

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 June 30, 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<br>488 8th Avenue<br>San Diego, California 92101<br>(619) 696-2000                                        | California             | 33-0732627                      | No change                                                                        |
| 1-03779             | SAN DIEGO GAS & ELECTRIC COMPANY<br>8330 Century Park Court<br>San Diego, California 92123<br>(619) 696-2000     | California             | 95-1184800                      | No change                                                                        |
| 1-01402             | SOUTHERN CALIFORNIA GAS COMPANY<br>555 West 5th Street<br>Los Angeles, California 90013<br>(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 August 4, 2025:

|                                  |                                                                      |
|----------------------------------|----------------------------------------------------------------------|
| Sempra                           | 652,472,426 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)                                                                                                                     |
| ARO                          | asset retirement obligation                                                                                                                                       |
| ASC                          | Accounting Standards Codification                                                                                                                                 |
| 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                                                                                                                     |
| CCA                          | Community Choice Aggregator                                                                                                                                       |
| 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                          | Mexico's Electric Sector Law                                                                                                                                      |
| ETR                          | effective income tax rate                                                                                                                                         |
| Exchange Act                 | Securities Exchange Act of 1934, as amended                                                                                                                       |
| FD                           | final decision                                                                                                                                                    |
| Feed gas                     | natural gas that is provided to be used for processing to produce LNG                                                                                             |
| 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                          | Mexico's Hydrocarbons Sector Law                                                                                                                                  |
| Inova                        | Infraestructura Energética Nova, S.A.P.I. de C.V.                                                                                                                 |
| IMG                          | Infraestructura Marina del Golfo                                                                                                                                  |
| IOU                          | investor-owned utility                                                                                                                                            |

## GLOSSARY

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 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                       | Mexico's Hydrocarbons Law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| LIE                      | Mexico's 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Mtpa                     | million tonnes per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| MW                       | megawatt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| MWh                      | megawatt hour                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| NCI                      | noncontrolling interest(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| NDT                      | nuclear decommissioning trusts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| O&M                      | operation and maintenance expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| OBBA                     | One Big Beautiful Bill Act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| ROE                      | return on equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| RSU                      | restricted stock unit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| S&P                      | S&P Global Ratings, a division of S&P Global Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Sales Agreement          | ATMEquity 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Sharyland Utilities      | Sharyland Utilities, L.L.C.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## GLOSSARY

|                            |                                                                                                                                                                                                                              |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                                                  |
| SRP                        | system resiliency plan                                                                                                                                                                                                       |
| 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                        | Termoelectrica 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                                                                                                                                                     |
| UTM                        | unified tracker mechanism                                                                                                                                                                                                    |
| VIE                        | variable interest entity                                                                                                                                                                                                     |
| VREP                       | Voluntary Retirement Enhancement Program                                                                                                                                                                                     |
| 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.

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## 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 June 30, |          | Six months ended June 30, |          |
|                                                                      | 2025                        | 2024     | 2025                      | 2024     |
|                                                                      | (unaudited)                 |          |                           |          |
| REVENUES                                                             |                             |          |                           |          |
| Utilities:                                                           |                             |          |                           |          |
| Natural gas                                                          | \$ 1,470                    | \$ 1,494 | \$ 3,832                  | \$ 3,603 |
| Electric                                                             | 1,031                       | 1,144    | 2,090                     | 2,200    |
| Energy-related businesses                                            | 499                         | 373      | 880                       | 848      |
| Total revenues                                                       | 3,000                       | 3,011    | 6,802                     | 6,651    |
| EXPENSES AND OTHER INCOME                                            |                             |          |                           |          |
| Utilities:                                                           |                             |          |                           |          |
| Cost of natural gas                                                  | (183)                       | (137)    | (676)                     | (691)    |
| Cost of electric fuel and purchased power                            | (91)                        | (156)    | (143)                     | (245)    |
| Energy-related businesses cost of sales                              | (85)                        | (54)     | (204)                     | (163)    |
| Operation and maintenance                                            | (1,239)                     | (1,333)  | (2,582)                   | (2,545)  |
| Depreciation and amortization                                        | (653)                       | (603)    | (1,293)                   | (1,197)  |
| Franchise fees and other taxes                                       | (165)                       | (156)    | (361)                     | (340)    |
| Other income, net                                                    | 59                          | 30       | 150                       | 129      |
| Interest income                                                      | 14                          | 17       | 48                        | 30       |
| Interest expense                                                     | (359)                       | (311)    | (792)                     | (616)    |
| Income before income taxes and equity earnings                       | 298                         | 308      | 949                       | 1,013    |
| Income tax (expense) benefit                                         | (172)                       | 130      | (229)                     | (42)     |
| Equity earnings                                                      | 393                         | 433      | 718                       | 781      |
| Net income                                                           | 519                         | 871      | 1,438                     | 1,752    |
| Earnings attributable to noncontrolling interests                    | (46)                        | (146)    | (48)                      | (215)    |
| Preferred dividends                                                  | (11)                        | (11)     | (22)                      | (22)     |
| Preferred dividends of subsidiary                                    | (1)                         | (1)      | (1)                       | (1)      |
| Earnings attributable to common shares                               | \$ 461                      | \$ 713   | \$ 1,367                  | \$ 1,514 |
| Basic EPS:                                                           |                             |          |                           |          |
| Earnings                                                             | \$ 0.71                     | \$ 1.13  | \$ 2.10                   | \$ 2.39  |
| Weighted-average common shares outstanding                           | 652,664                     | 633,450  | 652,330                   | 633,135  |
| Diluted EPS:                                                         |                             |          |                           |          |
| Earnings                                                             | \$ 0.71                     | \$ 1.12  | \$ 2.09                   | \$ 2.38  |
| Weighted-average common shares outstanding                           | 653,224                     | 636,279  | 653,123                   | 635,817  |

See Notes to Condensed Consolidated Financial Statements.

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

|                                                                  | Sempra shareholders' equity               |                                 |                      | Noncontrolling<br>interests<br>(after tax) | Total    |
|------------------------------------------------------------------|-------------------------------------------|---------------------------------|----------------------|--------------------------------------------|----------|
|                                                                  | Pretax<br>amount                          | Income tax<br>(expense) benefit | Net-of-tax<br>amount |                                            |          |
|                                                                  | (unaudited)                               |                                 |                      |                                            |          |
|                                                                  | Three months ended June 30, 2025 and 2024 |                                 |                      |                                            |          |
| <b>2025:</b>                                                     |                                           |                                 |                      |                                            |          |
| Net income                                                       | \$ 645                                    | \$ (172)                        | \$ 473               | \$ 46                                      | \$ 519   |
| Other comprehensive income (loss):                               |                                           |                                 |                      |                                            |          |
| Foreign currency translation adjustments                         | 11                                        | —                               | 11                   | 5                                          | 16       |
| Financial instruments                                            | (36)                                      | 3                               | (33)                 | (7)                                        | (40)     |
| Pension and other postretirement benefits                        | 3                                         | (1)                             | 2                    | —                                          | 2        |
| Total other comprehensive loss                                   | (22)                                      | 2                               | (20)                 | (2)                                        | (22)     |
| Comprehensive income                                             | 623                                       | (170)                           | 453                  | 44                                         | 497      |
| Preferred dividends of subsidiary                                | (1)                                       | —                               | (1)                  | —                                          | (1)      |
| Comprehensive income, after preferred<br>dividends of subsidiary | \$ 622                                    | \$ (170)                        | \$ 452               | \$ 44                                      | \$ 496   |
| <b>2024:</b>                                                     |                                           |                                 |                      |                                            |          |
| Net income                                                       | \$ 595                                    | \$ 130                          | \$ 725               | \$ 146                                     | \$ 871   |
| Other comprehensive income (loss):                               |                                           |                                 |                      |                                            |          |
| Foreign currency translation adjustments                         | (16)                                      | —                               | (16)                 | (7)                                        | (23)     |
| Financial instruments                                            | 5                                         | (12)                            | (7)                  | 55                                         | 48       |
| Pension and other postretirement benefits                        | 8                                         | (2)                             | 6                    | —                                          | 6        |
| Total other comprehensive (loss) income                          | (3)                                       | (14)                            | (17)                 | 48                                         | 31       |
| Comprehensive income                                             | 592                                       | 116                             | 708                  | 194                                        | 902      |
| Preferred dividends of subsidiary                                | (1)                                       | —                               | (1)                  | —                                          | (1)      |
| Comprehensive income, after preferred<br>dividends of subsidiary | \$ 591                                    | \$ 116                          | \$ 707               | \$ 194                                     | \$ 901   |
| Six months ended June 30, 2025 and 2024                          |                                           |                                 |                      |                                            |          |
| <b>2025:</b>                                                     |                                           |                                 |                      |                                            |          |
| Net income                                                       | \$ 1,619                                  | \$ (229)                        | \$ 1,390             | \$ 48                                      | \$ 1,438 |
| Other comprehensive income (loss):                               |                                           |                                 |                      |                                            |          |
| Foreign currency translation adjustments                         | 11                                        | —                               | 11                   | 5                                          | 16       |
| Financial instruments                                            | (72)                                      | 7                               | (65)                 | (12)                                       | (77)     |
| Pension and other postretirement benefits                        | 6                                         | (1)                             | 5                    | —                                          | 5        |
| Total other comprehensive loss                                   | (55)                                      | 6                               | (49)                 | (7)                                        | (56)     |
| Comprehensive income                                             | 1,564                                     | (223)                           | 1,341                | 41                                         | 1,382    |
| Preferred dividends of subsidiary                                | (1)                                       | —                               | (1)                  | —                                          | (1)      |
| Comprehensive income, after preferred<br>dividends of subsidiary | \$ 1,563                                  | \$ (223)                        | \$ 1,340             | \$ 41                                      | \$ 1,381 |
| <b>2024:</b>                                                     |                                           |                                 |                      |                                            |          |
| Net income                                                       | \$ 1,579                                  | \$ (42)                         | \$ 1,537             | \$ 215                                     | \$ 1,752 |
| Other comprehensive income (loss):                               |                                           |                                 |                      |                                            |          |
| Foreign currency translation adjustments                         | (13)                                      | —                               | (13)                 | (6)                                        | (19)     |
| Financial instruments                                            | 48                                        | (16)                            | 32                   | 169                                        | 201      |
| Pension and other postretirement benefits                        | 13                                        | (3)                             | 10                   | —                                          | 10       |
| Total other comprehensive income                                 | 48                                        | (19)                            | 29                   | 163                                        | 192      |
| Comprehensive income                                             | 1,627                                     | (61)                            | 1,566                | 378                                        | 1,944    |
| Preferred dividends of subsidiary                                | (1)                                       | —                               | (1)                  | —                                          | (1)      |
| Comprehensive income, after preferred<br>dividends of subsidiary | \$ 1,626                                  | \$ (61)                         | \$ 1,565             | \$ 378                                     | \$ 1,943 |

*See Notes to Condensed Consolidated Financial Statements.*

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

|                                                      | June 30,<br>2025 | December 31,<br>2024 <sup>(1)</sup> |
|------------------------------------------------------|------------------|-------------------------------------|
|                                                      | (unaudited)      |                                     |
| <b>ASSETS</b>                                        |                  |                                     |
| Current assets:                                      |                  |                                     |
| Cash and cash equivalents                            | \$ 155           | \$ 1,565                            |
| Restricted cash                                      | 25               | 21                                  |
| Accounts receivable – trade, net                     | 1,612            | 1,983                               |
| Accounts receivable – other, net                     | 433              | 397                                 |
| Due from unconsolidated affiliates                   | 3                | 13                                  |
| Income taxes receivable                              | 148              | 90                                  |
| Inventories                                          | 625              | 559                                 |
| Prepaid expenses                                     | 157              | 255                                 |
| Regulatory assets                                    | 343              | 60                                  |
| Fixed-price contracts and other derivatives          | 142              | 91                                  |
| Greenhouse gas allowances                            | 217              | 217                                 |
| Assets held for sale                                 | 273              | —                                   |
| Other current assets                                 | 36               | 34                                  |
| <b>Total current assets</b>                          | <b>4,169</b>     | <b>5,285</b>                        |
| Other assets:                                        |                  |                                     |
| Restricted cash                                      | 3                | 3                                   |
| Regulatory assets                                    | 4,196            | 3,937                               |
| Greenhouse gas allowances                            | 1,229            | 845                                 |
| Nuclear decommissioning trusts                       | 878              | 875                                 |
| Dedicated assets in support of certain benefit plans | 591              | 585                                 |
| Deferred income taxes                                | 159              | 172                                 |
| Right-of-use assets – operating leases               | 1,152            | 1,177                               |
| Investment in Oncor Holdings                         | 16,402           | 15,400                              |
| Other investments                                    | 2,586            | 2,534                               |
| Goodwill                                             | 1,602            | 1,602                               |
| Other intangible assets                              | 279              | 292                                 |
| Wildfire fund                                        | 255              | 262                                 |
| Other long-term assets                               | 1,604            | 1,749                               |
| <b>Total other assets</b>                            | <b>30,936</b>    | <b>29,433</b>                       |
| Property, plant and equipment:                       |                  |                                     |
| Property, plant and equipment                        | 84,459           | 80,397                              |
| Less accumulated depreciation and amortization       | (19,657)         | (18,960)                            |
| Property, plant and equipment, net                   | 64,802           | 61,437                              |
| <b>Total assets</b>                                  | <b>\$ 99,907</b> | <b>\$ 96,155</b>                    |

<sup>(1)</sup> Derived from audited financial statements.

See Notes to Condensed Consolidated Financial Statements.

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

|                                                                                                                                                                   | June 30,<br>2025 | December 31,<br>2024 <sup>(1)</sup> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------|
|                                                                                                                                                                   | (unaudited)      |                                     |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                     |                  |                                     |
| Current liabilities:                                                                                                                                              |                  |                                     |
| Short-term debt                                                                                                                                                   | \$ 2,282         | \$ 2,016                            |
| Accounts payable – trade                                                                                                                                          | 2,026            | 2,238                               |
| Accounts payable – other                                                                                                                                          | 265              | 208                                 |
| Due to unconsolidated affiliates                                                                                                                                  | 8                | —                                   |
| Dividends and interest payable                                                                                                                                    | 818              | 773                                 |
| Accrued compensation and benefits                                                                                                                                 | 402              | 558                                 |
| Regulatory liabilities                                                                                                                                            | 54               | 141                                 |
| Current portion of long-term debt and finance leases                                                                                                              | 1,372            | 2,274                               |
| Greenhouse gas obligations                                                                                                                                        | 217              | 217                                 |
| Other current liabilities                                                                                                                                         | 1,163            | 1,251                               |
| Total current liabilities                                                                                                                                         | 8,607            | 9,676                               |
| Long-term debt and finance leases                                                                                                                                 | 34,936           | 31,558                              |
| Deferred credits and other liabilities:                                                                                                                           |                  |                                     |
| Due to unconsolidated affiliates                                                                                                                                  | 359              | 352                                 |
| Regulatory liabilities                                                                                                                                            | 3,906            | 3,817                               |
| Greenhouse gas obligations                                                                                                                                        | 879              | 506                                 |
| Pension and other postretirement benefit plan obligations, net of plan assets                                                                                     | 163              | 168                                 |
| Deferred income taxes                                                                                                                                             | 6,161            | 5,845                               |
| Asset retirement obligations                                                                                                                                      | 3,848            | 3,737                               |
| Deferred credits and other                                                                                                                                        | 2,752            | 2,708                               |
| Total deferred credits and other liabilities                                                                                                                      | 18,068           | 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; 652,248,768 and 650,629,876 shares outstanding at June 30, 2025 and December 31, 2024, respectively; no par value) | 13,518           | 13,520                              |
| Retained earnings                                                                                                                                                 | 17,505           | 16,979                              |
| Accumulated other comprehensive income (loss)                                                                                                                     | (215)            | (166)                               |
| Total Sempra shareholders' equity                                                                                                                                 | 31,697           | 31,222                              |
| Preferred stock of subsidiary                                                                                                                                     | 20               | 20                                  |
| Other noncontrolling interests                                                                                                                                    | 6,579            | 6,546                               |
| Total equity                                                                                                                                                      | 38,296           | 37,788                              |
| Total liabilities and equity                                                                                                                                      | \$ 99,907        | \$ 96,155                           |

<sup>(1)</sup> Derived from audited financial statements.

See Notes to Condensed Consolidated Financial Statements.

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

|                                                                                   | Six months ended June 30, |          |
|-----------------------------------------------------------------------------------|---------------------------|----------|
|                                                                                   | 2025                      | 2024     |
|                                                                                   | (unaudited)               |          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                           |          |
| Net income                                                                        | \$ 1,438                  | \$ 1,752 |
| Adjustments to reconcile net income to net cash provided by operating activities: |                           |          |
| Depreciation and amortization                                                     | 1,293                     | 1,197    |
| Deferred income taxes and investment tax credits                                  | 128                       | (34)     |
| Equity earnings                                                                   | (718)                     | (781)    |
| Share-based compensation expense                                                  | 11                        | 41       |
| Fixed-price contracts and other derivatives                                       | 82                        | 28       |
| Bad debt expense                                                                  | 37                        | 94       |
| Other                                                                             | (36)                      | (5)      |
| Net change in working capital components                                          | (498)                     | (99)     |
| Distributions from investments                                                    | 516                       | 405      |
| Changes in other noncurrent assets and liabilities, net                           | 13                        | (78)     |
| Net cash provided by operating activities                                         | 2,266                     | 2,520    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                           |          |
| Expenditures for property, plant and equipment                                    | (4,640)                   | (3,830)  |
| Expenditures for investments                                                      | (972)                     | (387)    |
| Purchases of nuclear decommissioning and other trust assets                       | (531)                     | (401)    |
| Proceeds from sales of nuclear decommissioning and other trust assets             | 580                       | 442      |
| Other                                                                             | —                         | 8        |
| Net cash used in investing activities                                             | (5,563)                   | (4,168)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                           |          |
| Common dividends paid                                                             | (787)                     | (741)    |
| Preferred dividends paid                                                          | (22)                      | (22)     |
| Issuances of common stock                                                         | 19                        | 18       |
| Repurchases of common stock                                                       | (58)                      | (40)     |
| Issuances of debt (maturities greater than 90 days)                               | 5,458                     | 3,812    |
| Payments on debt (maturities greater than 90 days) and finance leases             | (3,411)                   | (1,197)  |
| Increase (decrease) in short-term debt, net                                       | 682                       | (817)    |
| Advances from unconsolidated affiliates                                           | 44                        | 45       |
| Contributions from noncontrolling interests                                       | 83                        | 786      |
| Distributions to noncontrolling interests                                         | (91)                      | (203)    |
| Other                                                                             | (26)                      | (23)     |
| Net cash provided by financing activities                                         | 1,891                     | 1,618    |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash     | 1                         | (8)      |
| Less: Increase in cash held for sale                                              | (1)                       | —        |
| Decrease in cash, cash equivalents and restricted cash                            | (1,406)                   | (38)     |
| Cash, cash equivalents and restricted cash, January 1                             | 1,589                     | 389      |
| Cash, cash equivalents and restricted cash, June 30                               | \$ 183                    | \$ 351   |

See Notes to Condensed Consolidated Financial Statements.

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

|                                                                                      | Six months ended June 30, |        |
|--------------------------------------------------------------------------------------|---------------------------|--------|
|                                                                                      | 2025                      | 2024   |
|                                                                                      | (unaudited)               |        |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION                                     |                           |        |
| Interest payments, net of amounts capitalized                                        | \$ 691                    | \$ 574 |
| Income tax payments, net of refunds                                                  | 290                       | 233    |
| 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                                                | 1,167                     | 885    |
| Increase (decrease) in ARO capitalized to PP&E                                       | 60                        | (2)    |
| Increase in finance lease obligations capitalized to PP&E                            | 31                        | 12     |
| Unamortized debt issuance costs reclassified from noncurrent asset to long-term debt | 37                        | 2      |
| Preferred dividends declared but not paid                                            | 11                        | 11     |
| Common dividends declared but not paid                                               | 421                       | 393    |
| Common dividends issued in stock                                                     | 26                        | 27     |

*See Notes to Condensed Consolidated Financial Statements.*

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

|                                          | Preferred<br>stock               | Common<br>stock | Retained<br>earnings | Accumulated<br>other<br>comprehensive<br>income (loss) | Sempra<br>shareholders'<br>equity | Non-<br>controlling<br>interests | Total equity |
|------------------------------------------|----------------------------------|-----------------|----------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|--------------|
|                                          | (unaudited)                      |                 |                      |                                                        |                                   |                                  |              |
|                                          | Three months ended June 30, 2025 |                 |                      |                                                        |                                   |                                  |              |
| <b>Balance at March 31, 2025</b>         | \$ 889                           | \$ 13,484       | \$ 17,465            | \$ (195)                                               | \$ 31,643                         | \$ 6,559                         | \$ 38,202    |
| Net income                               |                                  |                 | 473                  |                                                        | 473                               | 46                               | 519          |
| Other comprehensive loss                 |                                  |                 |                      | (20)                                                   | (20)                              | (2)                              | (22)         |
| Share-based compensation expense         |                                  | 13              |                      |                                                        | 13                                |                                  | 13           |
| Dividends declared:                      |                                  |                 |                      |                                                        |                                   |                                  |              |
| Series C preferred stock (\$12.19/share) |                                  |                 | (11)                 |                                                        | (11)                              |                                  | (11)         |
| Common stock (\$0.64/share)              |                                  |                 | (421)                |                                                        | (421)                             |                                  | (421)        |
| Preferred dividends of subsidiary        |                                  |                 | (1)                  |                                                        | (1)                               |                                  | (1)          |
| Issuances of common stock                |                                  | 22              |                      |                                                        | 22                                |                                  | 22           |
| Repurchases of common stock              |                                  | (1)             |                      |                                                        | (1)                               |                                  | (1)          |
| Noncontrolling interest activities:      |                                  |                 |                      |                                                        |                                   |                                  |              |
| Contributions                            |                                  |                 |                      |                                                        |                                   | 49                               | 49           |
| Distributions                            |                                  |                 |                      |                                                        |                                   | (53)                             | (53)         |
| <b>Balance at June 30, 2025</b>          | \$ 889                           | \$ 13,518       | \$ 17,505            | \$ (215)                                               | \$ 31,697                         | \$ 6,599                         | \$ 38,296    |
|                                          | Three months ended June 30, 2024 |                 |                      |                                                        |                                   |                                  |              |
| <b>Balance at March 31, 2024</b>         | \$ 889                           | \$ 12,209       | \$ 16,141            | \$ (104)                                               | \$ 29,135                         | \$ 5,526                         | \$ 34,661    |
| Net income                               |                                  |                 | 725                  |                                                        | 725                               | 146                              | 871          |
| Other comprehensive (loss) income        |                                  |                 |                      | (17)                                                   | (17)                              | 48                               | 31           |
| Share-based compensation expense         |                                  | 20              |                      |                                                        | 20                                |                                  | 20           |
| Dividends declared:                      |                                  |                 |                      |                                                        |                                   |                                  |              |
| Series C preferred stock (\$12.19/share) |                                  |                 | (11)                 |                                                        | (11)                              |                                  | (11)         |
| Common stock (\$0.62/share)              |                                  |                 | (393)                |                                                        | (393)                             |                                  | (393)        |
| Preferred dividends of subsidiary        |                                  |                 | (1)                  |                                                        | (1)                               |                                  | (1)          |
| Issuances of common stock                |                                  | 21              |                      |                                                        | 21                                |                                  | 21           |
| Noncontrolling interest activities:      |                                  |                 |                      |                                                        |                                   |                                  |              |
| Contributions                            |                                  |                 |                      |                                                        |                                   | 312                              | 312          |
| Distributions                            |                                  |                 |                      |                                                        |                                   | (92)                             | (92)         |
| <b>Balance at June 30, 2024</b>          | \$ 889                           | \$ 12,250       | \$ 16,461            | \$ (121)                                               | \$ 29,479                         | \$ 5,940                         | \$ 35,419    |

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)                    |              |                   |                                               |                             |                           |              |
|                                          | Six months ended June 30, 2025 |              |                   |                                               |                             |                           |              |
| <b>Balance at December 31, 2024</b>      | \$ 889                         | \$ 13,520    | \$ 16,979         | \$ (166)                                      | \$ 31,222                   | \$ 6,566                  | \$ 37,788    |
| Net income                               |                                |              | 1,390             |                                               | 1,390                       | 48                        | 1,438        |
| Other comprehensive loss                 |                                |              |                   | (49)                                          | (49)                        | (7)                       | (56)         |
| Share-based compensation expense         |                                | 11           |                   |                                               | 11                          |                           | 11           |
| Dividends declared:                      |                                |              |                   |                                               |                             |                           |              |
| Series C preferred stock (\$24.38/share) |                                |              | (22)              |                                               | (22)                        |                           | (22)         |
| Common stock (\$1.29/share)              |                                |              | (841)             |                                               | (841)                       |                           | (841)        |
| Preferred dividends of subsidiary        |                                |              | (1)               |                                               | (1)                         |                           | (1)          |
| Issuances of common stock                |                                | 45           |                   |                                               | 45                          |                           | 45           |
| Repurchases of common stock              |                                | (58)         |                   |                                               | (58)                        |                           | (58)         |
| Noncontrolling interest activities:      |                                |              |                   |                                               |                             |                           |              |
| Contributions                            |                                |              |                   |                                               |                             | 83                        | 83           |
| Distributions                            |                                |              |                   |                                               |                             | (91)                      | (91)         |
| <b>Balance at June 30, 2025</b>          | \$ 889                         | \$ 13,518    | \$ 17,505         | \$ (215)                                      | \$ 31,697                   | \$ 6,599                  | \$ 38,296    |
|                                          | Six months ended June 30, 2024 |              |                   |                                               |                             |                           |              |
| <b>Balance at December 31, 2023</b>      | \$ 889                         | \$ 12,204    | \$ 15,732         | \$ (150)                                      | \$ 28,675                   | \$ 4,979                  | \$ 33,654    |
| Net income                               |                                |              | 1,537             |                                               | 1,537                       | 215                       | 1,752        |
| Other comprehensive income               |                                |              |                   | 29                                            | 29                          | 163                       | 192          |
| Share-based compensation expense         |                                | 41           |                   |                                               | 41                          |                           | 41           |
| Dividends declared:                      |                                |              |                   |                                               |                             |                           |              |
| Series C preferred stock (\$24.38/share) |                                |              | (22)              |                                               | (22)                        |                           | (22)         |
| Common stock (\$1.24/share)              |                                |              | (785)             |                                               | (785)                       |                           | (785)        |
| Preferred dividends of subsidiary        |                                |              | (1)               |                                               | (1)                         |                           | (1)          |
| Issuances of common stock                |                                | 45           |                   |                                               | 45                          |                           | 45           |
| Repurchases of common stock              |                                | (40)         |                   |                                               | (40)                        |                           | (40)         |
| Noncontrolling interest activities:      |                                |              |                   |                                               |                             |                           |              |
| Contributions                            |                                |              |                   |                                               |                             | 786                       | 786          |
| Distributions                            |                                |              |                   |                                               |                             | (203)                     | (203)        |
| <b>Balance at June 30, 2024</b>          | \$ 889                         | \$ 12,250    | \$ 16,461         | \$ (121)                                      | \$ 29,479                   | \$ 5,940                  | \$ 35,419    |

See Notes to Condensed Consolidated Financial Statements.

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

|                                                   | Three months ended June 30, |          | Six months ended June 30, |          |
|---------------------------------------------------|-----------------------------|----------|---------------------------|----------|
|                                                   | 2025                        | 2024     | 2025                      | 2024     |
|                                                   | (unaudited)                 |          |                           |          |
| Operating revenues:                               |                             |          |                           |          |
| Electric                                          | \$ 1,034                    | \$ 1,149 | \$ 2,098                  | \$ 2,209 |
| Natural gas                                       | 228                         | 206      | 584                       | 525      |
| Total operating revenues                          | 1,262                       | 1,355    | 2,682                     | 2,734    |
| Operating expenses:                               |                             |          |                           |          |
| Cost of electric fuel and purchased power         | 106                         | 175      | 179                       | 282      |
| Cost of natural gas                               | 44                          | 37       | 131                       | 139      |
| Operation and maintenance                         | 403                         | 423      | 843                       | 834      |
| Depreciation and amortization                     | 323                         | 304      | 643                       | 602      |
| Franchise fees and other taxes                    | 98                          | 91       | 208                       | 195      |
| Total operating expenses                          | 974                         | 1,030    | 2,004                     | 2,052    |
| Operating income                                  | 288                         | 325      | 678                       | 682      |
| Other income, net                                 | 31                          | 23       | 71                        | 56       |
| Interest income                                   | 2                           | 3        | 2                         | 4        |
| Interest expense                                  | (139)                       | (131)    | (274)                     | (259)    |
| Income before income taxes                        | 182                         | 220      | 477                       | 483      |
| Income tax expense                                | (7)                         | (34)     | (21)                      | (74)     |
| Net income/Earnings attributable to common shares | \$ 175                      | \$ 186   | \$ 456                    | \$ 409   |

See Notes to Condensed Financial Statements.

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

|                                           | Pretax<br>amount | Income tax<br>expense<br>(unaudited) | Net-of-tax<br>amount |
|-------------------------------------------|------------------|--------------------------------------|----------------------|
| Three months ended June 30, 2025 and 2024 |                  |                                      |                      |
| <b>2025:</b>                              |                  |                                      |                      |
| Net income/Comprehensive income           | \$ 182           | \$ (7)                               | \$ 175               |
| <b>2024:</b>                              |                  |                                      |                      |
| Net income/Comprehensive income           | \$ 220           | \$ (34)                              | \$ 186               |
| Six months ended June 30, 2025 and 2024   |                  |                                      |                      |
| <b>2025:</b>                              |                  |                                      |                      |
| Net income/Comprehensive income           | \$ 477           | \$ (21)                              | \$ 456               |
| <b>2024:</b>                              |                  |                                      |                      |
| Net income/Comprehensive income           | \$ 483           | \$ (74)                              | \$ 409               |

See Notes to Condensed Financial Statements.

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

|                                                | June 30,<br>2025 | December 31,<br>2024 <sup>(1)</sup> |
|------------------------------------------------|------------------|-------------------------------------|
|                                                | (unaudited)      |                                     |
| <b>ASSETS</b>                                  |                  |                                     |
| Current assets:                                |                  |                                     |
| Cash and cash equivalents                      | \$ 28            | \$ —                                |
| Accounts receivable – trade, net               | 714              | 774                                 |
| Accounts receivable – other, net               | 139              | 89                                  |
| Due from unconsolidated affiliates             | 9                | —                                   |
| Income taxes receivable, net                   | 19               | 27                                  |
| Inventories                                    | 253              | 202                                 |
| Prepaid expenses                               | 71               | 139                                 |
| Regulatory assets                              | 176              | 16                                  |
| Greenhouse gas allowances                      | 27               | 27                                  |
| Other current assets                           | 38               | 27                                  |
| Total current assets                           | 1,474            | 1,301                               |
| Other assets:                                  |                  |                                     |
| Regulatory assets                              | 2,210            | 2,024                               |
| Greenhouse gas allowances                      | 281              | 272                                 |
| Nuclear decommissioning trusts                 | 878              | 875                                 |
| Right-of-use assets – operating leases         | 790              | 795                                 |
| Wildfire fund                                  | 255              | 262                                 |
| Other long-term assets                         | 125              | 133                                 |
| Total other assets                             | 4,539            | 4,361                               |
| Property, plant and equipment:                 |                  |                                     |
| Property, plant and equipment                  | 34,216           | 33,162                              |
| Less accumulated depreciation and amortization | (8,375)          | (8,051)                             |
| Property, plant and equipment, net             | 25,841           | 25,111                              |
| Total assets                                   | \$ 31,854        | \$ 30,773                           |

<sup>(1)</sup> Derived from audited financial statements.

See Notes to Condensed Financial Statements.

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

|                                                                                            | June 30,<br>2025 | December 31,<br>2024 <sup>(1)</sup> |
|--------------------------------------------------------------------------------------------|------------------|-------------------------------------|
|                                                                                            | (unaudited)      |                                     |
| LIABILITIES AND SHAREHOLDER'S EQUITY                                                       |                  |                                     |
| Current liabilities:                                                                       |                  |                                     |
| Short-term debt                                                                            | \$ —             | \$ 417                              |
| Accounts payable                                                                           | 768              | 742                                 |
| Due to unconsolidated affiliates                                                           | 49               | 59                                  |
| Interest payable                                                                           | 96               | 84                                  |
| Accrued compensation and benefits                                                          | 105              | 175                                 |
| Accrued franchise fees                                                                     | 53               | 54                                  |
| Regulatory liabilities                                                                     | 53               | 75                                  |
| Current portion of long-term debt and finance leases                                       | 794              | 42                                  |
| Greenhouse gas obligations                                                                 | 27               | 27                                  |
| Asset retirement obligations                                                               | 95               | 97                                  |
| Other current liabilities                                                                  | 220              | 215                                 |
| Total current liabilities                                                                  | 2,260            | 1,987                               |
| Long-term debt and finance leases                                                          | 10,093           | 10,018                              |
| Deferred credits and other liabilities:                                                    |                  |                                     |
| Regulatory liabilities                                                                     | 2,816            | 2,701                               |
| Greenhouse gas obligations                                                                 | 100              | 62                                  |
| Pension obligation, net of plan assets                                                     | 40               | 28                                  |
| Deferred income taxes                                                                      | 3,291            | 3,211                               |
| Asset retirement obligations                                                               | 797              | 803                                 |
| Deferred credits and other                                                                 | 1,437            | 1,399                               |
| Total deferred credits and other liabilities                                               | 8,481            | 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                                                                          | 9,372            | 8,916                               |
| Accumulated other comprehensive income (loss)                                              | (12)             | (12)                                |
| Total shareholder's equity                                                                 | 11,020           | 10,564                              |
| Total liabilities and shareholder's equity                                                 | \$ 31,854        | \$ 30,773                           |

<sup>(1)</sup> Derived from audited financial statements.  
See Notes to Condensed Financial Statements.

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

|                                                                                   | Six months ended June 30, |         |
|-----------------------------------------------------------------------------------|---------------------------|---------|
|                                                                                   | 2025                      | 2024    |
|                                                                                   | (unaudited)               |         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                           |         |
| Net income                                                                        | \$ 456                    | \$ 409  |
| Adjustments to reconcile net income to net cash provided by operating activities: |                           |         |
| Depreciation and amortization                                                     | 643                       | 602     |
| Deferred income taxes and investment tax credits                                  | (1)                       | 51      |
| Bad debt expense                                                                  | 22                        | 24      |
| Other                                                                             | (22)                      | (19)    |
| Net change in working capital components                                          | (200)                     | (28)    |
| Changes in noncurrent assets and liabilities, net                                 | (33)                      | 17      |
| Net cash provided by operating activities                                         | 865                       | 1,056   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                           |         |
| Expenditures for property, plant and equipment                                    | (1,270)                   | (1,234) |
| Purchases of nuclear decommissioning trust assets                                 | (469)                     | (362)   |
| Proceeds from sales of nuclear decommissioning trust assets                       | 499                       | 380     |
| Other                                                                             | —                         | 10      |
| Net cash used in investing activities                                             | (1,240)                   | (1,206) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                           |         |
| Issuances of debt (maturities greater than 90 days)                               | 848                       | 594     |
| Payments on debt (maturities greater than 90 days) and finance leases             | (21)                      | (422)   |
| Decrease in short-term debt, net                                                  | (417)                     | —       |
| Debt issuance costs                                                               | (7)                       | (6)     |
| Net cash provided by financing activities                                         | 403                       | 166     |
| Increase in cash and cash equivalents                                             | 28                        | 16      |
| Cash and cash equivalents, January 1                                              | —                         | 50      |
| Cash and cash equivalents, June 30                                                | \$ 28                     | \$ 66   |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                           |                           |         |
| Interest payments, net of amounts capitalized                                     | \$ 258                    | \$ 249  |
| Income tax payments, net of refunds                                               | 17                        | —       |
| <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>      |                           |         |
| Accrued capital expenditures for PP&E                                             | \$ 220                    | \$ 188  |
| Increase in finance lease obligations capitalized to PP&E                         | 4                         | 2       |

See Notes to Condensed Financial Statements.

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

|                                     | Common<br>stock                  | Retained<br>earnings | Accumulated<br>other<br>comprehensive<br>income (loss) | Total<br>shareholder's<br>equity |
|-------------------------------------|----------------------------------|----------------------|--------------------------------------------------------|----------------------------------|
|                                     | (unaudited)                      |                      |                                                        |                                  |
|                                     | Three months ended June 30, 2025 |                      |                                                        |                                  |
| <b>Balance at March 31, 2025</b>    | \$ 1,660                         | \$ 9,197             | \$ (12)                                                | \$ 10,845                        |
| Net income                          |                                  | 175                  |                                                        | 175                              |
| <b>Balance at June 30, 2025</b>     | \$ 1,660                         | \$ 9,372             | \$ (12)                                                | \$ 11,020                        |
|                                     | Three months ended June 30, 2024 |                      |                                                        |                                  |
| <b>Balance at March 31, 2024</b>    | \$ 1,660                         | \$ 8,473             | \$ (8)                                                 | \$ 10,125                        |
| Net income                          |                                  | 186                  |                                                        | 186                              |
| <b>Balance at June 30, 2024</b>     | \$ 1,660                         | \$ 8,659             | \$ (8)                                                 | \$ 10,311                        |
|                                     | Six months ended June 30, 2025   |                      |                                                        |                                  |
| <b>Balance at December 31, 2024</b> | \$ 1,660                         | \$ 8,916             | \$ (12)                                                | \$ 10,564                        |
| Net income                          |                                  | 456                  |                                                        | 456                              |
| <b>Balance at June 30, 2025</b>     | \$ 1,660                         | \$ 9,372             | \$ (12)                                                | \$ 11,020                        |
|                                     | Six months ended June 30, 2024   |                      |                                                        |                                  |
| <b>Balance at December 31, 2023</b> | \$ 1,660                         | \$ 8,250             | \$ (8)                                                 | \$ 9,902                         |
| Net income                          |                                  | 409                  |                                                        | 409                              |
| <b>Balance at June 30, 2024</b>     | \$ 1,660                         | \$ 8,659             | \$ (8)                                                 | \$ 10,311                        |

See Notes to Condensed Financial Statements.

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

|                                        | Three months ended June 30, |          | Six months ended June 30, |          |
|----------------------------------------|-----------------------------|----------|---------------------------|----------|
|                                        | 2025                        | 2024     | 2025                      | 2024     |
|                                        | (unaudited)                 |          |                           |          |
| Operating revenues                     | \$ 1,268                    | \$ 1,309 | \$ 3,288                  | \$ 3,114 |
| Operating expenses:                    |                             |          |                           |          |
| Cost of natural gas                    | 152                         | 114      | 567                       | 579      |
| Operation and maintenance              | 622                         | 707      | 1,379                     | 1,320    |
| Depreciation and amortization          | 251                         | 224      | 493                       | 447      |
| Franchise fees and other taxes         | 62                          | 60       | 141                       | 134      |
| Total operating expenses               | 1,087                       | 1,105    | 2,580                     | 2,480    |
| Operating income                       | 181                         | 204      | 708                       | 634      |
| Other (expense) income, net            | (2)                         | 13       | 40                        | 60       |
| Interest income                        | 1                           | 2        | 3                         | 4        |
| Interest expense                       | (89)                        | (78)     | (179)                     | (155)    |
| Income before income taxes             | 91                          | 141      | 572                       | 543      |
| Income tax expense                     | (6)                         | (10)     | (44)                      | (53)     |
| Net income                             | 85                          | 131      | 528                       | 490      |
| Preferred dividends                    | (1)                         | (1)      | (1)                       | (1)      |
| Earnings attributable to common shares | \$ 84                       | \$ 130   | \$ 527                    | \$ 489   |

See Notes to Condensed Financial Statements.

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

|                                           | Pretax<br>amount | Income tax<br>expense<br>(unaudited) | Net-of-tax<br>amount |
|-------------------------------------------|------------------|--------------------------------------|----------------------|
| Three months ended June 30, 2025 and 2024 |                  |                                      |                      |
| <b>2025:</b>                              |                  |                                      |                      |
| Net income                                | \$ 91            | \$ (6)                               | \$ 85                |
| Other comprehensive income (loss):        |                  |                                      |                      |
| Pension and other postretirement benefits | 1                | —                                    | 1                    |
| Total other comprehensive income          | 1                | —                                    | 1                    |
| Comprehensive income                      | \$ 92            | \$ (6)                               | \$ 86                |
| <b>2024:</b>                              |                  |                                      |                      |
| Net income                                | \$ 141           | \$ (10)                              | \$ 131               |
| Other comprehensive income (loss):        |                  |                                      |                      |
| Financial instruments                     | 1                | —                                    | 1                    |
| Total other comprehensive income          | 1                | —                                    | 1                    |
| Comprehensive income                      | \$ 142           | \$ (10)                              | \$ 132               |
| Six months ended June 30, 2025 and 2024   |                  |                                      |                      |
| <b>2025:</b>                              |                  |                                      |                      |
| Net income                                | \$ 572           | \$ (44)                              | \$ 528               |
| Other comprehensive income (loss):        |                  |                                      |                      |
| Pension and other postretirement benefits | 3                | —                                    | 3                    |
| Total other comprehensive income          | 3                | —                                    | 3                    |
| Comprehensive income                      | \$ 575           | \$ (44)                              | \$ 531               |
| <b>2024:</b>                              |                  |                                      |                      |
| Net income                                | \$ 543           | \$ (53)                              | \$ 490               |
| Other comprehensive income (loss):        |                  |                                      |                      |
| Financial instruments                     | 1                | —                                    | 1                    |
| Pension and other postretirement benefits | 1                | —                                    | 1                    |
| Total other comprehensive income          | 2                | —                                    | 2                    |
| Comprehensive income                      | \$ 545           | \$ (53)                              | \$ 492               |

See Notes to Condensed Financial Statements.

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

|                                                | June 30,<br>2025 | December 31,<br>2024 <sup>(1)</sup> |
|------------------------------------------------|------------------|-------------------------------------|
|                                                | (unaudited)      |                                     |
| <b>ASSETS</b>                                  |                  |                                     |
| Current assets:                                |                  |                                     |
| Cash and cash equivalents                      | \$ —             | \$ 12                               |
| Accounts receivable – trade, net               | 610              | 932                                 |
| Accounts receivable – other, net               | 56               | 71                                  |
| Due from unconsolidated affiliates             | 2                | 16                                  |
| Inventories                                    | 268              | 287                                 |
| Regulatory assets                              | 166              | 42                                  |
| Greenhouse gas allowances                      | 178              | 176                                 |
| Other current assets                           | 55               | 71                                  |
| Total current assets                           | 1,335            | 1,607                               |
| Other assets:                                  |                  |                                     |
| Regulatory assets                              | 1,917            | 1,844                               |
| Greenhouse gas allowances                      | 805              | 526                                 |
| Right-of-use assets – operating leases         | 11               | 18                                  |
| Other long-term assets                         | 583              | 609                                 |
| Total other assets                             | 3,316            | 2,997                               |
| Property, plant and equipment:                 |                  |                                     |
| Property, plant and equipment                  | 30,048           | 29,084                              |
| Less accumulated depreciation and amortization | (8,634)          | (8,330)                             |
| Property, plant and equipment, net             | 21,414           | 20,754                              |
| <b>Total assets</b>                            | <b>\$ 26,065</b> | <b>\$ 25,358</b>                    |

<sup>(1)</sup> Derived from audited financial statements.  
See Notes to Condensed Financial Statements.

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

|                                                                                           | June 30,<br>2025 | December 31,<br>2024 <sup>(1)</sup> |
|-------------------------------------------------------------------------------------------|------------------|-------------------------------------|
|                                                                                           | (unaudited)      |                                     |
| LIABILITIES AND SHAREHOLDERS' EQUITY                                                      |                  |                                     |
| Current liabilities:                                                                      |                  |                                     |
| Short-term debt                                                                           | \$ 211           | \$ 1,037                            |
| Accounts payable – trade                                                                  | 490              | 752                                 |
| Accounts payable – other                                                                  | 215              | 158                                 |
| Due to unconsolidated affiliates                                                          | 43               | 38                                  |
| Accrued compensation and benefits                                                         | 191              | 245                                 |
| Contributions in aid of construction                                                      | 159              | 117                                 |
| Regulatory liabilities                                                                    | —                | 64                                  |
| Current portion of long-term debt and finance leases                                      | 529              | 373                                 |
| Greenhouse gas obligations                                                                | 178              | 176                                 |
| Asset retirement obligations                                                              | 86               | 91                                  |
| Other current liabilities                                                                 | 288              | 334                                 |
| Total current liabilities                                                                 | 2,390            | 3,385                               |
| Long-term debt and finance leases                                                         | 7,622            | 7,031                               |
| Deferred credits and other liabilities:                                                   |                  |                                     |
| Regulatory liabilities                                                                    | 1,089            | 1,115                               |
| Greenhouse gas obligations                                                                | 735              | 410                                 |
| Pension obligation, net of plan assets                                                    | 31               | 45                                  |
| Deferred income taxes                                                                     | 2,168            | 2,005                               |
| Asset retirement obligations                                                              | 2,957            | 2,839                               |
| Deferred credits and other                                                                | 382              | 367                                 |
| Total deferred credits and other liabilities                                              | 7,362            | 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                                                                         | 6,377            | 5,850                               |
| Accumulated other comprehensive income (loss)                                             | (24)             | (27)                                |
| Total shareholders' equity                                                                | 8,691            | 8,161                               |
| Total liabilities and shareholders' equity                                                | \$ 26,065        | \$ 25,358                           |

<sup>(1)</sup> Derived from audited financial statements.  
See Notes to Condensed Financial Statements.

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

|                                                                                   | Six months ended June 30, |        |
|-----------------------------------------------------------------------------------|---------------------------|--------|
|                                                                                   | 2025                      | 2024   |
|                                                                                   | (unaudited)               |        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                           |        |
| Net income                                                                        | \$ 528                    | \$ 490 |
| Adjustments to reconcile net income to net cash provided by operating activities: |                           |        |
| Depreciation and amortization                                                     | 493                       | 447    |
| Deferred income taxes and investment tax credits                                  | 7                         | 56     |
| Bad debt expense                                                                  | 17                        | 45     |
| Other                                                                             | (14)                      | (13)   |
| Net change in working capital components                                          | (34)                      | 73     |
| Changes in noncurrent assets and liabilities, net                                 | 145                       | (52)   |
| Net cash provided by operating activities                                         | 1,142                     | 1,046  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                           |        |
| Expenditures for property, plant and equipment                                    | (1,045)                   | (978)  |
| Net cash used in investing activities                                             | (1,045)                   | (978)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                           |        |
| Preferred dividends paid                                                          | (1)                       | (1)    |
| Issuances of debt (maturities greater than 90 days)                               | 1,090                     | 797    |
| Payments on debt (maturities greater than 90 days) and finance leases             | (1,063)                   | (11)   |
| Decrease in short-term debt, net                                                  | (126)                     | (840)  |
| Debt issuance costs                                                               | (9)                       | (5)    |
| Net cash used in financing activities                                             | (109)                     | (60)   |
| (Decrease) increase in cash and cash equivalents                                  | (12)                      | 8      |
| Cash and cash equivalents, January 1                                              | 12                        | 2      |
| Cash and cash equivalents, June 30                                                | \$ —                      | \$ 10  |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                           |                           |        |
| Interest payments, net of amounts capitalized                                     | \$ 170                    | \$ 142 |
| Income tax payments, net of refunds                                               | 55                        | —      |
| <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>      |                           |        |
| Accrued capital expenditures for PP&E                                             | \$ 221                    | \$ 222 |
| Increase in finance lease obligations capitalized to PP&E                         | 27                        | 10     |
| Increase (decrease) in ARO capitalized to PP&E                                    | 60                        | (2)    |

See Notes to Condensed Financial Statements.

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

|                                     | Preferred<br>stock               | Common<br>stock | Retained<br>earnings | Accumulated<br>other<br>comprehensive<br>income (loss) | Total<br>shareholders'<br>equity |
|-------------------------------------|----------------------------------|-----------------|----------------------|--------------------------------------------------------|----------------------------------|
|                                     | (unaudited)                      |                 |                      |                                                        |                                  |
|                                     | Three months ended June 30, 2025 |                 |                      |                                                        |                                  |
| <b>Balance at March 31, 2025</b>    | \$ 22                            | \$ 2,316        | \$ 6,293             | \$ (25)                                                | \$ 8,606                         |
| Net income                          |                                  |                 | 85                   |                                                        | 85                               |
| Other comprehensive income          |                                  |                 |                      | 1                                                      | 1                                |
| Dividends declared:                 |                                  |                 |                      |                                                        |                                  |
| Preferred stock (\$0.37/share)      |                                  |                 | (1)                  |                                                        | (1)                              |
| <b>Balance at June 30, 2025</b>     | \$ 22                            | \$ 2,316        | \$ 6,377             | \$ (24)                                                | \$ 8,691                         |
|                                     | Three months ended June 30, 2024 |                 |                      |                                                        |                                  |
| <b>Balance at March 31, 2024</b>    | \$ 22                            | \$ 2,316        | \$ 5,454             | \$ (22)                                                | \$ 7,770                         |
| Net income                          |                                  |                 | 131                  |                                                        | 131                              |
| Other comprehensive income          |                                  |                 |                      | 1                                                      | 1                                |
| Dividends declared:                 |                                  |                 |                      |                                                        |                                  |
| Preferred stock (\$0.37/share)      |                                  |                 | (1)                  |                                                        | (1)                              |
| <b>Balance at June 30, 2024</b>     | \$ 22                            | \$ 2,316        | \$ 5,584             | \$ (21)                                                | \$ 7,901                         |
|                                     | Six months ended June 30, 2025   |                 |                      |                                                        |                                  |
| <b>Balance at December 31, 2024</b> | \$ 22                            | \$ 2,316        | \$ 5,850             | \$ (27)                                                | \$ 8,161                         |
| Net income                          |                                  |                 | 528                  |                                                        | 528                              |
| Other comprehensive income          |                                  |                 |                      | 3                                                      | 3                                |
| Dividends declared:                 |                                  |                 |                      |                                                        |                                  |
| Preferred stock (\$0.75/share)      |                                  |                 | (1)                  |                                                        | (1)                              |
| <b>Balance at June 30, 2025</b>     | \$ 22                            | \$ 2,316        | \$ 6,377             | \$ (24)                                                | \$ 8,691                         |
|                                     | Six months ended June 30, 2024   |                 |                      |                                                        |                                  |
| <b>Balance at December 31, 2023</b> | \$ 22                            | \$ 2,316        | \$ 5,095             | \$ (23)                                                | \$ 7,410                         |
| Net income                          |                                  |                 | 490                  |                                                        | 490                              |
| Other comprehensive income          |                                  |                 |                      | 2                                                      | 2                                |
| Dividends declared:                 |                                  |                 |                      |                                                        |                                  |
| Preferred stock (\$0.75/share)      |                                  |                 | (1)                  |                                                        | (1)                              |
| <b>Balance at June 30, 2024</b>     | \$ 22                            | \$ 2,316        | \$ 5,584             | \$ (21)                                                | \$ 7,901                         |

See Notes to Condensed Financial Statements.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 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 June 30, 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 June 30, 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 \$1,124 million and \$1,138 million at June 30, 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 \$16,402 million and \$15,400 million at June 30, 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 \$1,204 million at June 30, 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 \$1,886 million and \$1,758 million of assets at June 30, 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 \$1,204 million and \$1,080 million of liabilities at June 30, 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 repayment of up to \$1,056 million and \$262 million, respectively, plus accrued and unpaid interest, 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 \$7,735 million and \$6,419 million of assets at June 30, 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 \$3,003 million and \$1,584 million of liabilities at June 30, 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<br>(Dollars in millions)                   |    |                  |                      |
|---------------------------------------------------------------------------------------------------------|----|------------------|----------------------|
|                                                                                                         |    | June 30,<br>2025 | December 31,<br>2024 |
| <b>Semptra:</b>                                                                                         |    |                  |                      |
| Cash and cash equivalents                                                                               | \$ | 155              | \$ 1,565             |
| Restricted cash, current                                                                                |    | 25               | 21                   |
| Restricted cash, noncurrent                                                                             |    | 3                | 3                    |
| Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows | \$ | 183              | \$ 1,589             |

## CREDIT LOSSES

### *Financial Assets Measured at Amortized Cost*

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 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.

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.

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, other receivables and a note receivable are as follows:

| <b>CHANGES IN ALLOWANCES FOR CREDIT LOSSES</b><br>(Dollars in millions) |        |        |
|-------------------------------------------------------------------------|--------|--------|
|                                                                         | 2025   | 2024   |
| <b>Sempra:</b>                                                          |        |        |
| Allowances for credit losses at January 1                               | \$ 519 | \$ 539 |
| Provisions for expected credit losses                                   | 33     | 94     |
| Write-offs                                                              | (94)   | (112)  |
| Allowances for credit losses at June 30                                 | \$ 458 | \$ 521 |
| <b>SDG&amp;E:</b>                                                       |        |        |
| Allowances for credit losses at January 1                               | \$ 114 | \$ 144 |
| Provisions for expected credit losses                                   | 25     | 24     |
| Write-offs                                                              | (40)   | (42)   |
| Allowances for credit losses at June 30                                 | \$ 99  | \$ 126 |
| <b>SoCalGas:</b>                                                        |        |        |
| Allowances for credit losses at January 1                               | \$ 285 | \$ 331 |
| Provisions for expected credit losses                                   | 21     | 45     |
| Write-offs                                                              | (54)   | (70)   |
| Allowances for credit losses at June 30                                 | \$ 252 | \$ 306 |

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

| <b>ALLOWANCES FOR CREDIT LOSSES</b><br>(Dollars in millions) |                  |                      |
|--------------------------------------------------------------|------------------|----------------------|
|                                                              | June 30,<br>2025 | December 31,<br>2024 |
| <b>Sempra:</b>                                               |                  |                      |
| Accounts receivable – trade, net                             | \$ 381           | \$ 447               |
| Accounts receivable – other, net                             | 59               | 53                   |
| Other long-term assets <sup>(1)(2)</sup>                     | 18               | 19                   |
| Total allowances for credit losses                           | \$ 458           | \$ 519               |
| <b>SDG&amp;E:</b>                                            |                  |                      |
| Accounts receivable – trade, net                             | \$ 66            | \$ 81                |
| Accounts receivable – other, net                             | 27               | 25                   |
| Other long-term assets <sup>(1)</sup>                        | 6                | 8                    |
| Total allowances for credit losses                           | \$ 99            | \$ 114               |
| <b>SoCalGas:</b>                                             |                  |                      |
| Accounts receivable – trade, net                             | \$ 212           | \$ 251               |
| Accounts receivable – other, net                             | 32               | 28                   |
| Other long-term assets <sup>(1)</sup>                        | 8                | 6                    |
| Total allowances for credit losses                           | \$ 252           | \$ 285               |

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

<sup>(2)</sup> At June 30, 2025 and December 31, 2024, includes \$4 million and \$5 million, respectively, of expected credit losses on an interest-bearing promissory note due from KKR Pinnacle.

**Off-Balance Sheet Credit Exposures**

We are exposed to credit losses from off-balance sheet arrangements through Sempra's guarantees, which we discuss in Note 12. On a quarterly basis, we evaluate credit losses and record liabilities for expected credit losses on our off-balance sheet arrangements based on external credit ratings, published default rate studies and the maturity date of the arrangements.

Allowances for credit losses related to off-balance sheet arrangements are included in the Condensed Consolidated Balance Sheets as follows:

| ALLOWANCES FOR CREDIT LOSSES       |                  |                      |
|------------------------------------|------------------|----------------------|
| (Dollars in millions)              |                  |                      |
|                                    | June 30,<br>2025 | December 31,<br>2024 |
| <b>Sempra:</b>                     |                  |                      |
| Other current liabilities          | \$ 6             | \$ —                 |
| Deferred credits and other         | 5                | 5                    |
| Total allowances for credit losses | \$ 11            | \$ 5                 |

## 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)

|                                                             | June 30,<br>2025 | December 31,<br>2024 |
|-------------------------------------------------------------|------------------|----------------------|
| <b>Sempra:</b>                                              |                  |                      |
| Tax sharing agreement with Oncor Holdings                   | \$ —             | \$ 8                 |
| Various affiliates                                          | 3                | 5                    |
| Total due from unconsolidated affiliates – current          | \$ 3             | \$ 13                |
| Tax sharing arrangement with Oncor Holdings                 | \$ (8)           | \$ —                 |
| Total due to unconsolidated affiliates – current            | \$ (8)           | \$ —                 |
| <b>TAG Pipelines<sup>(1)</sup>:</b>                         |                  |                      |
| 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                              | (49)             | (48)                 |
| 5.5% Note due July 18, 2028                                 | (42)             | (41)                 |
| 5.5% Note due January 22, 2029                              | (45)             | —                    |
| TAG Norte – 5.74% Note due December 17, 2029 <sup>(1)</sup> | (214)            | (209)                |
| Total due to unconsolidated affiliates – noncurrent         | \$ (359)         | \$ (352)             |
| <b>SDG&amp;E:</b>                                           |                  |                      |
| SoCalGas                                                    | \$ 9             | \$ —                 |
| Total due from unconsolidated affiliates – current          | \$ 9             | \$ —                 |
| Sempra                                                      | \$ (41)          | \$ (42)              |
| SoCalGas                                                    | —                | (14)                 |
| Various affiliates                                          | (8)              | (3)                  |
| Total due to unconsolidated affiliates – current            | \$ (49)          | \$ (59)              |
| Income taxes due from Sempra <sup>(2)</sup>                 | \$ 33            | \$ 38                |
| <b>SoCalGas:</b>                                            |                  |                      |
| SDG&E                                                       | \$ —             | \$ 14                |
| Various affiliates                                          | 2                | 2                    |
| Total due from unconsolidated affiliates – current          | \$ 2             | \$ 16                |
| Sempra                                                      | \$ (34)          | \$ (38)              |
| SDG&E                                                       | (9)              | —                    |
| Total due to unconsolidated affiliates – current            | \$ (43)          | \$ (38)              |
| Income taxes due from (to) Sempra <sup>(2)</sup>            | \$ 11            | \$ (6)               |

<sup>(1)</sup> U.S. dollar-denominated loans at fixed interest rates. Amounts include principal balances plus accumulated interest outstanding and value added tax payable to the Mexican government.

<sup>(2)</sup> 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 June 30, |       | Six months ended June 30, |       |
|------------------------------|-----------------------------|-------|---------------------------|-------|
|                              | 2025                        | 2024  | 2025                      | 2024  |
| <b>Sempra:</b>               |                             |       |                           |       |
| Revenues                     | \$ 8                        | \$ 10 | \$ 17                     | \$ 20 |
| Interest expense             | 5                           | 3     | 9                         | 7     |
| <b>SDG&amp;E:</b>            |                             |       |                           |       |
| Revenues                     | \$ 5                        | \$ 5  | \$ 11                     | \$ 11 |
| Cost of sales                | 30                          | 35    | 68                        | 75    |
| <b>SoCalGas:</b>             |                             |       |                           |       |
| Revenues                     | \$ 40                       | \$ 37 | \$ 81                     | \$ 81 |
| Cost of sales <sup>(1)</sup> | —                           | —     | (1)                       | (3)   |

<sup>(1)</sup> 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      |                   |
|------------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|
|                        | June 30, 2025 | December 31, 2024 | June 30, 2025 | December 31, 2024 | June 30, 2025 | December 31, 2024 |
| Natural gas            | \$ 141        | \$ 163            | \$ 1          | \$ 1              | \$ 125        | \$ 148            |
| LNG                    | 12            | 27                | —             | —                 | —             | —                 |
| Materials and supplies | 472           | 369               | 252           | 201               | 143           | 139               |
| Total                  | \$ 625        | \$ 559            | \$ 253        | \$ 202            | \$ 268        | \$ 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 \$591 million and \$585 million at June 30, 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 June 30, 2025 and December 31, 2024, Other Long-Term Assets includes \$358 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 June 30, 2025, Sempra Infrastructure had \$395 million in PP&E, net, related to the Guaymas-El Oro segment of the Sonora pipeline, which could be subject to impairment if, among other things, 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 June 30, |        | Six months ended June 30, |        |  |
|                             | 2025                        | 2024   | 2025                      | 2024   |  |
| Sempra                      | \$ 195                      | \$ 155 | \$ 369                    | \$ 300 |  |
| SDG&E                       | 32                          | 27     | 57                        | 53     |  |
| SoCalGas                    | 25                          | 26     | 50                        | 50     |  |

## 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<sup>(1)</sup>

(Dollars in millions)

|                                             | Foreign<br>currency<br>translation<br>adjustments | Financial<br>instruments | Pension<br>and PBOP | Total<br>AOCI |
|---------------------------------------------|---------------------------------------------------|--------------------------|---------------------|---------------|
| Three months ended June 30, 2025 and 2024   |                                                   |                          |                     |               |
| <b>Sempra:</b>                              |                                                   |                          |                     |               |
| Balance at March 31, 2025                   | \$ (66)                                           | \$ (17)                  | \$ (112)            | \$ (195)      |
| OCI before reclassifications                | 11                                                | (34)                     | —                   | (23)          |
| Amounts reclassified from AOCI              | —                                                 | 1                        | 2                   | 3             |
| Net OCI                                     | 11                                                | (33)                     | 2                   | (20)          |
| Balance at June 30, 2025                    | \$ (55)                                           | \$ (50)                  | \$ (110)            | \$ (215)      |
| Balance at March 31, 2024                   | \$ (33)                                           | \$ 42                    | \$ (113)            | \$ (104)      |
| OCI before reclassifications                | (16)                                              | 3                        | (1)                 | (14)          |
| Amounts reclassified from AOCI              | —                                                 | (10)                     | 7                   | (3)           |
| Net OCI                                     | (16)                                              | (7)                      | 6                   | (17)          |
| Balance at June 30, 2024                    | \$ (49)                                           | \$ 35                    | \$ (107)            | \$ (121)      |
| <b>SDG&amp;E:</b>                           |                                                   |                          |                     |               |
| Balance at March 31, 2025 and June 30, 2025 |                                                   |                          | \$ (12)             | \$ (12)       |
| Balance at March 31, 2024 and June 30, 2024 |                                                   |                          | \$ (8)              | \$ (8)        |
| <b>SoCalGas:</b>                            |                                                   |                          |                     |               |
| Balance at March 31, 2025                   |                                                   | \$ (10)                  | \$ (15)             | \$ (25)       |
| Amounts reclassified from AOCI              |                                                   | —                        | 1                   | 1             |
| Net OCI                                     |                                                   | —                        | 1                   | 1             |
| Balance at June 30, 2025                    |                                                   | \$ (10)                  | \$ (14)             | \$ (24)       |
| Balance at March 31, 2024                   |                                                   | \$ (11)                  | \$ (11)             | \$ (22)       |
| Amounts reclassified from AOCI              |                                                   | 1                        | —                   | 1             |
| Net OCI                                     |                                                   | 1                        | —                   | 1             |
| Balance at June 30, 2024                    |                                                   | \$ (10)                  | \$ (11)             | \$ (21)       |

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

**CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT<sup>(1)</sup> (CONTINUED)**
*(in millions)*

|                                                |    | Foreign<br>currency<br>translation<br>adjustments | Financial<br>instruments | Pension<br>and FBOP | Total<br>AOCI |
|------------------------------------------------|----|---------------------------------------------------|--------------------------|---------------------|---------------|
| Six months ended June 30, 2025 and 2024        |    |                                                   |                          |                     |               |
| <b>mpira:</b>                                  |    |                                                   |                          |                     |               |
| Balance at December 31, 2024                   | \$ | (66)                                              | \$ 15                    | \$ (115)            | \$ (166)      |
| Change before reclassifications                |    | 11                                                | (65)                     | (2)                 | (56)          |
| Amounts reclassified from AOCI                 |    | —                                                 | —                        | 7                   | 7             |
| Net OCI                                        |    | 11                                                | (65)                     | 5                   | (49)          |
| Balance at June 30, 2025                       | \$ | (55)                                              | \$ (50)                  | \$ (110)            | \$ (215)      |
| <b>CalGas:</b>                                 |    |                                                   |                          |                     |               |
| Balance at December 31, 2023                   | \$ | (36)                                              | \$ 3                     | \$ (117)            | \$ (150)      |
| Change before reclassifications                |    | (13)                                              | 48                       | 1                   | 36            |
| Amounts reclassified from AOCI                 |    | —                                                 | (16)                     | 9                   | (7)           |
| Net OCI                                        |    | (13)                                              | 32                       | 10                  | 29            |
| Balance at June 30, 2024                       | \$ | (49)                                              | \$ 35                    | \$ (107)            | \$ (121)      |
| <b>IG&amp;E:</b>                               |    |                                                   |                          |                     |               |
| Balance at December 31, 2024 and June 30, 2025 |    |                                                   | \$                       | (12)                | (12)          |
| Balance at December 31, 2023 and June 30, 2024 |    |                                                   | \$                       | (8)                 | (8)           |
| <b>CalGas:</b>                                 |    |                                                   |                          |                     |               |
| Balance at December 31, 2024                   | \$ | (10)                                              | \$ (17)                  |                     | (27)          |
| Change before reclassifications                |    | —                                                 | (2)                      |                     | (2)           |
| Amounts reclassified from AOCI                 |    | —                                                 | 5                        |                     | 5             |
| Net OCI                                        |    | —                                                 | 3                        |                     | 3             |
| Balance at June 30, 2025                       | \$ | (10)                                              | \$ (14)                  |                     | (24)          |
| Balance at December 31, 2023                   | \$ | (11)                                              | \$ (12)                  |                     | (23)          |
| Amounts reclassified from AOCI                 |    | 1                                                 | 1                        |                     | 2             |
| Net OCI                                        |    | 1                                                 | 1                        |                     | 2             |
| Balance at June 30, 2024                       | \$ | (10)                                              | \$ (11)                  |                     | (21)          |

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

**CLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**
*(in millions)*

| Details about AOCI components                                             | Amounts reclassified from AOCI |      | Affected line item on Condensed Consolidated Statements of Operations |
|---------------------------------------------------------------------------|--------------------------------|------|-----------------------------------------------------------------------|
|                                                                           | Three months ended June 30,    |      |                                                                       |
|                                                                           | 2025                           | 2024 |                                                                       |
| <b>mpira:</b>                                                             |                                |      |                                                                       |
| Financial instruments:                                                    |                                |      |                                                                       |
| Interest rate instruments                                                 | \$                             | —    | \$ (3) Interest expense                                               |
| Interest rate instruments                                                 |                                | 1    | (10) Equity earnings <sup>(1)</sup>                                   |
| Foreign exchange instruments                                              |                                | (1)  | (2) Revenues: Energy-related businesses                               |
| Foreign exchange instruments                                              |                                | 1    | (1) Other income, net                                                 |
| Foreign exchange instruments                                              |                                | (1)  | (2) Equity earnings <sup>(1)</sup>                                    |
| Balance, before income tax                                                |                                | —    | (18)                                                                  |
| Balance, before income tax                                                |                                | —    | Income tax (expense) benefit                                          |
| Balance, net of income tax                                                |                                | —    | (15)                                                                  |
| Balance, net of income tax                                                |                                | 1    | Earnings attributable to noncontrolling interests                     |
| Balance, net of income tax and after NCI                                  | \$                             | 1    | \$ (10)                                                               |
| <b>Pension and PBOP<sup>(2)</sup>:</b>                                    |                                |      |                                                                       |
| Amortization of actuarial loss                                            | \$                             | 1    | \$ 0 Other income, net                                                |
| Amortization of prior service cost                                        |                                | 1    | — Other income, net                                                   |
| Settlement charges                                                        |                                | —    | 0 Other income, net                                                   |
| Balance, before income tax                                                |                                | 2    | 10                                                                    |
| Balance, before income tax                                                |                                | —    | (3) Income tax (expense) benefit                                      |
| Balance, net of income tax                                                | \$                             | 2    | \$ 7                                                                  |
| Balance reclassifications for the period, net of income tax and after NCI | \$                             | 3    | \$ (3)                                                                |
| <b>CalGas:</b>                                                            |                                |      |                                                                       |
| Financial instruments:                                                    |                                |      |                                                                       |
| Interest rate instruments                                                 | \$                             | —    | \$ 1 Interest expense                                                 |
| <b>Pension and PBOP<sup>(2)</sup>:</b>                                    |                                |      |                                                                       |
| Amortization of prior service cost                                        | \$                             | 1    | \$ — Other (expense) income, net                                      |
| Balance, net of income tax                                                | \$                             | 1    | \$ —                                                                  |
| Balance reclassifications for the period, net of income tax and after NCI | \$                             | 1    | \$ 1                                                                  |

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

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

**RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (CONTINUED)**
*(Dollars in millions)*

| Details about AOCI components                                           |    | Amounts reclassified from AOCI |      | Affected line item on Condensed Consolidated Statements of Operations |
|-------------------------------------------------------------------------|----|--------------------------------|------|-----------------------------------------------------------------------|
|                                                                         |    | Six months ended June 30,      |      |                                                                       |
|                                                                         |    | 2025                           | 2024 |                                                                       |
| <b>Sempra:</b>                                                          |    |                                |      |                                                                       |
| Financial instruments:                                                  |    |                                |      |                                                                       |
| Interest rate instruments                                               | \$ | (2)                            | \$   | (6) Interest expense                                                  |
| Interest rate instruments                                               |    | (4)                            |      | (15) Equity earnings <sup>(1)</sup>                                   |
| Foreign exchange instruments                                            |    | 1                              |      | (5) Revenues: Energy-related businesses                               |
|                                                                         |    | 1                              |      | (1) Other income, net                                                 |
| Foreign exchange instruments                                            |    | 1                              |      | (4) Equity earnings <sup>(1)</sup>                                    |
| Total, before income tax                                                |    | (3)                            |      | (31)                                                                  |
|                                                                         |    | 1                              |      | 6 Income tax (expense) benefit                                        |
| Total, net of income tax                                                |    | (2)                            |      | (25)                                                                  |
|                                                                         |    | 2                              |      | 9 Earnings attributable to noncontrolling interests                   |
| Total, net of income tax and after NCI                                  | \$ | —                              | \$   | (16)                                                                  |
| <b>Pension and FBOP<sup>(2)</sup>:</b>                                  |    |                                |      |                                                                       |
| Amortization of actuarial loss                                          | \$ | 3                              | \$   | 3 Other income, net                                                   |
| Amortization of prior service cost                                      |    | 1                              |      | 1 Other income, net                                                   |
| Settlement charges                                                      |    | 4                              |      | 9 Other income, net                                                   |
| Total, before income tax                                                |    | 8                              |      | 13                                                                    |
|                                                                         |    | (1)                            |      | (4) Income tax (expense) benefit                                      |
| Total, net of income tax                                                | \$ | 7                              | \$   | 9                                                                     |
| Total reclassifications for the period, net of income tax and after NCI | \$ | 7                              | \$   | (7)                                                                   |
| <b>SoCalGas:</b>                                                        |    |                                |      |                                                                       |
| Financial instruments:                                                  |    |                                |      |                                                                       |
| Interest rate instruments                                               | \$ | —                              | \$   | 1 Interest expense                                                    |
| <b>Pension and FBOP<sup>(2)</sup>:</b>                                  |    |                                |      |                                                                       |
| Amortization of actuarial loss                                          | \$ | 1                              | \$   | — Other (expense) income, net                                         |
| Amortization of prior service cost                                      |    | 1                              |      | 1 Other (expense) income, net                                         |
| Settlement charges                                                      |    | 4                              |      | — Other (expense) income, net                                         |
| Total, before income tax                                                |    | 6                              |      | 1                                                                     |
|                                                                         |    | (1)                            |      | — Income tax expense                                                  |
| Total, net of income tax                                                | \$ | 5                              | \$   | 1                                                                     |
| Total reclassifications for the period, net of income tax               | \$ | 5                              | \$   | 2                                                                     |

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

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

In the three months and six months ended June 30, 2025 and 2024, reclassifications out of AOCI to net income were negligible for SDG&amp;E.

## PENSION AND PBOP

### Special Termination Benefits

In the second quarter of 2025, certain eligible employees retired under a VREP and received an additional postretirement health benefit in the form of a \$100,000 Health Reimbursement Account. Employees eligible to participate in the VREP consisted of SDG&E represented and non-represented employees and SoCalGas non-represented employees aged 62 years or older with five years of service or ages 55 to 61 with 10 years of service as of May 31, 2025, and SoCalGas represented employees aged 65 or older with five years of service or ages 55 to 64 with 15 years of service as of June 30, 2025. We treated the benefit obligation attributable to the Health Reimbursement Account as a special termination benefit. This resulted in increases to the recorded liability for PBOP and net periodic benefit cost of \$40 million for Sempra, \$17 million for SDG&E and \$23 million for SoCalGas in the three months and six months ended June 30, 2025.

### 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 |       | PBOP                        |      |  |
|                                    |         |       | Three months ended June 30, |      |  |
|                                    | 2025    | 2024  | 2025                        | 2024 |  |
| <b>Sempra:</b>                     |         |       |                             |      |  |
| Service cost                       | \$ 32   | \$ 33 | \$ 4                        | \$ 3 |  |
| Interest cost                      | 45      | 41    | 9                           | 9    |  |
| Expected return on assets          | (44)    | (46)  | (17)                        | (17) |  |
| Amortization of:                   |         |       |                             |      |  |
| Prior service cost                 | 1       | 2     | —                           | —    |  |
| Actuarial loss (gain)              | 3       | 3     | (3)                         | (4)  |  |
| Settlement charges                 | —       | 9     | —                           | —    |  |
| Special termination benefits       | —       | —     | 40                          | —    |  |
| Net periodic benefit cost (credit) | 37      | 42    | 33                          | (9)  |  |
| Regulatory adjustments             | 27      | 26    | (30)                        | 9    |  |
| Total expense recognized           | \$ 64   | \$ 68 | \$ 3                        | \$ — |  |
| <b>SDG&amp;E:</b>                  |         |       |                             |      |  |
| Service cost                       | \$ 10   | \$ 9  | \$ —                        | \$ 1 |  |
| Interest cost                      | 12      | 11    | 2                           | 1    |  |
| Expected return on assets          | (12)    | (11)  | (2)                         | (1)  |  |
| Amortization of:                   |         |       |                             |      |  |
| Actuarial loss (gain)              | —       | 1     | —                           | (1)  |  |
| Special termination benefits       | —       | —     | 17                          | —    |  |
| Net periodic benefit cost          | 10      | 10    | 17                          | —    |  |
| Regulatory adjustments             | 2       | 3     | (14)                        | —    |  |
| Total expense recognized           | \$ 12   | \$ 13 | \$ 3                        | \$ — |  |
| <b>SoCalGas:</b>                   |         |       |                             |      |  |
| Service cost                       | \$ 19   | \$ 19 | \$ 2                        | \$ 2 |  |
| Interest cost                      | 28      | 26    | 8                           | 7    |  |
| Expected return on assets          | (29)    | (31)  | (15)                        | (15) |  |
| Amortization of:                   |         |       |                             |      |  |
| Prior service cost                 | 1       | 1     | —                           | —    |  |
| Actuarial gain                     | —       | —     | (2)                         | (3)  |  |
| Special termination benefits       | —       | —     | 23                          | —    |  |
| Net periodic benefit cost (credit) | 19      | 15    | 16                          | (9)  |  |
| Regulatory adjustments             | 25      | 23    | (16)                        | 9    |  |
| Total expense recognized           | \$ 44   | \$ 38 | \$ —                        | \$ — |  |

**NET PERIODIC BENEFIT COST (CONTINUED)**
*(Dollars in millions)*

|                                    | Pension                   |      |      |      | PBOP |      |      |      |
|------------------------------------|---------------------------|------|------|------|------|------|------|------|
|                                    | Six months ended June 30, |      |      |      |      |      |      |      |
|                                    | 2025                      |      | 2024 |      | 2025 |      | 2024 |      |
| <b>Sempra:</b>                     |                           |      |      |      |      |      |      |      |
| Service cost                       | \$                        | 64   | \$   | 65   | \$   | 7    | \$   | 7    |
| Interest cost                      |                           | 90   |      | 83   |      | 19   |      | 18   |
| Expected return on assets          |                           | (89) |      | (91) |      | (33) |      | (34) |
| Amortization of:                   |                           |      |      |      |      |      |      |      |
| Prior service cost (credit)        |                           | 2    |      | 3    |      | (1)  |      | (1)  |
| Actuarial loss (gain)              |                           | 6    |      | 6    |      | (6)  |      | (8)  |
| Settlement charges                 |                           | 4    |      | 9    |      | —    |      | —    |
| Special termination benefits       |                           | —    |      | —    |      | 40   |      | —    |
| Net periodic benefit cost (credit) |                           | 77   |      | 75   |      | 26   |      | (18) |
| Regulatory adjustments             |                           | (1)  |      | 1    |      | (23) |      | 18   |
| Total expense recognized           | \$                        | 76   | \$   | 76   | \$   | 3    | \$   | —    |
| <b>SDG&amp;E:</b>                  |                           |      |      |      |      |      |      |      |
| Service cost                       | \$                        | 19   | \$   | 19   | \$   | 1    | \$   | 2    |
| Interest cost                      |                           | 24   |      | 22   |      | 4    |      | 3    |
| Expected return on assets          |                           | (24) |      | (23) |      | (4)  |      | (4)  |
| Amortization of:                   |                           |      |      |      |      |      |      |      |
| Actuarial loss (gain)              |                           | 2    |      | 3    |      | (1)  |      | (1)  |
| Special termination benefits       |                           | —    |      | —    |      | 17   |      | —    |
| Net periodic benefit cost          |                           | 21   |      | 21   |      | 17   |      | —    |
| Regulatory adjustments             |                           | (8)  |      | (7)  |      | (14) |      | —    |
| Total expense recognized           | \$                        | 13   | \$   | 14   | \$   | 3    | \$   | —    |
| <b>SoCalGas:</b>                   |                           |      |      |      |      |      |      |      |
| Service cost                       | \$                        | 38   | \$   | 38   | \$   | 5    | \$   | 5    |
| Interest cost                      |                           | 56   |      | 52   |      | 15   |      | 14   |
| Expected return on assets          |                           | (59) |      | (61) |      | (29) |      | (30) |
| Amortization of:                   |                           |      |      |      |      |      |      |      |
| Prior service cost (credit)        |                           | 2    |      | 2    |      | (1)  |      | (1)  |
| Actuarial loss (gain)              |                           | 1    |      | —    |      | (4)  |      | (6)  |
| Settlement charges                 |                           | 4    |      | —    |      | —    |      | —    |
| Special termination benefits       |                           | —    |      | —    |      | 23   |      | —    |
| Net periodic benefit cost (credit) |                           | 42   |      | 31   |      | 9    |      | (18) |
| Regulatory adjustments             |                           | 7    |      | 8    |      | (9)  |      | 18   |
| Total expense recognized           | \$                        | 49   | \$   | 39   | \$   | —    | \$   | —    |

## OTHER INCOME, NET

Other Income, Net, consists of the following:

### OTHER INCOME (EXPENSE), NET

(Dollars in millions)

|                                                                       | Three months ended June 30, |       | Six months ended June 30, |        |
|-----------------------------------------------------------------------|-----------------------------|-------|---------------------------|--------|
|                                                                       | 2025                        | 2024  | 2025                      | 2024   |
| <b>Sempra:</b>                                                        |                             |       |                           |        |
| Allowance for equity funds used during construction                   | \$ 46                       | \$ 38 | \$ 87                     | \$ 75  |
| Investment gains, net <sup>(1)</sup>                                  | 23                          | 3     | 25                        | 19     |
| (Losses) gains on interest rate and foreign exchange instruments, net | (1)                         | 1     | (1)                       | 1      |
| Foreign currency transaction gains (losses), net                      | 2                           | (2)   | 6                         | (1)    |
| Non-service components of net periodic benefit cost                   | (31)                        | (32)  | (8)                       | (4)    |
| Interest on regulatory balancing accounts, net                        | 20                          | 24    | 41                        | 42     |
| Sundry, net                                                           | —                           | (2)   | —                         | (3)    |
| Total                                                                 | \$ 59                       | \$ 30 | \$ 150                    | \$ 129 |
| <b>SDG&amp;E:</b>                                                     |                             |       |                           |        |
| Allowance for equity funds used during construction                   | \$ 23                       | \$ 19 | \$ 42                     | \$ 39  |
| Non-service components of net periodic benefit cost                   | (5)                         | (3)   | 4                         | 7      |
| Interest on regulatory balancing accounts, net                        | 15                          | 11    | 26                        | 18     |
| Sundry, net                                                           | (2)                         | (4)   | (1)                       | (8)    |
| Total                                                                 | \$ 31                       | \$ 23 | \$ 71                     | \$ 56  |
| <b>SoCalGas:</b>                                                      |                             |       |                           |        |
| Allowance for equity funds used during construction                   | \$ 18                       | \$ 19 | \$ 36                     | \$ 36  |
| Non-service components of net periodic benefit cost                   | (23)                        | (17)  | (6)                       | 4      |
| Interest on regulatory balancing accounts, net                        | 5                           | 13    | 15                        | 24     |
| Sundry, net                                                           | (2)                         | (2)   | (5)                       | (4)    |
| Total                                                                 | \$ (2)                      | \$ 13 | \$ 40                     | \$ 60  |

<sup>(1)</sup> 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 June 30, |          | Six months ended June 30, |          |
|---------------------------------------------------|-----------------------------|----------|---------------------------|----------|
|                                                   | 2025                        | 2024     | 2025                      | 2024     |
| <b>Sempra:</b>                                    |                             |          |                           |          |
| Income tax expense (benefit)                      | \$ 172                      | \$ (130) | \$ 229                    | \$ 42    |
| Income before income taxes and equity earnings    | \$ 298                      | \$ 308   | \$ 949                    | \$ 1,013 |
| Equity earnings, before income tax <sup>(1)</sup> | 169                         | 160      | 310                       | 294      |
| Pretax income                                     | \$ 467                      | \$ 468   | \$ 1,259                  | \$ 1,307 |
| Effective income tax rate                         | 37 %                        | (28)%    | 18 %                      | 3 %      |
| <b>SDG&amp;E:</b>                                 |                             |          |                           |          |
| Income tax expense                                | \$ 7                        | \$ 34    | \$ 21                     | \$ 74    |
| Income before income taxes                        | \$ 182                      | \$ 220   | \$ 477                    | \$ 483   |
| Effective income tax rate                         | 4 %                         | 15 %     | 4 %                       | 15 %     |
| <b>SoCalGas:</b>                                  |                             |          |                           |          |
| Income tax expense                                | \$ 6                        | \$ 10    | \$ 44                     | \$ 53    |
| Income before income taxes                        | \$ 91                       | \$ 141   | \$ 572                    | \$ 543   |
| Effective income tax rate                         | 7 %                         | 7 %      | 8 %                       | 10 %     |

<sup>(1)</sup> 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.

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## 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 will 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.

**ASU 2025-05, “Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets”:** ASU 2025-05 amends ASC 326-20 to provide a practical expedient for all entities related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods on a prospective basis. Early adoption is permitted. 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 June 30, 2025       |                   |                       |                                                |          |
| <b>By major service line:</b>          |                   |                       |                                                |          |
| Utilities                              | \$ 2,449          | \$ 18                 | \$ (7)                                         | \$ 2,460 |
| Energy-related businesses              | —                 | 257                   | (17)                                           | 240      |
| Revenues from contracts with customers | \$ 2,449          | \$ 275                | \$ (24)                                        | \$ 2,700 |
| <b>By market:</b>                      |                   |                       |                                                |          |
| Gas                                    | \$ 1,596          | \$ 173                | \$ (8)                                         | \$ 1,761 |
| Electric                               | 853               | 102                   | (16)                                           | 939      |
| Revenues from contracts with customers | \$ 2,449          | \$ 275                | \$ (24)                                        | \$ 2,700 |
| Revenues from contracts with customers | \$ 2,449          | \$ 275                | \$ (24)                                        | \$ 2,700 |
| Utilities regulatory revenues          | 41                | —                     | —                                              | 41       |
| Other revenues                         | —                 | 255                   | 4                                              | 259      |
| Total revenues                         | \$ 2,490          | \$ 530                | \$ (20)                                        | \$ 3,000 |
| Three months ended June 30, 2024       |                   |                       |                                                |          |
| <b>By major service line:</b>          |                   |                       |                                                |          |
| Utilities                              | \$ 2,256          | \$ 18                 | \$ (5)                                         | \$ 2,269 |
| Energy-related businesses              | —                 | 234                   | (19)                                           | 215      |
| Revenues from contracts with customers | \$ 2,256          | \$ 252                | \$ (24)                                        | \$ 2,484 |
| <b>By market:</b>                      |                   |                       |                                                |          |
| Gas                                    | \$ 1,374          | \$ 148                | \$ (4)                                         | \$ 1,518 |
| Electric                               | 882               | 104                   | (20)                                           | 966      |
| Revenues from contracts with customers | \$ 2,256          | \$ 252                | \$ (24)                                        | \$ 2,484 |
| Revenues from contracts with customers | \$ 2,256          | \$ 252                | \$ (24)                                        | \$ 2,484 |
| Utilities regulatory revenues          | 369               | —                     | —                                              | 369      |
| Other revenues                         | —                 | 157                   | 1                                              | 158      |
| Total revenues                         | \$ 2,625          | \$ 409                | \$ (23)                                        | \$ 3,011 |

**DISAGGREGATED REVENUES (CONTINUED)**
*(Dollars in millions)*

|                                        | Sempra            |                       |                                                |          |
|----------------------------------------|-------------------|-----------------------|------------------------------------------------|----------|
|                                        | Sempra California | Sempra Infrastructure | Consolidating adjustments and Parent and other | Sempra   |
|                                        |                   |                       |                                                |          |
|                                        |                   |                       |                                                |          |
| Six months ended June 30, 2025         |                   |                       |                                                |          |
| <b>By major service line:</b>          |                   |                       |                                                |          |
| Utilities                              | \$ 5,912          | \$ 44                 | \$ (13)                                        | \$ 5,943 |
| Energy-related businesses              | —                 | 475                   | (37)                                           | 438      |
| Revenues from contracts with customers | \$ 5,912          | \$ 519                | \$ (50)                                        | \$ 6,381 |
| <b>By market:</b>                      |                   |                       |                                                |          |
| Gas                                    | \$ 3,988          | \$ 315                | \$ (13)                                        | \$ 4,290 |
| Electric                               | 1,924             | 204                   | (37)                                           | 2,091    |
| Revenues from contracts with customers | \$ 5,912          | \$ 519                | \$ (50)                                        | \$ 6,381 |
| Revenues from contracts with customers | \$ 5,912          | \$ 519                | \$ (50)                                        | \$ 6,381 |
| Utilities regulatory revenues          | (21)              | —                     | —                                              | (21)     |
| Other revenues                         | —                 | 437                   | 5                                              | 442      |
| Total revenues                         | \$ 5,891          | \$ 956                | \$ (45)                                        | \$ 6,802 |

|                                        | Six months ended June 30, 2024 |        |         |          |
|----------------------------------------|--------------------------------|--------|---------|----------|
| <b>By major service line:</b>          |                                |        |         |          |
| Utilities                              | \$ 5,735                       | \$ 48  | \$ (11) | \$ 5,772 |
| Energy-related businesses              | —                              | 446    | (37)    | 409      |
| Revenues from contracts with customers | \$ 5,735                       | \$ 494 | \$ (48) | \$ 6,181 |
| <b>By market:</b>                      |                                |        |         |          |
| Gas                                    | \$ 3,724                       | \$ 273 | \$ (9)  | \$ 3,988 |
| Electric                               | 2,011                          | 221    | (39)    | 2,193    |
| Revenues from contracts with customers | \$ 5,735                       | \$ 494 | \$ (48) | \$ 6,181 |
| Revenues from contracts with customers | \$ 5,735                       | \$ 494 | \$ (48) | \$ 6,181 |
| Utilities regulatory revenues          | 31                             | —      | —       | 31       |
| Other revenues                         | —                              | 434    | 5       | 439      |
| Total revenues                         | \$ 5,766                       | \$ 928 | \$ (43) | \$ 6,651 |

**DISAGGREGATED REVENUES**
*(Dollars in millions)*

Dollars in millions)

|                                                    | SDG&E                       |          | SoCalGas |          |
|----------------------------------------------------|-----------------------------|----------|----------|----------|
|                                                    | Three months ended June 30, |          |          |          |
|                                                    | 2025                        | 2024     | 2025     | 2024     |
| By major service line:                             |                             |          |          |          |
| Revenues from contracts with customers – Utilities | \$ 1,068                    | \$ 1,047 | \$ 1,421 | \$ 1,246 |
| By market:                                         |                             |          |          |          |
| Gas                                                | \$ 212                      | \$ 161   | \$ 1,421 | \$ 1,246 |
| Electric                                           | 856                         | 886      | —        | —        |
| Revenues from contracts with customers             | \$ 1,068                    | \$ 1,047 | \$ 1,421 | \$ 1,246 |
| Revenues from contracts with customers             | \$ 1,068                    | \$ 1,047 | \$ 1,421 | \$ 1,246 |
| Utilities regulatory revenues                      | 194                         | 308      | (153)    | 63       |
| Total revenues                                     | \$ 1,262                    | \$ 1,355 | \$ 1,268 | \$ 1,309 |

|                                                    | Six months ended June 30, |          |          |          |
|----------------------------------------------------|---------------------------|----------|----------|----------|
|                                                    | 2025                      | 2024     | 2025     | 2024     |
| By major service line:                             |                           |          |          |          |
| Revenues from contracts with customers – Utilities | \$ 2,502                  | \$ 2,509 | \$ 3,489 | \$ 3,306 |
| By market:                                         |                           |          |          |          |
| Gas                                                | \$ 571                    | \$ 491   | \$ 3,489 | \$ 3,306 |
| Electric                                           | 1,931                     | 2,018    | —        | —        |
| Revenues from contracts with customers             | \$ 2,502                  | \$ 2,509 | \$ 3,489 | \$ 3,306 |
| Revenues from contracts with customers             | \$ 2,502                  | \$ 2,509 | \$ 3,489 | \$ 3,306 |
| Utilities regulatory revenues                      | 180                       | 225      | (201)    | (192)    |
| Total revenues                                     | \$ 2,682                  | \$ 2,734 | \$ 3,288 | \$ 3,114 |

**REVENUES FROM CONTRACTS WITH CUSTOMERS**
**Remaining Performance Obligations**

For contracts greater than one year, at June 30, 2025, we expect to recognize revenue related to the fixed fee component of the consideration as shown below. Semptra's remaining performance obligations primarily relate to capacity agreements for natural gas storage and transportation at Semptra Infrastructure and transmission line projects at SDG&E. SoCalGas did not have any remaining performance obligations for contracts greater than one year at June 30, 2025.

**REMAINING PERFORMANCE OBLIGATIONS**
*(Dollars in millions)*

|                                           | Semptra <sup>(1)</sup> | SDG&E |
|-------------------------------------------|------------------------|-------|
| 2025 (excluding first six months of 2025) | \$ 206                 | \$ 2  |
| 2026                                      | 289                    | 4     |
| 2027                                      | 289                    | 4     |
| 2028                                      | 242                    | 4     |
| 2029                                      | 215                    | 4     |
| Thereafter                                | 2,133                  | 52    |
| Total revenues to be recognized           | \$ 3,374               | \$ 70 |

<sup>(1)</sup> Excludes intercompany transactions.

### Contract Liabilities from Revenues from Contracts with Customers

Activities within Sempra's and SDG&E's contract liabilities are presented below. There were no contract liabilities at SoCalGas in the six months ended June 30, 2025 or 2024.

| CONTRACT LIABILITIES                                                   |      |       |      |       |
|------------------------------------------------------------------------|------|-------|------|-------|
| (Dollars in millions)                                                  |      |       |      |       |
|                                                                        | 2025 |       | 2024 |       |
| <b>Sempra:</b>                                                         |      |       |      |       |
| Contract liabilities at January 1                                      | \$   | (196) | \$   | (198) |
| Revenue from performance obligations satisfied during reporting period |      | 55    |      | 3     |
| Payments received in advance                                           |      | (1)   |      | (3)   |
| Contract liabilities at June 30 <sup>(1)</sup>                         | \$   | (142) | \$   | (198) |
| <b>SDG&amp;E:</b>                                                      |      |       |      |       |
| Contract liabilities at January 1                                      | \$   | (72)  | \$   | (75)  |
| Revenue from performance obligations satisfied during reporting period |      | 2     |      | 2     |
| Contract liabilities at June 30 <sup>(2)</sup>                         | \$   | (70)  | \$   | (73)  |

<sup>(1)</sup> Balances at June 30, 2025 include \$52 in Other Current Liabilities and \$90 in Deferred Credits and Other.

<sup>(2)</sup> Balances at June 30, 2025 include \$4 in Other Current Liabilities and \$66 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)                                       |               |       |                   |       |
|                                                             | June 30, 2025 |       | December 31, 2024 |       |
| <b>Sempra:</b>                                              |               |       |                   |       |
| Accounts receivable – trade, net <sup>(1)</sup>             | \$            | 1,441 | \$                | 1,787 |
| Accounts receivable – other, net                            |               | 14    |                   | 12    |
| Due from unconsolidated affiliates – current <sup>(2)</sup> |               | 3     |                   | 4     |
| Other long-term assets <sup>(3)</sup>                       |               | 18    |                   | 18    |
| Total                                                       | \$            | 1,476 | \$                | 1,821 |
| <b>SDG&amp;E:</b>                                           |               |       |                   |       |
| Accounts receivable – trade, net <sup>(1)</sup>             | \$            | 714   | \$                | 774   |
| Accounts receivable – other, net                            |               | 8     |                   | 11    |
| Due from unconsolidated affiliates – current <sup>(2)</sup> |               | 10    |                   | 6     |
| Other long-term assets <sup>(3)</sup>                       |               | 4     |                   | 4     |
| Total                                                       | \$            | 736   | \$                | 795   |
| <b>SoCalGas:</b>                                            |               |       |                   |       |
| Accounts receivable – trade, net                            | \$            | 610   | \$                | 932   |
| Accounts receivable – other, net                            |               | 6     |                   | 1     |
| Other long-term assets <sup>(3)</sup>                       |               | 14    |                   | 14    |
| Total                                                       | \$            | 630   | \$                | 947   |

<sup>(1)</sup> At June 30, 2025 and December 31, 2024, includes \$148 and \$144, respectively, of receivables due from customers that were billed on behalf of CCAs, which are not included in revenues.

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

<sup>(3)</sup> 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)                                     |                  |                      |                  |                      |                  |                      |
|                                                           | Sempra           |                      | SDG&E            |                      | SoCalGas         |                      |
|                                                           | June 30,<br>2025 | December 31,<br>2024 | June 30,<br>2025 | December 31,<br>2024 | June 30,<br>2025 | December 31,<br>2024 |
| Fixed-price contracts and other derivatives               | \$ 34            | \$ 53                | \$ 3             | \$ 11                | \$ 31            | \$ 42                |
| Deferred income taxes recoverable in rates                | 1,972            | 1,689                | 929              | 802                  | 974              | 817                  |
| Pension and PBOP plan obligations                         | (431)            | (458)                | 19               | (2)                  | (450)            | (456)                |
| Employee benefit costs                                    | 19               | 19                   | 3                | 3                    | 16               | 16                   |
| Removal obligations                                       | (3,400)          | (3,295)              | (2,794)          | (2,676)              | (606)            | (619)                |
| Environmental costs                                       | 148              | 149                  | 114              | 115                  | 34               | 34                   |
| Sunrise Powerlink fire mitigation                         | 123              | 124                  | 123              | 124                  | —                | —                    |
| Regulatory balancing accounts <sup>(1)(2)</sup> :         |                  |                      |                  |                      |                  |                      |
| Commodity – electric                                      | (40)             | (313)                | (40)             | (313)                | —                | —                    |
| Commodity – gas, including transportation                 | (48)             | (47)                 | 2                | 86                   | (50)             | (133)                |
| Safety and reliability                                    | 819              | 820                  | 277              | 227                  | 542              | 593                  |
| Public purpose programs                                   | (462)            | (439)                | (212)            | (219)                | (250)            | (220)                |
| 2024 GRC retroactive impacts                              | 539              | 631                  | 229              | 277                  | 310              | 354                  |
| Wildfire mitigation plan                                  | 912              | 808                  | 912              | 808                  | —                | —                    |
| Liability insurance premium                               | (43)             | (24)                 | (32)             | (15)                 | (11)             | (9)                  |
| Other balancing accounts                                  | 272              | 158                  | (102)            | (51)                 | 374              | 209                  |
| Other regulatory (liabilities) assets, net <sup>(2)</sup> | 165              | 164                  | 86               | 87                   | 80               | 79                   |
| <b>Total</b>                                              | <b>\$ 579</b>    | <b>\$ 39</b>         | <b>\$ (483)</b>  | <b>\$ (736)</b>      | <b>\$ 994</b>    | <b>\$ 707</b>        |

<sup>(1)</sup> At June 30, 2025 and December 31, 2024, the noncurrent portion of regulatory balancing accounts – net undercollected for Sempra was \$1,696 and \$1,731, respectively, for SDG&E was \$921 and \$873, respectively, and for SoCalGas was \$775 and \$858, respectively.

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

In July 2025, the CPUC issued an FD that authorizes partial recovery of costs recorded in SoCalGas' Catastrophic Event Memorandum Account. The FD authorizes the recovery of \$19 million out of the requested \$55 million, denying recovery of COVID-19 costs included in the Catastrophic Event Memorandum Account. In the three months and six months ended June 30, 2025, SoCalGas recorded a write-off of \$36 million (\$25 million after tax) in disallowed costs, comprising a \$29 million reduction in Utilities: Natural Gas Revenues and a \$7 million reduction in regulatory interest in Other (Expense) Income, Net.

## **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 the applicable authorized changes in the cost of capital, which we describe below.

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 the applicable authorized changes in the cost of capital, which we describe below.

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, SDG&E and SoCalGas are each 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 an FD 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 %                       | <b>Long-Term Debt</b>   | 45.60 %              | 5.02 %              | 2.29 %                       |
| —                                        | 6.22                | —                            | <b>Preferred Equity</b> | 2.40                 | 6.00                | 0.14                         |
| 54.00                                    | 11.25               | 6.08                         | <b>Common Equity</b>    | 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.

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## **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 six months ended June 30, 2025 and 2024, Sempra contributed \$971 million and \$385 million, respectively, to Oncor Holdings, and Oncor Holdings distributed \$283 million and \$214 million, respectively, to Sempra. On July 30, 2025, Sempra contributed \$519 million to Oncor Holdings, and on July 29, 2025, Oncor Holdings distributed \$175 million to Sempra.

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

| <b>SUMMARIZED FINANCIAL INFORMATION – ONCOR HOLDINGS</b> |                             |          |                           |          |  |
|----------------------------------------------------------|-----------------------------|----------|---------------------------|----------|--|
| <i>(Dollars in millions)</i>                             |                             |          |                           |          |  |
|                                                          | Three months ended June 30, |          | Six months ended June 30, |          |  |
|                                                          | 2025                        | 2024     | 2025                      | 2024     |  |
| Operating revenues                                       | \$ 1,654                    | \$ 1,492 | \$ 3,202                  | \$ 2,950 |  |
| Operating expenses                                       | (1,167)                     | (1,043)  | (2,324)                   | (2,094)  |  |
| Income from operations                                   | 487                         | 449      | 878                       | 856      |  |
| Interest expense                                         | (192)                       | (161)    | (377)                     | (311)    |  |
| Income tax expense                                       | (57)                        | (55)     | (97)                      | (104)    |  |
| Net income                                               | 257                         | 248      | 436                       | 471      |  |
| NCI held by Texas Transmission Investment LLC            | (51)                        | (50)     | (87)                      | (94)     |  |
| Earnings attributable to Sempra <sup>(1)</sup>           | 206                         | 198      | 349                       | 377      |  |

<sup>(1)</sup> 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 six months ended June 30, 2025 and 2024, Sempra Infrastructure contributed \$1 million and \$2 million, respectively, to Cameron LNG JV, and Cameron LNG JV distributed \$233 million and \$204 million, respectively, to Sempra Infrastructure.

#### **TAG NORTE**

In the six months ended June 30, 2025 and 2024, TAG Norte distributed \$45 million and \$62 million, respectively, to Sempra Infrastructure.

### **NOTE 6. SEMPRA – POTENTIAL DIVESTITURES**

#### **SEMPRA INFRASTRUCTURE**

##### *Assets Held for Sale*

We classify assets as held for sale once all applicable criteria under U.S. GAAP have been satisfied, including when management, having the authority to approve the action, commits to a formal plan to actively market an asset for sale and expects the sale to close within the next twelve months. Upon classifying an asset as held for sale, we record the asset at the lower of its carrying value or its estimated fair value reduced for selling costs, and we stop recording depreciation expense on the asset.

In June 2025, management committed to a formal plan to market and sell Ecogas, a natural gas regulated distribution utility that operates in three separate distribution zones in Mexicali, Chihuahua and La Laguna-Durango, Mexico. We expect to complete the sale in the second or third quarter of 2026. As a result of satisfying all applicable criteria, we classified Ecogas' assets and liabilities as held for sale and ceased depreciation.

In connection with classifying Ecogas as held for sale, we recognized \$38 million in Income Tax Expense on Sempra's Condensed Consolidated Statements of Operations in the three months and six months ended June 30, 2025 for a Mexican deferred income tax liability related to the excess of carrying value over the tax basis (outside basis difference). Since this \$38 million (\$26 million after noncontrolling interests) of Mexican income tax expense on our outside basis difference is based on current carrying value, foreign exchange rates and inflation at June 30, 2025, this amount could change in future periods until the date of sale.

We summarize the carrying amounts of the major classes of assets and related liabilities classified as held for sale in the following table.

| <b>ASSETS HELD FOR SALE</b>                          |               |
|------------------------------------------------------|---------------|
| <i>(Dollars in millions)</i>                         |               |
|                                                      | June 30, 2025 |
| Cash and cash equivalents                            | \$ 1          |
| Other current assets                                 | 26            |
| Property, plant and equipment, net                   | 241           |
| Other noncurrent assets                              | 5             |
| <b>Total assets held for sale</b>                    | <b>\$ 273</b> |
| <b>Current liabilities</b>                           | <b>\$ 16</b>  |
| Noncurrent liabilities                               | 21            |
| <b>Total liabilities held for sale<sup>(1)</sup></b> | <b>\$ 37</b>  |

<sup>(1)</sup> Included in Other Current Liabilities on the Sempra Condensed Consolidated Balance Sheet.

At June 30, 2025, \$55 million of cumulative foreign currency translation losses related to Ecogas is included in AOCI.

We considered the estimated fair value of Ecogas, less costs to sell, and determined that no adjustment to carrying value was required. In estimating fair value, we used a discounted cash flow valuation technique. In the event that the estimated sales price, less transaction costs, is less than the carrying value, or updated market information indicates fair value may be less than carrying value, we would recognize a loss in our results of operations at that time.

### ***Sale of a Portion of our Equity Interest in SI Partners***

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 a process to sell a portion of our 70% equity interest in SI Partners. We extended the "right of first offer" process that is outlined in the limited partnership agreement and entered into a non-binding letter of intent with KKR Pinnacle. The letter of intent contemplates an equity sale of within or above 15% to 30% of SI Partners' total outstanding interests, depending on valuation and other considerations. Subject to reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations, we expect to complete the sale in the second or third quarter of 2026.

## 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 June 30, 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 | June 30, 2025  |                              |                     |                               |                         |
|------------------------|-----------------------------|----------------|------------------------------|---------------------|-------------------------------|-------------------------|
|                        |                             | Total facility | Commercial paper outstanding | Amounts outstanding | Letters of credit outstanding | Available unused credit |
| Semptra                | October 2029                | \$ 4,000       | \$ (1,228)                   | \$ —                | \$ —                          | \$ 2,772                |
| SDG&E                  | October 2029                | 1,500          | —                            | —                   | —                             | 1,500                   |
| SoCalGas               | October 2029                | 1,200          | (211)                        | —                   | —                             | 989                     |
| SI Partners and IEnova | September 2025              | 500            | —                            | (286)               | —                             | 214                     |
| SI Partners and IEnova | August 2026                 | 1,000          | —                            | —                   | —                             | 1,000                   |
| SI Partners and IEnova | August 2028                 | 1,500          | —                            | (556)               | —                             | 944                     |
| Port Arthur LNG        | March 2030                  | 200            | —                            | —                   | (87)                          | 113                     |
| Total                  |                             | \$ 9,900       | \$ (1,439)                   | \$ (842)            | \$ (87)                       | \$ 7,532                |

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 June 30, 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 June 30, 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 June 30, 2025, ECA LNG Phase 1 had outstanding borrowings of \$4 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 June 30, 2025, we had \$484 million in standby letters of credit outstanding under these agreements.

| UNCOMMITTED LETTERS OF CREDIT OUTSTANDING |                             |    |               |
|-------------------------------------------|-----------------------------|----|---------------|
| (Dollars in millions)                     |                             |    |               |
|                                           | Expiration date range       |    | June 30, 2025 |
| SDG&E                                     | November 2025 - June 2026   | \$ | 21            |
| SoCalGas                                  | October 2025 - October 2026 |    | 15            |
| Other Sempra                              | July 2025 - November 2024   |    | 448           |
| Total Sempra                              |                             | \$ | 484           |

### Term Loans

#### SoCalGas

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. The borrowings bore 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. SoCalGas repaid the term loan in full in May 2025, at which time the term loan facility ceased to be in effect.

#### Other Sempra

In May 2025, Sempra entered into a \$1.25 billion, 364-day term loan facility with a maturity date of 364 days from the initial borrowing date. On July 28, 2025, Sempra borrowed the full \$1.25 billion available under the term loan. Sempra may request a further increase in the term loan facility of up to \$500 million prior to the maturity date, subject to lender approval. The borrowings bear interest at a per annum rate equal to term SOFR, plus 80 bps and a credit adjustment spread of 10 bps. Sempra intends to use the proceeds for working capital, capital expenditures and 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 |               |  |                   |
|---------------------------------|---------------|--|-------------------|
|                                 | June 30, 2025 |  | December 31, 2024 |
| Sempra                          | 4.86 %        |  | 5.03 %            |
| SDG&E                           | —             |  | 4.76              |
| SoCalGas                        | 4.58          |  | 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 used the net proceeds for general corporate purposes, including repayment of outstanding commercial paper and other indebtedness.

### ***SoCalGas***

In May 2025, SoCalGas issued \$600 million aggregate principal amount of 5.45% first mortgage bonds due in full upon maturity on June 15, 2035 and received proceeds of \$592 million (net of debt discount, underwriting discounts and debt issuance costs of \$8 million), and \$500 million aggregate principal amount of 6.00% first mortgage bonds due in full upon maturity on June 15, 2055 and received proceeds of \$488 million (net of debt discount, underwriting discounts, and debt issuance costs of \$12 million). Each series of first mortgage bonds is redeemable prior to maturity, subject to its terms, and in certain circumstances subject to make-whole provisions. SoCalGas used the net proceeds to repay outstanding indebtedness and for other general corporate purposes.

### ***Other Sempra***

#### ***ECA LNG Phase 1***

ECA LNG Phase 1 has a loan agreement with a syndicate of external lenders that was set to mature 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 loan of up to \$1,056 million and \$262 million, respectively, plus accrued and unpaid interest. The effective interest rate of the loan is based on the interest payments made to external lenders and guarantee payments made to TotalEnergies SE as a guarantor. At June 30, 2025 and December 31, 2024, \$1.2 billion and \$1.1 billion, respectively, of borrowings from external lenders were outstanding under the loan agreement, with a weighted-average interest rate of 7.28% and 7.29%, respectively. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

In July 2025, ECA LNG Phase 1 amended this loan agreement to extend the maturity date to December 30, 2027 and increase the aggregate borrowing capacity to \$1.5 billion. The modified loan agreement bears interest at a weighted-average blended rate of 2.29% plus a benchmark interest rate per annum equal to (a) term SOFR based on a tenor comparable to the applicable interest period, plus (b) a credit adjustment spread of 10 bps. We accounted for the amendment as a debt modification and reclassified all amounts outstanding to noncurrent as of June 30, 2025.

#### ***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 June 30, 2025 and December 31, 2024, \$1.6 billion and \$1.1 billion, respectively, of borrowings were outstanding under the loan agreement, with an all-in weighted-average interest rate of 5.44% and 5.33%, respectively. 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 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.

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## 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 these undesignated derivatives are recognized in Energy-Related Businesses Revenues on the Condensed Consolidated Statements of Operations.
- Sempra Infrastructure may use natural gas derivatives when supplying feed gas to its LNG liquefaction facilities to support the production of LNG. Gains and losses from these undesignated derivatives are recognized in Energy-Related Businesses Cost of Sales 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.

| <b>NET ENERGY DERIVATIVE VOLUMES</b><br>(Quantities in millions) |                 |               |                   |
|------------------------------------------------------------------|-----------------|---------------|-------------------|
| Commodity                                                        | Unit of measure | June 30, 2025 | December 31, 2024 |
| <b>Sempra:</b>                                                   |                 |               |                   |
| Natural gas                                                      | MMBtu           | 881           | 637               |
| Congestion revenue rights                                        | MWh             | 22            | 27                |
| <b>SDG&amp;E:</b>                                                |                 |               |                   |
| Natural gas                                                      | MMBtu           | 22            | 16                |
| Congestion revenue rights                                        | MWh             | 22            | 27                |
| <b>SoCalGas:</b>                                                 |                 |               |                   |
| Natural gas                                                      | MMBtu           | 426           | 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.

| <b>INTEREST RATE DERIVATIVES</b><br>(Dollars in millions) |                 |            |        |                   |            |
|-----------------------------------------------------------|-----------------|------------|--------|-------------------|------------|
|                                                           | June 30, 2025   |            |        | December 31, 2024 |            |
|                                                           | Notional amount | Maturities |        | Notional amount   | Maturities |
| <b>Sempra:</b>                                            |                 |            |        |                   |            |
| Cash flow hedges                                          | \$ 258          | 2025-2034  | \$ 271 | 2025-2034         |            |
| Undesignated derivatives <sup>(1)</sup>                   | 3,189           | 2025-2048  | 3,189  | 2025-2048         |            |

<sup>(1)</sup> At June 30, 2025 and December 31, 2024, undesignated derivatives accrued interest based on a notional amount of \$1,488 and \$1,598, respectively.

## FOREIGN CURRENCY DERIVATIVES

From time to time, Sempra Infrastructure and its equity method investments 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 equity method investments, 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.

| <b>FOREIGN CURRENCY DERIVATIVES</b><br>(Dollars in millions) |                 |            |        |                   |            |
|--------------------------------------------------------------|-----------------|------------|--------|-------------------|------------|
|                                                              | June 30, 2025   |            |        | December 31, 2024 |            |
|                                                              | Notional amount | Maturities |        | Notional amount   | Maturities |
| <b>Sempra:</b>                                               |                 |            |        |                   |            |
| Foreign currency derivatives                                 | \$ 91           | 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)

|                                                                                 | June 30, 2025                                                                       |                           |                              |                               |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------|------------------------------|-------------------------------|
|                                                                                 | Current assets:<br>Fixed-price contracts<br>and other<br>derivatives <sup>(1)</sup> | Other long-term<br>assets | Other current<br>liabilities | Deferred credits and<br>other |
| <b>Sempra:</b>                                                                  |                                                                                     |                           |                              |                               |
| Derivatives designated as hedging instruments:                                  |                                                                                     |                           |                              |                               |
| Interest rate instruments                                                       | \$ 7                                                                                | \$ 21                     | \$ —                         | \$ —                          |
| Foreign exchange instruments                                                    | —                                                                                   | —                         | (7)                          | —                             |
| Derivatives not designated as hedging instruments:                              |                                                                                     |                           |                              |                               |
| Interest rate instruments                                                       | 11                                                                                  | 185                       | —                            | —                             |
| Commodity contracts not subject to rate recovery                                | 17                                                                                  | 16                        | (37)                         | (36)                          |
| Associated offsetting commodity contracts                                       | (12)                                                                                | (16)                      | 12                           | 16                            |
| Commodity contracts subject to rate recovery                                    | 25                                                                                  | 7                         | (52)                         | (13)                          |
| Associated offsetting commodity contracts                                       | (22)                                                                                | (4)                       | 22                           | 4                             |
| Associated offsetting cash collateral                                           | —                                                                                   | —                         | 6                            | —                             |
| Net amounts presented on the balance sheet                                      | 26                                                                                  | 209                       | (56)                         | (29)                          |
| Additional cash collateral for commodity contracts not subject to rate recovery | 80                                                                                  | —                         | —                            | —                             |
| Additional cash collateral for commodity contracts subject to rate recovery     | 36                                                                                  | —                         | —                            | —                             |
| <b>Total</b>                                                                    | <b>\$ 142</b>                                                                       | <b>\$ 209</b>             | <b>\$ (56)</b>               | <b>\$ (29)</b>                |
| <b>SDG&amp;E:</b>                                                               |                                                                                     |                           |                              |                               |
| Derivatives not designated as hedging instruments:                              |                                                                                     |                           |                              |                               |
| Commodity contracts subject to rate recovery                                    | \$ 4                                                                                | \$ 7                      | \$ (9)                       | \$ (4)                        |
| Associated offsetting commodity contracts                                       | (2)                                                                                 | (4)                       | 2                            | 4                             |
| Associated offsetting cash collateral                                           | —                                                                                   | —                         | 6                            | —                             |
| Net amounts presented on the balance sheet                                      | 2                                                                                   | 3                         | (1)                          | —                             |
| Additional cash collateral for commodity contracts subject to rate recovery     | 34                                                                                  | —                         | —                            | —                             |
| <b>Total</b>                                                                    | <b>\$ 36</b>                                                                        | <b>\$ 3</b>               | <b>\$ (1)</b>                | <b>\$ —</b>                   |
| <b>SoCalGas:</b>                                                                |                                                                                     |                           |                              |                               |
| Derivatives not designated as hedging instruments:                              |                                                                                     |                           |                              |                               |
| Commodity contracts subject to rate recovery                                    | \$ 21                                                                               | \$ —                      | \$ (43)                      | \$ (9)                        |
| Associated offsetting commodity contracts                                       | (20)                                                                                | —                         | 20                           | —                             |
| Net amounts presented on the balance sheet                                      | 1                                                                                   | —                         | (23)                         | (9)                           |
| Additional cash collateral for commodity contracts subject to rate recovery     | 2                                                                                   | —                         | —                            | —                             |
| <b>Total</b>                                                                    | <b>\$ 3</b>                                                                         | <b>\$ —</b>               | <b>\$ (23)</b>               | <b>\$ (9)</b>                 |

<sup>(1)</sup> 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 <sup>(1)</sup> | Other long-term assets | Other current liabilities | Deferred credits and other |
| <b>Sempra:</b>                                                                  |                                                                            |                        |                           |                            |
| 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 <sup>(2)</sup>                                                            | \$ 91                                                                      | \$ 277                 | \$ (46)                   | \$ (24)                    |
| <b>SDG&amp;E:</b>                                                               |                                                                            |                        |                           |                            |
| 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 <sup>(2)</sup>                                                            | \$ 23                                                                      | \$ 2                   | \$ (1)                    | \$ —                       |
| <b>SoCalGas:</b>                                                                |                                                                            |                        |                           |                            |
| 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)                     |

<sup>(1)</sup> Included in Other Current Assets for SDG&E and SoCalGas.

<sup>(2)</sup> 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<br>recognized in OCI |        |                                     | Pretax (loss) gain reclassified<br>from AOCI into earnings |     |      |     |  |
|                              |    | Three months ended June 30,             |        |                                     | Three months ended June 30,                                |     |      |     |  |
|                              |    | 2025                                    | 2024   | Location                            | 2025                                                       |     | 2024 |     |  |
| <b>Sempra:</b>               |    |                                         |        |                                     |                                                            |     |      |     |  |
| Cash flow hedges:            |    |                                         |        |                                     |                                                            |     |      |     |  |
| Interest rate instruments    | \$ | (3)                                     | \$ 66  | Interest expense                    | \$                                                         | —   | \$   | 3   |  |
| Interest rate instruments    |    | (13)                                    | (3)    | Equity earnings <sup>(1)</sup>      |                                                            | (1) |      | 10  |  |
| Foreign exchange instruments |    | (5)                                     | 11     | Revenues: Energy-related businesses |                                                            | 1   |      | 2   |  |
| Foreign exchange instruments |    | (5)                                     | 10     | Other income, net                   |                                                            | (1) |      | 1   |  |
| Foreign exchange instruments |    | (5)                                     | 10     | Equity earnings <sup>(1)</sup>      |                                                            | 1   |      | 2   |  |
| Fair value hedges:           |    |                                         |        |                                     |                                                            |     |      |     |  |
| Foreign exchange instruments |    | (16)                                    | (7)    | Equity earnings <sup>(1)</sup>      |                                                            | —   |      | —   |  |
| Total                        | \$ | (42)                                    | \$ 77  |                                     | \$                                                         | —   | \$   | 18  |  |
| <b>SoCalGas:</b>             |    |                                         |        |                                     |                                                            |     |      |     |  |
| Cash flow hedges:            |    |                                         |        |                                     |                                                            |     |      |     |  |
| Interest rate instruments    | \$ | —                                       | \$ —   | Interest expense                    | \$                                                         | —   | \$   | (1) |  |
|                              |    |                                         |        |                                     |                                                            |     |      |     |  |
|                              |    | Six months ended June 30,               |        |                                     | Six months ended June 30,                                  |     |      |     |  |
|                              |    | 2025                                    | 2024   | Location                            | 2025                                                       |     | 2024 |     |  |
| <b>Sempra:</b>               |    |                                         |        |                                     |                                                            |     |      |     |  |
| Cash flow hedges:            |    |                                         |        |                                     |                                                            |     |      |     |  |
| Interest rate instruments    | \$ | (6)                                     | \$ 208 | Interest expense                    | \$                                                         | 2   | \$   | 6   |  |
| Interest rate instruments    |    | (33)                                    | 25     | Equity earnings <sup>(1)</sup>      |                                                            | 4   |      | 15  |  |
| Foreign exchange instruments |    | (10)                                    | 12     | Revenues: Energy-related businesses |                                                            | (1) |      | 5   |  |
| Foreign exchange instruments |    | (9)                                     | 10     | Other income, net                   |                                                            | (1) |      | 1   |  |
| Foreign exchange instruments |    | (9)                                     | 10     | Equity earnings <sup>(1)</sup>      |                                                            | (1) |      | 4   |  |
| Fair value hedges:           |    |                                         |        |                                     |                                                            |     |      |     |  |
| Foreign exchange instruments |    | (25)                                    | (7)    | Equity earnings <sup>(1)</sup>      |                                                            | —   |      | —   |  |
| Total                        | \$ | (83)                                    | \$ 248 |                                     | \$                                                         | 3   | \$   | 31  |  |
| <b>SoCalGas:</b>             |    |                                         |        |                                     |                                                            |     |      |     |  |
| Cash flow hedges:            |    |                                         |        |                                     |                                                            |     |      |     |  |
| Interest rate instruments    | \$ | —                                       | \$ —   | Interest expense                    | \$                                                         | —   | \$   | (1) |  |

(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 \$4 million, which are net of income tax expense, that are currently recorded in AOCI (with net gains of \$3 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 and foreign currency rates in effect when derivative contracts mature.

At June 30, 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 gain (loss) on derivatives recognized in earnings |         |                           |         |
|                                                  |                                           | Three months ended June 30,                              |         | Six months ended June 30, |         |
|                                                  |                                           | 2025                                                     | 2024    | 2025                      | 2024    |
| Location                                         |                                           |                                                          |         |                           |         |
| <b>Sempra:</b>                                   |                                           |                                                          |         |                           |         |
| Commodity contracts not subject to rate recovery | Revenues: Energy-related businesses       | \$ 33                                                    | \$ 41   | \$ 39                     | \$ 120  |
| Commodity contracts not subject to rate recovery | Energy-related businesses cost of sales   | (2)                                                      | —       | (2)                       | —       |
| Commodity contracts subject to rate recovery     | Cost of natural gas                       | (4)                                                      | (21)    | (20)                      | (27)    |
| Commodity contracts subject to rate recovery     | Cost of electric fuel and purchased power | 1                                                        | 4       | 4                         | (19)    |
| Interest rate instruments                        | Interest expense                          | 9                                                        | —       | (56)                      | —       |
| Total                                            |                                           | \$ 37                                                    | \$ 24   | \$ (35)                   | \$ 74   |
| <b>SDG&amp;E:</b>                                |                                           |                                                          |         |                           |         |
| Commodity contracts subject to rate recovery     | Cost of electric fuel and purchased power | \$ 1                                                     | \$ 4    | \$ 4                      | \$ (19) |
| <b>SoCalGas:</b>                                 |                                           |                                                          |         |                           |         |
| Commodity contracts subject to rate recovery     | Cost of natural gas                       | \$ (4)                                                   | \$ (21) | \$ (20)                   | \$ (27) |

### 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 June 30, 2025 and December 31, 2024 was \$113 million and \$122 million, respectively. For SDG&E, the total fair value of this group of derivative instruments in a liability position was negligible at both June 30, 2025 and December 31, 2024. For SoCalGas, the total fair value of this group of derivative instruments in a liability position at June 30, 2025 and December 31, 2024 was \$32 million and \$42 million, respectively. At June 30, 2025, if the credit ratings of Sempra or SoCalGas were reduced below investment grade, \$113 million, and \$32 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.

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## 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 June 30, 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 <sup>(1)</sup> | Total    |
|-------------------------------------------------------------------------------------------------|---------|---------|---------|------------------------|----------|
| Fair value at June 30, 2025                                                                     |         |         |         |                        |          |
| <b>Sempra:</b>                                                                                  |         |         |         |                        |          |
| Assets:                                                                                         |         |         |         |                        |          |
| Nuclear decommissioning trusts:                                                                 |         |         |         |                        |          |
| Short-term investments, primarily cash equivalents                                              | \$ 14   | \$ 2    | \$ —    |                        | \$ 16    |
| Equity securities                                                                               | 282     | 3       | —       |                        | 285      |
| Debt securities:                                                                                |         |         |         |                        |          |
| Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies | 31      | 18      | —       |                        | 49       |
| Municipal bonds                                                                                 | —       | 294     | —       |                        | 294      |
| Other securities                                                                                | —       | 246     | —       |                        | 246      |
| Total debt securities                                                                           | 31      | 558     | —       |                        | 589      |
| Total nuclear decommissioning trusts <sup>(2)</sup>                                             | 327     | 563     | —       |                        | 890      |
| Short-term investments held in Rabbi Trust                                                      | 49      | —       | —       |                        | 49       |
| Support Agreement, net of related guarantee fees                                                | —       | —       | 39      |                        | 39       |
| Interest rate instruments                                                                       | —       | 224     | —       | \$ —                   | 224      |
| Commodity contracts not subject to rate recovery                                                | —       | 33      | —       | 52                     | 85       |
| Commodity contracts subject to rate recovery                                                    | 9       | 20      | 3       | 10                     | 42       |
| Total                                                                                           | \$ 385  | \$ 840  | \$ 42   | \$ 62                  | \$ 1,329 |
| Liabilities:                                                                                    |         |         |         |                        |          |
| Foreign exchange instruments                                                                    | \$ —    | \$ 7    | \$ —    | \$ —                   | \$ 7     |
| Commodity contracts not subject to rate recovery                                                | —       | 73      | —       | (28)                   | 45       |
| Commodity contracts subject to rate recovery                                                    | 13      | 52      | —       | (32)                   | 33       |
| Total                                                                                           | \$ 13   | \$ 132  | \$ —    | \$ (60)                | \$ 85    |

Fair value at December 31, 2024

|                                                                                                 |        |        |       |         |          |
|-------------------------------------------------------------------------------------------------|--------|--------|-------|---------|----------|
| <b>Sempra:</b>                                                                                  |        |        |       |         |          |
| 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 <sup>(2)</sup>                                             | 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    |

<sup>(1)</sup> 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.

<sup>(2)</sup> Excludes receivables (payables), net.

**RECURRING FAIR VALUE MEASURES**
*(Dollars in millions)*

|                                                                                                 | Level 1 | Level 2 | Level 3 | Netting <sup>(1)</sup> | Total  |
|-------------------------------------------------------------------------------------------------|---------|---------|---------|------------------------|--------|
| Fair value at June 30, 2025                                                                     |         |         |         |                        |        |
| <b>SDG&amp;E:</b>                                                                               |         |         |         |                        |        |
| Assets:                                                                                         |         |         |         |                        |        |
| Nuclear decommissioning trusts:                                                                 |         |         |         |                        |        |
| Short-term investments, primarily cash equivalents                                              | \$ 14   | \$ 2    | \$ —    |                        | \$ 16  |
| Equity securities                                                                               | 282     | 3       | —       |                        | 285    |
| Debt securities:                                                                                |         |         |         |                        |        |
| Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies | 31      | 18      | —       |                        | 49     |
| Municipal bonds                                                                                 | —       | 294     | —       |                        | 294    |
| Other securities                                                                                | —       | 246     | —       |                        | 246    |
| Total debt securities                                                                           | 31      | 558     | —       |                        | 589    |
| Total nuclear decommissioning trusts <sup>(2)</sup>                                             | 327     | 563     | —       |                        | 890    |
| Commodity contracts subject to rate recovery                                                    | 8       | —       | 3       | \$ 28                  | 39     |
| Total                                                                                           | \$ 335  | \$ 563  | \$ 3    | \$ 28                  | \$ 929 |
| Liabilities:                                                                                    |         |         |         |                        |        |
| Commodity contracts subject to rate recovery                                                    | \$ 12   | \$ 1    | \$ —    | \$ (12)                | \$ 1   |

Fair value at December 31, 2024

|                                                                                                 |        |        |      |         |        |
|-------------------------------------------------------------------------------------------------|--------|--------|------|---------|--------|
| <b>SDG&amp;E:</b>                                                                               |        |        |      |         |        |
| 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 <sup>(2)</sup>                                             | 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   |

<sup>(1)</sup> 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.

<sup>(2)</sup> Excludes receivables (payables), net.

**RECURRING FAIR VALUE MEASURES**
*(Dollars in millions)*

|                                              | Level 1 | Level 2 | Level 3 | Netting <sup>(1)</sup> | Total |
|----------------------------------------------|---------|---------|---------|------------------------|-------|
| Fair value at June 30, 2025                  |         |         |         |                        |       |
| <b>SoCalGas:</b>                             |         |         |         |                        |       |
| Assets:                                      |         |         |         |                        |       |
| Commodity contracts subject to rate recovery | \$ 1    | \$ 20   | \$ —    | \$ (18)                | \$ 3  |
| Liabilities:                                 |         |         |         |                        |       |
| Commodity contracts subject to rate recovery | \$ 1    | \$ 51   | \$ —    | \$ (20)                | \$ 32 |

Fair value at December 31, 2024

|                                              |      |       |      |        |       |
|----------------------------------------------|------|-------|------|--------|-------|
| <b>SoCalGas:</b>                             |      |       |      |        |       |
| Assets:                                      |      |       |      |        |       |
| Commodity contracts subject to rate recovery | \$ 2 | \$ 1  | \$ — | \$ 1   | \$ 4  |
| Liabilities:                                 |      |       |      |        |       |
| Commodity contracts subject to rate recovery | \$ 2 | \$ 44 | \$ — | \$ (3) | \$ 43 |

<sup>(1)</sup> 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&amp;E.

**LEVEL 3 RECONCILIATIONS<sup>(1)</sup>**
*(Dollars in millions)*

|                                                                           | Three months ended June 30, |        |
|---------------------------------------------------------------------------|-----------------------------|--------|
|                                                                           | 2025                        | 2024   |
| Balance at April 1                                                        | \$ 4                        | \$ 9   |
| Realized and unrealized gains (losses), net                               | (1)                         | (2)    |
| Allocated transmission instruments                                        | 1                           | —      |
| Settlements                                                               | (1)                         | (1)    |
| Balance at June 30                                                        | \$ 3                        | \$ 6   |
| Change in unrealized losses relating to instruments still held at June 30 | \$ (1)                      | \$ (1) |

|                                                                           | Six months ended June 30, |        |
|---------------------------------------------------------------------------|---------------------------|--------|
|                                                                           | 2025                      | 2024   |
| Balance at January 1                                                      | \$ 4                      | \$ 10  |
| Realized and unrealized gains (losses), net                               | (2)                       | (3)    |
| Allocated transmission instruments                                        | 3                         | —      |
| Settlements                                                               | (2)                       | (1)    |
| Balance at June 30                                                        | \$ 3                      | \$ 6   |
| Change in unrealized losses relating to instruments still held at June 30 | \$ (3)                    | \$ (2) |

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

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. 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.

#### Other Semptra

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

| LEVEL 3 RECONCILIATIONS<br>(Dollars in millions)                         |    |                             |      |     |
|--------------------------------------------------------------------------|----|-----------------------------|------|-----|
|                                                                          |    | Three months ended June 30, |      |     |
|                                                                          |    | 2025                        | 2024 |     |
| Balance at April 1                                                       | \$ | 38                          | \$   | 23  |
| Realized and unrealized gains (losses), net <sup>(1)</sup>               |    | 3                           |      | 2   |
| Settlements                                                              |    | (2)                         |      | (2) |
| Balance at June 30 <sup>(2)</sup>                                        | \$ | 39                          | \$   | 23  |
| Change in unrealized gains relating to instruments still held at June 30 | \$ | 3                           | \$   | 2   |

|                                                                          |    | Six months ended June 30, |      |     |
|--------------------------------------------------------------------------|----|---------------------------|------|-----|
|                                                                          |    | 2025                      | 2024 |     |
| Balance at January 1                                                     | \$ | 25                        | \$   | 23  |
| Realized and unrealized gains (losses), net <sup>(1)</sup>               |    | 18                        |      | 4   |
| Settlements                                                              |    | (4)                       |      | (4) |
| Balance at June 30 <sup>(2)</sup>                                        | \$ | 39                        | \$   | 23  |
| Change in unrealized gains relating to instruments still held at June 30 | \$ | 18                        | \$   | 3   |

<sup>(1)</sup> Net gains are included in Interest Income and net losses are included in Interest Expense on Semptra's Condensed Consolidated Statements of Operations.

<sup>(2)</sup> Includes \$8 in Other Current Assets and \$31 in Other Long-term Assets at June 30, 2025 on Semptra'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 June 30, 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 |          |         |          |  |
|                                                    |                 | Level 1    | Level 2  | Level 3 | Total    |  |
| June 30, 2025                                      |                 |            |          |         |          |  |
| <b>Sempra:</b>                                     |                 |            |          |         |          |  |
| Long-term note receivable <sup>(1)</sup>           | \$ 359          | \$ —       | \$ —     | \$ 347  | \$ 347   |  |
| Long-term amounts due to unconsolidated affiliates | 359             | —          | 341      | —       | 341      |  |
| Total long-term debt <sup>(2)</sup>                | 35,409          | —          | 32,665   | —       | 32,665   |  |
| <b>SDG&amp;E:</b>                                  |                 |            |          |         |          |  |
| Total long-term debt <sup>(3)</sup>                | \$ 9,800        | \$ —       | \$ 8,652 | \$ —    | \$ 8,652 |  |
| <b>SoCalGas:</b>                                   |                 |            |          |         |          |  |
| Total long-term debt <sup>(4)</sup>                | \$ 8,109        | \$ —       | \$ 7,691 | \$ —    | \$ 7,691 |  |
| December 31, 2024                                  |                 |            |          |         |          |  |
| <b>Sempra:</b>                                     |                 |            |          |         |          |  |
| Long-term note receivable <sup>(1)</sup>           | \$ 351          | \$ —       | \$ —     | \$ 334  | \$ 334   |  |
| Long-term amounts due to unconsolidated affiliates | 352             | —          | 324      | —       | 324      |  |
| Total long-term debt <sup>(2)</sup>                | 32,899          | —          | 30,193   | —       | 30,193   |  |
| <b>SDG&amp;E:</b>                                  |                 |            |          |         |          |  |
| Total long-term debt <sup>(3)</sup>                | \$ 8,950        | \$ —       | \$ 7,760 | \$ —    | \$ 7,760 |  |
| <b>SoCalGas:</b>                                   |                 |            |          |         |          |  |
| Total long-term debt <sup>(4)</sup>                | \$ 7,359        | \$ —       | \$ 6,880 | \$ —    | \$ 6,880 |  |

<sup>(1)</sup> Before allowances for credit losses of \$4 and \$5 at June 30, 2025 and December 31, 2024, respectively. Excludes unamortized transaction costs of \$3 at both June 30, 2025 and December 31, 2024.

<sup>(2)</sup> After the effects of interest rate swaps. Before reductions of unamortized discount and debt issuance costs of \$413 and \$382 at June 30, 2025 and December 31, 2024, respectively, and excluding finance lease obligations of \$1,312 and \$1,315 at June 30, 2025 and December 31, 2024, respectively.

<sup>(3)</sup> Before reductions of unamortized discount and debt issuance costs of \$101 and \$95 at June 30, 2025 and December 31, 2024, respectively, and excluding finance lease obligations of \$1,188 and \$1,205 at June 30, 2025 and December 31, 2024, respectively.

<sup>(4)</sup> Before reductions of unamortized discount and debt issuance costs of \$82 and \$65 at June 30, 2025 and December 31, 2024, respectively, and excluding finance lease obligations of \$124 and \$110 at June 30, 2025 and December 31, 2024, respectively.

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

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**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 June 30, 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 June 30, 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 June 30, 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 six months ended June 30, 2025 and 2024, we withheld 678,705 shares for \$58 million and 555,888 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.

As we discuss in Note 6, we issued a notice to KKR Pinnacle and ADIA of our intent to pursue a process to sell a portion of our 70% equity interest in SI Partners.

### 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 June 30, 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 June 30, |         | Six months ended June 30, |          |
|-------------------------------------------------------------------------|-----------------------------|---------|---------------------------|----------|
|                                                                         | 2025                        | 2024    | 2025                      | 2024     |
| <b>Sempre:</b>                                                          |                             |         |                           |          |
| Numerator:                                                              |                             |         |                           |          |
| Earnings attributable to common shares                                  | \$ 461                      | \$ 713  | \$ 1,367                  | \$ 1,514 |
| Denominator:                                                            |                             |         |                           |          |
| Weighted-average common shares outstanding for basic EPS <sup>(1)</sup> | 652,664                     | 633,450 | 652,330                   | 633,135  |
| Dilutive effect of common shares sold forward                           | 101                         | 1,139   | 51                        | 906      |
| Dilutive effect of stock options and RSUs <sup>(2)</sup>                | 459                         | 1,690   | 742                       | 1,776    |
| Weighted-average common shares outstanding for diluted EPS              | 653,224                     | 636,279 | 653,123                   | 635,817  |
| EPS:                                                                    |                             |         |                           |          |
| Basic                                                                   | \$ 0.71                     | \$ 1.13 | \$ 2.10                   | \$ 2.39  |
| Diluted                                                                 | \$ 0.71                     | \$ 1.12 | \$ 2.09                   | \$ 2.38  |

<sup>(1)</sup> Includes 499 and 610 fully vested RSUs held in our Deferred Compensation Plan for the three months ended June 30, 2025 and 2024, respectively, and 507 and 617 of such RSUs for the six months ended June 30, 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.

<sup>(2)</sup> 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 and six months ended June 30, 2025 excludes 1,376,618 and 949,450 potentially dilutive shares, respectively, and the computation of diluted EPS for the three months and six months ended June 30, 2024 excludes 1,184,115 and 1,270,327 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 Semptra's share-based compensation plans, the Compensation and Talent Development Committee of Semptra's board of directors granted 303,614 nonqualified stock options, 628,413 performance-based RSUs and 260,012 service-based RSUs in the six months ended June 30, 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.

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## 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<br>unrealized<br>gains | Gross<br>unrealized<br>losses | Estimated<br>fair<br>value |
|----------------------------------------------------------------------------------------------------------------|--------|------------------------------|-------------------------------|----------------------------|
| June 30, 2025                                                                                                  |        |                              |                               |                            |
| Short-term investments, primarily cash equivalents                                                             | \$ 16  | \$ —                         | \$ —                          | \$ 16                      |
| Equity securities                                                                                              | 69     | 218                          | (2)                           | 285                        |
| Debt securities:                                                                                               |        |                              |                               |                            |
| Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies <sup>(1)</sup> | 48     | 2                            | (1)                           | 49                         |
| Municipal bonds <sup>(2)</sup>                                                                                 | 302    | 1                            | (9)                           | 294                        |
| Other securities <sup>(3)</sup>                                                                                | 246    | 4                            | (4)                           | 246                        |
| Total debt securities                                                                                          | 596    | 7                            | (14)                          | 589                        |
| Receivables (payables), net                                                                                    | (12)   | —                            | —                             | (12)                       |
| Total                                                                                                          | \$ 669 | \$ 225                       | \$ (16)                       | \$ 878                     |
| 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                     |

<sup>(1)</sup> Maturity dates are 2025-2055.

<sup>(2)</sup> Maturity dates are 2025-2065.

<sup>(3)</sup> Maturity dates are 2025-2070.

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 June 30, |        | Six months ended June 30, |        |
|-----------------------|-----------------------------|--------|---------------------------|--------|
|                       | 2025                        | 2024   | 2025                      | 2024   |
| Proceeds from sales   | \$ 225                      | \$ 199 | \$ 499                    | \$ 380 |
| Gross realized gains  | 21                          | 10     | 31                        | 24     |
| Gross realized losses | 3                           | 3      | 5                         | 5      |

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 ARO related to decommissioning costs for all three SONGS units was \$451 million at June 30, 2025 and is based on a cost study prepared in 2024, which is pending CPUC approval.

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## 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 June 30, 2025, loss contingency accruals for legal matters that are probable and estimable were \$48 million for Sempra, \$9 million for SDG&E and \$25 million for SoCalGas.

### ***SDG&E***

#### *City of San Diego Franchise Agreements*

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.

**Pending.** In one of the cases, 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.

**Resolved.** In the second case, judgment was granted in favor of SDG&E and the City of San Diego. The plaintiff's latest appeal was to the California Supreme Court and was denied, definitively resolving this matter.

### ***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. As of August 4, 2025, there are approximately eight outstanding plaintiffs who have not entered into a settlement agreement.

The 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 Semptra**

### *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 Semptra's business, results of operations, financial condition, cash flows and/or prospects.

#### **Land Disputes.**

- **Pending** - Semptra 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.
- **Resolved** - 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. The plaintiff filed an appeal and, in May 2025, the Mexican Supreme Court dismissed the appeal, definitively resolving this matter.

**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:

- **Resolved** - 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 petitioned the Mexican Supreme Court to resolve the appeal. The Mexican Supreme Court denied the motion to appeal, thereby upholding the federal appellate court's decision and definitively resolving this matter.
- **Resolved** - 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 petitioned the Mexican Supreme Court to resolve the appeal. The Mexican Supreme Court denied the motion to appeal, thereby upholding the federal appellate court's decision and definitively resolving this matter.
- **Pending** - In the third case, a group of residents filed an administrative appeal 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 administrative appeal was denied. The claimants appealed this ruling via a constitutional challenge (an amparo trial) 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 the rulings via the Second Federal Collegiate Court, and the appeal is yet to be resolved.

### *Port Arthur LNG*

**TCEQ Permit - Pending.** 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 we expect 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 - Pending.** 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 opened inspections with respect to Bechtel and Semptra Infrastructure, but has released the site. Bechtel is continuing construction of the PA LNG Phase 1 project while the cause of the incident remains under investigation.

In connection with the incident, as of August 4, 2025, there are two complaints outstanding on behalf of 17 plaintiffs in the 172nd Judicial District Court in Jefferson County, Texas and the 295th Judicial District Court in Harris County, Texas. A complaint filed in the 60th Judicial District Court in Jefferson County, Texas was dismissed without prejudice following the plaintiff’s intervention in the proceeding in the 172nd Judicial District Court in Jefferson 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 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 was dissolved in June 2025 by agreement of the parties.

We believe we are entitled to indemnification from Bechtel under Port Arthur LNG’s EPC contract with Bechtel with respect to 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 the 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; this lawsuit remains pending, but Semptra Infrastructure believes it is now moot 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 2027 and one commencing in 2028. SDG&E expects the future minimum lease payments to be \$18 million in 2025, \$36 million in each of 2026 and 2027, \$41 million in 2028, \$43 million in 2029 and \$471 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 June 30, |       | Six months ended June 30, |        |  |
|                                                                           | 2025                        | 2024  | 2025                      | 2024   |  |
| <b>Sempra – Sales-type leases:</b>                                        |                             |       |                           |        |  |
| Interest income                                                           | \$ 1                        | \$ 2  | \$ 2                      | \$ 3   |  |
| Total revenues from sales-type leases <sup>(1)</sup>                      | \$ 1                        | \$ 2  | \$ 2                      | \$ 3   |  |
| <b>Sempra – Operating leases:</b>                                         |                             |       |                           |        |  |
| Fixed lease payments                                                      | \$ 90                       | \$ 87 | \$ 176                    | \$ 176 |  |
| Variable lease payments                                                   | 6                           | 10    | 11                        | 20     |  |
| Total revenues from operating leases <sup>(1)</sup>                       | \$ 96                       | \$ 97 | \$ 187                    | \$ 196 |  |
| Depreciation expense                                                      | \$ 17                       | \$ 18 | \$ 35                     | \$ 36  |  |

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

## CONTRACTUAL COMMITMENTS

We discuss below significant changes in the first six 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 June 30, 2025, we expect the commitment amount to decrease by \$155 million in 2025, increase by \$61 million in 2026 and \$21 million in 2027, and decrease by \$9 million in 2028 and \$6 million in 2029 compared to December 31, 2024, reflecting changes in estimated forward prices since December 31, 2024 and actual transactions for the first six 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 June 30, 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 \$42 million for Semptra, \$15 million for SDG&E and \$13 million for SoCalGas at June 30, 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 \$17 million at June 30, 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 June 30, 2025, the fair value of the Support Agreement was \$39 million, of which \$8 million is included in Other Current Assets and \$31 million is included in Other Long-Term Assets on Semptra's Condensed Consolidated Balance Sheet.

### *SI Partners Credit Support Agreement*

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. At June 30, 2025, SI Partners' maximum exposure to loss under this off-balance sheet arrangement is \$82 million.

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## 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, L.P., 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.

Sempra's CODM is its chief executive officer, who uses segment earnings attributable to common shares predominantly in the annual financial planning process to assess financial performance. Sempra's CODM prioritizes resource allocation to each segment in a manner that aligns with Sempra's capital expenditures plan.

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)                                  |    |                             |      |                           |      |     |    |     |
|                                                        |    | June 30,<br>2025            |      | December 31,<br>2024      |      |     |    |     |
| ASSETS                                                 |    |                             |      |                           |      |     |    |     |
| Sempra California                                      | \$ | 57,910                      | \$   | 56,116                    |      |     |    |     |
| Sempra Texas Utilities                                 |    | 16,540                      |      | 15,534                    |      |     |    |     |
| Sempra Infrastructure                                  |    | 25,282                      |      | 22,954                    |      |     |    |     |
| Segment totals                                         |    | 99,732                      |      | 94,604                    |      |     |    |     |
| Parent and other                                       |    | 1,234                       |      | 2,622                     |      |     |    |     |
| Intersegment eliminations <sup>(1)</sup>               |    | (1,059)                     |      | (1,071)                   |      |     |    |     |
| Total Sempra                                           | \$ | 99,907                      | \$   | 96,155                    |      |     |    |     |
| EQUITY METHOD INVESTMENTS                              |    |                             |      |                           |      |     |    |     |
| Sempra Texas Utilities                                 | \$ | 16,527                      | \$   | 15,522                    |      |     |    |     |
| Sempra Infrastructure                                  |    | 2,460                       |      | 2,411                     |      |     |    |     |
| Segment totals/Total Sempra                            | \$ | 18,987                      | \$   | 17,933                    |      |     |    |     |
|                                                        |    | Three months ended June 30, |      | Six months ended June 30, |      |     |    |     |
|                                                        |    | 2025                        | 2024 | 2025                      | 2024 |     |    |     |
| EQUITY EARNINGS                                        |    |                             |      |                           |      |     |    |     |
| Equity earnings, before income tax                     |    |                             |      |                           |      |     |    |     |
| Sempra Texas Utilities                                 | \$ | 1                           | \$   | 2                         | \$   | 3   | \$ | 4   |
| Sempra Infrastructure                                  |    | 168                         |      | 158                       |      | 307 |    | 290 |
| Segment totals                                         |    | 169                         |      | 160                       |      | 310 |    | 294 |
| Equity earnings, net of income tax                     |    |                             |      |                           |      |     |    |     |
| Sempra Texas Utilities                                 |    | 209                         |      | 202                       |      | 355 |    | 385 |
| Sempra Infrastructure                                  |    | 15                          |      | 71                        |      | 53  |    | 102 |
| Segment totals                                         |    | 224                         |      | 273                       |      | 408 |    | 487 |
| Total Sempra                                           | \$ | 393                         | \$   | 433                       | \$   | 718 | \$ | 781 |
| CAPITAL EXPENDITURES FOR PROPERTY, PLANT AND EQUIPMENT |    |                             |      |                           |      |     |    |     |
| Sempra California                                      | \$ | 2,315                       | \$   | 2,212                     |      |     |    |     |
| Sempra Infrastructure                                  |    | 2,322                       |      | 1,617                     |      |     |    |     |
| Segment totals                                         |    | 4,637                       |      | 3,829                     |      |     |    |     |
| Parent and other                                       |    | 3                           |      | 1                         |      |     |    |     |
| Total Sempra                                           | \$ | 4,640                       | \$   | 3,830                     |      |     |    |     |

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

**SEGMENT INFORMATION (CONTINUED)**
*(Dollars in millions)*

|                                                   | Sempra California | Sempra Texas<br>Utilities <sup>(1)</sup> | Sempra Infrastructure | Sempra |
|---------------------------------------------------|-------------------|------------------------------------------|-----------------------|--------|
| Three months ended June 30, 2025                  |                   |                                          |                       |        |
| Revenues                                          | \$ 2,490          |                                          | \$ 530                |        |
| Depreciation and amortization                     | (574)             |                                          | (78)                  |        |
| Interest income                                   | 3                 |                                          | 5                     |        |
| Interest expense <sup>(2)</sup>                   | (228)             |                                          | 6                     |        |
| Income tax expense                                | (13)              |                                          | (231)                 |        |
| Equity earnings                                   | —                 | \$ 210                                   | 183                   |        |
| Earnings attributable to noncontrolling interests | —                 | —                                        | (46)                  |        |
| Other segment items <sup>(3)</sup>                | (1,419)           | (2)                                      | (297)                 |        |
| Segment earnings attributable to common shares    | \$ 259            | \$ 208                                   | \$ 72                 | \$ 539 |
| Parent and other                                  |                   |                                          |                       | (78)   |
| Earnings attributable to common shares            |                   |                                          |                       | \$ 461 |

|                                                   |          |        |        |        |
|---------------------------------------------------|----------|--------|--------|--------|
| Three months ended June 30, 2024                  |          |        |        |        |
| Revenues                                          | \$ 2,625 |        | \$ 409 |        |
| Depreciation and amortization                     | (528)    |        | (73)   |        |
| Interest income                                   | 5        |        | 7      |        |
| Interest expense                                  | (209)    |        | —      |        |
| Income tax (expense) benefit                      | (44)     |        | 133    |        |
| Equity earnings                                   | —        | \$ 204 | 229    |        |
| Earnings attributable to noncontrolling interests | —        | —      | (146)  |        |
| Other segment items <sup>(3)</sup>                | (1,533)  | (2)    | (268)  |        |
| Segment earnings attributable to common shares    | \$ 316   | \$ 202 | \$ 291 | \$ 809 |
| Parent and other                                  |          |        |        | (96)   |
| Earnings attributable to common shares            |          |        |        | \$ 713 |

<sup>(1)</sup> Substantially all earnings attributable to common shares are from equity earnings.

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

<sup>(3)</sup> Includes cost of natural gas, cost of electric fuel and purchased power, O&M, franchise fees and other taxes, other income (expense), net, and preferred dividends for Sempra California; O&M and interest expense 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.

**SEGMENT INFORMATION (CONTINUED)**
*(Dollars in millions)*

|                                                   | Sempra California | Sempra Texas Utilities <sup>(1)</sup> | Sempra Infrastructure | Sempra   |
|---------------------------------------------------|-------------------|---------------------------------------|-----------------------|----------|
| Six months ended June 30, 2025                    |                   |                                       |                       |          |
| Revenues                                          | \$ 5,891          |                                       | \$ 956                |          |
| Depreciation and amortization                     | (1,136)           |                                       | (154)                 |          |
| Interest income                                   | 5                 |                                       | 24                    |          |
| Interest expense <sup>(2)</sup>                   | (453)             |                                       | (71)                  |          |
| Income tax expense                                | (65)              |                                       | (253)                 |          |
| Equity earnings                                   | —                 | \$ 358                                | 360                   |          |
| Earnings attributable to noncontrolling interests | —                 | —                                     | (48)                  |          |
| Other segment items <sup>(3)</sup>                | (3,259)           | (4)                                   | (596)                 |          |
| Segment earnings attributable to common shares    | \$ 983            | \$ 354                                | \$ 218                | \$ 1,555 |
| Parent and other                                  |                   |                                       |                       | (188)    |
| Earnings attributable to common shares            |                   |                                       |                       | \$ 1,367 |
| Six months ended June 30, 2024                    |                   |                                       |                       |          |
| Revenues                                          | \$ 5,766          |                                       | \$ 928                |          |
| Depreciation and amortization                     | (1,049)           |                                       | (145)                 |          |
| Interest income                                   | 8                 |                                       | 12                    |          |
| Interest expense                                  | (414)             |                                       | —                     |          |
| Income tax (expense) benefit                      | (127)             |                                       | 24                    |          |
| Equity earnings                                   | —                 | \$ 389                                | 392                   |          |
| Earnings attributable to noncontrolling interests | —                 | —                                     | (215)                 |          |
| Other segment items <sup>(3)</sup>                | (3,286)           | (4)                                   | (574)                 |          |
| Segment earnings attributable to common shares    | \$ 898            | \$ 385                                | \$ 422                | \$ 1,705 |
| Parent and other                                  |                   |                                       |                       | (191)    |
| Earnings attributable to common shares            |                   |                                       |                       | \$ 1,514 |

<sup>(1)</sup> Substantially all earnings attributable to common shares are from equity earnings.

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

<sup>(3)</sup> Includes cost of natural gas, cost of electric fuel and purchased power, O&M, franchise fees and other taxes, other income (expense), net, and preferred dividends for Sempra California; O&M and interest expense 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 Semptra's consolidated revenues.

| REVENUES BY SERVICES<br>(in millions)                 |                                  |                        |          |                                  |                        |          |
|-------------------------------------------------------|----------------------------------|------------------------|----------|----------------------------------|------------------------|----------|
|                                                       | Semptra California               | Semptra Infrastructure | Semptra  | Semptra California               | Semptra Infrastructure | Semptra  |
|                                                       | Three months ended June 30, 2025 |                        |          | Three months ended June 30, 2024 |                        |          |
| Revenues from external customers:                     |                                  |                        |          |                                  |                        |          |
| Utilities                                             | \$ 2,442                         | \$ 18                  | \$       | \$ 2,251                         | \$ 18                  |          |
| Energy-related businesses                             | —                                | 240                    |          | —                                | 214                    |          |
| Total revenues from external customers <sup>(1)</sup> | 2,442                            | 258                    | \$ 2,700 | 2,251                            | 232                    | \$ 2,483 |
| Other revenues <sup>(2)</sup> :                       |                                  |                        |          |                                  |                        |          |
| Utilities                                             | 41                               | —                      |          | 369                              | —                      |          |
| Energy-related businesses                             | —                                | 259                    |          | —                                | 158                    |          |
| Total other revenues                                  | 41                               | 259                    | 300      | 369                              | 158                    | 527      |
| Intersegment revenues <sup>(3)</sup> :                |                                  |                        |          |                                  |                        |          |
| Utilities                                             | 7                                | —                      |          | 5                                | —                      |          |
| Energy-related businesses                             | —                                | 13                     |          | —                                | 19                     |          |
| Total intersegment revenues                           | 7                                | 13                     | 20       | 5                                | 19                     | 24       |
| Segment revenues                                      | \$ 2,490                         | \$ 530                 | \$ 3,020 | \$ 2,625                         | \$ 409                 | \$ 3,034 |
| Adjustments                                           |                                  |                        | —        |                                  |                        | 1        |
| Intersegment eliminations                             |                                  |                        | (20)     |                                  |                        | (24)     |
| Revenues                                              |                                  |                        | \$ 3,000 |                                  |                        | \$ 3,011 |
|                                                       | Six months ended June 30, 2025   |                        |          | Six months ended June 30, 2024   |                        |          |
| Revenues from external customers:                     |                                  |                        |          |                                  |                        |          |
| Utilities                                             | \$ 5,899                         | \$ 44                  | \$       | \$ 5,725                         | \$ 48                  |          |
| Energy-related businesses                             | —                                | 438                    |          | —                                | 408                    |          |
| Total revenues from external customers <sup>(1)</sup> | 5,899                            | 482                    | \$ 6,381 | 5,725                            | 456                    | \$ 6,181 |
| Other revenues <sup>(2)</sup> :                       |                                  |                        |          |                                  |                        |          |
| Utilities                                             | (21)                             | —                      |          | 31                               | —                      |          |
| Energy-related businesses                             | —                                | 442                    |          | —                                | 439                    |          |
| Total other revenues                                  | (21)                             | 442                    | 421      | 31                               | 439                    | 470      |
| Intersegment revenues <sup>(3)</sup> :                |                                  |                        |          |                                  |                        |          |
| Utilities                                             | 13                               | —                      |          | 10                               | —                      |          |
| Energy-related businesses                             | —                                | 32                     |          | —                                | 33                     |          |
| Total intersegment revenues                           | 13                               | 32                     | 45       | 10                               | 33                     | 43       |
| Segment revenues                                      | \$ 5,891                         | \$ 956                 | \$ 6,847 | \$ 5,766                         | \$ 928                 | \$ 6,694 |
| Intersegment eliminations                             |                                  |                        | (45)     |                                  |                        | (43)     |
| Revenues                                              |                                  |                        | \$ 6,802 |                                  |                        | \$ 6,651 |

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 Semptra.

## 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.

In connection with certain organizational changes, effective July 5, 2025, SDG&E's president assumed the responsibilities of the CODM. The CODM utilizes earnings attributable to common shares to manage the business, assess performance and allocate resources. SDG&E's CODM was previously its chief executive officer.

Total assets at SDG&E were \$31.9 billion and \$30.8 billion at June 30, 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 June 30, |        | Six months ended June 30, |          |
|                                                        | 2025                        | 2024   | 2025                      | 2024     |
| <b>SDG&amp;E</b>                                       |                             |        |                           |          |
| Revenues from external customers:                      |                             |        |                           |          |
| Electric                                               | \$ 856                      | \$ 886 | \$ 1,931                  | \$ 2,018 |
| Natural gas                                            | 212                         | 161    | 571                       | 491      |
| Total revenues from external customers <sup>(1)</sup>  | 1,068                       | 1,047  | 2,502                     | 2,509    |
| Regulatory revenues <sup>(2)</sup> :                   |                             |        |                           |          |
| Electric                                               | 179                         | 263    | 168                       | 191      |
| Natural gas                                            | 15                          | 45     | 12                        | 34       |
| Total regulatory revenues                              | 194                         | 308    | 180                       | 225      |
| Total revenues                                         | 1,262                       | 1,355  | 2,682                     | 2,734    |
| Depreciation and amortization                          | (323)                       | (304)  | (643)                     | (602)    |
| Interest income                                        | 2                           | 3      | 2                         | 4        |
| Interest expense                                       | (139)                       | (131)  | (274)                     | (259)    |
| Income tax expense                                     | (7)                         | (34)   | (21)                      | (74)     |
| Other segment items <sup>(3)</sup>                     | (620)                       | (703)  | (1,290)                   | (1,394)  |
| Earnings attributable to common shares                 | \$ 175                      | \$ 186 | \$ 456                    | \$ 409   |
| Capital expenditures for property, plant and equipment |                             |        | \$ 1,270                  | \$ 1,234 |

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

<sup>(2)</sup> 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.

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

## SOCALGAS

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.

SoCalGas' CODM is its chief executive officer, who utilizes earnings attributable to common shares to manage the business, assess performance and allocate resources.

Total assets at SoCalGas were \$26.1 billion and \$25.4 billion at June 30, 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 June 30, |          | Six months ended June 30, |          |
|                                                        | 2025                        | 2024     | 2025                      | 2024     |
| <b>SoCalGas:</b>                                       |                             |          |                           |          |
| Natural gas:                                           |                             |          |                           |          |
| Revenues from external customers <sup>(1)</sup>        | \$ 1,421                    | \$ 1,246 | \$ 3,489                  | \$ 3,306 |
| Regulatory revenues <sup>(2)</sup>                     | (153)                       | 63       | (201)                     | (192)    |
| Total revenues                                         | 1,268                       | 1,309    | 3,288                     | 3,114    |
| Depreciation and amortization                          | (251)                       | (224)    | (493)                     | (447)    |
| Interest income                                        | 1                           | 2        | 3                         | 4        |
| Interest expense                                       | (89)                        | (78)     | (179)                     | (155)    |
| Income tax expense                                     | (6)                         | (10)     | (44)                      | (53)     |
| Other segment items <sup>(3)</sup>                     | (839)                       | (869)    | (2,048)                   | (1,974)  |
| Earnings attributable to common shares                 | \$ 84                       | \$ 130   | \$ 527                    | \$ 489   |
| Capital expenditures for property, plant and equipment |                             |          | \$ 1,045                  | \$ 978   |

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

<sup>(2)</sup> 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.

<sup>(3)</sup> Includes cost of natural gas, O&M, franchise fees and other taxes, other income (expense), net, and preferred dividends.

## 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.



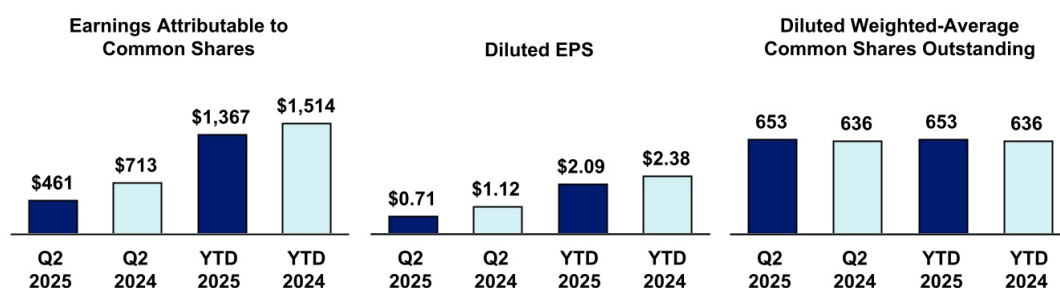
We discuss herein Sempra’s results of operations and significant changes in earnings, revenues and costs by segment, as well as Parent and other, for the three months (Q2) and six months (YTD) ended June 30, 2025 compared to the same periods in 2024. We also discuss herein the impact of foreign currency and inflation rates on Sempra’s results of operations.

Due to the delay in the issuance of the CPUC’s FD 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 half 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 June 30, |               | Six months ended June 30, |                 |
|------------------------------------------------|-----------------------------|---------------|---------------------------|-----------------|
|                                                | 2025                        | 2024          | 2025                      | 2024            |
| <b>Sempra:</b>                                 |                             |               |                           |                 |
| Sempra California                              | \$ 259                      | \$ 316        | \$ 983                    | \$ 898          |
| Sempra Texas Utilities                         | 208                         | 202           | 354                       | 385             |
| Sempra Infrastructure                          | 72                          | 291           | 218                       | 422             |
| Segment earnings attributable to common shares | 539                         | 809           | 1,555                     | 1,705           |
| Parent and other                               | (78)                        | (96)          | (188)                     | (191)           |
| <b>Earnings attributable to common shares</b>  | <b>\$ 461</b>               | <b>\$ 713</b> | <b>\$ 1,367</b>           | <b>\$ 1,514</b> |

**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 June 30, 2025 compared to the same period in 2024, the decrease in earnings of \$57 million (18%) was primarily due to:

- \$25 million from disallowed regulatory recovery of COVID-19 costs
- \$20 million lower 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
- \$17 million higher net interest expense
- \$16 million lower CPUC base operating margin, net of operating expenses including higher depreciation and \$9 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

Offset by:

- \$10 million regulatory award approved by the CPUC in 2025
- \$3 million higher electric transmission margin
- \$3 million higher AFUDC equity

In the six months ended June 30, 2025 compared to the same period in 2024, the increase in earnings of \$85 million (9%) was primarily due to:

- \$72 million higher CPUC base operating margin, net of operating expenses including higher depreciation and \$22 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
- \$42 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
- \$10 million regulatory award approved by the CPUC in 2025
- \$4 million higher net regulatory interest income
- \$3 million higher electric transmission margin
- \$3 million higher AFUDC equity

Offset by:

- \$32 million higher net interest expense
- \$25 million from disallowed regulatory recovery of COVID-19 costs

### ***Sempra Texas Utilities***

In the three months ended June 30, 2025 compared to the same period in 2024, the increase in earnings of \$6 million (3%) was primarily due to higher equity earnings from Oncor Holdings driven by:

- overall higher revenues primarily attributable to:
  - rate updates to reflect increases in invested capital
  - increase due to Oncor's SRP and the establishment of the UTM
  - customer growth

Offset by:

- lower customer consumption primarily attributable to weather

Offset by:

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

In the six months ended June 30, 2025 compared to the same period in 2024, the decrease in earnings of \$31 million (8%) 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
  - customer growth
  - increase due to Oncor's SRP and the establishment of the UTM
  - higher customer consumption primarily attributable to weather

Offset by:

- decreases in transmission billing units

### ***Sempra Infrastructure***

In the three months ended June 30, 2025 compared to the same period in 2024, the decrease in earnings of \$219 million was primarily due to:

- \$251 million unfavorable impact from foreign currency and inflation effects on our monetary positions in Mexico, comprised of an \$98 million unfavorable impact in 2025 compared to a \$153 million favorable impact in 2024
- \$26 million income tax expense in 2025 due to the recognition of a Mexican deferred tax liability on our outside basis difference in Ecogas as a result of management's decision to hold the asset for sale

Offset by:

- \$46 million from asset and supply optimization driven by unrealized gains in 2025 compared to unrealized losses in 2024 on commodity derivatives due to changes in natural gas prices and higher LNG diversion fees
- \$9 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

In the six months ended June 30, 2025 compared to the same period in 2024, the decrease in earnings of \$204 million (48%) was primarily due to:

- \$202 million unfavorable impact from foreign currency and inflation effects on our monetary positions in Mexico, comprised of an \$90 million unfavorable impact in 2025 compared to a \$112 million favorable impact in 2024
- \$26 million income tax expense in 2025 due to the recognition of a Mexican deferred tax liability on our outside basis difference in Ecogas as a result of management's decision to hold the asset for sale
- \$15 million from TdM driven by unrealized losses in 2025 compared to unrealized gains in 2024 on commodity derivatives due to changes in power prices
- \$8 million interest expense from unrealized losses in 2025 on interest rate swaps related to the PA LNG Phase 1 project
- \$4 million from asset and supply optimization driven by lower optimization of transport and storage contracts offset by unrealized gains in 2025 compared to unrealized losses in 2024 on commodity derivatives due to changes in natural gas prices and higher LNG diversion fees

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
- \$16 million lower O&M in 2025 from lower provisions for expected credit losses
- \$10 million interest income from a change in the fair value of the Support Agreement
- \$7 million higher revenues due to the commencement of commercial operations at Topolobampo marine terminal in June 2024

***Parent and Other***

In the three months ended June 30, 2025 compared to the same period in 2024, the decrease in losses of \$18 million (19%) was primarily due to:

- \$16 million higher income tax benefit from the interim period application of an annual forecasted consolidated ETR
- \$15 million higher net investment gains on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation plan
- \$5 million related to settlement charges from our nonqualified pension plan in 2024

Offset by:

- \$23 million higher net interest expense

In the six months ended June 30, 2025 compared to the same period in 2024, the decrease in losses of \$3 million (2%) was primarily due to:

- \$18 million higher income tax benefit from the interim period application of an annual forecasted consolidated ETR
- \$15 million higher net investment gains on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation plan
- \$5 million related to settlement charges from our nonqualified pension plan in 2024

Offset by:

- \$40 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 June 30, |          | Six months ended June 30, |          |
|--------------------------------------|-----------------------------|----------|---------------------------|----------|
|                                      | 2025                        | 2024     | 2025                      | 2024     |
| <b>Sempra:</b>                       |                             |          |                           |          |
| Natural gas revenues:                |                             |          |                           |          |
| Sempra California                    | \$ 1,458                    | \$ 1,480 | \$ 3,799                  | \$ 3,564 |
| Sempra Infrastructure                | 18                          | 18       | 44                        | 48       |
| Segment totals                       | 1,476                       | 1,498    | 3,843                     | 3,612    |
| Eliminations and adjustments         | (6)                         | (4)      | (11)                      | (9)      |
| Total                                | \$ 1,470                    | \$ 1,494 | \$ 3,832                  | \$ 3,603 |
| Cost of natural gas <sup>(1)</sup> : |                             |          |                           |          |
| Sempra California                    | \$ 181                      | \$ 136   | \$ 666                    | \$ 680   |
| Sempra Infrastructure                | 4                           | 5        | 15                        | 14       |
| Segment totals                       | 185                         | 141      | 681                       | 694      |
| Eliminations and adjustments         | (2)                         | (4)      | (5)                       | (3)      |
| Total                                | \$ 183                      | \$ 137   | \$ 676                    | \$ 691   |

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

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra’s natural gas revenues decreased by \$24 million (2%) driven by Sempra California, which included:

- \$97 million lower revenues associated with refundable programs, which are fully offset in O&M
- \$70 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
- \$29 million lower revenues from disallowed regulatory recovery of COVID-19 costs
- \$7 million lower 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
- \$3 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

Offset by:

- \$129 million higher CPUC-authorized base 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 \$8 million lower authorized cost of capital
- \$45 million increase in cost of natural gas sold, which we discuss below
- \$14 million regulatory award approved by the CPUC in 2025

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra’s cost of natural gas increased by \$46 million (34%) driven by Sempra California, primarily due to higher average natural gas prices.

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's natural gas revenues increased by \$229 million (6%) driven by Sempra California, which included:

- \$308 million higher CPUC-authorized base 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 \$21 million lower authorized cost of capital
- \$66 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
- \$14 million regulatory award approved by the CPUC in 2025

Offset by:

- \$141 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
- \$29 million lower revenues from disallowed regulatory recovery of COVID-19 costs
- \$14 million decrease in cost of natural gas sold, which we discuss below
- \$11 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's cost of natural gas decreased by \$15 million (2%) driven by Sempra California, which included:

- \$25 million lower volumes driven by weather

Offset by:

- \$11 million higher average natural gas prices

### **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 June 30, |                 | Six months ended June 30, |                 |
|------------------------------------------------------------|-----------------------------|-----------------|---------------------------|-----------------|
|                                                            | 2025                        | 2024            | 2025                      | 2024            |
| <b>Sempra:</b>                                             |                             |                 |                           |                 |
| Electric revenues:                                         |                             |                 |                           |                 |
| Sempra California                                          | \$ 1,032                    | \$ 1,145        | \$ 2,092                  | \$ 2,202        |
| Eliminations and adjustments                               | (1)                         | (1)             | (2)                       | (2)             |
| <b>Total</b>                                               | <b>\$ 1,031</b>             | <b>\$ 1,144</b> | <b>\$ 2,090</b>           | <b>\$ 2,200</b> |
| Cost of electric fuel and purchased power <sup>(1)</sup> : |                             |                 |                           |                 |
| Sempra California                                          | \$ 106                      | \$ 175          | \$ 179                    | \$ 282          |
| Eliminations and adjustments                               | (15)                        | (19)            | (36)                      | (37)            |
| <b>Total</b>                                               | <b>\$ 91</b>                | <b>\$ 156</b>   | <b>\$ 143</b>             | <b>\$ 245</b>   |

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

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's electric revenues decreased by \$113 million (10%) driven by Sempra California, which included:

- \$69 million decrease in cost of electric fuel and purchased power, which we discuss below
- \$28 million lower revenues associated with refundable programs, which are fully offset in O&M
- \$23 million lower regulatory revenues from higher ITCs from standalone energy storage projects, which are offset in income tax (expense) benefit

Offset by:

- \$7 million higher revenues from transmission operations

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's cost of electric fuel and purchased power decreased by \$65 million (42%) driven by Sempra California, which included:

- \$44 million lower purchased power primarily due to change in excess capacity sales and lower renewable energy costs
- \$24 million lower purchased power from the California ISO due to lower customer demand from departing load now served by CCAs

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's electric revenues decreased by \$110 million (5%) driven by Sempra California, which included:

- \$103 million decrease in cost of electric fuel and purchased power, which we discuss below
- \$67 million lower regulatory revenues from higher ITCs from standalone energy storage projects, which are offset in income tax (expense) benefit
- \$11 million lower revenues associated with refundable programs, which are fully offset in O&M

Offset by:

- \$47 million higher CPUC-authorized base 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 \$9 million lower authorized cost of capital
- \$14 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
- \$13 million higher revenues from transmission operations

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's cost of electric fuel and purchased power decreased by \$102 million (42%) driven by Sempra California, which included:

- \$73 million lower purchased power primarily due to change in excess capacity sales and lower renewable energy costs
- \$44 million lower purchased power from the California ISO due to lower customer demand from departing load now served by CCAs

Offset by:

- \$15 million lower sales to the California ISO due to decreased utility-owned generator availability

### Energy-Related Businesses: Revenues and Cost of Sales

#### ENERGY-RELATED BUSINESSES: REVENUES AND COST OF SALES

(Dollars in millions)

|                                 | Three months ended June 30, |        | Six months ended June 30, |        |
|---------------------------------|-----------------------------|--------|---------------------------|--------|
|                                 | 2025                        | 2024   | 2025                      | 2024   |
| <b>Sempra:</b>                  |                             |        |                           |        |
| Revenues:                       |                             |        |                           |        |
| Sempra Infrastructure           | \$ 512                      | \$ 391 | \$ 912                    | \$ 880 |
| Parent and other <sup>(1)</sup> | (13)                        | (18)   | (32)                      | (32)   |
| Total                           | \$ 499                      | \$ 373 | \$ 880                    | \$ 848 |
| Cost of sales <sup>(2)</sup> :  |                             |        |                           |        |
| Sempra Infrastructure           | \$ 85                       | \$ 54  | \$ 204                    | \$ 163 |

<sup>(1)</sup> Includes eliminations of intercompany activity.

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

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's revenues from energy-related businesses increased by \$126 million (34%) primarily due to:

- \$104 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
  - \$60 million from \$48 million unrealized gains in 2025 compared to \$12 million unrealized losses in 2024 on commodity derivatives
  - \$25 million primarily from higher natural gas prices
  - \$12 million primarily from higher diversion fees due to higher natural gas prices
- \$18 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

- \$9 million from TdM driven by higher volumes in 2025 from scheduled major maintenance in April 2024
- \$7 million higher revenues in 2025 due to the commencement of commercial operations at the Topolobampo marine terminal in June 2024

Offset by:

- \$11 million from lower power prices from solar generation assets and lower volumes from wind power generation assets

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's cost of sales from energy-related businesses increased by \$31 million primarily due to \$29 million higher natural gas purchases related to asset and supply optimization.

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's revenues from energy-related businesses increased by \$32 million (4%) primarily due to:

- \$35 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
- \$14 million higher revenues in 2025 due to the commencement of commercial operations at the Topolobampo marine terminal in June 2024
- \$12 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
  - \$23 million from higher natural gas prices offset by lower volumes
  - \$15 million lower unrealized losses on commodity derivatives
  - \$12 million primarily from higher diversion fees due to higher natural gas prices

Offset by:

- \$38 million from lower optimization of transport and storage contracts primarily due to changes in natural gas prices

Offset by:

- \$11 million from lower power prices from solar generation assets and lower volumes from wind power generation assets
- \$7 million from TdM mainly due to lower volumes

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's cost of sales from energy-related businesses increased by \$41 million (25%) primarily due to:

- \$43 million driven by higher natural gas purchases related to asset and supply optimization

Offset by:

- \$7 million at TdM driven by lower volumes offset by higher natural gas prices

## Operation and Maintenance

### OPERATION AND MAINTENANCE

(Dollars in millions)

|                                 | Three months ended June 30, |                 | Six months ended June 30, |                 |
|---------------------------------|-----------------------------|-----------------|---------------------------|-----------------|
|                                 | 2025                        | 2024            | 2025                      | 2024            |
| <b>Sempra:</b>                  |                             |                 |                           |                 |
| Sempra California               | \$ 1,000                    | \$ 1,106        | \$ 2,175                  | \$ 2,110        |
| Sempra Texas Utilities          | 1                           | 2               | 3                         | 4               |
| Sempra Infrastructure           | 213                         | 209             | 387                       | 398             |
| Segment totals                  | 1,214                       | 1,317           | 2,565                     | 2,512           |
| Parent and other <sup>(1)</sup> | 25                          | 16              | 17                        | 33              |
| <b>Total</b>                    | <b>\$ 1,239</b>             | <b>\$ 1,333</b> | <b>\$ 2,582</b>           | <b>\$ 2,545</b> |

<sup>(1)</sup> Includes eliminations of intercompany activity.

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's O&M decreased by \$94 million (7%) primarily due to:

- \$106 million decrease at Sempra California due to:
  - \$125 million lower expenses associated with refundable programs, which costs are recovered in revenue

Offset by:

- \$19 million higher non-refundable operating costs

Offset by:

- \$9 million increase at Parent and other primarily due to higher deferred compensation expense

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's O&M increased by \$37 million (1%) primarily due to:

- \$65 million increase at Sempra California due to:
  - \$55 million higher expenses associated with refundable programs, which costs are recovered in revenue
  - \$10 million higher non-refundable operating costs

Offset by:

- \$16 million decrease at Parent and other primarily due to lower deferred compensation expense
- \$11 million decrease at Sempra Infrastructure due to:
  - \$22 million from lower provisions for expected credit losses

Offset by:

- \$4 million higher development costs and certain non-capitalized expenses from projects under construction

### ***Other Income, Net***

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's other income, net, increased by \$29 million to \$59 million primarily due to:

- \$20 million higher investment gains on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation plan at Parent and other
- \$8 million higher AFUDC equity primarily at Sempra Infrastructure
- \$3 million higher net interest income on regulatory balancing accounts at Sempra California

Offset by:

- \$7 million reduction in regulatory interest from disallowed regulatory recovery of COVID-19 costs at Sempra California

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's other income, net, increased by \$21 million (16%) to \$150 million primarily due to:

- \$12 million higher AFUDC equity primarily at Sempra Infrastructure
- \$6 million higher net interest income on regulatory balancing accounts at Sempra California
- \$6 million higher investment gains on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation plan at Parent and other
- \$5 million gains in 2025 from impacts associated with interest rate and foreign exchange instruments and foreign currency transactions driven by other foreign currency transactional effects primarily at Sempra Infrastructure

Offset by:

- \$7 million reduction in regulatory interest from disallowed regulatory recovery of COVID-19 costs at Sempra California

### ***Interest Income***

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's interest income increased by \$18 million to \$48 million primarily due to a \$14 million change in the fair value of the Support Agreement at Sempra Infrastructure.

### ***Interest Expense***

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's interest expense increased by \$48 million (15%) to \$359 million primarily due to:

- \$34 million at Parent and other from higher debt balances from debt issuances
- \$19 million at Sempra California from higher debt balances from debt issuances

Offset by:

- \$6 million at Sempra Infrastructure primarily from \$9 million in unrealized gains in 2025 on interest rate swaps related to the PA LNG Phase 1 project

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's interest expense increased by \$176 million (29%) to \$792 million primarily due to:

- \$71 million at Sempra Infrastructure primarily from \$56 million in unrealized losses in 2025 on interest rate swaps related to the PA LNG Phase 1 project
- \$65 million at Parent and other from higher debt balances from debt issuances offset by lower borrowings on commercial paper and higher capitalization of interest expense on projects under construction at Sempra Infrastructure
- \$39 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 June 30, |          | Six months ended June 30, |          |
|---------------------------------------------------|-----------------------------|----------|---------------------------|----------|
|                                                   | 2025                        | 2024     | 2025                      | 2024     |
| <b>Sempra:</b>                                    |                             |          |                           |          |
| Income tax expense (benefit)                      | \$ 172                      | \$ (130) | \$ 229                    | \$ 42    |
| Income before income taxes and equity earnings    | \$ 298                      | \$ 308   | \$ 949                    | \$ 1,013 |
| Equity earnings, before income tax <sup>(1)</sup> | 169                         | 160      | 310                       | 294      |
| Pretax income                                     | \$ 467                      | \$ 468   | \$ 1,259                  | \$ 1,307 |
| Effective income tax rate                         | 37 %                        | (28)%    | 18 %                      | 3 %      |

<sup>(1)</sup> 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 June 30, 2025 compared to the same period in 2024, Sempra had an income tax expense in 2025 compared to an income tax benefit in 2024 primarily due to:

- \$308 million from \$122 million income tax expense in 2025 compared to \$186 million income tax benefit in 2024 from foreign currency and inflation effects on our monetary positions in Mexico
- \$38 million income tax expense in 2025 due to the recognition of a Mexican deferred tax liability on our outside basis difference in Ecogas as a result of management's decision to hold the asset for sale

Offset by:

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

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's income tax expense increased by \$187 million primarily due to:

- \$245 million from \$112 million income tax expense in 2025 compared to \$133 million income tax benefit in 2024 from foreign currency and inflation effects on our monetary positions in Mexico
- \$38 million income tax expense in 2025 due to the recognition of a Mexican deferred tax liability on our outside basis difference in Ecogas as a result of management's decision to hold the asset for sale

Offset by:

- higher income tax benefit in 2025 from higher ITCs from standalone energy storage projects
- higher income tax benefits from flow-through items
- lower pretax income

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 June 30, 2025 compared to the same period in 2024, Sempra's equity earnings decreased by \$40 million (9%) to \$393 million primarily due to:

- \$51 million at IMG due to income tax expense in 2025 compared to an income tax benefit in 2024 primarily from foreign currency and inflation effects
- \$5 million at TAG Norte due to income tax expense in 2025 compared to an income tax benefit in 2024 primarily from foreign currency and inflation effects offset by foreign currency gains in 2025 compared to foreign currency losses in 2024

Offset by:

- \$10 million at Cameron LNG JV primarily from higher maintenance revenues and lower interest expense

- \$7 million at Oncor Holdings driven by:

- overall higher revenues primarily attributable to:

- rate updates to reflect increases in invested capital
- increase due to Oncor's SRP and the establishment of the UTM
- customer growth

Offset by:

- lower customer consumption primarily attributable to weather

Offset by:

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

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's equity earnings decreased by \$63 million (8%) to \$718 million primarily due to:

- \$50 million at IMG due to income tax expense in 2025 compared to an income tax benefit in 2024 primarily from foreign currency and inflation effects
- \$30 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
- customer growth
- increase due to Oncor's SRP and the establishment of the UTM
- higher customer consumption primarily attributable to weather

Offset by:

- decreases in transmission billing units

Offset by:

- \$17 million at Cameron LNG JV primarily from higher maintenance revenues and lower interest expense

### ***Earnings Attributable to Noncontrolling Interests***

In the three months ended June 30, 2025 compared to the same period in 2024, Sempra's earnings attributable to NCI decreased by \$100 million to \$46 million primarily due to a decrease in SI Partners subsidiaries' net income driven by foreign currency and inflation effects on our monetary positions in Mexico.

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's earnings attributable to NCI decreased by \$167 million to \$48 million primarily due to a decrease in SI Partners subsidiaries' net income driven by foreign currency and inflation effects on our monetary positions in Mexico and 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 Semptra'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 Semptra's comparative results of operations. In the three months and six months ended June 30, 2025 compared to the same periods 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 equity method investments 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)

(Dollars in millions)

|                                                   | Total reported amounts      |       |      |       | Transactional gains (losses) included in reported amounts |       |      |      |
|---------------------------------------------------|-----------------------------|-------|------|-------|-----------------------------------------------------------|-------|------|------|
|                                                   | Three months ended June 30, |       |      |       |                                                           |       |      |      |
|                                                   | 2025                        |       | 2024 |       | 2025                                                      |       | 2024 |      |
| Other income, net                                 | \$                          | 59    | \$   | 30    | \$                                                        | 1     | \$   | (1)  |
| Income tax (expense) benefit                      |                             | (172) |      | 130   |                                                           | (122) |      | 186  |
| Equity earnings                                   |                             | 393   |      | 433   |                                                           | (25)  |      | 38   |
| Net income                                        |                             | 519   |      | 871   |                                                           | (146) |      | 223  |
| Earnings attributable to noncontrolling interests |                             | (46)  |      | (146) |                                                           | 49    |      | (71) |
| Earnings attributable to common shares            |                             | 461   |      | 713   |                                                           | (97)  |      | 152  |

|                                                   | Six months ended June 30, |       |      |       |      |       |      |      |
|---------------------------------------------------|---------------------------|-------|------|-------|------|-------|------|------|
|                                                   | 2025                      |       | 2024 |       | 2025 |       | 2024 |      |
| Other income, net                                 | \$                        | 150   | \$   | 129   | \$   | 5     | \$   | —    |
| Income tax (expense) benefit                      |                           | (229) |      | (42)  |      | (112) |      | 133  |
| Equity earnings                                   |                           | 718   |      | 781   |      | (27)  |      | 30   |
| Net income                                        |                           | 1,438 |      | 1,752 |      | (134) |      | 163  |
| Earnings attributable to noncontrolling interests |                           | (48)  |      | (215) |      | 45    |      | (52) |
| Earnings attributable to common shares            |                           | 1,367 |      | 1,514 |      | (89)  |      | 111  |



We discuss herein SDG&E's results of operations and significant changes in earnings, revenues and costs for the three months (Q2) and six months (YTD) ended June 30, 2025 compared to the same period in 2024.

Due to the delay in the issuance of the CPUC's FD 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 half 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 June 30, 2025 compared to the same period in 2024, the decrease in earnings of \$11 million (6%) was primarily due to:

- \$16 million lower CPUC base operating margin, net of operating expenses including higher depreciation and \$4 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 net interest expense

Offset by:

- \$4 million higher AFUDC equity
- \$3 million higher electric transmission margin
- \$3 million higher net regulatory interest income

In the six months ended June 30, 2025 compared to the same period in 2024, the increase in earnings of \$47 million (11%) was primarily due to:

- \$34 million higher CPUC base operating margin, net of operating expenses including higher depreciation and \$9 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
- \$7 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
- \$6 million higher net regulatory interest income
- \$3 million higher electric transmission margin
- \$3 million higher AFUDC equity

Offset by:

- \$14 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 June 30, 2025 compared to the same period in 2024, SDG&E's electric revenues decreased by \$115 million (10%) to \$1.0 billion primarily due to:

- \$69 million decrease in cost of electric fuel and purchased power, which we discuss below
- \$28 million lower revenues associated with refundable programs, which are fully offset in O&M
- \$23 million lower regulatory revenues from higher ITCs from standalone energy storage projects, which are offset in income tax expense

Offset by:

- \$7 million higher revenues from transmission operations

In the three months ended June 30, 2025 compared to the same period in 2024, SDG&E's cost of electric fuel and purchased power decreased by \$69 million (39%) to \$106 million primarily due to:

- \$44 million lower purchased power primarily due to change in excess capacity sales and lower renewable energy costs
- \$24 million lower purchased power from the California ISO due to lower customer demand from departing load now served by CCAs

In the six months ended June 30, 2025 compared to the same period in 2024, SDG&E's electric revenues decreased by \$111 million (5%) to \$2.1 billion primarily due to:

- \$103 million decrease in cost of electric fuel and purchased power, which we discuss below
- \$67 million lower regulatory revenues from higher ITCs from standalone energy storage projects, which are offset in income tax expense
- \$11 million lower revenues associated with refundable programs, which are fully offset in O&M

Offset by:

- \$47 million higher CPUC-authorized base 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 \$9 million lower authorized cost of capital
- \$14 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
- \$13 million higher revenues from transmission operations

In the six months ended June 30, 2025 compared to the same period in 2024, SDG&E's cost of electric fuel and purchased power decreased by \$103 million (37%) to \$179 million primarily due to:

- \$73 million lower purchased power primarily due to change in excess capacity sales and lower renewable energy costs
- \$44 million lower purchased power from the California ISO due to lower customer demand from departing load now served by CCAs

Offset by:

- \$15 million lower sales to the California ISO due to decreased utility-owned generator availability

### ***Natural Gas Revenues and Cost of Natural Gas***

In the three months ended June 30, 2025 and 2024, SDG&E's average cost of natural gas per thousand cubic feet was \$4.60 and \$3.53, respectively. In the six months ended June 30, 2025 and 2024, SDG&E's average cost of natural gas per thousand cubic feet was \$4.86 and \$5.08, 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 June 30, 2025 compared to the same period in 2024, SDG&E's natural gas revenues increased by \$22 million (11%) to \$228 million primarily due to:

- \$18 million higher CPUC-authorized base 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 \$1 million lower authorized cost of capital
- \$7 million increase in cost of natural gas sold, which we discuss below

In the three months ended June 30, 2025 compared to the same period in 2024, SDG&E's cost of natural gas increased by \$7 million (19%) to \$44 million primarily due to higher average natural gas prices.

In the six months ended June 30, 2025 compared to the same period in 2024, SDG&E's natural gas revenues increased by \$59 million (11%) to \$584 million primarily due to:

- \$50 million higher CPUC-authorized base 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 \$3 million lower authorized cost of capital
- \$19 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$8 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:

- \$14 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
- \$8 million decrease in cost of natural gas sold, which we discuss below

In the six months ended June 30, 2025 compared to the same period in 2024, SDG&E's cost of natural gas decreased by \$8 million (6%) to \$131 million primarily due to lower average natural gas prices.

### Operation and Maintenance

In the three months ended June 30, 2025 compared to the same period in 2024, SDG&E's O&M decreased by \$20 million (5%) to \$403 million due to:

- \$26 million lower expenses associated with refundable programs, which costs are recovered in revenue

Offset by:

- \$6 million higher non-refundable operating costs

In the six months ended June 30, 2025 compared to the same period in 2024, SDG&E's O&M increased by \$9 million (1%) to \$843 million primarily due to higher expenses associated with refundable programs, which costs are recovered in revenue.

### Other Income, Net

In the three months ended June 30, 2025 compared to the same period in 2024, SDG&E's other income, net, increased by \$8 million (35%) to \$31 million primarily due to:

- \$4 million higher net interest income on regulatory balancing accounts
- \$4 million higher AFUDC equity

In the six months ended June 30, 2025 compared to the same period in 2024, SDG&E's other income, net, increased by \$15 million (27%) to \$71 million primarily due to:

- \$8 million higher net interest income on regulatory balancing accounts
- \$3 million higher AFUDC equity

### Income Taxes

#### INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES

(Dollars in millions)

|                            | Three months ended June 30, |        | Six months ended June 30, |        |
|----------------------------|-----------------------------|--------|---------------------------|--------|
|                            | 2025                        | 2024   | 2025                      | 2024   |
| <b>SDG&amp;E:</b>          |                             |        |                           |        |
| Income tax expense         | \$ 7                        | \$ 34  | \$ 21                     | \$ 74  |
| Income before income taxes | \$ 182                      | \$ 220 | \$ 477                    | \$ 483 |
| Effective income tax rate  | 4 %                         | 15 %   | 4 %                       | 15 %   |

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

In the three months and six months ended June 30, 2025 compared to the same periods in 2024, SDG&E's income tax expense decreased by \$27 million and \$53 million, respectively, primarily due to:

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



We discuss herein SoCalGas' results of operations and significant changes in earnings, revenues and costs for the three months (Q2) and six months (YTD) ended June 30, 2025 compared to the same period in 2024.

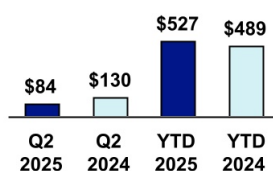
Due to the delay in the issuance of the CPUC's FD in the SoCalGas 2024 GRC, SoCalGas recorded revenues in the first three quarters of 2024 based on levels authorized for 2023 under the 2019 GRC. In December 2024, the CPUC approved an FD in the 2024 GRC, effective retroactive to January 1, 2024, for which SoCalGas recorded the retroactive impacts in the fourth quarter of 2024. SoCalGas' authorized base revenues for the first half 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 June 30, 2025 compared to the same period in 2024, the decrease in earnings of \$46 million (35%) was primarily due to:

- \$25 million from disallowed regulatory recovery of COVID-19 costs
- \$19 million lower 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
- \$9 million higher net interest expense

Offset by:

- \$10 million regulatory award approved by the CPUC in 2025

In the six months ended June 30, 2025 compared to the same period in 2024, the increase in earnings of \$38 million (8%) was primarily due to:

- \$38 million higher CPUC base operating margin, net of operating expenses including higher depreciation and \$13 million lower authorized cost of capital. In the first three quarters of 2024, SoCalGas recorded CPUC-authorized base revenues based on 2023 authorized levels
- \$35 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
- \$10 million regulatory award approved by the CPUC in 2025

Offset by:

- \$25 million from disallowed regulatory recovery of COVID-19 costs
- \$18 million higher net interest expense

## **SIGNIFICANT CHANGES IN REVENUES AND COSTS**

### ***Natural Gas Revenues and Cost of Natural Gas***

In the three months ended June 30, 2025 and 2024, SoCalGas' average cost of natural gas per thousand cubic feet was \$2.50 and \$1.84, respectively. In the six months ended June 30, 2025 and 2024, SoCalGas' average cost of natural gas per thousand cubic feet was \$3.57 and \$3.50, 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 June 30, 2025 compared to the same period in 2024, SoCalGas' natural gas revenues decreased by \$41 million (3%) remaining at \$1.3 billion primarily due to:

- \$99 million lower revenues associated with refundable programs, which are fully offset in O&M
- \$68 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
- \$29 million lower revenues from disallowed regulatory recovery of COVID-19 costs
- \$8 million lower 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
- \$3 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

Offset by:

- \$111 million higher CPUC-authorized base 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 \$7 million lower authorized cost of capital
- \$38 million increase in cost of natural gas sold, which we discuss below
- \$14 million regulatory award approved by the CPUC in 2025

In the three months ended June 30, 2025 compared to the same period in 2024, SoCalGas' cost of natural gas increased by \$38 million (33%) to \$152 million primarily due to higher average natural gas prices.

In the six months ended June 30, 2025 compared to the same period in 2024, SoCalGas' natural gas revenues increased by \$174 million (6%) to \$3.3 billion primarily due to:

- \$258 million higher CPUC-authorized base 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 \$18 million lower authorized cost of capital
- \$47 million higher revenues associated with refundable programs, which are fully offset in O&M
- \$37 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
- \$14 million regulatory award approved by the CPUC in 2025

Offset by:

- \$127 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
- \$29 million lower revenues from disallowed regulatory recovery of COVID-19 costs

- \$12 million decrease in cost of natural gas sold, which we discuss below
- \$11 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

In the six months ended June 30, 2025 compared to the same period in 2024, SoCalGas' cost of natural gas decreased by \$12 million (2%) to \$567 million primarily due to:

- \$23 million lower volumes driven by weather

Offset by:

- \$11 million higher average natural gas prices

### **Operation and Maintenance**

In the three months ended June 30, 2025 compared to the same period in 2024, SoCalGas' O&M decreased by \$85 million (12%) to \$622 million primarily due to:

- \$99 million lower expenses associated with refundable programs, which costs are recovered in revenue

Offset by:

- \$14 million higher non-refundable operating costs

In the six months ended June 30, 2025 compared to the same period in 2024, SoCalGas' O&M increased by \$59 million (4%) to \$1.4 billion primarily due to:

- \$47 million higher expenses associated with refundable programs, which costs are recovered in revenue
- \$12 million higher non-refundable operating costs

### **Other (Expense) Income, Net**

In the three months ended June 30, 2025 compared to the same period in 2024, SoCalGas had \$2 million of other expense, net, in 2025 compared to \$13 million of other income, net, in 2024 primarily due to:

- \$7 million reduction in regulatory interest from disallowed regulatory recovery of COVID-19 costs
- \$6 million higher non-service components of net periodic benefit cost

In the six months ended June 30, 2025 compared to the same period in 2024, SoCalGas' other income, net, decreased by \$20 million (33%) to \$40 million primarily due:

- \$10 million decrease from a \$6 million cost in 2025 compared to \$4 million credit in 2024 for the non-service components of net periodic benefit cost
- \$7 million reduction in regulatory interest from disallowed regulatory recovery of COVID-19 costs

### **Income Taxes**

#### **INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES**

(Dollars in millions)

|                            | Three months ended June 30, |        | Six months ended June 30, |        |
|----------------------------|-----------------------------|--------|---------------------------|--------|
|                            | 2025                        | 2024   | 2025                      | 2024   |
| <b>SoCalGas:</b>           |                             |        |                           |        |
| Income tax expense         | \$ 6                        | \$ 10  | \$ 44                     | \$ 53  |
| Income before income taxes | \$ 91                       | \$ 141 | \$ 572                    | \$ 543 |
| Effective income tax rate  | 7 %                         | 7 %    | 8 %                       | 10 %   |

In the three months ended June 30, 2025 compared to the same period in 2024, SoCalGas' income tax expense decreased by \$4 million (40%) primarily due to lower pretax income.

In the six months ended June 30, 2025 compared to the same period in 2024, SoCalGas' income tax expense decreased by \$9 million (17%) primarily due to higher income tax benefit from flow-through items.

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## 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. 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 June 30, 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 June 30, 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 June 30, 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 JUNE 30, 2025**

*(Dollars in millions)*

|                                                       | Sempra |       | SDG&E |       | SoCalGas |     |
|-------------------------------------------------------|--------|-------|-------|-------|----------|-----|
| Unrestricted cash and cash equivalents <sup>(1)</sup> | \$     | 155   | \$    | 28    | \$       | —   |
| Available unused credit <sup>(2)</sup>                |        | 7,628 |       | 1,500 |          | 989 |

<sup>(1)</sup> Amounts at Sempra include \$81 held in non-U.S. jurisdictions. We discuss repatriation in Note 7 of the Notes to Consolidated Financial Statements in the Annual Report.

<sup>(2)</sup> 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 six 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 six 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            |
| SoCalGas 5.45% first mortgage bonds                                                                                                                   | 600                | 2035            |
| SoCalGas 6.00% first mortgage bonds                                                                                                                   | 500                | 2055            |
| Sempra Infrastructure variable rate notes (ECALNG Phase 1 project)                                                                                    | 125                | 2027            |
| Sempra Infrastructure variable rate term loan (PALNG Phase 1 project)                                                                                 | 1,542              | 2030            |
| Sempra Infrastructure 6.27% senior secured notes (PALNG Phase 1 project)                                                                              | 750                | 2042            |
| Sempra Infrastructure 6.32% senior secured notes (PALNG Phase 1 project)                                                                              | 250                | 2042            |
| <b>Payments:</b>                                                                                                                                      | <b>Payments</b>    | <b>Maturity</b> |
| SoCalGas 3.20% first mortgage bonds                                                                                                                   | \$ 350             | 2025            |
| Sempra 3.30% notes                                                                                                                                    | 750                | 2025            |
| Sempra Infrastructure variable rate term loan (PALNG Phase 1 project)                                                                                 | 983                | 2030            |
| Sempra Infrastructure loan at variable rates (4.03% after floating-to-fixed rate swap effective 2019) payable June 15, 2022 through November 19, 2034 | 25                 | 2034            |

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 six months of 2025.

#### ISSUER CREDIT RATINGS AT JUNE 30, 2025

|         | Sempra                       | SDG&E                      | SoCalGas                 |
|---------|------------------------------|----------------------------|--------------------------|
| Moody's | 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 new 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 June 30, 2025. On July 29, 2025, S&P downgraded Oncor's senior secured debt rating from A+ to A and revised its outlook from negative to stable.

### Loans due to/from Affiliates

At June 30, 2025, Sempra had \$359 million in loans due to unconsolidated affiliates.

### *One Big Beautiful Bill Act*

The OBBBA was signed into law on July 4, 2025. The OBBBA includes revisions to tax credits and incentives for energy and climate initiatives of the Inflation Reduction Act enacted in 2022 and extends or revises key provisions of the Tax Cuts and Jobs Act enacted in 2017, among other changes. The OBBBA leaves the U.S. corporate tax rate and the corporate alternative minimum tax rate unchanged at 21% and 15%, respectively. We will continue to assess the impacts of the OBBBA as the U.S. Department of the Treasury and the IRS issue guidance. We do not expect the OBBBA to have a material adverse effect on Sempra's, SDG&E's or SoCalGas' results of operations, financial condition and/or cash flows.

### *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, may 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 an FD 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*

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. 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, which would result in accelerated amortization of SDG&E's Wildfire Fund asset. The carrying value of SDG&E's Wildfire Fund asset totaled \$269 million at June 30, 2025.

PG&E is seeking reimbursement from the Wildfire Fund for losses associated with the Dixie fire, which burned from July 2021 through October 2021. Although the cause of the LA Fires has not been determined, these fires may have a material adverse impact on the Wildfire Fund. Multiple lawsuits related to the Eaton fire have been initiated against Edison, and in July 2025, Edison announced that it is beginning a claims process for the Eaton fire in advance of a formal agency determination of the cause of the fire. Edison has disclosed that its equipment could have been associated with the ignition of the Eaton fire and that a liability is probable but not reasonably estimable.

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, including potentially exhausting the 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. Moreover, in the event that the Wildfire Fund is materially diminished, exhausted or terminated, SDG&E would 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 July 2025, the CPUC issued an FD that authorizes partial recovery of costs recorded in SoCalGas' Catastrophic Event Memorandum Account. The FD authorizes the recovery of \$19 million out of the requested \$55 million, denying recovery of COVID-19 costs included in the Catastrophic Event Memorandum Account. In the three months and six months ended June 30, 2025, SoCalGas recorded a write-off of \$36 million (\$25 million after tax) in disallowed costs, comprising a \$29 million reduction in Utilities: Natural Gas Revenues and a \$7 million reduction in regulatory interest in Other (Expense) Income, Net.

#### *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. SoCalGas' infrastructure in the fire-affected areas that is underground, which constitutes most of its infrastructure in these areas, remains undamaged by the fires and we believe safe to continue serving customers as they return to their homes and businesses. To date, natural gas service has been restored to almost 16,000 customers in the Eaton and Palisades fire areas, and crews will continue that work as customers return to their properties.

#### *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 August 4, 2025, there are approximately eight outstanding plaintiffs who have not entered into a settlement agreement. 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, originally due in June 2025, has been granted an extension and is now due in August 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.

### *Oncor*

**2025 Comprehensive Base Rate Review.** In June 2025, Oncor filed a request for a comprehensive base rate review with the PUCT and the 210 cities in its service territory that have retained original jurisdiction over rates. The base rate review test year is based on calendar year 2024 results with certain adjustments. The base rate review includes a request for an average increase over test year adjusted annualized revenue of approximately 13%, and if approved as requested, would result in an aggregate annualized revenue increase of approximately \$834 million over current adjusted rates. The base rate review also requests a revised regulatory capital structure ratio of 55% debt to 45% equity, an authorized ROE of 10.55%, and a 4.94% authorized cost of debt. Oncor's current authorized regulatory capital structure ratio is 57.5% debt to 42.5% equity, a 9.7% authorized ROE and 4.39% authorized cost of debt.

PUCT rules permit the filing of a request for interim rates while a base rate proceeding is pending. In July 2025, Oncor filed a request for an interim revenue requirement increase of \$360 million over current adjusted rates, which excludes certain requested adjustments in the pending base rate proceeding, including the requested modifications to Oncor's regulatory capital structure, authorized return on equity, and self-insurance reserve accrual. PUCT rules provide that interim rate relief may be granted upon the agreement of all parties to the proceeding, and that absent such agreement the administrative law judge administering the proceeding may grant interim rate relief upon a showing of good cause. If they become effective, such interim rates would be subject to refund or surcharge to the extent the rates ultimately established in the base rate proceeding are different from the interim rates.

**Appeal of 2023 Comprehensive Base Rate Review Order.** The PUCT issued a final order in Oncor's 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.

**Unified Tracker Mechanism.** In June 2025, Texas House Bill 5247 was signed into law and became effective. The bill establishes what is known as the UTM, which creates an alternative method, available through 2035, for qualifying electric utilities to apply for interim rate adjustments once annually using a comprehensive regulatory filing for cost recovery of certain transmission and distribution capital expenditures.

A qualifying utility electing to use the UTM is permitted to defer all or a portion of the costs associated with its eligible transmission and distribution capital investments placed into service during the period covered by the UTM, including depreciation expense and carrying costs, as a regulatory asset. Texas House Bill 5247 provides that the PUCT must review a UTM filing within 120 days, and if a final order is not issued by the PUCT within 165 days after the UTM filing is submitted, the utility can place the requested rates into effect on a temporary basis and refund or credit against future customer bills any difference between such temporary rates and the final approved rates.

Oncor expects to make its first comprehensive UTM filing in the first half of 2026 with a view toward recovering the costs associated with eligible transmission and distribution investments that were placed into service after December 31, 2024 and that are not currently reflected in rates. In June 2025, Oncor recognized revenues and corresponding regulatory assets for recoverable costs related to UTM-eligible transmission and distribution capital investments that were placed into service from January 1, 2025 through June 30, 2025, including depreciation expense, carrying costs on unrecovered balances and related taxes. Oncor expects to continue recognizing revenues and corresponding regulatory assets as UTM-eligible transmission and distribution capital investments are placed into service.

#### *Sharyland Utilities*

On May 1, 2025, Sharyland Utilities filed its 2025 rate case using a test year based on calendar year 2024 with certain adjustments. Sharyland Utilities is seeking a revenue requirement of \$55 million, which is an approximately 14% increase over adjusted test-year revenues. Sharyland Utilities is also requesting a rate of return of 7.32%, which is based on a proposed capital structure ratio of 55% debt to 45% equity; a proposed ROE of 10.75%; and a proposed long-term cost of debt of 4.52%. On July 16, 2025, the PUCT filed direct testimony recommending a revenue requirement of \$51 million and a rate of return of 6.49%, which is based on a capital structure ratio of 60% debt to 40% equity; an ROE of 9.45%; and a long-term cost of debt of 4.52%. Sharyland Utilities expects to receive an FD in the fourth quarter of 2025, with rates, if approved, going into effect in December 2025.

#### *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 six months ended June 30, 2025 and 2024, Sempra Infrastructure distributed \$91 million and \$203 million, respectively, to its NCI owners, and NCI owners contributed \$83 million and \$786 million, respectively, to Sempra Infrastructure.

As we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements, on March 28, 2025, we issued a notice to KKR Pinnacle and ADIA of our intent to pursue a process to sell a portion of our 70% equity interest in SI Partners. We expect to complete the sale in the second or third quarter of 2026, 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, unforeseen design flaws, cost overruns and other construction-related issues.

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, Semptra'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 Semptra 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.

Semptra 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.

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.

Cameron LNG JV concluded additional value engineering work on the proposed project in December 2024, which improved the overall anticipated 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.

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. Expansion of the Cameron LNG Phase 1 facility beyond the first three trains is also 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. A final investment decision remains subject to, among other things, securing these consents of the members and project lenders, satisfactory conclusion on the EPC process, negotiation and finalization of definitive offtake agreements and completion of all related financing and permitting activities.

**ECA LNG Phase 1 Project.** ECA LNG Phase 1 is constructing a one-train natural gas liquefaction facility at the site of Semptra 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 Semptra 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 reach substantial completion in the spring of 2026 and begin generating revenues from cargoes around that time. We expect sales under the long-term SPAs to begin shortly thereafter in the summer of 2026 when the facility commences commercial operations.

ECA LNG Phase 1 has a loan agreement with a syndicate of external lenders that was set to mature in December 2025 and was originally for an aggregate principal amount of up to \$1.3 billion. As we discuss in Note 7 of the Notes to Condensed Consolidated Financial Statements, in July 2025, ECA LNG Phase 1 amended the loan agreement, which included extending the maturity date to December 2027 and increasing the aggregate borrowing capacity to \$1.5 billion. At June 30, 2025 and December 31, 2024, \$1.2 billion and \$1.1 billion, respectively, of borrowings were outstanding under the loan agreement, with a weighted-average interest rate of 7.28% and 7.29%, respectively. 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 a land dispute 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.** Semptra 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. The ECA Regas Facility 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 expect that future construction of the proposed ECA LNG Phase 2 project would conflict with the current operations at the ECA Regas Facility to the extent those agreements have not expired or have been earlier terminated at the time of such construction.

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.** Semptra 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. Semptra Infrastructure holds a 19.6% interest in the project.

Semptra 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 we expect 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 \$10.8 billion, including change orders contemplated in project contingency. Estimated capital expenditures for the PA LNG Phase 1 project remain unchanged at 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 opened inspections with respect to Bechtel and Sempra Infrastructure but has released the site. Bechtel is continuing construction of the PA LNG Phase 1 project while the cause of the incident remains under investigation. In connection with the incident, as of August 4, 2025, there are two complaints outstanding on behalf of 17 plaintiffs. We believe we are entitled to indemnification from Bechtel under Port Arthur LNG’s EPC contract with Bechtel with respect to 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 June 30, 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 June 30, 2025, \$1.6 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.

Sempra Infrastructure has received authorizations from the DOE that permit the export of LNG from the proposed PA LNG Phase 2 project to all current and future FTA and non-FTA countries. In September 2023, the FERC approved the siting, construction and operation of the proposed PA LNG Phase 2 project, which would include the addition of two liquefaction trains.

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. Additionally, in July 2025, Sempra Infrastructure entered into a definitive 20-year SPA with JERA Co. Inc. for 1.5 Mtpa of LNG offtake on a free-on-board basis from the proposed PA LNG Phase 2 project, subject to making a positive final investment decision and customary closing conditions.

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. In June 2025, we amended and restated the EPC contract to reflect an estimated price of approximately \$8.7 billion, subject to adjustments. 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 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.

In June 2025, we issued a limited notice to proceed under the EPC contract, authorizing the performance of discrete portions of work, which is subject to a firm cancellation cap if the EPC contract is subsequently terminated prior to issuance of the full notice to proceed. We expect to work with Bechtel with respect to 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 construction funding for the project. 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, Sempra 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 12 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*

**Ecogas.** As we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements, in June 2025, management committed to a formal plan to market and sell Ecogas, a natural gas regulated distribution utility that operates in three separate distribution zones in Mexicali, Chihuahua and La Laguna-Durango, Mexico. We expect to complete the sale in the second or third quarter of 2026. As a result of satisfying all applicable criteria, we classified Ecogas' assets and liabilities as held for sale and ceased depreciation. Successful completion of a sale and the timing of such sale is subject to a number of risks and uncertainties, including reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations.

**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 June 30, 2025, Semptra Infrastructure had \$395 million in PP&E, net, related to the Guaymas-El Oro segment of the Sonora pipeline, which could be subject to impairment if, among other things, 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 and held the required public hearing. We expect the LDENR to issue the final permit in 2025.

#### *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 the 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 and/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)

| Six months ended June 30,                                                     | Sempra   | SDG&E    | SoCalGas |
|-------------------------------------------------------------------------------|----------|----------|----------|
| 2025                                                                          | \$ 2,266 | \$ 865   | \$ 1,142 |
| 2024                                                                          | 2,520    | 1,056    | 1,046    |
| Change                                                                        | \$ (254) | \$ (191) | \$ 96    |
| Change in accounts receivable                                                 | \$ (326) | \$ (184) | \$ (67)  |
| Change in regulatory accounts, current and noncurrent                         | (255)    | 48       | (303)    |
| Change in deferred excess capacity sales                                      | (161)    | (161)    |          |
| (Lower) higher net income, adjusted for noncash items included in earnings    | (57)     | 31       | 6        |
| Change in net margin posted, current and noncurrent                           | (42)     |          |          |
| Change in inventories                                                         | (42)     | (45)     |          |
| Higher distributions from Cameron LNG JV                                      | 29       |          |          |
| Change in GHG obligations, current and noncurrent                             | 52       |          | 71       |
| Change in GHG allowances, current and noncurrent                              | 62       | 58       | 50       |
| Higher distributions from Oncor Holdings                                      | 82       |          |          |
| Change in accrued franchise fees                                              | 83       | 68       | 15       |
| Change in fixed-price contracts and other derivatives, current and noncurrent | 149      |          | 155      |
| Change in accounts payable                                                    | 176      |          | 143      |
| Other                                                                         | (4)      | (6)      | 26       |
|                                                                               | \$ (254) | \$ (191) | \$ 96    |

### CASH FLOWS FROM INVESTING ACTIVITIES

(Dollars in millions)

| Six months ended June 30,              | Sempra     | SDG&E      | SoCalGas   |
|----------------------------------------|------------|------------|------------|
| 2025                                   | \$ (5,563) | \$ (1,240) | \$ (1,045) |
| 2024                                   | (4,168)    | (1,206)    | (978)      |
| Change                                 | \$ (1,395) | \$ (34)    | \$ (67)    |
| Increase in capital expenditures       | \$ (810)   | \$ (36)    | \$ (67)    |
| Higher contributions to Oncor Holdings | (586)      |            |            |
| Other                                  | 1          | 2          | —          |
|                                        | \$ (1,395) | \$ (34)    | \$ (67)    |

### CASH FLOWS FROM FINANCING ACTIVITIES

(Dollars in millions)

| Six months ended June 30,                                               | Sempra   | SDG&E  | SoCalGas |
|-------------------------------------------------------------------------|----------|--------|----------|
| 2025                                                                    | \$ 1,891 | \$ 403 | \$ (109) |
| 2024                                                                    | 1,618    | 166    | (60)     |
| Change                                                                  | \$ 273   | \$ 237 | \$ (49)  |
| Higher issuances of long-term debt                                      | \$ 2,226 | \$ 254 | \$ 593   |
| Change in borrowings and repayments of short-term debt, net             | 1,499    | (417)  | 714      |
| Lower distributions to NCI                                              | 112      |        |          |
| Higher common dividends paid                                            | (46)     |        |          |
| Higher payments on short-term debt with maturities greater than 90 days | (510)    |        | (700)    |
| Lower issuances of short-term debt with maturities greater than 90 days | (580)    |        | (300)    |
| Lower contributions from NCI                                            | (703)    |        |          |
| (Higher) lower payments on long-term debt and finance leases            | (1,704)  | 401    | (352)    |
| Other                                                                   | (21)     | (1)    | (4)      |
|                                                                         | \$ 273   | \$ 237 | \$ (49)  |

## Capital Expenditures for PP&E and Investments

### CAPITAL EXPENDITURES FOR PP&E AND INVESTMENTS

(Dollars in millions)

|                                  | Six months ended June 30, |                 |
|----------------------------------|---------------------------|-----------------|
|                                  | 2025                      | 2024            |
| <b>Sempra:</b>                   |                           |                 |
| Sempra California <sup>(1)</sup> | \$ 2,315                  | \$ 2,212        |
| Sempra Texas Utilities           | 971                       | 385             |
| Sempra Infrastructure            | 2,323                     | 1,619           |
| Segment totals                   | 5,609                     | 4,216           |
| Parent and other                 | 3                         | 1               |
| <b>Total Sempra</b>              | <b>\$ 5,612</b>           | <b>\$ 4,217</b> |

<sup>(1)</sup> Includes capital expenditures for PP&E of \$1,270 and \$1,234 at SDG&E and \$1,045 and \$978 at SoCalGas for 2025 and 2024, respectively.

We expect capital expenditures for PP&E and investments in 2025 to total \$12.1 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 \$12.5 billion.

In addition, Oncor anticipates that its capital plan will grow over the 2025 through 2029 period, particularly in the latter years of its five-year capital plan, due to a variety of potential projects and developments, and that such incremental capital expenditures may exceed \$12 billion over that period. 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 six 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 \$16 million at June 30, 2025 compared to \$13 million at December 31, 2024.

The one-day value at risk for SDG&E's and SoCalGas' commodity positions were \$2 million and \$9 million, respectively, at June 30, 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 <sup>(1)</sup><br>(Dollars in millions) |               |          |          |                   |          |          |
|----------------------------------------------------------------|---------------|----------|----------|-------------------|----------|----------|
|                                                                | June 30, 2025 |          |          | December 31, 2024 |          |          |
|                                                                | Sempra        | SDG&E    | SoCalGas | Sempra            | SDG&E    | SoCalGas |
| Short-term:                                                    |               |          |          |                   |          |          |
| Sempra California                                              | \$ 211        | \$ —     | \$ 211   | \$ 1,454          | \$ 417   | \$ 1,037 |
| Other                                                          | 2,074         | —        | —        | 562               | —        | —        |
| Long-term:                                                     |               |          |          |                   |          |          |
| Sempra California fixed-rate                                   | \$ 17,909     | \$ 9,800 | \$ 8,109 | \$ 16,309         | \$ 8,950 | \$ 7,359 |
| Other fixed-rate                                               | 16,150        | —        | —        | 15,527            | —        | —        |
| Other variable-rate                                            | 1,350         | —        | —        | 1,063             | —        | —        |

<sup>(1)</sup> After the effects of interest rate swaps. Before reductions for unamortized discounts 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 June 30, 2025 increased or decreased by 10%, the change in earnings attributable to common shares over the 12-month period ending June 30, 2026 would be approximately \$7 million. If interest rates increased or decreased by 10% on all variable-rate long-term debt at June 30, 2025, after considering the effects of interest rate swaps, the change in earnings attributable to common shares over the 12-month period ending June 30, 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 June 30, 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.

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## **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 June 30, 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.

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## PART II – OTHER INFORMATION

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### 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.

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### 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 and purchasing foreign-sourced goods at competitive prices and making affirmative final investment decisions on LNG and other significant projects in development is subject to a number of risks, including adverse impacts on the affordability of projects in development and under construction due to the imposition of tariffs by the U.S. Administration, and adverse impacts caused by (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 and increased tariffs, both threatened and imposed, including a higher total tariff rate on goods from China and numerous other tariffs on imports from all countries with only limited exclusions. The U.S. Administration has delayed the effectiveness of certain tariffs and tariff rate increases and threatened to accelerate the effectiveness of others. 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, increased steel and aluminum tariff rates, and imposed tariffs on certain imported copper products. 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 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.

While the U.S. Administration has announced various trade deals, many such agreements are preliminary and may be subject to change. Certain of the announced deals, including the agreement with the European Union, require further governmental approvals, and certain announced deal terms, including purported commitments by the European Union and Japan to purchase more U.S. energy, are non-binding and subject to voluntary implementation by the private sector. Any disagreement between the U.S. and other countries over the implementation of such trade deals or any failure to obtain required governmental approvals or otherwise reach a final agreement could result in prolonged 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.

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## ITEM 5. OTHER INFORMATION

- (a) None.
- (b) None.
- (c) During the last fiscal quarter, no individual who was at the time a Sempra, SDG&E or SoCalGas director or officer adopted or terminated a Rule 10b5-1 trading arrangement or 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.

## 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<br>Furnished<br>Herewith | Incorporated by Reference |                        |             |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------|------------------------|-------------|
|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | Form                      | Exhibit or<br>Appendix | Filing Date |
| <b>EXHIBIT 3 – ARTICLES OF INCORPORATION AND BYLAWS</b> |                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                           |                        |             |
| <b><i>Semptra</i></b>                                   |                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                           |                        |             |
| 3.1                                                     | <a href="#"><u>Amended and Restated Articles of Incorporation of Semptra effective May 23, 2008.</u></a>                                                                                                                                                                                                                                                                                              |                                   | 10-K                      | 3.1                    | 02/27/20    |
| 3.2                                                     | <a href="#"><u>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.</u></a> |                                   | 8-K                       | 3.1                    | 06/15/20    |
| 3.3                                                     | <a href="#"><u>Certificate of Amendment of Amended and Restated Articles of Incorporation of Semptra dated May 12, 2023.</u></a>                                                                                                                                                                                                                                                                      |                                   | 8-K                       | 3.1                    | 05/16/23    |
| 3.4                                                     | <a href="#"><u>Bylaws of Semptra (as amended through May 12, 2023).</u></a>                                                                                                                                                                                                                                                                                                                           |                                   | 8-K                       | 3.2                    | 05/16/23    |
| <b><i>San Diego Gas &amp; Electric Company</i></b>      |                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                           |                        |             |
| 3.5                                                     | <a href="#"><u>Amended and Restated Articles of Incorporation of San Diego Gas &amp; Electric Company effective August 15, 2014.</u></a>                                                                                                                                                                                                                                                              |                                   | 10-K                      | 3.4                    | 02/26/15    |
| 3.6                                                     | <a href="#"><u>Bylaws of San Diego Gas &amp; Electric Company (as amended through October 26, 2016).</u></a>                                                                                                                                                                                                                                                                                          |                                   | 10-Q                      | 3.1                    | 11/02/16    |
| <b><i>Southern California Gas Company</i></b>           |                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                           |                        |             |
| 3.7                                                     | <a href="#"><u>Restated Articles of Incorporation of Southern California Gas Company effective October 7, 1996.</u></a>                                                                                                                                                                                                                                                                               |                                   | 10-K                      | 3.01                   | 03/28/97    |
| 3.8                                                     | <a href="#"><u>Bylaws of Southern California Gas Company (as amended through January 30, 2017).</u></a>                                                                                                                                                                                                                                                                                               |                                   | 8-K                       | 3.1                    | 01/31/17    |

**EXHIBIT INDEX (CONTINUED)**

| Exhibit Number                                                                                                                                                                                                                                                                                    | Exhibit Description                                                                                                                                | Filed or<br>Furnished<br>Herewith | Incorporated by Reference |                        |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------|------------------------|-------------|
|                                                                                                                                                                                                                                                                                                   |                                                                                                                                                    |                                   | Form                      | Exhibit or<br>Appendix | Filing Date |
| <b>EXHIBIT 4 – INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES</b>                                                                                                                                                                                                      |                                                                                                                                                    |                                   |                           |                        |             |
| 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>Sempra / Southern California Gas Company</i>                                                                                                                                                                                                                                                   |                                                                                                                                                    |                                   |                           |                        |             |
| 4.1                                                                                                                                                                                                                                                                                               | <a href="#">Supplemental Indenture of Southern California Gas Company to U.S. Bank National Association, dated as of May 16, 2025.</a>             |                                   | 8-K                       | 4.1                    | 05/16/25    |
| 4.2                                                                                                                                                                                                                                                                                               | <a href="#">Supplemental Indenture of Southern California Gas Company to U.S. Bank National Association, dated as of May 16, 2025.</a>             |                                   | 8-K                       | 4.2                    | 05/16/25    |
| <b>EXHIBIT 10 – MATERIAL CONTRACTS</b>                                                                                                                                                                                                                                                            |                                                                                                                                                    |                                   |                           |                        |             |
| <i>Management Contract or Compensatory Plan, Contract or Arrangement</i>                                                                                                                                                                                                                          |                                                                                                                                                    |                                   |                           |                        |             |
| <i>Sempra</i>                                                                                                                                                                                                                                                                                     |                                                                                                                                                    |                                   |                           |                        |             |
| 10.1                                                                                                                                                                                                                                                                                              | <a href="#">Amended and Restated Severance Pay Agreement between Sempra and Caroline A. Winn, signed July 14, 2025 and effective July 5, 2025.</a> | X                                 |                           |                        |             |
| 10.2                                                                                                                                                                                                                                                                                              | <a href="#">Severance Pay Agreement between Sempra and Dyan Z. Wold, signed March 8, 2023 and effective March 1, 2023.</a>                         | X                                 |                           |                        |             |
| <i>Sempra / San Diego Gas &amp; Electric Company / Southern California Gas Company</i>                                                                                                                                                                                                            |                                                                                                                                                    |                                   |                           |                        |             |
| 10.3                                                                                                                                                                                                                                                                                              | <a href="#">Form of Sempra 2019 Long-Term Incentive Plan 2025 Time-Based Restricted Stock Unit Award – One Year Award Vest.</a>                    | X                                 |                           |                        |             |
| <i>Sempra / Southern California Gas Company</i>                                                                                                                                                                                                                                                   |                                                                                                                                                    |                                   |                           |                        |             |
| 10.4                                                                                                                                                                                                                                                                                              | <a href="#">Severance Pay Agreement between Sempra and Erin M. Smith, signed March 10, 2023 and effective March 1, 2023.</a>                       | X                                 |                           |                        |             |
| 10.5*                                                                                                                                                                                                                                                                                             | <a href="#">Letter Agreement from Southern California Gas Company to Mia DeMontigny dated June 2, 2025.</a>                                        | X                                 |                           |                        |             |

\* Portions of the exhibit have been omitted in accordance with applicable SEC rules.

**EXHIBIT INDEX (CONTINUED)**

| Exhibit Number                                        | Exhibit Description                                                                                                                                                             | Filed or Furnished<br>Herewith |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <b>EXHIBIT 31 – SECTION 302 CERTIFICATIONS</b>        |                                                                                                                                                                                 |                                |
| <i>Sempra</i>                                         |                                                                                                                                                                                 |                                |
| 31.1                                                  | <a href="#">Certification of Sempra's Principal Executive Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.</a>                               | X                              |
| 31.2                                                  | <a href="#">Certification of Sempra's Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.</a>                               | X                              |
| <i>San Diego Gas &amp; Electric Company</i>           |                                                                                                                                                                                 |                                |
| 31.3                                                  | <a href="#">Certification of San Diego Gas &amp; Electric Company's Principal Executive Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.</a> | X                              |
| 31.4                                                  | <a href="#">Certification of San Diego Gas &amp; Electric Company's Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.</a> | X                              |
| <i>Southern California Gas Company</i>                |                                                                                                                                                                                 |                                |
| 31.5                                                  | <a href="#">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.</a>      | X                              |
| 31.6                                                  | <a href="#">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.</a>      | X                              |
| <b>EXHIBIT 32 – SECTION 906 CERTIFICATIONS</b>        |                                                                                                                                                                                 |                                |
| <i>Sempra</i>                                         |                                                                                                                                                                                 |                                |
| 32.1                                                  | <a href="#">Certification of Sempra's Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350.</a>                                                                          | X                              |
| 32.2                                                  | <a href="#">Certification of Sempra's Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350.</a>                                                                          | X                              |
| <i>San Diego Gas &amp; Electric Company</i>           |                                                                                                                                                                                 |                                |
| 32.3                                                  | <a href="#">Certification of San Diego Gas &amp; Electric Company's Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350.</a>                                            | X                              |
| 32.4                                                  | <a href="#">Certification of San Diego Gas &amp; Electric Company's Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350.</a>                                            | X                              |
| <i>Southern California Gas Company</i>                |                                                                                                                                                                                 |                                |
| 32.5                                                  | <a href="#">Certification of Southern California Gas Company's Principal Executive Officer pursuant to 18 U.S.C. Sec. 1350.</a>                                                 | X                              |
| 32.6                                                  | <a href="#">Certification of Southern California Gas Company's Principal Financial Officer pursuant to 18 U.S.C. Sec. 1350.</a>                                                 | X                              |
| <b>EXHIBIT 101 – INTERACTIVE DATA FILE</b>            |                                                                                                                                                                                 |                                |
| 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                              |
| <b>EXHIBIT 104 – COVER PAGE INTERACTIVE DATA FILE</b> |                                                                                                                                                                                 |                                |
| 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: August 7, 2025 By: /s/ Dyan Z. Wold  
Dyan Z. Wold  
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: August 7, 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: August 7, 2025 By: /s/ Sara P. Mijares  
Sara P. Mijares  
Vice President, Controller and Chief Accounting Officer (Duly Authorized Officer)