

Third-Quarter 2007 Earnings Results

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BUILDING OUR ENERGY FUTURE

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Third-Quarter 2007 Results

► 2007 earnings expected to exceed \$4.00 per share

<i>(Unaudited, dollars and shares in millions, except EPS)</i>	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Net Income	\$ 305	\$ 653	\$ 810	\$ 1,281
Discontinued Operations, asset sales	(23)	107	(23)	342
Discontinued Operations, operating inc. (loss)	(2)	3	(4)	(23)
Discontinued Operations, total	(25)	110	(27)	319
Income from Continuing Operations	330	543	837	962
Gain on sale of Topaz power plants	-	211	-	204
Income from Continuing Operations, excluding gain on sale of Topaz power plants in 2006	\$ 330	\$ 332	\$ 837	\$ 758
Diluted weighted-average shares outstanding	264	262	264	261
EPS - Net Income	\$ 1.15	\$ 2.49	\$ 3.06	\$ 4.92
EPS - Continuing Operations, excluding gain on sale of Topaz power plants in 2006	\$ 1.24	\$ 1.27	\$ 3.16	\$ 2.91

Sempra Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
SDG&E Net Income	\$ 123	\$ 70	\$ 236	\$ 182
SoCalGas Net Income	63	61	172	168
Total Sempra Utilities	<u>\$ 186</u>	<u>\$ 131</u>	<u>\$ 408</u>	<u>\$ 350</u>

▶ SDG&E

- Q3-07 included \$26 million from favorable regulatory matters and \$20 million from favorable resolution of prior years' tax issues
- Q3-06 included \$9 million net benefit from resolution of regulatory and tax issues

Sempra Commodities

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Mark-to-Market Earnings *	\$ 76	\$ 86	\$ 355	\$ 329
Effect of EITF 02-3 **	11	19	(42)	(39)
GAAP Net Income	<u>\$ 87</u>	<u>\$ 105</u>	<u>\$ 313</u>	<u>\$ 290</u>

- ▶ All major product lines performed well in Q3-07, led by natural gas and metals
- ▶ Q3-07 impacted by litigation charge and lower income from synthetic-fuel tax credit operations

* Represents earnings from the fair market value of all commodities transactions. This metric is a useful measurement of profitability because it simultaneously recognizes changes in the various components of transactions and reflects how the business is managed.

** Consists of the income statement effect of not recognizing changes in the fair market value of certain physical inventories, capacity contracts for transportation and storage, and derivative hedging activities related to synthetic fuels tax credits.

Sempra Generation

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Net Income	\$ 58	\$ 265	\$ 122	\$ 322
Gain on sale of Topaz power plants	-	211	-	204
Net Income, excluding gain on sale of Topaz power plants in 2006	\$ 58	\$ 54	\$ 122	\$ 118

- ▶ Q3-06 and YTD Q3-06 included gain on sale of Topaz power plants

Net Income by Business Unit

<i>(Unaudited, dollars in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Sempra Utilities:				
San Diego Gas & Electric	\$ 123	\$ 70	\$ 236	\$ 182
Southern California Gas	63	61	172	168
Total Sempra Utilities	<u>186</u>	<u>131</u>	<u>408</u>	<u>350</u>
Sempra Global:				
Sempra Commodities	87	105	313	290
Sempra Generation*	58	265	122	322
Sempra Pipelines & Storage*	17	19	50	58
Sempra LNG	(4)	(13)	(27)	(35)
Total Sempra Global	<u>158</u>	<u>376</u>	<u>458</u>	<u>635</u>
Parent & Other	<u>(14)</u>	<u>36</u>	<u>(29)</u>	<u>(23)</u>
Continuing Operations	330	543	837	962
Discontinued Operations, Net of Income Tax	(25)	110	(27)	319
Consolidated Net Income	<u>\$ 305</u>	<u>\$ 653</u>	<u>\$ 810</u>	<u>\$ 1,281</u>

* Excludes amounts now classified as discontinued operations.

Financial Summary

- ▶ YTD Q3-07 income from continuing operations increased 10% over prior year, excluding gain on asset sales in 2006
- ▶ \$1.1 billion in cash and \$5.0 billion available in unused, committed credit facilities at end of Q3-07
- ▶ Repurchased \$161 million of stock during Q3-07 at an average price of \$54.28 under previously authorized program
- ▶ Board approved repurchase plan
 - Expect to begin \$1.5 to \$2.0 billion repurchase in Q1-08*

Operational Update – Sempra Utilities

- ▶ Cost of Capital decision expected Q4-07
- ▶ General Rate Case decision expected Q1-08
 - Settlement discussions continue
- ▶ Sunrise Powerlink decision anticipated second half of 2008
 - Southwest designated National Interest Electric Transmission Corridor
- ▶ Established Catastrophic Event Memorandum Account for San Diego fire cost recovery

Operational Update – Sempra LNG

- ▶ Energía Costa Azul
 - 90% complete
 - Secured commissioning cargoes
 - Operations to begin Q1-08
 - Received last major permit for expansion

- ▶ Cameron LNG
 - Over 60% complete
 - Secured commissioning cargoes
 - Operations to begin Q1-09

Operational Update – Sempra Pipelines & Storage

- ▶ Bajanorte Pipeline
 - Expansion over 80% complete
 - Completed spur pipeline connecting to LNG terminal

- ▶ Argentine investment arbitration
 - Awarded \$172 million in arbitration proceeding with Argentine government
 - Seeking enforcement of award; not recognized in income

- ▶ Rockies Northeast Express - open season announced for capacity from Clarington, Ohio to Princeton, New Jersey

Rockies Express Pipeline Update



Segment	Terminus	Target Completion	Capital Cost* (\$ billion)
Entrega	Cheyenne, WY	In service	\$0.7
REX-West	Audrain County, MO	Q1-08	\$1.6
REX-East	Clarington, OH	Q1-09	\$2.2

* Total project cost; Sempra's share of costs is 25%

Sempra Commodities Update

- ▶ RBS Sempra Commodities joint venture
 - Received FERC approvals
 - Awaiting approval of U.K. Financial Services Authority and U.S. Federal Reserve
 - Expected close in January 2008

Summary

- ▶ Strong performance from all businesses
- ▶ YTD Q3-07 income from continuing operations increased 10% over prior year*
- ▶ 2007 earnings expected to exceed \$4.00 per share
- ▶ Nearing completion of major projects

* Excluding gain on asset sales in 2006