

2009

Statistical Report



2009 Statistical Report

(unaudited)

Supplement to the 2009 Annual Report

Sempra Energy® is a San Diego-based energy services holding company with 2009 revenues of \$8.1 billion and 13,800 employees. The company operates utilities, develops new energy infrastructure and provides energy-related services to customers 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

Investors with general questions regarding Sempra Energy, San Diego Gas & Electric Company, Southern California Gas Company or Pacific Enterprises securities should contact the company at:

Sempra Energy
Shareholder Services
101 Ash Street
San Diego, CA 92101-3017
Telephone: (877) 736-7727
Fax: (619) 696-1868
E-mail: investor@sempra.com
Internet: www.sempra.com

Investor Relations

Security analysts, portfolio managers and other members of the financial community should contact:

Glen Donovan
Director - Investor Relations
Telephone: 619-696-2901
Fax: 619-696-1868

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

Table of Contents

Sempra Energy

Selected Financial Data 2005 - 2009	1
Comparative Statistics 2005 - 2009: Sempra Utilities	2
Consolidated Statements of Operations.....	3
Consolidated Balance Sheets	4
Statements of Consolidated Cash Flows	6
Statements of Consolidated Comprehensive Income and Changes in Equity	8
Schedule of Capitalization.....	10
Schedule of Coverage Ratios and Common Stock	11
Schedule of Long-Term Debt.....	12

Southern California Gas Company (SoCalGas®)

Selected Financial Data and Comparative Statistics 2005 - 2009.....	14
Consolidated Statements of Operations.....	15
Consolidated Balance Sheets	16
Statements of Consolidated Cash Flows	18

San Diego Gas & Electric Company (SDG&E®)

Selected Financial Data and Comparative Statistics 2005 - 2009.....	19
Consolidated Statements of Operations.....	21
Consolidated Balance Sheets	22
Statements of Consolidated Cash Flows	24

Sempra Commodities

Selected Financial Data for RBS Sempra Commodities LLP and Sempra Commodities	25
Consolidated Statements of Operations.....	26
Consolidated Balance Sheets	27
Statements of Consolidated Cash Flows.....	28

Sempra Generation

Consolidated Statements of Operations.....	29
Consolidated Balance Sheets	30
Statements of Consolidated Cash Flows.....	31

Sempra Pipelines & Storage

Selected Financial Data and Comparative Statistics 2005 - 2009.....	32
Consolidated Statements of Operations.....	33
Consolidated Balance Sheets	34
Statements of Consolidated Cash Flows.....	35

Shareholder Information and Research Coverage36

Selected Financial Data 2005 - 2009



(In millions, except per share amounts)	At December 31 or for the years then ended				
	2009	2008	2007	2006	2005
Revenues					
Sempra Utilities:					
Natural gas	\$ 3,801	\$ 5,419	\$ 4,869	\$ 4,763	\$ 5,253
Electric	2,419	2,553	2,184	2,136	1,789
Sempra Global and parent	1,886	2,786	4,385	4,862	4,470
Total revenues	\$ 8,106	\$ 10,758	\$ 11,438	\$ 11,761	\$ 11,512
Income from continuing operations*	\$ 1,122	\$ 1,068	\$ 1,118	\$ 1,101	\$ 923
Losses from continuing operations attributable to noncontrolling interests*	7	55	17	-	-
Preferred dividends of subsidiaries	(10)	(10)	(10)	(10)	(10)
Income from continuing operations attributable to common shares*	\$ 1,119	\$ 1,113	\$ 1,125	\$ 1,091	\$ 913
Net income*	\$ 1,122	\$ 1,068	\$ 1,092	\$ 1,416	\$ 930
Earnings attributable to common shares*	\$ 1,119	\$ 1,113	\$ 1,099	\$ 1,406	\$ 920
Attributable to common shares:					
Income from continuing operations:					
Basic	\$ 4.60	\$ 4.50	\$ 4.34	\$ 4.25	\$ 3.71
Diluted	\$ 4.52	\$ 4.43	\$ 4.26	\$ 4.17	\$ 3.62
Earnings:					
Basic	\$ 4.60	\$ 4.50	\$ 4.24	\$ 5.48	\$ 3.74
Diluted	\$ 4.52	\$ 4.43	\$ 4.16	\$ 5.38	\$ 3.65
Dividends declared per common share	\$ 1.56	\$ 1.37	\$ 1.24	\$ 1.20	\$ 1.16
Weighted average number of common shares outstanding (diluted, in millions)	247.4	251.2	264.0	261.4	252.1
Return on common equity	13.2%	13.6%	13.9%	20.6%	16.7%
Effective income tax rate*	29%	30%	34%	33%	4%
Price range of common shares	\$ 57.18-36.43	\$ 63.00-34.29	\$ 66.38-50.95	\$ 57.35-42.90	\$ 47.86-35.53
At December 31,					
Current assets	\$ 2,295	\$ 2,476	\$ 9,964	\$ 10,766	\$ 12,827
Total assets	\$ 28,512	\$ 26,400	\$ 28,717	\$ 27,699	\$ 28,246
Current liabilities	\$ 3,888	\$ 3,612	\$ 9,020	\$ 9,099	\$ 11,253
Long-term debt (excludes current portion)	\$ 7,460	\$ 6,544	\$ 4,553	\$ 4,525	\$ 4,815
Short-term debt**	\$ 1,191	\$ 913	\$ 1,071	\$ 933	\$ 1,141
Contingently redeemable preferred stock of subsidiary*	\$ 79	\$ 79	\$ 79	\$ 79	\$ 79
Sempra Energy shareholders' equity	\$ 9,007	\$ 7,969	\$ 8,339	\$ 7,511	\$ 6,160
Common shares outstanding	246.5	243.3	261.2	262.0	257.2
Book value per common share	\$ 36.54	\$ 32.75	\$ 31.93	\$ 28.67	\$ 23.95

* As adjusted in 2005 through 2008 for the retrospective adoption of ASC 810 (SFAS 160).

** Includes long-term debt due within one year.

Comparative Statistics 2005 - 2009: Sempra Utilities



(Dollars in millions, except average cost of natural gas)	Years ended December 31,				
	2009	2008	2007	2006	2005
Natural gas operations					
Revenues					
Residential	\$ 2,339	\$ 3,389	\$ 3,070	\$ 3,129	\$ 3,199
Commercial and industrial	1,001	1,516	1,374	1,380	1,447
Electric generation plants	67	106	113	120	91
Wholesale	4	6	8	8	6
Natural gas revenues in rates	3,411	5,017	4,565	4,637	4,743
Other revenues	105	146	90	75	89
Balancing accounts	285	256	214	51	421
Total natural gas revenues	<u>\$ 3,801</u>	<u>\$ 5,419</u>	<u>\$ 4,869</u>	<u>\$ 4,763</u>	<u>\$ 5,253</u>
Volumes delivered (billion cubic feet)					
Residential	265	272	278	279	272
Commercial and industrial	387	402	409	400	396
Electric generation plants	265	300	264	248	202
Wholesale	17	18	19	21	19
Total	<u>934</u>	<u>992</u>	<u>970</u>	<u>948</u>	<u>889</u>
Core	390	399	405	399	392
Noncore	544	593	565	549	497
Total	<u>934</u>	<u>992</u>	<u>970</u>	<u>948</u>	<u>889</u>
At December 31,					
Customers					
Residential	6,303,622	6,273,147	6,230,700	6,169,879	6,085,907
Commercial	273,661	272,917	271,638	269,877	268,651
Industrial	27,968	28,056	28,086	28,039	28,078
Off-system sales and transportation	1,320	1,130	939	675	364
Electric generation plants and wholesale	50	51	50	29	31
Total	<u>6,606,621</u>	<u>6,575,301</u>	<u>6,531,413</u>	<u>6,468,499</u>	<u>6,383,031</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 4.07</u>	<u>\$ 8.33</u>	<u>\$ 6.96</u>	<u>\$ 6.95</u>	<u>\$ 8.35</u>

Electric operations (provided on page 19)

Consolidated Statements of Operations



(Dollars in millions, except per share amounts)	Years ended December 31,				
	2009	2008*	2007*	2006*	2005*
REVENUES					
Sempra Utilities	\$ 6,220	\$ 7,972	\$ 7,053	\$ 6,899	\$ 7,042
Sempra Global and parent	1,886	2,786	4,385	4,862	4,470
Total revenues	8,106	10,758	11,438	11,761	11,512
EXPENSES AND OTHER INCOME					
Sempra Utilities:					
Cost of natural gas	(1,530)	(3,244)	(2,763)	(2,756)	(3,232)
Cost of electric fuel and purchased power	(672)	(900)	(699)	(721)	(624)
Sempra Global and parent:					
Cost of natural gas, electric fuel and purchased power	(976)	(1,671)	(1,302)	(1,221)	(1,321)
Other cost of sales	(80)	(182)	(988)	(1,468)	(1,267)
Operation and maintenance	(2,470)	(2,419)	(2,959)	(2,823)	(2,668)
Litigation expense	(4)	(117)	(73)	(56)	(551)
Depreciation and amortization	(775)	(687)	(686)	(657)	(626)
Franchise fees and other taxes	(296)	(312)	(295)	(275)	(246)
Gains on sale of assets	3	114	6	1	112
Write-off of long-lived assets	(132)	-	-	-	-
Equity earnings (losses):					
RBS Sempra Commodities LLP	463	383	-	-	-
Other	36	37	(9)	338	11
Other income (expense), net	149	(109)	73	43	40
Interest income	21	45	72	109	72
Interest expense	(367)	(253)	(272)	(351)	(310)
Income from continuing operations before income taxes and equity earnings of certain unconsolidated subsidiaries	1,476	1,443	1,543	1,924	902
Income tax expense	(422)	(438)	(524)	(641)	(34)
Equity earnings (losses), net of income tax	68	63	99	(182)	55
Income from continuing operations	1,122	1,068	1,118	1,101	923
Discontinued operations, net of income tax	-	-	(26)	315	7
Net income	1,122	1,068	1,092	1,416	930
Losses attributable to noncontrolling interests	7	55	17	-	-
Preferred dividends of subsidiaries	(10)	(10)	(10)	(10)	(10)
Earnings	\$ 1,119	\$ 1,113	\$ 1,099	\$ 1,406	\$ 920
Basic earnings per share:					
Continuing operations attributable to common shares	\$ 4.60	\$ 4.50	\$ 4.34	\$ 4.25	\$ 3.71
Discontinued operations, net of income tax	-	-	(0.10)	1.23	0.03
Basic earnings per common share	\$ 4.60	\$ 4.50	\$ 4.24	\$ 5.48	\$ 3.74
Weighted-average number of shares outstanding (thousands)	243,339	247,387	259,269	256,477	245,906
Diluted earnings per share:					
Continuing operations attributable to common shares	\$ 4.52	\$ 4.43	\$ 4.26	\$ 4.17	\$ 3.62
Discontinued operations, net of income tax	-	-	(0.10)	1.21	0.03
Diluted earnings per common share	\$ 4.52	\$ 4.43	\$ 4.16	\$ 5.38	\$ 3.65
Weighted-average number of shares outstanding (thousands)	247,384	251,159	264,004	261,368	252,088
Dividends declared per share of common stock	\$ 1.56	\$ 1.37	\$ 1.24	\$ 1.20	\$ 1.16

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Consolidated Balance Sheets

(Dollars in millions)	December 31,				
	2009	2008	2007	2006	2005
Assets					
Current assets:					
Cash and cash equivalents	\$ 110	\$ 331	\$ 668	\$ 920	\$ 769
Short-term investments	-	176	-	-	-
Restricted cash	35	27	1	4	12
Trade accounts receivable, net	971	903	960	938	973
Other accounts and notes receivable, net	159	78	114	97	170
Due from unconsolidated affiliates	41	4	-	-	3
Income taxes receivable	221	195	99	-	-
Deferred income taxes	10	31	247	270	134
Trading assets	-	-	7,120	7,710	9,372
Inventories	197	320	224	215	205
Regulatory assets	54	121	106	193	255
Fixed-price contracts and other derivatives	77	160	28	41	13
Insurance receivable related to wildfire litigation	273	-	-	-	-
Other	147	130	397	316	310
Current assets of continuing operations	2,295	2,476	9,964	10,704	12,216
Current assets of discontinued operations	-	-	-	62	611
Total current assets	2,295	2,476	9,964	10,766	12,827
Investments and other assets:					
Due from unconsolidated affiliates	-	-	-	-	21
Regulatory assets arising from fixed-price contracts and other derivatives	241	264	309	353	398
Regulatory assets arising from pension and other postretirement benefit obligations	959	1,188	162	356	213
Other regulatory assets	603	534	460	472	500
Nuclear decommissioning trusts	678	577	739	702	638
Investment in RBS Semptra Commodities LLP	2,172	2,082	-	-	-
Other investments	2,151	1,166	1,243	1,086	1,091
Goodwill and other intangible assets	524	539	179	174	174
Sundry	608	709	777	615	628
Total investments and other assets	7,936	7,059	3,869	3,758	3,663
Property, plant and equipment:					
Property, plant and equipment	25,034	23,153	20,917	18,916	17,136
Accumulated depreciation and amortization	(6,753)	(6,288)	(6,033)	(5,741)	(5,380)
Property, plant and equipment, net	18,281	16,865	14,884	13,175	11,756
Total assets	\$ 28,512	\$ 26,400	\$ 28,717	\$ 27,699	\$ 28,246

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2009	2008*	2007*	2006*	2005*
Liabilities and Equity					
Current liabilities:					
Short-term debt	\$ 618	\$ 503	\$ 1,064	\$ 252	\$ 1,043
Accounts payable - trade	522	606	1,374	1,432	1,255
Accounts payable - other	171	250	189	155	139
Due to unconsolidated affiliates	29	38	60	7	-
Income taxes payable	-	-	-	9	86
Trading liabilities	-	-	4,437	4,802	7,009
Dividends and interest payable	190	156	145	145	140
Accrued compensation and benefits	264	280	265	235	200
Regulatory balancing accounts, net	382	335	481	332	192
Current portion of long-term debt	573	410	7	681	98
Fixed-price contracts and other derivatives	95	180	53	87	127
Customer deposits	145	170	143	134	132
Reserve for wildfire litigation	270	-	-	-	-
Other	629	684	802	821	681
Current liabilities of continuing operations	3,888	3,612	9,020	9,092	11,102
Current liabilities of discontinued operations	-	-	-	7	151
Total current liabilities	3,888	3,612	9,020	9,099	11,253
Long-term debt	7,460	6,544	4,553	4,525	4,815
Deferred credits and other liabilities:					
Due to unconsolidated affiliates	2	102	102	162	162
Customer advances for construction	146	155	153	126	110
Pension and other postretirement benefit obligations, net of plan assets	1,252	1,487	434	609	391
Deferred income taxes	1,318	946	531	412	214
Deferred investment tax credits	54	57	61	67	73
Regulatory liabilities arising from removal obligations	2,557	2,430	2,522	2,330	2,313
Asset retirement obligations	1,277	1,159	1,129	1,128	958
Other regulatory liabilities	181	219	265	221	200
Fixed-price contracts and other derivatives	312	392	332	358	400
Deferred credits and other	735	909	949	961	1,014
Total deferred credits and other liabilities	7,834	7,856	6,478	6,374	5,835
Contingently redeemable preferred stock of subsidiary	79	79	79	79	79
Equity:					
Preferred stock	-	-	-	-	-
Common stock	2,418	2,265	3,198	3,245	2,958
Retained earnings	6,971	6,235	5,464	4,681	3,588
Deferred compensation	(13)	(18)	(22)	(25)	(28)
Accumulated other comprehensive income (loss)	(369)	(513)	(301)	(390)	(358)
Total Semptra Energy shareholders' equity	9,007	7,969	8,339	7,511	6,160
Preferred stock of subsidiaries	100	100	100	100	100
Other noncontrolling interests	144	240	148	11	4
Total equity	9,251	8,309	8,587	7,622	6,264
Total liabilities and equity	\$ 28,512	\$ 26,400	\$ 28,717	\$ 27,699	\$ 28,246

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Statements of Consolidated Cash Flows



(Dollars in millions)	Years ended December 31,				
	2009	2008*	2007*	2006*	2005*
Cash Flows from Operating Activities					
Net income	\$ 1,122	\$ 1,068	\$ 1,092	\$ 1,416	\$ 930
Adjustments to reconcile net income to net cash provided by operating activities:					
Discontinued operations	-	-	26	(315)	(7)
Depreciation and amortization	775	687	686	657	626
Gains on sale of assets	(3)	(114)	(6)	(1)	(112)
Impairment losses	-	-	-	9	85
Deferred income taxes and investment tax credits	295	324	149	77	(298)
Noncash rate-reduction bond expense	-	-	55	60	68
Equity earnings	(567)	(483)	(90)	(156)	(66)
Write-off of long-lived assets	132	-	-	-	-
Fixed-price contracts and other derivatives	(30)	46	8	(3)	(2)
Other	(45)	150	55	41	(4)
Quasi-reorganization resolution	-	-	-	12	-
Net change in other working capital components	(256)	(483)	25	(183)	(1,196)
Distributions from RBS Sempra Commodities LLP	407	85	-	-	-
Changes in other assets	139	(15)	22	20	21
Changes in other liabilities	(94)	(74)	79	42	458
Net cash provided by continuing operations	1,875	1,191	2,101	1,676	503
Net cash provided by (used in) discontinued operations	-	-	(3)	(37)	31
Net cash provided by operating activities	1,875	1,191	2,098	1,639	534
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(1,912)	(2,061)	(2,011)	(1,907)	(1,377)
Proceeds from sale of assets from continuing operations, net of cash sold	179	2,295	103	40	277
Expenditures for investments and acquisition of businesses, net of cash acquired	(939)	(2,675)	(121)	(257)	(86)
Distributions from investments	23	34	18	104	-
Purchases of nuclear decommissioning and other trust assets	(267)	(485)	(646)	(546)	(299)
Proceeds from sales by nuclear decommissioning and other trusts	230	469	613	503	262
Dividends received from equity method investments	-	-	-	431	73
Decrease in notes receivable from unconsolidated affiliate	100	60	-	-	-
Purchase of bonds issued by unconsolidated affiliate	(50)	-	-	-	-
Other	(36)	(23)	(29)	(27)	(12)
Net cash used in continuing operations	(2,672)	(2,386)	(2,073)	(1,659)	(1,162)
Net cash provided by (used in) discontinued operations	-	-	-	793	(25)
Net cash used in investing activities	(2,672)	(2,386)	(2,073)	(866)	(1,187)
Cash Flows from Financing Activities					
Common dividends paid	(341)	(339)	(316)	(283)	(268)
Preferred dividends paid by subsidiaries	(10)	(10)	(10)	(10)	(10)
Issuances of common stock	73	18	40	97	694
Repurchases of common stock	(22)	(1,018)	(185)	(37)	(95)
Issuances of debt (maturities greater than 90 days)	2,151	1,706	404	552	762
Payments on debt (maturities greater than 90 days)	(435)	(19)	(1,072)	(263)	(529)
Redemption of mandatorily redeemable preferred securities	-	-	-	-	(200)
Increase (decrease) in short-term debt, net	(659)	564	812	(791)	659
Payments on notes payable to unconsolidated affiliate	(100)	(60)	-	-	-
Purchase of noncontrolling interest	(94)	-	-	-	-
Financing transaction related to Sempra Financial	-	-	-	83	-
Other	13	16	21	28	(6)
Net cash provided by (used in) continuing operations	576	858	(306)	(624)	1,007
Net cash provided by discontinued operations	-	-	-	2	-
Net cash provided by (used in) financing activities	576	858	(306)	(622)	1,007
Increase (decrease) in cash and cash equivalents	(221)	(337)	(281)	151	354
Cash and cash equivalents, January 1	331	668	920	769	415
Cash assumed in connection with initial consolidation of variable interest entity	-	-	29	-	-
Cash and cash equivalents, December 31	\$ 110	\$ 331	\$ 668	\$ 920	\$ 769

*As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Statements of Consolidated Cash Flows



(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Changes in Other Working Capital Components					
(Excluding cash and cash equivalents, and debt due within one year)					
Accounts and notes receivable	\$ (190)	\$ 110	\$ (63)	\$ 94	\$ (79)
Net trading assets	-	(4)	303	(543)	(1,105)
Income taxes, net	(17)	13	(73)	(51)	(76)
Inventories	124	(75)	(9)	(3)	(38)
Regulatory balancing accounts	42	(138)	120	170	(321)
Regulatory assets and liabilities	(1)	1	-	4	(4)
Other current assets	685	71	(109)	(2)	(42)
Accounts payable	(109)	(526)	(82)	227	280
Other current liabilities	(790)	65	(62)	(79)	189
Net changes in other working capital components	<u>\$ (256)</u>	<u>\$ (483)</u>	<u>\$ 25</u>	<u>\$ (183)</u>	<u>\$ (1,196)</u>
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	\$ 326	\$ 233	\$ 380	\$ 337	\$ 294
Income tax payments, net of refunds	\$ 112	\$ 114	\$ 443	\$ 601	\$ 429

Statements of Consolidated Comprehensive Income and Changes in Equity



	Years ended December 31, 2009, 2008* 2007* and 2006*						
(Dollars in millions)	Common Stock	Retained Earnings	Deferred Compensation Relating to ESOP	Accumulated Other Comprehensive Income (Loss)	Sempra Energy Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2005	\$ 2,958	\$ 3,588	\$ (28)	\$ (358)	\$ 6,160	\$ 104	\$ 6,264
Net income (loss)		1,416			1,416		1,416
Comprehensive income adjustments:							
Foreign currency translation adjustments				(12)	(12)		(12)
Available-for-sale securities				18	18		18
Pension and other postretirement benefits				(7)	(7)		(7)
Financial instruments				8	8		8
Comprehensive income (loss)				7	1,423	-	1,423
Adoption of new accounting principles	96			(39)	57		57
Common stock dividends declared		(313)			(313)		(313)
Preferred dividends of subsidiaries		(10)			(10)		(10)
Quasi-reorganization adjustment	13				13		13
Issuance of common stock	175				175		175
Tax benefit related to share-based compensation	32				32		32
Repurchases of common stock	(37)				(37)		(37)
Common stock released from ESOP	8		3		11		11
Equity contributed by noncontrolling interests						7	7
Balance at December 31, 2006	3,245	4,681	(25)	(390)	7,511	111	7,622
Net income (loss)		1,109			1,109	(17)	1,092
Comprehensive income adjustments:							
Foreign currency translation adjustments				38	38		38
Available-for-sale securities				10	10		10
Pension and other postretirement benefits				15	15		15
Financial instruments				26	26		26
Comprehensive income (loss)				89	1,198	(17)	1,181
Adoption of new accounting principles		10			10		10
Share-based compensation expense	43				43		43
Common stock dividends declared		(326)			(326)		(326)
Preferred dividends of subsidiaries		(10)			(10)		(10)
Quasi-reorganization adjustment	(2)				(2)		(2)
Issuance of common stock	62				62		62
Tax benefit related to share-based compensation	26				26		26
Repurchases of common stock	(185)				(185)		(185)
Common stock released from ESOP	9		3		12		12
Equity contributed by noncontrolling interests						2	2
Initial consolidation of Otay Mesa VIE						152	152
Balance at December 31, 2007	\$ 3,198	\$ 5,464	\$ (22)	\$ (301)	\$ 8,339	\$ 248	\$ 8,587

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Statements of Consolidated Comprehensive Income and Changes in Equity



	Years ended December 31, 2009, 2008* 2007* and 2006*						
(Dollars in millions)	Common Stock	Retained Earnings	Deferred Compensation Relating to ESOP	Accumulated Other Comprehensive Income (Loss)	Semptra Energy Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2007	\$ 3,198	\$ 5,464	\$ (22)	\$ (301)	\$ 8,339	\$ 248	\$ 8,587
Net income (loss)		1,123			1,123	(55)	1,068
Comprehensive income adjustments:							
Foreign currency translation adjustments				(140)	(140)		(140)
Available-for-sale securities				(26)	(26)		(26)
Pension and other postretirement benefits				(30)	(30)		(30)
Financial instruments				(16)	(16)	(14)	(30)
Comprehensive income (loss)				(212)	911	(69)	842
Share-based compensation expense	49				49		49
Common stock dividends declared		(342)			(342)		(342)
Preferred dividends of subsidiaries		(10)			(10)		(10)
Issuance of common stock	18				18		18
Tax benefit related to share-based compensation	6				6		6
Repurchases of common stock	(1,018)				(1,018)		(1,018)
Common stock released from ESOP	12		4		16		16
Equity contributed by noncontrolling interests						75	75
EnergySouth acquisition						86	86
Balance at December 31, 2008	2,265	6,235	(18)	(513)	7,969	340	8,309
Net income (loss)		1,129			1,129	(7)	1,122
Comprehensive income adjustments:							
Foreign currency translation adjustments				102	102		102
Available-for-sale securities				7	7		7
Pension and other postretirement benefits				(3)	(3)		(3)
Financial instruments				38	38	(3)	35
Comprehensive income (loss)				144	1,273	(10)	1,263
Share-based compensation expense	38				38		38
Common stock dividends declared		(383)			(383)		(383)
Preferred dividends of subsidiaries		(10)			(10)		(10)
Issuance of common stock	114				114		114
Tax benefit related to share-based compensation	23				23		23
Repurchases of common stock	(22)				(22)		(22)
Common stock released from ESOP	10		5		15		15
Equity contributed by noncontrolling interests						7	7
Distributions to noncontrolling interests						(9)	(9)
Purchase of noncontrolling interest in subsidiary	(10)				(10)	(84)	(94)
Balance at December 31, 2009	\$ 2,418	\$ 6,971	\$ (13)	\$ (369)	\$ 9,007	\$ 244	\$ 9,251

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Schedule of Capitalization



(Dollars in millions)	December 31,														
	2009			2008*		2007*		2006*		2005*					
Capitalization															
Short-term debt	\$	618	3.4 %	\$	503	3.2 %	\$	1,064	7.4 %	\$	252	1.9 %	\$	1,043	8.5 %
Current portion of long-term debt		573	3.2		410	2.6		7	-		681	5.2		98	0.8
Long-term debt		7,460	41.5		6,544	41.3		4,553	31.9		4,525	34.4		4,815	39.1
Total debt		8,651	48.1		7,457	47.1		5,624	39.3		5,458	41.5		5,956	48.4
Contingently redeemable preferred stock of subsidiary		79	0.4		79	0.5		79	0.6		79	0.6		79	0.7
Equity:															
Common stock		2,418	13.4		2,265	14.3		3,198	22.4		3,245	24.7		2,958	24.0
Retained earnings		6,971	38.8		6,235	39.3		5,464	38.2		4,681	35.5		3,588	29.2
Deferred compensation		(13)	(0.1)		(18)	(0.1)		(22)	(0.1)		(25)	(0.2)		(28)	(0.2)
Accumulated other comprehensive income (loss)		(369)	(2.0)		(513)	(3.2)		(301)	(2.1)		(390)	(3.0)		(358)	(2.9)
Total Sempra Energy shareholders' equity		9,007	50.1		7,969	50.3		8,339	58.4		7,511	57.0		6,160	50.1
Preferred stock of subsidiaries		100	0.6		100	0.6		100	0.7		100	0.8		100	0.8
Other noncontrolling interests		144	0.8		240	1.5		148	1.0		11	0.1		4	-
Total equity		9,251	51.5		8,309	52.4		8,587	60.1		7,622	57.9		6,264	50.9
Total capitalization	\$	17,981	100.0 %	\$	15,845	100.0 %	\$	14,290	100.0 %	\$	13,159	100.0 %	\$	12,299	100.0 %

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Schedule of Coverage Ratios and Common Stock



	Years ended December 31,				
	2009	2008	2007	2006	2005
Interest coverage ratios *					
Before income taxes	5.21	6.95 **	7.04 **	5.96 **	4.09 **
After income taxes	4.06	5.22 **	5.11 **	4.14 **	3.98 **
Market price of common stock					
High	\$ 57.18	\$ 63.00	\$ 66.38	\$ 57.35	\$ 47.86
Low	\$ 36.43	\$ 34.29	\$ 50.95	\$ 42.90	\$ 35.53
Close	\$ 55.98	\$ 42.63	\$ 61.88	\$ 56.04	\$ 44.84
Dividends declared per common share	\$ 1.56	\$ 1.37	\$ 1.24	\$ 1.20	\$ 1.16
Dividend yield on common stock (at December 31)	2.8%	3.3%	2.0%	2.1%	2.6%
Dividend payout ratio (diluted)	34.5%	30.9%	29.8%	22.3%	31.8%
Book value at December 31	\$ 36.54	\$ 32.75	\$ 31.93	\$ 28.67	\$ 23.95
Return on common equity	13.2%	13.6%	13.9%	20.6%	16.7%
Ratio of market price to book value per share at December 31	1.53	1.30	1.94	1.95	1.87
Common shares outstanding at December 31 (millions)	246.5	243.3	261.2	262.0	257.2
Weighted average number of shares outstanding (diluted, in millions)	247.4	251.2	264.0	261.4	252.1
Average daily trading volume (shares)	1,618,985	2,176,854	1,537,247	1,023,821	1,104,518
Common shareholders at December 31 (estimate)	220,000	256,000	300,000	260,000	240,000

* Excludes interest expense and discontinued operations.

** As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Schedule of Long-Term Debt

(Dollars in millions)	Original issue		Outstanding at 12/31/09	Redemption prices (at 12/31/09 unless otherwise noted)
	Date	Amount		
First mortgage bonds:				
4.375% January 15, 2011	12/15/03	\$ 100	\$ 100	
Variable rates after fixed-to-floating rate swaps (0.28% at December 31, 2009) January 15, 2011	12/15/03	150	150	
4.8% October 1, 2012	10/7/02	250	250	
5.5% March 15, 2014	11/21/08	250	250	
6.8% June 1, 2015	12/10/91	14	14	
5.3% November 15, 2015	11/17/05	250	250	
6.9% payable 2010 through 2017	8/20/02	8	8	
5.45% April 15, 2018	10/17/03	250	250	
Variable rate (0.25% at December 31, 2009) July 1, 2018	9/21/06	161	161	100.00%
5.85% June 1, 2021	6/29/93	60	60	100.00%
8.75% payable 2010 through 2022	7/1/92	9	8	
7.48% payable 2010 through 2023	7/1/93	7	6	
6% June 1, 2026	6/8/06	250	250	
5% to 5.25% December 1, 2027	Various	150	150	\$105 on 12/01/15 at 102.00%; \$45 on 12/02/13 at 102.00%
5.875% January and February 2034	Various	176	176	100% at 06/01/19
5.35% May 15, 2035	5/19/05	250	250	
5.75% November 15, 2035	11/15/05	250	250	
6.125% September 15, 2037	9/20/07	250	250	
Variable rate (0.20% at December 31, 2009) May 1, 2039	6/17/04	75	75	100% at 06/01/19
6% June 1, 2039	5/14/09	300	300	
Total			3,208	
Other long-term debt (unsecured unless otherwise noted):				
6.5% June 1, 2016	5/15/09	750	750	
6% October 15, 2039	10/8/09	750	750	
9.8% February 15, 2019	11/20/08	500	500	
6.15% June 15, 2018	6/12/08	500	500	
6% February 1, 2013	1/31/03	400	400	
OMEC LLC loan at variable rates (1.75% at December 31, 2009) payable 2010 through April 2019 (secured by project assets)	11/13/09	375	375	
Notes at variable rates after fixed-to-floating swap (3.71% at December 31, 2009) March 1, 2010	2/23/00	300	300	
8.9% November 15, 2013	11/20/08	250	250	
7.95% March 1, 2010	2/23/00	200	200	
5.9% June 1, 2014	7/2/96	130	130	
6.3% December 31, 2021	12/1/06	128	128	100.00%
Orange Grove Energy L.P. project financing at variable rates (4.37% at December 31, 2009) June 30, 2010 (secured by project assets)*	1/1/07	87	87	
4.5% July 1, 2024	7/16/09	75	75	100.00%
Employee Stock Ownership Plan				
Bonds at 5.781% (fixed rate to July 1, 2010) November 1, 2014	Various	50	50	100.00% at 07/01/10
Bonds at variable rates (1.4% at December 31, 2009) November 1, 2014	Various	80	7	100.00%
5.5% December 1, 2021	11/21/96	60	60	102.00% at 06/02/14
Industrial development bonds at variable rates (1.5% at December 31, 2009) August 1, 2037, secured	8/15/07	55	55	100.00%
Notes at 2.87% to 5.05% payable 2010 through 2013	Various	58	50	100.00%
5.3% July 1, 2021	8/2/96	39	39	102.00% at 06/02/14
8.45% payable 2010 through 2017, secured	12/1/02	39	36	
4.9% March 1, 2023	10/1/97	25	25	102.00% at 03/01/14
4.75% May 14, 2016	5/14/96	75	8	100.00%** at 05/14/16
5.67% January 18, 2028	1/15/98	75	5	
Other debt	Various	2	2	
Capital lease obligations	Various	50	46	
Market value adjustments for interest rate swaps, net (expiring 2010 - 2011)			14	
Total			8,050	
Current portion of long-term debt			(573)	
Unamortized discount on long-term debt			(17)	
Total			\$ 7,460	

* This credit facility will convert to a long-term loan maturing in June 2035.

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

At the company's option, certain debt is callable subject to premiums at various dates: \$586 million in 2010, \$45 million in 2013, \$124 million in 2014 and \$364 million after 2014. In addition, \$6.3 billion of bonds are callable subject to make-whole provisions, and the OMEC LLC and Orange Grove Energy L.P. project financing loans may be prepaid at the borrowers' option.

Excluding capital lease obligations and market value adjustments for interest rate swaps, maturities of long-term debt are \$550 million in 2010, \$291 million in 2011, \$274 million in 2012, \$683 million in 2013, \$455 million in 2014 and \$5.7 billion thereafter.

[PAGE INTENTIONALLY LEFT BLANK]

Selected Financial Data and Comparative Statistics 2005 - 2009



Southern
California
Gas Company



A Semptra Energy utility®

	Years ended December 31,				
(Dollars in millions, except average cost of natural gas)	2009	2008	2007	2006	2005
Net income (before preferred dividends)	\$ 274	\$ 245	\$ 231	\$ 224	\$ 212
Earnings attributable to common shares	\$ 273	\$ 244	\$ 230	\$ 223	\$ 211
Common dividends to parent	\$ -	\$ 200	\$ 250	\$ 150	\$ 200
Capital expenditures	\$ 480	\$ 454	\$ 457	\$ 413	\$ 361
Weighted average rate base	\$ 2,758	\$ 2,702	\$ 2,642	\$ 2,477	\$ 2,386
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	17.00%	16.74%	15.78%	15.58%	15.18%
Natural gas revenues					
Residential	\$ 2,035	\$ 2,961	\$ 2,665	\$ 2,732	\$ 2,818
Commercial and industrial	893	1,333	1,207	1,205	1,269
Electric generation plants	48	80	72	74	49
Wholesale	13	22	59	44	61
Natural gas revenues in rates	2,989	4,396	4,003	4,055	4,197
Other revenues	105	142	97	79	92
Balancing accounts	261	230	182	47	328
Total operating revenues	\$ 3,355	\$ 4,768	\$ 4,282	\$ 4,181	\$ 4,617
Natural gas volumes delivered (billion cubic feet)					
Residential	235	241	246	248	241
Commercial and industrial	365	379	388	379	375
Electric generation plants	200	232	204	183	142
Wholesale	141	146	142	136	141
Total	941	998	980	946	899
Core	343	350	355	350	343
Noncore	598	648	625	596	556
Total	941	998	980	946	899
Average cost of natural gas (per thousand cubic feet)	\$ 4.00	\$ 8.26	\$ 6.81	\$ 6.81	\$ 8.18
Heating degree days	1,291	1,402	1,404	1,422	1,227
Customers at December 31,					
Residential	5,488,991	5,462,783	5,423,472	5,367,739	5,292,256
Commercial	244,675	243,679	242,364	240,723	239,051
Industrial	27,968	28,056	28,079	28,026	28,062
Electric generation plants and wholesale	50	51	50	29	31
Total number of customers	5,761,684	5,734,569	5,693,965	5,636,517	5,559,400

Consolidated Statements of Operations



Southern
California
Gas Company



A Semptra Energy utility®

(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Operating revenues	\$ 3,355	\$ 4,768	\$ 4,282	\$ 4,181	\$ 4,617
Operating expenses					
Cost of natural gas	1,343	2,841	2,420	2,410	2,830
Operation and maintenance	1,135	1,064	1,020	951	956
Depreciation	293	280	281	267	264
Franchise fees and other taxes	105	135	125	121	121
Litigation expense	3	14	1	(2)	99
Gains on sale of assets	-	-	(2)	(5)	-
Total operating expenses	2,879	4,334	3,845	3,742	4,270
Operating income	476	434	437	439	347
Other income (expense), net					
Allowance for equity funds used during construction	10	8	5	6	5
Regulatory interest expense, net	(1)	(4)	(6)	(6)	(3)
Sundry, net	(2)	(2)	(2)	(1)	(4)
Total	7	2	(3)	(1)	(2)
Interest income	3	11	27	29	12
Interest expense	(68)	(62)	(70)	(70)	(48)
Income before income taxes	418	385	391	397	309
Income tax expense	(144)	(140)	(160)	(173)	(97)
Net income	274	245	231	224	212
Preferred dividend requirements	(1)	(1)	(1)	(1)	(1)
Earnings attributable to common shares	\$ 273	\$ 244	\$ 230	\$ 223	\$ 211

Consolidated Balance Sheets



Southern
California
Gas Company



A Semptra Energy utility®

(Dollars in millions)	December 31,				
	2009	2008	2007	2006	2005
Assets					
Current assets:					
Cash and cash equivalents	\$ 49	\$ 206	\$ 59	\$ 211	\$ 90
Accounts receivable - trade	567	572	671	640	694
Accounts receivable - other	44	20	22	33	37
Due from unconsolidated affiliates	6	-	129	108	1
Income taxes receivable	35	41	-	-	85
Deferred income taxes	-	-	33	42	20
Inventories	93	167	98	106	121
Other regulatory assets	9	18	40	41	88
Other	40	37	22	28	24
Total current assets	<u>843</u>	<u>1,061</u>	<u>1,074</u>	<u>1,209</u>	<u>1,160</u>
Other assets:					
Regulatory assets arising from pension and other postretirement benefit obligations	617	795	-	136	49
Other regulatory assets	131	105	100	95	94
Pension plan assets in excess of benefit obligations	-	-	62	8	17
Sundry	14	24	16	11	16
Total other assets	<u>762</u>	<u>924</u>	<u>178</u>	<u>250</u>	<u>176</u>
Property, plant and equipment:					
Property, plant and equipment	9,297	8,814	8,446	8,148	7,762
Less accumulated depreciation	<u>(3,615)</u>	<u>(3,448)</u>	<u>(3,292)</u>	<u>(3,248)</u>	<u>(3,091)</u>
Property, plant and equipment, net	<u>5,682</u>	<u>5,366</u>	<u>5,154</u>	<u>4,900</u>	<u>4,671</u>
Total assets	<u>\$ 7,287</u>	<u>\$ 7,351</u>	<u>\$ 6,406</u>	<u>\$ 6,359</u>	<u>\$ 6,007</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2009	2008	2007	2006	2005
Liabilities and Shareholders' Equity					
Current liabilities:					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ 88
Accounts payable - trade	207	257	300	416	344
Accounts payable - other	120	163	130	114	76
Due to unconsolidated affiliates	3	23	171	74	102
Income taxes payable	-	-	26	13	-
Deferred income taxes	6	6	-	-	-
Regulatory balancing accounts, net	223	221	183	167	13
Fixed-price contracts and other derivatives	-	-	-	4	52
Customer deposits	87	114	90	88	80
Accrued compensation and benefits	86	92	87	82	70
Current portion of long-term debt	11	100	-	-	8
Other	158	211	223	218	210
Total current liabilities	901	1,187	1,210	1,176	1,043
Long-term debt	1,283	1,270	1,113	1,107	1,100
Deferred credits and other liabilities:					
Customer advances for construction	123	131	123	91	74
Pension and other postretirement benefit obligations, net of plan assets	644	823	58	172	89
Deferred income taxes	280	167	117	124	145
Deferred investment tax credits	28	30	33	36	38
Regulatory liabilities arising from removal obligations	1,227	1,218	1,187	1,019	1,097
Regulatory liabilities arising from pension and other postretirement benefit obligations	-	-	34	-	-
Asset retirement obligations	662	581	562	655	504
Deferred taxes refundable in rates	175	214	231	221	200
Deferred credits and other	198	240	268	268	300
Total deferred credits and other liabilities	3,337	3,404	2,613	2,586	2,447
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	903	630	586	607	534
Accumulated other comprehensive income (loss)	(25)	(28)	(4)	(5)	(5)
Total shareholders' equity	1,766	1,490	1,470	1,490	1,417
Total liabilities and shareholders' equity	\$ 7,287	\$ 7,351	\$ 6,406	\$ 6,359	\$ 6,007

Statements of Consolidated Cash Flows



Southern
California
Gas Company



A Sempra Energy utility®

(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Cash Flows from Operating Activities					
Net income	\$ 274	\$ 245	\$ 231	\$ 224	\$ 212
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	293	280	281	267	264
Deferred income taxes and investment tax credits	70	87	8	(24)	(9)
Gains on sale of assets	-	-	(2)	(5)	-
Other	8	2	5	6	2
Changes in other assets	7	(33)	-	(5)	15
Changes in other liabilities	(68)	(51)	37	31	115
Changes in working capital components:					
Accounts receivable	(30)	102	(31)	51	(42)
Inventories	74	(69)	8	18	(49)
Other current assets	10	(23)	8	(7)	21
Accounts payable	(99)	7	(79)	83	49
Income taxes	(2)	(67)	38	98	(148)
Due to/from affiliates, net	(10)	(6)	1	(22)	(9)
Regulatory balancing accounts	10	46	(13)	185	(168)
Customer deposits	(28)	24	3	8	31
Other current liabilities	(69)	24	(17)	(35)	(20)
Net cash provided by operating activities	440	568	478	873	264
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(480)	(454)	(457)	(413)	(361)
Decrease (increase) in loans to unconsolidated affiliates, net	(16)	136	(24)	(111)	-
Proceeds from sale of assets	-	-	2	11	-
Net cash used in investing activities	(496)	(318)	(479)	(513)	(361)
Cash Flows from Financing Activities					
Common dividends paid	-	(350)	(150)	(150)	(150)
Preferred dividends paid	(1)	(1)	(1)	(1)	(1)
Issuances of long-term debt	-	250	-	-	250
Payments on long-term debt	(100)	-	-	-	-
Increase (decrease) in short-term debt, net	-	-	-	(88)	58
Other	-	(2)	-	-	(4)
Net cash provided by (used in) financing activities	(101)	(103)	(151)	(239)	153
Increase (decrease) in cash and cash equivalents	(157)	147	(152)	121	56
Cash and cash equivalents, January 1	206	59	211	90	34
Cash and cash equivalents, December 31	\$ 49	\$ 206	\$ 59	\$ 211	\$ 90
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	\$ 59	\$ 58	\$ 66	\$ 63	\$ 40
Income tax payments, net of refunds	\$ 76	\$ 120	\$ 114	\$ 99	\$ 254

Selected Financial Data and Comparative Statistics 2005 - 2009



(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Net income (before preferred dividends and earnings/losses attributable to noncontrolling interests)*	\$ 373	\$ 290	\$ 271	\$ 242	\$ 267
Earnings attributable to common shares*	\$ 344	\$ 339	\$ 283	\$ 237	\$ 262
Common dividends to parent	\$ 150	\$ -	\$ -	\$ -	\$ 75
Capital expenditures	\$ 955	\$ 884	\$ 714	\$ 1,070	\$ 464
Weighted average rate base	\$ 4,362	\$ 4,050	\$ 3,846	\$ 3,474	\$ 2,902
Authorized rate of return on:					
Rate base	8.40%	8.40%	8.23%	8.23%	8.18%
Common equity	11.10%	11.10%	10.70%	10.70%	10.37%
Achieved return on common equity	13.03%	14.30%	13.75%	13.95%	18.85%
Electric revenues					
Residential	\$ 1,041	\$ 976	\$ 980	\$ 910	\$ 738
Commercial	890	843	852	723	654
Industrial	238	215	229	181	142
Other	118	113	130	143	125
Electric revenues in rates	2,287	2,147	2,191	1,957	1,659
Other revenues	137	153	170	142	111
Balancing accounts	2	262	(167)	48	33
Total electric revenues	\$ 2,426	\$ 2,562	\$ 2,194	\$ 2,147	\$ 1,803
Electric volumes (millions of kWhs)					
Residential	7,536	7,698	7,520	7,501	7,075
Commercial	7,061	7,254	7,154	6,983	6,674
Industrial	2,285	2,351	2,275	2,261	2,159
Other	3,229	3,341	3,327	3,492	3,306
Total	20,111	20,644	20,276	20,237	19,214
Cooling degree days	1,035	1,193	985	1,209	850
Electric customers at December 31,					
Residential	1,225,514	1,217,156	1,210,636	1,202,383	1,188,040
Commercial	146,700	147,550	146,302	144,121	140,858
Industrial	507	517	512	505	479
Other	6,526	7,068	7,455	7,855	8,695
Total number of electric customers	1,379,247	1,372,291	1,364,905	1,354,864	1,338,072

* As adjusted in 2005 through 2008 for the retrospective adoption of ASC 810 (SFAS 160).

Selected Financial Data and Comparative Statistics 2005 - 2009 (continued)



	Years ended December 31,				
(Dollars in millions, except average cost of natural gas)	2009	2008	2007	2006	2005
Natural gas revenues					
Residential	\$ 304	\$ 428	\$ 405	\$ 397	\$ 381
Commercial and industrial	110	183	167	176	179
Electric generation plants	19	26	41	46	42
Natural gas revenues in rates	433	637	613	619	602
Other revenues	33	26	13	15	14
Balancing accounts	24	26	32	4	93
Total natural gas revenues	\$ 490	\$ 689	\$ 658	\$ 638	\$ 709
Natural gas volumes delivered (billion cubic feet)					
Residential	30	31	32	31	31
Commercial and industrial	22	23	21	22	21
Electric generation plants	65	68	60	65	60
Total	117	122	113	118	112
Core	47	49	50	49	49
Noncore	70	73	63	69	63
Total	117	122	113	118	112
Average cost of natural gas (per thousand cubic feet)	\$ 4.61	\$ 8.88	\$ 8.06	\$ 7.92	\$ 9.56
Heating degree days	1,296	1,402	1,427	1,313	1,132
Natural gas customers at December 31,					
Residential	814,631	810,364	807,228	802,140	793,651
Commercial	28,986	29,238	29,274	29,154	29,600
Industrial	-	-	7	13	16
Off-system sales and transportation	1,320	1,130	939	675	364
Total number of natural gas customers	844,937	840,732	837,448	831,982	823,631

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,				
	2009	2008*	2007*	2006*	2005*
Operating revenues					
Electric	\$ 2,426	\$ 2,562	\$ 2,194	\$ 2,147	\$ 1,803
Natural gas	490	689	658	638	709
Total operating revenues	2,916	3,251	2,852	2,785	2,512
Operating expenses					
Cost of electric fuel and purchased power	672	900	699	721	624
Cost of natural gas	206	415	392	380	456
Operation and maintenance	966	871	797	774	605
Depreciation and amortization	329	298	301	291	264
Franchise fees and other taxes	160	158	155	140	119
Litigation expense	(5)	42	10	3	52
Gains on sale of assets	(1)	(3)	(2)	(1)	(1)
Total operating expenses	2,327	2,681	2,352	2,308	2,119
Operating income	589	570	500	477	393
Other income (expense), net					
Allowance for equity funds used during construction	29	27	17	10	9
Regulatory interest income (expense), net	5	(5)	(7)	(3)	(3)
Gain (loss) on interest rate swaps, Otay Mesa VIE	27	(54)	(17)	-	-
Sundry, net	3	3	1	1	8
Total	64	(29)	(6)	8	14
Interest income	1	6	8	6	23
Interest expense	(104)	(96)	(96)	(97)	(74)
Income before income taxes	550	451	406	394	356
Income tax expense	(177)	(161)	(135)	(152)	(89)
Net income	373	290	271	242	267
(Earnings) losses attributable to noncontrolling interests	(24)	54	17	-	-
Earnings	349	344	288	242	267
Preferred dividend requirements	(5)	(5)	(5)	(5)	(5)
Earnings attributable to common shares	\$ 344	\$ 339	\$ 283	\$ 237	\$ 262

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2009	2008	2007	2006	2005
Assets					
Current assets:					
Cash and cash equivalents	\$ 13	\$ 19	\$ 158	\$ 9	\$ 236
Short-term investments	-	24	-	-	-
Restricted cash	8	-	-	-	-
Accounts receivable - trade	229	225	207	206	188
Accounts receivable - other	85	30	49	26	83
Due from unconsolidated affiliates	8	29	22	24	32
Income taxes receivable	59	22	56	25	-
Deferred income taxes	41	17	67	41	7
Inventories	61	62	113	97	78
Regulatory assets arising from fixed-price contracts and other derivatives	30	94	52	83	76
Other regulatory assets	4	8	14	69	91
Fixed-price contracts and other derivatives	40	39	18	31	-
Insurance receivable related to wildfire litigation	273	-	-	-	-
Other	35	15	34	54	53
Total current assets	886	584	790	665	844
Other assets:					
Due from unconsolidated affiliate	2	4	5	5	-
Deferred taxes recoverable in rates	415	369	312	318	294
Regulatory assets arising from fixed-price contracts and other derivatives	241	264	309	353	398
Regulatory assets arising from pensions and other postretirement benefit obligations	342	393	162	220	165
Other regulatory assets	53	59	48	59	111
Nuclear decommissioning trusts	678	577	739	702	638
Sundry	43	154	123	72	66
Total other assets	1,774	1,820	1,698	1,729	1,672
Property, plant and equipment:					
Property, plant and equipment	10,156	9,095	8,282	7,495	6,931
Accumulated depreciation and amortization	(2,587)	(2,420)	(2,271)	(2,095)	(1,958)
Property, plant and equipment, net	7,569	6,675	6,011	5,400	4,973
Total assets	\$ 10,229	\$ 9,079	\$ 8,499	\$ 7,794	\$ 7,489

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2009	2008*	2007*	2006*	2005*
Liabilities and Equity					
Current liabilities:					
Short-term debt	\$ 33	\$ -	\$ -	\$ 72	\$ -
Accounts payable	249	261	290	273	243
Due to unconsolidated affiliates	-	1	10	5	441
Income taxes payable	-	-	-	-	6
Regulatory balancing accounts, net	159	114	298	165	179
Fixed-price contracts and other derivatives	51	77	52	83	72
Accrued compensation and benefits	104	105	98	91	81
Customer deposits	56	53	52	47	52
Mandatorily redeemable preferred securities	-	-	14	3	3
Current portion of long-term debt	45	2	-	66	66
Reserve for wildfire litigation	270	-	-	-	-
Other	157	163	161	196	199
Total current liabilities	1,124	776	975	1,001	1,342
Long-term debt	2,623	2,142	1,958	1,638	1,455
Deferred credits and other liabilities:					
Customer advances for construction	23	26	33	38	39
Pension and other postretirement benefit obligations, net of plan assets	370	419	190	249	194
Deferred income taxes	774	628	506	520	591
Deferred investment tax credits	26	26	29	31	34
Regulatory liabilities arising from removal obligations	1,330	1,212	1,335	1,311	1,216
Asset retirement obligations	585	550	554	462	444
Fixed-price contracts and other derivatives	265	347	329	352	398
Mandatorily redeemable preferred securities	-	-	-	14	16
Deferred credits and other	145	204	176	184	198
Total deferred credits and other liabilities	3,518	3,412	3,152	3,161	3,130
Contingently redeemable preferred stock	79	79	79	79	79
Equity:					
Common stock (255 million shares authorized, 117 million shares outstanding)	1,138	1,138	1,138	1,138	938
Retained earnings	1,611	1,417	1,078	796	559
Accumulated other comprehensive income (loss)	(10)	(13)	(16)	(19)	(14)
Total SDG&E shareholders' equity	2,739	2,542	2,200	1,915	1,483
Noncontrolling interests	146	128	135	-	-
Total equity	2,885	2,670	2,335	1,915	1,483
Total liabilities and equity	\$ 10,229	\$ 9,079	\$ 8,499	\$ 7,794	\$ 7,489

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Statements of Consolidated Cash Flows



(Dollars in millions)	Years ended December 31,				
	2009	2008*	2007*	2006	2005
Cash Flows from Operating Activities					
Net income	\$ 373	\$ 290	\$ 271	\$ 242	\$ 267
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	329	298	301	291	264
Deferred income taxes and investment tax credits	73	113	(40)	(130)	37
Noncash rate-reduction bond expense	-	-	55	60	68
Fixed-price contracts and other derivatives	(41)	55	3	1	(4)
Gains on sale of assets	(1)	(3)	(2)	(1)	(1)
Other	(20)	(1)	28	3	2
Changes in other assets	23	19	5	9	13
Changes in other liabilities	(53)	(23)	(5)	(16)	37
Changes in working capital components:					
Accounts receivable	(53)	1	(43)	39	(56)
Interest receivable	-	1	(1)	2	39
Due to/from affiliates, net	-	18	7	(12)	(1)
Inventories	1	51	(16)	(19)	10
Other current assets	660	(49)	6	(19)	(16)
Income taxes	(44)	44	(31)	(32)	(231)
Accounts payable	1	(70)	10	9	28
Regulatory balancing accounts	32	(184)	133	(14)	(152)
Other current liabilities	(639)	59	(21)	(16)	34
Net cash provided by operating activities	641	619	660	397	338
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(955)	(884)	(714)	(1,070)	(464)
Expenditures for short-term investments	(152)	(488)	-	-	-
Proceeds from sale of short-term investments	176	464	-	-	-
Purchases of nuclear decommissioning trust assets	(237)	(468)	(587)	(481)	(230)
Proceeds from sales by nuclear decommissioning trusts	230	468	592	484	234
Decrease (increase) in loans to unconsolidated affiliates, net	20	(33)	-	(1)	1
Proceeds from sale of assets	1	1	2	1	1
Net increase in restricted cash	(8)	-	-	-	-
Net cash used in investing activities	(925)	(940)	(707)	(1,067)	(458)
Cash Flows from Financing Activities					
Capital contribution	-	-	-	200	-
Common dividends paid	(150)	-	-	-	(75)
Preferred dividends paid	(5)	(5)	(5)	(5)	(5)
Redemptions of preferred stock	-	(14)	(3)	(3)	(3)
Issuances of long-term debt	439	193	313	411	500
Payments on long-term debt	(2)	-	(66)	(227)	(66)
Increase (decrease) in short-term debt, net	4	-	(72)	72	-
Capital contribution received by Otay Mesa VIE	4	9	-	-	-
Capital distribution made by Otay Mesa VIE	(9)	-	-	-	-
Other	(3)	(1)	-	(5)	(4)
Net cash provided by financing activities	278	182	167	443	347
Increase (decrease) in cash and cash equivalents	(6)	(139)	120	(227)	227
Cash and cash equivalents, January 1	19	158	9	236	9
Cash assumed in connection with initial consolidation of variable interest entity	-	-	29	-	-
Cash and cash equivalents, December 31	\$ 13	\$ 19	\$ 158	\$ 9	\$ 236
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	\$ 99	\$ 92	\$ 85	\$ 91	\$ 66
Income tax payments, net of refunds	\$ 148	\$ 3	\$ 206	\$ 313	\$ 291

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Selected Financial Data for RBS Sempra Commodities LLP and Sempra Commodities

The following information for the Sempra Commodities segment includes information related to RBS Sempra Commodities LLP. RBS Sempra Commodities LLP acquired the commodity-marketing businesses of Sempra Energy on April 1, 2008. Beginning April 1, 2008, the Sempra Commodities segment is composed primarily of the company's equity interest in RBS Sempra Commodities LLP, but also includes the results of Sempra Rockies Marketing. The margin and financial data below represent the total results of RBS Sempra Commodities LLP as calculated under International Financial Reporting Standards (IFRS).

Operating Statistics (in millions of US dollars)	Year ended December 31, 2009		Nine months ended December 31, 2008	
Joint Venture Level Margin*				
Geographical				
North America	\$	695	\$	816
Europe and Asia		473		603
Total	\$	1,168	\$	1,419
Product line				
Oil - Crude & Products	\$	317	\$	357
Power		257		222
Natural gas		232		534
Metals		309		253
Other		53		53
Total	\$	1,168	\$	1,419
<hr/>				
Financial Information (in millions of US dollars)	Joint Venture Total		Joint Venture Total	
		Sempra Share**		Sempra Share**
Fee income and trading revenue, net of selling costs	\$	1,168	\$	1,419
Operating and other expenses		(761)		(744)
Joint Venture distributable income	\$	407	\$	675
<hr/>				
Preferred return on capital	\$	330	\$	382
1st allocation - 70% Sempra / 30% RBS***		77		293
2nd allocation - 30% Sempra / 70% RBS		-		-
Distributable income	\$	407	\$	675
		\$		\$
		300		389
		60		208
		-		-
		300		389
<hr/>				
Sempra Commodities Earnings (in millions of US dollars)	Year ended December 31, 2009		Year ended December 31, 2008	
Sempra share of distributable income - IFRS basis	\$	300	\$	389
U.S. GAAP conversion impact		163		(6)
Sempra equity earnings before income taxes - U.S. GAAP basis		463		383
Income tax expense		(111)		(131)
Sempra equity earnings from RBS Sempra Commodities LLP		352		252
Earnings from Sempra Commodities prior to forming Joint Venture		-		59
Other segment activity (2008 includes gain from the sale of commodities-marketing businesses)		(7)		34
Sempra Commodities Earnings	\$	345	\$	345

* Margin consists of operating revenues less cost of sales (primarily transportation and storage costs) reduced by certain transaction-related execution costs (primarily brokerage and other fees) and net interest income/expense.

** After a 15% preferred return to Sempra and then a 15% return to RBS, Sempra receives 70% of the next \$500 million and 30% of any remaining income on an annual basis.

*** Includes certain transition costs specifically allocated to Sempra and RBS.

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Revenues	\$ 73	\$ 500	\$ 2,674	\$ 3,256	\$ 2,724
Expenses and Other Income					
Cost of sales	(61)	(178)	(988)	(1,468)	(1,267)
Litigation expense	-	(53)	(58)	(10)	(38)
Other operating expenses	(13)	(197)	(860)	(869)	(811)
Depreciation and amortization	-	(6)	(26)	(25)	(28)
Gains (losses) on sale of assets, net	-	110	-	(7)	106
Equity earnings in RBS Sempra Commodities LLP	463	383	-	-	-
Interest income	-	7	17	10	14
Interest expense	(7)	(23)	(48)	(72)	(49)
Other income (expense), net	(2)	-	-	(1)	1
Income before income taxes and equity earnings (losses) of certain unconsolidated subsidiaries	453	543	711	814	652
Income tax expense	(108)	(201)	(252)	(294)	(192)
Equity earnings (losses), net of income tax	-	3	40	(16)	-
Earnings/net income	<u>\$ 345</u>	<u>\$ 345</u>	<u>\$ 499</u>	<u>\$ 504</u>	<u>\$ 460</u>

Consolidated Balance Sheets

(Dollars in millions)	December 31,				
	2009	2008	2007	2006	2005
Assets					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 393	\$ 177	\$ 143
Due from unconsolidated affiliates	75	1	171	161	179
Trading assets	-	-	7,208	7,762	9,416
Other	7	9	261	205	216
Total current assets	82	10	8,033	8,305	9,954
Investment in RBS Sempra Commodities LLP	2,172	2,082	-	-	-
Property, plant and equipment, net	-	-	100	83	88
Goodwill	-	-	165	165	165
Other assets	1	-	322	78	57
Total assets	\$ 2,255	\$ 2,092	\$ 8,620	\$ 8,631	\$ 10,264
Liabilities and Shareholder's Equity					
Current liabilities:					
Short-term debt	\$ -	\$ -	\$ 422	\$ 180	\$ 82
Accounts payable and other current liabilities	16	61	731	703	630
Income taxes payable	108	99	128	244	166
Trading liabilities	-	-	4,494	4,885	7,109
Due to unconsolidated affiliates	129	29	105	420	668
Total current liabilities	253	189	5,880	6,432	8,655
Due to unconsolidated affiliates	28	320	-	-	-
Other liabilities	86	60	69	86	22
Shareholder's equity	1,888	1,523	2,671	2,113	1,587
Total liabilities and shareholder's equity	\$ 2,255	\$ 2,092	\$ 8,620	\$ 8,631	\$ 10,264

Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Cash Flows from Operating Activities					
Net income	\$ 345	\$ 345	\$ 499	\$ 504	\$ 460
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	-	6	26	25	28
Losses (gains) on sale of assets, net	-	(110)	-	7	(106)
Deferred income taxes and investment tax credits	12	113	(38)	(16)	(111)
Equity (earnings) losses	(463)	(386)	(40)	16	-
Other	-	-	(32)	-	-
Distributions from RBS Sempra Commodities LLP	407	85	-	-	-
Changes in other liabilities	-	(37)	(1)	18	-
Net changes in working capital components	2	(103)	155	(316)	(746)
Net cash provided by (used in) operating activities	<u>303</u>	<u>(87)</u>	<u>569</u>	<u>238</u>	<u>(475)</u>
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	-	(21)	(43)	(29)	(57)
Proceeds from sale of assets, net of cash sold	-	2,061	71	12	253
Expenditures for investments	-	(1,616)	(21)	(24)	(15)
Decrease (increase) in loans to affiliates, net	-	275	(264)	(12)	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>699</u>	<u>(257)</u>	<u>(53)</u>	<u>181</u>
Cash Flows from Financing Activities					
Increase (decrease) in short-term debt, net	-	309	241	99	(52)
Increase (decrease) in loans from affiliates, net	(303)	(714)	(337)	(250)	217
Dividends paid	-	(600)	-	-	-
Net cash provided by (used in) financing activities	<u>(303)</u>	<u>(1,005)</u>	<u>(96)</u>	<u>(151)</u>	<u>165</u>
Increase (decrease) in cash and cash equivalents	-	(393)	216	34	(129)
Cash and cash equivalents, January 1	-	393	177	143	272
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ 177</u>	<u>\$ 143</u>

Consolidated Statements of Operations

(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Revenues	\$ 1,106	\$ 1,784	\$ 1,476	\$ 1,454	\$ 1,708
Expenses and Other Income					
Cost of sales	(669)	(1,305)	(1,059)	(1,019)	(1,209)
Operation and maintenance	(106)	(94)	(102)	(96)	(99)
Litigation expense	(1)	(3)	(1)	(38)	(43)
Depreciation and amortization	(58)	(56)	(56)	(46)	(39)
Other taxes	(7)	(7)	(7)	(5)	(4)
Gains on sale of assets	-	2	-	-	-
Impairment losses	(1)	-	-	-	(66)
Equity earnings (losses)	(2)	8	9	354 *	25
Other income (expense), net	3	(1)	-	1	2
Interest income	12	9	28	32	5
Interest expense	(12)	(15)	(15)	(19)	(28)
Income before income taxes	265	322	273	618	252
Income tax expense	(103)	(100)	(111)	(243)	(103)
Earnings/net income	<u>\$ 162</u>	<u>\$ 222</u>	<u>\$ 162</u>	<u>\$ 375</u>	<u>\$ 149</u>
Earnings/net income by type of operation:					
Power generation	\$ 157	\$ 218	\$ 152	\$ 366	\$ 144
Oil and gas	5	4	10	8	4
Other	-	-	-	1	1
Earnings/net income	<u>\$ 162</u>	<u>\$ 222</u>	<u>\$ 162</u>	<u>\$ 375</u>	<u>\$ 149</u>

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

Consolidated Balance Sheets

(Dollars in millions)	December 31,				
	2009	2008	2007	2006	2005
Assets					
Current assets:					
Cash and cash equivalents	\$ -	\$ 1	\$ 1	\$ -	\$ 4
Accounts receivable	51	45	58	67	69
Due from unconsolidated affiliates	175	175	13	647	492
Income taxes receivable	-	19	27	-	-
Fixed-price contracts and other derivatives	3	46	95	89	132
Other	70	63	27	40	20
Total current assets	299	349	221	843	717
Investments in unconsolidated affiliates	434	198	205	212	269
Due from unconsolidated affiliates	11	24	25	-	-
Property, plant and equipment, net	1,252	1,250	1,242	1,224	1,224
Other	52	39	66	92	103
Total assets	<u>\$ 2,048</u>	<u>\$ 1,860</u>	<u>\$ 1,759</u>	<u>\$ 2,371</u>	<u>\$ 2,313</u>
Liabilities and Shareholder's Equity					
Current liabilities:					
Accounts payable	\$ 37	\$ 31	\$ 75	\$ 27	\$ 20
Due to unconsolidated affiliates	19	10	40	4	606
Income taxes payable	3	-	1	46	32
Fixed-price contracts and other derivatives	15	18	53	45	80
Other	21	19	19	50	84
Total current liabilities	95	78	188	172	822
Due to unconsolidated affiliates	225	219	206	207	218
Deferred income taxes	186	144	148	141	108
Other liabilities	21	27	18	18	12
Shareholder's equity	1,521	1,392	1,199	1,833	1,153
Total liabilities and shareholder's equity	<u>\$ 2,048</u>	<u>\$ 1,860</u>	<u>\$ 1,759</u>	<u>\$ 2,371</u>	<u>\$ 2,313</u>

Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Cash Flows from Operating Activities					
Net income	\$ 162	\$ 222	\$ 162	\$ 375	\$ 149
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	58	56	56	46	39
Impairment losses	1	-	-	-	66
Deferred income taxes	45	10	29	20	(8)
Fixed-price contracts and other derivatives (income) loss	5	(7)	2	9	(49)
Equity (earnings) losses	2	(8)	(9)	(354)	(25)
Other	-	3	(6)	-	2
Changes in other assets	10	-	-	5	(11)
Changes in other liabilities	1	(1)	3	6	(1)
Net changes in working capital components	(81)	(31)	(13)	427	16
Net cash provided by operating activities	<u>203</u>	<u>244</u>	<u>224</u>	<u>534</u>	<u>178</u>
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(38)	(59)	(13)	(40)	(158)
Expenditures for investments	(238)	-	-	-	(71)
Proceeds from sale of assets	-	6	1	-	-
Dividends received from unconsolidated affiliates	-	-	-	411	43
Decrease (increase) in loans to unconsolidated affiliates, net	128	(146)	590	(582)	487
Distributions from investment	-	14	14	-	-
Other	(28)	(24)	(23)	(27)	(25)
Net cash provided by (used in) investing activities	<u>(176)</u>	<u>(209)</u>	<u>569</u>	<u>(238)</u>	<u>276</u>
Cash Flows from Financing Activities					
Increase (decrease) in loans from unconsolidated affiliates, net	5	(6)	18	(75)	(300)
Payments on long-term debt	-	-	-	-	(122)
Dividends paid	(33)	(29)	(810)	(225)	(32)
Net cash used in financing activities	<u>(28)</u>	<u>(35)</u>	<u>(792)</u>	<u>(300)</u>	<u>(454)</u>
Increase (decrease) in cash and cash equivalents	(1)	-	1	(4)	-
Cash and cash equivalents, January 1	1	1	-	4	4
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4</u>

Selected Financial Data and Comparative Statistics 2005 - 2009

(Dollars in millions)	Years ended December 31,				
	2009	2008	2007	2006	2005
Earnings (losses)					
Peru	\$ 38	\$ 32	\$ 27	\$ 24	\$ 21
Argentina	5	-	7	(215) *	11
Mexico	63	45	25	30	23
Chile	23	28	28	25	25
U.S. Midstream and other, net of other costs	(28)	1	(23)	(29)	(16)
Total	<u>\$ 101</u>	<u>\$ 106</u>	<u>\$ 64</u>	<u>\$ (165)</u>	<u>\$ 64</u>
Natural gas distribution operations					
Volumes delivered (billion cubic feet)					
Argentina**	330	332	320	278	272
Mexico	19	19	19	18	17
Mobile Gas	32	9	-	-	-
Total	<u>381</u>	<u>360</u>	<u>339</u>	<u>296</u>	<u>289</u>
Customers (in thousands, at December 31)					
Argentina**	1,710	1,670	1,603	1,542	1,495
Mexico	91	95	96	101	98
Mobile Gas	92	93	-	-	-
Total	<u>1,893</u>	<u>1,858</u>	<u>1,699</u>	<u>1,643</u>	<u>1,593</u>
Electric distribution operations					
Volumes (millions of kWhs)					
Peru**	5,560	5,415	5,078	5,108	4,298
Chile**	2,402	2,417	2,500	2,324	2,289
Total	<u>7,962</u>	<u>7,832</u>	<u>7,578</u>	<u>7,432</u>	<u>6,587</u>
Customers (in thousands, at December 31)					
Peru**	863	837	809	788	767
Chile**	576	562	549	534	521
Total	<u>1,439</u>	<u>1,399</u>	<u>1,358</u>	<u>1,322</u>	<u>1,288</u>

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

** Represents 100 percent of the distribution operations in the countries noted, although these subsidiaries 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.

Consolidated Statements of Operations

(Dollars in millions)	Years ended December 31,				
	2009	2008*	2007*	2006*	2005*
Revenues	\$ 465	\$ 457	\$ 314	\$ 295	\$ 317
Expenses and other income					
Cost of natural gas	(245)	(348)	(255)	(233)	(261)
Operation and maintenance	(83)	(62)	(42)	(40)	(40)
Depreciation and amortization	(45)	(20)	(11)	(12)	(12)
Other taxes	(13)	(3)	-	(3)	-
Write-off of long-lived assets	(132)	-	-	-	-
Equity earnings (losses)	50	43	(4)	1	-
Other income, net	2	1	3	1	7
Interest income	17	18	14	18	17
Interest expense	(34)	(18)	(16)	(14)	(16)
Income before income taxes and equity earnings of certain unconsolidated subsidiaries	(18)	68	3	13	12
Income tax benefit (expense)	20	(23)	2	(12)	(3)
Equity earnings (losses), net of income tax	68	60	59	(166)	55
Net income (loss)	70	105	64	(165)	64
Losses attributable to noncontrolling interests	31	1	-	-	-
Earnings (losses)	\$ 101	\$ 106	\$ 64	\$ (165)	\$ 64

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Consolidated Balance Sheets

(Dollars in millions)	December 31,				
	2009	2008*	2007*	2006*	2005*
Assets					
Current assets:					
Cash and cash equivalents	\$ 36	\$ 86	\$ 49	\$ 91	\$ 113
Restricted cash	27	27	-	-	-
Accounts receivable	90	68	42	40	43
Due from unconsolidated affiliates	25	10	12	8	23
Deferred income taxes	90	78	84	87	1
Inventories	7	44	2	2	1
Fixed priced contracts and other derivatives	6	63	1	1	8
Other	20	12	85	8	17
Total current assets	301	388	275	237	206
Investments	1,683	924	844	732	668
Goodwill and other intangible assets	511	525	-	10	10
Due from unconsolidated affiliates	395	653	415	695	494
Property, plant and equipment, net	1,586	1,556	728	448	269
Other	9	14	25	33	28
Total assets	\$ 4,485	\$ 4,060	\$ 2,287	\$ 2,155	\$ 1,675
Liabilities and Equity					
Current liabilities:					
Short-term debt	\$ 125	\$ 50	\$ -	\$ -	\$ -
Accounts payable	52	91	62	39	28
Due to unconsolidated affiliates	735	1,108	503	637	524
Current portion of long-term debt	10	6	-	-	-
Other	257 **	260 **	206 **	217 **	22
Total current liabilities	1,179	1,515	771	893	574
Long-term debt	358	300	169	160	12
Other noncurrent liabilities:					
Due to unconsolidated affiliates	163	120	235	567	264
Deferred income taxes	249	286	48	29	16
Other	65	31	14	12	19
Total other noncurrent liabilities	477	437	297	608	299
Equity:					
Shareholder's equity	2,473	1,696	1,037	483	786
Noncontrolling interests	(2)	112	13	11	4
Total equity	2,471	1,808	1,050	494	790
Total liabilities and equity	\$ 4,485	\$ 4,060	\$ 2,287	\$ 2,155	\$ 1,675

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

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

Statements of Consolidated Cash Flows

(Dollars in millions)	Years ended December 31,				
	2009	2008*	2007*	2006*	2005*
Cash Flows from Operating Activities					
Net income (loss)	\$ 70	\$ 105	\$ 64	\$ (165)	\$ 64
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	45	20	11	12	12
Deferred income taxes	(45)	8	30	12	23
Equity (earnings) losses	(118)	(103)	(55)	165	(55)
Write-off of long-lived assets	132	-	-	-	-
Other	(9)	(1)	-	1	(1)
Distributions from investments	86	48	19	-	-
Changes in other assets	2	(4)	1	-	-
Changes in other liabilities	39	(10)	(1)	-	7
Net changes in working capital components	40	(37)	23	33	2
Net cash provided by operating activities	<u>242</u>	<u>26</u>	<u>92</u>	<u>58</u>	<u>52</u>
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(200)	(264)	(267)	(181)	(18)
Proceeds from sale of assets	-	-	-	-	4
Expenditures for investments and acquisition of businesses, net of cash acquired	(750)	(645)	(100)	(233)	-
Distributions from investment	22	17	-	104	-
Decrease (increase) in loans to unconsolidated affiliates, net	359	(177)	186	(348)	(485)
Dividends received from equity method investments	-	-	-	18	28
Net cash used in investing activities	<u>(569)</u>	<u>(1,069)</u>	<u>(181)</u>	<u>(640)</u>	<u>(471)</u>
Cash Flows from Financing Activities					
Increase (decrease) in loans from unconsolidated affiliates, net	(172)	665	(65)	415	445
Capital contribution	625	660	101	-	-
Issuances of debt (maturities greater than 90 days)	150	16	9	141	12
Payments on debt (maturities greater than 90 days)	(116)	(60)	-	-	-
Decrease in short-term debt, net	-	(156)	-	-	-
Dividends paid	(116)	(59)	-	-	-
Other	(94)	14	2	4	4
Net cash provided by financing activities	<u>277</u>	<u>1,080</u>	<u>47</u>	<u>560</u>	<u>461</u>
Increase (decrease) in cash and cash equivalents	(50)	37	(42)	(22)	42
Cash and cash equivalents, January 1	86	49	91	113	71
Cash and cash equivalents, December 31	<u>\$ 36</u>	<u>\$ 86</u>	<u>\$ 49</u>	<u>\$ 91</u>	<u>\$ 113</u>

* As adjusted for the retrospective adoption of ASC 810 (SFAS 160).

Shareholder Information and Research Coverage

Corporate Headquarters

Sempra Energy
101 Ash Street
San Diego, California
92101-3017

Transfer Agent

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Telephone: 877-773-6772

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 on 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 NYSE Amex under the ticker symbol SDO. The 4.60% preferred and \$1.70 preference series are not listed and trade over-the-counter. PE preferred stock is listed on the NYSE Amex 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 Company
Barclays Capital
BMO Capital Markets
Citi Investment Research & Analysis
Goldman Sachs Group, Inc.
Jefferies & Company, Inc.

Morgan Stanley & Co. Inc.
RBC Capital Markets
Tudor, Pickering, Holt & Co.
UBS Securities LLC
Wells Fargo Securities, LLC



101 Ash Street
San Diego, California 92101-3017
www.semptra.com