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, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______

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

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Sempra:		
Common Stock, without par value	SRE	New York Stock Exchange
5.75% Junior Subordinated Notes Due 2079, $25 par value	SREA	New York Stock Exchange
San Diego Gas & Electric Company:		
None		
Southern California Gas Company:		
None		

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrants were required to submit such files). Yes ☒ No ☐

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

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging Growth Company
Sempra	☒	☐	☐	☐	☐
San Diego Gas & Electric Company	☐	☐	☒	☐	☐
Southern California Gas 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 3, 2026:

Sempra	653,900,348 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

TABLE OF CONTENTS

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 Registrant on its own behalf. Each such Registrant makes statements herein only as to itself and makes no statement whatsoever as to any other Registrant.

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.

Sempra uses the "Corporate updates" webpage, located under the Investor news tab of Sempra's Investors website at sempra.com/investors, as a means of disclosing important information to investors, some of which may be material, and complying with its disclosure obligations under SEC Regulation FD. The information disseminated on this webpage will be supplemental to the information Sempra disseminates to investors through other channels, including filings with the SEC, press releases, and public conference calls and webcasts, and investors should monitor all these sources for material information about Sempra.

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	
2019 Wildfire Legislation	AB 1054 and AB 111
2025 Wildfire Legislation	Senate Bill 254
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, 2025
AOCI	accumulated other comprehensive income (loss)
ARO	asset retirement obligation
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
Bechtel	Bechtel Energy Inc.
Blackstone	BX Frontier Member I LLC and BX Frontier Member II LLC, collectively
bps	basis points
CAL FIRE	California Department of Forestry and Fire Protection
California ISO adder	an additional 0.50% ROE for participation in the California ISO
Cameron LNG JV	Cameron LNG Holdings, LLC
Cameron LNG Phase 1 facility	Cameron LNG JV liquefaction facility
Cameron LNG Phase 2 project	Cameron LNG JV liquefaction expansion project
CCM	cost of capital adjustment mechanism
CFE	Comisión Federal de Electricidad (Mexico's Federal Electricity Commission)
CFIN	Cameron LNG FINCO, LLC, a wholly owned and unconsolidated affiliate of Cameron LNG JV
CNE	Comisión Nacional de Energía (Mexico's National Commission of Energy)
CODM	chief operating decision maker as defined in Accounting Standards Codification 280
ConocoPhillips	ConocoPhillips Company
Continuation Account	the Wildfire Fund Continuation Account established by the 2025 Wildfire Legislation
COVID-19	coronavirus disease 2019
CPUC	California Public Utilities Commission
CRNCI	contingently redeemable noncontrolling interest
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., a subsidiary of SI Partners that owns the ECA LNG Phase 1 project
ECA LNG Phase 2	ECA LNG II Holdings B.V., a subsidiary of SI Partners that owns the ECA LNG Phase 2 project
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
ERCOT	Electric Reliability Council of Texas, Inc., the ISO and the regional coordinator of various electricity systems within Texas
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
FID	final investment decision
Fitch	Fitch Ratings, Inc.
FTA	Free Trade Agreement
GCIM	Gas Cost Incentive Mechanism
GHG	greenhouse gas
GRC	General Rate Case
HOA	Heads of Agreement

GLOSSARY

IEnova	Infraestructura Energética Nova, S.A.P.I. de C.V.
IMG	Infraestructura Marina del Golfo
IOU	investor-owned utility
IRS	U.S. Internal Revenue Service
ISO	Independent System Operator
ITC	investment tax credit
JV	joint venture
KKR Partners	affiliates of Kohlberg Kravis Roberts & Co. L.P. and indirect co-investor Canada Pension Plan Investment Board, collectively
KKR Pinnacle	KKR Pinnacle Investor L.P., an affiliate of Kohlberg Kravis Roberts & Co. L.P.
LACoFD	Los Angeles County Fire Department
LA Fires	the wildfires in Los Angeles County, California, including the Palisades, Eaton and other fires, that burned in January and February of 2025
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
OCI	other comprehensive income (loss)
OEIS	Office of Energy Infrastructure Safety
Oncor	Oncor Electric Delivery Company LLC
Oncor Holdings	Oncor Electric Delivery Holdings Company LLC
Other Sempra	All Sempra consolidated entities, except for SDG&E and SoCalGas
outside basis difference	difference between carrying value and tax basis
PA2 JVCo	a subsidiary of SI Partners that owns Port Arthur LNG II
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
Port Arthur LNG I	Port Arthur LNG, LLC, a subsidiary of SI Partners that owns the PA LNG Phase 1 project
Port Arthur LNG II	Port Arthur LNG Phase II, LLC, a subsidiary of SI Partners that owns the PA LNG Phase 2 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	ATM Equity Offering Sales Agreement, dated November 6, 2024 and amended May 6, 2026, among Sempra and Barclays Capital Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Credit Agricole Securities (USA) 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., Truist Securities, Inc. and Wells Fargo Securities, LLC (each a sales agent or forward seller) and Barclays Bank PLC, Bank of Montreal, BNP Paribas, Bank of America, N.A., Citibank, N.A., Crédit Agricole Corporate and Investment Bank, 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, Truist Bank 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)

GLOSSARY

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, which we redeemed in October 2025 and which is no longer an authorized series of Sempra's capital stock
Sharyland Utilities	Sharyland Utilities, L.L.C.
SI Partners	Sempra Infrastructure Partners, LP, the holding company for most of Sempra's businesses 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	Oncor's system resiliency plan approved by the PUCT in November 2024
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.
TO5	Electric Transmission Owner Formula Rate, effective June 1, 2019 through May 31, 2025
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
TTI	Texas Transmission Investment LLC, an entity that owns a 19.75% interest in Oncor and is indirectly owned by OMERS Administration Corporation (acting through its infrastructure investment entity, OMERS Infrastructure Management Inc.) and GIC Private Limited
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
WMP	wildfire mitigation plan

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

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

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

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements can be identified by words such as "believe," "expect," "intend," "anticipate," "contemplate," "plan," "estimate," "project," "forecast," "envision," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "construct," "develop," "opportunity," "preliminary," "pro forma," "strategic," "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 and the Continuation Account, rates from customers or a combination thereof
- decisions, disallowances or denials of cost recovery, audits, investigations, inquiries, ordered studies, regulations, legislative actions, 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) CNE, CPUC, DOE, ERCOT, 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, such as the planned sale of a portion of our equity interest in SI Partners, including risks related to, as applicable, (i) being able to reach a positive FID, (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, including with respect to closing or post-closing payments
- 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 and increasing geopolitical instability as a result of wars or other conflicts in various parts of the world, to (i) trade and other foreign policy, including the imposition of tariffs by the U.S. and foreign countries (and uncertainty related to the implementation and enforceability thereof), 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 nation-state actors, of ransomware or other attacks on our systems, the energy grid or our other infrastructure, or the systems of third parties with which we conduct business
- 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 of efforts to increase affordability of U.S. utility customer rates on our ability to obtain cost recovery from applicable regulators, our capital expenditure and other growth plans and our ability to advance statewide policies
- the impact on affordability of customer rates, cost of capital and operating margin due to (i) volatility in inflation, interest rates, commodity prices, tariff rates, and foreign currency exchange rates and (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of meeting the demand for lower carbon and reliable energy in California
- the impact of air quality and climate-related 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 and reliability of electric power, natural gas and natural gas storage and transportation 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,	
	2026	2025	2026	2025
		(unaudited)		
REVENUES				
Utilities:				
Natural gas	$ 1,364	$ 1,470	$ 3,389	$ 3,832
Electric	1,158	1,031	2,382	2,090
Energy-related businesses	475	499	881	880
Total revenues	2,997	3,000	6,652	6,802
EXPENSES AND OTHER INCOME				
Utilities:				
Cost of natural gas	(63)	(183)	(398)	(676)
Cost of electric fuel and purchased power	(114)	(91)	(195)	(143)
Energy-related businesses cost of sales	69	(85)	(7)	(204)
Operation and maintenance	(1,251)	(1,239)	(2,493)	(2,582)
Depreciation and amortization	(612)	(653)	(1,233)	(1,293)
Franchise fees and other taxes	(194)	(165)	(404)	(361)
Other income, net	67	59	167	150
Interest income	38	14	78	48
Interest expense	(430)	(359)	(812)	(792)
Income before income taxes and equity earnings	507	298	1,355	949
Income tax expense	(112)	(172)	(177)	(229)
Equity earnings	547	393	914	718
Net income	942	519	2,092	1,438
Earnings attributable to noncontrolling interests	(141)	(46)	(248)	(48)
Earnings attributable to contingently redeemable noncontrolling interest	(4)	—	(10)	—
Preferred dividends	—	(11)	—	(22)
Preferred dividends of subsidiary	(1)	(1)	(1)	(1)
Earnings attributable to common shares	$ 796	$ 461	$ 1,833	$ 1,367
Basic EPS:				
Earnings	$ 1.22	$ 0.71	$ 2.80	$ 2.10
Weighted-average common shares outstanding	654,038	652,664	653,815	652,330
Diluted EPS:				
Earnings	$ 1.21	$ 0.71	$ 2.80	$ 2.09
Weighted-average common shares outstanding	655,945	653,224	655,718	653,123

See Notes to Condensed Consolidated Financial Statements.

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

	Sempra shareholders' equity					
	Pretax amount	Income tax (expense) benefit	Net-of-tax amount	NCI (after tax)	CRNCI (after tax)	Total
	(unaudited)					
	Three months ended June 30, 2026 and 2025					
2026:						
Net income	$ 909	$ (112)	$ 797	$ 141	$ 4	$ 942
Other comprehensive income (loss):						
Foreign currency translation adjustments	7	—	7	3	—	10
Financial instruments	39	(1)	38	1	—	39
Pension and other postretirement benefits	2	—	2	—	—	2
Total other comprehensive income	48	(1)	47	4	—	51
Comprehensive income	957	(113)	844	145	4	993
Preferred dividends of subsidiary	(1)	—	(1)	—	—	(1)
Comprehensive income, after preferred dividends of subsidiary	$ 956	$ (113)	$ 843	$ 145	$ 4	$ 992
2025:						
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 dividends of subsidiary	$ 622	$ (170)	$ 452	$ 44	$ —	$ 496
	Six months ended June 30, 2026 and 2025					
2026:						
Net income	$ 2,011	$ (177)	$ 1,834	$ 248	$ 10	$ 2,092
Other comprehensive income (loss):						
Foreign currency translation adjustments	5	—	5	2	—	7
Financial instruments	42	(2)	40	3	—	43
Pension and other postretirement benefits	8	—	8	—	—	8
Total other comprehensive income	55	(2)	53	5	—	58
Comprehensive income	2,066	(179)	1,887	253	10	2,150
Preferred dividends of subsidiary	(1)	—	(1)	—	—	(1)
Comprehensive income, after preferred dividends of subsidiary	$ 2,065	$ (179)	$ 1,886	$ 253	$ 10	$ 2,149
2025:						
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 dividends of subsidiary	$ 1,563	$ (223)	$ 1,340	$ 41	$ —	$ 1,381

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	June 30, 2026	December 31, 2025[1]
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 48	$ 29
Restricted cash	2	2
Accounts receivable – trade, net	1,442	1,767
Accounts receivable – other, net	190	157
Due from unconsolidated affiliates	45	—
Income taxes receivable	252	71
Inventories	496	561
Regulatory assets	511	761
Greenhouse gas allowances	196	203
Assets held for sale	32,939	31,024
Other current assets	169	262
Total current assets	36,290	34,837
Other assets:		
Regulatory assets	4,297	3,868
Greenhouse gas allowances	1,498	1,221
Nuclear decommissioning trusts	920	899
Dedicated assets in support of certain benefit plans	617	605
Deferred income taxes	10	10
Right-of-use assets – operating leases	1,279	1,262
Investment in Oncor Holdings	19,002	17,472
Other investments	150	147
Wildfire fund	235	246
Other long-term assets	1,247	1,300
Total other assets	29,255	27,030
Property, plant and equipment:		
Property, plant and equipment	68,371	66,900
Less accumulated depreciation and amortization	(18,635)	(17,889)
Property, plant and equipment, net	49,736	49,011
Total assets	$ 115,281	$ 110,878

[1] *Derived from audited financial statements.*
See Notes to Condensed Consolidated Financial Statements.

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

	June 30, 2026	December 31, 2025[1]
	(unaudited)	
LIABILITIES, CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY		
Current liabilities:		
Short-term debt	$ 3,566	$ 4,166
Accounts payable – trade	1,225	1,461
Accounts payable – other	198	203
Due to unconsolidated affiliates	—	8
Dividends and interest payable	807	770
Accrued compensation and benefits	358	521
Regulatory liabilities	3	3
Current portion of long-term debt and finance leases	2,075	1,876
Greenhouse gas obligations	196	203
Liabilities held for sale	12,992	11,704
Other current liabilities	685	979
Total current liabilities	22,105	21,894
Long-term debt and finance leases	31,023	28,979
Deferred credits and other liabilities:		
Regulatory liabilities	4,396	4,250
Greenhouse gas obligations	1,164	957
Pension and other postretirement benefit plan obligations, net of plan assets	119	124
Deferred income taxes	6,505	6,127
Asset retirement obligations	3,816	3,743
Deferred credits and other	2,847	2,805
Total deferred credits and other liabilities	18,847	18,006
Commitments and contingencies (Note 13)		
Contingently redeemable noncontrolling interest	3,308	3,206
Equity:		
Preferred stock (50,000,000 shares authorized; none issued)	—	—
Common stock (1,125,000,000 shares authorized; 653,754,366 and 652,731,668 shares outstanding at June 30, 2026 and December 31, 2025, respectively; no par value)	14,763	14,699
Retained earnings	18,066	17,092
Accumulated other comprehensive income (loss)	(144)	(197)
Total Sempra shareholders’ equity	32,685	31,594
Preferred stock of subsidiary	20	20
Other noncontrolling interests	7,293	7,179
Total equity	39,998	38,793
Total liabilities, contingently redeemable noncontrolling interest, and equity	$ 115,281	$ 110,878

[1] *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,	
	2026	2025
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 2,092	$ 1,438
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,233	1,293
Deferred income taxes and investment tax credits	241	128
Equity earnings	(914)	(718)
Share-based compensation expense	44	11
Fixed-price contracts and other derivatives	(200)	82
Bad debt expense	48	37
Other	4	(36)
Net change in working capital components	268	(498)
Distributions from investments	721	516
Changes in other noncurrent assets and liabilities, net	(420)	13
Net cash provided by operating activities	3,117	2,266
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(4,687)	(4,640)
Expenditures for investments	(1,485)	(972)
Purchases of nuclear decommissioning and other trust assets	(650)	(531)
Proceeds from sales of nuclear decommissioning and other trust assets	679	580
Advances to unconsolidated affiliates	(30)	—
Other	9	—
Net cash used in investing activities	(6,164)	(5,563)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common dividends paid	(826)	(787)
Preferred dividends paid	—	(22)
Issuances of common stock, net	30	19
Repurchases of common stock	(21)	(58)
Issuances of debt (maturities greater than 90 days)	8,092	5,458
Payments on debt (maturities greater than 90 days) and finance leases	(4,544)	(3,411)
(Decrease) increase in short-term debt, net	(600)	682
Advances from unconsolidated affiliates	79	44
Contributions from noncontrolling interests	74	83
Distributions to noncontrolling interests	(135)	(91)
Termination of interest rate swaps, net of transaction costs	96	—
Other	(51)	(26)
Net cash provided by financing activities	2,194	1,891
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1	1
Decrease in cash, cash equivalents and restricted cash	(852)	(1,405)
Cash, cash equivalents and restricted cash, January 1	3,552	1,589
Cash, cash equivalents and restricted cash, June 30	$ 2,700	$ 184

See Notes to Condensed Consolidated Financial Statements.

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

	Six months ended June 30,	
	2026	2025
	(unaudited)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	$ 764	$ 691
Income tax payments, net of refunds	124	290
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Repayments of advances from unconsolidated affiliate in lieu of distributions	$ 60	$ 45
Accrued capital expenditures for PP&E	1,472	1,167
Increase in ARO capitalized to PP&E	17	60
Increase in finance lease obligations capitalized to PP&E	8	31
Unamortized debt issuance costs reclassified from noncurrent assets to long-term debt	22	37
Change in equity related to allocation of interests	92	—
Preferred dividends declared but not paid	—	11
Common dividends declared but not paid	429	421
Common dividends issued in stock	25	26

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY
(Dollars in millions)

	CRNCI	Preferred stock	Common stock	Retained earnings	AOCI	Sempra shareholders' equity	NCI	Total equity
	(unaudited)							
	Three months ended June 30, 2026							
Balance at March 31, 2026	$ 3,254	$ —	$ 14,731	$ 17,699	$ (191)	**$ 32,239**	$ 7,235	**$ 39,474**
Net income	4			797		**797**	141	**938**
Other comprehensive income					47	**47**	4	**51**
Share-based compensation expense			19			**19**		**19**
Dividends declared:								
Common stock ($0.66/share)				(429)		**(429)**		**(429)**
Preferred dividends of subsidiary				(1)		**(1)**		**(1)**
Issuances of common stock			34			**34**		**34**
Repurchases of common stock			(1)			**(1)**		**(1)**
CRNCI and NCI activities:								
Allocation of interests	50		(20)			**(20)**	(30)	**(50)**
Contributions from NCI							33	**33**
Distributions to NCI							(70)	**(70)**
Balance at June 30, 2026	$ 3,308	$ —	$ 14,763	$ 18,066	$ (144)	**$ 32,685**	$ 7,313	**$ 39,998**
	Three months ended June 30, 2025							
Balance at March 31, 2025	$ —	$ 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)**
CRNCI and NCI activities:								
Contributions from NCI							49	**49**
Distributions to NCI							(53)	**(53)**
Balance at June 30, 2025	$ —	$ 889	$ 13,518	$ 17,505	$ (215)	**$ 31,697**	$ 6,599	**$ 38,296**

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY
(Dollars in millions)

	CRNCI	Preferred stock	Common stock	Retained earnings	AOCI	Sempra shareholders' equity	NCI	Total equity
	(unaudited)							
	Six months ended June 30, 2026							
Balance at December 31, 2025	$ 3,206	$ —	$ 14,699	$ 17,092	$ (197)	**$ 31,594**	$ 7,199	**$ 38,793**
Net income	10			1,834		**1,834**	248	**2,082**
Other comprehensive income					53	**53**	5	**58**
Share-based compensation expense			44			**44**		**44**
Dividends declared:								
Common stock ($1.32/share)				(859)		**(859)**		**(859)**
Preferred dividends of subsidiary				(1)		**(1)**		**(1)**
Issuances of common stock			55			**55**		**55**
Repurchases of common stock			(21)			**(21)**		**(21)**
CRNCI and NCI activities:								
Allocation of interests	92		(14)			**(14)**	(78)	**(92)**
Contributions from NCI							74	**74**
Distributions to NCI							(135)	**(135)**
Balance at June 30, 2026	$ 3,308	$ —	$ 14,763	$ 18,066	$ (144)	**$ 32,685**	$ 7,313	**$ 39,998**
	Six months ended June 30, 2025							
Balance at December 31, 2024	$ —	$ 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)**
CRNCI and NCI activities:								
Contributions from NCI							83	**83**
Distributions to NCI							(91)	**(91)**
Balance at June 30, 2025	$ —	$ 889	$ 13,518	$ 17,505	$ (215)	**$ 31,697**	$ 6,599	**$ 38,296**

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,	
	2026	2025	2026	2025
	(unaudited)			
Operating revenues:				
Electric	$ 1,163	$ 1,034	$ 2,391	$ 2,098
Natural gas	205	228	524	584
Total operating revenues	1,368	1,262	2,915	2,682
Operating expenses:				
Cost of electric fuel and purchased power	135	106	229	179
Cost of natural gas	22	44	112	131
Operation and maintenance	407	403	830	843
Depreciation and amortization	331	323	675	643
Franchise fees and other taxes	119	98	242	208
Total operating expenses	1,014	974	2,088	2,004
Operating income	354	288	827	678
Other income, net	24	31	62	71
Interest income	3	2	4	2
Interest expense	(152)	(139)	(299)	(274)
Income before income taxes	229	182	594	477
Income tax expense	(39)	(7)	(108)	(21)
Net income/Earnings attributable to common shares	$ 190	$ 175	$ 486	$ 456

See Notes to Condensed Financial Statements.

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

	Pretax amount	Income tax expense	Net-of-tax amount
	(unaudited)		
	Three months ended June 30, 2026 and 2025		
2026:			
Net income/Comprehensive income	$ 229	$ (39)	$ 190
2025:			
Net income/Comprehensive income	$ 182	$ (7)	$ 175
	Six months ended June 30, 2026 and 2025		
2026:			
Net income/Comprehensive income	$ 594	$ (108)	$ 486
2025:			
Net income/Comprehensive income	$ 477	$ (21)	$ 456

See Notes to Condensed Financial Statements.

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

	June 30, 2026	December 31, 2025[1]
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1	$ 7
Accounts receivable – trade, net	884	809
Accounts receivable – other, net	98	92
Due from unconsolidated affiliates	18	1
Income taxes receivable, net	75	30
Inventories	264	267
Prepaid expenses	54	121
Regulatory assets	336	433
Greenhouse gas allowances	24	28
Other current assets	33	18
Total current assets	1,787	1,806
Other assets:		
Regulatory assets	2,046	1,953
Greenhouse gas allowances	303	286
Nuclear decommissioning trusts	920	899
Right-of-use assets – operating leases	1,009	1,047
Wildfire fund	235	246
Other long-term assets	132	141
Total other assets	4,645	4,572
Property, plant and equipment:		
Property, plant and equipment	35,769	35,033
Less accumulated depreciation and amortization	(9,133)	(8,729)
Property, plant and equipment, net	26,636	26,304
Total assets	$ 33,068	$ 32,682

[1] *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, 2026	December 31, 2025[1]
	(unaudited)	
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term debt	$ 2	$ 531
Accounts payable – trade	681	712
Accounts payable – other	43	42
Due to unconsolidated affiliates	40	59
Interest payable	107	94
Accrued compensation and benefits	95	174
Regulatory liabilities	3	3
Current portion of long-term debt and finance leases	51	798
Greenhouse gas obligations	24	28
Asset retirement obligations	110	107
Other current liabilities	247	273
Total current liabilities	1,403	2,821
Long-term debt and finance leases	11,150	10,081
Deferred credits and other liabilities:		
Regulatory liabilities	3,112	2,960
Greenhouse gas obligations	154	137
Pension obligation, net of plan assets	30	19
Deferred income taxes	3,380	3,286
Asset retirement obligations	749	746
Deferred credits and other	1,671	1,699
Total deferred credits and other liabilities	9,096	8,847
Commitments and contingencies (Note 13)		
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	9,765	9,279
Accumulated other comprehensive income (loss)	(6)	(6)
Total shareholder's equity	11,419	10,933
Total liabilities and shareholder's equity	$ 33,068	$ 32,682

[1] *Derived from audited financial statements.*

See Notes to Condensed Financial Statements.

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

	Six months ended June 30,	
	2026	2025
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 486	$ 456
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	675	643
Deferred income taxes and investment tax credits	34	(1)
Bad debt expense	35	22
Other	(10)	(22)
Net change in working capital components	(86)	(200)
Changes in noncurrent assets and liabilities, net	(14)	(33)
Net cash provided by operating activities	1,120	865
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(934)	(1,270)
Purchases of nuclear decommissioning trust assets	(504)	(469)
Proceeds from sales of nuclear decommissioning trust assets	516	499
Other	13	—
Net cash used in investing activities	(909)	(1,240)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of debt (maturities greater than 90 days)	1,096	848
Payments on debt (maturities greater than 90 days) and finance leases	(774)	(21)
Decrease in short-term debt, net	(529)	(417)
Debt issuance costs	(10)	(7)
Net cash (used in) provided by financing activities	(217)	403
(Decrease) increase in cash and cash equivalents	(6)	28
Cash and cash equivalents, January 1	7	—
Cash and cash equivalents, June 30	$ 1	$ 28
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	$ 281	$ 258
Income tax payments, net of refunds	120	17
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures for PP&E	$ 185	$ 220
Increase in finance lease obligations capitalized to PP&E	7	4

See Notes to Condensed Financial Statements.

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

	Common stock	Retained earnings	AOCI	Total shareholder's equity
	(unaudited)			
	Three months ended June 30, 2026			
Balance at March 31, 2026	$ 1,660	$ 9,575	$ (6)	$ 11,229
Net income		190		190
Balance at June 30, 2026	$ 1,660	$ 9,765	$ (6)	$ 11,419
	Three months ended June 30, 2025			
Balance at March 31, 2025	$ 1,660	$ 9,197	$ (12)	$ 10,845
Net income		175		175
Balance at June 30, 2025	$ 1,660	$ 9,372	$ (12)	$ 11,020
	Six months ended June 30, 2026			
Balance at December 31, 2025	$ 1,660	$ 9,279	$ (6)	$ 10,933
Net income		486		486
Balance at June 30, 2026	$ 1,660	$ 9,765	$ (6)	$ 11,419
	Six months ended June 30, 2025			
Balance at December 31, 2024	$ 1,660	$ 8,916	$ (12)	$ 10,564
Net income		456		456
Balance at June 30, 2025	$ 1,660	$ 9,372	$ (12)	$ 11,020

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,	
	2026	2025	2026	2025
	(unaudited)			
Operating revenues	$ 1,187	$ 1,268	$ 2,915	$ 3,288
Operating expenses:				
Cost of natural gas	51	152	307	567
Operation and maintenance	619	622	1,240	1,379
Depreciation and amortization	276	251	549	493
Franchise fees and other taxes	72	62	153	141
Total operating expenses	1,018	1,087	2,249	2,580
Operating income	169	181	666	708
Other income (expense), net	41	(2)	84	40
Interest income	2	1	3	3
Interest expense	(104)	(89)	(201)	(179)
Income before income taxes	108	91	552	572
Income tax expense	—	(6)	(20)	(44)
Net income	108	85	532	528
Preferred dividends	(1)	(1)	(1)	(1)
Earnings attributable to common shares	$ 107	$ 84	$ 531	$ 527

See Notes to Condensed Financial Statements.

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

	Pretax amount	Income tax expense	Net-of-tax amount
		(unaudited)	
		Three months ended June 30, 2026 and 2025	
2026:			
Net income/Comprehensive income	$ 108	$ —	$ 108
2025:			
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
		Six months ended June 30, 2026 and 2025	
2026:			
Net income/Comprehensive income	$ 552	$ (20)	$ 532
2025:			
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

See Notes to Condensed Financial Statements.

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

	June 30, 2026	December 31, 2025[1]
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2	$ 14
Accounts receivable – trade, net	558	958
Accounts receivable – other, net	83	61
Due from unconsolidated affiliates	5	8
Inventories	232	294
Regulatory assets	175	328
Greenhouse gas allowances	172	175
Other current assets	74	91
Total current assets	1,301	1,929
Other assets:		
Regulatory assets	2,215	1,888
Greenhouse gas allowances	1,195	935
Right-of-use assets – operating leases	126	68
Other long-term assets	692	738
Total other assets	4,228	3,629
Property, plant and equipment:		
Property, plant and equipment	31,680	31,078
Less accumulated depreciation and amortization	(9,282)	(8,948)
Property, plant and equipment, net	22,398	22,130
Total assets	$ 27,927	$ 27,688

[1] *Derived from audited financial statements.*

See Notes to Condensed Financial Statements.

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

	June 30, 2026	December 31, 2025[1]
	(unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 500	$ 903
Accounts payable – trade	467	727
Accounts payable – other	154	161
Due to unconsolidated affiliates	63	35
Accrued compensation and benefits	166	219
Current portion of long-term debt and finance leases	725	529
Greenhouse gas obligations	172	175
Asset retirement obligations	95	98
Other current liabilities	275	536
Total current liabilities	2,617	3,383
Long-term debt and finance leases	7,550	7,619
Deferred credits and other liabilities:		
Regulatory liabilities	1,284	1,290
Greenhouse gas obligations	1,010	820
Pension obligation, net of plan assets	18	18
Deferred income taxes	2,481	2,271
Asset retirement obligations	3,064	2,994
Deferred credits and other	536	457
Total deferred credits and other liabilities	8,393	7,850
Commitments and contingencies (Note 13)		
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	7,046	6,515
Accumulated other comprehensive income (loss)	(17)	(17)
Total shareholders' equity	9,367	8,836
Total liabilities and shareholders' equity	$ 27,927	$ 27,688

[1] *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,	
	2026	2025
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 532	$ 528
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	549	493
Deferred income taxes	21	7
Bad debt expense	22	17
Other	(4)	(14)
Net change in working capital components	264	(34)
Changes in noncurrent assets and liabilities, net	(143)	145
Net cash provided by operating activities	1,241	1,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(967)	(1,045)
Net cash used in investing activities	(967)	(1,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Preferred dividends paid	(1)	(1)
Issuances of debt (maturities greater than 90 days)	647	1,090
Payments on debt (maturities greater than 90 days) and finance leases	(517)	(1,063)
Decrease in short-term debt, net	(403)	(126)
Other	(12)	(9)
Net cash used in financing activities	(286)	(109)
Decrease in cash and cash equivalents	(12)	(12)
Cash and cash equivalents, January 1	14	12
Cash and cash equivalents, June 30	$ 2	$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	$ 188	$ 170
Income tax payments	29	55
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures for PP&E	$ 220	$ 221
Increase in finance lease obligations capitalized to PP&E	1	27
Increase in ARO capitalized to PP&E	8	60

See Notes to Condensed Financial Statements.

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

	Preferred stock	Common stock	Retained earnings	AOCI	Total shareholders' equity
	(unaudited)				
	Three months ended June 30, 2026				
Balance at March 31, 2026	$ 22	$ 2,316	$ 6,939	$ (17)	$ 9,260
Net income			108		108
Dividends declared:					
Preferred stock ($0.37/share)			(1)		(1)
Balance at June 30, 2026	$ 22	$ 2,316	$ 7,046	$ (17)	$ 9,367
	Three months ended June 30, 2025				
Balance at March 31, 2025	$ 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)
Balance at June 30, 2025	$ 22	$ 2,316	$ 6,377	$ (24)	$ 8,691
	Six months ended June 30, 2026				
Balance at December 31, 2025	$ 22	$ 2,316	$ 6,515	$ (17)	$ 8,836
Net income			532		532
Dividends declared:					
Preferred stock ($0.75/share)			(1)		(1)
Balance at June 30, 2026	$ 22	$ 2,316	$ 7,046	$ (17)	$ 9,367
	Six months ended June 30, 2025				
Balance at December 31, 2024	$ 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)
Balance at June 30, 2025	$ 22	$ 2,316	$ 6,377	$ (24)	$ 8,691

See Notes to Condensed Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION AND OTHER FINANCIAL DATA

PRINCIPLES OF CONSOLIDATION

Sempra

Sempra's Condensed Consolidated Financial Statements include the accounts of Sempra and its consolidated entities. Sempra is a holding company whose principal businesses are regulated utilities in California and Texas. Our businesses invest in and operate electric and gas utilities and other energy infrastructure that provide energy services to customers. Sempra has three operating and reportable segments, which we describe in Note 14. 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, 2026 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, 2025 balance sheet information in the Condensed Consolidated Financial Statements has been derived from our audited 2025 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. 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

Nonconsolidated VIEs

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 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, 2026 and December 31, 2025. 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 $1,093 million and $1,109 million at June 30, 2026 and December 31, 2025, 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 16 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 Sempra

Nonconsolidated VIEs

Oncor Holdings. Oncor Holdings is a VIE. Sempra is not the primary beneficiary of this VIE because of the structural and operational ring-fencing measures, governance mechanisms and commitments 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 is $19,002 million and $17,472 million at June 30, 2026 and December 31, 2025, respectively.

CFIN. As we discuss in Note 13, in July 2020, Sempra entered into the Support Agreement for the benefit of CFIN, which is a VIE. Sempra 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). Sempra's maximum exposure to loss under the terms of the Support Agreement is $979 million.

Cameron LNG JV. Cameron LNG JV is a VIE principally due to contractual provisions that transfer certain risks to customers. Sempra 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. At June 30, 2026 and December 31, 2025, the carrying value of our investment is $1,315 million and $1,259 million, respectively, of which $1,299 million and $1,242 million, respectively, is classified as held for sale (see Note 6). 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 13.

Consolidated VIEs

ECA LNG Phase 1, Port Arthur LNG I and Port Arthur LNG II are VIEs because their total equity at risk is not sufficient to finance their activities without additional subordinated financial support. We expect that these entities will require future capital contributions or other financial support to finance the construction of their respective liquefaction facilities. Sempra is the primary beneficiary of these VIEs because we have the power to direct the activities that most significantly impact their economic performance, including construction and future operation and maintenance of the facilities. As a result, we consolidate these VIEs.

Sempra consolidated $17,386 million and $15,950 million of assets at June 30, 2026 and December 31, 2025, respectively, consisting primarily of PP&E, net, and restricted cash attributable to these VIEs that could be used only to settle obligations of these VIEs and that are not available to settle obligations of Sempra, and $7,662 million and $6,335 million of liabilities at June 30, 2026 and December 31, 2025, respectively, consisting primarily of long-term debt and accounts payable attributable to these VIEs for which creditors do not have recourse to the general credit of Sempra. At June 30, 2026 and December 31, 2025, these assets and liabilities are classified as held for sale (see Note 6).

Additionally, IEnova and TotalEnergies SE have provided guarantees for repayment of up to $1,226 million and $305 million, respectively, plus accrued and unpaid interest, of the loan facility supporting construction of the ECA LNG Phase 1 project (see Note 7). 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 (see Note 11). SI Partners' guarantee covers 70% of this amount plus enforcement costs of its guarantee. SI Partners has committed to fund up to $7.8 billion to PA2 JVCo to support its share of the budgeted PA LNG Phase 2 project construction costs, while Blackstone has committed to fund $7.0 billion (see Note 12 of the Notes to Consolidated Financial Statements in the Annual Report). SI Partners has also provided a guarantee for repayment of the $300 million credit facility supporting construction of the PA LNG Phase 2 project (see Note 7 of the Notes to Consolidated Financial Statements in the Annual Report).

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

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

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH
(Dollars in millions)

	June 30, 2026	December 31, 2025
Sempra:		
Cash and cash equivalents	$ 48	$ 29
Restricted cash, current	2	2
Assets held for sale	2,650	3,521
Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows	$ 2,700	$ 3,552

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 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:

CHANGES IN ALLOWANCES FOR CREDIT LOSSES
(Dollars in millions)

	2026	2025
Sempra:		
Allowances for credit losses at January 1	$ 298	$ 519
Provisions for expected credit losses[(1)]	50	33
Write-offs	(78)	(94)
Reclassification to assets held for sale	6	—
Allowances for credit losses at June 30	$ 276	$ 458
SDG&E:		
Allowances for credit losses at January 1	$ 80	$ 114
Provisions for expected credit losses	34	25
Write-offs	(35)	(40)
Allowances for credit losses at June 30	$ 79	$ 99
SoCalGas:		
Allowances for credit losses at January 1	$ 214	$ 285
Provisions for expected credit losses	22	21
Write-offs	(43)	(54)
Allowances for credit losses at June 30	$ 193	$ 252

(1) *Includes activities in 2026 within the disposal group that is classified as held for sale.*

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

ALLOWANCES FOR CREDIT LOSSES
(Dollars in millions)

	June 30, 2026	December 31, 2025
Sempra:		
Accounts receivable – trade, net	$ 212	$ 235
Accounts receivable – other, net	48	47
Other long-term assets[(1)(2)]	16	16
Total allowances for credit losses	$ 276	$ 298
SDG&E:		
Accounts receivable – trade, net	$ 48	$ 49
Accounts receivable – other, net	27	26
Other long-term assets[(1)]	4	5
Total allowances for credit losses	$ 79	$ 80
SoCalGas:		
Accounts receivable – trade, net	$ 164	$ 186
Accounts receivable – other, net	21	21
Other long-term assets[(1)]	8	7
Total allowances for credit losses	$ 193	$ 214

(1) *In January 2024, the CPUC directed SDG&E and SoCalGas to offer long-term payment plans to eligible residential customers with past-due balances.*
(2) *At both June 30, 2026 and December 31, 2025, includes $4 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 guarantee related to the SDSRA which we discuss in Note 13. We were also exposed to credit losses related to SI Partners' February 2025 credit support agreement, which expired in May 2026. 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. On Sempra's Condensed Consolidated Balance Sheets, expected credit losses of $4 million and $5 million are included in Deferred Credits and Other at June 30, 2026 and December 31, 2025, respectively, and $2 million are included in Liabilities Held for Sale at December 31, 2025.

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, 2026	December 31, 2025
Sempra:		
Tax sharing agreement with Oncor Holdings	$ 15	$ —
Sharyland Utilities – 5.14% Note due May 1, 2027[1]	30	—
Total due from unconsolidated affiliates – current	$ 45	$ —
Tax sharing agreement with Oncor Holdings	$ —	$ (8)
Total due to unconsolidated affiliates – current	$ —	$ (8)
SDG&E:		
SoCalGas	$ 17	$ —
Various affiliates	1	1
Total due from unconsolidated affiliates – current	$ 18	$ 1
Sempra	$ (32)	$ (48)
SoCalGas	—	(6)
Various affiliates	(8)	(5)
Total due to unconsolidated affiliates – current	$ (40)	$ (59)
Income taxes due from Sempra[2]	$ 88	$ 43
SoCalGas:		
SDG&E	$ —	$ 6
Various affiliates	5	2
Total due from unconsolidated affiliates – current	$ 5	$ 8
Sempra	$ (46)	$ (35)
SDG&E	(17)	—
Total due to unconsolidated affiliates – current	$ (63)	$ (35)
Income taxes due from (to) Sempra[2]	$ 24	$ (6)

(1) Note bears interest at the lower of Sempra's intercompany borrowing rate or the maximum rate permitted under applicable California law, which was 5.14% at June 30, 2026. Amount includes principal balance plus accumulated interest outstanding.

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

At both June 30, 2026 and December 31, 2025, amounts due from unconsolidated affiliates – current of $3 million are included in Assets Held for Sale on the Sempra Condensed Consolidated Balance Sheets. At June 30, 2026 and December 31, 2025, amounts due to unconsolidated affiliates – noncurrent of $506 million and $477 million, respectively, are included in Liabilities Held for Sale on the Sempra Condensed Consolidated Balance Sheets. These amounts relate to U.S. dollar-denominated loans at fixed interest rates with TAG Pipelines and TAG Norte and a variable interest rate note with IMG, and include outstanding principal, accrued interest, and value-added tax payable to the Mexican government.

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,	
	2026	2025	2026	2025
Sempra:				
Revenues	$ 8	$ 8	$ 16	$ 17
Interest expense	6	5	12	9
SDG&E:				
Revenues	$ 6	$ 5	$ 12	$ 11
Cost of sales	35	30	63	68
SoCalGas:				
Revenues	$ 46	$ 40	$ 92	$ 81
Cost of sales[(1)]	(2)	—	(2)	(1)

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

Guarantees

Sempra provides guarantees to certain unconsolidated affiliates, which we discuss in Note 13.

INVENTORIES

The components of inventories are as follows:

INVENTORY BALANCES
(Dollars in millions)

	Sempra		SDG&E		SoCalGas	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Natural gas	$ 104	$ 158	$ 2	$ 2	$ 102	$ 156
Materials and supplies	392	403	262	265	130	138
Total	$ 496	$ 561	$ 264	$ 267	$ 232	$ 294

At both June 30, 2026 and December 31, 2025, total inventories of $109 million are included in Assets Held for Sale on the Sempra Condensed Consolidated Balance Sheets. At June 30, 2026 and December 31, 2025, inventories consist of $8 million and $12 million of natural gas, $3 million and $12 million of LNG, and $98 million and $85 million of materials and supplies, respectively.

DEDICATED ASSETS IN SUPPORT OF CERTAIN BENEFITS PLANS

In support of its Supplemental Executive Retirement Plan, Cash Balance Restoration Plan and Employee and Director Savings Plan, Sempra maintains dedicated assets, including a Rabbi Trust and investments in life insurance contracts, which totaled $617 million and $605 million at June 30, 2026 and December 31, 2025, respectively.

WILDFIRE FUND AND CONTINUATION ACCOUNT

2019 Wildfire Legislation

In July 2019, the 2019 Wildfire Legislation was signed into law to address certain issues related to catastrophic wildfires in California and their impact on electric IOUs through the establishment of the Wildfire Fund. We discuss the 2019 Wildfire Legislation and related Wildfire Fund further in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

In July 2026, a participating IOU publicly disclosed that it has received, or expects to receive, approximately $1.38 billion in aggregate reimbursements from the Wildfire Fund for eligible claims related to wildfires that occurred in 2019 and 2021. Also in July 2026, another participating IOU publicly disclosed it has received, or expects to receive, approximately $645 million in aggregate reimbursements from the Wildfire Fund for losses incurred and expected to be incurred in connection with one of the LA Fires, which was found by the LACoFD and CAL FIRE investigators to have been caused by such IOU's equipment. The administrator of the Wildfire Fund has confirmed that this wildfire qualifies as a "covered wildfire" for purposes of accessing the Wildfire Fund, and the scope of potential damages caused by this fire could materially reduce or exhaust the Wildfire Fund. The participating IOU whose equipment was found to have caused this LA Fire stated that it is currently unable to reasonably estimate a range of potential losses associated with this event. Accordingly, SDG&E is unable to estimate a range of potential loss resulting from any reduction in available coverage from the Wildfire Fund. The carrying value of SDG&E's Wildfire Fund asset totaled $248 million at June 30, 2026.

In March 2026, SDG&E received its annual wildfire certificate, formerly known as a safety certification, from the OEIS.

2025 Wildfire Legislation

In September 2025, the 2025 Wildfire Legislation was signed into law to establish, among other things, the Continuation Account, a new state-administered account with up to $18.0 billion of additional liquidity to reimburse catastrophic wildfire-related claims incurred by participating California electric IOUs, including SDG&E, if certain conditions are met. We discuss the 2025 Wildfire Legislation and related Continuation Account further in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

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, 2026 and December 31, 2025, Other Long-Term Assets includes $377 million and $368 million, respectively, of outstanding principal, compounded interest and unamortized transaction costs, net of allowances for credit losses, on Sempra's Condensed Consolidated Balance Sheets.

Upon completion of the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6, Sempra and the KKR Partners will amend this promissory note to, among other things, extend its maturity date and increase its interest rate to 8.5% per annum before January 1, 2031 and 10.0% per annum thereafter through a due date seven years and 91 days after the closing.

CAPITALIZED FINANCING COSTS

The table below summarizes capitalized financing costs.

CAPITALIZED FINANCING COSTS
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
Capitalized interest	$ 195	$ 133	$ 379	$ 253
AFUDC debt	14	16	27	29
AFUDC equity	38	46	80	87
SDG&E:				
AFUDC debt	$ 7	$ 9	$ 13	$ 15
AFUDC equity	16	23	33	42
SoCalGas:				
AFUDC debt	$ 7	$ 7	$ 14	$ 14
AFUDC equity	15	18	30	36

COMPREHENSIVE INCOME

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

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT[1]
(Dollars in millions)

	Foreign currency translation adjustments	Financial instruments	Pension and PBOP	Total AOCI
	Three months ended June 30, 2026 and 2025			
Sempra:				
Balance at March 31, 2026	$ (47)	$ (52)	$ (92)	$ (191)
OCI before reclassifications	7	37	—	44
Amounts reclassified from AOCI	—	1	2	3
Net OCI	7	38	2	47
Balance at June 30, 2026	$ (40)	$ (14)	$ (90)	$ (144)
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)
SDG&E:				
Balance at March 31, 2026 and June 30, 2026			$ (6)	$ (6)
Balance at March 31, 2025 and June 30, 2025			$ (12)	$ (12)
SoCalGas:				
Balance at March 31, 2026 and June 30, 2026		$ (9)	$ (8)	$ (17)
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)

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

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

(Dollars in millions)

	Foreign currency translation adjustments	Financial instruments	Pension and PBOP	Total AOCI
	Six months ended June 30, 2026 and 2025			
Sempra:				
Balance at December 31, 2025	$ (45)	$ (54)	$ (98)	$ (197)
OCI before reclassifications	5	42	5	52
Amounts reclassified from AOCI	—	(2)	3	1
Net OCI	5	40	8	53
Balance at June 30, 2026	$ (40)	$ (14)	$ (90)	$ (144)
Balance at December 31, 2024	$ (66)	$ 15	$ (115)	$ (166)
OCI 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)
SDG&E:				
Balance at December 31, 2025 and June 30, 2026			$ (6)	$ (6)
Balance at December 31, 2024 and June 30, 2025			$ (12)	$ (12)
SoCalGas:				
Balance at December 31, 2025 and June 30, 2026		$ (9)	$ (8)	$ (17)
Balance at December 31, 2024		$ (10)	$ (17)	$ (27)
OCI before reclassifications		—	(2)	(2)
Amounts reclassified from AOCI		—	5	5
Net OCI		—	3	3
Balance at June 30, 2025		$ (10)	$ (14)	$ (24)

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

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

Details about AOCI components	Amounts reclassified from AOCI		Affected line item on Condensed Consolidated Statements of Operations
	Three months ended June 30,		
	2026	2025	
Sempra:			
Financial instruments:			
Interest rate instruments	$ (2)	$ —	Interest expense
Interest rate instruments	1	1	Equity earnings[1]
Foreign exchange instruments	(1)	(1)	Revenues: Energy-related businesses
	1	1	Other income, net
Foreign exchange instruments	1	(1)	Equity earnings[1]
Total, net of income tax	—	—	
	1	1	Earnings attributable to noncontrolling interests
Total, net of income tax and after NCI	$ 1	$ 1	
Pension and PBOP[2]:			
Amortization of actuarial loss	$ 1	$ 1	Other income, net
Amortization of prior service cost	1	1	Other income, net
Total, net of income tax	$ 2	$ 2	
Total reclassifications for the period, net of income tax and after NCI	$ 3	$ 3	
SoCalGas:			
Pension and PBOP[2]:			
Amortization of prior service cost	$ —	$ 1	Other income (expense), net
Total, net of income tax	$ —	$ 1	
Total reclassifications for the period, net of income tax	$ —	$ 1	

(1) *Equity earnings at Oncor Holdings and our foreign equity method investees are recognized after tax.*
(2) *Amounts are included in the computation of net periodic benefit cost (see "Pension and PBOP" below).*

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,		
	2026	2025	
Sempra:			
Financial instruments:			
Interest rate instruments	$ (3)	$ (2)	Interest expense
Interest rate instruments	—	(4)	Equity earnings[1]
Foreign exchange instruments	(3)	1	Revenues: Energy-related businesses
	1	1	Other income, net
Foreign exchange instruments	(1)	1	Equity earnings[1]
Total, before income tax	(6)	(3)	
	1	1	Income tax expense
Total, net of income tax	(5)	(2)	
	3	2	Earnings attributable to noncontrolling interests
Total, net of income tax and after NCI	$ (2)	$ —	
Pension and PBOP[2]:			
Amortization of actuarial loss	$ 2	$ 3	Other income, net
Amortization of prior service cost	1	1	Other income, net
Settlement charges	—	4	Other income, net
Total, before income tax	3	8	
	—	(1)	Income tax expense
Total, net of income tax	$ 3	$ 7	
Total reclassifications for the period, net of income tax and after NCI	$ 1	$ 7	
SoCalGas:			
Pension and PBOP[2]:			
Amortization of actuarial loss	$ —	$ 1	Other income (expense), net
Amortization of prior service cost	—	1	Other income (expense), net
Settlement charges	—	4	Other income (expense), net
Total, before income tax	—	6	
	—	(1)	Income tax expense
Total, net of income tax	$ —	$ 5	
Total reclassifications for the period, net of income tax	$ —	$ 5	

(1) *Equity earnings at Oncor Holdings and our foreign equity method investees are recognized after tax.*
(2) *Amounts are included in the computation of net periodic benefit cost (see "Pension and PBOP" below).*

In the three months and six months ended June 30, 2026 and 2025, reclassifications out of AOCI to net income were negligible for SDG&E.

PENSION AND PBOP

Special Termination Benefits

In 2026 and 2025, certain eligible employees elected to retire 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 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 April 30, 2026 and May 31, 2025
- SoCalGas represented employees aged 65 years or older with five years of service or ages 55 to 64 with 15 years of service as of April 30, 2026 and June 30, 2025
- SDG&E represented employees aged 62 years or older with five years of service or ages 55 to 61 with 10 years of service as of June 30, 2026 and May 31, 2025

We accounted for the benefit obligation attributable to the Health Reimbursement Account as a special termination benefit, as reflected below in the Net Periodic Benefit Cost table.

Partial Plan Termination

In connection with the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6, Sempra entered into an agreement to contribute Sempra Services Corporation, a wholly owned subsidiary of Sempra, to SI Partners. Sempra Services Corporation employs U.S. employees performing services for SI Partners and is a participating employer in Sempra's noncontributory defined benefit pension and PBOP plans. Upon closing the sale, which we expect to occur in the third quarter of 2026, Sempra Services Corporation will cease to be a participating employer in Sempra's pension and PBOP plans. This will result in a partial termination of Sempra's pension plan due to a reduction in the number of active participants by more than 20%. All impacted participants will be fully vested in their pension benefits as of the termination date. We expect to recognize the financial statement impact, which is currently probable but not estimable, including adjustments to pension and PBOP liabilities, AOCI, curtailment and special termination benefit accounting at the close of the sale. The financial impact for settlement accounting will be recognized when the lump sum payout crosses the annual settlement threshold.

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,			
	2026	2025	2026	2025
Sempra:				
Service cost	$ 33	$ 32	$ 4	$ 4
Interest cost	44	45	11	9
Expected return on assets	(45)	(44)	(19)	(17)
Amortization of:				
Prior service cost	1	1	—	—
Actuarial loss (gain)	3	3	(2)	(3)
Special termination benefits	—	—	1	40
Net periodic benefit cost (credit)	36	37	(5)	33
Regulatory adjustments	(16)	27	5	(30)
Total expense recognized	$ 20	$ 64	$ —	$ 3
SDG&E:				
Service cost	$ 11	$ 10	$ —	$ —
Interest cost	12	12	2	2
Expected return on assets	(13)	(12)	(1)	(2)
Amortization of:				
Actuarial gain	—	—	(1)	—
Special termination benefits	—	—	2	17
Net periodic benefit cost	10	10	2	17
Regulatory adjustments	2	2	(2)	(14)
Total expense recognized	$ 12	$ 12	$ —	$ 3
SoCalGas:				
Service cost	$ 20	$ 19	$ 3	$ 2
Interest cost	28	28	9	8
Expected return on assets	(28)	(29)	(16)	(15)
Amortization of:				
Prior service cost	—	1	—	—
Actuarial gain	—	—	(2)	(2)
Special termination benefits	—	—	(1)	23
Net periodic benefit cost (credit)	20	19	(7)	16
Regulatory adjustments	(18)	25	7	(16)
Total expense recognized	$ 2	$ 44	$ —	$ —

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

	Pension		PBOP	
	Six months ended June 30,			
	2026	2025	2026	2025
Sempra:				
Service cost	$ 67	$ 64	$ 7	$ 7
Interest cost	89	90	22	19
Expected return on assets	(90)	(89)	(37)	(33)
Amortization of:				
Prior service cost (credit)	2	2	(1)	(1)
Actuarial loss (gain)	4	6	(5)	(6)
Settlement charges	—	4	—	—
Special termination benefits	—	—	19	40
Net periodic benefit cost	72	77	5	26
Regulatory adjustments	(44)	(1)	(5)	(23)
Total expense recognized	$ 28	$ 76	$ —	$ 3
SDG&E:				
Service cost	$ 21	$ 19	$ 1	$ 1
Interest cost	24	24	4	4
Expected return on assets	(26)	(24)	(4)	(4)
Amortization of:				
Actuarial loss (gain)	1	2	(1)	(1)
Special termination benefits	—	—	8	17
Net periodic benefit cost	20	21	8	17
Regulatory adjustments	(8)	(8)	(8)	(14)
Total expense recognized	$ 12	$ 13	$ —	$ 3
SoCalGas:				
Service cost	$ 39	$ 38	$ 5	$ 5
Interest cost	56	56	17	15
Expected return on assets	(58)	(59)	(31)	(29)
Amortization of:				
Prior service cost (credit)	1	2	(1)	(1)
Actuarial loss (gain)	—	1	(4)	(4)
Settlement charges	—	4	—	—
Special termination benefits	—	—	11	23
Net periodic benefit cost (credit)	38	42	(3)	9
Regulatory adjustments	(36)	7	3	(9)
Total expense recognized	$ 2	$ 49	$ —	$ —

OTHER INCOME, NET

OTHER INCOME (EXPENSE), NET *(Dollars in millions)*	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
AFUDC equity	$ 38	$ 46	$ 80	$ 87
Investment gains, net[1]	25	23	26	25
Losses on foreign exchange instruments, net	(41)	(1)	(32)	(1)
Foreign currency transaction gains, net	7	2	6	6
Non-service components of net periodic benefit cost	17	(31)	46	(8)
Interest on regulatory balancing accounts, net	23	20	42	41
Sundry, net	(2)	—	(1)	—
Total	$ 67	$ 59	$ 167	$ 150
SDG&E:				
AFUDC equity	$ 16	$ 23	$ 33	$ 42
Non-service components of net periodic benefit cost	(1)	(5)	10	4
Interest on regulatory balancing accounts, net	13	15	25	26
Sundry, net	(4)	(2)	(6)	(1)
Total	$ 24	$ 31	$ 62	$ 71
SoCalGas:				
AFUDC equity	$ 15	$ 18	$ 30	$ 36
Non-service components of net periodic benefit cost	21	(23)	42	(6)
Interest on regulatory balancing accounts, net	10	5	17	15
Sundry, net	(5)	(2)	(5)	(5)
Total	$ 41	$ (2)	$ 84	$ 40

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

INCOME TAXES

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
Income tax expense	$ 112	$ 172	$ 177	$ 229
Income before income taxes and equity earnings	$ 507	$ 298	$ 1,355	$ 949
Equity earnings, before income tax[(1)]	167	169	315	310
Pretax income	$ 674	$ 467	$ 1,670	$ 1,259
Effective income tax rate	17 %	37 %	11 %	18 %
SDG&E:				
Income tax expense	$ 39	$ 7	$ 108	$ 21
Income before income taxes	$ 229	$ 182	$ 594	$ 477
Effective income tax rate	17 %	4 %	18 %	4 %
SoCalGas:				
Income tax expense	$ —	$ 6	$ 20	$ 44
Income before income taxes	$ 108	$ 91	$ 552	$ 572
Effective income tax rate	— %	7 %	4 %	8 %

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

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

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

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

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

In the three months and six months ended June 30, 2026, we recognized an income tax benefit of $21 million and $54 million, respectively, related to the outside basis differences in our investment in SI Partners. We also recognized income tax expense of $1 million and an income tax benefit of $2 million ($1 million after NCI) in the three months and six months ended June 30, 2026, respectively, and income tax expense of $38 million ($26 million after NCI) in the three months and six months ended June 30, 2025, related to the outside basis difference in our investment in Ecogas. These amounts were recorded in Income Tax Expense on Sempra's Condensed Consolidated Statements of Operations and relate to changes in the deferred income tax liabilities associated with these outside basis differences as a result of classifying these assets as held for sale, which we discuss in Note 6.

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 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 intend to adopt the standard on January 1, 2027 on a prospective basis.

ASU 2026-02, "Environmental Credits and Environmental Credit Obligations (Topic 818)": ASU 2026-02 establishes comprehensive guidance on the recognition, measurement, presentation, and disclosure of environmental credits and environmental credit obligations. The standard generally requires recognition of environmental credits as assets at cost and environmental credit obligations as liabilities as emissions or other activities occur, along with enhanced disclosures. ASU 2026-02 is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods. Early adoption is permitted and the standard is to be adopted on a retrospective basis, through a cumulative-effect adjustment to retained earnings as of the beginning of the annual reporting period of adoption. 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, 2026			
By major service line:				
Utilities	$ 2,576	$ 18	$ (7)	$ 2,587
Energy-related businesses	—	233	(21)	212
Revenues from contracts with customers	$ 2,576	$ 251	$ (28)	$ 2,799
By market:				
Gas	$ 1,376	$ 140	$ (7)	$ 1,509
Electric	1,200	111	(21)	1,290
Revenues from contracts with customers	$ 2,576	$ 251	$ (28)	$ 2,799
Revenues from contracts with customers	$ 2,576	$ 251	$ (28)	$ 2,799
Utilities regulatory revenues	(65)	—	—	(65)
Other revenues	—	261	2	263
Total revenues	$ 2,511	$ 512	$ (26)	$ 2,997
	Three months ended June 30, 2025			
By major service line:				
Utilities	$ 2,449	$ 18	$ (7)	$ 2,460
Energy-related businesses	—	257	(17)	240
Revenues from contracts with customers	$ 2,449	$ 275	$ (24)	$ 2,700
By market:				
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

DISAGGREGATED REVENUES (CONTINUED)
(Dollars in millions)

	Sempra			
	Sempra California	Sempra Infrastructure	Consolidating adjustments and Parent and other	Sempra
	Six months ended June 30, 2026			
By major service line:				
Utilities	$ 5,796	$ 45	$ (16)	$ 5,825
Energy-related businesses	—	436	(34)	402
Revenues from contracts with customers	$ 5,796	$ 481	$ (50)	$ 6,227
By market:				
Gas	$ 3,364	$ 275	$ (14)	$ 3,625
Electric	2,432	206	(36)	2,602
Revenues from contracts with customers	$ 5,796	$ 481	$ (50)	$ 6,227
Revenues from contracts with customers	$ 5,796	$ 481	$ (50)	$ 6,227
Utilities regulatory revenues	(54)	—	—	(54)
Other revenues	—	474	5	479
Total revenues	$ 5,742	$ 955	$ (45)	$ 6,652
	Six months ended June 30, 2025			
By major service line:				
Utilities	$ 5,912	$ 44	$ (13)	$ 5,943
Energy-related businesses	—	475	(37)	438
Revenues from contracts with customers	$ 5,912	$ 519	$ (50)	$ 6,381
By market:				
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

DISAGGREGATED REVENUES
(Dollars in millions)

	SDG&E		SoCalGas	
	Three months ended June 30,			
	2026	2025	2026	2025
By major service line:				
Revenues from contracts with customers – Utilities	$ 1,387	$ 1,068	$ 1,233	$ 1,421
By market:				
Gas	$ 183	$ 212	$ 1,233	$ 1,421
Electric	1,204	856	—	—
Revenues from contracts with customers	$ 1,387	$ 1,068	$ 1,233	$ 1,421
Revenues from contracts with customers	$ 1,387	$ 1,068	$ 1,233	$ 1,421
Utilities regulatory revenues	(19)	194	(46)	(153)
Total revenues	$ 1,368	$ 1,262	$ 1,187	$ 1,268

	Six months ended June 30,			
	2026	2025	2026	2025
By major service line:				
Revenues from contracts with customers – Utilities	$ 2,943	$ 2,502	$ 2,941	$ 3,489
By market:				
Gas	$ 504	$ 571	$ 2,941	$ 3,489
Electric	2,439	1,931	—	—
Revenues from contracts with customers	$ 2,943	$ 2,502	$ 2,941	$ 3,489
Revenues from contracts with customers	$ 2,943	$ 2,502	$ 2,941	$ 3,489
Utilities regulatory revenues	(28)	180	(26)	(201)
Total revenues	$ 2,915	$ 2,682	$ 2,915	$ 3,288

REVENUES FROM CONTRACTS WITH CUSTOMERS

Remaining Performance Obligations

For contracts greater than one year, we expect to recognize revenue related to the fixed fee component of the consideration. Sempra's remaining performance obligations primarily relate to capacity agreements for transmission line projects at SDG&E and natural gas storage and transportation at Sempra Infrastructure. SoCalGas did not have any remaining performance obligations for contracts greater than one year at June 30, 2026.

At June 30, 2026, SDG&E's remaining performance obligations for contracts greater than one year totaled $66 million, comprising $2 million in 2026, excluding the first six months of 2026, $4 million in each of 2027 through 2030 and $48 million thereafter. At June 30, 2026, remaining performance obligations for contracts greater than one year within the disposal group that is classified as held for sale totaled $2,990 million, comprising $158 million in 2026, excluding the first six months of 2026, $287 million in 2027, $241 million in 2028, $213 million in each of 2029 and 2030, and $1,878 million thereafter.

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, 2026 or 2025.

CONTRACT LIABILITIES *(Dollars in millions)*				
		2026		2025
Sempra:				
Contract liabilities at January 1	$	(68)	$	(196)
Revenue from performance obligations satisfied during reporting period[(1)]		2		55
Payments received in advance[(1)]		—		(1)
Contract liabilities at June 30[(2)]	$	(66)	$	(142)
SDG&E:				
Contract liabilities at January 1	$	(68)	$	(72)
Revenue from performance obligations satisfied during reporting period		2		2
Contract liabilities at June 30[(2)]	$	(66)	$	(70)

(1) *Includes negligible activities in 2026 within the disposal group that is classified as held for sale.*

(2) *Balance at June 30, 2026 includes $4 in Other Current Liabilities and $62 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, 2026		December 31, 2025
Sempra:				
Accounts receivable – trade, net[(1)]	$	1,442	$	1,767
Accounts receivable – other, net		16		22
Assets held for sale		113		77
Other long-term assets[(2)]		19		21
Total	$	1,590	$	1,887
SDG&E:				
Accounts receivable – trade, net[(1)]	$	884	$	809
Accounts receivable – other, net		15		18
Due from unconsolidated affiliates – current[(3)]		12		11
Other long-term assets[(2)]		4		3
Total	$	915	$	841
SoCalGas:				
Accounts receivable – trade, net	$	558	$	958
Accounts receivable – other, net		1		4
Other long-term assets[(2)]		15		18
Total	$	574	$	980

(1) *At June 30, 2026 and December 31, 2025, includes $155 and $152, respectively, of receivables due from customers that were billed on behalf of Community Choice Aggregators, which are not included in revenues.*

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

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

Table of Contents

NOTE 4. REGULATORY MATTERS

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.

REGULATORY ASSETS AND LIABILITIES

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, 2026	December 31, 2025	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Fixed-price contracts and other derivatives	$ 13	$ 50	$ (2)	$ 7	$ 15	$ 43
Deferred income taxes recoverable in rates[1]	2,574	2,314	1,161	1,098	1,377	1,189
Pension and PBOP plan obligations	(557)	(610)	16	(1)	(573)	(609)
Employee benefit costs	18	18	3	3	15	15
Removal obligations	(3,671)	(3,540)	(3,057)	(2,913)	(614)	(627)
Environmental costs	151	152	113	113	38	39
Sunrise Powerlink fire mitigation	123	125	123	125	—	—
Regulatory balancing accounts[2][3]:						
Commodity – electric	279	186	279	186	—	—
Commodity – gas, including transportation	468	173	47	17	421	156
Safety and reliability	916	894	298	286	618	608
Public purpose programs	(326)	(347)	(128)	(175)	(198)	(172)
2024 GRC retroactive impacts	44	299	17	124	27	175
Wildfire mitigation plan	615	530	615	530	—	—
Liability insurance premium	(51)	(62)	(58)	(53)	7	(9)
Other balancing accounts	(237)	90	(219)	4	(18)	86
Other regulatory assets (liabilities), net[3]	50	104	59	72	(9)	32
Total	$ 409	$ 376	$ (733)	$ (577)	$ 1,106	$ 926

(1) *At June 30, 2026 and December 31, 2025, $56 and $54, respectively, is included in Assets Held for Sale on the Sempra Condensed Consolidated Balance Sheets.*
(2) *At June 30, 2026 and December 31, 2025, the noncurrent portion of regulatory balancing accounts – net undercollected for Sempra is $1,218 and $1,060, respectively, for SDG&E is $528 and $502, respectively, and for SoCalGas is $690 and $558, respectively.*
(3) *Includes regulatory assets earning a return authorized by applicable regulators, which generally approximates the three-month commercial paper rate.*

Catastrophic Event Memorandum Account

In July 2025, the CPUC issued an FD that authorized partial recovery of costs recorded in SoCalGas' Catastrophic Event Memorandum Account. The FD authorized the recovery of $19 million out of the requested $55 million, denying recovery of COVID-19 costs included in the Catastrophic Event Memorandum Account. The CPUC denied SoCalGas' request for a rehearing of the FD. In February 2026, SoCalGas filed a petition with the California Court of Appeal.

CPUC GRC

A CPUC GRC proceeding is designed to set authorized base revenue requirements that are sufficient 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 capital investments.

2024 GRC

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.

In December 2025, SDG&E and SoCalGas filed a petition for modification of the 2024 GRC, seeking to modify the post-test year mechanism for capital related costs. The petition for modification seeks increases of $55 million, $87 million and $79 million to the approved revenue requirements for SDG&E for 2025, 2026 and 2027, respectively, and increases of $86 million, $122 million and $109 million to the approved revenue requirements for SoCalGas for 2025, 2026 and 2027, respectively. There is no established timeline for the CPUC to act on this filing.

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 its WMP costs incurred in 2023 that were in addition to the amounts authorized in the 2019 GRC. In March 2026 and amended in April and May of 2026, SDG&E provided supplemental testimony in its Track 3 request for drone inspection and repair program costs incurred from 2019 through 2022 that were transferred from its Track 2 request as a result of the Track 2 FD. The supplemental testimony seeks review and recovery of $659 million of direct WMP and drone inspection and repair program costs. In June 2026, SDG&E and three of four intervenors filed an offer of settlement with the CPUC addressing recovery of its 2023 WMP costs and 2019-2022 drone inspection and repair program costs. If approved, the settlement would reduce SDG&E's requested revenue requirement from $766 million to $621 million. The settlement remains subject to CPUC approval, and SDG&E expects to receive an FD in the second half of 2026. Separately, SDG&E and SoCalGas submitted a combined request seeking review and recovery of $240 million of PSEP costs incurred from 2014 through 2019 and $499 million of PSEP costs incurred from 2015 through 2020, respectively. SDG&E and SoCalGas expect to receive an FD for their Track 3 requests related to their PSEP costs in the second half of 2026.

Revenue requirements associated with the Track 3 requests have been recorded in regulatory accounts and any disallowances resulting from Track 3 would be recorded as an expense on the Sempra, SDG&E and SoCalGas Condensed Consolidated Statements of Operations. 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.

2028 GRC

In June 2026, SDG&E and SoCalGas filed their 2028 GRC applications requesting CPUC approval of test year revenue requirements for 2028 and attrition year adjustments for 2029 through 2031 as follows:

REQUESTED REVENUE REQUIREMENTS IN 2028 GRC
(Dollars in millions)

	Test year	Attrition years adjustment					
	2028	2029		2030		2031	
SDG&E	$ 3,760	$ 327	8.7 %	$ 226	5.5 %	$ 240	5.6 %
SoCalGas	5,096	315	6.2	312	5.8	314	5.5

The requests in the 2028 GRC applications are subject to CPUC approval. SDG&E and SoCalGas expect to receive an FD in the first quarter of 2028 with new rates to be effective in January 2028.

CPUC COST OF CAPITAL

A CPUC cost of capital proceeding every three years determines a utility's authorized capital structure and return on rate base. The CPUC applies the CCM in the interim years to consider changes in the cost of capital using changes in interest rates as reflected by the applicable utility bond index published by Moody's (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. Alternatively, each of SDG&E and SoCalGas is permitted to file a cost of capital application to have its cost of capital determined in lieu of the CCM in an interim year in which an extraordinary or catastrophic event materially impacts its cost of capital and affects utilities differently than the market.

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

	Authorized weighting	2026-2028	2025	2026-2028	2025
		Return on rate base		Weighted return on rate base	
SDG&E:					
Long-Term Debt	45.25 %	4.59 %	4.34 %	2.08 %	1.96 %
Preferred Equity	2.75	6.22	6.22	0.17	0.17
Common Equity	52.00	9.93	10.23	5.16	5.32
	100.00 %			7.41 %	7.45 %
SoCalGas:					
Long-Term Debt	45.60 %	5.02 %	4.63 %	2.29 %	2.11 %
Preferred Equity	2.40	6.00	6.00	0.14	0.14
Common Equity	52.00	9.78	10.08	5.09	5.24
	100.00 %			7.52 %	7.49 %

FERC RATE MATTERS

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

TO5 Settlement

SDG&E's 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 Settlement

In June 2026, the FERC issued an order approving the TO6 offer of settlement. The TO6 settlement is retroactively effective as of June 1, 2025, and remains in effect until terminated by a notice provided in March of any year. Among other things, the settlement increases SDG&E's authorized base ROE from 10.10% to 10.28% and establishes a hypothetical capital structure with 54% common equity. SDG&E recognized the retroactive impact in the second quarter of 2026. The TO6 settlement does not affect SDG&E's appeal of the FERC's disallowance of the inclusion of the California ISO adder.

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 14 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.

SEMPRA TEXAS UTILITIES

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, 2026 and 2025, Sempra contributed $1.5 billion and $971 million, respectively, to Oncor Holdings, and Oncor Holdings distributed $458 million and $283 million, respectively, to Sempra. On July 29, 2026, Sempra contributed $610 million to Oncor Holdings, and on July 28, 2026, Oncor Holdings distributed $229 million to Sempra.

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

SUMMARIZED FINANCIAL INFORMATION – ONCOR HOLDINGS
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Operating revenues	$ 2,062	$ 1,654	$ 3,786	$ 3,202
Operating expenses	(1,351)	(1,167)	(2,623)	(2,324)
Income from operations	711	487	1,163	878
Interest expense	(236)	(192)	(463)	(377)
Income tax expense	(94)	(57)	(141)	(97)
Net income	428	257	639	436
NCI held by TTI	(84)	(51)	(126)	(87)
Earnings attributable to Sempra[1]	344	206	513	349

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

SEMPRA INFRASTRUCTURE

In connection with the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6, the carrying amount of our equity method investments totaling $2.6 billion at June 30, 2026 is included in Assets Held for Sale on Sempra's Condensed Consolidated Balance Sheet.

Cameron LNG JV

In the six months ended June 30, 2025, Sempra Infrastructure contributed $1 million to Cameron LNG JV. In the six months ended June 30, 2026 and 2025, Cameron LNG JV distributed $263 million and $233 million, respectively, to Sempra Infrastructure.

TAG Norte

In the six months ended June 30, 2026 and 2025, TAG Norte distributed $60 million and $45 million, respectively, to Sempra Infrastructure.

NOTE 6. ACQUISITION AND DIVESTITURE ACTIVITY

ACQUISITION

We consolidate assets acquired and liabilities assumed as of the purchase date and include earnings from acquisitions in consolidated earnings after the purchase date.

SDG&E

Following CPUC approval, on July 15, 2026, SDG&E acquired a 100% interest in Westside Canal 2A, LLC from RWE Clean Energy Asset Holdings, Inc., a subsidiary of RWE AG, a German multinational energy company, for total consideration of approximately $205 million. Westside Canal 2A, LLC owns a fully constructed and operational 119-MW battery energy storage facility in Imperial County, California, which will be part of SDG&E's utility-owned storage portfolio. Under the purchase agreement, SDG&E paid approximately $154 million in cash at closing and will make additional payments of approximately $51 million after reaching certain required milestones within 180 days.

PENDING 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 12 months. Upon classifying a group of assets as held for sale, we record the disposal group at the lower of its carrying value or its estimated fair value reduced for selling costs, and we stop recording depreciation and amortization expense on those assets.

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

ASSETS HELD FOR SALE
(Dollars in millions)

		June 30, 2026
Cash and cash equivalents	$	154
Restricted cash, current		2,493
Accounts receivable, net		496
Due from unconsolidated affiliates		3
Inventories		109
Other current assets		298
Restricted cash, noncurrent		3
Right-of-use assets – operating leases		207
Equity method investments		2,649
Goodwill		1,602
Other intangible assets		273
Other long-term assets		667
Property, plant and equipment, net		23,985
Total assets held for sale	$	32,939
Short-term debt	$	384
Accounts payable		1,163
Current portion of long-term debt		49
Other current liabilities		425
Long-term debt		9,027
Due to unconsolidated affiliates		506
Deferred income taxes		1,009
Asset retirement obligations		104
Deferred credits and other		325
Total liabilities held for sale	$	12,992

At June 30, 2026, $3.3 billion of CRNCI, $14 million of accumulated losses in AOCI, and $7.3 billion of NCI are related to the disposal group that is classified as held for sale.

We considered the estimated fair value of our assets held for sale, 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.

SI Partners

In September 2025, we entered into an agreement to sell 45% of the outstanding Class A Units and all general partner interests in SI Partners to the KKR Partners for an aggregate base purchase price of approximately $9.99 billion, subject to the adjustments described below. SI Partners owns LNG and natural gas infrastructure in the U.S. and Mexico and renewable energy and related assets in Mexico.

The agreement provides that, subject to adjustments and the closing date, the purchase price will be paid to Sempra as follows:

- $4.65 billion in cash at closing;
- $4.14 billion plus interest compounded quarterly at 7.5% per annum through maturity on December 31, 2027 (totaling $4.6 billion with principal and interest based on an assumed closing date in the third quarter of 2026) under instruments backed by equity commitment letters; and
- $1.2 billion plus interest compounded quarterly at 8.5% per annum before January 1, 2031 and then 10.0% per annum through maturity seven years and 91 days after closing (totaling $2.3 billion with principal and interest if held to maturity, which would be less if prepaid, subject to a make-whole provision for interest through December 31, 2027) under promissory notes.

The instruments and notes will be issued by indirect equity holders of the KKR Partners and will be ranked behind senior debt incurred by subsidiaries of the issuers.

The purchase price is subject to adjustments for changes in net debt, net working capital and capital expenditures as of December 31, 2025, among others, and is subject to further adjustments for certain capital contributions by and distributions to Sempra in 2026 before the closing. In addition, $338 million of transaction fees incurred by the KKR Partners will be deducted from the purchase price at closing, and Sempra will pay a $340 million development credit for the KKR Partners' share of development costs through 2027. There may also be post-closing purchase price adjustments based on the performance through 2028 of certain wind power facilities, which could be affected by recent Mexican regulatory changes that impact the transmission rate methodology for these facilities, and adjustments to reflect any capital expenditure overruns or underruns associated with the ECA LNG Phase 1 project under construction and potential costs associated with third party consents or waivers.

As we discuss in Note 8, Sempra entered into undesignated foreign currency hedges with notional amounts totaling 13.8 billion Mexican pesos ($783 million in U.S. dollar-equivalent) to help mitigate the exchange rate risk associated with the anticipated Mexican capital gains taxes that will be payable upon completion of the planned sale.

We expect this sale to close in the third quarter of 2026, subject to certain conditions, including receipt of consents or waivers from certain lenders, partners and others; the absence of a material adverse effect on SI Partners; the absence of specific downgrade events under certain financing arrangements; and other customary closing conditions. A ticking fee payable to Sempra of 0.625% per month on the aggregate base purchase price accrues daily beginning April 1, 2026. If the KKR Partners fail to complete the closing when all closing conditions are satisfied, Sempra will be entitled to receive a termination fee of $414 million. Any party may terminate the agreement if the closing has not occurred within 12 months after signing.

Subject to closing, the KKR Partners will own 65% of SI Partners, Sempra will retain a 25% interest and ADIA will retain a 10% interest. As we discuss below, Sempra and ADIA will have certain minority rights in SI Partners. As a result of Sempra's loss of a controlling financial interest in SI Partners, we will deconsolidate SI Partners and account for our 25% interest in SI Partners under the equity method within the existing Sempra Infrastructure segment.

In connection with signing the agreement for the sale, we classified SI Partners' assets and liabilities as held for sale and ceased recording depreciation and amortization in September 2025. We recognized an income tax benefit of $21 million and $54 million in Income Tax Expense on Sempra's Condensed Consolidated Statements of Operations in the three months and six months ended June 30, 2026, respectively, to adjust deferred income tax liabilities related to outside basis differences in our investment in SI Partners. This amount is based on certain assumptions and could change substantially in subsequent quarters and at the closing due to, among other things, changes to current carrying values, changes in forecasted taxable income, purchase price adjustments, and changes to tax positions and other assumptions.

Post-Closing Limited Partnership Agreement. At closing, we will enter into an amended and restated limited partnership agreement of SI Partners with the KKR Partners and ADIA. The limited partnership agreement provides that the KKR Partners will have the right to appoint four managers, Sempra will have the right to appoint two managers, and ADIA will have the right to appoint one manager to the SI Partners board of managers, with matters generally decided by majority vote based on the limited partners' ownership percentages. The minority partners will have certain minority consent rights so long as they maintain specified ownership thresholds. Subject to exceptions and limitations, SI Partners will be prohibited from taking certain actions, including, among others: (i) redeeming units or making distributions to its limited partners other than on a pro rata basis or as expressly permitted under the partnership agreement; (ii) under certain circumstances, transferring, disposing or issuing equity securities in any subsidiary undertaking or owning a project that has reached a positive FID; (iii) appointing a replacement chief executive officer; (iv) approving certain capital expenditures; and (v) reaching a positive FID on any project, in each case without prior approval from the KKR Partners, Sempra and, in some cases, other limited partners holding at least a specified minimum percentage of ownership.

SI Partners will be required to distribute quarterly at least 85% of its distributable cash flow, subject to certain exceptions and reserves. Generally, distributions will be made to the limited partners on a pro rata basis in accordance with their respective ownership interests, except that the KKR Partners will be entitled to a post-closing distribution of an additional 31.5% of the $1.9 billion true-up payment from Port Arthur LNG II to Port Arthur LNG I to acquire a 50% interest in the shared common facilities. The limited partners will be required to fund capital calls under certain circumstances, which vary depending on whether a project has reached a positive FID. Sempra will continue to have substantially similar funding obligations as it has before the sale for cost overruns in certain projects, including the ECA LNG Phase 1 project and the PA LNG Phase 1 project.

If a project fails to receive the required limited partner approvals to achieve a positive FID, the KKR Partners will be permitted to proceed with the project independently through a different investment vehicle or as a "Sole Risk Project" within SI Partners in exchange for "Sole Risk Interests." Sole Risk Projects are separated from other SI Partners projects and are conducted at the holder's sole cost, expense and liability, and the holder receives, through the acquisition of Sole Risk Interests, the economic and other benefits, if any, from such projects. The Guaymas-El Oro segment of the Sonora pipeline will continue to be owned by and a Sole Risk Project of Sempra and is not included within the disposal group that is classified as held for sale. Sempra is solely responsible for costs associated with the Guaymas-El Oro segment of the Sonora pipeline and any proceeds from a sale of the Guaymas-El Oro segment of the Sonora pipeline would be split between Sempra (90%) and ADIA (10%), subject to adjustments.

Under the limited partnership agreement, Sempra will be restricted from transferring its ownership interest in SI Partners before January 1, 2029. Any proposed transfer (other than a permitted transfer) by a minority partner to a third party will be subject to a right of first offer of the KKR Partners. The minority partners will have co-sale rights in respect of any transfer by the KKR Partners of over 50% of SI Partners' equity interests. The KKR Partners will have customary drag-along rights in connection with any sale of SI Partners, provided that the minority partners obtain minimum return thresholds. The limited partners have customary registration rights in the event of an initial public offering of SI Partners.

Ecogas

In December 2025, we entered into an agreement to sell Ecogas, a natural gas regulated distribution utility that operates in three separate distribution zones in Mexicali, Chihuahua and La Laguna-Durango, Mexico, to Gas Natural del Noroeste S.A. de C.V. for 9.0 billion Mexican pesos (approximately $500 million in U.S. dollar-equivalent at June 30, 2026), subject to adjustments. SI Partners entered into contingent foreign currency hedges, which we discuss in Note 8, that are designed to fix the exchange rate associated with the anticipated after-tax net proceeds. SI Partners expects to complete the sale in August 2026 and recognize a gain on sale, excluding the effects of foreign currency hedges, ranging from approximately $165 million ($57 million after tax and NCI) to $205 million ($77 million after tax and NCI).

As a result of satisfying all applicable criteria in June 2025, we classified Ecogas' assets and liabilities as held for sale and ceased recording depreciation and amortization. We recognized income tax expense of $1 million and an income tax benefit of $2 million ($1 million after NCI) in the three months and six months ended June 30, 2026, respectively, and income tax expense of $38 million ($26 million after NCI) in the three months and six months ended June 30, 2025. These amounts were recorded in Income Tax Expense on Sempra's Condensed Consolidated Statements of Operations and relate to changes in the Mexican deferred income tax liability associated with our outside basis differences. Since this income tax liability is based on current carrying value, foreign exchange rates and inflation at June 30, 2026, this amount could change in future periods until the date of sale.

NOTE 7. DEBT AND CREDIT FACILITIES

The principal terms of our debt arrangements are described below and in Note 7 of the Notes to Consolidated Financial Statements in the Annual Report.

SHORT-TERM DEBT

Committed Lines of Credit

At June 30, 2026, Sempra has an aggregate capacity of $10.2 billion under eight 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)

		June 30, 2026				
Borrower	Expiration date of facility	Total facility	Commercial paper outstanding	Amounts outstanding	Letters of credit outstanding	Available unused credit
Sempra	October 2030	$ 4,000	$ (1,316)	$ —	$ —	$ 2,684
SDG&E	October 2030	1,500	(2)	—	—	1,498
SoCalGas	October 2030	1,200	(100)	—	—	1,100
SI Partners and IEnova	September 2026	500	—	(155)	—	345
SI Partners and IEnova	August 2028	1,500	—	(210)	—	1,290
SI Partners and IEnova	December 2028	1,000	—	—	—	1,000
Port Arthur LNG I	March 2030	200	—	—	(87)	113
Port Arthur LNG II	September 2030	300	—	—	(176)	124
Total		$ 10,200	$ (1,418)	$ (365)	$ (263)	$ 8,154

Sempra, 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, 2026, 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 its subsidiary, 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, 2026, SI Partners was in compliance with this ratio.

Additionally, the three lines of credit that are shared by SI Partners and IEnova, and the Port Arthur LNG I and Port Arthur LNG II credit facilities, are included in the disposal group that is classified as held for sale. These lines of credit remain legally accessible and are sources of available credit to Sempra Infrastructure until completion of the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6.

Uncommitted Line of Credit

ECA LNG Phase 1, which is included in the disposal group that is classified as held for sale, has an uncommitted line of credit with an aggregate capacity of $100 million that expires on August 12, 2026. Borrowings are generally used for working capital requirements and can be in U.S. dollars or Mexican pesos. At June 30, 2026, ECA LNG Phase 1 has outstanding borrowings of 327 million Mexican pesos (approximately $19 million in U.S. dollar-equivalent), before reductions of any unamortized discounts, 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 unsecured standby letter of credit capacity with select lenders that is uncommitted and supported by reimbursement agreements. At June 30, 2026, we have $203 million in standby letters of credit outstanding under these agreements.

UNCOMMITTED LETTERS OF CREDIT OUTSTANDING *(Dollars in millions)*			
	Expiration date range		June 30, 2026
SDG&E	November 2026 - June 2027	$	21
SoCalGas	October 2026 - June 2027		16
Other Sempra[(1)]	March 2027 - June 2027		166
Total Sempra		$	203

(1) *Excludes $1,792 in unsecured standby letters of credit with expiration dates ranging from July 2026 to November 2054 that are included in the disposal group that is classified as held for sale.*

Term Loans

Other Sempra

In May 2025, Sempra entered into a $1.25 billion term loan facility with a maturity date that is 364 days from the initial borrowing date. In July 2025, Sempra borrowed the full $1.25 billion available under the facility. Prior to maturity, Sempra was permitted, subject to lender approval, to request an increase of up to $500 million, which it requested, received and borrowed in full in October 2025. Borrowings initially bore interest at a per annum rate equal to term SOFR plus 80 bps and a credit adjustment spread of 10 bps. In July 2026, the maturity date was extended from July 27, 2026 to October 26, 2026 and the 10-bps credit adjustment spread was removed.

On July 29, 2026, Sempra entered into a $500 million term loan facility with a maturity date that is 364 days from the initial borrowing date. On July 31, 2026, Sempra borrowed the full $500 million available under the facility. Sempra may request an increase in the term loan facility of up to $500 million prior to the maturity date, subject to lender approval. Borrowings bear interest at a per annum rate equal to term SOFR plus 70 bps. Sempra intends to use the proceeds to repay commercial paper and for other general corporate purposes.

Weighted-Average Interest Rates

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

WEIGHTED-AVERAGE INTEREST RATES		
	June 30, 2026	December 31, 2025
Sempra	4.38 %	4.32 %
SDG&E	3.88	3.96
SoCalGas	4.27	4.17

LONG-TERM DEBT

SDG&E

In March 2026, SDG&E issued $625 million aggregate principal amount of 5.20% first mortgage bonds due in full upon maturity on March 15, 2036 and received proceeds of $618 million (net of debt discount, underwriting discounts and debt issuance costs of $7 million), and $475 million aggregate principal amount of 5.95% first mortgage bonds due in full upon maturity on March 15, 2056 and received proceeds of $467 million (net of debt discount, underwriting discounts and debt issuance costs of $8 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. SDG&E used the net proceeds to repay outstanding first mortgage bonds due in May 2026 and June 2026 and outstanding commercial paper and for other general corporate purposes.

SoCalGas

In May 2026, SoCalGas issued $650 million aggregate principal amount of 5.90% first mortgage bonds due in full upon maturity on June 1, 2056 and received proceeds of $640 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 its terms, and in certain circumstances subject to make-whole provisions. SoCalGas used the net proceeds to repay outstanding first mortgage bonds due in June 2026 and outstanding commercial paper and for other general corporate purposes.

Other Sempra

Sempra

In March 2026, Sempra issued $800 million aggregate principal amount of 5.25% senior unsecured notes due in full upon maturity on March 15, 2036 and received proceeds of $791 million (net of debt discount, underwriting discounts and debt issuance costs of $9 million). The notes are redeemable prior to maturity, subject to their terms, and in certain circumstances subject to make-whole provisions. We used the net proceeds to repay outstanding commercial paper and other indebtedness and for general corporate purposes.

In June 2026, Sempra issued $1.0 billion aggregate principal amount of senior unsecured floating rate notes due in full upon maturity on January 7, 2028. The notes bear interest at a floating rate equal to compounded SOFR plus 67 bps per annum (4.30% at June 30, 2026) and are not redeemable prior to maturity. Sempra received proceeds of $997 million (net of debt discount, underwriting discounts and debt issuance costs of $3 million) and used the net proceeds to repay outstanding commercial paper and other indebtedness and for general corporate purposes.

ECA LNG Phase 1

ECA LNG Phase 1 has a loan agreement with a syndicate of external lenders that matures on December 30, 2027 for an aggregate principal amount of up to $1.5 billion. The 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.

At June 30, 2026 and December 31, 2025, $1.4 billion and $1.3 billion, respectively, of borrowings from external lenders are outstanding under the loan agreement, with a weighted-average interest rate of 6.12% and 6.06%, respectively. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

IEnova and TotalEnergies SE have provided guarantees for repayment of the loan of up to $1,226 million and $305 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.

Port Arthur LNG I

Port Arthur LNG I 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, 2026 and December 31, 2025, $2.4 billion and $3.2 billion, respectively, of borrowings are outstanding under the loan agreement, with an all-in weighted-average interest rate of 5.43% and 5.47%, respectively. At June 30, 2026, previous borrowings totaling $3.0 billion have been repaid and cannot be reborrowed. Proceeds from the loan are being used to finance the cost of construction of the PA LNG Phase 1 project.

In April 2026, Port Arthur LNG I issued senior secured notes for an aggregate principal amount of $2.0 billion and received proceeds of $1.98 billion (net of debt issuance costs of $18 million). The notes bear interest at the rate of 6.43% and mature on June 15, 2048. The net proceeds were used to repay borrowings and accrued interest under the existing Port Arthur LNG I term loan facility.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

In all other cases, we record derivatives at fair value on the Condensed Consolidated Balance Sheets. We may have derivatives that are (1) cash flow hedges, (2) fair value hedges, or (3) undesignated. Depending on the applicability of hedge accounting and the requirement to pass impacts through to customers for SDG&E and SoCalGas and other operations subject to regulatory accounting 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 both 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 and regulatory requirements. 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 are designed 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, LNG and electricity derivatives, as appropriate, in an effort to mitigate commodity price risk and 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 Revenues: Energy-Related Businesses or 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.

NET ENERGY DERIVATIVE VOLUMES
(Quantities in millions)

Commodity	Unit of measure	June 30, 2026	December 31, 2025
Sempra:			
Natural gas[1]	MMBtu	534	336
Congestion revenue rights	MWh	15	18
SDG&E:			
Natural gas	MMBtu	28	14
Congestion revenue rights	MWh	15	18
SoCalGas:			
Natural gas	MMBtu	506	322

(1) At June 30, 2026 and December 31, 2025, excludes 1,461 and 1,016, respectively, related to the disposal group that is classified as held for sale.

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.

At June 30, 2026 and December 31, 2025, interest rate derivatives designated as cash flow hedges, excluding those in our equity method investments, accrue interest based on notional amounts of $230 million and $244 million, respectively. These instruments have maturities from 2026 through 2034 and are included within the disposal group that is classified as held for sale.

In March 2026, Port Arthur LNG I received a cash settlement of $96 million, net of transaction costs, for the termination of $1.2 billion of the notional amount of interest rate swaps that were de-designated in 2024. At June 30, 2026 and December 31, 2025, interest rate derivatives not designated as hedging instruments have a maximum notional amount of $1,952 million and $3,189 million, respectively, with maturities from 2026 through 2048 and accrue interest based on notional amounts of $1,826 million and $2,286 million, respectively. These undesignated derivatives are included within the disposal group that is classified as held for sale.

FOREIGN CURRENCY DERIVATIVES

Oncor uses cross-currency swaps designated as fair value hedges intended to offset foreign currency exchange rate risk related to its foreign-currency-denominated debt. From time to time, SI Partners and its equity method investees 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.

We are also exposed to exchange rate movements at our Mexican subsidiaries and equity method investees, 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 help 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.

SI Partners entered into contingent, undesignated foreign currency hedges in the first quarter of 2026 to fix the exchange rate associated with the anticipated after-tax net proceeds from the planned sale of Ecogas, with notional amounts totaling approximately 7.5 billion Mexican pesos ($411 million to $422 million in U.S. dollar-equivalent). Settlement of the hedges is contingent on the completion of the sale of Ecogas. SI Partners expects to complete the sale in August 2026.

In the first half of 2026, Sempra entered into undesignated foreign currency hedges with notional amounts totaling 13.8 billion Mexican pesos ($783 million in U.S. dollar-equivalent) to help mitigate the exchange rate risk associated with the anticipated Mexican capital gains taxes that will be payable upon completion of the planned sale of a portion of our equity interest in SI Partners, which we expect to occur in the third quarter of 2026.

In addition, foreign currency derivatives designated as cash flow hedges, excluding those in our equity method investments, have notional amounts totaling $80 million and $172 million at June 30, 2026 and December 31, 2025, respectively, with maturities in 2026 and 2027, which are included within the disposal group that is classified as held for sale.

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 are 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, 2026					
	Current assets			Current liabilities		
	Other current assets	Assets held for sale	Other long-term assets	Other current liabilities	Liabilities held for sale	Deferred credits and other
Sempra:						
Derivatives designated as hedging instruments:						
Interest rate instruments		$ 26			$ —	
Foreign exchange instruments		—			(7)	
Derivatives not designated as hedging instruments:						
Interest rate instruments		173			—	
Foreign exchange instruments		1		$ (2)	(3)	
Commodity contracts not subject to rate recovery		69			(19)	
Associated offsetting commodity contracts		(4)			4	
Commodity contracts subject to rate recovery	$ 36		$ 16	(53)		$ (17)
Associated offsetting commodity contracts	(29)		(6)	29		6
Associated offsetting cash collateral	—		—	9		2
Net amounts presented on the balance sheet	7	265	10	(17)	(25)	(9)
Additional cash collateral for commodity contracts not subject to rate recovery		83			—	
Additional cash collateral for commodity contracts subject to rate recovery	29		—	—		—
Total	$ 36	$ 348	$ 10	$ (17)	$ (25)	$ (9)
SDG&E:						
Derivatives not designated as hedging instruments:						
Commodity contracts subject to rate recovery	$ 3		$ 12	$ (9)		$ (4)
Associated offsetting commodity contracts	—		(2)	—		2
Associated offsetting cash collateral	—		—	9		2
Net amounts presented on the balance sheet	3		10	—		—
Additional cash collateral for commodity contracts subject to rate recovery	28		—	—		—
Total	$ 31		$ 10	$ —		$ —
SoCalGas:						
Derivatives not designated as hedging instruments:						
Commodity contracts subject to rate recovery	$ 33		$ 4	$ (44)		$ (13)
Associated offsetting commodity contracts	(29)		(4)	29		4
Net amounts presented on the balance sheet	4		—	(15)		(9)
Additional cash collateral for commodity contracts subject to rate recovery	1		—	—		—
Total	$ 5		$ —	$ (15)		$ (9)

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

	December 31, 2025					
	Current assets			Current liabilities		
	Other current assets	Assets held for sale	Other long-term assets	Other current liabilities	Liabilities held for sale	Deferred credits and other
Sempra:						
Derivatives designated as hedging instruments:						
Interest rate instruments		$ 25			$ —	
Foreign exchange instruments		—			(8)	
Derivatives not designated as hedging instruments:						
Interest rate instruments		242			—	
Commodity contracts not subject to rate recovery		9			(66)	
Associated offsetting commodity contracts		(5)			5	
Commodity contracts subject to rate recovery	$ 25		$ 11	$ (134)		$ (10)
Associated offsetting commodity contracts	(4)		(2)	4		2
Associated offsetting cash collateral	—		—	68		4
Net amounts presented on the balance sheet	21	271	9	(62)	(69)	(4)
Additional cash collateral for commodity contracts not subject to rate recovery		38			—	
Additional cash collateral for commodity contracts subject to rate recovery	23		—	—		—
Total	$ 44	$ 309	$ 9	$ (62)	$ (69)	$ (4)
SDG&E:						
Derivatives not designated as hedging instruments:						
Commodity contracts subject to rate recovery	$ 4		$ 8	$ (12)		$ (5)
Associated offsetting commodity contracts	—		(1)	—		1
Associated offsetting cash collateral	—		—	12		4
Net amounts presented on the balance sheet	4		7	—		—
Additional cash collateral for commodity contracts subject to rate recovery	13		—	—		—
Total	$ 17		$ 7	$ —		$ —
SoCalGas:						
Derivatives not designated as hedging instruments:						
Commodity contracts subject to rate recovery	$ 21		$ 3	$ (122)		$ (5)
Associated offsetting commodity contracts	(4)		(1)	4		1
Associated offsetting cash collateral	—		—	56		—
Net amounts presented on the balance sheet	17		2	(62)		(4)
Additional cash collateral for commodity contracts subject to rate recovery	10		—	—		—
Total	$ 27		$ 2	$ (62)		$ (4)

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 gain (loss) recognized in OCI		Location	Pretax gain (loss) reclassified from AOCI into earnings	
	Three months ended June 30,			Three months ended June 30,	
	2026	2025		2026	2025
Sempra:					
Cash flow hedges:					
Interest rate instruments	$ 2	$ (3)	Interest expense	$ 2	$ —
Interest rate instruments	17	(13)	Equity earnings[1]	(1)	(1)
Foreign exchange instruments	—	(5)	Revenues: Energy-related businesses	1	1
			Other income, net	(1)	(1)
Foreign exchange instruments	(1)	(5)	Equity earnings[1]	(1)	1
Fair value hedges:					
Foreign exchange instruments	22	(16)	Equity earnings[1]	—	—
Total	$ 40	$ (42)		$ —	$ —
	Six months ended June 30,			Six months ended June 30,	
	2026	2025	Location	2026	2025
Sempra:					
Cash flow hedges:					
Interest rate instruments	$ 4	$ (6)	Interest expense	$ 3	$ 2
Interest rate instruments	24	(33)	Equity earnings[1]	—	4
Foreign exchange instruments	2	(10)	Revenues: Energy-related businesses	3	(1)
			Other income, net	(1)	(1)
Foreign exchange instruments	1	(9)	Equity earnings[1]	1	(1)
Fair value hedges:					
Foreign exchange instruments	20	(25)	Equity earnings[1]	—	—
Total	$ 51	$ (83)		$ 6	$ 3

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

For Sempra, we expect that net losses before NCI of $3 million, which are net of income tax benefit and include amounts related to the disposal group that is classified as held for sale, that are currently recorded in AOCI (with $1 million of gains 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, 2026, 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		Pretax gain (loss) on derivatives recognized in earnings	
		Three months ended June 30,		Six months ended June 30,	
	Location	2026	2025	2026	2025
Sempra:					
Commodity contracts not subject to rate recovery	Revenues: Energy-related businesses	$ 135	$ 33	$ 235	$ 39
Commodity contracts not subject to rate recovery	Energy-related businesses cost of sales	77	(2)	55	(2)
Commodity contracts subject to rate recovery	Cost of natural gas	(8)	(4)	(9)	(20)
Commodity contracts subject to rate recovery	Cost of electric fuel and purchased power	8	1	3	4
Foreign exchange instruments	Other income, net	(40)	—	(31)	—
Interest rate instruments	Interest expense	21	9	32	(56)
Total		$ 193	$ 37	$ 285	$ (35)
SDG&E:					
Commodity contracts subject to rate recovery	Cost of electric fuel and purchased power	$ 8	$ 1	$ 3	$ 4
SoCalGas:					
Commodity contracts subject to rate recovery	Cost of natural gas	$ (8)	$ (4)	$ (9)	$ (20)

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.

The table below presents the aggregate fair value of derivative instruments with credit-risk-related contingent features that are in a net liability position by counterparty where a legal right of offset exists, the collateral posted for such positions, and the additional assets that would be required to be posted as collateral if credit ratings were reduced below investment grade.

CREDIT RISK IMPACTS
(Dollars in millions)

	Sempra		SoCalGas	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Fair value of derivative instruments – net liability	$ 66	$ 190	$ 24	$ 47
Offsetting cash collateral	—	56	—	56
Additional cash collateral to be posted	66	189	24	47

For SDG&E, the total fair value of this group of derivative instruments is negligible at both June 30, 2026 and December 31, 2025.

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

NOTE 9. FAIR VALUE MEASUREMENTS

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

RECURRING FAIR VALUE MEASURES

The tables below set forth our financial assets and liabilities, by level within the fair value hierarchy, that are accounted for at fair value on a recurring basis at June 30, 2026 and December 31, 2025. 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, 2025.

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 are 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" and natural gas derivatives at Sempra Infrastructure, as we discuss below in "Level 3 Information – Other Sempra." 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 13, in July 2020, Sempra entered into the Support Agreement for the benefit of CFIN. We measure the Support Agreement, which includes a guarantee obligation, a put option and a call option, net of related guarantee fees, at fair value on a recurring basis. We use a discounted cash flow model to value the Support Agreement, net of related guarantee fees. Because some of the inputs that are significant to the valuation are less observable, the Support Agreement is classified as Level 3, as we describe below in "Level 3 Information – Other Sempra."

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting[(1)]	Total
	Fair value at June 30, 2026				
Sempra:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	$ 15	$ 4	$ —		$ 19
Equity securities	299	4	—		303
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	28	17	—		45
Municipal bonds	—	300	—		300
Other securities	—	264	—		264
Total debt securities	28	581	—		609
Total nuclear decommissioning trusts[(2)]	342	589	—		931
Short-term investments held in Rabbi Trust	90	—	—		90
Support Agreement, net of related guarantee fees	—	—	38		38
Commodity contracts subject to rate recovery	2	37	13	$ (6)	46
	434	626	51	(6)	1,105
Assets held for sale:					
Interest rate instruments	—	199	—	—	199
Foreign exchange instruments	—	1	—	—	1
Commodity contracts not subject to rate recovery	—	42	27	79	148
Total assets held for sale	—	242	27	79	348
Total assets	$ 434	$ 868	$ 78	$ 73	$ 1,453
Liabilities:					
Foreign exchange instruments	$ —	$ 2	$ —	$ —	$ 2
Commodity contracts subject to rate recovery	13	57	—	(46)	24
	13	59	—	(46)	26
Liabilities held for sale:					
Foreign exchange instruments	—	10	—	—	10
Commodity contracts not subject to rate recovery	—	9	10	(4)	15
Total liabilities held for sale	—	19	10	(4)	25
Total liabilities	$ 13	$ 78	$ 10	$ (50)	$ 51

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

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting[1]	Total
	Fair value at December 31, 2025				
Sempra:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	$ 9	$ 3	$ —		$ 12
Equity securities	285	3	—		288
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	28	19	—		47
Municipal bonds	—	300	—		300
Other securities	—	255	—		255
Total debt securities	28	574	—		602
Total nuclear decommissioning trusts[2]	322	580	—		902
Short-term investments held in Rabbi Trust	49	—	—		49
Support Agreement, net of related guarantee fees	—	—	41		41
Commodity contracts subject to rate recovery	2	24	10	$ 17	53
	373	604	51	17	1,045
Assets held for sale:					
Interest rate instruments	—	267	—	—	267
Commodity contracts not subject to rate recovery	—	8	1	33	42
Total assets held for sale	—	275	1	33	309
Total assets	$ 373	$ 879	$ 52	$ 50	$ 1,354
Liabilities:					
Commodity contracts subject to rate recovery	$ 37	$ 107	$ —	$ (78)	$ 66
Liabilities held for sale:					
Foreign exchange instruments	—	8	—	—	8
Commodity contracts not subject to rate recovery	—	10	56	(5)	61
Total liabilities held for sale	—	18	56	(5)	69
Total liabilities	$ 37	$ 125	$ 56	$ (83)	$ 135

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

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting[(1)]	Total
	Fair value at June 30, 2026				
SDG&E:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	$ 15	$ 4	$ —		$ 19
Equity securities	299	4	—		303
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	28	17	—		45
Municipal bonds	—	300	—		300
Other securities	—	264	—		264
Total debt securities	28	581	—		609
Total nuclear decommissioning trusts[(2)]	342	589	—		931
Commodity contracts subject to rate recovery	2	—	13	$ 26	41
Total assets	$ 344	$ 589	$ 13	$ 26	$ 972
Liabilities:					
Commodity contracts subject to rate recovery	$ 13	$ —	$ —	$ (13)	$ —
	Fair value at December 31, 2025				
SDG&E:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	$ 9	$ 3	$ —		$ 12
Equity securities	285	3	—		288
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	28	19	—		47
Municipal bonds	—	300	—		300
Other securities	—	255	—		255
Total debt securities	28	574	—		602
Total nuclear decommissioning trusts[(2)]	322	580	—		902
Commodity contracts subject to rate recovery	2	—	10	$ 12	24
Total assets	$ 324	$ 580	$ 10	$ 12	$ 926
Liabilities:					
Commodity contracts subject to rate recovery	$ 17	$ —	$ —	$ (17)	$ —

[(1)] *Includes the effect of the contractual ability to settle contracts under master netting agreements and with cash collateral, as well as cash collateral not offset.*
[(2)] *Excludes receivables (payables), net.*

RECURRING FAIR VALUE MEASURES
(Dollars in millions)

	Level 1	Level 2	Level 3	Netting[1]	Total
	Fair value at June 30, 2026				
SoCalGas:					
Assets:					
Commodity contracts subject to rate recovery	$ —	$ 37	$ —	$ (32)	$ 5
Liabilities:					
Commodity contracts subject to rate recovery	$ —	$ 57	$ —	$ (33)	$ 24
	Fair value at December 31, 2025				
SoCalGas:					
Assets:					
Commodity contracts subject to rate recovery	$ —	$ 24	$ —	$ 5	$ 29
Liabilities:					
Commodity contracts subject to rate recovery	$ 20	$ 107	$ —	$ (61)	$ 66

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

Level 3 Information

SDG&E

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

LEVEL 3 RECONCILIATIONS[1]
(Dollars in millions)

	Three months ended June 30,	
	2026	2025
Balance at April 1	$ 10	$ 4
Realized and unrealized gains (losses), net	2	(1)
Allocated transmission instruments	3	1
Settlements	(2)	(1)
Balance at June 30	$ 13	$ 3
Change in unrealized gains (losses) relating to instruments still held at June 30	$ 1	$ (1)

	Six months ended June 30,	
	2026	2025
Balance at January 1	$ 10	$ 4
Realized and unrealized gains (losses), net	(1)	(2)
Allocated transmission instruments	6	3
Settlements	(2)	(2)
Balance at June 30	$ 13	$ 3
Change in unrealized gains (losses) relating to instruments still held at June 30	$ (1)	$ (3)

(1) *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, are in the following ranges for the years indicated below:

CONGESTION REVENUE RIGHTS AUCTION PRICE INPUTS

Settlement year	Price per MWh				Median price per MWh
2026	$	(0.31)	to	$ 13.76	$ 4.05
2025		(7.38)	to	15.54	0.01

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 Sempra

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

LEVEL 3 RECONCILIATIONS
(Dollars in millions)

	Three months ended June 30,	
	2026	2025
Balance at April 1	$ 41	$ 38
Realized and unrealized gains (losses), net[(1)]	(1)	3
Settlements	(2)	(2)
Balance at June 30[(2)]	$ 38	$ 39
Change in unrealized gains (losses) relating to instruments still held at June 30	$ (1)	$ 3

	Six months ended June 30,	
	2026	2025
Balance at January 1	$ 41	$ 25
Realized and unrealized gains (losses), net[(1)]	1	18
Settlements	(4)	(4)
Balance at June 30[(2)]	$ 38	$ 39
Change in unrealized gains (losses) relating to instruments still held at June 30	$ 1	$ 18

(1) *Net realized and unrealized gains are included in Interest Income and net realized and unrealized losses are recognized in Interest Expense on Sempra’s Condensed Consolidated Statements of Operations.*

(2) *Includes $8 in Other Current Assets and $30 in Other Long-Term Assets at June 30, 2026 on Sempra's Condensed Consolidated Balance Sheet.*

The fair value of the Support Agreement, net of related guarantee fees, is based on a discounted cash flow model using a probability of default and survival methodology. Our estimate of fair value considers inputs such as third-party default rates, credit ratings, recovery rates, and risk-adjusted discount rates, which may be readily observable, market corroborated or generally unobservable inputs. Because CFIN’s credit rating and related default and survival rates are unobservable inputs that are significant to the valuation, the Support Agreement, net of related guarantee fees, is classified as Level 3. We assigned CFIN an internally developed credit rating of A2 at June 30, 2026, and 2025, 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 would not result in a significant change in the fair value of the Support Agreement.

Table of Contents

Commodity contracts not subject to rate recovery. The table below sets forth a reconciliation of the change in the fair value of natural gas derivatives classified as Level 3 in the fair value hierarchy.

LEVEL 3 RECONCILIATION
(Dollars in millions)

	Three months ended June 30, 2026	
Balance at April 1	$	(51)
Realized and unrealized gains (losses), net[1]		97
Settlements		(29)
Balance at June 30[2]	$	17
Change in unrealized gains (losses) relating to instruments still held at June 30	$	97

	Six months ended June 30, 2026	
Balance at January 1	$	(55)
Realized and unrealized gains (losses), net[1]		101
Settlements		(29)
Balance at June 30[2]	$	17
Change in unrealized gains (losses) relating to instruments still held at June 30	$	101

(1) *Net realized and unrealized gains and losses are recognized in Revenues: Energy-Related Businesses or Energy-Related Businesses Cost of Sales on the Sempra Condensed Consolidated Statements of Operations.*

(2) *Includes $27 in Assets Held for Sale and $10 in Liabilities Held for Sale at June 30, 2026 on Sempra's Condensed Consolidated Balance Sheet.*

We estimate the fair value of our natural gas derivatives using an income approach. These instruments are classified as Level 3 within the fair value hierarchy because their valuation relies on significant unobservable inputs. Key unobservable inputs include implied forward price curves at illiquid delivery locations and location-specific forward price adjustments. When observable market data is limited or unavailable at these illiquid delivery points, we apply industry-standard valuation methodologies to develop unobservable inputs that maximize the use of observable information, including extrapolation and the use of historical market data and other relevant information.

The following table presents information about the significant unobservable inputs used in the valuation of our Level 3 natural gas derivatives at June 30, 2026:

QUANTITATIVE INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENT

	Fair value (in millions)		Valuation technique	Unobservable input	Range					Weighted average	
Commodity contracts not subject to rate recovery	$	17	Income approach	Forward natural gas price per MMBtu	$	0.03	to	$	2.41	$	0.40

The valuation of our natural gas derivatives is sensitive to changes in forward pricing and location-specific price adjustments. Generally, significant increases or decreases in forward pricing, in isolation, would decrease or increase, respectively, the fair value of the natural gas derivatives. We evaluate valuation inputs and assumptions at least quarterly and update inputs as necessary to reflect changes.

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 Plan, Cash Balance Restoration Plan and Employee and Director Savings Plan 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, 2026				
Sempra:					
Long-term note receivable[1]	$ 379	$ —	$ —	$ 372	$ 372
Long-term amounts due to unconsolidated affiliates held for sale	506	—	488	—	488
Long-term debt held for sale[2]	9,201	—	8,845	—	8,845
Long-term debt[3]	32,163	—	30,194	—	30,194
SDG&E:					
Long-term debt[4]	$ 10,150	$ —	$ 9,037	$ —	$ 9,037
SoCalGas:					
Long-term debt[5]	$ 8,255	$ —	$ 7,845	$ —	$ 7,845
	December 31, 2025				
Sempra:					
Long-term note receivable[1]	$ 369	$ —	$ —	$ 366	$ 366
Long-term amounts due to unconsolidated affiliates held for sale	477	—	463	—	463
Long-term debt held for sale[2]	7,925	—	7,611	—	7,611
Long-term debt[3]	29,867	—	28,282	—	28,282
SDG&E:					
Long-term debt[4]	$ 9,800	$ —	$ 8,810	$ —	$ 8,810
SoCalGas:					
Long-term debt[5]	$ 8,109	$ —	$ 7,818	$ —	$ 7,818

(1) *Before allowances for credit losses of $4 at both June 30, 2026 and December 31, 2025. Excludes unamortized transaction costs of $2 and $3 at June 30, 2026 and December 31, 2025, respectively.*
(2) *Before reductions of unamortized discount and debt issuance costs of $125 and $132 at June 30, 2026 and December 31, 2025, respectively.*
(3) *Before reductions of unamortized discount and debt issuance costs of $329 and $305 at June 30, 2026 and December 31, 2025, respectively, and excluding finance lease obligations of $1,264 and $1,293 at June 30, 2026 and December 31, 2025, respectively.*
(4) *Before reductions of unamortized discount and debt issuance costs of $108 and $97 at June 30, 2026 and December 31, 2025, respectively, and excluding finance lease obligations of $1,159 and $1,176 at June 30, 2026 and December 31, 2025, respectively.*
(5) *Before reductions of unamortized discount and debt issuance costs of $85 and $78 at June 30, 2026 and December 31, 2025, respectively, and excluding finance lease obligations of $105 and $117 at June 30, 2026 and December 31, 2025, respectively.*

We provide the fair values for the securities held in the NDT related to SONGS in Note 12.

NOTE 10. SEMPRA – CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST

SEMPRA INFRASTRUCTURE

In September 2025, PA2 JVCo issued 49.9% of its equity interests to Blackstone, which we discuss in Note 12 of the Notes to Consolidated Financial Statements in the Annual Report. We present Blackstone's equity interest as a CRNCI, which appears between liabilities and equity in the mezzanine section of Sempra's Condensed Consolidated Balance Sheets. We initially recorded the CRNCI at the amount for which Blackstone has a claim on the underlying net assets in liquidation at book value. At June 30, 2026, the CRNCI is not currently redeemable, nor is it probable that it will become redeemable because the forecasted completion of the PA LNG Phase 2 project is highly unlikely to occur beyond the contractually specified date in which Blackstone's ownership interest becomes redeemable; therefore, we did not accrete the CRNCI to its redemption value.

Allocation of Interests

Because ownership interests in SI Partners, its subsidiaries and their projects differ by percentage and consolidation level, claims on changes in net assets must be allocated among the respective owners. To effect the allocation of interests, we recorded an increase in CRNCI of $50 million and $92 million, a decrease in NCI of $30 million and $78 million and a decrease in Sempra's shareholders' equity of $20 million and $14 million, in the three months and six months ended June 30, 2026, respectively.

NOTE 11. SEMPRA – EQUITY AND EARNINGS PER COMMON SHARE

PREFERRED STOCK

SoCalGas Preferred Stock

SoCalGas is authorized to issue up to an aggregate of 11,000,000 shares of preferred stock, series preferred stock and preference stock. The table below presents preferred stock outstanding at SoCalGas:

PREFERRED STOCK OUTSTANDING
(Dollars in millions, except per share amounts)

	June 30, 2026	December 31, 2025
$25 par value, authorized 1,000,000 shares:		
6% Series, 79,011 shares outstanding	$ 3	$ 3
6% Series A, 783,032 shares outstanding	19	19
SoCalGas - Total preferred stock	$ 22	$ 22
Less: 50,970 shares of the 6% Series outstanding owned by Pacific Enterprises	(2)	(2)
Sempra - Total preferred stock of subsidiary	$ 20	$ 20

On August 6, 2026, SoCalGas will hold a special shareholders meeting at which shareholders will vote on a proposal to approve the retirement of SoCalGas' outstanding preferred stock. Because the proposed retirement remains subject to shareholder approval, no retirement has been recognized in the accompanying financial statements. If approved and effective, holders of SoCalGas preferred stock would receive a cash payment of $31.00 per share plus accrued and unpaid dividends thereon to, but excluding, the effective date of the retirement, or approximately $27 million in total.

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. Each agent 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, 2026, 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

We have entered into two forward sale agreements for the sale of shares of Sempra common stock under the ATM program that remain subject to future settlement. 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. These forward sale agreements may be settled on one or more dates specified by us occurring no later than the final settlement date under the applicable agreement. 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. The principal terms of these forward sale agreements at June 30, 2026 are as follows:

FORWARD SALE AGREEMENTS UNDER THE ATM PROGRAM THAT REMAIN SUBJECT TO FUTURE SETTLEMENT
(Dollars in millions, except per share amounts)

Date of agreement	Number of shares subject to agreement	Number of shares that remain to be settled	Initial forward price per share	Expected net proceeds[(1)]	Forward purchaser	Sales commissions	Final settlement date
November 18, 2024	2,909,274	2,909,274	$92.1546	$268	Bank of America, N.A.	$2.4	December 31, 2027
February 26, 2025	2,087,317	2,087,317	$70.6593	$147	Wells Fargo Bank, N.A.	$1.3	March 31, 2027

(1) *Expected net proceeds assumes full physical settlement, is net of sales commission but does not deduct other equity issuance costs, and is subject to certain adjustments pursuant to the applicable forward sale agreement.*

We provide additional information about these forward sale agreements in Note 13 of the Notes to Consolidated Financial Statements in the Annual Report.

COMMON STOCK REPURCHASES

In the six months ended June 30, 2026 and 2025, we withheld 235,027 shares for $21 million and 678,705 shares for $58 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.

In the six months ended June 30, 2026 and 2025, Sempra Infrastructure distributed $135 million and $91 million, respectively, to its NCI owners, and NCI owners contributed $74 million and $83 million, respectively, to Sempra Infrastructure.

The following table summarizes net income attributable to Sempra and transfers (to) from CRNCI and NCI, which shows the effects of changes in Sempra's ownership interest in its subsidiaries on Sempra's shareholders' equity.

NET INCOME ATTRIBUTABLE TO SEMPRA AND TRANSFERS (TO) FROM CRNCI AND NCI
(Dollars in millions)

	Three months ended	Six months ended
	June 30, 2026	
Sempra:		
Net income attributable to Sempra	$ 797	$ 1,834
Transfers (to) from CRNCI and NCI:		
Decrease in shareholders' equity from allocation of interests[1]	(20)	(14)
Net transfers (to) from CRNCI and NCI	(20)	(14)
Change from net income attributable to Sempra and transfers (to) from CRNCI and NCI	$ 777	$ 1,820

[1] *We describe the allocation of interests in Note 10.*

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, 2026, 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,	
	2026	2025	2026	2025
Sempra:				
Numerator:				
Earnings attributable to common shares	$ 796	$ 461	$ 1,833	$ 1,367
Denominator:				
Weighted-average common shares outstanding for basic EPS[1]	654,038	652,664	653,815	652,330
Dilutive effect of common shares sold forward	518	101	500	51
Dilutive effect of stock options and RSUs[2]	1,389	459	1,403	742
Weighted-average common shares outstanding for diluted EPS	655,945	653,224	655,718	653,123
EPS:				
Basic	$ 1.22	$ 0.71	$ 2.80	$ 2.10
Diluted	$ 1.21	$ 0.71	$ 2.80	$ 2.09

(1) Includes 365 and 499 fully vested RSUs held in our deferred compensation plan in the three months ended June 30, 2026 and 2025, respectively, and 375 and 507 of such RSUs in the six months ended June 30, 2026 and 2025, respectively. These fully vested RSUs are included in weighted-average common shares outstanding for basic EPS because there are no conditions under which the corresponding shares will not be issued.

(2) Due to market fluctuations of both Sempra common stock and the comparative indices used to determine the vesting percentage of our total shareholder return performance-based RSUs, which we discuss in Note 14 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, 2026 excludes 595,546 and 578,643 potentially dilutive shares, respectively, and 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, because to include them would be antidilutive for the period. However, these shares could potentially dilute basic EPS in the future.

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

Pursuant to Sempra’s share-based compensation plans, the Compensation and Talent Development Committee of Sempra’s board of directors granted 568,052 nonqualified stock options, 441,749 performance-based RSUs and 191,383 service-based RSUs in the six months ended June 30, 2026, primarily in January.

We discuss share-based compensation plans and related awards and the terms and conditions of Sempra’s equity securities further in Notes 13 and 14 of the Notes to Consolidated Financial Statements in the Annual Report.

NOTE 12. 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 15 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 Sempra 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 2026, the CPUC granted SDG&E authorization to access NDT funds of up to $45 million for forecasted 2026 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 Sempra and SDG&E Condensed Consolidated Balance Sheets. We provide additional fair value disclosures for the NDT in Note 9.

NUCLEAR DECOMMISSIONING TRUSTS
(Dollars in millions)

	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
	June 30, 2026			
Short-term investments, primarily cash equivalents	$ 19	$ —	$ —	$ 19
Equity securities	66	239	(2)	303
Debt securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies[(1)]	45	1	(1)	45
Municipal bonds[(2)]	301	3	(4)	300
Other securities[(3)]	266	2	(4)	264
Total debt securities	612	6	(9)	609
Receivables (payables), net	(11)	—	—	(11)
Total	$ 686	$ 245	$ (11)	$ 920
	December 31, 2025			
Short-term investments, primarily cash equivalents	$ 12	$ —	$ —	$ 12
Equity securities	69	221	(2)	288
Debt securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	46	1	—	47
Municipal bonds	301	4	(5)	300
Other securities	253	5	(3)	255
Total debt securities	600	10	(8)	602
Receivables (payables), net	(3)	—	—	(3)
Total	$ 678	$ 231	$ (10)	$ 899

(1) *Maturity dates are 2027-2056.*
(2) *Maturity dates are 2026-2065.*
(3) *Maturity dates are 2026-2071.*

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,	
	2026	2025	2026	2025
Proceeds from sales	$ 225	$ 225	$ 516	$ 499
Gross realized gains	11	21	20	31
Gross realized losses	2	3	4	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 Sempra'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 $440 million at June 30, 2026 and is based on a cost study prepared in 2024, which is pending CPUC approval. SDG&E expects to receive an FD in the second half of 2026.

NOTE 13. 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, 2026, loss contingency accruals for legal matters that are probable and estimable are $32 million for Sempra, $3 million for SDG&E and $14 million for SoCalGas.

SDG&E

City of San Diego Franchise Agreements

Pending. In 2021, a lawsuit was 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. The lawsuit sought to void the franchise agreements. In October 2023, the trial 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 appealed the ruling and, in May 2026, the California Court of Appeal upheld the trial court's judgment, which is subject to a petition for review.

SoCalGas

LA Fires

Palisades Fire Litigation - Pending. There is a consolidated legal action pending in Los Angeles County Superior Court related to the January 2025 Palisades fire. Various plaintiffs named nineteen defendants in a December 2025 master complaint, including but not limited to SoCalGas, Sempra, Edison, Edison International, the J. Paul Getty Trust, the City of Los Angeles, Los Angeles County, and the State of California (collectively, the Palisades Defendants). At this early stage of the legal process, it is unclear how many plaintiffs are asserting claims against the Palisades Defendants. The plaintiffs seek an award of economic and noneconomic damages, punitive damages, attorneys' fees, litigation costs and pre-judgment interest. On July 15, 2026, the Superior Court dismissed Sempra (but not SoCalGas) as a defendant, struck the plaintiffs' requests for punitive damages against SoCalGas, and provided the plaintiffs an opportunity to amend their master complaint with respect to certain causes of action against SoCalGas that were dismissed.

Eaton Fire Litigation - Pending. There is a separate consolidated legal action pending in Los Angeles County Superior Court related to the January 2025 Eaton fire. The first of these lawsuits was filed against Edison in January 2025. In January 2026, Edison and Edison International filed cross-complaints in Los Angeles County Superior Court against more than a dozen defendants, including but not limited to SoCalGas, the City of Pasadena, Pasadena Water and Power, Los Angeles County, and Genasys Inc. (collectively, the Eaton Cross-Defendants) in connection with underlying litigation related to the January 2025 Eaton fire. The Edison cross-complaints against the Eaton Cross-Defendants seek indemnity, compensatory damages, attorneys' fees, litigation costs and pre-judgment interest. In April 2026, SoCalGas filed a cross-complaint against Edison seeking compensatory damages for damage to SoCalGas' infrastructure and costs associated with service restoration, attorneys' fees, litigation costs and pre-judgment interest. The court has scheduled a January 2027 trial for certain plaintiffs.

Other Sempra

Energía Costa Azul

Land Dispute - Pending. Energía Costa Azul, S. de R.L. de C.V. has been engaged in a long-running land dispute relating to property adjacent to and owned by its ECA Regas Facility (the facility and the ECA LNG projects in development and under construction are not situated on the land that is the subject of this dispute). A claimant to the adjacent property filed suit to reinitiate an administrative procedure at SEDATU to obtain the property title for the disputed property, which title 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.

Environmental and Social Impact Permits - Resolved. Several administrative challenges were 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 alleged that the conditions and mitigation measures in the environmental impact authorization were inadequate and challenged findings that the activities of the terminal were consistent with regional development guidelines.

In addition, 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 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. 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 and, in June 2026, the Second Federal Collegiate Court ruled in favor of the ECA Regas Facility, definitively resolving this matter.

Port Arthur LNG I

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 injuries to two Bechtel employees. In November 2025, the cases were transferred to a multidistrict litigation pretrial court and, in March 2026, the cases were assigned to a judge to oversee pretrial proceedings. As of August 3, 2026, there are two pending lawsuits filed by 12 plaintiffs in the 172nd Judicial District Court in Jefferson County, Texas and the 295th Judicial District Court in Harris County, Texas. The complaints collectively name as defendants Port Arthur LNG I, SI Partners, Sempra and/or other Sempra affiliates, Bechtel and/or Bechtel Corporation, and ConocoPhillips. Plaintiffs assert negligence and gross negligence and additional causes of action for wrongful death, survival and bystander claims and are seeking compensatory and punitive damages.

Bechtel is providing indemnity pursuant to the terms of Port Arthur LNG I's EPC contract and is continuing construction of the PA LNG Phase 1 project.

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 16 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

SDG&E has four PPAs, of which SDG&E expects three will commence in 2027 and one will commence in 2028. SDG&E expects the future minimum lease payments to be $12 million in 2027, $23 million in 2028, $25 million in each of 2029 and 2030 and $290 million thereafter (through expiration in 2043).

SI Partners has a lease agreement for tugboat services for the Port Arthur LNG liquefaction project that it expects will commence in 2027. SI Partners expects the future minimum lease payments to be $10 million in 2027, $12 million in each of 2028 through 2030, and $186 million thereafter (through expiration in 2047, exclusive of certain renewal options) and total future minimum fixed payments for operation and maintenance services to be $184 million.

Lessor Accounting

SI Partners 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,	
	2026	2025	2026	2025
Sempra – Sales-type leases:				
Interest income	$ 1	$ 1	$ 1	$ 2
Total revenues from sales-type leases(1)	$ 1	$ 1	$ 1	$ 2
Sempra – Operating leases:				
Fixed lease payments	$ 97	$ 90	$ 197	$ 176
Variable lease payments	9	6	17	11
Total revenues from operating leases(1)	$ 106	$ 96	$ 214	$ 187
Depreciation expense(2)	$ —	$ 17	$ —	$ 35

(1) *Included in Revenues: Energy-Related Businesses on the Condensed Consolidated Statements of Operations.*
(2) *We stopped recording depreciation expense when these assets were classified as held for sale in September 2025.*

CONTRACTUAL COMMITMENTS

We discuss below significant changes in the first six months of 2026 to contractual commitments discussed in Note 16 of the Notes to Consolidated Financial Statements in the Annual Report.

Natural Gas Contracts

SoCalGas' natural gas contracts and transportation commitments have increased by approximately $580 million since December 31, 2025, reflecting a decrease related to amounts that settled during the first six months of 2026 and increases from entering into natural gas transportation contracts in the first six months of 2026. At June 30, 2026, we expect future payments to decrease by $34 million in 2026, and increase by $49 million in 2027, $65 million in 2028, $77 million in 2029, $79 million in 2030, and $344 million thereafter compared to December 31, 2025.

LNG Purchase Agreement

SI Partners has an SPA for the supply of LNG to the ECA Regas Facility, which is included within the disposal group that is classified as held for sale. The commitment amount is calculated using a predetermined formula based on estimated forward prices of the index applicable from 2026 to 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 SI Partners. At June 30, 2026, we expect the commitment amount to decrease by $217 million in 2026 and $57 million in 2027, and increase by $34 million in 2028 and $28 million in 2029 compared to December 31, 2025, reflecting changes in estimated forward prices since December 31, 2025 and actual transactions in the first six months of 2026. 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, 2026. 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.

PPAs Not Accounted for as Leases

SDG&E's PPA commitments have increased by approximately $101 million since December 31, 2025, primarily from entering into energy storage agreements in the first six months of 2026. At June 30, 2026, we expect future payments to increase by $7 million in 2026, $4 million in 2027, $6 million in each of 2028 through 2030, and $72 million thereafter compared to December 31, 2025.

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 is $363 million for Sempra, $18 million for SDG&E and $13 million for SoCalGas at June 30, 2026.

SEMPRA – GUARANTEES

Sempra 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, Sempra Infrastructure received a distribution of $165 million based on its proportionate share of the SDSRA, for which Sempra provided a promissory note and letters of credit to secure a proportionate share of Cameron LNG JV's obligation to fund the SDSRA. Sempra's maximum exposure to loss is replenishment of the amount withdrawn by Sempra Infrastructure from the SDSRA, or $165 million. We recorded a guarantee liability of $22 million in June 2021, with an associated carrying value of $16 million at June 30, 2026, for the fair value of the promissory note, which is being reduced over the duration of the guarantee through Sempra 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 Sempra Infrastructure from the SDSRA.

This guarantee will remain with Sempra after the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6.

Sempra 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.

Sempra 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 Sempra has provided a guarantee pursuant to the Support Agreement under which:

- Sempra 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 Sempra 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 Sempra Infrastructure, except to the extent any external lender elects not to participate in the put three months prior to the applicable put exercise date
- Sempra 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
- 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 Sempra Infrastructure

In exchange for this guarantee, the external lenders pay a guarantee fee that is based on the credit rating of Sempra's long-term senior unsecured non-credit enhanced debt rating, which guarantee fee Sempra Infrastructure recognizes as interest income as earned. Sempra'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, 2026, the fair value of the Support Agreement is $38 million, of which $8 million is included in Other Current Assets and $30 million is included in Other Long-Term Assets on Sempra's Condensed Consolidated Balance Sheet.

This guarantee will remain with Sempra after the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6.

NOTE 14. SEGMENT INFORMATION

SEMPRA

Sempra is a holding company whose principal businesses are regulated utilities in California and Texas. Our businesses invest in and operate electric and gas utilities and other energy infrastructure that provide energy 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, constructs, 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 utilizes 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.

Table of Contents

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, 2026	December 31, 2025
ASSETS		
Sempra California	$ 60,978	$ 60,364
Sempra Texas Utilities	19,317	17,733
Sempra Infrastructure	34,944	32,796
Segment totals	115,239	110,893
Parent and other	1,207	1,084
Intersegment eliminations(1)	(1,165)	(1,099)
Total Sempra	$ 115,281	$ 110,878
EQUITY METHOD INVESTMENTS		
Sempra Texas Utilities	$ 19,135	$ 17,601
Sempra Infrastructure(2)	16	17
Segment totals/Total Sempra	$ 19,151	$ 17,618

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
EQUITY EARNINGS				
Equity earnings, before income tax:				
Sempra Texas Utilities	$ 2	$ 1	$ 4	$ 3
Sempra Infrastructure	165	168	311	307
Segment totals	167	169	315	310
Equity earnings, net of income tax:				
Sempra Texas Utilities	346	209	517	355
Sempra Infrastructure	34	15	82	53
Segment totals	380	224	599	408
Total Sempra	$ 547	$ 393	$ 914	$ 718
CAPITAL EXPENDITURES FOR PROPERTY, PLANT AND EQUIPMENT				
Sempra California			$ 1,901	$ 2,315
Sempra Infrastructure			2,784	2,322
Segment totals			4,685	4,637
Parent and other			2	3
Total Sempra			$ 4,687	$ 4,640

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

(2) *At June 30, 2026 and December 31, 2025, $2,649 and $2,566, respectively, is included in Assets Held for Sale on the Sempra Condensed Consolidated Balance Sheets. The remaining $16 and $17 at June 30, 2026 and December 31, 2025, respectively, represents our investment balance in Cameron LNG JV related to our guarantee under the SDSRA, which we discuss in Note 13.*

SEGMENT INFORMATION (CONTINUED)
(Dollars in millions)

	Sempra California	Sempra Texas Utilities[1]	Sempra Infrastructure	Sempra
	Three months ended June 30, 2026			
Revenues	$ 2,511		$ 512	
Operation and maintenance	(995)		(229)	
Depreciation and amortization	(607)		(3)	
Interest income	5		26	
Interest expense[2]	(256)		(10)	
Income tax expense	(39)		(157)	
Equity earnings		$ 348	199	
Earnings attributable to noncontrolling interests			(141)	
Earnings attributable to contingently redeemable noncontrolling interest			(4)	
Other segment items[3]	(322)	(2)	37	
Segment earnings attributable to common shares	$ 297	$ 346	$ 230	$ 873
Parent and other				(77)
Earnings attributable to common shares				$ 796
	Three months ended June 30, 2025			
Revenues	$ 2,490		$ 530	
Operation and maintenance	(1,000)		(213)	
Depreciation and amortization	(574)		(78)	
Interest income	3		5	
Interest expense[2]	(228)		6	
Income tax expense	(13)		(231)	
Equity earnings		$ 210	183	
Earnings attributable to noncontrolling interests			(46)	
Other segment items[3]	(419)	(2)	(84)	
Segment earnings attributable to common shares	$ 259	$ 208	$ 72	$ 539
Parent and other				(78)
Earnings attributable to common shares				$ 461

(1) *Substantially all earnings attributable to common shares are from equity earnings.*
(2) *Sempra Infrastructure includes net unrealized gains (losses) from undesignated interest rate swaps related to the PA LNG Phase 1 project.*
(3) *Includes cost of natural gas, cost of electric fuel and purchased power, 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, franchise fees and other taxes, and other income (expense), net, for Sempra Infrastructure.*

Table of Contents

SEGMENT INFORMATION (CONTINUED)

(Dollars in millions)

	Sempra California	Sempra Texas Utilities[(1)]	Sempra Infrastructure	Sempra
	Six months ended June 30, 2026			
Revenues	$ 5,742		$ 955	
Operation and maintenance	(2,011)		(450)	
Depreciation and amortization	(1,224)		(6)	
Interest income	7		59	
Interest expense[(2)]	(500)		—	
Income tax expense	(128)		(171)	
Equity earnings		$ 521	393	
Earnings attributable to noncontrolling interests			(248)	
Earnings attributable to contingently redeemable noncontrolling interest			(10)	
Other segment items[(3)]	(869)	(4)	(30)	
Segment earnings attributable to common shares	$ 1,017	$ 517	$ 492	$ 2,026
Parent and other				(193)
Earnings attributable to common shares				$ 1,833
	Six months ended June 30, 2025			
Revenues	$ 5,891		$ 956	
Operation and maintenance	(2,175)		(387)	
Depreciation and amortization	(1,136)		(154)	
Interest income	5		24	
Interest expense[(2)]	(453)		(71)	
Income tax expense	(65)		(253)	
Equity earnings		$ 358	360	
Earnings attributable to noncontrolling interests			(48)	
Other segment items[(3)]	(1,084)	(4)	(209)	
Segment earnings attributable to common shares	$ 983	$ 354	$ 218	$ 1,555
Parent and other				(188)
Earnings attributable to common shares				$ 1,367

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

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

(3) *Includes cost of natural gas, cost of electric fuel and purchased power, 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, franchise fees and other taxes, and other income (expense), net, for Sempra Infrastructure.*

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

REVENUES BY SERVICES
(Dollars in millions)

	Sempra California	Sempra Infrastructure	Sempra	Sempra California	Sempra Infrastructure	Sempra
	Three months ended June 30, 2026			Three months ended June 30, 2025		
Revenues from external customers:						
Utilities	$ 2,569	$ 18		$ 2,442	$ 18	
Energy-related businesses	—	212		—	240	
Total revenues from external customers[(1)]	2,569	230	$ 2,799	2,442	258	$ 2,700
Other revenues[(2)]:						
Utilities	(65)	—		41	—	
Energy-related businesses	—	263		—	259	
Total other revenues	(65)	263	198	41	259	300
Intersegment revenues[(3)]:						
Utilities	7	—		7	—	
Energy-related businesses	—	19		—	13	
Total intersegment revenues	7	19	26	7	13	20
Segment revenues	$ 2,511	$ 512	3,023	$ 2,490	$ 530	3,020
Intersegment eliminations			(26)			(20)
Revenues			$ 2,997			$ 3,000
	Six months ended June 30, 2026			Six months ended June 30, 2025		
Revenues from external customers:						
Utilities	$ 5,780	$ 45		$ 5,899	$ 44	
Energy-related businesses	—	402		—	438	
Total revenues from external customers[(1)]	5,780	447	$ 6,227	5,899	482	$ 6,381
Other revenues[(2)]:						
Utilities	(54)	—		(21)	—	
Energy-related businesses	—	479		—	442	
Total other revenues	(54)	479	425	(21)	442	421
Intersegment revenues[(3)]:						
Utilities	16	—		13	—	
Energy-related businesses	—	29		—	32	
Total intersegment revenues	16	29	45	13	32	45
Segment revenues	$ 5,742	$ 955	6,697	$ 5,891	$ 956	6,847
Intersegment eliminations			(45)			(45)
Revenues			$ 6,652			$ 6,802

(1) *We did not have revenues from transactions with a single external customer that amounted to 10% or more of Sempra's total revenues.*
(2) *See "Revenues from Sources Other Than Contracts with Customers" in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report for a description of this revenue source, which may be additive or subtractive from period to period.*
(3) *See "Transactions with Affiliates" in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report for a description of services provided by one operating segment to another operating segment within Sempra.*

SDG&E

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

SDG&E's CODM is its president, who utilizes earnings attributable to common shares to manage the business, assess performance and allocate resources.

Total assets at SDG&E are $33.1 billion and $32.7 billion at June 30, 2026 and December 31, 2025, 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,	
	2026	2025	2026	2025
SDG&E:				
Revenues from external customers:				
Electric	$ 1,204	$ 856	$ 2,439	$ 1,931
Natural gas	183	212	504	571
Total revenues from external customers[1]	1,387	1,068	2,943	2,502
Other revenues[2]:				
Electric	(41)	179	(48)	168
Natural gas	22	15	20	12
Total other revenues	(19)	194	(28)	180
Total revenues	1,368	1,262	2,915	2,682
Operation and maintenance	(407)	(403)	(830)	(843)
Depreciation and amortization	(331)	(323)	(675)	(643)
Interest income	3	2	4	2
Interest expense	(152)	(139)	(299)	(274)
Income tax expense	(39)	(7)	(108)	(21)
Other segment items[3]	(252)	(217)	(521)	(447)
Earnings attributable to common shares	$ 190	$ 175	$ 486	$ 456
Capital expenditures for property, plant and equipment			$ 934	$ 1,270

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

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

(3) Includes cost of electric fuel and purchased power, cost of natural gas, 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.

Effective April 18, 2026, SoCalGas' chief operating officer was appointed president on an interim basis and assumed the responsibilities of the CODM. The CODM utilizes earnings attributable to common shares to manage the business, assess performance and allocate resources. SoCalGas' CODM was previously its chief executive officer.

Total assets at SoCalGas are $27.9 billion and $27.7 billion at June 30, 2026 and December 31, 2025, 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,	
	2026	2025	2026	2025
SoCalGas:				
Natural gas:				
Revenues from external customers[(1)]	$ 1,233	$ 1,421	$ 2,941	$ 3,489
Other revenues[(2)]	(46)	(153)	(26)	(201)
Total revenues	1,187	1,268	2,915	3,288
Operation and maintenance	(619)	(622)	(1,240)	(1,379)
Depreciation and amortization	(276)	(251)	(549)	(493)
Interest income	2	1	3	3
Interest expense	(104)	(89)	(201)	(179)
Income tax expense	—	(6)	(20)	(44)
Other segment items[(3)]	(83)	(217)	(377)	(669)
Earnings attributable to common shares	$ 107	$ 84	$ 531	$ 527
Capital expenditures for property, plant and equipment			$ 967	$ 1,045

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

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

(3) *Includes cost of natural gas, 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

OVERVIEW

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

- *Sempra* is a holding company whose principal businesses are regulated utilities in California and Texas. Our businesses invest in and operate electric and gas utilities and other energy infrastructure that provide energy 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 have one reportable segment.

RESULTS OF OPERATIONS BY REGISTRANT

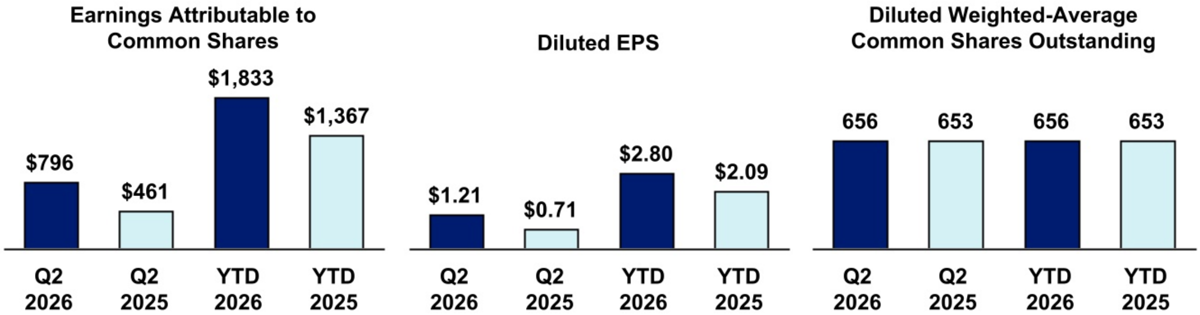
Throughout this MD&A, our references to earnings represent earnings attributable to common shares. Variance amounts presented are the after-tax earnings impact (based on applicable statutory tax rates unless otherwise noted) and after NCI but before foreign currency and inflation effects, where applicable.

SEMPRA

We discuss herein Sempra's results of operations and significant changes in earnings, revenues and costs by segment, as well as Parent and other, in the three months (Q2) and six months (YTD) ended June 30, 2026 compared to the same period in 2025. We also discuss herein the impact of foreign currency and inflation rates on Sempra's results of operations.

RESULTS OF OPERATIONS

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



EARNINGS (LOSSES) BY SEGMENT
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
Sempra California	$ 297	$ 259	$ 1,017	$ 983
Sempra Texas Utilities	346	208	517	354
Sempra Infrastructure	230	72	492	218
Segment earnings attributable to common shares	873	539	2,026	1,555
Parent and other	(77)	(78)	(193)	(188)
Earnings attributable to common shares	$ 796	$ 461	$ 1,833	$ 1,367

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, 2026 compared to the same period in 2025, the increase in earnings of $38 million (15%) was primarily due to:

- $29 million higher income tax benefits primarily from flow-through items
- $25 million charge in 2025 from disallowed regulatory recovery of COVID-19 costs
- $21 million higher CPUC base operating margin, net of operating expenses
- $13 million higher electric transmission margin, including favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement

Offset by:

- $20 million higher net interest expense
- $10 million lower AFUDC equity
- $10 million regulatory award approved by the CPUC in 2025

In the six months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $34 million (3%) was primarily due to:

- $59 million higher CPUC base operating margin, net of operating expenses, including $43 million recognition of regulatory revenue reflecting returns on approved WMP capital projects resulting from the 2024 GRC Track 2 FD
- $25 million charge in 2025 from disallowed regulatory recovery of COVID-19 costs
- $17 million higher electric transmission margin, including favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement

Offset by:

- $34 million higher net interest expense
- $15 million lower AFUDC equity
- $5 million lower income tax benefits primarily from flow-through items

Sempra Texas Utilities

In the three months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $138 million was due to higher equity earnings from Oncor Holdings driven by:

- overall higher revenues primarily attributable to:
  - the surcharge resulting from the comprehensive base rate review, reflecting the difference between newly approved rates and previously effective rates for the period from January 1, 2026 to June 1, 2026
  - increase due to the UTM and SRP
  - new base rates implemented in June 2026
  - rate updates to reflect increases in invested capital
  - customer growth

Offset by:

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

In the six months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $163 million (46%) was due to higher equity earnings from Oncor Holdings driven by:

- overall higher revenues primarily attributable to:
  - increase due to the UTM and SRP
  - the surcharge resulting from the comprehensive base rate review, reflecting the difference between newly approved rates and previously effective rates for the period from January 1, 2026 to June 1, 2026
  - new base rates implemented in June 2026
  - rate updates to reflect increases in invested capital
  - customer growth

  Offset by:
  - lower customer consumption primarily attributable to weather

Offset by:

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

Sempra Infrastructure

In the three months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $158 million was primarily due to:

- $46 million from $20 million income tax benefit in 2026 compared to $26 million income tax expense in 2025 as a result of classifying SI Partners and Ecogas as held for sale, comprised of the following:
  - $21 million income tax benefit in 2026 to adjust deferred income tax liabilities primarily related to outside basis differences in our investment in SI Partners
  - $25 million from $1 million income tax expense in 2026 compared to $26 million income tax expense in 2025 related to a Mexican deferred income tax liability on our outside basis difference in Ecogas
- $37 million lower depreciation expense as a result of classifying SI Partners and Ecogas as held for sale in September 2025 and June 2025, respectively
- $34 million from asset and supply optimization driven by higher unrealized gains on commodity derivatives due to changes in natural gas prices and optimization of transport and storage contracts
- $27 million favorable impact from foreign currency and inflation effects on our monetary positions in Mexico and associated undesignated derivatives, comprised of a $71 million unfavorable impact in 2026 compared to a $98 million unfavorable impact in 2025
- $10 million lower O&M from changes in provisions for expected credit losses
- $7 million higher net interest income

Offset by:

- $26 million higher income tax expense primarily from other outside basis differences and changes in tax allocations between Sempra Infrastructure and Parent and other
- $11 million lower revenues driven by a contract modification in December 2024 on an LNG storage and regasification agreement that ended in December 2025

In the six months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $274 million was primarily due to:

- $92 million from asset and supply optimization driven by higher unrealized gains on commodity derivatives due to changes in natural gas prices and optimization of transport and storage contracts
- $81 million from $55 million income tax benefit in 2026 compared to $26 million income tax expense in 2025 as a result of classifying SI Partners and Ecogas as held for sale, comprised of the following:
  - $54 million income tax benefit in 2026 to adjust deferred income tax liabilities primarily related to outside basis differences in our investment in SI Partners
  - $27 million from $1 million income tax benefit in 2026 compared to $26 million income tax expense in 2025 related to a Mexican deferred income tax liability on our outside basis difference in Ecogas
- $73 million lower depreciation expense as a result of classifying SI Partners and Ecogas as held for sale in September 2025 and June 2025, respectively
- $39 million favorable impact from foreign currency and inflation effects on our monetary positions in Mexico and associated undesignated derivatives, comprised of a $52 million unfavorable impact in 2026 compared to a $91 million unfavorable impact in 2025
- $19 million lower net interest expense

Offset by:

- $31 million from income tax expense in 2026 compared to income tax benefit in 2025 primarily from other outside basis differences and changes in tax allocations between Sempra Infrastructure and Parent and other
- $24 million lower revenues driven by a contract modification in December 2024 on an LNG storage and regasification agreement that ended in December 2025

Parent and Other

In the three months ended June 30, 2026 compared to the same period in 2025, the decrease in losses of $1 million (1%) was primarily due to:

- $11 million preferred dividends in 2025 prior to the redemption of series C preferred stock in October 2025
- $9 million higher income tax benefits primarily from changes in tax allocations between Sempra Infrastructure and Parent and other

Offset by:

- $19 million higher net interest expense

In the six months ended June 30, 2026 compared to the same period in 2025, the increase in losses of $5 million (3%) was primarily due to:

- $36 million higher net interest expense
- $11 million lower net investment gains on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation plan

Offset by:

- $22 million preferred dividends in 2025 prior to the redemption of series C preferred stock in October 2025
- $17 million higher income tax benefits primarily from changes in tax allocations between Sempra Infrastructure and Parent and other

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"), which may be subject to reviews for reasonableness.

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,	
	2026	2025	2026	2025
Sempra:				
Natural gas revenues:				
Sempra California	$ 1,352	$ 1,458	$ 3,358	$ 3,799
Sempra Infrastructure	18	18	45	44
Segment totals	1,370	1,476	3,403	3,843
Eliminations and adjustments	(6)	(6)	(14)	(11)
Total	$ 1,364	$ 1,470	$ 3,389	$ 3,832
Cost of natural gas[(1)]:				
Sempra California	$ 60	$ 181	$ 390	$ 666
Sempra Infrastructure	6	4	13	15
Segment totals	66	185	403	681
Eliminations and adjustments	(3)	(2)	(5)	(5)
Total	$ 63	$ 183	$ 398	$ 676

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

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's natural gas revenues decreased by $106 million (7%) driven by Sempra California, which included:

- $121 million decrease in cost of natural gas sold, which we discuss below
- $45 million lower revenues from a $22 million credit in 2026 compared to a $23 million cost in 2025 for the non-service components of net periodic benefit cost, which fully offsets in other income, net
- $14 million regulatory award approved by the CPUC in 2025
- $8 million lower regulatory revenues associated with refundable programs, which are fully offset in O&M
- $8 million lower regulatory revenues associated with the acceleration of self-developed software deductions, which are offset in income tax expense

Offset by:

- $35 million higher CPUC-authorized base revenues
- $29 million lower revenues in 2025 from disallowed regulatory recovery of COVID-19 costs
- $24 million higher regulatory revenues primarily from lower gas repairs tax benefits

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's cost of natural gas decreased by $120 million driven by Sempra California, which included:

- $109 million lower average natural gas prices
- $12 million lower volumes driven by weather

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's natural gas revenues decreased by $443 million (12%) driven by Sempra California, which included:

- $276 million decrease in cost of natural gas sold, which we discuss below
- $172 million lower regulatory revenues associated with refundable programs, which are fully offset in O&M
- $45 million lower revenues from higher non-service components of net periodic benefit cost, which fully offsets in other income, net
- $37 million lower regulatory revenues associated with the acceleration of self-developed software deductions, which are offset in income tax expense

Offset by:

- $72 million higher CPUC-authorized base revenues
- $29 million lower revenues in 2025 from disallowed regulatory recovery of COVID-19 costs
- $15 million higher regulatory revenues primarily from lower gas repairs tax benefits

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's cost of natural gas decreased by $278 million (41%) driven by Sempra California, which included:

- $181 million lower average natural gas prices
- $95 million lower volumes driven by weather

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

Our utilities revenues include electric revenues at Sempra California, substantially all of which are 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,	
	2026	2025	2026	2025
Sempra:				
Electric revenues:				
Sempra California	$ 1,159	$ 1,032	$ 2,384	$ 2,092
Eliminations and adjustments	(1)	(1)	(2)	(2)
Total	$ 1,158	$ 1,031	$ 2,382	$ 2,090
Cost of electric fuel and purchased power[1]:				
Sempra California	$ 135	$ 106	$ 229	$ 179
Eliminations and adjustments	(21)	(15)	(34)	(36)
Total	$ 114	$ 91	$ 195	$ 143

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

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's electric revenues increased by $127 million (12%) driven by Sempra California, which included:

- $37 million higher revenues from incremental and balanced capital projects
- $32 million higher regulatory revenues from lower ITCs from standalone energy storage projects, which are offset in income tax expense
- $29 million increase in cost of electric fuel and purchased power, which we discuss below
- $12 million higher revenues from transmission operations, including favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement
- $11 million higher CPUC-authorized base revenues
- $9 million higher regulatory revenues associated with refundable programs, which are fully offset in O&M

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's cost of electric fuel and purchased power increased by $23 million (25%) driven by Sempra California, which included:

- $27 million higher purchased power primarily due to changes in excess capacity sales offset by lower utility-owned generation costs
- $10 million lower sales to the California ISO due to lower market prices

Offset by:

- $7 million lower purchased power from the California ISO due to lower market prices

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's electric revenues increased by $292 million (14%) driven by Sempra California, which included:

- $136 million higher revenues from incremental and balanced capital projects, including $59 million recognition of regulatory revenue reflecting returns on approved WMP capital projects resulting from the 2024 GRC Track 2 FD
- $65 million higher regulatory revenues from lower ITCs from standalone energy storage projects, which are offset in income tax expense
- $50 million increase in cost of electric fuel and purchased power, which we discuss below
- $26 million higher revenues from transmission operations, including favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement
- $18 million higher regulatory revenues associated with refundable programs, which are fully offset in O&M
- $17 million higher CPUC-authorized base revenues

Offset by:

- $10 million lower regulatory revenues associated with the acceleration of self-developed software deductions, which are offset in income tax expense

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's cost of electric fuel and purchased power increased by $52 million (36%) driven by Sempra California, which included:

- $52 million lower sales to the California ISO due to lower market prices
- $32 million higher purchased power primarily due to changes in excess capacity sales and tolling agreements offset by lower utility-owned generation costs

Offset by:

- $33 million lower purchased power from the California ISO due to lower market prices

Energy-Related Businesses: Revenues and Cost of Sales

ENERGY-RELATED BUSINESSES: REVENUES AND COST OF SALES
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
Revenues:				
Sempra Infrastructure	$ 494	$ 512	$ 910	$ 912
Parent and other[1]	(19)	(13)	(29)	(32)
Total	$ 475	$ 499	$ 881	$ 880
Cost of sales[2]:				
Sempra Infrastructure[3]	$ (69)	$ 85	$ 7	$ 204

(1) Includes eliminations of intercompany activity.
(2) Excludes depreciation and amortization, which are presented separately on Sempra's Condensed Consolidated Statements of Operations.
(3) Includes net unrealized (gains) losses in 2026 from undesignated commodity derivatives.

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's revenues from energy-related businesses decreased by $24 million (5%) primarily due to:

- $27 million revenues in 2025 driven by a contract modification in December 2024 on an LNG storage and regasification agreement that ended in December 2025
- $11 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
  - $58 million driven by lower natural gas prices and lower volumes associated with optimization of transport and storage contracts
  - $13 million primarily from lower diversion fees due to lower natural gas prices

  Offset by:
  - $60 million higher unrealized gains on commodity derivatives

Offset by:

- $17 million higher revenues primarily due to the commencement of commercial operations at Cimarrón Wind in March 2026 offset by lower volumes from wind power generation assets

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's cost of sales from energy-related businesses decreased by $154 million primarily due to:

- $77 million from $75 million unrealized gains in 2026 compared to $2 million unrealized losses in 2025 on undesignated commodity derivatives related to the PA LNG Phase 1 project and ECA LNG Phase 1 project
- $68 million driven by lower natural gas purchases related to asset and supply optimization

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's revenues from energy-related businesses increased by $1 million primarily due to:

- $25 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
  - $140 million from $121 million unrealized gains in 2026 compared to $19 million unrealized losses in 2025 on commodity derivatives

  Offset by:
  - $99 million driven by lower natural gas prices associated with optimization of transport and storage contracts
  - $16 million primarily from lower diversion fees due to lower natural gas prices
- $17 million higher transportation revenues primarily from higher rates
- $11 million higher revenues primarily due to the commencement of commercial operations at Cimarrón Wind in March 2026 offset by lower volumes from wind power generation assets

Offset by:

- $53 million revenues in 2025 driven by a contract modification in December 2024 on an LNG storage and regasification agreement that ended in December 2025

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's cost of sales from energy-related businesses decreased by $197 million primarily due to:

- $128 million driven by lower natural gas purchases related to asset and supply optimization
- $55 million from $53 million unrealized gains in 2026 compared to $2 million unrealized losses in 2025 on undesignated commodity derivatives related to the PA LNG Phase 1 project and ECA LNG Phase 1 project

Operation and Maintenance

OPERATION AND MAINTENANCE
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
Sempra California	$ 995	$ 1,000	$ 2,011	$ 2,175
Sempra Texas Utilities	1	1	3	3
Sempra Infrastructure	229	213	450	387
Segment totals	1,225	1,214	2,464	2,565
Parent and other[1]	26	25	29	17
Total	$ 1,251	$ 1,239	$ 2,493	$ 2,582

(1) *Includes eliminations of intercompany activity.*

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's O&M increased by $12 million (1%) primarily due to:

- $16 million increase at Sempra Infrastructure due to:
  - $19 million higher development costs and certain non-capitalized expenses from projects under construction
  - $13 million higher purchased services and maintenance expenses

  Offset by:
  - $22 million from changes in provisions for expected credit losses

Offset by:

- $5 million decrease at Sempra California primarily due to lower non-refundable operating costs

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's O&M decreased by $89 million (3%) due to:

- $164 million decrease at Sempra California due to:
  - $154 million lower expenses associated with refundable programs, which costs are recovered in revenue
  - $10 million lower non-refundable operating costs

Offset by:

- $63 million increase at Sempra Infrastructure primarily due to:
  - $36 million higher development costs and certain non-capitalized expenses from projects under construction
  - $31 million higher purchased services and maintenance expenses

  Offset by:
  - $9 million related to 2025 expected credit losses on a credit support agreement with a third-party financial institution and associated transaction fees
- $12 million increase at Parent and other primarily due to higher deferred compensation expense

Depreciation and Amortization

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's depreciation and amortization decreased by $41 million (6%) to $612 million primarily due to:

- $75 million lower at Sempra Infrastructure as a result of classifying SI Partners and Ecogas as held for sale in September 2025 and June 2025, respectively

Offset by:

- $33 million higher at Sempra California due to higher utility plant rate base

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's depreciation and amortization decreased by $60 million (5%) to $1.2 billion due to:

- $148 million lower at Sempra Infrastructure as a result of classifying SI Partners and Ecogas as held for sale in September 2025 and June 2025, respectively

Offset by:

- $88 million higher at Sempra California due to higher utility plant rate base

Other Income, Net

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's other income, net, increased by $8 million (14%) to $67 million primarily due to:

- $48 million from a $17 million credit in 2026 compared to a $31 million cost in 2025 for the non-service components of net periodic benefit cost primarily at Sempra California
- $7 million reduction in regulatory interest in 2025 from disallowed regulatory recovery of COVID-19 costs at Sempra California

Offset by:

- $35 million from $34 million net losses in 2026 compared to a $1 million net gain in 2025 from impacts associated with foreign exchange instruments and foreign currency transactions primarily at Sempra Infrastructure, including:
  - $40 million higher losses on foreign currency derivatives as a result of fluctuation of the Mexican peso

  Offset by:
  - $5 million higher gains driven by foreign currency transactional effects
- $8 million lower AFUDC equity primarily at Sempra California
- $4 million lower net interest income on regulatory balancing accounts at Sempra California

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's other income, net, increased by $17 million (11%) to $167 million primarily due to:

- $54 million from a $46 million credit in 2026 compared to a $8 million cost in 2025 for the non-service components of net periodic benefit cost primarily at Sempra California
- $7 million reduction in regulatory interest in 2025 from disallowed regulatory recovery of COVID-19 costs at Sempra California

Offset by:

- $31 million from $26 million net losses in 2026 compared to $5 million net gains in 2025 from impacts associated with foreign exchange instruments and foreign currency transactions driven by $31 million higher losses on foreign currency derivatives as a result of fluctuation of the Mexican peso at Sempra Infrastructure
- $7 million lower AFUDC equity
- $6 million lower net interest income on regulatory balancing accounts at Sempra California

Interest Income

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's interest income increased by $24 million to $38 million primarily due to $24 million higher interest from interest bearing cash accounts primarily from the PA LNG Phase 1 project and PA LNG Phase 2 project at Sempra Infrastructure.

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's interest income increased by $30 million to $78 million due to:

- $43 million higher interest from interest bearing cash accounts primarily from the PA LNG Phase 1 project and PA LNG Phase 2 project at Sempra Infrastructure

Offset by:

- $17 million change in the fair value of the Support Agreement at Sempra Infrastructure

Interest Expense

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's interest expense increased by $71 million (20%) to $430 million primarily due to:

- $28 million at Sempra California from higher debt balances from debt issuances
- $27 million at Parent and other from higher debt balances from debt issuances and higher borrowings on commercial paper offset by higher capitalization of interest expense from projects under construction at Sempra Infrastructure
- $16 million at Sempra Infrastructure primarily from:
  - $28 million higher write-off of debt issuance costs due to the early repayment of the Port Arthur LNG I term loan facility

  Offset by:
  - $12 million higher unrealized gains on interest rate swaps related to the PA LNG Phase 1 project

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's interest expense increased by $20 million (3%) to $812 million due to:

- $47 million at Sempra California primarily from higher debt balances from debt issuances
- $44 million at Parent and other from higher debt balances from debt issuances and higher borrowings on commercial paper offset by higher capitalization of interest expense from projects under construction at Sempra Infrastructure

Offset by:

- $71 million at Sempra Infrastructure from:
  - $86 million favorable impact in interest expense from interest rate swaps related to the PA LNG Phase 1 project comprised of:
    - $84 million realized gains in 2026 from the termination of interest rate swaps, net of transaction costs
    - $2 million lower unrealized losses

  Offset by:
  - $12 million higher write-off of debt issuance costs due to the early repayment of the Port Arthur LNG I term loan facility

Income Taxes

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Sempra:				
Income tax expense	$ 112	$ 172	$ 177	$ 229
Income before income taxes and equity earnings	$ 507	$ 298	$ 1,355	$ 949
Equity earnings, before income tax[(1)]	167	169	315	310
Pretax income	$ 674	$ 467	$ 1,670	$ 1,259
Effective income tax rate	17 %	37 %	11 %	18 %

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

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

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's income tax expense decreased by $60 million (35%) primarily due to:

- $84 million from $38 million income tax expense in 2026 compared to $122 million income tax expense in 2025 from foreign currency and inflation effects on our monetary positions in Mexico and associated undesignated derivatives
- $58 million from $20 million income tax benefit in 2026 compared to $38 million income tax expense in 2025 as a result of classifying SI Partners and Ecogas as held for sale, comprised of the following:
  - $37 million from $1 million income tax expense in 2026 compared to $38 million income tax expense in 2025 related to a Mexican deferred income tax liability on the outside basis difference in our investment in Ecogas
  - $21 million income tax benefit in 2026 to adjust deferred income tax liabilities primarily related to outside basis differences in our investment in SI Partners

Offset by:

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

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's income tax expense decreased by $52 million (23%) primarily due to:

- $94 million from $56 million income tax benefit in 2026 compared to $38 million income tax expense in 2025 as a result of classifying SI Partners and Ecogas as held for sale, comprised of the following:
  - $54 million income tax benefit in 2026 to adjust deferred income tax liabilities primarily related to outside basis differences in our investment in SI Partners
  - $40 million from $2 million income tax benefit in 2026 compared to $38 million income tax expense in 2025 related to a Mexican deferred income tax liability on the outside basis difference in our investment in Ecogas
- $92 million from $20 million income tax expense in 2026 compared to $112 million income tax expense in 2025 from foreign currency and inflation effects on our monetary positions in Mexico and associated undesignated derivatives
- $23 million higher income tax benefit attributable to NCI's share of higher U.S. partnership's pretax income

Offset by:

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

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 8 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, 2026 compared to the same period in 2025, Sempra's equity earnings increased by $154 million (39%) to $547 million primarily due to:

- $137 million at Oncor Holdings driven by:
  - overall higher revenues primarily attributable to:
    - the surcharge resulting from the comprehensive base rate review, reflecting the difference between newly approved rates and previously effective rates for the period from January 1, 2026 to June 1, 2026
    - increase due to the UTM and SRP
    - new base rates implemented in June 2026
    - rate updates to reflect increases in invested capital
    - customer growth

  Offset by:
  - higher depreciation expense and interest expense associated with increases in invested capital
  - higher O&M
- $14 million at IMG due to lower income tax expense

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's equity earnings increased by $196 million (27%) to $914 million primarily due to:

- $162 million at Oncor Holdings driven by:
  - overall higher revenues primarily attributable to:
    - increase due to the UTM and SRP
    - the surcharge resulting from the comprehensive base rate review, reflecting the difference between newly approved rates and previously effective rates for the period from January 1, 2026 to June 1, 2026
    - new base rates implemented in June 2026
    - rate updates to reflect increases in invested capital
    - customer growth

    Offset by:
    - lower customer consumption primarily attributable to weather

  Offset by:
  - higher depreciation expense and interest expense associated with increases in invested capital
  - higher O&M
- $21 million at IMG due to lower income tax expense and lower interest expense

Earnings Attributable to Noncontrolling Interests

In the three months ended June 30, 2026 compared to the same period in 2025, Sempra's earnings attributable to NCI increased by $95 million to $141 million primarily due to an increase in SI Partners subsidiaries' net income driven by higher unrealized gains on commodity derivatives and foreign currency and inflation effects on our monetary positions in Mexico.

In the six months ended June 30, 2026 compared to the same period in 2025, Sempra's earnings attributable to NCI increased by $200 million to $248 million primarily due to an increase in SI Partners subsidiaries' net income driven by a favorable impact in interest expense from the termination of interest rate swaps in 2026 related to the PA LNG Phase 1 project, lower depreciation expense as a result of classifying SI Partners and Ecogas as held for sale in September 2025 and June 2025, respectively, and unrealized gains in 2026 compared to unrealized losses in 2025 on commodity derivatives.

IMPACT OF FOREIGN CURRENCY AND INFLATION RATES ON RESULTS OF OPERATIONS

Because Ecogas, our natural gas distribution utility in Mexico, uses the Mexican peso as its functional currency, its revenues and expenses are translated into U.S. dollars at average exchange rates for the period when included in Sempra's results of operations. Year-over-year differences in average exchange rates used to translate Ecogas' income statement activity can therefore create variances in our comparative results of operations. In the three months and six months ended June 30, 2026 compared to the same periods in 2025, the impact of changes in average foreign currency translation rates on our earnings was negligible and $1 million, respectively.

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.

The impact from fluctuations in foreign currency exchange rates and Mexican inflation on our results of operations is summarized in the following table.

TRANSACTIONAL GAINS (LOSSES) FROM FOREIGN CURRENCY AND INFLATION EFFECTS
(Dollars in millions)

	Total reported amounts		Transactional (losses) gains included in reported amounts	
	Three months ended June 30,			
	2026	2025	2026	2025
Sempra:				
Other income, net	$ 67	$ 59	$ (34)	$ 1
Income tax expense	(112)	(172)	(38)	(122)
Equity earnings	547	393	(26)	(25)
Net income	942	519	(98)	(146)
Earnings attributable to noncontrolling interests	(141)	(46)	27	49
Earnings attributable to common shares	796	461	(71)	(97)

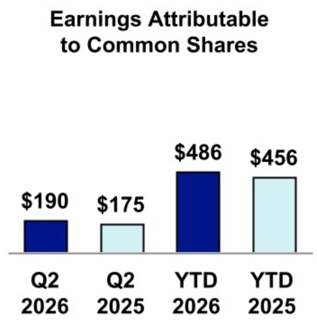
	Six months ended June 30,			
	2026	2025	2026	2025
Sempra:				
Other income, net	$ 167	$ 150	$ (26)	$ 5
Income tax expense	(177)	(229)	(20)	(112)
Equity earnings	914	718	(23)	(27)
Net income	2,092	1,438	(69)	(134)
Earnings attributable to noncontrolling interests	(248)	(48)	17	45
Earnings attributable to common shares	1,833	1,367	(52)	(89)

At June 30, 2026, SI Partners, which holds our foreign operations, is classified as held for sale. Upon completion of the planned sale, which we expect to occur in the third quarter of 2026, we will deconsolidate SI Partners and account for our remaining 25% interest under the equity method, which we expect will reduce volatility in our results of operations associated with foreign currency exchange rate fluctuations and Mexican inflation.

We discuss herein SDG&E's results of operations and significant changes in earnings, revenues and costs in the three months (Q2) and six months (YTD) ended June 30, 2026 compared to the same period in 2025.

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS
(Dollars in millions)



In the three months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $15 million (9%) was primarily due to:

- $17 million higher CPUC base operating margin, net of operating expenses
- $13 million higher electric transmission margin, including the favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement
- $8 million higher income tax benefits primarily from flow-through items

Offset by:

- $9 million higher net interest expense
- $7 million lower AFUDC equity

In the six months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $30 million (7%) was primarily due to:

- $49 million higher CPUC base operating margin, net of operating expenses, including $43 million recognition of regulatory revenue reflecting returns on approved WMP capital projects resulting from the 2024 GRC Track 2 FD
- $17 million higher electric transmission margin, including the favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement

Offset by:

- $18 million higher net interest expense
- $9 million lower AFUDC equity

SIGNIFICANT CHANGES IN REVENUES AND COSTS

Electric Revenues and Cost of Electric Fuel and Purchased Power

In the three months ended June 30, 2026 compared to the same period in 2025, SDG&E’s electric revenues increased by $129 million (12%) to $1.2 billion primarily due to:

- $37 million higher revenues from incremental and balanced capital projects
- $32 million higher regulatory revenues from lower ITCs from standalone energy storage projects, which are offset in income tax expense
- $29 million increase in cost of electric fuel and purchased power, which we discuss below
- $12 million higher revenues from transmission operations, including favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement
- $11 million higher CPUC-authorized base revenues
- $9 million higher regulatory revenues associated with refundable programs, which are fully offset in O&M

In the three months ended June 30, 2026 compared to the same period in 2025, SDG&E’s cost of electric fuel and purchased power increased by $29 million (27%) to $135 million primarily due to:

- $27 million higher purchased power primarily due to changes in excess capacity sales offset by lower utility-owned generation costs
- $10 million lower sales to the California ISO due to lower market prices

Offset by:

- $7 million lower purchased power from the California ISO due to lower market prices

In the six months ended June 30, 2026 compared to the same period in 2025, SDG&E’s electric revenues increased by $293 million (14%) to $2.4 billion primarily due to:

- $136 million higher revenues from incremental and balanced capital projects, including $59 million recognition of regulatory revenue reflecting returns on approved WMP capital projects resulting from the 2024 GRC Track 2 FD
- $65 million higher regulatory revenues from lower ITCs from standalone energy storage projects, which are offset in income tax expense
- $50 million increase in cost of electric fuel and purchased power, which we discuss below
- $26 million higher revenues from transmission operations, including favorable impact from the retroactive application of the June 2026 FERC-approved TO6 settlement
- $18 million higher regulatory revenues associated with refundable programs, which are fully offset in O&M
- $17 million higher CPUC-authorized base revenues

Offset by:

- $10 million lower regulatory revenues associated with the acceleration of self-developed software deductions, which are offset in income tax expense

In the six months ended June 30, 2026 compared to the same period in 2025, SDG&E’s cost of electric fuel and purchased power increased by $50 million (28%) to $229 million primarily due to:

- $52 million lower sales to the California ISO due to lower market prices
- $32 million higher purchased power primarily due to changes in excess capacity sales and tolling agreements offset by lower utility-owned generation costs

Offset by:

- $33 million lower purchased power from the California ISO due to lower market prices

Natural Gas Revenues and Cost of Natural Gas

In the three months ended June 30, 2026 and 2025, SDG&E’s average cost of natural gas per thousand cubic feet was $2.77 and $4.60, respectively. In the six months ended June 30, 2026 and 2025, SDG&E’s average cost of natural gas per thousand cubic feet was $5.13 and $4.86, 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, 2026 compared to the same period in 2025, SDG&E’s natural gas revenues decreased by $23 million (10%) to $205 million primarily due to:

- $22 million decrease in cost of natural gas sold, which we discuss below

- $5 million lower revenues from incremental and balanced capital projects

Offset by:

- $5 million higher CPUC-authorized base revenues

In the three months ended June 30, 2026 compared to the same period in 2025, SDG&E's cost of natural gas decreased by $22 million to $22 million due to:

- $15 million lower average natural gas prices
- $7 million lower volumes driven by weather

In the six months ended June 30, 2026 compared to the same period in 2025, SDG&E's natural gas revenues decreased by $60 million (10%) to $524 million primarily due to:

- $30 million lower regulatory revenues associated with refundable programs, which are fully offset in O&M
- $19 million decrease in cost of natural gas sold, which we discuss below
- $17 million lower revenues from incremental and balanced capital projects

Offset by:

- $11 million higher regulatory revenues primarily from lower gas repairs tax benefits
- $6 million higher CPUC-authorized base revenues

In the six months ended June 30, 2026 compared to the same period in 2025, SDG&E's cost of natural gas decreased by $19 million (15%) to $112 million due to:

- $25 million lower volumes driven by weather

Offset by:

- $6 million higher average natural gas prices

Operation and Maintenance

In the six months ended June 30, 2026 compared to the same period in 2025, SDG&E's O&M decreased by $13 million (2%) to $830 million primarily due to lower expenses associated with refundable programs, which costs are recovered in revenue.

Other Income, Net

In the three months ended June 30, 2026 compared to the same period in 2025, SDG&E's other income, net, decreased by $7 million (23%) to $24 million primarily due to lower AFUDC equity.

In the six months ended June 30, 2026 compared to the same period in 2025, SDG&E's other income, net, decreased by $9 million (13%) to $62 million primarily due to lower 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,	
	2026	2025	2026	2025
SDG&E:				
Income tax expense	$ 39	$ 7	$ 108	$ 21
Income before income taxes	$ 229	$ 182	$ 594	$ 477
Effective income tax rate	17 %	4 %	18 %	4 %

In the three months and six months ended June 30, 2026 compared to the same periods in 2025, SDG&E's income tax expense increased by $32 million and $87 million, respectively, primarily due to:

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

We discuss herein SoCalGas' results of operations and significant changes in earnings, revenues and costs in the three months (Q2) and six months (YTD) ended June 30, 2026 compared to the same period in 2025.

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS
(Dollars in millions)

In the three months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $23 million (27%) was primarily due to:

- $25 million charge in 2025 from disallowed regulatory recovery of COVID-19 costs
- $21 million higher income tax benefits primarily from flow-through items
- $4 million higher CPUC base operating margin, net of operating expenses

Offset by:

- $11 million higher net interest expense
- $10 million regulatory award approved by the CPUC in 2025
- $3 million lower AFUDC equity

In the six months ended June 30, 2026 compared to the same period in 2025, the increase in earnings of $4 million (1%) was primarily due to:

- $25 million charge in 2025 from disallowed regulatory recovery of COVID-19 costs
- $10 million higher CPUC base operating margin, net of operating expenses

Offset by:

- $16 million higher net interest expense
- $6 million lower AFUDC equity
- $5 million lower income tax benefits primarily from flow-through items

SIGNIFICANT CHANGES IN REVENUES AND COSTS

Natural Gas Revenues and Cost of Natural Gas

In the three months ended June 30, 2026 and 2025, SoCalGas' average cost of natural gas per thousand cubic feet was $0.87 and $2.50, respectively. In the six months ended June 30, 2026 and 2025, SoCalGas' average cost of natural gas per thousand cubic feet was $2.21 and $3.57, 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, 2026 compared to the same period in 2025, SoCalGas' natural gas revenues decreased by $81 million (6%) to $1.2 billion primarily due to:

- $101 million decrease in cost of natural gas sold, which we discuss below
- $43 million lower revenues from a $21 million credit in 2026 compared to a $22 million cost in 2025 for the non-service components of net periodic benefit cost, which fully offsets in other income (expense), net
- $14 million regulatory award approved by the CPUC in 2025
- $7 million lower regulatory revenues associated with the acceleration of self-developed software deductions, which are offset in income tax expense
- $5 million lower regulatory revenues associated with refundable programs, which are fully offset in O&M

Offset by:

- $30 million higher CPUC-authorized base revenues
- $29 million lower revenues in 2025 from disallowed regulatory recovery of COVID-19 costs
- $20 million higher regulatory revenues primarily from lower gas repairs tax benefits
- $14 million higher revenues from incremental and balanced capital projects

In the three months ended June 30, 2026 compared to the same period in 2025, SoCalGas' cost of natural gas decreased by $101 million to $51 million due to:

- $96 million lower average natural gas prices
- $5 million lower volumes driven by weather

In the six months ended June 30, 2026 compared to the same period in 2025, SoCalGas' natural gas revenues decreased by $373 million (11%) to $2.9 billion primarily due to:

- $260 million decrease in cost of natural gas sold, which we discuss below
- $142 million lower regulatory revenues associated with refundable programs, which are fully offset in O&M
- $43 million lower revenues from a $43 million credit in 2026 compared to a negligible cost in 2025 for the non-service components of net periodic benefit cost, which fully offsets in other income (expense), net
- $35 million lower regulatory revenues associated with the acceleration of self-developed software deductions, which are offset in income tax expense

Offset by:

- $66 million higher CPUC-authorized base revenues
- $29 million lower revenues in 2025 from disallowed regulatory recovery of COVID-19 costs
- $24 million higher revenues from incremental and balanced capital projects

In the six months ended June 30, 2026 compared to the same period in 2025, SoCalGas' cost of natural gas decreased by $260 million (46%) to $307 million due to:

- $190 million lower average natural gas prices
- $70 million lower volumes driven by weather

Operation and Maintenance

In the six months ended June 30, 2026 compared to the same period in 2025, SoCalGas' O&M decreased by $139 million (10%) to $1.2 billion primarily due to lower expenses associated with refundable programs, which costs are recovered in revenue.

Other Income (Expense), Net

In the three months ended June 30, 2026 compared to the same period in 2025, SoCalGas had $41 million of other income, net, in 2026 compared to $2 million of other expense, net, in 2025 primarily due to:

- $44 million from a $21 million credit in 2026 compared to a $23 million cost in 2025 for the non-service components of net periodic benefit cost
- $7 million reduction in regulatory interest in 2025 from disallowed regulatory recovery of COVID-19 costs

Offset by:

- $3 million lower AFUDC equity
- $2 million lower net interest income on regulatory balancing accounts

In the six months ended June 30, 2026 compared to the same period in 2025, SoCalGas' other income, net, increased by $44 million to $84 million due to:

- $48 million from a $42 million credit in 2026 compared to a $6 million cost in 2025 for the non-service components of net periodic benefit cost
- $7 million reduction in regulatory interest in 2025 from disallowed regulatory recovery of COVID-19 costs

Offset by:

- $6 million lower AFUDC equity
- $5 million lower net interest income on regulatory balancing accounts

Income Taxes

INCOME TAX EXPENSE (BENEFIT) AND EFFECTIVE INCOME TAX RATES
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
SoCalGas:				
Income tax expense	$ —	$ 6	$ 20	$ 44
Income before income taxes	$ 108	$ 91	$ 552	$ 572
Effective income tax rate	— %	7 %	4 %	8 %

In the three months and six months ended June 30, 2026 compared to the same periods in 2025, SoCalGas' income tax expense decreased by $6 million and $24 million, respectively, primarily due to higher income tax benefits from flow-through items.

CAPITAL RESOURCES AND LIQUIDITY

OVERVIEW

Sempra

Capital Recycling Program

We regularly review our portfolio of assets with a view toward allocating capital to the businesses we believe can further enhance shareholder value. In September 2025, we entered into an agreement to sell a 45% equity interest in SI Partners to the KKR Partners for $9.99 billion, subject to adjustments. We expect to complete the sale in the third quarter of 2026, subject to closing conditions. SI Partners expects to complete the sale of Ecogas in August 2026 for 9.0 billion Mexican pesos (approximately $500 million in U.S. dollar-equivalent), subject to adjustments. We discuss these sales further in Note 6 of the Notes to Condensed Consolidated Financial Statements and below in "Sempra Infrastructure."

Liquidity

We expect to meet our cash requirements primarily 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
- selling assets or equity interests in our subsidiaries or development projects, including the planned sale of a portion of our equity interest in SI Partners
- issuing equity securities under our ATM program or other offerings
- funding from NCI owners or CRNCI owners

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 contributions
- 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 or 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 Sale 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.

We have entered into two forward sale agreements for the sale of shares of Sempra common stock under the ATM program that remain subject to future settlement. 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. These forward sale agreements may be settled on one or more dates specified by us occurring no later than the final settlement date under the applicable agreement. 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. The principal terms of these forward sale agreements at June 30, 2026 are as follows:

FORWARD SALE AGREEMENTS UNDER THE ATM PROGRAM THAT REMAIN SUBJECT TO FUTURE SETTLEMENT
(Dollars in millions, except per share amounts)

Date of agreement	Number of shares subject to agreement	Number of shares that remain to be settled	Initial forward price per share	Expected net proceeds[(1)]	Forward purchaser	Sales commissions	Final settlement date
November 18, 2024	2,909,274	2,909,274	$92.1546	$268	Bank of America, N.A.	$2.4	December 31, 2027
February 26, 2025	2,087,317	2,087,317	$70.6593	$147	Wells Fargo Bank, N.A.	$1.3	March 31, 2027

(1) Expected net proceeds assumes full physical settlement, is net of sales commission but does not deduct other equity issuance costs, and is subject to certain adjustments pursuant to the applicable forward sale agreement.

At June 30, 2026, approximately $2.6 billion of common stock remains available for sale under the ATM program. We provide additional information about these forward sale agreements in Note 13 of the Notes to Consolidated Financial Statements in the Annual Report.

We further discuss these activities, including the intended use of proceeds and effect on diluted EPS, in Note 11 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 have a committed line of credit expiring in 2030. Sempra Infrastructure has five committed lines of credit expiring on various dates from 2026 through 2030 and an uncommitted line of credit expiring on August 12, 2026, which are included in the disposal group that is classified as held for sale. These lines of credit remain legally accessible and are sources of available credit to Sempra Infrastructure until completion of the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements.

AVAILABLE FUNDS AT JUNE 30, 2026
(Dollars in millions)

	Sempra	SDG&E	SoCalGas
Unrestricted cash and cash equivalents[1]	$ 202	$ 1	$ 2
Available unused credit[2]	8,235	1,498	1,100

[1] *Sempra includes $113 held in foreign jurisdictions, which is included in the $154 that is classified as Assets Held for Sale in the Sempra Condensed Consolidated Balance Sheet. We discuss repatriation in Note 8 of the Notes to Consolidated Financial Statements in the Annual Report.*

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

Short-Term Borrowings

We use short-term debt primarily to meet liquidity requirements, fund shareholder dividends, and temporarily finance capital expenditures or acquisitions. SDG&E and SoCalGas use short-term debt primarily to meet working capital needs or to help fund event-specific costs. Commercial paper and lines of credit were our primary sources of short-term debt funding in the first six months of 2026.

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 2026 included the following:

LONG-TERM DEBT ISSUANCES AND PAYMENTS
(Dollars in millions)

Issuances:	Amount at issuance	Maturity
Sempra senior unsecured floating rate notes	$ 1,000	2028
Sempra senior unsecured 5.25% notes	800	2036
SDG&E 5.20% first mortgage bonds	625	2036
SDG&E 5.95% first mortgage bonds	475	2056
SoCalGas 5.90% first mortgage bonds	650	2056
Sempra Infrastructure variable rate notes (ECA LNG Phase 1 project)	107	2027
Sempra Infrastructure variable rate term loan (PA LNG Phase 1 project)	1,169	2030
Sempra Infrastructure 6.43% senior secured notes (PA LNG Phase 1 project)	2,000	2048

Payments:	Payments	Maturity
SDG&E 2.50% first mortgage bonds	$ 500	2026
SDG&E 6.00% first mortgage bonds	250	2026
SoCalGas 2.60% first mortgage bonds	500	2026
Sempra Infrastructure variable rate term loan (PA LNG Phase 1 project)	1,975	2030

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

Credit Ratings

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

The credit ratings of Sempra, SDG&E and SoCalGas remained at investment grade levels in the first six months of 2026.

ISSUER CREDIT RATINGS AT JUNE 30, 2026

	Sempra	SDG&E	SoCalGas
Moody’s	Baa2 with a negative outlook	A3 with a stable outlook	A2 with a stable outlook(1)
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

(1) *Reflects the senior unsecured rating, as no issuer credit rating is available.*

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 is rated A2, A and A at Moody’s, S&P and Fitch, respectively, at June 30, 2026.

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 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 that are probable of recovery in regulatory accounts. Although SDG&E and SoCalGas have regulatory mechanisms to recover credit losses, any delay in payments by customers impacts the timing of their respective 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

In December 2025, SDG&E and SoCalGas filed a petition for modification of the 2024 GRC, seeking to modify the post-test year mechanism for capital related costs. The petition for modification seeks increases of $55 million, $87 million and $79 million to the approved revenue requirements for SDG&E for 2025, 2026 and 2027, respectively, and increases of $86 million, $122 million and $109 million to the approved revenue requirements for SoCalGas for 2025, 2026 and 2027, respectively. There is no established timeline for the CPUC to act on this filing.

Existing and Anticipated Requests for Recovery of Specified Safety, Maintenance and Reliability Investments. The 2024 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, may result in additional amounts of authorized revenue requirement. These projects and programs include (i) the Track 3 request 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 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 its WMP costs incurred in 2023 that were in addition to the amounts authorized in the 2019 GRC. In March 2026 and amended in April and May of 2026, SDG&E provided supplemental testimony in its Track 3 request for drone inspection and repair program costs incurred from 2019 through 2022 that were transferred from its Track 2 request as a result of the Track 2 FD. The supplemental testimony seeks review and recovery of $659 million of direct WMP and drone inspection and repair program costs. In June 2026, SDG&E and three of four intervenors filed an offer of settlement with the CPUC addressing recovery of its 2023 WMP costs and 2019-2022 drone inspection and repair program costs. If approved, the settlement would reduce SDG&E's requested revenue requirement from $766 million to $621 million. The settlement remains subject to CPUC approval, and SDG&E expects to receive an FD in the second half of 2026. Separately, SDG&E and SoCalGas submitted a combined request seeking review and recovery of $240 million of PSEP costs incurred from 2014 through 2019 and $499 million of PSEP costs incurred from 2015 through 2020, respectively. SDG&E and SoCalGas expect to receive an FD for their Track 3 requests related to their PSEP costs in the second half of 2026.

Revenue requirements associated with the Track 3 requests have been recorded in regulatory accounts and any disallowances resulting from Track 3 would be recorded as an expense on the Sempra, SDG&E and SoCalGas Condensed Consolidated Statements of Operations. 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.

SDG&E

Wildfire Fund and Continuation Account

The 2019 Wildfire Legislation established the Wildfire Fund and the 2025 Wildfire Legislation established the Continuation Account (collectively, the Wildfire Legislation), which offer liquidity to reimburse wildfire-related claims incurred by participating California electric IOUs in excess of $1.0 billion, subject to the coverage of each fund. The Wildfire Fund and the Continuation Account, if it becomes operative, could be materially reduced, exhausted, or terminated due to claims by SDG&E or other participating IOUs related to fires caused by utility conduct or operations, or SDG&E could fail to maintain a valid annual safety certification from the OEIS or meet other requirements, any of which could result in SDG&E losing eligibility for the Wildfire Legislation's liability cap and the other protections afforded by these funds. As a result, a fire resulting from the conduct or operations of any participating California electric IOU could have a material adverse effect on Sempra's and SDG&E's results of operations, financial condition, cash flows and/or prospects, with potentially material additional exposure if SDG&E's conduct or operations is determined to be a cause of a fire and SDG&E is found to have acted imprudently.

We further describe the 2019 Wildfire Legislation and SDG&E's commitment to make annual shareholder contributions to the Wildfire Fund through 2028, as well as the 2025 Wildfire Legislation and related Continuation Account, in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

2019 Wildfire Legislation. 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 2019 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 carrying value of SDG&E's Wildfire Fund asset totaled $248 million at June 30, 2026.

In July 2026, a participating IOU publicly disclosed that it has received, or expects to receive, approximately $1.38 billion in aggregate reimbursements from the Wildfire Fund for eligible claims related to wildfires that occurred in 2019 and 2021. Also in July 2026, another participating IOU publicly disclosed it has received, or expects to receive, approximately $645 million in aggregate reimbursements from the Wildfire Fund for losses incurred and expected to be incurred in connection with one of the LA Fires, which was found by the LACoFD and CAL FIRE investigators to have been caused by such IOU's equipment. The administrator of the Wildfire Fund has confirmed that this wildfire qualifies as a "covered wildfire" for purposes of accessing the Wildfire Fund, and the scope of potential damages caused by this fire could materially reduce or exhaust the Wildfire Fund. The participating IOU whose equipment was found to have caused this LA Fire stated that it is currently unable to reasonably estimate a range of potential losses associated with this event. Accordingly, SDG&E is unable to estimate a range of potential loss resulting from any reduction in available coverage from the Wildfire Fund. In addition to the risks described above, a material reduction, exhaustion or termination of the Wildfire Fund may require SDG&E to recognize a reduction to its Wildfire Fund asset up to its carrying value.

2025 Wildfire Legislation. In September 2025, the 2025 Wildfire Legislation was signed into law to establish, among other things, the Continuation Account, a new state-administered account with up to $18.0 billion of additional liquidity to reimburse catastrophic wildfire-related claims incurred by participating California electric IOUs, including SDG&E, if certain conditions are met.

FERC Rate Matters

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

TO5 Settlement. SDG&E's 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 Settlement. In June 2026, the FERC issued an order approving the TO6 offer of settlement. The TO6 settlement is retroactively effective as of June 1, 2025, and remains in effect until terminated by a notice provided in March of any year. Among other things, the settlement increases SDG&E's authorized base ROE from 10.10% to 10.28% and establishes a hypothetical capital structure with 54% common equity. SDG&E recognized the retroactive impact in the second quarter of 2026. The TO6 settlement does not affect SDG&E's appeal of the FERC's disallowance of the inclusion of the California ISO adder.

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

LA Fires

The LA Fires burned in SoCalGas' service territory. The California Department of Forestry and Fire Protection estimates that the Palisades and Eaton fires destroyed approximately 16,200 structures and damaged approximately 2,000 structures. Although the majority of SoCalGas' infrastructure in the fire-affected areas is underground, these fires resulted in service disruptions, response costs and damage to some of SoCalGas' infrastructure and third-party property. SoCalGas is subject to pending litigation with respect to the operation of its system and damage sustained as a result of the fires, which we discuss in Note 13 of the Notes to Condensed Consolidated Financial Statements. We cannot estimate the timing, costs, other impacts or ultimate outcome of these matters, which are inherently uncertain and subject to a number of risks that we discuss in "Part I – Item 1A. Risk Factors" in the Annual Report.

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

Sempra Texas Utilities

Oncor relies on external financing as a significant source of liquidity for its capital requirements. In the event that Oncor is unable 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

ERCOT Developments. Oncor operates in the ERCOT market. ERCOT is developing plans to address anticipated load growth in Texas, including in Oncor's service territory. Some of these plans, as well as the increase in data centers and other large load customers throughout the state, have been the subject of heightened engagement from the public and state and local officials regarding costs, timing, alternatives and implementation, including scrutiny and calls by some for modifications, delays or denials of ERCOT's 765-kV Strategic Transmission Expansion Plan (STEP) and other 765-kV transmission line projects. ERCOT also has implemented a PUCT-approved, system-wide approach to sequence large load customer interconnection requests in a recurring batch interconnection framework, the first stage of which is known as the batch zero process. ERCOT recently indicated it is suspending certain batch zero notifications in response to a directive for the PUCT and ERCOT to conduct a comprehensive audit of all data centers advancing through ERCOT's interconnection process, resulting in uncertainty about the timing for notifications of project placement in this process.

The outcome of public and legislative focus on ERCOT's proposed 765-kV transmission line plans and the timing for and determination of the customer projects eligible to advance in the batch zero interconnection process could have various and potentially material financial, operational, legal and other impacts on Oncor as a transmission service provider, including with respect to its capital expenditures and, in turn, Sempra's capital expenditures and investments. For instance, Oncor's capital expenditures plan from 2026 through 2030 and announced incremental capital expenditure opportunities within this period include significant amounts attributable to STEP. These and other political, legal and regulatory developments related to anticipated load growth in Oncor's service territory and large load customers could have a significant impact on Oncor's business, and the execution of these proposed plans is subject to numerous risks and uncertainties. For a discussion of some of these risks, see "Part I – Item 1A. Risk Factors" in the Annual Report.

2025 Comprehensive Base Rate Review. In April 2026, the PUCT issued an order in Oncor's comprehensive base rate review proceeding approving the terms of an unopposed comprehensive rate case settlement among the parties to the proceeding. The order provides for an annual revenue requirement of approximately $6.97 billion, an increase of approximately $560 million, or 8.7%, over Oncor's adjusted annualized revenues as provided in the rate application. The order also provides for a revised regulatory capital structure ratio of 56.5% debt to 43.5% equity, an authorized ROE of 9.75%, and an authorized cost of debt of 4.94%. This represents an improvement from Oncor's previously authorized regulatory capital structure ratio of 57.5% debt to 42.5% equity, return on equity of 9.70%, and cost of debt of 4.39%. The new base rates took effect on June 1, 2026.

Under a prior settlement regarding interim rates, Oncor is permitted to surcharge the difference between the new billing rates and its rates that had been in effect for the period from January 1, 2026 to June 1, 2026. Oncor filed the surcharge in a separate compliance filing in June 2026, and the requested surcharge took effect on August 1, 2026. In the second quarter of 2026, Oncor recognized the impact of the surcharge, including amounts related to the first quarter of 2026. As a result, our second-quarter equity earnings include a favorable impact of approximately $50 million, net of income tax, attributable to the first quarter.

Unified Tracker Mechanism. In June 2025, Texas House Bill 5247 was signed into law and became effective. The bill established the UTM, which allows qualifying electric utilities to apply for a single interim rate update annually through 2035 for cost recovery of certain transmission and distribution capital investments. Since the June 2025 effective date of the bill, Oncor has recognized and expects to continue recognizing revenues and corresponding regulatory assets for recoverable costs related to UTM-eligible transmission and distribution capital investments, including depreciation expense, carrying costs on unrecovered balances and related taxes.

In April 2026, Oncor filed its first annual UTM application with the PUCT seeking to include in rates approximately $4.4 billion of eligible transmission and distribution net capital investment costs incurred from January 1, 2025 to December 31, 2025. The UTM application is subject to PUCT review and approval. Oncor anticipates an order and updated rates in the second half of 2026.

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, 2026 and 2025, Sempra Infrastructure distributed $135 million and $91 million, respectively, to its NCI owners, and NCI owners contributed $74 million and $83 million, respectively, to Sempra Infrastructure.

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 a variety of factors as applicable depending on the project and many of which are outside our control, including 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 and any applicable approvals in Mexico
- 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 FID

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, stakeholder relations issues 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 FID, Sempra's results of operations, financial condition, cash flows and/or prospects. For a further discussion of these risks, see "Part I – Item 1A. Risk Factors" in the Annual Report.

The descriptions below discuss several HOAs, MOUs and other non-binding development agreements with respect to Sempra Infrastructure's various development projects. These arrangements do not commit any party to enter into definitive agreements or otherwise participate in the applicable project, and the ultimate participation by the parties remains subject to negotiation and finalization of definitive agreements, among other factors. The descriptions below also discuss certain financing arrangements for several of Sempra Infrastructure's projects in development and under construction; we discuss these and other financing arrangements related to these projects in more detail in Note 7 of the Notes to Condensed Consolidated Financial Statements in this report and the Notes to Consolidated Financial Statements in the Annual Report.

With respect to each project described below that has reached a positive FID, long-term definitive offtake agreements have been secured with third parties for the full initial offtake or generation capacity of the applicable project, other than an SPA with SI Partners for a portion of the offtake from the PA LNG Phase 2 project, which SI Partners intends to resell to third parties under offtake arrangements it plans to establish from time to time. We describe these SPAs in "Part I – Item 1. Business" in the Annual Report.

SI Partners

As we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements, in September 2025, we entered into an agreement to sell a 45% equity interest in SI Partners to the KKR Partners for $9.99 billion, subject to adjustments. We expect this sale to close in the third quarter of 2026, subject to certain conditions, including receipt of consents or waivers from certain lenders, partners and others; the absence of a material adverse effect on SI Partners; the absence of specific downgrade events under certain financing arrangements; and other customary closing conditions. As a result of satisfying all applicable criteria in September 2025, we classified SI Partners' assets and liabilities as held for sale and ceased recording depreciation and amortization.

The agreement provides that, subject to adjustments and the closing date, the purchase price will be paid to Sempra as follows:

- $4.65 billion in cash at closing;
- $4.14 billion plus interest compounded quarterly at 7.5% per annum through maturity on December 31, 2027 (totaling $4.6 billion with principal and interest based on an assumed closing date in the third quarter of 2026) under instruments backed by equity commitment letters; and
- $1.2 billion plus interest compounded quarterly at 8.5% per annum before January 1, 2031 and then 10.0% per annum through maturity seven years and 91 days after closing (totaling $2.3 billion with principal and interest if held to maturity, which would be less if prepaid, subject to a make-whole provision for interest through December 31, 2027) under promissory notes.

The purchase price is subject to adjustments for changes in net debt, net working capital and capital expenditures as of December 31, 2025, among others, and is subject to further adjustments for certain capital contributions by and distributions to Sempra in 2026 before the closing. In addition, $338 million of transaction fees incurred by the KKR Partners will be deducted from the purchase price at closing, and Sempra will pay a $340 million development credit for the KKR Partners' share of development costs through 2027. There may also be post-closing purchase price adjustments based on the performance through 2028 of certain wind power facilities, which could be affected by recent Mexican regulatory changes that impact the transmission rate methodology for these facilities, and adjustments to reflect any capital expenditure overruns or underruns associated with the ECA LNG Phase 1 project under construction and potential costs associated with third party consents or waivers.

Subject to closing, the KKR Partners will own 65% of SI Partners, Sempra will retain a 25% interest and ADIA will retain a 10% interest. As a result of Sempra's loss of a controlling financial interest in SI Partners, we will deconsolidate SI Partners and account for our 25% interest in SI Partners under the equity method within the existing Sempra Infrastructure segment.

The rights and obligations of the partners of SI Partners are governed by a limited partnership agreement, which will be amended and restated at closing. This limited partnership agreement contains certain provisions on project funding and distributions that could impact Sempra's results of operations and cash flows. For instance, the existing limited partnership agreement provides for certain priority distributions to one or more of the minority partners if certain cash flow or rate of return performance levels are not achieved or a specified project that reaches a positive FID does not meet certain other conditions by certain dates. In addition, the post-closing limited partnership agreement provides that Sempra will continue to have substantially similar funding obligations as it has before the sale for cost overruns in the ECA LNG Phase 1 project and the PA LNG Phase 1 project. For more information about the terms of the limited partnership agreement, see "Part I – Item 1. Business" and Note 6 of the Notes to Consolidated Financial Statements in the Annual Report.

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 and FTA and non-FTA approvals associated with the potential expansion. In November 2025, we received approval from the FERC to extend the deadline for construction authorization until March 2033. The non-FTA approval for the proposed Cameron LNG Phase 2 project includes, among other things, a May 2026 deadline to commence commercial exports. In April 2026, the DOE extended that deadline to March 2033.

SI Partners and the other Cameron LNG JV members, namely affiliates of TotalEnergies SE, Mitsui & Co., Ltd. and Japan LNG Investment, LLC, 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 renewable sources in Louisiana.

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. An FID remains subject to, among other things, securing these consents of the members and project lenders, satisfactory conclusion on certain ongoing engineering processes and selection of an EPC contractor, 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 SI Partners' 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.

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. In March 2026, the DOE extended the construction deadline associated with the project to September 2026.

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 of approximately $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. The ECA LNG Phase 1 project achieved mechanical completion in December 2025 and introduced gas into the facility in April 2026. As part of the commissioning process, the project completed loading and exported its first LNG cargo on July 7, 2026. Following the export of its first cargo, the facility was shut down for planned inspections, during which time damage was discovered in the project's refrigerant compressors. Subject to completion of a root cause investigation and the execution of the remediation workstreams being consistent with management expectations, we expect the project to reach substantial completion in the fourth quarter of 2026, with sales under long-term SPAs commencing shortly thereafter. Prior to substantial completion, net proceeds from LNG sales are recognized as an offset to total project capital expenditures. Reaching substantial completion under the EPC contract is subject to various milestones, including achieving certain performance tests and functionality.

ECA LNG Phase 1's customers have a termination right under their SPAs if the ECA LNG Phase 1 project does not commence commercial operations under the SPAs by February 24, 2026, subject to certain additional conditions. As of August 3, 2026, no customers have given notice of their intent to terminate the SPAs.

ECA LNG Phase 1 has a loan agreement with a borrowing capacity of $1.5 billion that matures in December 2027. At June 30, 2026 and December 31, 2025, $1.4 billion and $1.3 billion, respectively, of borrowings are outstanding under the loan agreement. IEnova and TotalEnergies SE have provided guarantees for repayment of the loan of up to $1,226 million and $305 million, respectively, plus accrued and unpaid interest. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

ECA LNG Phase 2 Project. SI Partners is developing a second, large-scale natural gas liquefaction project at the site of its existing ECA Regas Facility in Baja California, Mexico. We expect the proposed ECA LNG Phase 2 project to be comprised of multiple trains and one additional LNG storage tank and produce approximately 12 Mtpa of export capacity. We expect that future construction of the proposed ECA LNG Phase 2 project would conflict with the current operations at the ECA Regas Facility, which has a firm storage and nitrogen injection service agreement that expires in May 2028, to the extent this agreement has not expired or has not 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. In February 2026, the DOE extended the construction deadline associated with the project to December 2029.

We have non-binding MOUs and/or HOAs that provide a framework for potential offtake of LNG from the proposed ECA LNG Phase 2 project and potential acquisition of equity interests in ECA LNG Phase 2.

PA LNG Phase 1 Project. SI Partners 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 has received authorizations from the DOE that permit the export of LNG to be produced from the PA LNG Phase 1 project to all current and future FTA and non-FTA countries, and from the FERC for the siting, construction and operation of the PA LNG Phase 1 project.

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, with capital expenditures for the project of 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 substantially from our estimates. The first train of the Port Arthur LNG liquefaction project remains on schedule, and we continue to expect the first and second trains to commence commercial operations at or near the end of 2027 and in 2028, respectively.

As we discuss in Note 7 of the Notes to Condensed Consolidated Financial Statements, Port Arthur LNG I 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, 2026 and December 31, 2025, $2.4 billion and $3.2 billion, respectively, of borrowings are outstanding, and previous borrowings totaling $3.0 billion have been repaid and cannot be reborrowed 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.

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, 2026, 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.

PA LNG Phase 2 Project. Since reaching a positive FID in September 2025, SI Partners has commenced construction of a second phase of the Port Arthur LNG liquefaction project that we expect will be a similar size to the PA LNG Phase 1 project. The PA LNG Phase 2 project will consist of two liquefaction trains, one LNG storage tank, and associated facilities with a nameplate capacity of approximately 13 Mtpa.

SI Partners has received authorizations from the DOE that permit the export of LNG to be produced from the PA LNG Phase 2 project to all current and future FTA and non-FTA countries, and from the FERC for the siting, construction and operation of the PA LNG Phase 2 project.

We have an EPC contract with Bechtel to construct the PA LNG Phase 2 project, which has an estimated price of approximately $9.2 billion, with capital expenditures of approximately $14 billion, including, among other items, project contingency and a $1.9 billion true-up payment to the PA LNG Phase 1 project to acquire a 50% interest in the shared common facilities. The actual cost of the EPC contract and the actual amount of these capital expenditures may differ substantially from our estimates. We expect the third and fourth trains of the Port Arthur LNG liquefaction project to commence commercial operations in 2030 and 2031, respectively.

As we discuss in Note 10 of the Notes to Condensed Consolidated Financial Statements, in September 2025, PA2 JVCo issued 49.9% of its equity interests to Blackstone for $3.4 billion in cash at closing and a commitment to fund an additional $3.6 billion of capital contributions on a pre-determined funding schedule whereby Blackstone’s capital contributions are scheduled prior to SI Partners’ capital contributions. SI Partners holds the remaining 50.1% of equity interests in PA2 JVCo, and has committed to fund up to $7.8 billion to PA2 JVCo to support its share of the budgeted PA LNG Phase 2 project construction costs. SI Partners will continue to consolidate PA2 JVCo and direct the activities related to the construction and future operation and maintenance of the PA LNG Phase 2 project. Blackstone’s equity interest is subject to redemption and exit rights that are outside the control of SI Partners and Blackstone. As a result, we account for Blackstone’s NCI as being contingently redeemable, which is presented as CRNCI on Sempra’s Condensed Consolidated Balance Sheets.

To secure gas supply for the PA LNG Phase 2 project, SI Partners entered into a natural gas transportation agreement with a third-party pipeline developer. The transportation capacity commitment is subject to completion of pipeline construction by a third-party developer that is expected to occur by early 2029. SI Partners holds a contractual option to acquire the third party’s interest in the pipeline if certain construction milestones are not met, which acquisition would release SI Partners from the associated capacity commitment.

Asset and Supply Optimization. As we discuss in "Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in the Annual Report, SI Partners 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 June 2021, Sempra 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 Sempra from the SDSRA. We discuss this guarantee in Note 13 of the Notes to Condensed Consolidated Financial Statements.

In July 2020, Sempra entered into the 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 Sempra. We discuss this guarantee in Notes 1, 9 and 13 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 December 2025, we entered into an agreement to sell Ecogas for 9.0 billion Mexican pesos (approximately $500 million in U.S. dollar-equivalent at June 30, 2026), subject to adjustments. SI Partners entered into contingent foreign currency hedges, which we discuss in Note 8 of the Notes to Condensed Consolidated Financial Statements, that are designed to fix the exchange rate associated with the anticipated after-tax net proceeds. SI Partners expects to complete the sale in August 2026.

As a result of satisfying all applicable criteria in June 2025, we classified Ecogas' assets and liabilities as held for sale and ceased recording depreciation and amortization.

Louisiana Storage. SI Partners is constructing Louisiana Storage, a 12.5-billion-cubic-feet 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. 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 capital expenditures may differ substantially from our estimates. We expect Louisiana Storage to be ready for service in time to support the needs of the PA LNG Phase 1 project.

Port Arthur Pipeline Louisiana Connector. SI Partners owns and operates the Port Arthur Pipeline Louisiana Connector, a 72-mile pipeline connecting the PA LNG Phase 1 project to Gillis, Louisiana, which will be used to supply feed gas to the PA LNG Phase 1 project. The Port Arthur Pipeline Louisiana Connector achieved mechanical completion in January 2026 and was placed into service in June 2026.

Sonora Pipeline. 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.

In September 2019, Sempra 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.

In December 2025, Sempra Infrastructure and the CFE further amended their transportation services agreement to re-route the portion of the pipeline that is in the Yaqui territory, whereby the CFE has agreed to reimburse Sempra Infrastructure for the re-routing costs with a new tariff and requires the pipeline to be back in service no later than July 2029. 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. Execution of the re-routing project is ongoing. Additionally, in December 2025, Sempra Infrastructure and the CFE entered into an agreement for the CFE's potential equity participation in the Guaymas-El Oro segment of the Sonora pipeline.

We estimate the capital expenditures for re-routing the pipeline will be approximately $260 million, including capitalized interest and project contingency. The actual amount of capital expenditures may differ substantially from our estimates.

The Guaymas-El Oro segment of the Sonora pipeline, including the re-routed portion, currently constitutes a Sole Risk Project under the terms of the SI Partners limited partnership agreement, which means that Sempra Infrastructure holds a 100% interest in this Sole Risk Project. Sole Risk Projects are separated from other SI Partners projects and are conducted at Sempra's sole cost, expense and liability and Sempra Infrastructure receives, through the acquisition of Sole Risk Interests, any economic and other benefits from such projects. The Guaymas-El Oro segment of the Sonora pipeline will continue to be owned by and a Sole Risk Project of Sempra after closing the planned sale of a portion of our equity interest in SI Partners, which we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements. Any proceeds from a sale of the Guaymas-El Oro segment of the Sonora pipeline would be split between Sempra (90%) and ADIA (10%), subject to adjustments.

Low Carbon Solutions

Cimarrón Wind. SI Partners owns and operates the Cimarrón Wind project, an approximately 320 MW wind generation facility in Baja California, Mexico, that commenced commercial operations in March 2026.

Hackberry Carbon Sequestration Project. SI Partners 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.

Legal and Regulatory Matters

With respect to the ECA Regas Facility, ECA LNG Phase 1 project and ECA LNG Phase 2 project that we discuss above, an unfavorable resolution of a land dispute could have a material adverse effect on the natural gas regasification operations at the ECA Regas Facility and the development and construction of the ECA LNG projects. With respect to the PA LNG Phase 1 project that we discuss above, lawsuits are pending related to the deaths of three Bechtel employees and injuries to two others, for which Bechtel is providing indemnity under Port Arthur LNG I's EPC contract. We discuss these legal matters in "Legal Proceedings – Other Sempra" in Note 13 of the Notes to Condensed Consolidated Financial Statements.

We discuss regulatory matters affecting our operations in Mexico and risks associated with Mexican laws, policies and government influence in "Part I – Item 1A. Risk Factors – Risks Related to Sempra Infrastructure – Legal and Regulatory Risks" in the Annual Report. Regulatory and other actions by the Mexican government could have a material adverse effect on Sempra's business, results of operations, financial condition, cash flows 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
2026	$ 3,117	$ 1,120	$ 1,241
2025	2,266	865	1,142
Change	$ 851	$ 255	$ 99
Change in regulatory accounts, current and noncurrent	$ 423	$ 337	$ 86
Higher net income, adjusted for noncash items included in earnings	313	122	89
Higher distributions from Oncor Holdings	175		
Change in inventories	89	54	43
Change in net margin posted, current and noncurrent	65		
Satisfaction of performance obligations related to a contract modification	53		
Change in noncurrent qualified pension assets/liabilities, net	46		44
Change in fixed-price contracts and other derivatives, current and noncurrent	44		45
Change in due to/from unconsolidated affiliates, net	(40)		
Change in deferred excess capacity sales	(40)	(40)	
Change in accounts receivable	(68)	(115)	37
Change in GHG obligations, current and noncurrent	(159)	(25)	(140)
Change in income taxes receivable/payable, net		(53)	
Change in accounts payable			(103)
Other	(50)	(25)	(2)
	$ 851	$ 255	$ 99

CASH FLOWS FROM INVESTING ACTIVITIES
(Dollars in millions)

Six months ended June 30,	Sempra	SDG&E	SoCalGas
2026	$ (6,164)	$ (909)	$ (967)
2025	(5,563)	(1,240)	(1,045)
Change	$ (601)	$ 331	$ 78
Higher contributions to Oncor Holdings	$ (514)		
(Increase) decrease in capital expenditures	(47)	$ 336	$ 78
Advances to Sharyland Utilities	(30)		
Other	(10)	(5)	
	$ (601)	$ 331	$ 78

CASH FLOWS FROM FINANCING ACTIVITIES (Dollars in millions)			
Six months ended June 30,	Sempra	SDG&E	SoCalGas
2026	$ 2,194	$ (217)	$ (286)
2025	1,891	403	(109)
Change	$ 303	$ (620)	$ (177)
Higher (lower) issuances of long-term debt	$ 2,212	$ 248	$ (443)
Higher issuances of short-term debt with maturities greater than 90 days	422		
Termination of interest rate swaps, net of transaction costs	96		
Lower repurchases of common stock	37		
Higher advances from unconsolidated affiliates	35		
Higher common dividends paid	(39)		
Higher distributions to NCI	(44)		
Higher payments on long-term debt and finance leases	(1,149)	(753)	(154)
Change in borrowings and repayments of short-term debt, net	(1,282)	(112)	(277)
Lower payments on short-term debt with maturities greater than 90 days			700
Other	15	(3)	(3)
	$ 303	$ (620)	$ (177)

Capital Expenditures for PP&E and Investments

CAPITAL EXPENDITURES FOR PP&E AND INVESTMENTS (Dollars in millions)		
	Six months ended June 30,	
	2026	2025
Sempra:		
Sempra California[(1)]	$ 1,901	$ 2,315
Sempra Texas Utilities	1,485	971
Sempra Infrastructure	2,784	2,323
Segment totals	6,170	5,609
Parent and other	2	3
Total Sempra	$ 6,172	$ 5,612

(1) *Includes capital expenditures for PP&E of $934 and $1,270 at SDG&E and $967 and $1,045 at SoCalGas for 2026 and 2025, respectively.*

We expect capital expenditures for PP&E and investments in 2026 to total approximately $11.3 billion, an increase from the $8.6 billion estimate included in “Item 7. MD&A – Capital Resources and Liquidity” in the Annual Report. The increase is primarily due to a $2.4 billion increase at Sempra Infrastructure, driven by the later expected closing of the sale of a 45% equity interest in SI Partners. Upon closing, the sale would reduce Sempra’s ownership interest in SI Partners from 70% to 25%. We now expect the sale to close near the end of the third quarter of 2026, compared to our previous assumption that it would close as early as the beginning of the second quarter of 2026, resulting in Sempra retaining a greater share of SI Partners’ capital expenditures for PP&E and investments for a longer portion of 2026.

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 we may not 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

SI Partners 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 2026, 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 $21 million at June 30, 2026 compared to $11 million at December 31, 2025.

The one-day value at risk for SDG&E's and SoCalGas' commodity positions are $2 million and $6 million, respectively, at both June 30, 2026 and December 31, 2025.

INTEREST RATE RISK

The table below shows the nominal amount of our debt:

NOMINAL AMOUNT OF DEBT[1]
(Dollars in millions)

	June 30, 2026			December 31, 2025		
	Sempra	SDG&E	SoCalGas	Sempra	SDG&E	SoCalGas
Short-term:						
Sempra California	$ 502	$ 2	$ 500	$ 1,436	$ 532	$ 904
Other	3,066	—	—	2,733	—	—
Long-term:						
Sempra California fixed-rate	$ 18,405	$ 10,150	$ 8,255	$ 17,909	$ 9,800	$ 8,109
Other fixed-rate	12,758	—	—	11,958	—	—
Other variable-rate	1,000	—	—	—	—	—

(1) *Before reductions for unamortized discounts and debt issuance costs and excluding finance lease obligations.*

At June 30, 2026 and December 31, 2025, the nominal amount of debt of $9,585 million and $8,287 million, respectively, is included in Liabilities Held for Sale on the Sempra Condensed Consolidated Balance Sheets, which consists of $384 million and $362 million of short-term debt, $7,282 million and $5,766 million of long-term fixed-rate debt, and $1,919 million and $2,159 million of long-term variable-rate debt after the effects of interest rate swaps, respectively.

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, 2026, including short-term debt classified as held for sale, increased or decreased by 10%, the change in earnings attributable to common shares over the 12-month period ending June 30, 2027 would be approximately $12 million. If interest rates increased or decreased by 10% on all variable-rate long-term debt outstanding at June 30, 2026, including long-term debt classified as held for sale, after considering the effects of interest rate swaps, the change in earnings attributable to common shares over the 12-month period ending June 30, 2027 would be approximately $8 million.

FOREIGN CURRENCY EXCHANGE RATE RISK AND INFLATION EXPOSURE

At June 30, 2026, SI Partners, which holds our foreign operations, is classified as held for sale. Upon completion of the planned sale, which we expect to occur in the third quarter of 2026, we will deconsolidate SI Partners and account for our remaining 25% interest under the equity method, which we expect will reduce volatility in our results of operations associated with foreign currency exchange rate fluctuations and Mexican inflation. 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, 2026, there were no significant changes to our exposure to foreign currency exchange rate risk since December 31, 2025.

In 2025 and 2026 to date, SDG&E and SoCalGas experienced inflationary pressures from increases in various costs, including the cost of natural gas, electric fuel and purchased power, labor, materials, equipment and supplies, as well as decreased availability of many of these items. During this period, Sempra Texas Utilities experienced increased costs, including labor and contractor-related costs, materials, equipment and supplies, 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, UTM filings and base rate reviews, which may result in partial non-recovery due to regulatory lag. If such costs continue to be subject to 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.

In 2025 and 2026 to date, SI Partners experienced inflationary pressures from increases in various costs, including the cost of commodities, labor, materials, equipment and supplies, as well as decreased availability of many of these items. SI Partners generally secures long-term contracts that are U.S. dollar-denominated or referenced and are periodically adjusted for market factors, including inflation, and SI Partners 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 inflationary pressures, we may not be able to fully recover such higher costs through contractual adjustments for inflation, which may have a significant effect on Sempra’s results of operations, financial condition, cash flows and/or prospects.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

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

Under the supervision and with the participation of the principal executive officers and principal financial officers of Sempra, SDG&E and SoCalGas, each such company's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2026, 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

In January 2026, SI Partners implemented a new enterprise resource planning system (ERP platform) to replace its legacy system, which has affected business processes that are part of our internal control over financial reporting, including the revenue, expenditure, payroll and reporting cycles, that we consider to be material to Sempra. Management has taken steps to help ensure that controls were appropriately designed and implemented in connection with the integration of and transition to the new ERP platform. SI Partners continues to review and enhance the design and related documentation of its internal control over financial reporting in connection with its implementation of the new ERP platform in order to maintain an effective control framework.

Other than SI Partners' implementation of a new ERP platform, there have been no changes in Sempra's, SDG&E's or SoCalGas' internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, any such company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not party to, and our property is not the subject of, any material pending legal proceedings (other than ordinary routine litigation incidental to our businesses), including, environmental proceedings described in Item 103(c)(3) of SEC Regulation S-K, except for the matters (1) described in Note 13 of the Notes to Condensed Consolidated Financial Statements in this report and in Note 16 of the Notes to Consolidated Financial Statements in the Annual Report, or (2) referred to in "Part I – Item 2. MD&A" in this report or in "Part I – Item 1A. Risk Factors" or "Part II – Item 7. MD&A" in the Annual Report.

ITEM 1A. RISK FACTORS

When evaluating our company and its businesses 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 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.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

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

RULE 10B5-1 TRADING ARRANGEMENTS
(In the three months ended June 30, 2026)

Name and title of the director or officer	Date on which the director or officer adopted or terminated the trading arrangement	Duration of the trading arrangement	Aggregate number of securities to be purchased or sold pursuant to the trading arrangement
Jeffrey W. Martin, Chairman, Chief Executive Officer and President	May 12, 2026	From January 5, 2027 until all shares are sold or the trading arrangement is otherwise terminated	▪ 20,985 owned shares of Sempra common stock ▪ All shares of Sempra common stock subject to 60,043 performance-based RSUs vesting in January 2027, less shares to which Mr. Martin would otherwise be entitled that are withheld to satisfy minimum statutory tax withholding requirements[1]

[1] *Shares subject to the performance-based RSUs scheduled to vest in January 2027 generally will vest, in whole or in part, or be forfeited in early 2027 based on our total shareholder return for the three-year performance period ending on January 4, 2027. The number of shares that will vest may range from 0% to 200% of the target number of shares (plus dividend equivalents) and cannot be ascertained until the performance period has ended and the Compensation and Talent Development Committee of Sempra’s board of directors has certified the results.*

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 (Sempra), 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 Sempra is a party have been named in this Exhibit Index with Sempra's current legal name (Sempra) rather than its former legal name (Sempra Energy) regardless of the date of the exhibit.

EXHIBIT INDEX

			Incorporated by Reference		
Exhibit Number	Exhibit Description	Filed or Furnished Herewith	Form	Exhibit or Appendix	Filing Date
EXHIBIT 3 -- ARTICLES OF INCORPORATION AND BYLAWS					
Sempra					
3.1	Restated Articles of Incorporation of Sempra effective February 23, 2026.		10-K	3.1	02/26/26
3.2	Bylaws of Sempra (as amended through May 12, 2023).		8-K	3.2	05/16/23
San Diego Gas & Electric Company					
3.3	Amended and Restated Articles of Incorporation of San Diego Gas & Electric Company effective August 15, 2014.		10-K	3.4	02/26/15
3.4	Bylaws of San Diego Gas & Electric Company (as amended through October 26, 2016).		10-Q	3.1	11/02/16
Southern California Gas Company					
3.5	Restated Articles of Incorporation of Southern California Gas Company effective October 7, 1996.		10-K	3.01	03/28/97
3.6	Bylaws of Southern California Gas Company (as amended through January 30, 2017).		8-K	3.1	01/31/17
EXHIBIT 4 -- INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES					
Certain instruments defining the rights of holders of long-term debt instruments are not required to be filed or incorporated by reference herein pursuant to Item 601(b)(4)(iii)(A) of SEC Regulation S-K. Each Registrant agrees to furnish a copy of such instruments to the SEC upon request.					
Sempra					
4.1	Officers' Certificate of Sempra, dated as of June 9, 2026, including the form of Floating Rate Notes due 2028.		8-K	4.1	06/09/26
Sempra / Southern California Gas Company					
4.2	Supplemental Indenture of Southern California Gas Company to U.S. Bank National Association, dated as of May 15, 2026.		8-K	4.1	05/15/26
EXHIBIT 10 -- MATERIAL CONTRACTS					
Sempra / Southern California Gas Company					
10.1	Severance Pay Agreement between Sempra and Elvia Lima Ortiz, signed July 29, 2026 and effective July 10, 2026.	X			

EXHIBIT INDEX (CONTINUED)

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

SIGNATURES

Sempra:

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

	SEMPRA, (Registrant)
Date: August 6, 2026	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 6, 2026	By: /s/ Maritza Mekitarian
	Maritza Mekitarian
	Vice President, 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 6, 2026	By: /s/ Elvia Lima Ortiz
	Elvia Lima Ortiz
	Vice President, Controller and Chief Accounting Officer (Duly Authorized Officer)

SEMPRA
SEVERANCE PAY AGREEMENT

THIS AGREEMENT (this "Agreement"), dated as of July 10, 2026 (the "Effective Date"), is made by and between SEMPRA, a California corporation ("Sempra"), and Elvia Lima Ortiz (the "Executive").

WHEREAS, the Executive is currently employed by Sempra or another corporation or trade or business which is a member of a Controlled Group of Corporations (Sempra and such other controlled group members, collectively, the "Company");

WHEREAS, Sempra and the Executive desire to enter into this Agreement as may be restated from time to time in order to provide reasonable assurances to the Executive and maintain a constructive relationship following the termination of Executive's employment with Company; and

WHEREAS, the Board of Directors of Sempra (the "Board") or an authorized committee thereof has authorized the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Sempra and the Executive hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms have the meanings set forth below:

"AAA" has the meaning assigned thereto in Section 13(c) hereof.

"Accounting Firm" has the meaning assigned thereto in Section 8(e) hereof.

"Accrued Obligations" means the sum of (a) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (b) an amount equal to any annual Incentive Compensation Awards earned with respect to fiscal years ended prior to the year that includes the Date of Termination to the extent not theretofore paid, (c) any accrued and unpaid vacation, and (d) reimbursement for unreimbursed business expenses, if any, properly incurred by the Executive in the performance of the Executive's duties in accordance with Company policies applicable to the Executive from time to time, in each case to the extent not theretofore paid.

"Affiliate" has the meaning set forth in Rule 12b-2 promulgated under the Exchange Act.

"Annual Base Salary" means the Executive's annual base salary from the Company.

"Asset Purchaser" has the meaning assigned thereto in Section 16(e).

"Asset Sale" has the meaning assigned thereto in Section 16(e).

"Average Annual Bonus" means the average of the annual bonuses from the Company earned by the Executive with respect to the three (3) fiscal years of Sempra ending immediately preceding the Date of Termination (the "Bonus Fiscal Years"); *provided*, *however*, that, if the Executive was employed by the Company for less than three (3) Bonus Fiscal Years, "Average Annual Bonus" means the average of the annual bonuses (if any) from the Company earned by the Executive with respect to the Bonus Fiscal Years during which the Executive was employed by the Company; and, *provided, further*, that, if the Executive was not employed by the Company during any of the Bonus Fiscal Years, "Average Annual Bonus" means zero ($0).

"Cause" means:

(a) Prior to a Change in Control, (i) the Executive's willful failure to substantially perform the Executive's job duties, (ii) Executive's grossly negligent performance of the Executive's duties, (iii) the Executive's gross insubordination; (iv) the Executive's commission of one or more acts of significant dishonesty or moral turpitude (including but not limited to criminal acts involving one or more acts of moral turpitude) which have or result in an adverse effect on the Company, monetarily or otherwise; and/or (v) the Executive's serious violation of a material policy of Sempra or its Affiliates that is applicable to the Executive. For purposes of clause (i) of this subsection (a), no act, or failure to act, on the Executive's part shall be deemed "willful" if due to the Executive's incapacity due to physical or mental illness, or if the Executive acted in good faith and with reasonable belief that the Executive's act, or failure to act, was in the best interests of the Company.

(b) From and after a Change in Control (or in connection with a termination occurring pursuant to Section 5(f)), (i) the Executive's willful and continued failure to substantially perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or other than any such actual or anticipated failure after the issuance by the Executive of a Notice of Termination for Good Reason pursuant to Section 2 hereof and after the Company's cure period relating to the event on which Good Reason is based, if any and if applicable, has expired) and/or (ii) the Executive's commission of one or more acts of moral turpitude that constitute a violation of applicable law (including but not limited to a felony involving one or more acts of moral turpitude) which have or result in an adverse effect on the Company, monetarily or otherwise, or one or more significant acts of dishonesty. For purposes of clause (i) of this subsection (b), no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's act, or failure to act, was in the best interests of the Company. Notwithstanding the foregoing, the Executive shall not be deemed terminated for Cause pursuant to clause (i) of this subsection (b) unless and until the Executive shall have been provided with reasonable notice of and, if possible, a reasonable opportunity to cure the facts and circumstances claimed to provide a basis for termination of the Executive's employment for Cause.

"Change in Control" shall be deemed to have occurred on the date that a change in the ownership of Sempra, a change in the effective control of Sempra, or a change in the ownership of a substantial portion of assets of Sempra occurs (each, as defined in subsection (a) below), except as otherwise provided in subsections (b), (c) and (d) below:

(a) (i) a "change in the ownership of Sempra" occurs on the date that any one Person, or more than one Person acting as a Group, acquires ownership of stock of Sempra that, together with stock held by such Person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of Sempra,

(ii) a "change in the effective control of Sempra" occurs only on either of the following dates:

(1) the date any one Person, or more than one Person acting as a Group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person or Persons) ownership of stock of Sempra possessing thirty percent (30%) or more of the total voting power of the stock of Sempra, or

(2) the date a majority of the members of the Board is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of appointment or election, and

(iii) a "change in the ownership of a substantial portion of assets of Sempra" occurs on the date any one Person, or more than one Person acting as a Group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person or Persons) assets from Sempra that have a total gross fair market value equal to or more than eighty-five percent (85%) of the total gross fair market value of all of the assets of Sempra immediately before such acquisition or acquisitions.

(b) A "change in the ownership of Sempra" or "a change in the effective control of Sempra" shall not occur under clause (a)(i) or (a)(ii) by reason of any of the following:

(i) an acquisition of ownership of stock of Sempra directly from Sempra or its Affiliates other than in connection with the acquisition by Sempra or its Affiliates of a business,

(ii) a merger or consolidation which would result in the voting securities of Sempra outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least sixty percent (60%) of the combined voting power of the securities of Sempra or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or

(iii) a merger or consolidation effected to implement a recapitalization of Sempra (or similar transaction) in which no Person is or becomes the "beneficial owner" (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Sempra (not including the securities beneficially owned by such Person any securities acquired directly from Sempra or its Affiliates other than in connection with the acquisition by Sempra or its Affiliates of a business) representing twenty percent (20%) or more of the combined voting power of Sempra's then outstanding securities.

(c) A "change in the ownership of a substantial portion of assets of Sempra" shall not occur under clause (a)(iii) by reason of a sale or disposition by Sempra of the assets of Sempra to an entity, at least sixty percent (60%) of the combined voting power of the voting securities of which are owned by shareholders of Sempra in substantially the same proportions as their ownership of Sempra immediately prior to such sale.

(d) This definition of "Change in Control" shall be limited to the definition of a "change in control event" with respect to the Executive and relating to Sempra under Treasury Regulation Section 1.409A-3(i)(5). A Change in Control shall only occur if there is a Change in Control (as determined by the definition of Change in Control of this Agreement without regard to this subsection (d)) and a "change in control event" relating to Sempra under Treasury Regulation Section 1.409A-3(i)(5) with respect to the Executive.

"Change in Control Date" means the date on which a Change in Control occurs.

"COBRA" means coverage required by Section 4980B of the Code.

"COBRA Premium" means, with respect to the type and level of coverage provided to the Executive and his/her dependents pursuant to COBRA, the employer-paid portion of the monthly premium for such coverage as applicable for similarly-situated active employees.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compensation Committee" means the compensation committee (however designated) of the Board.

"Consulting Payment" has the meaning assigned thereto in Section 14(e) hereof.

"Consulting Period" has the meaning assigned thereto in Section 14(f) hereof.

"Continued Benefits" has the meaning assigned thereto in Section 5(c) hereof.

"Controlled Group of Corporations" means a group of companies within the meaning of Section 414(b) or (c) of the Code) of which Sempra is a component member, determined by applying an ownership threshold of 50%.

"Date of Termination" has the meaning assigned thereto in Section 2(b) hereof.

"Disability" has the meaning set forth in the long-term disability plan or its successor maintained by the Company entity that is the employer of the Executive; *provided*, *however*, that the Executive's employment hereunder may not be terminated by reason of Disability unless (a) at the time of such termination there is no reasonable expectation that the Executive will return to work within the next ninety (90) day period and (b) such termination is permitted by all applicable disability laws.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the applicable rulings and regulations thereunder.

"Excise Tax" has the meaning assigned thereto in Section 8(a) hereof.

"Good Reason" means:

(a) Prior to a Change in Control, the occurrence of any of the following without the prior written consent of the Executive, unless such act or failure to act is corrected by the Company prior to the Date of Termination specified in the Notice of Termination (as required under Section 2 hereof):

(i) the assignment to the Executive of any duties materially inconsistent with the range of duties and responsibilities appropriate to an executive of comparable rank within the Company (such range determined by reference to past, current and reasonable practices within the Company);

(ii) a material reduction in the Executive's overall standing and responsibilities within the Company, not including a mere change in title or a transfer within the Company, which change in title or transfer does not adversely affect the Executive's overall status within the Company in any material respect;

(iii) a material reduction by the Company in the Executive's aggregate annualized compensation and benefits opportunities, except for across-the-board reductions (or modifications of benefit plans) similarly affecting all similarly situated executives of the Company of comparable rank with the Executive;

(iv) the failure by the Company to pay to the Executive any portion of the Executive's current compensation and benefits or any portion of an installment of deferred compensation under any deferred compensation program of the Company within thirty (30) days of the date such compensation is due;

(v) any purported termination of the Executive's employment that is not effected pursuant to a Notice of Termination satisfying the requirements of Section 2 hereof;

(vi) the failure by Sempra to perform its obligations under Section 16(c) or (d) hereof;

(vii) the failure by the Company to provide the indemnification and D&O insurance protection Section 10 of this Agreement requires it to provide; or

(viii) the failure by Sempra (or any of the entities comprising the Company, as applicable) to comply with any material provision of this Agreement.

(b) From and after a Change in Control (or in connection with a termination occurring pursuant to Section 5(f)), the occurrence of any of the following without the prior written consent of the Executive, unless such act or failure to act is corrected by the Company prior to the Date of Termination specified in the Notice of Termination (as required under Section 2 hereof):

(i) an adverse change in the Executive's title, authority, duties, responsibilities or reporting lines as in effect immediately prior to the Change in Control;

(ii) a reduction by the Company in the Executive's aggregate annualized compensation opportunities, except for across-the-board reductions in base salaries, annual bonus opportunities or long-term incentive compensation opportunities of less than ten percent (10%) similarly affecting all similarly situated executives (including, if applicable, of the Person then in control of Sempra) of comparable rank with the Executive; or the failure by the Company to continue in effect any material benefit plan in which the Executive participates immediately prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed at the time of the Change in Control;

(iii) the relocation of the Executive's principal place of employment immediately prior to the Change in Control Date (the "Principal Location") to a location which is both further away from the Executive's residence and more than thirty (30) miles from such Principal Location, or the Company's requiring the Executive to be based anywhere other than such Principal Location (or permitted relocation thereof), or a substantial increase in the Executive's business travel obligations outside of the Southern California area as of immediately prior to the Change in Control (without regard to any changes therein in anticipation of the Change in Control) other than any such increase that (A) arises in connection with extraordinary business activities of the Company of limited duration and (B) is understood not to be part of the Executive's regular duties with the Company;

(iv) the failure by the Company to pay to the Executive any portion of the Executive's current compensation and benefits or any portion of an installment of deferred compensation under any deferred compensation program of the Company within thirty (30) days of the date such compensation is due;

(v) any purported termination of the Executive's employment that is not effected pursuant to a Notice of Termination satisfying the requirements of Section 2 hereof;

(vi) the failure by Sempra to perform its obligations under Section 16(c) or (d) hereof;

(vii) the failure by the Company to provide the indemnification and D&O insurance protection Section 10 of this Agreement requires it to provide; or

(viii) the failure by Sempra (or any of the entities comprising the Company, as applicable) to comply with any material provision of this Agreement.

Following a Change in Control, the Executive's determination that an act or failure to act constitutes Good Reason shall be presumed to be valid unless such determination is deemed to be unreasonable by an arbitrator pursuant to the procedure described in Section 13 hereof. The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

"Group" shall have the meaning of such term as used in Rule 13d-5(b)(1) promulgated under the Exchange Act.

"Incentive Compensation Awards" means awards granted under Incentive Compensation Plans providing the Executive with the opportunity to earn, on a year-by-year basis, annual and long-term incentive compensation.

"Incentive Compensation Plans" means annual incentive compensation plans and long-term incentive compensation plans of the Company, which long-term incentive compensation plans may include plans offering stock options, restricted stock, units and other long-term incentive compensation.

"Involuntary Termination" means (a) the Executive's Separation from Service by reason other than for Cause, death, Disability, or Mandatory Retirement, or (b) the Executive's Separation from Service by reason of resignation of employment for Good Reason.

"JAMS" has the meaning assigned thereto in Section 13(c) hereof.

"Mandatory Retirement" means termination of employment pursuant to the Company's mandatory retirement policy.

"Medical Continuation Benefits" has the meaning assigned thereto in Section 4(c) hereof.

"Notice of Termination" has the meaning assigned thereto in Section 2(a) hereof.

"Payment" has the meaning assigned thereto in Section 8(a) hereof.

"Payment in Lieu of Notice" has the meaning assigned thereto in Section 2(b) hereof.

"Person" means any individual, corporation, partnership limited liability company, estate, trust, or other entity, including a "Group".

"Post-Change in Control Severance Payment" has the meaning assigned thereto in Section 5 hereof.

"Pre-Change in Control Severance Payment" has the meaning assigned thereto in Section 4 hereof.

"Principal Location" has the meaning assigned thereto in clause (b)(iii) of the definition of Good Reason, above.

"Proprietary Information" has the meaning assigned thereto in Section 14(a) hereof.

"Pro Rata Bonus" means a severance amount equal to the greater of (a) the Executive's Target Bonus as in effect immediately prior to the Change in Control or on the Date of Termination, whichever is greater, or (b) the Executive's Average Annual Bonus, multiplied by a fraction, (X) the numerator of which shall be the number of days from the beginning of such fiscal year to and including the Date of Termination and (Y) the denominator of which shall be three hundred sixty-five (365).

"Release" has the meaning assigned thereto in Section 4 hereof. The Release is not a condition of employment or continued employment or a condition of receiving a raise or a bonus.

"Release Requirements" has the meaning assigned thereto in Section 4 hereof.

"Section 409A Payments" means any payments under this Agreement which are subject to Section 409A of the Code.

"Sempra Control Group" means Sempra and all Persons with whom Sempra would be considered a single employer under Section 414(b) or (c) of the Code, as determined from time to time.

"Separation from Service" has the meaning set forth in Treasury Regulation Section 1.409A-1(h).

"Specified Employee" shall be determined in accordance with Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i).

"Target Bonus" means, for any year, the target annual bonus from the Company that may be earned by the Executive for such year (regardless of the actual annual bonus earned, if any); *provided, however,* that if, as of the Date of Termination, a target annual bonus has not been established for the Executive for the year in which the Date of Termination occurs, the "Target Bonus" as of the Date of Termination shall be equal to the target annual bonus, if any, for the immediately preceding fiscal year of Sempra.

For purposes of this Agreement, references to any "Treasury Regulation" shall mean such Treasury Regulation as in effect on the date hereof.

Section 2. Notice and Date of Termination.

(a) Any termination of the Executive's employment by the Company or by the Executive shall be communicated by a written notice of termination to the other party (the "Notice of Termination"). Where applicable, the Notice of Termination shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Unless the Board or a committee thereof, in writing, provides a longer notice period, a Notice of Termination by the Executive alleging a termination for Good Reason must be made within one hundred eighty (180) days of the act or failure to act that the Executive alleges to constitute Good Reason.

(b) The date of the Executive's termination of employment with the Company (the "Date of Termination") shall be determined as follows: (i) if the Executive's Separation from Service is at the volition of the Company, then the Date of Termination shall be the date specified in the Notice of Termination (which, in the case of a termination by the Company other than for Cause, shall not be less than two (2) weeks from the date such Notice of Termination is given unless the Company elects to pay the Executive, in addition to any other amounts payable hereunder, an amount (the "Payment in Lieu of Notice") equal to two (2) weeks of the Executive's Annual Base Salary in effect on the Date of Termination), and (ii) if the Executive's Separation from Service is by the Executive for Good Reason, the Date of Termination shall be determined by the Executive and specified in the Notice of Termination, but in no event be less than fifteen (15) days nor more than sixty (60) days after the date such Notice of Termination is given. The Payment in Lieu of Notice shall be paid on such date as is required by law, but no later than thirty (30) days after the date of the Executive's Separation from Service.

Section 3. Termination from the Board. Upon the termination of the Executive's employment for any reason, the Executive's membership on the Board, the board of directors of any Affiliates of Sempra, any committees of the Board and any committees of the board of directors of any of the Affiliates of Sempra, if applicable, shall be automatically terminated and the Executive agrees to promptly take any and all actions (including resigning) required by Sempra or any of its Affiliates to evidence and effect such termination of membership.

Section 4. Severance Benefits upon Involuntary Termination Prior to Change in Control. Except as provided in Sections 5(f) and 19(i) hereof, in the event of the Involuntary Termination of the Executive prior to a Change in Control, Sempra shall, or shall cause one of its Affiliates that is the employer of the Executive to, pay the Executive, in one lump sum cash payment, an amount (the "Pre-Change in Control Severance Payment") equal to one-half (0.5) times the sum of (X) the Executive's Annual Base Salary as in effect on the Date of Termination plus (Y) an amount equal to the greater of (I) his/her Average Annual Bonus or (II) the Target Bonus in effect on the Date of Termination. In addition to the Pre-Change in Control Severance Payment, the Executive shall be entitled to the following additional benefits specified in Section 4(a) through (e). The Company's obligation to pay the Pre-Change in Control Severance Payment or provide the benefits set forth in Section 4(c), (d) and (e) is subject to and conditioned upon the Executive's satisfaction of the Release Requirements. The Pre-Change in Control Severance Payment shall be paid on the sixtieth (60^{th}) day (or if the sixtieth (60^{th}) day falls on a weekend or banking holiday, the next succeeding business day) after the date of the Involuntary Termination (the "Payment Date"), *provided* that the Release Requirements are satisfied on or before the Payment Date and remain satisfied on the Payment Date. If the Release Requirements are not satisfied on the Payment Date, no Pre-Change in Control Severance Payment shall be paid hereunder and none of the benefits described in Section 4(c), (d) or (e) shall be provided, and the Executive shall have no right to the Pre-Change in Control Severance Payment or the applicable benefits. The "Release Requirements" will be satisfied if, on the Payment Date, the Executive has executed a release of all claims substantially in the form attached hereto as Exhibit A (the "Release"), the revocation period required by applicable law has expired, and the Executive has not revoked the Release and the Release is effective. If the Release Requirements are satisfied on a date prior to the Payment Date, any portion of the Pre-Change in Control Severance Payment or the applicable benefits that are not subject to Section 409A of the Code can be paid on a date prior to the Payment Date, as determined in the sole discretion of Sempra (and in no event shall the Executive be able to elect the date of payment). If the period in which the Release Requirements could be satisfied spans more than one taxable year, then the Pre-Change in Control Severance Payment shall not be made until the later taxable year.

(a) Accrued Obligations. The Company shall pay the Executive a lump sum amount in cash equal to Accrued Obligations within the time prescribed by law.

(b) Equity-Based Compensation. The Executive shall retain all rights to any equity-based compensation awards to the extent set forth in the applicable plan and/or award agreement.

(c) Welfare Benefits. Subject to the terms and conditions of this Agreement, if the Executive (and, to the extent applicable, his/her eligible dependents) is eligible to and elects COBRA coverage in connection with the Executive's Involuntary Termination, then the Executive (and the Executive's dependents who have elected COBRA coverage) shall be provided with group medical benefits as required by COBRA ("Medical Continuation Benefits") on substantially the same terms and conditions and at the same cost to the Executive as apply to similarly-situated active employees of the Company for the same type and level of coverage. The Medical Continuation Benefits shall be provided for a period of up to six (6) months following the date of the Involuntary Termination (and up to an additional six (6) months if the

Executive provides consulting services under Section 14(f) hereof); *provided, however*, that (i) the Medical Continuation Benefits (including any Medical Continuation Benefits that are provided pursuant to this Section 4(c) for periods after the maximum COBRA coverage period) shall be provided on the same terms and conditions that apply to COBRA coverage (including termination thereof), (ii) if the Medical Continuation Benefits are to be provided pursuant to this Section 4(c) past the maximum COBRA coverage period, Sempra may, in its sole discretion, provide or cause to be provided to the Executive, in lieu of the Medical Continuation Benefits for any period in excess of the maximum COBRA coverage period, a taxable monthly cash payment in an amount equal to the COBRA Premium, and (iii) the Medical Continuation Benefits shall be provided in a manner that complies with Treasury Regulation Section 1.409A-1(a)(5). Notwithstanding the foregoing, if Sempra determines in its sole discretion that the Medical Continuation Benefits cannot be provided without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or that the provision of Medical Continuation Benefits under this Agreement would subject Sempra or any of its Affiliates to a material tax or penalty, (A) the Executive shall be provided, in lieu thereof, with a taxable monthly payment in an amount equal to the COBRA Premium or (B) Sempra shall have the authority to amend the Agreement to the limited extent reasonably necessary to avoid such violation of law or tax or penalty and shall use all reasonable efforts to provide the Executive with a comparable benefit that does not violate applicable law or subject Sempra or any of its Affiliates to such tax or penalty. Any Medical Continuation Benefits provided pursuant to this Section 4(c) shall be co-extensive with (and not in addition to) any benefits to which the Executive (and the Executive's covered dependents) may be entitled under COBRA or similar provisions of applicable state law.

(d) Outplacement Services. The Executive shall receive reasonable outplacement services, on an in-kind basis, suitable to the Executive's position and directly related to the Executive's Involuntary Termination, for a period of twelve (12) months following the date of the Involuntary Termination, in an aggregate amount of cost to the Company not to exceed $50,000. Notwithstanding the foregoing, the Executive shall cease to receive outplacement services on the date the Executive accepts employment with a subsequent employer. Such outplacement services shall be provided in a manner that complies with Treasury Regulation Section 1.409A-1(b)(9)(v)(A).

(e) Financial Planning Services. The Executive shall receive financial planning services, on an in-kind basis, for a period of twelve (12) months following the Date of Termination. Such financial planning services shall include expert financial and legal resources to assist the Executive with financial planning needs and shall be limited to (i) current investment portfolio management, (ii) tax planning, (iii) tax return preparation, and (iv) estate planning advice and document preparation (including wills and trusts); *provided, however*, that the Company shall provide such financial planning services during any taxable year of the Executive only to the extent the cost to the Company for such taxable year does not exceed $25,000. The Company shall provide such financial planning services through a financial planner selected by the Company, and shall pay the fees for such financial planning services. The financial planning services provided during any taxable year of the Executive shall not affect the financial planning services provided in any other taxable year of the Executive. The Executive's right to financial planning services shall not be subject to liquidation or exchange for any other benefit. Such financial planning services shall be provided in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv).

Section 5. Severance Benefits upon Involuntary Termination in Connection with and after Change in Control. Notwithstanding the provisions of Section 4 above, and except as provided in Section 19(i) hereof, in the event of the Involuntary Termination of the Executive on or within two (2) years following a Change in Control, in lieu of the payments described in Section 4 above, Sempra shall, or shall cause one of its Affiliates that is the employer of the Executive to, pay the Executive, in one lump sum cash payment, an amount (the "Post-Change in Control Severance Payment") equal to (a) the Pro Rata Bonus plus (b) the sum of (X) the Executive's Annual Base Salary as in effect immediately prior to the Change in Control or on the Date of Termination, whichever is greater, plus (Y) an amount equal to the greater of (I) the Executive's Target Bonus determined immediately prior to the Change in Control or the Date of Termination, whichever is greater and (II) the Executive's Average Annual Bonus. In addition to the Post-Change in Control Severance Payment, the Executive shall be entitled to the following additional benefits specified in Section 5(a) through (e). The Company's obligation to pay the Post-Change in Control Severance Payment or provide the benefits set forth in Section 5(b), (c), (d) and (e) is subject to and conditioned upon the Executive's satisfaction of the Release Requirements. Except as provided in Section 5(f), the Post-Change in Control Severance Payment shall be paid on the Payment Date provided that the Release Requirements are satisfied on or before the Payment Date and remain satisfied on the Payment Date. If the Release Requirements are not satisfied on the Payment Date, no Post-Change in Control Severance Payment shall be paid hereunder and none of the benefits described in Section 5(b), (c), (d) or (e) shall be provided, and the Executive shall have no right to the Pre-Change in Control Severance Payment or the applicable benefits. If the Release Requirements are satisfied on a date prior to the Payment Date, any portion of the Post-Change in Control Severance Payment or the applicable benefits that are not subject to Section 409A of the Code can be paid on a date prior to the Payment Date, as determined in the sole discretion of Sempra (and in no event shall the Executive be able to elect the date of payment). If the period in which Release Requirements could be satisfied spans more than one taxable year, then the Post-Change in Control Severance Payment and applicable benefits shall not be made until the later taxable year.

(a) Accrued Obligations. The Company shall pay the Executive a lump sum amount in cash equal to the Accrued Obligations within the time required by law and, to the extent applicable, in accordance with the applicable plan, policy or arrangement pursuant to which such payments are to be made.

(b) Equity-Based Compensation. Notwithstanding the provisions of any applicable equity-based compensation plan or award agreement to the contrary, all equity-based Incentive Compensation Awards (including, without limitation, stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance share awards, and dividend equivalents) held by the Executive shall immediately vest and become exercisable or payable, as the case may be, as of the Date of Termination, to be exercised or paid, as the case may be, in accordance with the terms of the applicable Incentive Compensation Plan and Incentive Compensation Award agreement, and any restrictions on any such Incentive Compensation Awards shall automatically lapse; *provided, however*, that, in the case of any stock option or stock appreciation rights awards that remain outstanding on the Date of Termination, such stock options and stock appreciation rights shall remain exercisable until the earlier of (i) the later of eighteen (18) months following the Date of Termination or the period specified in the applicable Incentive Compensation Award agreement or (ii) the expiration of the original term of such Incentive Compensation Award (or, if earlier, the tenth (10th) anniversary of the original date of grant) (it being understood that all Incentive Compensation Awards shall remain outstanding and exercisable for a period that is no less than that provided for in the applicable agreement in effect as of the date of grant).

(c) Welfare Benefits. Subject to the terms and conditions of this Agreement, the Executive and the Executive's dependents shall be provided with life, disability, accident and Medical Continuation Benefits (which benefits are collectively referred to herein as "Continued Benefits") which are substantially similar to those provided to the Executive and the Executive's dependents immediately prior to the date of Involuntary Termination or the Change in Control Date, whichever is more favorable to the Executive; *provided, however,* that the Medical Continuation Benefits shall be provided pursuant to this Section 5(c) only if the Executive (and, to the extent applicable, his/her eligible dependents) is eligible to and elects COBRA coverage in connection with the Executive's Involuntary Termination, the Medical Continuation Benefits shall be provided in accordance with COBRA, and the Medical Continuation Benefits shall be provided on substantially the same terms and conditions and at the same cost to the Executive as apply to similarly-situated active employees of the Company for the same type and level of coverage. The Continued Benefits shall be provided for a period of up to six (6) months following the date of the Involuntary Termination (and up to an additional twelve (12) months if the Executive provides consulting services under Section 14(f) hereof); *provided, however,* that (i) the Medical Continuation Benefits (including any Medical Continuation Benefits that are provided pursuant to this Section 5(c) for periods after the maximum COBRA coverage period) shall be provided on the same terms and conditions that apply to COBRA coverage (including termination thereof), (ii) if the Medical Continuation Benefits are to be provided pursuant to this Section 5(c) past the maximum COBRA coverage period, Sempra may, in its sole discretion, provide or cause to be provided to the Executive, in lieu of the Medical Continuation Benefits for any period in excess of the maximum COBRA coverage period, a taxable monthly cash payment in an amount equal to the COBRA Premium, and (iii) the Medical Continuation Benefits shall be provided in a manner that complies with Treasury Regulation Section 1.409A-1(a)(5) and the Continued Benefits will be provided in a manner that complies with Section 409A of the Code. Notwithstanding the foregoing, if Sempra determines in its sole discretion that the Medical Continuation Benefits cannot be provided without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or that the provision of Medical Continuation Benefits under this Agreement would subject Sempra or any of its Affiliates to a material tax or penalty, (A) the Executive shall be provided, in lieu thereof, with a taxable monthly payment in an amount equal to the COBRA Premium or (B) Sempra shall have the authority to amend the Agreement to the limited extent reasonably necessary to avoid such violation of law or tax or penalty and shall use all reasonable efforts to provide the Executive with a comparable benefit that does not violate applicable law or subject Sempra or any of its Affiliates to such tax or penalty. Any Medical Continuation Benefits provided pursuant to this Section 5(c) shall be co-extensive with (and not in addition to) any benefits to which the Executive (and the Executive's covered dependents) may be entitled under COBRA or similar provisions of applicable state law.

(d) Outplacement Services. The Executive shall receive reasonable outplacement services, on an in-kind basis, suitable to the Executive's position and directly related to the Executive's Involuntary Termination, for a period of eighteen (18) months following the date of Involuntary Termination (but in no event beyond the last day of the Executive's second (2nd) taxable year following the Executive's taxable year in which the Involuntary Termination occurs), in the aggregate amount of cost to the Company not to exceed $50,000. Notwithstanding the foregoing, the Executive shall cease to receive outplacement services on the date the Executive accepts employment with a subsequent employer. Such outplacement services shall be provided in a manner that complies with Treasury Regulation Section 1.409A-1(b)(9)(v)(A).

(e) Financial Planning Services. The Executive shall receive financial planning services, on an in-kind basis, for a period of eighteen (18) months following the date of Involuntary Termination. Such financial planning services shall include expert financial and legal resources to assist the Executive with financial planning needs and shall be limited to (i) current investment portfolio management, (ii) tax planning, (iii) tax return preparation, and (iv) estate planning advice and document preparation (including wills and trusts); *provided, however,* that the Company shall provide such financial services during any taxable year of the Executive only to the extent the cost to the Company for such taxable year does not exceed $25,000. The Company shall provide such financial planning services through a financial planner selected by the Company, and shall pay the fees for such financial planning services. The financial planning services provided during any taxable year of the Executive shall not affect the financial planning services provided in any other taxable year of the Executive. The Executive's right to financial planning services shall not be subject to liquidation or exchange for any other benefit. Such financial planning services shall be provided in a manner that complies with Section 1.409A-3(i)(1)(iv).

(f) Involuntary Termination in Connection with a Change in Control. Notwithstanding anything contained herein, in the event of an Involuntary Termination prior to a Change in Control, if the Involuntary Termination (i) was at the request of a third party who has taken steps reasonably calculated to effect such Change in Control or (ii) otherwise arose in connection with or in anticipation of such Change in Control, then the Executive shall, in lieu of the payments described in Section 4 hereof, be entitled to the Post-Change in Control Severance Payment and the additional benefits described in this Section 5 as if such Involuntary Termination had occurred within two (2) years following the Change in Control. The amounts specified in Section 5 that are to be paid under this Section 5(f) shall be reduced by any amount previously paid under Section 4. The amounts to be paid under this Section 5(f) shall be paid within sixty (60) days after the Change in Control Date of such Change in Control unless otherwise required by Section 409A of the Code.

Section 6. Severance Benefits upon Termination by the Company for Cause or by the Executive Other than for Good Reason. If the Executive's employment shall be terminated for Cause, or if the Executive terminates employment other than for Good Reason, the Company shall have no further obligations to the Executive under this Agreement other than the pre-Change in Control Accrued Obligations and any amounts or benefits described in Section 10 hereof.

Section 7. Severance Benefits upon Termination due to Death or Disability. If the Executive has a Separation from Service by reason of death or Disability, the Company shall pay the Executive or the Executive's estate, as the case may be, the Accrued Obligations and a severance amount equal to the Pro Rata Bonus (without regard to whether a Change in Control has occurred) and any amounts or benefits described in Section 10 hereof. Such payments shall be in addition to those rights and benefits to which the Executive or the Executive's estate may be entitled under the relevant Company plans or programs. The Company's obligation to pay the severance amount pursuant to this Section 7 is conditioned upon satisfaction of the Release Requirements by the Executive, the Executive's representative or the Executive's estate, as the case may be. The Accrued Obligations shall be paid within the time required by law and the severance amount payable pursuant to this Section 7 shall be paid on the Payment Date *provided* that the Release Requirements are satisfied on or prior to the Payment Date. If the Release Requirements are not satisfied on or prior to the Payment Date, no severance payment shall be provided hereunder and neither the Executive nor the Executive's estate, as the case may be, will have any right to the severance payment. If the Release Requirements are satisfied on a date prior to the Payment Date, any portion of the severance benefit pursuant to this Section 7 that is not subject to Section 409A of the Code can be paid on a date prior to the Payment Date, as determined in the sole discretion of Sempra (and in no event shall the Executive or the Executive's estate, as applicable, be able to elect the date of payment). If the period in which Release Requirements could be satisfied spans more than one taxable year, then the severance payment pursuant to this Section 7 shall not be made until the later taxable year.

Section 8. Limitation on Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth in this Section 8 below, in the event it shall be determined that any payment or distribution "in the nature of compensation" (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise (the "Payment") would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code, (the "Excise Tax"), then, subject to Section 8(b), the Pre-Change in Control Severance Payment or the Post-Change in Control Severance Payment (whichever is applicable) payable under this Agreement shall be reduced under this Section 8(a) to the amount equal to the Reduced Payment. For such Payment payable under this Agreement, the "Reduced Payment" shall be the amount equal to the greatest portion of the Payment (which may be zero ($0)) that, if paid, would result in no portion of any Payment being subject to the Excise Tax.

(b) The Pre-Change in Control Severance Payment or the Post-Change in Control Severance Payment (whichever is applicable) payable under this Agreement shall not be reduced under Section 8(a) if:

(i) such reduction in such Payment is not sufficient to cause no portion of any Payment to be subject to the Excise Tax, or

(ii) the Net After-Tax Unreduced Payments (as defined below) would equal or exceed one hundred five percent (105%) of the Net After-Tax Reduced Payments (as defined below).

For purposes of determining the amount of any Reduced Payment under Section 8(a), and the Net-After Tax Reduced Payments and the Net After-Tax Unreduced Payments, the Executive shall be considered to pay federal, state and local income and employment taxes at the Executive's applicable marginal rates taking into consideration any reduction in federal income taxes which could be obtained from the deduction of state and local income taxes, and any reduction or disallowance of itemized deductions and personal exemptions under applicable tax law). The applicable federal, state and local income and employment taxes and the Excise Tax (to the extent applicable) are collectively referred to as the "Taxes."

(c) For purposes of determining the amount of any Reduced Payment under this Section 8, the amount of any Payment shall be reduced in the following order:

(i) first, by reducing the amounts of parachute payments that would not constitute deferred compensation subject to Section 409A of the Code;

(ii) next, if after the reduction described in Section 8(c)(i), additional reductions are required, then by reducing the cash portion of the Payment that constitutes "deferred compensation" (within the meaning of Section 409A) subject to Section 409A, with the reductions to be applied first to the portion of the Payment scheduled for the latest distribution date, and then applied to distributions scheduled for progressively earlier distribution dates, to the extent necessary to decrease the Payment as required under this Section 8; and

(iii) next, if after the reduction described in Section 8(c)(ii), additional reductions are required, then, by reducing the non-cash portion of the Payment that constitutes deferred compensation (within the meaning of Section 409A) subject to Section 409A, with the reductions to be applied first to the portion of the Payment scheduled for the latest distribution date, and then applied to distributions scheduled for progressively earlier distribution dates, to the extent necessary to decrease the Payment as required under this Section 8.

(d) The following definitions shall apply for purposes of this Section 8:

(i) "Net After-Tax Reduced Payments" shall mean the total amount of all Payments that the Executive would retain, on a Net After-Tax Basis, in the event that the Payments payable under this Agreement are reduced pursuant to Section 8(a).

(ii) "Net After-Tax Unreduced Payments" shall mean the total amount of all Payments that the Executive would retain, on a Net After-Tax Basis, in the event that the Payments payable under this Agreement are not reduced pursuant to Section 8(a).

(iii) "Net After-Tax Basis" shall mean, with respect to the Payments, either with or without reduction under Section 8(a) (as applicable), the amount that would be retained by the Executive from such Payments after the payment of all Taxes.

(e) All determinations required to be made under this Section 8 and the assumptions to be utilized in arriving at such determinations, shall be made by a nationally recognized accounting firm as may be agreed by the Company and the Executive (the "Accounting Firm"); *provided*, that the Accounting Firm's determination shall be made based upon "substantial authority" within the meaning of Section 6662 of the Code. The Accounting Firm shall provide detailed supporting calculations to both the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. For purposes of determining whether and the extent to which the Payments will be subject to the Excise Tax, (i) no portion of the Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, (ii) no portion of the Payments shall be taken into account which, in the written opinion of the Accounting Firm, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of

Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Payments shall be taken into account which, in the opinion of the Accounting Firm, constitutes "reasonable compensation" for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Payments shall be determined by the Accounting Firm in accordance with the principles of Section 280G(d)(3) and (4) of the Code.

Section 9. Delayed Distribution under Section 409A of the Code. Notwithstanding any other provision of this Agreement to the contrary, if the Executive is a Specified Employee on the date of the Executive's Involuntary Termination (or on the date of the Executive's Separation from Service by reason of Disability), the Section 409A Payments which are payable upon Separation from Service shall be delayed to the extent necessary in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, and such delayed payments or benefits shall be paid or distributed to the Executive during the thirty (30) day period commencing on the earlier of (a) the expiration of the six (6) month period measured from the date of the Executive's Separation from Service or (b) the date of the Executive's death. Upon the expiration of the applicable six (6) month period, all payments deferred pursuant to this Section 9 (excluding in-kind benefits) shall be paid in a lump sum payment to the Executive, plus interest thereon from the date of the Executive's Involuntary Termination through the payment date at an annual rate equal to Moody's Rate. The "Moody's Rate" shall mean the average of the daily Moody's Corporate Bond Yield Average – Monthly Average Corporates as published by Moody's Investors Service, Inc. (or any successor) for the month next preceding the Date of Termination. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

Section 10. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, plan, program, policy or practice provided by the Company and for which the Executive may qualify (except with respect to any benefit to which the Executive has waived the Executive's rights in writing), including, without limitation, any and all indemnification arrangements in favor of the Executive (whether under agreements or under the Company's charter documents, bylaws, or otherwise), and insurance policies covering the Executive, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other contract or agreement entered into after the Effective Date with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any benefit, plan, policy, practice or program of, or any contract or agreement entered into with, the Company shall be payable in accordance with such benefit, plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement. At all times during the Executive's employment with the Company and thereafter, the Company shall provide (to the extent permissible under applicable law) the Executive with indemnification and D&O insurance insuring the Executive against insurable events which occur or have occurred while the Executive was a director or officer of the Company, that with respect to such insurance is on terms and conditions that, to the extent reasonably practical, are at least as generous as that then currently provided to any other similarly situated current or former director or officer of the Company or any Affiliate. Such indemnification and D&O insurance shall be provided in a manner that complies with Treasury Regulation Section 1.409A-1(b)(10).

Section 11. Clawbacks. Notwithstanding anything herein to the contrary, (a) if Sempra determines prior to a Change in Control, in its good faith judgment, that the Executive is required to forfeit or to make any repayment of any compensation or benefit(s) to the Company under the Sarbanes-Oxley Act of 2002 or pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or any other law or listing standards of the national securities exchange that maintains the principal listing for any class of Sempra's common equity or pursuant to any formal policy of Sempra, or (b) if an arbitrator or court determines following a Change in Control that the Executive is required to forfeit or to make any repayment of any compensation or benefit(s) to the Company under the Sarbanes-Oxley Act of 2002 or pursuant to the Dodd Frank Wall Street Reform and Consumer Protection Act or any other law or listing standards of the national securities exchange that maintains the principal listing for any class of Sempra's common equity, such forfeiture or repayment shall not constitute Good Reason.

Section 12. Full Settlement; Mitigation. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others, provided that nothing herein shall preclude the Company from separately pursuing recovery from the Executive based on any such claim. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts (including amounts for damages for breach) payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not the Executive obtains other employment.

Section 13. Dispute Resolution and Arbitration.

(a) If any dispute arises between the Executive and Sempra or any of its Affiliates, including, but not limited to, disputes relating to or arising out of this Agreement, disputes relating to or arising out of the Executive's employment and/or the termination thereof, and/or disputes regarding the interpretation, enforceability, or validity of this Agreement ("Arbitrable Dispute"), the Executive and Sempra mutually agree to waive their respective rights to resolution of disputes through litigation in a judicial forum and agree to resolve any Arbitrable Dispute through **final and binding arbitration** as set forth below, except as prohibited by law. Arbitration shall be the exclusive remedy for any Arbitrable Dispute. Accordingly, this agreement to arbitrate applies with respect to all Arbitrable Disputes, whether initiated by Executive or Sempra. Any Arbitrable Dispute will be decided by an arbitrator through individual arbitration and not by way of court or jury trial. **Sempra and the Executive waive any right to a jury trial or a court bench trial**.

(b) Sempra and the Executive agree to bring any dispute in arbitration in an individual capacity only:

Sempra and the Executive hereby waive any right for any dispute to be brought, maintained, heard, decided or arbitrated as a class and/or collective action and the arbitrator will have no authority to hear or preside over any such action ("Class Action Waiver"). The Executive understands and agrees that the Executive and Sempra are waiving the right to pursue or have a dispute resolved as a plaintiff or class member in any purported class, collective or representative proceeding. To the extent the Class Action Waiver is determined to be invalid, unenforceable, or void, any class and/or collective action must proceed in a court of law and not in arbitration.

Notwithstanding any other provision of this Agreement, to the fullest extent permitted by law, the Executive and Sempra (1) agree not to bring a representative action on behalf of others under the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code § 2698 *et* *seq*., in any court or in arbitration, and (2) agree that, for any claim brought on a private attorney general basis, including under the California PAGA, any such dispute shall be resolved in arbitration on an individual basis only (*i.e*., to resolve whether the Executive has personally been aggrieved or subject to any violations of law), and that such an action may not be used to resolve the claims or rights of other individuals in a single or collective proceeding (collectively, "Representative PAGA Waiver"). Notwithstanding any other provision of this agreement to arbitrate or the JAMS Rules, the scope, applicability, enforceability, revocability or validity of this Representative PAGA Waiver may be resolved only by a court of competent jurisdiction and not by an arbitrator. If any provision of this representative PAGA Waiver is found to be unenforceable or unlawful for any reason, the unenforceable provision shall be severed from this Dispute Resolution provision, and any such representative PAGA claims or other representative private attorneys general act claims must be litigated in a court of competent jurisdiction and not in arbitration. To the extent that there are any Arbitrable Disputes to be litigated in a court of competent jurisdiction because a court determines that the Representative PAGA Waiver is unenforceable with respect to those disputes, the Parties agree that litigation of those Arbitrable Disputes shall be stayed pending the outcome of any individual disputes in arbitration.

(c) Arbitration shall take place at the office of JAMS (or, if the Executive is employed outside of California, the American Arbitration Association ("AAA")) nearest to the location where the Executive last worked for the Company. Except to the extent it conflicts with the rules and procedures set forth in this Agreement, arbitration shall be conducted in accordance with the JAMS Employment Arbitration Rules & Procedures then in effect ("JAMS Rules") (if the Executive is employed outside of California, the AAA Employment Arbitration Rules & Mediation Procedures ("AAA Rules")), copies of which are available at www.jamsadr.com; tel: 800.352.5267 and www.adr.org; tel: 800.778.7879, before a single experienced, neutral employment arbitrator selected in accordance with those rules.

(d) Sempra will be responsible for paying any filing fee and the fees and costs of the arbitrator. However, the Executive will be responsible for contributing up to any amount equal to the filing fee that would be paid to initiate the claim in a court of general jurisdiction in the state in which the Executive is employed, unless a lower fee amount would be owed by the Executive pursuant to the JAMS Rules (or AAA rules, as applicable) or applicable law. Subject to Section 15 of this Agreement, each party shall pay its own attorneys' fees and pay any costs that are not unique to arbitration (i.e., costs that each party would incur if the claim(s) were litigated in a court, such as costs to subpoena witnesses and/or documents, take depositions and purchase deposition transcripts, copy documents, etc.). However, subject to Section 15 of this Agreement, if any party prevails on a statutory claim that authorizes an award of attorneys' fees to the prevailing party, or if there is a written agreement providing for attorneys' fees, the arbitrator may award reasonable attorneys' fees to the prevailing party, applying the same standards a court would apply under the law applicable to the claim.

(e) The arbitrator shall apply the Federal Rules of Evidence, shall have the authority to entertain a motion to dismiss or a motion for summary judgment by any party, and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator is required to issue a written award and opinion setting forth the essential findings and conclusions on which the award is based, and any judgment or award issued by an arbitrator may be entered in any court of competent jurisdiction. The arbitrator does not have the authority to consider, certify, or hear an arbitration as a class action, collective action, or any other type of representative action. In addition, unless all parties agree in writing otherwise, the arbitrator shall not consolidate or join the arbitrations of one or more than one individual. Neither party may seek, nor may the arbitrator award, any relief that is not individualized to the claimant or that affects other individuals. The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claims. Sempra and the Executive recognize that this agreement to arbitrate arises out of or concerns interstate commerce and that the Federal Arbitration Act shall govern the arbitration and shall govern the interpretation or enforcement of this Agreement or any arbitration award.

(f) If a court decides that applicable law does not permit the enforcement of any of this section's limitations as to a particular claim or any particular remedy for a claim, then that claim or particular remedy (and only that claim or particular remedy) must be severed from the arbitration and may be brought in court.

Section 14. Executive's Covenants.

(a) Confidentiality. The Executive acknowledges that in the course of the Executive's employment with the Company, the Executive has acquired non-public privileged or confidential information and trade secrets concerning the operations, future plans and methods of doing business ("Proprietary Information") of Sempra and its Affiliates; and the Executive agrees that it would be extremely damaging to Sempra and its Affiliates if such Proprietary Information were disclosed to a competitor of Sempra and its Affiliates or to any other Person. The Executive understands and agrees that all Proprietary Information has been divulged to the Executive in confidence and further understands and agrees to keep all Proprietary Information secret and confidential (except for such information which is or becomes publicly available other than as a result of a breach by the Executive of this provision or information the Executive is required by law or any governmental, administrative or court order to disclose) without limitation in time. In view of the nature of the Executive's employment and the Proprietary Information the Executive has acquired during the course of such employment, the Executive likewise agrees that Sempra and its Affiliates would be irreparably harmed by any disclosure of Proprietary Information in violation of the terms of this Section 14(a) and that Sempra and its Affiliates shall therefore be entitled to preliminary and/or permanent injunctive relief prohibiting the Executive from engaging in any activity or threatened activity in violation of the terms of this Section 14(a) and to any other relief available to them. Inquiries regarding whether specific information constitutes Proprietary Information shall be directed to the Company's most senior officer of Human Resources (or, if such position is vacant, the Company's then Chief Executive Officer); *provided*, that the Company shall not unreasonably classify information as Proprietary Information.

(b) Governmental Reporting. Nothing in this Agreement is intended to interfere with or discourage the Executive's good faith disclosure related to a suspected violation of federal or state law or regulation to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation. The Executive cannot and will not be held criminally or civilly liable under any federal or state trade secret law for disclosing otherwise protected trade secrets and/or confidential or proprietary information so long as the disclosure is made in (i) confidence to a federal, state, or local government official, directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) a complaint or other document filed in a lawsuit or other proceeding, so long as such filing is made under seal. The Company will not retaliate against the Executive in any way for a disclosure made pursuant to this Section 14(b). Further, in the event the Executive makes such a disclosure, and files a lawsuit against the Company alleging that the Company retaliated against the Executive because of the disclosure, the Executive may disclose the relevant trade secret or confidential information to the Executive's attorney, and may use the same in the court proceeding only if (X) the Executive ensures that any court filing that includes the trade secret or confidential information at issue is made under seal; and (Y) the Executive does not otherwise disclose the trade secret or confidential information except as required by court order.

(c) Non-Solicitation of Employees. The Executive recognizes that the Executive possesses and will possess confidential information about other employees of Sempra and its Affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of Sempra and its Affiliates. The Executive recognizes that the information the Executive possesses and will possess about these other employees is not generally known, is of substantial value to Sempra and its Affiliates in developing their business and in securing and retaining customers, and has been and will be acquired by the Executive because of the Executive's business position with Sempra and its Affiliates. The Executive agrees that at all times during the Executive's employment with the Company and for a period of one (1) year thereafter, the Executive will not use such information to directly or indirectly solicit or recruit any employee of the Company or its Affiliates for the purpose of being employed by the Executive or by any competitor of the Company or its Affiliates on whose behalf the Executive is acting as an agent, representative or employee and that the Executive will not convey any such confidential information or trade secrets about other employees of Sempra and its Affiliates to any other Person; *provided, however*, that it shall not constitute a solicitation or recruitment of employment in violation of this Section 14(c) to discuss employment opportunities with any employee of the Company or its Affiliates who has either first contacted the Executive or regarding whose employment the Executive has discussed with and received the written approval of the Company's most senior officer of Human Resources (or, if such position is vacant, the Company's then Chief Executive Officer), prior to making such solicitation or recruitment. In view of the nature of the Executive's employment with the Company, the Executive likewise agrees that Sempra and its Affiliates would be irreparably harmed by any solicitation or recruitment in violation of the terms of this Section 14(c) and that Sempra and its Affiliates shall therefore be entitled to preliminary and/or permanent injunctive relief prohibiting the Executive from engaging in any activity or threatened activity in violation of the terms of this Section 14(c) and to any other relief available to them.

(d) Survival of Provisions. The obligations contained in Section 14(a), (b) and (c) above shall survive the termination of the Executive's employment within the Company and shall be fully enforceable thereafter to the same extent that it was enforceable prior to such termination. If it is determined by a court of competent jurisdiction in any state that any restriction in Section 14(a) or (c) above is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

(e) Consulting Payment. In the event of the Executive's Involuntary Termination, if (i) the Executive reconfirms and agrees to abide by the covenants described in Section 14(a) and (c) above, (ii) the Release Requirements are satisfied by the Payment Date, and (iii) the Executive agrees to provide the consulting services described in Section 14(f) below, then in consideration for such covenants and consulting services, the Company shall pay the Executive, in one (1) cash lump sum, an amount (the "Consulting Payment") in cash equal to one-half (0.5) times the sum of (X) the Executive's Annual Base Salary as in effect on the Date of Termination, plus (Y) the greater of the Executive's Average Annual Bonus or the Executive's Target Bonus on the Date of Termination. If the requirements of this Section 14(e) are satisfied, the Consulting Payment shall be paid during the thirty (30) day period commencing on the earlier of (i) the expiration of the six (6) month period measured from the date of the Executive's Separation from Service or (ii) the date of the Executive's death.

(f) Consulting. If the Executive agrees to the provisions of Section 14(e) above, then the Executive shall have the obligation to provide consulting services to the

Company as an independent contractor, commencing on the Date of Termination and ending on the first (1st) anniversary of the Date of Termination (the "Consulting Period"). The Executive shall hold himself available at reasonable times and on reasonable notice to render such consulting services as may be so assigned to the Executive by the Board or the Company's then Chief Executive Officer; *provided, however*, that unless the parties otherwise agree, the consulting services rendered by the Executive during the Consulting Period shall not exceed twenty (20) hours each month; and, *provided, further*, that the consulting services rendered by the Executive during the Consulting Period shall in no event exceed twenty percent (20%) of the average level of services performed by the Executive for the Company over the thirty-six (36) month period immediately preceding the Executive's Separation from Service (or the full period of services to the Company, if the Executive has been providing services to the Company for less than thirty-six (36) months). The Company agrees to use its best efforts during the Consulting Period to secure the benefit of the Executive's consulting services so as to minimize the interference with the Executive's other activities, including requiring the performance of consulting services at the Company's offices only when such services may not be reasonably performed off-site by the Executive.

Section 15. Legal Fees.

(a) Reimbursement of Legal Fees. Subject to Section 15(b), in the event of the Executive's Separation from Service either (i) prior to a Change in Control, or (ii) on or within two (2) years following a Change in Control, the Company shall reimburse the Executive for all legal fees and expenses (including but not limited to fees and expenses in connection with any legal proceeding) incurred by the Executive in disputing any issue arising under this Agreement relating to the Executive's Separation from Service or in seeking to obtain or enforce any benefit or right provided by this Agreement.

(b) Requirements for Reimbursement. The Company shall reimburse the Executive's legal fees and expenses pursuant to Section 15(a) above only to the extent the arbitrator or court determines (i) in the case of Section 15(a)(ii) that the Executive had a reasonable basis for such claim and (ii) in the case of Section 15(a)(i) that the Executive disputed such issue, or sought to obtain or enforce such benefit or right, in good faith, the Executive had a reasonable basis for such claim, and the Executive is the prevailing party. In addition, the Company shall reimburse such legal fees and expenses, in each case only if such legal fees and expenses are incurred during the twenty (20) year period beginning on the date of the Executive's Separation from Service. The legal fees and expenses paid to the Executive for any taxable year of the Executive shall not affect the legal fees and expenses paid to the Executive for any other taxable year of the Executive. The legal fees and expenses shall be paid to the Executive as soon as practicable following the date on which documentation relating to the incurred expenses is provided by the Executive to the Company; provided, however, that any such reimbursement shall occur on or before the last day of the Executive's taxable year following the taxable year in which the fees or expenses are determined to be payable pursuant to this Agreement. The Executive's right to reimbursement of legal fees and expenses shall not be subject to liquidation or exchange for any other benefit. Such right to reimbursement of legal fees and expenses shall be provided in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv).

Section 16. Successors.

(a) Assignment by the Executive. This Agreement is personal to the Executive and without the prior written consent of Sempra shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) Successors and Assigns of Sempra. This Agreement shall inure to the benefit of and be binding upon Sempra and its successors and assigns. Sempra may not assign this Agreement to any Person (except for a successor described in Section 16(c), (d) or (e) below) without the Executive's written consent.

(c) Assumption. Sempra shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Sempra to assume expressly and agree to perform the obligations and satisfy and discharge the liabilities of this Agreement in the same manner and to the same extent that Sempra would have been required to perform the obligations and satisfy and discharge the liabilities under this Agreement if no such succession had taken place, and Sempra shall have no further obligations and liabilities under this Agreement. Upon such assumption, references to Sempra in this Agreement shall be replaced with references to such successor.

(d) Sale of Subsidiary. In the event that (i) the Executive is employed by a direct or indirect subsidiary of Sempra that is a member of the Sempra Control Group, (ii) Sempra, directly or indirectly through one or more intermediaries, sells or otherwise disposes of such subsidiary, and (iii) such subsidiary ceases to be a member of the Sempra Control Group, then if, on the date such subsidiary ceases to be a member of the Sempra Control Group, the Executive continues in employment with such subsidiary and the Executive does not have a Separation from Service, Sempra shall require such subsidiary or any successor (whether direct or indirect, by purchase merger, consolidation or otherwise) to such subsidiary, or the parent thereof, to assume expressly and agree to perform the obligations and satisfy and discharge the liabilities under this Agreement in the same manner and to the same extent that Sempra would have been required to perform the obligations and satisfy and discharge the liabilities under this Agreement, if such subsidiary had not ceased to be part of the Sempra Control Group, and, upon such assumption, Sempra shall have no further obligations and liabilities under the Agreement. Upon such assumption, references to Sempra in this Agreement shall be replaced with references to such subsidiary, or such successor or parent thereof, assuming this Agreement, and subsection (b) of the definition of "Cause" and subsection (b) of the definition of "Good Reason" shall apply thereafter, as if a Change in Control had occurred on the date of such cessation.

(e) Sale of Assets of Subsidiary. In the event that (i) the Executive is employed by a direct or indirect subsidiary of Sempra, and (ii) such subsidiary sells or otherwise disposes of substantial assets of such subsidiary to an unrelated service recipient, as determined under Treasury Regulation Section 1.409A-1(f)(2)(ii) (the "Asset Purchaser"), in a transaction described in Treasury Regulation Section 1.409A-1(h)(4) (an "Asset Sale"), then if, on the date of such Asset Sale, the Executive becomes employed by the Asset Purchaser, Sempra and the Asset Purchaser may specify, in accordance with Treasury Regulation Section 1.409A-1(h)(4), that the Executive shall not be treated as having a Separation from Service, and in such event, Sempra may require such Asset Purchaser, or the parent thereof, to assume expressly and agree to perform the obligations and satisfy and discharge the liabilities under this Agreement in the same manner and to the same extent that the Company would have been required to perform the obligations and satisfy and discharge the liabilities under this Agreement, if the Asset Sale had not taken place, and, upon such assumption, Sempra shall have no further obligations and liabilities under the Agreement. Upon such assumption, references to Sempra in this Agreement shall be replaced with references to the Asset Purchaser or the parent thereof, as applicable, and subsection (b) of the definition of "Cause" and subsection (b) of the definition of "Good Reason" shall apply thereafter, as if a Change in Control had occurred on the date of the Asset Sale.

Section 17. Administration Prior to Change in Control. Prior to a Change in Control, the Compensation Committee shall have full and complete authority to construe and interpret the provisions of this Agreement, to determine an individual's entitlement to benefits under this Agreement, to make in its sole and absolute discretion all determinations contemplated under this Agreement, to investigate and make factual determinations necessary or advisable to administer or implement this Agreement, and to adopt such rules and procedures as it deems necessary or advisable for the administration or implementation of this Agreement. All determinations made under this Agreement by the Compensation Committee shall be final, conclusive and binding on all interested Persons. Prior to a Change in Control, the Compensation Committee may delegate responsibilities for the operation and administration of this Agreement to one or more officers or employees of the Company. The provisions of this Section 17 shall terminate and be of no further force and effect upon the occurrence of a Change in Control.

Section 18. Compliance with Section 409A of the Code. All payments and benefits payable under this Agreement (including, without limitation, the Section 409A Payments) are intended to comply with the requirements of Section 409A of the Code. Certain payments and benefits payable under this Agreement are intended to or may be exempt from the requirements of Section 409A of the Code. This Agreement shall be interpreted in accordance with the applicable requirements of, and exemptions from, Section 409A of the Code, the Treasury Regulations thereunder and other guidance of general applicability. If the Company determines that any compensation, benefits or other payments that are payable under this Agreement and intended to comply with Section 409A of the Code do not comply with Section 409A of the Code, the Treasury Regulations thereunder and other applicable authority issued by the Internal Revenue Service, to the extent permitted under Section 409A of the Code, the Treasury Regulations thereunder and any other applicable guidance, the Company and the Executive agree to amend this Agreement, or take such other actions as the Company and the Executive deem reasonably necessary or appropriate, to cause such compensation, benefits and other payments to comply with the requirements of Section 409A of the Code, the Treasury Regulations thereunder and other applicable guidance, while providing compensation, benefits and other payments that are, in the aggregate, no less favorable than the compensation, benefits and other payments provided under this Agreement. In the case of any compensation, benefits or other payments that are payable under this Agreement and intended to comply with Section 409Aof the Code, if any provision of the Agreement would cause such compensation, benefits or other payments to fail to so comply, such provision shall not be effective and shall be null and void with respect to such compensation, benefits or other payments to the extent such provision would cause a failure to comply, and such provision shall otherwise remain in full force and effect.

Section 19. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to its principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. Except as provided herein, the Agreement may not be amended, modified, repealed, waived, extended or discharged except by an agreement in writing signed by the parties hereto. No Person, other than pursuant to a resolution of the Board or a committee thereof, shall have authority on behalf of Sempra to agree to amend, modify, repeal, waive, extend or discharge any provision of this Agreement or anything in reference thereto.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party, by a reputable overnight carrier or by registered or certified mail, return receipt requested, postage prepaid, addressed, in the case of the Company, to Sempra's headquarters attention the most senior officer of Human Resources with a copy to the General Counsel or in the case of the Executive, the home address of the Executive on file with the Company, or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) Taxes. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason, or the right of the Company to terminate the Executive's employment for Cause shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) Entire Agreement; Exclusive Benefit; Supersession of Prior Agreement. This Agreement contains the entire agreement of the Executive, the Company or any predecessor or subsidiary thereof with respect to any severance or termination pay. The Pre-Change in Control Severance Payment, the Post-Change in Control Severance Payment and all other benefits provided hereunder shall be in lieu of any other severance payments to which the Executive is entitled under any other severance plan or program or arrangement sponsored by the Company, as well as pursuant to any individual employment or severance agreement that was entered into by the Executive and the Company, and, upon the Effective Date of this Agreement, all such plans, programs, arrangements and agreements other than agreements to arbitrate disputes with the Company, to the extent in conflict with this Agreement, are hereby automatically superseded and terminated. Any prior agreements/provisions agreeing to arbitrate disputes with the Company shall remain in full force and effect and shall not be affected by this Agreement.

(g) No Right of Employment. Nothing in this Agreement shall be construed as giving the Executive any right to be retained in the employ of the Company or shall interfere in any way with the right of the Company to terminate the Executive's employment at any time, with or without Cause.

(h) Unfunded Obligation. The obligations under this Agreement shall be unfunded. Benefits payable under this Agreement shall be paid from the general assets of the Company. The Company shall have no obligation to establish any fund or to set aside any assets to provide benefits under this Agreement.

(i) Termination upon Sale of Assets of Subsidiary. Notwithstanding anything contained herein, this Agreement shall automatically terminate and be of no further force and effect and no benefits shall be payable hereunder in the event that (i) the Executive is employed by a direct or indirect subsidiary of Sempra, (ii) an Asset Sale (as defined in Section 16(e)) occurs (other than such a sale or disposition which is part of a transaction or series of transactions which would result in a Change in Control), and (iii) as a result of such Asset Sale, the Executive is offered employment by the Asset Purchaser in an executive position with reasonably comparable status, compensation, benefits and severance agreement (including the assumption of this Agreement in accordance with Section 16(e)) and which is consistent with the

Executive's experience and education, but the Executive declines to accept such offer and the Executive fails to become employed by the Asset Purchaser on the date of the Asset Sale.

(j) Term. The term of this Agreement shall commence on the Effective Date and shall continue until the third (3rd) anniversary of the Effective Date; *provided, however*, that commencing on the second (2nd) anniversary of the Effective Date (and each anniversary of the Effective Date thereafter), the term of this Agreement shall automatically be extended for one (1) additional year, unless at least ninety (90) days prior to such date, the Company or the Executive shall give written notice to the other party that it or he, as the case may be, does not wish to so extend this Agreement. Notwithstanding the foregoing, if the Company gives such written notice to the Executive (i) at a time when Sempra is a party to an agreement that, if consummated, would constitute a Change in Control or (ii) less than two (2) years after a Change in Control, the term of this Agreement shall be automatically extended until the later of (X) the date that is one (1) year after the anniversary of the Effective Date that follows such written notice or (Y) the first day of the calendar month following the second (2nd) anniversary of the Change in Control Date.

(k) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Executive and, pursuant to due authorization from its Board of Directors, Sempra have caused this Agreement to be executed as of the day and year first above written.

SEMPRA

/s/ Lisa M. Larroque Alexander
Lisa M. Larroque Alexander
Senior Vice President, Corporate Affairs
and Chief Human Resources Officer

7/29/2026
Date

EXECUTIVE

/s/ Elvia Lima Ortiz
Elvia Lima Ortiz
VP, Chief Accounting Officer and
Controller
Southern California Gas Company

7/28/2026
Date

EXHIBIT A

SEPARATION AGREEMENT AND GENERAL RELEASE

This SEPARATION AGREEMENT AND GENERAL RELEASE (the “Agreement”), is made by and between ______________________________, a California corporation (the “Company”) and ___________________________ (“Employee”) (jointly referred to as the “Parties” or individually referred to as a “Party”) as of the Effective Date (as defined below).

WHEREAS, Employee was employed by the Company as an at-will employee;

WHEREAS, Employee and the Company previously entered into that certain Severance Pay Agreement dated ____________, 20___ (the “Severance Pay Agreement”) in connection with Employee’s employment with the Company;

WHEREAS, Employee’s right to receive certain severance pay and benefits pursuant to the terms of the Severance Pay Agreement is subject to and conditioned upon Employee’s execution [and non-revocation] of a general release of claims Employee has or may have against the Company Releasees (as defined below); and

WHEREAS, Employee’s right to receive the Consulting Payment provided pursuant to Section 14(e) of the Severance Pay Agreement is subject to and conditioned upon Employee’s execution [and non-revocation] of a general release of claims by Employee against the Company Releasees and Employee’s adherence to the covenants described under Section 14 of the Severance Pay Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. Separation Date. Employee’s employment with the Company terminated at the close of business on [____________] (the “Separation Date”). Employee has received his/her final wages through the Separation Date, less deductions required by law, including any accrued but unused vacation, in accordance with applicable law. Employee has also been reimbursed for any outstanding employment-related expenses that were incurred and submitted consistent with Company policy. This Agreement is not a condition of employment or continued employment or a condition of receiving a raise or a bonus. On the Separation Date, Employee will be deemed to have resigned from all positions that he/she holds with the Company and its affiliates, and Employee will promptly execute any instrument reasonably requested by the Company or any of its affiliates to effectuate or commemorate such resignation. The term “affiliate” as used herein shall include, without limitation, such Person’s parent companies, divisions and subsidiaries, whether or not specified.

2. Severance Benefits. In exchange for Employee entering into this Agreement and not revoking it, and for the covenants and releases contained herein, the Company will provide Employee with the severance benefits described below. Employee acknowledges that the amounts and benefits set forth in this Section 2 as well as any benefits and claims not released

under Section 4(b), fully satisfy any entitlement Employee may have to any payments or benefits from the Company through the Separation Date, including under the Severance Pay Agreement. Employee further acknowledges that no part of the severance payments described in this Section 2 consist of wages owed to Employee for his/her employment through the Separation Date.

(a) [The Company will pay Employee a lump sum payment of [______________________], less applicable withholdings, pursuant to Section [4/5] of the Severance Pay Agreement. Pursuant to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), payment will be made on the earlier of (i) the date that is six (6) months and one (1) day after the Separation Date; and (ii) the date of Employee's death.

(b) The Company will pay Employee a lump sum payment of [___________], less applicable withholdings, which is equal to the Consulting Payment set forth in Section 14(e) of the Severance Pay Agreement. Such payment will be made during the thirty (30) day period commencing on the earlier of (i) a date that is six (6) months and one (1) day after the Separation Date; and (ii) the date of Employee's death

(c) The Company will also provide Employee with the severance benefits set forth in Sections 4(c), (d) and (e) of the Severance Pay Agreement. For the avoidance of doubt, the value of the services set forth in Sections 4(c), (d) and (e) of the Severance Pay Agreement shall not be subject to liquidation or exchange for any other benefit.]

3. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on Employee's behalf under the terms of this Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Company and its affiliates harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company or any of its affiliates for any amounts claimed due on account of (a) Employee's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company or any of its affiliates by reason of any such claims, including reasonable attorneys' fees and costs

4. Release of Claims. As a material inducement for the payment of the severance and benefits of the Severance Pay Agreement, and except as otherwise provided in this Agreement, Employee, on behalf of him/herself and on behalf of his/her heirs, family members, executors, agents and assigns, hereby irrevocably and unconditionally releases, acquits and forever discharges the Company Releasees from any and all Claims he/she has or may have. For purposes of this Agreement and the preceding sentence, the words "Releasee" or "Releasees" and "Claim" or "Claims" shall have the meanings set forth below:

(a) "Company Releasees" shall refer to (i) the Company, (ii) each of the Company's owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, advisors, and affiliates (including parent companies, divisions, and subsidiaries), (iii) agents, directors, officers, employees, representatives, attorneys and advisors of such affiliates (including parent companies, divisions, and subsidiaries), and (iv) all persons and entities acting by, through, under or in concert with any of them

(b) The words "Claim" or "Claims" shall refer to any charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, which Employee had or may have, own or hold against any of the Company Releasees through and including the Effective Date that in any way arise out of, relate to, or are in connection with Employee's employment relationship with the Company and its affiliates and the termination of that relationship, including, without limitation, all rights arising out of alleged violations of any contracts, express or implied, including the Severance Pay Agreement; any tort claim; any legal restrictions on the Company's right to terminate employment relationships; and any federal, state or other governmental statute, regulation, law or ordinance, including common law principles, governing the employment relationship including, without limitation, all laws and regulations prohibiting discrimination or harassment based on protected categories, and all laws and regulations prohibiting retaliation against employees, including retaliation for engaging in protected activity or legal off-duty conduct. This release does not extend to claims for workers' compensation or other claims which by law may not be waived or released by this Agreement, nor does it limit Employee's right to receive any vested payments or benefits to which he/she is entitled under any Company (including its affiliates) benefit plan (including, without limitation, any of the Company's (including its affiliates) qualified retirement plans or non-qualified deferred compensation plan), which payments or benefits will be paid or provided pursuant to the terms of the applicable governing documents.

5. Release of Unknown Claims. Employee expressly waives and relinquishes all rights and benefits afforded by any statute (including, but not limited to, Section 1542 of the Civil Code of the State of California and analogous laws of other states), which limits the effect of a release with respect to unknown claims. Employee does so understanding and acknowledging the significance of the release of unknown claims and the waiver of statutory protection against a release of unknown claims (including, but not limited to, Section 1542). Section 1542 of the Civil Code of the State of California states as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Thus, notwithstanding the provisions of Section 1542 or of any similar statute, and for the purpose of implementing a full and complete release and discharge of the Company Releasees, Employee expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims which are known and all Claims which Employee does not know or suspect to exist in Employee's favor at the time of execution of this Agreement and that this Agreement contemplates the extinguishment of all such Claims. Employee acknowledges that he/she might hereafter discover facts different from, or in addition to, those Employee now knows or believes to be true with respect to a Claim or Claims released herein, and they expressly agree to assume the risk of possible discovery of additional or different facts, and agree that this Agreement shall be and remain effective, in all respects, regardless of such additional or different discovered facts.

6. Covenant Not to Sue. Employee agrees that Employee will not file any suit, claim, proceeding or complaint against any Company Releasees arising out of or in connection with any Claims released herein, except as required to enforce the terms of this Agreement. Employee's right to file or participate in an administrative claim or investigation by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency against the Company, which is guaranteed by law, cannot be and is not waived. However, to the extent permitted by law, and except as to Securities and Exchange Commission whistleblower awards, Employee agrees that if such an administrative claim is made against any Company Releasee(s) on Employee's behalf, Employee shall not be entitled to recover any individual monetary relief or other individual remedies beyond the separation benefits identified in this Agreement.

7. No Pending Lawsuits. Employee represents and warrants that Employee does not have any lawsuits, charges, claims, grievances, or actions of any kind pending against any Company Releasees arising out of or in connection with any Claims released herein, by or on behalf of Employee or on behalf of any other person or entity, and that, to the best of Employee's knowledge, Employee possess no such claims (including, but not limited to, under the Family and Medical Leave Act, the Age Discrimination in Employment Act, the California Family Rights Act, the Fair Labor Standards Act, the California Labor Code and/or workers' compensation claims). Employee further acknowledges that he/she is not aware of, or has fully disclosed to the Company, any information that could reasonably give rise to such a claim, cause of action, lawsuit or proceeding against any Company Releasee(s).

8. No Cooperation. Employee agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any Company Releasee(s) arising out or in connection with any Claims released herein, unless under a subpoena or other court order to do so. Employee agrees to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish to the Company, within three (3) business days of its receipt, a copy of such subpoena or other court order.

9. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, except as provided in this Agreement, the Company has fully paid or provided Employee all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions or other incentive compensation, stock, stock options, vesting, and any and all other benefits and compensation due to Employee. Employee specifically represents that Employee is not owed any further sum by way of reimbursement from the Company or any of its affiliates. To the extent Employee claims that additional wages are or may become owed to Employee, there is a good faith dispute based in law and fact over whether any wages in excess of the wages already paid to Employee are or will be due, and thus California Labor Code Section 206.5 is inapplicable.

10. Indemnification.

(a) As a further material inducement to the Company to enter into this Agreement, Employee hereby agrees to indemnify and hold each of the Company Releasees harmless from all loss, costs, damages, or expenses, including without limitation, reasonable attorneys' fees incurred by the Company Releasees, arising out of any breach of this Agreement by Employee or the fact that any representation made in this Agreement by Employee was false when made. As a further material inducement to Employee to enter into this Agreement, the Company hereby agrees to indemnify and hold each of the Company Releasees harmless from all loss, costs, damages, or expenses, including without limitation, reasonable attorneys' fees incurred by the Company Releasees, arising out of any breach of this Agreement by the Company or the fact that any representation made in this Agreement by the Company was knowingly false when made.

(b) If Employee is a party or is threatened to be made a party to any proceeding by reason of the fact that Employee was an employee, officer or director of the Company or any of its affiliates, the Company shall indemnify and hold harmless Employee against any expenses (including reasonable attorneys' fees, *provided*, that counsel has been approved by the Company, which approval shall not be unreasonably withheld), judgments, fines, settlements and other amounts actually or reasonably incurred by Employee in connection with that proceeding, and *provided,* that Employee acted in good faith and in a manner Employee reasonably believed to be in the best interest of the Company. The limitations of Section 317 of the Corporations Code of the State of California shall apply to this assurance of indemnification. Notwithstanding the foregoing or any other provision contained herein, this Agreement shall not supersede or in any way limit any (i) indemnification arrangements in favor of the Employee under the Company's or any of its affiliates charter documents or bylaws or pursuant to any agreement between the Employee and the Company or any of the Company's affiliates or (ii) the provision of insurance against insurable events which occurred while the Executive was a director or officer of the Company, in each as provided by and subject to the limitations set forth in Section 10 of the Severance Pay Agreement.

11. No Admission of Liability.

The Parties understand and acknowledge that no action taken by either Party in connection hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (i) an admission of the truth or falsity of any actual or potential claims, or (ii) an acknowledgement or admission by either Party of any fault or liability whatsoever to the other Party or to any third party. This Agreement shall not in any way be construed as an admission by the Company that it has acted wrongfully with respect to Employee or any other person or entity, or that Employee has any rights whatsoever against the Company, and the Company specifically disclaims any liability to or wrongful acts against Employee or any other person or entity, on the part of itself, its employees or its agents. This Agreement shall not in any way be construed as an admission by Employee that Employee has acted wrongfully with respect to the Company, or that Employee failed to perform Employee's duties or negligently performed or breached Employee's duties, or that the Company had good cause to terminate Employee's employment.

12. Cooperation in Litigation. Employee agrees to cooperate with the Company and its affiliates and their respective designated attorneys, representatives and agents in connection with any actual or threatened judicial, administrative or other legal or equitable proceeding in which the Company or any of the Company's affiliates is or may become involved. Upon reasonable notice, Employee agrees to meet with and provide to the Company and its affiliates and their respective designated attorneys, representatives or agents all information and knowledge Employee has relating to the subject matter of any such proceeding. The Company agrees to reimburse Employee for any reasonable costs Employee incurs in providing such cooperation.

13. Governing Law. This Agreement is entered into in [state] and, except as provided in this section, shall be governed by substantive [state] law.

14. Arbitration of Disputes. If any dispute arises between Employee and the Company relating to this Agreement, including any dispute regarding the interpretation, enforceability, or validity of this Agreement ("Arbitrable Dispute"), the Parties agree to resolve that Arbitrable Dispute through **final and binding** arbitration under this section. Employee also agrees to arbitrate any Arbitrable Dispute which also involves any other Company Releasee who offers or agrees to arbitrate the dispute under this section.

(a) Any Arbitrable Dispute will be decided by an arbitrator though individual arbitration, and **Employee and the Company waive any right to a jury trial or a court bench trial**. Employee and the Company also waive the right for any dispute to be brought, maintained, decided or arbitrated as a class and/or collective action and the arbitrator shall have no authority to hear or preside over any such action ("Class Action Waiver"). Further, Arbitrable Disputes must be brought in the individual capacity of the party asserting the claim, Employee and the Company are waiving the right to pursue or have a dispute resolved as a plaintiff or class member in any purported class, collective or representative proceeding. To the extent the Class Action Waiver is determined to be invalid, unenforceable, or void, any class and/or collective action must proceed in a court of law and not in arbitration.

Notwithstanding any other provision of this Agreement, to the fullest extent permitted by law, Employee and the Company (1) agree not to bring a representative action on behalf of others under the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code § 2698 *et seq*., in any court or in arbitration, and (2) agree that, for any claim brought on a private attorney general basis, including under the California PAGA, any such dispute shall be resolved in arbitration on an individual basis only (*i.e*., to resolve whether Employee has personally been aggrieved or subject to any violations of law), and that such an action may not be used to resolve the claims or rights of other individuals in a single or collective proceeding (collectively, "Representative PAGA Waiver"). Notwithstanding any other provision of this arbitration agreement or the JAMS Rules, the scope, applicability, enforceability, revocability or validity of this Representative PAGA Waiver may be resolved only by a court of competent jurisdiction and not by an arbitrator. If any provision of this representative PAGA Waiver is found to be unenforceable or unlawful for any reason, the unenforceable provision shall be severed from this Dispute Resolution provision, and any such representative PAGA claims or other representative private attorneys general act claims must be litigated in a court of competent jurisdiction and not in arbitration. To the extent that there are any Arbitrable Disputes to be litigated in a court of competent jurisdiction because a court determines that the representative PAGA Waiver is unenforceable with respect to those disputes, the Parties agree that litigation of those Arbitrable Disputes shall be stayed pending the outcome of any individual disputes in arbitration.

(b) The Arbitration shall take place at the office of JAMS that is nearest to the location where Employee last worked for the Company in accordance with the JAMS Employment Arbitration Rules & Procedures then in effect ("JAMS Rules") (or, if Employee is employed outside of California at the time of the termination of Employee's employment, at the nearest location of the American Arbitration Association ("AAA") and in accordance with the AAA Employment Arbitration Rules and Mediation Procedures then in effect ("AAA Rules")), copies of which are available at www.jamsadr.com; tel: 800.352.5267 and www.adr.org; tel: 800.778.7879, before a single experienced employment arbitrator selected in accordance with those rules.

(c) The Arbitrator may not modify or change this Agreement in any way. The Company will be responsible for paying any filing fee and the fees and costs of the Arbitrator; provided, however, that if Employee is the party initiating the claim, Employee will contribute an amount equal to the filing fee that would be paid to initiate a claim in the court of general jurisdiction in the state in which Employee is employed by the Company, unless a lower fee amount would be owed by Employee pursuant to the JAMS Rules (or AAA Rules, as applicable) or applicable law. Each Party shall pay for its own costs and attorneys' fees and pay any costs that are not unique to arbitration (i.e., cost that each party would incur if the claim(s) were litigated in a court, such as costs to subpoena witnesses and/or documents, take depositions and purchase deposition transcripts, copy documents, etc.), if any. However if any party prevails on a statutory claim which affords the prevailing party attorneys' fees and costs, or if there is a written agreement providing for attorneys' fees and/or costs, the Arbitrator may award reasonable attorney's fees and/or costs to the prevailing party, applying the same standards a court would apply under the law applicable to the claim.

(d) The Arbitrator shall apply the Federal Rules of Evidence and shall have the authority to entertain a motion to dismiss or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. The Arbitrator is required to issue a written award and opinion setting forth the essential findings and conclusions on which the award is based, and any judgment or award issued by the Arbitrator may be entered in any court of competent jurisdiction. The Arbitrator does not have the authority to consider, certify, or hear an arbitration as a class action, collective action, or any other type of representative action. In addition, unless all parties agree in writing otherwise, the Arbitrator shall not consolidate or join the arbitrations of one or more than one individual. Neither party may seek, nor may the Arbitrator award, any relief that is not individualized to the claimant or that affects other individuals. The Arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that Party's individual claims.

(e) Employee and the Company recognize that this agreement to arbitrate arises out of or concerns interstate commerce and that the Federal Arbitration Act shall govern the arbitration and the interpretation or enforcement of this section or any arbitration award. If a court decides that applicable law does not permit the enforcement of any of this section's limitations as to a particular claim or any particular remedy for a claim, then that claim or particular remedy (and only that claim or particular remedy) must be severed from the arbitration and may be brought in court. To the extent that the Federal Arbitration Act is inapplicable, California law pertaining to arbitration agreements shall apply. Arbitration in this manner shall be the exclusive remedy for any Arbitrable Dispute. Except as prohibited by the Age Discrimination in Employment Act of 1967, as amended, should Employee or the Company attempt to resolve an Arbitrable Dispute by any method other than arbitration pursuant to this section, the responding party will be entitled to recover from the initiating party all damages, expenses, and attorneys' fees incurred as a result of this breach. This Section 13 supersedes any existing arbitration agreement between the Company and Employee as to any Arbitrable Dispute (as defined herein). Notwithstanding anything in this Section 13 to the contrary, a claim for benefits under an Employee Retirement Income Security Act of 1974, as amended, covered plan shall not be an Arbitrable Dispute.

15. Effective Date. The Parties understand and agree that this Agreement is final and binding eight (8) days after its execution and return (the "Effective Date"). Should Employee nevertheless attempt to challenge the enforceability of this Agreement as provided in Section 13 or, in violation of that section, through litigation, as a further limitation on any right to make such a challenge, Employee shall initially tender to the Company, by certified check delivered to the Company, all monies received pursuant to Section 4 or 5 of the Severance Pay Agreement, as applicable, plus interest, and invite the Company to retain such monies and agree with Employee

to cancel this Agreement and void the Company's obligations under the Severance Pay Agreement. In the event the Company accepts this offer, the Company shall retain such monies and this Agreement shall be canceled and the Company shall have no obligation under Section 14(e) of the Severance Pay Agreement. In the event the Company does not accept such offer, the Company shall so notify Employee and shall place such monies in an interest-bearing escrow account pending resolution of the dispute between Employee and the Company as to whether or not this Agreement and the Company's obligations under the Severance Pay Agreement shall be set aside and/or otherwise rendered voidable or unenforceable. Additionally, any consulting agreement then in effect between Employee and the Company shall be immediately rescinded with no requirement of notice.

16. Notices. Any notices required to be given under this Agreement shall be delivered either personally or by first class United States mail, postage prepaid, addressed to the respective parties and shall be effective upon receipt as follows:

To Company: [TO COME]

Attn: [TO COME]

With a copy to:

Attn: [TO COME]

To Employee: ______________________

____

____

17. Voluntary Waiver and Release of ADEA Claims. Employee understands and acknowledges that Employee is waiving any rights Employee may have under the Age Discrimination in Employment Act ("ADEA"), and that this waiver and release is knowing and voluntary. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further understands and acknowledges that Employee has been given a period of twenty-one (21) days to review and consider this Agreement before signing it and may use as much of this twenty-one (21) period as Employee wishes prior to signing. In the event Employee signs this Agreement and returns it to the Company in less than the twenty-one (21)-day period identified above, Employee hereby acknowledges that Employee has freely and voluntarily chosen to waive the time period allotted for considering this Agreement, and that the Company has not promised Employee anything or made any representations not contained in this Agreement to induce Employee to sign this Agreement before the expiration of the twenty-one (21) day period. Employee is encouraged, at Employee's personal expense, to consult with an attorney before signing this Agreement. Employee understands and acknowledges that whether or not Employee does so is Employee's decision. Employee may revoke this Agreement within seven (7) days of signing it. If Employee wishes to revoke, the Company's Vice President, Human Resources must receive written notice from Employee no later than the close of business on the seventh (7th) day after Employee has signed the Agreement. If revoked, this Agreement shall not be effective and enforceable, and Employee will not receive payments or benefits under Section 4 or 5 of the Severance Pay Agreement, as applicable. The Parties agree that changes, whether material or immaterial, do not restart the running of the twenty-one (21)-day period described above.

18. Section 409A. All payments and benefits payable under this Agreement are intended to comply with the requirements of Section 409A of the Code. Notwithstanding the foregoing, certain payments and benefits payable under this Agreement are intended to be exempt from the requirements of Section 409A of the Code. This Agreement shall be interpreted in accordance with the applicable requirements of, and exemptions from, Section 409A of the Code and the Treasury Regulations thereunder. To the extent the payments and benefits under this Agreement are subject to Section 409A of the Code, this Agreement shall be interpreted, construed and administered in a manner that satisfies the requirements of Section 409A(a)(2), (3) and (4) of the Code and the Treasury Regulations thereunder To the extent that any payments under this Agreement are subject to Section 409A of the Code, the provisions of Section 9 of the Severance Pay Agreement shall apply.

19. Return of Company Property. Employee represents and warrants that he/she has returned all of the Company's property, including all work in progress, files, photographs, notes, records, credit cards, keys, access cards, computers, and other Company or customer documents, products, or property that Employee has received in the course of his/her employment, or which reflect in any way any confidential or proprietary information of the Company. Employee also warrants that he has not downloaded or otherwise retained any information, whether in electronic or other form, belonging to the Company or derived from information belonging to the Company.

20. Confidential Information; Public Releases.

(a) Employee acknowledges and reaffirms Employee's continuing obligations under the Confidentiality Agreement. The Parties understand and agree that nothing in this Agreement is intended to interfere with or discourage Employee's good-faith disclosure to any governmental entity related to a reasonably suspected violation of the law or to prevent Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful. The Parties further understand and agree that Employee cannot be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) The Parties understand and agree that the Company and its affiliates shall take any and all necessary or appropriate action to timely satisfy their respective reporting and disclosure obligations in connection with Employee's separation and this Agreement, including filing any requisite forms with the Securities and Exchange Commission ("SEC") and Employee will promptly provide any information reasonably requested by the Company or any of its affiliates in fulfilling any such reporting or disclosure obligations.

21. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes any and all other agreements (except the Severance Pay Agreement and the Confidentiality Agreement) with respect to the subject matter of this Agreement, whether written or oral, between the Parties. Any prior agreements/provisions agreeing to arbitrate disputes with the Company shall remain in full force and effect and shall not be affected by this Agreement. All modifications and amendments to this Agreement must be in writing and signed by all Parties.

22. No Representation. The Parties represent and acknowledge that in executing this Agreement, neither is relying upon any representation or statement not set forth in this Agreement or the Severance Pay Agreement.

23. Take All Necessary Further Action. Each party agrees, without further consideration, to sign or cause to be signed, and to deliver to the other party, any other documents and to take any other action as may be necessary to fulfill the obligations under this Agreement.

24. Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or application; and to this end the provisions of this Agreement are declared to be severable.

25. Counterparts. This Agreement may be executed in counterparts.

With the benefit of representation and advice of counsel, the Parties have read the foregoing Severance Agreement and General Release, and accept and agree to the provisions it contains and hereby execute it voluntarily and with full understanding of its consequences. The Parties acknowledge that they are receiving valuable consideration in exchange for the execution of this Agreement, to which they would not otherwise be entitled.

DATED: __________

____

DATED: __________

____

Employee acknowledges that Employee first received this Agreement on [date].

____

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, J. Walker Martin, certify that:

1. I have reviewed this report on Form 10-Q of Sempra;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026 /s/ J. Walker Martin
J. Walker Martin
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, Karen L. Sedgwick, certify that:

1. I have reviewed this report on Form 10-Q of Sempra;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026 /s/ Karen L. Sedgwick

Karen L. Sedgwick
Chief Financial Officer

Exhibit 31.3

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, Scott B. Crider, certify that:

1. I have reviewed this report on Form 10-Q of San Diego Gas & Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026 /s/ Scott B. Crider

Scott B. Crider
President

Exhibit 31.4

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, Valerie A. Bille, certify that:

1. I have reviewed this report on Form 10-Q of San Diego Gas & Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026 /s/ Valerie A. Bille

Valerie A. Bille
Chief Financial Officer

Exhibit 31.5

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, Rodger R. Schwecke, certify that:

1. I have reviewed this report on Form 10-Q of Southern California Gas Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026 /s/ Rodger R. Schwecke
Rodger R. Schwecke
President

Exhibit 31.6

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, Valerie A. Bille, certify that:

1. I have reviewed this report on Form 10-Q of Southern California Gas Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2026

/s/ Valerie A. Bille

Valerie A. Bille
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Sec 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal executive officer of Sempra (the "Company") certifies that:

(i) the Quarterly Report on Form 10-Q of the Company filed with the Securities and Exchange Commission for the quarter ended June 30, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2026 /s/ J. Walker Martin

J. Walker Martin
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Sec 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal financial officer of Sempra (the "Company") certifies that:

(i) the Quarterly Report on Form 10-Q of the Company filed with the Securities and Exchange Commission for the quarter ended June 30, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2026 /s/ Karen L. Sedgwick
Karen L. Sedgwick
Chief Financial Officer

Exhibit 32.3

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Sec 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal executive officer of San Diego Gas & Electric Company (the "Company") certifies that:

(i) the Quarterly Report on Form 10-Q of the Company filed with the Securities and Exchange Commission for the quarter ended June 30, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2026 /s/ Scott B. Crider

Scott B. Crider
President

Exhibit 32.4

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Sec 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal financial officer of San Diego Gas & Electric Company (the "Company") certifies that:

(i) the Quarterly Report on Form 10-Q of the Company filed with the Securities and Exchange Commission for the quarter ended June 30, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2026 /s/ Valerie A. Bille

Valerie A. Bille
Chief Financial Officer

Exhibit 32.5

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Sec 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal executive officer of Southern California Gas Company (the "Company") certifies that:

(i) the Quarterly Report on Form 10-Q of the Company filed with the Securities and Exchange Commission for the quarter ended June 30, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2026 /s/ Rodger R. Schwecke

Rodger R. Schwecke
President

Exhibit 32.6

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Sec 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal financial officer of Southern California Gas Company (the "Company") certifies that:

(i) the Quarterly Report on Form 10-Q of the Company filed with the Securities and Exchange Commission for the quarter ended June 30, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2026	/s/ Valerie A. Bille
	Valerie A. Bille
	Chief Financial Officer