



Southern
California
Gas Company®



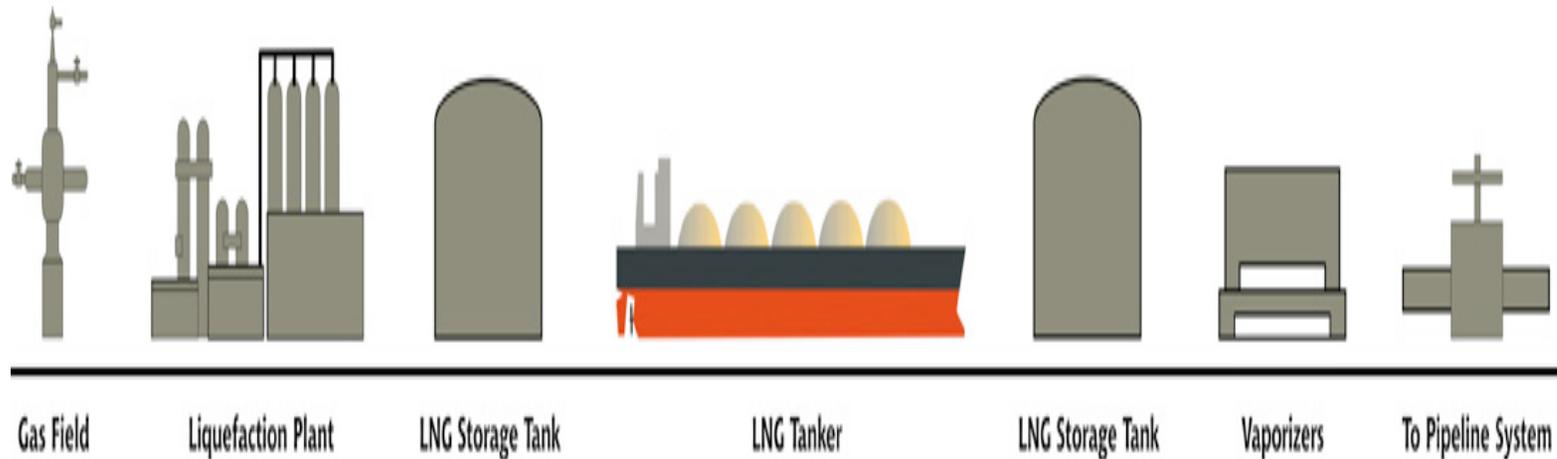
Sempra Energy® utilities

California's LNG Terminals: The Promise of New Gas Supplies

November 28, 2007

What is LNG?

LNG is natural gas that has been liquefied, by cooling it to a temperature of -260°F , so it can be shipped across oceans. The gas is then re-vaporized and delivered to customers.



PRODUCING REGION

CONSUMING REGION



Why Do We Need LNG?

California Energy Commission

- 2007 Integrated Energy Policy Report
 - North American gas demand to increase at annual rate of 2.1% over next decade
 - Domestic production expected to remain flat
 - LNG imports to US expected to increase 14% annually by 2017



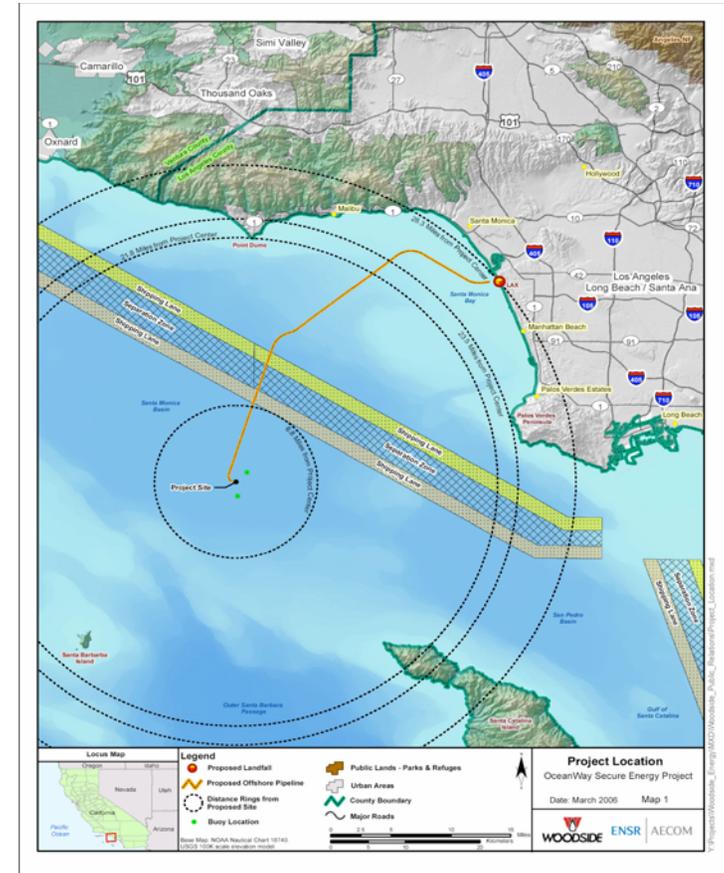
Benefits of LNG

- Reduced energy costs for customers
- Increased competition between gas suppliers
- Improved reliability for customers

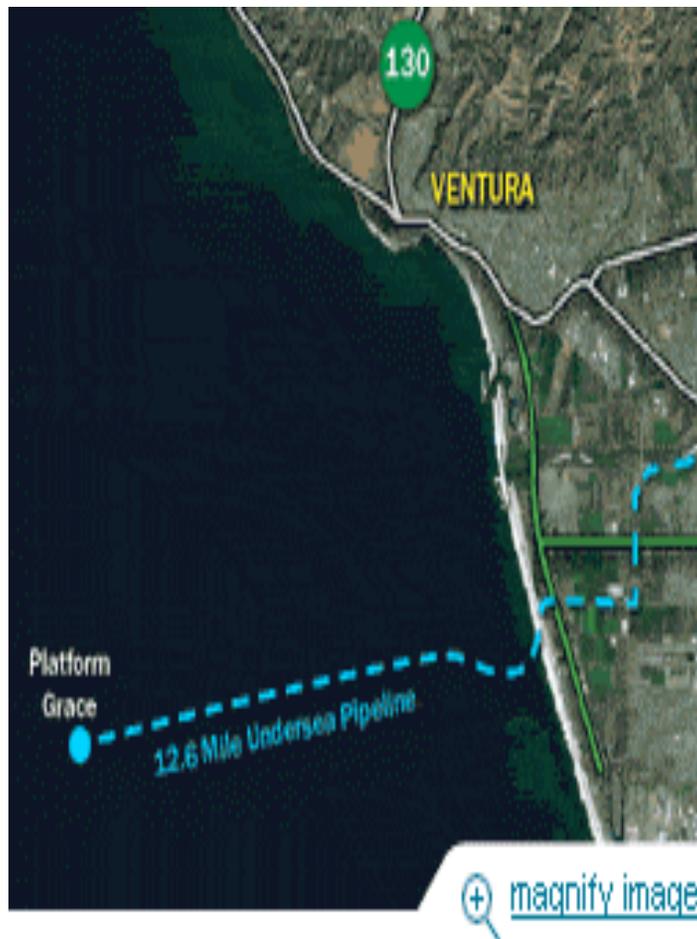
Oceanway Secure Energy Project

Woodside Natural Gas project (0.4 -1.1 Bcfd)

- Located 22 miles south of Los Angeles and 28 miles offshore.
- Deepwater Port Application deemed complete in August 2007
- EIR review has begun with lead agencies – U.S. Coast Guard and City of Los Angeles
- LNG supplies would come from Woodside



Clearwater Port



NorthernStar Natural Gas project (1.2 – 1.4 Bcfd)

- 12 miles offshore of Oxnard
- Deepwater Port Application deemed complete in September 2007.
- EIR review has begun with lead agencies – U.S Coast Guard and CA State Lands Commission.
- Online Late 2011/early 2012

Energia Costa Azul Terminal

- 14 miles north of Ensenada
- Sempra/Coral will split 1 Bcf of capacity
- 30-50% of capacity contracted to Mexico – remaining capacity able to serve California
- Construction 90% complete
- Test flows to begin as early as mid-January 2008



Role of Utilities

- Provide customers access to diverse gas supply sources
- Ensure nondiscriminatory treatment of potential LNG suppliers
 - Projects must not impact integrity of gas system

LNG Roll Out Activities

- LNG terminals are just another source of supply – like we currently receive from California, Southwest, Rocky Mountains, or Canada.
 - Utilities don't expect customers' end-use equipment to require any changes to perform acceptably with delivery of supplies from LNG terminals.
 - Utilities still taking efforts to educate customers on introduction of supplies from LNG terminals.
 - Baseline Field Surveys
 - Testing of Customers' Equipment (Before and After LNG Introduction)
 - Monitoring of Service Calls
 - Provide Ongoing Customer Support



Conclusion

- Access to new gas supplies just one piece to the future energy puzzle which SoCalGas/SDG&E are pursuing to meet California's energy needs.

Thank you.