Safe Harbor Statement

This presentation 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, 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; 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.
Energía Costa Azul LNG

1.0 Bcf/d

- Approximately $875M capital cost; includes land, terminal, breakwater, capitalized interest and pre-investment for expansion

- First West Coast LNG receipt facility

- Capacity fully contracted

- Construction more than 67% complete

- Commercial operation early 2008

- Expandable to 2.5 Bcf/d
Energía Costa Azul
Terminal
Energía Costa Azul Terminal
Energía Costa Azul
Open Rack Vaporizers
Energía Costa Azul
Breakwater Caisson

14 x 152 feet long
Total length = 2,100 feet
60,000 tons per caisson

Large rock
Rests on a prepared seabed
Energía Costa Azul
Caisson Construction
Energía Costa Azul
Placement of Caisson
Baja California Pipelines Map

Border Loop
940 MMcf/d
9 Miles, 30”

Existing Bajanorte Pipeline
.5 Bcf/d
145 Miles, 30”

LNG Spur
2.6 Bcf/d
45 Miles, 42”

Algodones Compressor
540 MMcf/d
30,000 HP
Pipeline Status Update

Mexico:
- Permits received
- Contractor selected – Henkels and McCoy, Mexico
- Construction underway
- On-schedule for early 2008 start-up
- Interconnect work and SEU system upgrades underway to allow gas flow to Otay Mesa
Energía Costa Azul
Gas Supplies to Mexico & U.S.
Pipeline Status Update

United States:

- TransCanada NBP System
- On February 7, 2005, filed with FERC to expand up to 80 miles of existing North Baja Pipeline system (42”– 48” pipeline)
- On October 6, 2006, FERC issued a preliminary determination approving the project subject to the completion of the environmental review process
- Final approvals expected second quarter of 2007
- First phase construction activities are minimal
California Regulatory Milestones

   Regulatory Milestones: In November 2003, the California Energy Commission embraced LNG as a strategic source of new gas supply and incorporated LNG into their forecasting models and the IEPRs.

2. California Public Utilities Commission: Gas Policy Rulemaking (Phase 1) – Infrastructure Adequacy and Slack Capacity
   Regulatory Milestones: In September 2004, the Commission issued a landmark decision that provided for the flow of LNG northbound from Mexico to Southern California at Otay Mesa.

   Regulatory Milestones: In November 2006, the California Public Utilities Commission issued a decision adopting gas interchangeability standards setting the fundamental gas quality standard permitting supplies with a Wobbe Index no higher than 1385 to be delivered into the Sempra Utilities transportation system. Prior to the adoption of the new standards, the utilities could accept natural gas with a Wobbe Index as high as 1437.
Regulatory Milestones: Pursuant to the decision of the California Public Utilities Commission in Phase 1 of the Gas Policy Rulemaking, the Sempra Utilities filed tariffs under which new supplies and interconnections would be added to the Utilities Systems.

5a. Phase I – System Integration
Regulatory Milestones: In April 2006, the California Public Utilities Commission adopted the concept of “system integration,” relieving LNG suppliers from potentially having to pay pancaked intrastate transportation rates for LNG delivered to the SoCalGas service territory.

5b. Phase II – Firm Access Rights/Off System Delivery Services
Regulatory Milestones: In December 2006, the California Public Utilities Commission adopted a system of firm rights that included provisions conferring scheduling rights to shippers paying the costs of system upgrades at receipt points on an incremental rate basis.