

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) January 27, 1998

Pacific Enterprises

(Exact name of registrant as specified in its charter)

California

(State or other jurisdiction of incorporation)

1-40

94-0743670

Commission File Number

(I.R.S. Employer Identification No.)

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

(Address of principal executive offices)
(Zip Code)

(213) 895-5000

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

See the attached news release dated January 27, 1998, which sets forth certain fourth quarter and year-end 1997 earnings results for Pacific Enterprises and Southern California Gas Company.

The Justice Department has issued a request for additional information and documents in connection with its review under the Hart-Scott-Rodino Antitrust Improvements Act of the pending business combination of Pacific Enterprises and Enova Corporation. Pacific Enterprises expects that any Justice Department concerns will be favorably resolved and will not affect the timing of the business combination which is expected to be completed this summer.

SIGNATURE

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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

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(Registrant)

/s/ Ralph Todaro

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Vice President and Controller
(Chief Accounting Officer and
duly authorized signatory)

Date: Feb 9, 1998

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Contact: Clem Teng (Investors) (213) 244-3966
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FOR IMMEDIATE RELEASE
January 27, 1998

PACIFIC ENTERPRISES ANNOUNCES

EARNINGS FOR 1997, 4TH QUARTER

LOS ANGELES - Pacific Enterprises (NYSE-PET), the parent of Southern California Gas Co., today reported net income of \$184 million or \$2.22 per share of common stock for 1997, compared to 1996 earnings of \$203 million or \$2.37 per common share.

Excluding merger-related and nonrecurring items in both periods, earnings increased by 7 percent to \$2.41 per share in 1997 from \$2.26 per share in 1996.

For the fourth quarter of 1997, the company reported net income of \$40 million or 47 cents per share, compared to net income of \$48 million or 56 cents per share for the same period of 1996. These results include merger-related expenses of 4 cents and 5 cents per share, respectively, for each period.

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Willis B. (Bill) Wood Jr., Pacific Enterprises chairman and chief executive officer, said that 1997 was an excellent year for PE and its shareholders, driven by the performance of its major subsidiary, Southern California Gas Co. (SoCalGas) which exceeded the rate of return on rate base authorized by the California Public Utilities Commission (CPUC) and by other company efforts to position itself for the new energy marketplace.

Consolidated results included 1997 net income of \$231 million for SoCalGas, compared with \$193 million in 1996. Results in 1996 were impacted by an after-tax, non-cash charge of \$27 million related to a previous accounting estimate for a comprehensive settlement between SoCalGas and the CPUC. This charge impacted SoCalGas' net income, but had no effect on PE's consolidated income.

For the fourth quarter of 1997, SoCalGas reported earnings of \$49 million, compared with \$57 million for the fourth quarter of 1996.

Wood noted that SoCalGas' 1997 results were achieved within the implementation parameters of the Performance Based Regulation (PBR) order by the CPUC which went into effect Aug. 1. The impact of this order was partially offset by the greater volumes of gas transported during 1997 due to higher demand for gas used to generate electricity; by lower operating expenses and; by a 60-basis-point increase in the authorized common equity component in the utility's capital structure.

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" We continue to believe that the PBR overall encourages a more competitive environment which provides SoCalGas with the opportunity to achieve its authorized return," noted Wood.

Gas volumes delivered by SoCalGas in 1997 totaled 930 billion cubic feet (BCF), compared with 884 BCF in 1996. Gas transported for utility electric generation customers totaled 158 BCF for 1997 compared to 139 BCF in 1996.

According to Wood, other achievements in 1997 that enhance shareholder value include:

- - A 1997 total return to the shareholders of 30 percent which includes stock price appreciation and assumed reinvested dividends.
- - A progression of regulatory approvals on the company's proposed merger with Enova Corporation (NYSE-ENA), parent of San Diego Gas & Electric. The Federal Energy Regulatory Commission (FERC) conditionally approved the merger on June 25, 1997; the Nuclear Regulatory Commission approved the merger on August 19, 1997; and the California Attorney General's office approved the merger on November 21, 1997. Final regulatory approvals must be gained from the CPUC, FERC, the U.S. Department of Justice and the Securities and Exchange Commission.

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It is expected that all regulatory approvals will be granted and the new company, to be called Sempra Energy, will be operational in the summer of 1998.

- - Maintenance of PE's strong financial position demonstrated by its excellent debt-to-total-capital ratio of 51 percent, along with \$153 million in short-term investments and cash at year-end with no outstanding bank debt.
- - The repurchase of 1.5 million shares of common stock during 1997, bringing total shares under the repurchase program to 2.4 million shares.
- - Completion of the acquisitions with Enova of AIG Trading Corporation and CES/Way International, dramatically expanding the company's portfolio of competitive energy services and capabilities.
- - Expansion of domestic operations with new natural gas distribution projects in North Carolina and Maine under regional joint ventures and partnerships by Energy Pacific, the joint venture company of Pacific Enterprises and Enova.

Wood noted that these business ventures demonstrate significant moves by the company to position itself as a major player in the new national and international energy marketplace. Such moves, however, did affect Pacific Enterprise's earnings for the year with costs for the launch of new unregulated products and services and the higher level of international activity.

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Pacific Enterprises' Energy Management Services (EMS), which is responsible for interstate and offshore gas pipeline operations and unregulated energy products and services, had losses of approximately \$5 million for 1997 compared to net income of \$6 million for the same period last year.

The loss was partially due to a reduction of revenues related to the mid-year sale of Pacific Energy, completed on June 30, 1997, which included EMS' alternate energy electric generating assets. The sale was required prior to completion of the merger with Enova because of Pacific Enterprises ownership of these "Qualifying Facility" assets, which cannot be more than 50 percent owned by an electric utility holding company.

Pacific Enterprises International had losses of \$8 million for the 12 months of 1997 compared with losses of \$5 million for 1996.

Looking forward to 1998, it is expected that activities in the unregulated businesses, both domestic and international, will continue to incur start-up losses. Also, as a result of the impact of PBR on SoCalGas operations, Wood explained that it will be more difficult for the utility to achieve the level of returns above those authorized by the CPUC, that it has recently experienced.

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Southern California Gas Co., PE's major subsidiary, is the nation's largest natural gas distributor with 4.8 million meters serving 17 million customers.

In addition to its regulated operations, Pacific Enterprises also markets a wide range of unregulated energy products and services, including natural gas, and owns interests in international utility operations, interstate and offshore natural gas pipelines and centralized heating and cooling for large building complexes.

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PACIFIC ENTERPRISES AND SUBSIDIARY COMPANIES

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	1997	1996	1997	1996
(DOLLARS ARE IN MILLIONS, EXCEPT SHARE AND PER-SHARE AMOUNTS)				
REVENUE				
Operating Revenue	\$743	\$776	\$2,738	\$2,563
Other Income	9	9	39	25
Total	752	785	2,777	2,588
EXPENSES				
Cost of Gas Distributed	272	295	1,059	866
Operating Expenses	293	302	918	910
Depreciation and Amortization	64	63	256	255
Other	28	27	106	106
Total	657	687	2,339	2,137
INCOME FROM OPERATIONS BEFORE INTEREST AND TAXES	95	98	438	451
INTEREST	25	21	103	97
INCOME FROM OPERATIONS BEFORE INCOME TAXES	70	77	335	354
INCOME TAXES	30	29	151	151
NET INCOME	40	48	184	203
DIVIDENDS ON PREFERRED STOCK	1	1	4	5
PREFERRED STOCK ORIGINAL ISSUE DISCOUNT	-	-	-	2
NET INCOME APPLICABLE TO COMMON STOCK	\$39	\$47	\$180	\$196
NET INCOME PER SHARE OF COMMON STOCK:				
BASIC	\$0.47	\$0.56	\$2.22	\$2.37
DILUTED	\$0.47	\$0.56	\$2.21	\$2.36
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (IN THOUSANDS)	81,158	82,652	81,124	82,626

KEY CONSOLIDATED BALANCE SHEET STATISTICS

	December 31,	
	1997	1996
(DOLLARS ARE IN MILLIONS, EXCEPT PER-SHARE AMOUNTS)		
SHORT-TERM DEBT	\$354	\$262
CURRENT PORTION LONG-TERM DEBT	148	149
LONG-TERM DEBT	1,118	1,225
PREFERRED STOCK	175	175
COMMON EQUITY	1,389	1,360
TOTAL CAPITALIZATION	\$3,184	\$3,171

DEBT TO TOTAL CAPITALIZATION	51%	52%
BOOK VALUE PER SHARE	\$17.13	\$16.58
PARENT CASH AND CASH EQUIVALENTS	\$151	\$234

SOUTHERN CALIFORNIA GAS COMPANY
SUPPLEMENTAL OPERATING DATA

	Three Months Ended December 31		Twelve Months Ended December 31,	
	1997	1996	1997	1996
GAS VOLUMES (BCF)				
Residential	73	74	237	233
Commercial/Industrial	20	21	80	82
Gas Volumes Sold	93	95	317	315
Residential	1	1	3	3
Commercial/Industrial	81	77	308	292
Utility Electric Generation	30	30	158	139
Wholesale	35	36	138	130
Exchange	2	1	6	5
Gas Volumes Transported or Exchanged	149	145	613	569
Total Throughput	242	240	930	884
Core	96	97	323	314
Noncore	146	143	607	570
Total Throughput	242	240	930	884
REVENUES (IN MILLIONS)				
Residential	\$569	\$489	\$1,736	\$1,613
Commercial/Industrial	195	184	756	708
Utility Electric Generation	15	9	76	70
Wholesale	19	22	67	70
Exchange	-	-	1	1
Gas Revenues in Rates	798	704	2,636	2,462
Regulatory Balancing Accounts and Other	(58)	25	5	(40)
Total Utility Operating Revenues	\$740	\$729	\$2,641	\$2,422
AVERAGE RATES (\$/MCF)				
Residential	\$7.69	\$6.52	\$7.23	\$6.83
Commercial/Industrial	1.93	1.88	1.95	1.89
Utility Electric Generation	0.50	0.30	0.48	0.50
Wholesale	0.54	0.61	0.49	0.54
Exchange	0.10	0.16	0.17	0.10
System Average Gas Sold	3.30	2.93	2.83	2.79
Core	7.36	6.30	6.94	6.59
Noncore	0.63	0.68	0.65	0.69
GAS PURCHASED (BCF)				
Total Market Gas	57	71	229	226
Affiliates	24	24	95	96
Other Long-Term Supplies	2	2	5	12
Total Gas Purchased	83	97	329	334
System Average Cost of Gas Purchased (Excluding Fixed Costs and Adjusted for Comprehensive Settlement), \$/MCF	\$2.92	\$2.66	\$2.58	\$1.88
OTHER OPERATING STATISTICS				
Degree Days	431	472	1,126	1,195
New Meters Added	12,435	11,607	43,720	44,406
Total Number of Active Meters (in thousands)	-	-	4,830	4,790
Capital Expenditures (in millions)	\$49	\$73	\$159	\$197
Weighted Average Rate Base (in millions)	-	-	\$2,734	\$2,777

Utility Book Value Per Share of PE Common Stock	-	-	\$16.89	\$16.95
Authorized Return on Rate Base	-	-	9.49%	9.42%
Authorized Return on Common Equity	-	-	11.60%	11.60%
Achieved Return on Common Equity*	-	-	16.74%	14.35%

*(ADJUSTED FOR NON-RECURRING SETTLEMENTS)