



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."

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.

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. 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>

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 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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