation Adjustment (Expense)	6	(2)	-	-	(2)	(1)	(1)	-
Depreciation & Amortization	(239)	(220)	-	(43)	(32)	(23)	(11)	(568)
Equity Earnings (Losses) Recorded Before Income Tax	-	-	384	(2)	39	-	(10)	411
Other Income, Net	45	4	-	-	-	1	47	97
Income (Loss) Before Interest & Tax <sup>(1)</sup>	505	362	385	196	(43)	(39)	(41)	1,325
Net Interest Expense <sup>(2)</sup>	(78)	(49)	(7)	(1)	(10)	(12)	(91)	(248)
Income Tax (Expense) Benefit	(141)	(115)	(104)	(76)	26	32	51	(327)
Equity Earnings Recorded Net of Income Tax	-	-	-	-	59	-	-	59
(Earnings) Losses Attributable to Noncontrolling Interests	(9)	-	-	-	32	-	(1)	22
Earnings (Losses)	\$ 277	\$ 198	\$ 274	\$ 119	\$ 64	\$ (19)	\$ (82)	\$ 831

<sup>(1)</sup> Management believes "Income (Loss) before Interest & Tax" 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 tax, neither of which is directly relevant to the efficiency of those operations.

<sup>(2)</sup> Net Interest Expense (Income) includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.

<sup>(3)</sup> Includes \$132 million write-off of long-lived assets.