



Sempra Energy Reports Higher Third-Quarter 2006 Earnings

- Company Reports \$332 Million in Income From Continuing Operations, Excluding Asset Sales
- Earnings Guidance Raised for 2006

SAN DIEGO, Nov. 2, 2006 – Sempra Energy (NYSE: SRE) today reported earnings of \$653 million, or \$2.49 per diluted share, in the third quarter 2006, up from \$221 million, or \$0.86 per diluted share, in the same period last year. Third-quarter 2006 earnings included income of \$110 million from discontinued operations, compared with \$5 million in the prior-year period.

Income from continuing operations in the third quarter 2006 was \$543 million, or \$2.07 per diluted share. Continuing operations included a \$211 million gain from the sale of several Texas power plants. Excluding the impact of these asset sales, third-quarter 2006 income from continuing operations was \$332 million, or \$1.27 per diluted share.

Third-quarter 2005 net income benefited from several one-time items totaling \$141 million, offset by a \$189 million after-tax effect from an increase in litigation reserves.

For the first nine months of 2006, Sempra Energy's earnings were \$1.28 billion, or \$4.92 per diluted share, compared with \$565 million, or \$2.26 per diluted share, during the same period in 2005. Excluding the impact of the sale of the Texas power plants, nine-month income from continuing operations in 2006 was \$758 million, or \$2.91 per diluted share.

"Our strategy is to grow both our natural gas infrastructure businesses and our California utilities, while divesting non-core assets," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "Execution of this plan has been very successful to date. Given our strong results through the first nine months of the year, we are increasing our earnings guidance for 2006."

Felsing said the company has raised its 2006 earnings guidance to a range of \$3.50 per share to \$3.70 per share from continuing operations, excluding gains on asset sales, from the previous range of \$3.40 per share to \$3.60 per share.

Sempra Energy's revenues in the third quarter 2006 were approximately \$2.7 billion, unchanged from the year-ago quarter.

OPERATING HIGHLIGHTS

Sempra Utilities

Third-quarter net income for Southern California Gas Co. (SoCalGas) rose to \$61 million in 2006 from \$36 million last year. In the prior-year's quarter, SoCalGas recorded a \$53 million after-tax increase in litigation reserves, partially offset by an \$18 million benefit from the resolution of prior-years' tax issues.

San Diego Gas & Electric (SDG&E) had net income of \$70 million in the third quarter 2006, compared with \$102 million in the same quarter last year. In the third quarter 2006, SDG&E benefited from a favorable regulatory outcome and contributions from its new Palomar Energy Center. In the year-ago quarter, SDG&E recorded a \$39 million benefit from the resolution of prior-years' tax issues and a \$27 million benefit from an electric-transmission cost settlement, offset by the effect of a \$27 million after-tax increase in litigation reserves.

In August 2006, the California Independent System Operator, the agency that manages the state's power grid, endorsed SDG&E's proposal to build Sunrise Powerlink, a major new transmission line. The project, if approved by the California Public Utilities Commission, will be built and placed into service in 2010.

Sempra Commodities

Sempra Commodities' third-quarter net income was \$105 million in 2006, compared with \$161 million last year. In the third quarter 2005, Sempra Commodities had a \$16 million benefit from the resolution of prior-years' tax issues and a \$38 million after-tax gain related to asset sales, partially offset by the effect of a \$14 million after-tax increase in litigation reserves. During the recent quarter, Sempra Commodities' results in natural gas, power marketing and metals were strong, while margins in its petroleum marketing business were lower.

Sempra Generation

Net income for Sempra Generation in the third quarter 2006 was \$265 million, up from \$24 million in the third quarter 2005. In the recent quarter, Sempra Generation benefited from a net gain of \$211 million from the sale of the company's 50-percent stake in several Texas power plants, as well as lower project-development and operating costs. Third-quarter 2005 earnings were affected by \$19 million from temporary mark-to-market losses on forward sales.

Sempra Pipelines & Storage

Third-quarter net income for Sempra Pipelines & Storage was \$19 million in 2006, unchanged from the prior-year's quarter.

During the recent quarter, Sempra Pipelines & Storage and ProLiance Transportation and Storage, LLC, announced they acquired three existing salt caverns representing 10 billion cubic feet (Bcf) to 12 Bcf of potential natural gas storage capacity and more than 150 acres of property in Cameron Parish, La. Once developed, the newly acquired property and caverns would become an extension of Liberty Gas Storage – a nearby natural gas storage facility the two companies currently are constructing.

Sempra LNG

Sempra LNG reported a loss of \$13 million in the third quarter 2006, compared with a loss of \$5 million in the same quarter last year.

Construction on Sempra LNG's Mexico receipt terminal – planned to be operational in 2008 -- is now more than 50-percent complete. Sempra LNG's Louisiana receipt terminal also is under construction and on schedule for completion in late 2008.

Internet Broadcast

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EST with key company executives. Access is available by logging onto the Web site at www.sempra.com. For those unable to log onto the live Webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (706) 645-9291 and entering the passcode, 9434558.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2005 revenues of \$11.7 billion. The Sempra Energy companies' 14,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

Income-statement information by business unit is available on Sempra Energy's Web site at http://www.sempra.com/downloads/3Q2006_Table_All.pdf.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas and liquefied natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra LNG and Sempra Pipelines & Storage are not the same companies as the utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission. Sempra Energy Trading, doing business as Sempra Commodities, and Sempra Generation are not the same companies as the utilities, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of their products and services.

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Media Contacts:

Doug Kline

Sempra Energy

(877) 866-2066

www.sempra.com

Financial Contacts:

Jeff Martin/Karen Sedgwick

Sempra Energy

(877) 736-7727