

SEMPRA ENERGY

Table A

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| (Dollars in millions, except per share amounts) | Three months ended March 31, | |
|---------------------------------------------------------------------------------------|------------------------------|----------------|
| | 2011 | 2010 |
| | (unaudited) | |
| REVENUES | | |
| Sempra Utilities | \$ 1,881 | \$ 1,912 |
| Sempra Global and parent | 553 | 622 |
| Total revenues | <u>2,434</u> | <u>2,534</u> |
| EXPENSES AND OTHER INCOME | | |
| Sempra Utilities: | | |
| Cost of natural gas | (609) | (758) |
| Cost of electric fuel and purchased power | (171) | (148) |
| Sempra Global and parent: | | |
| Cost of natural gas, electric fuel and purchased power | (263) | (338) |
| Other cost of sales | (23) | (25) |
| Litigation expense | (7) | (168) |
| Other operation and maintenance | (632) | (576) |
| Depreciation and amortization | (231) | (210) |
| Franchise fees and other taxes | (95) | (90) |
| Equity earnings, before income tax | 1 | 15 |
| Other income, net | 43 | 8 |
| Interest income | 3 | 4 |
| Interest expense | (108) | (109) |
| Income before income taxes and equity earnings of certain unconsolidated subsidiaries | 342 | 139 |
| Income tax expense | (109) | (58) |
| Equity earnings, net of income tax | 31 | 19 |
| Net income | <u>264</u> | <u>100</u> |
| (Earnings) losses attributable to noncontrolling interests | (4) | 8 |
| Preferred dividends of subsidiaries | (2) | (2) |
| Earnings | <u>\$ 258</u> | <u>\$ 106</u> |
| Basic earnings per common share | <u>\$ 1.07</u> | <u>\$ 0.43</u> |
| Weighted-average number of shares outstanding, basic (thousands) | <u>240,128</u> | <u>246,083</u> |
| Diluted earnings per common share | <u>\$ 1.07</u> | <u>\$ 0.42</u> |
| Weighted-average number of shares outstanding, diluted (thousands) | <u>241,903</u> | <u>250,373</u> |
| Dividends declared per share of common stock | <u>\$ 0.48</u> | <u>\$ 0.39</u> |

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Table B

CONDENSED CONSOLIDATED BALANCE SHEETS

| (Dollars in millions) | March 31, 2011 (unaudited) | December 31, 2010 (1) |
|-------------------------------------------------------------------------------------|----------------------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,219 | \$ 912 |
| Restricted cash | 318 | 131 |
| Accounts receivable | 1,058 | 1,032 |
| Due from unconsolidated affiliates | 17 | 34 |
| Income taxes receivable | 261 | 248 |
| Deferred income taxes | 36 | 75 |
| Inventories | 176 | 258 |
| Regulatory assets | 73 | 90 |
| Fixed-price contracts and other derivatives | 97 | 81 |
| Settlement receivable related to wildfire litigation | - | 300 |
| Other | 171 | 192 |
| Total current assets | 3,426 | 3,353 |
| Investments and other assets: | | |
| Restricted cash | - | 27 |
| Regulatory assets arising from pension and other postretirement benefit obligations | 885 | 869 |
| Regulatory assets arising from wildfire litigation costs | 348 | 364 |
| Other regulatory assets | 932 | 934 |
| Nuclear decommissioning trusts | 796 | 769 |
| Investment in RBS Sempra Commodities LLP | 779 | 787 |
| Other investments | 2,163 | 2,164 |
| Goodwill and other intangible assets | 537 | 540 |
| Sundry | 630 | 600 |
| Total investments and other assets | 7,070 | 7,054 |
| Property, plant and equipment, net | 20,200 | 19,876 |
| Total assets | \$ 30,696 | \$ 30,283 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Short-term debt | \$ 566 | \$ 158 |
| Accounts payable | 709 | 864 |
| Due to unconsolidated affiliates | 37 | 36 |
| Dividends and interest payable | 251 | 188 |
| Accrued compensation and benefits | 211 | 311 |
| Regulatory balancing accounts, net | 379 | 241 |
| Current portion of long-term debt | 89 | 349 |
| Fixed-price contracts and other derivatives | 91 | 106 |
| Customer deposits | 131 | 129 |
| Reserve for wildfire litigation | 489 | 639 |
| Other | 701 | 765 |
| Total current liabilities | 3,654 | 3,786 |
| Long-term debt | 9,174 | 8,980 |
| Deferred credits and other liabilities: | | |
| Customer advances for construction | 132 | 154 |
| Pension and other postretirement benefit obligations, net of plan assets | 1,114 | 1,105 |
| Deferred income taxes | 1,633 | 1,561 |
| Deferred investment tax credits | 49 | 50 |
| Regulatory liabilities arising from removal obligations | 2,671 | 2,630 |
| Asset retirement obligations | 1,469 | 1,449 |
| Other regulatory liabilities | 130 | 138 |
| Fixed-price contracts and other derivatives | 285 | 290 |
| Deferred credits and other | 903 | 823 |
| Total deferred credits and other liabilities | 8,386 | 8,200 |
| Contingently redeemable preferred stock of subsidiary | 79 | 79 |
| Equity: | | |
| Total Sempra Energy shareholders' equity | 9,186 | 9,027 |
| Preferred stock of subsidiaries | 100 | 100 |
| Other noncontrolling interests | 117 | 111 |
| Total equity | 9,403 | 9,238 |
| Total liabilities and equity | \$ 30,696 | \$ 30,283 |

(1) Derived from audited financial statements.

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Table C

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| (Dollars in millions) | Three months ended | |
|-----------------------------------------------------------------------------------|--------------------|---------------|
| | 2011 | 2010 |
| | March 31, | |
| | (unaudited) | |
| Cash Flows from Operating Activities: | | |
| Net income | \$ 264 | \$ 100 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 231 | 210 |
| Deferred income taxes and investment tax credits | 88 | 61 |
| Equity earnings | (32) | (34) |
| Fixed-priced contracts and other derivatives | (9) | - |
| Other | (13) | 7 |
| Net change in other working capital components | 286 | 534 |
| Changes in other assets | (5) | 18 |
| Changes in other liabilities | (5) | (8) |
| Net cash provided by operating activities | <u>805</u> | <u>888</u> |
| Cash Flows from Investing Activities: | | |
| Expenditures for property, plant and equipment | (607) | (446) |
| Expenditures for investments | (4) | (74) |
| Distributions from investments | 21 | 24 |
| Purchases of nuclear decommissioning and other trust assets | (45) | (44) |
| Proceeds from sales by nuclear decommissioning and other trusts | 46 | 46 |
| Decrease in restricted cash | 160 | 14 |
| Increase in restricted cash | (320) | (23) |
| Other | (7) | 7 |
| Net cash used in investing activities | <u>(756)</u> | <u>(496)</u> |
| Cash Flows from Financing Activities: | | |
| Common dividends paid | (94) | (86) |
| Preferred dividends paid by subsidiaries | (2) | (2) |
| Issuances of common stock | 15 | 14 |
| Repurchases of common stock | (18) | (2) |
| Issuances of debt (maturities greater than 90 days) | 803 | 12 |
| Payments on debt (maturities greater than 90 days) | (260) | (507) |
| (Decrease) increase in short-term debt, net | (192) | 294 |
| Other | 6 | (3) |
| Net cash provided by (used in) financing activities | <u>258</u> | <u>(280)</u> |
| Increase in cash and cash equivalents | 307 | 112 |
| Cash and cash equivalents, January 1 | 912 | 110 |
| Cash and cash equivalents, March 31 | <u>\$ 1,219</u> | <u>\$ 222</u> |

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Table D

BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS

| (Dollars in millions) | Three months ended March 31, | |
|----------------------------|------------------------------|---------------|
| | 2011 | 2010 |
| | (unaudited) | |
| Earnings (Losses) | | |
| San Diego Gas & Electric | \$ 89 | \$ 83 |
| Southern California Gas | 68 | 65 |
| Sempra Generation | 44 | (51) |
| Sempra Pipelines & Storage | 54 | 38 |
| Sempra LNG | 33 | 32 |
| Parent & Other | (30) | (61) |
| Earnings | <u>\$ 258</u> | <u>\$ 106</u> |

| (Dollars in millions) | Three months ended March 31, | |
|---------------------------------------------------|------------------------------|---------------|
| | 2011 | 2010 |
| | (unaudited) | |
| Capital Expenditures and Investments | | |
| San Diego Gas & Electric | \$ 348 | \$ 290 |
| Southern California Gas | 168 | 114 |
| Sempra Generation | 52 | 4 |
| Sempra Pipelines & Storage | 40 | 110 |
| Sempra LNG | 3 | 2 |
| Consolidated Capital Expenditures and Investments | <u>\$ 611</u> | <u>\$ 520</u> |

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Table E

OTHER OPERATING STATISTICS (Unaudited)

| | Three months ended | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------|
| | March 31, | |
| | 2011 | 2010 |
| SEMPRA UTILITIES | | |
| Revenues (Dollars in millions) | | |
| SDG&E (excludes intercompany sales) | \$ 838 | \$ 741 |
| SoCalGas (excludes intercompany sales) | \$ 1,043 | \$ 1,171 |
| Gas Sales (bcf) | 138 | 132 |
| Transportation (bcf) | 123 | 117 |
| Total Deliveries (bcf) | 261 | 249 |
| Total Gas Customers (Thousands) | 6,639 | 6,614 |
| Electric Sales (Millions of kWhs) | 4,145 | 4,055 |
| Direct Access (Millions of kWhs) | 786 | 720 |
| Total Deliveries (Millions of kWhs) | 4,931 | 4,775 |
| Total Electric Customers (Thousands) | 1,388 | 1,380 |
| SEMPRA GENERATION | | |
| Power Sold (Millions of kWhs) | 4,123 | 4,952 |
| SEMPRA PIPELINES & STORAGE | | |
| (Represents 100% of the distribution operations of these subsidiaries, although subsidiaries in Argentina, Chile and Peru are not 100% owned by Sempra Energy. These subsidiaries are not consolidated within Sempra Energy and the related investments are accounted for under the equity method). | | |
| Natural Gas Sales (bcf) | | |
| Argentina | 70 | 64 |
| Mexico | 6 | 6 |
| Mobile Gas | 10 | 10 |
| Natural Gas Customers (Thousands) | | |
| Argentina | 1,766 | 1,717 |
| Mexico | 89 | 91 |
| Mobile Gas | 92 | 92 |
| Electric Sales (Millions of kWhs) | | |
| Peru | 1,594 | 1,479 |
| Chile | 680 | 600 |
| Electric Customers (Thousands) | | |
| Peru | 899 | 870 |
| Chile | 598 | 582 |

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Table F (Unaudited)

Statement of Operations Data by Business Unit

Three Months Ended March 31, 2011

| (Dollars in millions) | SDG&E | SoCalGas | Generation | Pipelines & Storage | LNG | Consolidating Adjustments, Parent & Other | Total |
|-----------------------------------------------------|--------|----------|------------|---------------------|--------|-------------------------------------------|----------|
| Revenues | \$ 840 | \$ 1,056 | \$ 269 | \$ 109 | \$ 186 | \$ (26) | \$ 2,434 |
| Cost of Sales and Other Expenses | (571) | (856) | (187) | (69) | (119) | 9 | (1,793) |
| Litigation Expense | (3) | - | (1) | - | (2) | (1) | (7) |
| Depreciation & Amortization | (103) | (81) | (19) | (13) | (13) | (2) | (231) |
| Equity Earnings (Losses) Recorded Before Income Tax | - | - | 1 | 9 | - | (9) | 1 |
| Other Income, Net | 16 | 3 | - | - | 2 | 22 | 43 |
| Income (Loss) Before Interest & Tax ⁽¹⁾ | 179 | 122 | 63 | 36 | 54 | (7) | 447 |
| Net Interest (Expense) Income ⁽²⁾ | (37) | (17) | 3 | (6) | (10) | (40) | (107) |
| Income Tax (Expense) Benefit | (49) | (37) | (22) | (7) | (11) | 17 | (109) |
| Equity Earnings Recorded Net of Income Tax | - | - | - | 31 | - | - | 31 |
| Earnings Attributable to Noncontrolling Interests | (4) | - | - | - | - | - | (4) |
| Earnings (Losses) | \$ 89 | \$ 68 | \$ 44 | \$ 54 | \$ 33 | \$ (30) | \$ 258 |

Three Months Ended March 31, 2010

| (Dollars in millions) | SDG&E | SoCalGas | Generation | Pipelines & Storage | LNG | Consolidating Adjustments, Parent & Other | Total |
|----------------------------------------------------|--------|----------|------------|---------------------|--------|-------------------------------------------|----------|
| Revenues | \$ 742 | \$ 1,182 | \$ 318 | \$ 110 | \$ 205 | \$ (23) | \$ 2,534 |
| Cost of Sales and Other Expenses | (505) | (973) | (253) | (78) | (136) | 10 | (1,935) |
| Litigation Expense | (7) | - | (139) | - | (1) | (21) | (168) |
| Depreciation & Amortization | (92) | (75) | (15) | (11) | (12) | (5) | (210) |
| Equity Earnings Recorded Before Income Tax | - | - | - | 10 | - | 5 | 15 |
| Other Income (Expense), Net | - | 4 | 2 | (1) | - | 3 | 8 |
| Income (Loss) Before Interest & Tax ⁽¹⁾ | 138 | 138 | (87) | 30 | 56 | (31) | 244 |
| Net Interest Expense ⁽²⁾ | (32) | (17) | (2) | (5) | (12) | (39) | (107) |
| Income Tax (Expense) Benefit | (31) | (56) | 38 | (6) | (12) | 9 | (58) |
| Equity Earnings Recorded Net of Income Tax | - | - | - | 19 | - | - | 19 |
| Losses Attributable to Noncontrolling Interests | 8 | - | - | - | - | - | 8 |
| Earnings (Losses) | \$ 83 | \$ 65 | \$ (51) | \$ 38 | \$ 32 | \$ (61) | \$ 106 |

⁽¹⁾ Management believes "Income (Loss) before Interest & Tax" is a useful measurement of our business units' performance because it can be used to evaluate the effectiveness of our operations exclusive of interest and income tax, neither of which is directly relevant to the efficiency of those operations.

⁽²⁾ Net Interest (Expense) Income includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.