

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended

March 31, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

to

Commission File No.	Exact Name of Registrant as Specified in its Charter, Address of Principal Executive Office and Telephone Number	State of Incorporation	IRS Employer Identification No.	Former name, former address and former fiscal year, if changed since last report
1-14201	SEMPRA 488 8th Avenue San Diego, California 92101 (619) 696-2000	California	33-0732627	No change
1-03779	SAN DIEGO GAS & ELECTRIC COMPANY 8330 Century Park Court San Diego, California 92123 (619) 696-2000	California	95-1184800	No change
1-01402	SOUTHERN CALIFORNIA GAS COMPANY 555 West 5th Street Los Angeles, California 90013 (213) 244-1200	California	95-1240705	No change

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
SEMPRA:		
Common Stock, without par value	SRE	New York Stock Exchange
5.75% Junior Subordinated Notes Due 2079, \$25 par value	SREA	New York Stock Exchange
SAN DIEGO GAS & ELECTRIC COMPANY:		
None		
SOUTHERN CALIFORNIA GAS COMPANY:		
None		

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrants were required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Sempra:

☒ Large Accelerated Filer ☐ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company

San Diego Gas & Electric Company:

☐ Large Accelerated Filer ☐ Accelerated Filer ☒ Non-accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company

Southern California Gas Company:

☐ Large Accelerated Filer ☐ Accelerated Filer ☒ Non-accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company

If an emerging growth company, indicate by check mark if the Registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the Registrants are a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuers’ classes of common stock, as of the latest practicable date.

Common stock outstanding as of May 5, 2025:

Sempra	652,170,380 shares
San Diego Gas & Electric Company	Wholly owned by Enova Corporation, which is wholly owned by Sempra
Southern California Gas Company	Wholly owned by Pacific Enterprises, which is wholly owned by Sempra

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This combined Form 10-Q is separately filed by Sempra, San Diego Gas & Electric Company and Southern California Gas Company. Information contained herein relating to any one of these individual Registrants is filed by such entity on its own behalf. Each such Registrant makes statements herein only as to itself and its consolidated entities and makes no statement whatsoever as to any other entity.

You should read this report in its entirety as it pertains to each respective Registrant. No one section of the report deals with all aspects of the subject matter. A separate Part I – Item 1 is provided for each Registrant, except for the Notes to Condensed Consolidated Financial Statements, which are combined for all the Registrants. All Items other than Part I – Item 1 are combined for the three Registrants.

None of the website references in this report are active hyperlinks, and the information contained on or that can be accessed through any such website is not and shall not be deemed to be part of or incorporated by reference in this report or any other document that we file with or furnish to the SEC.

The following terms and abbreviations appearing in this report have the meanings indicated below.

GLOSSARY	
AB	California Assembly Bill
ADIA	Black Silverback ZC 2022 LP (assignee of Black River B 2017 Inc.), a wholly owned affiliate of Abu Dhabi Investment Authority
AFUDC	allowance for funds used during construction
amparo	an extraordinary constitutional appeal governed by Articles 103 and 107 of the Mexican Constitution and filed in Mexican federal court
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2024
AOI	accumulated other comprehensive income (loss)
ASEA	Agencia de Seguridad, Energía y Ambiente (Mexico's National Agency for Safety, Energy, and Environment)
ASU	Accounting Standards Update
ATM	at-the-market equity offering program pursuant to the Sales Agreement
Bcf	billion cubic feet
Bechtel	Bechtel Energy Inc.
bps	basis points
California ISO adder	an additional 0.50% ROE for participation in the California ISO
Cameron LNG JV	Cameron LNG Holdings, LLC
Cameron LNG Phase 1 facility	Cameron LNG JV liquefaction facility
Cameron LNG Phase 2 project	Cameron LNG JV liquefaction expansion project
CCM	cost of capital adjustment mechanism
CFE	Comisión Federal de Electricidad (Mexico's Federal Electricity Commission)
CFIN	Cameron LNG FINCO, LLC, a wholly owned and unconsolidated affiliate of Cameron LNG JV
CNE	Comisión Nacional de Energía (Mexico's National Commission of Energy), successor to Comisión Reguladora de Energía (Mexico's Energy Regulatory Commission or CRE)
CODM	chief operating decision maker as defined in Accounting Standards Codification 280
ConocoPhillips	ConocoPhillips Company
COVID-19	coronavirus disease 2019
CPUC	California Public Utilities Commission
CRR	congestion revenue right
DOE	U.S. Department of Energy
ECA LNG	ECA LNG Phase 1 and ECA LNG Phase 2, collectively
ECA LNG Phase 1	ECA LNG Holdings B.V.
ECA LNG Phase 2	ECA LNG II Holdings B.V.
ECA Regas Facility	Energía Costa Azul, S. de R.L. de C.V. LNG regasification facility
Ecogas	Ecogas México, S. de R.L. de C.V.
Edison	Southern California Edison Company, a subsidiary of Edison International
EPC	engineering, procurement and construction
EPS	earnings per common share
ESL	Electric Sector Law
ETR	effective income tax rate
Exchange Act	Securities Exchange Act of 1934, as amended
FD	final decision
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
FTA	Free Trade Agreement
GCIM	Gas Cost Incentive Mechanism
GHG	greenhouse gas
GRC	General Rate Case
HOA	Heads of Agreement
HSL	Hydrocarbons Sector Law
Inova	Infraestructura Energética Nova, S.A.P.I. de C.V.
IOU	investor-owned utility
IRS	U.S. Internal Revenue Service
ISO	Independent System Operator
ITC	investment tax credit
JV	joint venture
KKR Denali	KKR Denali Holdco LLC, an affiliate of Kohlberg Kravis Roberts & Co. L.P.

GLOSSARY

KKR Pinnacle	KKR Pinnacle Investor L.P., an affiliate of Kohlberg Kravis Roberts & Co. L.P.
LA Fires	the wildfires in Los Angeles County, California, including the Palisades, Eaton and other fires, that burned in January and February of 2025
Leak	the leak at the SoCalGas Aliso Canyon natural gas storage facility injection-and-withdrawal well, SS25, discovered by SoCalGas on October 23, 2015
LH	Hydrocarbons Law
LIE	Electricity Industry Law
LNG	liquefied natural gas
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MMBtu	million British thermal units (of natural gas)
Moody's	Moody's Investors Service, Inc.
MOU	Memorandum of Understanding
Mpa	million tonnes per annum
MW	megawatt
MWh	megawatt hour
NCI	noncontrolling interest(s)
NDT	nuclear decommissioning trusts
O&M	operation and maintenance expense
OCI	other comprehensive income (loss)
Oncor	Oncor Electric Delivery Company LLC
Oncor Holdings	Oncor Electric Delivery Holdings Company LLC
OSHA	Occupational Safety and Health Administration
Other Sempra	All Sempra consolidated entities, except for SDG&E and SoCalGas
PA LNG Phase 1 project	initial phase of the Port Arthur LNG liquefaction project
PA LNG Phase 2 project	second phase of the Port Arthur LNG liquefaction project
PBOP	postretirement benefits other than pension
PEMEX	Petróleos Mexicanos (Mexican state-owned oil company)
Port Arthur LNG	Port Arthur LNG, LLC, a subsidiary of SI Partners that owns the PA LNG Phase 1 project
PP&E	property, plant and equipment
PPA	power purchase agreement
PSEP	Pipeline Safety Enhancement Plan
PUCT	Public Utility Commission of Texas
Registrants	has the meaning set forth in Rule 12b-2 under the Exchange Act and consists of Sempra, SDG&E and SoCalGas for purposes of this report
RNG	renewable natural gas
ROE	return on equity
RSU	restricted stock unit
S&P	S&P Global Ratings, a division of S&P Global Inc.
Sales Agreement	ATM Equity Offering Sales Agreement, dated November 6, 2024, among Sempra and Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Scotia Capital (USA) Inc., and Wells Fargo Securities, LLC (each a sales agent or forward seller) and Barclays Bank PLC, Bank of America, N.A., Citibank, N.A., Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, MUFG Securities EMEA plc, Royal Bank of Canada, The Bank of Nova Scotia and Wells Fargo Bank, National Association, or one of their respective affiliates (each a forward purchaser)
SDG&E	San Diego Gas & Electric Company
SDSRA	Senior Debt Service Reserve Account
SEC	U.S. Securities and Exchange Commission
SEDATU	Secretaría de Desarrollo Agrario, Territorial y Urbano (Mexico's agency in charge of agriculture, land and urban development)
SENER	Secretaría de Energía de México (Mexico's Ministry of Energy)
series C preferred stock	Sempra's 4.875% fixed-rate reset cumulative redeemable perpetual preferred stock, series C
SI Partners	Sempra Infrastructure Partners, LP, the holding company for most of Sempra's subsidiaries not subject to California or Texas utility regulation
SoCalGas	Southern California Gas Company
SOFR	Secured Overnight Financing Rate
SONGS	San Onofre Nuclear Generating Station
SPA	sale and purchase agreement

GLOSSARY

Support Agreement	support agreement, dated July 28, 2020 and amended in June 2021, January 2025 and March 2025, between Sempra and Sumitomo Mitsui Banking Corporation
TAG Norte	TAG Norte Holding, S. de R.L. de C.V.
TAG Pipelines	TAG Pipelines Norte, S. de R.L. de C.V.
TCEQ	Texas Commission on Environmental Quality
TdM	Termelétrica de Mexicali
TO5	Electric Transmission Owner Formula Rate, effective June 1, 2019
TO5 adder refund provision	the provision in the TO5 settlement providing that SDG&E will refund the California ISO adder as of June 1, 2019 if the FERC issues an order ruling that California IOUs are no longer eligible for the California ISO adder
TO6	Electric Transmission Owner Formula Rate, effective June 1, 2025, subject to refund
TRO	temporary restraining order
U.S. GAAP	generally accepted accounting principles in the United States of America
VAT	value-added tax
VIE	variable interest entity
Wildfire Fund	the fund established pursuant to AB 1054
Wildfire Legislation	AB 1054 and AB 111

In this report, references to “Sempra” are to Sempra and its consolidated entities, collectively, and references to “we,” “our,” “us” and “our company” are to the applicable Registrant and its consolidated entities, collectively, in each case unless otherwise stated or indicated by the context. All references in this report to our reportable segments are not intended to refer to any legal entity with the same or similar name.

Throughout this report, we refer to the following as Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements when discussed together or collectively:

- the Condensed Consolidated Financial Statements and related Notes of Sempra;
- the Condensed Financial Statements and related Notes of SDG&E; and
- the Condensed Financial Statements and related Notes of SoCalGas.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions about the future, involve risks and uncertainties, and are not guarantees. Future results may differ materially from those expressed or implied in any forward-looking statement. These forward-looking statements represent our estimates and assumptions only as of the filing date of this report. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

Forward-looking statements can be identified by words such as “believe,” “expect,” “intend,” “anticipate,” “contemplate,” “plan,” “estimate,” “project,” “forecast,” “envision,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “proposed,” “in process,” “construct,” “develop,” “opportunity,” “preliminary,” “initiative,” “target,” “outlook,” “optimistic,” “poised,” “positioned,” “maintain,” “continue,” “progress,” “advance,” “goal,” “aim,” “commit,” or similar expressions, or when we discuss our guidance, priorities, strategies, goals, vision, mission, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include:

- California wildfires, including potential liability for damages regardless of fault and any inability to recover all or a substantial portion of costs from insurance, the Wildfire Fund, rates from customers or a combination thereof
- decisions, denials of cost recovery, audits, investigations, inquiries, ordered studies, regulations, denials or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions, including the failure to honor contracts and commitments, by the (i) CPUC, CNE, DOE, FERC, IRS, PUCT and other regulatory bodies and (ii) U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries where we do business
- the success of business development efforts, construction projects, acquisitions, divestitures, and other significant transactions, including risks related to (i) being able to make a final investment decision, (ii) negotiating pricing and other terms in definitive contracts, (iii) completing construction projects or other transactions on schedule and budget, (iv) realizing anticipated benefits from any of these efforts if completed, (v) obtaining regulatory and other approvals and (vi) third parties honoring their contracts and commitments
- changes to our capital expenditure plans and their potential impact on rate base or other growth
- changes, due to evolving economic, political and other factors, to (i) trade and other foreign policy, including the imposition of tariffs by the U.S. and foreign countries, and (ii) laws and regulations, including those related to tax and the energy industry in the U.S. and Mexico
- litigation, arbitration, property disputes and other proceedings
- cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third parties with which we conduct business, including the energy grid or other energy infrastructure
- the availability, uses, sufficiency, and cost of capital resources and our ability to borrow money or otherwise raise capital on favorable terms and meet our obligations, which can be affected by, among other things, (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook, (ii) instability in the capital markets, and (iii) fluctuating interest rates and inflation
- the impact on affordability of SDG&E's and SoCalGas' customer rates and their cost of capital and on SDG&E's, SoCalGas' and Semptra Infrastructure's ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices and the imposition of tariffs, (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of meeting the demand for lower carbon and reliable energy in California, and (iii) with respect to Semptra Infrastructure's business, volatility in foreign currency exchange rates
- the impact of climate policies, laws, rules, regulations, trends and required disclosures, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies, the risk of nonrecovery for stranded assets, and uncertainty related to emerging technologies
- weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events, such as work stoppages, that disrupt our operations, damage our facilities or systems, cause the release of harmful materials or fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms or insurance or may impact our ability to obtain satisfactory levels of affordable insurance

- the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid or pipeline and storage systems or limitations on the injection and withdrawal of natural gas from storage facilities
- Oncor's ability to reduce or eliminate its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director
- other uncertainties, some of which are difficult to predict and beyond our control

We caution you not to rely unduly on any forward-looking statements. You should review and carefully consider the risks, uncertainties and other factors that affect our businesses as described herein, in our Annual Report and in other reports we file with the SEC.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEMPRA

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts; shares in thousands)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
REVENUES		
Utilities:		
Natural gas	\$ 2,362	\$ 2,109
Electric	1,059	1,056
Energy-related businesses	381	475
Total revenues	3,802	3,640
EXPENSES AND OTHER INCOME		
Utilities:		
Cost of natural gas	(493)	(554)
Cost of electric fuel and purchased power	(52)	(89)
Energy-related businesses cost of sales	(119)	(109)
Operation and maintenance	(1,343)	(1,212)
Depreciation and amortization	(640)	(594)
Franchise fees and other taxes	(196)	(184)
Other income, net	91	99
Interest income	34	13
Interest expense	(433)	(305)
Income before income taxes and equity earnings	651	705
Income tax expense	(57)	(172)
Equity earnings	325	348
Net income	919	881
Earnings attributable to noncontrolling interests	(2)	(69)
Preferred dividends	(11)	(11)
Earnings attributable to common shares	\$ 906	\$ 801
Basic EPS:		
Earnings	\$ 1.39	\$ 1.27
Weighted-average common shares outstanding	651,992	632,821
Diluted EPS:		
Earnings	\$ 1.39	\$ 1.26
Weighted-average common shares outstanding	653,018	635,354

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)

	Sempra shareholders' equity						Noncontrolling interests (after tax)	Total		
	Pretax amount	Income tax (expense) benefit	Net-of-tax amount							
				(unaudited)						
Three months ended March 31, 2025 and 2024										
2025:										
Net income	\$	974	\$	(57)	\$	917	\$	2	\$	919
Other comprehensive income (loss):										
Financial instruments		(36)		4		(32)		(5)		(37)
Pension and other postretirement benefits		3		—		3		—		3
Total other comprehensive loss		(33)		4		(29)		(5)		(34)
Comprehensive income (loss)	\$	941	\$	(53)	\$	888	\$	(3)	\$	885
2024:										
Net income	\$	984	\$	(172)	\$	812	\$	69	\$	881
Other comprehensive income (loss):										
Foreign currency translation adjustments		3		—		3		1		4
Financial instruments		43		(4)		39		114		153
Pension and other postretirement benefits		5		(1)		4		—		4
Total other comprehensive income		51		(5)		46		115		161
Comprehensive income	\$	1,035	\$	(177)	\$	858	\$	184	\$	1,042

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	March 31, 2025	December 31, 2024 ⁽¹⁾
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,739	\$ 1,565
Restricted cash	20	21
Accounts receivable – trade, net	2,107	1,983
Accounts receivable – other, net	432	397
Due from unconsolidated affiliates	15	13
Income taxes receivable	66	90
Inventories	568	559
Prepaid expenses	227	255
Regulatory assets	86	60
Fixed-price contracts and other derivatives	136	91
Greenhouse gas allowances	218	217
Other current assets	51	34
Total current assets	5,665	5,285
Other assets:		
Restricted cash	3	3
Regulatory assets	4,272	3,937
Greenhouse gas allowances	1,053	845
Nuclear decommissioning trusts	865	875
Dedicated assets in support of certain benefit plans	566	585
Deferred income taxes	194	172
Right-of-use assets – operating leases	1,177	1,177
Investment in Oncor Holdings	15,871	15,400
Other investments	2,501	2,534
Goodwill	1,602	1,602
Other intangible assets	286	292
Wildfire fund	258	262
Other long-term assets	1,656	1,749
Total other assets	30,304	29,433
Property, plant and equipment:		
Property, plant and equipment	82,437	80,397
Less accumulated depreciation and amortization	(19,396)	(18,960)
Property, plant and equipment, net	63,041	61,437
Total assets	\$ 99,010	\$ 96,155

⁽¹⁾ Derived from audited financial statements.

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Dollars in millions)

	March 31, 2025	December 31, 2024 ⁽¹⁾
	(unaudited)	
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 2,113	\$ 2,016
Accounts payable – trade	1,976	2,238
Accounts payable – other	179	208
Dividends and interest payable	909	773
Accrued compensation and benefits	398	558
Regulatory liabilities	490	141
Current portion of long-term debt and finance leases	2,331	2,274
Greenhouse gas obligations	218	217
Other current liabilities	1,320	1,251
Total current liabilities	9,934	9,676
Long-term debt and finance leases	33,286	31,558
Deferred credits and other liabilities:		
Due to unconsolidated affiliates	355	352
Regulatory liabilities	3,847	3,817
Greenhouse gas obligations	755	506
Pension and other postretirement benefit plan obligations, net of plan assets	188	168
Deferred income taxes	5,988	5,845
Asset retirement obligations	3,751	3,737
Deferred credits and other	2,704	2,708
Total deferred credits and other liabilities	17,588	17,133
Commitments and contingencies (Note 12)		
Equity:		
Preferred stock (50,000,000 shares authorized; 900,000 shares of series C outstanding)	889	889
Common stock (1,125,000,000 shares authorized; 651,930,398 and 650,629,876 shares outstanding at March 31, 2025 and December 31, 2024, respectively; no par value)	13,484	13,520
Retained earnings	17,465	16,979
Accumulated other comprehensive income (loss)	(195)	(166)
Total Sempra shareholders' equity	31,643	31,222
Preferred stock of subsidiary	20	20
Other noncontrolling interests	6,539	6,546
Total equity	38,202	37,788
Total liabilities and equity	\$ 99,010	\$ 96,155

⁽¹⁾ Derived from audited financial statements.

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 919	\$ 881
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	640	594
Deferred income taxes and investment tax credits	(48)	137
Equity earnings	(325)	(348)
Share-based compensation expense	(2)	21
Fixed-price contracts and other derivatives	134	16
Bad debt expense	6	42
Other	(3)	7
Net change in working capital components	(35)	319
Distributions from investments	291	232
Changes in other noncurrent assets and liabilities, net	(95)	(50)
Net cash provided by operating activities	1,482	1,851
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(2,336)	(1,933)
Expenditures for investments	(486)	(193)
Purchases of nuclear decommissioning and other trust assets	(292)	(197)
Proceeds from sales of nuclear decommissioning and other trust assets	329	217
Other	—	(1)
Net cash used in investing activities	(2,785)	(2,107)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common dividends paid	(380)	(362)
Issuances of common stock	10	10
Repurchases of common stock	(57)	(40)
Issuances of debt (maturities greater than 90 days)	2,941	2,044
Payments on debt (maturities greater than 90 days) and finance leases	(994)	(846)
Decrease in short-term debt, net	(70)	(498)
Advances from unconsolidated affiliates	44	45
Contributions from noncontrolling interests	34	474
Distributions to noncontrolling interests	(38)	(111)
Other	(14)	(16)
Net cash provided by financing activities	1,476	700
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	1
Increase in cash, cash equivalents and restricted cash	173	445
Cash, cash equivalents and restricted cash, January 1	1,589	389
Cash, cash equivalents and restricted cash, March 31	\$ 1,762	\$ 834

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	\$ 243	\$ 274
Income tax payments, net of refunds	100	25
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Repayments of advances from unconsolidated affiliate in lieu of distributions	\$ 45	\$ 62
Accrued capital expenditures for PP&E	1,061	915
Decrease in ARO capitalized to PP&E	11	1
Increase in finance lease obligations capitalized to PP&E	16	7
Unamortized debt issuance costs reclassified from noncurrent asset to long-term debt	22	1
Preferred dividends declared but not paid	11	11
Common dividends declared but not paid	420	392
Common dividends issued in stock	13	14

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Dollars in millions)

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Sempra shareholders' equity	Non-controlling interests	Total equity
	(unaudited)						
	Three months ended March 31, 2025						
Balance at December 31, 2024	\$ 889	\$ 13,520	\$ 16,979	\$ (166)	\$ 31,222	\$ 6,566	\$ 37,788
Net income			917		917	2	919
Other comprehensive loss				(29)	(29)	(5)	(34)
Share-based compensation expense		(2)			(2)		(2)
Dividends declared:							
Series C preferred stock (\$12.19/share)			(11)		(11)		(11)
Common stock (\$0.65/share)			(420)		(420)		(420)
Issuances of common stock		23			23		23
Repurchases of common stock		(57)			(57)		(57)
Noncontrolling interest activities:							
Contributions						34	34
Distributions						(38)	(38)
Balance at March 31, 2025	\$ 889	\$ 13,484	\$ 17,465	\$ (195)	\$ 31,643	\$ 6,559	\$ 38,202
	Three months ended March 31, 2024						
Balance at December 31, 2023	\$ 889	\$ 12,204	\$ 15,732	\$ (150)	\$ 28,675	\$ 4,979	\$ 33,654
Net income			812		812	69	881
Other comprehensive income				46	46	115	161
Share-based compensation expense		21			21		21
Dividends declared:							
Series C preferred stock (\$12.19/share)			(11)		(11)		(11)
Common stock (\$0.62/share)			(392)		(392)		(392)
Issuances of common stock		24			24		24
Repurchases of common stock		(40)			(40)		(40)
Noncontrolling interest activities:							
Contributions						474	474
Distributions						(111)	(111)
Balance at March 31, 2024	\$ 889	\$ 12,209	\$ 16,141	\$ (104)	\$ 29,135	\$ 5,526	\$ 34,661

See Notes to Condensed Consolidated Financial Statements.

SAN DIEGO GAS & ELECTRIC COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
Operating revenues:		
Electric	\$ 1,064	\$ 1,060
Natural gas	356	319
Total operating revenues	1,420	1,379
Operating expenses:		
Cost of electric fuel and purchased power	73	107
Cost of natural gas	87	102
Operation and maintenance	440	411
Depreciation and amortization	320	298
Franchise fees and other taxes	110	104
Total operating expenses	1,030	1,022
Operating income	390	357
Other income, net	40	33
Interest income	—	1
Interest expense	(135)	(128)
Income before income taxes	295	263
Income tax expense	(14)	(40)
Net income/Earnings attributable to common shares	\$ 281	\$ 223

See Notes to Condensed Financial Statements.

SAN DIEGO GAS & ELECTRIC COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)

	Pretax amount	Income tax expense (unaudited)	Net-of-tax amount
	Three months ended March 31, 2025 and 2024		
2025:			
Net income/Comprehensive income	\$ 295	\$ (14)	\$ 281
2024:			
Net income/Comprehensive income	\$ 263	\$ (40)	\$ 223

See Notes to Condensed Financial Statements.

SAN DIEGO GAS & ELECTRIC COMPANY
CONDENSED BALANCE SHEETS
(Dollars in millions)

	March 31, 2025	December 31, 2024 ⁽¹⁾
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 607	\$ —
Accounts receivable – trade, net	830	774
Accounts receivable – other, net	104	89
Income taxes receivable, net	10	27
Inventories	232	202
Prepaid expenses	123	139
Regulatory assets	60	16
Greenhouse gas allowances	27	27
Other current assets	28	27
Total current assets	2,021	1,301
Other assets:		
Regulatory assets	2,174	2,024
Greenhouse gas allowances	281	272
Nuclear decommissioning trusts	865	875
Right-of-use assets – operating leases	801	795
Wildfire fund	258	262
Other long-term assets	129	133
Total other assets	4,508	4,361
Property, plant and equipment:		
Property, plant and equipment	33,586	33,162
Less accumulated depreciation and amortization	(8,259)	(8,051)
Property, plant and equipment, net	25,327	25,111
Total assets	\$ 31,856	\$ 30,773

⁽¹⁾ Derived from audited financial statements.

See Notes to Condensed Financial Statements.

SAN DIEGO GAS & ELECTRIC COMPANY
CONDENSED BALANCE SHEETS (CONTINUED)
(Dollars in millions)

	March 31, 2025	December 31, 2024 ⁽¹⁾
	(unaudited)	
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term debt	\$ 137	\$ 417
Accounts payable	715	742
Due to unconsolidated affiliates	67	59
Interest payable	115	84
Accrued compensation and benefits	101	175
Accrued franchise fees	71	54
Regulatory liabilities	205	75
Current portion of long-term debt and finance leases	43	42
Greenhouse gas obligations	27	27
Asset retirement obligations	96	97
Other current liabilities	234	215
Total current liabilities	1,811	1,987
Long-term debt and finance leases	10,851	10,018
Deferred credits and other liabilities:		
Regulatory liabilities	2,750	2,701
Greenhouse gas obligations	85	62
Pension obligation, net of plan assets	37	28
Deferred income taxes	3,258	3,211
Asset retirement obligations	792	803
Deferred credits and other	1,427	1,399
Total deferred credits and other liabilities	8,349	8,204
Commitments and contingencies (Note 12)		
Shareholder's equity:		
Preferred stock (45,000,000 shares authorized; none issued)	—	—
Common stock (255,000,000 shares authorized; 116,583,358 shares outstanding; no par value)	1,660	1,660
Retained earnings	9,197	8,916
Accumulated other comprehensive income (loss)	(12)	(12)
Total shareholder's equity	10,845	10,564
Total liabilities and shareholder's equity	\$ 31,856	\$ 30,773

⁽¹⁾ Derived from audited financial statements.
See Notes to Condensed Financial Statements.

SAN DIEGO GAS & ELECTRIC COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 281	\$ 223
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	320	298
Deferred income taxes and investment tax credits	(3)	25
Bad debt expense	16	6
Other	(5)	(5)
Net change in working capital components	30	(1)
Changes in noncurrent assets and liabilities, net	(61)	130
Net cash provided by operating activities	578	676
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(539)	(624)
Purchases of nuclear decommissioning trust assets	(258)	(168)
Proceeds from sales of nuclear decommissioning trust assets	274	181
Net cash used in investing activities	(523)	(611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of debt (maturities greater than 90 days)	848	594
Payments on debt (maturities greater than 90 days) and finance leases	(10)	(411)
Decrease in short-term debt, net	(280)	—
Debt issuance costs	(6)	(5)
Net cash provided by financing activities	552	178
Increase in cash and cash equivalents	607	243
Cash and cash equivalents, January 1	—	50
Cash and cash equivalents, March 31	\$ 607	\$ 293
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	\$ 102	\$ 107
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures for PP&E	\$ 199	\$ 182
Increase in finance lease obligations capitalized to PP&E	2	2
Decrease in ARO capitalized to PP&E	6	—

See Notes to Condensed Financial Statements.

SAN DIEGO GAS & ELECTRIC COMPANY
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Dollars in millions)

	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholder's equity
	(unaudited)			
	Three months ended March 31, 2025			
Balance at December 31, 2024	\$ 1,660	\$ 8,916	\$ (12)	\$ 10,564
Net income		281		281
Balance at March 31, 2025	\$ 1,660	\$ 9,197	\$ (12)	\$ 10,845
	Three months ended March 31, 2024			
Balance at December 31, 2023	\$ 1,660	\$ 8,250	\$ (8)	\$ 9,902
Net income		223		223
Balance at March 31, 2024	\$ 1,660	\$ 8,473	\$ (8)	\$ 10,125

See Notes to Condensed Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
Operating revenues	\$ 2,020	\$ 1,805
Operating expenses:		
Cost of natural gas	415	465
Operation and maintenance	757	613
Depreciation and amortization	242	223
Franchise fees and other taxes	79	74
Total operating expenses	1,493	1,375
Operating income	527	430
Other income, net	42	47
Interest income	2	2
Interest expense	(90)	(77)
Income before income taxes	481	402
Income tax expense	(38)	(43)
Net income/Earnings attributable to common shares	\$ 443	\$ 359

See Notes to Condensed Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)

	Pretax amount	Income tax expense (unaudited)	Net-of-tax amount
Three months ended March 31, 2025 and 2024			
2025:			
Net income	\$ 481	\$ (38)	\$ 443
Other comprehensive income (loss):			
Pension and other postretirement benefits	2	—	2
Total other comprehensive income	2	—	2
Comprehensive income	\$ 483	\$ (38)	\$ 445
2024:			
Net income	\$ 402	\$ (43)	\$ 359
Other comprehensive income (loss):			
Pension and other postretirement benefits	1	—	1
Total other comprehensive income	1	—	1
Comprehensive income	\$ 403	\$ (43)	\$ 360

See Notes to Condensed Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY
CONDENSED BALANCE SHEETS
(Dollars in millions)

	March 31, 2025	December 31, 2024 ⁽¹⁾
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40	\$ 12
Accounts receivable – trade, net	1,018	932
Accounts receivable – other, net	83	71
Due from unconsolidated affiliates	34	16
Inventories	238	287
Regulatory assets	25	42
Greenhouse gas allowances	178	176
Other current assets	73	71
Total current assets	1,689	1,607
Other assets:		
Regulatory assets	2,029	1,844
Greenhouse gas allowances	671	526
Right-of-use assets – operating leases	14	18
Other long-term assets	607	609
Total other assets	3,321	2,997
Property, plant and equipment:		
Property, plant and equipment	29,479	29,084
Less accumulated depreciation and amortization	(8,482)	(8,330)
Property, plant and equipment, net	20,997	20,754
Total assets	\$ 26,007	\$ 25,358

⁽¹⁾ Derived from audited financial statements.
See Notes to Condensed Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY
CONDENSED BALANCE SHEETS (CONTINUED)
(Dollars in millions)

	March 31, 2025	December 31, 2024 ⁽¹⁾
	(unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 847	\$ 1,037
Accounts payable – trade	502	752
Accounts payable – other	137	158
Due to unconsolidated affiliates	25	38
Accrued compensation and benefits	182	245
Regulatory liabilities	283	64
Current portion of long-term debt and finance leases	374	373
Greenhouse gas obligations	178	176
Asset retirement obligations	89	91
Other current liabilities	616	451
Total current liabilities	3,233	3,385
Long-term debt and finance leases	7,039	7,031
Deferred credits and other liabilities:		
Regulatory liabilities	1,097	1,115
Greenhouse gas obligations	633	410
Pension obligation, net of plan assets	57	45
Deferred income taxes	2,101	2,005
Asset retirement obligations	2,865	2,839
Deferred credits and other	376	367
Total deferred credits and other liabilities	7,129	6,781
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Preferred stock (11,000,000 shares authorized; 862,043 shares outstanding)	22	22
Common stock (100,000,000 shares authorized; 91,300,000 shares outstanding; no par value)	2,316	2,316
Retained earnings	6,293	5,850
Accumulated other comprehensive income (loss)	(25)	(27)
Total shareholders' equity	8,606	8,161
Total liabilities and shareholders' equity	\$ 26,007	\$ 25,358

⁽¹⁾ Derived from audited financial statements.
See Notes to Condensed Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 443	\$ 359
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	242	223
Deferred income taxes and investment tax credits	(33)	40
Bad debt expense	8	26
Other	(5)	(4)
Net change in working capital components	76	405
Changes in noncurrent assets and liabilities, net	48	(162)
Net cash provided by operating activities	779	887
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(555)	(519)
Net cash used in investing activities	(555)	(519)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of debt (maturities greater than 90 days)	—	497
Payments on finance leases	(6)	(6)
Decrease in short-term debt, net	(190)	(803)
Debt issuance costs	—	(4)
Net cash used in financing activities	(196)	(316)
Increase in cash and cash equivalents	28	52
Cash and cash equivalents, January 1	12	2
Cash and cash equivalents, March 31	\$ 40	\$ 54
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	\$ 64	\$ 52
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures for PP&E	\$ 199	\$ 204
Increase in finance lease obligations capitalized to PP&E	14	5

See Notes to Condensed Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Dollars in millions)

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
	(unaudited)				
	Three months ended March 31, 2025				
Balance at December 31, 2024	\$ 22	\$ 2,316	\$ 5,850	\$ (27)	\$ 8,161
Net income			443		443
Other comprehensive income				2	2
Dividends declared:					
Preferred stock (\$0.38/share)			—		—
Balance at March 31, 2025	\$ 22	\$ 2,316	\$ 6,293	\$ (25)	\$ 8,606
	Three months ended March 31, 2024				
Balance at December 31, 2023	\$ 22	\$ 2,316	\$ 5,095	\$ (23)	\$ 7,410
Net income			359		359
Other comprehensive income				1	1
Dividends declared:					
Preferred stock (\$0.38/share)			—		—
Balance at March 31, 2024	\$ 22	\$ 2,316	\$ 5,454	\$ (22)	\$ 7,770

See Notes to Condensed Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION AND OTHER FINANCIAL DATA

PRINCIPLES OF CONSOLIDATION

Sempra

Sempra's Condensed Consolidated Financial Statements include the accounts of Sempra, a California-based holding company, and its consolidated entities, which invest in, develop and operate energy infrastructure in North America, and provide electric and gas services to customers. Sempra has three operating and reportable segments, which we describe in Note 13. All references in these Notes to our reportable segments are not intended to refer to any legal entity with the same or similar name.

SDG&E

SDG&E's common stock is wholly owned by Enova Corporation, which is a wholly owned subsidiary of Sempra. SDG&E is a regulated public utility that provides electric service to San Diego and southern Orange counties and natural gas service to San Diego County. SDG&E has one operating and reportable segment.

SoCalGas

SoCalGas' common stock is wholly owned by Pacific Enterprises, which is a wholly owned subsidiary of Sempra. SoCalGas is a regulated public natural gas distribution utility, serving customers throughout most of Southern California and part of central California. SoCalGas has one operating and reportable segment.

BASIS OF PRESENTATION

This is a combined report of Sempra, SDG&E and SoCalGas. We provide separate information for SDG&E and SoCalGas as required. We have eliminated intercompany accounts and transactions within Sempra's Condensed Consolidated Financial Statements.

We have prepared our Condensed Consolidated Financial Statements in conformity with U.S. GAAP and in accordance with the interim period reporting requirements of Form 10-Q and applicable rules of the SEC. The financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods. These adjustments are only of a normal, recurring nature. Results of operations for interim periods are not necessarily indicative of results for the entire year or for any other period. We evaluated events and transactions that occurred after March 31, 2025 through the date the financial statements were issued and, in the opinion of management, the accompanying financial statements reflect all adjustments and disclosures necessary for a fair presentation.

All December 31, 2024 balance sheet information in the Condensed Consolidated Financial Statements has been derived from our audited 2024 Consolidated Financial Statements in the Annual Report. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the interim period reporting provisions of U.S. GAAP and the SEC.

We describe our significant accounting policies in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report and the impact of the adoption of new accounting standards on those policies in Note 2 below. We follow the same accounting policies for interim period reporting purposes.

The information contained in this report should be read in conjunction with the Annual Report.

REGULATED OPERATIONS

SDG&E's and SoCalGas' accounting policies and financial statements reflect the application of U.S. GAAP provisions governing rate-regulated operations and the policies of the CPUC and the FERC. We discuss revenue recognition and the effects of regulation at our utilities in Notes 3 and 4 below and in Notes 1, 3 and 4 of the Notes to Consolidated Financial Statements in the Annual Report.

Our Sempra Texas Utilities segment is comprised of our equity method investments in holding companies that own interests in regulated electric transmission and distribution utilities in Texas.

Sempra Infrastructure's natural gas distribution utility, Ecogas, also applies U.S. GAAP provisions governing rate-regulated operations, including the same evaluation of probability of recovery of regulatory assets described above. Certain business activities at Sempra Infrastructure are regulated by the CNE and the FERC and meet the regulatory accounting requirements of U.S. GAAP.

VARIABLE INTEREST ENTITIES

We consolidate a VIE if we are the primary beneficiary of the VIE. Our determination of whether we are the primary beneficiary is based on qualitative and quantitative analyses, which assess:

- the purpose and design of the VIE;
- the nature of the VIE's risks and the risks we absorb;
- the power to direct activities that most significantly impact the economic performance of the VIE; and
- the obligation to absorb losses or the right to receive benefits that could be significant to the VIE.

We will continue to evaluate our VIEs for any changes that may impact our determination of whether an entity is a VIE and if we are the primary beneficiary.

SDG&E

SDG&E's power procurement is subject to reliability requirements that may require SDG&E to enter into various PPAs that include variable interests. SDG&E evaluates the respective entities to determine if variable interests exist and, based on the qualitative and quantitative analyses described above, if SDG&E, and indirectly Sempra, is the primary beneficiary.

SDG&E has agreements under which it purchases power generated by facilities for which it supplies all of the natural gas to fuel the power plant (i.e., tolling agreements). SDG&E's obligation to absorb natural gas costs may be a significant variable interest. In addition, SDG&E has the power to direct the dispatch of electricity generated by these facilities. Based on our analysis, the ability to direct the dispatch of electricity may have the most significant impact on the economic performance of the entity owning the generating facility because of the associated exposure to the cost of natural gas, which fuels the plants, and the value of electricity produced. To the extent that SDG&E (1) is obligated to purchase and provide fuel to operate the facility, (2) has the power to direct the dispatch, and (3) purchases all of the output from the facility for a substantial portion of the facility's useful life, SDG&E may be the primary beneficiary of the entity owning the generating facility. SDG&E determines if it is the primary beneficiary in these cases based on a qualitative approach in which it considers the operational characteristics of the facility, including its expected power generation output relative to its capacity to generate and the financial structure of the entity, among other factors. If SDG&E determines that it is the primary beneficiary, SDG&E and Sempra consolidate the entity that owns the facility as a VIE.

In addition to tolling agreements, other variable interests involve various elements of fuel and power costs, and other components of cash flows expected to be paid to or received by our counterparties. In most of these cases, the expectation of variability is not substantial, and SDG&E generally does not have the power to direct activities, including the operation and maintenance activities of the generating facility, that most significantly impact the economic performance of the other VIEs. If our ongoing evaluation of these VIEs were to conclude that SDG&E becomes the primary beneficiary and consolidation by SDG&E becomes necessary, the effects could be significant to the financial position and liquidity of SDG&E and Sempra.

SDG&E determined that none of its PPAs and tolling agreements resulted in SDG&E being the primary beneficiary of a VIE at March 31, 2025 and December 31, 2024. PPAs and tolling agreements that relate to SDG&E's involvement with VIEs are primarily accounted for as finance leases. The carrying amounts of the assets and liabilities under these contracts are included in PP&E, net, and finance lease liabilities with balances of \$1,131 million and \$1,138 million at March 31, 2025 and December 31, 2024, respectively. SDG&E recovers costs incurred on PPAs, tolling agreements and other variable interests through CPUC-approved long-term power procurement plans. SDG&E has no residual interest in the respective entities and has not provided or guaranteed any debt or equity support, liquidity arrangements, performance guarantees or other commitments associated with these contracts other than the purchase commitments described in Note 15 of the Notes to Consolidated Financial Statements in the Annual Report. As a result, SDG&E's potential exposure to loss from its variable interest in these VIEs is not significant.

Other Semptra

Oncor Holdings

Oncor Holdings is a VIE. Semptra is not the primary beneficiary of this VIE because of the structural and operational ring-fencing and governance measures in place that prevent us from having the power to direct the significant activities of Oncor Holdings. As a result, we do not consolidate Oncor Holdings and instead account for our ownership interest as an equity method investment. See Note 5 of the Notes to Consolidated Financial Statements in the Annual Report for additional information about our equity method investment in Oncor Holdings and restrictions on our ability to influence its activities. Our maximum exposure to loss, which fluctuates over time, from our interest in Oncor Holdings does not exceed the carrying value of our investment, which was \$15,871 million and \$15,400 million at March 31, 2025 and December 31, 2024, respectively.

Cameron LNG JV

Cameron LNG JV is a VIE principally due to contractual provisions that transfer certain risks to customers. Semptra is not the primary beneficiary of this VIE because we do not have the power to direct the most significant activities of Cameron LNG JV, including LNG production and operation and maintenance activities at the liquefaction facility. Therefore, we account for our investment in Cameron LNG JV under the equity method. The carrying value of our investment was \$1,127 million at March 31, 2025 and \$1,149 million at December 31, 2024. Our maximum exposure to loss, which fluctuates over time, includes the carrying value of our investment and our obligation under the SDSRA, which we discuss in Note 12.

CFIN

As we discuss in Note 12, in July 2020, Semptra entered into a Support Agreement for the benefit of CFIN, which is a VIE. Semptra is not the primary beneficiary of this VIE because we do not have the power to direct the most significant activities of CFIN, including modification, prepayment, and refinance decisions related to the financing arrangement with external lenders and Cameron LNG JV's four project owners as well as the ability to determine and enforce remedies in the event of default. The conditional obligations of the Support Agreement represent a variable interest that we measure at fair value on a recurring basis (see Note 9). Semptra's maximum exposure to loss under the terms of the Support Agreement is \$979 million, which we discuss in Note 12.

ECA LNG Phase 1

ECA LNG Phase 1 is a VIE because its total equity at risk is not sufficient to finance its activities without additional subordinated financial support. We expect that ECA LNG Phase 1 will require future capital contributions or other financial support to finance the construction of the facility. Semptra is the primary beneficiary of this VIE because we have the power to direct the activities related to the construction and future operation and maintenance of the liquefaction facility. As a result, we consolidate ECA LNG Phase 1. Semptra consolidated \$1,853 million and \$1,758 million of assets at March 31, 2025 and December 31, 2024, respectively, consisting primarily of PP&E, net, attributable to ECA LNG Phase 1 that could be used only to settle obligations of this VIE and that are not available to settle obligations of Semptra, and \$1,168 million and \$1,080 million of liabilities at March 31, 2025 and December 31, 2024, respectively, consisting primarily of long-term debt attributable to ECA LNG Phase 1 for which creditors do not have recourse to the general credit of Semptra. Additionally, IEnova and TotalEnergies SE have provided guarantees for 83.4% and 16.6%, respectively, of the loan facility supporting construction of the liquefaction facility (see Note 7).

Port Arthur LNG

Port Arthur LNG is a VIE because its total equity at risk is not sufficient to finance its activities without additional subordinated financial support. We expect that Port Arthur LNG will require future capital contributions or other financial support to finance the construction of the PA LNG Phase 1 project, which we discuss in Note 10 in "Noncontrolling Interests — SI Partners Subsidiaries." Semptra is the primary beneficiary of this VIE because we have the power to direct the activities related to the construction and future operation and maintenance of the liquefaction facility. As a result, we consolidate Port Arthur LNG. Semptra consolidated \$7,179 million and \$6,419 million of assets at March 31, 2025 and December 31, 2024, respectively, consisting primarily of PP&E, net, attributable to Port Arthur LNG that could be used only to settle obligations of this VIE and that are not available to settle obligations of Semptra, and \$2,437 million and \$1,584 million of liabilities at March 31, 2025 and December 31, 2024, respectively, consisting primarily of long-term debt and accounts payable attributable to Port Arthur LNG for which creditors do not have recourse to the general credit of Semptra.

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on Semptra's Condensed Consolidated Balance Sheets to the sum of such amounts reported on Semptra's Condensed Consolidated Statements of Cash Flows. We provide information about the nature of restricted cash in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH

(Dollars in millions)

	March 31, 2025	December 31, 2024
Semptra:		
Cash and cash equivalents	\$ 1,739	\$ 1,565
Restricted cash, current	20	21
Restricted cash, noncurrent	3	3
Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows	\$ 1,762	\$ 1,589

CREDIT LOSSES

We are exposed to credit losses from financial assets measured at amortized cost, including trade and other accounts receivable, amounts due from unconsolidated affiliates, our net investment in sales-type leases and a note receivable. We are also exposed to credit losses from off-balance sheet arrangements through Semptra's guarantees, which we discuss below and in Note 12.

We regularly monitor and evaluate credit losses and record allowances for expected credit losses, if necessary, for trade and other accounts receivable using a combination of factors, including past-due status based on contractual terms, trends in write-offs, the age of the receivables and customer payment patterns, historical and industry trends, counterparty creditworthiness, economic conditions and specific events, such as bankruptcies, pandemics and other factors. We write off financial assets measured at amortized cost in the period in which we determine they are not recoverable. We record recoveries of amounts previously written off when it is known that they will be recovered.

SDG&E and SoCalGas have regulatory mechanisms to recover credit losses and thus record changes in the allowances for credit losses related to Accounts Receivable – Trade that are probable of recovery in regulatory accounts. We discuss regulatory accounts in Note 4.

Changes in allowances for credit losses for trade receivables and other receivables are as follows:

CHANGES IN ALLOWANCES FOR CREDIT LOSSES

(Dollars in millions)

	2025	2024
Semptra:		
Allowances for credit losses at January 1	\$ 514	\$ 533
Provisions for expected credit losses	(4)	42
Write-offs	(48)	(50)
Allowances for credit losses at March 31	\$ 462	\$ 525
SDG&E:		
Allowances for credit losses at January 1	\$ 114	\$ 144
Provisions for expected credit losses	15	6
Write-offs	(20)	(17)
Allowances for credit losses at March 31	\$ 109	\$ 133
SoCalGas:		
Allowances for credit losses at January 1	\$ 285	\$ 331
Provisions for expected credit losses	9	26
Write-offs	(28)	(33)
Allowances for credit losses at March 31	\$ 266	\$ 324

Allowances for credit losses related to trade receivables and other receivables are included in the Condensed Consolidated Balance Sheets as follows:

ALLOWANCES FOR CREDIT LOSSES (Dollars in millions)		
	March 31, 2025	December 31, 2024
Sempra:		
Accounts receivable – trade, net	\$ 395	\$ 447
Accounts receivable – other, net	56	53
Other long-term assets ⁽¹⁾	11	14
Total allowances for credit losses	\$ 462	\$ 514
SDG&E:		
Accounts receivable – trade, net	\$ 76	\$ 81
Accounts receivable – other, net	26	25
Other long-term assets ⁽¹⁾	7	8
Total allowances for credit losses	\$ 109	\$ 114
SoCalGas:		
Accounts receivable – trade, net	\$ 232	\$ 251
Accounts receivable – other, net	30	28
Other long-term assets ⁽¹⁾	4	6
Total allowances for credit losses	\$ 266	\$ 285

⁽¹⁾ In January 2024, the CPUC directed SDG&E and SoCalGas to offer long-term repayment plans to eligible residential customers with past-due balances.

As we discuss below in “Note Receivable,” we have an interest-bearing promissory note due from KKR Pinnacle. On a quarterly basis, we evaluate credit losses and record allowances for expected credit losses on this note receivable, including compounded interest and unamortized transaction costs, based on published default rate studies, the maturity date of the instrument and an internally developed credit rating. At both March 31, 2025 and December 31, 2024, \$5 million of expected credit losses are included in Other Long-Term Assets on Sempra’s Condensed Consolidated Balance Sheets.

As we discuss in Note 12, Sempra provided a guarantee for the benefit of Cameron LNG JV related to amounts withdrawn by Sempra Infrastructure from the SDSRA. On a quarterly basis, we evaluate credit losses and record liabilities for expected credit losses on this off-balance sheet arrangement based on external credit ratings, published default rate studies and the maturity date of the arrangement. At both March 31, 2025 and December 31, 2024, \$5 million of expected credit losses are included in Deferred Credits and Other on Sempra’s Condensed Consolidated Balance Sheets.

In February 2025, SI Partners entered into a 15-month credit support agreement with a third-party financial institution related to a customer’s secured borrowing for repayment of its past due account balance owed to SI Partners. SI Partners’ maximum exposure to loss under this off-balance sheet arrangement is \$85 million. At March 31, 2025, \$9 million and \$2 million of expected credit losses are included in Other Current Liabilities and Deferred Credits and Other, respectively, on Sempra’s Condensed Consolidated Balance Sheet.

TRANSACTIONS WITH AFFILIATES

We summarize amounts due from and to unconsolidated affiliates at the Registrants in the following table.

AMOUNTS DUE FROM (TO) UNCONSOLIDATED AFFILIATES

(Dollars in millions)

	March 31, 2025	December 31, 2024
Sempra:		
Tax sharing agreement with Oncor Holdings	\$ 11	\$ 8
Various affiliates	4	5
Total due from unconsolidated affiliates – current	\$ 15	\$ 13
TAG Pipelines⁽¹⁾:		
5.5% Note due January 14, 2026	\$ —	\$ (8)
5.5% Note due July 14, 2026	—	(12)
5.5% Note due January 19, 2027	—	(15)
5.5% Note due July 21, 2027	(9)	(19)
5.5% Note due January 19, 2028	(48)	(48)
5.5% Note due July 18, 2028	(42)	(41)
5.5% Note due January 22, 2029	(44)	—
TAG Norte – 5.74% Note due December 17, 2029 ⁽¹⁾	(212)	(209)
Total due to unconsolidated affiliates – noncurrent	\$ (355)	\$ (352)
SDG&E:		
Sempra	\$ (44)	\$ (42)
SoCalGas	(9)	(14)
Various affiliates	(14)	(3)
Total due to unconsolidated affiliates – current	\$ (67)	\$ (59)
Income taxes due from Sempra ⁽²⁾	\$ 21	\$ 38
SoCalGas:		
SDG&E	\$ 32	\$ 14
Various affiliates	2	2
Total due from unconsolidated affiliates – current	\$ 34	\$ 16
Sempra	\$ (25)	\$ (38)
Total due to unconsolidated affiliates – current	\$ (25)	\$ (38)
Income taxes due to Sempra ⁽²⁾	\$ (78)	\$ (6)

⁽¹⁾ U.S. dollar-denominated loans at fixed interest rates. Amounts include principal balances plus accumulated interest outstanding and VAT payable to the Mexican government.

⁽²⁾ SDG&E and SoCalGas are included in the consolidated income tax return of Sempra, and their respective income tax expense/benefit is computed as an amount equal to that which would result from each company having always filed a separate return. Amounts include current and noncurrent income taxes due from/to Sempra.

The following table summarizes income statement information from unconsolidated affiliates.

INCOME STATEMENT IMPACT FROM UNCONSOLIDATED AFFILIATES

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Revenues	\$ 9	\$ 10
Interest expense	4	4
SDG&E:		
Revenues	\$ 6	\$ 6
Cost of sales	38	40
SoCalGas:		
Revenues	\$ 41	\$ 44
Cost of sales ⁽¹⁾	(1)	(3)

⁽¹⁾ Includes net commodity costs from natural gas transactions with unconsolidated affiliates.

Guarantees

Sempra provides guarantees to certain unconsolidated affiliates, which we discuss in Note 12.

INVENTORIES

The components of inventories are as follows:

INVENTORY BALANCES

(Dollars in millions)

	Sempra		SDG&E		SoCalGas	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Natural gas	\$ 105	\$ 163	\$ 1	\$ 1	\$ 95	\$ 148
LNG	12	27	—	—	—	—
Materials and supplies	451	369	231	201	143	139
Total	\$ 568	\$ 559	\$ 232	\$ 202	\$ 238	\$ 287

DEDICATED ASSETS IN SUPPORT OF CERTAIN BENEFITS PLANS

In support of its Supplemental Executive Retirement, Cash Balance Restoration and Deferred Compensation Plans, Sempra maintains dedicated assets, including a Rabbi Trust and investments in life insurance contracts, which totaled \$566 million and \$585 million at March 31, 2025 and December 31, 2024, respectively.

NOTE RECEIVABLE

In November 2021, Sempra loaned \$300 million to KKR Pinnacle in exchange for an interest-bearing promissory note that is due in full no later than October 2029 and bears compound interest at 5% per annum, which may be paid quarterly or added to the outstanding principal at the election of KKR Pinnacle. At March 31, 2025 and December 31, 2024, Other Long-Term Assets includes \$354 million and \$349 million, respectively, of outstanding principal, compounded interest and unamortized transaction costs, net of allowance for credit losses, on Sempra's Condensed Consolidated Balance Sheets.

PROPERTY, PLANT AND EQUIPMENT

Sempra Infrastructure's Sonora natural gas pipeline consists of two pipeline segments, the Sasabe-Puerto Libertad-Guaymas segment and the Guaymas-El Oro segment. Each segment has its own service agreement with the CFE. Following the start of commercial operations of the Guaymas-El Oro segment, Sempra Infrastructure reported damage to the pipeline in the Yaqui territory that has made that section inoperable since August 2017 because it was not able to be repaired due to legal challenges, which were resolved in March 2023, by some members of the Yaqui tribe. Sempra Infrastructure and the CFE have agreed to an amendment to their transportation services agreement and to re-route the portion of the pipeline that is in the Yaqui territory, whereby the CFE would pay for the re-routing with a new tariff. This amendment will terminate if certain conditions are not met, and Sempra Infrastructure retains the right to terminate the transportation services agreement and seek to recover its reasonable and documented costs and lost profit. Sempra Infrastructure continues to acquire and pursue the necessary rights-of-way and permits for the portion of the pipeline that needs to be re-routed. At March 31, 2025, Sempra Infrastructure had \$398 million in PP&E, net, related to the Guaymas-El Oro segment of the Sonora pipeline, which could be subject to impairment if Sempra Infrastructure is unable to re-route a portion of the pipeline and resume operations or if Sempra Infrastructure terminates the contract and is unable to obtain recovery.

CAPITALIZED FINANCING COSTS

The table below summarizes capitalized financing costs, comprised of capitalized interest and AFUDC related to debt.

CAPITALIZED FINANCING COSTS			
(Dollars in millions)			
	Three months ended March 31,		
	2025	2024	
Sempra	\$ 174	\$ 145	
SDG&E	25	26	
SoCalGas	25	24	

COMPREHENSIVE INCOME

The following tables present the changes in AOCI by component and amounts reclassified out of AOCI to net income, after amounts attributable to NCI.

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT⁽¹⁾

(Dollars in millions)

	Foreign currency translation adjustments	Financial instruments	Pension and PBOP	Total AOCI
Three months ended March 31, 2025 and 2024				
Sempra:				
Balance at December 31, 2024	\$ (66)	\$ 15	\$ (115)	\$ (166)
OCI before reclassifications	—	(31)	(2)	(33)
Amounts reclassified from AOCI	—	(1)	5	4
Net OCI	—	(32)	3	(29)
Balance at March 31, 2025	\$ (66)	\$ (17)	\$ (112)	\$ (195)
Balance at December 31, 2023	\$ (36)	\$ 3	\$ (117)	\$ (150)
OCI before reclassifications	3	45	2	50
Amounts reclassified from AOCI	—	(6)	2	(4)
Net OCI	3	39	4	46
Balance at March 31, 2024	\$ (33)	\$ 42	\$ (113)	\$ (104)
SDG&E				
Balance at December 31, 2024 and March 31, 2025			\$ (12)	\$ (12)
Balance at December 31, 2023 and March 31, 2024			\$ (8)	\$ (8)
SoCalGas:				
Balance at December 31, 2024		\$ (10)	\$ (17)	\$ (27)
OCI before reclassifications		—	(2)	(2)
Amounts reclassified from AOCI		—	4	4
Net OCI		—	2	2
Balance at March 31, 2025		\$ (10)	\$ (15)	\$ (25)
Balance at December 31, 2023		\$ (11)	\$ (12)	\$ (23)
Amounts reclassified from AOCI		—	1	1
Net OCI		—	1	1
Balance at March 31, 2024		\$ (11)	\$ (11)	\$ (22)

⁽¹⁾ All amounts are net of income tax, if subject to tax, and after NCI.

RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(Amounts in millions)

Details about AOCI components	Amounts reclassified from AOCI		Affected line item on Condensed Consolidated Statements of Operations
	Three months ended March 31,		
	2025	2024	
Empira:			
Financial instruments:			
Interest rate instruments	\$ (2)	\$ (3)	Interest expense
Interest rate instruments	(5)	(5)	Equity earnings ⁽¹⁾
Foreign exchange instruments	2	(3)	Revenues: Energy-related businesses
Foreign exchange instruments	2	(2)	Equity earnings ⁽¹⁾
Total, before income tax	(3)	(13)	
	1	3	Income tax expense
Total, net of income tax	(2)	(10)	
	1	4	Earnings attributable to noncontrolling interests
Total, net of income tax and after NCI	\$ (1)	\$ (6)	
Pension and PBOP⁽²⁾:			
Mortization of actuarial loss	\$ 2	\$ 2	Other income, net
Mortization of prior service cost	—	—	Other income, net
Settlement charges	4	—	Other income, net
Total, before income tax	6	3	
	(1)	(1)	Income tax expense
Total, net of income tax	\$ 5	\$ 2	
Total reclassifications for the period, net of income tax and after NCI	\$ 4	\$ (4)	
CalGas:			
Pension and PBOP⁽²⁾:			
Mortization of actuarial loss	\$ 1	\$ —	Other income, net
Mortization of prior service cost	—	—	Other income, net
Settlement charges	4	—	Other income, net
Total, before income tax	5	1	
	(1)	—	Income tax expense
Total, net of income tax	\$ 4	\$ 1	
Total reclassifications for the period, net of income tax	\$ 4	\$ 1	

⁽¹⁾ Equity earnings at Oncor Holdings and our foreign equity method investees are recognized after tax.

⁽²⁾ Amounts are included in the computation of net periodic benefit cost (see "Pension and PBOP" below).

For the three months ended March 31, 2025 and 2024, reclassifications out of AOCI to net income were negligible for SDG&E.

PENSION AND PBOP

Net Periodic Benefit Cost

The following tables provide the components of net periodic benefit cost. The components of net periodic benefit cost, other than the service cost component, are included in Other Income, Net.

NET PERIODIC BENEFIT COST (Dollars in millions)					
	Pension		FBOP		
	Three months ended March 31,				
	2025	2024	2025	2024	
Sempra:					
Service cost	\$ 32	\$ 32	\$ 3	\$ 4	
Interest cost	45	42	10	9	
Expected return on assets	(45)	(45)	(16)	(17)	
Amortization of:					
Prior service cost (credit)	1	1	(1)	(1)	
Actuarial loss (gain)	3	3	(3)	(4)	
Settlement charges	4	—	—	—	
Net periodic benefit cost (credit)	40	33	(7)	(9)	
Regulatory adjustments	(28)	(25)	7	9	
Total expense recognized	\$ 12	\$ 8	\$ —	\$ —	
SDG&E:					
Service cost	\$ 9	\$ 10	\$ 1	\$ 1	
Interest cost	12	11	2	2	
Expected return on assets	(12)	(12)	(2)	(3)	
Amortization of:					
Actuarial loss (gain)	2	2	(1)	—	
Net periodic benefit cost	11	11	—	—	
Regulatory adjustments	(10)	(10)	—	—	
Total expense recognized	\$ 1	\$ 1	\$ —	\$ —	
SoCalGas:					
Service cost	\$ 19	\$ 19	\$ 3	\$ 3	
Interest cost	28	26	7	7	
Expected return on assets	(30)	(30)	(14)	(15)	
Amortization of:					
Prior service cost (credit)	1	1	(1)	(1)	
Actuarial loss (gain)	1	—	(2)	(3)	
Settlement charges	4	—	—	—	
Net periodic benefit cost (credit)	23	16	(7)	(9)	
Regulatory adjustments	(18)	(15)	7	9	
Total expense recognized	\$ 5	\$ 1	\$ —	\$ —	

OTHER INCOME, NET

Other Income, Net, consists of the following:

OTHER INCOME (EXPENSE), NET (Dollars in millions)		Three months ended March 31,	
		2025	2024
Sempra:			
Allowance for equity funds used during construction	\$	41	\$ 37
Investment gains, net ⁽¹⁾		2	16
Foreign currency transaction gains, net		4	1
Non-service components of net periodic benefit cost		23	28
Interest on regulatory balancing accounts, net		21	18
Sundry, net		—	(1)
Total	\$	91	\$ 99
SDG&E:			
Allowance for equity funds used during construction	\$	19	\$ 20
Non-service components of net periodic benefit cost		9	10
Interest on regulatory balancing accounts, net		11	7
Sundry, net		1	(4)
Total	\$	40	\$ 33
SoCalGas:			
Allowance for equity funds used during construction	\$	18	\$ 17
Non-service components of net periodic benefit cost		17	21
Interest on regulatory balancing accounts, net		10	11
Sundry, net		(3)	(2)
Total	\$	42	\$ 47

⁽¹⁾ Represents net investment gains (losses) on dedicated assets in support of our executive retirement and deferred compensation plans. These amounts are offset by corresponding changes in compensation expense related to the plans, recorded in O&M on the Condensed Consolidated Statements of Operations.

INCOME TAXES

We provide our calculations of ETRs in the following table.

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES (Dollars in millions)		Three months ended March 31,	
		2025	2024
Sempra:			
Income tax expense	\$	57	\$ 172
Income before income taxes and equity earnings	\$	651	\$ 705
Equity earnings, before income tax ⁽¹⁾		141	134
Pretax income	\$	792	\$ 839
Effective income tax rate		7 %	21 %
SDG&E:			
Income tax expense	\$	14	\$ 40
Income before income taxes	\$	295	\$ 263
Effective income tax rate		5 %	15 %
SoCalGas:			
Income tax expense	\$	38	\$ 43
Income before income taxes	\$	481	\$ 402
Effective income tax rate		8 %	11 %

⁽¹⁾ We discuss how we recognize equity earnings in Note 5 of the Notes to Consolidated Financial Statements in the Annual Report.

Sempra, SDG&E and SoCalGas record income taxes for interim periods utilizing a forecasted ETR anticipated for the full year. Unusual and infrequent items and items that cannot be reliably estimated are recorded in the interim period in which they occur, which can result in variability in the ETR.

For SDG&E and SoCalGas, the CPUC requires flow-through rate-making treatment for the current income tax benefit or expense arising from certain property-related and other temporary differences between the treatment for financial reporting and income tax, which will reverse over time. Under the regulatory accounting treatment required for these flow-through temporary differences, deferred income tax assets and liabilities are not recorded to deferred income tax expense, but rather to a regulatory asset or liability that will be flowed through to customers in the future, which impacts the ETR. As a result, changes in the relative size of these items compared to pretax income, from period to period, can cause variations in the ETR. Items subject to flow-through treatment include:

- repairs expenditures related to certain utility plant fixed assets
- the equity component of AFUDC, which is non-taxable
- cost of removal related to certain utility plant assets
- utility self-developed software expenditures
- depreciation related to certain utility plant assets
- state income taxes

AFUDC related to equity recorded for regulated construction projects at Sempra Infrastructure has similar flow-through treatment.

NOTE 2. NEW ACCOUNTING STANDARDS

We describe below recent accounting pronouncements that have had or may have a significant effect on our results of operations, financial condition, cash flows or disclosures.

ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”: ASU 2023-09 improves the transparency of income tax disclosures by requiring disaggregated information about each Registrant’s ETR reconciliation as well as information on income taxes paid. For each annual period, each Registrant will be required to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5% of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued. We plan to adopt the standard on December 31, 2025.

ASU 2024-03, “Disaggregation of Income Statement Expenses”: ASU 2024-03 mandates detailed disclosures on the disaggregation of income statement expenses. Public business entities are required to disclose in the notes to financial statements the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption. The standard also requires disclosure of the amount, and a qualitative description of, other items remaining in relevant expense captions that are not separately disaggregated. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted, and entities may adopt the standard on either a prospective or retrospective basis. We are currently evaluating the effect of the standard on our financial reporting and have not yet selected the year in which we will adopt the standard.

NOTE 3. REVENUES

We discuss revenue recognition for revenues from contracts with customers and from sources other than contracts with customers in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report.

The following tables disaggregate our revenues from contracts with customers by major service line and market. We also provide a reconciliation to total revenues by segment for Sempra. The majority of our revenue is recognized over time.

DISAGGREGATED REVENUES

(Dollars in millions)

	Sempra			
	Sempra California	Sempra Infrastructure	Consolidating adjustments and Parent and other	Sempra
Three months ended March 31, 2025				
By major service line:				
Utilities	\$ 3,463	\$ 26	\$ (6)	\$ 3,483
Energy-related businesses	—	218	(20)	198
Revenues from contracts with customers	\$ 3,463	\$ 244	\$ (26)	\$ 3,681
By market:				
Gas	\$ 2,392	\$ 142	\$ (5)	\$ 2,529
Electric	1,071	102	(21)	1,152
Revenues from contracts with customers	\$ 3,463	\$ 244	\$ (26)	\$ 3,681
Revenues from contracts with customers	\$ 3,463	\$ 244	\$ (26)	\$ 3,681
Utilities regulatory revenues	(62)	—	—	(62)
Other revenues	—	182	1	183
Total revenues	\$ 3,401	\$ 426	\$ (25)	\$ 3,802

Three months ended March 31, 2024				
By major service line:				
Utilities	\$ 3,479	\$ 30	\$ (6)	\$ 3,503
Energy-related businesses	—	212	(18)	194
Revenues from contracts with customers	\$ 3,479	\$ 242	\$ (24)	\$ 3,697
By market:				
Gas	\$ 2,350	\$ 125	\$ (5)	\$ 2,470
Electric	1,129	117	(19)	1,227
Revenues from contracts with customers	\$ 3,479	\$ 242	\$ (24)	\$ 3,697
Revenues from contracts with customers	\$ 3,479	\$ 242	\$ (24)	\$ 3,697
Utilities regulatory revenues	(338)	—	—	(338)
Other revenues	—	277	4	281
Total revenues	\$ 3,141	\$ 519	\$ (20)	\$ 3,640

DISAGGREGATED REVENUES
(Dollars in millions)

Dollars in millions)

	SDG&E		SoCalGas	
	Three months ended March 31,			
	2025	2024	2025	2024
By major service line:				
Revenues from contracts with customers – Utilities	\$ 1,434	\$ 1,462	\$ 2,068	\$ 2,060
By market:				
Gas	\$ 359	\$ 330	\$ 2,068	\$ 2,060
Electric	1,075	1,132	—	—
Revenues from contracts with customers	\$ 1,434	\$ 1,462	\$ 2,068	\$ 2,060
Revenues from contracts with customers	\$ 1,434	\$ 1,462	\$ 2,068	\$ 2,060
Utilities regulatory revenues	(14)	(83)	(48)	(255)
Total revenues	\$ 1,420	\$ 1,379	\$ 2,020	\$ 1,805

REVENUES FROM CONTRACTS WITH CUSTOMERS
Remaining Performance Obligations

For contracts greater than one year, at March 31, 2025, we expect to recognize revenue related to the fixed fee component of the consideration as shown below. Sempira's remaining performance obligations primarily relate to capacity agreements for natural gas storage and transportation at Sempira Infrastructure and transmission line projects at SDG&E. SoCalGas did not have any remaining performance obligations for contracts greater than one year at March 31, 2025.

REMAINING PERFORMANCE OBLIGATIONS
(Dollars in millions)

	Sempira ⁽¹⁾	SDG&E
2025 (excluding first three months of 2025)	\$ 306	\$ 3
2026	289	4
2027	289	4
2028	242	4
2029	215	4
Thereafter	2,133	52
Total revenues to be recognized	\$ 3,474	\$ 71

⁽¹⁾ Excludes intercompany transactions.

Contract Liabilities from Revenues from Contracts with Customers

Activities within Sempira's and SDG&E's contract liabilities are presented below. There were no contract liabilities at SoCalGas in the three months ended March 31, 2025 or 2024.

CONTRACT LIABILITIES
(Dollars in millions)

	2025	2024
Sempira:		
Contract liabilities at January 1	\$ (196)	\$ (198)
Revenue from performance obligations satisfied during reporting period	28	2
Payments received in advance	(1)	(3)
Contract liabilities at March 31 ⁽¹⁾	\$ (169)	\$ (199)
SDG&E:		
Contract liabilities at January 1	\$ (72)	\$ (75)
Revenue from performance obligations satisfied during reporting period	1	1
Contract liabilities at March 31 ⁽²⁾	\$ (71)	\$ (74)

⁽¹⁾ Balances at March 31, 2025 include \$79 in Other Current Liabilities and \$90 in Deferred Credits and Other.

⁽²⁾ Balances at March 31, 2025 include \$4 in Other Current Liabilities and \$67 in Deferred Credits and Other.

Receivables from Revenues from Contracts with Customers

The table below shows receivable balances, net of allowances for credit losses, associated with revenues from contracts with customers on the Condensed Consolidated Balance Sheets.

RECEIVABLES FROM REVENUES FROM CONTRACTS WITH CUSTOMERS			
(Dollars in millions)			
	March 31, 2025		December 31, 2024
Sempra:			
Accounts receivable – trade, net ⁽¹⁾	\$	1,931	\$ 1,787
Accounts receivable – other, net		13	12
Due from unconsolidated affiliates – current ⁽²⁾		3	4
Other long-term assets ⁽³⁾		18	18
Total	\$	1,965	\$ 1,821
SDG&E:			
Accounts receivable – trade, net ⁽¹⁾	\$	830	\$ 774
Accounts receivable – other, net		9	11
Due from unconsolidated affiliates – current ⁽²⁾		9	6
Other long-term assets ⁽³⁾		4	4
Total	\$	852	\$ 795
SoCalGas:			
Accounts receivable – trade, net	\$	1,018	\$ 932
Accounts receivable – other, net		4	1
Other long-term assets ⁽³⁾		14	14
Total	\$	1,036	\$ 947

⁽¹⁾ At March 31, 2025 and December 31, 2024, includes \$150 and \$144, respectively, of receivables due from customers that were billed on behalf of Community Choice Aggregators, which are not included in revenues.

⁽²⁾ Amount is presented net of amounts due to unconsolidated affiliates on the Condensed Consolidated Balance Sheets, when right of offset exists.

⁽³⁾ In January 2024, the CPUC directed SDG&E and SoCalGas to offer long-term repayment plans to eligible residential customers with past-due balances.

NOTE 4. REGULATORY MATTERS

REGULATORY ASSETS AND LIABILITIES

We discuss regulatory matters in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report and provide updates to those discussions and information about new regulatory matters below. With the exception of regulatory balancing accounts, we generally do not earn a return on our regulatory assets until a related cash expenditure has been made. Upon the occurrence of a cash expenditure associated with a regulatory asset, the related amounts are recoverable through a regulatory account mechanism for which we earn a return authorized by applicable regulators, which generally approximates the three-month commercial paper rate. The periods during which we recognize a regulatory asset while we do not earn a return vary by regulatory asset.

REGULATORY ASSETS (LIABILITIES)						
(Dollars in millions)						
	Semptra		SDG&E		SoCalGas	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Fixed-price contracts and other derivatives	\$ 39	\$ 53	\$ 6	\$ 11	\$ 33	\$ 42
Deferred income taxes recoverable in rates	1,894	1,689	878	802	947	817
Pension and PBOP plan obligations	(436)	(458)	7	(2)	(443)	(456)
Employee benefit costs	19	19	3	3	16	16
Removal obligations	(3,321)	(3,295)	(2,726)	(2,676)	(595)	(619)
Environmental costs	147	149	114	115	33	34
Sunrise Powerlink fire mitigation	121	124	121	124	—	—
Regulatory balancing accounts ⁽¹⁾⁽²⁾ :						
Commodity – electric	(220)	(313)	(220)	(313)	—	—
Commodity – gas, including transportation	(49)	(47)	51	86	(100)	(133)
Safety and reliability	804	820	244	227	560	593
Public purpose programs	(460)	(439)	(215)	(219)	(245)	(220)
2024 GRC retroactive impacts	656	631	280	277	376	354
Wildfire mitigation plan	873	808	873	808	—	—
Liability insurance premium	(33)	(24)	(22)	(15)	(11)	(9)
Other balancing accounts	(178)	158	(202)	(51)	24	209
Other regulatory (liabilities) assets, net ⁽²⁾	165	164	87	87	79	79
Total	\$ 21	\$ 39	\$ (721)	\$ (736)	\$ 674	\$ 707

⁽¹⁾ At March 31, 2025 and December 31, 2024, the noncurrent portion of regulatory balancing accounts – net undercollected for Semptra was \$1,824 and \$1,731, respectively, for SDG&E was \$937 and \$873, respectively, and for SoCalGas was \$887 and \$858, respectively.

⁽²⁾ Includes regulatory assets earning a return authorized by applicable regulators, which generally approximates the three-month commercial paper rate.

In April 2025, the CPUC issued a proposed decision that authorizes partial recovery of costs recorded in SoCalGas' Catastrophic Event Memorandum Account and COVID-19 Pandemic Protections Memorandum Account. The decision authorizes the recovery of \$19 million out of the requested \$58 million. SoCalGas will continue to pursue recovery of all the costs and will be filing comments in May 2025. A final decision may be issued in June 2025.

CPUC GRC

The CPUC uses GRCs to set base revenues to allow SDG&E and SoCalGas to recover their reasonable operating costs and to provide the opportunity to realize their authorized rates of return on their investments. In December 2024, the CPUC approved an FD in the 2024 GRC for SDG&E and SoCalGas that authorizes SDG&E's and SoCalGas' revenue requirements for 2024 and attrition year adjustments for 2025 through 2027, inclusively.

The GRC FD adopts a 2024 revenue requirement of \$2,699 million for SDG&E's combined operations (\$2,193 million for its electric operations and \$506 million for its natural gas operations). SDG&E's authorized 2024 combined revenue requirement represents an increase of \$189 million (7.5%) over its authorized 2023 combined revenue requirement. In connection with SDG&E's election to change its tax accounting method for gas repairs expenditures, the 2024 combined revenue requirement increase is net of \$68 million of income tax benefits for 2023 and 2024 to be flowed through to customers. The GRC FD also specifies an increase in SDG&E's 2025, 2026, and 2027 combined revenue requirements of \$147 million (5.45%), \$119 million (4.17%) and \$122 million (4.11%), respectively, over the preceding year's combined revenue requirement. The 2025, 2026 and 2027 revenue requirements will be updated to implement a previously authorized change in the cost of capital, which we describe below, that adjusted SDG&E's rate of return to 7.45%.

The GRC FD adopts a 2024 revenue requirement of \$3,806 million for SoCalGas. SoCalGas' authorized 2024 revenue requirement represents an increase of \$324 million (9.3%) over its authorized 2023 revenue requirement. In connection with SoCalGas' election to change its tax accounting method for gas repairs expenditures, the 2024 revenue requirement increase is net of \$202 million of income tax benefits for 2023 and 2024 to be flowed through to customers. The GRC FD also specifies an increase in SoCalGas' 2025, 2026, and 2027 revenue requirements of \$190 million (5.00%), \$116 million (2.91%) and \$120 million (2.92%), respectively, over the preceding year's revenue requirement. The 2025, 2026 and 2027 revenue requirements will be updated to implement a previously authorized change in the cost of capital, which we describe below, that adjusted SoCalGas' rate of return to 7.49%.

Since the GRC FD was effective retroactive to January 1, 2024, SDG&E and SoCalGas recorded the retroactive impacts in the fourth quarter of 2024.

The GRC provides SDG&E and SoCalGas with numerous mechanisms to seek cost recovery of specified projects and programs. We expect that the requests for cost recovery of these projects and programs, which remain subject to CPUC approval, will result in additional amounts of authorized revenue requirement that are not included in the amounts described above.

2024 GRC Track 2

In October 2023, SDG&E submitted a separate request to the CPUC in its 2024 GRC, known as a Track 2 request. This request seeks review and recovery of \$1.5 billion of wildfire mitigation plan costs incurred from 2019 through 2022 that were in addition to amounts authorized in the 2019 GRC and not addressed in the 2024 GRC FD. SDG&E expects to receive a proposed decision for its Track 2 request in the second half of 2025.

Revenue requirements associated with the Track 2 request have been recorded in a regulatory account. In February 2024, the CPUC approved an interim cost recovery mechanism that permits SDG&E to recover in rates \$194 million and \$96 million of this regulatory account balance in 2024 and 2025, respectively. Such recovery of SDG&E's wildfire mitigation plan regulatory account balance will be subject to refund, contingent on the reasonableness review decision for its Track 2 request.

2024 GRC Track 3

In April 2025, SDG&E and SoCalGas each submitted additional requests to the CPUC in the 2024 GRC, known as Track 3 requests. SDG&E submitted a request seeking review and recovery of \$417 million of its wildfire mitigation plan costs incurred in 2023 that were in addition to the amounts authorized in the 2019 GRC and not addressed in the 2024 GRC. Additionally, SDG&E and SoCalGas submitted a combined request seeking review and recovery of \$240 million and \$499 million, respectively, of PSEP costs incurred from 2014 through 2019 and 2015 through 2020, respectively. SDG&E and SoCalGas expect to receive proposed decisions for their Track 3 requests in the first half of 2026.

Revenue requirements associated with the Track 3 requests have been recorded in regulatory accounts. SDG&E and SoCalGas are authorized interim rate recovery of up to 50% of the recorded PSEP regulatory account balance at the end of each year. Such interim rate recovery is subject to refund, contingent on the reasonableness review decision for their Track 3 requests.

CPUC COST OF CAPITAL

A CPUC cost of capital proceeding every three years determines a utility's authorized capital structure and authorized return on rate base. The CCM applies in the interim years and considers changes in the cost of capital based on changes in interest rates based on the applicable utility bond index published by Moody's (the CCM benchmark rate) for each 12-month period ending September 30 (the measurement period). The index applicable to SDG&E and SoCalGas is based on each utility's credit rating. The CCM benchmark rate is the basis of comparison to determine if the CCM is triggered in each measurement period, which occurs if the change in the applicable Moody's utility bond index relative to the CCM benchmark rate is larger than plus or minus 1.00% for the measurement period. The CCM, if triggered, would automatically update the authorized cost of debt based on actual costs and update the authorized ROE upward or downward by 20% of the difference between the CCM benchmark rate and the applicable Moody's utility bond index, subject to regulatory approval. Alternatively, each of SDG&E and SoCalGas is permitted to file a cost of capital application to have its cost of capital determined in lieu of the CCM in an interim year in which an extraordinary or catastrophic event materially impacts its cost of capital and affects utilities differently than the market as a whole.

The following table summarizes the CPUC-approved cost of capital for SDG&E and SoCalGas. The authorized weighting remained unchanged for each of the years presented.

AUTHORIZED COST OF CAPITAL					
		2024	2025	2024	2025
	Authorized weighting	Return on rate base		Weighted return on rate base	
SDG&E:					
Long-Term Debt	45.25 %	4.34 %	4.34 %	1.96 %	1.96 %
Preferred Equity	2.75	6.22	6.22	0.17	0.17
Common Equity	52.00	10.65	10.23	5.54	5.32
	100.00 %			7.67 %	7.45 %
SoCalGas:					
Long-Term Debt	45.60 %	4.54 %	4.63 %	2.07 %	2.11 %
Preferred Equity	2.40	6.00	6.00	0.14	0.14
Common Equity	52.00	10.50	10.08	5.46	5.24
	100.00 %			7.67 %	7.49 %

In March 2025, SDG&E and SoCalGas each filed applications with the CPUC seeking to update their cost of capital for 2026 through 2028, subject to the CCM. SDG&E and SoCalGas expect to receive a final decision by the end of 2025.

PROPOSED COST OF CAPITAL FOR 2026 - 2028						
SDG&E			SoCalGas			
Authorized weighting	Return on rate base	Weighted return on rate base	Authorized weighting	Return on rate base	Weighted return on rate base	
46.00 %	4.62 %	2.13 %	45.60 %	5.02 %	2.29 %	
—	6.22	—	2.40	6.00	0.14	
54.00	11.25	6.08	52.00	11.00	5.72	
100.00 %		8.21 %	100.00 %		8.15 %	

FERC RATE MATTERS

SDG&E files separately with the FERC for its authorized transmission revenue requirement and ROE on FERC-regulated electric transmission operations and assets.

TO5 Settlement

SDG&E's authorized TO5 settlement provided for an ROE of 10.60%, consisting of a base ROE of 10.10% plus the California ISO adder. In December 2024, the FERC issued an order, which SDG&E has appealed, finding that SDG&E is not eligible for the California ISO adder and that the TO5 adder refund provision had been triggered, requiring SDG&E to refund customers the California ISO adder retroactively from June 1, 2019.

TO6 Filing

In October 2024, SDG&E submitted its TO6 filing to the FERC and requested it to be effective January 1, 2025. SDG&E's TO6 filing proposes, among other items, an increase to SDG&E's currently authorized base ROE from 10.10% to 11.75% plus the California ISO adder, for a total ROE of 12.25%. In December 2024, the FERC accepted SDG&E's TO6 filing, subject to refund; suspended the effective date to June 1, 2025; established hearing and settlement judge procedures; and disallowed the inclusion of the California ISO adder, the last of which SDG&E has appealed.

NOTE 5. SEMPRA – INVESTMENTS IN UNCONSOLIDATED ENTITIES

We generally account for investments under the equity method when we have significant influence over, but do not have control of, these entities. Equity earnings and losses, both before and net of income tax, are combined and presented as Equity Earnings on the Condensed Consolidated Statements of Operations. Distributions received from equity method investees are classified in the Condensed Consolidated Statements of Cash Flows as either a return on investment in operating activities or a return of investment in investing activities based on the "nature of the distribution" approach. See Note 13 for information on equity earnings and losses, both before and net of income tax, by segment. See Note 1 for information on how equity earnings and losses before income taxes are factored into the calculations of our pretax income or loss and ETR.

We provide additional information concerning our equity method investments in Note 5 of the Notes to Consolidated Financial Statements in the Annual Report.

ONCOR HOLDINGS

We account for our 100% equity ownership interest in Oncor Holdings, which owns an 80.25% interest in Oncor, as an equity method investment. Due to the ring-fencing measures, governance mechanisms and commitments in effect, we do not have the power to direct the significant activities of Oncor Holdings and Oncor. See Note 5 of the Notes to Consolidated Financial Statements in the Annual Report for additional information related to the restrictions on our ability to direct the significant activities of Oncor Holdings and Oncor.

In the three months ended March 31, 2025 and 2024, Sempra contributed \$486 million and \$193 million, respectively, to Oncor Holdings, and Oncor Holdings distributed \$142 million and \$100 million, respectively, to Sempra. On May 2, 2025, Sempra contributed \$486 million to Oncor Holdings, and on May 1, 2025, Oncor Holdings distributed \$142 million to Sempra.

We provide summarized income statement information for Oncor Holdings in the following table.

SUMMARIZED FINANCIAL INFORMATION – ONCOR HOLDINGS

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Operating revenues	\$ 1,548	\$ 1,458
Operating expenses	(1,157)	(1,051)
Income from operations	391	407
Interest expense	(185)	(150)
Income tax expense	(40)	(49)
Net income	179	223
NCI held by Texas Transmission Investment LLC	(36)	(44)
Earnings attributable to Sempra ⁽¹⁾	143	179

⁽¹⁾ Excludes adjustments to equity earnings related to amortization of a tax sharing liability associated with a tax sharing agreement and changes in basis differences in AOCI within the carrying value of our equity method investment.

CAMERON LNG JV

In the three months ended March 31, 2025 and 2024, Cameron LNG JV distributed \$149 million and \$132 million, respectively, to Sempra Infrastructure.

TAG NORTE

In the three months ended March 31, 2025 and 2024, TAG Norte distributed \$45 million and \$62 million, respectively, to Sempra Infrastructure.

NOTE 6. SEMPRA – POTENTIAL DIVESTITURES

SEMPRA INFRASTRUCTURE

On March 28, 2025, we determined to move forward with a process to sell (i) Ecogas, a natural gas regulated distribution utility that operates in three separate distribution zones in Mexicali, Chihuahua and La Laguna-Durango, Mexico, and (ii) a portion of our 70% interest in SI Partners equal to between 15% and 30% of SI Partners' total outstanding interests (the Minority Interest Sale). SI Partners owns non-U.S.-utility energy infrastructure assets, including LNG and natural gas infrastructure in the U.S. and Mexico and renewable energy, liquid petroleum gas and refined products infrastructure in Mexico.

On March 28, 2025, we issued a notice to SI Partners' minority partners, KKR Pinnacle and ADIA, of our intent to pursue the Minority Interest Sale (such notice, the Sale Notice).

Under SI Partners' agreement of limited partnership (the LP Agreement), KKR Pinnacle and ADIA have certain rights of first offer for the sale of our interests in SI Partners to certain of our non-affiliates. KKR Pinnacle has 30 business days after the Sale Notice was given to notify us of its offer to purchase the interests included in the Sale Notice. If KKR Pinnacle does not exercise this right, then ADIA will have 10 business days thereafter to make an offer to purchase such interests. If either KKR Pinnacle or ADIA offers to purchase the interests included in the Sale Notice, then we will have 30 business days thereafter to notify KKR Pinnacle or ADIA, as applicable, of our interest in negotiating a definitive sale agreement. If neither KKR Pinnacle nor ADIA exercises its rights of first offer or a proposed transaction is not timely consummated under the terms of the LP Agreement, which terms can be modified by mutual agreement among the parties, then we will have the right to pursue the Minority Interest Sale with third parties.

We expect the Ecogas sale and the Minority Interest Sale to be completed over the next 12-18 months, subject to reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations.

NOTE 7. DEBT AND CREDIT FACILITIES

The principal terms of our debt arrangements are described below and in Note 6 of the Notes to Consolidated Financial Statements in the Annual Report.

SHORT-TERM DEBT

Committed Lines of Credit

At March 31, 2025, Semptra had an aggregate capacity of \$9.9 billion under seven primary committed lines of credit, which provide liquidity and support our commercial paper programs. Because our commercial paper programs are supported by some of these lines of credit, we reflect the amount of commercial paper outstanding, before reductions of any unamortized discounts, and any letters of credit outstanding as a reduction to the available unused credit capacity in the following table.

COMMITTED LINES OF CREDIT (Dollars in millions)						
Borrower	Expiration date of facility	March 31, 2025				
		Total facility	Commercial paper outstanding	Amounts outstanding	Letters of credit outstanding	Available unused credit
Semptra	October 2029	\$ 4,000	\$ (400)	\$ —	\$ —	\$ 3,600
SDG&E	October 2029	1,500	(137)	—	—	1,363
SoCalGas	October 2029	1,200	(147)	—	—	1,053
SI Partners and IEnova	September 2025	500	—	(358)	—	142
SI Partners and IEnova	August 2026	1,000	—	—	—	1,000
SI Partners and IEnova	August 2028	1,500	—	(366)	—	1,134
Port Arthur LNG	March 2030	200	—	—	(87)	113
Total		\$ 9,900	\$ (684)	\$ (724)	\$ (87)	\$ 8,405

Semptra, SDG&E and SoCalGas each must maintain a ratio of indebtedness to total capitalization (as defined in each of the applicable credit facilities) of no more than 65% at the end of each quarter. At March 31, 2025, each Registrant was in compliance with this ratio under its respective credit facility.

The three lines of credit that are shared by SI Partners and IEnova require that SI Partners maintain a ratio of consolidated adjusted net indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (as defined in each credit facility) of no more than 5.25 to 1.00 at the end of each quarter. At March 31, 2025, SI Partners was in compliance with this ratio.

Uncommitted Line of Credit

ECA LNG Phase 1 has an uncommitted line of credit with an aggregate capacity of \$100 million that expires in August 2026. Borrowings are generally used for working capital requirements and can be in U.S. dollars or Mexican pesos. At March 31, 2025, ECA LNG Phase 1 had outstanding borrowings of \$5 million, before reductions of any unamortized discounts, in Mexican pesos that bear interest at a variable rate based on the 28-day Interbank Equilibrium Interest Rate plus 154 bps. Borrowings made in U.S. dollars bear interest at a variable rate based on the one-month or three-month SOFR plus 164 bps and a credit adjustment spread of 10 bps.

Uncommitted Letters of Credit

Outside of our domestic and foreign credit facilities, we have bilateral unsecured standby letter of credit capacity with select lenders that is uncommitted and supported by reimbursement agreements. At March 31, 2025, we had \$487 million in standby letters of credit outstanding under these agreements.

UNCOMMITTED LETTERS OF CREDIT OUTSTANDING			
(Dollars in millions)			
	Expiration date range		March 31, 2025
SDG&E	May 2025 - January 2026	\$	21
SoCalGas	June 2025 - March 2026		15
Other Sempra	April 2025 - November 2054		451
Total Sempra		\$	487

Term Loan

In May 2024, SoCalGas entered into a \$500 million, 364-day term loan facility with a maturity date of May 22, 2025, and in December 2024, SoCalGas increased the amount of the term loan to \$700 million. SoCalGas borrowed the full \$700 million available under the term loan, net of negligible debt issuance costs, which is included in Short-Term Debt on SoCalGas' Balance Sheets. SoCalGas may request a further increase in the term loan facility of up to \$300 million prior to the maturity date, subject to lender approval. The outstanding borrowings bear interest at a per annum rate equal to term SOFR, plus 80 bps and a credit adjustment spread of 10 bps. SoCalGas used the proceeds to repay commercial paper and for other general corporate purposes.

Weighted-Average Interest Rates

The weighted-average interest rates on all short-term debt were as follows:

WEIGHTED-AVERAGE INTEREST RATES			
	March 31, 2025		December 31, 2024
Sempra	5.02 %		5.03 %
SDG&E	4.73		4.76
SoCalGas	5.11		5.02

LONG-TERM DEBT

SDG&E

In March 2025, SDG&E issued \$850 million aggregate principal amount of 5.40% first mortgage bonds due in full upon maturity on April 15, 2035 and received proceeds of \$840 million (net of debt discount, underwriting discounts and debt issuance costs of \$10 million). The first mortgage bonds are redeemable prior to maturity, subject to their terms, and in certain circumstances subject to make-whole provisions. SDG&E intends to use the net proceeds for general corporate purposes, including repayment of outstanding commercial paper and potentially other indebtedness.

Other Sempra

ECA LNG Phase 1

ECA LNG Phase 1 has a five-year loan agreement with a syndicate of seven external lenders that matures on December 9, 2025 for an aggregate principal amount of up to \$1.3 billion. IEnova and TotalEnergies SE have provided guarantees for repayment of the loans plus accrued and unpaid interest of 83.4% and 16.6%, respectively. At both March 31, 2025 and December 31, 2024, \$1.1 billion of borrowings from external lenders were outstanding under the loan agreement, with a weighted-average interest rate of 7.36% and 7.29%, respectively. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

Port Arthur LNG

Port Arthur LNG has a seven-year term loan facility agreement with a syndicate of lenders that matures on March 20, 2030 for an aggregate principal amount of approximately \$6.8 billion. At March 31, 2025 and December 31, 2024, \$1.2 billion and \$1.1 billion, respectively, of borrowings were outstanding under the loan agreement, both with an all-in weighted-average interest rate of 5.33%.

In January 2025, Port Arthur LNG issued senior secured notes for an aggregate principal amount of \$750 million and received proceeds of \$742 million (net of debt issuance costs of \$8 million). In April 2025, Port Arthur LNG issued senior secured notes for an aggregate principal amount of \$250 million and received proceeds of \$248 million (net of debt issuance costs of \$2 million). The notes issued in January 2025 and April 2025 bear interest at the rate of 6.27% and 6.32%, respectively, and mature in December 2042. The net proceeds were used to repay borrowings and accrued interest under the existing Port Arthur LNG term loan facility.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

We use derivative instruments primarily to manage exposures arising in the normal course of business. Our principal exposures are commodity market risk, benchmark interest rate risk and foreign exchange rate exposures. Our use of derivatives for these risks is integrated into the economic management of our anticipated revenues, anticipated expenses, assets and liabilities. Derivatives may be effective in mitigating these risks (1) that could lead to declines in anticipated revenues or increases in anticipated expenses, or (2) that could cause our asset values to fall or our liabilities to increase. Accordingly, our derivative activity summarized below generally represents an impact that is intended to offset associated revenues, expenses, assets or liabilities that are not included in the tables below.

In certain cases, we apply the normal purchase or sale exception to contracts that otherwise would have been accounted for as derivative instruments and have other commodity contracts that are not derivatives. These contracts are not recorded at fair value and are therefore excluded from the disclosures below.

In all other cases, we record derivatives at fair value on the Condensed Consolidated Balance Sheets. We may have derivatives that are (1) cash flow hedges, (2) fair value hedges, or (3) undesignated. Depending on the applicability of hedge accounting and, for SDG&E and SoCalGas and other operations subject to regulatory accounting, the requirement to pass impacts through to customers, the impact of derivative instruments may be offset in OCI (cash flow hedges), on the balance sheet (regulatory offsets), or recognized in earnings (fair value hedges and undesignated derivatives not subject to rate recovery). We classify cash flows from the (1) principal settlements of cross-currency swaps that hedge exposure related to Mexican peso-denominated debt and amounts related to terminations or early settlements of interest rate swaps as financing activities, (2) principal settlements of interest rate swaps associated with capitalized interest costs incurred to finance capital projects as investing activities, and (3) settlements of other derivative instruments as operating activities on the Condensed Consolidated Statements of Cash Flows.

HEDGE ACCOUNTING

We may designate a derivative as a cash flow hedging instrument if it effectively converts anticipated cash flows associated with revenues or expenses to a fixed dollar amount. We may utilize cash flow hedge accounting for derivative commodity instruments, foreign currency instruments and interest rate instruments. Designating cash flow hedges is dependent on the business context in which the instrument is being used, the effectiveness of the instrument in offsetting the risk of variability of future cash flows of a given revenue or expense item, and other criteria.

ENERGY DERIVATIVES

Our market risk is primarily related to natural gas and electricity price volatility and the specific physical locations where we transact. We use energy derivatives to manage these risks. The use of energy derivatives in our various businesses depends on the particular energy market, and the operating and regulatory environments applicable to the business, as follows:

- SDG&E and SoCalGas use natural gas derivatives and SDG&E uses electricity derivatives, for the benefit of customers, with the objective of managing price risk and basis risk, and stabilizing and lowering natural gas and electricity costs. These derivatives include fixed-price natural gas and electricity positions, options, and basis risk instruments, which are either exchange-traded or over-the-counter financial instruments, or bilateral physical transactions. This activity is governed by risk management and transacting activity plans limited by company policy. SDG&E's risk management and transacting activity plans for electricity derivatives are also required to be filed with, and have been approved by, the CPUC. SoCalGas is also subject to certain regulatory requirements and thresholds related to natural gas procurement under the GCIM. Natural gas and electricity derivative activities are recorded as commodity costs that are offset by regulatory account balances and are recovered in rates. Net commodity cost impacts on the Condensed Consolidated Statements of Operations are reflected in Cost of Natural Gas or in Cost of Electric Fuel and Purchased Power.
- SDG&E is allocated and may purchase CRRs, which serve to reduce the regional electricity price volatility risk that may result from local transmission capacity constraints. Unrealized gains and losses do not impact earnings, as they are offset by regulatory account balances. Realized gains and losses associated with CRRs, which are recoverable in rates, are recorded in Cost of Electric Fuel and Purchased Power on the Condensed Consolidated Statements of Operations.
- Sempra Infrastructure may use natural gas and electricity derivatives, as appropriate, in an effort to optimize the earnings of its assets which support the following businesses: LNG, natural gas pipelines and storage, and power generation. Gains and losses associated with undesignated derivatives are recognized in Energy-Related Businesses Revenues on the Condensed Consolidated Statements of Operations.
- From time to time, our various businesses, including SDG&E and SoCalGas, may use other derivatives to hedge exposures such as GHG allowances.

The following table summarizes net energy derivative volumes.

NET ENERGY DERIVATIVE VOLUMES (Quantities in millions)			
Commodity	Unit of measure	March 31, 2025	December 31, 2024
Sempra:			
Natural gas	MMBtu	690	637
Congestion revenue rights	MWh	25	27
SDG&E:			
Natural gas	MMBtu	17	16
Congestion revenue rights	MWh	25	27
SoCalGas:			
Natural gas	MMBtu	385	347

INTEREST RATE DERIVATIVES

We are exposed to interest rates primarily as a result of our current and expected use of financing. SDG&E and SoCalGas, as well as Sempra and its other subsidiaries and equity method investees, periodically enter into interest rate derivative agreements intended to moderate our exposure to interest rates and to lower our overall costs of borrowing. In addition, we may utilize interest rate swaps, typically designated as cash flow hedges, to lock in interest rates on outstanding debt or in anticipation of future financings.

The following table presents the notional amounts of our interest rate derivatives, excluding those in our equity method investments.

INTEREST RATE DERIVATIVES (Dollars in millions)					
	March 31, 2025			December 31, 2024	
	Notional amount	Maturities		Notional amount	Maturities
Sempra:					
Cash flow hedges	\$ 271	2025-2034	\$ 271		2025-2034
Undesignated derivatives ⁽¹⁾	3,189	2025-2048	3,189		2025-2048

⁽¹⁾ At March 31, 2025 and December 31, 2024, undesignated derivatives accrued interest based on a notional amount of \$1,260 and \$1,598, respectively.

FOREIGN CURRENCY DERIVATIVES

From time to time, Sempra Infrastructure and its JVs may use foreign currency derivatives to hedge exposures related to cash flows associated with revenues from contracts denominated in Mexican pesos that are indexed to the U.S. dollar. Oncor uses cross-currency swaps designated as fair value hedges intended to offset foreign currency exchange rate risk related to its Euro denominated debt.

We are also exposed to exchange rate movements at our Mexican subsidiaries and JVs, which have U.S. dollar-denominated cash balances, receivables, payables and debt (monetary assets and liabilities) that give rise to Mexican currency exchange rate movements for Mexican income tax purposes. They also have deferred income tax assets and liabilities denominated in the Mexican peso, which must be translated to U.S. dollars for financial reporting purposes. In addition, monetary assets and liabilities and certain nonmonetary assets and liabilities are adjusted for Mexican inflation for Mexican income tax purposes. We may utilize foreign currency derivatives as a means to manage the risk of exposure to significant fluctuations in our income tax expense and equity earnings from these impacts; however, we generally do not hedge our deferred income tax assets and liabilities or for inflation.

The following table presents the notional amounts of our foreign currency derivatives, excluding those in our equity method investments.

FOREIGN CURRENCY DERIVATIVES (Dollars in millions)					
	March 31, 2025			December 31, 2024	
	Notional amount	Maturities		Notional amount	Maturities
Sempra:					
Foreign currency derivatives	\$ 128	2025-2026	\$ 162		2025-2026

FINANCIAL STATEMENT PRESENTATION

The Condensed Consolidated Balance Sheets reflect the offsetting of net derivative positions and cash collateral with the same counterparty when a legal right of offset exists. The following tables provide the fair values of derivative instruments on the Condensed Consolidated Balance Sheets, including the amount of cash collateral receivables that were not offset because the cash collateral was in excess of liability positions. We discuss the fair value of derivative assets and liabilities in Note 9.

DERIVATIVE INSTRUMENTS ON THE CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)

	March 31, 2025			
	Current assets: Fixed-price contracts and other derivatives ⁽¹⁾	Other long-term assets	Other current liabilities	Deferred credits and other
Sempra:				
Derivatives designated as hedging instruments:				
Interest rate instruments	\$ 6	\$ 24	\$ —	\$ —
Foreign exchange instruments	1	—	(1)	—
Derivatives not designated as hedging instruments:				
Interest rate instruments	11	179	—	—
Commodity contracts not subject to rate recovery	16	17	(26)	(39)
Associated offsetting commodity contracts	(12)	(16)	12	16
Commodity contracts subject to rate recovery	14	4	(41)	(17)
Associated offsetting commodity contracts	(12)	(2)	12	2
Associated offsetting cash collateral	—	—	4	5
Net amounts presented on the balance sheet	24	206	(40)	(33)
Additional cash collateral for commodity contracts not subject to rate recovery	87	—	—	—
Additional cash collateral for commodity contracts subject to rate recovery	25	—	—	—
Total	\$ 136	\$ 206	\$ (40)	\$ (33)
SDG&E:				
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	\$ 9	\$ 4	\$ (12)	\$ (7)
Associated offsetting commodity contracts	(7)	(2)	7	2
Associated offsetting cash collateral	—	—	4	5
Net amounts presented on the balance sheet	2	2	(1)	—
Additional cash collateral for commodity contracts subject to rate recovery	23	—	—	—
Total	\$ 25	\$ 2	\$ (1)	\$ —
SoCalGas:				
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	\$ 5	\$ —	\$ (29)	\$ (10)
Associated offsetting commodity contracts	(5)	—	5	—
Net amounts presented on the balance sheet	—	—	(24)	(10)
Additional cash collateral for commodity contracts subject to rate recovery	2	—	—	—
Total	\$ 2	\$ —	\$ (24)	\$ (10)

⁽¹⁾ Included in Other Current Assets for SDG&E and SoCalGas.

DERIVATIVE INSTRUMENTS ON THE CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Dollars in millions)

	December 31, 2024			
	Current assets: Fixed-price contracts and other derivatives ⁽¹⁾	Other long-term assets	Other current liabilities	Deferred credits and other
Sempra:				
Derivatives designated as hedging instruments:				
Interest rate instruments	\$ 7	\$ 28	\$ —	\$ —
Foreign exchange instruments	4	1	—	—
Derivatives not designated as hedging instruments:				
Interest rate instruments	12	246	—	—
Commodity contracts not subject to rate recovery	16	23	(21)	(43)
Associated offsetting commodity contracts	(15)	(23)	15	23
Commodity contracts subject to rate recovery	7	4	(55)	(10)
Associated offsetting commodity contracts	(5)	(2)	5	2
Associated offsetting cash collateral	—	—	10	4
Net amounts presented on the balance sheet	26	277	(46)	(24)
Additional cash collateral for commodity contracts not subject to rate recovery	40	—	—	—
Additional cash collateral for commodity contracts subject to rate recovery	25	—	—	—
Total ⁽²⁾	\$ 91	\$ 277	\$ (46)	\$ (24)
SDG&E:				
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	\$ 4	\$ 4	\$ (13)	\$ (6)
Associated offsetting commodity contracts	(2)	(2)	2	2
Associated offsetting cash collateral	—	—	10	4
Net amounts presented on the balance sheet	2	2	(1)	—
Additional cash collateral for commodity contracts subject to rate recovery	21	—	—	—
Total ⁽²⁾	\$ 23	\$ 2	\$ (1)	\$ —
SoCalGas:				
Derivatives not designated as hedging instruments:				
Commodity contracts subject to rate recovery	\$ 3	\$ —	\$ (42)	\$ (4)
Associated offsetting commodity contracts	(3)	—	3	—
Net amounts presented on the balance sheet	—	—	(39)	(4)
Additional cash collateral for commodity contracts subject to rate recovery	4	—	—	—
Total	\$ 4	\$ —	\$ (39)	\$ (4)

⁽¹⁾ Included in Other Current Assets for SDG&E and SoCalGas.

⁽²⁾ Normal purchase contracts previously measured at fair value are excluded.

The following table includes the effects of derivative instruments designated as hedges on the Condensed Consolidated Statements of Operations and in OCI and AOCI.

HEDGE IMPACTS						
(Dollars in millions)						
	Pretax (loss) gain recognized in OCI			Location	Pretax gain (loss) reclassified from AOCI into earnings	
	Three months ended March 31,		Three months ended March 31,			
	2025	2024	2025		2024	
Sempra:						
Cash flow hedges:						
Interest rate instruments	\$	(3)	\$	142	Interest expense	\$ 2 \$ 3
Interest rate instruments		(20)		28	Equity earnings ⁽¹⁾	5 5
Foreign exchange instruments		(5)		1	Revenues: Energy-related businesses	(2) 3
Foreign exchange instruments		(4)		—	Equity earnings ⁽¹⁾	(2) 2
Fair value hedges:						
Foreign exchange instruments		(9)		—	Equity earnings ⁽¹⁾	— —
Total	\$	(41)	\$	171		\$ 3 \$ 13

⁽¹⁾ Equity earnings at Oncor Holdings and our foreign equity method investees are recognized after tax.

For Sempra, we expect that net gains before NCI of \$19 million, which are net of income tax expense, that are currently recorded in AOCI (with net gains of \$8 million attributable to NCI) related to cash flow hedges will be reclassified into earnings during the next 12 months as the hedged items affect earnings. SoCalGas expects that \$1 million of losses, net of income tax benefit, that are currently recorded in AOCI related to cash flow hedges will be reclassified into earnings during the next 12 months as the hedged items affect earnings. Actual amounts ultimately reclassified into earnings depend on the interest rates in effect when derivative contracts mature.

At March 31, 2025, the maximum length of time over which Sempra is hedging its exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, is approximately one year.

The following table summarizes the effects of derivative instruments not designated as hedging instruments on the Condensed Consolidated Statements of Operations.

UNDESIGNATED DERIVATIVE IMPACTS					
(Dollars in millions)					
		Pretax (loss) gain on derivatives recognized in earnings			
		Three months ended March 31,			
Location		2025		2024	
Sempra:					
Commodity contracts not subject to rate recovery	Revenues: Energy-related businesses	\$	6	\$	79
Commodity contracts subject to rate recovery	Cost of natural gas		(16)		(6)
Commodity contracts subject to rate recovery	Cost of electric fuel and purchased power		3		(23)
Interest rate instruments	Interest expense		(65)		—
Total		\$	(72)	\$	50
SDG&E:					
Commodity contracts subject to rate recovery	Cost of electric fuel and purchased power	\$	3	\$	(23)
SoCalGas:					
Commodity contracts subject to rate recovery	Cost of natural gas	\$	(16)	\$	(6)

CREDIT RISK RELATED CONTINGENT FEATURES

For Sempra, SDG&E and SoCalGas, certain of our derivative instruments contain credit limits which vary depending on our credit ratings. Generally, these provisions, if applicable, may reduce our credit limit if a specified credit rating agency reduces our ratings. In certain cases, if our credit ratings were to fall below investment grade, the counterparty to these derivative liability instruments could request immediate payment or demand immediate and ongoing full collateralization.

For Sempra, the total fair value of this group of derivative instruments in a liability position at March 31, 2025 and December 31, 2024 was \$105 million and \$122 million, respectively. For SDG&E, the total fair value of this group of derivative instruments in a liability position was \$1 million at March 31, 2025 and negligible at December 31, 2024. For SoCalGas, the total fair value of this group of derivative instruments in a liability position at March 31, 2025 and December 31, 2024 was \$34 million and \$42 million, respectively. At March 31, 2025, if the credit ratings of Sempra, SDG&E or SoCalGas were reduced below investment grade, \$105 million, \$1 million and \$34 million, respectively, of additional assets could be required to be posted as collateral for these derivative contracts.

For Sempra, SDG&E and SoCalGas, some of our derivative contracts contain a provision that would permit the counterparty, in certain circumstances, to request adequate assurance of our performance under the contracts. Such additional assurance, if needed, is not material and is not included in the amounts above.

NOTE 9. FAIR VALUE MEASUREMENTS

We discuss the valuation techniques and inputs we use to measure fair value and the definition of the three levels of the fair value hierarchy in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

RECURRING FAIR VALUE MEASURES

The tables below set forth our financial assets and liabilities, by level within the fair value hierarchy, that were accounted for at fair value on a recurring basis at March 31, 2025 and December 31, 2024. We classify financial assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair-valued assets and liabilities and their placement within the fair value hierarchy. We have not changed the valuation techniques or types of inputs we use to measure recurring fair value since December 31, 2024.

The determination of fair values, shown in the tables below, incorporates various factors, including but not limited to, the credit standing of the counterparties involved and the impact of credit enhancements (such as cash deposits, letters of credit and priority interests).

Our financial assets and liabilities that were accounted for at fair value on a recurring basis in the tables below include the following:

- Nuclear decommissioning trusts reflect the assets of SDG&E's NDT, excluding accounts receivable and accounts payable. A third-party trustee values the trust assets using prices from a pricing service based on a market approach. We validate these prices by comparison to prices from other independent data sources. Securities are valued using quoted prices listed on nationally recognized securities exchanges or based on closing prices reported in the active market in which the identical security is traded (Level 1). Other securities are valued based on yields that are currently available for comparable securities of issuers with similar credit ratings (Level 2).
- For commodity contracts, interest rate instruments and foreign exchange instruments, we primarily use a market or income approach with market participant assumptions to value these derivatives. Market participant assumptions include those about risk, and the risk inherent in the inputs to the valuation techniques. These inputs can be readily observable, market corroborated, or generally unobservable. We have exchange-traded derivatives that are valued based on quoted prices in active markets for the identical instruments (Level 1). We also may have other commodity derivatives that are valued using industry standard models that consider quoted forward prices for commodities, time value, current market and contractual prices for the underlying instruments, volatility factors, and other relevant economic measures (Level 2). Level 3 recurring items relate to CRRs at SDG&E, as we discuss below in "Level 3 Information – SDG&E." We further discuss derivative assets and liabilities in Note 8.
- Rabbi Trust investments include short-term investments that consist of money market and mutual funds that we value using a market approach based on closing prices reported in the active market in which the identical security is traded (Level 1).
- As we discuss in Note 12, in July 2020, Sempra entered into a Support Agreement for the benefit of CFIN. We measure the Support Agreement, which includes a guarantee obligation, a put option and a call option, net of related guarantee fees, at fair value on a recurring basis. We use a discounted cash flow model to value the Support Agreement, net of related guarantee fees. Because some of the inputs that are significant to the valuation are less observable, the Support Agreement is classified as Level 3, as we describe below in "Level 3 Information – Other Sempra."

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting ⁽¹⁾	Total
Fair value at March 31, 2025					
Sempra:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	\$ 16	\$ 2	\$ —		\$ 18
Equity securities	277	3	—		280
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	35	26	—		61
Municipal bonds	—	288	—		288
Other securities	—	236	—		236
Total debt securities	35	550	—		585
Total nuclear decommissioning trusts ⁽²⁾	328	555	—		883
Short-term investments held in Rabbi Trust	46	—	—		46
Support Agreement, net of related guarantee fees	—	—	38		38
Interest rate instruments	—	220	—	\$ —	220
Foreign exchange instruments	—	1	—	—	1
Commodity contracts not subject to rate recovery	—	33	—	59	92
Commodity contracts subject to rate recovery	9	5	4	11	29
Total	\$ 383	\$ 814	\$ 42	\$ 70	\$ 1,309
Liabilities:					
Foreign exchange instruments	\$ —	\$ 1	\$ —	\$ —	\$ 1
Commodity contracts not subject to rate recovery	—	65	—	(28)	37
Commodity contracts subject to rate recovery	18	40	—	(23)	35
Total	\$ 18	\$ 106	\$ —	\$ (51)	\$ 73

Fair value at December 31, 2024

Sempra:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	\$ 8	\$ 2	\$ —		\$ 10
Equity securities	295	3	—		298
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	41	26	—		67
Municipal bonds	—	287	—		287
Other securities	—	228	—		228
Total debt securities	41	541	—		582
Total nuclear decommissioning trusts ⁽²⁾	344	546	—		890
Short-term investments held in Rabbi Trust	64	—	—		64
Support Agreement, net of related guarantee fees	—	—	25		25
Interest rate instruments	—	293	—	\$ —	293
Foreign exchange instruments	—	5	—	—	5
Commodity contracts not subject to rate recovery	—	39	—	2	41
Commodity contracts subject to rate recovery	6	1	4	18	29
Total	\$ 414	\$ 884	\$ 29	\$ 20	\$ 1,347
Liabilities:					
Commodity contracts not subject to rate recovery	\$ 1	\$ 63	\$ —	\$ (38)	\$ 26
Commodity contracts subject to rate recovery	20	45	—	(21)	44
Total	\$ 21	\$ 108	\$ —	\$ (59)	\$ 70

⁽¹⁾ Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.

⁽²⁾ Excludes receivables (payables), net.

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting ⁽¹⁾	Total
Fair value at March 31, 2025					
SDG&E:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	\$ 16	\$ 2	\$ —		\$ 18
Equity securities	277	3	—		280
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	35	26	—		61
Municipal bonds	—	288	—		288
Other securities	—	236	—		236
Total debt securities	35	550	—		585
Total nuclear decommissioning trusts ⁽²⁾	328	555	—		883
Commodity contracts subject to rate recovery	9	—	4	\$ 14	27
Total	\$ 337	\$ 555	\$ 4	\$ 14	\$ 910
Liabilities:					
Commodity contracts subject to rate recovery	\$ 18	\$ 1	\$ —	\$ (18)	\$ 1

Fair value at December 31, 2024

SDG&E:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	\$ 8	\$ 2	\$ —		\$ 10
Equity securities	295	3	—		298
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	41	26	—		67
Municipal bonds	—	287	—		287
Other securities	—	228	—		228
Total debt securities	41	541	—		582
Total nuclear decommissioning trusts ⁽²⁾	344	546	—		890
Commodity contracts subject to rate recovery	4	—	4	\$ 17	25
Total	\$ 348	\$ 546	\$ 4	\$ 17	\$ 915
Liabilities:					
Commodity contracts subject to rate recovery	\$ 18	\$ 1	\$ —	\$ (18)	\$ 1

⁽¹⁾ Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.

⁽²⁾ Excludes receivables (payables), net.

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting ⁽¹⁾	Total
Fair value at March 31, 2025					
SoCalGas:					
Assets:					
Commodity contracts subject to rate recovery	\$ —	\$ 5	\$ —	\$ (3)	\$ 2
Liabilities:					
Commodity contracts subject to rate recovery	\$ —	\$ 39	\$ —	\$ (5)	\$ 34

Fair value at December 31, 2024

SoCalGas:					
Assets:					
Commodity contracts subject to rate recovery	\$ 2	\$ 1	\$ —	\$ 1	\$ 4
Liabilities:					
Commodity contracts subject to rate recovery	\$ 2	\$ 44	\$ —	\$ (3)	\$ 43

⁽¹⁾ Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.

Level 3 Information
SDG&E

The table below sets forth reconciliations of changes in the fair value of CRRs classified as Level 3 in the fair value hierarchy for Sempra and SDG&E.

LEVEL 3 RECONCILIATIONS⁽¹⁾
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Balance at January 1	\$ 4	\$ 10
Realized and unrealized gains (losses), net	(1)	(1)
Allocated transmission instruments	2	—
Settlements	(1)	—
Balance at March 31	\$ 4	\$ 9
Change in unrealized losses relating to instruments still held at March 31	\$ (2)	\$ —

⁽¹⁾ Excludes the effect of the contractual ability to settle contracts under master netting agreements and cash collateral.

Inputs used to determine the fair value of CRRs are reviewed and compared with market conditions to determine reasonableness.

CRRs are recorded at fair value based almost entirely on the most current auction prices published by the California ISO, an objective source. Annual auction prices are published once a year, typically in the middle of November, and are the basis for valuing CRRs settling in the following year. For the CRRs settling from January 1 to December 31, the auction price inputs, at a given location, were in the following ranges for the years indicated below:

CONGESTION REVENUE RIGHTS AUCTION PRICE INPUTS

Settlement year	Price per MWh		Median price per MWh
2025	\$ (7.38)	to \$ 15.54	\$ 0.01
2024	(3.69)	to 9.55	(0.44)

The impact associated with discounting is not significant. Because these auction prices are a less observable input, these instruments are classified as Level 3. The fair value of these instruments is derived from auction price differences between two locations. Positive values between two locations represent expected future reductions in congestion costs, whereas negative values between two locations represent expected future charges. Valuation of our CRRs is sensitive to a change in auction price. If auction prices at one location increase (decrease) relative to another location, this could result in a significantly higher (lower) fair value measurement. We summarize CRR volumes in Note 8.

Realized gains and losses associated with CRRs, which are recoverable in rates, are recorded in Cost of Electric Fuel and Purchased Power on the Condensed Consolidated Statements of Operations. Because unrealized gains and losses are recorded as regulatory assets and liabilities, they do not affect earnings.

Other Sempra

The table below sets forth reconciliations of changes in the fair value of Sempra's Support Agreement for the benefit of CFIN classified as Level 3 in the fair value hierarchy.

LEVEL 3 RECONCILIATIONS

(Dollars in millions)

	Three months ended March 31,			
	2025		2024	
Balance at January 1	\$	25	\$	23
Realized and unrealized gains (losses), net ⁽¹⁾		15		2
Settlements		(2)		(2)
Balance at March 31 ⁽²⁾	\$	38	\$	23
Change in unrealized gains relating to instruments still held at March 31	\$	15	\$	1

⁽¹⁾ Net gains are included in Interest Income and net losses are included in Interest Expense on Sempra's Condensed Consolidated Statements of Operations.

⁽²⁾ Includes \$8 in Other Current Assets and \$30 in Other Long-term Assets at March 31, 2025 on Sempra's Condensed Consolidated Balance Sheet.

The fair value of the Support Agreement, net of related guarantee fees, is based on a discounted cash flow model using a probability of default and survival methodology. Our estimate of fair value considers inputs such as third-party default rates, credit ratings, recovery rates, and risk-adjusted discount rates, which may be readily observable, market corroborated or generally unobservable inputs. Because CFIN's credit rating and related default and survival rates are unobservable inputs that are significant to the valuation, the Support Agreement, net of related guarantee fees, is classified as Level 3. We assigned CFIN an internally developed credit rating of A2 and A3 at March 31, 2025, and 2024, respectively, and relied on default rate data published by Moody's to assign a probability of default. A hypothetical change in the credit rating up or down one notch could result in a significant change in the fair value of the Support Agreement.

Fair Value of Financial Instruments

The fair values of certain of our financial instruments (cash, current and noncurrent accounts receivable, amounts due to/from unconsolidated affiliates with original maturities of less than 90 days, dividends and accounts payable due in one year or less, short-term debt and customer deposits) approximate their carrying amounts because of the short-term nature of these instruments. Investments in life insurance contracts that we hold in support of our Supplemental Executive Retirement, Cash Balance Restoration and Deferred Compensation Plans are carried at cash surrender values, which represent the amount of cash that could be realized under the contracts. The following table provides the carrying amounts and fair values of certain other financial instruments that are not recorded at fair value on the Condensed Consolidated Balance Sheets.

FAIR VALUE OF FINANCIAL INSTRUMENTS

(Dollars in millions)

	Carrying amount	Fair value				Total
		Level 1	Level 2	Level 3		
March 31, 2025						
Sempra:						
Long-term note receivable ⁽¹⁾	\$ 356	\$ —	\$ —	\$ 344	\$ 344	
Long-term amounts due to unconsolidated affiliates	355	—	329	—	329	
Total long-term debt ⁽²⁾	34,697	—	31,804	—	31,804	
SDG&E:						
Total long-term debt ⁽³⁾	\$ 9,800	\$ —	\$ 8,621	\$ —	\$ 8,621	
SoCalGas:						
Total long-term debt ⁽⁴⁾	\$ 7,359	\$ —	\$ 6,878	\$ —	\$ 6,878	
December 31, 2024						
Sempra:						
Long-term note receivable ⁽¹⁾	\$ 351	\$ —	\$ —	\$ 334	\$ 334	
Long-term amounts due to unconsolidated affiliates	352	—	324	—	324	
Total long-term debt ⁽²⁾	32,899	—	30,193	—	30,193	
SDG&E:						
Total long-term debt ⁽³⁾	\$ 8,950	\$ —	\$ 7,760	\$ —	\$ 7,760	
SoCalGas:						
Total long-term debt ⁽⁴⁾	\$ 7,359	\$ —	\$ 6,880	\$ —	\$ 6,880	

⁽¹⁾ Before allowances for credit losses of \$5 at both March 31, 2025 and December 31, 2024. Excludes unamortized transaction costs of \$3 at both March 31, 2025 and December 31, 2024.

⁽²⁾ After the effects of interest rate swaps. Before reductions of unamortized discount and debt issuance costs of \$395 and \$382 at March 31, 2025 and December 31, 2024, respectively, and excluding finance lease obligations of \$1,315 at both March 31, 2025 and December 31, 2024.

⁽³⁾ Before reductions of unamortized discount and debt issuance costs of \$103 and \$95 at March 31, 2025 and December 31, 2024, respectively, and excluding finance lease obligations of \$1,197 and \$1,205 at March 31, 2025 and December 31, 2024, respectively.

⁽⁴⁾ Before reductions of unamortized discount and debt issuance costs of \$64 and \$65 at March 31, 2025 and December 31, 2024, respectively, and excluding finance lease obligations of \$118 and \$110 at March 31, 2025 and December 31, 2024, respectively.

We provide the fair values for the securities held in the NDT related to SONGS in Note 11.

NOTE 10. SEMPRA – EQUITY AND EARNINGS PER COMMON SHARE

COMMON STOCK OFFERINGS

ATM Program

In November 2024, we established an ATM program providing for the offer and sale of shares of Sempra common stock having an aggregate gross sales price of up to \$3.0 billion through agents acting as our sales agents or as forward sellers or directly to the agents as principals. The shares may be offered and sold in amounts and at times to be determined by us from time to time. The agents will be entitled to a commission that will not exceed 1.0% of the gross sales price of all shares sold through it as agent pursuant to the Sales Agreement.

Under the ATM program, we may enter into separate forward sale agreements with affiliates of the agents as forward purchasers. We expect to fully physically settle each forward sale agreement. However, we will generally have the right, subject to certain exceptions, to elect to cash settle or net share settle all or any portion of our obligations under any such forward sale agreement. With respect to forward sale agreements with any forward purchaser, we expect that such forward purchaser (or its affiliate) will attempt to borrow from third parties and sell, through the relevant agent acting as sales agent for such forward purchaser, shares of our common stock to hedge such forward purchaser's exposure under such forward sale agreement. We will not receive any proceeds from any sale of shares borrowed by a forward purchaser (or its affiliate) and sold through a forward seller. The forward seller will receive a commission, in the form of a reduction to the initial forward price under the related forward sale agreement, at a mutually agreed rate that will not exceed (subject to certain exceptions) 1.0% of the volume-weighted average of the gross sales price per share of all of the borrowed shares of Sempra common stock sold through such forward seller.

We intend to use a substantial portion of the net proceeds we receive from the issuance and sale by us of any shares of our common stock to or through the agents and any net proceeds we receive through the settlement of any forward sale agreements with the forward purchasers for working capital and other general corporate purposes, including to partly finance our long-term capital plan and to repay outstanding commercial paper and potentially other indebtedness. At March 31, 2025, approximately \$2.6 billion of common stock remained available for sale under the ATM program, which reflects the forward sale agreements that we describe below.

Forward Sale Agreements

Since establishing the ATM program, an aggregate of 4,996,591 shares have been sold under the forward sale agreements described below with an average initial forward price of \$83.175. Such average initial forward price is weighted to take into account the number of shares sold under each forward sale agreement.

In the fourth quarter of 2024, we entered into a forward sale agreement under the ATM program with Bank of America, N.A. as forward purchaser. From time to time during the quarter at our instruction, the forward purchaser borrowed, and an affiliate of the forward purchaser sold, 2,909,274 shares of Sempra common stock under this agreement. At the initial forward price of \$92.1546 per share, the proceeds from this forward sale agreement if we elect full physical settlement would be approximately \$268 million (net of sales commissions of approximately \$2.4 million, but before deducting equity issuance costs, and subject to certain adjustments pursuant to the forward sale agreements). At March 31, 2025, a total of 2,909,274 shares of Sempra common stock remain subject to future settlement under this forward sale agreement, which may be settled on one or more dates specified by us no later than June 30, 2026.

In the first quarter of 2025, we entered into a forward sale agreement under the ATM program with Wells Fargo Bank, N.A. as forward purchaser. From time to time during the quarter at our instruction, the forward purchaser borrowed, and an affiliate of the forward purchaser sold, 2,087,317 shares of Sempra common stock under this agreement. At the initial forward price of \$70.6593 per share, the proceeds from this forward sale agreement if we elect full physical settlement would be approximately \$147 million (net of sales commissions of approximately \$1.3 million, but before deducting equity issuance costs, and subject to certain adjustments pursuant to the forward sale agreements). At March 31, 2025, a total of 2,087,317 shares of Sempra common stock remain subject to future settlement under this forward sale agreement, which may be settled on one or more dates specified by us no later than March 31, 2027.

The shares offered pursuant to the forward sale agreements were borrowed by the applicable forward purchaser and therefore were not newly issued shares. We did not initially receive any proceeds from the sale of shares pursuant to the forward sale agreements. Although we may settle the forward sale agreements entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, we may, subject to certain conditions, elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreements. The forward sale agreements are also subject to acceleration by the applicable forward purchaser upon the occurrence of certain events.

COMMON STOCK REPURCHASES

In the three months ended March 31, 2025 and 2024, we withheld 671,961 shares for \$57 million and 552,799 shares for \$40 million, respectively, of our common stock that would otherwise be issued to long-term incentive plan participants who do not elect otherwise upon the vesting of RSUs and exercise of stock options in an amount sufficient to satisfy minimum statutory tax withholding requirements. Such share withholding is considered a share repurchase for accounting purposes.

NONCONTROLLING INTERESTS

Ownership interests in a consolidated entity that are held by unconsolidated owners are accounted for and reported as NCI.

SI Partners Subsidiaries

Both SI Partners and ConocoPhillips have provided guarantees relating to their respective affiliate's commitment to make its pro rata equity share of capital contributions to fund 110% of the development budget of the PA LNG Phase 1 project, in an aggregate amount of up to \$9.0 billion. SI Partners' guarantee covers 70% of this amount plus enforcement costs of its guarantee. As of March 31, 2025, an aggregate amount of \$2.7 billion has been paid by SI Partners' subsidiary in satisfaction of its commitment to fund its portion of the development budget of the PA LNG Phase 1 project.

EARNINGS PER COMMON SHARE

Basic EPS is calculated by dividing earnings attributable to common shares by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the potential dilution of common stock equivalent shares that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

EARNINGS PER COMMON SHARE COMPUTATIONS

(Dollars in millions, except per share amounts; shares in thousands)

	Three months ended March 31,	
	2025	2024
Sempra:		
Numerator:		
Earnings attributable to common shares	\$ 906	\$ 801
Denominator:		
Weighted-average common shares outstanding for basic EPS ⁽¹⁾	651,992	632,821
Dilutive effect of common shares sold forward	—	673
Dilutive effect of stock options and RSUs ⁽²⁾	1,026	1,860
Weighted-average common shares outstanding for diluted EPS	653,018	635,354
EPS:		
Basic	\$ 1.39	\$ 1.27
Diluted	\$ 1.39	\$ 1.26

⁽¹⁾ Includes 516 and 624 fully vested RSUs held in our Deferred Compensation Plan for the three months ended March 31, 2025 and 2024, respectively. These fully vested RSUs are included in weighted-average common shares outstanding for basic EPS because there are no conditions under which the corresponding shares will not be issued.

⁽²⁾ Due to market fluctuations of both Sempra common stock and the comparative indices used to determine the vesting percentage of our total shareholder return performance-based RSUs, which we discuss in Note 13 of the Notes to Consolidated Financial Statements in the Annual Report, dilutive RSUs may vary widely from period-to-period.

The potentially dilutive impact from stock options and RSUs is calculated under the treasury stock method. Under this method, proceeds based on the exercise price and unearned compensation are assumed to be used to repurchase shares on the open market at the average market price for the period, reducing the number of potential new shares to be issued and sometimes causing an antidilutive effect. The computation of diluted EPS for the three months ended March 31, 2025 and 2024 excludes 522,283 and 1,356,470 potentially dilutive shares, respectively, because to include them would be antidilutive for the period. However, these shares could potentially dilute basic EPS in the future.

The potentially dilutive impact from the forward sale of our common stock pursuant to the forward sale agreements that we discuss above is reflected in our diluted EPS calculation using the treasury stock method. We anticipate there will be a dilutive effect on our EPS when the average market price of our common stock shares is above the applicable adjusted forward price, subject to increase or decrease based on the overnight bank funding rate, less a spread, and subject to decrease by amounts related to expected dividends on shares of our common stock during the term of the forward sale agreements. Additionally, if we decide to physically settle or net share settle the forward sale agreements, delivery of our shares to the forward purchasers on any such physical settlement or net share settlement of the forward sale agreements would result in dilution to our EPS.

Pursuant to Sempra's share-based compensation plans, the Compensation and Talent Development Committee of Sempra's board of directors granted 303,614 nonqualified stock options, 601,483 performance-based RSUs and 238,399 service-based RSUs in the three months ended March 31, 2025, primarily in January.

We discuss share-based compensation plans and related awards and the terms and conditions of Semptra's equity securities further in Notes 11, 12 and 13 of the Notes to Consolidated Financial Statements in the Annual Report.

NOTE 11. SAN ONOFRE NUCLEAR GENERATING STATION

We provide below updates to ongoing matters related to SONGS, a nuclear generating facility near San Clemente, California that permanently ceased operations in June 2013, and in which SDG&E has a 20% ownership interest. We discuss SONGS further in Note 14 of the Notes to Consolidated Financial Statements in the Annual Report.

NUCLEAR DECOMMISSIONING AND FUNDING

As a result of Edison's decision to permanently retire SONGS Units 2 and 3, Edison began the decommissioning phase of the plant. Major decommissioning work began in 2020. We expect the majority of the decommissioning work to be completed around 2030. Decommissioning of Unit 1, removed from service in 1992, is largely complete. The remaining work for Unit 1 will be completed once Units 2 and 3 are dismantled and the spent fuel is removed from the site. The spent fuel is currently being stored on-site, until the DOE identifies an independent spent fuel storage installation and puts in place a program for the fuel's disposal. SDG&E is responsible for approximately 20% of the total decommissioning cost.

In accordance with state and federal requirements and regulations, SDG&E has assets held in the NDT to fund its share of decommissioning costs for SONGS Units 1, 2 and 3. Amounts that were collected in rates for SONGS' decommissioning are invested in the NDT, which is comprised of externally managed trust funds. Amounts held by the NDT are invested in accordance with CPUC regulations. SDG&E classifies debt and equity securities held in the NDT as available-for-sale. The NDT assets are presented on the Semptra and SDG&E Condensed Consolidated Balance Sheets at fair value with the offsetting credits recorded in noncurrent Regulatory Liabilities.

Except for the use of funds for the planning of decommissioning activities or NDT administrative costs, CPUC approval is required for SDG&E to access the NDT assets to fund SONGS decommissioning costs for Units 2 and 3. In January 2025, the CPUC granted SDG&E authorization to access NDT funds of up to \$66 million for forecasted 2025 costs.

Nuclear Decommissioning Trusts

The following table shows the fair values and gross unrealized gains and losses for the securities held in the NDT on the Semptra and SDG&E Condensed Consolidated Balance Sheets. We provide additional fair value disclosures for the NDT in Note 9.

NUCLEAR DECOMMISSIONING TRUSTS

(Dollars in millions)

	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
March 31, 2025				
Short-term investments, primarily cash equivalents	\$ 18	\$ —	\$ —	\$ 18
Equity securities	72	211	(3)	280
Debt securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies ⁽¹⁾	61	1	(1)	61
Municipal bonds ⁽²⁾	296	1	(9)	288
Other securities ⁽³⁾	239	3	(6)	236
Total debt securities	596	5	(16)	585
Receivables (payables), net	(18)	—	—	(18)
Total	\$ 668	\$ 216	\$ (19)	\$ 865
December 31, 2024				
Short-term investments, primarily cash equivalents	\$ 10	\$ —	\$ —	\$ 10
Equity securities	78	223	(3)	298
Debt securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	67	1	(1)	67
Municipal bonds	295	1	(9)	287
Other securities	234	2	(8)	228
Total debt securities	596	4	(18)	582
Receivables (payables), net	(15)	—	—	(15)
Total	\$ 669	\$ 227	\$ (21)	\$ 875

⁽¹⁾ Maturity dates are 2025-2055.

⁽²⁾ Maturity dates are 2025-2058.

⁽³⁾ Maturity dates are 2025-2069.

The following table shows the proceeds from sales of securities in the NDT and gross realized gains and losses on those sales.

SALES OF SECURITIES IN THE NUCLEAR DECOMMISSIONING TRUSTS

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Proceeds from sales	\$ 274	\$ 181
Gross realized gains	10	14
Gross realized losses	2	2

Net unrealized gains and losses, as well as realized gains and losses that are reinvested in the NDT, are included in noncurrent Regulatory Liabilities on Semptra's and SDG&E's Condensed Consolidated Balance Sheets. We determine the cost of securities in the trusts on the basis of specific identification.

ASSET RETIREMENT OBLIGATION

The present value of SDG&E's asset retirement obligation related to decommissioning costs for all three SONGS units was \$461 million at March 31, 2025 and is based on a cost study prepared in 2024, which is pending CPUC approval.

NOTE 12. COMMITMENTS, CONTINGENCIES AND GUARANTEES

LEGAL PROCEEDINGS

We accrue losses for a legal proceeding when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. However, the uncertainties inherent in legal proceedings make it difficult to reasonably estimate the costs and effects of resolving these matters. Accordingly, actual costs incurred may differ materially from amounts accrued, may exceed, and in some cases have exceeded, applicable insurance coverage and could materially adversely affect our business, results of operations, financial condition, cash flows and/or prospects. Unless otherwise indicated, we are unable to reasonably estimate possible losses or a range of losses in excess of any amounts accrued.

At March 31, 2025, loss contingency accruals for legal matters that are probable and estimable were \$40 million for Sempra and \$26 million for SoCalGas.

SDG&E

City of San Diego Franchise Agreement

In 2021, two lawsuits were filed in the California Superior Court challenging various aspects of the natural gas and electric franchise agreements granted by the City of San Diego to SDG&E. Both lawsuits ultimately sought to void the franchise agreements. In one of the cases, judgment was granted in favor of SDG&E and the City of San Diego. In November 2024, the Court of Appeal affirmed the trial court judgment in favor of SDG&E and the City of San Diego. The plaintiff's further appeal to the California Supreme Court was denied. In the second case, the court ruled in favor of SDG&E and the City of San Diego, upholding all terms of the franchise agreements, except for the two-thirds City Council vote requirement for termination if the City decides to terminate under certain circumstances. Under the court's ruling, the City can instead terminate on a majority vote, so long as it satisfies repayment provisions under the franchise agreements. Both sides have appealed the ruling.

SoCalGas

Aliso Canyon Natural Gas Storage Facility Gas Leak

From October 23, 2015 through February 11, 2016, SoCalGas experienced a natural gas leak from one of the injection-and-withdrawal wells, SS25, at its Aliso Canyon natural gas storage facility in Los Angeles County.

In 2022, SoCalGas paid \$1.79 billion under a settlement agreement that resolved the lawsuits of over 99% of the approximately 36,000 individual plaintiffs with lawsuits then-pending against SoCalGas and Sempra related to the Leak. The individual plaintiffs who did not participate in the settlement (the Non-Settling Individual Plaintiffs) are able to continue to pursue their claims. As of May 5, 2025, there are approximately 505 plaintiffs, who are either new plaintiffs or Non-Settling Individual Plaintiffs.

The new plaintiffs' cases and Non-Settling Individual Plaintiffs' cases are coordinated before a single court in the Los Angeles County Superior Court for pretrial management under a consolidated master complaint filed in November 2017, with one plaintiff's case proceeding under a separate complaint. Both the consolidated master complaint and the separate complaint assert negligence, negligence per se, strict liability, negligent and intentional infliction of emotional distress and fraudulent concealment. The consolidated master complaint asserts additional causes of action for private and public nuisance (continuing and permanent), trespass, inverse condemnation, loss of consortium and wrongful death against SoCalGas and Sempra. The separate complaint asserts an additional cause of action for assault and battery. Both complaints seek compensatory and punitive damages for personal injuries, lost wages and/or lost profits, costs of future medical monitoring, and attorneys' fees. The consolidated master complaint also seeks property damage and diminution in property value, injunctive relief and civil penalties.

Other Sempra

Energía Costa Azul

We describe below certain land disputes and permit challenges affecting our ECA Regas Facility. Certain of these land disputes involve land on which portions of the ECA LNG liquefaction facilities under construction and in development are expected to be situated or on which portions of the ECA Regas Facility that would be necessary for the operation of such ECA LNG liquefaction facilities are situated. One or more unfavorable final decisions on these disputes or challenges could materially adversely affect our existing natural gas regasification operations and proposed natural gas liquefaction projects at the site of the ECA Regas Facility and have a material adverse effect on Sempra's business, results of operations, financial condition, cash flows and/or prospects.

Land Disputes. Sempra Infrastructure has been engaged in a long-running land dispute with a claimant relating to property adjacent to its ECA Regas Facility that allegedly overlaps with land owned by the ECA Regas Facility (the facility, however, is not situated on the land that is the subject of this dispute). The claimant to the adjacent property filed suit to reinstate an administrative procedure at SEDATU to obtain the property title for the disputed property that had previously been issued in a ruling by the federal Agrarian Court and subsequently reversed by a federal court in Mexico. In April 2021, the proceeding in the Agrarian Court concluded with the court ordering that the administrative procedure be restarted. The administrative procedure at SEDATU may continue if SEDATU decides to reopen the matter.

In addition, a plaintiff filed a claim in the federal Agrarian Court that seeks to annul the property title for a portion of the land on which the ECA Regas Facility is situated and to obtain possession of a different parcel that allegedly overlaps with the site of the ECA Regas Facility. The proceeding, which seeks an order that SEDATU annul the ECA Regas Facility's competing property title, was initiated in 2006 and, in July 2021, a decision was issued in favor of the ECA Regas Facility. The plaintiff appealed and, in February 2022, the appellate court confirmed the ruling in favor of the ECA Regas Facility and dismissed the appeal. The plaintiff filed a federal appeal against the appellate court ruling. In August 2024, the Federal Collegiate Circuit Court ruled in favor of the ECA Regas Facility. In November 2024, the plaintiff filed an appeal with the Mexican Supreme Court.

Environmental and Social Impact Permits. Several administrative challenges are pending before Mexico's Secretariat of Environment and Natural Resources (the Mexican environmental protection agency) and Federal Tax and Administrative Courts, seeking revocation of the environmental impact authorization issued to the ECA Regas Facility in 2003. These cases generally allege that the conditions and mitigation measures in the environmental impact authorization are inadequate and challenge findings that the activities of the terminal are consistent with regional development guidelines.

In 2018 and 2021, three related claimants filed separate challenges in the federal district court in Ensenada, Baja California seeking revocation of the environmental and social impact permits issued by each of ASEA and SENER to ECA LNG authorizing natural gas liquefaction activities at the ECA Regas Facility, as follows:

- In the first case, the court issued a provisional injunction against the permits in September 2018. In December 2018, ASEA approved modifications to the environmental permit that facilitate the development of the proposed natural gas liquefaction facility in two phases. In May 2019, the court canceled the provisional injunction. The claimant appealed the court's decision to cancel the injunction but was not successful. The lower court's ruling was favorable to the ECA Regas Facility, as the court determined that no harm has been caused to the plaintiff and dismissed the lawsuit. The claimant appealed and has petitioned the Mexican Supreme Court to resolve the appeal. The Mexican Supreme Court has yet to determine if it will hear the case.
- In the second case, the initial request for a provisional injunction against the permits was denied. That decision was reversed on appeal in January 2020, resulting in the issuance of a new injunction against the permits that were issued by ASEA and SENER. This injunction has uncertain application absent clarification by the court. The claimants petitioned the court to rule that construction of natural gas liquefaction facilities violated the injunction and, in February 2022, the court ruled in favor of the ECA Regas Facility, holding that the natural gas liquefaction construction activities did not violate the injunction. The claimants appealed this ruling but were not successful. The lower court's ruling was favorable to the ECA Regas Facility, as the court determined that no harm has been caused to the plaintiffs and dismissed the lawsuit. The claimants appealed and have petitioned the Mexican Supreme Court to resolve the appeal. The Mexican Supreme Court has yet to determine if it will hear the case.
- In the third case, a group of residents filed a complaint in June 2021 against various federal and state authorities alleging deficiencies in the public consultation process for the issuance of the permits. The request for an initial injunction was denied. The claimants appealed this ruling but were not successful. The lower court's ruling was favorable to the ECA Regas Facility, as the court determined that no harm has been caused to the plaintiffs and dismissed the lawsuit. The claimants appealed and the appellate court's ruling is pending.

Port Arthur LNG

TCEQ Permit. The PA LNG Phase 1 project holds two Clean Air Act, Prevention of Significant Deterioration permits issued by the TCEQ, which we refer to as the “2016 Permit” and the “2022 Permit.” The 2022 Permit also governs emissions for the proposed PA LNG Phase 2 project. In November 2023, a panel of the U.S. Court of Appeals for the Fifth Circuit issued a decision to vacate and remand the 2022 Permit to the TCEQ for additional explanation of the agency’s permit decision. In February 2024, the court withdrew its opinion and referred the case to the Supreme Court of Texas to resolve the question of the appropriate standard to be applied by the TCEQ. In February 2025, the Supreme Court of Texas adopted Port Arthur LNG’s interpretation of the standard. Port Arthur LNG continues to litigate this matter before the U.S. Court of Appeals for the Fifth Circuit, which will apply the standard adopted by the Supreme Court of Texas. The 2022 Permit is effective during the pending litigation. The 2016 Permit was not the subject of, and is unaffected by, the pending litigation of the 2022 Permit. Construction of the PA LNG Phase 1 project is proceeding uninterrupted under existing permits, and we do not currently anticipate the pending litigation to materially impact the PA LNG Phase 1 project cost, schedule or expected commercial operations at this stage.

Construction Incident. In April 2025, an incident occurred at the site of the PA LNG Phase 1 project that resulted in the deaths of three Bechtel employees and the injury of two Bechtel employees.

We have an EPC contract with Bechtel to construct the PA LNG Phase 1 project. Under the EPC contract, Bechtel has full custody and control of the site during the construction period. OSHA has opened an inspection with respect to Bechtel. The cause of the incident remains under investigation.

In connection with the incident, as of May 8, 2025, three complaints have been filed on behalf of 17 plaintiffs in the 60th and 172nd Judicial District Courts in Jefferson County, Texas and the 295th Judicial District Court in Harris County, Texas. The complaints collectively name as defendants Port Arthur LNG, SI Partners, Semptra and/or other Semptra affiliates, Bechtel and/or Bechtel Corporation, among others. The complaints assert negligence and gross negligence, and two of the complaints also assert additional causes of action for wrongful death, survival and bystander claims. The complaints seek compensatory and punitive damages, lost wages and attorneys’ fees.

Additionally, the plaintiffs in the complaints filed in the 172nd and 295th Judicial District Courts sought TROs, which were granted and denied, respectively. The 172nd Judicial District Court’s TRO remains in effect and is intended to preserve relevant evidence at the construction site. Bechtel is continuing construction of the PA LNG Phase 1 project, subject to applicable limitations under the TRO and ongoing OSHA inspection. We are evaluating the parties’ rights and obligations under Port Arthur LNG’s EPC contract with Bechtel in light of this incident.

Litigation Related to Regulatory and Other Actions by the Mexican Government

Amendments to Mexico’s Electricity Industry Law. In March 2021, the Mexican government published a decree with amendments to Mexico’s LIE that included public policy changes, including establishing priority of dispatch for CFE plants over privately owned ones and allowing the CNE to revoke self-supply permits granted under the former electricity law under certain circumstances. In 2024, the Mexican government adopted changes to the Mexican Constitution to reinforce state control over strategic sectors by granting a central role to government entities like the CFE and PEMEX. Following these constitutional reforms, the Mexican government adopted the ESL in March 2025, which repealed the LIE.

Prior to the enactment of the ESL, Semptra Infrastructure had initiated three amparo lawsuits challenging the 2021 amendments to the LIE. The first lawsuit addressed the provision allowing revocation of self-supply permits, which lawsuit the Second Collegiate Court definitively dismissed in July 2024. The second lawsuit impacted generation permits for certain Semptra Infrastructure facilities, which lawsuit the Second Chamber of the Mexican Supreme Court definitively dismissed in February 2025. The third lawsuit relating to the 2021 amendments to the LIE impacts Semptra Infrastructure’s power marketing business, which remains pending, but will likely be dismissed given the repeal of the LIE.

Ordinary Course Litigation

We are also defendants in ordinary routine litigation incidental to our businesses, including personal injury, employment litigation, product liability, property damage and other claims. Juries have demonstrated an increasing willingness to grant large awards, including punitive damages, in these types of cases.

LEASES

We discuss leases further in Note 15 of the Notes to Consolidated Financial Statements in the Annual Report.

Lessee Accounting

We have operating and finance leases for real and personal property (including office space, land, fleet vehicles, aircraft, tugboats, machinery and equipment, warehouses and other operational facilities) and PPAs with renewable energy, energy storage and peaker plant facilities.

Leases That Have Not Yet Commenced

Since December 31, 2024, SDG&E has adjusted the expected commencement dates of four PPAs to: two commencing in 2025, one commencing in 2026 and one commencing in 2028. SDG&E expects the future minimum lease payments to be \$12 million in 2025, \$36 million in each of 2026 and 2027, \$41 million in 2028, \$43 million in 2029 and \$477 million thereafter (through expiration in 2043).

Lessor Accounting

Sempra Infrastructure is a lessor for certain of its natural gas and ethane pipelines, compressor stations, liquid petroleum gas storage facilities, a rail facility and refined products terminals, which we account for as operating or sales-type leases.

We provide information below for leases for which we are the lessor.

LESSOR INFORMATION ON THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra – Sales-type leases:		
Interest income	\$ 1	\$ 1
Total revenues from sales-type leases ⁽¹⁾	\$ 1	\$ 1
Sempra – Operating leases:		
Fixed lease payments	\$ 86	\$ 89
Variable lease payments	5	10
Total revenues from operating leases ⁽¹⁾	\$ 91	\$ 99
Depreciation expense	\$ 18	\$ 18

⁽¹⁾ Included in Revenues: Energy-Related Businesses on the Condensed Consolidated Statements of Operations.

CONTRACTUAL COMMITMENTS

We discuss below significant changes in the first three months of 2025 to contractual commitments discussed in Note 15 of the Notes to Consolidated Financial Statements in the Annual Report.

LNG Purchase Agreement

Sempra Infrastructure has an SPA for the supply of LNG to the ECA Regas Facility. The commitment amount is calculated using a predetermined formula based on estimated forward prices of the index applicable from 2025 through 2029. Although this agreement specifies a number of cargoes to be delivered, under its terms, the supplier may divert certain cargoes, which would reduce amounts paid under the agreement by Sempra Infrastructure. At March 31, 2025, we expect the commitment amount to decrease by \$53 million in 2025, increase by \$1 million in 2026, and decrease by \$82 million in 2027, \$105 million in 2028, and \$58 million in 2029 compared to December 31, 2024, reflecting changes in estimated forward prices since December 31, 2024 and actual transactions for the first three months of 2025. These LNG commitment amounts are based on the assumption that all LNG cargoes under the agreement are delivered, less those already confirmed to be diverted as of March 31, 2025. Actual LNG purchases in the current and prior years have been significantly lower than the maximum amount provided under the agreement due to the supplier electing to divert cargoes as allowed by the agreement.

ENVIRONMENTAL ISSUES

We disclose any proceeding under environmental laws to which a government authority is a party when the potential monetary sanctions, exclusive of interest and costs, exceed the lesser of \$1 million or 1% of current assets, which was \$57 million for Semptra, \$20 million for SDG&E and \$17 million for SoCalGas at March 31, 2025.

SEMPRA – GUARANTEES

Semptra Promissory Note for SDSRA Distribution

Cameron LNG JV's debt agreements require Cameron LNG JV to maintain the SDSRA, which is an additional reserve account beyond the Senior Debt Service Accrual Account, where funds accumulate from operations to satisfy senior debt obligations due and payable on the next payment date. Both accounts can be funded with cash or authorized investments. In June 2021, Semptra Infrastructure received a distribution of \$165 million based on its proportionate share of the SDSRA, for which Semptra provided a promissory note and letters of credit to secure a proportionate share of Cameron LNG JV's obligation to fund the SDSRA. Semptra's maximum exposure to loss is replenishment of the amount withdrawn by Semptra Infrastructure from the SDSRA, or \$165 million. We recorded a guarantee liability of \$22 million in June 2021, with an associated carrying value of \$18 million at March 31, 2025, for the fair value of the promissory note, which is being reduced over the duration of the guarantee through Semptra Infrastructure's investment in Cameron LNG JV. The guarantee will terminate upon full repayment of Cameron LNG JV's debt, scheduled to occur in 2039, or replenishment of the amount withdrawn by Semptra Infrastructure from the SDSRA.

Semptra Support Agreement for CFIN

In July 2020, CFIN entered into a financing arrangement with Cameron LNG JV's four project owners and received aggregate proceeds of \$1.5 billion from two project owners and from external lenders on behalf of the other two project owners (collectively, the affiliate loans), based on their proportionate ownership interest in Cameron LNG JV. CFIN used the proceeds from the affiliate loans to provide a loan to Cameron LNG JV. The affiliate loans mature in 2039. Principal and interest are paid from Cameron LNG JV's project cash flows from its three-train natural gas liquefaction facility. Cameron LNG JV used the proceeds from its loan to return equity to its project owners.

Semptra Infrastructure's \$753 million proportionate share of the affiliate loans, based on SI Partners' 50.2% ownership interest in Cameron LNG JV, was funded by external lenders comprised of a syndicate of banks (the bank debt) to whom Semptra has provided a guarantee pursuant to a Support Agreement under which:

- Semptra has severally guaranteed repayment of the bank debt plus accrued and unpaid interest if CFIN fails to pay the external lenders;
- the external lenders may exercise an option to put the bank debt to Semptra Infrastructure upon the occurrence of certain events, including a failure by CFIN to meet its payment obligations under the bank debt;
- on March 28, 2028, March 28, 2030 and March 28, 2035, the agent for the external lenders, on behalf of such external lenders, is obligated to put all of the then outstanding bank debt to Semptra Infrastructure, except to the extent any external lender elects not to participate in the put three months prior to the applicable put exercise date;
- Semptra Infrastructure also has a right to call the bank debt back from, or to refinance the bank debt with, the external lenders at any time; and
- the Support Agreement will terminate upon full repayment of the bank debt, including repayment following an event in which the bank debt is put to Semptra Infrastructure.

In exchange for this guarantee, the external lenders pay a guarantee fee that is based on the credit rating of Semptra's long-term senior unsecured non-credit enhanced debt rating, which guarantee fee Semptra Infrastructure recognizes as interest income as earned. Semptra's maximum exposure to loss is the bank debt plus any accrued and unpaid interest and related fees, subject to a liability cap of 130% of the bank debt, or \$979 million. We measure the Support Agreement at fair value, net of related guarantee fees, on a recurring basis (see Note 9). At March 31, 2025, the fair value of the Support Agreement was \$38 million, of which \$8 million is included in Other Current Assets and \$30 million is included in Other Long-Term Assets on Semptra's Condensed Consolidated Balance Sheet.

SI Partners Credit Support Agreement

See discussion in Note 1 regarding SI Partners' guarantee to a third-party financial institution.

NOTE 13. SEGMENT INFORMATION

SEMPRA

Sempra is a California-based holding company whose businesses invest in, develop and operate energy infrastructure in North America and provide electric and gas services to customers. Sempra has the following three operating and reportable segments, which are managed separately based on services provided, geographic location and regulatory framework:

- *Sempra California* provides natural gas and electric service to Southern California and part of central California through Sempra's wholly owned subsidiaries, SDG&E and SoCalGas, which are regulated public utilities.
- *Sempra Texas Utilities* holds our equity method investment in Oncor Holdings, which owns an 80.25% interest in Oncor, a regulated electric transmission and distribution utility serving customers in the north-central, eastern, western and panhandle regions of Texas; and our equity method investment in Sharyland Holdings, which owns Sharyland Utilities, a regulated electric transmission utility serving customers near the Texas-Mexico border.
- *Sempra Infrastructure* includes the operating companies of SI Partners, in which Sempra Infrastructure owns a 70% interest, as well as a holding company and certain services companies. Sempra Infrastructure develops, builds, operates and invests in energy infrastructure to help provide safe, sustainable and reliable access to cleaner energy in markets in the U.S., Mexico and globally.

Amounts labeled as "Parent and other," which does not meet the definition of an operating or reportable segment, consist primarily of activities of parent organizations.

The following tables present selected information by segment and reconciliations of assets, capital expenditures for PP&E, and earnings attributable to common shares to Sempra's consolidated totals.

SEGMENT INFORMATION				
(Dollars in millions)				
	March 31, 2025		December 31, 2024	
ASSETS				
Sempra California	\$	57,830	\$	56,116
Sempra Texas Utilities		16,008		15,534
Sempra Infrastructure		24,124		22,954
Segment totals		97,962		94,604
Parent and other		2,099		2,622
Intersegment eliminations ⁽¹⁾		(1,051)		(1,071)
Total Sempra	\$	99,010	\$	96,155
EQUITY METHOD INVESTMENTS				
Sempra Texas Utilities	\$	15,995	\$	15,522
Sempra Infrastructure		2,376		2,411
Segment totals/Total Sempra	\$	18,371	\$	17,933
		Three months ended March 31,		
		2025	2024	
CAPITAL EXPENDITURES FOR PROPERTY, PLANT AND EQUIPMENT				
Sempra California	\$	1,094	\$	1,143
Sempra Infrastructure		1,241		790
Segment totals		2,335		1,933
Parent and other		1		—
Total Sempra	\$	2,336	\$	1,933
EQUITY EARNINGS				
Equity earnings, before income tax				
Sempra Texas Utilities	\$	2	\$	2
Sempra Infrastructure		139		132
Segment totals		141		134
Equity earnings, net of income tax				
Sempra Texas Utilities		146		183
Sempra Infrastructure		38		31
Segment totals		184		214
Total Sempra	\$	325	\$	348

⁽¹⁾ Primarily includes an intersegment loan from Sempra Infrastructure to Parent and other related to deferred income taxes.

SEGMENT INFORMATION (CONTINUED)
(Dollars in millions)

	Sempra California	Sempra Texas Utilities ⁽¹⁾	Sempra Infrastructure	Sempra
	Three months ended March 31, 2025			
Revenues	\$ 3,401		\$ 426	
Depreciation and amortization	(562)		(76)	
Interest income	2		19	
Interest expense ⁽²⁾	(225)		(77)	
Income tax expense	(52)		(22)	
Equity earnings	—	\$ 148	177	
Earnings attributable to noncontrolling interests	—	—	(2)	
Other segment items ⁽³⁾	(1,840)	(2)	(299)	
Segment earnings attributable to common shares	\$ 724	\$ 146	\$ 146	\$ 1,016
Parent and other				(110)
Earnings attributable to common shares				\$ 906

	Three months ended March 31, 2024			
Revenues	\$ 3,141		\$ 519	
Depreciation and amortization	(521)		(72)	
Interest income	3		5	
Interest expense	(205)		—	
Income tax expense	(83)		(109)	
Equity earnings	—	\$ 185	163	
Earnings attributable to noncontrolling interests	—	—	(69)	
Other segment items ⁽³⁾	(1,753)	(2)	(306)	
Segment earnings attributable to common shares	\$ 582	\$ 183	\$ 131	\$ 896
Parent and other				(95)
Earnings attributable to common shares				\$ 801

⁽¹⁾ Substantially all earnings attributable to common shares are from equity earnings.

⁽²⁾ Sempra Infrastructure includes net unrealized gains (losses) from undesignated interest rate swaps related to the PA LNG Phase 1 project.

⁽³⁾ Includes cost of natural gas, cost of electric fuel and purchased power, O&M, franchise fees and other taxes, and other income (expense), net, for Sempra California; O&M for Sempra Texas Utilities related to activities at the holding company; and cost of natural gas, energy-related businesses cost of sales, O&M, franchise fees and other taxes, and other income (expense), net, for Sempra Infrastructure.

The following table presents revenues by services by segment, reconciled to Sempra's consolidated revenues.

REVENUES BY SERVICES (in millions)			
	Sempra California	Sempra Infrastructure	Sempra
	Three months ended March 31, 2025		
Revenues from external customers:			
Utilities	\$ 3,457	\$ 26	
Energy-related businesses	—	198	
Total revenues from external customers ⁽¹⁾	3,457	224	\$ 3,681
Other revenues ⁽²⁾ :			
Utilities	(62)	—	
Energy-related businesses	—	183	
Total other revenues	(62)	183	121
Intersegment revenues ⁽³⁾ :			
Utilities	6	—	
Energy-related businesses	—	19	
Total intersegment revenues	6	19	25
Segment revenues	\$ 3,407	\$ 426	\$ 3,827
Intersegment eliminations			(25)
Consolidated revenues			\$ 3,802
	Three months ended March 31, 2024		
Revenues from external customers:			
Utilities	\$ 3,474	\$ 30	
Energy-related businesses	—	194	
Total revenues from external customers ⁽¹⁾	3,474	224	\$ 3,698
Other revenues ⁽²⁾ :			
Utilities	(338)	—	
Energy-related businesses	—	281	
Total other revenues	(338)	281	(57)
Intersegment revenues ⁽³⁾ :			
Utilities	5	—	
Energy-related businesses	—	14	
Total intersegment revenues	5	14	19
Segment revenues	\$ 3,149	\$ 519	\$ 3,660
Adjustments			(1)
Intersegment eliminations			(19)
Consolidated revenues			\$ 3,640

⁽¹⁾ We did not have revenues from transactions with a single external customer that amounted to 10% or more of Sempra's total revenues.

⁽²⁾ See "Revenues from Sources Other Than Contracts with Customers" in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report for a description of this revenue source, which may be additive or subtractive from period to period.

⁽³⁾ See "Transactions with Affiliates" in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report for a description of services provided by one operating segment to another operating segment within Sempra.

SDG&E

SDG&E is a regulated public utility that provides electric service to San Diego and southern Orange counties and natural gas service to San Diego County. SDG&E has one operating and reportable segment.

Total assets at SDG&E were \$31.9 billion and \$30.8 billion at March 31, 2025 and December 31, 2024, respectively. The following table presents selected information for SDG&E's single segment and reconciliation of earnings attributable to common shares.

SEGMENT INFORMATION		
(Dollars in millions)		
	Three months ended March 31,	
	2025	2024
SDG&E		
Revenues from external customers:		
Electric	\$ 1,075	\$ 1,132
Natural gas	359	330
Total revenues from external customers ⁽¹⁾	1,434	1,462
Regulatory revenues ⁽²⁾ :		
Electric	(11)	(72)
Natural gas	(3)	(11)
Total regulatory revenues	(14)	(83)
Total revenues	1,420	1,379
Depreciation and amortization	(320)	(298)
Interest income	—	1
Interest expense	(135)	(128)
Income tax expense	(14)	(40)
Other segment items ⁽³⁾	(670)	(691)
Earnings attributable to common shares	\$ 281	\$ 223
Capital expenditures for property, plant and equipment	\$ 539	\$ 624

⁽¹⁾ SDG&E did not have revenues from transactions with a single external customer that amounted to 10% or more of its total revenues.

⁽²⁾ See "Revenues from Sources Other Than Contracts with Customers" in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report for a description of this revenue source, which may be additive or subtractive from period to period.

⁽³⁾ Includes cost of electric fuel and purchased power, cost of natural gas, O&M, franchise fees and other taxes, and other income (expense), net.

SO CAL GAS

SoCalGas is a regulated public natural gas distribution utility, serving customers throughout most of Southern California and part of central California. SoCalGas has one operating and reportable segment.

Total assets at SoCalGas were \$26.0 billion and \$25.4 billion at March 31, 2025 and December 31, 2024, respectively. The following table presents selected information for SoCalGas' single segment and reconciliation of earnings attributable to common shares.

SEGMENT INFORMATION			
(Dollars in millions)			
	Three months ended March 31,		
	2025	2024	
SoCalGas:			
Natural gas:			
Revenues from external customers ⁽¹⁾	\$ 2,068	\$ 2,060	
Regulatory revenues ⁽²⁾	(48)	(255)	
Total revenues	2,020	1,805	
Depreciation and amortization	(242)	(223)	
Interest income	2	2	
Interest expense	(90)	(77)	
Income tax expense	(38)	(43)	
Other segment items ⁽³⁾	(1,209)	(1,105)	
Earnings attributable to common shares	\$ 443	\$ 359	
Capital expenditures for property, plant and equipment	\$ 555	\$ 519	

⁽¹⁾ SoCalGas did not have revenues from transactions with a single external customer that amounted to 10% or more of its total revenues.

⁽²⁾ See "Revenues from Sources Other Than Contracts with Customers" in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report for a description of this revenue source, which may be additive or subtractive from period to period.

⁽³⁾ Includes cost of natural gas, O&M, franchise fees and other taxes, and other income (expense), net.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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OVERVIEW

This combined MD&A includes the operational and financial results of the following three Registrants:

- *Sempra* is a California-based holding company with energy infrastructure investments in North America. Our businesses invest in, develop and operate energy infrastructure, and provide electric and gas services to customers.
- *SDG&E* is a regulated public utility that provides electric service to San Diego and southern Orange counties and natural gas service to San Diego County.
- *SoCalGas* is a regulated public natural gas distribution utility, serving customers throughout most of Southern California and part of central California.

This combined MD&A should be read in conjunction with the Condensed Consolidated Financial Statements and the Notes thereto in this report, and the Consolidated Financial Statements and the Notes thereto, "Part I – Item 1A. Risk Factors" and "Part II – Item 7. MD&A" in the Annual Report.

Sempra has the following three reportable segments, which reflect how the CODM oversees operational and financial performance:

- Sempra California
- Sempra Texas Utilities
- Sempra Infrastructure

SDG&E and SoCalGas each has one reportable segment.

RESULTS OF OPERATIONS BY REGISTRANT

Throughout the MD&A, our references to earnings represent earnings attributable to common shares. Variance amounts presented are the after-tax earnings impact (based on applicable statutory tax rates unless otherwise noted) and after NCI but before foreign currency and inflation effects, where applicable.



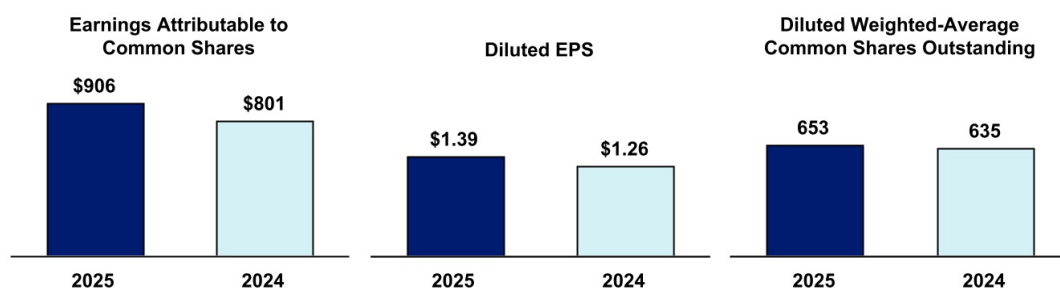
We discuss herein Sempra's results of operations and significant changes in earnings, revenues and costs by segment, as well as Parent and other, for the three months ended March 31, 2025 compared to the same period in 2024. We also discuss herein the impact of foreign currency and inflation rates on Sempra's results of operations.

Due to the delay in the issuance of the CPUC's final decision in the SDG&E and SoCalGas 2024 GRC, Sempra California recorded revenues in the first three quarters of 2024 based on levels authorized for 2023 under the 2019 GRC. In December 2024, the CPUC approved an FD in the 2024 GRC, effective retroactive to January 1, 2024, for which Sempra California recorded the retroactive impacts in the fourth quarter of 2024. Sempra California's authorized base revenues in the first quarter of 2025 are based on the revenues authorized for the 2024 test year plus the amount authorized for attrition for 2025. We provide additional information on the 2024 GRC FD in Note 4 of the Notes to Condensed Consolidated Financial Statements in this report and in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

(Dollars and shares in millions, except per share amounts)



EARNINGS BY SEGMENT
(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Sempra California	\$ 724	\$ 582
Sempra Texas Utilities	146	183
Sempra Infrastructure	146	131
Segment earnings attributable to common shares	1,016	896
Parent and other	(110)	(95)
Earnings attributable to common shares	\$ 906	\$ 801

Sempra California

Sempra California's earnings are comprised of SDG&E and SoCalGas. Because changes in SDG&E's and SoCalGas' cost of natural gas and/or electricity are recovered in rates, changes in these costs are offset in the changes in revenues and therefore do not impact earnings, other than potential impacts related to the GCIM for SoCalGas that we describe below. In addition to the changes in cost or market prices, natural gas or electric revenues recorded during a period are impacted by the difference between customer billings and recorded or CPUC-authorized amounts. These differences are required to be balanced over time, resulting in over- and undercollected regulatory balancing accounts. We discuss balancing accounts and their effects further in Note 4 of the Notes to Condensed Consolidated Financial Statements in this report and in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

In the three months ended March 31, 2025 compared to the same period in 2024, the increase in earnings of \$142 million (24%) was primarily due to:

- \$88 million higher CPUC base operating margin, net of operating expenses and \$13 million lower authorized cost of capital. In the first three quarters of 2024, Sempra California recorded CPUC-authorized base revenues based on 2023 authorized levels
- \$62 million higher income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD

Offset by:

- \$15 million higher net interest expense

Sempra Texas Utilities

In the three months ended March 31, 2025 compared to the same period in 2024, the decrease in earnings of \$37 million (20%) was primarily due to lower equity earnings from Oncor Holdings driven by:

- higher interest expense and depreciation expense associated with increases in invested capital
- higher O&M

Offset by:

- overall higher revenues primarily attributable to:
 - rate updates to reflect increases in invested capital
 - higher customer consumption primarily attributable to weather
 - customer growth

Offset by:

- decreases in transmission billing units

Sempra Infrastructure

In the three months ended March 31, 2025 compared to the same period in 2024, the increase in earnings of \$15 million (11%) was primarily due to:

- \$49 million favorable impact from foreign currency and inflation effects on our monetary positions in Mexico, comprised of an \$8 million favorable impact in 2025 compared to a \$41 million unfavorable impact in 2024
- \$20 million lower O&M in 2025 from lower provisions for expected credit losses
- \$10 million in interest income from an increase in the fair value of the Support Agreement

Offset by:

- \$50 million from asset and supply optimization driven by lower optimization of transport and storage contracts and higher unrealized losses on commodity derivatives due to changes in natural gas prices
- \$12 million from TdM driven by lower unrealized gains on commodity derivatives due to changes in power prices and lower volumes, including from a scheduled maintenance outage in March 2025
- \$9 million in interest expense from unrealized losses in 2025 on interest rate swaps related to the PA LNG Phase 1 project

Parent and Other

In the three months ended March 31, 2025 compared to the same period in 2024, the increase in losses of \$15 million (16%) was primarily due to \$17 million higher net interest expense.

SIGNIFICANT CHANGES IN REVENUES AND COSTS

The regulatory framework permits SDG&E and SoCalGas to recover certain program expenditures and other costs authorized by the CPUC (referred to as “refundable programs”).

Utilities: Natural Gas Revenues and Cost of Natural Gas

Our utilities revenues include natural gas revenues at Sempra California and Sempra Infrastructure, which includes Ecogas. Intercompany revenues are eliminated in Sempra’s Condensed Consolidated Statements of Operations.

SDG&E and SoCalGas operate under a regulatory framework that permits the cost of natural gas purchased for core customers to be passed through to customers in rates substantially as incurred and without markup. The GCIM provides for SoCalGas to share in the savings and/or costs from buying natural gas for its core customers at prices below or above monthly market-based benchmarks. This mechanism permits full recovery of costs incurred when average purchase costs are within a price range around the benchmark price. Any higher costs incurred or savings realized outside this range are shared between SoCalGas and its core customers. We provide further discussion in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report.

UTILITIES: NATURAL GAS REVENUES AND COST OF NATURAL GAS

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Natural gas revenues:		
Sempra California	\$ 2,341	\$ 2,084
Sempra Infrastructure	26	30
Segment totals	2,367	2,114
Eliminations and adjustments	(5)	(5)
Total	\$ 2,362	\$ 2,109
Cost of natural gas ⁽¹⁾ :		
Sempra California	\$ 485	\$ 544
Sempra Infrastructure	11	9
Segment totals	496	553
Eliminations and adjustments	(3)	1
Total	\$ 493	\$ 554

⁽¹⁾ Excludes depreciation and amortization, which are presented separately on Sempra’s Condensed Consolidated Statements of Operations.

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's natural gas revenues increased by \$253 million (12%) driven by Sempra California, which included:

- \$179 million higher CPUC-authorized revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by \$13 million lower authorized cost of capital
- \$163 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$52 million higher regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD

Offset by:

- \$71 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- \$59 million decrease in cost of natural gas sold, which we discuss below

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's cost of natural gas decreased by \$61 million (11%) driven by Sempra California, which included:

- \$38 million lower average natural gas prices
- \$21 million lower volumes driven by weather

Utilities: Electric Revenues and Cost of Electric Fuel and Purchased Power

Our utilities revenues include electric revenues at Sempra California, substantially all of which is at SDG&E. Intercompany revenues are eliminated in Sempra's Condensed Consolidated Statements of Operations.

SDG&E operates under a regulatory framework that permits it to recover the actual cost incurred to generate or procure electricity based on annual estimates of the cost of electricity supplied to customers. The differences in cost between estimates and actual are recovered or refunded in subsequent periods through rates.

Utility cost of electric fuel and purchased power includes utility-owned generation, power purchased from third parties, and net power purchases and sales to/from the California ISO.

UTILITIES: ELECTRIC REVENUES AND COST OF ELECTRIC FUEL AND PURCHASED POWER

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Electric revenues:		
Sempra California	\$ 1,060	\$ 1,057
Eliminations and adjustments	(1)	(1)
Total	\$ 1,059	\$ 1,056
Cost of electric fuel and purchased power ⁽¹⁾ :		
Sempra California	\$ 73	\$ 107
Eliminations and adjustments	(21)	(18)
Total	\$ 52	\$ 89

⁽¹⁾ Excludes depreciation and amortization, which are presented separately on Sempra's Condensed Consolidated Statements of Operations.

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's electric revenues increased by \$3 million driven by Sempra California, which included:

- \$45 million higher CPUC-authorized revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by \$5 million lower authorized cost of capital
- \$17 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$9 million higher revenues from incremental and balanced capital projects offset by certain projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- \$6 million higher revenues from transmission operations

Offset by:

- \$44 million lower regulatory revenues from higher ITCs from standalone energy storage projects, which are offset in income tax expense
- \$34 million decrease in cost of electric fuel and purchased power, which we discuss below

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's cost of electric fuel and purchased power decreased by \$37 million (42%) driven by Sempra California, which included:

- \$26 million lower purchased power primarily due to change in excess capacity sales
- \$20 million lower purchased power from the California ISO due to lower market prices

Offset by:

- \$15 million lower sales to the California ISO due to lower market prices

Energy-Related Businesses: Revenues and Cost of Sales

ENERGY-RELATED BUSINESSES: REVENUES AND COST OF SALES

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Revenues:		
Sempra Infrastructure	\$ 400	\$ 489
Parent and other ⁽¹⁾	(19)	(14)
Total	\$ 381	\$ 475
Cost of sales ⁽²⁾ :		
Sempra Infrastructure	\$ 119	\$ 109

⁽¹⁾ Includes eliminations of intercompany activity.

⁽²⁾ Excludes depreciation and amortization, which are presented separately on Sempra's Condensed Consolidated Statements of Operations.

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's revenues from energy-related businesses decreased by \$94 million (20%) primarily due to:

- \$92 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
 - \$45 million from lower optimization of transport and storage contracts primarily due to changes in natural gas prices
 - \$45 million higher unrealized losses on commodity derivatives
- \$16 million from TdM mainly due to lower volumes, including from a scheduled maintenance outage in March 2025

Offset by:

- \$17 million higher revenues driven by satisfaction of performance obligations related to customer payments received in advance from a contract modification in December 2024 on an LNG storage and regasification agreement
- \$7 million higher revenues in 2025 due to the commencement of commercial operations at the Topolobampo marine terminal in June 2024

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's cost of sales from energy-related businesses increased by \$10 million (9%) primarily due to:

- \$15 million driven by higher natural gas purchases related to asset and supply optimization

Offset by:

- \$6 million at TdM driven by lower volumes, including from a scheduled maintenance outage in March 2025

Operation and Maintenance

OPERATION AND MAINTENANCE

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Sempra California	\$ 1,175	\$ 1,004
Sempra Texas Utilities	2	2
Sempra Infrastructure	174	189
Segment totals	1,351	1,195
Parent and other ⁽¹⁾	(8)	17
Total	\$ 1,343	\$ 1,212

⁽¹⁾ Includes eliminations of intercompany activity.

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's O&M increased by \$131 million (11%) primarily due to:

- \$171 million increase at Sempra California due to:
 - \$180 million higher expenses associated with refundable programs, which costs are recovered in revenue
 - Offset by:
 - \$9 million lower non-refundable operating costs
- Offset by:
 - \$25 million decrease at Parent and other primarily due to a \$19 million change in deferred compensation from a \$9 million benefit in 2025 compared to \$10 million expense in 2024
 - \$15 million decrease at Sempra Infrastructure due to:
 - \$26 million from lower provisions for expected credit losses
 - Offset by:
 - \$7 million higher development costs and certain non-capitalized expenses from projects under construction

Other Income, Net

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's other income, net, decreased by \$8 million (8%) to \$91 million primarily due to:

- \$14 million lower investment gains on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation plan at Parent and other
- Offset by:
 - \$4 million higher AFUDC equity primarily at Sempra Infrastructure

Interest Income

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's interest income increased by \$21 million to \$34 million primarily due to a \$14 million increase in the fair value of the Support Agreement at Sempra Infrastructure.

Interest Expense

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's interest expense increased by \$128 million (42%) to \$433 million primarily due to:

- \$77 million at Sempra Infrastructure primarily from \$65 million in unrealized losses in 2025 on interest rate swaps related to the PA LNG Phase 1 project
- \$31 million at Parent and other from higher debt balances from debt issuances, offset by lower borrowings on commercial paper and capitalization of interest expense on projects under construction at Sempra Infrastructure
- \$20 million at Sempra California from higher debt balances from debt issuances

Income Taxes

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempre:		
Income tax expense	\$ 57	\$ 172
Income before income taxes and equity earnings	\$ 651	\$ 705
Equity earnings, before income tax ⁽¹⁾	141	134
Pretax income	\$ 792	\$ 839
Effective income tax rate	7 %	21 %

⁽¹⁾ We discuss how we recognize equity earnings in Note 5 of the Notes to Consolidated Financial Statements in the Annual Report.

We report as part of our pretax results the income or loss attributable to NCI. However, we do not record income taxes for a portion of this income or loss, as some of our entities with NCI are currently treated as partnerships for U.S. income tax purposes, and thus we are only liable for income taxes on the portion of the earnings that are allocated to us. Our pretax income, however, includes 100% of these entities. If our entities with NCI grow, and if we continue to invest in such entities, the impact on our ETR may become more significant.

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's income tax expense decreased by \$115 million primarily due to:

- \$63 million from \$10 million income tax benefit in 2025 compared to \$53 million income tax expense in 2024 from foreign currency and inflation effects on our monetary positions in Mexico
- higher income tax benefit in 2025 from higher ITCs from standalone energy storage projects
- higher income tax benefits from flow-through items

We discuss the impact of foreign currency exchange rates and inflation on income taxes below in "Impact of Foreign Currency and Inflation Rates on Results of Operations." See Note 1 of the Notes to Condensed Consolidated Financial Statements in this report and Notes 1 and 7 of the Notes to Consolidated Financial Statements in the Annual Report for further details about our accounting for income taxes and items subject to flow-through treatment.

Equity Earnings

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's equity earnings decreased by \$23 million (7%) to \$325 million primarily due to:

- \$37 million at Oncor Holdings driven by:
 - higher interest expense and depreciation expense associated with increases in invested capital
 - higher O&M

Offset by:

- overall higher revenues primarily attributable to:
 - rate updates to reflect increases in invested capital
 - higher customer consumption primarily attributable to weather
 - customer growth

Offset by:

- decreases in transmission billing units

Offset by:

- \$7 million at Cameron LNG JV primarily from lower interest expense
- \$6 million at TAG Norte from lower income tax expense primarily from foreign currency and inflation effects

Earnings Attributable to Noncontrolling Interests

In the three months ended March 31, 2025 compared to the same period in 2024, Sempra's earnings attributable to NCI decreased by \$67 million to \$2 million primarily due to a decrease in SI Partners subsidiaries' net income driven by unrealized losses in 2025 from interest rate swaps related to the PA LNG Phase 1 project.

IMPACT OF FOREIGN CURRENCY AND INFLATION RATES ON RESULTS OF OPERATIONS

Because our natural gas distribution utility in Mexico, Ecogas, uses its local currency as its functional currency, its revenues and expenses are translated into U.S. dollars at average exchange rates for the period for consolidation in Sempra's results of operations. We discuss further the impact of foreign currency and inflation rates on results of operations, including impacts on income taxes and related hedging activity, in "Part II – Item 7. MD&A – Impact of Foreign Currency and Inflation Rates on Results of Operations" in the Annual Report.

Foreign Currency Translation

Any difference in average exchange rates used for the translation of income statement activity from year to year can cause a variance in Sempra's comparative results of operations. In the three months ended March 31, 2025 compared to the same period in 2024, the change in our earnings as a result of foreign currency translation rates was negligible.

Transactional Impacts

Income statement activities at our foreign operations and their JVs are also impacted by transactional gains and losses, a summary of which is shown in the table below:

TRANSACTIONAL GAINS (LOSSES) FROM FOREIGN CURRENCY AND INFLATION EFFECTS					
(Dollars in millions)					
	Total reported amounts				Transactional gains (losses) included in
					reported amounts
	Three months ended March 31,				
	2025	2024	2025	2024	
Other income, net	\$ 91	\$ 99	\$ 4	\$ 1	
Income tax expense	(57)	(172)	10	(53)	
Equity earnings	325	348	(2)	(8)	
Net income	919	881	12	(60)	
Earnings attributable to noncontrolling interests	(2)	(69)	(4)	19	
Earnings attributable to common shares	906	801	8	(41)	



We discuss herein SDG&E's results of operations and significant changes in earnings, revenues and costs for the three months ended March 31, 2025 compared to the same period in 2024.

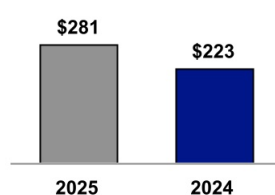
Due to the delay in the issuance of the CPUC's final decision in the SDG&E 2024 GRC, SDG&E recorded revenues in the first three quarters of 2024 based on levels authorized for 2023 under the 2019 GRC. In December 2024, the CPUC approved an FD in the 2024 GRC, effective retroactive to January 1, 2024, for which SDG&E recorded the retroactive impacts in the fourth quarter of 2024. SDG&E's authorized base revenues for the first quarter of 2025 are based on the revenues authorized for the 2024 test year plus the amount authorized for attrition for 2025. We provide additional information on the 2024 GRC FD in Note 4 of the Notes to Condensed Consolidated Financial Statements in this report and in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

(Dollars in millions)

Earnings Attributable to Common Shares



In the three months ended March 31, 2025 compared to the same period in 2024, the increase in earnings of \$58 million (26%) was primarily due to:

- \$50 million higher CPUC base operating margin, net of operating expenses and \$5 million lower authorized cost of capital. In the first three quarters of 2024, SDG&E recorded CPUC-authorized base revenues based on 2023 authorized levels
- \$8 million higher income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD

Offset by:

- \$6 million higher net interest expense

SIGNIFICANT CHANGES IN REVENUES AND COSTS

Electric Revenues and Cost of Electric Fuel and Purchased Power

In the three months ended March 31, 2025 compared to the same period in 2024, SDG&E's electric revenues increased by \$4 million remaining at \$1.1 billion primarily due to:

- \$45 million higher CPUC-authorized revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by \$5 million lower authorized cost of capital
- \$17 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$9 million higher revenues from incremental and balanced capital projects offset by certain projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- \$6 million higher revenues from transmission operations

Offset by:

- \$44 million lower regulatory revenues from higher ITCs from standalone energy storage projects, which are offset in income tax expense
- \$34 million decrease in cost of electric fuel and purchased power, which we discuss below

In the three months ended March 31, 2025 compared to the same period in 2024, SDG&E's cost of electric fuel and purchased power decreased by \$34 million (32%) to \$73 million primarily due to:

- \$26 million lower purchased power primarily due to change in excess capacity sales
- \$20 million lower purchased power from the California ISO due to lower market prices

Offset by:

- \$15 million lower sales to the California ISO due to lower market prices

Natural Gas Revenues and Cost of Natural Gas

In the three months ended March 31, 2025 and 2024, SDG&E's average cost of natural gas per thousand cubic feet was \$5.69 and \$6.79, respectively. The average cost of natural gas sold at SDG&E is impacted by market prices, as well as transportation, tariff and other charges.

In the three months ended March 31, 2025 compared to the same period in 2024, SDG&E's natural gas revenues increased by \$37 million (12%) to \$356 million primarily due to:

- \$32 million higher CPUC-authorized revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by \$2 million lower authorized cost of capital
- \$17 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$7 million higher regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD

Offset by:

- \$15 million decrease in cost of natural gas sold, which we discuss below
- \$12 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital

In the three months ended March 31, 2025 compared to the same period in 2024, SDG&E's cost of natural gas decreased by \$15 million (15%) to \$87 million primarily due to lower average natural gas prices.

Operation and Maintenance

In the three months ended March 31, 2025 compared to the same period in 2024, SDG&E's O&M increased by \$29 million (7%) to \$440 million due to:

- \$34 million higher expenses associated with refundable programs, which costs are recovered in revenue

Offset by:

- \$5 million lower non-refundable operating costs

Income Taxes

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
SDG&E:		
Income tax expense	\$ 14	\$ 40
Income before income taxes	\$ 295	\$ 263
Effective income tax rate	5 %	15 %

SDG&E records regulatory liabilities for benefits that will be flowed through to customers in the future.

In the three months ended March 31, 2025 compared to the same period in 2024, SDG&E's income tax expense decreased by \$26 million primarily due to:

- higher income tax benefit in 2025 from higher ITCs from standalone energy storage projects

Offset by:

- higher pretax income



We discuss herein SoCalGas' results of operations and significant changes in earnings, revenues and costs for the three months ended March 31, 2025 compared to the same period in 2024.

Due to the delay in the issuance of the CPUC's final decision in the SoCalGas 2024 GRC, SoCalGas recorded revenues in the first three quarters of 2024 based on levels authorized for 2023 under the 2019 GRC. In December 2024, the CPUC approved an FD in the 2024 GRC, effective retroactive to January 1, 2024, for which SoCalGas recorded the retroactive impacts in the fourth quarter of 2024. SoCalGas' authorized base revenues for the first quarter of 2025 are based on the revenues authorized for the 2024 test year plus the amount authorized for attrition for 2025. We provide additional information on the 2024 GRC FD in Note 4 of the Notes to Condensed Consolidated Financial Statements in this report and in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report.

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

(Dollars in millions)



In the three months ended March 31, 2025 compared to the same period in 2024, the increase in earnings of \$84 million (23%) was primarily due to:

- \$54 million higher income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- \$38 million higher CPUC base operating margin, net of operating expenses and \$8 million lower authorized cost of capital. In the first three quarters of 2024, SoCalGas recorded CPUC-authorized base revenues based on 2023 authorized levels

Offset by:

- \$9 million higher net interest expense

SIGNIFICANT CHANGES IN REVENUES AND COSTS

Natural Gas Revenues and Cost of Natural Gas

In the three months ended March 31, 2025 and 2024, SoCalGas' average cost of natural gas per thousand cubic feet was \$4.23 and \$4.50, respectively. The average cost of natural gas sold at SoCalGas is impacted by market prices, as well as transportation and other charges.

In the three months ended March 31, 2025 compared to the same period in 2024, SoCalGas' natural gas revenues increased by \$215 million (12%) to \$2.0 billion primarily due to:

- \$147 million higher CPUC-authorized revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by \$11 million lower authorized cost of capital
- \$146 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$45 million higher regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD

Offset by:

- \$59 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- \$50 million decrease in cost of natural gas sold, which we discuss below

In the three months ended March 31, 2025 compared to the same period in 2024, SoCalGas' cost of natural gas decreased by \$50 million (11%) to \$415 million primarily due to:

- \$27 million lower average natural gas prices
- \$23 million lower volumes driven by weather

Operation and Maintenance

In the three months ended March 31, 2025 compared to the same period in 2024, SoCalGas' O&M increased by \$144 million (23%) to \$757 million primarily due to higher expenses associated with refundable programs, which costs are recovered in revenue.

Income Taxes

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
SoCalGas:		
Income tax expense	\$ 38	\$ 43
Income before income taxes	\$ 481	\$ 402
Effective income tax rate	8 %	11 %

In the three months ended March 31, 2025 compared to the same period in 2024, SoCalGas' income tax expense decreased by \$5 million primarily due to:

- higher income tax benefits from flow-through items

Offset by:

- higher pretax income

CAPITAL RESOURCES AND LIQUIDITY

OVERVIEW

Sempra

Liquidity

We expect to meet our cash requirements through cash flows from operations, unrestricted cash and cash equivalents, borrowings under or supported by our credit facilities, other incurrences of debt which may include issuing debt securities and obtaining term loans, issuing equity securities under our ATM program or other offerings, funding from NCI owners, and selling assets or equity interests in our subsidiaries or development projects. We believe that these cash flow sources, combined with available funds, will be adequate to fund our operations in both the short-term and long-term, including to:

- finance capital expenditures
- repay debt
- fund dividends
- fund contractual and other obligations and otherwise meet liquidity requirements
- fund capital contribution requirements
- fund new business or asset acquisitions

Sempra, SDG&E and SoCalGas currently have reasonable access to the money markets and capital markets and are not currently constrained in their ability to borrow or otherwise raise money at market rates from commercial banks, under existing revolving credit facilities, through public offerings of debt or equity securities (including under our ATM program or other offerings), or through private placements of debt supported by our revolving credit facilities in the case of commercial paper. However, our ability to access these markets or obtain credit from commercial banks outside of our committed revolving credit facilities could become materially constrained if economic conditions worsen or disruptions to or volatility in these markets increase. In addition, our financing activities, actions by credit rating agencies and prevailing interest rates, as well as many other factors, could negatively affect the availability and cost of both short-term and long-term debt and equity financing. In January 2025, S&P revised Sempra's outlook to negative from stable and downgraded SoCalGas' issuer credit rating to A- from A. Also, cash flows from operations may be impacted by the timing and outcomes of regulatory proceedings, commencement and completion of, and potential cost overruns for, large projects and other material events. If cash flows from operations were to be significantly reduced or we were unable to borrow or obtain other financing under acceptable terms, we would likely first reduce or postpone discretionary capital expenditures (not related to safety/reliability) and investments in new businesses. We monitor our ability to finance the needs of our operating, investing and financing activities in a manner consistent with our goal to maintain our investment-grade credit ratings.

ATM Program and Forward Sales Agreements

In November 2024, we established an ATM program providing for the offer and sale of shares of Sempra common stock having an aggregate gross sales price of up to \$3.0 billion through agents acting as our sales agents or as forward sellers or directly to the agents as principals. The shares may be offered and sold in amounts and at times to be determined by us from time to time.

Since establishing the ATM program, an aggregate of 4,996,591 shares have been sold under the forward sale agreements described below with an average initial forward price of \$83.175. Such average initial forward price is weighted to take into account the number of shares sold under each forward sale agreement.

In the fourth quarter of 2024, we entered into a forward sale agreement under the ATM program for the sale of 2,909,274 shares of Sempra common stock that remain subject to future settlement. At the initial forward price of \$92.1546 per share, the net proceeds from this forward sale agreement if we elect full physical settlement would be approximately \$268 million. At March 31, 2025, a total of 2,909,274 shares of Sempra common stock remain subject to future settlement under this forward sale agreement, which may be settled on one or more dates specified by us no later than June 30, 2026.

In the first quarter of 2025, we entered into a forward sale agreement under the ATM program for the sale of 2,087,317 shares of Sempra common stock that remain subject to future settlement. At the initial forward price of \$70.6593 per share, the net proceeds from this forward sale agreement if we elect full physical settlement would be approximately \$147 million. At March 31, 2025, a total of 2,087,317 shares of Sempra common stock remain subject to future settlement under this forward sale agreement, which may be settled on one or more dates specified by us no later than March 31, 2027.

We did not initially receive any proceeds from the sale of shares pursuant to the forward sale agreements. Although we may settle the forward sale agreements entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, we may, subject to certain conditions, elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreements.

At March 31, 2025, approximately \$2.6 billion of common stock remained available for sale under the ATM program.

We further discuss these activities, including the intended use of proceeds and effect on diluted EPS, in Note 10 of the Notes to Condensed Consolidated Financial Statements.

Available Funds

Our committed lines of credit provide liquidity and support commercial paper. Sempra, SDG&E and SoCalGas each has a committed line of credit expiring in 2029 and Sempra Infrastructure has four committed lines of credit expiring on various dates from 2025 through 2030, and an uncommitted line of credit expiring in 2026.

AVAILABLE FUNDS AT MARCH 31, 2025

(Dollars in millions)

	Sempra		SDG&E		SoCalGas	
Unrestricted cash and cash equivalents ⁽¹⁾	\$	1,739	\$	607	\$	40
Available unused credit ⁽²⁾		8,500		1,363		1,053

⁽¹⁾ Amounts at Sempra include \$112 held in non-U.S. jurisdictions. We discuss repatriation in Note 7 of the Notes to Consolidated Financial Statements in the Annual Report.

⁽²⁾ Available unused credit is the total available on committed and uncommitted lines of credit that we discuss in Note 7 of the Notes to Condensed Consolidated Financial Statements. Because our commercial paper programs are supported by these lines, we reflect the amount of commercial paper outstanding and any letters of credit outstanding as a reduction to the available unused credit.

Short-Term Borrowings

We use short-term debt primarily to meet liquidity requirements, fund shareholder dividends, and temporarily finance capital expenditures or acquisitions. SDG&E and SoCalGas use short-term debt primarily to meet working capital needs or to help fund event-specific costs. Commercial paper and lines of credit were our primary sources of short-term debt funding in the first three months of 2025.

We discuss our short-term debt activities in Note 7 of the Notes to Condensed Consolidated Financial Statements and below in “Sources and Uses of Cash.”

Long-Term Debt Activities

Significant issuances of and payments on long-term debt in the first three months of 2025 included the following:

LONG-TERM DEBT ISSUANCES AND PAYMENTS

(Dollars in millions)

Issuances:	Amount at issuance	Maturity
SDG&E 5.40% first mortgage bonds	\$ 850	2035
Sempra Infrastructure variable rate notes (ECALNG Phase 1 project)	54	2025
Sempra Infrastructure variable rate notes (PALNG Phase 1 project)	881	2030
Sempra Infrastructure 6.27% senior secured notes (PALNG Phase 1 project)	750	2042
Payments:	Payments	Maturity
Sempra Infrastructure variable rate notes (PALNG Phase 1 project)	\$ 737	2030

We discuss our long-term debt activities, including the use of proceeds on long-term debt issuances, in Note 7 of the Notes to Condensed Consolidated Financial Statements.

Credit Ratings

We provide additional information about the credit ratings of Sempra, SDG&E and SoCalGas in “Part I – Item 1A. Risk Factors” and “Part II – Item 2. MD&A – Capital Resources and Liquidity” in the Annual Report.

The issuer credit ratings of Sempra, SDG&E and SoCalGas remained at investment grade levels in the first three months of 2025.

ISSUER CREDIT RATINGS AT MARCH 31, 2025

	Sempra	SDG&E	SoCalGas
Moodys	Baa2 with a negative outlook	A3 with a stable outlook	A2 with a stable outlook
S&P	BBB+ with a negative outlook	BBB+ with a stable outlook	A- with a stable outlook
Fitch	BBB+ with a stable outlook	BBB+ with a stable outlook	A with a stable outlook

A downgrade of Sempra’s or any of its subsidiaries’ credit ratings or rating outlooks may, depending on the severity, result in the imposition of financial or other burdensome covenants or a requirement for collateral to be posted in the case of certain financing arrangements and may materially and adversely affect the market prices of their equity and debt securities, the rates at which borrowings are made and commercial paper is issued, and the various fees on their outstanding credit facilities. This could make it more costly for Sempra, SDG&E, SoCalGas and Sempra’s other subsidiaries to issue debt or equity securities, to borrow under credit facilities and to raise certain other types of financing. We provide additional information about our credit ratings at Sempra, SDG&E and SoCalGas in “Part I – Item 1A. Risk Factors” in the Annual Report.

Sempra has agreed that, if the credit rating of Oncor’s senior secured debt by any of the three major rating agencies falls below BBB (or the equivalent), Oncor will suspend dividends and other distributions (except for contractual tax payments), unless otherwise allowed by the PUCT. Oncor’s senior secured debt was rated A2, A+ and A at Moody’s, S&P and Fitch, respectively, at March 31, 2025.

Loans due to/from Affiliates

At March 31, 2025, Sempra had \$355 million in loans due to unconsolidated affiliates.

Pillar Two

The Organization for Economic Cooperation and Development has introduced a framework known as “Pillar Two” to implement a global minimum effective tax rate of 15% in every jurisdiction (generally, every country) in which a company does business. Many aspects of the Pillar Two framework became effective beginning in 2024. While it is uncertain whether the U.S. or Mexico will enact legislation to adopt the Pillar Two framework, other countries are in the process of introducing and enacting legislation to implement Pillar Two. We do not currently expect the Pillar Two framework to have a material effect on Sempra’s, SDG&E’s or SoCalGas’ results of operations, financial condition and/or cash flows.

Sempra California

SDG&E’s and SoCalGas’ operations have historically provided relatively stable earnings and liquidity. Their future performance and liquidity will depend primarily on the ratemaking and regulatory process, environmental regulations, economic conditions, actions by legislatures, litigation and the changing energy marketplace, as well as other matters described in this report and the Annual Report. SDG&E and SoCalGas expect that the available unused funds from their credit facilities described above, which also supports their commercial paper programs, cash flows from operations, and other incurrences of debt including issuing debt securities and obtaining term loans will continue to be adequate to fund their respective current operations and planned capital expenditures. SDG&E and SoCalGas manage their capital structures and pay dividends when appropriate and as approved by their respective boards of directors.

SDG&E and SoCalGas have regulatory mechanisms to recover credit losses and thus record changes in the allowances for credit losses related to Accounts Receivable – Trade that are probable of recovery in regulatory accounts. Although SDG&E and SoCalGas have regulatory mechanisms to recover credit losses, delay in payments by customers impacts the timing of their cash flows.

As we discuss in Note 4 of the Notes to Condensed Consolidated Financial Statements, changes in regulatory balancing accounts for significant costs at SDG&E and SoCalGas, particularly a change between over- and undercollected status, may have a significant impact on cash flows. These changes generally represent the difference between when costs are incurred and when they are ultimately recovered or refunded in rates through billings to customers.

CPUC GRC

As we discuss in Note 4 of the Notes to Condensed Consolidated Financial Statements, in December 2024, the CPUC approved an FD in the 2024 GRC for SDG&E and SoCalGas that authorizes SDG&E's and SoCalGas' revenue requirements for 2024 and attrition year adjustments for 2025 through 2027, inclusively.

Since the GRC FD is effective retroactive to January 1, 2024, SDG&E and SoCalGas recorded the retroactive impacts in the fourth quarter of 2024. The incremental revenue requirements associated with the period from January 1, 2024 through January 31, 2025 are being recovered in rates over an 18-month period that began on February 1, 2025.

Existing and Anticipated Requests for Recovery of Specified Safety, Maintenance and Reliability Investments. The GRC also provides SDG&E and SoCalGas with numerous mechanisms to seek cost recovery of specified projects and programs. We expect that the requests for cost recovery of these projects and programs, which remain subject to CPUC approval, will result in additional amounts of authorized revenue requirement. These projects and programs include (i) the Track 2 and Track 3 requests that we describe below, (ii) the ability to file advice letters to implement the revenue requirements associated with the costs of SDG&E's Moreno compressor station project and SoCalGas' Honor Rancho compressor station and customer information system replacement projects, which projects were all approved by the CPUC subject to applicable cost caps, and (iii) the opportunity to file separate applications for cost recovery of mobile home park and gas integrity management programs at both SDG&E and SoCalGas, advanced metering infrastructure replacements at SDG&E, and other projects and programs.

2024 GRC Track 2. In October 2023, SDG&E submitted a separate request to the CPUC in its 2024 GRC, known as a Track 2 request. This request seeks review and recovery of \$1.5 billion of wildfire mitigation plan costs incurred from 2019 through 2022 that were in addition to amounts authorized in the 2019 GRC and not addressed in the 2024 GRC FD. SDG&E expects to receive a proposed decision for its Track 2 request in the second half of 2025.

Revenue requirements associated with the Track 2 request have been recorded in a regulatory account. In February 2024, the CPUC approved an interim cost recovery mechanism that permits SDG&E to recover in rates \$194 million and \$96 million of this regulatory account balance in 2024 and 2025, respectively. Such recovery of SDG&E's wildfire mitigation plan regulatory account balance will be subject to refund, contingent on the reasonableness review decision for its Track 2 request.

2024 GRC Track 3. In April 2025, SDG&E and SoCalGas each submitted additional requests to the CPUC in the 2024 GRC, known as Track 3 requests. SDG&E submitted a request seeking review and recovery of \$417 million of its wildfire mitigation plan costs incurred in 2023 that were in addition to the amounts authorized in the 2019 GRC and not addressed in the 2024 GRC. Additionally, SDG&E and SoCalGas submitted a combined request seeking review and recovery of \$240 million and \$499 million, respectively, of PSEP costs incurred from 2014 through 2019 and 2015 through 2020, respectively. SDG&E and SoCalGas expect to receive proposed decisions for their Track 3 requests in the first half of 2026.

Revenue requirements associated with the Track 3 requests have been recorded in regulatory accounts. SDG&E and SoCalGas are authorized interim rate recovery of up to 50% of the recorded PSEP regulatory account balance at the end of each year. Such interim rate recovery is subject to refund, contingent on the reasonableness review decision for their Track 3 requests.

CPUC Cost of Capital

In March 2025, SDG&E and SoCalGas each filed applications with the CPUC seeking to update their cost of capital for 2026 through 2028, subject to the CCM. SDG&E and SoCalGas expect to receive a final decision by the end of 2025. We further discuss the cost of capital and CCM in Note 4 of the Notes to Condensed Consolidated Financial Statements.

SDG&E

Wildfire Fund

The carrying value of SDG&E's Wildfire Fund asset totaled \$272 million at March 31, 2025. We describe the Wildfire Legislation and SDG&E's commitment to make annual shareholder contributions to the Wildfire Fund through 2028 in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

SDG&E is exposed to the risk that the participating California electric IOUs may incur third-party wildfire costs for which they will seek recovery from the Wildfire Fund with respect to wildfires that have occurred since enactment of the Wildfire Legislation in July 2019. In such a situation, SDG&E may recognize a reduction of its Wildfire Fund asset and record accelerated amortization against earnings when available coverage is reduced due to recoverable claims from any of the participating IOUs. PG&E is seeking reimbursement from the Wildfire Fund for losses associated with the Dixie Fire, which burned from July 2021 through October 2021. In the case of the recent LA Fires, the causes of these fires have not been determined and therefore these fires may not ultimately impact the Wildfire Fund. Multiple lawsuits related to one of these LA Fires have been initiated against Edison as the investigation into the causes of these fires continues. If any California electric IOUs' assets are determined to be a cause of fires, including fires of the size and scope of the LA Fires, payments of claims associated with those events could have a material adverse effect on the Wildfire Fund and on SDG&E's and Semptra's financial condition and results of operations up to the carrying value of our Wildfire Fund asset, with additional potential material exposure if SDG&E's equipment is determined to be a cause of a fire. In addition, the Wildfire Fund could be completely exhausted due to fires in the other California electric IOUs' service territories, by fires in SDG&E's service territory or by a combination thereof. In the event that the Wildfire Fund is materially diminished, exhausted or terminated, SDG&E will lose the protection afforded by the Wildfire Fund, and as a consequence, a fire in SDG&E's service territory could have a material adverse effect on SDG&E's and Semptra's results of operations, financial condition, cash flows and/or prospects.

FERC Rate Matters

SDG&E files separately with the FERC for its authorized transmission revenue requirement and ROE on FERC-regulated electric transmission operations and assets.

TO5 Settlement. SDG&E's authorized TO5 settlement provided for an ROE of 10.60%, consisting of a base ROE of 10.10% plus the California ISO adder. In December 2024, the FERC issued an order, which SDG&E has appealed, finding that SDG&E is not eligible for the California ISO adder and that the TO5 adder refund provision had been triggered, requiring SDG&E to refund customers the California ISO adder retroactively from June 1, 2019.

TO6 Filing. In October 2024, SDG&E submitted its TO6 filing to the FERC and requested it to be effective January 1, 2025. SDG&E's TO6 filing proposes, among other items, an increase to SDG&E's currently authorized base ROE from 10.10% to 11.75% plus the California ISO adder, for a total ROE of 12.25%. In December 2024, the FERC accepted SDG&E's TO6 filing, subject to refund; suspended the effective date to June 1, 2025; established hearing and settlement judge procedures; and disallowed the inclusion of the California ISO adder, the last of which SDG&E has appealed.

Off-Balance Sheet Arrangements

SDG&E has entered into PPAs and tolling agreements that are variable interests in unconsolidated entities. We discuss variable interests in Note 1 of the Notes to Condensed Consolidated Financial Statements.

SoCalGas

Catastrophic Events Cost Recovery

In April 2025, the CPUC issued a proposed decision that authorizes partial recovery of costs recorded in SoCalGas' Catastrophic Event Memorandum Account and COVID-19 Pandemic Protections Memorandum Account. The decision authorizes the recovery of \$19 million out of the requested \$58 million. SoCalGas will continue to pursue recovery of all the costs and will be filing comments in May 2025. A final decision may be issued in June 2025.

LA Fires

The LA Fires burned in SoCalGas' service territory. The California Department of Forestry and Fire Protection estimated that the Palisades and Eaton fires damaged approximately 2,000 structures and destroyed approximately 16,200 structures. The potential costs to SoCalGas will depend on various factors, including the number of customer rebuilds and the nature and extent of the necessary repairs to SoCalGas' facilities.

SoCalGas has mechanisms available for potential recovery of costs associated with declared disasters, such as the LA Fires, including through insurance and customer rates. Failure by SoCalGas to timely recover all or a substantial portion of its costs related to the LA Fires or any conclusion that such recovery is no longer probable could have a material adverse effect on SoCalGas' and Semptra's results of operations, financial condition, cash flows and/or prospects.

Aliso Canyon Natural Gas Storage Facility

Litigation. From October 23, 2015 through February 11, 2016, SoCalGas experienced the Leak, which we discuss in Note 12 of the Notes to Condensed Consolidated Financial Statements in this report and in “Part I – Item 1A. Risk Factors” in the Annual Report. As of May 5, 2025, there are approximately 505 plaintiffs who have filed lawsuits related to the Leak or who declined to participate in a previous settlement related to the Leak and are able to continue to pursue their claims. SoCalGas’ loss contingency accruals do not include any amounts in excess of what has been reasonably estimated to resolve these matters, nor any amounts that may be necessary to resolve threatened litigation, other potential litigation or other costs. We are not able to reasonably estimate the possible loss or a range of possible losses in excess of the amounts accrued, which could be significant and could have a material adverse effect on SoCalGas’ and Sempra’s results of operations, financial condition, cash flows and/or prospects.

Operations and Reliability. Natural gas withdrawn from storage is important to help maintain service reliability during peak demand periods, including consumer heating needs in the winter and peak electric generation needs in the summer. The Aliso Canyon natural gas storage facility is the largest SoCalGas storage facility and an important component of SoCalGas’ delivery system. Subject to future CPUC biennial reviews and potential additional proceedings, the CPUC determined that the Aliso Canyon natural gas storage facility is currently necessary for natural gas and electric reliability and affordable rates and authorized it to continue operating at a maximum working natural gas storage level of 68.6 bcf. The first biennial assessment from the CPUC is due in June 2025.

Labor Relations

Field, technical and most clerical employees at SoCalGas are represented by the Utility Workers Union of America or the International Chemical Workers Union Council. The collective bargaining agreement for these employees covering wages, hours, working conditions, and medical and other benefit plans was due to expire on September 30, 2024, but was extended by mutual agreement while SoCalGas and the unions continued negotiations. A new collective bargaining agreement was ratified on March 31, 2025 and is scheduled to expire on September 30, 2028.

Sempra Texas Utilities

Oncor relies on external financing as a significant source of liquidity for its capital requirements. In the event that Oncor fails to meet its capital requirements, access sufficient capital, or raise capital on favorable terms to finance its ongoing needs, we may elect to make additional capital contributions to Oncor (as our commitments to the PUCT prohibit us from making loans to Oncor), which could be substantial and reduce the cash available to us for other purposes, increase our indebtedness and ultimately materially adversely affect our results of operations, financial condition, cash flows and/or prospects. Oncor’s ability to make distributions may be limited by factors such as its credit ratings, regulatory capital requirements, increases in its capital plan, debt-to-equity ratio approved by the PUCT and other restrictions and considerations. In addition, Oncor will not make distributions if a majority of Oncor’s independent directors or any minority member director determines it is in the best interests of Oncor to retain such amounts to meet expected future requirements.

Rates and Cost Recovery

The PUCT issued a final order in Oncor’s most recent comprehensive base rate proceeding in April 2023, and rates implementing that order went into effect on May 1, 2023. In June 2023, the PUCT issued an order on rehearing in response to the motions for rehearing filed by Oncor and certain intervening parties in the proceeding. The order on rehearing made certain technical and typographical corrections to the final order but otherwise affirmed the material provisions of the final order and did not require modification of the rates that went into effect on May 1, 2023. In September 2023, Oncor filed an appeal in Travis County District Court seeking judicial review of certain rate base disallowances and related expense effects of those disallowances in the PUCT’s order on rehearing. In February 2024, the court dismissed the appeal for lack of jurisdiction. In March 2024, Oncor appealed the court’s dismissal, which is currently with the Fifteenth Court of Appeals in Texas. Oral argument on the appeal was held on April 15, 2025.

Oncor is currently contemplating filing a base rate review in the second quarter of 2025 using a historical test year of 2024.

Off-Balance Sheet Arrangement

Our investment in Oncor Holdings is a variable interest in an unconsolidated entity. We discuss variable interests in Note 1 of the Notes to Condensed Consolidated Financial Statements.

Sempra Infrastructure

Sempra Infrastructure expects to fund capital expenditures, investments and operations in part with available funds, including existing credit facilities, and cash flows from operations from the Sempra Infrastructure businesses. We expect Sempra Infrastructure will require additional funding for the development and expansion of its portfolio of projects, which may be financed through a combination of funding from the parent and NCI owners, bank financing, issuances of debt, project financing, partnering in JVs and asset sales.

In the three months ended March 31, 2025 and 2024, Sempra Infrastructure distributed \$38 million and \$111 million, respectively, to its NCI owners, and NCI owners contributed \$34 million and \$474 million, respectively, to Sempra Infrastructure.

As we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements, on March 28, 2025, we determined to move forward with a process to sell (i) Ecogas, and (ii) a portion of our 70% interest in SI Partners equal to between 15% and 30% of SI Partners' total outstanding interests. We expect to complete these sales over the next 12-18 months, subject to reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations.

Sempra Infrastructure is in various stages of development or construction of natural gas liquefaction projects, pipeline and terminal projects, and renewable power generation and sequestration projects, which we describe below. The successful development and/or construction of these projects is subject to numerous risks and uncertainties.

With respect to projects in development, these risks and uncertainties include, as applicable depending on the project, any failure to:

- secure binding customer commitments
- identify suitable project and equity partners
- obtain sufficient financing
- reach agreement with project partners or other applicable parties to proceed
- obtain, modify, and/or maintain permits and regulatory approvals, including LNG export applications to non-FTA countries
- negotiate, complete and maintain suitable commercial agreements, which may include EPC, tolling, equity acquisition, governance, LNG sales, gas supply and transportation contracts
- reach a positive final investment decision

With respect to projects under construction, these risks and uncertainties include, in addition to the risks described above as applicable to each project, construction delays and cost overruns.

An unfavorable outcome with respect to any of these factors could have a material adverse effect on (i) the development and construction of the applicable project, including a potential impairment of all or a substantial portion of the capital costs invested in the project to date, which could be material, and (ii) for any project that has reached a positive final investment decision, Sempra's results of operations, financial condition, cash flows and/or prospects. For a further discussion of these risks, see "Part I – Item 1A. Risk Factors" in the Annual Report.

The descriptions below discuss several HOAs, MOUs and other non-binding development agreements with respect to Sempra Infrastructure's various development projects. These arrangements do not commit any party to enter into definitive agreements or otherwise participate in the applicable project, and the ultimate participation by the parties remains subject to negotiation and finalization of definitive agreements, among other factors.

LNG

Cameron LNG Phase 2 Project. Cameron LNG JV is developing a proposed expansion project that would add one electric drive liquefaction train with an expected maximum production capacity of approximately 6.75 Mtpa and would increase the production capacity of the existing three trains at the Cameron LNG Phase 1 facility by up to approximately 1 Mtpa through debottlenecking activities. The Cameron LNG JV site can accommodate additional trains beyond the proposed Cameron LNG Phase 2 project.

Cameron LNG JV has received major permits, which have been amended to allow the use of electric drives for a one-train electric drive expansion along with other design enhancements, and FTA and non-FTA approvals associated with the potential expansion. The non-FTA approval for the proposed Cameron LNG Phase 2 project includes, among other things, a May 2026 deadline to commence commercial exports, for which we expect to request an extension.

Sempra Infrastructure and the other Cameron LNG JV members, namely affiliates of TotalEnergies SE, Mitsui & Co., Ltd. and Japan LNG Investment, LLC, a company jointly owned by Mitsubishi Corporation and Nippon Yusen Kabushiki Kaisha, have entered into a non-binding HOA for the potential development of the Cameron LNG Phase 2 project. The non-binding HOA provides a commercial framework for the proposed project, including the contemplated allocation to SI Partners of 50.2% of the fourth train production capacity and 25% of the debottlenecking capacity from the project under tolling agreements. The non-binding HOA contemplates the remaining capacity to be allocated equally to the existing Cameron LNG Phase 1 facility customers.

Cameron LNG JV concluded additional value engineering work on the proposed project in December 2024, which improved the overall value of the project and enabled evaluation of another potential EPC contractor. In collaboration with our partners, we continue to evaluate the results of this work as well as the full scope of the proposed project, and also the timeframe to make a final investment decision, which remains subject to, among other things, satisfactory conclusion on the EPC process as well as negotiation and finalization of definitive offtake agreements and completion of all related financing and permitting activities.

Entergy Louisiana, LLC, a subsidiary of Entergy Corporation, and Cameron LNG JV have an electricity service agreement (and related ancillary agreements) for the supply to Cameron LNG JV of up to 950 MW of power from new renewable sources in Louisiana.

Expansion of the Cameron LNG Phase 1 facility beyond the first three trains is subject to certain restrictions and conditions under the JV project financing agreements, including among others, scope restrictions on expansion of the project unless appropriate prior consent is obtained from the existing project lenders. Under the Cameron LNG JV equity agreements, the expansion of the project requires the unanimous consent of all the members, including with respect to the equity investment obligation of each member.

ECA LNG Phase 1 Project. ECA LNG Phase 1 is constructing a one-train natural gas liquefaction facility at the site of Sempra Infrastructure's existing ECA Regas Facility with a nameplate capacity of 3.25 Mtpa and an initial offtake capacity of 2.5 Mtpa. We do not expect the construction or operation of the ECA LNG Phase 1 project to disrupt operations at the ECA Regas Facility. SI Partners owns an 83.4% interest in ECA LNG Phase 1, resulting in Sempra Infrastructure holding a 58.4% interest in the project. An affiliate of TotalEnergies SE owns the remaining 16.6% interest in the project.

We received authorizations from the DOE to export U.S.-produced natural gas to Mexico and to re-export LNG to non-FTA countries from the ECA LNG Phase 1 project. ECA LNG Phase 1 has definitive 20-year SPAs with an affiliate of TotalEnergies SE for approximately 1.7 Mtpa of LNG and with Mitsui & Co., Ltd. for approximately 0.8 Mtpa of LNG. The customers have a termination right if the ECA LNG Phase 1 project does not commence commercial operations under the SPAs by February 24, 2026, subject to certain additional conditions, for which we expect to request an extension if necessary.

We have an EPC contract with TP Oil & Gas Mexico, S. de R.L. de C.V., an affiliate of Technip Energies N.V., to construct the ECA LNG Phase 1 project. We estimate the total price of the EPC contract to be approximately \$1.6 billion, with capital expenditures approximating \$2.5 billion including capitalized interest at the project level and project contingency. The actual cost of the EPC contract and the actual amount of these capital expenditures may differ substantially from our estimates. We expect the ECA LNG Phase 1 project to commence commercial operations in the spring of 2026.

ECA LNG Phase 1 has a five-year loan agreement with a syndicate of seven external lenders that matures in December 2025, which we expect to extend, for an aggregate principal amount of up to \$1.3 billion, of which \$1.1 billion was outstanding at March 31, 2025. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

With respect to the ECA LNG Phase 1 and Phase 2 projects, recent and proposed changes to the Mexican Constitution and certain laws in Mexico and an unfavorable resolution of land disputes and permit challenges, in each case that we discuss in Note 12 of the Notes to Condensed Consolidated Financial Statements, could have a material adverse effect on the development and construction of these projects.

ECA LNG Phase 2 Project. Sempra Infrastructure is developing a second, large-scale natural gas liquefaction project at the site of its existing ECA Regas Facility. We expect the proposed ECA LNG Phase 2 project to be comprised of two trains and one LNG storage tank and produce approximately 12 Mtpa of export capacity. We expect that construction of the proposed ECA LNG Phase 2 project would conflict with the current operations at the ECA Regas Facility, which currently has firm storage service agreements and nitrogen injection service agreements with Shell México Gas Natural, S. de R.L. de C.V. and SEFE Marketing & Trading México S. de R.L. de C.V. that expire in May 2028 and December 2025, respectively.

We received authorizations from the DOE to export U.S.-produced natural gas to Mexico and to re-export LNG to non-FTA countries from the proposed ECA LNG Phase 2 project.

We have non-binding MOUs and/or HOAs with Mitsui & Co., Ltd., an affiliate of TotalEnergies SE, and ConocoPhillips that provide a framework for their potential offtake of LNG from the proposed ECA LNG Phase 2 project and potential acquisition of an equity interest in ECA LNG Phase 2.

PA LNG Phase 1 Project. Sempra Infrastructure is constructing a natural gas liquefaction project on a greenfield site that it owns in the vicinity of Port Arthur, Texas, located along the Sabine-Neches waterway. The PA LNG Phase 1 project will consist of two liquefaction trains, two LNG storage tanks, a marine berth and associated loading facilities and related infrastructure necessary to provide liquefaction services with a nameplate capacity of approximately 13 Mtpa and an initial offtake capacity of approximately 10.5 Mtpa. SI Partners, KKR Denali and an affiliate of ConocoPhillips own a 28%, 42% and 30% interest, respectively, in the PA LNG Phase 1 project. Sempra Infrastructure holds a 19.6% interest in the project.

Sempra Infrastructure has received authorizations from the DOE that permit the LNG to be produced from the PA LNG Phase 1 project to be exported to all current and future FTA and non-FTA countries. In April 2019, the FERC approved the siting, construction and operation of the PA LNG Phase 1 project. Port Arthur LNG has received authorization from the FERC to increase its work force and implement a 24-hours-per-day construction schedule to further enhance construction efficiency while reducing temporal impacts to the community and environment in the vicinity of the project. The authorization provides the EPC contractor with more optionality to meet or exceed the project's construction schedule.

The PA LNG Phase 1 project holds two Clean Air Act, Prevention of Significant Deterioration permits issued by the TCEQ, which we refer to as the "2016 Permit" and the "2022 Permit." The 2022 Permit also governs emissions for the proposed PA LNG Phase 2 project. In November 2023, a panel of the U.S. Court of Appeals for the Fifth Circuit issued a decision to vacate and remand the 2022 Permit to the TCEQ for additional explanation of the agency's permit decision. In February 2024, the court withdrew its opinion and referred the case to the Supreme Court of Texas to resolve the question of the appropriate standard to be applied by the TCEQ. In February 2025, the Supreme Court of Texas adopted Port Arthur LNG's interpretation of the standard. Port Arthur LNG continues to litigate this matter before the U.S. Court of Appeals for the Fifth Circuit, which will apply the standard adopted by the Supreme Court of Texas. The 2022 Permit is effective during the pending litigation. The 2016 Permit was not the subject of, and is unaffected by, the pending litigation of the 2022 Permit. Construction of the PA LNG Phase 1 project is proceeding uninterrupted under existing permits, and we do not currently anticipate the pending litigation to materially impact the PA LNG Phase 1 project cost, schedule or expected commercial operations at this stage.

Sempra Infrastructure has definitive SPAs for LNG offtake from the PA LNG Phase 1 project with:

- an affiliate of ConocoPhillips for a 20-year term for 5 Mtpa of LNG, as well as a natural gas supply management agreement whereby an affiliate of ConocoPhillips will manage the feed gas supply requirements for the PA LNG Phase 1 project.
- RWE Supply & Trading GmbH, a subsidiary of RWE AG, for a 15-year term for 2.25 Mtpa of LNG.
- INEOS Energy Trading Limited, a subsidiary of INEOS Limited, for a 20-year term for approximately 1.4 Mtpa of LNG.
- Polski Koncern Naftowy Orlen S.A. for a 20-year term for approximately 1 Mtpa of LNG.
- ENGIE S.A. for a 15-year term for approximately 0.875 Mtpa of LNG.

We have an EPC contract with Bechtel to construct the PA LNG Phase 1 project, which has an estimated price of approximately \$10.7 billion. We estimate the capital expenditures for the PA LNG Phase 1 project will be approximately \$13 billion including capitalized interest at the project level and project contingency. The actual cost of the EPC contract and the actual amount of these capital expenditures may differ materially from our estimates, including as a result of the imposition of tariffs. We expect the first and second trains of the PA LNG Phase 1 project to commence commercial operations in 2027 and 2028, respectively.

As we discuss in Note 12 of the Notes to Condensed Consolidated Financial Statements, in April 2025, an incident occurred at the site of the PA LNG Phase 1 project that resulted in the deaths of three Bechtel employees and the injury of two Bechtel employees. OSHA has opened an inspection with respect to Bechtel. The cause of the incident remains under investigation. In connection with the incident, as of May 8, 2025, three complaints have been filed on behalf of 17 plaintiffs, and a TRO has been issued to preserve relevant evidence at the construction site. Bechtel is continuing construction of the PA LNG Phase 1 project, subject to applicable limitations under the TRO and ongoing OSHA inspection. We are evaluating the parties' rights and obligations under Port Arthur LNG's EPC contract with Bechtel in light of this incident.

As we discuss in Note 10 of the Notes to Condensed Consolidated Financial Statements, SI Partners and ConocoPhillips have provided guarantees relating to their respective affiliate's commitment to make its pro rata equity share of capital contributions to fund 110% of the development budget of the PA LNG Phase 1 project, in an aggregate amount of up to \$9.0 billion. SI Partners' guarantee covers 70% of this amount plus enforcement costs of its guarantee. As of March 31, 2025, an aggregate amount of \$2.7 billion has been paid by SI Partners' subsidiary in satisfaction of its commitment to fund its portion of the development budget of the PA LNG Phase 1 project.

Port Arthur LNG has a seven-year term loan facility for an aggregate principal amount of approximately \$6.8 billion and an initial working capital facility for up to \$200 million, each of which matures in March 2030. At March 31, 2025, \$1.2 billion of borrowings were outstanding under the term loan facility agreement. Proceeds from the loan are being used to finance the cost of construction of the PA LNG Phase 1 project.

In January 2025, Port Arthur LNG issued senior secured notes for an aggregate principal amount of \$750 million and received proceeds of \$742 million (net of debt issuance costs of \$8 million). In April 2025, Port Arthur LNG issued senior secured notes for an aggregate principal amount of \$250 million and received proceeds of \$248 million (net of debt issuance costs of \$2 million). The notes mature in December 2042. The net proceeds were used to repay borrowings and accrued interest under the existing Port Arthur LNG term loan facility.

PA LNG Phase 2 Project. Sempra Infrastructure is developing a second phase of the Port Arthur natural gas liquefaction project that we expect will be a similar size to the PA LNG Phase 1 project. We are progressing the development of the proposed PA LNG Phase 2 project, while continuing to evaluate overall opportunities to develop the entirety of the Port Arthur site.

In September 2023, the FERC approved the siting, construction and operation of the proposed PA LNG Phase 2 project, including the potential addition of up to two liquefaction trains. In February 2020, Sempra Infrastructure filed an application with the DOE to permit LNG produced from the proposed PA LNG Phase 2 project to be exported to all current and future non-FTA countries. We received FTA authorization from the DOE in July 2020.

As we discuss above, a U.S. federal court previously issued and subsequently withdrew a decision that would have vacated and remanded the 2022 Permit authorizing emissions from the PA LNG Phase 1 and Phase 2 projects to the TCEQ for additional explanation of the agency's permit decision. The U.S. Court of Appeals for the Fifth Circuit referred the case to the Supreme Court of Texas to resolve the question of the appropriate standard to be applied by the TCEQ. In February 2025, the Supreme Court of Texas adopted Port Arthur LNG's interpretation of the standard. Port Arthur LNG continues to litigate this matter before the U.S. Court of Appeals for the Fifth Circuit, which will apply the standard adopted by the Supreme Court of Texas. The 2022 Permit is effective during the pending litigation.

Sempra Infrastructure has entered into a non-binding HOA for a 20-year SPA with Aramco International Gas Holding Co B.V. (Aramco) for 5 Mtpa of LNG offtake from the proposed PA LNG Phase 2 project. The HOA further contemplates Aramco's 25% participation in the project-level equity of the PA LNG Phase 2 project.

In July 2024, Sempra Infrastructure entered into an \$8.2 billion EPC contract with Bechtel for the proposed PA LNG Phase 2 project. The EPC contract contemplates the construction of two liquefaction trains capable of producing approximately 13 Mtpa, an additional LNG storage tank and marine berth and associated loading facilities and related infrastructure necessary to provide liquefaction services. We have no obligation to move forward on the EPC contract, and we may release Bechtel to perform portions of the work pursuant to limited notices to proceed. The price is subject to increase if certain limited notices to proceed and the full notice to proceed are not issued, each by specified dates. We expect to work with Bechtel with respect to such changes based on the ultimate timeline for the project and plan to fully release Bechtel to perform all the work to construct the PA LNG Phase 2 project only after we reach a final investment decision, which we are targeting in 2025, but which is subject to other conditions being met, including obtaining permits, executing definitive agreements for LNG offtake and equity investments, and securing project financing. Tariffs levied by the U.S. Administration introduce macroeconomic uncertainty, which may affect the business development efforts and timing of the PA LNG Phase 2 project.

Vista Pacifico LNG Liquefaction Project. Sempra Infrastructure is developing the Vista Pacifico LNG project, a mid-scale natural gas liquefaction export facility proposed to be located in the vicinity of the Port of Topolobampo in Sinaloa, Mexico. In June 2024, we extended the non-binding development agreement with the CFE through December 2025. We continue to progress with the CFE on the negotiation of definitive agreements, including a natural gas supply agreement. The proposed LNG export terminal would be supplied with U.S. natural gas and would use excess capacity on existing pipelines in Mexico with the intent of helping to meet growing demand for natural gas and LNG in the Mexican and Pacific markets.

Sempra Infrastructure received authorization from the DOE to permit the export of U.S.-produced natural gas to Mexico and for LNG produced from the proposed Vista Pacifico LNG facility to be re-exported to all current and future FTA countries and non-FTA countries.

In March 2022, TotalEnergies SE and Sempra Infrastructure entered into a non-binding MOU that contemplates TotalEnergies SE potentially contracting approximately one-third of the long-term export production of the proposed Vista Pacifico LNG project and potentially participating as a minority partner in the project.

Asset and Supply Optimization. As we discuss in “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk” in the Annual Report, Semptra Infrastructure enters into hedging transactions to help mitigate commodity price risk and optimize the value of its LNG, natural gas pipelines and storage, and power-generating assets. Some of these derivatives that we use as economic hedges do not meet the requirements for hedge accounting, or hedge accounting is not elected, and as a result, the changes in fair value of these derivatives are recorded in earnings. Consequently, significant changes in commodity prices have in the past and could in the future result in earnings volatility, which may be material, as the economic offset of these derivatives may not be recorded at fair value.

Off-Balance Sheet Arrangements. Our investment in Cameron LNG JV is a variable interest in an unconsolidated entity. We discuss variable interests in Note 1 of the Notes to Condensed Consolidated Financial Statements.

In February 2025, SI Partners entered into a credit support agreement, which constitutes a guarantee, for the benefit of a third-party financial institution with a maximum exposure to loss of \$85 million. The guarantee will terminate in May 2026. We discuss this guarantee in Note 1 of the Notes to Condensed Consolidated Financial Statements.

In June 2021, Semptra provided a promissory note, which constitutes a guarantee, for the benefit of Cameron LNG JV with a maximum exposure to loss of \$165 million. The guarantee will terminate upon full repayment of Cameron LNG JV's debt, scheduled to occur in 2039, or replenishment of the amount withdrawn by Semptra Infrastructure from the SDSRA. We discuss this guarantee in Note 12 of the Notes to Condensed Consolidated Financial Statements.

In July 2020, Semptra entered into a Support Agreement, which contains a guarantee and represents a variable interest, for the benefit of CFIN with a maximum exposure to loss of \$979 million. The guarantee will terminate upon full repayment of the guaranteed debt by 2039, including repayment following an event in which the guaranteed debt is put to Semptra. We discuss this guarantee in Notes 1, 9 and 12 of the Notes to Condensed Consolidated Financial Statements.

Energy Networks

Sonora Pipeline. Semptra Infrastructure's Sonora natural gas pipeline consists of two pipeline segments, the Sasabe-Puerto Libertad-Guaymas segment and the Guaymas-El Oro segment. Each segment has its own service agreement with the CFE. Following the start of commercial operations of the Guaymas-El Oro segment, Semptra Infrastructure reported damage to the pipeline in the Yaqui territory that has made that section inoperable since August 2017 because it was not able to be repaired due to legal challenges, which were resolved in March 2023, by some members of the Yaqui tribe.

In September 2019, Semptra Infrastructure and the CFE reached an agreement to modify the tariff structure and extend the term of the contract by 10 years. Under the revised agreement, the CFE will resume making payments only when the damaged section of the Guaymas-El Oro segment of the Sonora pipeline is back in service.

Semptra Infrastructure and the CFE have agreed to an amendment to their transportation services agreement and to re-route the portion of the pipeline that is in the Yaqui territory, whereby the CFE would pay for the re-routing with a new tariff. This amendment will terminate if certain conditions are not met, and Semptra Infrastructure retains the right to terminate the transportation services agreement and seek to recover its reasonable and documented costs and lost profit. Semptra Infrastructure continues to acquire and pursue the necessary rights-of-way and permits for the portion of the pipeline that needs to be re-routed.

The Guaymas-El Oro segment of the Sonora pipeline currently constitutes a Sole Risk Project under the terms of the SI Partners limited partnership agreement, which means that Semptra Infrastructure holds a 100% interest in the project. Sole Risk Projects are separated from other SI Partners projects and are conducted at Semptra's sole cost, expense and liability and Semptra Infrastructure receives, through the acquisition of Sole Risk Interests, any economic and other benefits from such projects. At March 31, 2025, Semptra Infrastructure had \$398 million in PP&E, net, related to the Guaymas-El Oro segment of the Sonora pipeline, which could be subject to impairment if Semptra Infrastructure is unable to re-route a portion of the pipeline and resume operations or if Semptra Infrastructure terminates the contract and is unable to obtain recovery, which in each case could have a material adverse effect on Semptra's business, results of operations, financial condition, cash flows and/or prospects.

Port Arthur Pipeline Louisiana Connector. Semptra Infrastructure is constructing the Port Arthur Pipeline Louisiana Connector, a 72-mile pipeline connecting the PA LNG Phase 1 project to Gillis, Louisiana. In April 2019, the FERC approved the siting, construction and operation of the Port Arthur Pipeline Louisiana Connector, which will be used to supply feed gas to the PA LNG Phase 1 project. Semptra Infrastructure received FERC approval to implement construction process enhancements and minor modifications to several discrete sections of the Port Arthur Pipeline Louisiana Connector. These modifications are intended to decrease environmental impacts, accommodate landowner routing requests and enhance construction procedures. We expect the Port Arthur Pipeline Louisiana Connector to be ready for service ahead of the PA LNG Phase 1 project's gas requirements. We estimate the capital expenditures for the project will be approximately \$1 billion, including capitalized interest at the project level and project contingency. The actual amount of these capital expenditures may differ substantially from our estimates.

Louisiana Storage. Semptra Infrastructure is constructing Louisiana Storage, a 12.5-Bcf salt dome natural gas storage facility to support the PA LNG Phase 1 project. The construction includes an 11-mile pipeline that will connect to the Port Arthur Pipeline Louisiana Connector. In September 2022, the FERC approved the development of the project. We expect Louisiana Storage to be ready for service in time to support the needs of the PA LNG Phase 1 project. We estimate the capital expenditures for the project will be approximately \$400 million, including capitalized interest at the project level and project contingency. The actual amount of these capital expenditures may differ substantially from our estimates.

Low Carbon Solutions

Cimarrón Wind. Semptra Infrastructure has made a positive final investment decision on and begun constructing the Cimarrón Wind project, an approximately 320 MW wind generation facility in Baja California, Mexico. Semptra Infrastructure has a 20-year PPA with Silicon Valley Power for the long-term supply of renewable energy to the City of Santa Clara, California. Cimarrón Wind will utilize one of Semptra Infrastructure's existing cross-border high voltage transmission lines to interconnect and deliver clean energy to the East County substation in San Diego County. We estimate the capital expenditures for the project will be approximately \$550 million, including capitalized interest at the project level and project contingency. The actual amount of these capital expenditures may differ substantially from our estimates. We expect the Cimarrón Wind project to begin generating energy in late 2025 and commence commercial operations in the first half of 2026.

Hackberry Carbon Sequestration Project. Semptra Infrastructure is developing the potential Hackberry Carbon Sequestration project near Hackberry, Louisiana, together with TotalEnergies SE, Mitsui & Co., Ltd. and Mitsubishi Corporation. This proposed project is designed to permanently sequester carbon dioxide from the Cameron LNG Phase 1 facility, the proposed Cameron LNG Phase 2 project and potentially other sources. In April 2025, the Louisiana Department of Energy and Natural Resources (LDENR) issued a draft Class VI carbon injection well construction permit. We expect the LDENR to issue the final permit later in 2025, once the required public hearings and feedback process are complete.

Legal and Regulatory Matters

See Note 12 of the Notes to Condensed Consolidated Financial Statements in this report and "Part I – Item 1A. Risk Factors" in the Annual Report for discussions of the following legal and regulatory matters affecting our operations in Mexico and risks associated with Mexican laws, policies and government influence:

Energía Costa Azul

- [Land Disputes](#)
- [Environmental and Social Impact Permits](#)

One or more unfavorable final decisions on these land disputes or environmental and social impact permit challenges could materially adversely affect our existing natural gas regasification operations and proposed natural gas liquefaction projects at the site of the ECA Regas Facility and have a material adverse effect on Semptra's business, results of operations, financial condition, cash flows and/or prospects.

Regulatory and Other Actions by the Mexican Government

In 2021, the Mexican government amended Mexico's LIE and LH to empower Mexican regulators to, among other things, revoke or suspend permits under certain circumstances. In 2024, the Mexican government adopted changes to the Mexican Constitution to reinforce state control over strategic sectors by granting a central role to government entities like the CFE and PEMEX, which have been converted from for-profit state-owned enterprises into federal administrative agencies under SENER. Following these constitutional reforms, in March 2025, the Mexican government adopted energy-related laws (2025 Energy Laws), including the ESL, which repealed the LIE, and the HSL, which repealed the LH. The 2025 Energy Laws increase the government's control and participation in the energy sector and may create novel challenges for infrastructure development and operations. Like the LIE and LH, the ESL and HSL give Mexican authorities broad discretion to revoke or suspend permits under certain circumstances.

Although the extent of the impact of the 2025 Energy Laws is uncertain, these laws and future implementation of regulations could adversely affect Semptra Infrastructure's ability to operate its existing assets at their current levels, result in increased costs to Semptra Infrastructure and its customers, adversely impact Semptra Infrastructure's ability to develop new projects in Mexico, result in decreased revenues or cash flows, and negatively impact Semptra Infrastructure's ability to recover the carrying values of its investments in Mexico, any of which could have a material adverse impact on Semptra's business, results of operations, financial condition, cash flow and/or prospects.

SOURCES AND USES OF CASH

The following tables include only significant changes in cash flow activities for each of the Registrants.

CASH FLOWS FROM OPERATING ACTIVITIES

(Dollars in millions)

Three months ended March 31,	Sempra	SDG&E	SoCalGas
2025	\$ 1,482	\$ 578	\$ 779
2024	1,851	676	887
Change	\$ (369)	\$ (98)	\$ (108)
Change in regulatory accounts, current and noncurrent	\$ (437)		\$ (412)
Change in accounts receivable	(203)	\$ (103)	(88)
Change in net margin posted, current and noncurrent	(78)		
Change in deferred excess capacity sales	(69)	(69)	
Change in accounts payable	(62)		(104)
(Lower) higher net income, adjusted for noncash items included in earnings	(29)	62	
Higher distributions from Oncor Holdings	42		
Higher accruals in interest payable	86		
Change in ad valorem taxes	87		78
Change in GHG obligations, current and noncurrent	117		133
Change in fixed-price contracts and other derivatives, current and noncurrent	151		168
Change in GHG allowances, current and noncurrent			27
Increase in income taxes payable, net			70
Other	26	12	20
	\$ (369)	\$ (98)	\$ (108)

CASH FLOWS FROM INVESTING ACTIVITIES

(Dollars in millions)

Three months ended March 31,	Sempra	SDG&E	SoCalGas
2025	\$ (2,785)	\$ (523)	\$ (555)
2024	(2,107)	(611)	(519)
Change	\$ (678)	\$ 88	\$ (36)
(Increase) decrease in capital expenditures	\$ (403)	\$ 85	\$ (36)
Higher contributions to Oncor Holdings	(293)		
Other	18	3	
	\$ (678)	\$ 88	\$ (36)

CASH FLOWS FROM FINANCING ACTIVITIES

(Dollars in millions)

Three months ended March 31,	Sempra	SDG&E	SoCalGas
2025	\$ 1,476	\$ 552	\$ (196)
2024	700	178	(316)
Change	\$ 776	\$ 374	\$ 120
Higher (lower) issuances of long-term debt	\$ 733	\$ 254	\$ (497)
Change in borrowings and repayments of short-term debt, net	428	(280)	613
Lower payments on short-term debt with maturities greater than 90 days	188		
Higher issuances of short-term debt with maturities greater than 90 days	164		
Lower distributions to NCI	73		
(Higher) lower payments on long-term debt and finance leases	(336)	401	
Lower contributions from NCI	(440)		
Other	(34)	(1)	4
	\$ 776	\$ 374	\$ 120

Capital Expenditures for PP&E and Investments

CAPITAL EXPENDITURES FOR PP&E AND INVESTMENTS

(Dollars in millions)

	Three months ended March 31,	
	2025	2024
Sempra:		
Sempra California ⁽¹⁾	\$ 1,094	\$ 1,143
Sempra Texas Utilities	486	193
Sempra Infrastructure	1,241	790
Segment totals	2,821	2,126
Parent and other	1	—
Total Sempra	\$ 2,822	\$ 2,126

⁽¹⁾ Includes capital expenditures for PP&E of \$539 and \$624 at SDG&E and \$555 and \$519 at SoCal Gas for 2025 and 2024, respectively.

We expect capital expenditures for PP&E and investments in 2025 to total \$12.5 billion. When (i) including Sempra's proportionate ownership interest in expected capital expenditures for PP&E at unconsolidated equity method investees while excluding Sempra's expected capital contributions to those unconsolidated equity method investees and (ii) excluding NCI's proportionate ownership interest in expected capital expenditures for PP&E at Sempra and at unconsolidated equity method investees, we expect capital expenditures for PP&E in 2025 to total \$12.7 billion.

In addition, Oncor anticipates that its capital plan will grow over the 2025 through 2029 period due to a variety of potential projects and developments. As a result of the anticipated accelerated in-service dates for certain transmission import paths recently approved by the PUCT, Oncor now believes its incremental capital expenditure opportunities over the 2025 through 2029 period are likely to exceed the \$12 billion it previously identified, particularly in the latter years of its five-year capital plan. Changes in Oncor's capital expenditures plan could result in corresponding changes to our capital expenditures plan based on our ownership interest in Oncor.

Our level of capital expenditures for PP&E and investments will depend on, among other things, the cost and availability of financing, regulatory approvals, changes in tax law and business opportunities providing desirable rates of return, among various other factors described in this MD&A and in "Part I – Item 1A. Risk Factors" in the Annual Report. We aim to finance our capital expenditures for PP&E and investments in a manner that will maintain our investment-grade credit ratings and capital structure, but there is no guarantee that we will be able to do so.

CRITICAL ACCOUNTING ESTIMATES

Management views certain accounting estimates as critical because their application is the most relevant, judgmental and/or material to our financial position and results of operations, and/or because they require the use of material judgments and estimates. We discuss critical accounting estimates in "Part II – Item 7. MD&A" in the Annual Report.

NEW ACCOUNTING STANDARDS

We discuss any recent accounting pronouncements that have had or may have a significant effect on our financial statements and/or disclosures in Note 2 of the Notes to Condensed Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We provide disclosure regarding derivative activity in Note 8 of the Notes to Condensed Consolidated Financial Statements. We discuss our market risk and risk policies in detail in “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk” in the Annual Report.

COMMODITY PRICE RISK

Sempra Infrastructure is exposed to commodity price risk indirectly through its LNG, natural gas pipelines and storage, and power-generating assets. In the first three months of 2025, a hypothetical 10% change in commodity prices would have resulted in a change in the fair value of our commodity-based natural gas and electricity derivatives of \$9 million at March 31, 2025 compared to \$13 million at December 31, 2024.

The one-day value at risk for SDG&E's and SoCalGas' commodity positions were \$3 million and negligible, respectively, at March 31, 2025 compared to \$2 million for each at December 31, 2024.

INTEREST RATE RISK

The table below shows the nominal amount of our debt:

NOMINAL AMOUNT OF DEBT⁽¹⁾

(Dollars in millions)

	March 31, 2025			December 31, 2024		
	Sempra	SDG&E	SoCalGas	Sempra	SDG&E	SoCalGas
Short-term:						
Sempra California	\$ 984	\$ 137	\$ 847	\$ 1,454	\$ 417	\$ 1,037
Other	1,129	—	—	562	—	—
Long-term:						
Sempra California fixed-rate	\$ 17,159	\$ 9,800	\$ 7,359	\$ 16,309	\$ 8,950	\$ 7,359
Other fixed-rate	16,421	—	—	15,527	—	—
Other variable-rate	1,117	—	—	1,063	—	—

⁽¹⁾ After the effects of interest rate swaps. Before reductions for unamortized discount and debt issuance costs and excluding finance lease obligations.

An interest rate risk sensitivity analysis measures interest rate risk by calculating the estimated changes in earnings attributable to common shares (but disregarding capitalized interest and impacts on equity earnings from debt at our equity method investees) that would result from a hypothetical change in market interest rates. Earnings attributable to common shares are affected by changes in interest rates on short-term debt and variable-rate long-term debt. If weighted-average interest rates on short-term debt outstanding at March 31, 2025 increased or decreased by 10%, the change in earnings attributable to common shares over the 12-month period ending March 31, 2026 would be approximately \$7 million. If interest rates increased or decreased by 10% on all variable-rate long-term debt at March 31, 2025, after considering the effects of interest rate swaps, the change in earnings attributable to common shares over the 12-month period ending March 31, 2026 would be approximately \$4 million.

FOREIGN CURRENCY EXCHANGE RATE RISK AND INFLATION EXPOSURE

We discuss our foreign currency exchange rate risk and inflation exposure in “Part I – Item 2. MD&A – Impact of Foreign Currency and Inflation Rates on Results of Operations” in this report and in “Part II – Item 7. MD&A – Impact of Foreign Currency and Inflation Rates on Results of Operations” in the Annual Report. At March 31, 2025, there were no significant changes to our exposure to foreign currency exchange rate risk since December 31, 2024.

In 2024 and 2025 to date, SDG&E and SoCalGas have experienced inflationary pressures from increases in various costs, including the cost of natural gas, electric fuel and purchased power, labor, materials and supplies, as well as availability of labor and materials. Sempra Texas Utilities has experienced increased costs, including labor and contractor related costs as well as higher insurance premiums, and does not have specific regulatory mechanisms that allow for recovery of higher non-reconcilable costs due to inflation; rather, recovery is limited to rate updates through capital trackers and base rate reviews, which may result in partial non-recovery due to the regulatory lag. If such costs continue to be subject to significant inflationary pressures and we are not able to fully recover such higher costs in rates or there is a delay in recovery, these increased costs may have a significant effect on Sempra's, SDG&E's and SoCalGas' results of operations, financial condition, cash flows and/or prospects.

Sempra Infrastructure has experienced inflationary pressures from increases in various costs, including the cost of labor, materials and supplies. Sempra Infrastructure generally secures long-term contracts that are U.S. dollar-denominated or referenced and are periodically adjusted for market factors, including inflation, and Sempra Infrastructure generally enters into lump-sum contracts for its large construction projects in which much of the risk during construction is absorbed or hedged by the EPC contractor. If additional costs become subject to significant inflationary pressures, we may not be able to fully recover such higher costs through contractual adjustments for inflation, which may have a significant effect on Sempra's results of operations, financial condition, cash flows and/or prospects.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Sempra, SDG&E and SoCalGas maintain disclosure controls and procedures designed to ensure that information required to be disclosed in their respective reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and is accumulated and communicated to the management of each company, including each respective principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. In designing and evaluating these controls and procedures, the management of each company recognizes that any system of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives; therefore, the management of each company applies judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of the principal executive officers and principal financial officers of Sempra, SDG&E and SoCalGas, each such company's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of March 31, 2025, the end of the period covered by this report. Based on these evaluations, the principal executive officers and principal financial officers of Sempra, SDG&E and SoCalGas concluded that their respective company's disclosure controls and procedures were effective at the reasonable assurance level as of such date.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in Sempra's, SDG&E's or SoCalGas' internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, any such company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not party to, and our property is not the subject of, any material pending legal proceedings (other than ordinary routine litigation incidental to our businesses), including, environmental proceedings described in Item 103(c)(3) of SEC Regulation S-K except for the matters (1) described in Note 12 of the Notes to Condensed Consolidated Financial Statements in this report and in Note 15 of the Notes to Consolidated Financial Statements in the Annual Report, or (2) referred to in “Part I – Item 2. MD&A” in this report or in “Part I – Item 1A. Risk Factors” or “Part II – Item 7. MD&A” in the Annual Report.

ITEM 1A. RISK FACTORS

When evaluating our company and its consolidated entities and any investment in our or their securities, you should carefully consider the risk factors and all other information contained in this report and the other documents we file with the SEC (including those filed subsequent to this report), including the factors discussed below and in “Part I – Item 2. MD&A” in this report and “Part I – Item 1A. Risk Factors” and “Part II – Item 7. MD&A” in the Annual Report. Any of the risks and other information discussed in this report or any of the risk factors discussed in “Part I – Item 1A. Risk Factors” or “Part II – Item 7. MD&A” in the Annual Report, as well as additional risks and uncertainties not currently known to us or that we currently consider immaterial, could materially adversely affect our results of operations, financial condition, cash flows, prospects and/or the trading prices of our securities or those of our consolidated entities.

Changing conditions in global markets, including the impact of tariffs and other trade actions, may materially and adversely affect us.

Our businesses import various materials, including steel and aluminum, and purchase foreign-sourced goods, such as electrical transformers, from domestic distributors. Semptra Infrastructure also generates a material portion of its earnings from LNG exports to customers located outside the U.S., including countries in Asia and Europe. Our ability to continue importing materials, purchasing foreign-sourced goods and exporting LNG profitably, or at all, into international markets is subject to a number of risks, including adverse impacts of (i) legal and regulatory requirements or limitations imposed by foreign governments, including tariffs, quotas or other trade barriers, sanctions, adverse tax law changes, nationalization, currency restrictions, or import restrictions, and (ii) disruptions or delays in shipments caused by customs compliance or other actions of government agencies.

In 2018, the U.S. imposed tariffs on certain imported steel and aluminum products, as well as tariffs in various ranges on imports from China. Those tariffs remain in effect. Beginning in January 2025, the U.S. Administration has announced a number of new tariffs, both threatened and imposed, including a higher total tariff on goods from China and numerous other tariffs in various ranges on imports from all countries with only limited exclusions, including a temporary exclusion for goods that enter the U.S. as qualifying goods under the U.S.-Mexico-Canada Agreement, such as electrical transformers. Additionally, the U.S. Administration has expanded the application of the 2018 steel and aluminum tariffs to countries and products that had previously been excluded, including a broad range of derivative products, and increased the amount of the aluminum tariff. These tariffs have created uncertainty in our business development efforts and for projects currently under construction, and we expect them to impact our businesses’ costs related to construction, pipeline transportation, electricity procurement and financing, among other areas, and increase costs across the LNG value chain. These impacts may result in delays, cost overruns or reduced profitability for our construction and development projects, denials or delays of recovery in rates of higher costs at our regulated utilities, or other adverse effects, any of which could be material.

We also face uncertainty in the interpretation and application of these tariffs, including with respect to customs valuation, product classification and country-of-origin determinations. Any disagreement with regulators on these matters could result in the retroactive assessment of additional tariffs with interest, the imposition of penalties, or other enforcement actions, any of which could be material.

These recent tariffs, along with other U.S. trade actions, have triggered retaliatory actions by certain affected countries, including China’s announcement of a tariff on U.S. LNG. Other foreign governments, such as the European Union, may also impose trade measures, including reciprocal tariffs, on LNG or other U.S. goods in the future. These tariffs and other trade actions could negatively impact demand for our LNG exports, which would adversely impact our LNG projects and development pipeline.

Although there is uncertainty regarding the scope and duration of these trade actions by the U.S. and other countries, such actions and any resulting economic, financial or geopolitical instability could materially adversely affect our results of operations, financial condition, cash flows and/or prospects.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

(c) During the most recent fiscal quarter, (i) Kevin C. Sagara, who was at the time a Sempra director, adopted a Rule 10b5-1 trading arrangement with respect to the securities of Sempra, with the material terms described below; (ii) Jeffrey W. Martin, who was at the time a Sempra director and officer, terminated a Rule 10b5-1 trading arrangement with respect to the securities of Sempra, as described below; (iii) no Sempra directors or officers adopted or terminated a non-Rule 10b5-1 trading arrangement with respect to the securities of Sempra; and (iv) no SDG&E or SoCalGas directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement with respect to the securities of each such Registrant. As used herein, directors and officers are as defined in Rule 16a-1(f) under the Exchange Act, a Rule 10b5-1 trading arrangement is as defined in Item 408(a) of SEC Regulation S-K, and a non-Rule 10b5-1 trading arrangement is as defined in Item 408(c) of SEC Regulation S-K. The Rule 10b5-1 trading arrangements listed below are intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

RULE 10B5-1 TRADING ARRANGEMENT

(Three months ended March 31, 2025)

Name and title of the director or officer	Date on which the director or officer adopted or terminated the trading arrangement	Duration of the trading arrangement	Aggregate number of securities to be purchased or sold pursuant to the trading arrangement
Sempra:			
Jeffrey W. Martin, Chairman, Chief Executive Officer and President	March 10, 2025 (terminated)	From January 30, 2025 until March 10, 2025	All shares of Sempra common stock subject to 104,540 performance-based RSUs vesting in January and February of 2025 ⁽¹⁾ , less shares to which Mr. Martin would otherwise be entitled that are withheld to satisfy minimum statutory tax withholding requirements
Kevin C. Sagara, Director	March 19, 2025 (adopted)	From June 18, 2025 until all shares are sold or the trading arrangement is otherwise terminated	43,297 shares of Sempra common stock

⁽¹⁾ 49,737 and 53,111 shares (in each case reflecting the deduction of shares to which Mr. Martin would otherwise be entitled that were withheld to satisfy minimum statutory tax withholding requirements) subject to the performance-based RSUs vested in early 2025 based on our total shareholder return for the three-year performance period ending on January 2, 2025 and EPS growth (as adjusted for long-term incentive plan purposes) for the three-year performance period ending on December 31, 2024, respectively.

ITEM 6. EXHIBITS

The exhibits listed below relate to each Registrant as indicated. Unless otherwise indicated, the exhibits that are incorporated by reference herein were filed under File Number 1-14201 (Semptra), File Number 1-40 (Pacific Lighting Corporation), File Number 1-03779 (San Diego Gas & Electric Company) and/or File Number 1-01402 (Southern California Gas Company). All exhibits to which Semptra is a party have been named in this Exhibit Index with Semptra's current legal name (Semptra) rather than its former legal name (Semptra Energy) regardless of the date of the exhibit.

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed or Furnished Herewith	Incorporated by Reference		
			Form	Exhibit or Appendix	Filing Date
EXHIBIT 3 – ARTICLES OF INCORPORATION AND BYLAWS					
<i>Semptra</i>					
3.1	Amended and Restated Articles of Incorporation of Semptra effective May 23, 2008.		10-K	3.1	02/27/20
3.2	Certificate of Determination of Preferences of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C, of Semptra (including the form of certificate representing the 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C), filed with the Secretary of State of the State of California and effective June 11, 2020.		8-K	3.1	06/15/20
3.3	Certificate of Amendment of Amended and Restated Articles of Incorporation of Semptra dated May 12, 2023.		8-K	3.1	05/16/23
3.4	Bylaws of Semptra (as amended through May 12, 2023).		8-K	3.2	05/16/23
<i>San Diego Gas & Electric Company</i>					
3.5	Amended and Restated Articles of Incorporation of San Diego Gas & Electric Company effective August 15, 2014.		10-K	3.4	02/26/15
3.6	Bylaws of San Diego Gas & Electric Company (as amended through October 26, 2016).		10-Q	3.1	11/02/16
<i>Southern California Gas Company</i>					
3.7	Restated Articles of Incorporation of Southern California Gas Company effective October 7, 1996.		10-K	3.01	03/28/97
3.8	Bylaws of Southern California Gas Company (as amended through January 30, 2017).		8-K	3.1	01/31/17
EXHIBIT 4 – INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES					
Certain instruments defining the rights of holders of long-term debt instruments are not required to be filed or incorporated by reference herein pursuant to Item 601(b)(4)(iii)(A) of SEC Regulation S-K. Each Registrant agrees to furnish a copy of such instruments to the SEC upon request.					
<i>Semptra / San Diego Gas & Electric Company</i>					
4.1	Supplemental Indenture, dated as of March 18, 2025.	X			
4.2	Seventy-Seventh Supplemental Indenture, dated as of March 28, 2025.		8-K	4.1	03/28/25

EXHIBIT INDEX (CONTINUED)

Exhibit Number	Exhibit Description	Filed or Furnished Herewith	Incorporated by Reference		
			Form	Exhibit or Appendix	Filing Date
EXHIBIT 10 – MATERIAL CONTRACTS					
<i>Management Contract or Compensatory Plan, Contract or Arrangement</i>					
<i>Sempra / San Diego Gas & Electric Company / Southern California Gas Company</i>					
10.1	<u>Form of Sempra 2019 Long-Term Incentive Plan 2024 and 2025 Time-Based Restricted Stock Unit Award - Two Year Award Vest.</u>		10-K	10.11	02/25/25
<i>Sempra</i>					
10.2	<u>Severance Pay Agreement between Sempra and Lisa M. Larroque Alexander, signed March 8, 2023 and effective March 1, 2023.</u>		10-K	10.42	02/25/25
10.3	<u>Amendment to Severance Pay Agreement, dated February 20, 2025, between Sempra and Jeffrey W. Martin.</u>		8-K	10.1	02/20/25
<i>Sempra / San Diego Gas & Electric Company</i>					
10.4	<u>Severance Pay Agreement between Sempra and Scott Crider, signed March 8, 2023 and effective March 1, 2023.</u>		10-K	10.52	02/25/25
10.5	<u>Amended and Restated Severance Pay Agreement between Sempra and Valerie A. Bille, signed April 14, 2025 and effective March 1, 2025.</u>	X			
<i>Sempra /Southern California Gas Company</i>					
10.6	<u>Amended and Restated Severance Pay Agreement between Sempra and Maryam S. Brown, signed January 22, 2025 and effective January 1, 2025.</u>		10-K	10.59	02/25/25
10.7	<u>Severance Pay Agreement between Sempra and Rodger R. Schwecke, signed March 8, 2023 and effective March 1, 2023.</u>	X			

EXHIBIT INDEX (CONTINUED)

Exhibit Number	Exhibit Description	Filed or Furnished Herewith
EXHIBIT 31 – SECTION 302 CERTIFICATIONS		
<i>Sempra</i>		
31.1	Certification of Sempra's Principal Executive Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.	X
31.2	Certification of Sempra's Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.	X
<i>San Diego Gas & Electric Company</i>		
31.3	Certification of San Diego Gas & Electric Company's Principal Executive Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.	X
31.4	Certification of San Diego Gas & Electric Company's Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.	X
<i>Southern California Gas Company</i>		
31.5	Certification of Southern California Gas Company's Principal Executive Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.	X
31.6	Certification of Southern California Gas Company's Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.	X
EXHIBIT 32 – SECTION 906 CERTIFICATIONS		
<i>Sempra</i>		
32.1	Certification of Sempra's Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350.	X
32.2	Certification of Sempra's Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350.	X
<i>San Diego Gas & Electric Company</i>		
32.3	Certification of San Diego Gas & Electric Company's Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350.	X
32.4	Certification of San Diego Gas & Electric Company's Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350.	X
<i>Southern California Gas Company</i>		
32.5	Certification of Southern California Gas Company's Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350.	X
32.6	Certification of Southern California Gas Company's Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350.	X
EXHIBIT 101 – INTERACTIVE DATA FILE		
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
EXHIBIT 104 – COVER PAGE INTERACTIVE DATA FILE		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	

SIGNATURES

Sempra:

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEMPRA,
(Registrant)

Date: May 8, 2025

By: /s/ Peter R. Wall

Peter R. Wall

Senior Vice President, Controller and Chief Accounting Officer (Duly Authorized Officer)

San Diego Gas & Electric Company:

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SAN DIEGO GAS & ELECTRIC COMPANY,
(Registrant)

Date: May 8, 2025

By: /s/ Valerie A. Bille

Valerie A. Bille

Senior Vice President, Chief Financial Officer, Controller and Chief Accounting Officer (Duly Authorized Officer)

Southern California Gas Company:

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SOUTHERN CALIFORNIA GAS COMPANY,
(Registrant)

Date: May 8, 2025

By: /s/ Sara P. Mijares

Sara P. Mijares

Vice President, Controller and Chief Accounting Officer (Duly Authorized Officer)