



Third-Quarter 2010 Earnings Results

November 9, 2010

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Third-Quarter 2010 Results

<i>(Dollars in millions, except EPS - Unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Earnings before Sempra Commodities	\$ 265	\$ 242	\$ 598	\$ 557
Earnings (Losses) from Sempra Commodities	(134)	75	(139)	274
Earnings	<u>\$ 131</u>	<u>\$ 317</u>	<u>\$ 459</u>	<u>\$ 831</u>
Diluted weighted-average shares outstanding	250	248	250	247
EPS - Before Sempra Commodities	\$ 1.06	\$ 0.97	\$ 2.40	\$ 2.25
EPS	\$ 0.53	\$ 1.27	\$ 1.84	\$ 3.37

- Earnings before Sempra Commodities up 10% in Q3-10
- Q3-10 includes \$139 million charge related to reduction in investment in RBS Sempra Commodities

Sempra Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
SDG&E Earnings	\$ 106	\$ 108	\$ 264	\$ 277
SoCalGas Earnings	78	74	212	198
Total	<u>\$ 184</u>	<u>\$ 182</u>	<u>\$ 476</u>	<u>\$ 475</u>

- SDG&E year-to-date 2010 results include \$16 million higher wildfire insurance premiums
- SoCalGas year-to-date 2010 includes better operating results and a lower effective tax rate on operations offset by a \$13 million tax charge related to passage of health care legislation

Sempra Generation

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Earnings	\$ 56	\$ 43	\$ 51	\$ 119

- Q3-10 increase due primarily to:
 - \$12 million renewable energy tax credits in Q3-10 and \$8 million higher mark-to-market earnings on forward contracts, partially offset by
 - \$9 million lower earnings from natural gas-fired power plant operations
- Year-to-date 2010 results include \$86 million charge related to an agreement to settle energy crisis litigation

Sempra Pipelines & Storage

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Earnings	\$ 43	\$ 54	\$ 120	\$ 64

- Q3-10 decrease due primarily to:
 - Items related to our investment in Argentina, including \$48 million in proceeds received from a legal settlement, less a related income tax effect of \$17 million, and a \$24 million write-down of our investment
 - \$15 million favorable impact from the resolution of prior years' tax issues in Q3-09
- Year-to-date 2009 results included a \$64 million write-off at Liberty Gas Storage

Sempra LNG

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Earnings (loss)	\$ 5	\$ -	\$ 50	\$ (19)

- Q3-10 increase due primarily to higher earnings from operations
- Q3-10 impacted by:
 - Lower natural gas prices
 - A reduction in the carrying value of inventory and other mark-to-market adjustments totaling \$5 million
 - Legal and tax items totaling \$4 million

RBS Sempra Commodities Update

- Sale of metals, oil, and European natural gas and power businesses to J.P. Morgan closed on July 1
 - Sempra received approximately \$1 billion in proceeds
- Sale of retail marketing business closed November 1
- Expect sale of North American natural gas and power assets to close December 1
- Anticipate \$1.8 to \$1.9 billion in total proceeds to Sempra from Commodities joint venture
 - Includes \$500 to \$600 million of cash, accounts receivable and margin which we expect to receive in early 2011

Financial Summary

- Existing revolving credit facilities replaced by \$3.8 billion of new facilities expiring in October 2014
 - Sempra: \$3 billion
 - SDG&E and SoCalGas: \$800 million (combined)
- Pressures on 2011 earnings per share outlook
 - Pressures include:
 - Lower natural gas prices
 - Currently do not expect to acquire partner's interest in Mexican pipeline joint venture
 - Timing of Mesquite Solar
 - Partially offset by improvements in other areas, but may reduce 2011 outlook by \$0.35 to \$0.45 per share
 - New guidance to be issued in February 2011

Utility Operational Update

- Sunrise Powerlink
 - Construction underway
 - \$1.9 billion project on-track for completion in second-half of 2012
- Over 1.6 million smart meters installed at SDG&E to-date
- SDG&E and SoCalGas 2012 General Rate Cases
 - Filed Notices of Intent in August
 - File final GRC applications next month
 - CPUC rate case plan calls for decisions by year-end 2011

Infrastructure Business Update

Sempra Generation

- Copper Mountain Solar (48 MW)
 - Under construction; 38 MW currently in operation
 - Expect to complete all 48 MW by year-end 2010
- Mesquite Solar (150 MW initial phase)
 - 20-year off-take agreement signed with PG&E
 - Expected construction start in 2011, completion early 2013
- Cedar Creek II Wind (250 MW)
 - 50/50 joint venture with BP Wind Energy
 - 25-year off-take agreement
 - Project under construction; expected completion mid-2011

Sempra Pipelines & Storage

- Approximately 12 Bcf storage capacity recently placed in service

Summary

- Q3-10 earnings before Sempra Commodities rise 10%
- Recent accomplishments
 - Sunrise Powerlink construction underway at SDG&E
 - Renewable projects advance at Sempra Generation
 - Exit from Commodities trading business essentially complete
- \$500 million share repurchase program underway