

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report  
(Date of earliest event reported): May 2, 2007

SEMPRA ENERGY  
(Exact name of registrant as specified in its charter)

|  |   |  |
|--|---|--|
| <u>CALIFORNIA</u><br>(State of incorporation<br>or organization) | <u>1-14201</u><br>(Commission<br>File Number) | <u>33-0732627</u><br>(I.R.S. Employer<br>Identification No.) |
|--|---|--|

|  |                            |
|--|----------------------------|
| <u>101 ASH STREET, SAN DIEGO, CALIFORNIA</u><br>(Address of principal executive offices) | <u>92101</u><br>(Zip Code) |
|--|----------------------------|

Registrant's telephone number, including area code (619) 696-2034

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition**

*The information furnished in this Item 2.02 and in Exhibits 99.1 and 99.2 shall not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, nor shall it be deemed to be incorporated by reference in any filing of Sempra Energy, whether made before or after the date hereof, regardless of any general incorporation language in such filing.*

On May 2, 2007, Sempra Energy issued a press release announcing consolidated net income of \$228 million, or \$0.86 per diluted share of common stock, for the first quarter of 2007. The press release has been posted on Sempra Energy's website ([www.sempra.com](http://www.sempra.com)) and a copy is attached as Exhibit 99.1.

Concurrently with the website posting of such press release and as noted therein, Sempra Energy also posted its Income Statement Data by Business Unit for the three months ended March 31, 2007 and 2006. A copy of such information is attached as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits.**

Exhibits

- 99.1 May 2, 2007 Sempra Energy News Release (including tables)
- 99.2 Sempra Energy's Income Statement Data by Business Unit for three months ended March 31, 2007 and 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEMPRA ENERGY  
(Registrant)

Date: May 2, 2007

By: /S/ Joseph A. Householder

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Joseph A. Householder

Sr. Vice President and Controller

## NEWS RELEASE

Media Contacts: Doug Kline  
Sempra Energy  
(877) 866-2066  
www.sempra.com

Financial Contacts: Glen Donovan  
Sempra Energy  
(877) 736-7727  
investor@sempra.com

## SEMPRA ENERGY REPORTS FIRST-QUARTER 2007 EARNINGS

- **Company on Track to Meet 2007 Earnings-per-Share Guidance of \$3.75 to \$3.95**
- **Sempra Utilities' Quarterly Net Income Increases 22 Percent**

SAN DIEGO, May 2, 2007 – Sempra Energy today reported first-quarter 2007 net income of \$228 million, or \$0.86 per diluted share, compared with \$255 million, or \$0.98 per diluted share, in the first quarter 2006. From continuing operations, Sempra Energy earned \$227 million, or \$0.86 per diluted share, in the first quarter 2007, compared with \$234 million, or \$0.90 per diluted share, in the year-ago period.

First-quarter 2007 results at Sempra Commodities do not reflect \$86 million of natural gas storage and transportation mark-to-market profits, which are deferred under current accounting rules. First-quarter 2006 results did not reflect \$44 million for similar items.

“We are pleased with our operating results in the first quarter, led by the solid performance of Sempra Utilities,” said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. “At Sempra Commodities, we expect the strong economic benefits from our natural gas storage and transportation contracts to be largely recognized in reported results by year-end. Overall, we remain on track to meet our 2007 earnings-per-share guidance of \$3.75 to \$3.95.”

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### SUBSIDIARY OPERATING RESULTS

#### Sempra Utilities

Net income for Sempra Utilities -- San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas) -- increased 22 percent to \$117 million in the first quarter 2007 from \$96 million in the first quarter 2006.

SDG&E's first-quarter net income rose to \$62 million in 2007 from \$47 million in 2006, due primarily to higher earnings from the Palomar Energy Center and the San Onofre Nuclear Generating Station.

Net income for SoCalGas rose to \$55 million in the first quarter 2007 from \$49 million in the prior-year's quarter, due to improved operations.

“The majority of our \$11 billion, five-year capital plan is being dedicated to investments in new infrastructure and technology for Sempra Utilities,” Felsing said. “These investments will enhance energy reliability, provide access to renewable resources, reduce customer costs and promote conservation.”

On April 12, 2007, the California Public Utilities Commission approved SDG&E's “smart meter” project, which will dramatically change how SDG&E delivers services and will help customers manage their energy usage efficiently. SDG&E plans to spend \$572 million through 2011 to replace an estimated 1.4 million electric meters with smart meters and to retrofit approximately 900,000 gas meters throughout its service territory.

#### Sempra Commodities

Sempra Commodities earned \$71 million in the first quarter 2007, compared with \$116 million in the first quarter 2006. Contributing factors included the effect of accounting rules that defer mark-to-market profits on natural gas storage and transportation contracts used in forward-sale transactions and reduced margins in natural gas and power marketing, offset by higher margins in metals.

## Sempra Generation

First-quarter net income for Sempra Generation rose to \$54 million in 2007 from \$41 million in 2006, due primarily to a favorable change in mark-to-market earnings on long-term contracts with Sempra Commodities and higher interest income.

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## Sempra Pipelines & Storage

Net income for Sempra Pipelines & Storage in the first quarter 2007 was \$16 million, compared with \$11 million in the first quarter 2006, due to lower income-tax expense and improved results in its Mexican and South American operations.

On April 19, 2007, Sempra Pipelines & Storage and its partners in the Rockies Express Pipeline project received approval from the Federal Energy Regulatory Commission (FERC) to begin construction on the Rockies Express-West project, which extends the pipeline from Colorado to Missouri. This 713-mile leg of the 1,678-mile natural gas pipeline is expected to be in service in early 2008. Earlier this week, the project partners filed with the FERC for authorization to construct the 638-mile Rockies Express-East pipeline, covering the final leg of the project from Missouri to Ohio. The entire Rockies Express Pipeline project is scheduled for completion in 2009.

## Sempra LNG

Sempra LNG recorded a net loss of \$10 million in the first quarter 2007, compared with a net loss of \$5 million in the first quarter 2006.

## Discontinued Operations

Sempra Energy's 2007 first-quarter net income included \$1 million in discontinued operations, compared with \$21 million, primarily from asset sales, in the year-ago quarter.

## INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT with senior management of the company. Access is available by logging onto the Web site at [www.sempra.com](http://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 (888) 203-1112 and entering passcode 2247326.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2006 revenues of nearly \$12 billion. The Sempra Energy companies' 14,000 employees serve more than 29 million consumers worldwide.

*Income-statement information by business unit is available on Sempra Energy's Web site at <http://www.sempra.com/downloads/1Q2007.pdf>*

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*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 environmental and regulatory bodies in the United States and other countries; capital market 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](http://www.sec.gov) and on the company's Web site, [www.sempra.com](http://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.*

**STATEMENTS OF CONSOLIDATED INCOME**

| (Dollars in millions, except per share amounts)  | Three months ended |                |
|--|--------------------|----------------|
|  | March 31,          |                |
|  | 2007               | 2006           |
|  | (Unaudited)        |                |
| <b>Operating revenues</b>  |                    |                |
| Sempra Utilities   | \$ 2,059           | \$ 2,128       |
| Sempra Global and parent   | 945                | 1,208          |
| Total operating revenues   | <u>3,004</u>       | <u>3,336</u>   |
| <b>Operating expenses</b>  |                    |                |
| Sempra Utilities:  |                    |                |
| Cost of natural gas  | 1,050              | 1,130          |
| Cost of electric fuel and purchased power  | 149                | 210            |
| Sempra Global and parent:  |                    |                |
| Cost of natural gas, electric fuel and purchased power   | 336                | 298            |
| Other cost of sales  | 319                | 376            |
| Other operating expenses   | 633                | 676            |
| Depreciation and amortization  | 169                | 157            |
| Franchise fees and other taxes   | 81                 | 77             |
| Total operating expenses   | <u>2,737</u>       | <u>2,924</u>   |
| <b>Operating income</b>  | 267                | 412            |
| Other income, net  | 11                 | 4              |
| Interest income  | 26                 | 14             |
| Interest expense   | (70)               | (96)           |
| Preferred dividends of subsidiaries  | (2)                | (2)            |
| <b>Income from continuing operations before income taxes and equity in earnings of certain unconsolidated subsidiaries</b> | 232                | 332            |
| Income tax expense   | 63                 | 108            |
| Equity in earnings of certain unconsolidated subsidiaries  | 58                 | 10             |
| <b>Income from continuing operations</b>   | <u>227</u>         | <u>234</u>     |
| Discontinued operations, net of income tax   | 1                  | 21             |
| <b>Net income</b>  | <u>\$ 228</u>      | <u>\$ 255</u>  |
| <b>Basic earnings per share:</b>   |                    |                |
| Income from continuing operations  | \$ 0.88            | \$ 0.92        |
| Discontinued operations, net of income tax   | -                  | 0.08           |
| Net income   | <u>\$ 0.88</u>     | <u>\$ 1.00</u> |
| <b>Weighted-average number of shares outstanding (thousands)</b>   | <u>259,459</u>     | <u>254,257</u> |
| <b>Diluted earnings per share:</b>   |                    |                |
| Income from continuing operations  | \$ 0.86            | \$ 0.90        |
| Discontinued operations, net of income tax   | -                  | 0.08           |
| Net income   | <u>\$ 0.86</u>     | <u>\$ 0.98</u> |
| <b>Weighted-average number of shares outstanding (thousands)</b>   | <u>263,996</u>     | <u>259,251</u> |
| <b>Dividends declared per share of common stock</b>  | <u>\$ 0.31</u>     | <u>\$ 0.30</u> |

As a result of the decisions in 2006 to dispose of the Twin Oaks power plant, Sempra Energy Production Company, and the Energy Services and Facilities Management businesses, all within Sempra Generation, and Bangor Gas and Frontier Energy, both within Sempra Pipelines & Storage, these operations have been reflected above as discontinued operations in all periods presented.

# SEMPRA ENERGY

Table B

## CONSOLIDATED BALANCE SHEETS

| (Dollars in millions)   | March 31,<br>2007<br>(unaudited) | December 31,<br>2006 |
|---|----------------------------------|----------------------|
| <b>Assets</b>   |                                  |                      |
| Current assets:   |                                  |                      |
| Cash and cash equivalents   | \$ 1,658                         | \$ 920               |
| Restricted cash   | 1                                | 4                    |
| Accounts receivable   | 917                              | 1,035                |
| Deferred income taxes   | 376                              | 270                  |
| Interest receivable   | 7                                | 40                   |
| Trading-related receivables and deposits, net                                       | 2,452                            | 3,047                |
| Derivative trading instruments  | 3,332                            | 4,068                |
| Commodities owned   | 1,399                            | 1,845                |
| Inventories   | 111                              | 215                  |
| Regulatory assets   | 143                              | 193                  |
| Other   | 275                              | 317                  |
| Current assets of continuing operations   | 10,671                           | 11,954               |
| Current assets of discontinued operations   | 60                               | 62                   |
| Total current assets  | 10,731                           | 12,016               |
| Investments and other assets:   |                                  |                      |
| Regulatory assets arising from fixed-price contracts and other derivatives          | 339                              | 353                  |
| Regulatory assets arising from pension and other postretirement benefit obligations | 367                              | 356                  |
| Other regulatory assets   | 462                              | 472                  |
| Nuclear decommissioning trusts  | 710                              | 702                  |
| Investments   | 1,138                            | 1,086                |
| Sundry  | 791                              | 789                  |
| Total investments and other assets  | 3,807                            | 3,758                |
| Property, plant and equipment, net  | 13,486                           | 13,175               |
| Total assets  | \$ 28,024                        | \$ 28,949            |
| <b>Liabilities and Shareholders' Equity</b>   |                                  |                      |
| Current liabilities:  |                                  |                      |
| Short-term debt   | \$ 101                           | \$ 252               |
| Accounts payable  | 1,013                            | 1,587                |
| Income taxes payable  | 114                              | 9                    |
| Trading-related payables  | 2,769                            | 3,211                |
| Derivative trading instruments  | 2,450                            | 2,304                |
| Commodities sold with agreement to repurchase                                       | 144                              | 537                  |
| Dividends and interest payable  | 153                              | 145                  |
| Regulatory balancing accounts, net  | 457                              | 332                  |
| Fixed-price contracts and other derivatives   | 55                               | 87                   |
| Current portion of long-term debt   | 656                              | 681                  |
| Other   | 1,283                            | 1,197                |
| Current liabilities of continuing operations  | 9,195                            | 10,342               |
| Current liabilities of discontinued operations                                      | 5                                | 7                    |
| Total current liabilities   | 9,200                            | 10,349               |
| Long-term debt  | 4,520                            | 4,525                |
| Deferred credits and other liabilities:   |                                  |                      |
| Due to unconsolidated affiliate   | 162                              | 162                  |
| Customer advances for construction  | 124                              | 126                  |
| Pension and other postretirement benefit obligations, net of plan assets            | 622                              | 609                  |
| Deferred income taxes   | 378                              | 412                  |
| Deferred investment tax credits   | 66                               | 67                   |
| Regulatory liabilities arising from removal obligations                             | 2,353                            | 2,330                |
| Asset retirement obligations  | 1,187                            | 1,128                |
| Other regulatory liabilities  | 224                              | 221                  |
| Fixed-price contracts and other derivatives   | 346                              | 358                  |



|  |                  |                  |
|--|------------------|------------------|
| Deferred credits and other                   | 954              | 972              |
| Total deferred credits and other liabilities | 6,416            | 6,385            |
| Preferred stock of subsidiaries              | 179              | 179              |
| Shareholders' equity                         | 7,709            | 7,511            |
| Total liabilities and shareholders' equity   | <u>\$ 28,024</u> | <u>\$ 28,949</u> |

As a result of the decisions in 2006 to dispose of the Twin Oaks power plant, Sempra Energy Production Company, and the Energy Services and Facilities Management businesses, all within Sempra Generation, and Bangor Gas and Frontier Energy, both within Sempra Pipelines & Storage, these operations have been reflected above as discontinued operations in all periods presented.

## SEMPRA ENERGY

Table C

### CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS

| (Dollars in millions)  | Three months ended |               |
|--|--------------------|---------------|
|  | 2007               | 2006          |
|  | (Unaudited)        |               |
| <b>Cash Flows from Operating Activities:</b>   |                    |               |
| Income from continuing operations  | \$ 227             | \$ 234        |
| Adjustments to reconcile income from continuing operations to net cash provided by operating activities: |                    |               |
| Depreciation and amortization  | 169                | 157           |
| Deferred income taxes and investment tax credits   | (104)              | (44)          |
| Equity in income of unconsolidated subsidiaries  | (52)               | (6)           |
| Other  | 20                 | 32            |
| Net changes in other working capital components  | 1,115              | 399           |
| Changes in other assets  | 16                 | (18)          |
| Changes in other liabilities   | (7)                | 6             |
| Net cash provided by continuing operations   | 1,384              | 760           |
| Net cash provided by (used in) discontinued operations   | (1)                | 95            |
| Net cash provided by operating activities  | <u>1,383</u>       | <u>855</u>    |
| <b>Cash Flows from Investing Activities:</b>   |                    |               |
| Expenditures for property, plant and equipment   | (423)              | (415)         |
| Proceeds from sale of assets from continuing operations  | 32                 | 22            |
| Expenditures for investments   | (5)                | (103)         |
| Purchases of nuclear decommissioning and other trust assets  | (211)              | (122)         |
| Proceeds from sales by nuclear decommissioning and other trusts  | 213                | 116           |
| Other  | (6)                | (1)           |
| Net cash used in continuing operations   | (400)              | (503)         |
| Net cash used in discontinued operations   | -                  | (2)           |
| Net cash used in investing activities  | <u>(400)</u>       | <u>(505)</u>  |
| <b>Cash Flows from Financing Activities:</b>   |                    |               |
| Common dividends paid  | (79)               | (65)          |
| Issuances of common stock  | 16                 | 17            |
| Repurchases of common stock  | -                  | (12)          |
| Decrease in short-term debt, net   | (151)              | (369)         |
| Payments on long-term debt   | (35)               | (44)          |
| Issuance of long-term debt   | 2                  | -             |
| Other  | 2                  | 2             |
| Net cash used in continuing operations   | (245)              | (471)         |
| Net cash provided by discontinued operations   | -                  | 2             |
| Net cash used in financing activities  | <u>(245)</u>       | <u>(469)</u>  |
| Increase (decrease) in cash and cash equivalents   | 738                | (119)         |
| Cash and cash equivalents, January 1   | 920                | 769           |
| Cash and cash equivalents, March 31  | <u>\$ 1,658</u>    | <u>\$ 650</u> |

As a result of the decisions in 2006 to dispose of the Twin Oaks power plant, Sempra Energy Production Company, and the Energy Services and Facilities Management businesses, all within Sempra Generation, and Bangor Gas and Frontier Energy, both within Sempra Pipelines & Storage, these operations have been reflected above as discontinued operations in all periods presented.

# SEMPRA ENERGY

Table D

## BUSINESS UNIT EARNINGS AND CAPITAL EXPENDITURES & INVESTMENTS (Unaudited)

| (Dollars in millions)                      | Three months ended<br>March 31, |               |
|--|---------------------------------|---------------|
|  | 2007                            | 2006          |
| <b>Net Income</b>                          |                                 |               |
| Sempra Utilities:                          |                                 |               |
| San Diego Gas & Electric                   | \$ 62                           | \$ 47         |
| Southern California Gas                    | 55                              | 49            |
| Total Sempra Utilities                     | <u>117</u>                      | <u>96</u>     |
| Sempra Global:                             |                                 |               |
| Sempra Commodities                         | 71                              | 116           |
| Sempra Generation*                         | 54                              | 41            |
| Sempra Pipelines & Storage*                | 16                              | 11            |
| Sempra LNG                                 | (10)                            | (5)           |
| Total Sempra Global                        | <u>131</u>                      | <u>163</u>    |
| Parent & Other                             | <u>(21)</u>                     | <u>(25)</u>   |
| Continuing Operations                      | 227                             | 234           |
| Discontinued Operations, Net of Income Tax | 1                               | 21            |
| Consolidated Net Income                    | <u>\$ 228</u>                   | <u>\$ 255</u> |

\* Excludes amounts now classified as discontinued operations.

| (Dollars in millions)                             | Three months ended<br>March 31, |               |     |
|---|---------------------------------|---------------|-----|
|   | 2007                            | 2006          |     |
| <b>Capital Expenditures and Investments</b>       |                                 |               |     |
| Sempra Utilities:                                 |                                 |               |     |
| San Diego Gas & Electric                          | \$ 157                          | \$ 583        | (1) |
| Southern California Gas                           | 86                              | 97            |     |
| Total Sempra Utilities                            | <u>243</u>                      | <u>680</u>    |     |
| Sempra Global:                                    |                                 |               |     |
| Sempra Commodities                                | 13                              | 20            |     |
| Sempra Generation                                 | 1                               | 29            |     |
| Sempra Pipelines & Storage                        | 79                              | 105           |     |
| Sempra LNG  | 86                              | 152           |     |
| Total Sempra Global                               | <u>179</u>                      | <u>306</u>    |     |
| Parent & Other                                    | 6                               | (468)         | (1) |
| Consolidated Capital Expenditures and Investments | <u>\$ 428</u>                   | <u>\$ 518</u> |     |

(1) Includes the transfer of the Palomar plant.

As a result of the decisions in 2006 to dispose of the Twin Oaks power plant, Sempra Energy Production Company, and the Energy Services and Facilities Management businesses, all within Sempra Generation, and Bangor Gas and Frontier Energy, both within Sempra Pipelines & Storage, these operations have been reflected above as discontinued operations in all periods presented.

# SEMPRA ENERGY

Table E

## OTHER OPERATING STATISTICS (Unaudited)

| SEMPRA UTILITIES                       | Three months ended<br>March 31, |            |
|--|---------------------------------|------------|
|  | 2007                            | 2006       |
| Revenues (Dollars in millions)         |                                 |            |
| SDG&E (excludes intercompany sales)    | \$ 705                          | \$ 718     |
| SoCalGas (excludes intercompany sales) | \$ 1,354                        | \$ 1,410   |
| Gas Sales (bcf)                        | 141                             | 141        |
| Transportation and Exchange (bcf)      | 120                             | 122        |
| Total Deliveries (bcf)                 | <u>261</u>                      | <u>263</u> |
| Total Gas Customers (Thousands)        | 6,487                           | 6,406      |
| Electric Sales (Millions of kWhs)      | 4,190                           | 4,043      |

|                                      |       |       |
|--------------------------------------|-------|-------|
| Direct Access (Millions of kWhs)     | 778   | 898   |
| Total Deliveries (Millions of kWhs)  | 4,968 | 4,941 |
| Total Electric Customers (Thousands) | 1,357 | 1,342 |

#### SEMPRA GENERATION

|                               |       |           |
|-------------------------------|-------|-----------|
| Power Sold (Millions of kWhs) | 5,377 | 4,910 (1) |
|-------------------------------|-------|-----------|

(1) Revised to exclude the Twin Oaks, Coletto Creek and Topaz power plants.

#### SEMPRA PIPELINES & STORAGE

(Represents 100% of these subsidiaries, although only the Mexican subsidiaries are 100% owned by Sempra Energy).

|                                   |       |       |
|-----------------------------------|-------|-------|
| Natural Gas Sales (bcf)           |       |       |
| Argentina                         | 63    | 52    |
| Mexico                            | 11    | 10    |
| Chile                             | -     | 1     |
| Natural Gas Customers (Thousands) |       |       |
| Argentina                         | 1,552 | 1,511 |
| Mexico                            | 101   | 99    |
| Chile                             | 39    | 38    |
| Electric Sales (Millions of kWhs) |       |       |
| Peru                              | 1,269 | 1,165 |
| Chile                             | 665   | 614   |
| Electric Customers (Thousands)    |       |       |
| Peru                              | 793   | 772   |
| Chile                             | 538   | 525   |

## SEMPRA ENERGY

### Table E (Continued)

#### SEMPRA COMMODITIES

| <i>Margin * (Dollars in millions)</i> | Three months ended<br>March 31, |        |
|---------------------------------------|---------------------------------|--------|
|                                       | 2007                            | 2006   |
| Geographical:                         |                                 |        |
| North America                         | \$ 104                          | \$ 359 |
| Europe/Asia                           | 63                              | 6      |
| Total                                 | \$ 167                          | \$ 365 |
| Product Line:                         |                                 |        |
| Gas                                   | \$ (56)                         | \$ 179 |
| Power                                 | 82                              | 101    |
| Oil - Crude & Products                | 57                              | 53     |
| Metals                                | 60                              | 27     |
| Other                                 | 24                              | 5      |
| Total                                 | \$ 167                          | \$ 365 |

\* Margin consists of net revenues less related costs (primarily brokerage, transportation and storage) plus or minus net interest expense/income, and is used by management in evaluating its geographical and product line performance.

| <i>Effect of EITF 02-03 (Dollars in millions)</i> | Three months ended<br>March 31, |        |
|---|---------------------------------|--------|
|   | 2007                            | 2006   |
| Mark-to-Market Earnings *                         | \$ 157                          | \$ 160 |
| Effect of EITF 02-03 **                           | (86)                            | (44)   |
| GAAP Net Income                                   | \$ 71                           | \$ 116 |

\* 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.

| <i>Net Unrealized Revenue (Dollars in millions)</i> | Fair<br>Market Value<br>March 31, | Scheduled Maturity (in months) |         |         |        |
|---|-----------------------------------|--------------------------------|---------|---------|--------|
|   | 2007                              | 0 - 12                         | 13 - 24 | 25 - 36 | > 36   |
| OTC Fair Value of forwards, swaps and options (1)   | \$ 854                            | 369                            | 340     | 2       | 143    |
| Maturity of OTC Fair Value - Cumulative Percentages |                                   | 43.2%                          | 83.0%   | 83.3%   | 100.0% |

|   |    |     |    |       |    |       |    |       |    |        |
|---|----|-----|----|-------|----|-------|----|-------|----|--------|
| Exchange Contracts (2)                          |    | 49  |    | 203   |    | (134) |    | 75    |    | (95)   |
| Total Net Unrealized Revenue at March 31, 2007  | \$ | 903 | \$ | 572   | \$ | 206   | \$ | 77    | \$ | 48     |
| Net Unrealized Revenue - Cumulative Percentages |    |     |    | 63.3% |    | 86.2% |    | 94.7% |    | 100.0% |

(1) The present value of unrealized revenue to be received or (paid) from outstanding OTC contracts

(2) Cash received or (paid) associated with open Exchange Contracts

|  | March 31, | December 31, |
|--|-----------|--------------|
| <i>Credit Quality of Unrealized Trading Assets (net of margin)</i> | 2007      | 2006         |
| Commodity Exchanges  | 8%        | 13%          |
| Investment Grade   | 62%       | 57%          |
| Below Investment Grade   | 30%       | 30%          |

|  | Three months ended |         |
|--|--------------------|---------|
| <i>Risk Adjusted Performance Indicators (Mark-to-Market Basis)</i> | March 31,          |         |
|  | 2007               | 2006    |
| VaR at 95% (Dollars in millions) (1)                               | \$ 10.3            | \$ 22.0 |
| VaR at 99% (Dollars in millions) (2)                               | \$ 14.5            | \$ 31.1 |

(1) Average Daily Value-at-Risk for the period using a 95% confidence level

(2) Average Daily Value-at-Risk for the period using a 99% confidence level

| <i>Physical Statistics</i>                |       |       |
|---|-------|-------|
|   | 2007  | 2006  |
| Natural Gas (bcf/Day)                     | 12.4  | 12.6  |
| Electric (Billions of kWhs)               | 122.9 | 114.9 |
| Oil & Liquid Products (Millions Bbls/Day) | 0.6   | 0.7   |

**SEMPRA ENERGY**  
Table F (Unaudited)

**Income Statement  
Data by Business  
Unit**

**Three Months Ended  
March 31, 2007**

| (Dollars in millions)   | SDG&E  | SoCalGas | Commodities | Generation | Pipelines &<br>Storage | LNG     | Consolidating<br>Adjustments,<br>Parent &<br>Other | Total    |
|---|--------|----------|-------------|------------|------------------------|---------|--|----------|
| Operating Revenues  | \$ 709 | \$ 1,368 | \$ 512      | \$ 397     | \$ 77                  | \$ (7)  | \$ (52)  | \$ 3,004 |
| Cost of Sales and Other<br>Operating Expenses                   | 514    | 1,191    | 474         | 299        | 70                     | 10      | 10   | 2,568    |
| Depreciation &<br>Amortization                                  | 75     | 69       | 7           | 12         | 3                      | -       | 3  | 169      |
| Operating Income (Loss)   | 120    | 108      | 31          | 86         | 4                      | (17)    | (65)   | 267      |
| Other Income (Expense),<br>Net                                  | 4      | (2)      | -           | -          | -                      | -       | 9  | 11       |
| Income (Loss) before<br>Interest & Taxes <sup>(1)</sup>         | 124    | 106      | 31          | 86         | 4                      | (17)    | (56)   | 278      |
| Net Interest Expense<br>(Income) <sup>(2)</sup>                 | 24     | 12       | 2           | (7)        | 1                      | 1       | 13   | 46       |
| Income Tax Expense<br>(Benefit)                                 | 38     | 39       | 4           | 39         | (1)                    | (8)     | (48)   | 63       |
| Equity in Earnings of<br>Certain Unconsolidated<br>Subsidiaries | -      | -        | 46          | -          | 12                     | -       | -  | 58       |
| Discontinued Operations   | -      | -        | -           | -          | -                      | -       | 1  | 1        |
| Net Income (Loss)   | \$ 62  | \$ 55    | \$ 71       | \$ 54      | \$ 16                  | \$ (10) | \$ (20)  | \$ 228   |

**Three Months Ended  
March 31, 2006**

| (Dollars in millions)                         | SDG&E  | SoCalGas | Commodities | Generation | Pipelines &<br>Storage | LNG  | Consolidating<br>Adjustments,<br>Parent &<br>Other | Total    |
|---|--------|----------|-------------|------------|------------------------|------|--|----------|
| Operating Revenues                            | \$ 722 | \$ 1,425 | \$ 780      | \$ 396     | \$ 76                  | \$ - | \$ (63)  | \$ 3,336 |
| Cost of Sales and Other<br>Operating Expenses | 556    | 1,258    | 578         | 314        | 70                     | 10   | (19)   | 2,767    |
| Depreciation &<br>Amortization                | 67     | 66       | 7           | 11         | 3                      | -    | 3  | 157      |
| Operating Income (Loss)                       | 99     | 101      | 195         | 71         | 3                      | (10) | (47)   | 412      |
| Other Income (Expense),<br>Net                | 2      | -        | (1)         | 1          | 1                      | (1)  | 2  | 4        |

|   |              |              |               |              |              |               |               |               |
|---|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|
| Income (Loss) before Interest & Taxes <sup>(1)</sup>      | 101          | 101          | 194           | 72           | 4            | (11)          | (45)          | 416           |
| Net Interest Expense <sup>(2)</sup>                       | 19           | 15           | 16            | 6            | -            | -             | 28            | 84            |
| Income Tax Expense (Benefit)                              | 35           | 37           | 62            | 25           | 3            | (6)           | (48)          | 108           |
| Equity in Earnings of Certain Unconsolidated Subsidiaries | -            | -            | -             | -            | 10           | -             | -             | 10            |
| Discontinued Operations                                   | -            | -            | -             | -            | -            | -             | 21            | 21            |
| Net Income (Loss)   | <u>\$ 47</u> | <u>\$ 49</u> | <u>\$ 116</u> | <u>\$ 41</u> | <u>\$ 11</u> | <u>\$ (5)</u> | <u>\$ (4)</u> | <u>\$ 255</u> |

<sup>(1)</sup> Management believes "Income (Loss) before Interest & Taxes" (Operating Income plus Other Income, Net) 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 taxes, neither of which is directly relevant to the efficiency of those operations.

<sup>(2)</sup> Net Interest Expense (Income) includes Interest Income, Interest Expense and Preferred Dividends of Subsidiaries.