SEMPRA ENERGY
Form 11-K
June 27, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

o **TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-14201

SEMPRA ENERGY SAVINGS PLAN, SAN DIEGO GAS & ELECTRIC COMPANY SAVINGS PLAN, SOUTHERN CALIFORNIA GAS COMPANY RETIREMENT SAVINGS PLAN, SEMPRA ENERGY TRADING RETIREMENT SAVINGS PLAN AND MESQUITE POWER, LLC SAVINGS PLAN

(Full title of the Plans)

SEMPRA ENERGY

(Name of the issuer of the securities held pursuant to the Plan)

101 Ash Street, San Diego, California 92101

(Address of principal executive office of the issuer)

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AUDITED FINANCIAL STATEMENTS

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SEMPRA ENERGY SAVINGS PLAN

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NOTE: Other schedules required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of conditions under which they are required or they are filed by the Trustee of the Master Trust in which the Plan participates.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of the

Sempra Energy Savings Plan:
San Diego, California

We have audited the accompanying statements of net assets available for benefits of the Sempra Energy Savings Plan (the Plan) as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2007 and 2006, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2007, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2007 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

San Diego, California
June 27, 2008

SEMPRA ENERGY SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2007 AND 2006

(Dollars in thousands)

	2007	2006
CASH AND CASH EQUIVALENTS	$ 46	$ 19
INVESTMENT Investment in Sempra Energy Savings Master Trust	187,938	167,589
RECEIVABLES:		
Dividends	304	293
Employer contributions	988	940
Total receivables	1,292	1,233
NET ASSETS AVAILABLE FOR BENEFITS	$ 189,276	$ 168,841

See notes to financial statements.

SEMPRA ENERGY SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Dollars in thousands)

	2007	2006
ADDITIONS:		
Net investment income Plan interest in Sempra Energy Savings Master Trust investment income	$ 14,969	$ 23,892
Contributions:		
Employer	3,722	3,752
Participating employees	10,466	11,716
Total contributions	14,188	15,468
Transfers from plans of related entities	7,806	5,552
Total additions	36,963	44,912
DEDUCTIONS:		
Distributions to participants or their beneficiaries	14,315	14,096
Transfers to plans of related entities	2,191	16,189
Administrative expenses	22	24
Total deductions	16,528	30,309
NET INCREASE IN NET ASSETS BEFORE PLAN MERGERS	20,435	14,603
MERGER OF TWIN OAKS SAVINGS PLAN		2,546
MERGER OF EL DORADO ENERGY, LLC SAVINGS PLAN		1,853
NET INCREASE IN NET ASSETS	20,435	19,002
NET ASSETS AVAILABLE FOR BENEFITS Beginning of year	168,841	149,839
NET ASSETS AVAILABLE FOR BENEFITS End of year	$ 189,276	$ 168,841

See notes to financial statements.

SEMPRA ENERGY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

1. PLAN DESCRIPTION AND RELATED INFORMATION

The following description of the Sempra Energy Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

General The Plan is a defined contribution plan that provides employees of Sempra Energy or any affiliate who has adopted this Plan (the Company or Employer) with retirement benefits. Employees may participate immediately in the Plan and, after one year in which they complete 1,000 hours of service, receive an employer matching contribution. Employees may make regular savings investments in Sempra Energy common stock and other optional investments permitted by the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2006, participants who had an account balance in two or more plans of the Company and its subsidiaries were informed that their multiple balances would be consolidated into a like plan sponsored by their current or most recent employer, unless they requested to have their balances remain in multiple plans.

Employees transfer between the Company and related entities for various reasons, resulting in the transfer of participant assets from one plan to another.

Plan Mergers In July 2005, the Company purchased the remaining 50% ownership interest in El Dorado Energy, LLC (El Dorado). As a result of this purchase, effective January 1, 2006, the El Dorado Energy, LLC Savings Plan (El Dorado Plan) was merged into the Plan to provide employees of El Dorado and its subsidiaries with retirement benefits. On that same date, the participant balances in the El Dorado Plan were transferred to the Plan. As a result, the Plan has included $1,852,799 as an increase in net assets from the merged plan on the statement of changes in net assets available for benefits for the year ended December 31, 2006.

In April 2006, the Company sold Twin Oaks Power, LP, a wholly owned subsidiary, to PNM Resources, Inc., and the Twin Oaks Savings Plan (Twin Oaks Plan) was merged into the Plan. On November 30, 2006, any remaining participant balances not distributed or rolled over to another qualified retirement plan as of that date were merged into the Plan from the Twin Oaks Plan. As a result, the Plan has included $2,545,566 as an increase in net assets from the merged plan on the statement of changes in net assets available for benefits for the year ended December 31, 2006.

Contributions Contributions to the Plan can be made under the following provisions:

Participating Employee Contributions Pursuant to Section 401(a) of the Internal Revenue Code (IRC), participants may contribute up to 25% of eligible pay on a pretax basis, an after-tax basis, or a combination thereof. The IRC limited total individual pretax contributions to $15,500 and $15,000 in 2007 and 2006, respectively. Catch-up contributions are permitted for participants of at least 50 years of age. The catch-up provision provided these participants the opportunity to contribute an additional $5,000 on a pretax basis for both 2007 and 2006 (remaining at $5,000 in 2008, with inflation adjustments after that until December 31, 2010). The Plan allows for automatic enrollment of newly hired employees who either do not elect a specific deferral percentage or do not opt-out of the Plan. The automatic deferral is an amount equal to 3% of eligible pay and the default investment vehicle for 2006 was the T. Rowe Price Personal Strategy Balanced Fund. For 2007, the default investment vehicle is the Retirement Fund at T. Rowe Price, with the fund option determined by the calculated retirement date of the participant.

Effective February 1, 2007, the initial automatic deferral amount of 3% of eligible pay automatically increases by 1% up to 6% every May. Employees hired after January 1, 2007, have the option to opt-out, and employees hired prior to that date have the option to opt-in.

Employer Nonelective Matching Contributions The Company makes matching contributions to the Plan for all Plan participants except for those employed by El Dorado. The matching contributions are equal to 50% of each participant s contribution, up to the first 6% of eligible pay, each pay period. For the participants employed by El Dorado, that company makes matching contributions to the Plan equal to 100% of each participant s contribution, up to the first 6% of eligible pay, each pay period. Employer contributions are funded, in part, from the Sempra Energy Employee Stock Ownership Plan and Trust. The Company s matching contributions are invested in Sempra Energy common stock. Total Employer nonelective matching contributions for the years ended December 31, 2007 and 2006, were $2,734,858 and $2,642,162, respectively.

Discretionary Incentive Contribution If established performance goals and targets of Sempra Energy are met in accordance with the terms of the incentive guidelines established each year, the Company will make an additional incentive contribution for all participants except those employed by El Dorado, as determined by the board of directors of Sempra Energy. Incentive contributions of 1% of eligible compensation for all eligible participants except those employed by EI Dorado were made for each of 2007 and 2006. For participants of the Plan employed by El Dorado, each year that company will make an additional incentive contribution of not less than 3% and not more than 6% of eligible pay. For 2007 and 2006, El Dorado contributed 3.49% and 6%, respectively. Incentive contributions were made on March 14, 2008 and March 19, 2007, to all employees employed on December 31, 2007 and 2006, respectively. The contributions were made in the form of cash and stock and invested according to each participant s investment election on the date of contribution. Total discretionary incentive contributions for the years ended December 31, 2007 and 2006, were $987,827 and $940,366, respectively. These amounts are reflected in Employer contributions receivable on the statements of net assets available for benefits as of December 31, 2007 and 2006, respectively.

Participant Accounts A separate account is established and maintained in the name of each participant and reflects the participant s contributions, the employer s nonelective matching and discretionary incentive contributions, and the earnings and losses attributed to each investment fund less administrative expenses. Participants are allocated a share of each fund s investment earnings net of investment fees on a daily basis, based upon their account balance as a percentage of the total fund balance. Investment expenses, except those for a specific transaction, are allocated quarterly to individual funds based on either fund balance or a participant s pro rata share, as defined in the Plan document.

Participants are allowed to redirect up to 100% of the shares in the Employer matching account into any of the Plan s designated investments.

Vesting All participant accounts are fully vested and nonforfeitable at all times.

Investment Options All investments are held by the Sempra Energy Savings Master Trust (the Master Trust) (see Note 5). Employees elect to have their contributions invested in increments of 1% in

Sempra Energy common stock, specific mutual funds offered by T. Rowe Price, Fidelity Investment Managers, and the Vanguard Group, or a broad range of funds through a brokerage account, Tradelink. Within the Tradelink brokerage account, participants may invest a maximum of 50% of the value of their accounts (excluding the employer matching account).

Payment of Dividends Participants may elect, at any time, to either receive distributions of cash dividends on the shares of Sempra Energy common stock in their account balances or to reinvest those dividends in Sempra Energy common stock. Former employees that elect to leave their account balance in the Plan and receive cash dividends from Sempra Energy common stock in their account will receive such dividends in cash or have them reinvested in Sempra Energy common stock, based on their election on the date of termination of employment with the Company, retirement or permanent disability.

Payment of Benefits Upon termination of employment with the Company, retirement or permanent disability, participants or the named beneficiary(ies) (in the event of death) with an account balance greater than $5,000 are given the options to have their vested account balance remain in the Plan, roll the entire amount to another qualified retirement plan or individual retirement account or receive their vested account balance in a single lump-sum payment in cash or Sempra Energy common stock for any portion of their account held in Sempra Energy common stock. The accounts of terminated participants with account balances from $1,000 to $5,000 that do not elect a lump-sum payment or a rollover to a qualified retirement plan or individual retirement account will be automatically rolled into an individual retirement account with T. Rowe Price. Terminated participants with account balances less than $1,000 automatically receive a lump-sum cash payment.

Plan Termination Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, the net assets of the Plan will be distributed to the participants.

Related Party Transactions Certain Plan investments, held through the Master Trust, are shares of mutual funds managed by T. Rowe Price, the Plan s recordkeeper; therefore, these transactions qualify as party-in-interest transactions.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee of the Company receives compensation from the Plan. Certain administrative expenses are paid directly by the Company, such as legal and accounting fees. All investment expenses are paid by the participants, including recordkeeping, trustee, loan, redemption and investment management fees. Fees paid by the Plan to the recordkeeper for administrative services were $22,466 and $24,413 for the years ended December 31, 2007 and 2006, respectively.

At December 31, 2007 and 2006, the Plan held, through the Master Trust, 1,003,524 and 996,323 shares of common stock of Sempra Energy, the sponsoring Employer, with a cost basis of $55,327,427 and $43,834,316 and recorded dividend income of $1,208,807 and $1,247,501, respectively, during the years then ended.