



2011

Statistical Report

Unaudited Supplement to the Financial Report



2011 Statistical Report

(unaudited)

Supplement to the 2011 Annual Report

Sempra Energy® is a San Diego-based Fortune 500 energy services holding company with 2011 revenues of \$10 billion. The Sempra Energy companies' 17,500 employees serve more than 31 million consumers worldwide. 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.

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

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Selected Financial Data 2007 - 2011



(In millions, except per share amounts)	At December 31 or for the years then ended				
	2011	2010	2009	2008	2007
Revenues					
Utilities:					
Natural gas	\$ 4,489	\$ 4,491	\$ 4,002	\$ 5,573	\$ 4,968
Electric	3,833	2,528	2,419	2,553	2,184
Energy-related businesses	1,714	1,984	1,685	2,632	4,286
Total revenues	<u>\$ 10,036</u>	<u>\$ 9,003</u>	<u>\$ 8,106</u>	<u>\$ 10,758</u>	<u>\$ 11,438</u>
Income from continuing operations	\$ 1,407	\$ 733	\$ 1,122	\$ 1,068	\$ 1,118
(Earnings) losses from continuing operations attributable to noncontrolling interests	(42)	16	7	55	17
Preferred dividends of subsidiaries	(8)	(10)	(10)	(10)	(10)
Income from continuing operations attributable to common shares	<u>\$ 1,357</u>	<u>\$ 739</u>	<u>\$ 1,119</u>	<u>\$ 1,113</u>	<u>\$ 1,125</u>
Net income	\$ 1,407	\$ 733	\$ 1,122	\$ 1,068	\$ 1,092
Earnings attributable to common shares	\$ 1,357	\$ 739	\$ 1,119	\$ 1,113	\$ 1,099
Attributable to common shares:					
Income from continuing operations:					
Basic	\$ 5.66	\$ 3.02	\$ 4.60	\$ 4.50	\$ 4.34
Diluted	\$ 5.62	\$ 2.98	\$ 4.52	\$ 4.43	\$ 4.26
Earnings:					
Basic	\$ 5.66	\$ 3.02	\$ 4.60	\$ 4.50	\$ 4.24
Diluted	\$ 5.62	\$ 2.98	\$ 4.52	\$ 4.43	\$ 4.16
Earnings excluding Sempra Commodities*	\$ 1,357	\$ 894	\$ 781	\$ 766	\$ 600
Earnings per share, diluted, excluding Sempra Commodities*	\$ 5.62	\$ 3.61	\$ 3.16	\$ 3.05	\$ 2.27
Weighted-average number of common shares outstanding (diluted, in millions)	241.5	247.9	247.4	251.2	264.0
Dividends declared per common share	\$ 1.92	\$ 1.56	\$ 1.56	\$ 1.37	\$ 1.24
Return on common equity	14.4%	8.2%	13.2%	13.6%	13.9%
Effective income tax rate	21%	13%	29%	30%	34%
Price range of common shares	\$ 55.97-44.78	\$ 56.61-43.91	\$ 57.18-36.43	\$ 63.00-34.29	\$ 66.38-50.95
At December 31,					
Total assets	\$ 33,356	\$ 30,283	\$ 28,512	\$ 26,400	\$ 28,717
Long-term debt (excludes current portion)	\$ 10,078	\$ 8,980	\$ 7,460	\$ 6,544	\$ 4,553
Short-term debt**	\$ 785	\$ 507	\$ 1,191	\$ 913	\$ 1,071
Sempra Energy shareholders' equity	\$ 9,838	\$ 9,027	\$ 9,007	\$ 7,969	\$ 8,339
Common shares outstanding	239.9	240.4	246.5	243.3	261.2
Book value per common share	\$ 41.00	\$ 37.54	\$ 36.54	\$ 32.75	\$ 31.93

* Please refer to page 15 for an explanation of these non-GAAP measures.

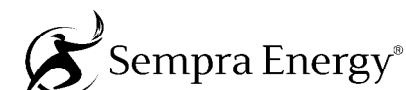
** Includes long-term debt due within one year.

Consolidated Statements of Operations



	Years ended December 31,				
(Dollars in millions, except per share amounts)	2011	2010	2009	2008	2007
REVENUES					
Utilities	\$ 8,322	\$ 7,019	\$ 6,421	\$ 8,126	\$ 7,152
Energy-related businesses	1,714	1,984	1,685	2,632	4,286
Total revenues	10,036	9,003	8,106	10,758	11,438
EXPENSES AND OTHER INCOME					
Utilities:					
Cost of natural gas	(1,866)	(2,012)	(1,645)	(3,354)	(2,834)
Cost of electric fuel and purchased power	(1,397)	(637)	(672)	(900)	(699)
Energy-related businesses:					
Cost of natural gas, electric fuel and purchased power	(746)	(1,046)	(864)	(1,561)	(1,231)
Other cost of sales	(137)	(88)	(77)	(182)	(988)
Litigation expense	(37)	(169)	(4)	(117)	(73)
Other operation and maintenance	(2,788)	(2,499)	(2,470)	(2,419)	(2,959)
Depreciation and amortization	(978)	(867)	(775)	(687)	(686)
Franchise fees and other taxes	(343)	(327)	(296)	(312)	(295)
Gains on sale of assets	-	-	3	114	6
Write-off of long-lived assets	-	-	(132)	-	-
Equity earnings (losses), before income tax:					
RBS Semptra Commodities LLP	(24)	(314)	463	383	-
Other	33	22	36	37	(9)
Remeasurement of equity method investments	277	-	-	-	-
Other income (expense), net	130	140	149	(109)	73
Interest income	26	16	21	45	72
Interest expense	(465)	(436)	(367)	(253)	(272)
Income from continuing operations before income taxes and equity earnings of certain unconsolidated subsidiaries	1,721	786	1,476	1,443	1,543
Income tax expense	(366)	(102)	(422)	(438)	(524)
Equity earnings, net of income tax	52	49	68	63	99
Income from continuing operations	1,407	733	1,122	1,068	1,118
Discontinued operations, net of income tax	-	-	-	-	(26)
Net income	1,407	733	1,122	1,068	1,092
(Earnings) losses attributable to noncontrolling interests	(42)	16	7	55	17
Preferred dividends of subsidiaries	(8)	(10)	(10)	(10)	(10)
Earnings	\$ 1,357	\$ 739	\$ 1,119	\$ 1,113	\$ 1,099
Basic earnings per share:					
Continuing operations attributable to common shares	\$ 5.66	\$ 3.02	\$ 4.60	\$ 4.50	\$ 4.34
Discontinued operations, net of income tax	-	-	-	-	(0.10)
Basic earnings per common share	\$ 5.66	\$ 3.02	\$ 4.60	\$ 4.50	\$ 4.24
Weighted-average number of shares outstanding (thousands)	239,720	244,736	243,339	247,387	259,269
Diluted earnings per share:					
Continuing operations attributable to common shares	\$ 5.62	\$ 2.98	\$ 4.52	\$ 4.43	\$ 4.26
Discontinued operations, net of income tax	-	-	-	-	(0.10)
Diluted earnings per common share	\$ 5.62	\$ 2.98	\$ 4.52	\$ 4.43	\$ 4.16
Weighted-average number of shares outstanding (thousands)	241,523	247,942	247,384	251,159	264,004
Dividends declared per share of common stock	\$ 1.92	\$ 1.56	\$ 1.56	\$ 1.37	\$ 1.24

Consolidated Balance Sheets



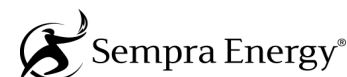
(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Assets					
Current assets:					
Cash and cash equivalents	\$ 252	\$ 912	\$ 110	\$ 331	\$ 668
Short-term investments	-	-	-	176	-
Restricted cash	24	131	35	27	1
Trade accounts receivable, net	1,198	891	971	903	960
Other accounts and notes receivable, net	147	141	159	78	114
Due from unconsolidated affiliates	-	34	41	4	-
Income taxes receivable	-	248	221	195	99
Deferred income taxes	-	75	10	31	247
Trading assets	-	-	-	-	7,120
Inventories	346	258	197	320	224
Regulatory balancing accounts – undercollected	38	-	-	-	-
Regulatory assets	89	90	54	121	106
Fixed-price contracts and other derivatives	85	81	77	160	28
Insurance receivable related to wildfire litigation	-	-	273	-	-
Settlements receivable related to wildfire litigation	10	300	-	-	-
Other	143	192	147	130	397
Total current assets	2,332	3,353	2,295	2,476	9,964
Investments and other assets:					
Restricted cash	22	27	-	-	-
Regulatory assets arising from pension and other postretirement benefit obligations	1,126	869	959	1,188	162
Regulatory assets arising from wildfire litigation costs	594	364	-	-	-
Regulatory assets arising from fixed-price contracts and other derivatives	191	233	241	264	309
Other regulatory assets	869	701	603	534	460
Nuclear decommissioning trusts	804	769	678	577	739
Investment in RBS Sempra Commodities LLP	126	787	2,172	2,082	-
Other investments	1,545	2,164	2,151	1,166	1,243
Goodwill	1,036	87	68	73	170
Other intangible assets	448	453	456	466	9
Sundry	691	600	608	709	777
Total investments and other assets	7,452	7,054	7,936	7,059	3,869
Property, plant and equipment:					
Property, plant and equipment	31,303	27,087	25,034	23,153	20,917
Less accumulated depreciation and amortization	(7,731)	(7,211)	(6,753)	(6,288)	(6,033)
Property, plant and equipment, net	23,572	19,876	18,281	16,865	14,884
Total assets	\$ 33,356	\$ 30,283	\$ 28,512	\$ 26,400	\$ 28,717

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Liabilities and Equity					
Current liabilities:					
Short-term debt	\$ 449	\$ 158	\$ 618	\$ 503	\$ 1,064
Accounts payable - trade	983	755	522	606	1,374
Accounts payable - other	124	109	171	250	189
Due to unconsolidated affiliates	-	36	29	38	60
Income taxes payable	16	-	-	-	-
Trading liabilities	-	-	-	-	4,437
Deferred income taxes	173	-	-	-	-
Dividends and interest payable	219	188	190	156	145
Accrued compensation and benefits	323	311	264	280	265
Regulatory balancing accounts – overcollected	105	241	382	335	481
Current portion of long-term debt	336	349	573	410	7
Fixed-price contracts and other derivatives	92	106	95	180	53
Customer deposits	142	129	145	170	143
Reserve for wildfire litigation	586	639	270	-	-
Other	615	765	629	684	802
Total current liabilities	4,163	3,786	3,888	3,612	9,020
Long-term debt	10,078	8,980	7,460	6,544	4,553
Deferred credits and other liabilities:					
Due to unconsolidated affiliates	-	-	2	102	102
Customer advances for construction	142	154	146	155	153
Pension and other postretirement benefit obligations, net of plan assets	1,423	1,105	1,252	1,487	434
Deferred income taxes	1,554	1,561	1,318	946	531
Deferred investment tax credits	49	50	54	57	61
Regulatory liabilities arising from removal obligations	2,551	2,630	2,557	2,430	2,522
Asset retirement obligations	1,905	1,449	1,277	1,159	1,129
Other regulatory liabilities	87	138	181	219	265
Fixed-price contracts and other derivatives	301	290	312	392	332
Deferred credits and other	783	823	735	909	949
Total deferred credits and other liabilities	8,795	8,200	7,834	7,856	6,478
Contingently redeemable preferred stock of subsidiary	79	79	79	79	79
Equity:					
Preferred stock	-	-	-	-	-
Common stock	2,104	2,036	2,418	2,265	3,198
Retained earnings	8,225	7,329	6,971	6,235	5,464
Deferred compensation	(2)	(8)	(13)	(18)	(22)
Accumulated other comprehensive income (loss)	(489)	(330)	(369)	(513)	(301)
Total Semptra Energy shareholders' equity	9,838	9,027	9,007	7,969	8,339
Preferred stock of subsidiaries	20	100	100	100	100
Other noncontrolling interests	383	111	144	240	148
Total equity	10,241	9,238	9,251	8,309	8,587
Total liabilities and equity	\$ 33,356	\$ 30,283	\$ 28,512	\$ 26,400	\$ 28,717

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Cash Flows from Operating Activities					
Net income	\$ 1,407	\$ 733	\$ 1,122	\$ 1,068	\$ 1,092
Adjustments to reconcile net income to net cash provided by operating activities:					
Discontinued operations	-	-	-	-	26
Depreciation and amortization	978	867	775	687	686
Gains on sale of assets	-	-	(3)	(114)	(6)
Deferred income taxes and investment tax credits	(24)	48	295	324	149
Noncash rate-reduction bond expense	-	-	-	-	55
Equity (earnings) losses	(61)	243	(567)	(483)	(90)
Remeasurement of equity method investments	(277)	-	-	-	-
Write-off of long-lived assets	-	-	132	-	-
Fixed-price contracts and other derivatives	2	13	(30)	46	8
Other	(15)	(55)	(45)	150	55
Net change in other working capital components	(225)	58	(256)	(483)	25
Distributions from RBS Sempra Commodities LLP	53	198	407	85	-
Changes in other assets	34	54	139	(15)	22
Changes in other liabilities	(5)	(5)	(94)	(74)	79
Net cash provided by continuing operations	1,867	2,154	1,875	1,191	2,101
Net cash used in discontinued operations	-	-	-	-	(3)
Net cash provided by operating activities	1,867	2,154	1,875	1,191	2,098
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(2,844)	(2,062)	(1,912)	(2,061)	(2,011)
Proceeds from sale of assets	2	303	179	2,295	103
Expenditures for investments and acquisition of businesses, net of cash acquired	(941)	(611)	(939)	(2,675)	(121)
Distributions from RBS Sempra Commodities LLP	570	849	-	-	-
Distributions from other investments	64	371	23	34	18
Purchases of nuclear decommissioning and other trust assets	(755)	(371)	(267)	(485)	(646)
Proceeds from sales by nuclear decommissioning and other trusts	753	372	230	469	613
Decrease in restricted cash	653	195	37	1	3
Increase in restricted cash	(541)	(318)	(45)	-	-
Decrease in notes receivable from unconsolidated affiliate	-	-	100	60	-
Purchase of bonds issued by unconsolidated affiliate	-	-	(50)	-	-
Other	(31)	(11)	(28)	(24)	(32)
Net cash used in investing activities	(3,070)	(1,283)	(2,672)	(2,386)	(2,073)
Cash Flows from Financing Activities					
Common dividends paid	(440)	(364)	(341)	(339)	(316)
Redemption of subsidiary preferred stock	(80)	-	-	-	-
Preferred dividends paid by subsidiaries	(8)	(10)	(10)	(10)	(10)
Issuances of common stock	28	40	73	18	40
Repurchases of common stock	(18)	(502)	(22)	(1,018)	(185)
Issuances of debt (maturities greater than 90 days)	2,098	1,125	2,151	1,706	404
Payments on debt (maturities greater than 90 days)	(482)	(905)	(435)	(19)	(1,072)
(Decrease) increase in short-term debt, net	(498)	568	(659)	564	812
Payments on notes payable to unconsolidated affiliate	-	-	(100)	(60)	-
Purchase of noncontrolling interests	(43)	-	(94)	-	-
Other	(23)	(21)	13	16	21
Net cash provided by (used in) financing activities	534	(69)	576	858	(306)
Effect of exchange rate changes on cash and cash equivalents	9	-	-	-	-
(Decrease) increase in cash and cash equivalents	(660)	802	(221)	(337)	(281)
Cash and cash equivalents, January 1	912	110	331	668	920
Cash assumed in connection with initial consolidation of variable interest entity	-	-	-	-	29
Cash and cash equivalents, December 31	\$ 252	\$ 912	\$ 110	\$ 331	\$ 668

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Changes in Other Working Capital Components					
(Excluding cash and cash equivalents, and debt due within one year)					
Accounts and notes receivable	\$ (32)	\$ 89	\$ (190)	\$ 110	\$ (63)
Net trading assets	-	-	-	(4)	303
Income taxes, net	268	(30)	(17)	13	(73)
Inventories	(84)	(62)	124	(75)	(9)
Regulatory balancing accounts	(150)	(155)	42	(138)	120
Regulatory assets and liabilities	(2)	6	(1)	1	-
Other current assets	295	310	685	71	(109)
Accounts and notes payable	60	79	(109)	(526)	(82)
Other current liabilities	(580)	(179)	(790)	65	(62)
Net change in other working capital components	<u>\$ (225)</u>	<u>\$ 58</u>	<u>\$ (256)</u>	<u>\$ (483)</u>	<u>\$ 25</u>
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	\$ 440	\$ 415	\$ 326	\$ 233	\$ 380
Income tax payments, net of refunds	\$ 144	\$ 68	\$ 112	\$ 114	\$ 443

Consolidated Statements of Comprehensive Income and Changes in Equity



	Years ended December 31, 2011, 2010, 2009 and 2008						
(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, 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

Consolidated Statements of Comprehensive Income and Changes in Equity



	Years ended December 31, 2011, 2010, 2009 and 2008						
(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, 2009	\$ 2,418	\$ 6,971	\$ (13)	\$ (369)	\$ 9,007	\$ 244	\$ 9,251
Net income (loss)		749			749	(16)	733
Comprehensive income adjustments:							
Foreign currency translation adjustments				47	47		47
Available-for-sale securities				(8)	(8)		(8)
Pension and other postretirement benefits				13	13		13
Financial instruments				(13)	(13)	7	(6)
Comprehensive income (loss)				39	788	(9)	779
Share-based compensation expense	38				38		38
Common stock dividends declared		(381)			(381)		(381)
Preferred dividends of subsidiaries		(10)			(10)		(10)
Issuance of common stock	64				64		64
Tax benefit related to share-based compensation	5				5		5
Repurchases of common stock	(502)				(502)		(502)
Common stock released from ESOP	13		5		18		18
Distributions to noncontrolling interests						(24)	(24)
Balance at December 31, 2010	2,036	7,329	(8)	(330)	9,027	211	9,238
Net income		1,365			1,365	42	1,407
Comprehensive income adjustments:							
Foreign currency translation adjustments				(76)	(76)	6	(70)
Reclassification to net income of foreign currency translation adjustment related to remeasurement of equity method investments				(54)	(54)		(54)
Available-for-sale securities				(1)	(1)		(1)
Pension and other postretirement benefits				(12)	(12)		(12)
Financial instruments				(16)	(16)	(36)	(52)
Comprehensive income (loss)				(159)	1,206	12	1,218
Share-based compensation expense	48				48		48
Common stock dividends declared		(461)			(461)		(461)
Preferred dividends of subsidiaries		(8)			(8)		(8)
Issuance of common stock	28				28		28
Repurchases of common stock	(18)				(18)		(18)
Common stock released from ESOP	14		6		20		20
Distributions to noncontrolling interests						(16)	(16)
Equity contributed by noncontrolling interests						36	36
Acquisition of South American entities						279	279
Purchase of noncontrolling interests in subsidiary	(4)				(4)	(39)	(43)
Redemption of preferred stock of subsidiary						(80)	(80)
Balance at December 31, 2011	\$ 2,104	\$ 8,225	\$ (2)	\$ (489)	\$ 9,838	\$ 403	\$ 10,241

Business Unit Earnings and Capital Expenditures & Investments



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Earnings (Losses)					
San Diego Gas & Electric*	\$ 431	\$ 369	\$ 344	\$ 339	\$ 283
Southern California Gas*	287	286	273	244	230
Sempra Generation	137	103	169	220	162
Sempra Pipelines & Storage	527	159	101	106	64
Sempra LNG	99	68	16	(46)	(46)
Parent & Other**	(124)	(246)	216	250	432
Continuing operations	1,357	739	1,119	1,113	1,125
Discontinued operations, net of income tax	-	-	-	-	(26)
Earnings	<u>\$ 1,357</u>	<u>\$ 739</u>	<u>\$ 1,119</u>	<u>\$ 1,113</u>	<u>\$ 1,099</u>
Capital Expenditures and Investments***					
San Diego Gas & Electric	\$ 1,831	\$ 1,210	\$ 1,107	\$ 1,372	\$ 714
Southern California Gas	683	503	480	454	457
Sempra Generation	512	346	276	59	13
Sempra Pipelines & Storage	947	590	950	909	367
Sempra LNG	11	18	235	365	498
Parent & Other	6	6	5	692	83
Eliminations****	(205)	-	(152)	(715)	-
Consolidated Capital Expenditures & Investments	<u>\$ 3,785</u>	<u>\$ 2,673</u>	<u>\$ 2,901</u>	<u>\$ 3,136</u>	<u>\$ 2,132</u>

* After preferred dividends

** Includes amounts related to RBS Sempra Commodities LLP and the former Sempra Commodities segment.

*** Investments do not include the \$1.6 billion contribution to RBS Sempra Commodities in the second quarter of 2008.

**** The 2011 amount represents elimination of intercompany sale of El Dorado power plant by Sempra Generation to SDG&E in October 2011. In the second quarter of 2009, SDG&E purchased \$152 of industrial development bonds from Parent & Other. In 2008, SDG&E and Parent & Other purchased \$488 and \$640, respectively, of SDG&E's industrial development bonds, including purchases and sales between the entities.

Schedule of Capitalization



	December 31,														
(Dollars in millions)	2011			2010			2009			2008			2007		
Capitalization															
Short-term debt	\$	449	2.1 %	\$	158	0.8 %	\$	618	3.4 %	\$	503	3.2 %	\$	1,064	7.4 %
Current portion of long-term debt		336	1.6		349	1.9		573	3.2		410	2.6		7	-
Long-term debt		10,078	47.6		8,980	47.8		7,460	41.5		6,544	41.3		4,553	31.9
Total debt		10,863	51.3		9,487	50.5		8,651	48.1		7,457	47.1		5,624	39.3
Contingently redeemable preferred stock of subsidiary		79	0.4		79	0.4		79	0.4		79	0.5		79	0.6
Equity:															
Common stock		2,104	9.9		2,036	10.8		2,418	13.4		2,265	14.3		3,198	22.4
Retained earnings		8,225	38.8		7,329	39.0		6,971	38.8		6,235	39.3		5,464	38.2
Deferred compensation		(2)	-		(8)	-		(13)	(0.1)		(18)	(0.1)		(22)	(0.1)
Accumulated other comprehensive income (loss)		(489)	(2.3)		(330)	(1.8)		(369)	(2.0)		(513)	(3.2)		(301)	(2.1)
Total Sempra Energy shareholders' equity		9,838	46.4		9,027	48.0		9,007	50.1		7,969	50.3		8,339	58.4
Preferred stock of subsidiaries		20	0.1		100	0.5		100	0.6		100	0.6		100	0.7
Other noncontrolling interests		383	1.8		111	0.6		144	0.8		240	1.5		148	1.0
Total equity		10,241	48.3		9,238	49.1		9,251	51.5		8,309	52.4		8,587	60.1
Total capitalization	\$	21,183	100.0 %	\$	18,804	100.0 %	\$	17,981	100.0 %	\$	15,845	100.0 %	\$	14,290	100.0 %

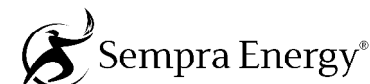
Schedule of Coverage Ratios and Common Stock



	Years ended December 31,				
	2011	2010	2009	2008	2007
Interest coverage ratios *					
Before income taxes	4.81	2.92	5.21	6.95	7.04
After income taxes	4.03	2.68	4.06	5.22	5.11
Market price of common stock					
High	\$ 55.97	\$ 56.61	\$ 57.18	\$ 63.00	\$ 66.38
Low	\$ 44.78	\$ 43.91	\$ 36.43	\$ 34.29	\$ 50.95
Close	\$ 55.00	\$ 52.48	\$ 55.98	\$ 42.63	\$ 61.88
Dividends declared per common share	\$ 1.92	\$ 1.56	\$ 1.56	\$ 1.37	\$ 1.24
Dividend yield on common stock (at December 31)	3.5%	3.0%	2.8%	3.3%	2.0%
Dividend payout ratio (diluted)	34.2%	52.3%	34.5%	30.9%	29.8%
Book value at December 31	\$ 41.00	\$ 37.54	\$ 36.54	\$ 32.75	\$ 31.93
Return on common equity	14.4%	8.2%	13.2%	13.6%	13.9%
Ratio of market price to book value per share at December 31	1.34	1.40	1.53	1.30	1.94
Common shares outstanding at December 31 (millions)	239.9	240.4	246.5	243.3	261.2
Weighted average number of shares outstanding (diluted, in millions)	241.5	247.9	247.4	251.2	264.0
Average daily trading volume (shares)	1,337,388	1,885,189	1,618,985	2,176,854	1,537,247
Common shareholders at December 31 (estimate)	200,000	185,000	220,000	256,000	300,000

* Excludes interest expense and discontinued operations.

Schedule of Long-Term Debt



(Dollars in millions)	Original issue		Outstanding at	Redemption prices (at 12/31/11 unless otherwise noted)
	Date	Amount	12/31/11	
SDG&E				
First mortgage bonds:				
6.8% June 1, 2015	12/10/91	\$ 14	\$ 14	
5.3% November 15, 2015	11/17/05	250	250	
Variable rate (0.08% at December 31, 2011) July 1, 2018	9/21/06	161	161	100.00%
5.85% June 1, 2021	6/29/93	60	60	100.00%
3% August 15, 2021	8/18/11	350	350	
6% June 1, 2026	6/8/06	250	250	
5% to 5.25% December 1, 2027	Various	150	150	\$45 on 12/02/13 at 102.00%; \$105 on 12/01/15 at 102.00%
5.875% January and February 2034	6/17/09	176	176	100.00% at 06/01/19
5.35% May 15, 2035	5/19/05	250	250	
6.125% September 15, 2037	9/20/07	250	250	
Variable rate (0.90% at December 31, 2011) May 1, 2039	6/17/04	75	75	100.00% at 06/01/19
6% June 1, 2039	5/14/09	300	300	
5.35% May 15, 2040	5/13/10	250	250	
4.5% August 15, 2040	8/26/10	500	500	
3.95% November 15, 2041	11/17/11	250	250	
Other long-term debt (unsecured unless otherwise noted):				
5.9% Notes June 1, 2014	7/2/96	130	130	
5.3% Notes July 1, 2021	8/2/96	39	39	102.00% at 06/02/14
5.5% Notes December 1, 2021	11/21/96	60	60	102.00% at 06/02/14
4.9% Notes March 1, 2023	10/1/97	25	25	102.00% at 03/01/14
OMEC LLC loan at variable rates (5.2925% at December 31, 2011) payable 2012 through April 2019 (secured by plant assets)	11/13/09	375	355	
Capital lease obligations:				
Purchased-power agreements			180	
Other			13	
SoCalGas				
First mortgage bonds:				
4.8% October 1, 2012	10/7/02	250	250	
5.5% March 15, 2014	11/21/08	250	250	
5.45% April 15, 2018	10/17/03	250	250	
5.75% November 15, 2035	11/15/05	250	250	
5.125% November 14, 2040	11/18/10	300	300	
Other long-term debt (unsecured):				
4.75% Notes May 14, 2016	5/14/96	75	8	100.00%* at 05/14/16
5.67% Notes January 18, 2028	1/15/98	75	5	
Capital lease obligations				
			11	

Schedule of Long-Term Debt (continued)

(Dollars in millions)	Original issue		Outstanding at	Redemption prices (at 12/31/11 unless otherwise noted)
	Date	Amount	12/31/11	
Semptra Energy				
Other long-term debt (unsecured):				
6% Notes February 1, 2013	1/31/03	\$ 400	\$ 400	
8.9% Notes November 15, 2013, including \$200 at variable rates after fixed-to-floating rate swaps effective January 2011 (8.19% at December 31, 2011)	11/20/08	250	250	
2% Notes March 15, 2014	3/22/11	500	500	
Notes at variable rates (1.22% at December 31, 2011) March 15, 2014	3/22/11	300	300	
6.5% Notes June 1, 2016, including \$300 at variable rates after fixed-to-floating rate swaps effective January 2011 (4.86% at December 31, 2011)	5/15/09	750	750	
6.15% Notes June 15, 2018	6/12/08	500	500	
9.8% Notes February 15, 2019	11/20/08	500	500	
6% Notes October 15, 2039	10/8/09	750	750	
Employee Stock Ownership Plan Bonds at variable rates payable on demand (0.40% at December 31, 2011) November 1, 2014	7/1/10	40	8	100.00%
Market value adjustments for interest rate swaps, net (expire November 2013 and June 2016)			16	
Semptra Global				
Other long-term debt (unsecured):				
Commercial paper borrowings at variable rates, classified as long-term debt (0.74% weighted average at December 31, 2011)	Various	400	400	
Semptra Pipelines & Storage				
Other long-term debt (unsecured unless otherwise noted):				
Chilquinta Energia**				
2.75 % Series A Bonds October 30, 2014	11/5/09	21	24	100.00% at 10/30/12
4.25% Series B Bonds October 30, 2030	11/5/09	187	202	100.00% at 10/30/14
Luz del Sur**				
Notes at 5.72% to 7.91% payable 2012 through 2021	Various	171	185	
Bank loans 5.45% to 6.75% payable 2012 through 2016	Various	39	41	
Other				
Notes at 2.87% to 5.05% payable 2012 through 2013	Various	58	24	100.00%
9% Notes May 13, 2013	5/13/93	4	1	
8.45% Notes payable 2012 through 2017, secured	12/1/02	39	29	
4.5% Notes July 1, 2024, secured	Various	117	21	100.00%
Industrial development bonds at variable rates (0.08% at December 31, 2011) August 1, 2037, secured	8/15/07	55	55	100.00%
First mortgage bonds (Mobile Gas):				
4.14% September 30, 2021	9/30/11	20	20	
5% September 30, 2031	9/30/11	42	42	
Total long-term debt outstanding			10,430	
Current portion of long-term debt			(336)	
Unamortized discount on long-term debt			(23)	
Unamortized premium on long-term debt			7	
Total			\$ 10,078	

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

** Controlling interest acquired in 2011. Amounts at December 31, 2011 include foreign currency fluctuations.

At the option of Semptra Energy, SDG&E and SoCalGas, certain debt is callable subject to premiums at various dates: \$353 million in 2012, \$45 million in 2013, \$326 million in 2014, \$105 million in 2015, \$8 million in 2016 and \$251 million after 2016. In addition, \$7.7 billion of bonds are callable subject to make-whole provisions, and the OMEC LLC project financing loan may be prepaid at the borrower's option.

Excluding capital lease obligations and market value adjustments for interest rate swaps, maturities of long-term debt are \$320 million in 2012, \$716 million in 2013, \$1.3 billion in 2014, \$316 million in 2015, \$786 million in 2016 and \$6.8 billion thereafter.

Reconciliation of Sempra Energy Earnings To Sempra Energy Earnings Excluding Sempra Commodities*



Sempra Energy Earnings excluding Sempra Commodities and Earnings Per Share excluding Sempra Commodities are non-GAAP financial measures (GAAP represents accounting principles generally accepted in the United States). Since April 1, 2008, our Sempra Commodities segment has been comprised solely of earnings and activity related to Sempra Energy's equity method investment in RBS Sempra Commodities, a commodities trading joint venture with the Royal Bank of Scotland (RBS) formed from our commodities-marketing businesses previously reported in the Sempra Commodities business unit. In four separate transactions in 2010 and early 2011, Sempra Energy and RBS divested substantially all of the businesses and assets within the joint venture. Because of the impacts of these divestitures on 2010 and future periods, management believes that these non-GAAP financial performance measures provide a meaningful comparison of 2010 and prior year results of operations for Sempra Energy's ongoing business units, as well as for future comparisons in subsequent periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles these non-GAAP financial measures to Sempra Energy Earnings and Diluted Earnings Per Common Share, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

(Dollars in millions, except per share amounts)	Years ended December 31,				
	2011	2010	2009	2008	2007
Sempra Energy Earnings (GAAP)	\$ 1,357	\$ 739	\$ 1,119	\$ 1,113	\$ 1,099
Less Sempra Commodities amounts included in:					
Energy-related businesses revenues	-	-	-	457	2,674
Other cost of sales	-	-	-	(133)	(988)
Litigation expense	-	(9)	-	(53)	(58)
Other operation and maintenance	-	(23)	(13)	(197)	(860)
Depreciation and amortization	-	-	-	(6)	(26)
Gains (losses) on sale of assets	-	-	-	110	-
Equity earnings (losses) in RBS Sempra Commodities LLP	-	(314)	463	383	-
Other income (expense), net	-	1	(2)	-	-
Interest income	-	4	-	7	17
Interest expense	-	(5)	(7)	(22)	(48)
Income tax benefit (expense)	-	191	(103)	(202)	(252)
Equity earnings, net of income tax	-	-	-	3	40
Sempra Commodities earnings (losses)**	-	(155)	338	347	499
Sempra Energy Earnings Excluding Sempra Commodities	\$ 1,357	\$ 894	\$ 781	\$ 766	\$ 600
Diluted earnings per common share:					
Sempra Energy Earnings (GAAP)	\$ 5.62	\$ 2.98	\$ 4.52	\$ 4.43	\$ 4.16
Sempra Energy Earnings Excluding Sempra Commodities	\$ 5.62	\$ 3.61	\$ 3.16	\$ 3.05	\$ 2.27
Weighted-average number of shares outstanding, diluted (thousands)	241,523	247,942	247,384	251,159	264,004

* Sempra Energy Trading LLC is not the same company as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Energy Trading LLC is not regulated by the California Public Utilities Commission.

** Effective January 1, 2011, Sempra Energy began reporting the former Sempra Commodities segment in Parent and Other, as the activity of the partnership no longer meets the quantitative thresholds that require it to be reported as a reportable segment under applicable accounting rules, and we do not consider the remaining wind-down activities of the partnership to be of continuing significance.

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Selected Financial Data and Comparative Statistics 2007 - 2011



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Net income (before preferred dividends and earnings/losses attributable to noncontrolling interest)	\$ 455	\$ 358	\$ 373	\$ 290	\$ 271
Earnings attributable to common shares	\$ 431	\$ 369	\$ 344	\$ 339	\$ 283
Common dividends to parent	\$ -	\$ -	\$ 150	\$ -	\$ -
Capital expenditures	\$ 1,831	\$ 1,210	\$ 955	\$ 884	\$ 714
Weighted average rate base	\$ 5,071	\$ 4,697	\$ 4,362	\$ 4,050	\$ 3,846
Authorized rate of return on:					
Rate base	8.40%	8.40%	8.40%	8.40%	8.23%
Common equity	11.10%	11.10%	11.10%	11.10%	10.70%
Achieved return on common equity	12.59%	12.62%	13.03%	14.30%	13.75%
Electric revenues					
Residential	\$ 1,215	\$ 1,039	\$ 1,041	\$ 976	\$ 980
Commercial	1,000	884	890	843	852
Industrial	247	229	238	215	229
Other	162	137	118	113	130
Electric revenues in rates	2,624	2,289	2,287	2,147	2,191
Other revenues	117	108	137	153	170
Balancing accounts	89	138	2	262	(167)
Total electric revenues	<u>\$ 2,830</u>	<u>\$ 2,535</u>	<u>\$ 2,426</u>	<u>\$ 2,562</u>	<u>\$ 2,194</u>
Electric volumes (millions of kWhs)					
Residential	7,374	7,304	7,536	7,698	7,520
Commercial	6,736	6,738	7,061	7,254	7,154
Industrial	2,037	2,131	2,285	2,351	2,275
Other	3,365	3,310	3,229	3,341	3,327
Total	<u>19,512</u>	<u>19,483</u>	<u>20,111</u>	<u>20,644</u>	<u>20,276</u>
Cooling degree days	<u>768</u>	<u>667</u>	<u>1,035</u>	<u>1,193</u>	<u>985</u>
Electric customers at December 31,					
Residential	1,238,899	1,231,724	1,225,514	1,217,156	1,210,636
Commercial	147,702	147,327	146,700	147,550	146,302
Industrial	478	502	507	517	512
Other	6,999	6,542	6,526	7,068	7,455
Total number of electric customers	<u>1,394,078</u>	<u>1,386,095</u>	<u>1,379,247</u>	<u>1,372,291</u>	<u>1,364,905</u>

Selected Financial Data and Comparative Statistics 2007 - 2011 **(continued)**



	Years ended December 31,				
(Dollars in millions, except average cost of natural gas)	2011	2010	2009	2008	2007
Natural gas revenues					
Residential	\$ 342	\$ 340	\$ 304	\$ 428	\$ 405
Commercial and industrial	113	118	110	183	167
Electric generation plants	8	7	19	26	41
Natural gas revenues in rates	463	465	433	637	613
Other revenues	36	36	33	26	13
Balancing accounts	44	13	24	26	32
Total natural gas revenues	<u>\$ 543</u>	<u>\$ 514</u>	<u>\$ 490</u>	<u>\$ 689</u>	<u>\$ 658</u>
Natural gas volumes delivered (billion cubic feet)					
Residential	32	31	30	31	32
Commercial and industrial	23	22	22	23	21
Electric generation plants	25	28	65	68	60
Total	<u>80</u>	<u>81</u>	<u>117</u>	<u>122</u>	<u>113</u>
Core	50	49	47	49	50
Noncore	30	32	70	73	63
Total	<u>80</u>	<u>81</u>	<u>117</u>	<u>122</u>	<u>113</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 4.83</u>	<u>\$ 4.79</u>	<u>\$ 4.61</u>	<u>\$ 8.88</u>	<u>\$ 8.06</u>
Heating degree days	<u>1,396</u>	<u>1,422</u>	<u>1,296</u>	<u>1,402</u>	<u>1,427</u>
Natural gas customers at December 31,					
Residential	823,574	818,742	814,631	810,364	807,228
Commercial	28,941	28,959	28,986	29,238	29,274
Industrial	-	-	-	-	7
Off-system sales and transportation	1,864	1,528	1,320	1,130	939
Total number of natural gas customers	<u>854,379</u>	<u>849,229</u>	<u>844,937</u>	<u>840,732</u>	<u>837,448</u>

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Operating revenues					
Electric	\$ 2,830	\$ 2,535	\$ 2,426	\$ 2,562	\$ 2,194
Natural gas	543	514	490	689	658
Total operating revenues	<u>3,373</u>	<u>3,049</u>	<u>2,916</u>	<u>3,251</u>	<u>2,852</u>
Operating expenses					
Cost of electric fuel and purchased power	715	637	672	900	699
Cost of natural gas	226	217	206	415	392
Litigation expense	19	18	(5)	42	10
Other operation and maintenance	1,053	969	965	868	795
Depreciation and amortization	422	381	329	298	301
Franchise fees and other taxes	183	170	160	158	155
Total operating expenses	<u>2,618</u>	<u>2,392</u>	<u>2,327</u>	<u>2,681</u>	<u>2,352</u>
Operating income	<u>755</u>	<u>657</u>	<u>589</u>	<u>570</u>	<u>500</u>
Other income (expense), net					
Allowance for equity funds used during construction	80	43	29	27	17
Regulatory interest income (expense), net	2	-	5	(5)	(7)
(Losses) gains on interest rate instruments	(1)	(34)	27	(54)	(17)
Sundry, net	(2)	1	3	3	1
Total	<u>79</u>	<u>10</u>	<u>64</u>	<u>(29)</u>	<u>(6)</u>
Interest income	-	-	1	6	8
Interest expense	(142)	(136)	(104)	(96)	(96)
Income before income taxes	<u>692</u>	<u>531</u>	<u>550</u>	<u>451</u>	<u>406</u>
Income tax expense	<u>(237)</u>	<u>(173)</u>	<u>(177)</u>	<u>(161)</u>	<u>(135)</u>
Net income	455	358	373	290	271
(Earnings) losses attributable to noncontrolling interest	(19)	16	(24)	54	17
Earnings	<u>436</u>	<u>374</u>	<u>349</u>	<u>344</u>	<u>288</u>
Preferred dividend requirements	(5)	(5)	(5)	(5)	(5)
Earnings attributable to common shares	<u>\$ 431</u>	<u>\$ 369</u>	<u>\$ 344</u>	<u>\$ 339</u>	<u>\$ 283</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Assets					
Current assets:					
Cash and cash equivalents	\$ 29	\$ 127	\$ 13	\$ 19	\$ 158
Short-term investments	-	-	-	24	-
Restricted cash	21	116	8	-	-
Accounts receivable - trade, net	267	248	229	225	207
Accounts receivable - other, net	23	59	85	30	49
Due from unconsolidated affiliates	67	12	8	29	22
Income taxes receivable	102	37	59	22	56
Deferred income taxes	-	129	41	17	67
Inventories	82	71	61	62	113
Regulatory balancing accounts, net	38	-	-	-	-
Regulatory assets arising from fixed-price contracts and other derivatives	67	66	30	94	52
Other regulatory assets	11	5	4	8	14
Fixed-price contracts and other derivatives	27	28	40	39	18
Insurance receivable related to wildfire litigation	-	-	273	-	-
Settlements receivable related to wildfire litigation	10	300	-	-	-
Other	51	50	35	15	34
Total current assets	795	1,248	886	584	790
Other assets:					
Restricted cash	22	-	-	-	-
Due from unconsolidated affiliate	-	-	2	4	5
Deferred taxes recoverable in rates	570	502	415	369	312
Regulatory assets arising from fixed-price contracts and other derivatives	191	233	241	264	309
Regulatory assets arising from pensions and other postretirement benefit obligations	309	279	342	393	162
Regulatory assets arising from wildfire litigation costs	594	364	-	-	-
Other regulatory assets	160	73	53	59	48
Nuclear decommissioning trusts	804	769	678	577	739
Sundry	70	56	43	154	123
Total other assets	2,720	2,276	1,774	1,820	1,698
Property, plant and equipment:					
Property, plant and equipment	13,003	11,247	10,156	9,095	8,282
Less accumulated depreciation and amortization	(2,963)	(2,694)	(2,587)	(2,420)	(2,271)
Property, plant and equipment, net	10,040	8,553	7,569	6,675	6,011
Total assets	\$ 13,555	\$ 12,077	\$ 10,229	\$ 9,079	\$ 8,499

Consolidated Balance Sheets



	December 31,				
(Dollars in millions)	2011	2010	2009	2008	2007
Liabilities and Equity					
Current liabilities:					
Short-term debt	\$ -	\$ -	\$ 33	\$ -	\$ -
Accounts payable	375	292	249	261	290
Due to unconsolidated affiliates	14	16	-	1	10
Deferred income taxes	62	-	-	-	-
Accrued compensation and benefits	124	115	104	105	98
Regulatory balancing accounts, net	-	61	159	114	298
Current portion of long-term debt	19	19	45	2	-
Fixed-price contracts and other derivatives	55	51	51	77	52
Customer deposits	62	54	56	53	52
Mandatorily redeemable preferred securities	-	-	-	-	14
Reserve for wildfire litigation	586	639	270	-	-
Other	139	136	157	163	161
Total current liabilities	1,436	1,383	1,124	776	975
Long-term debt	4,058	3,479	2,623	2,142	1,958
Deferred credits and other liabilities:					
Customer advances for construction	20	21	23	26	33
Pension and other postretirement benefit obligations, net of plan assets	342	309	370	419	190
Deferred income taxes	1,167	1,001	774	628	506
Deferred investment tax credits	26	25	26	26	29
Regulatory liabilities arising from removal obligations	1,462	1,409	1,330	1,212	1,335
Asset retirement obligations	693	619	585	550	554
Fixed-price contracts and other derivatives	243	248	265	347	329
Deferred credits and other	188	283	145	204	176
Total deferred credits and other liabilities	4,141	3,915	3,518	3,412	3,152
Contingently redeemable preferred stock	79	79	79	79	79
Equity:					
Common stock (255 million shares authorized, 117 million shares outstanding)	1,338	1,138	1,138	1,138	1,138
Retained earnings	2,411	1,980	1,611	1,417	1,078
Accumulated other comprehensive income (loss)	(10)	(10)	(10)	(13)	(16)
Total SDG&E shareholders' equity	3,739	3,108	2,739	2,542	2,200
Noncontrolling interests	102	113	146	128	135
Total equity	3,841	3,221	2,885	2,670	2,335
Total liabilities and equity	\$ 13,555	\$ 12,077	\$ 10,229	\$ 9,079	\$ 8,499

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Cash Flows from Operating Activities					
Net income	\$ 455	\$ 358	\$ 373	\$ 290	\$ 271
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	422	381	329	298	301
Deferred income taxes and investment tax credits	290	52	73	113	(40)
Noncash rate-reduction bond expense	-	-	-	-	55
Fixed-price contracts and other derivatives	(13)	22	(41)	55	3
Other	(68)	(32)	(21)	(4)	26
Changes in other assets	33	14	23	19	5
Changes in other liabilities	7	(3)	(53)	(23)	(5)
Changes in working capital components:					
Accounts receivable	6	-	(53)	1	(43)
Interest receivable	-	-	-	1	(1)
Due to/from affiliates, net	6	(2)	-	18	7
Inventories	(11)	(10)	1	51	(16)
Other current assets	309	343	660	(49)	6
Income taxes	(111)	12	(44)	44	(31)
Accounts payable	68	23	1	(70)	10
Regulatory balancing accounts	(87)	(99)	32	(184)	133
Other current liabilities	(424)	(330)	(639)	59	(21)
Net cash provided by operating activities	882	729	641	619	660
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(1,831)	(1,210)	(955)	(884)	(714)
Expenditures for short-term investments	-	-	(152)	(488)	-
Proceeds from sale of short-term investments	-	-	176	464	-
Purchases of nuclear decommissioning trust assets	(748)	(362)	(237)	(468)	(587)
Proceeds from sales by nuclear decommissioning trusts	741	352	230	468	592
Decrease (increase) in loans to affiliates, net	-	14	20	(33)	-
Proceeds from sale of assets	1	-	1	1	2
Decrease in restricted cash	520	152	37	-	-
Increase in restricted cash	(447)	(260)	(45)	-	-
Net cash used in investing activities	(1,764)	(1,314)	(925)	(940)	(707)
Cash Flows from Financing Activities					
Capital contribution	200	-	-	-	-
Common dividends paid	-	-	(150)	-	-
Preferred dividends paid	(5)	(5)	(5)	(5)	(5)
Redemptions of preferred stock	-	-	-	(14)	(3)
Issuances of long-term debt	598	744	439	193	313
Payments on long-term debt	(10)	(10)	(2)	-	(66)
Increase (decrease) in short-term debt, net	-	-	4	-	(72)
Capital contribution received by Otay Mesa VIE	5	-	4	9	-
Capital distribution made by Otay Mesa VIE	-	(24)	(9)	-	-
Other	(4)	(6)	(3)	(1)	-
Net cash provided by financing activities	784	699	278	182	167
(Decrease) increase in cash and cash equivalents	(98)	114	(6)	(139)	120
Cash and cash equivalents, January 1	127	13	19	158	9
Cash assumed in connection with initial consolidation of variable interest entity	-	-	-	-	29
Cash and cash equivalents, December 31	\$ 29	\$ 127	\$ 13	\$ 19	\$ 158
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	\$ 131	\$ 120	\$ 99	\$ 92	\$ 85
Income tax payments, net of refunds	\$ 59	\$ 108	\$ 148	\$ 3	\$ 206

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Selected Financial Data and Comparative Statistics 2007 - 2011



Southern
California
Gas Company



A Sempra Energy utility®

(Dollars in millions, except average cost of natural gas)	Years ended December 31,				
	2011	2010	2009	2008	2007
Net income (before preferred dividends)	\$ 288	\$ 287	\$ 274	\$ 245	\$ 231
Earnings attributable to common shares	\$ 287	\$ 286	\$ 273	\$ 244	\$ 230
Common dividends to parent	\$ 50	\$ 100	\$ -	\$ 200	\$ 250
Capital expenditures	\$ 683	\$ 503	\$ 480	\$ 454	\$ 457
Weighted average rate base	\$ 2,948	\$ 2,860	\$ 2,758	\$ 2,702	\$ 2,642
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	13.99%	15.56%	17.00%	16.74%	15.78%
Natural gas revenues					
Residential	\$ 2,362	\$ 2,306	\$ 2,035	\$ 2,961	\$ 2,665
Commercial and industrial	978	991	893	1,333	1,207
Electric generation plants	42	44	48	80	72
Wholesale	19	15	13	22	59
Natural gas revenues in rates	3,401	3,356	2,989	4,396	4,003
Other revenues	99	92	105	142	97
Balancing accounts	316	374	261	230	182
Total operating revenues	\$ 3,816	\$ 3,822	\$ 3,355	\$ 4,768	\$ 4,282
Natural gas volumes delivered (billion cubic feet)					
Residential	254	246	235	241	246
Commercial and industrial	375	370	365	379	388
Electric generation plants	166	187	200	232	204
Wholesale	148	149	141	146	142
Total	943	952	941	998	980
Core	366	356	343	350	355
Noncore	577	596	598	648	625
Total	943	952	941	998	980
Average cost of natural gas (per thousand cubic feet)	\$ 4.41	\$ 4.90	\$ 4.00	\$ 8.26	\$ 6.81
Heating degree days	1,581	1,449	1,291	1,402	1,404
Customers at December 31,					
Residential	5,527,531	5,512,663	5,488,991	5,462,783	5,423,472
Commercial	245,683	245,173	244,675	243,679	242,364
Industrial	27,538	27,752	27,968	28,056	28,079
Electric generation plants and wholesale	46	51	50	51	50
Total number of customers	5,800,798	5,785,639	5,761,684	5,734,569	5,693,965

Consolidated Statements of Operations



Southern
California
Gas Company



A Sempra Energy utility®

	Years ended December 31,				
(Dollars in millions)	2011	2010	2009	2008	2007
Operating revenues	\$ 3,816	\$ 3,822	\$ 3,355	\$ 4,768	\$ 4,282
Operating expenses					
Cost of natural gas	1,568	1,699	1,343	2,841	2,420
Operation and maintenance	1,305	1,174	1,138	1,078	1,019
Depreciation	331	309	293	280	281
Franchise fees and other taxes	126	124	105	135	125
Total operating expenses	3,330	3,306	2,879	4,334	3,845
Operating income	486	516	476	434	437
Other income (expense), net					
Allowance for equity funds used during construction	19	14	10	8	5
Regulatory interest income (expense), net	-	1	(1)	(4)	(6)
Sundry, net	(6)	(3)	(2)	(2)	(2)
Total	13	12	7	2	(3)
Interest income	1	1	3	11	27
Interest expense	(69)	(66)	(68)	(62)	(70)
Income before income taxes	431	463	418	385	391
Income tax expense	(143)	(176)	(144)	(140)	(160)
Net income	288	287	274	245	231
Preferred dividend requirements	(1)	(1)	(1)	(1)	(1)
Earnings attributable to common shares	\$ 287	\$ 286	\$ 273	\$ 244	\$ 230

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Assets					
Current assets:					
Cash and cash equivalents	\$ 36	\$ 417	\$ 49	\$ 206	\$ 59
Accounts receivable - trade, net	578	534	567	572	671
Accounts receivable - other, net	63	49	44	20	22
Due from unconsolidated affiliates	40	63	6	-	129
Income taxes receivable	17	28	35	41	-
Deferred income taxes	-	-	-	-	33
Inventories	151	105	93	167	98
Regulatory assets	9	12	9	18	40
Other	28	39	40	37	22
Total current assets	922	1,247	843	1,061	1,074
Other assets:					
Regulatory assets arising from pension and other postretirement benefit obligations	808	586	617	795	-
Other regulatory assets	137	123	131	105	100
Pension plan assets in excess of benefit obligations	-	-	-	-	62
Sundry	8	8	14	24	16
Total other assets	953	717	762	924	178
Property, plant and equipment:					
Property, plant and equipment	10,565	9,824	9,297	8,814	8,446
Less accumulated depreciation and amortization	(3,965)	(3,802)	(3,615)	(3,448)	(3,292)
Property, plant and equipment, net	6,600	6,022	5,682	5,366	5,154
Total assets	\$ 8,475	\$ 7,986	\$ 7,287	\$ 7,351	\$ 6,406

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable - trade	\$ 315	\$ 327	\$ 207	\$ 257	\$ 300
Accounts payable - other	78	79	120	163	130
Due to unconsolidated affiliates	2	11	3	23	171
Income taxes payable	-	-	-	-	26
Deferred income taxes	44	17	6	6	-
Accrued compensation and benefits	99	98	86	92	87
Regulatory balancing accounts, net	105	180	223	221	183
Current portion of long-term debt	257	262	11	100	-
Customer deposits	75	73	87	114	90
Other	172	163	158	211	223
Total current liabilities	1,147	1,210	901	1,187	1,210
Long-term debt	1,064	1,320	1,283	1,270	1,113
Deferred credits and other liabilities:					
Customer advances for construction	110	133	123	131	123
Pension and other postretirement benefit obligations, net of plan assets	833	613	644	823	58
Deferred income taxes	576	418	280	167	117
Deferred investment tax credits	23	25	28	30	33
Regulatory liabilities arising from removal obligations	1,075	1,208	1,227	1,218	1,187
Regulatory liabilities arising from pension and other postretirement benefit obligations	-	-	-	-	34
Asset retirement obligations	1,161	788	662	581	562
Deferred taxes refundable in rates	87	138	175	214	231
Deferred credits and other	206	178	198	240	268
Total deferred credits and other liabilities	4,071	3,501	3,337	3,404	2,613
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	1,326	1,089	903	630	586
Accumulated other comprehensive income (loss)	(21)	(22)	(25)	(28)	(4)
Total shareholders' equity	2,193	1,955	1,766	1,490	1,470
Total liabilities and shareholders' equity	\$ 8,475	\$ 7,986	\$ 7,287	\$ 7,351	\$ 6,406

Consolidated Statements of Cash Flows



Southern
California
Gas Company



A Sempra Energy utility®

(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Cash Flows from Operating Activities					
Net income	\$ 288	\$ 287	\$ 274	\$ 245	\$ 231
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	331	309	293	280	281
Deferred income taxes and investment tax credits	130	107	70	87	8
Gains on sale of assets	-	-	-	-	(2)
Other	(6)	-	8	2	5
Changes in other assets	19	(7)	7	(33)	-
Changes in other liabilities	(7)	8	(68)	(51)	37
Changes in working capital components:					
Accounts receivable	(57)	18	(30)	102	(31)
Inventories	(46)	(12)	74	(69)	8
Other current assets	5	(2)	10	(23)	8
Accounts payable	(7)	52	(99)	7	(79)
Income taxes	(12)	5	(2)	(67)	38
Due to/from affiliates, net	(18)	11	(10)	(6)	1
Regulatory balancing accounts	(63)	(56)	10	46	(13)
Customer deposits	2	(13)	(28)	24	3
Other current liabilities	(5)	29	(69)	24	(17)
Net cash provided by operating activities	554	736	440	568	478
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(683)	(503)	(480)	(454)	(457)
Decrease (increase) in loans to affiliates, net	49	(63)	(16)	136	(24)
Proceeds from sale of assets	-	-	-	-	2
Net cash used in investing activities	(634)	(566)	(496)	(318)	(479)
Cash Flows from Financing Activities					
Common dividends paid	(50)	(100)	-	(350)	(150)
Preferred dividends paid	(1)	(1)	(1)	(1)	(1)
Issuances of long-term debt	-	299	-	250	-
Payments on long-term debt	(250)	-	(100)	-	-
Other	-	-	-	(2)	-
Net cash (used in) provided by financing activities	(301)	198	(101)	(103)	(151)
(Decrease) increase in cash and cash equivalents	(381)	368	(157)	147	(152)
Cash and cash equivalents, January 1	417	49	206	59	211
Cash and cash equivalents, December 31	\$ 36	\$ 417	\$ 49	\$ 206	\$ 59
Supplemental Disclosure of Cash Flow Information					
Interest payments, net of amounts capitalized	\$ 65	\$ 54	\$ 59	\$ 58	\$ 66
Income tax payments, net of refunds	\$ 25	\$ 64	\$ 76	\$ 120	\$ 114

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Revenues	\$ 886	\$ 1,172	\$ 1,179	\$ 1,827	\$ 1,476
Expenses and other income					
Cost of sales	(557)	(734)	(730)	(1,350)	(1,059)
Litigation expense	(4)	(145)	(1)	(3)	(1)
Other operation and maintenance	(102)	(123)	(107)	(92)	(102)
Depreciation and amortization	(70)	(65)	(58)	(56)	(56)
Other taxes	(8)	(9)	(7)	(7)	(7)
Equity (losses) earnings	(6)	(12)	(2)	8	9
Other income (expense), net	-	9	3	(1)	-
Interest income	8	16	12	9	28
Interest expense	(13)	(13)	(12)	(16)	(15)
Income before income taxes	134	96	277	319	273
Income tax benefit (expense)	3	7	(108)	(99)	(111)
Earnings/net income	<u>\$ 137</u>	<u>\$ 103</u>	<u>\$ 169</u>	<u>\$ 220</u>	<u>\$ 162</u>
Earnings (losses)/net income (loss) by type of operation:					
Power generation	\$ 121	\$ 87	\$ 157	\$ 218	\$ 152
Oil and gas	5	4	5	4	10
Other	11	12	7	(2)	-
Earnings/net income	<u>\$ 137</u>	<u>\$ 103</u>	<u>\$ 169</u>	<u>\$ 220</u>	<u>\$ 162</u>

Sempra Generation is not the same company as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Generation is not regulated by the California Public Utilities Commission.

Consolidated Balance Sheets



(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Assets					
Current assets:					
Cash and cash equivalents	\$ 1	\$ -	\$ -	\$ 1	\$ 1
Accounts receivable	28	34	52	46	58
Due from unconsolidated affiliates	65	566	175	175	13
Income taxes receivable	89	-	-	19	27
Fixed-price contracts and other derivatives	29	32	3	46	95
Other	41	78	71	63	27
Total current assets	253	710	301	350	221
Investments in unconsolidated affiliates	390	185	434	198	205
Due from unconsolidated affiliates	109	48	11	24	25
Property, plant and equipment, net	1,478	1,410	1,252	1,250	1,242
Other	55	48	51	38	66
Total assets	<u>\$ 2,285</u>	<u>\$ 2,401</u>	<u>\$ 2,049</u>	<u>\$ 1,860</u>	<u>\$ 1,759</u>
Liabilities and Shareholder's Equity					
Current liabilities:					
Accounts payable	\$ 111	\$ 81	\$ 37	\$ 31	\$ 75
Due to unconsolidated affiliates	259	49	20	21	40
Fixed-price contracts and other derivatives	21	30	15	18	53
Other	25	173 *	25	15	20
Total current liabilities	416	333	97	85	188
Due to unconsolidated affiliates	234	230	225	219	206
Deferred income taxes	336	171	186	144	148
Other liabilities	52	40	20	27	18
Shareholder's equity	1,247	1,627	1,521	1,385	1,199
Total liabilities and shareholder's equity	<u>\$ 2,285</u>	<u>\$ 2,401</u>	<u>\$ 2,049</u>	<u>\$ 1,860</u>	<u>\$ 1,759</u>

* Includes \$130 reserve for energy crisis litigation settlement.

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Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Cash Flows from Operating Activities					
Net income	\$ 137	\$ 103	\$ 169	\$ 220	\$ 162
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	70	65	58	56	56
Deferred income taxes	175	(10)	44	9	29
Fixed-price contracts and other derivatives	35	10	5	(7)	2
Equity losses (earnings)	6	12	2	(8)	(9)
Other	2	2	1	4	(6)
Changes in other assets	-	(7)	10	-	-
Changes in other liabilities	3	-	1	(1)	3
Net change in working capital components	(374)	61	(77)	(40)	(13)
Net cash provided by operating activities	54	236	213	233	224
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(267)	(135)	(38)	(59)	(13)
Expenditures for investments	(245)	(211)	(238)	-	-
Proceeds from sale of investment and assets	215	175	-	6	1
Decrease (increase) in loans to affiliate, net	514	(328)	128	(146)	590
Distributions from investments	7	285	-	14	14
Other	(27)	(27)	(28)	(24)	(23)
Net cash (used in) provided by investing activities	197	(241)	(176)	(209)	569
Cash Flows from Financing Activities					
Increase (decrease) in loans from affiliates, net	249	5	(5)	5	18
Increase in short-term debt	1	-	-	-	-
Dividends paid	(500)	-	(33)	(29)	(810)
Net cash provided by (used in) financing activities	(250)	5	(38)	(24)	(792)
Increase (decrease) in cash and cash equivalents	1	-	(1)	-	1
Cash and cash equivalents, January 1	-	-	1	1	-
Cash and cash equivalents, December 31	\$ 1	\$ -	\$ -	\$ 1	\$ 1

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Selected Financial Data and Comparative Statistics 2007 - 2011

(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Earnings (losses)					
Peru	\$ 83	\$ 41	\$ 38	\$ 32	\$ 27
Argentina	5	(29) *	5	-	7
Mexico	103	78	63	45	25
Chile	74	37	23	28	28
U.S. Midstream and other, net of other costs	(15)	32	(28)	1	(23)
Remeasurement of equity method investments	277	-	-	-	-
Total	<u>\$ 527</u>	<u>\$ 159</u>	<u>\$ 101</u>	<u>\$ 106</u>	<u>\$ 64</u>
Natural gas distribution operations					
Volumes delivered (billion cubic feet)					
Argentina**	355	331	330	332	320
Mexico	22	21	19	19	19
Mobile Gas	40	37	32	9	-
Total	<u>417</u>	<u>389</u>	<u>381</u>	<u>360</u>	<u>339</u>
Customers (in thousands, at December 31)					
Argentina**	1,810	1,756	1,710	1,670	1,603
Mexico	90	89	91	95	96
Mobile Gas	89	91	92	93	-
Total	<u>1,989</u>	<u>1,936</u>	<u>1,893</u>	<u>1,858</u>	<u>1,699</u>
Electric distribution operations					
Volumes (millions of kWhs)					
Peru**	6,309	5,958	5,560	5,415	5,078
Chile**	2,520	2,349	2,402	2,417	2,500
Total	<u>8,829</u>	<u>8,307</u>	<u>7,962</u>	<u>7,832</u>	<u>7,578</u>
Customers (in thousands, at December 31)					
Peru**	926	890	863	837	809
Chile**	609	593	576	562	549
Total	<u>1,535</u>	<u>1,483</u>	<u>1,439</u>	<u>1,399</u>	<u>1,358</u>

* Includes impairment losses of \$44 (pretax), less a related income tax benefit of \$15, in 2010 associated with Sempra Pipelines & Storage's Argentine investments.

** Represents 100 percent of the distribution operations in the countries noted, although the subsidiary in Argentina is not consolidated within Sempra Energy and the related investments are accounted for under the equity method. The subsidiaries in Peru and Chile were also accounted for under the equity method until April 6, 2011, when they became consolidated.

Sempra Pipelines & Storage is not the same company as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Pipelines & Storage is not regulated by the California Public Utilities Commission.

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Revenues					
Utilities	\$ 1,193	\$ 200	\$ 201	\$ 154	\$ 99
Energy-related businesses	250	150	264	303	215
Total revenues	1,443	350	465	457	314
Expenses and other income					
Utilities:					
Cost of natural gas	(90)	(111)	(115)	(110)	(71)
Cost of electric fuel and purchased power	(682)	-	-	-	-
Energy-related businesses:					
Cost of natural gas, electric fuel and purchased power	(17)	(14)	(131)	(238)	(184)
Other cost of sales	(45)	-	-	-	-
Operation and maintenance	(227)	(105)	(83)	(62)	(42)
Depreciation and amortization	(92)	(44)	(45)	(20)	(11)
Other taxes	(17)	(17)	(12)	(3)	-
Write-off of long-lived assets	-	-	(132)	-	-
Equity earnings (losses)	43	43	50	43	(4)
Other income, net *	297	55	2	1	3
Interest income	31	15	17	18	14
Interest expense	(77)	(36)	(34)	(18)	(16)
Income (loss) before income taxes and equity earnings					
of certain unconsolidated subsidiaries	567	136	(18)	68	3
Income tax (expense) benefit	(70)	(26)	20	(23)	2
Equity earnings, net of income tax	52	49	68	60	59
Net income	549	159	70	105	64
(Earnings) losses attributable to noncontrolling interests	(22)	-	31	1	-
Earnings	\$ 527	\$ 159	\$ 101	\$ 106	\$ 64

* Includes \$277 gain in 2011 from the remeasurement of equity method investments related to the acquisition of additional interests in Chilquinta Energía S.A. in Chile and Luz del Sur S.A.A. in Peru.

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Consolidated Balance Sheets

(Dollars in millions)	December 31,				
	2011	2010	2009	2008	2007
Assets					
Current assets:					
Cash and cash equivalents	\$ 79	\$ 36	\$ 36	\$ 86	\$ 49
Restricted cash	1	-	27	27	-
Accounts receivable	321	64	90	68	42
Due from unconsolidated affiliates	111	96	25	10	12
Income taxes receivable	31	61	-	-	-
Deferred income taxes	97	105	90	78	84
Inventories	84	37	7	44	2
Fixed priced contracts and other derivatives	11	4	6	63	1
Other	16	13	20	12	85
Total current assets	751	416	301	388	275
Restricted cash	-	27	-	-	-
Investments	1,134	1,951	1,683	924	844
Goodwill and other intangible assets	1,461	520	511	525	-
Due from unconsolidated affiliates	404	489	395	653	415
Property, plant and equipment, net	3,374	1,760	1,586	1,556	728
Other	22	12	9	14	25
Total assets	\$ 7,146	\$ 5,175	\$ 4,485	\$ 4,060	\$ 2,287
Liabilities and Equity					
Current liabilities:					
Short-term debt	\$ 28	\$ -	\$ 125	\$ 50	\$ -
Accounts payable	184	41	52	91	62
Due to unconsolidated affiliates	16	15	735	1,108	503
Current portion of long-term debt	52	35	10	6	-
Other *	373	279	257	260	206
Total current liabilities	653	370	1,179	1,515	771
Long-term debt	600	241	358	300	169
Other noncurrent liabilities:					
Due to unconsolidated affiliates	1,617	1,152	163	120	235
Deferred income taxes	639	413	249	286	48
Other	114	81	65	31	14
Total other noncurrent liabilities	2,370	1,646	477	437	297
Equity:					
Shareholder's equity	3,242	2,920	2,473	1,696	1,037
Noncontrolling interests	281	(2)	(2)	112	13
Total equity	3,523	2,918	2,471	1,808	1,050
Total liabilities and equity	\$ 7,146	\$ 5,175	\$ 4,485	\$ 4,060	\$ 2,287

* Includes \$240 in 2011 and 2010, and \$190 in 2009, 2008 and 2007 related to impairment of Sempra Pipelines & Storage's Argentine investments.

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Consolidated Statements of Cash Flows

(Dollars in millions)	Years ended December 31,				
	2011	2010	2009	2008	2007
Cash Flows from Operating Activities					
Net income	\$ 549	\$ 159	\$ 70	\$ 105	\$ 64
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	92	44	45	20	11
Deferred income taxes	68	147	(45)	8	30
Equity (earnings) losses	(95)	(92)	(118)	(103)	(55)
Write-off of long-lived assets	-	-	132	-	-
Remeasurement of equity method investments	(277)	-	-	-	-
Other	7	(2)	(9)	(1)	-
Distributions from investments	41	62	86	48	19
Changes in other assets	(1)	-	2	(4)	1
Changes in other liabilities	3	(1)	39	(10)	(1)
Net changes in working capital components	(34)	(145)	40	(37)	23
Net cash provided by operating activities	<u>353</u>	<u>172</u>	<u>242</u>	<u>26</u>	<u>92</u>
Cash Flows from Investing Activities					
Expenditures for property, plant and equipment	(252)	(192)	(200)	(264)	(267)
Proceeds from sale of investments	-	128	-	-	-
Expenditures for investments and acquisition of businesses, net of cash acquired	(695)	(398)	(750)	(645)	(100)
Distributions from investments	57	86	23	17	-
Decrease (increase) in loans to affiliates, net	68	(96)	358	(177)	186
Decrease in restricted cash	29	-	-	-	-
Increase in restricted cash	(3)	-	-	-	-
Net cash used in investing activities	<u>(796)</u>	<u>(472)</u>	<u>(569)</u>	<u>(1,069)</u>	<u>(181)</u>
Cash Flows from Financing Activities					
Increase (decrease) in loans from affiliates, net	529	281	(172)	665	(65)
Capital contributions	1	373	625	660	101
Issuances of debt (maturities greater than 90 days)	186	42	150	16	9
Payments on debt (maturities greater than 90 days)	(62)	(259)	(116)	(60)	-
Increase (decrease) in short-term debt, net	18	-	-	(156)	-
Dividends paid	(131)	(137)	(116)	(59)	-
Purchase of noncontrolling interests	(43)	-	-	-	-
Distributions to noncontrolling interests	(16)	-	-	-	-
Other	(5)	-	(94)	14	2
Net cash provided by financing activities	<u>477</u>	<u>300</u>	<u>277</u>	<u>1,080</u>	<u>47</u>
Effect of exchange rate changes on cash and cash equivalents	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	43	-	(50)	37	(42)
Cash and cash equivalents, January 1	36	36	86	49	91
Cash and cash equivalents, December 31	<u>\$ 79</u>	<u>\$ 36</u>	<u>\$ 36</u>	<u>\$ 86</u>	<u>\$ 49</u>

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Consolidated Statements of Operations*

(Dollars in millions)	Years ended December 31,		
	2011	2010	2009
Revenues	\$ 714	\$ 711	\$ 278
Expenses and other income			
Cost of sales	(399)	(437)	(124)
Operation and maintenance	(86)	(83)	(94)
Depreciation and amortization	(51)	(51)	(35)
Other taxes	(2)	(3)	(2)
Other income, net	3	3	2
Interest income	4	1	-
Interest expense	(42)	(48)	(24)
Income before income taxes	141	93	1
Income tax (expense) benefit	(42)	(25)	15
Earnings/net income	\$ 99	\$ 68	\$ 16

* The Cameron LNG receipt terminal began commercial operations during 2009, and 2010 was the first full year that both the Cameron LNG and Energía Costa Azul receipt terminals were operational.

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Consolidated Balance Sheets*

(Dollars in millions)	December 31,		
	2011	2010	2009
Assets			
Current assets:			
Cash and cash equivalents	\$ 3	\$ 11	\$ 1
Accounts receivable	50	55	62
Due from unconsolidated affiliates	36	74	15
Income taxes receivable	-	-	37
Deferred income taxes	2	1	-
Inventories	14	26	19
Other	6	5	5
Total current assets	111	172	139
Due from unconsolidated affiliates	247	117	-
Intangible assets	13	10	-
Property, plant and equipment, net	2,040	2,079	2,128
Other	-	1	10
Total assets	<u>\$ 2,411</u>	<u>\$ 2,379</u>	<u>\$ 2,277</u>
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable	\$ 26	\$ 24	\$ 6
Due to unconsolidated affiliates	39	47	51
Income taxes payable	33	5	-
Deferred income taxes	-	-	1
Accrued compensation and benefits	7	5	5
Fixed-price contracts and other derivatives	6	9	12
Other	10	19	9
Total current liabilities	121	109	84
Other noncurrent liabilities:			
Due to unconsolidated affiliates	748	822	855
Deferred income taxes	104	86	35
Asset retirement obligations	9	8	8
Fixed-price contracts and other derivatives	14	25	35
Other	2	2	1
Total other noncurrent liabilities	877	943	934
Shareholder's equity	1,413	1,327	1,259
Total liabilities and shareholder's equity	<u>\$ 2,411</u>	<u>\$ 2,379</u>	<u>\$ 2,277</u>

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Consolidated Statements of Cash Flows*



(Dollars in millions)	Years ended December 31,		
	2011	2010	2009
Cash Flows from Operating Activities			
Net income	\$ 99	\$ 68	\$ 16
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	51	51	35
Deferred income taxes	16	49	61
Fixed-price contracts and other derivatives	(14)	(13)	3
Other	10	3	16
Changes in other liabilities	1	1	-
Net change in working capital components	60	4	(26)
Net cash provided by operating activities	<u>223</u>	<u>163</u>	<u>105</u>
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	(11)	(18)	(235)
(Increase) decrease in loans to affiliates, net	(130)	(117)	1
Other	(3)	15	-
Net cash used in investing activities	<u>(144)</u>	<u>(120)</u>	<u>(234)</u>
Cash Flows from Financing Activities			
Decrease in loans from affiliates, net	(75)	(33)	(162)
Capital contribution	-	-	291
Dividends paid	(12)	-	-
Net cash (used in) provided by financing activities	<u>(87)</u>	<u>(33)</u>	<u>129</u>
(Decrease) increase in cash and cash equivalents	(8)	10	-
Cash and cash equivalents, January 1	11	1	1
Cash and cash equivalents, December 31	<u>\$ 3</u>	<u>\$ 11</u>	<u>\$ 1</u>

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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 Investors 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. SoCalGas preferred stocks are not listed on any exchange and trade over-the-counter.

Research Coverage

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