

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

FORM 10-Q

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

For the quarterly period ended June 30, 1995

Commission file number 1-40

Pacific Enterprises

(Exact name of registrant as specified in its charter)

California 94-0743670

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

555 West Fifth Street, Suite 2900, Los Angeles, California 90013-1011

(Address of principal executive offices)
(Zip Code)

(213) 895-5000

(Registrant's telephone number, including area code)

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

Yes X No

The number of shares of common stock outstanding on July 28, 1995 was 84,670,572.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED INCOME
(Dollars are in Millions
except per share amounts)

| | Three Months Ended | | Six Months Ended | |
|--------------------------------------|--------------------|--------|------------------|--------|
| | June 30 | | June 30 | |
| | 1995 | 1994 | 1995 | 1994 |
| ----- | | | | |
| (Unaudited) | | | | |
| Revenues and Other Income: | | | | |
| Operating revenues | \$599 | \$651 | \$1,217 | 1,356 |
| Other | 10 | 5 | 18 | 11 |
| | ----- | ----- | ----- | ----- |
| Total | 609 | 656 | 1,235 | 1,367 |
| | ----- | ----- | ----- | ----- |
| Expenses: | | | | |
| Cost of gas distributed | 166 | 228 | 384 | 560 |
| Operating expenses | 251 | 232 | 456 | 418 |
| Depreciation and amortization | 61 | 62 | 121 | 123 |
| Franchise payments and other taxes | 21 | 28 | 52 | 60 |
| Preferred dividends of a subsidiary | 3 | 3 | 6 | 5 |
| | ----- | ----- | ----- | ----- |
| Total | 502 | 553 | 1,019 | 1,166 |
| | ----- | ----- | ----- | ----- |
| Income from Operations | | | | |
| Before Interest and Taxes | 107 | 103 | 216 | 201 |
| Interest | 28 | 29 | 57 | 60 |
| | ----- | ----- | ----- | ----- |
| Income from Operations | | | | |
| Before Income Taxes | 79 | 74 | 159 | 141 |
| Income Taxes | 34 | 32 | 69 | 61 |
| | ----- | ----- | ----- | ----- |
| Net Income | 45 | 42 | 90 | 80 |
| Dividends on Preferred Stock | 3 | 3 | 6 | 6 |
| | ----- | ----- | ----- | ----- |
| Net Income Applicable to | | | | |
| Common Stock | \$ 42 | \$ 39 | \$ 84 | \$ 74 |
| | ===== | ===== | ===== | ===== |
| Net Income per Share of Common Stock | | | | |
| | \$.51 | \$.47 | \$1.03 | \$.90 |
| | ===== | ===== | ===== | ===== |
| Dividends Declared per Share of | | | | |
| Common Stock | \$.68 | \$.64 | \$1.00 | \$.94 |
| | ===== | ===== | ===== | ===== |
| Weighted Average Number of Shares of | | | | |
| Common Stock Outstanding (000) | 82,230 | 81,937 | 82,179 | 81,843 |
| | ===== | ===== | ===== | ===== |

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS
(Millions of Dollars)

| | June 30 1995 ----- (Unaudited) | December 31 1994 ----- |
|---|---|------------------------------|
| Property, Plant and Equipment | \$6,023 | \$5,953 |
| Less Accumulated Depreciation and Amortization | 2,766 ----- | 2,673 ----- |
| Total property, plant and equipment-net | 3,257 ----- | 3,280 ----- |
| Current Assets: | | |
| Cash and cash equivalents | 412 | 287 |
| Accounts receivable (less allowance for doubtful receivables of \$16 million at June 30, 1995 and \$13 million at December 31, 1994) | 374 | 537 |
| Deferred income taxes | 1 | |
| Gas in storage | 21 | 64 |
| Other inventories | 28 | 35 |
| Regulatory accounts receivable | 101 | 360 |
| Prepaid expenses | 9 ----- | 40 ----- |
| Total current assets | 946 ----- | 1,323 ----- |
| Other Investments | 55 | 51 |
| Other Receivables | 18 | 30 |
| Regulatory Assets | 665 | 707 |
| Other Assets | 62 ----- | 54 ----- |
| Total | \$5,003 ===== | \$5,445 ===== |

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET
CAPITALIZATION AND LIABILITIES
(Millions of Dollars)

| | June 30 1995 ----- (Unaudited) | December 31 1994 ----- |
|--|---|------------------------------|
| Capitalization: | | |
| Shareholders' equity: | | |
| Capital stock | | |
| Remarketed preferred | \$ 108 | \$ 108 |
| Preferred | 80 | 110 |
| Common | 1,096 | 1,092 |
| | ----- | ----- |
| Total capital stock | 1,284 | 1,310 |
| Retained earnings, after elimination of accumulated deficit of \$452 million against common stock at December 31, 1992 as part of quasi-reorganization | 173 | 172 |
| Deferred compensation relating to Employee Stock Ownership Plan | (54) | (54) |
| | ----- | ----- |
| Total shareholders' equity | 1,403 | 1,428 |
| Preferred stocks of a subsidiary | 195 | 195 |
| Long-term debt | 1,314 | 1,420 |
| Debt of Employee Stock Ownership Plan | 126 | 130 |
| | ----- | ----- |
| Total capitalization | 3,038 | 3,173 |
| | ----- | ----- |
| Current Liabilities: | | |
| Short-term debt | 84 | 278 |
| Accounts payable | 407 | 469 |
| Accrued income taxes | | 12 |
| Deferred income taxes | | 34 |
| Other taxes payable | 20 | 53 |
| Long-term debt due within one year | 133 | 128 |
| Accrued interest | 36 | 42 |
| Other | 156 | 130 |
| | ----- | ----- |
| Total current liabilities | 836 | 1,146 |
| | ----- | ----- |
| Long-Term Liabilities | | |
| Customer Advances for Construction | 44 | 44 |
| Postretirement Benefits Other than Pensions | 239 | 245 |
| Deferred Income Taxes | 160 | 157 |
| Deferred Investment Tax Credits | 68 | 70 |
| Other Deferred Credits | 358 | 355 |
| | ----- | ----- |
| Total | \$5,003 | \$5,445 |
| | ===== | ===== |

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
 CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
 (Millions of Dollars)

| | Six Months Ended June 30 | |
|--|-----------------------------|-------|
| | 1995 | 1994 |
| | (Unaudited) | |
| Cash Flows from Operating Activities: | | |
| Net Income | \$ 90 | \$ 80 |
| Adjustments to reconcile net income to net cash provided by continuing operations: | | |
| Depreciation and amortization | 121 | 123 |
| Deferred income taxes | 14 | 40 |
| Other | 2 | (5) |
| Net change in other working capital components | 348 | 18 |
| | 575 | 256 |
| Changes in operating assets and liabilities of discontinued operations | | 65 |
| Net cash provided by operating activities | 575 | 321 |
| Cash Flows from Investing Activities: | | |
| Expenditures for property, plant and equipment | (99) | (100) |
| Increase in other investments | (4) | (1) |
| (Increase) decrease in other receivables, regulatory assets and other assets | 38 | (20) |
| | (65) | (121) |

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
 CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
 (Millions of Dollars)

| | Six Months Ended June 30 | |
|--|-----------------------------|--------|
| | 1995 | 1994 |
| | (Unaudited) | |
| Cash Flows from Financing Activities: | | |
| Sale of common stock | 4 | 4 |
| Redemption of preferred stock | (30) | (20) |
| Decrease in long-term debt | (105) | (5) |
| Decrease in short-term debt | (194) | (87) |
| Common dividends paid | (54) | (51) |
| Preferred dividends paid | (6) | (6) |
| | ----- | ----- |
| Net cash used in financing activities | (385) | (165) |
| | ----- | ----- |
| Increase in cash and cash equivalents | 125 | 35 |
| Cash and cash equivalents, January 1 | 287 | 152 |
| | ----- | ----- |
| Cash and cash equivalents, June 30 | \$ 412 | \$ 187 |
| | ===== | ===== |
| Supplemental Disclosure of Cash Flow Information: | | |
| Cash paid during the period for: | | |
| Interest (net of amount capitalized) | \$63 | \$61 |
| Income taxes | \$110 | \$20 |

See Notes to Condensed Consolidated Financial Statements.

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements have been prepared in accordance with the interim period reporting requirements of Form 10-Q. Reference is made to the Form 10-K for the year ended December 31, 1994 for additional information.

Results of operations for interim periods are not necessarily indicative of results for the entire year. In order to match revenues and costs for interim reporting purposes, the Southern California Gas Company (SoCalGas) defers revenues related to costs which it expects to incur later in the year. In the opinion of management, the accompanying statements reflect all adjustments which are necessary for a fair presentation. These adjustments are of a normal recurring nature. Certain changes in account classification have been made in the prior years' consolidated financial statements to conform to the 1995 financial statement presentation.

2. CONTINGENT LIABILITIES

QUASI-REORGANIZATION. During 1993, Pacific Enterprises (Company) completed a strategic plan to refocus on its natural gas utility and related businesses. The strategy included the divestiture of the Company's retailing operations and substantially all of its oil and gas exploration and production business. In connection with the divestitures, the Company effected a quasi-reorganization for financial reporting purposes effective December 31, 1992. Certain of the liabilities established in connection with discontinued operations and the quasi-reorganization will be resolved in future years. As of June 30, 1995, the provisions previously established for these matters are adequate.

ENVIRONMENTAL OBLIGATIONS. The Company has identified and reported to California environmental authorities 42 former manufactured gas plant sites for which it (together with other utilities as to 21 of these sites) may have environmental obligations under environmental laws. As of June 30, 1995, eight of these sites have been remediated, of which five have received certification from the California Environmental Protection Agency. Preliminary investigations, at a minimum, have been completed on 38 of the gas plant sites, including those sites at which the remediations described above have been completed. In addition, the Company has been named as a potentially responsible party of one landfill site and three industrial waste disposal sites.

On May 4, 1994, the CPUC approved a collaborative settlement between the Company and other California energy utilities and the Division of Ratepayer

PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Advocates that provides for rate recovery of 90 percent of environmental investigation and remediation costs without reasonableness review. In addition, the utilities have the opportunity to retain a percentage of any insurance recoveries to offset the 10 percent of costs not recovered in rates.

At June 30, 1995, the Company's estimated remaining investigation and remediation liability was approximately \$65 million which it is authorized to recover through the mechanism discussed above. The estimated liability is subject to future adjustment pending further investigation. The Company believes that any costs not ultimately recovered through rates, insurance or other means, upon giving effect to previously established liabilities, will not have a material adverse effect on the Company's financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pacific Enterprises is a holding company whose primary subsidiary is Southern California Gas Company, a public utility engaged in natural gas distribution, transmission and storage in a 23,000-square-mile service area in southern California and parts of central California. SoCalGas markets are separated into core customers and noncore customers. Core customers consist of approximately 4.7 million customers (4.5 million residential and 200,000 smaller commercial and industrial customers). The noncore market consists of approximately 1,200 customers which primarily include utility electric generation, wholesale and large commercial and industrial customers. Many noncore customers are sensitive to the price relationship between natural gas and alternate fuels and are capable of readily switching from one fuel to another, subject to air quality regulations. SoCalGas is regulated by the California Public Utilities Commission (CPUC). It is the responsibility of the CPUC to determine that utilities operate in the best interest of the ratepayers with the opportunity to earn a reasonable return on investment. Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Condensed Consolidated Financial Statements and the Company's Annual Report on Form 10-K.

CONSOLIDATED

Net income for the quarter ended June 30, 1995 was \$45 million, or \$.51 per common share, compared to \$42 million, or \$.47 per common share, in 1994. Net income for the six months ended June 30, 1995 was \$90 million, or \$1.03

per common share, compared to \$80 million, or \$.90 per common share in 1994. The weighted average number of shares of common stock outstanding in the second quarter of 1995 remained relatively unchanged at 82.2 million shares from the second quarter of 1994.

Affecting second quarter results was the establishment of a reserve, pending a final agreement and regulatory approval, resolving power sales contract issues at Pacific Energy, the Company's alternate energy subsidiary. These issues relate to contracts which became effective in 1986, and after giving effect to previously established reserves, result in an income charge after tax of \$4 million for the second quarter.

SOCALGAS AND RELATED OPERATIONS

Net income includes income of SoCalGas for the second quarter of 1995 of \$50 million, compared to \$43 million for the same period in 1994. SoCalGas' earnings increased primarily due to the increase in the authorized rate of return on common equity from 11.0 percent in 1994 to 12.0 percent in 1995 and lower operating expenses and capital expenditures in 1995 from the amounts authorized in the most recent general rate case decision as adjusted for 1995 attrition allowances.

Net income includes income of SoCalGas for the six months ended June 30, 1995 and 1994 of \$98 million and \$85 million, respectively. SoCalGas' earnings increased primarily due to the increase in the authorized rate of return on common equity from 11.0 percent in 1994 to 12.0 percent in 1995 and lower operating expenses and capital expenditures in 1995 from the amounts authorized in the most recent general rate case decision as adjusted for the 1995 attrition allowances.

SoCalGas' operating revenues and cost of gas distributed for the three months ended June 30, 1995 decreased \$51 million and \$69 million, respectively, and by \$135 million and \$191 million, respectively, for the six months ended, when compared to the same periods in 1994. This primarily reflects a decrease in the average unit cost of gas. The average unit cost of gas declined as a result of lower market prices. Under the current regulatory framework, changes in revenue resulting from changes in volumes delivered to the core market and cost of gas do not affect net income.

RECENT CPUC REGULATORY ACTIVITY

On June 1, 1995, SoCalGas filed a "Performance Based Ratemaking" (PBR) application with the CPUC which would replace the general ratecase. This new method would link financial performance with productivity improvements and generally would allow for rates to increase by the rate of inflation, less an agreed-upon percentage for productivity improvements. However, under PBR, SoCalGas would be at risk for changes in interest rates and cost of capital, changes in core volumes not related to weather, and achieving the

productivity improvements. If approved by the CPUC, PBR would be implemented in 1997 at the earliest.

On March 16, 1994, the CPUC approved a new process for evaluating SoCalGas' gas purchases, substantially replacing the previous process of reasonableness reviews. The new Gas Cost Incentive Mechanism (GCIM) is a three-year pilot program that began on April 1, 1994. The GCIM essentially compares SoCalGas' cost of gas with a benchmark level, which is the average market price of 30-day firm spot supplies delivered to the SoCalGas service areas.

All savings from gas purchased below the benchmark are shared equally between ratepayers and shareholders. SoCalGas can recover all costs in excess of the benchmark that are within a tolerance band. If SoCalGas' cost of gas exceeds the tolerance band, then the excess costs are shared equally between ratepayers and shareholders. For the first year of the program, the GCIM provided a 4.5 percent tolerance band above the benchmark. For the second and third years of the program, the tolerance band is 4 percent. Since the inception of the program through June 30, 1995, SoCalGas' gas costs, including gains and losses from gas futures contracts discussed below, were within the tolerance band.

SoCalGas enters into gas futures contracts in the open market on a limited basis to help reduce gas costs within the GCIM tolerance band. SoCalGas' policy is to use gas futures contracts to mitigate risk and better manage gas costs. The CPUC has approved the use of gas futures for managing risk associated with the GCIM.

On July 5, 1995, an administrative law judge (ALJ) issued a proposed decision authorizing SoCalGas \$33 million in ratepayer funding, compared to a request of \$70 million, over six years, to fund natural gas vehicle (NGV) activities. The proposed funding would cover the costs of maintaining existing fueling stations, increasing the overall number of natural gas vehicles, continued research and development and conducting educational activities. The decision is subject to CPUC approval and may be approved as is, rejected or modified.

The proposal would also require that all refueling stations on customer sites be sold or removed from ratebase within six years of the ALJ's proposed decision. Any depreciation previously recovered in rates would be refunded to the ratepayer along with 50% of any gains resulting from the sale of the stations. If this proposed decision is accepted by the CPUC, SoCalGas may be required to reduce the carrying value of its \$20 million investment in these stations. SoCalGas does not believe this recommendation will be accepted and believes that the CPUC will adopt a policy permitting full recovery of the cost of this investment.

FACTORS INFLUENCING FUTURE PERFORMANCE. Under current ratemaking policies, future SoCalGas earnings and cash flow will be determined primarily by the allowed rate of return on common equity, the growth in rate base, noncore market pricing and the variance in gas volumes delivered to noncore customers

versus CPUC-adopted forecast deliveries and the ability of management to control expenses and investment in line with the amounts authorized by the CPUC to be collected in rates.

The impact of any future regulatory restructuring, such as Performance Based Ratemaking, increased competitiveness in the industry, including the continuing threat of customers bypassing SoCalGas' systems, and obtaining service directly from interstate pipelines, and electric industry restructuring could also affect SoCalGas' future performance. The Company's ability to report as earnings the results from revenues in excess of SoCalGas' authorized return from noncore customers due to volume increases has been eliminated for the five years that began on August 1, 1994 as a consequence of the restructuring of the high-cost gas contracts that was approved by the CPUC last July (the Comprehensive Settlement). This is because certain forecasted levels of gas deliveries in excess of the 1991 throughput levels used to establish noncore rates were contemplated in estimating the costs of the Comprehensive Settlement in prior years.

SoCalGas' earnings for 1995 will be affected by the increase in the authorized rate of return on common equity, reflecting the overall increase in cost of capital. For 1995, SoCalGas is authorized to earn a rate of return on rate base of 9.67 percent and a rate of return on common equity of 12.00 percent compared to 9.22 percent and 11.00 percent, respectively, in 1994. A change in return on equity of 1 percent (100 basis points) impacts earnings approximately \$.17 per share. Rate base is expected to remain at the same level as 1994.

On May 9, 1995, SoCalGas filed a request with the CPUC for the 1996 cost of capital. SoCalGas requested an authorized return on common equity of 12.50 percent and a 9.90 percent return on rate base. A decision is expected in late 1995.

The Company's earnings for the third and fourth quarters of 1995 and all of 1996 will be favorably impacted by the completion of a realignment of the Company into five business units effective July 1995. The annualized dollar savings from the realignment are expected to amount to approximately \$59 million. Certain amounts of the savings represent a reduction in capital expenditures and additional amounts of the savings will need to be returned to the SoCalGas ratepayers in accordance with provisions of SoCalGas' 1994 general rate case decision. A significant amount of the savings will not be realized until 1996, the first full year following the realignment. Improvements in earnings will be partially offset by the 2 percent and 3 percent productivity adjustments for 1995 and 1996, respectively, authorized by the CPUC, under the terms of the 1994 Comprehensive Settlement.

Existing interstate pipeline capacity into California exceeds current demand by over 1 billion cubic feet per day. Up to 2 billion cubic feet per day of capacity on the El Paso and Transwestern interstate pipeline systems representing over \$175 million and \$55 million, respectively, of annual reservation charges, may be relinquished within the next few years based on

existing contract reduction options and contract expirations. Some of this capacity may not be resubscribed. Current FERC regulation could permit the cost of unsubscribed capacity to be allocated to remaining firm service customers, including SoCalGas. Under existing regulation in California, SoCalGas would have the opportunity to include its portion of any such reallocated costs in its rates. If competitive conditions did not support higher rates resulting from these reallocated costs, then SoCalGas would be at risk for lost revenues in the noncore market.

SoCalGas, as a part of a coalition of customers who hold 90 percent of the firm transportation capacity rights on the El Paso and Transwestern systems, has offered a proposal for negotiated rates with balanced incentives to El Paso and Transwestern to resolve the issue of unsubscribed capacity. In March 1995, a Principles of Agreement consistent with the coalition's proposal was finalized with Transwestern. A definitive settlement was submitted to the FERC on May 2, 1995 and approval was granted on July 26. A similar proposal was offered to and rejected by El Paso. El Paso has subsequently filed for a \$74 million annual rate increase with the FERC. The rate increase proposes to reallocate to its remaining firm customers the costs related to pipeline capacity soon to be relinquished by certain of its customers. On July 12, SoCalGas and a coalition of El Paso's customers filed a protest with the FERC in opposition to El Paso's request. El Paso and its customers including SoCalGas are scheduled to meet in mid-August.

SoCalGas' operations and those of its customers are affected by a growing number of environmental laws and regulations. These laws and regulations affect current operations as well as future expansion. Historically, environmental laws favorably impacted the use of natural gas in SoCalGas' service territory, particularly by utility electric generation and large industrial customers. However, increasingly complex administrative requirements may discourage natural gas use by commercial and industrial customers. Environmental laws also require clean up of facilities no longer in use. Because of current and expected rate recovery, SoCalGas believes that compliance with these laws will not have a significant impact on its financial statements. For further discussion of regulatory and environmental matters, see Note 2 of Notes to Condensed Consolidated Financial Statements.

PARENT COMPANY

Parent company expenses after taxes were \$2 million for the three months ended June 30, 1995 and 1994, and \$4 million for the six months ended June 30, 1995 and 1994.

CAPITAL EXPENDITURES

Capital expenditures were \$99 million and \$100 million for the first six months of 1995 and 1994, respectively. Capital expenditures are estimated to

be \$250 million in 1995, and will be financed primarily by internally generated funds.

LIQUIDITY AND DIVIDENDS

Cash and cash equivalents at June 30, 1995 were \$412 million which includes \$257 million at the parent. Parent cash is available for investment in new energy-related projects, retirement of preferred stock and debt and other corporate purposes during the next few years. Regulatory accounts receivable decreased \$259 million, reflecting the recovery through rates of amounts undercollected in prior years. As a result, the cash flows generated were available for additional cash requirements, which were primarily utilized for the repayment of debt and a preferred stock redemption of \$30 million.

On June 19, 1995, the Company redeemed \$30 million of \$7.64 Dividend Preferred Stock. The Company has no further plans for redemption of preferred stock in 1995.

In April 1995, the Company increased its regular quarterly dividend from 32 cents to 34 cents per share. The dividend was paid on May 15 to shareholders of common stock of record on April 14.

In June 1995, the Company declared a regular quarterly dividend of 34 cents per share, payable on August 4, 1995 to shareholders of common stock of record at the close of business on July 20, 1995.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(b) Reports on Form 8-K filed during the quarter ended June 30, 1995 were as follows:

Item 5 - Other Events - May 16, 1995

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACIFIC ENTERPRISES

(Registrant)

Ralph Todaro

Ralph Todaro
Vice President and Controller
Interim Chief Financial Officer
(Interim Chief Financial Officer
and duly authorized signatory)

Date: August 10, 1995

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

0000075527

PACIFIC ENTERPRISES

1,000,000

| 6-MOS | DEC-31-1995 | JUN-30-1995 | PER-BOOK |
|-------|-------------|-------------|----------|
| | 3,257 | | |
| | 55 | | |
| | 973 | | |
| | 665 | | |
| | | 80 | |
| | | 5,030 | |
| | | | 1,096 |
| | 0 | | |
| | 173 | | |
| 1,215 | 0 | | |
| | | | 188 |
| | 1,314 | | |
| | 84 | | |
| | 0 | | |
| 0 | | | |
| 133 | | | |
| | 0 | | |
| | | | 0 |
| 2,042 | | | |
| 5,030 | | | |
| | 1,217 | | |
| | | 69 | |
| | 0 | | |
| | 1,019 | | |
| | 216 | | |
| | | 0 | |
| 0 | | | |
| | 57 | | |
| | | | 90 |
| | 6 | | |
| 84 | | | |
| | 0 | | |
| | 0 | | |
| | 575 | | |
| | | | 1.03 |
| | | | 1.03 |