



## **Sempra Energy Reports Third-Quarter Results, Expects To Exceed Prior 2007 Guidance**

### **Company Raises Full-Year Outlook to Above \$4 per Share**

SAN DIEGO, Nov. 1, 2007 - Sempra Energy (NYSE: SRE) today reported third-quarter 2007 income from continuing operations of \$330 million, or \$1.24 per diluted share. Third-quarter 2006 income from continuing operations - excluding \$211 million, or \$0.80 per diluted share, from the favorable impact of asset sales - was \$332 million, or \$1.27 per diluted share.

Sempra Energy's net income in the third quarter 2007 was \$305 million, or \$1.15 per diluted share, compared with net income of \$653 million, or \$2.49 per diluted share, in the third quarter 2006, which included \$318 million, or \$1.21 per diluted share, in gains from asset sales.

"Our third-quarter performance reflects solid contributions from all of our businesses," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "Our 2007 earnings guidance was \$3.75 to \$3.95 per share. We now expect to exceed \$4 per share for the full year."

For the nine-month period in 2007, Sempra Energy's income from continuing operations was \$837 million, or \$3.16 per diluted share. Income from continuing operations in 2006, excluding \$204 million from the favorable impact of asset sales, was \$758 million, or \$2.91 per diluted share. Net income for the first nine months of 2007 was \$810 million, or \$3.06 per diluted share, compared with \$1.3 billion, or \$4.92 per diluted share, in the first nine months of 2006, which included \$546 million, or \$2.10 per diluted share, from the favorable impact of asset sales.

Revenues for Sempra Energy in the third quarter 2007 were \$2.7 billion, unchanged from the prior-year's quarter.

### **OPERATING HIGHLIGHTS**

#### **Sempra Utilities**

Sempra Utilities - San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas) - reported third-quarter net income of \$186 million in 2007, compared with \$131 million in 2006.

SDG&E's third-quarter net income increased to \$123 million in 2007 from \$70 million in 2006. Third-quarter 2007 and 2006 results included a net benefit of \$46 million and \$9 million, respectively, from the resolution of prior-years' income-tax issues and regulatory matters.

SoCalGas' net income in the third quarter 2007 increased to \$63 million from \$61 million in the same quarter last year.

As a result of the wildfires that spread across Southern California during the week of Oct. 21, a state of emergency was declared for seven counties, all within SDG&E's and SoCalGas' service territories.

"These fires have been among the most devastating in the history of California," said Felsing. "I am proud of the way our employees have responded, working around the clock to repair facilities, restore service, aid our customers and extend a helping hand to the affected communities. They've done an incredible job under the most trying circumstances."

#### **Sempra Commodities**

In the third quarter 2007, Sempra Commodities earned net income of \$87 million, compared with \$105 million in the third quarter 2006, primarily due to strong performance in every major product line, offset partially by a litigation charge and lower income from synthetic-fuel tax credit operations.

Sempra Energy's joint venture with The Royal Bank of Scotland to create RBS Sempra Commodities LLP, announced in July 2007, has received approval from the Federal Energy Regulatory Commission. Regulatory approvals by the Federal Reserve Board and the U.K. Financial Services Authority are still pending. The joint-venture transaction now is expected to be completed in January 2008.

#### **Sempra Generation**

Sempra Generation's third-quarter net income was \$58 million in 2007, compared with \$265 million last year, which included \$211 million in gains on the sale of the company's Texas power plants.

### **Sempra Pipelines & Storage**

Third-quarter 2007 net income for Sempra Pipelines & Storage was \$17 million, compared with \$19 million in the third quarter 2006.

During the quarter, the International Centre for Settlement of Investment Disputes in Washington, D.C., awarded Sempra Energy approximately \$172 million, including interest, over a 2002 dispute involving the company's minority ownership in two Argentine natural gas utility holding companies. The dispute related to measures taken by the Argentine government in early 2002 that resulted in a reduction in the value of Sempra Energy's Argentine utility investments. The company is seeking to enforce the arbitration award and has not recorded it in income.

### **Sempra LNG**

Sempra LNG reported a net loss of \$4 million in the third quarter 2007, down from a net loss of \$13 million in the prior-year's quarter. These improved results were due primarily to the favorable tax effects of foreign-currency adjustments.

### **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 the passcode 3858841.

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.

Complete financial tables, including income-statement information by business unit, are available on Sempra Energy's Web site at <http://www.sempra.com/downloads/3Q2007.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," "could," "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, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, U.K. Financial Services Authority, 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, electric power 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.

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